

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG SANDY RURAL ELECTRIC)	
COOPERATIVE CORPORATION FOR AN)	CASE NO.
INCREASE IN RETAIL RATES)	2017-00171

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO
BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

Big Sandy Rural Electric Cooperative Corporation ("Big Sandy"), pursuant to 807 KAR 5:001, is to file with the Commission the original and ten copies of the following information, with a copy to all parties of record. The information requested herein is due on or before 14 days after the initial submission of the rate application or 28 days after the date of this request, whichever is later. Responses to requests for information shall be appropriately bound, tabbed, and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Big Sandy shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct

when made, is now incorrect in any material respect. For any request to which Big Sandy fails or refuses to furnish all or part of the requested information, Big Sandy shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When filing a paper containing personal information, Big Sandy shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

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.

2. Provide Big Sandy's rate of return on net investment rate base for the test year and the five most recent calendar years. Include the data used to calculate each return.

3. Provide Big Sandy's times interest-earned ratio ("TIER"), operating TIER, and debt-service coverage ratio, as calculated by the Rural Utilities Service ("RUS"), for the test year and the five most recent calendar years. Include the data used to calculate each ratio.

4. Provide "Kentucky's Electrical Cooperatives Operating Expense and Statistical Comparisons" for the two most recent years available.

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

6. Provide the following:

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.

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.

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.

8. Provide the following:

a. 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.

b. A schedule, as shown in Format 8, comparing 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 of each month, rather than the cumulative balances as of the end of the particular month.

c. A listing, with descriptions, of all activities, initiatives, or programs undertaken or continued by Big Sandy since its last general rate case for the purpose of minimizing costs or improving the efficiency of its operations or maintenance activities.

9. Provide the following information for each item of 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; and
- g. Current status of each project.

10. 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.

11. Provide all studies, including all applicable work papers, which are the basis of jurisdictional plant allocations and expense account allocations.

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

13. Provide Big Sandy's equity management plan. Indicate when the plan was adopted and identify any changes made in the plan since the period used as the test year in Big Sandy's most recent rate case. Provide a five-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).

14. 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. If any changes occurred during the test year, indicate the effective date of these changes and the reason for these changes.

15. 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.

16. 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 five 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 meeting.

17. Provide the following:

a. A schedule showing, by customer class (e.g., residential, commercial, or industrial), the amount and percentage 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 (e.g., customer or facility charge, kilowatt-hour (“kWh”) charge). 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, work papers, 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, work papers, methodologies, etc., used in the development of the proposed customer charge.

e. A reconciliation of Fuel Adjustment Clause (“FAC”) revenue and expense for the test year. The net result of this adjustment should be to remove all FAC revenue and expense from test-year revenue and expense.

f. A reconciliation of Environmental Surcharge (“ES”) revenue and expense for the test year. The net result of this adjustment should be to remove all ES revenue and expense from test-year revenue and expense.

18. For each rate schedule (rate class), provide the following information for the test year:

- a. Number of customers;
- b. KWh sales;
- c. Rate schedule's percentage of Big Sandy's total kWh sales;
- d. Monthly peak kilowatt ("kW") demands for the rate schedule;
- e. Total revenue collected; and
- f. Rate schedule's percentage of Big Sandy's total revenues.

19. 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.

20. Describe how the test-year capitalization rate was determined. If differing rates were used for specific expenses (e.g., payroll, transportation clearing accounts, depreciation, etc.), indicate the rate and how it was determined. Indicate all proposed changes to the test-year capitalization rate and how they were determined.

21. Provide the following:

a. A schedule of salaries and wages for the test year and each of the three calendar years preceding the test year as shown in Format 21a. 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 five preceding calendar years.

22. 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; and
 - d. A calculation of the percentage of increase granted during the test year.
 - e. The annual percentage of increase granted for both salaried and hourly employees for 2013 to 2017. 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 should 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.

23. 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; and
 - b. The tax rates in effect at test-year-end.

24. 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; and

b. An analysis of other operating taxes imposed by Kentucky as shown in Format 24b.

