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#### COMMONWEALTH OF KENTUCKY

#### BEFORE THE PUBLIC SERVICE COMMISSION

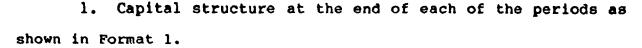
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In the Matter of:

NOTICE OF ADJUSTMENT OF RATES OF ) GENERAL TELEPHONE COMPANY ) CASE NO. 8859 OF KENTUCKY )

#### ORDER

IT IS ORDERED that General Telephone Company of Kentucky shall file an original and 15 copies of the following information with the Commission on or before August 12, 1983. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to insure that it is legible. Where information requested herein has been provided along with the original application, in the format requested herein, reference may be made to the specific location of said information in responding to this information request. When applicable, the information requested herein should be provided for total company operations and jurisdictional operations, separately. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case may be dismissed.



2. a. Provide a list of all outstanding issues of long term debt as of the end of the latest calendar year and the end of the test period together with the related information as shown in Format 2a. A separate schedule is to be provided for each time period. Report in Column (k) of Format 2a, Schedule 2 the actual dollar amount of debt cost for the test year. Compute the actual and annualized composite debt cost rates and report them in Column (j) of Format 2a, Schedule 2.

b. Provide an analysis of end of period short term debt and a calculation of the average and end of period cost rates as shown in Format 2b.

3. Provide a list of all outstanding issues of preferred stock as of the end of the latest calendar year and the end of the test period as shown in Format 3. A separate schedule is to be provided for each time period. Report in Column (h) of Format 3, Schedule 2, the actual dollar amount of preferred stock cost accrued and/or paid during the test year. Compute the actual and annualized preferred stock cost rate and report the results in Column (h) of Format 3, Schedule 2.

4. a. Provide a listing of all issues of common stock in the primary market during the most recent 10 year period as shown in Format 4a.

b. Provide the common stock information on a quarterly and yearly basis for the most recent 5 calendar years available, and through the latest available quarter as shown in Format 4b.

-2-





c. Provide monthly market price figures for common stock for each month during the most recent 5 year period and for the months through the date the application is filed as shown in Format 4c. Provide a listing of all stock splits by date and type.

5. Provide a computation of fixed charge coverage ratios for the 10 most recent calendar years and for the test year as shown in Format 5.

6. a. A schedule of the present and proposed rates, charges, terms and conditions, and service rates and regulations which the applicant seeks to change, shown in comparative form.

b. A detailed analysis of customers' bills, adjusted to actual usage and in such detail that the revenues from the present and proposed rates can be readily determined.

c. A schedule of test year revenues for each rate schedule per book rates, present rates annualized, and proposed rates annualized.

d. A schedule setting forth the effect upon average consumer bills.

e. A statement setting forth estimates of the effect that the new rate or rates will have upon the revenues of the utility, the total amount of money resulting from the increase or decrease and the percentage increase or decrease.

f. A schedule showing by service category (i.e., exchange access, private line, toll, etc.) the amount and percent of any proposed increase or decrease in revenue distributed to each category. This schedule is to be accompanied by a statement

-3-



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which explains in detail the methodology or basis used to allocate the requested increase or decrease in revenue to each of the respective service categories.

g. A schedule showing how the increase or decrease in (f) above was further distributed to each rate charge (i.e., exchange access, private line, toll, etc.). This schedule is to be accompanied by a statement which explains, in detail, the methodology or basis used to allocate the increase or decrease.

h. A statement showing by cross-outs and italicized inserts all proposed changes in rates, charges, terms and conditions, and service rules and regulations for each rate or charge. Copy of current tariff may be used. Item 6 should be provided where not previously included in the record.

7. In comparative form, a total company income statement, a statement of changes in financial position, and a balance sheet for the test year and the 12-month period immediately preceding the test year. (On the total company income statement show net income.)

8. A trial balance as of the last day of the test year (all income statement accounts should show activity for 12 months) showing account number, account title, and amount. Provide this information on a total company and Kentucky jurisdictional basis. Show the balance in each control and all underlying subaccounts per company books.

9. The balance in each current asset and each current liability account and subaccount included in the applicant's chart of accounts by months for the test year. Additionally show total

-4-

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current assets, total current liabilities and the net current position by months, annually, and the 13-month average for the test year. Provide a reconciliation of current assets, current liabilities and net current position provided in response to the above with the current assets and current liabilities as shown on the balance sheet for each month of the test year. If any amounts were allocated, provide a calculation of the factor used to allocate each amount.

10. List each general office account (asset, reserve, and expense accounts) covering the twelve months of the test year applicable to more than one jurisdiction or utility operation. If any amounts were allocated show a calculation of the factor used to allocate each amount.

11. The following monthly account balances and a calculation of the average (thirteen month) account balances for the test year for the total company and Kentucky jurisdictional operations:

- a. Plant in service (Account 101.1)
- b. Plant purchased or sold (Account 277)
- c. Property held for future use (Account 100.3)
- d. Construction work in progress (Account 100.2) (Separate this balance into CWIP eligible for capitalized interest and other CWIP)
- e. Completed construction not classified
- f. Depreciation reserve (Account 171)
- g. Plant acquisition adjustment (Account 100.4)
- h. Amortization of utility plant acquisition adjustment (Account 172)

-5-





- i. Materials and supplies (include all accounts and subaccounts (Account 122)
- j. Balance in accounts payable applicable to each account in i above. (If actual is indeterminable, give reasonable estimate.)
- k. Unamortized investment credit Pre-Revenue Act of 1971
- 1. Unamortized investment credit Revenue Act of 1971
- m. Accumulated deferred income taxes
- n. A summary of customer deposits as shown in Format lln to this request
- o. Balance in accounts payable applicable to amounts included in utility plant in service. (If actual is indeterminable, give reasonable estimate.)
- p. Balance in accounts payable applicable to amounts included in plant under construction. (If actual is indeterminable, give reasonable estimate.)

12. The dollar amount of employee concession telephone service for the 12 months of the test year as shown in Format 12 attached.

13. Provide the following information for each item of property held for future use at the end of the test year:

- a. Description of property
- b. Location
- c. Date purchased
- d. Cost
- e. Estimated date to be placed in service
- f. Brief description of intended use
- g. Current status of each project

14. Schedules in comparative form showing by months for the test year and the year preceding the test year the total company

-6-

balance in each plant and reserve account or subaccount and included in the applicant's chart of accounts as shown in Format 14.

15. Provide the journal entries relating to the purchase or sale of utility plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise since the inception of the Company. Also, a schedule showing the calculation of the acquisition adjustment at the date of purchase of each item of utility plant, the amortization period, and the unamortized balance at the end of the test year.

