

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF GRAYSON RURAL)
ELECTRIC COOPERATIVE CORPORATION) CASE NO. 9980
FOR AN ADJUSTMENT OF RATES)

O R D E R

IT IS ORDERED that Grayson Rural Electric Cooperative Corporation ("Grayson RECC") shall file an original and 12 copies of the following information with this Commission, with a copy to all parties of record. 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 insure that it is legible. The information requested herein is due no later than November 20, 1987. If the information cannot be provided by this date, you should submit a motion for an extension of time stating the reason a delay is necessary and include a date by which it will be furnished. Such motion will be considered by the Commission.

Information Request No. 4

1. With reference to Exhibit II, Schedule 15, and the response to the Commission's Information Request No. 3, Item No. 6, provide the following information:

a. Invoices supporting the monthly premium of \$181.48 for employees' major medical insurance.

b. Is Grayson RECC charged different rates for single and family coverage for major medical insurance? If yes, provide the rates and identify the employees for which each rate is charged.

c. For the NRECA insurance, provide the following information for each employee by employee number as shown in Exhibit II, Item 16, pages 6 through 8:

(1) The rate per dollar paid by Grayson RECC for life insurance.

(2) The rate per dollar paid by Grayson RECC for retirement insurance. Identify union and nonunion employees.

The following questions refer to the information regarding the PCB testing program in Exhibit II, Schedule 16, page 18; response to the Commission's Information Request No. 2, Item No. 8a. through 8o.; and response to the Commission's Information Request No. 3, Item Nos. 18 through 23:

2. Provide calculations supporting the "rates per dollar" for all overhead items included in Item No. 8d., response to the Commission's Information Request No. 2. Include a thorough explanation of any assumptions employed.

3. The response to the Commission's Information Request No. 2, Item No. 8g. indicates that the average hours required to hang or remove a transformer were determined through an extensive study in 1984 of all work orders completed for a month in which a transformer was involved. Provide a copy of the results and conclusions drawn from this study. Provide the work orders included in this study. Provide a brief description of the action taken on

each work order and the hours required to complete if this information is not included on each work order.

4. Clearly describe the actions and time required for transformers added or transformers taken down as mentioned in Item No. 21a., response to the Commission's Information Request No. 3.

5. Provide the work orders for the 26 PCB transformers changed out during the test year as requested in Item No. 21c., response to the Commission's Information Request No. 2.

6. Please explain why no overhead was included in the test year for the PCB testing program.

7. Pertaining to transformer work:

a. Provide work orders containing all transformer work during the test year.

b. In response to the Commission's Information Request No. 2., Item No. 8g., Grayson states:

Hours to hang transformer	3
Hours to remove transformer	<u>3</u>
Change out transformer	6

Clearly describe the procedures and time required to change out a PCB transformer.

(1) Specifically define "hang transformer", that is, what it entails, and identify the amount of time required for each portion of "hang transformer".

(2) Specifically define "remove transformer", that is, what it entails, and identify the amount of time required for each portion of "remove transformer".

8. Provide the basis for increasing the regular hours for employees No. 633 and No. 634 to 520 hours.

9. The response to the Commission's Information Request No. 3, Item No. 33, did not include the detailed information requested for cooperatives outside Kentucky. Please provide this information. Please note the information is requested only for borrowers obtaining loan approval during 1986 and 1987. Also provide the debt service coverage without Generation and Transmission Capital Credits for the Kentucky cooperatives.

10. The response to the Commission's Information Request No. 3, Item No. 37, does not contain the requested information for the years 1979 to 1982. Please provide this information.

11. In the response to the Commission's Information Request No. 3, Item No. 38, you did not provide the allowed Times Interest Earned Ratio in each instance. Please provide.

12. Provide the supporting calculation and the data used to determine the 1980-1986 compound growth rate and in DJH Exhibits 9-13. Also, provide the calculation of the blended interest rate.

13. In the response to the Commission's Information Request No. 3, Item No. 40, the assumptions with regard to growth and blended interest were changed in Item Nos. g., h., and i. Please explain the reason for the change in these assumptions and the information based on the original assumptions.

14. Provide detailed information on the accounting procedure involved in rotating patronage capital and the annual cash requirements over the next 10 years, under Grayson RECC's equity management plan, assuming the 40 percent equity level is achieved in 1988.

Done at Frankfort, Kentucky, this 13th day of November, 1987.

PUBLIC SERVICE COMMISSION

Richard D. Hansen Jr.
For the Commission

ATTEST:

Executive Director