

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

ADJUSTMENT OF RATES OF BEREA )  
COLLEGE ELECTRIC UTILITY, A )      CASE NO. 8297  
DEPARTMENT OF BEREA COLLEGE )

O R D E R

IT IS ORDERED that Berea College Electric Utility shall file an original and five copies of the following information with this Commission, with a copy to the Attorney General's Division of Consumer Protection, by September 25, 1981. 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. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case will be dismissed.

Information 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 board resolution approving the July 1, 1981, general wage adjustment.
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. This 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.

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. Provide the utility's rate of return on net investment rate base for the test year and five preceding calendar years.

9. The work papers showing calculations supporting the payroll tax adjustment and the determination of the percentage factor of 13.5%. Explain all components used in each calculation.

10. Provide a detailed analysis of expenses incurred during the test year for professional services as shown in attached Format 4, and all detailed working papers supporting the analysis.

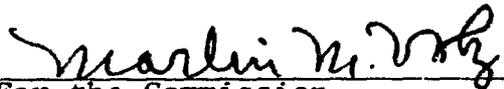
At minimum the working papers should show the payee, dollar amount, reference (i.e., voucher no., etc.) account charged, hourly rates and time charged to the utility according to each invoice, and a brief description of the service provided.

11. Provide a detailed analysis and breakdown supporting the estimated rate case expenses totaling \$21,000.

12. Furnish copies of all working papers, including a cost of service study, supporting your proposed rate design.

Done at Frankfort, Kentucky, this 31st day of August 1981.

PUBLIC SERVICE COMMISSION

  
\_\_\_\_\_  
For the Commission

ATTEST:

\_\_\_\_\_  
Secretary

Berea College Electric Utility

Case No. 8297

ANALYSIS OF SALARIES AND WAGES

For the Calendar Years 1976 Through 1980  
 And the 12-Month Period Ending April 30, 1981

(000's)

| Line No. | Item (a) | 12 Months Ended |       |            |       |            |       |            |       |            |            |           |
|----------|----------|-----------------|-------|------------|-------|------------|-------|------------|-------|------------|------------|-----------|
|          |          | 5th             |       | 4th        |       | 3rd        |       | 2nd        |       | 1st        |            | Test Year |
|          |          | Amount (b)      | % (c) | Amount (d) | % (e) | Amount (f) | % (g) | Amount (h) | % (i) | Amount (j) | % (k)      |           |
|          |          |                 |       |            |       |            |       |            |       |            | Amount (l) | % (m)     |

1. Wages charged to expense:
2. Power production expense
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

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Berea College Electric Utility

Case No. 8297

12 Months Ended

| Line No. | Item (a) | Calendar Years Prior to Test Year |       |            |       |            |       |            |       |            |       | Test Year  |       |
|----------|----------|-----------------------------------|-------|------------|-------|------------|-------|------------|-------|------------|-------|------------|-------|
|          |          | 5th                               | 4th   | 3rd        | 2nd   | 1st        |       |            |       |            |       |            |       |
|          |          | Amount (b)                        | % (c) | Amount (d) | % (e) | Amount (f) | % (g) | Amount (h) | % (i) | Amount (j) | % (k) | Amount (l) | % (m) |

7. Administrative and general expenses (continued):

- (g) Employee pensions and benefits
  - (h) Franchise requirements
  - (i) Regulatory commission expenses
  - (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 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)

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

## Berea College Electric Utility

Case No. 8297

## ACCOUNT 913 - ADVERTISING EXPENSE

For the 12 Months Ended April 30, 1981

| <u>Line<br/>No.</u> | <u>Item</u><br>(a)  | <u>Sales or<br/>Promotional<br/>Advertising</u><br>(b) | <u>Institutional<br/>Advertising</u><br>(c) . | <u>Conservation<br/>Advertising</u><br>(d) . | <u>Rate<br/>Case</u><br>(e) | <u>Other</u><br>(f) | <u>Total</u><br>(g) |
|---------------------|---------------------|--|---|--|-----------------------------|---------------------|---------------------|
| 1.                  | Newspaper           |  |   |  |                             |                     |                     |
| 2.                  | Magazines and Other |  |   |  |                             |                     |                     |
| 3.                  | Television          |  |   |  |                             |                     |                     |
| 4.                  | Radio               |  |   |  |                             |                     |                     |
| 5.                  | Direct Mail         |  |   |  |                             |                     |                     |
| 6.                  | Sales Aids          |  |   |  |                             |                     |                     |
| 7.                  | Total               |  |   |  |                             |                     |                     |

## Berea College Electric Utility

Case Number 8297

## ACCOUNT 930 - MISCELLANEOUS GENERAL EXPENSES

For the 12 Months Ended April 30, 1981

| <u>Line<br/>No.</u> | <u>Item</u><br>(a)                    | <u>Amount</u><br>(b) |
|---------------------|---------------------------------------|----------------------|
| 1.                  | Industry Association Dues             |                      |
| 2.                  | Institutional Advertising             |                      |
| <del>3.</del>       | <del>Conservation Advertising</del>   |                      |
| 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                                 |                      |

Berea College Electric Utility

Case No. 8297

Professional Service Expenses

For the Twelve Months Ended April 30, 1981

| <u>Line No.</u> | <u>Item</u>      | <u>Rate Case</u> | <u>Annual Audit</u> | <u>Other</u> | <u>Total</u> |
|-----------------|------------------|------------------|---------------------|--------------|--------------|
| <del>1.</del>   | <del>Legal</del> |                  |                     |              |              |
| 2.              | Engineering      |                  |                     |              |              |
| 3.              | Accounting       |                  |                     |              |              |
| 4.              | Other            |                  |                     |              |              |
| 5.              | Total            |                  |                     |              |              |