

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG SANDY RURAL ELECTRIC)	
COOPERATIVE CORPORATION FOR AN)	CASE NO.
ADJUSTMENT OF RATES)	2005-00125

FIRST DATA REQUEST OF COMMISSION STAFF
TO THE ATTORNEY GENERAL

The Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention (“AG”), pursuant to 807 KAR 5:001, is requested to file with the Commission the original and 8 copies of the following information, with a copy to all parties of record. The information requested herein is due September 2, 2005. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information requested herein has been provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request. When applicable, the information requested herein should be provided for total company operations and jurisdictional operations, separately.

1. Refer to page 3 of the Testimony of David H. Brown Kinloch (“Kinloch Testimony”). Big Sandy used a minimum size methodology based on the cost of a 4/0

ACSR conductor, which you state is a very unusual choice. Explain, under the minimum size methodology, what selection criteria Mr. Kinloch believes should be used in determining the proper conductor upon which to base cost.

2. Refer to pages 10 and 11 of the Kinloch Testimony, which supports Big Sandy's proposal that the entire residential rate increase be allocated to the energy charge and that the customer charge for the commercial class be increased to \$15.00 per month. Explain how Mr. Kinloch determined that the \$7.00 and \$15.00 customer charges proposed by Big Sandy are the proper customer charges. Include all necessary calculations needed to support his recommendation of the proposed customer charges.

3. Refer to lines 4-6 on page 11 of the Kinloch Testimony. Explain whether the reference to Exhibit DHBK-4, page 1 of 1 is in error, when referring to assignment guidelines for the rate design for the residential and commercial classes. If the reference is in error, include the correct reference in the response.

4. Refer to page 12 of the Kinloch Testimony.

a. It is Mr. Kinloch's contention that, since a majority of disconnects are made at the meter, most of the time the disconnect service is identical to the connect service?

b. Explain whether Mr. Kinloch believes that it would be more appropriate to exclude any recovery of the difference in time spent on reconnects at the meter and reconnects at the pole (as he appears to propose), or whether it would be appropriate to allow for some recovery of the additional time spent on a pole reconnection within the reconnect fee.

5. Refer to page 13 of the Kinloch Testimony, which states that Big Sandy is in the minority of East Kentucky Power distribution cooperatives in that it is “still using an excessive 10 percent late payment fee.”

a. Explain whether the phrase “still using” is meant to reflect that some East Kentucky Power cooperatives that had late payment fees of 10 percent have reduced those fees.

b. Provide the names of any East Kentucky Power cooperatives of which Mr. Kinloch is aware that had late payment fees of at least 10 percent and have reduced them.

6. Refer to Exhibit DHBK–3, page 18 of 18. Provide an updated schedule of Mr. Kinloch’s Allocation of Increase in Revenue Requirements, which includes normalized revenues based on the rates authorized in Case No. 2004-00468,¹ in which Big Sandy’s base rates were reset as part of a fuel adjustment charge roll-in.



Beth O'Donnell
Executive Director
Public Service Commission
P. O. Box 615
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DATED August 22, 2005

cc: All Parties

¹ Case No. 2004-00468, An Examination of the Application of the Fuel Adjustment Clause of Big Sandy Rural Electric Cooperative Corporation from November 1, 2002 to October 31, 2004, final order dated May 24, 2005.