

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

RATE ADJUSTMENT OF OWEN)
COUNTY RURAL ELECTRIC) CASE NO. 8618
COOPERATIVE CORPORATION)

O R D E R

IT IS ORDERED that Owen County Rural Electric Cooperative Corporation ("Owen County") shall file an original and eight copies of the following information with the Commission, with a copy to the Attorney General's Consumer Protection Division by October 4, 1982. Each copy of the data requested should be placed in a bound volume with each item tabbed. Where a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Careful attention should be given to copied material to insure that it is legible. Moreover, Owen County shall furnish the name of the witness who will be responsible for responding to questions concerning each area of information outlined below.

Information Request No. 1

1. The detailed work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete

detailed narrative explanation of each adjustment including the reason why each adjustment is required. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

2. An analysis of Account 930 - Miscellaneous General Expenses for the test period. This should include a complete breakdown of this account as shown in attached Format 1, and also provide all detailed working papers supporting this analysis. At minimum, the work papers should show the date, vendor, reference (i.e. voucher no., etc.), dollar amount, and a brief description of each expenditure.

3. A detailed analysis of contributions for charitable and political purposes (in cash or services). This analysis should indicate the amount of the expenditure, the recipient of the contribution, and the specific account charged.

4. A copy of the auditor's report from your most recent audit.

5. A detailed analysis of advertising expenditures during the test period. This analysis should include a breakdown of Account 913 - Advertising Expenses, as shown in Format 2, attached, and should also show any advertising expenditures included in other expense accounts. This analysis should be specific as to the purpose and expected benefit of each expenditure.

6. A copy of the most recent publication of the Borrower Statistical Profile for Owen County Rural Electric Cooperative

published by the Rural Electrification Administration. Include a detailed narrative explanation of any action taken by Owen County RECC management, its Board of Directors or REA based on the results of this data.

7. A schedule of salaries and wages for the test year and each of the 5 calendar years preceding the test year as shown in Format 3, attached. For each time period provide the amount of overtime pay.

8. A copy of the current by-laws.

9. Provide the utility's rate of return on net investment rate base for the test year and 5 preceding calendar years. Include data used to calculate each return.

10. In comparative form, an income statement, a statement of changes in financial position, and a balance sheet for the test year and the 12-month period immediately preceding the test year.

11. A detailed analysis of expenses incurred during the test year for professional services as shown in attached Format 4, and all detailed working papers supporting the analysis. At minimum the work papers should show the payee dollar amount, reference (i.e. voucher no., etc.) account charged, hourly rates and time charged to the utility according to each invoice, and a brief description of the service provided.

12. Provide the utility's times interest earned ratio and debt service coverage ratio, as calculated by the Rural Electrification Administration, for the test year and the 5 preceding calendar years. Include the data used to calculate each ratio.

13. Schedules in comparative form showing for the test year and the year preceding the test year the ending balance in each electric plant and reserve account or subaccount included in the applicant's chart of accounts.

14. A copy of Kentucky's Electric Cooperatives Operating Expense and Statistical Comparisons for 1980 and 1981.

15. The date and time of the most recent annual members' meeting. Provide the number of members in attendance, the number of members voting for new board members, the number of new board members elected, and a general description of the meeting's activities.

16. A schedule showing a comparison of the balance in each operating expense account for each month of the test year to the same month of the preceding year for each account or subaccount included in the applicant's chart of accounts. See Format 5.

17. The estimated dates for draw downs of unadvanced loan funds at test year-end and the proposed uses of these funds.

18. Provide the following where not previously included in the record:

- a. A schedule of the present and proposed rates, charges, terms and conditions, and service rates and regulations which the applicant seeks to change, shown in comparative form.
- b. A detailed analysis of customers' bills, adjusted to actual usage and in such detail that the revenues from the present and proposed rates can be readily determined.
- c. A schedule of test year revenues for each rate schedule per book rates, present rates annualized, and proposed rates annualized.
- d. A schedule setting forth the effect upon average consumer bills.
- e. A statement setting forth estimates of the effect that the new rate or rates will have upon the revenues of the utility the total amount of money resulting from the increase or decrease and the percentage increase or decrease.
- f. A schedule showing by customer class (i.e., residential, commercial, industrial, etc.) the amount and percent of any proposed increase or decrease in revenue distributed to each class.

