

Shelby Rural Electric

COOPERATIVE CORPORATION

P.O. BOX 309 SHELBYVILLE, KENTUCKY 40065-0309

Telephones: Shelbyville (502) 633-4420; Bedford (502) 255-3260
New Castle (502) 845-2845

DATE: February 27, 1989

AVERAGE UNDERGROUND COST DIFFERENTIAL

(Filed in compliance with Appendix to the Order to the Public Service Commission in Administrative Case Number 146, Dated February 2, 1973.)

Average cost differential of **UNDERGROUND PRIMARY** per foot:** \$4.92

Average cost differential of **UNDERGROUND RESIDENTIAL SERVICE** per foot: \$3.98.

NOTE: Above prices do not include rock removal or other procedures which may be taken to assure proper burial depth. If rock is encountered or other procedures are taken to insure proper depth, the actual additional cost shall apply.

**Same as 1988 differential.

No underground primary extensions were encountered in 1988 that were representative for calculating an average differential.

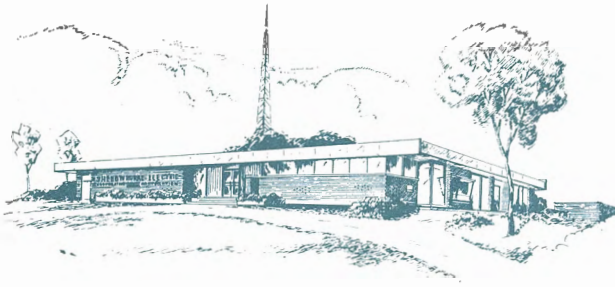
PUBLIC SERVICE COMMISSION
OF KENTUCKY

MAR 14 1989

PURSUANT TO 207 KAR 5:011,
SECTION 9(1)

BY: George A. Hill
PUBLIC SERVICE COMMISSION MANAGER

C 5-90



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SERVICE COST ANALYSIS

Overhead (1988)

| | |
|-----------------------------|-------------|
| Total Length of Extensions: | 16,119' |
| Total Cost: | \$84,128.42 |
| Average Cost Per Foot: | \$ 5.22 |

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Underground (1988)

| | |
|-----------------------------|-------------------|
| Total Length of Extensions: | 7,769' |
| Total Cost: | \$80,141.96 |
| **Cost Adjustment: | - <u>8,693.71</u> |
| Adjusted Total: | \$71,448.25 |

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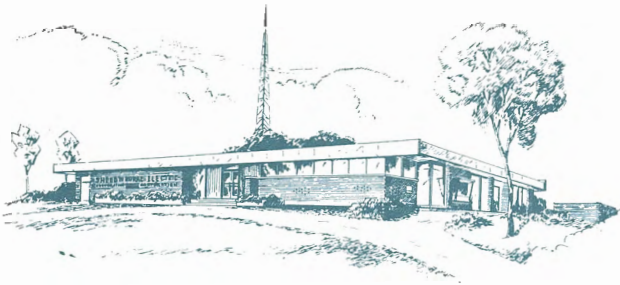
PURSUANT TO 307 KAR 5:011,
SECTION 9(1)

BY: Steve Miller
DEPUTY ADMINISTRATIVE MANAGER

Average Cost per Foot: \$9.20

**Cost adjustment required due to extensive and extraordinary equipment maintenance cost.

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UNDERGROUND COST DIFFERENTIAL

Underground Cost - Overhead Cost = Differential

Underground Cost: \$9.20

Overhead Cost: -5.22

DIFFERENTIAL: \$3.98

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PURSUANT TO 207 KAR 5:011,
SECTION 9(1)

BY: George L. Lee
PUBLIC SERVICE COMMISSION MANAGER