

GENERAL RATE CASE USING A FULLY-FORECASTED TEST PERIOD

(Except Sewers)

Filing Requirements Checklist

(Applicable Regulation: 807 KAR 5:001, Sections 14 and 16)

Case No. \_\_\_\_\_ Applicant Name \_\_\_\_\_ Received Date \_\_\_\_\_ Form Circulation Date \_\_\_\_\_

Instructions:

- 1) Each division noted by checkmark ( ) is to complete its review and return within three business days of receipt.
- 2) This form is to list only the specific filing deficiencies as identified in the regulations. If additional information is needed, an information request must be issued.
- 3) Staff member should use initials and list date review is completed.
- 4) **Return by email to Filings Branch following review and copy all Team members.**

Reviewed by following Divisions:		<u>Date</u>	<u>Staff Member</u>
_____	Filings	_____	_____
_____	Financial Analysis	_____	_____
_____	Legal	_____	_____

<u>Division Responsible</u>	<u>Law/Regulation</u>	<u>Filing Requirement</u>	<u>Requirement Met</u>		<u>Waiver Requested</u>		<u>Approve Waiver?</u>	
			Yes	No			Yes	No
Legal	KRS 278.180	30 days' notice of rates to Commission (no effective date means no notice given and this is acceptable)						
	807 KAR 5:001:							
Filings	Section 14(1)	Full name, mailing address, and e-mail address of applicant.						
Filings	Section 14(1)	A reference to the particular provision of law requiring Commission approval,						
Legal	Section 4(3)	Paper signed by submitting party or attorney.						

Division Responsible	Law/Regulation	Filing Requirement	Requirement Met		Waiver Requested	Approve Waiver?	
			Yes	No		Yes	No
Legal	Section 4(3)	Name, address, telephone number, fax number, and e-mail address of submitting party or attorney.					
Legal	Section 4(10)	Has submitting party redacted –  <ul style="list-style-type: none"> <li>- All social security numbers</li> <li>- All birthdates</li> <li>- All financial account numbers</li> <li>- All other personal identification information</li> </ul>					
<p><b>All filings with the Kentucky Public Service Commission which contain personal information must be redacted by the filer pursuant to 807 KAR 5:001 Sec. 4 (10). Filings which are not in compliance will be <u>rejected</u>.</b></p>							
Legal	Section 8(4)(b)	Has submitting party optimized pdf document –  <ul style="list-style-type: none"> <li>- Making all text pages searchable or OCR'd</li> <li>- Bookmarks added to distinguish sections of the paper</li> </ul>					
<b>(Electronic Case Filing only)</b>							
Legal	Section 14(4)	If applicant is a limited partnership, a certified copy of its limited partnership agreement and all amendments, or a written statement that its partnership agreement and all amendments have been filed with the Commission in a prior proceeding and a reference to the case number of that proceeding.					
Legal	Section 16(1)(b)	1. A statement of the reason the adjustment is required.					
Legal		2. A certified copy of a certificate of assumed name as required by KRS 365.015 or a statement that such a certificate is not necessary.					
Financial		3. New or revised tariff sheets, if applicable, in form complying					

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			Yes	No		Yes	No
Analysis		with 807 KAR 5:011 with an effective date not less than thirty (30) days from the date the application is filed.					
Financial Analysis		4. New or revised tariff sheets, if applicable, shown either by providing the present and proposed tariffs in comparative form on the same sheet side by side or on facing sheets side by side, or providing a copy of the present tariff indicating proposed additions by italicized inserts or underscoring and striking over proposed deletions.					
Legal		5. Statement that notice has been given in compliance with Section 17 of this administrative regulation, with a copy of the notice.					
Legal	Section 16(2)	If gross annual revenues exceed \$5,000,000, was written notice of intent to file a rate application filed at least thirty (30) days, but not more than sixty (60) days prior to application?					
Legal		(a) Notice shall state whether the application will be supported by historical or a fully forecasted test period.					
Legal		(c) Has a copy of the notice of intent been served upon the Attorney General, either by electronic mail in a portable document format or mail?					
Financial Analysis	Section 16(6)	(a) Financial data for forecasted period presented as pro forma adjustments to base period.					
Financial Analysis		(b) Forecasted adjustments shall be limited to the 12 months immediately following the suspension period.					
Financial Analysis		(c) Capitalization and net investment rate base shall be based on a 13 month average for the forecasted period.					
Financial Analysis		(f) Reconciliation of the rate base and capital used to determine its revenue requirements.					

