

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE FILING OF A GENERAL RATE)
INCREASE BY MEADE COUNTY RURAL)
ELECTRIC COOPERATIVE CORPORATION) CASE NO. 8480
OF BRANDENBURG, KENTUCKY,)
APPLICABLE TO ALL ITS MEMBERS)

O R D E R

IT IS ORDERED that Meade County Rural Electric Cooperative shall file an original and six copies of the following information with this Commission, with a copy to the Attorney General's Division of Consumer Protection, by April 23, 1982. Where a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), page 2 of 5. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. It neither the requested information nor a motion for an extension of time is filed by the stated date, the case will be dismissed.

1. A balance sheet, income statement and a statement of changes in financial position for the test year and the 12-month period immediately preceding the test year shown in comparative form.
2. A schedule of salaries and wages for the test year and each of the 5 calendar years preceding the test year as shown in Format I, attached.

3. Provide a breakdown of deferred credits of \$41,648 as shown on the balance sheet.

4. A detailed analysis of advertising expenditures during the test period. This analysis should include a breakdown of Account 913 - Advertising Expenses, as shown in Format 2, attached, and should also show any advertising expenditures included in other expense accounts. This analysis should be specific as to the purpose and expected benefit of each expenditure.

5. An analysis of Account 930 - Miscellaneous General Expenses for the test period. This should include a complete breakdown of this account as shown in attached Format 3, and also provide all detailed working papers supporting this analysis. At minimum, the work papers should show the date, vendor, reference (i.e. voucher no., etc.), dollar amount, and brief description of each expenditure.

6. A detailed analysis of contributions for charitable and political purposes (in cash or services). This analysis should indicate the amount of the expenditure, the recipient of the contribution, and the specific account charged.

7. A copy of the auditor's report from your most recent audit.

8. Provide the utility's times interest earned ratio and debt service coverage ratio, as calculated by the Rural Electrification Administration, for the test year and the 5 preceding calendar years. Include the data used to calculate each ratio.

9. Provide the utility's rate of return on net investment rate base for the test year and 5 preceding calendar years. Include the data used to determine the return.

10. The board resolution approving the 10 percent wage and salary increase effective August 1, 1981.

11. A copy of the most recent publication of the Borrower Statistical Profile for Meade County Rural Electric Cooperative published by the Rural Electrification Administration.

12. A copy of Kentucky's Electric Cooperatives Operating Expense and Statistical Comparisons for 1980 and 1981.

13. The date and time of the most recent annual members' meeting. Provide the number of members in attendance, the number of members voting for new board members, the number of new board members elected, and a general description of the meeting's activities along with the total cost of the meeting.

14. A detailed analysis of expenses incurred during the test year for professional services as shown in attached Format 4, and all detailed working papers supporting the analysis. At minimum the work papers should show the payee dollar amount, reference (i.e., voucher no., etc.) account charged, hourly rates and time charged to the utility according to each invoice, and a brief description of the service provided.

15. The work papers showing calculations supporting the medical insurance adjustment and show the increases in insurers' rates along with any documents supporting insurers' rate increase. Explain all components used in each calculation.

Provide the number of employees covered by the program and if the program covers all employees.

16. Work papers supporting any wage adjustment during the test year. The work papers should be broken down by employees, hours of straight time, hours of overtime, hourly rate of pay, total pay for the test year, and normalized test year wages.

17. A copy of the power invoices from Big Rivers for each month of the test year.

18. A breakdown of operating and maintenance expenses by each account in the same format presented in the Annual Report for the test year and the 12-month period immediately preceding the test year shown in comparative form.

19. What considerations were given in selecting the test period ending January 31, 1982? Was any analysis performed in making this determination? If so, submit a copy of the analysis.

20. State reasons for choosing the test period ending January 31, 1982, as opposed to the year ending December 31, 1981.

21. Do the revenues and expenses for the test period reflect any unusual or nonrecurring revenues or expenses or abnormal operating conditions, which could distort the test period for rate-making purposes? If so, identify those items in detail and explain why pro forma adjustments should or should not be made to reflect those abnormal items.

22. Were there any items or events included in the test period that distinguishes the 12-month period ending January 31, 1982, from the previous 12-month period ending January 31, 1981, or any other period? If so, explain.

