



**Big Sandy Rural Electric  
Cooperative Corporation**

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JUN 04 2012

**PUBLIC SERVICE  
COMMISSION**

May 25, 2012

Mr. Jeff Derouen, Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602

Re: Application of Big Sandy Rural Electric Cooperative  
Corporation for an Adjustment of Rates  
Case No. 2012-00030

Dear Mr. Derouen:

Please find enclosed the original and ten (10) copies of the responses to the Commission's Order "Commission Staff's First Request for Information to Big Sandy Rural Electric Cooperative Corporation." dated February 20, 2012.

Please contact me at (606) 874-9701 or David Estep at (606) 789-4095 with any questions regarding this filing.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Albert A. Burchett".

Albert A. Burchett  
Counsel for Big Sandy Rural Electric Cooperative Corporation

Enclosure

ORIGINAL

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JUN 17 2012

PUBLIC SERVICE  
COMMISSION

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of adjustment of Rates  
Of Big Sandy Rural Electric Cooperative  
Corporation

Case No. 2012-00030

**APPLICANT'S RESPONSES TO**  
**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**

The applicant, Big Sandy Rural Electric Cooperative Corporation, makes the following responses to the "Commission Staff's First Request for Information", as follows:

1. The witnesses who are prepared to answer questions concerning each request are David Estep, James R. Adkins, and Alan Zumstein.
2. David Estep, President and General Manager of Big Sandy Rural Electric Cooperative Corporation is the person supervising the preparation of the responses on behalf of the applicant.
3. The responses and Exhibits are attached hereto and incorporated by reference herein.



Albert A. Burchett, Attorney-A-Law

PO Box 346

Prestonsburg, Kentucky 41653


Attorney for Big Sandy Rural Electric Cooperative  
Corporation

Telephone: 606-874-9701

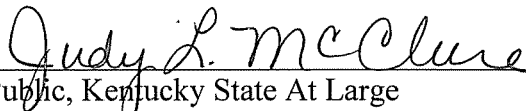
The undersigned, David Estep, as President & General Manager of Big Sandy Rural Electric Cooperative Corporation, being duly sworn, states that the responses herein are true and accurate to the best of my knowledge and belief formed after reasonable inquiry.

Dated: May 25, 2012

BIG SANDY RURAL ELECTRIC COOPERATIVE  
CORPORATION

By:   
DAVID ESTEPP, PRESIDENT & GENERAL  
MANAGER

Subscribed, sworn to, and acknowledged before me by David Estep, as President & General Manager for Big Sandy Rural Electric Cooperative Corporation on behalf of said Corporation this 25<sup>th</sup> day of May, 2012.

  
Notary Public, Kentucky State At Large

My Commission Expires: 6-19-2014

CERTIFICATE OF SERVICE

The undersigned counsel certifies that the foregoing responses have been served upon the following:

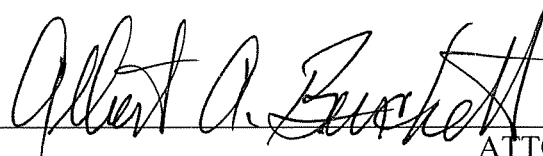
Original and Ten Copies

Mr. Jeff Derouen, Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40601

Copy

Hon. Lawrence W. Cook  
Assistant Attorney General  
1024 Capital Center Drive, Suite 200  
Frankfort, Kentucky 40601

This 25<sup>th</sup> day of May, 2012

  
ATTORNEY FOR  
BIG SANDY RURAL ELECTRIC COOPERATIVE

Big Sandy Rural Electric  
Case No. 2012-00030  
Commission Staff's First Request for Information

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.

Response

See Exhibit V of the Application.

Big Sandy Rural Electric  
Case No. 2012-00030  
Commission Staff's First Request for Information

2. Provide Big Sandy's rate of return on net investment rate base for the test year and 5 preceding calendar years. Include the date used to calculate each return.

Response

See Exhibit K of the Application.

Big Sandy Rural Electric  
Case No. 2012-00030  
Commission Staff's First Request for Information

3. Provide Big Sandy'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.

Response

See Exhibit K of the Application.

Big Sandy Rural Electric  
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Commission Staff's First Request for Information

4. Provide Kentucky's Electric Cooperatives Operating Expense and Statistical Comparisons for the most recent 2 years available.

Response

See Exhibit 18 of the Application.

Big Sandy Rural Electric  
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Commission Staff's First Request for Information

5. Provide Big Sandy's capital structure at the end of each of the periods shown in Format 5.

Response

See Exhibit Z of the Application.



