

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

RATE ADJUSTMENT OF JACKSON)
PURCHASE ELECTRIC) CASE NO. 8863
COOPERATIVE CORPORATION)

O R D E R

IT IS ORDERED that Jackson Purchase Electric Cooperative Corporation ("Jackson Purchase") shall file an original and eight copies of the following information with the Commission, with a copy to all parties of record by September 23, 1983, or no later than 2 weeks after the date of this Order, whichever comes later. Each copy of the data requested should be placed in a bound volume with each item tabbed and an index of the information included therein. 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. Jackson Purchase shall furnish with each response the name of the witness who will be available at the public hearing for responding to questions concerning each area of information requested. Where information requested herein has been provided elsewhere, reference may be made to the specific location of said information in responding to this information request.

If neither the requested information nor a motion for an extension of time is filed by the stated date, the case may be dismissed.

1. Pages 3 through 5 of Item No. 1 in the response to Commission Request No. 1 shows the calculation of the adjustment to reduce interest income. Relative to this adjustment, provide the following information:

(a) Updated data on temporary investments in the same format as used on page 4, through August, 1983.

(b) In the same format as used on page 4, a schedule of temporary investments (principal, terms, interest) for the 12 months ended April, 1982.

2. Explain the need for, and describe the duties of, the 5 new employees added to the payroll from December, 1982 to April, 1983.

3. Regarding the proposed adjustment for tree trimming expense, provide the following information:

(a) A description of the selection process through which Asplundh Tree Expert Company was chosen.

(b) An analysis of the test year expense of \$163,944 showing separately the amounts incurred for chemical spray treatment and for mechanical tree trimming.

(c) For the test year and calendar years 1981 and 1982, the number of days not worked by the maintenance crews for reasons such as equipment outages, severe weather, etc.

4. (a) Provide the amount of "storm damage" expenses incurred during the calendar years 1978 through 1982 on an

annual basis. Describe any major expenses and/or extensive outages incurred.

(b) List and describe the factors considered in reaching the opinion that the recovery of the ice storm expense should not be extended beyond 2 years.

(c) For the 5 calendar years shown in Item 4 (a), provide a breakdown of storm damage expenses showing contracted labor, materials and supplies, and in-house labor.

5. Provide an explanation for the 2-year amortization period proposed for the adjustment to expense related to retaining an interim manager.

6. Pages 28 and 29 of Item No. 2 in the response to Commission Request No. 1 show the expenses incurred for Special Member Informational Meetings. Explain and describe the purpose and nature of these meetings.

7. Provide a detailed explanation of the nature and scope of the management advisory services provided by Dalton Associates for which Jackson Purchase was billed \$6,487 in March and April, 1983.

8. The test year expenses for professional services, shown in Item No. 11 of the response to the Commission's first data request, includes \$41,926 in legal fees for labor negotiations and \$7,064 in legal fees for assistance to interim manager. Explain why no adjustment has been proposed regarding these unusual, non-recurring expenses.

9. Provide a comparison of the NRECA benefit plan in effect at the end of the test year with the plan in effect at

the beginning of the test year. Compare benefits and costs of each plan - in dollars and in payroll percentages.

10. Provide a brief description and explanation of the extraordinary loss of \$40,350 reported in December, 1982.

11. Does Jackson Purchase follow the REA depreciation rates and procedures prescribed in REA Bulletin 183-1?

(a) If not, describe the depreciation rates and procedures which are used.

Done at Frankfort, Kentucky, this 12th day of September, 1983.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Secretary