

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF LICKING VALLEY )  
RURAL ELECTRIC COOPERATIVE CORPORATION )  
OF WEST LIBERTY, KENTUCKY, FOR AN ORDER ) CASE NO. 9475  
AUTHORIZING AN ADJUSTMENT IN ITS RETAIL )  
RATES, APPLICABLE TO ALL CUSTOMERS )

O R D E R

IT IS ORDERED that Licking Valley Rural Electric Cooperative Corporation ("Licking Valley") shall file an original and 12 copies of the following information with this Commission, with a copy to all parties of record, by April 29, 1986, or within 2 weeks after the date of this Order, whichever is later. 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. 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. 3

1. According to Exhibit 1, response to Information Request No. 2, the actual test year and normalized purchased power expense exclusive of the fuel adjustment was \$7,022,237 and \$6,786,963, respectively, resulting in an adjustment of \$<235,274>. In addition, the actual test-year fuel adjustment was \$<236,617>

resulting in an adjustment of \$236,617 to remove the effects of the fuel adjustment clause. Will Licking Valley accept the above calculations in this matter? If not, please explain.

2. The Commission has generally determined the normalized depreciation expense based on the level of plant in service, excluding depreciation on transportation equipment, at the end of the test year. Provide any evidence deemed appropriate as to why Licking Valley should not be accorded this treatment in this case.

3. With reference to Exhibit 2, response to Information Request No. 2, please explain why, rather than the actual regular hours, 2,088 regular hours was used to determine the payroll adjustment for the following employees: No. 1104; No. 2204, No. 2221; No. 5506 and No. 7709.

4. With reference to Exhibit 5, response to Information Request No. 2, provide the following information:

a. The cooperatives included in Licking Valley's review of wage levels.

b. A schedule comparing the area average with Licking Valley's wage level for each class of employees.

c. The actual test year expense of the Southwestern Life retirement insurance program.

d. The cost of the Southwestern Life retirement program calculated based on the normalized base payroll as determined in adjustment no. 4.

e. The actual test year expense of the NRECA savings plan.

f. The cost of the NRECA savings plan calculated based on the normalized base payroll as determined in adjustment no. 4.

g. The most recent invoices for the Southwestern Life and NRECA plans.

5. Please explain how Licking Valley's annual assessment for property tax purposes is determined.

6. Please provide a copy of Licking Valley's 1986 property tax return as filed with the Kentucky Revenue Cabinet.

7. Please provide the real estate and tangible personalty tax rate for each taxing district in which Licking Valley has property located.

8. Please explain the reasons for determining the adjustment for property taxes based on a relationship between property taxes paid during the test year and the level of gross plant in service, construction work in progress, and material and supplies at October 31, 1984.

9. With reference to Exhibit 7, response to Information Request No. 2, provide a comparative schedule showing the amount and percentage expensed for each insurance category during the test period and for the December 1, 1985, to December 1, 1986 policy period. Explain the reason for any difference in the percentages between periods.

10. With reference to Exhibit 20 of the Application, Directors' Expenses, are any expenses other than actual out-of-pocket expenses included in the "Other Meeting Expenses" of \$8,268.45? If yes, please detail these items.

11. Give supporting documentation as to the need for and calculation of each fee in your proposed tariff sheet that is new or has been increased.

12. Calculate the revenue impact of each new fee and fee increase, item by item, as well as total revenue increase resulting from fee changes.

13. Why were time-of-day rates and charges for temporary and seasonal service deleted from the proposed tariffs?

14. Provide a copy of your proposed tariff sheet, clearly marking every change, deletion, addition, increase or decrease, both in classifications of service and rules and regulations, and providing substantive support for every alteration. Any deviation from your currently effective tariff sheet must be fully addressed without exception. Use separate, explanatory notes as needed.

Done at Frankfort, Kentucky, this 15th day of April, 1986.

PUBLIC SERVICE COMMISSION

  
For the Commission

ATTEST:

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Secretary