16. The detailed workpapers showing calculations supporting all accounting, pro forma, end of period, and proposed rate adjustments in the rate application to revenue, expense, investment and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment including the reason why each adjustment is required. Explain in detail all components used in each calculation including the methodology employed and all assumptions applied in the derivation of each adjustment. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

17. A schedule showing a comparison of the balance in the total company and Kentucky jurisdictional revenue accounts for each month of the test year to the same month of the preceding year for each revenue account or subaccount included in the applicant's chart of accounts. Include appropriate footnotes to show the month each rate increase was granted and the month the full increase was recorded in the accounts. See Format 14.

-7-

18. a. A schedule showing a comparison of the balance in the total company and Kentucky jurisdictional operating expense accounts for each month of the test year to the same month of the preceding year for each account or subaccount included in the applicant's chart of accounts. See Format 14.

b. A schedule in comparative form showing the total company and Kentucky jurisdictional operating expense account balance for the test year and each of the 5 years preceding the test year for each account or subaccount included in the applicant's annual report. (FCC Form No. M, Schedule 35.) Show the percentage of increase of each year over the prior year.

c. A schedule of total company and Kentucky jurisdictional salaries and wages for the test year and each of the five calendar years preceding the test year in the format as shown in Format 18c to this request. Show for each time period the amount of overtime pay.

d. A schedule showing the percentage of increase in salaries and wages for both union and non-union employees for the test year and the five preceding years.

19. Provide the amount of excess deferred federal income taxes resulting from the reduction in the corporate tax rate from 48 percent to 46 percent in 1979, as of the end of the test year.

20. The following tax data for the test year for total company and Kentucky jurisdictional operations.

- a. Income taxes:
  - (1) Federal operating income taxes deferred accelerated tax depreciation

-8-



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- (2) Federal operating income taxes deferred other (explain)
- (3) Federal income taxes operating
- (4) Income Credits resulting from prior deferrals of Federal income taxes
- (5) Investment tax credit net
  - (i) Investment credit realized
  - (ii) Investment credit amortized Pre-Revenue Act of 1971
- (6) Provide the information in 20a (1) through 20a(4) for state income taxes
- (7) Reconciliation of book to taxable income as shown in format 20a (7) and a calculation of the book Federal and State income tax expense for the test year using book taxable income as the starting point
- (8) A copy of Federal and state income tax returns for the taxable year ended during the test year including supporting schedules
- (9) Schedule of franchise fees paid to cities, towns or municipalities during the test year including the basis of these fees

b. An analysis of Kentucky other operating taxes in the format as shown in attached Format 20b.

21. A schedule of total company and Kentucky jurisdictional net operating income per average access line (See Format 22, Schedule 2) per company books for the test year and the 5 calendar years preceding the test year. This data should be provided as shown in Format 21 attached.

22. The comparative operating statistics as shown in Format 22 attached.

-9-

23. A schedule of total company and Kentucky jurisdictional average plant in service per access line by account per company books for the test year and the 5 calendar years preceding the test year. This data should be provided as shown in Format 23 to this request.

24. A statement of plant in service per company books for the test year. This data should be presented as shown in Format 24 to this request.

25. Provide the following information. If any amounts were allocated, show a calculation of the factor used to allocate each amount.

a. A detailed analysis of all charges booked during the test period for advertising expenditures. This analysis should include a complete breakdown of Account 642 - Advertising as shown in format 25a attached and further should show any other advertising expenditures included in any other expense accounts. The analysis should be specific as to the purpose of the expenditure and the expected benefit to be derived. Expenses allocated from either the parent company or from affiliated companies should so be identified.

b. An analysis of Account 675 - Other Expenses for the test period. This analysis should show a complete breakdown of this account as shown in attached Format 25b and further provide all detailed working papers supporting this analysis. As a minimum, the work papers should show the date, vendor, reference (i.e. voucher no., etc.), dollar amount and brief description of each expenditure. Detailed analysis is not required for amounts

-10-

of less than \$500 provided the items are grouped by classes as shown in Format 25b attached.

C. An analysis of Account 323 - Miscellaneous Income Charges for the test period. This analysis should show a complete breakdown of this account as shown in attached Format 25c, and further provide all detailed working papers supporting this analysis. As a minimum the work papers should show the date, vendor, reference (i.e., voucher no, etc.), dollar amount and brief description of each expenditure. Detailed analysis is not required for amounts of less than \$500 provided the items are grouped by classes as shown in Format 25c attached.

26. Provide a detailed analysis of expenses incurred during the test year for professional services, as shown in Format 26, and all working papers supporting the analysis. At minimum, the working papers should show the payee, dollar amount, reference (i.e., voucher no., etc.), account charged, hourly rates and time charged to the company according to each invoice, and a description of the service provided.

27. A detailed analysis of contributions for charitable and political purposes (in cash or services), if any, recorded in accounts other than Account 323. This analysis should indicate the amount of the expenditure, the recipient of the contribution and the specific account charged. If amounts are allocated show a calculation of the factor used to allocate each amount and its source.

28. a. Provide a statement describing the applicant's lobbying activities and a schedule showing the name of the

individual, his salary, the organizations or trade associations involved in and all company-paid or reimbursed expenses or allowances and the account charged for all personnel for whom a principal function is that of lobbying, on the local, state, or national level. If any amounts are allocated, show a calculation of the factor used to allocate each amount.

29. Provide the following information with regard to uncollectible accounts for the test year and 5 preceding calendar years (taxable year acceptable) for total company:

- a. Reserve account balance at the beginning of the year
- b. Charges to reserve account (accounts charged off)
- c. Credits to reserve account
- d. Current year provision
- e. Reserve account balance at the end of the year
- f. Percent of provision to total revenue

30. Provide a detailed analysis of the retained earnings account for the test period and the 12 month period immediately preceding the test period.

31. a. A listing of non-utility property and property taxes and accounts where amounts are recorded.

b. A schedule for all non-utility property giving a description, the date purchased and the cost.

32. Rates of return in Format 32 attached.

33. Employee data in Format 33 attached.

34. A calculation of the rate or rates used to capitalize interest during construction for the test year and the 3 preceding

-12-

calendar years. Provide a narrative explanation of each component entering into the calculation of this rate.

35. The information as soon as it is known, which would have a material effect on net operating income, rate base, and cost of capital which occurred after the test year and was not incorporated in the filed testimony and exhibits.

36. A detailed monthly income statement for each month after the test period including the month in which the hearing ends, as they become available.

