

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF SALT RIVER ELECTRIC)
COOPERATIVE CORPORATION FOR A CHANGE IN) CASE NO.
DEPRECIATION RATES) 97-367

ORDER

IT IS ORDERED that Salt River Electric Cooperative Corporation ("Salt River") shall file no later than 20 days from the date of this Order, an original and 5 copies of the following information with this Commission, with a copy to all parties of record. 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 ensure its legibility.

1. a. Provide 2 copies of the actual, booked account data for all accounts and years reflected in the depreciation study as Lotus 1-2-3, Excel, or delimited text files. Include actual account balances, additions, retirements, salvage, and accumulated depreciation.
- b. Identify which data was actually booked at the plant account level and which data was allocated to plant accounts.
- c. Describe the allocation method for allocated amounts.

2. For each account, identify at least the second and third best fit survivor curves. Provide some measure of conformance to the original data for each of the top three best fit curves.

3. The application indicates that Salt River does not maintain salvage information at the distribution plant account level.

a. Explain how salvage was allocated to the distribution plant account level.

b. Does Salt River intend to maintain salvage information at the distribution plant account level in the future? If not, explain.

4. In instances in which equipment is removed when new equipment is installed, explain how costs, such as labor, are allocated between cost of removal and cost of installation.

5. The application indicates that Account 369, Services, can experience retirements much earlier than expected if the consumer changes its desired method of service, i.e., it switches from electric service to natural gas service.

a. Is it Salt River's experience that people with natural gas service no longer require any electric service?

b. If not, provide all other explanations for the low average life of 15 years for this account.

Done at Frankfort, Kentucky, this 30th day of October, 1997.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director