25. Provide a statement of electric plant in service, per company books, for the test year. This data shall be presented as shown in Format 25.

26. Provide documentation and 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. Include monthly premiums incurred for the coverages and plans provided and the amount of the company and employee contributions.

27. Provide a schedule reflecting the salaries and other compensation of each executive officer for the test year and two preceding calendar years. Include the percentage of 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.

28. Provide a detailed analysis of advertising expenditures during the test year. Include a breakdown of Account No. 913, Advertising Expenses, as shown in Format 28, and show any advertising expenditures included in other expense accounts. Specify the purpose and expected benefit of each expenditure.

29. 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 29. Include all detailed work papers supporting this analysis. At a minimum, the work papers shall show the date, vendor, reference (e.g., voucher number), dollar amount, and a brief description of each expenditure. Detailed analysis is not required for amounts of less than \$100, provided the items are grouped by classes as shown in Format 29.

30. 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 30, and shall further provide all detailed supporting work papers. At a minimum, the work papers should show the date, vendor, reference (e.g., voucher number), 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 30.

31. 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. ("EKPC"). Also, identify the board members who are representatives to the Kentucky Association of Electric Cooperatives and/or the National Rural Electric Cooperative Association. If any changes occur in board membership during the course of this proceeding, update the response to this request.

32. 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 paid to Big Sandy's board members for serving on EKPC's board of directors. If any of the listed expenses in this analysis include the costs for a director's spouse, list expenses for the directors' spouses separately.

33. Provide a detailed analysis of expenses incurred during the test year for professional services, as shown in Format 33. Include detailed work papers supporting this analysis which show the payee, dollar amount, reference (e.g., voucher number), 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.

34. 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 work papers and calculations.

c. Monthly updates of the actual costs incurred during the course of this proceeding, in the manner prescribed above.

35. Provide the estimated dates for drawdowns of unadvanced loan funds at test-year-end and the proposed uses of these funds.

36. Provide a list of depreciation expenses using Format 36.

37. Explain whether the depreciation rates reflected in this filing are identical to those most recently approved by the Commission.

a. If identical, identify the case in which they were approved.

b. If not, provide the depreciation study that supports the rates reflected in this filing.

38. Provide information for plotting the depreciation guideline curves in accordance with RUS Bulletin 183-1, as shown in Format 38.

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

40. 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; the account charged for all personnel for whom a principal function is lobbying on the local, state, or national level; and 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.

41. Provide complete details of the financial reporting and ratemaking treatment of Big Sandy's pension costs.

42. Provide complete details of Big Sandy's financial reporting and ratemaking treatment of Statement of Financial Accounting Standard ("SFAS") No. 106, "Postretirement Benefits Other Than Pensions," including:

a. The date Big Sandy adopted SFAS No. 106;

b. All accounting entries made or to be made at the date of adoption;

and,

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.

43. Provide complete details of Big Sandy's financial reporting and ratemaking treatment of SFAS No. 112, "Postemployment Benefits," including:

a. The date that Big Sandy adopted SFAS No. 112;

b. All accounting entries made at the date of adoption; and

c. All actuarial studies and other documents used to determine the level of SFAS No. 112 cost recorded by Big Sandy.

44. 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 SFAS No. 143.

b. All accounting entries made at the date of adoption.

c. All studies and other documents used to determine the level of SFAS No. 143 cost recorded by Big Sandy.

d. A schedule comparing the depreciation rates utilized by Big Sandy prior to and after the adoption of SFAS No. 143. The schedule should identify the assets corresponding to the affected depreciation rates.

45. 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." Details should include the following:

a. The date Big Sandy adopted the SFAS;

b. All accounting entries made at the date of adoption; and

c. All studies and other documents used to determine the level of SFAS No. 158 cost recorded by Big Sandy.

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

47. Provide all current labor contracts and the most recent contracts in effect prior to the current contracts.

48. Regarding demand-side management ("DSM"), 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.
- d. Of the DSM programs offered by Big Sandy, identify those programs that were proposed by Big Sandy, and those that were proposed by EKPC.
- e. Explain whether Big Sandy plans to increase its DSM offerings in the future, independent of EKPC's DSM programs.
- f. For each DSM program noted in Big Sandy's response, describe the level of customer interest in each program. Provide the number of customers that are actually participating or have indicated a desire to participate by program
- g. Provide the 2017 budgeted or estimated total costs of Big Sandy's DSM programs.

