

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

GENERAL ADJUSTMENT OF)
ELECTRIC RATES OF) CASE NO. 8624
KENTUCKY UTILITIES COMPANY)

ORDER

IT IS ORDERED that Kentucky Utilities Company ("KU") shall file an original and 12 copies of the following information with the Commission, with a copy to all parties of record, by December 8, 1982. KU should include with each response the name of the witness who will be available to respond to questions concerning the information requested. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case will be dismissed.

1. Provide all workpapers for determining class revenue requirements.
2. As requested in September 20, 1982, Order of the Public Service Commission, question No. 40g., furnish the following:

40g. A schedule showing how the increase or decrease in (f) above was further distributed to each 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.

The schedule is to show the methodology used to distribute the gross revenue of the residential class and all other rate classes, to each rate charge (i.e., customer or facility charge, KWH charge, KW charge, etc.) in such detail that the allocation can be reproduced.

3. The Commission adjusted the fuel inventory in Case 8429, Kentucky Power, to increase the test year end value of fuel inventory for the additional supply required to provide a 60-day supply. Further, the Commission stated in this Order that the Commission will review the level and value of fuel inventory on a case-by-case basis and determine whether an adjustment is appropriate. Provide KU's position on this policy and all supporting data justifying its position.

4. Provide the optimum level for fuel inventory and how it was determined.

5. In the prepared testimony of Davis, page 3, it states that the 5-year recovery period is exactly the same as that used in KU's August 1982 FERC filing. Provide excerpts from the testimony in the FERC case supporting the 5-year recovery period. Was the case amended to reflect the revision of the computation of the deferred tax deficiency? Provide the basis for proposing a recovery period of 15 years on this increased deficiency. Include all supporting workpapers used in determining this period.

6. In determining the costs associated with the residential conservation program, how many audits were

anticipated to be performed. Explain how the number of audits was determined.

7. Has KU considered the possibility of contracting with outside firms rather than the use of its own employees in the implementation of the residential conservation program. Provide the results of this consideration, if any.

8. In response to Item 154 of the Attorney General's third request for information, KU states that it does not capitalize associated payroll costs. Provide justification in support of this policy by KU. On what basis does KU deviate from the Uniform System of Accounts by not capitalizing associated payroll costs as they relate to labor incurred for construction related projects.

Done at Frankfort, Kentucky, this 30th day of November, 1982.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Secretary