Big Sandy Rural Electric  
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6. 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 6a. A separate schedule is to be provided for each time period. Report in column (k) of Format 6a, 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 6a, Schedule 2.

Response

See Exhibit 5 of the Application.

b. Provide an analysis of end-of-period short-term debt and a calculation of the average and end-of-period cost rates as shown in Format 6b.

Response

See Exhibit 5 of the Application

Big Sandy Rural Electric  
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7. 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 Big Sandy. All income statement accounts should show activity for 12 months. Show the balance in each control account and all underlying subaccounts per company books.

Response

See Exhibit Y of the Application.

Big Sandy Rural Electric  
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8. Provide a schedule as shown in Format 8, comparing the balances for each balance sheet account or subaccount included in Big Sandy's chart of accounts for each month of the test year, to the same month of the 12-month period immediately preceding the test year.

Response

See Exhibit W of the Application.

Big Sandy Rural Electric  
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9. Provide a schedule as shown in Format 8, comparing the balances for each income statement account or subaccount included in Big Sandy's chart of accounts for each month of the test year, to the same month of the 12-month period immediately preceding the test year. The amounts should reflect the income or expense activity for each month, rather than the cumulative balances as of the particular month.

Response

See Exhibit X of the Application.

Big Sandy Rural Electric  
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Commission Staff's First Request for Information

10. Provide the following information for each item of the 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.

Response

Big Sandy does not have property held for future use.

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11. 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.

Response

Big Sandy does not have non-utility property.

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

Response

Not applicable.

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13. Provide Big Sandy's current bylaws. Indicate any changes to the bylaws since Big Sandy's most recent general rate case.

Response

See Exhibit U of the Application.



Big Sandy Rural Electric  
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14. Provide Big Sandy'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 Big Sandy'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).

Response

See Exhibit 20 of the Application.

Big Sandy Rural Electric

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Commission Staff's First Request for Information

15. Provide Big Sandy'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 that 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.

Response

See Exhibit 8 of the Application.

Big Sandy Rural Electric  
Case No. 2012-00030  
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16. Provide Big Sandy'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.

Response

See Exhibit 9 of the Application.

Big Sandy Rural Electric  
Case No. 2012-00030  
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17. 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.

Response

See Exhibit P of the Application.

Big Sandy Rural Electric  
Case No. 2012-00030  
Commission Staff's First Request for Information

18. Provide the following:
- a. A schedule showing, by customer class (i.e., 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 (i.e., customer or facility charge, kWh charge, etc.). Explain in detail the methodology or basis used to allocate the increase or decrease.
  - c. If the rate schedule contains a demand charge, describe in detail how the proposed demand charge was determined. Provide all calculations, assumptions, workpapers, methodologies, etc. used in the development of the proposed demand charge.
  - d. If the rate schedule contains a monthly customer charge, describe in detail how the proposed customer charge was determined. Provide all calculations, assumptions, workpapers, methodologies, etc. used in the development of the proposed customer charge.
  - e. A reconciliation of the Fuel Adjustment Clause ("FAC") revenue and expense for the test year. The net result of this adjustment should remove all FAC revenue and expense from test-year revenue and expense.
  - f. A reconciliation of the Environmental Surcharge ("ES") revenue and expense for the test year. The net result of this adjustment should remove all ES revenue and expense from test-year revenue and expense.

Response

See Exhibit G and J of the Application.

Big Sandy Rural Electric  
Case No. 2012-00030  
Commission Staff's First Request for Information

19. 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 Big Sandy's total kilowatt-hour sales.
  - d. Monthly peak KW demands for the rate schedule.
  - e. Total revenue collected.
  - f. Rate schedule's percent of Big Sandy's total revenues.

Response

See Exhibit J of the Application.

Big Sandy Rural Electric  
Case No. 2012-00030  
Commission Staff's First Request for Information

20. Provide a schedule of purchased power costs for the test year and the 12-month period immediately preceding 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.

Response

See Exhibit 15 of the Application.

Big Sandy Rural Electric  
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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 charges to the test-year capitalization rate and how they were determined.

Response

See Exhibit 19 of the Application.

No changes are proposed to the test year allocations.



Big Sandy Rural Electric  
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Commission Staff's First Request for Information

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. 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 calendar years.

Response

See Exhibit 1 of the Application.

Big Sandy Rural Electric  
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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 Big Sandy has more than 100 employees, the above information may be provided by employee classification.

Response

See Exhibit 1 of the Application.

