

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF FLEMING-MASON ENERGY)	
COOPERATIVE CORPORATION TO ADJUST)	CASE NO.
ELECTRIC RATES)	2001-244

FIRST DATA REQUEST OF COMMISSION STAFF TO
FLEMING-MASON ENERGY COOPERATIVE CORPORATION

Fleming-Mason Energy Cooperative Corporation ("Fleming-Mason") is requested, pursuant to 807 KAR 5:001, to file with the Commission the original and eight copies of the following information, with a copy to all parties of record. The information requested herein is due on or before either 14 days after the initial submission of the rate application or 28 days after the date of this Data Request, whichever is later. 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 person 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, in the format requested herein, reference may be made to the specific location of said information in responding to this information request.

1. Provide, in comparative form, a detailed income statement, a statement of cash flows, and a balance sheet for the test year and the 12-month period immediately preceding the test year.

2. Provide Fleming-Mason's rate of return on net investment rate base for the test year and 5 preceding calendar years. Include the data used to calculate each return.
3. Provide Fleming-Mason's times interest earned ratio and debt service coverage ratio, as calculated by the Rural Utilities Service ("RUS"), for the test year and the 5 preceding calendar years. Include the data used to calculate each ratio.
4. Provide the most recent Borrower Statistical Profile for Fleming-Mason published by the RUS. What actions, if any, has Fleming-Mason's management, its board of directors, or RUS taken as a result of this profile? For each action listed, explain its purpose.
5. Provide Kentucky's Electric Cooperatives Operating Expense and Statistical Comparisons for the most recent 2 years available.
6. Provide Fleming-Mason's capital structure at the end of each of the periods as shown in Format 6.
7.
 - a. List all outstanding issues of long-term debt as of the end of the latest calendar year and the end of the test period together with the related information as shown in Format 7a. A separate schedule is to be provided for each time period. Report in Column (k) of Format 7a, Schedule 2, the actual dollar amount of debt cost for the test year. Compute the actual and annualized composite debt cost rates and report them in Column (j) of Format 7a, Schedule 2.
 - b. Provide an analysis of end-of-year period, short-term debt and a calculation of the average and end-of-period cost rates as shown in Format 7b.
8. Provide a trial balance as of the last day of the test year showing account number, subaccount number, account title, subaccount title, and amount. The trial balance shall include all asset, liability, capital, income, and expense accounts used by Fleming-Mason. All income statement accounts should show activity for 12 months. Show the balance in each control and all underlying subaccounts per company books.

9. Provide a schedule, as shown in Format 9, comparing the balances for each balance sheet account or subaccount included in Fleming-Mason's chart of accounts for each month of the test year, to the same month of the preceding year.

10. Provide a schedule, as shown in Format 9, comparing each income statement account or subaccount included in Fleming-Mason's chart of accounts for each month of the test year, to the same month of the preceding year. The amounts should reflect the income or expense activity of each month, rather than the cumulative balances as of the end of the particular month.

11. Provide the following information for each item of electric property or plant held for future use at the end of the test year:

- a. Description of property.
- b. Location.
- c. Date purchased.
- d. Cost.
- e. Estimated date to be placed in service.
- f. Brief description of intended use.
- g. Current status of each project.

12. List all non-utility property, related property taxes, and the accounts where amounts are recorded for the test period. Include a description of the property, the date purchased, and the cost.

13. Provide all studies, including all applicable workpapers, which are the basis of jurisdictional plant allocations and expense account allocations.

14. Provide Fleming-Mason's current bylaws. Indicate any changes to the bylaws since January 1, 1990.

15. Provide Fleming-Mason's equity management plan. Indicate when the current plan was adopted and identify any changes made in the plan since the year utilized as the test year in Fleming-Mason's last rate case. Provide a 5-year analysis of the amount of capital credits refunded to

members under the plan and indicate the amounts related to general retirements and special retirements (i.e., estates of deceased patrons).

16. Provide Fleming-Mason's written policies on the compensation of its attorneys, auditors, and all other professional service providers. Include a schedule of fees, per diems, and other compensation in effect during the test year. Include all agreements, contracts, memoranda of understanding, and any other documentation which explains the nature and type of reimbursement paid for professional services. Indicate if any changes occurred during the test year, the effective date of these changes, and the reason for these changes.

17. Provide Fleming-Mason's policies specifying the compensation of directors and a schedule of standard directors' fees, per diems, and other compensation in effect during the test year. If changes occurred during the test year, indicate the effective date and the reason for the changes.

18. Provide the date, time, and a general description of the activities at the most recent annual members' meeting. Indicate the number of new board members elected. For the most recent meeting and the 5 previous annual members' meetings, provide the number of members in attendance, the number of members voting for new board members, and the total cost of the annual meeting.

