

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

GREEN RIVER ELECTRIC CORPORATION'S)
NOTICE OF INCREASE IN RATES FOR) CASE NO. 90-152
RETAIL ELECTRIC SERVICE)

O R D E R

IT IS ORDERED that Green River Electric Corporation ("Green River") shall file the original and 12 copies of the following information with this Commission, with a copy to all parties of record. Each copy of the date 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 make certain that it is legible. Where information requested herein has been previously provided, reference may be made to the specific location of said information in responding to this information request. The information requested herein is due no later than September 13, 1990.

1. Concerning Item 10 of Green River's response to the Commission's Order of July 20, 1990, provide copies of all invoices for professional services rendered during the test year. Also provide the account distribution of each invoice.

2. Concerning Item 4 of Green River's response to the Commission's Order dated July 20, 1990, pages 4 thru 6 of 8, provide documentation for any billing or cost allocations of advertising expense incurred on behalf of Kentucky Telecommunications, Inc. ("KTI").

3. Concerning Item 4 of Green River's response to the Commission's Order dated July 20, 1990, pages 4 thru 6 of 8, provide the full advertisement or full text of the radio spot for each of the following:

- a. Line number 2, vendor: Messenger and Inquirer News.
- b. Line number 7, vendor: WKCM.
- c. Line number 16, vendor: McClean County News.
- d. Line number 21, vendor: Clarion Publishing Co.
- e. Line number 45, vendor: The Messenger.
- f. Line number 47, vendor: The Sebree Banner.
- g. Line number 54, vendor: Messenger & Inquirer News.
- h. Line number 70, vendor: Ohio County Times News.

4. Provide the following information concerning company credit cards:

- a. Name of each individual that has possession of a company credit card.
- b. Name of each individual that is authorized to sign for charges on a company credit card.
- c. Green River's policy for use of company credit cards.

d. Copies of all invoices for charges made as well as account distributions made by Green River for all charges made.

e. Explanations for all charges made.

f. Documentation of any employee reimbursements for credit card charges.

5. Provide all of the information requested in Item 4 above for all charges made by each of the following vendors during the test year:

a. Owensboro Country Club.

b. Pendennis Club.

c. Campbell Club.

d. Any other country clubs or social organizations.

6. Concerning Exhibit 6, page 16 of Green River's application, provide the following information:

a. Reconcile the two vehicles' cost as shown in Exhibit 6 with the supporting documents shown in Exhibit 11, pages 19 thru 24 of the application.

b. Indicate if either vehicle was included in the Plant in Service account at test-year end. If so, identify the account number and amount.

7. According to the response to Item 6, part A of the August 8, 1990 Order, the pole change crew was not hired until after test-year-end. Further, according to Exhibit 22, pages 19 thru 24, some or all of the equipment to be used by the crew was not purchased until after test-year-end. Given this, explain why including this post test-year cost as proposed in Exhibit 6, page

16 of the application does not cause a mismatch of revenues, expenses, net investment, and capital items.

8. According to Exhibit 11, page 28A, KTI maintains its own insurance separate and at no cost to Green River. Given this, explain why in Exhibit 6, page 17 of the application, Green River expensed the same percentage (73.25 percent) of Property and Business Liability Insurance as they did for labor in Exhibit 6, page 9 of the application, which includes a provision for KTI allocated labor.

9. Concerning Exhibit 6, page 21 of Green River's application, provide the following:

a. The most recent interest rates known for all outstanding National Bank for Cooperatives ("CoBank") notes.

b. Documentation concerning CoBank's policies with regard to payment of the non-cash portion of the CoBank capital credits.

10. Concerning the 1988 and 1989 Balance Sheets in the Annual Reports filed with the Commission, explain the variances in the yearly totals of the following accounts:

a. Accounts Receivable - Other, Account No. 143.

b. Prepayments, Account No. 165.

c. Preliminary Survey and Investigation Charges, Account No. 183.

