

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF JACKSON COUNTY RURAL)
ELECTRIC COOPERATIVE CORPORATION TO) CASE NO. 93-088
ADJUST ELECTRIC RATES)

O R D E R

IT IS ORDERED that Jackson County Rural Electric Cooperative Corporation ("Jackson County") shall file an original and 12 copies of the following information with the Commission, with a copy to all parties of record. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. 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 ensure that it is legible. 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. The information requested herein is due no later than July 26, 1993.

1. Refer to the response to Item 5 of the June 11, 1993 Order.

a. Identify, for the test year, the amount of the interest expense recorded by Jackson County for the National Rural Electric Cooperative Association ("NRECA") debt of \$309,710.

b. Identify the account number(s) to which this interest expense was recorded.

c. State whether, as of the date of Jackson County's response to this Order, the moratorium on payments to the NRECA plan has ended. If no, indicate when Jackson County expects the moratorium to end.

2. Refer to Exhibit D, Schedule 6, of the Application and the response to Item 9 of the June 11, 1993 Order. State whether the normalization for wages and salaries reflects 100% of the employee earnings.

3. Refer to the response to Item 9 of the June 11, 1993 Order.

a. State whether Jackson County makes any contribution to its mandatory savings plan.

b. If yes, state the amount of its contribution for the test period and the amount expensed in the test period. Provide all calculations used to determine the contribution amount.

4. Refer to Exhibit D, Schedule 6, of the Application. State the reasons for the level of overtime during the test year.

5. Refer to Exhibit D, Schedule 6, of the Application. Provide actual overtime hours worked for the last five calendar years. For each year shown indicate the number of hours capitalized and prepare a breakdown of the hours expensed using the categories of Distribution expenses, Consumer Accounts expenses, Customer Accounts expenses, and Administrative and General expenses.

6. Refer to Exhibit D, Schedule 7, of the Application and the response to Item 12(b) of the June 11, 1993 Order. Explain why the following monthly insurance rates in the response do not match those listed in the application.

- a. Specific Excess Risk
- b. Administration
- c. Monthly Contribution
- d. Business Travel

If the rates in the application reflect more recent rates, state the effective date of the new rate and provide supporting evidence for the change in rates.

7. Refer to the response to Item 15 of the June 11, 1993 Order.

- a. For each calendar month, show how the "premium paid" was calculated.
- b. Provide the accounting entries used to record the surplus during the test year.

8. Refer to the response to Item 21 of the June 11, 1993 Order.

- a. Explain Jackson County's estimate that no capital credits will be paid in 1996. State all assumptions used to obtain this estimate.
- b. State whether Jackson County prefers to increase rates to ensure a capital credit rotation payments in 1996 than make no rotation that year.

9. Refer to the response to Item 22(b) of the June 11, 1993 Order. Provide written evidence of National Rural Utilities Cooperative Finance Corporation ("CFC") requirement of a minimum equity level of 40 percent of capital structure.

10. Refer to the response to Item 6 of the April 2, 1993 Order and the response to Item 23 of the June 11, 1993 Order. Provide a breakdown of Account Number 231.00, "Notes Payable". For each note, state the terms, conditions, and interest rate in effect as of test year end.

11. Refer to the response to Item 33 of the June 11, 1993 Order. Provide a breakdown of the following expenses for 1992:

- a. Coop labor
- b. Advertising
- c. Door prizes
- d. Entertainment
- e. KAEC
- f. Scholarships
- g. Nomination and/or election committee fees

12. Describe in detail the services which KAEC provided for Jackson County's 1992 annual meeting.

13. Describe the availability of alternate fuel sources in the Jackson County service territory.

14. State the number of all-electric customers which Jackson County added in the test year.

15. State the number of customers which Jackson County added in the test year who were not all-electric customers.

16. Refer to response 37(b) and (c) of the June 11, 1993 Order.

- a. State the acreage of the farm.
- b. State the percentage of the farm's total acreage devoted to the pole yard.
- c. State the book cost of the farm.
- d. Describe the farm's structures and improvements and identify those facilities which are used to provide electric service.
- e. Define "community purposes."
- f. State the total annual expense of maintaining the farm.
- g. State the total annual income received from the farm in 1992 and state the account number(s) under which this income is recorded.
- h. Explain why the farm is recorded as utility plant and not as non-utility property or plant held for future use.
- i. Explain why the revenues and expenses from the farm should be included for rate-making purposes.

17. Refer to the response to Item 38(b) of the June 11, 1993 Order. Identify the total amount paid as fees and expenses for the directors attending the Congressional Breakfast.

18. Refer to Exhibit F, Schedule 12 "Experimental Tariff RS - T.O.D.", of the Application.

a. State whether the On-Peak Hours for October through April should be 7:00 a.m. to 12 noon and 5:00 p.m. to 10:00 p.m. If yes, provide a corrected tariff.

b. Describe the scope of the experimental tariff. Describe the study methods which will be used. The response should include a discussion of the type of information which is expected to be obtained, the control data which will be used, the experiment's expected length, and participating customers' rights and obligations; what happens if a customer elects to participate in the experiment and subsequently changes his/her mind.

19. Provide a copy of the cost of service software and a users manual.

20. Refer to the response of Item 44 of the June 11, 1993 Order. Explain why management decided a survey was not necessary to allocate the items on line 9-11 of Schedule A, Exhibit J page 3 of 13.

21. Refer to the response of Item 48 of the June 11, 1993 Order. Provide a more detailed explanation of the derivation process for the weighting factors. Provide an example comparing the Farm and Home to the LP<50 rate class.

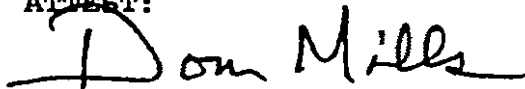
22. Refer to the response of Item 49 of the June 11, 1993 Order. Provide a numerical example of the calculations for the residential class.

Done at Frankfort, Kentucky, this 16th day of July, 1993.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:



Executive Director