**UTILITIES USING A FULLY FORECASTED TEST PERIOD SHALL INCLUDE THE FOLLOWING INFORMATION OR A STATEMENT EXPLAINING**

Division  
Responsible      Law/Regulation      Filing Requirement

Requirement Met		Waiver Requested	Approve Waiver?	
Yes	No		Yes	No

**WHY THE REQUIRED INFORMATION DOES NOT EXIST AND IS NOT APPLICABLE TO THE UTILITY'S APPLICATION:**

Financial Analysis	Section 16(7)	(a) Written testimony of each witness supporting its application including testimony from chief officer in charge of Kentucky operations on the existing programs to achieve improvements in efficiency and productivity, including an explanation of the purpose of the program;					
Financial Analysis		(b) Most recent capital construction budget containing at minimum a 3 year forecast of construction expenditures;					
Financial Analysis		(c) Complete description, which may be in written testimony form, of all factors used to prepare forecast period. All econometric models, variables, assumptions, escalation factors, contingency provisions, and changes in activity levels shall be quantified, explained, and properly supported;					
Financial Analysis		(d) Annual and monthly budget for the 12 months preceding filing date, base period and forecasted period;					
Legal		(e) Attestation signed by utility's chief officer in charge of Kentucky operations providing:					
		1. That forecast is reasonable, reliable, made in good faith and that all basic assumptions used have been identified and justified; and					
		2. That forecast contains same assumptions and methodologies used in forecast prepared for use by management, or an identification and explanation for any differences; and					
		3. That productivity and efficiency gains are included in the forecast;					
Financial Analysis		(f) For each major construction project constituting 5% or more of annual construction budget within 3 year forecast, following information shall be filed:					
Financial Analysis		1. Date project began or estimated starting date;					

Division Responsible	Law/Regulation	Filing Requirement	Requirement Met		Waiver Requested	Approve Waiver?	
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Financial Analysis Financial Analysis		2. Estimated completion date;					
		3. Total estimated cost of construction by year exclusive and inclusive of Allowance for Funds Used During Construction ("AFUDC") or Interest During Construction Credit; and					
Financial Analysis		4. Most recent available total costs incurred exclusive and inclusive of AFUDC or Interest During Construction Credit;					
Financial Analysis		(g) For all construction projects constituting less than 5% of annual construction budget within 3 year forecast, file aggregate of information requested in paragraph (f) 3 and 4 of this subsection;					
Financial Analysis		(h) Financial forecast for each of 3 forecasted years included in capital construction budget supported by underlying assumptions made in projecting results of operations and including the following information:					
		1. Operating income statement (exclusive of dividends per share or earnings per share);					
		2. Balance sheet;					
		3. Statement of cash flows;					
		4. Revenue requirements necessary to support the forecasted rate of return;					
		5. Load forecast including energy and demand (electric);					
		6. Access line forecast (telephone);					
		7. Mix of generation (electric);					
		8. Mix of gas supply (gas);					
		9. Employee level;					
		10. Labor cost changes;					