37. Provide the names and mailing addresses of each of the applicant's directors.

38. Provide all current labor contracts and the most recent contracts previously in effect.

39. A schedule showing the test year and the year preceding the test year with each year shown separately the following information regarding the applicant's investments in subsidiaries and joint ventures:

- (1) Name of subsidiary or joint venture
- (2) Date of initial investment
- (3) Amount and type of investment made for each of the 2 years included in this report.
- (4) Balance sheet and income statement for the test year and the year preceding the test year. Where only internal statements are prepared, furnish copies of these.
- (5) Show on a separate schedule all dividends or income of any type received by applicant from its subsidiaries or joint ventures for each of the 2 year report periods and indicate how this income is reflected in the reports filed with the Commission and the stockholder reports.



(6) Name of officers of each of the subsidiaries or joint ventures, officer's annual compensation, and portion of compensation charged to the subsidiary or joint venture. Also, indicate the position each officer holds with the applicant and the compensation received from the applicant.

40. Additional data relating to affiliated or parent company(s).

a. Consolidated parent and subsidiaries balance sheet, income statement, and statement of changes in financial position for the test year and the last two calendar years.

b. Schedule showing balance sheet, income statement, and retained earnings adjusting entries for Kentucky subsidiary in its consolidation with the parent company and affiliated companies.

c. Schedule of company's home office and/or inter-company charges; monthly for the test year and yearly for the last 2 calendar years. State the type of goods or services provided (i.e., supplies capitalized, data service, management services, etc.). The amount by type from each billing unit and the method used in billing (i.e., direct or allocated) and basis for allocating common charges.

d. Schedule of federal income tax reductions due to filing a consolidated parent tax return for the last 2 taxable years. Show source and type of reduction, and method and basis of allocating to companies and states.

41. The most recently available Embedded Direct Analysis.

42. a. Explanation of the settlement contract or method used with South Central Bell and any other telephone companies to

-14-

arrive at applicant's Kentucky intrastate test period toll revenues. (Provide the traffic agreement presently in use for settlement purposes.) ٩,

b. Explanation with copies of appropriate supporting material, of the separation procedures used to arrive at the test period Kentucky intrastate portions of revenues, investment, expenses, taxes, reserves and any other items applicable to the case. Include discussions on cost studies which were used and periods for which studies were made.

c. A breakdown by dollar amounts of the Kentucky intrastate toll revenues for the test period into their major class of toll service-message toll including WATS, private line, foreign exchange, and any other items contributing to the intrastate toll revenues. Include all intrastate toll revenues whether received through settlements or otherwise.

43. a. The status of all intrastate toll settlements, by major class of toll service, with South Central Bell that were pending at the beginning and at the end of the test period that would affect the test period intrastate toll revenues. Indicate the finality of these settlements with South Central Bell, and if they are not final, give the expected amounts and the expected dates they will be finalized. These amounts are to be reconciled with book entries including amounts accrued for future settlement adjustments.

b. A statement of concurrence from South Central Bell that the test period intrastate toll settlement revenue is correct giving dollar amounts for each major class of toll service

-15-

settled. If concurrence cannot be obtained, provide a detailed statement of differences.

c. Written explanations of each change or adjustment in intrastate toll settlements which was booked during the test period, but was applicable to settlements outside of the test period and which was booked outside the test period, but was applicable to settlements covering portions of the test period.

d. Written explanation of all pro forma adjustments made to normalize the test period intrastate toll revenues such as those caused by settlement contract changes and separation procedure changes that may effect such items as the intrastate toll rate of return used in computing toll settlements for actual cost and division of revenues companies.

e. Any other information the applicant deems necessary to explain the debits and credits to its toll revenues in order to normalize its intrastate toll revenues for the test period.

Done at Frankfort, Kentucky, this 25th day of July, 1983.

PUBLIC SERVICE COMMISSION

ATTEST:

Secretary



Format 1 Schedule 1 Page 1 of 5

#### COMPANY NAME

#### Case No. 8859

#### Comparative Capital Structures (Excluding JDIC)

#### For the Periods as Shown

#### "000 Omitted"

Line	10th Year	9th Year	8th Year		
No. Type of Capital	Amount Ratio	Amount Ratio	Amount Ratio		

- 1. Long Term Debt
- 2. Short Term Debt
- 3. Preferred & Preference Stock
- 4. Common Equity
- 5. Other (Itemize by type)
- 6. Total Capitalization



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Format 1 Schedule 1 Page 2 of 5

#### COMPANY NAME

#### Case No. 8859

# Comparative Capital Structures (Excluding JDIC)

For the Periods as Shown

"000 Omitted"

Line		7th Yea		<u>6th Year</u>		5th Year		
No. Type of Capi	tal A	mount	<u>Ratio</u>	Amount Ratio		Amount	Ratio	

1. Long Term Debt

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- 2. Short Term Debt
- 3. Preferred & Preference Stock
- 4. Common Equity
- 5. Other (Itemize by type)
- 6. Total Capitalization



Format 1 Schedule 1 Page 3 of 5

#### COMPANY NAME

#### Case No. 8859

#### Comparative Capital Structures (Excluding JDIC)

For the Periods as Shown

"000 Omitted"

Line		4th Year	3th Year	2th Year	
No.	Type of Capital	Amount Ratio		Amount Ratio	

- 1. Long Term Debt
- 2. Short Term Debt
- 3. Preferred & Preference Stock
- 4. Common Equity
- 5. Other (Itemize by type)
- 6. Total Capitalization



Format 1 Schedule 1 Page 4 of 5

#### COMPANY NAME

# Case No. 8859

# Comparative Capital Structures (Excluding JDIC)

#### For the Periods as Shown

#### "000 Omitted"

				Average		
Line		lst Year	Test Year	Test Year		
No. T	ype of Capital	Amount Ratio	Amount Ratio	Amount Ratio		

- 1. Long Term Debt
- 2. Short Term Debt
- 3. Preferred & Preference Stock
- 4. Common Equity
- 5. Other (Itemize by type)
- 6. Total Capitalization



Format 1 Schedule 1 Page 5 of 5

COMPANY NAME

Case No. 8859

Comparative Capital Structures (Excluding JDITC)

For the Periods as Shown

"000 Omitted"

Line

No. Type of Capital

Latest Available Quarter Amount Ratio

- 1. Long Term Debt
- 2. Short Term Debt
- 3. Preferred & Preference Stock
- 4. Common Equity
- 5. Other (Itemize by Type)
- 6. Total Capitalization

Instructions:

- 1. Provide a calculation of the average test year data as shown in Format 1, Schedule 2.
- 2. If the applicant is a member of an affiliated group, the above data is to be provided for the parent company and the system consolidated.