19. Provide the following:

a. A schedule showing, by customer class (e.g., residential, commercial, industrial, etc.), the amount and percent of any proposed increase or decrease in revenue distributed to each class. Provide a detailed explanation of the methodology or basis used to allocate the requested increase or decrease in revenue to each of the respective customer classes.

b. A schedule showing how the increase or decrease in (a) above was further distributed to each rate charge (e.g., customer or facility charge, KWH charge, etc.). Explain in detail the methodology or basis used to allocate the increase or decrease.

c. A reconciliation of Fuel Adjustment Clause (“FAC”) revenue and expense for the test year. The net result of this adjustment should be to remove all FAC revenue and expense from test-year revenue and expense.

20. For each rate schedule (rate class), provide the following information for the test year:

a. Number of customers.

b. Kilowatt-hour sales.

c. Rate schedule’s percent of Fleming-Mason’s total Kilowatt-hour sales.

d. Monthly peak KW demands for the rate schedule.

e. Total revenue collected.

f. Rate schedule’s percent of Fleming-Mason’s total revenues.

g. If the rate schedule contains any demand charges, describe in detail how the demand charge levels were determined. Provide all calculations, assumptions, workpapers, methodologies, and cost-of-service studies used in the development of the demand charge levels.

h. If this rate schedule contains a monthly customer charge:

(i) When was the current customer charge put in place?

(ii) Describe in detail how the customer charge level was determined.

(iii) Provide all calculations, assumptions, workpapers, methodologies, and cost-of-service studies used to develop this customer charge.

(iv) Provide the cost-of-service study used to prepare your rate filing. If no cost-of-service study was prepared, explain why.

21. Describe how the test year capitalization rate was determined. If differing rates were used for specific expenses (i.e., payroll, transportation clearing accounts, depreciation, etc.), indicate the rate and how it was determined. Indicate all proposed changes to the test-year capitalization rate and how they were determined.

22. Provide the following:

a. A schedule of salaries and wages for the test year and each of the 3 calendar years preceding the test year as shown in Format 22a, attached. For each time period, provide the amount of overtime pay.

b. A schedule showing the percentage of increase in salaries and wages for both union and non-union employees for the test year and the 5 preceding years.

23. Provide the following payroll information for each employee:

a. The actual regular hours worked during the test year.

b. The actual overtime hours worked during the test year.

c. The test-year-end wage rate for each employee and the date of the last increase.

d. A calculation of the percent of increase granted during the test year.

The information shall identify all the employees as either salaried or hourly, and also as either full-time, part-time, or temporary. Employee numbers or other identifiers may be used instead of employee names. Include an explanation of how the overtime pay rate is determined. All employees terminated during the test year shall be identified (along with the month in which the termination occurred), as well as those employees who replaced terminated employees or were otherwise added to the payroll during the test year. If Fleming-Mason has more than 100 employees, the above information may be provided by employee classification.

24. Provide the following payroll tax information:

a. The base wages and salaries used to calculate the taxes, with an explanation of how the base wages and salaries were determined.

b. The tax rates in effect at test-year-end.

25. Provide the following tax data for the test year:

a. A schedule of franchise fees paid to cities, towns or municipalities during the test year, including the basis of these fees.

b. An analysis of other operating taxes imposed by Kentucky as shown in Format 25b attached.

26. Provide a statement of electric plant in service, per company books, for the test year. This data shall be presented as shown in Format 26 attached.

27. Provide a schedule of all employee benefits available to Fleming-Mason's employees. Include the number of employees at test-year-end covered under each benefit, the test-year-end actual cost of each benefit, the amount of the cost capitalized, the amount of the cost expensed, and the account numbers in which the capitalized or expensed costs were recorded.

28. Provide a detailed analysis of advertising expenditures during the test year. Include a breakdown of Account No. 913, Advertising Expenses, as shown in Format 28 attached, and show any advertising expenditures included in other expense accounts. Specify the purpose and expected benefit of each expenditure.

29. Provide an analysis of Account No. 930, Miscellaneous General Expenses, for the test year. Include a complete breakdown of this account as shown in Format 29 attached. Include all detailed workpapers supporting this analysis. At a minimum, the workpapers shall show the date, vendor, reference (i.e., voucher no., etc.), dollar amount, and a brief description of each expenditure. Detailed analysis is not required for amounts of less than \$100 provided the items are grouped by classes as shown in Format 29.

30. Provide an analysis of Account No. 426, Other Income Deductions, for the test period. This analysis shall show a complete breakdown of this account as shown in Format 30 attached, and further provide all detailed workpapers supporting this analysis. At a minimum, the workpapers should show the date, vendor, reference (i.e., voucher no., etc.), dollar amount, and brief description of each expenditure. Detailed analysis is not required for amounts of less than \$250 provided the items are grouped by classes as shown in Format 30 attached.

