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PUBLIC SERVICE  
COMMISSION

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG SANDY RURAL ELECTRIC )  
COOPERATIVE CORPORATION FOR ) CASE NO.  
AUTHORITY TO REFINANCE EXISTING DEBT ) 2017-00190

**ATTORNEY GENERAL'S INITIAL DATA REQUESTS**

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits these Initial Data Requests to Big Sandy Rural Electric Cooperative Corporation, [hereinafter "Big Sandy"] to be answered by the date previously specified, and in accord with the following:

- (1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.
- (2) Please identify the witness who will be prepared to answer questions concerning each request.
- (3) Please repeat the question to which each response is intended to refer. The Office of the Attorney General can provide counsel for the companies with an electronic version of these questions, upon request.
- (4) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, be accompanied by a signed certification of the preparer or 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.

(6) If you believe any request appears confusing, please request clarification directly from undersigned Counsel for the Office of Attorney General.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self-evident to a person not familiar with the printout.

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

(10) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters

or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information regardless of the media or format in which they are stored, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(13) Please provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

Respectfully submitted,

ANDY BESHEAR  
ATTORNEY GENERAL



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1. Refer to Exhibit 3, page 3 of 3 and Commission Staff Request 1-3. Confirm that Loan Number RET-7-1, which is proposed to be refinanced, has an interest rate of 3.00% and a maturity date 2 years longer than the proposed CFC loan agreement.
2. Refer to Exhibit 3, page 1 of 3. Confirm that the board resolution provides for loan amounts, "having a maturity no longer than 25 years." If confirmed, explain Big Sandy's rationale for the proposed CFC notes having a maturity of only 20 years, which is shorter than the RUS notes being refinanced.
3. Refer to Exhibit 3, page 3 of 3. Provide the weighted average interest rate for the RUS notes provided in this chart. If this amount is calculated using any electronic worksheets or Excel documents, provide them along with the response. If this amount is equal to the effective interest rate provided in Exhibit 6, page 2 of 3, of 4.40%, confirmation of the same is an acceptable response.
4. Refer to Exhibit 6, page 2 of 3. Explain, in complete detail, what the amounts under "Cash Flows" and "Cash Patronage" in year 2043-2062 under the CFC scenario represent. This response should include an explanation as to why the amounts appear in the CFC scenario, but not the RUS scenario.
5. Refer to Exhibit 6, page 2 of 3. Explain whether this summary accounts for the Time Value of Money. If not, why not? If the summary does account for the Time Value of Money, what discount rate was considered?
6. Refer to Commission Staff Request 1-5. Does Big Sandy anticipate requesting recovery of any fees or expenses incurred in closing this proposed refinancing in its pending rate adjustment application? If so, where are these costs located in the application?
7. Refer to Exhibit 6, page 2 of 3. Confirm that the annual payments from Big Sandy stemming from the CFC summary are higher than the RUS summary for the first 9-10 years of the comparison. If Big Sandy does confirm this, are the additional expenses (higher debt cost) provided for in the pending rate adjustment application? If so, where are these costs located in the application, and for what amount?
8. Refer to Exhibit 3, page 3 of 3. If all five (5) of these RUS notes are refinanced as proposed, how many notes will Big Sandy have outstanding with RUS? If Big Sandy will have additional notes outstanding with RUS, what are the amounts, interest rates, and maturity of those notes?
9. Refer to the Application, paragraph 11. Confirm whether or not Big Sandy's reference to 807 KAR 5:001, Section 11(2)(c) was made in error. If the reference was made in error, provide the regulation Big Sandy intended to refer to.
10. Refer to Exhibit 6, pages 2-3 of 3. What would Big Sandy's interest payment be on the proposed CFC notes in the first year?

*Certificate of Service and Filing*

Counsel certifies that an original and ten (10) photocopies of the foregoing were served and filed by hand delivery to Dr. Talina Mathews, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; counsel further states that true and accurate copies of the foregoing were mailed via First Class U.S. Mail, postage pre-paid, to:

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Lance Daniels  
P.O. Box 1115  
225 Main Street  
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This 16th day of June, 2017



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Assistant Attorney General