$\begin{array}{c c} \mbox{const.} \mbox{i} \mbox{const.} $																						
$\begin{array}{c} \text{contrast}\\ \text{Case No. 8859}\\ \text{Calculation of Average Test Period Capital 12 Months Ended}\\ & \text{Total Long-Term Short-Term }\\ & \text{Total Long-Term Short-Term }\\ \text{Capital Debt Debt Debt }\\ \text{Month Honth }\\ \text{Month Honth }\\ \text{Month  }\\ \text{Month  }\\ \text{Month }\\ \text{Month }\\ \text{Month }$	17. Inst	16.	15.	14.	13.	12.	11.	5	Ø	°° -	10	ŝ	4.	دما	2.	94 9	No.	Line		-		
COMPANY NAME Case No. 8859 12 Months Ended "000 Omitted" Total Long-Term Short-Term Capital Debt Debt (c) (d) (d)	End-of-period capitalization ructions:	Average capitelization ratio	Average balance (L14 + 13)				Ξ.	9th Month					3th Month		Month	beginning of						
NY NAME No. 8859 Caltred" Oaltred" Debt (d)		•		L13)												ar	(b)	Total				
short-Term d" (d)																	(c)	Long-Term	"000 Oult	lest	Case No. (	CONTRAINT N
Structure Preferred Common Retained Common Stock Stock Earningy Equity (e) (f) (g) (h)																	(d)	Short-Term	ted"	Period Capital	3859	ba
Format 1 Schedule 2 Common Stock Earningu Equity (f) (g) (h)																	(e)	Preferred		Structure		
Format 1 Schedule 2 Retained Common Earningu Equity (g) (h)																	(1)	Comon				
Total Common (h)																	(g)	Retained Raminou				Format 1 Schedule 2
á literatura de la construcción de																	(h)	Total Comon Rouity				

the total company capital structure. Show the amount of common equity exciting the premium on class of stock.

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Format 2a Schedule 1

Case No. 8859

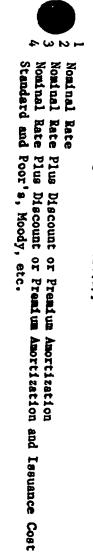
Schedule of Outstanding Long Term Debt For the Calendar Year Ended December 31,\_\_\_\_

Type of Debt Issue (a)
Date of (b)
Date of <u>Haturity</u> (c)
Amount Outstanding (d)
Coupon Interesp (e)
Cost Rate At Issue (f)
Cost Rate to <u>Maturity</u> (g)
Bond Rating At Time 4 of Issue (h)
Type of Obligation (1)
Annualized Cost Col.(d)xCol.(g) (j)

Line No.



Annualized Cost Rate [Total Col. (j) + Total Col.(d)]



Sum				Line No.			
Nominal Rate Nominal Rate Plus Discount or Premium Amortization nominal Rate Plus Discount or Premium Amortization and Issuance Cost Standard and Poor's, Moody, etc. Sum of Accrued Interest Amortization of Discount or Premium and Issuance Cost	Actual Long-Term Debt Cost Rate [Total Col. k + Total Reported in Col. (c) Line 15 of Format 1, Schedule 2]	Annualized Cost Rate [Total Col. (j) + Total Col.(d)]	Total Long-Term Debt and Annualized Cost	Type of Debt Issue (a)			
) Discou 3 Discou 5'8, Moo 1terest	Terme De 11 Col. 1n Col. 1, Sche	Cost Rat - Total	lerm Deb i Cost	Date of Issue (b)			
nt or Pr nt or Pr dy, etc. Amortiza	bt Cost k → Tota (c) Line dule 2]	e [Total Col.(d)]	t and	Date of Haturity (c)			
emium Amorti; emium Amorti; tion of Disc	. 1 15	-		Date Date Coupon of of Amount Interest Issue Maturity Outstanding Rate (b) (c) (d) (e)			
zation an zation an ount or P				Coupon Interest Rate (e)	chedule o For the T		
d Issuance				Cost Cost Rate 2 Rate to <sub>3</sub> (f) (g)	Schedule of Outstanding Long-Term Debt For the Test Year Ended	Case No. 8859	COMPANY NAME
Cost Issuance				Cost Rate to <sub>3</sub> Maturity (g)	lng Long-T nded	8859	AND I
Comp				Bond Racing At Time of Issue (h)	ern Debt		
				Type of Obligation (1)			Port
				Bond Earing Type Annualized Test To At Time of Cost Intero of Issue Obligation Col.(d) xCol.(g) Cost (h) (j) (j) (k)			Format 2a Schodulo 2
				Test Tea Interes Cost (k)	Actual		

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Format 2a Schedule 3

#### COMPANY NAME

#### CASE NO. 8859

Long-Term Debt and Preferred Stock Cost Rates

Annualized Cost Rate Long-Term Debt Preferred Stock

Parent Company:

Test Year

Latest Calendar year

#### System Consolidated:

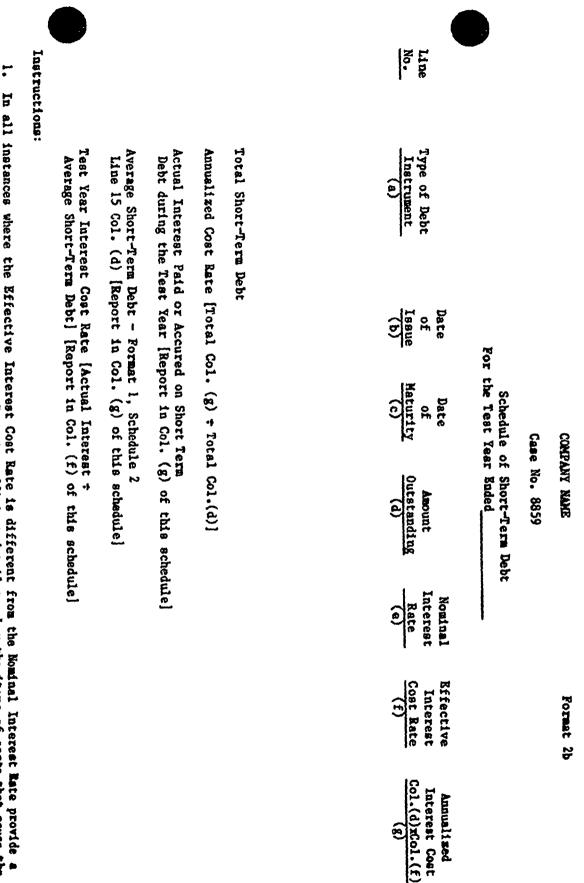
Test Year

Latest Calendar year

#### Instruction:

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- 1. This schedule is to be completed only by applicants that are members of an affiliated group.
- 2. Detailed workpapers showing calculation of the above cost rates are to be available on request.



