COMMONWEALTH OF KENTUCKY

BEFORE THE ENERGY REGULATORY COMMISSION

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In the Matter of:

| | | |
|---|---|---|
| NOTICE AND APPLICATION FOR ADJUSTMENT OF RATES FOR JACKSON PURCHASE ELECTRIC COOPERATIVE CORPORATION, INCLUDES AN EMERGENCY INCREASE; AND SUPPLEMENT APPLICANT'S PROPOSED RETAIL RATES TO UTILIZE A PILOT RATE PROGRAM (TIME OF DAY RATES) | ) | CASE NO. 8098 |

O R D E R

IT IS ORDERED that Jackson Purchase Electric Cooperative Corporation shall file with this Commission by March 6, 1981, the following information. Where a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Page 2 of 5. Careful attention should be given to copied material to insure that it is legible.

Staff Request No. 1

1. In comparative form, an income statement, a statement of changes in financial position, and a balance sheet for the test year and the twelve month period immediately preceding the test year.

2. The detailed workpapers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the application, to revenue, expense, investment, and reserve accounts for the test year. Include a detailed narrative explanation of each adjustment and the reason why each adjustment is required. Explain all components used in each calculation and index each calculation to the adjustment which it supports.

3. A schedule of salaries and wages for the test year and each of the five calendar years preceding the test year as shown in Format 1, attached.

4. A detailed analysis of advertising expenditures during the test period. This analysis should include a breakdown of Account 913 - Advertising Expenses, as shown in Format 2 attached and should also show any advertising expenditures included in other expense accounts. The analysis should be specific as to the purpose and expected benefit of each expenditure.

5. An analysis of Account 930 - Miscellaneous General Expenses, for the test period. This should include a complete breakdown of this account as shown in attached Format 3, and also provide all detailed working papers supporting this analysis. At minimum, the work papers should show the date, vendor, reference (i.e. voucher no., etc.), dollar amount, and brief description of each expenditure. Exclude items less than $50.

6. A detailed analysis of contributions for charitable and political purposes (in cash or services). This analysis should indicate the amount of the expenditure, the recipient of the contribution, and the specific account charged.

7. A copy of the auditor's report from your most recent audit.

8. A statement of electric plant in service, per company books at test year-end, as shown in Format 4, attached.

9. Provide the utility's Times Interest Earned Ratio and Debt Service Coverage Ratio, as calculated by the Rural Electrification Administration, for the test year and the five preceding calendar years. Include the data used to calculate each ratio.

10. Provide the utility's rate of return on Net Investment Rate Base for the test year and five preceding calendar years.

11. Provide a breakdown of the following balance sheet accounts as of the end of the test year.

(a) Investment in Associated Organizations - Patronage
(b) Investment in Associated Organizations - Other
(c) Special Funds
(d) Deferred Credits

12. Provide a comparative schedule of operating expenses for the test year and the preceding year, as shown in Format 5, attached.

13. The estimated date(s) for draw down of Unadvanced Loan Funds at test year end and the proposed use of these funds.

14. Contract copies and/or supporting documents of the contracts the utility has with those firms shown on Exhibit 6, page 11, of the Application.

15. Explain the 6 year planning horizon utilized in determining the overall cost of capital (Exhibit 8, page 7).

16. Provide a copy of Exhibit 11, Page 19 (Direct Testimony of Jack D. Gaines).

Done at Frankfort, Kentucky, this 23rd day of February, 1981.

ENERGY REGULATORY COMMISSION

Chairman

Vice Chairman

Commissioner

ATTEST:

Secretary

Jackson Purchase Electric Cooperative Corporation

Format 1
Sheet 1 of 2

Case No. 8098

ANALYSIS OF SALARIES AND WAGES

For the Calendar Years 1975 Through 1979

And the 12-Month Period Ending May 31, 1980

(000's)

| Line No. | Item (a) | 12 Months Ended — Calendar Years Prior to Test Year — 5th Amount (b) | 5th % (C) | 4th Amount (d) | 4th % (e) | 3rd Amount (f) | 3rd % (g) | 2nd Amount (h) | 2nd % (i) | 1st Amount (j) | 1st % (k) | Test Year Amount (l) | Test Year % (m) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1. | Wages charged to expense: | | | | | | | | | | | | |
| 2. | Power production expenses | | | | | | | | | | | | |
| 3. | Transmission expenses | | | | | | | | | | | | |
| 4. | Distribution expenses | | | | | | | | | | | | |
| 5. | Customer accounts expense | | | | | | | | | | | | |
| 6. | Sales expenses | | | | | | | | | | | | |
| 7. | Administrative and general expenses: | | | | | | | | | | | | |
| | (a) Administrative and general salaries | | | | | | | | | | | | |
| | (b) Office supplies and expense | | | | | | | | | | | | |
| | (c) Administrative expense transferred-cr. | | | | | | | | | | | | |
| | (d) Outside services employed | | | | | | | | | | | | |
| | (e) Property insurance | | | | | | | | | | | | |
| | (f) Injuries and damages | | | | | | | | | | | | |

