

**CASE**

**NUMBER:**

99-380

HISTORY INDEX FOR CASE: 1999-380  
SOUTH KENTUCKY R.E.C.C.

Rates - NRC

INSPECTION FEES, RETURN CHECK FEE, MISCELLANEOUS SERVICE FEES

IN THE MATTER OF SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE  
CORPORATION THAT ON NOVEMBER 1, 1999, IT WILL ADJUST ITS  
MISCELLANEOUS SERVICE FEES

SEQ NBR	ENTRY DATE	REMARKS
0001	09/09/1999	Application.
0002	09/14/1999	Acknowledgement letter.
0003	09/17/1999	No deficiencies letter
0004	10/13/1999	Order suspending service fees until 3/31/2000; resp. to data request due 10/27.
M0001	10/27/1999	SOUTH KY RECC-RESPONSE TO INFO REQ DATED OCT 13,99
M0002	10/28/1999	ALLEN ANDERSON SOUTH KY RECC-CORRECTED PAGE TO FILING MADE ON OCT 26,99
M0003	11/01/1999	ALLEN ANDERSON SOUTH KY RURAL ELECTR-ORIGINAL AFFIDAVIT TO FOLLOW UP FAXED COPY
M0004	11/29/1999	ALLEN ANDERSON SOUTH KY RECC-APPEAL TO REMOVE ELEC INSPECTION FEES FROM REGS & TO ACCEPT RE
0005	12/15/1999	Final Order approving the non-recurring charges in Appendix A.
M0005	12/27/1999	ALLEN ANDERSON SOUTH KENTUCKY RURAL-REVISED RULES AND REGULATION SHEETS AFFECTED BY CHANGE

Gary Cavitt  
General Manager and CEO  
South Kentucky R.E.C.C.  
P. O. Box 910  
925-929 North Main Street  
Somerset, KY. 42502 0910



# SOUTH KENTUCKY RURAL ELECTRIC

COOPERATIVE CORPORATION

Keith Sloan  
General Manager & C.E.O.  
Phone (606) 678-4121

925-929 North Main Street  
P.O. Box 910  
Somerset, Kentucky 42502-0910

December 22, 1999

HELEN C. HELTON  
EXECUTIVE DIRECTOR  
KENTUCKY PUBLIC SERVICE COMMISSION  
730 SCHENKEL LANE  
PO BOX 615  
FRANKFORT KY 40602

RECEIVED

DEC 27 1999

RECEIVED PUBLIC SERVICE  
COMMISSION

DEC 27 1999

Dear Ms. Helton:

REFERENCE: CASE # 99-380 <sup>PSC</sup> FINANCIAL ANALYSIS

Please find enclosed all the revised Rules and Regulation sheets affected by the approved change in non-recurring charges.

I really appreciate the help and cooperation you and your staff have been in this case.

Please advise me if any additional information is needed.

Sincerely,

SOUTH KENTUCKY RECC

Allen Anderson, Manager,  
Member Services

*Tariffs to DW 1/5.*

AA:jcr

Enclosures



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**  
730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

CERTIFICATE OF SERVICE

RE: Case No. 1999-380  
SOUTH KENTUCKY R.E.C.C.

I, Stephanie Bell, Secretary of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the following by U.S. Mail on December 15, 1999.

Parties of Record:

Gary Cavitt  
General Manager and CEO  
South Kentucky R.E.C.C.  
P. O. Box 910  
925-929 North Main Street  
Somerset, KY. 42502 0910

Stephanie Bell  
Secretary of the Commission

SB/hv  
Enclosure

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

SOUTH KENTUCKY RURAL ELECTRIC )  
COOPERATIVE CORPORATION THAT )  
ON NOVEMBER 1, 1999, IT WILL ) CASE NO. 99-380  
ADJUST ITS MISCELLANEOUS )  
SERVICE FEES )

O R D E R

On September 9, 1999, South Kentucky Rural Electric Cooperative Corporation ("South Kentucky") filed an application for authority to increase its miscellaneous service fees on November 1, 1999. These fees are non-recurring charges that are established to recover the cost of specific services provided in response to a customer's request or actions. By Order dated October 13, 1999, the Commission suspended the proposed fees until March 31, 2000 and directed South Kentucky to file additional information. South Kentucky filed its response on October 27, 1999 and provided additional verification of the basis for the charges being proposed, except for the returned check charge. Although South Kentucky proposed to increase this charge to \$22, it published notice of an increase to only \$17. The Commission finds that South Kentucky has sufficiently verified all other revised non-recurring charges.

The Commission has reviewed the financial information supplied by South Kentucky to determine the impact of the proposed adjustments in non-recurring charges. South Kentucky will realize a slight increase in its earnings, moving the TIER

from 1.93 to 1.94. The Commission finds that the adjustment is reasonable and will not result in an unreasonable level of additional earnings.

South Kentucky currently has on file a tariff setting forth fees for inspecting properties to determine compliance with applicable electrical codes. By letter filed November 29, 1999, South Kentucky proposes to eliminate this tariff on the basis that it is a non-utility service. These electrical inspections are required by KRS 227.450 to 227.500, but can be provided by any certified electrical inspector. Since the inspections need not be performed by a utility, and the fees are established by KRS 227.487, this is not a utility service as that term is defined by KRS 278.010(13). Thus, the Commission finds that South Kentucky may withdraw its fee schedule, but the requirement that the inspection be performed should be retained.

IT IS THEREFORE ORDERED that:

1. The non-recurring charges in Appendix A are approved for service rendered by South Kentucky on and after the date of this Order.
2. The portion of Paragraph 4.30 of South Kentucky's tariff relating to electrical inspection fees is cancelled.
3. South Kentucky shall file within 30 days of the date of this Order its revised tariff sheets setting out the non-recurring charges and tariff changes approved herein.

Done at Frankfort, Kentucky, this 15th day of December, 1999.

By the Commission

ATTEST:

  
Executive Director



## APPENDIX A

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 99-380 DATED DECEMBER 15, 1999

The following rates and charges are prescribed for the customers in the area served by South Kentucky Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

#### MISCELLANEOUS CHARGES

Returned Check	\$ 17.00
Special Trip Charges:	
Regular Working Hours	36.00
Overtime	138.00
Meter Tests	48.00
Inspection Fees	70.00
Reconnect	36.00
Collection	36.00
Meter Reading	36.00
Overtime	138.00



# SOUTH KENTUCKY RURAL ELECTRIC

COOPERATIVE CORPORATION

Keith Sloan  
General Manager & C.E.O.  
Phone (606) 678-4121

925-929 North Main Street  
P.O. Box 910  
Somerset, Kentucky 42502-0910

November 19, 1999

HELEN C. HELTON  
EXECUTIVE DIRECTOR  
KENTUCKY PUBLIC SERVICE COMMISSION  
730 SCHENKEL LANE  
PO BOX 615  
FRANKFORT KY 40602

RECEIVED

NOV 29 1999

PUBLIC SERVICE  
COMMISSION

Dear Ms. Helton:

REFERENCE: CASE # 99-380

1. Appeal to the Commission to remove electrical inspection fees from South Kentucky RECC's Rules and Regulations.
2. A request to accept the return check fee of \$17.00 as publicized with the membership.

We would like to make an appeal to the Commission to withdraw the electrical inspection fees from South Kentucky's Rules and Regulations. The electrical inspection fees are regulated by the State Department of Housing, Building, and Construction under KRS-227.480. South Kentucky's electrical inspection fees are set to cover all cost associated with performing the inspections. The inspection fees, we have asked for, are still well within the required regulated amount.

The other issue of concern was the return check fee being \$17.00 publicized to the membership and \$22.00 being in our request to the Commission.

We were notified by our bank of their intent to impose a \$5.00 return check fee on all returned checks. This notification came after the members were notified of the fee adjustment and before the filing with the Commission.

South Kentucky opened for bid our banking services. We will be changing banks and will not be charged for returned checks. The original \$17.00 request is acceptable to us now and does cover all of our cost.

While this process was taking place, South Kentucky Board of Directors appointed a new General Manager and CEO. The new Manager has signed only the new pages to be inserted into the original case.

I have enclosed the original plus 7 copies of the necessary corrections after removing the inspection fees and accepting the \$17.00 return check charge. Please insert these changes into the previous filing in the appropriate places. I have also sent these corrections to the Attorney General's Office.

Sincerely,

SOUTH KENTUCKY RECC

*Allen Anderson*  
Allen Anderson, Manager, Member Services

AA:jcr  
misfeesletter

**NOTICE OF PROPOSED CHANGE IN MISCELLANEOUS SERVICE FEES**

In accordance with the requirements of the Public Service Commission of the Commonwealth of Kentucky as set forth in 807 KAR 5.001, Section 10, of the Rules and Regulations of the Public Service Commission, notice is hereby given to the member-consumers of South Kentucky Rural Electric Cooperative Corporation, Inc. of a proposed miscellaneous services fee adjustment. An application for Approval of Adjustment of Miscellaneous Services Fees will be filed with the Public Service Commission on October 1, 1999, Case No. 99-380. This Adjustment will result in miscellaneous service fees increases to certain member-consumers of South Kentucky Rural Electric Cooperative Corporation, Inc. The amount and percent of increase by rate class are listed below:

<u>Rate Class</u>	<u>Dollar Increase</u>	<u>Percent of Increase</u>
Return Check	\$5,568.00	55%
Special Trip Charges:		
Regular Work Hours	\$60	50%
Overtime	\$0	0%
Meter Tests	\$6	7%
Reconnect Fee	\$9,900	50%
Collection	\$4,164	50%
Meter Reading	\$2,124	50%
Overtime	\$3,190	73%

The present and proposed miscellaneous service fee structures of South Kentucky Rural Electric Cooperative Corporation, Inc. are listed below:

<u>Rate Class</u>	<u>Present</u>	<u>Proposed</u>
Return Check	\$11	\$17
Special Trip Charges:		
Regular working hours	\$24	\$36
Overtime	\$104	\$138
Meter Tests	\$45	\$48
Reconnect Fee	\$24	\$36
Collection	\$24	\$36
Meter Reading	\$24	\$36
Overtime	\$80	\$138

**The miscellaneous service fees contained in this notice are the fees proposed by South Kentucky Rural Electric Cooperative Corporation, Inc. However, the Public Service Commission may order service fees to be charged that differ from the proposed fees contained in this notice. Such action may result in service fees for consumers other than the fees in this notice.**