49. 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;
- c. Amount and type of investment;
- d. Balance sheet and income statement. Where only internal statements are prepared, furnish copies of these; and
- e. Name of officers of each of the subsidiaries or joint ventures, each officer's annual compensation, and the 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.

50. 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 three 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.

51. Concerning non-regulated activities:

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

b. Is Big Sandy engaged in any non-regulated activities through an affiliate? If so, 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 any money or property to any affiliate? If so, describe in detail what was loaned, the terms of the loan, and the name of the affiliate

52. a. Identify any smart grid costs incurred by Big Sandy in the test year. Identify the account(s) where they are recorded and if the costs were expensed or capitalized.

b. Provide any smart grid costs that Big Sandy has included in its most recently developed budget.

53. Provide Big Sandy's written compensation policy as approved by the Board of Directors.

a. Provide a narrative description of the compensation policy, including the reasons for establishing the policy and Big Sandy's objectives for the policy.

b. Explain whether the compensation policy was developed with the assistance of an outside consultant. If the compensation policy was developed or reviewed by a consultant, provide any study or report provided by the consultant.

c. Explain when the compensation policy was last reviewed or given consideration by the Board of Directors.

54. Explain whether the expenses for wages, salaries, benefits and other compensation during the test year, and any adjustments to the test year, are compliant with the Board of Director's compensation policy.

55. Provide this response in Excel spreadsheet format with all formulas intact and unprotected and all columns and rows accessible. Provide the following information for each employee, identified by employee number and job title, for the years 2011 through 2016 and the test year:

- a. Regular salary or pay.
- b. Overtime pay.
- c. Vacation pay.
- d. Standby dispatch pay.
- e. Bonus pay.
- f. Any other amounts paid (specify).
- g. Health Benefit cost for each employee:
 - (1) Amount paid by Big Sandy;
 - (2) Amount paid by each individual employee.
- h. Dental Benefits cost for each employee:
 - (1) Amount paid by Big Sandy;
 - (2) Amount paid by each individual employee.
- i. Vision Benefits cost for each employee:
 - (1) Amount paid by Big Sandy;
 - (2) Amount paid by each individual employee.
- j. Life Insurance cost for each employee:
 - (1) Amount paid by Big Sandy;
 - (2) Amount paid by each individual employee.
- k. Accidental Death and Disability Benefits for each employee:

- (1) Amount paid by Big Sandy;
- (2) Amount paid by each individual employee.
- l. 401(K) Plan cost for each employee:
 - (1) Amount paid by Big Sandy;
 - (2) Amount paid by each individual employee.
- m. Defined Benefit Retirement cost for each employee:
 - (1) Amount paid by Big Sandy;
 - (2) Amount paid by each individual employee.
- n. Cost of any other benefit available to an employee (specify).

56. For each level of health insurance coverage available to Big Sandy's employees (i.e., single, family, etc.), provide the number of employees covered by Big Sandy's health insurance plan, any applicable employee contribution rate, the associated premiums for the test year, and each of the plans' deductible(s) amounts.

57. Explain whether, prior to making any adjustments to wages, salaries, benefits and other compensation in the base rate case, Big Sandy, through an outside consultant or otherwise, performed a study or survey to compare its wages, salaries, benefits and other compensation to those of other utilities in the region, or to other local or regional enterprises.

a. If comparisons were made, provide and discuss the results of such comparisons. Include the results of the study or survey with your response, including all work papers.

b. If comparisons were not made, explain why such comparisons were not performed.

58. Provide Big Sandy's current nepotism policy and indicate when it was most recently changed.

59. Provide a copy of all exhibits and schedules that were prepared in Big Sandy's rate application in Excel spreadsheet format with all formulas intact and unprotected and with all columns and rows accessible.