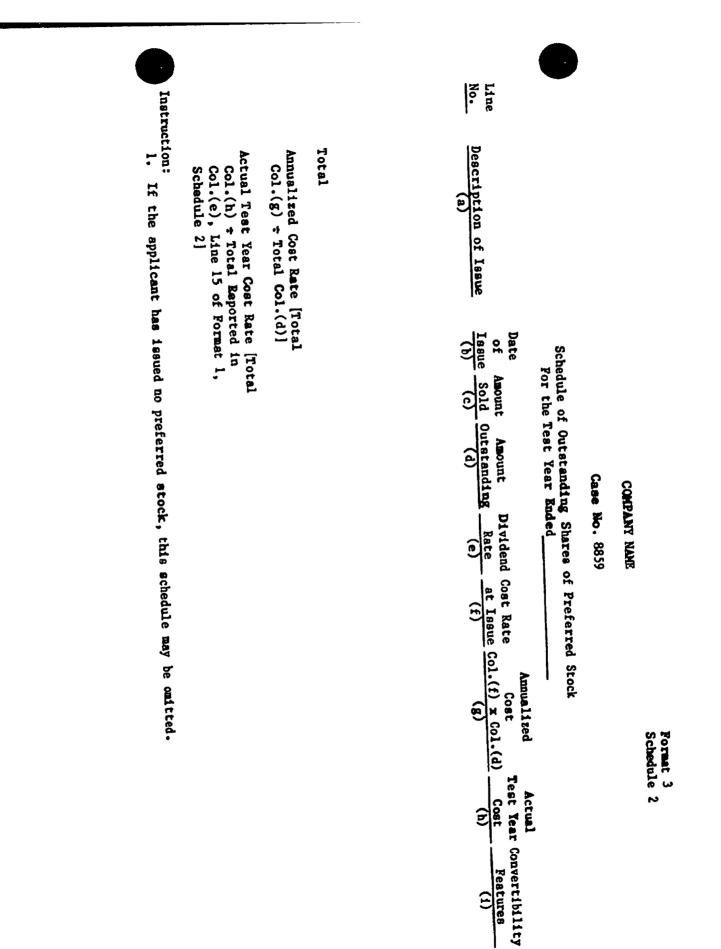
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In all instances where the Effective Interest Cost Rate is different from the Nominal Interest Rate provide a calculation of the effective Interest Cost Rate in sufficient detail to show the items of costs that cause the

difference.

Instru	Line No.
Total Annualized Cost Rate [Total Col.(g) + Total Col.(d)] Instruction: 1. If the applicant has issued no preferred stock, this schedule may be cmitted.	Format 3 COMPANY MANS Case No. 8859 Schedule of Outstanding Shares of Preferred Stock For the Calendar Year Ended Date No. Description of Issue (a) Description of Issue (b) $\frac{Sold}{(c)}$ $\frac{Votestanding}{(d)}$ $\frac{Rate}{(e)}$ $\frac{Rate}{(f)}$ $\frac{Rate}{(f)}$ $\frac{Sold}{(f)}$ $\frac{Votestanding}{(e)}$ $\frac{Rate}{(f)}$ $\frac{Sold}{(f)}$ $\frac{Votestanding}{(f)}$ $\frac{Rate}{(f)}$ $\frac{Sold}{(f)}$ $\frac{Votestanding}{(f)}$ $\frac{Rate}{(f)}$ $\frac{Sold}{(f)}$ $\frac{Votestanding}{(f)}$ Vo
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Case No. 8859

Schedule of Common Stock Issue

For the 10 Year Period Ended

DATE OF Issue Announcement Registration
Number of Shares Issued
Price Per Share to Public
Price Per Share (Net to Company)
Book Value Per Share At Date of Issue
Selling Exps. As X of Gross Issue Amount
Het Proceeds to Company

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Instructions:

If applicant is a member of an affiliate group, provide in a separate schedule the above data for the parent company.

Format 4a

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Format 4b

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#### COMPANY NAME

#### Case No. 8859

# Quarterly and Annual Common Stock Information For the Periods as Shown

Period	Average No. of Shares Outstanding (000)	Book <u>Value</u> (\$)		Dividend Rate <u>Per Share</u> (\$)	Return on Average Common Equity (%)					
5th Calendar Yea lst Quarter 2nd Quarter 3rd Quarter 4th Quarter Annual	ar:									
4th Calendar Yea 1st Quarter 2nd Quarter 3rd Quarter 4th Quarter Annual	er:									
3rd Calendar Yea lst Quarter 2nd Quarter 3rd Quarter 4th Quarter Annual	ar:									
2nd Calendar Yea 1st Quarter 2nd Quarter 3rd Quarter 4th Quarter Annual	ar:									
lst Calendar Yea Ist Quarter 2nd Quarter 3rd Quarter 4th Quarter Annual	9r :									
Latest Available Quarter										
Instructions:										
1. Report annu 2. If applicar	al returns only. It is a member	of a	n affiliate	group,	provide in a					

2. If applicant is a member of an affiliate group, provide in a separate schedule the above data for the parent company.



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Format 4c Page 1 of 2

COMPANY NAME

Case No. 8859

Common Stock - Market Price Information

Month

ITEM

5th Year: Monthly High Monthly Low Monthly Closing Price

- 4th Year: Monthly High Monthly Low Monthly Closing Price
- 3rd Year: Monthly High Monthly Low Monthly Closing Price
- 2nd Year: Monthly High Monthly Low Monthly Closing Price
- Months to Date of Filings: Monthly High Monthly Low Monthly Closing Price

Instructions:

- 1. Indicate all stock splits by date and type.
- 2. If applicant is a member of an affiliate group, provide in a separate schedule the above data for the parent company.



Format 4c Page 2 of 2

#### COMPANY NAME

Case No. 8859

Common Stock - Market Price Information

Month

Item

#### July August September October November December

5th Year: Monthly High Monthly Low Monthly Closing Price 4th Year: Monthly High Monthly Low Monthly Closing Price 3rd Year: Monthly High Monthly Low Monthly Closing Price 2nd Year: Monthly High Monthly Low Monthly Closing Price Months to Date of Filings: Monthly High Monthly Low Monthly Closing Price

#### Instructions:

- 1. Indicate all stock splits by date and type.
- 2. If applicant is a member of an affiliate group, provide in a separate schedule the above data for the parent company.



Format 5 Page 1 of 4

#### COMPANY NAME

#### Case No. 8859

Computation of Fixed Charge Coverage Ratios For the Periods as Shown

10th C	alendar Year	9th Ca	lendar Year	8th Cal	endar Year
	Bond or		Bond or		Bond or
	Mortg.		Mortg.		Mortg.
	Indenture		Indenture		Indenture
SEC	Require-	SEC	Require-	SEC	Reguire-
Method	ment	Method	ment	Method	ment

# No. Item

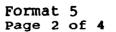
Net Income Additions Itemize

Total Additions Deductions: Itemize

Total Deductions

Income Available for Fixed Charge Coverage

Fixed Charges



#### COMPANY NAME

#### Case No. 8859

Computation of Fixed Charge Coverage Ratios For the Periods as Shown

7th Ca	lendar Year	6th Cal	endar Year	5th Cal	endar Year
	Bond or		Bond or	- <u></u> ,	Bond or
	Mortg.		Mortg.		Mortg.
	Indenture		Indenture		Indenture
SEC Method	Require- ment	SEC Method	Require- ment	SEC <u>Method</u>	Require- ment

#### No. Item

1.