**Any corporation, association, or person with a substantial interest in the matter may request to intervene, by written request, within thirty (30) days after publication or mailing of this notice of the proposed miscellaneous service fee changes. Intervention may be granted beyond the thirty (30) days after publication or mailing of this notice of the proposed service fee changes. Intervention may be granted beyond the thirty (30) day period for good cause shown.**

**Any person who has been granted intervention by the Commission may obtain copies of the miscellaneous service fee application and any other filings made by South Kentucky Rural Electric Cooperative Corporation, Inc. by contacting:**

**Gary Cavitt, General Manager & CEO  
South Kentucky Rural Electric Cooperative Corporation, Inc.  
925 North Main Street  
P.O. Box 910  
Somerset, Kentucky 42502  
Phone: 606-678-4121**

**Any person may examine the miscellaneous service fees application and any other filings made by South Kentucky Rural Electric Cooperative Corporation, Inc. at the main office at the above listed address or by contacting the Public Service Commission Office at the below listed address:**

**Kentucky Public Service Commission  
Attention: Helen Helton  
730 Schenkel Lane  
P.O. Box 615  
Frankfort, Kentucky 40602  
Phone: 606-564-3940**

**msfee**

South Kentucky Rural Electric Cooperative Corporation

Miscellaneous Charges

August 31, 1998

Exhibit 2

page 2 of 5

**Return Check Charge:**

		<u>Per</u> <u>Hour</u>	<u>Amount</u>
Number of Minutes	<u>45</u>		
Direct labor charge	<u>\$14.55</u>	\$14.55	\$10.91
Direct wage expense		\$1.90	1.43
Other cost based on labor per hour		21.98%	2.40
Other direct cost per hour		\$2.57	1.93
Bank charges			<u>0.00</u>
Total charges			<u><u>\$16.66</u></u>
Proposed charge			<u><u>\$17.00</u></u>
Present charge			<u><u>\$11.00</u></u>

## Miscellaneous Charges

August 31, 1998

Special Charges, Meter Tests

	Per <u>Hour</u>	Special Charges		Meter Tests
		<u>Regular</u>	<u>Overtime</u>	
<b>Serviceman:</b>				
Number of minutes		<u>45</u>	<u>240</u>	<u>75</u>
Direct labor charge	\$17.44	\$13.08	\$104.64	\$21.80
Direct labor charge	\$14.32			
Direct wage expense	\$2.28	1.71		2.85
Other cost based on labor	21.98%	2.87	11.50	4.79
Other direct cost	\$2.57	1.93		3.21
Mileage	<u>12</u>	\$0.31	5.89	5.89
Mileage	<u>38</u>	\$0.31	11.78	
<b>Office Clerical:</b>				
Number of minutes		<u>30</u>	<u>30</u>	<u>30</u>
Direct labor charge	\$12.64	\$6.32	\$6.32	\$6.32
Direct wage expense	\$1.65	0.83	0.83	0.83
Other cost based on labor	21.98%	1.39	1.39	1.39
Other direct cost	\$2.57	1.28	1.28	1.28
<hr/>				
Total		<u>\$35.30</u>	<u>\$137.74</u>	<u>\$48.36</u>
Proposed Charge		<u>\$36.00</u>	<u>\$120.00</u>	<u>\$48.00</u>
Present charge		<u>\$24.00</u>	<u>\$104.00</u>	<u>\$45.00</u>

August 31, 1998

Additional Revenues Generated:

	Number	Charges		Revenue		Increase	
		Existing	Proposed	Existing	Proposed	Amount	Percent
Return check	928	\$11.00	\$17.00	\$10,208	\$15,776	\$5,568	55%
Special Trip Charges:							
Regular working hours	5	\$24.00	\$36.00	120	180	60	50%
Overtime	0	\$104.00	\$120.00	0	0	0	0%
Meter Tests	2	\$45.00	\$48.00	90	96	6	7%
Reconnect	825	\$24.00	\$36.00	19,800	29,700	9,900	50%
Collection	347	\$24.00	\$36.00	8,328	12,492	4,164	50%
Meter reading	177	\$24.00	\$36.00	4,248	6,372	2,124	50%
Overtime	55	\$80.00	\$120.00	4,400	6,600	2,200	50%

Total

\$47,194    \$71,216    \$24,022    51%

South Kentucky Rural Electric Cooperative Corporation  
Impact of Additional Revenues  
August 31, 1998

Exhibit 3  
page 1 of 1

Computation of Miscellaneous and Non Recurring Charge limitation amount:

Other electric revenues	\$1,116,619
Percentage limitation	<u>5%</u>
Limitation amount	<u>\$55,831</u>
Proposed additional revenues	<u>\$22,662</u>

	<u>Existing</u>	<u>Proposed</u>
Net margins	\$2,148,861	\$2,171,523
Interest on long-term debt	2,311,676	2,311,676
TIER	1.93	1.94



SOUTH KENTUCKY R.E.C.C.  
SOMERSET, KENTUCKY 42501

FOR: ENTIRE TERRITORY SERVED  
P.S.C. KY. NO. 7  
1ST REVISED SHEET NO. R-8  
CANCELLING P.S.C. KY. NO. 7  
ORIGINAL SHEET NO. R-8

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RULES AND REGULATIONS

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SECTION IV - CONSUMER EQUIPMENT

4.10 POINT OF DELIVERY

The point of delivery is the point as designated by the Cooperative on member's premises where current is to be delivered to building or premises, ordinarily the meter. All wiring and equipment beyond this point of delivery shall be supplied and maintained by the member. The member will, however, notify the Cooperative of any proposed changes in his equipment or wiring which will materially increase or decrease his load so the Cooperative may check its equipment to make certain it will accommodate the consumer's load requirements.

Should a consumer insist that his/her point of delivery be at a different location than that selected by the Cooperative, the consumer shall be required to pay an Aid to Construction equal to the additional cost incurred by the Cooperative to serve the new delivery point.

4.20 MEMBER'S WIRING AND POINT OF ATTACHMENT

- (a) All electrical wiring on the member's premises shall conform to all applicable codes and rules and regulations; namely,
1. The National Electrical Code.
  2. Any state, county or municipal code where and when applicable.
  3. The Uniform Wiring Code, so long as it is as strict or more strict in its requirements than the National Electrical Code.
- (b) If any consumer does not have an appropriate point of attachment and a meter pole is requested, there shall be a payment of \$100, non-refundable, as an Aid to Construction to help offset this extra cost.

~~4.30 INSPECTION~~

All electrical wiring in a building or other facilities must be inspected for compliance with all applicable Electric Codes by an inspector licensed by the State Fire Marshall before the first connection for service. (D)

- (a) For Buildings with Service Entrances of 200 Ampere or Less - the inspection fee shall be \$50.00. All buildings shall receive a rough-in and a final inspection. (Two trips required)
- PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

DATE OF ISSUE: MARCH 17, 1993

DATE EFFECTIVE: APRIL 1, 1993  
APR 1 1993

ISSUED BY: Keith Sloan PRESIDENT  
SOUTH KENTUCKY R.E.C.C. P.O. BOX 910 SOMERSET, KENTUCKY 42501  
Issued by authority of an order of the Public Service Commission of Kentucky in Case No. 92-520 dated March 8, 1993.  
By: [Signature]  
PUBLIC SERVICE COMMISSION MANAGER

SOUTH KENTUCKY R.E.C.C.  
SOMERSET, KENTUCKY 42501

FOR: ENTIRE TERRITORY SERVED  
P.S.C. KY. NO. 7  
2ND REVISED SHEET NO. R-9  
CANCELLING P.S.C. KY. NO.7  
1ST REVISED SHEET NO. R-9

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RULES AND REGULATIONS

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- (b) ~~For Service Entrances Greater than 200 Ampere~~ the inspection fee shall be \$50.00 plus \$2.00 per circuit and includes a rough-in and a final inspection. (Two trips required).
- (c) Mobile Homes and similar services including, but not limited to Oil Wells, Barns, Service Changes, Temporary Services and turn on for testing (not for occupancy) - The inspection fee shall be \$25.00 and the inspection will include the pole service, the supply feeder, and any controls. (Minimum one trip required) (D)
- (d) For all reinspections or additional trips the fee shall be determined by the above amounts, on a per-trip basis.
- (e) Large Commercial and Industrial - The inspection cost shall be determined as being 1% of the first \$100,000 electrical installation price and 1/2 of 1% for over \$100,000.

4.30

~~4.40~~ DANGEROUS CONDITION OF CONSUMER ELECTRICAL EQUIPMENT (T)

If a dangerous condition relating to the utility's service which could subject any person to imminent harm or result in substantial damage to the property of the utility or others, is found to exist on the consumers premises, the service shall be refused or terminated without advance notice. The Cooperative shall notify the customer immediately in writing and, if possible, orally of the reasons for the termination or refusal. Such notice shall be recorded by the Cooperative and shall include the corrective action to be taken by the consumer of Cooperative before service can be restored or provided.

PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

JUL 18 1993

PURSUANT TO 807 KAR 5:011.  
SECTION 9 (1)

BY: *[Signature]*

DATE OF ISSUE: JUNE 17, 1993

DATE EFFECTIVE: APRIL 1, 1993

ISSUED BY: *[Signature]* PRESIDENT/GEN. MANAGER  
SOUTH KENTUCKY R.E.C.C. P.O. BOX 910 SOMERSET, KENTUCKY 42502  
Issued by authority of an order of the Public Service Commission of  
Kentucky in Case No.92-520 dated March 8, 1993.

SOUTH KENTUCKY R.E.C.C.  
SOMERSET, KENTUCKY 42501

FOR: ENTIRE TERRITORY SERVED  
P.S.C. KY. NO. 7  
2nd REVISED SHEET NO. R-5  
CANCELING P.S.C. KY. NO.7  
1ST REVISED SHEET NO. R-5

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RULES AND REGULATIONS

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2.60 CONNECT, RECONNECT, COLLECTION AND METER READING CHARGES

- (a) The Cooperative will make no charge for connecting service to the new member's installation of service provided the connection is made during regular working hours.
- (b) The Cooperative may make a service charge of \$36.00 for the following: (I)
1. A trip to either disconnect a past due account, collect the past due amount, or if utility representative agrees to delay termination based on customers agreement to pay delinquent bill by specific date. (T)  
(T)  
(T)
  2. A trip to reconnect an account that has been disconnected for delinquent bill or to reconnect an account that is seasonal that was disconnected within the previous 12 months. (T)  
(T)  
(T)
  3. If due to consumers negligence or refusal to grant an identified Cooperative agent or contract meter reader access for meter reading and a Cooperative employee is dispatched to read the meter and/or disconnect.
- (c) In lieu of (a) and (b) above, a charge of \$138.00 shall apply if the consumer requests service before or after regular working hours. (T) (I)  
(T)

2.70 RETURN CHECK CHARGE

The Cooperative will make a charge of \$17.00 for each check returned unpaid by the bank for any reason. The returned check charge will be added to the amount of the return check and be subject to the conditions set forth in Section 5.50, Unpaid Checks from Consumers. (I)

2.80 SERVICE CHARGES FOR TEMPORARY SERVICE

Consumers requiring temporary service may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, an amount will be required to cover estimated consumption of electricity. All such costs will be paid in advance. Any balance remaining at the end of temporary service will be refunded. (This rule applies, but not limited, to carnivals, fairs, voting booths, temporary construction projects, etc.) Temporary line extension requirements are in Section 6.