31. Provide the name and personal mailing address of each member of Fleming-Mason's board of directors. Identify the members who represent the cooperative on the board of directors of East Kentucky Power Cooperative, Inc. ("East Kentucky"). If during the course of these proceedings any changes occur in board membership, provide an update to this request.

32. Provide a detailed analysis of the total compensation paid to each member of the board of directors during the test year including all fees, fringe benefits, and expenses, with a description of the type of meetings, seminars, etc. attended by each member. Identify any compensation paid to Fleming-Mason's board members for serving on East Kentucky's board of directors. Do any of the listed expenses in this analysis include the costs for a director's spouse? If yes, list expenses for directors' spouses separately.

33. Provide a detailed analysis of expenses incurred during the test year for professional services, as shown in Format 33, attached. Include detailed workpapers supporting this analysis which show the payee, dollar amount, reference (i.e., voucher no., etc.), account charged, hourly rates and time charged to the utility according to each invoice, and a brief description of the service provided. Identify all rate case work by case number.

34. Provide the following information concerning the costs for the preparation of this case:

a. A detailed schedule of costs incurred to date. Include the date of the transaction, check number or other document reference, the vendor, amount, a description of the services performed, and the account number in which the expenditure was recorded. Indicate any costs incurred for this case during the test year. Include copies of invoices received from the vendors.

b. An itemized estimate of the total cost to be incurred, detailed explanation of how the estimate was determined, and all supporting workpapers and calculations.

c. Monthly updates of the actual costs incurred during the course of this proceeding, in the manner prescribed above.

35. Provide the estimated dates for draw downs of unadvanced loan funds at test-year-end and the proposed uses of these funds.

36. Provide a list of depreciation expenses using Format 36.

37. Are the depreciation rates reflected in this filing identical to those most recently approved by the Commission?

a. If yes, identify the case in which they were approved.

b. If no, provide the depreciation study which supports the rates reflected in this filing.

38. Provide information for plotting the depreciation guideline curves in accordance with REA Bulletin 183-1, as shown in Format 38.

39. For each charitable and political contribution (in cash or services), provide the amount, recipient, and specific account charged.

40. Describe Fleming-Mason's lobbying activities and provide a schedule showing the name, salary, and affiliation of each lobbyist; all company-paid or reimbursed expenses or allowances; and the account charged for all personnel for whom a principal function is lobbying, on the local, state, or national level. If any amounts are allocated, show a calculation of the factor used to allocate each amount.

41. Provide complete details of the financial reporting and rate-making treatment of Fleming-Mason's pension costs.

42. Provide complete details of Fleming-Mason's financial reporting and rate-making treatment of Statement of Financial Accounting Standard ("SFAS") No. 106, including:

- a. The date that Fleming-Mason adopted or plans to adopt SFAS No. 106.
- b. All accounting entries made or to be made at the date of adoption.
- c. All actuarial studies and other documents used to determine the level of SFAS

No. 106 cost recorded or to be recorded by Fleming-Mason.

43. Provide complete details of Fleming-Mason's financial reporting and rate-making treatment of SFAS No. 112, including:

- a. The date that Fleming-Mason adopted SFAS No. 112.
- b. All accounting entries made at the date of adoption.
- c. All actuarial studies and other documents used to determine the level of SFAS

No. 112 cost recorded by Fleming-Mason.

44. Provide any information, as soon as it is known, describing any events occurring after the test year which would have a material effect on net operating income, rate base, and cost of capital and is not incorporated in the filed testimony and exhibits.

45. Provide all current labor contracts and the most recent contracts previously in effect.

46. Provide separate schedules for the test year and the year preceding the test year, including the following information regarding Fleming-Mason's investments in subsidiaries and joint ventures:

a. Name of subsidiary or joint venture.

b. Date of initial investment.

c. Amount and type of investment.

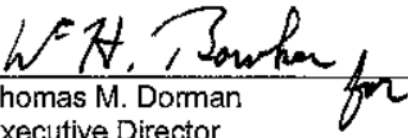
d. Balance sheet and income statement. Where only internal statements are prepared, furnish copies of these.

e. Name of officers of each of the subsidiaries or joint ventures, officer's annual compensation, and portion of compensation charged to the subsidiary

or joint venture. Indicate the position that each officer holds with Fleming-Mason and the compensation received from Fleming-Mason.

47. Provide separate schedules showing all dividends or income of any type received by Fleming-Mason from its subsidiaries or joint ventures for the test year and the 3 years preceding the test year. Indicate how this income is reflected in the reports filed with the Commission and the stockholder reports.

48. Provide a schedule of purchased power costs for the test year by vendor, separated into demand and energy components. Include KW and KWH purchased. Indicate any estimates used and explain their use in detail.


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DATED 9/4/01

cc: All Parties