Division Responsible	Law/Regulation	Filing Requirement	Requirement Met		Waiver Requested	Approve Waiver?	
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		11. Capital structure requirements;					
		12. Rate base;					
		13. Gallons of water projected to be sold (water);					
		14. Customer forecast (gas, water);					
		15. Sales volume forecasts – cubic feet (gas);					
		16. Toll and access forecast of number of calls and number of minutes (telephone); and					
		17. A detailed explanation of any other information provided					
Financial Analysis		(i) Most recent FERC or FCC audit reports;					
Financial Analysis		(j) Prospectuses of most recent stock or bond offerings;					
Financial Analysis		(k) Most recent FERC Form 1 (electric), FERC Form 2 (gas), or and PSC Form T (telephone);					
Financial Analysis		(l) Annual report to shareholders or members and statistical supplements covering the most recent 2 years from the application filing date;					
Financial Analysis		(m) Current chart of accounts if more detailed than Uniform System of Accounts chart;					
Financial Analysis		(n) Latest 12 months of the monthly managerial reports providing financial results of operations in comparison to forecast;					
Financial Analysis		(o) Complete monthly budget variance reports, with narrative explanations, for the 12 months immediately prior to base period, each month of base period, and subsequent months, as available;					

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Financial Analysis		(p) SEC's annual report (Form 10-K) for most recent 2 years, any Form 8-Ks issued during past 2 years, and any Form 10-Qs issued during past 6 quarters;					
Financial Analysis		(q) Independent auditor's annual opinion report, with any written communication from auditor which indicates the existence of a material weakness in internal controls;					
Financial Analysis		(r) Quarterly reports to the stockholders for the most recent 5 quarters;					
Financial Analysis		(s) Summary of latest depreciation study with schedules itemized by major plant accounts, except that telecommunications utilities adopting Commission's average depreciation rates shall identify current and base period depreciation rates used by major plant accounts. If information has been filed in another commission case, refer to that case's number;					
Financial Analysis		(t) List all commercial or in-house computer software, programs, and models used to develop schedules and work papers associated with application. Include each software, program, or model; its use; identify the supplier of each; briefly describe software, program, or model; specifications for computer hardware and operating system required to run program;					
Financial Analysis		(u) If the utility had any amounts charged or allocated to it by an affiliate or general or home office or paid any monies to an affiliate or general or home office during the base period or during the previous three (3) calendar years, the utility shall file:  1. Detailed description of method of calculation and amounts allocated or charged to utility by affiliate or general or home office for each allocation or payment;  2. Method and amounts allocated during base period and method and estimated amounts to be allocated during forecasted test period;					

Division Responsible	Law/Regulation	Filing Requirement	Requirement Met		Waiver Requested	Approve Waiver?	
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		3. Explain how allocator for both base and forecasted test period was determined; and					
		4. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated or paid during base period is reasonable;					
Financial Analysis		(v) If gas, electric, sewage or water utility, whose annual gross revenues exceed \$5,000,000 in the division for which a rate adjustment is sought, a cost of service study based on methodology generally accepted in industry and based on current and reliable data from single time period;					
Financial Analysis		(w) Local exchange carriers with fewer than 50,000 access lines need not file cost of service studies, except as specifically directed by PSC. Local exchange carriers with more than 50,000 access lines shall file:					
		1. Jurisdictional separations study consistent with 47 C.F.R. Part 36 of the FCC's rules and regulations; and					
		2. Service specific cost studies supporting pricing of services that generate annual revenue greater than \$1,000,000 except local exchange access:					
		a. Based on current and reliable data from single time period; and					
		b. Using generally recognized fully allocated, embedded, or incremental cost principles.					
Financial Analysis	Section 16(8)	(a) Jurisdictional financial summary for both base and forecasted periods detailing how utility derived amount of requested revenue increase;					
Financial Analysis		(b) Jurisdictional rate base summary for both base and forecasted periods with supporting schedules which include detailed analyses of each component of the rate base;					