---

DATE OF ISSUE:

DATE EFFECTIVE:

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ISSUED BY: *Sam* GENERAL MANAGER & C.E.O.  
SOUTH KENTUCKY R.E.C.C. P.O. BOX 910 SOMERSET, KENTUCKY 42502. Issued  
by authority of an order of the Public Service Commission of Kentucky  
in Case No. 99-380 dated \_\_\_\_\_.

SOUTH KENTUCKY R.E.C.C.  
SOMERSET, KENTUCKY 42501

FOR: ENTIRE TERRITORY SERVED  
P.S.C. KY. NO. 7  
2ND REVISED SHEET NO. R-8  
CANCELLING P.S.C. KY. NO. 7  
1ST REVISED SHEET NO. R-8

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RULES AND REGULATIONS

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SECTION IV - CONSUMER EQUIPMENT

4.10 POINT OF DELIVERY

The point of delivery is the point as designated by the Cooperative on member's premises where current is to be delivered to building or premises, ordinarily the meter. All wiring and equipment beyond this point of delivery shall be supplied and maintained by the member. The member will, however, notify the Cooperative of any proposed changes in his equipment or wiring which will materially increase or decrease his load so the Cooperative may check its equipment to make certain it will accommodate the consumer's load requirements.

Should a consumer insist that his/her point of delivery be at a different location than that selected by the Cooperative, the consumer shall be required to pay an Aid to Construction equal to the additional cost incurred by the Cooperative to serve the new delivery point.

4.20 MEMBER'S WIRING AND POINT OF ATTACHMENT

- (a) All electrical wiring on the member's premises shall conform to all applicable codes and rules and regulations; namely,
1. The National Electrical Code.
  2. Any state, county or municipal code where and when applicable.
  3. The Uniform Wiring Code, so long as it is as strict or more strict in its requirements than the National Electrical Code.
- (b) If any consumer does not have an appropriate point of attachment and a meter pole is requested, there shall be a payment of \$100, non-refundable, as an Aid to Construction to help offset this extra cost.

---

DATE OF ISSUE:

DATE EFFECTIVE:

---

ISSUED BY: *Dary Cain* GENERAL MANAGER &  
C.E.O. SOUTH KENTUCKY R.E.C.C. P.O. BOX 910 SOMERSET, KENTUCKY  
42502. Issued by authority of an order of the Public Service  
Commission of Kentucky in Case No. 99-380 dated \_\_\_\_\_.

SOUTH KENTUCKY R.E.C.C.  
SOMERSET, KENTUCKY 42501

FOR: ENTIRE TERRITORY SERVED  
P.S.C. KY. NO. 7  
3RD REVISED SHEET NO. R-9  
CANCELLING P.S.C. KY. NO. 7  
2ND REVISED SHEET NO. R-9

---

RULES AND REGULATIONS

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4.30 DANGEROUS CONDITION OF CONSUMER ELECTRICAL EQUIPMENT

If a dangerous condition relating to the utility's service which could subject any person to imminent harm or result in substantial damage to the property of the utility or others, is found to exist on the consumers premises, the service shall be refused or terminated without advance notice. The Cooperative shall notify the customer immediately in writing and, if possible, orally of the reasons for the termination or refusal. Such notice shall be recorded by the Cooperative and shall include the corrective action to be taken by the consumer of Cooperative before service can be restored or provided.

---

DATE OF ISSUE:

DATE EFFECTIVE:

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ISSUED BY: *Dary Cain* GENERAL MANAGER &  
C.E.O. SOUTH KENTUCKY R.E.C.C. P.O. BOX 910 SOMERSET, KENTUCKY  
42502. Issued by authority of an order of the Public Service  
Commission of Kentucky in Case No. 99-380 dated \_\_\_\_\_.



# SOUTH KENTUCKY RURAL ELECTRIC

COOPERATIVE CORPORATION

Keith Sloan  
General Manager & C.E.O.  
Phone (606) 678-4121

October 28, 1999

925-929 North Main Street  
P.O. Box 910  
Somerset, Kentucky 42502-0910

Teresa Webber  
Public Service Commission  
730 Schenkel Lane  
P. O. Box 615  
Frankfort, Kentucky 40602

RECEIVED  
NOV - 1 1999  
PUBLIC SERVICE  
COMMISSION

RE: Case No. 99-380

On October 26, 1999, a binder of requested information on Case No. 99-380 was mailed to the Public Service Commission to Ms. Stephanie Bell's attention.

I mistakenly enclosed the wrong affidavit of mailing identified as Item 2 (f) Page 1 of 2.

I have already faxed the correct copy and now am enclosing the original copy to replace Item 2 (f) Page 1 of 2 of information sent on October 26, 1999.

I am very sorry for any inconvenience this may have caused and appreciate your help in getting this corrected information added to Case 99-380.

If there are any questions, please give me a call.

Sincerely,

Allen Anderson, Manager  
Member Services

Cc: Attorney General A. B. Chandler, III  
Alan Zumstein, CPA  
Keith Sloan, General Manager, South Kentucky RECC

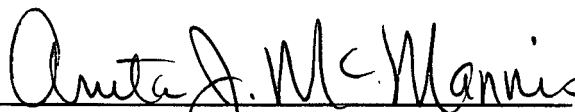
RECEIVED

NOV - 1 1999

POSTAL SERVICE  
COMMISSION

## AFFIDAVIT OF MAILING OF MISCELLANEOUS SERVICE FEES NOTICE

Notice is hereby given that the August issue of *KENTUCKY LIVING*, bearing the official notice of PSC Case No. 99-380, concerning the notice of proposed change in miscellaneous service fees for SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION, was entered as direct mail at Lebanon, Ohio, on July 29, 1999 (see attached mail statement).



Anita McMannis  
Managing Editor  
*Kentucky Living*


County of Jefferson

State of Kentucky

Sworn to and subscribed before me, a Notary Public,

this 27<sup>th</sup> day of October, 1999.

My commission expires January 10, 2000



Notary Public, State of Kentucky

(FAY)



# SOUTH KENTUCKY RURAL ELECTRIC

COOPERATIVE CORPORATION

Karen Sloan  
General Manager & CEO  
Phone (606) 678-4121

925-929 North Main Street  
P O Box 910  
Somerset, Kentucky 42502-0910

October 27, 1999

MS STEPHANIE BELL  
KENTUCKY PUBLIC SERVICE COMMISSION  
730 SCHENKEL LANE  
PO BOX 615  
FRANKFORT KY 40602

OCT 28 1999  
PUBLIC SERVICE  
COMMISSION

Dear Ms. Bell:

SUBJECT: CASE # 99-380

The requested information on case # 99-380 which was sent to the PSC yesterday, October 26<sup>th</sup>. Contains an incorrect sheet # Item 2 (f) Page 1 of 2. We mistakenly picked up the wrong sheet and enclosed in the document.

Please replace sheet # Item 2 (f) Page 1 of 2 with the enclosed new sheet which is the proof of mailing to our members.

Thanks.

Sincerely,

SOUTH KENTUCKY RECC

Allen Anderson, Manager,  
Member Services

AA:jcr



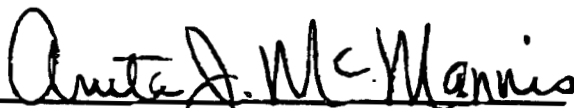
# Kentucky Living

Item 2 (f)  
Page 1 of 2

RECEIVED  
OCT 23 1999  
PUBLIC SERVICE  
COMMISSION

## AFFIDAVIT OF MAILING OF MISCELLANEOUS SERVICE FEES NOTICE

Notice is hereby given that the August issue of *KENTUCKY LIVING*, bearing the official notice of PSC Case No. 99-380, concerning the notice of proposed change in miscellaneous service fees for SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION, was entered as direct mail at Lebanon, Ohio, on July 29, 1999 (see attached mail statement).

  
Anita McMannis  
Managing Editor  
Kentucky Living

County of Jefferson

State of Kentucky

Sworn to and subscribed before me, a Notary Public,  
this 27<sup>th</sup> day of October, 1999.

My commission expires January 10, 2000

  
Notary Public, State of Kentucky

RECEIVED  
OCT 27 1999  
PUBLIC SERVICE  
COMMISSION

**SOUTH KENTUCKY**  
**RECC**

**CASE NO. 99-380**

**INFORMATION**  
**REQUEST DATED**  
**OCTOBER 13, 1999**

**WITNESS: ALLEN ANDERSON**

**WITNESS: ALAN ZUMSTEIN**

**JAMES KEITH SLOAN, CEO & GENERAL MANAGER**

**OCTOBER 26, 1999**



# SOUTH KENTUCKY RURAL ELECTRIC

COOPERATIVE CORPORATION

Keith Sloan  
General Manager & C.E.O.  
Phone (606) 678-4121

925-929 North Main Street  
P.O. Box 910  
Somerset, Kentucky 42502-0910

October 26, 1999

MS STEPHANIE BELL  
KENTUCKY PUBLIC SERVICE COMMISSION  
730 SCHENKEL LANE  
PO BOX 615  
FRANKFORT KY 40602

RECEIVED  
OCT 27 1999  
PUBLIC SERVICE  
COMMISSION

Dear Ms Bell:

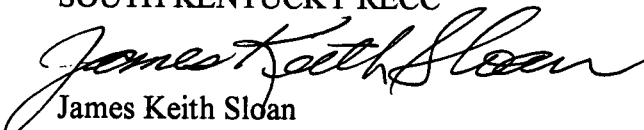
SUBJECT: CASE # 99-380

In response to the Public Service Commission's request for additional information on SOUTH KENTUCKY RECC's Case # 99-380, I am submitting the original and 5 copies of the requested information.