Net Income Additions Itemize

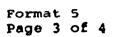
Total Additions Deductions: Itemize

.

Total Deductions

Income Available for Fixed Charge Coverage

Fixed Charges



#### COMPANY NAME

#### Case No. 8859

Computation of Fixed Charge Coverage Ratios For the Periods as Shown

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\_\_\_\_

4th Ca	lendar Year	3th Cal	endar Year	2nd Cal	endar Year
	Bond or		Bond or		Bond or
	Mortg.		Mortg.		Mortg.
	Indenture		Indenture		Indenture
SEC	Require-	SEC	Require-	SEC	Require-
Method	ment	Method	ment	Method	ment

. . . . . .

# No. Item

Net Income Additions Itemize

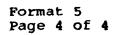
Total Additions Deductions: Itemize

Total Deductions

Income Available for Fixed Charge Coverage

~

#### Fixed Charges



#### COMPANY NAME

#### Case No. 8859

Computation of Fixed Charge Coverage Ratios For the Periods as Shown

lst Ca	lendar Year	Test	Year
	Bond or		Bond or
	Mortg.		Mortg.
	Indenture		Indenture
SEC	Require-	SEC	Require-
Method	ment	Method	ment

# No. Item

Net Income Additions Itemize

Total Additions Deductions: Itemize

Total Deductions

Income Available for Fixed Charge Coverage

#### Fixed Charges

Format 11n

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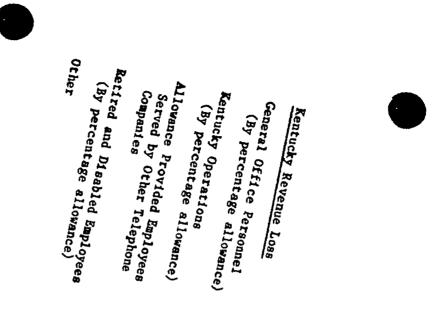
### Company Name

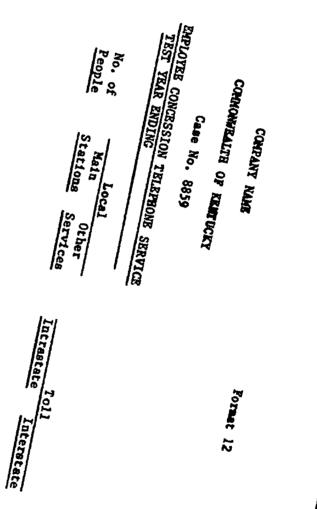
### Case No. 8859

### SUMMARY OF CUSTOMER DEPOSITS

Test Year

Line <u>No.</u>	Month (a)	Receipts (b)	Refunds (c)	<u>Balance</u> (d)
1.	Balance beginning of	test year		
2.	lst Month			
3.	2nd Month			
4.	3rd Month			
5.	4th Month			
6.	5th Month			
7.	6th Month			
8.	7th Month			
9.	8th Month			
10.	9th Month			
11.	10th Month			
12.	11th Month			
13.	12th Month			
14.	Total (Ll thro	ough L13)		
15.	Average Balance (L14	i + 13)		
16.	Amount of deposits a	eceived during	g test period	l
17.	Amount of deposits 1	refunded during	g test period	l
18.	Number of deposits of	on hand end of	test year	
19.	Average amount of de	eposit (L15, Co	olumn (d) + I	.18)
20.	Interest paid during	g test period		





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Format 14

### COMPANY NAME

## Case No. 8859

## COMPARISON OF TEST YEAR ACCOUNT BALANCES WITH THOSE OF THE PRECEDING YEAR

Account Title and Account Number lst Month 2nd Month 3rd Month 4th Month 5th 6th 7th Month Month Month Honth 8th 9th Month 10th 11th Month Month Month Total 12¢h

Test Year Prior Year Increase (Decrease)



Format 18c

### COMPANY NAME

### Commonwealth of Kentucky

### Case No. 8859

ANALYSIS OF SALARIES AND WAGES CHARGED TO EXPENSE TEST YEAR ENDING

					12 Mont	hs Ende	đ		
Line				and the second		to test	Year	Test	
No.		Item	5th	4th	<u>3rd</u>	<u>2nd</u>	lst	Year	
		(a)	(b)	(c)	(b)	<u>(e)</u>	$\overline{(f)}$	(g)	
1.	Main	tenance	\$	\$	\$	\$	\$	\$	
2.	Traf	fic							
3.	Comm	ercial							
4.	Reve	nue Accounting							
5.	Gene	General Office and							
	Admi	Adminstrative Salaries:							
6.	(a)	Executive Department	2						
7.	(b) Accounting Department <sup>1</sup> /								
8.	(c) Treasury Department								
9.	(d)	(d) Law Department							
10.	(e)	(e) Other General Office Salaries							
11.	(f) General Office and Administrative Salaries allocated to Kentucky								
12.	Total General Office Administrative Salaries (Line 6 thru 11)								
13.	Ch	Total Salaries and Wages Charged Expense (Lines 1 thru 4 + Line 12)							
14.	Cons	itruction							
15.	Tota	l Salaries and Wages							

1/ Exluding Revenue Accounting Salaries and Wages.

For			
	2.5	УCП	

## COMPANY NAMB

## RECONCILIATION OF BOOK NET INCOME AND FEDERAL TAXABLE INCOME Commonwealth of Kentucky 12 Months Raded Case No. 8859

Line No.
Item (a)
Total <u>Company</u> (b)
Total Company Non-operating (c)
Combined (d)
Kentucky Operations Other Intrastate Jurisdicti (e) (f)
ions Other Jurisdictio (f)

- 2.
- ω B. Federal income tax deferred-Federal income tax-Current
- £. Depreciation
- ŝ ç Federal income tax deferred-Other
- 6. 9 Investment tax credit adjustment
- 7. 3 Federal income taxes charged
- to other income and deductions
- State income taxes
- 9 8 G .... State income taxes charged to
- other income and deductions
- 10. Total
- .... Flow through iteas:
- 12. Add (itemize)
- 13. Deduct (itemize)
- 14. Book taxable income
- Differences between book taxable income
- and taxable income per tax return:
- Add (itemize)
- 17. Deduct (itemize)
- 18. Taxable income per return
- NOTE: Ξ Provide a calculation of the amount shown on Lines 3 through 7 above.
- 3 Provide work papers supporting each calculation including the depreciation schedules for straight-line tax and accelerated tax depreciation.
- 3 Provide a schedule setting forth the basis of allocation of each item of revenue or cost allocated above.