Talina R. Mathews
Executive Director
Public Service Commission
P. O. Box 615
Frankfort, Kentucky 40602

DATED MAY 11 2017

cc: Parties of Record

Case No. 2017-00171

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

Case No. 2017-00171

Comparative Capital Structures
For the Periods as Shown
"000 Omitted"

Line No.	Type of Capital	10th Year		9th Year		8th Year		7th year		6th Year		5th Year	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1.	Long-Term Debt												
2.	Short-Term Debt												
3.	Preferred & Preference Stock												
4.	Common Equity												
5.	Other (Itemize by type)												
6.	Total Capitalization												

Line No.	Type of Capital	4th Year		3rd Year		2nd Year		1st Year		Test Year		Last Available Quarter		Average Test Year	
		Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
1.	Long-Term Debt														
2.	Short-Term Debt														
3.	Preferred & Preference Stock														
4.	Common Equity														
5.	Other (Itemize by type)														
6.	Total Capitalization														

- Instructions:
1. Provide a calculation of the average test year data as shown in Format 5, Schedule 2.
 2. If the applicant is a member of an affiliated group, the above data is to be provided for the parent company and the system consolidated.

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

Case No. 2017-00171

Calculation of Average Test Period Capital Structure
12 Months Ended _____
"000 Omitted"

Line No.	Item (a)	Total Capital (b)	Long-Term Debt (c)	Short-Term Debt (d)	Preferred Stock (e)	Common Stock (f)	Retained Earnings (g)	Total Common Equity (h)
1.	Balance Beginning of Test Year							
2.	1st Month							
3.	2nd Month							
4.	3rd Month							
5.	4th Month							
6.	5th Month							
7.	6th Month							
8.	7th Month							
9.	8th Month							
10.	9th Month							
11.	10th Month							
12.	11th Month							
13.	12th Month							
14.	Total (Line 1 through Line 13)							
15.	Average balance (Line 14/13)							
16.	Average capitalization ratios							
17.	End-of period capitalization ratios							

- Instructions:
1. If applicable, provide an additional schedule in the above format excluding common equity in subsidiaries from the total company capital structure. Show the amount of common equity excluded.
 2. Include premium class of stock.

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

Case No. 2017-00171

Schedule of Outstanding Long-Term Debt

For the Year Ended December 31, _____

Line No.	Type of Debt Issued (a)	Date of Issue (b)	Date of Maturity (c)	Amount Outstanding (d)	Coupon Interest Rate ⁽¹⁾ (e)	Cost Rate at Issue ⁽²⁾ (f)	Cost Rate to Maturity ⁽³⁾ (g)	Bond Rating at Time of Issue ⁽⁴⁾ (h)	Type of Obligation (i)	Annualized Cost Col. (d) x Col. (g) (j)
<p>Total Long-Term Debt and Annualized Cost</p> <p>Annualized Cost Rate [Total Col. (j) / Total Col. (d)]</p>										

¹ Nominal Rate

² Nominal Rate Plus Discount or Premium Amortization

³ Nominal Rate Plus Discount or Premium Amortization and Issuance Cost

⁴ Standard and Poor's, Moody, etc.

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

Case No. 2017-00171

Schedule of Outstanding Long-Term Debt

For the Test Year Ended _____

Line No.	Type Of Debt Issued (a)	Date of Issue (b)	Date of Maturity (c)	Amount Outstanding (d)	Coupon Interest Rate ⁽¹⁾ (e)	Cost Rate at Issue ⁽²⁾ (f)	Cost Rate to Maturity ⁽³⁾ (g)	Bond Rating at Time of Issue ⁽⁴⁾ (h)	Type of Obligation (i)	Annualized Cost Col. (f) x Col. (d) (j)	Actual Test Year Interest Cost ⁽⁵⁾ (k)
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Total Long-Term Debt and Annualized Cost

Annualized Cost Rate [Total Col. (j) / Total Col. (d)]

Actual Test Year Cost Rate [Total Col. (k) / Total Reported in Col. (d)]

¹ Nominal Rate

² Nominal Rate Plus Discount or Premium Amortization

³ Nominal Rate Plus Discount or Premium Amortization and Issuance Cost

⁴ Standard and Poor's, Moody, etc.