I appreciate your consideration in this matter. If there are any further questions, please give us a call.

Sincerely,

SOUTH KENTUCKY RECC

  
James Keith Sloan  
CEO and General Manager

JKS:jcr

Enclosures

Witness: Allen Anderson  
Witness: Alan Zumstein

Item 2 (a) (1) Source of the number of minutes and mileage used.

**Return Check**

When a check is not honored by the bank and is returned, the check is stamped "VOID". The name and account number are verified and the account number is written on the return check listing sheet from the bank. A copy of the return check listing sheet from the bank is made for Service Representatives or the branch office Cashiers, and the original is given to Accounting Department. The copy is placed in a return check envelope by the Service Representative. The return check envelope must be filled out to include all detailed information pertaining to each check.

If phone number is listed on either the check or computer, the consumer is called and advised of the return check. If no number is available, then the check is mailed to the consumer with a letter of notification. Payment is collected within the required time from the member or service order is made for Servicemen to collect or disconnect.

The Service Representatives then enter the return check to the consumers' account and the service charge is generated for that account. At the end of the month, the return checks are summarized and used to reconcile the subsidiary accounts receivable records with the controlling general ledger account.

The Accounting Department maintains a list of return checks, and matches each with the listing on the monthly bank statement. If the check has been subsequently paid by another check, these are marked off the list. If the return check has not been paid, then the total return checks are recorded as an adjusting entry.

Per discussion with all parties involved, 45 minutes is the minimum time it takes to process and account for returned checks.

**Office Clerical labor for all miscellaneous charges**

Customer Service Representative prepares service order with all information and gives to the Engineering Department to route to the Servicemen. The original service order remains open until the job is completed. Once the job is completed, all information is returned to the Customer Service Representatives to enter into the computer and close out the service order.

A service charge is then generated for that account. At the end of the month, the service charges are summarized and used to reconcile the subsidiary accounts receivable records with the controlling general ledger account.

**Labor for service men for special charge (regular), disconnect/reconnect, collection and meter reading**

The Dispatchers receive all service orders and sorts by service location, and places into the proper service man's work file to perform the work.

Information request dated October 13, 1999

The service men go to the consumer's premises to perform the service as indicated on the service order. When the service is completed, the work performed is entered on the service order for actual information for any changes or notations encountered at the premises. While at the consumer's premises, the meter is always read.

Per discussions with all parties involved, it takes the service men approximately 45 minutes for each trip, including the time to prepare the completed paper work, plus 30 minutes for Customer Service Representative's time to take the request, make the service order, and send to the Dispatcher, including some time for dispatcher to get into proper service man's work file.

**Labor for special charges overtime**

Includes the same processes as for regular time. The differences are that jobs cannot be coordinated with other jobs either by route or by service location since these are isolated occurrences. Also, each charge (after hours) requires the use of two (2) service men.

Since after hours trips are isolated, that is the reason for the mileage to be doubled from regular hours.

**Labor for meter tests**

Requires a regular trip charge for the service man.

The existing meter is pulled, by the service man, a newly tested meter is installed, old meter is brought to the meter department where the meter technician tests the meter. The results of the tests are mailed to the consumer. If test is within 2% accurate, service charge is retained. If test shows more or less than 2% accurate, service charge is returned and account is adjusted accordingly.

Per discussions with the meter department, it requires approximately fifteen (15) minutes to test the meter and record the results for mailing to the consumer.

**Labor for inspections**

Most jobs require two (2) regular trip charges for the electrical inspectors. A rough in inspection before work is covered up and a final inspection when all work is complete.

There is a rough in inspection and a final inspection required for each job. If either inspection does not pass, it is rejected, the inspector writes out the reason for the rejection, and may require a reinspection.

Per discussions with the inspectors and others involved, the inspectors spend approximately fifteen (15) minutes per each inspection, plus driving time.

**Miles driven for each service**

Per discussions with the Operations Superintendent and service men, is as estimated that each trip, on the average, is approximately 20 miles.

South Kentucky Rural Electric Cooperative Corporation  
Case No. 99-380  
Information request dated October 13, 1999

Item 2 (a)  
Page 3 of 3

Item 2 (a) (2) Source of numbers used in other cost based on labor.

Total labor for the twelve months	<u>\$5,895,088</u>	
	Amount	Percent
Retirement Plan	\$444,705	7.54%
401(k)	\$147,682	2.51%
FICA	\$450,974	7.65%
Federal and state unemployment	\$ 24,170	0.41%
Worker's compensation	\$174,823	<u>2.97%</u>
		<u>21.07%</u>

The above numbers were actual amounts for the twelve months ended August 31, 1998. The ratio for the retirement plan was the rate in effect as of August from that statement.

Item 2 (a) (3) How the \$.31 per mile was computed.

South Kentucky does not record the number of miles driven per vehicle. The IRS per mile rate has been used in this filing. It is estimated that the IRS rate of \$.31 is probably less than the actual costs incurred by the service trucks used for each of the services performed.

Miscellaneous service costs

South Kentucky Rural Electric Cooperative Corporation

Item 2 (b)  
page 1 of 1

Case No. 99-380

Information request dated October 13, 1999

Witness: Allen Anderson

Witness: Alan Zumstein

Item 2 (b) Increase over present fees.

The Board of Directors of South Kentucky determined that the consumers who generate, or cause, the additional costs for each service performed.

It is their opinion that instead of considering the increases not to be within the concept of gradualism, that consumers have been receiving a benefit that is unfair and unjust to the consumers who do not incur the additional costs for the miscellaneous services.

South Kentucky Rural Electric Cooperative Corporation

Case No. 99-380

Information request dated October 13, 1999

Witness: Allen Anderson

Witness: Alan Zumstein

Item 2 (c) Explanation for test year of August 31, 1998

The computations of the cost justifications for miscellaneous charges was commenced after the completion of the August 31, 1998 audit was completed. It took this amount of time to compile the information and have the Board of Directors approval.

South Kentucky did not estimate that the length of time to file the miscellaneous charges would be this long.



South Kentucky Rural Electric Cooperative Corporation  
 Miscellaneous Charges  
 September, 1998 through August, 1999

	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Total
Return checks	66	49	32	47	57	40	55	42	49	45	25	34	866
Special Trip Charges													
Reg. work hrs	0	0	0	0	0	0	0	0	0	0	0	0	0
Overtime	0	0	0	0	0	0	0	0	0	0	0	0	0
Meter Tests	0	0	0	0	0	0	0	0	0	0	0	0	0
Inspection fees	504	504	561	372	302	298	390	403	451	463	435	440	5123
Reconnect	100	82	60	31	91	43	103	122	72	75	39	87	905
Collection	31	31	18	0	53	28	23	37	45	33	29	20	348
Meter reading	22	23	9	21	12	21	15	25	21	18	30	20	257
Overtime	10	8	2	4	6	1	11	5	5	8	4	2	66

Miscellaneous charges 98-99

South Kentucky Rural Electric Cooperative Corporation

Case No. 99-380

Information request dated October 13, 1999

Item 2 (e)  
page 1 of 3

Operating Revenues:

Electric revenues	\$47,564,816
Other electric revenues	<u>1,256,541</u>

48,821,357

Operating Expenses:

Cost of power	31,745,799
Distribution - operations	2,117,215
Distribution - maintenance	3,122,290
Consumer accounts	2,037,605
Customer service and information	436,656
Sales	26,858
Administrative and general	<u>1,818,520</u>

41,304,943

Depreciation	2,594,459
Taxes	52,393
Interest on long-term debt	2,326,715
Other interest charges	13,394
Other deductions	<u>65,305</u>

46,357,209

Patronage capital	2,464,148
-------------------	-----------

Non operating margins - interest	389,802
Non operating margins - other	(41,602)
G & T capital credits	-
Other capital credits	<u>158,166</u>

Net margins	<u><u>\$2,970,514</u></u>
-------------	---------------------------

South Kentucky Rural Electric Cooperative Corporation

Case No. 99-380

Information request dated October 13, 1999

Item 2 (e)

page 2 of 3

Assets

Electric Plant:

In service	\$95,700,250
Under construction	486,498
	<u>96,186,748</u>
Less accumulated depreciation	<u>22,451,557</u>

73,735,191

Nonutility property

308,255

Investments

10,406,116

Current Assets:

Cash and cash equivalents	9,663,796
Accounts receivables	2,336,524
Other receivables	387,188
Loans receivable	2,107,155
Material and supplies	927,025
Prepayments	724,412

16,146,100

Total Assets

100,595,662

Liabilities and Equities

Members' Equities:

Memberships	1,008,640
Patronage capital	42,100,381

43,109,021

Long-Term Debt

47,953,190

Accumulated Postretirement Benefits

3,303,474

Current Liabilities:

Accounts payable	4,045,554
Consumer deposits	331,822
Other current and accrued expenses	752,466

5,129,842

Consumer Advances for Construction

538,045

Unclaimed Capital Credits

562,090

Total Members' Equities and Liabilities

100,595,662

Computation of Miscellaneous and Non Recurring Charge limitation amount:

Other electric revenues	\$1,256,541
Percentage limitation	<u>5%</u>
Limitation amount	<u>\$62,827</u>
Proposed additional revenues	<u>\$131,242</u>

	<u>Existing</u>	<u>Proposed</u>
Net margins	\$2,970,514	\$3,101,756
Interest on long-term debt	2,326,715	2,326,715
TIER	2.28	2.33

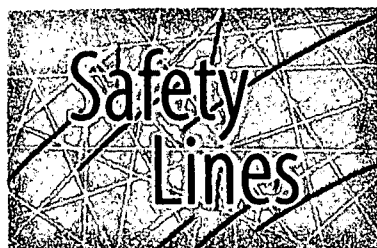
# School Bus Safety

**S**chool buses are one of the safest forms of transportation in the country. According to the National School Transportation Association, school buses are nearly 2,000 times safer than the family car.

It takes everyone practicing school bus safety, however, to keep student passengers safe.

## Safety Tips for Children

- Be slightly early or on time for the bus.
- Never run to or from the bus.
- Stand back (at least 6 feet) from the curb.



- Don't push or shove while waiting to board the bus.
- Stay in your seat.
- Don't yell or shout.
- Always obey the driver.
- Wait for the driver's signal before crossing the street.
- Make sure the driver can see you at all times.
- Always cross at least 10 feet in front of the bus.
- Never crawl under a school bus, or bend down to retrieve something.

