

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF TAYLOR COUNTY RURAL)	
ELECTRIC COOPERATIVE CORPORATION FOR)	CASE NO. 97-124
ADJUSTMENT OF RATES)	

O R D E R

IT IS ORDERED that Taylor County Rural Cooperative Corporation ("Taylor County") shall file no later than August 12, 1997 an original and 8 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 its legibility. 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.

1. Refer to Taylor County's Application, Exhibit S at 39. Explain the adjustment of \$20,271 to the depreciation expense and the clearing accounts.
2. Why is construction work in progress not included in Taylor County's net investment rate base calculation?

3. Refer to Taylor County's Response to the Commission's Order of June 23, 1997, Item 5. Provide the account description for Account Number 273.3 Does this account appear in the 1993 version of the Uniform System of Accounts?

4. Refer to Taylor County's Response to the Commission's Order of June 23, 1997, Item 8. For the entry "Interest on Line of Credit CoBank," provide the amount(s) outstanding, interest accrued during the test year, date of each draw down, date of repayment, and interest rate(s) for the line of credit.

5. Refer to Taylor County's Response to the Commission's Order of June 23, 1997, Item 12. For each of the following employees, describe the employee's job responsibilities and explain why he or she has extensive overtime hours for the test year:

- a. Employee No. 122.
- b. Employee No. 129.
- c. Employee No. 130.
- d. Employee No. 131.
- e. Employee No. 132.
- f. Employee No. 133.
- g. Employee No. 134.
- h. Employee No. 135.
- i. Employee No. 145.
- j. Employee No. 162.
- k. Employee No. 166.

6. Refer to Taylor County's Response to the Commission's Order of June 23, 1997, Item 16(b). Justify using overtime wages in the normalized wages when calculating Taylor County's contribution to the 401(k) plan.

7. Refer to Taylor County's Application, Exhibit S at 55 and to Taylor County's Response to the Commission's Order of June 23, 1997, Item 18. Is Taylor County proposing to include directors' health insurance in the adjustment in Item 18 and also include this expense in directors' expenses as shown in Exhibit S?

8. Refer to Taylor County's Response to the Commission's Order of June 23, 1997, Item 22. Describe the purpose of the NRECA Takeover Prevention Training conference. Why should expenses for this training be considered for rate-making purposes as a reasonable operating expense?

9. Refer to Taylor County's Response to the Commission's Order of June 23, 1997, Item 23.

a. Why is the Voucher Committee unable to meet on the same days as regular board meetings?

b. For each Special Board Meeting held during the test year, state:

(1) its purpose.

(2) why the meetings business could not be conducted during a regular session of the board of directors.

c. Why can board directors not sign checks on days when a regular board meeting is held?

d. Why did Taylor County not deduct for rate-making purposes air fares, hotel and meals associated with the Congressional Breakfast?

10. Refer to Taylor County's Response to the Commission's Order of June 23, 1997, Item 24. Reconcile the columns for page 7 with the "Total" column.

11. Refer to Taylor County's Response to the Commission's Order of June 23, 1997, Item 32. Provide a breakdown (the list should include, but not be limited to, gifts, entertainment, prizes, etc.) between the expenses for the annual meeting for the past 5 years. If a category cost increased more than 10 percent in any year, explain the reason(s) for the increase. Provide a list of the gifts and prizes given to members.

12. Refer to Taylor County's Response to the Commission's Order of June 23, 1997, Item 33, and to Taylor County's Response to the Commission's Order of April 22, 1997, Item 21. In Item 33, Taylor County states that \$293,044.70 of health insurance was expense for the test year. In Item 21, the schedule shows that \$296,564 was expense. Which amount is correct? Explain.


13. Refer to Taylor County's Response to the Commission's Order of June 23, 1997, Item 36. Provide the annual cost of providing an insert in the Kentucky Living Magazine.

Done at Frankfort, Kentucky, this 28th day of July, 1997.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director