This schedule is to be accompanied by a statement which explains in detail the methodology or bases used to allocate the requested increase or decrease in revenue to each of the respective customer classes.

- g. A schedule showing how the increase or decrease in (f) above further distributed to each rate charge (i.e., customer or facility charge, KWH charge, etc.). This schedule is to be accompanied by a statement which explains, in detail, the methodology or bases used to allocate the increase or decrease.
- h. A statement showing by cross-outs and italicized inserts all proposed changes in rates, charges, terms and conditions, and service rules and regulations for each rate or charge. Copy of current tariff may be used.

Done at Frankfort, Kentucky, this 14th day of September, 1982.
PUBLIC SERVICE COMMISSION


By the Commission

ATTEST:

Secretary

Owen County Electric Cooperative Corporation

Case Number 8618

ACCOUNT 930.2 MISCELLANEOUS GENERAL EXPENSES

For the 12 Months Ended

<u>Line</u> <u>No.</u>	<u>Item</u> <u>(a)</u>	<u>Amount</u> <u>(b)</u>
1.	Industry Association Dues	
2.	Directors Fees and Expenses	
3.	Dues and Subscriptions	
4.	Special Studies	
5.	Testing and Research	
6.	Advertising	
7.	Annual Meeting Expenses	
8.	Other	
9.	Total Account 930	

Owen County Rural Electric Cooperative Corporation

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ACCOUNT 913 - ADVERTISING EXPENSE

For the 12 Months Ended

(000's)

<u>Line</u> <u>No.</u>	<u>Item</u> (a)	<u>Sales or</u> <u>Promotional</u> <u>Advertising</u> (b)	<u>Institutional</u> <u>Advertising</u> (c)	<u>Conservation</u> <u>Advertising</u> (d)	<u>Rate</u> <u>Case</u> (e)	<u>Other</u> (f)	<u>Total</u> (g)
1.	Newspaper						
2.	Magazines and Other						
3.	Television						
4.	Radio						
5.	Direct Mail						
6.	Sales Aids						
7.	Total						

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ANALYSIS OF SALARIES AND WAGES

For the Calendar Years 1977 Through 1981
And the 12-Month Period Ending

(000 's)

Line No.	Item (a)	12 Months Ended											
		Calendar Years Prior to Test Year					Test Year						
		5th	4th	3rd	2nd	1st	Year	%	Amount	%	Amount		
		(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)

1. Wages charged to expense:
2. Power production expense
3. Transmission expenses
4. Distribution expenses
5. Customer accounts expense
6. Sales expenses
7. Administrative and general expenses:
 - (a) Administrative and general salaries
 - (b) Office supplies and expense
 - (c) Administrative expense transferred-cr.
 - (d) Outside services employed
 - (e) Property insurance
 - (f) Injuries and damages

Line No.	Item (a)	12 Months Ended					Test Year (m)
		5th Year (c)	4th Year (d)	3rd Year (e)	2nd Year (f)	1st Year (g)	
		Amount	Amount	Amount	Amount	Amount	Amount
		X	X	X	X	X	X

7. Administrative and general expenses (continued):

- (g) Employee pensions and benefits
- (h) Franchise requirements
- (i) Regulatory commission expense
- (j) Duplicate charges-cr. Miscellaneous general expense
- (k) Miscellaneous general expense
- (l) Rents
- (m) Maintenance of general plant

- 8. Total administrative and general expenses L7(a) through L7 (m)
- 9. Total salaries and wages charged expense (L2 through L6 + L8)
- 10. Wages capitalized
- 11. Total of salaries and wages
- 12. Ratio of salaries and wages charged expense to total wages (L9 + L11)
- 13. Ratio of salaries and wages capitalized to total wages (L10 + L11)

NOTE: Show percent increase of each year over the prior year in Columns (c), (e), (g), (i), (k), and (m).

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Professional Service Expenses

For the Twelve Months Ended

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