⁵ Sum of Accrued Interest Amortization of Discount or Premium and Issuance Cost

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

Case No. 2017-00171

Schedule of Short-Term Debt

For the Test Year Ended _____

Line No.	Type of Debt Instrument (a)	Date of Issue (b)	Date of Maturity (c)	Amount Outstanding (d)	Nominal Interest Rate (e)	Effective Interest Cost Rate (f)	Annualized Interest Cost Col. (f) x Col. (d) (g)
<p>Total Short-Term</p> <p>Annualized Cost Rate [Total Col. (g) / Total Col. (d)]</p> <p>Actual Interest Paid or Accrued on Short-Term Debt during the Test Year [Report in Col. (g) of this Schedule]</p> <p>Average Short-Term Debt – Format 7, Schedule 2 Line 15 Col. (d) [Report in Col. (g) of this Schedule]</p> <p>Test-Year Interest Cost Rate [Actual Interest / Average Short-Term Debt] [Report in Col. (f) of this Schedule]</p>							

- Instructions: 1. In all instances where the Effective Interest Cost Rate is different from the Nominal Interest Rate, provide a calculation of the Effective Interest Cost Rate in sufficient detail to show the items of costs that cause the difference.

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

Case No. 2017-00171

Analysis of Salaries and Wages
For the Calendar Years 20____ through 20____
And the Test Year

"000 Omitted"

Line No.	Item (a)	3rd		2nd		1st		Test Year	
		Amount (b)	% (c)	Amount (d)	% (e)	Amount (f)	% (g)	Amount (h)	% (i)
		1.	Wages charged to expense						
2.	Power Production expense								
3.	Transmission expense								
4.	Distribution expense								
5.	Customer accounts expense								
6.	Sales expense								
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								
	(g) Employee pensions and benefits								

Note: Show percent increase of each year over the prior year in Columns (c), (e), (g) and (i)

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

Case No. 2016-00171

Analysis of Salaries and Wages
For the Calendar Years 20____ through 20____
And the Test Year

"000 Omitted"

Line No.	Item (a)	3rd		2nd		1st		Test Year	
		Amount (b)	% (c)	Amount (d)	% (e)	Amount (f)	% (g)	Amount (h)	% (i)
		7.	Administrative and general expenses (continued)						
	(h) Franchise requirements								
	(i) Regulatory commission expenses								
	(j) Duplicate charges – cr								
	(k) Miscellaneous general expense								
	(l) Maintenance of general plant								
8.	Total administrative and general expenses L7 (a) through L7 (l)								
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)								

Note: Show percent increase of each year over the prior year in Columns (c), (e), (g) and (i)

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

Case No. 2017-00171

Analysis of Other Operating Taxes
 12 Months Ended _____
 "000 Omitted"

Line No.	Item (a)	Charged Expense (b)	Charged To Construction (c)	Charged To Other Accounts ¹ (d)	Amounts Accrued (e)	Amount Paid (f)
1.	Kentucky Retail					
	(a) State income					
	(b) Franchise fees					
	(c) Ad valorem					
	(d) Payroll (employers portion)					
	(e) Other taxes					
2.	Total Retail (L1(a) through L1(e))					
3.	Other jurisdictions					
	Total per books (L2 and L3)					

¹ Explain items in this Column.

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

Case No. 2017-00171

Statement of Electric Plant in Service
12 Months Ended

Total Company

Account Number	Title of Accounts	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
	<u>Intangible plant:</u>					
301.0	Organization					
302.0	Franchises and consents					
303.0	Miscellaneous intangible plant					
106.0	Completed construction – not classified					
	Total intangible plant					
	<u>Transmission plant:</u>					
350.0	Land and land rights					
352.0	Structures and improvements					
353.0	Station equipment					
354.0	Towers and fixtures					
355.0	Poles and fixtures					
356.0	Overhead conductors and devices					
357.0	Underground conduit					
358.0	Underground conductors and devices					
359.0	Roads and trails					
106.0	Completed construction – not classified					
	Total transmission plant					
	<u>Distribution plant:</u>					
360.0	Land and land rights					
361.0	Structures and improvements					
362.0	Station equipment					
363.0	Storage battery equipment					
364.0	Poles, towers, and fixtures					
367.0	Overhead conductors and devices					
366.0	Underground conduit					
367.0	Underground conductors and devices					
368.0	Line transformers					

