

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER)
COOPERATIVE, INC. TO ADJUST) CASE NO. 94-336
ELECTRIC RATES)

ORDER

IT IS ORDERED that the East Kentucky Power Cooperative, Inc. ("East Kentucky") shall file an original and 10 copies of the following information with this 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. The information requested herein is due no later than October 6, 1995.

1. Provide the names of the witnesses responsible for the responses to the September 1, 1995 Order.

2. Provide the calculations used to arrive at the amounts shown on Application Exhibit A, Schedule 3, page 3 of 3 for Short-Term Investments and Bond Funds. Include all assumptions and other supporting documentation.

3. Explain the difference in the interest rates used for the Bond Funds and the Cooperative Marketing Loans shown on Application Exhibit A, Schedule 3, page 3 of 3 and the response to the September 1, 1995 Order, Item 1, page 2 of 4. Which interest rates were in effect at test-year end?

4. For each category in the Bond Funds, provide the interest rate in effect at the end of each month in the test year and during calendar year 1994 and monthly interest income generated for each category during the same time period.

5. Explain the difference in the fund balances reported for the Debt Service Reserve Funds shown in the original application and the response to Item 1 in the September 1, 1995 Order. Which amounts reflect test-year end fund balances?

6. The month-end account balance for Short-Term Investments (Account No. 136.01) for the period December 1992 through September 1994, ranged between \$50 million and \$77 million¹ except in December 1993 when the balance was \$132 million. Given these levels, how is a "normalized" balance of \$29.3 million appropriate to use in the proposed interest income adjustment?

7. Provide the month-end balance in each of the following Bond Funds subaccounts for calendar year 1994. Explain the reason(s) for any fluctuations in month-end account balances greater than \pm five percent.

a. Account No. 136.02 - Cooper Bonds.

¹ Response to Item 8 of the Commission's October 26, 1994 Order, page 2 of 4, and Response to Item 9 of the Attorney General's January 27, 1995 Data Request.

- b. Account No. 136.03 - Dale Bonds.
- c. Account No. 136.06 - Spurlock Bonds.
- d. Account No. 136.09 - Smith Bonds.

Is it normal for these subaccount month-end balances to be zero?
Explain.

Done at Frankfort, Kentucky, this 22nd day of September, 1995.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director