## Safety Tips for Parents

- Talk to your child about bus safety and encourage them to sit quietly in their seat and follow the driver's instructions.
- Take care when dressing your child so he or she doesn't have items that could get caught in bus doors.
- Assure your child that you won't get angry if they don't go back for a jacket they left on the bus or a homework paper that they dropped under the bus.
- If it is a young child riding the bus,

have someone waiting for them at the bus stop when they unload.

## Safety Tips for Motorists

- Take special precautions when school is in session. Give yourself extra time to get to work so you won't be in such a rush.
- Pay extra attention to the bus' warning signals such as flashing lights and the stop arm.
- ALWAYS stop when a bus is stopped.
- NEVER pass a stopped school bus.
- Be watchful of children gathered waiting for a bus to pick them up.

- When a school bus is unloading, be sure all children have gotten to their destinations before moving your vehicle. **DSK**

*Continued from page 3A*

the crowd. Proudly erect and healthy despite his 83 years and still bearing scars from a wound he received at Missionary Ridge, Captain Tuttle spoke for half an hour. He compared the Doughboy achievement to that of his own generation and insisted that the young men of World War I were worthy successors to the Blue and the Gray. **DSK**

## Notice of Proposed Change in Miscellaneous Service Fees

In accordance with the requirements of the Public Service Commission of the Commonwealth of Kentucky as set forth in 807 KAR 5:001, Section 10, of the Rules and Regulations of the Public Service Commission, notice is hereby given to the member-consumers of South Kentucky Rural Electric Cooperative Corporation, Inc. of a proposed miscellaneous service fee adjustment. An Application for Approval of Adjustment of Miscellaneous Fees will be filed with the Public Service Commission on August 1, 1999, Case No. 99-\_\_\_\_. This Adjustment will result in miscellaneous service fee increases to certain member-consumers of South Kentucky Rural Electric Cooperative Corporation, Inc. The present and proposed miscellaneous service fee structures of South Kentucky Rural Electric Cooperative Corporation, Inc. are listed below:

Rate Class	Present	Proposed
Return Check	\$ 11	\$ 17
Special Trip Charges:		
Regular Working hours	\$ 24	\$ 36
Overtime	\$104	\$138
Meter Tests	\$ 45	\$ 48
Inspection Fees	\$ 50	\$ 70
Reconnect Fee	\$ 24	\$ 36
Collection	\$ 24	\$ 36
Meter Reading	\$ 24	\$ 36
Overtime	\$ 80	\$138

The miscellaneous service fees contained in this notice are the fees proposed by South Kentucky Rural Electric Cooperative Corporation, Inc. However, the Public Service Commission may order service fees to be charged that differ from the proposed fees contained in this notice. Such action may result in fees for consumers other than the fees in this notice.

Any corporation, association, or person with a substantial interest in the matter may request to intervene, by written request, within thirty (30) days after publication or mailing of this notice of the proposed miscellaneous fee changes. Intervention may be granted beyond the thirty (30) days after publication or mailing of this notice of the proposed fee changes. Intervention may be granted beyond the thirty (30) day period for good cause shown.

Any person who has been granted intervention by the Commission may obtain copies of the miscellaneous service fee application and any other filings made by South Kentucky Rural Electric Cooperative Corporation, Inc. by contacting:

Keith Sloan, General Manager & CEO  
 South Kentucky Rural Electric Cooperative Corporation, Inc.  
 925 North Main Street  
 P.O. Box 910  
 Somerset, Kentucky 42502  
 Phone: (606) 678-4121

Any person may examine the miscellaneous service fee application and any other filings made by South Kentucky Rural Electric Cooperative Corporation, Inc. at the main office at the above listed address or by contacting the Public Service Commission Office at the below listed address:

Kentucky Public Service Commission  
 730 Schenkel Lane  
 P.O. Box 615  
 Frankfort, Kentucky 40602  
 Phone: (502) 564-3940



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**

730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

October 13, 1999

Keith Sloan  
General Manager  
South Kentucky R.E.C.C.  
P. O. Box 910  
925-929 N. Main Street  
Somerset, KY. 42502 0910

RE: Case No. 99-380

We enclose one attested copy of the Commission's Order in  
the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Bell".

Stephanie Bell  
Secretary of the Commission

SB/hv  
Enclosure

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

SOUTH KENTUCKY RURAL ELECTRIC )  
COOPERATIVE CORPORATION THAT )  
ON NOVEMBER 1, 1999, IT WILL ) CASE NO. 99-380  
ADJUST ITS MISCELLANEOUS )  
SERVICE FEES )

O R D E R

On September 9, 1999, South Kentucky Rural Electric Cooperative Corporation ("South Kentucky") filed an application for authority to increase its miscellaneous service fees on November 1, 1999. Based on a review of the application, the Commission finds that a further investigation is necessary to determine whether the proposed fees are reasonable, and that investigation cannot be concluded by November 1, 1999. Therefore, pursuant to KRS 278.190(2), the Commission will suspend the new fees for five months, to be effective March 31, 2000.

IT IS THEREFORE ORDERED that:

1. South Kentucky's proposed miscellaneous service fees shall be suspended up to and including March 31, 2000.
2. South Kentucky shall file with the Commission the original and five copies of the following information. 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 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. The information requested herein is due 14 days from the date of this Order.

a. Reference Exhibit 2, Page 3 and 4 of 5.

(1) What is the source of the number of minutes and mileage amounts used? Provide a detailed explanation and work papers to support the amounts used.

(2) Explain the source of the numbers used in the "other cost based on labor" line.

(3) Explain how the \$.31 per mile charge was computed.

b. Several of the miscellaneous service fees proposed by South Kentucky result in a 50 percent or more increase over present fees. Has South Kentucky considered the principle of gradualism for its miscellaneous service fees in order to lessen the rate shock to its customers in this proceeding and redefining the fees by means of a cost-of-service study in its next rate case?

c. Explain why the August 31, 1998 test period was used for this application instead of one that was more recent.

d. Provide a schedule showing the number of each miscellaneous service fee billed by month from September 1998 through August 1999.



e. Provide the income statement, balance sheet, and statement of additional revenues required by 807 KAR 5:011, Section 10(1)(e) and (2), for the period ending August 31, 1999. If this information is not yet available, provide the information for the most recent period.

f. Provide the public notice as published by South Kentucky in the Kentucky Living magazine and provide the date that the magazine was mailed to your members.

3. Nothing contained herein shall prevent the Commission from entering further Orders in this matter.

Done at Frankfort, Kentucky, this 13th day of October, 1999.

By the Commission

ATTEST:

  
Executive Director



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**  
730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

September 17, 1999

Keith Sloan  
General Manager  
South Kentucky R.E.C.C.  
P. O. Box 910  
925-929 N. Main Street  
Somerset, KY. 42502 0910

RE: Case No. 99-380  
SOUTH KENTUCKY R.E.C.C.

The Commission staff has reviewed your application in the above case and finds that it meets the minimum filing requirements. Enclosed please find a stamped filed copy of the first page of your filing. This case has been docketed and will be processed as expeditiously as possible.

If you need further assistance, please contact my staff at 502/564-3940.

Sincerely,

*Stephanie Bell*  
Stephanie Bell  
Secretary of the Commission

SB/hv  
Enclosure

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

SEP 09 1999

PUBLIC SERVICE  
COMMISSION

CASE NO. 99-389

FILED

SEP 09 1999

PUBLIC SERVICE  
COMMISSION

In the Matter of:

SOUTH KENTUCKY RURAL ELECTRIC )  
COOPERATIVE CORPORATION THAT )  
ON NOVEMBER 1, 1999, IT WILL ADJUST ITS )  
MISCELLANEOUS SERVICE FEES )

NOTICE FOR AUTHORITY TO ADJUST MISCELLANEOUS SERVICE FEES

1. South Kentucky Rural Electric Cooperative Corporation (herein called South Kentucky), whose address is 925 N. Main Street, P.O. Box 910, Somerset, Kentucky 42502, hereby files notice of its intent to adjust fees for its miscellaneous services on November 1, 1999, or such other time as the Commission allows.
2. This notice and the miscellaneous service fee increase sought by South Kentucky are authorized and provided for by KRS 807 KAR 5:011, Section 10 and other related sections of Kentucky Administrative Regulations.
3. The Applicant is a corporation, and a certified copy of the Articles of Incorporation have been filed in Case No. 93-232, and are incorporated in this filing by reference.
4. A copy of the Notice to Public, with the existing and proposed miscellaneous service fees is attached as Exhibit 1, to be included in South Kentucky's insert in the November, 1999, issue of the Kentucky Living magazine.
5. The effective date for the new miscellaneous service fees will be at such time as the Commission allows. South Kentucky requests that the new fees be effective November 1, 1999.
6. A copy of this application and all exhibits are being filed with the Attorney General office at:
  - A. B. Chandler, III, Attorney General  
Office for Rate Intervention  
1024 Capital Center Drive  
Frankfort, Kentucky 40601
7. The cost justification for each service fee change and a full description of the equipment and services is attached as Exhibit 2.



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**

730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

September 14, 1999

Keith Sloan  
General Manager  
South Kentucky R.E.C.C.  
P. O. Box 910  
925-929 N. Main Street  
Somerset, KY. 42502 0910

RE: Case No. 99-380  
SOUTH KENTUCKY R.E.C.C.  
(Rates - NRC)

This letter is to acknowledge receipt of initial application in the above case. The application was date-stamped received September 9, 1999 and has been assigned Case No. 99-380. In all future correspondence or filings in connection with this case, please reference the above case number.

If you need further assistance, please contact my staff at 502/564-3940.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Bell".

Stephanie Bell  
Secretary of the Commission

SB/jc

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

SEP 09 1999

PUBLIC SERVICE  
COMMISSION

CASE NO. 99-389 FILED

SEP 09 1999

PUBLIC SERVICE  
COMMISSION

In the Matter of:

SOUTH KENTUCKY RURAL ELECTRIC )  
COOPERATIVE CORPORATION THAT )  
ON NOVEMBER 1, 1999, IT WILL ADJUST ITS )  
MISCELLANEOUS SERVICE FEES )


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A. B. Chandler, III, Attorney General  
Office for Rate Intervention  
1024 Capital Center Drive  
Frankfort, Kentucky 40601
7. The cost justification for each service fee change and a full description of the equipment and services is attached as Exhibit 2.