23. Detailed work papers showing calculations supporting all normalizing and pro forma adjustments to revenues and expenses in the pro forma income statement, together with a complete detailed narrative explanation of each adjustment, including the reason(s) for each adjustment. Explain all components of each calculation and index each calculation to the adjustment it supports.

24. Provide a breakdown of the following balance sheet accounts as of the end of the test year.

- (a) Investment in Associated Organizations -
Pat. Capital
- (b) Investment in Associated Organizations -
Other Capital
- (c) Temporary Investments

25. The estimated dates for draw down of unadvanced loan funds at test year-end and the proposed uses of these funds.

Done at Frankfort, Kentucky, this 5th day of April, 1982.

PUBLIC SERVICE COMMISSION



For the Commission

ATTEST:

Secretary

Meade County RECC

Case No. 8480

ANALYSIS OF SALARIES AND WAGES

For the Calendar Years 1977 Through 1981
And the 12-Month Period Ending January 31, 1982

(000's)

Line No.	Item (a)	12 Months Ended										Test Year			
		Calendar Years Prior to Test Year					Test Year								
		5th	4th	3rd	2nd	1st	Amount	%	Amount	%	Amount		%		
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
		(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)		

1. Wages charged to expense:
2. Power production expense
3. Transmission expenses
4. Distribution expenses
5. Customer accounts expense
6. Sales expenses
7. Administrative and general expenses:
 - (a) Administrative and general salaries
 - (b) Office supplies and expense
 - (c) Administrative expense transferred-cr.
 - (d) Outside services employed
 - (e) Property insurance
 - (f) Injuries and damages

12 Months Ended

Line No.	Item (a)	Calendar Years Prior to Test Year						Test Year	
		5th	4th	3rd	2nd	1st	Amount % (m)		
		Amount % (b)	Amount % (c)	Amount % (d)	Amount % (e)	Amount % (f)			Amount % (g)

7. Administrative and general expenses (continued):

- (g) Employee pensions & benefits
- (h) Franchise requirements
- (i) Regulatory Commission expense
- (j) Duplicate charges-cr.
- (k) Miscellaneous general expense
- (l) Rents
- (m) Maintenance of general plant

8. Total administrative & general expenses L7(a) through L7(m)

9. Total Salaries and wages charged expense (12 through L6 + L8)

0. Wages capitalized

1. Total of salaries and wages

2. Ratio of salaries and wages charged expense to total wages (L9 ÷ L11)

3. Ratio of salaries and wages capitalized to total wages (L10 + L11)

OTE: Show percent increase of each year over the prior year in Columns (c), (e), (g), (i), (k), and (m)

Meade County Rural Electric Cooperative Corporation

Case No. 8480

ACCOUNT 913 - ADVERTISING EXPENSE

For the 12 Months Ended January 31, 1982

(000's)

<u>Line</u> <u>No.</u>	<u>Item</u> <u>(a)</u>	<u>Sales or</u> <u>Promotional</u> <u>Advertising</u> <u>(b)</u>	<u>Institutional</u> <u>Advertising</u> <u>(c)</u>	<u>Conservation</u> <u>Advertising</u> <u>(d)</u>	<u>Rate</u> <u>Case</u> <u>(e)</u>	<u>Other</u> <u>(f)</u>	<u>Total</u> <u>(g)</u>
1.	Newspaper						
2.	Magazines and Other						
3.	Television						
4.	Radio						
5.	Direct Mail						
6.	Sales Aids						
7.	Total						

Meade County Rural Electric Cooperative Corporation

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ACCOUNT 930.2 MISCELLANEOUS GENERAL EXPENSES

For the 12 Months Ended January 31, 1982

<u>Line</u> <u>No.</u>	<u>Item</u> <u>(a)</u>	<u>Amount</u> <u>(b)</u>
1.	Industry Association Dues	
2.	Institutional Advertising	
3.	Conservation Advertising	
4.	Rate Department Load Studies	
5.	Water, and Other Testing and Research	
6.	Directors' Fees and Expenses	
7.	Dues and Subscriptions	
8.	Miscellaneous	
9.	Total	

Meade County Rural Electric Cooperative Corporation

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Professional Service Expenses

For the Twelve Months Ended January 31, 1982

<u>Line No.</u>	<u>Item</u>	<u>Rate Case</u>	<u>Annual Audit</u>	<u>Other</u>	<u>Total</u>
1.	Legal				
2.	Engineering				
3.	Accounting				
4.	Other				
5.	Total				