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Ω.
2
<b>—</b>
22
5
5
141

Schedule 2 Pormat 20a(7)

## Case No. 8859 RECONCILIATION OF BOOK NET INCOME AND STATE TAXABLE INCOME Commonwealth of Kentucky 12 Months Ended

<b>9.</b>	8. 76. 8.	5	ε. •	2.	No.	
G. St	Other D. Investment tax credit adjust E. Federal income taxes charged to other income and deduct F. State income taxes	Depreciation C. Federal income tax deferred-	A. Federal income tax deferred- B. Federal income tax deferred-	Net income per books Add income taxes:		
ate income taxes charged to other income and deductions	Other Investment tax credit adjustment Federal income taxes charged to other income and deductions State income taxes	tax deferred-	tax-currenc tax deferred-	2		
					Total Company (b)	14 EMARTING ANNOL
					Total Company Non-operating (c)	
					Ka Combined (d)	
					Kentucky Operations   Intrastate Ju (e)	
					ions Other Jurisdictic (f)	

Taxable income per return

Deduct (itemize) Add (itemize) 14. 13. 12.

> Book taxable income Deduct (itemize)

Add (itemize)

Differences between book taxable income

and taxable income per tax return:

- NOTE: <u>8</u>E Provide a calculation of the amount shown on Lines 8 through 9 above. Provide work papers supporting each calculation including the depreciation schedules for straight-line tax and accelerated tax depreciation.
- ຍ Provide a schedule setting forth the basis of allocation of each item of revenue or cost allocated above.

			Case No. 8859	65	
		Án,	Analysis of Other Operating Taxes 12 Months Ended	rating Taxes ied	
			"000 Omitted"	8	
Líne No.	Item	Charged Expense (a)	Charged to <u>Construction</u> (b)	Charged to Other Accounts (c)	Amount Accrued (d)
ĸ	Kentucky Retail:				
<u>(</u>	(a) State Income				
()	(b) Gross Receipts*	*			
0	(c) Ad Valorem (Property)	operty)			
ĉ	(d) Payroll (Employer's Portion)	yer'a Portion)			
<b>(</b>	(e) Other Taxes				
Ţ	Total Kentucky Retail [Ll(a) through Ll(d)]	(d)]			
0	Other Jurisdictions				
	Total Per Books (L2 + L3)	L2 + L3)			

Instructions:

\*Actual payments for test year should be shown under the amount paid column.

1. Explain items in column (c).

22.	21.	16. 19. 20.	15.	10. 11. 12. 14.	y 6555391	Line No.	
Total average primary phone (13-month average)	Net operating income	Operating Taxes Federal income taxes State income taxes Other operating taxes Total operating taxes	Net operating revenue	Maintenance expenses Depreciation and amortization Traffic expenses Commercial expenses General office salaries and expenses Other operating expenses Total operation and maintenance expenses	Operating Revenues Local service revenues Toll service revenues Miscellaneous revenues Uncollectibles - debit Total operating revenues	Calendar Years Prior to Test Year <u>Item</u> (a) <u>5th 4th 3rd 2nd 1st</u> (b) (c) (d) (e) (f)	Case No. 8859 KENTUCKY COMBINED NET OPERATING INCOMB PER AVERAGE ACCESS LINE TEST YEAR ENDING 12 Month Ended

Format 21

Year (g) COMPANY NAME

Format 22 Schedule 1

COMPANY NAME

Commonwealth of Kentucky

### Case No. 8859

NUMBER OF EMPLOYEES TEST YEAR ENDING

Period	Total (a)	Maintenance (b)	Traffic (c)	Commercial (d)	General <u>Office</u> (e)
Month prior to Test Year					
lst Month of Test Year					
2nd Month					
3rd Month					
4th Month					
5th Month					
6th Month					
7th Month					
8th Month					
9th Month					
10th Month					
11th Month					
12th Month					
A 13-Month Average for Calendar Years Prior to Test Year	3				
5th Year 4th Year 3rd Year 2nd Year 1st Year Test Year					



Format 22 Schedule 2

### COMPANY NAME

### Commonwealth of Kentucky

### Case No. 8859

### STATION DATA TEST YEAR ENDING

Period	Main (a)	Centrex Trunks (b)	PBX <u>Trunks</u> (c)	Other Equiva- Lents (d)	Total Primary <u>Phones</u> (e)
Month prior to Test Year					
lst Month of Test Year					
2nd Month					
3rd Month					
4th Month					
5th Month					
6th Month					
7th Month					
8th Month					
9th Month					
10th Month					
11th Month					
12th Month					
A 13-Month Averag for Calendar Year Prior to Test Yea	8				
5th Year 4th Year 3rd Year 2nd Year 1st Year Test Year					•

L

Format 22 Schedule 3

### COMPANY NAME

### Commonwealth of Kentucky

### Case No. 8859

### GENERAL STATISTICAL DATA TEST YEAR ENDING

		Number of Station
	Number of	<b>Connections</b> Per
	Employees Per	Installer-
Period	Access Line	Repairman
	(a)	(b)

12 Months Ended December 31:

Calendar Years Before Test Year

- 5th Year
- 4th Year
- 3rd Year
- 2nd Year
- lst Year
- Test Year





Format 22 Schedule 4

### COMPANY NAME

### Commonwealth of Kentucky

### Case No. 8859

### GENERAL STATISTICAL DATA TEST YEAR ENDING

Average Net Plant	Increase Over	Construction Budget	Increase Over		
In Service	Prior Year	Amount	Prior Year		
(a)	(b)	(c)	(d)		

### COMBINED

Calendar Years Before Test Year

> 5th Year 4th Year 3rd Year 2nd Year 1st Year Test Year

### INTRASTATE

Calendar Years Before Test Year

•

5th Year 4th Year 3rd Year 2nd Year 1st Year Test Year

COMPANY NAME	
	Format 23 Sheet 1 of 2

## **Case No.** 8859

# KENTUCKY COMBINED OPERATIONS TELEPHONE PLANT IN SERVICE BY CLASS AT YEAR END PER AVERAGE ACCESS LINES TEST YEAR ENDING

242.2	242.1	241	234	232	231	221	212	211	203	202	201	Account Number	
Underground cable	Aerial cable	Pole lines	Large private branch exchanges	Station connections	Station apparatus	Central office equipment	Buildings	Land	Patent rights	Franchises	Organization	Account (a)	
												5th 4th 3rd 2nd 1st (b) (c) (d) (e) (f)	12 Month Ended Calendar Years Prior to Test Tear
												(g)	Test