Employees added:

- #51-54 added right-of-way crew May 2011
- #155 hired April 2011 to replaced #145 who retired
- #164 hired January 2011 to replaced #20 who retired
- #168 hired February 2011

Employees removed:

- #1 retired, January 2011
- #20 retired, February 2011
- #145 quit, November 2010
- #157 retired, February 2011

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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.

Response

See Exhibit 2 of the Application.

Big Sandy Rural Electric  
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Commission Staff's First Request for Information

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 operating taxes imposed by Kentucky as shown in Format 25b.

Response

See Exhibit 4 of the Application.

Big Sandy Rural Electric  
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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.

Response

See Exhibit 3 of the Application.

Big Sandy Rural Electric  
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27. Provide a schedule of all employee benefits available to Big Sandy'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.

Response

See Exhibit 19 of the Application.

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28. Provide a schedule reflecting the salaries and other compensation of each executive officer for the test year and 2 preceding calendar years. Include the percentage annual increase and the effective date of each increase, the job title, duty and responsibility of each officer, the number of employees who report to each executive officer, and to whom each executive officer reports. Also, for employees elected to executive officer status during the test year, provide the salaries, for the test year, for those persons whom they replaced.

Response

See Exhibit 1 of the Application. Employee #130 replaced #157 during January 2011.

Big Sandy Rural Electric

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Commission Staff's First Request for Information

29. Provide a detailed analysis of advertising expenditures during the test year. Include a breakdown of Account No. 913, Advertising Expenses, as shown in Format 29, and show any advertising expenditures included in other expense accounts. Specify the purpose and expected benefit of each expenditure.

Response

See Exhibit 10 of the Application.



Big Sandy Rural Electric

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Commission Staff's First Request for Information

30. 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 30. 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 less than \$100 provided the items are grouped by classes as shown in Format 30.

Response

See Exhibit 10 of the Application.

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31. 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 31, and further provide all detailed supporting workpapers. 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 31.

Response

See Exhibit 7 of the Application.

Big Sandy Rural Electric  
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Commission Staff's First Request for Information

32. Provide the name and personal mailing address of each member of Big Sandy'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, update your response to this request.

Response

See Exhibit 9 of the Application.

Big Sandy Rural Electric  
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33. 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 to Big Sandy's board of directors 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 the director's spouses separately.

Response

See Exhibit 9 of the Application.

Big Sandy Rural Electric  
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34. Provide a detailed analysis of expenses incurred during the test year for professional services, as shown in Format 34. 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.

Response

See Exhibit 8 of the Application.

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35. 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.

Response

See Exhibit 11 of the Application. Big Sandy will provide updates as each months activity is available.

Big Sandy Rural Electric

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Commission Staff's First Request for Information

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

Response

- September 16, 2011 Big Sandy advanced \$1 million from FFB to reimburse general funds.
- April 3, 2012 Big Sandy advanced \$1.5 million from FFB, \$500,000 was used to repay short term borrowings and \$1 million for construction of the new Operations Center.
- Big Sandy has no definite plans to advance additional loan funds but will continue to monitor its cash situation and will advance funds when necessary.

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37. Provide a list of depreciation expenses using Format 37.

Response

See Exhibit 3 of the Application.



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38. 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 that supports the rates reflected in this filing.

Response

- a. Yes. Big Sandy's depreciation rates were approved in Case No. 2008-00401.
- b. n/a

Big Sandy Rural Electric  
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39. Provide information for plotting the depreciation guideline curves in accordance with RUS Bulletin 183-1, as shown in Format 39.

Response

See Exhibit 3 of the Application.

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

Response

There were none during the test year.

Big Sandy Rural Electric

Case No. 2012-00030

Commission Staff's First Request for Information

41. Describe Big Sandy's lobbying activities and provide a schedule showing the name and salary 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. Indicate whether the lobbyist is an employee or an independent contractor. If any amounts are allocated, show a calculation of the factor used to allocate each amount.

Response

Big Sandy does not engage in lobbying activities.

Big Sandy Rural Electric  
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42. Provide complete details of the financial reporting and rate-making treatment of Big Sandy's pension costs.

Response

Big Sandy has a defined benefit and 401(k) pension plan. The treatment is the same for financial reporting as rate-making purposes.

Big Sandy Rural Electric  
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43. Provide complete details of Big Sandy's financial reporting and rate-making treatment of Statement of Financial Accounting Standard ("SFAS") No. 106, including;

- a. The date Big Sandy 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 Big Sandy.