11. Concerning the account total in the Miscellaneous Current and Accrued Assets account, Account No. 174, as filed in the 1989 Annual Report, explain the variance between this total

and the total shown for this same account in Exhibit 5, page 16 of Green River's application.

12. Concerning Item 15 of the July 20, 1990 Order, provide an explanation of the variances between the test-year totals and the prior year totals for the following accounts:

a. Account No. 582, Distribution Expense-OPS-Station Expense, page 2 of 8.

b. Account No. 592, Distribution Expense-Main-Station Equipment, page 3 of 8.

c. Account No. 592.2, Distribution Expense Maintenance-Microwave System, page 3 of 8.

d. Account No. 593, Distribution Expense-Main-Overhead Lines, page 3 of 8.

e. Account No. 593.3, Maintenance of Overhead Lines-ROW, page 3 of 8.

f. Account No. 594, Distribution Expense-Maintenance-Underground Lines, page 3 of 8.

g. Account No. 595, Distribution Expense-Maintenance-Line Transformers, page 3 and 4 of 8.

h. Account No. 902.1, Consumer Account Expense-OPS Meter Reading, page 4 of 8.

i. Account No. 903.1, Consumer Account Expense-OPS Record Collection, page 4 of 8.

j. Account No. 904, Consumer Account Expense-OPS Uncollect-Accounts, page 4 and 5 of 8.

k. Account 908, Customer Assistance Expense, page 5 of 8.

l. Account 909, Informational Advertising, page 5 of 8.

m. Account 913, Member and Public Relation Expenses, page 6 of 8.

n. Account No. 920.1, ADM-GEN Expense-OPS-Staff Salaries, page 6 of 8.

o. Account No. 924, ADM-GEN Expense-OPS-Property Insurance, page 6 of 8.

p. Account No. 926, ADM-GEN Expense-OPS-Pension EMP Benefit, page 7 of 8.

q. Account No. 928, ADM-GEN Expense-OPS-Regulatory Commission Expense, page 7 of 8.

r. Account No. 930.1, General Advertising Expenses, page 7 of 8. page 7 of 8.

s. Account No. 930.2, Miscellaneous General Expenses, page 7 of 8.

13. For the period January 1, 1987 through February 28, 1990, provide the date and percentage of each wage increase granted to the following principal employees:

a. President and general manager.

b. Assistant manager.

c. Director of accounting.

d. Director of engineering.

e. Director of operations.

f. All other employees earning in excess of \$50,000 per year.

14. Provide any wage and salary studies and/or comparisons prepared by or used by Green River to determine that the number of executive level positions as well as the executive level compensation is reasonable.

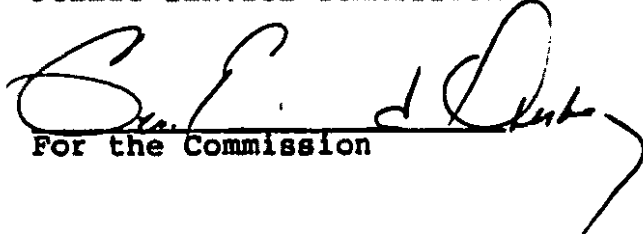
15. The response to Items 19 and 20 of the Commission's Order dated August 8, 1990 indicates that no specific formula was used to allocate the increase to the various rate blocks, but that adjustments were made to recover the desired class revenue without resulting in a disproportionate increase or decrease to customers within the class. Kentucky cooperatives, including Green River, have not been required to follow PURPA guidelines set forth in Administrative Case No. 203;¹ however, in recent years many Kentucky cooperatives have flattened the blocks in their declining block rate structures. Explain any consideration Green River has given to PURPA guidelines in designing its rates and whether any specific consideration has been given to flattening the existing rates.

Done at Frankfort, Kentucky, this 6th day of September, 1990.

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Director


For the Commission

¹ Administrative Case No. 203, The Determinations With Respect to the Rate-making Standards Identified in Section 111(d)(1)-(6) of the Public Utility Regulatory Policies Act of 1978, Order dated February 28, 1982.