5th 4th (b) (c)

3rd 2nd 1st (d) (e) (f)

(g) I est

12 Month Ended Calendar Years Prior to Test Year

242.3	
Buried	
cable	

- 242.4 Submarine cable
- 243 Aerial cable
- 244 Underground conduit
- 261 Furniture and office equipment
- 264 Vehicles and other work equipment
- 100.1 Total telephone plant in service

Total average access line ( (13 month average)

13
R
*

## COMPANY NAME

## Case No. 8859

# KENTUCKY COMBINED OPERATIONS STATEMENT OF TELEPHONE PLANT IN SERVICE TEST YEAR ENDING

Account Number
Account (a)
Balance Beginning Of Year (b)
Balance Beginning Of Year Additions B (b) (c)
Balance End Retirements Of Year (d) (e)
Balance End Of Year (e)
Intrasta Percent (f)
te Intrastate Portion (g)

Telephone Plant in Service:

<b>&gt;</b>	243	242.4	242.3	242.2	242.1	241	234	232	231	221	212	211	203	202	201
	Aerial wire	Submarine cable	Buried cable	Underground cable	Aeríal Cable	Pole lines	Large private branch exchanges	Station connections	Station apparatue	Central office equipment	Buildings	land	Patent rights	Franchí ses	Organization



Underground conduit

Furniture and office equipment Vehicles and other work equipment Total telephone plant in service

Format 25a

### COMPANY NAME

### Case No. 8859

### KENTUCKY COMBINED OPERATIONS ACCOUNT 642 - ADVERTISING FOR THE TEST YEAR ENDING

Line		Sales	Institutional	Rate	
No.		Advertising	Advertising	Case (d)	Total
	(a)	()	(C)	(a)	(e)

- 1. Newspapers and periodicals
- 2. Booklets and pamphlets
- 3. Bill inserts
- 4. Displays, exhibits, posters, and placards
- 5. Motion pictures
- 6. Radio
- 7. Television
- 8. Salaries and wages
- 9. Other advertising
- 10. Other expenses
- 11. Total

### Format 25b

. . ... ... ... .. .. .. .. .

### COMPANY NAME

### Case No. 8859

### KENTUCKY COMBINED OPERATIONS SUMMARY OF ACCOUNT NO. 675 - OTHER EXPENSES FOR THE TEST YEAR ENDING

Line No.	DescriptionAmount(a)(b)
1.	Valuations, inventories, and appraisals
2.	Business Information System (BIS) expense
3.	Purchase of employees service emblems
4.	Membership fees and dues
5.	Directors' fees and expenses
б.	Printing Annual Report
7.	FCC Filing and Grant Fees
8.	Company apportioned amounts for various items
9.	Other items (itemize)
10.	-
11.	-

12. Total





Format 25c

### COMPANY NAME

### Case No. 8859

### KENTUCKY COMBINED OPERATIONS ACCOUNT NO. 323 - MISCELLANEOUS INCOME CHARGES INCLUDED IN OPERATING EXPENSES

Line		
NO.	Item (a)	Amount (b)

- 1. Contributions (a)
- 2. Membership fees and dues (a)
- 3. Abandoned construction projects
- 4. Other (itemize)
- 5. Total

(a) Detail attached

### Format 26

### COMPANY NAME

· — · · · · – ·

### CASE NO. 8859

### Professional Service Expenses

### For the Twelve Months Ended

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

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Format 32

### COMPANY NAME

### Case No. 8859

### AVERAGE RATES OF RETURN

For the Calendar Years Through and the 12 Months Ended

Line No.	Calendar Years Prior to Test Year	Total Company	Ky. Jurisdiction	Other Jurisdictions
	(a)	(b)	(c)	(d)
1.	Original Cost Net In	vestment:		
2.	5th Year			
3.	4th Year			
4.	3rd Year			
5.	2nd Year			
6.	lst Year			
7.	Test Year			
8.	Original Cost Commor	Equity:		
9.	5th Year			
10.	4th Year			
11.	3rd Year			
12.	2nd Year			
13.	lst Year			
14.	Test Year			

NOTE: Provide work papers in support of the above calculations.

	Note: (1) Wh	hange	Test Year	Z Change	lst Year	<b>%</b> Change	2nd Year	Z Change	3rd Year	X Change	4th Year	X Change	5th Year	endar Years for to Test Year (a)	SCHEDUL
function receiving largest portion of total wages. Show percentage increase (decrease) of each year over the prior year decrease."	Where an employee's wages are charged to more than one function include employee in													Officials & Managerial Assistants No. Hrs. Wages (b) (c) (d)	SCHEDULE OF NUMBER OF EMPLOYEES,
st portion of total w (decrease) of each y	s are charged to more													Professional and Semi- Professional Ho. Hrs. Wages (e) (f) (g)	S, HOURS PER EMPLOYE
ages. ear over the prior y	than one function i													Business Office and Sales No. Ers. Wages (h) (1) (j)	HOURS PER EMPLOYEE, AND AVERAGE WAGES PER EMPLOYEE
rear on lines	nclude employee in													Sales No. Hrs. Wages (k) (1) (m)	PER EMPLOYES

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COMPANY NAME Case No. 8859

Format 33 Page 1 of 2

3 Show percentage increase (decrease) of each year over the prior year on lines designated above "X Change." Employees, weekly hour per employee, and weekly wages per employee for the week including December 31 of each year and the last day of the test year.

X Change	X Change	lst Year	X Change	2nd Year	Z Change	3rd Year	X Change	4th Year	X Change	5th Year	Prior to Test Years (a) No. Hrs. Wages (n) (o) (p)	SCHEDULE OF NUMBER OF	
											Construction Installation <u>&amp; Maintenance</u> <u>Res</u> <u>No. Hrs. Wages</u> <u>No.</u> (q) (r) (s) (t)	SCHEDULE OF NUMBER OF EMPLOYEES, HOURS PER EMPLOYEE, AND AVERAGE WAGES PER EMPLOYEE	COMPANY NAME Case No. 8859
											All Other No. Hrs. Wages (t) (u) (v) No. Hrs. Wages (w) (x) (y)	ND AVERAGE WAGES PER EMPLOYEE	Pormat 33 Page 2 of 2

Note:

- (1) Where an employee's wages are charged to more than one function include employee in function receiving largest portion of total wages.
  (2) Show percentage increase (decrease) of each year over the prict year on lines designated above "% Change."
- (3) Employees, weekly hour per employee, and weekly wages per employee for the week including December 31 of each year and the last day of the test year.

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