8. **South Kentucky filed its last general rate increase in 1993, in Case No. 93-232. Due to the time constraints and efforts made to obtain information for that filing, the review of miscellaneous service fees was omitted from that case. When the current management of South Kentucky examined the miscellaneous service fees, it was determined that the cost to provide miscellaneous services was substantially more than the revenues generated. It could be possible to defer these proposed changes to the next general rate increase, however, since the cost to provide these services is more than the revenues received, this reduces the financial stability of South Kentucky by delaying implementation of these new service fees. In the event that South Kentucky files a general rate increase, these fees will be normalized to give effect as if they were in effect for the entire test year. South Kentucky presently has entered into a Settlement Agreement with the Commission to return to members capital credits in excess of modified 2.0 Times Interest Earned Ratio (TIER). South Kentucky will continue to refund to members any margins in excess of a modified 2.0 TIER.**
9. **An impact statement is attached as Exhibit 3.**
10. **An income statement and balance sheet for the year ended August 31, 1998 is attached as Exhibits 4 and 5.**
11. **A statement showing that the additional revenues generated by the proposed miscellaneous service fees is actually more than 5% of all miscellaneous and non-recurring fees is attached as Exhibit 3. Since South Kentucky refunds margins in excess of modified TIER of over 2.0 as capital credits, the additional margins will be refunded to the members.**

**SOUTH KENTUCKY RURAL ELECTRIC  
COOPERATIVE CORPORATION**

  
**Keith Sloan, General Manager & CEO**

**September 7, 1999**

**Enclosures**

**NOTICE OF PROPOSED CHANGE IN MISCELLANEOUS SERVICE FEES**

In accordance with the requirements of the Public Service Commission of the Commonwealth of Kentucky as set forth in 807 KAR 5.001, Section 10, of the Rules and Regulations of the Public Service Commission, notice is hereby given to the member-consumers of South Kentucky Rural Electric Cooperative Corporation, Inc. of a proposed miscellaneous services fee adjustment. An application for Approval of Adjustment of Miscellaneous Services Fees will be filed with the Public Service Commission on October 1, 1999, Case No. 99-\_\_\_\_\_. This Adjustment will result in miscellaneous service fees increases to certain member-consumers of South Kentucky Rural Electric Cooperative Corporation, Inc. The amount and percent of increase by rate class are listed below:

<u>Rate Class</u>	<u>Dollar Increase</u>	<u>Percent of Increase</u>
Return Check	\$10,208	100%
Special Trip Charges:		
Regular Work Hours	\$60	50%
Overtime	\$0	0%
Meter Tests	\$6	7%
Inspection Fees	\$103,940	40%
Reconnect Fee	\$9,900	50%
Collection	\$4,164	50%
Meter Reading	\$2,124	50%
Overtime	\$3,190	73%

The present and proposed miscellaneous service fee structures of South Kentucky Rural Electric Cooperative Corporation, Inc. are listed below:

<u>Rate Class</u>	<u>Present</u>	<u>Proposed</u>
Return Check	\$11	\$22
Special Trip Charges:		
Regular working hours	\$24	\$36
Overtime	\$104	\$138
Meter Tests	\$45	\$48
Inspection Fees	\$50	\$70
Reconnect Fee	\$24	\$36
Collection	\$24	\$36
Meter Reading	\$24	\$36
Overtime	\$80	\$138

**The miscellaneous service fees contained in this notice are the fees proposed by South Kentucky Rural Electric Cooperative Corporation, Inc. However, the Public Service Commission may order service fees to be charged that differ from the proposed fees contained in this notice. Such action may result in service fees for consumers other than the fees in this notice.**

**Any corporation, association, or person with a substantial interest in the matter may request to intervene, by written request, within thirty (30) days after publication or mailing of this notice of the proposed miscellaneous service fee changes. Intervention may be granted beyond the thirty (30) days after publication or mailing of this notice of the proposed service fee changes. Intervention may be granted beyond the thirty (30) day period for good cause shown.**

**Any person who has been granted intervention by the Commission may obtain copies of the miscellaneous service fee application and any other filings made by South Kentucky Rural Electric Cooperative Corporation, Inc. by contacting:**

**Keith Sloan, General Manager & CEO  
South Kentucky Rural Electric Cooperative Corporation, Inc.  
925 North Main Street  
P.O. Box 910  
Somerset, Kentucky 42502  
Phone: 606-678-4121**

**Any person may examine the miscellaneous service fees application and any other filings made by South Kentucky Rural Electric Cooperative Corporation, Inc. at the main office at the above listed address or by contacting the Public Service Commission Office at the below listed address:**

**Kentucky Public Service Commission  
Attention: Helen Helton  
730 Schenkel Lane  
P.O. Box 615  
Frankfort, Kentucky 40602  
Phone: 606-564-3940**



South Kentucky Rural Electric Cooperative Corporation  
 Miscellaneous Charges  
 August 31, 1998

<b>Direct Wage Expense:</b>	<u>Hours</u>	<u>Percent</u>
Total hours	2,080	100.00%
Average vacation	120	5.77%
Holidays	56	2.69%
Sick leave days	96	4.62%
	<hr/>	
Hours worked	<u>1,808</u>	<u>86.92%</u>

For every \$100.00 of labor paid, \$86.92 is paid for work and \$13.08 is paid for non-working hours. The allocation for Office and Service employees is as follows:

	<u>Hourly Rate</u>	<u>Percent</u>	<u>Non-Working Hourly Amount</u>
Accounting	\$14.55	13.08%	\$1.90
Service	\$17.44	13.08%	\$2.28
Inspectors	\$14.32	13.08%	\$1.87
Office clerical - cashiers	\$12.64	13.08%	\$1.65

<b>Other Costs Based on Labor:</b>	<u>Percent of Labor</u>
Retirement	8.63%
401 (k)	2.39%
FICA	7.65%
Federal and state unemployment	0.41%
Worker's compensation insurance	2.90%
	<hr/>
Total	<u>21.98%</u>

<b>Other Direct Costs:</b>	
Health insurance per month	\$367      \$4,404
Dental insurance per month	\$20 <u>240</u>
	4,644
Hours worked	<u>1,808</u>
Per hour amount	<u>\$2.57</u>

South Kentucky Rural Electric Cooperative Corporation

Exhibit 2

Miscellaneous Charges

page 2 of 5

August 31, 1998

Return Check Charge:

		<u>Per</u>	<u>Amount</u>
		<u>Hour</u>	
Number of Minutes	<u>45</u>		
Direct labor charge	<u>\$14.55</u>	\$14.55	\$10.91
Direct wage expense		\$1.90	1.43
Other cost based on labor per hour		21.98%	2.40
Other direct cost per hour		\$2.57	1.93
Bank charges			<u>5.00</u>
Total charges			<u><u>\$21.66</u></u>
Proposed charge			<u><u>\$22.00</u></u>
Present charge			<u><u>\$11.00</u></u>

South Kentucky Rural Electric Cooperative Corporation  
 Miscellaneous Charges  
 August 31, 1998

Exhibit 2  
 page 3 of 5

***Special Charges, Meter Tests and Inspections***

	<u>Per</u> <u>Hour</u>	<u>Special Charges</u>		<u>Meter</u> <u>Tests</u>	<u>(2 trips)</u> <u>Inspections</u>
		<u>Regular</u>	<u>Overtime</u>		
<b>Serviceman:</b>					
Number of minutes		<u>45</u>	<u>240</u>	<u>75</u>	<u>120</u>
Direct labor charge	\$17.44	\$13.08	\$104.64	\$21.80	
Direct labor charge	\$14.32				\$28.64
Direct wage expense	\$2.28	1.71		2.85	4.56
Other cost based on labor	21.98%	2.87	11.50	4.79	6.30
Other direct cost	\$2.57	1.93		3.21	5.14
Mileage	<u>19</u>	\$0.31	5.89	5.89	11.78
Mileage	<u>38</u>	\$0.31	11.78		
<b>Office Clerical:</b>					
Number of minutes		<u>30</u>	<u>30</u>	<u>30</u>	<u>45</u>
Direct labor charge	\$12.64	\$6.32	\$6.32	\$6.32	\$9.48
Direct wage expense	\$1.65	0.83	0.83	0.83	1.24
Other cost based on labor	21.98%	1.39	1.39	1.39	2.08
Other direct cost	\$2.57	1.28	1.28	1.28	1.93
<hr/>					
Total		<u>\$35.30</u>	<u>\$137.74</u>	<u>\$48.36</u>	<u>\$71.14</u>
Proposed Charge		<u>\$36.00</u>	<u>\$138.00</u>	<u>\$48.00</u>	<u>\$70.00</u>
Present charge		<u>\$24.00</u>	<u>\$104.00</u>	<u>\$45.00</u>	<u>\$50.00</u>

South Kentucky Rural Electric Cooperative Corporation  
 Miscellaneous Charges  
 August 31, 1998

Exhibit 2  
 page 4 of 5

**Meter Reading, Collection, Disconnect-Reconnect Charge:**

	<u>Per</u> <u>Hour</u>	<u>Connect/</u> <u>Reconnect</u>	<u>Collection</u>	<u>Meter</u> <u>Reading</u>	<u>Overtime</u>
<b>Serviceman:</b>					
Number of minutes		<u>45</u>	<u>45</u>	<u>45</u>	<u>240</u>
Direct labor charge	\$17.44	\$13.08	\$13.08	\$13.08	\$104.64
Direct wage expense	\$2.28	1.71	1.71	1.71	
Other cost based on labor	21.98%	2.87	2.87	2.87	11.50
Other direct cost	\$2.57	1.93	1.93	1.93	
Mileage	<u>19</u>	\$0.31	5.89	5.89	
Mileage	<u>38</u>	\$0.31			11.78
<b>Office Clerical:</b>					
Number of minutes		<u>30</u>	<u>30</u>	<u>30</u>	<u>30</u>
Direct labor charge	\$12.64	\$6.32	\$6.32	\$6.32	\$6.32
Direct wage expense	\$2.28	1.14	1.14	1.14	1.14
Other cost based on labor	21.98%	1.39	1.39	1.39	1.39
Other direct cost	\$2.57	1.28	1.28	1.28	1.28
<hr/>					
Total		<u>\$35.62</u>	<u>\$35.62</u>	<u>\$35.62</u>	<u>\$138.05</u>
<hr/>					
Proposed Charge		<u>\$36.00</u>	<u>\$36.00</u>	<u>\$36.00</u>	<u>\$138.00</u>
<hr/>					
Present Charge		<u>\$24.00</u>	<u>\$24.00</u>	<u>\$24.00</u>	<u>\$80.00</u>