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Financial Analysis		(c) Jurisdictional operating income summary for both base and forecasted periods with supporting schedules, which provide breakdowns by major account group and by individual account;					
Financial Analysis		(d) Summary of jurisdictional adjustments to operating income by major account with supporting schedules for individual adjustments and jurisdictional factors;					
Financial Analysis		(e) Jurisdictional federal and state income tax summary for both base and forecasted periods with all supporting schedules of the various components of jurisdictional income taxes;					
Financial Analysis		(f) Summary schedules for both base and forecasted periods (utility may also provide summary segregating items it proposes to recover in rates) of organization membership dues; initiation fees; expenditures for country club; charitable contributions; marketing, sales, and advertising; professional services; civic and political activities; employee parties and outings; employee gifts; and rate cases;					
Financial Analysis		(g) Analyses of payroll costs including schedules for wages and salaries, employees benefits, payroll taxes straight time and overtime hours, and executive compensation by title;					
Financial Analysis		(h) Computation of gross revenue conversion factor for forecasted period;					
Financial Analysis		(i) Comparative income statements (exclusive of dividends per share or earnings per share), revenue statistics and sales statistics for 5 calendar years prior to application filing date, base period, forecasted period, and 2 calendar years beyond forecast period;					
Financial Analysis		(j) Cost of capital summary for both base and forecasted periods with supporting schedules providing details on each component of the capital structure;					
Financial		(k) Comparative financial data and earnings measures for the					

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Analysis		10 most recent calendar years, base period, and forecast period;					
Financial Analysis		(l) Narrative description and explanation of all proposed tariff changes;					
Financial Analysis		(m) Revenue summary for both base and forecasted periods with supporting schedules which provide detailed billing analyses for all customer classes; and					
Financial Analysis		(n) Typical bill comparison under present and proposed rates for all customer classes.					
Financial Analysis	Section 17(4)	(a) The proposed effective date and the date the proposed rates are expected to be filed with the commission					
Financial Analysis		(b) The present and proposed rates for each customer class to which the proposed rates will apply.					
Financial Analysis		(c) Amount of change requested in dollar amounts and percentage change for each customer classification to which change will apply.					
Financial Analysis		(d) Electric, gas, water and sewer utilities - the amount of the average usage and the effect upon average bill for each customer class to which change will apply.					
Financial Analysis		(d) Local exchange companies - include effect upon average bill for each customer class for change in basic local service.					
Legal	Section 17(4)	If copy of public notice included, did it meet requirements?*					

Section 17 Notice If a utility has twenty (20) or fewer customers or is a sewage utility, the utility shall mail a written notice to each customer no later than the date on which the application is submitted to the commission.

If a utility has more than twenty (20) customers and is not a sewage utility, it shall provide notice by:

1. Including notice with customer bills mailed no later than the date the application is submitted to the commission;

2. Mailing a written notice to each customer no later than the date the application is submitted to the commission;
3. Publishing notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in the utility's service area, the first publication to be made no later than the date the application is submitted to the commission; or
4. Publishing notice in a trade publication or newsletter delivered to all customers no later than the date the application is submitted to the commission.

A utility that provides service in more than one county and is not a sewage utility may use a combination of the notice methods.

Each notice shall contain:

- (a) The proposed effective date and the date the proposed rates are expected to be filed with the commission;
- (b) The present rates and proposed rates for each customer classification to which the proposed rates will apply;
- (c) The amount of the change requested in both dollar amounts and percentage change for each customer classification to which the proposed rates will apply;
- (d) The amount of the average usage and the effect upon the average bill for each customer classification to which the proposed rates will apply, except for local exchange companies, which shall include the effect upon the average bill for each customer classification for the proposed rate change in basic local service;
- (e) A statement that a person may examine this application at the offices of (utility name) located at (utility address);
- (f) A statement that a person may examine this application at the commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the commission's Web site at <http://psc.ky.gov>;
- (g) A statement that comments regarding the application may be submitted to the Public Service Commission through its Web site or by mail to Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602;
- (h) A statement that the rates contained in this notice are the rates proposed by (utility name) but that the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice;
- (i) A statement that a person may submit a timely written request for intervention to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party; and
- (j) A statement that if the commission does not receive a written request for intervention within thirty (30) days of initial publication or mailing of the notice, the commission may take final action on the application.