Jackson Purchase Electric Cooperative Corporation

Case No. 8098

Format 1
Sheet 2 of 2

| Line No. | Item (a) | 12 Months Ended Calendar Years Prior to Test Year 5th Amount (b) | 5th % (c) | 4th Amount (d) | 4th % (e) | 3rd Amount (f) | 3rd % (g) | 2nd Amount (h) | 2nd % (i) | 1st Amount (j) | 1st % (k) | Test Year Amount (l) | Test Year % (m) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 7. | Administrative and general expenses (continued): | | | | | | | | | | | | |
| | (g) Employee pensions and benefits | | | | | | | | | | | | |
| | (h) Franchise requirements | | | | | | | | | | | | |
| | (i) Regulatory commission expense | | | | | | | | | | | | |
| | (j) Duplicate charges-cr. | | | | | | | | | | | | |
| | (k) Miscellaneous general expense | | | | | | | | | | | | |
| | (l) Rents | | | | | | | | | | | | |
| | (m) Maintenance of general plant | | | | | | | | | | | | |
| 8. | Total administrative and general expenses L7(a) through L7 (m) | | | | | | | | | | | | |
| 9. | Total salaries and wages charged expense (L2 through L6 + L8) | | | | | | | | | | | | |
| 10. | Wages capitalized | | | | | | | | | | | | |
| 11. | Total of salaries and wages | | | | | | | | | | | | |
| 12. | Ratio of salaries and wages charged expense to total wages (L9 ÷ L11) | | | | | | | | | | | | |
| 13. | Ratio of salaries and wages capitalized to total wages (L10 ÷ L11) | | | | | | | | | | | | |

NOTE:' Show percent increase of each year over the prior year in Columns (c), (e), (g), (i), (k), and (m).

Format 2

Jackson Purchase Electric Cooperative Corporation

Case Number No. 8098

ACCOUNT 913 - ADVERTISING EXPENSE

For the 12 Months Ended May 31, 1980

(000's)

| Line No. | Item (a) | Sales or Promotional Advertising (b) | Institutional Advertising (c) | Conservation Advertising (d) | Rate Case (e) | Other (f) | Total (g) |
|---|---|---|---|---|---|---|---|
| 1. | Newspaper | | | | | | |
| 2. | Magazines and Other | | | | | | |
| 3. | Television | | | | | | |
| 4. | Radio | | | | | | |
| 5. | Direct Mail | | | | | | |
| . | Sales Aids | | | | | | |
| . | Total | | | | | | |

Jackson Purchase Electric Cooperative Corporation

Case Number 8098

ACCOUNT 930. — MISCELLANEOUS GENERAL EXPENSES

For the 12 Months Ended May 31, 1980

| Line No. | Item (a) | Amount (b) |
|---|---|---|
| 1. | Industry Association Dues | |
| 2. | Institutional Advertising | |
| 3. | Conservation Advertising | |
| 4. | Rate Department Load Studies | |
| 5. | Water, and Other Testing and Research | |
| 6. | Directors' Fees and Expenses | |
| 7. | Dues and Subscriptions | |
| 8. | Miscellaneous | |
| 9. | Total | |

Jackson Purchase Electric Cooperative Corporation

Case No. 8098

PLANT IN SERVICE SCHEDULE

As of May 31, 1980

| Account Number* | Title | Balance May 31, 1980 | Depreciation Rate | Annual Depreciation |
|---|---|---|---|---|
| | Total | | | |

*Include all Depreciable Plant Accounts

Jackson Purchase Electric Cooperative Corporation

Case No. 8098

COMPARATIVE OPERATING EXPENSES

Test Year and Preceding Year

| Account Number* | Title | Test Year | Preceding Year | Increase (Decrease) |
|---|---|---|---|---|
| | Total | | | |

*Include all 500 and 900 accounts utilized by Company