Additional Revenues Generated:

	Number	Charges		Revenue		Increase	
		Existing	Proposed	Existing	Proposed	Amount	Percent
Return check	928	\$11.00	\$22.00	\$10,208	\$20,416	\$10,208	100%
Special Trip Charges:							
Regular working hours	5	\$24.00	\$36.00	120	180	60	50%
Overtime	0	\$104.00	\$138.00	0	0	0	0%
Meter Tests	2	\$45.00	\$48.00	90	96	6	7%
Inspection fees	5,197	\$50.00	\$70.00	259,850	363,790	103,940	40%
Reconnect	825	\$24.00	\$36.00	19,800	29,700	9,900	50%
Collection	347	\$24.00	\$36.00	8,328	12,492	4,164	50%
Meter reading	177	\$24.00	\$36.00	4,248	6,372	2,124	50%
Overtime	55	\$80.00	\$138.00	4,400	7,590	3,190	73%
<b>Total</b>				<b>\$307,044</b>	<b>\$440,636</b>	<b>\$133,592</b>	<b>44%</b>

South Kentucky Rural Electric Cooperative Corporation  
Impact of Additional Revenues  
August 31, 1998

Exhibit 3  
page 1 of 1

Computation of Miscellaneous and Non Recurring Charge limitation amount:

Other electric revenues	\$1,116,619
Percentage limitation	<u>5%</u>
Limitation amount	<u>\$55,831</u>
Proposed additional revenues	<u>\$133,592</u>

	<u>Existing</u>	<u>Proposed</u>
Net margins	\$2,148,861	\$2,282,453
Interest on long-term debt	2,311,676	2,311,676
TIER	1.93	1.99

South Kentucky Rural Electric Cooperative Corporation  
Income Statement  
August 31, 1998

Exhibit 4  
page 1 of 1

Operating Revenues:	
Electric revenues	\$44,720,707
Other electric revenues	<u>1,116,619</u>
	<u>45,837,326</u>
Operating Expenses:	
Cost of power	29,271,698
Distribution - operations	2,186,370
Distribution - maintenance	3,444,947
Consumer accounts	1,925,597
Customer service and information	394,976
Sales	24,205
Administrative and general	<u>1,630,438</u>
	38,878,231
Depreciation	2,680,595
Taxes	69,728
Interest on long-term debt	2,311,676
Other interest charges	12,400
Other deductions	<u>9,761</u>
	<u>43,962,391</u>
Patronage capital	1,874,935
Non operating margins - interest	358,008
Non operating margins - other	(214,135)
G & T capital credits	-
Other capital credits	<u>130,053</u>
Net margins	<u><u>\$2,148,861</u></u>

South Kentucky Rural Electric Cooperative Corporation  
Balance Sheet  
August 31, 1998

Exhibit 5  
page 1 of 1

Assets

Electric Plant:	
In service	\$89,582,937
Under construction	649,555
	<hr/>
	90,232,492
Less accumulated depreciation	21,220,805
	<hr/>
	69,011,687
Nonutility property	1,722,683
	<hr/>
Investments	10,409,041
	<hr/>
Current Assets:	
Cash and cash equivalents	4,669,796
Accounts receivables	2,218,503
Other receivables	414,659
Loans receivable	2,187,874
Material and supplies	1,187,757
Prepayments	728,303
	<hr/>
	11,406,892
	<hr/>
Total Assets	<u>\$92,550,303</u>

Liabilities and Equities

Members' Equities:	
Memberships	982,140
Patronage capital	40,008,926
	<hr/>
	40,991,066
Long-Term Debt	42,703,724
	<hr/>
Accumulated Postretirement Benefits	3,199,385
	<hr/>
Current Liabilities:	
Accounts payable	3,723,200
Short term debt	53,428
Consumer deposits	189,252
Other current and accrued expenses	853,188
	<hr/>
	4,819,068
Consumer Advances for Construction	521,032
Unclaimed Capital Credits	316,028
	<hr/>
Total Members' Equities and Liabilities	<u>\$92,550,303</u>



SOUTH KENTUCKY R.E.C.C.  
SOMERSET, KENTUCKY 42501

FOR: ENTIRE TERRITORY SERVED  
P.S.C. KY. NO. 7  
ORIGINAL SHEET NO. R-3  
CANCELLING P.S.C. KY. NO. 6  
\_\_\_\_\_ SHEET NO. \_\_\_\_\_

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RULES AND REGULATIONS

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SECTION II - SERVICE PROCEDURES

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2.10 APPLICATION FOR SERVICE

Each prospective member desiring electric service will be required to sign the Cooperative's form "Application for Membership and for Electric Service" before service is supplied by the Cooperative and provide the Cooperative with necessary easements or right-of-way permits upon their property.

2.20 MEMBERSHIP FEE

The membership fee in the Cooperative shall be \$25.00 (twenty-five dollars). The membership fee will be refunded if all bills are paid or applied against any unpaid bills of the member at the time service is discontinued, which will automatically terminate the membership.

2.30 RIGHT OF ACCESS

The Cooperative's identified employees or its agents shall have access to member's premises at all reasonable times for the purpose of meter reading, testing, repairing, inspecting, removing or exchanging any and all equipment belonging to the Cooperative.

2.31 RESALE OF POWER BY MEMBERS

All purchased electric service used on the premises of the member shall be supplied exclusively by the Cooperative, and the member shall not directly or indirectly sell, sublet, or otherwise dispose of the electric service or any part thereof.

2.40 MEMBER'S DISCONTINUANCE OF SERVICE

Any member desiring service discontinued or changed from one location to another shall give the Cooperative three (3) days notice in person or in writing providing such notice does not violate contractual obligations.

As an alternative the Consumer may request a disconnection of service by telephone, provided, the person calling can identify the account number or the Consumers' Social Security number and any other information deemed necessary to reasonably assure that the request is a proper one.

(T)  
(T)

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DATE OF ISSUE:

DATE EFFECTIVE:

---

ISSUED BY: \_\_\_\_\_ GENERAL MANAGER &  
C.E.O. SOUTH KENTUCKY R.E.C.C. P.O. BOX 910 SOMERSET, KENTUCKY  
42502. Issued by authority of an order of the Public Service  
Commission of Kentucky in Case No. \_\_\_\_\_ dated \_\_\_\_\_.

SOUTH KENTUCKY R.E.C.C.  
SOMERSET, KENTUCKY 42501

FOR: ENTIRE TERRITORY SERVED  
P.S.C. KY. NO. 7  
1ST REVISED SHEET NO. R-4  
CANCELING P.S.C. KY. NO.7  
ORIGINAL SHEET NO. R-4

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RULES AND REGULATIONS

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2.41 DISCONTINUANCE OF SERVICE BY COOPERATIVE

The Cooperative may/shall refuse or discontinue to serve a member under the following conditions (Also see Section 4.40 for requirements):

- (a) For non-compliance with its rules and regulations, pursuant to 807 KAR 5:006, Section 14(1)(e).
- (b) When a dangerous condition is found to exist on the member's premises.
- (c) When a member refuses or neglects to provide reasonable access to the premises for the purpose of installation, operation, meter reading, inspecting, maintenance or removal of Cooperative property, pursuant to 807 KAR 5:006, Section 14(1)(c).
- (d) For non-payment for service furnished or other tariffed charges in accordance with 807 KAR 5:006, Section 14(1)(e).
- (e) For failure to comply with the provisions of the wiring code pursuant to 807 KAR 5:006, Section 14(1)(e).
- (f) For fraudulent or illegal use of service. When the Cooperative has discovered evidence that by fraudulent or illegal means a member has obtained unauthorized service or has diverted the service for unauthorized use or has obtained service without same being properly measured, the service to the customer may be discontinued without notice. The Cooperative will not restore service until the customer has complied with all rules of the Cooperative and regulations of the Public Service Commission and the Cooperative has been reimbursed for the estimated amount of the service rendered, including the initial disconnection and the cost to the Cooperative incurred by reason of the fraudulent use. The discontinuance of service to a member for any cause stated in this rule does not release the member of his obligations to all debts due. Within 24 hours after such termination, the utility shall send written notification to the customer of the reasons for termination or refusal of service upon which the utility relies, and of the customer's right to challenge the termination by filing a formal complaint with the Commission.

2.50 SPECIAL CHARGES

The Cooperative may make a charge of \$36.00 for each trip made during regular working hours or \$138.00 for each trip made after or before regular working hours for any service trip requested by a member to restore electric service when it is determined that the service interruption was caused by a defect in the member's wiring or equipment and is not the fault of the Cooperative.

(I)  
(I)

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DATE OF ISSUE:

DATE EFFECTIVE:

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ISSUED BY: \_\_\_\_\_ GENERAL MANAGER &  
C.E.O. SOUTH KENTUCKY R.E.C.C. P.O. BOX 910 SOMERSET, KENTUCKY  
42502. Issued by authority of an order of the Public Service  
Commission of Kentucky in Case No. \_\_\_\_\_ dated \_\_\_\_\_.

SOUTH KENTUCKY R.E.C.C.  
SOMERSET, KENTUCKY 42501

FOR: ENTIRE TERRITORY SERVED  
P.S.C. KY. NO. 7  
1ST REVISED SHEET NO. R-5  
CANCELING P.S.C. KY. NO.7  
ORIGINAL SHEET NO.R-5

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RULES AND REGULATIONS

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2.60 CONNECT, RECONNECT, COLLECTION AND METER READING CHARGES

- (a) The Cooperative will make no charge for connecting service to the new member's installation of service provided the connection is made during regular working hours.
- (b) The Cooperative may make a service charge of \$36.00 for the following: (I)
1. A trip to either disconnect a past due account, collect the past due amount, or if utility representative agrees to delay termination based on customers agreement to pay delinquent bill by specific date. (T)  
(T)  
(T)
  2. A trip to reconnect an account that has been disconnected for delinquent bill or to reconnect an account that is seasonal that was disconnected within the previous 12 months. (T)  
(T)  
(T)
  3. If due to consumers negligence or refusal to grant an identified Cooperative agent or contract meter reader access for meter reading and a Cooperative employee is dispatched to read the meter and/or disconnect.
- (c) In lieu of (a) and (b) above, a charge of \$138.00 shall apply if the consumer requests service before or after regular working hours. (T) (I)  
(T)

2.70 RETURN CHECK CHARGE

The Cooperative will make a charge of \$22.00 for each check returned unpaid by the bank for any reason. The returned check charge will be added to the amount of the return check and be subject to the conditions set forth in Section 5.50, Unpaid Checks from Consumers. (I)

2.80 SERVICE CHARGES FOR TEMPORARY SERVICE

Consumers requiring temporary service may be required to pay all costs of connecting and disconnecting incidental to the supplying and removing of service. In addition to this, an amount will be required to cover estimated consumption of electricity. All such costs will be paid in advance. Any balance remaining at the end of temporary service will be refunded. (This rule applies, but not limited, to carnivals, fairs, voting booths, temporary construction projects, etc.) Temporary line extension requirements are in Section 6.

