

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF TAYLOR COUNTY RURAL)
ELECTRIC COOPERATIVE CORPORATION FOR) CASE NO.
CERTIFICATE OF PUBLIC CONVENIENCE AND) 2011-00163
NECESSITY)

FIRST INFORMATION REQUEST OF COMMISSION STAFF TO
TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

Pursuant to 807 KAR 5:001, Taylor County Rural Electric Cooperative Corporation ("Taylor County") is to file with the Commission the original and seven copies of the following information, with a copy to all parties of record. The information requested herein shall be received no later than 15 days from the date of this Order. 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 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.

Taylor County 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

Taylor County fails or refuses to furnish all or part of the requested information, Taylor County shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should 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 applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Refer to page 1 of the Executive Summary in the Construction Work Plan ("CWP"). Provide a copy of Taylor County's 2011 Long Range System Study.

2. Refer to page 5 of 8 of Exhibit A of the CWP. Explain the sharp drop in line losses in 2008.

3. Refer to page 6 of 8 of Exhibit A of the CWP. Explain the drop in the annual load factor between 2000 and 2008.

4. Refer to Exhibit C of the CWP.

a. Refer to previous CWP Item No. 301.09 and 301.10. Their status is listed as NP – No Progress, but there are CWP cost estimates and actual costs that have been incurred. Explain this discrepancy.

b. Explain why the actual cost for many of the projects exceeded the original cost estimate.

5. Refer to page 10 of 13 in Exhibit Q of the CWP. CWP Item 309.01 is a carryover from the previous 2006-2008 CWP. Page 1 of Exhibit C in the current CWP

shows the original cost estimate of this project to be \$44,000 and the actual cost incurred is \$71,589.

a. Explain why the current estimated cost of this project has nearly doubled since the last CWP.

b. Provide a schedule of all costs incurred to date on this project.

c. Confirm there is no duplication in cost for this project in the prior and current CWP.

6. Refer to page 5 of the application. The application states, "The LRSS used a projected load of 250 MW for the winter of 2035/36 in order to stress the system. The preferred plan included six new substations – Bloyd's Crossing, Cantown, Log Church, Pierce, Saloma 2, and Sparksvile. No new substations are required for this CWP period. However, the Pierce substation will be required in the next CWP covered by Load Level 2 (2014-2016) in order to unload the McKinney's Corner substation." What expenses will Taylor County incur that arise from the construction of substations owned by East Kentucky Power Cooperative ("EKPC").

7. Refer to page 5 of the application. The application states, "Several items were noted for improvements; however, no corrective action was recommended. A summary of those items is given as follows:

- Cable TV attachments need to be monitored continuously for compliance with the NESC.

- Telephone poles left standing after pole attachments should be removed.

- Overall physical condition of distribution line right-of-way (by field checking).”

- a. Are cable TV attachments NESC compliant and how often are poles inspected? Explain.

- b. Does Taylor County bill cable TV companies for all attachments and are the billings current? Explain.

- c. Who owns the poles and does Taylor County bill for removal of abandoned telephone poles that are removed, if owned by a local telephone company? Explain.

- d. Explain the right-of-way clearing cycle.

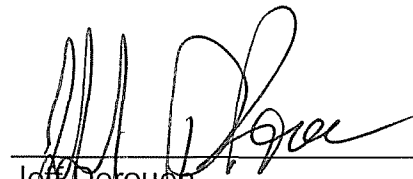
8. Refer to page 6 of the application. The application states, “The annual system losses were 2.54 percent for 2009 and 5.96 percent for 2008. EKPC projects losses of 5.4 percent for the Taylor County system.” Explain the annual system losses for Taylor County by year from 2008 to the projected 2010.

9. Refer to page 10 of the application. The Rural Utility Service recommends an annual inspection of at least 10 percent of the system’s total poles. By year, from 2006 to 2010, how many poles were inspected? Explain.

10. Has Taylor County compared actual measured voltage and the calculated voltage to determine the accuracy of the voltage drop studies?

- a. If yes, provide the voltage reading and indicate the substation, line section, and date on which each reading was taken. If the actual reading differs from the calculated voltage by more than two volts, explain the reason for the difference.

- b. If no, explain why a comparison is not necessary.



Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED **AUG 08 2011**

cc: Parties of Record

Case No. 2011-00163

Barry L Myers
Manager
Taylor County R.E.C.C.
625 West Main Street
P. O. Box 100
Campbellsville, KY 42719

Honorable Robert Spragens, Jr.
Attorney at Law
Spragens, Smith & Higdon, P.S.C.
15 Court Square
P.O. Box 681
Lebanon, KENTUCKY 40033