

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF HENDERSON UNION)
ELECTRIC COOPERATIVE CORPORATION) CASE NO.
FOR A DECREASE IN EXISTING RATES AND) 97-220
FOR APPROVAL OF CONTRACTS)

O R D E R

IT IS ORDERED that Henderson Union Electric Cooperative Corporation ("Henderson Union") shall file the original and 8 copies of the following information with the Commission by October 2, 1997, with a copy to all parties of record. Each copy of the information 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 that information in responding to this Order. When applicable, the information requested herein should be provided for total company operations and jurisdictional operations, separately.

1. a. How does the decision of Henderson Union's members to reject the cooperative's proposed merger with Green River Electric Corporation affect the proposed changes to Henderson Union's Schedule A?

b. If the response to Item 1(a) is that the rejected merger does not affect the proposed changes, then state all reasons, in addition to Henderson Union's desire to make "structure identical to Green Rivers's single phase rate," for the proposed changes.

2. a. Provide a comparison of proposed Schedule A rates for usage of 1,000, 1,500, and 2,000 KWH using the proposed declining block and a flat rate design.

b. Provide a comparison of proposed Schedule B-1 rates for usage of 1,000, 1,500, and 2,000 KWH using the proposed declining block and a flat rate design.

3. Provide a reconciliation of the normalized test year and proposed revenue from Alcan Aluminum between Exhibit 5, Page 1 of Henderson Union's Application; Exhibit 11, Page 2A of Henderson Union's Application; and Exhibit 17, page 8 of Big Rivers Electric Corporation's Application in Case No. 97-204.¹

4. Refer to Henderson Union's Application, Exhibit 5, page 3.

a. Explain how the proposed adjustment of \$129 to "Distribution-Operations" was determined. Show all calculations and state all assumptions.

¹ Case No. 97-204, Application of Big Rivers Electric Corporation, Louisville Gas and Electric Company, Western Kentucky Energy Corp., Western Kentucky Leasing Corp., And LG&E Station Two Inc. For Approval of Wholesale Rate Adjustment for Big Rivers Electric Corporation and for Approval of Transaction (filed June 30, 1997).

b. Explain how the proposed adjustment of \$602 to "Administrative & General" was determined. Show all calculations and state all assumptions.

5. Refer to Henderson Union's Application, Exhibit 5, page 4.

a. Explain how the proposed adjustment of \$711 to "Distribution-Operations" was determined. Show all calculations and state all assumptions.

b. Explain how the proposed adjustment of \$3,316 to "Administration and General" expense was determined. Show all calculations and state all assumptions.

6. Refer to Henderson Union's Application, Exhibit 5, page 1. Provide the calculations used to derive adjustments 13 and 23.

7. Refer to Henderson Union's Application, Exhibit 5, page 7.

a. Provide the workpapers used to calculate Operations & Maintenance.

b. What does the proposed \$90 adjustment to Operations & Maintenance represent?

c. Explain the difference between Customer Deposits of \$68,766 and the balance of \$68,172 which Henderson Union reported in its 1996 Annual Report.

8. Refer to Henderson Union's Application, Exhibit 5, page 11. Provide an explanation of this schedule.

Done at Frankfort, Kentucky, this 22nd day of September, 1997.

PUBLIC SERVICE COMMISSION

ATTEST:



Executive Director



For the Commission