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DATE OF ISSUE:

DATE EFFECTIVE:

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ISSUED BY: \_\_\_\_\_ GENERAL MANAGER & C.E.O.  
SOUTH KENTUCKY R.E.C.C. P.O. BOX 910 SOMERSET, KENTUCKY 42502  
Issued by authority of an order of the Public Service Commission of  
Kentucky in Case No. \_\_\_\_\_ dated \_\_\_\_\_.

SOUTH KENTUCKY R.E.C.C.  
SOMERSET, KENTUCKY 42501

FOR: ENTIRE TERRITORY SERVED  
P.S.C. KY. NO. 7  
1ST REVISED SHEET NO. R-6  
CANCELING P.S.C. KY. NO. 7  
ORIGINAL SHEET NO. R-6

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RULES AND REGULATIONS

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SECTION III - METERS

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3.10 METER TESTS

- (a) All new meters shall be checked for accuracy before installation. The Cooperative will, at its own expense, make periodical tests and inspections of its meters in order to maintain a high standard of accuracy and to conform with the regulations of the Public Service Commission.
- (b) The Cooperative will make additional tests of meters at the request of the member, provided the member does not request such test more frequently than once in twelve (12) months and upon payment of a fee for obtaining and testing of \$48.00 paid in advance which is refundable to consumer only if the meter does not test within the 2% fast or slow range. (I)
- (c) If test results on a consumer's meter show an average error greater than two percent (2%) fast or slow, or if a consumer has been incorrectly billed for any other reason, except in an instance where a utility has filed a verified complaint with the appropriate law enforcement agency alleging fraud or theft by a consumer, the cooperative shall immediately determine the period during which the error has existed, and shall recompute and adjust the consumer's bill to either provide a refund to the consumer or collect an additional amount of revenue from the underbilled consumer. The Cooperative shall readjust the account based upon the period during which the error is known to have existed. If the period during which the error existed cannot be determined with reasonable precision, the time period shall be estimated using such data as elapsed time since the last meter test, if applicable, and historical usage data for the consumer. If that data is not available, the average usage of similar consumer loads shall be used for comparison purposes in calculating the time period.

If the Consumer and the Cooperative are unable to agree on an estimate of the time period during which the error existed, the Kentucky Public Service Commission shall determine the issue.

In all instances of consumer overbilling, the consumer's account shall be credited or the overbilled amount refunded at the request of the consumer within thirty (30) days after final meter test results. The Cooperative shall not require consumer repayment of any underbilling to be made over a period shorter than a period coextensive with the underbilling.

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DATE OF ISSUE:

DATE EFFECTIVE:

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ISSUED BY: \_\_\_\_\_ GENERAL MANAGER & CEO  
SOUTH KENTUCKY R.E.C.C. P.O. BOX 910 SOMERSET, KENTUCKY 42502  
Issued by authority of an order of the Public Service Commission of  
Kentucky in Case No. \_\_\_\_\_ dated \_\_\_\_\_.

SOUTH KENTUCKY R.E.C.C.  
SOMERSET, KENTUCKY 42501

FOR: ENTIRE TERRITORY SERVED  
P.S.C. KY. NO. 7  
1ST REVISED SHEET NO. R-8  
CANCELLING P.S.C. KY. NO.7  
ORIGINAL SHEET NO. R-8

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RULES AND REGULATIONS

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SECTION IV - CONSUMER EQUIPMENT

4.10 POINT OF DELIVERY

The point of delivery is the point as designated by the Cooperative on member's premises where current is to be delivered to building or premises, ordinarily the meter. All wiring and equipment beyond this point of delivery shall be supplied and maintained by the member. The member will, however, notify the Cooperative of any proposed changes in his equipment or wiring which will materially increase or decrease his load so the Cooperative may check its equipment to make certain it will accommodate the consumer's load requirements.

Should a consumer insist that his/her point of delivery be at a different location than that selected by the Cooperative, the consumer shall be required to pay an Aid to Construction equal to the additional cost incurred by the Cooperative to serve the new delivery point.

4.20 MEMBER'S WIRING AND POINT OF ATTACHMENT

- (a) All electrical wiring on the member's premises shall conform to all applicable codes and rules and regulations; namely,
1. The National Electrical Code.
  2. Any state, county or municipal code where and when applicable.
  3. The Uniform Wiring Code, so long as it is as strict or more strict in its requirements than the National Electrical Code.
- (b) If any consumer does not have an appropriate point of attachment and a meter pole is requested, there shall be a payment of \$100, non-refundable, as an Aid to Construction to help offset this extra cost.

4.30 INSPECTION

All electrical wiring in a building or other facilities is required by Kentucky Law to be in compliance with the National Electric Codes and inspected by a Kentucky Certified Electrical Inspector before the utility can provide service to the building or facility. (T)  
(T)  
(T)

---

DATE OF ISSUE:

DATE EFFECTIVE:

---

ISSUED BY: \_\_\_\_\_ GENERAL MANAGER &  
C.E.O. SOUTH KENTUCKY R.E.C.C. P.O. BOX 910 SOMERSET, KENTUCKY  
42502. Issued by authority of an order of the Public Service  
Commission of Kentucky in Case No. \_\_\_\_\_ dated \_\_\_\_\_.

SOUTH KENTUCKY R.E.C.C.  
SOMERSET, KENTUCKY 42501

FOR: ENTIRE TERRITORY SERVED  
P.S.C. KY. NO. 7  
2ND REVISED SHEET NO. R-9  
CANCELLING P.S.C. KY. NO. 7  
1ST REVISED SHEET NO. R-9

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RULES AND REGULATIONS

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A.	RESIDENTIAL & SMALL COMMERCIAL FEES		(T)
(1)	Buildings Requiring Two Trips: Rough-In and Final Inspection		(T)
	0 - 125 Amp	\$35.00 Per Trip	(T) (I)
	126 - 200 Amp	\$40.00 Per Trip	(T) (I)
	201 - 400 Amp	\$50.00 Per Trip	(T) (I)
(2)	Other Single Trip Charges:		(T)
	Meter Pole	\$35.00	(T) (I)
	Service Change	\$35.00	(T) (I)
	Added Wire	\$35.00	(T) (I)
	Repair/Replace	\$35.00	(T) (I)
	Extra Trip	\$35.00	(T) (I)
	Reinspection	\$35.00	(T) (I)
	Temporary	\$35.00	(T) (I)
	Underground Raceway	\$35.00	(T) (I)
B.	LARGE COMMERCIAL & INDUSTRIAL		(T)
	Fees based on electrical contract bid and additions.		(T)
	1% first \$100,000.00		(T)
	1/2% next \$100,000.00		(T)
	1/4% of all remainder		(T) (D)

4.40 DANGEROUS CONDITION OF CONSUMER ELECTRICAL EQUIPMENT

If a dangerous condition relating to the utility's service which could subject any person to imminent harm or result in substantial damage to the property of the utility or others, is found to exist on the consumers premises, the service shall be refused or terminated without advance notice. The Cooperative shall notify the customer immediately in writing and, if possible, orally of the reasons for the termination or refusal. Such notice shall be recorded by the Cooperative and shall include the corrective action to be taken by the consumer of Cooperative before service can be restored or provided.

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DATE OF ISSUE:

DATE EFFECTIVE:

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ISSUED BY: \_\_\_\_\_ GENERAL MANAGER &  
C.E.O. SOUTH KENTUCKY R.E.C.C. P.O. BOX 910 SOMERSET, KENTUCKY  
42502. Issued by authority of an order of the Public Service  
Commission of Kentucky in Case No. \_\_\_\_\_ dated \_\_\_\_\_.

SOUTH KENTUCKY R.E.C.C.  
SOMERSET, KENTUCKY 42501

FOR: ENTIRE TERRITORY SERVED  
P.S.C. KY. NO. 7  
ORIGINAL SHEET NO. R-12  
CANCELLING P.S.C. KY. NO.6  
\_\_\_\_\_ SHEET NO. \_\_\_\_\_

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RULES AND REGULATIONS

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5.20 TAXES

The Cooperative shall add to the bills of all applicable members the Kentucky Sales and Use Tax, any utility gross receipts license tax for schools or any other tax or levy that may be legally imposed on the Cooperative that is measured or determined by sales or receipts.

5.30 METER READING

(a) The Cooperative provides meter reading services to its members without extra charge. The meters are read on or about the same working day of each month, with the exception of seasonal type accounts and certain accounts which are inaccessible at certain times of the year. In those cases the meters are read quarterly, and estimated for the other periods. (T)

(b) Estimated bills are based upon last month's KWH times an estimation factor. The following estimation factors have been established from degree day history to adjust last months usage due to weather changes. (T)

October	1.25	(T)
November	1.75	(T)
December	1.50	(T)
January	1.75	(T)
February	1.00	(T)
March	1.00	(T)
April	1.00	(T)
May	1.00	(T)
June	1.75	(T)
July	1.25	(T)
August	1.25	(T)
September	1.00	(T)

If the estimation is for a new account, with no KWH history, the revenue class table is used for the estimation, normalized for the number of days of service different from 30. (T)

5.31 BILLING ADJUSTMENTS TO STANDARD PERIODS

The first billing of an account for the "Consumer Charge" shall be prorated based on time actually used. This proration does not apply to demand charges or KWH charges or any special minimum bill.

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DATE OF ISSUE:

DATE EFFECTIVE:

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ISSUED BY: \_\_\_\_\_ PRESIDENT/GEN. MANAGER  
SOUTH KENTUCKY R.E.C.C. P.O. BOX 910 SOMERSET, KENTUCKY 42502  
Issued by authority of an order of the Public Service Commission of  
Kentucky in Case No. \_\_\_\_\_ dated \_\_\_\_\_.