

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF INTER-COUNTY ENERGY)	
COOPERATIVE CORPORATION FOR A)	CASE NO
GENERAL ADJUSTMENT OF EXISTING)	2018-00129
RATES)	

COMMISSION STAFF'S FOURTH REQUEST FOR INFORMATION
TO INTER-COUNTY ENERGY COOPERATIVE CORPORATION

Inter-County Energy Cooperative Corporation (Inter-County Energy), 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 October 15, 2018. Responses to requests for information in paper medium shall be appropriately bound, tabbed, and indexed. Electronic documents shall be in portable document format (PDF), shall be searchable and shall be appropriately bookmarked. 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.

Inter-County Energy shall make timely amendment to any prior response if it obtains information that 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 Inter-County Energy fails or refuses to furnish all or part of the requested information, it 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, Inter-County Energy shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to previous Commission cases in which it has placed greater emphasis on evaluating employees' total compensation packages, including salary and benefit programs for market and geographic competitiveness to ensure the development of fair, just, and reasonable rates, and in which the Commission has found that in most cases 100 percent employer-funded healthcare does not meet those criteria. Absent a utility's requirement of employee participation in healthcare costs, the Commission has applied a consistent standard by utilizing the Bureau of Labor Statistics report,¹ which reflects an average employee contribution to single healthcare coverage of 21 percent of the cost and 32 percent for family coverage.

¹ Bureau of Labor Statistics, Healthcare Benefits, March 2016, Table 10, private industry workers. (<https://www.bls.gov/ncs/ebs/benefits/2016/ownership/private/table10a.pdf>).

a. Provide any justification for Inter-County Energy to continue to provide for 100 percent of the employee health care costs.

b. Identify the utilities that Inter-County Energy contends it is competing with for employees, and describe the benefit packages offered by those companies. Include the extent to which employees of those companies must contribute to single healthcare coverage, family healthcare coverage, disability coverage, life insurance coverage, and other coverage offered by Inter-County Energy.

c. Provide a calculation of the test-year expense for healthcare excluding 21 percent of the cost for single coverage and 32 percent for family coverage.

d. Provide the number of employees enrolled in single and family insurance policies.

2. Provide an update to Staff's First Request for Information Item 34, and include copies of all invoices and bills that support the costs, including detailed bills for attorney fees and costs and expert fees and costs with only privileged information redacted.²

3. Provide an update to Staff's Second Request for Information, Item 2. If the study has been completed, provide a copy of the final study.

² See e.g. *Johnson v. Zimmer Holdings, Inc.*, 73 F. Supp.3d 814, 825-6 (E.D. Ky. 2014) (where the court reviewed and discussed detailed itemized bills from a party's attorneys submitted in support of a claim for fees); see also *Primm v. Isaac*, 127 S.W.3d 630, 635-9 (Ky. 2004) (indicating that evidence regarding what an expert witness was hired to do in a particular matter and the compensation they received is relevant and discoverable in civil matters); *Asbury University v. Powel*, 486 S.W.3d 246, 265 (Ky. 2016)(where the court referenced the total amount sought in attorney fees, total amount sought in costs, the hourly rates of the attorneys, the total hours billed down to the tenth of the hour, and the general work performed by the attorneys in the order and noted that the claimed fees were supported by affidavits from counsel with timesheets attached).

4. Refer to Inter-County Energy's response to Staff's Second Request for Information, Item 12.

a. Provide an update to the actual costs incurred to date as well as the projected total costs associated with the March 2018 snowstorm recovery expenses.

b. State whether the test-year period includes expenses for storm damage repairs and, if so, state how those expenses for storm damage repairs were calculated, identify the accounts in which these expenses are recorded, and state the amount of those expenses.

c. Identify the total amount of expenses for storm-damage repair expenses incurred by Inter-County Energy, by quarter, for the 2013, 2014, 2015, 2016, and 2017 calendar years.

d. Provide the total amount of storm damage repair expenses incurred by Inter-County Energy, by quarter, in 2018 to date. Provide also the projected amount of storm damage repair expenses that Inter-County Energy anticipates for the remainder of 2018.

5. Refer to Inter-County Energy's response to Commission Staff's Third Request for Information, Item 10. The response states, "the stipulation that Schedule 2 – Small Commercial and Small Power customers be billed only for demand greater than 10kW was removed."

a. Provide the rationale for this tariff change.

b. Explain why the tariff excluded the first 10 kW in the schedule originally.

c. Refer to the Application at Exhibit 5, Public Notice. Confirm that the

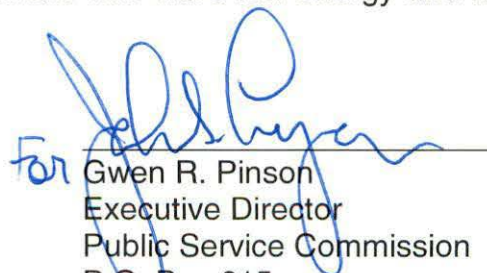
Demand Charge line item under the Schedule 2 – Small Commercial and Small Power heading references demand greater than 10 kW. Explain whether Inter-County Energy believes that customers currently taking service under Schedule 2 – Small Commercial and Small Power were properly notified of the proposed change in the demand charge.

d. Provide the number of customers currently served under Schedule 2 – Small Commercial and Small Power who have a demand of less than 10 kW per month.

e. Provide the average kW for the rate class.

f. Demonstrate the impact of the proposed changes for customers that are billed under the Schedule 2 – Small Commercial and Small Power rate schedule. Provide a schedule comparing the monthly bill at current rates to the proposed revisions for customers who are billed under Schedule 2 – Small Commercial and Small Power. The schedule should contain the monthly bills at varying volumes of demand starting at zero and increase in increments of 1 kW through 10 kW, and then increase by increments of 10 kW until the maximum level used by customers in the rate class. The schedule should also include the dollar amount increase and percentage increase of the proposed revisions to the customers.

g. Explain if Inter-County Energy has evaluated the impact this proposed tariff change will have on customers who have low energy and high demand consumption profiles.


For
Gwen R. Pinson
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED OCT 08 2018

cc: Parties of Record

*L Allyson Honaker
Goss Samford, PLLC
2365 Harrodsburg Road, Suite B325
Lexington, KENTUCKY 40504

*David S Samford
Goss Samford, PLLC
2365 Harrodsburg Road, Suite B325
Lexington, KENTUCKY 40504

*J. Hadden Dean
Sheehan Barnett Dean Pennington Little & Dexter
116 North Third Street
P.O. Box 1517
Danville, KENTUCKY 40423

*Rich Macke
Power System Engineering, Inc.
10710 Town Square Drive NE
Suite 201
Minneapolis, MINNESOTA 55449

*Inter-County Energy Cooperative Corporation
1009 Hustonville Road
P. O. Box 87
Danville, KY 40423-0087

*Lance Schafer
Power System Engineering, Inc.
10710 Town Square Drive NE
Suite 201
Minneapolis, MINNESOTA 55449