

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

RATE ADJUSTMENT OF INTER)
COUNTY RURAL ELECTRIC) CASE NO. 8958
COOPERATIVE CORPORATION)

O R D E R

IT IS ORDERED that Inter County Rural Electric Cooperative Corporation ("Inter County") shall file an original and eight copies of the following information with the Commission, with a copy to all parties of record by February 13, 1984, or no later than 2 weeks after the date the application is filed, 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. Inter County 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 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.

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

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. Explain in detail all components used in each calculation including the methodology employed and all assumptions applied in the derivation of each adjustment. 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. Detailed analysis is not required for amounts of less than \$100 provided the items are grouped by classes as shown in Format 1 attached.

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 Inter County published by the Rural Electrification Administration. Include a detailed narrative explanation of any action taken by Inter County's 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. Identify all rate case work by case number.

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 Inter County's chart of accounts.

14. A copy of Kentucky's Electric Cooperatives Operating Expense and Statistical Comparisons for the most recent 2 years available.

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 general description of the meeting's activities.

16. A schedule showing a comparison of balances 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 Inter County'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 proposed rates, charges, terms, conditions, and service rates and regulations which Inter County seeks to change, shown in comparative form.

b. A detailed analysis of customer's 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.

19. Provide the name and address of each member of the Board of Directors of Inter County along with his or her personal mailing address. If, during the course of these proceedings, any changes occur in board membership, provide an update to this request.

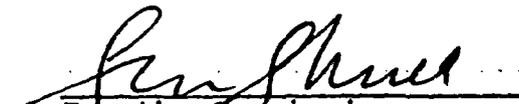
20. Provide a detailed analysis of the total compensation paid to each member of the board of directors during the test period including all fees, fringe benefits, and expenses with a description of the type of meetings, seminars, etc. attended by each member.

21. Provide a detailed analysis of all benefits provided to employees of Inter County including the itemized cost of each benefit and the average annual cost of benefits per employee. If readily available, provide this data by employee classification as shown in Format 3.

22. Provide an itemized listing of the costs incurred to date for the preparation of this case and an itemized estimate of the total cost to be incurred for this case. Indicate any costs incurred for this case that occurred during the test year.

Done at Frankfort, Kentucky, this 13th day of January, 1984.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Secretary

INTER COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

Case No. 8958

ACCOUNT 930 - MISCELLANEOUS 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.	Institutional Advertising	
3.	Conservation Advertising	
4.	Rate Department Load Studies	
5.	Water, and Other Testing and Research	
6.	Directors' Fees and Expenses	
7.	Dues and Subscriptions	
8.	Miscellaneous	
9.	Total	

INTER COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

Case No. 8958

ACCOUNT 913 - ADVERTISING EXPENSE

For the 12 Months Ended

(Total Company)

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

INTER COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

Case No. 8958

ANALYSIS OF SALARIES AND WAGES

For the Calendar Years 19 Through 19
And the 12-month Period Ending

(000's)

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

- 7. Administrative and general expenses (continued):
 - (g) Employees pensions and benefits
 - (h) Franchise requirements
 - (i) Regulatory commission expenses
 - (j) Duplicate charges-cr.
 - (k) Miscellaneous general expense
 - (l) Maintenance of general plant
- 8. Total administrative and general expenses L7(a) through L7(l)
- Total salaries and wages charged expense (L2 through L6 + L8)
- 10. Wages capitalized
- 11. Total Salaries and wages

INTER COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

Case No. 8958

ANALYSIS OF SALARIES AND WAGES

For the Calendar Years 19 Through 19
And the 12-month Period Ending

(000's)

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

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).

INTER COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

Case No. 8958

Professional Service Expenses

For the 12 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				