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

Case No. 2017-00171

Statement of Electric Plant in Service
12 Months Ended

Total Company

Account Number	Title of Accounts	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
369.0	Services					
370.0	Meters					
371.0	Installations on customer premises					
372.0	Leased property on customer premises					
373.0	Street lighting and signal systems					
106.0	Completed construction – not classified					
	Total distribution plant					
	<u>General plant:</u>					
389.0	Land and land rights					
390.0	Structures and improvements					
391.0	Office furniture and equipment					
392.0	Transportation equipment					
393.0	Stores equipment					
394.0	Tools, shop, and garage equipment					
395.0	Laboratory equipment					
396.0	Power operated equipment					
397.0	Communication equipment					
398.0	Miscellaneous equipment					
	Subtotal					
399.0	Other tangible property					
106.0	Completed construction – not classified					
	Total general plant					
	Total Account 101					
102.0	Electric plant purchased					
103.0	Electric plant sold					
103.0	Experimental plant unclassified					
	Total Electric Plant in Service					

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

Case No. 2017-00171

Account 913 – Advertising Expenses
For the 12 Months Ended

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						
6.	Sales Aids						
7.	Total						
8.	Amount assigned to KY retail						

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

Case No. 2017-00171

Account 930 – Miscellaneous General Expenses
For the 12 Months Ended

Line No.	Item (a)	Amount (b)
1.	Industry association dues	
2.	Stockholder and debt-servicing expenses	
3.	Institutional advertising	
4.	Conservation advertising	
5.	Rate department load studies	
6.	Director's fees and expenses	
7.	Dues and subscriptions	
8.	Miscellaneous	
9.	Total	
10.	Amount assigned to KY retail	

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

Case No. 2017-00171

Account 426 – Other Income Deductions
For the 12 Months Ended

Line No.	Item (a)	Amount (b)
1.	Donations	
2.	Civic activities	
3.	Political activities	
4.	Other	
5.	Total	

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

Case No. 2017-00171

Professional Services Expenses
For the 12 Months Ended

Line No.	Item (a)	Rate Case (b)	Annual Audit (c)	Other (d)	Total (e)
1.	Legal				
2.	Engineering				
3.	Accounting				
4.	Other				
5.	Total				

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

Case No. 2017-00171

Depreciation Expenses

Account Number	Item	(End of Test Year) Plant Account Balance	Depreciation Rate	Annual Depreciation
	<u>Transmission plant:</u>			
350.0	Land and land rights			
352.0	Structures and improvements			
353.0	Station equipment			
354.0	Towers and fixtures			
355.0	Poles and fixtures			
356.0	Overhead conductors and devices			
357.0	Underground conduit			
358.0	Underground conductors and devices			
359.0	Roads and trails			
	<u>Distribution plant:</u>			
360.0	Land and land rights			
361.0	Structures and improvements			
362.0	Station equipment			
363.0	Storage battery equipment			
364.0	Poles, towers, and fixtures			
367.0	Overhead conductors and devices			
366.0	Underground conduit			
367.0	Underground conductors and devices			
368.0	Line transformers			
369.0	Services			
370.0	Meters			
371.0	Installations on customer premises			
372.0	Leased property on customer premises			
373.0	Street lighting and signal systems			

BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

Case No. 2017-00171

Depreciation Expenses

Account Number	Item	(End of Test Year) Plant Account Balance	Depreciation Rate	Annual Depreciation
	General plant:			
389.0	Land and land rights			
390.0	Structures and improvements			
391.0	Office furniture and equipment			
392.0	Transportation equipment			
393.0	Stores equipment			
394.0	Tools, shop, and garage equipment			
395.0	Laboratory equipment			
396.0	Power operated equipment			
397.0	Communication equipment			
398.0	Miscellaneous equipment			

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