

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ADJUSTMENT OF RATES OF SHELBY)
RURAL ELECTRIC COOPERATIVE) CASE NO. 8713
CORPORATION)

O R D E R

IT IS ORDERED that Shelby Rural Electric Cooperative Corporation shall file an original and seven copies of the following information with this Commission, with a copy to the Attorney General's Division of Consumer Protection, by March 28, 1983. 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. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case may be dismissed.

Information Request No. 2

1. Provide computations showing the determination of the maximum taxable wages for payroll taxes as shown in Exhibit J.
2. Provide a listing of loan funds drawn down subsequent to the test year showing the date of draw down, amount and applicable interest rate.

3. Page 27 of Exhibit J mentions that a CFC note will be changing interest rates from 9% to 13.5% on May 31, 1983. Submit the outstanding balance of the note as of that date.

4. Exhibit 8 shows \$23,371 as payroll expense classified under informational advertising. Provide a narrative explanation of the duties and responsibilities of the people who receive this compensation and the basis for determining the amount of compensation received.

5. Provide a breakdown of the \$8,798 miscellaneous amount classified under information advertising. State the name of the payee, a description of the commodity purchased and the dollar amount.

6. Provide a list showing the number of association meetings attended by each director and the amount of compensation each received for their attendance.

7. Exhibit 9 shows \$7,392 was spent for training programs. Describe the type programs offered to Shelby RECC employees, the number of employees that were allowed to take advantage of these programs and the expected benefits to be realized from them.

8. Regarding the \$13,115 listed as business travel expense, provide the following information: a list of the meetings for which these expenses were incurred, the number of directors and/or employees who travelled to those meetings and whether the flight accommodations were first class or coach.

9. Provide a monthly analysis of the temporary investments for the most recent 12 month period. Show the total invested

per month, the average daily amount invested, total interest earned in the month, the average daily interest and the average daily interest rate for the month.

10. Page 32 of Exhibit 5 states that the average daily interest rate earned by Shelby's temporary investments in the test year was distorted by investments made with East Kentucky Power Cooperative, Inc., at a high interest rate and that this is not anticipated as an investment in future periods. Provide an analysis stating the amount of monies invested in this manner during the test year, the length of the investment, the return realized from it, an explanation as to why it is not anticipated as an investment in the future and what the replacement for this means of investment will be.

11. Provide the name and address of each member of the Board of Directors of Shelby RECC along with his or her personal mailing address. If, during the course of these proceedings, any changes occur in board membership, provide an update to this request.

12. In reference to the previously filed testimony of Mr. Craig Bradley, lines 161-175:

A. Provide the detailed working papers showing calculations supporting this explanation of the increase in customer charge in Rate Class I.

B. Why were these particular costs (depreciation, taxes and interest) chosen as the basis for allocating an increase to the customer charge?

C. What effect did the 2.58 kw of demand attributed to each consumer's bill have upon the increase in customer charge?

Done at Frankfort, Kentucky, this 15th day of March, 1983.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Secretary