Response

a. Big Sandy adopted SFAS No. 106 in January, 1995.

b.	Employee benefits	926.00	\$476,000
	Accum postretire benefits	22830	\$476,000
	Initially record adoption of SFAS No. 106.		

Big Sandy Rural Electric  
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44. Provide complete details of Big Sandy's financial reporting and rate-making treatment of Statement of Financial Accounting Standard ("SFAS") No. 112, including;
- a. The date Big Sandy adopted or plans to adopt SFAS No. 112.
  - 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. 112 cost recorded or to be recorded by Big Sandy.

Response

SFAS No. 112 does not apply to Big Sandy.

Big Sandy Rural Electric  
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45. Provide complete details of Big Sandy's financial reporting and ratemaking treatment of SFAS No. 143, "Accounting for Asset Retirement Obligations."

- a. The date Big Sandy adopted or plans to adopt SFAS No. 143.
- 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. 143 cost recorded or to be recorded by Big Sandy.
- d. A schedule comparing the depreciation rates utilized by Big Sandy prior to and after adoption of SFAS No. 143. The schedule should identify the assets corresponding to the affected depreciation rates.

Response

SFAS No. 143 does not apply to Big Sandy.



Big Sandy Rural Electric

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46. Provide complete details of Big Sandy's financial reporting and ratemaking treatment of SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans."

- a. The date Big Sandy adopted or plans to adopt SFAS No. 158.
- 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. 158 cost recorded or to be recorded by Big Sandy.

Response

- a. Adopted December 31, 2007
- b. Debit Account 215.30, Accumulated Other Comp Income and Credit Account 228.30, Accumulated Provision for Pensions and Benefits in the amount of \$1,106,360.
- c. This amount is included with the calculations for FAS 106.

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

Response

None are known at this time.

Big Sandy Rural Electric  
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46. Provide all current labor contracts and the most recent contracts in effect prior to the current contracts.

Response

There are none.

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49. Regarding demand-side management, conservation, and energy efficiency programs, provide the following:

- a. A list of all programs currently offered by Big Sandy;
- b. The total cost incurred for these programs during the test year and in each of the three most recent calendar years; and
- c. The total demand and energy reductions realized through these programs during the test year and in each of the three most recent calendar years.

Response:

49a.

- Resistant Heat to Heat Pump
- Touchstone Energy Home – Geothermal
- Button-up
- Tune-up
- Energy Audits (Residential and Commercial)
- Commercial Advanced Lighting
- Compact Fluorescent Lighting

49b. DSM Expense [all years presented are calendar years]

1. 2011 \$26,765.30
2. 2010 \$17,856.47
3. 2009 \$18,503.94
4. 2008 \$8,819.56

49c. Net Demand Reduction [all years presented are calendar years]

- |                                |                    |                    |
|--------------------------------|--------------------|--------------------|
| 1. 2011 – Energy KWH (731,511) | Winter KW (286.82) | Summer KW (102.91) |
| 2. 2010 – Energy KWH (764,424) | Winter KW (313.25) | Summer KW (118.26) |
| 3. 2009 – Energy KWH (693,769) | Winter KW (245.13) | Summer KW (112.58) |
| 4. 2008 - Energy KWH (253,315) | Winter KW (86.31)  | Summer KW (29.86)  |

Big Sandy Rural Electric  
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47. Provide separate schedules, for the test year and the 12-month period immediately preceding the test year that show the following information regarding Big Sandy's investments in subsidiaries and joint ventures:

- a. Name of subsidiary or joint venture.
- b. Date of initial investment.
- b. Amount and type of investment.
- c. Balance sheet and income statement. Where only internal statements are prepared, furnish copies of these.
- d. 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 Big Sandy and the compensation received from Big Sandy.

Response

Big Sandy does not have a subsidiary or joint venture.

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48. Provide separate schedules showing all dividends or income of any type received by Big Sandy 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 any reports to Big Sandy's member customers.

Response

Not applicable.

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49. Concerning non-regulated activities:

a. Is Big Sandy engaged in any non-regulated activities? If yes, provide a detailed description of each non-regulated activity.

b. Is Big Sandy engaged in any non-regulated activities through an affiliate? If yes, provide the name of each affiliate and the non-regulated activity in which it is engaged.

c. Identify each service agreement with each affiliate and indicate whether the service agreement is on file with the Commission. Provide a copy of each service agreement not already on file with the Commission.

d. Has Big Sandy loaned money or property to any affiliate? If yes, describe in detail what was loaned, the terms of the loan, and the name of the affiliate.

Response: Big Sandy does not have non-regulated or affiliate activities.