

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF MEADE)	
COUNTY RURAL ELECTRIC COOPERATIVE)	CASE NO.
CORPORATION FOR AN ADJUSTMENT OF)	2020-00131
RATES)	

COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION
TO MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

Meade County Rural Electric Cooperative Corporation (Meade RECC), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information. The information requested herein is due on July 23, 2020. The Commission directs Meade RECC to the Commission's March 16, 2020 and March 24, 2020 Orders in Case No. 2020-00085¹ regarding filings with the Commission. The Commission expects the original documents to be filed with the Commission within 30 days of the lifting of the current state of emergency. All responses 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

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 16, 2020), Order at 5–6. Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 24, 2020), Order at 1–3.

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.

Meade RECC shall make timely amendment to any prior response if Meade RECC 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 Meade RECC fails or refuses to furnish all or part of the requested information, Meade RECC 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 applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Meade RECC 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 Case No. 2014-00414 and Meade RECC's prepaid service tariff in general.²

a. Meade RECC estimated that approximately 3 percent of its members would elect to participate in the prepay program. Provide the percentage of Meade RECC's members that are currently enrolled in the prepaid program.

² Case No. 2014-00414, *Application of Meade County Rural Electric Cooperative Corporation for Approval of a Prepay Metering Tariff* (Ky. PSC Apr. 15, 2014)

b. The current daily prepaid fee (tariff) of \$0.32 was calculated based on the assumption of 3 percent participation, monthly costs for software, communication fees, meter costs, installation costs, and communication fees. Provide support that the \$0.32 daily prepaid fee remains valid and reasonable.

2. Refer to the Direct Testimony of Martin Littrel (Littrel Testimony), page 5. Provide an example of rate volatility due to misalignment between existing rates and the cost of providing electric service.

3. Refer to the Littrel Testimony, page 5. Provide the monthly Times Interest Earned Ratio (TIER) for 2019 as well as the monthly TIER for each month of 2020 thus far.

4. Refer to the Littrel Testimony, page 7. Provide the compensation study.

5. Refer to the Littrel Testimony, page 7. Provide the annual operations and maintenance expenses from 2013 to 2019.

6. Refer to the Littrel Testimony, page 8. Quantify any annual savings that Meade RECC has realized due to the following:

- a. Revisions in the R&S Plan; and
- b. Revisions in healthcare insurance.

7. Refer to the Littrel Testimony, page 11. Meade RECC's most recent refinancing application was Case No. 2003-00310.³ State whether Meade RECC has considered in any further refinancing since Case No. 2003-00310. If so, state why Meade RECC did not engage in refinancing.

³ Case No. 2003-00310 *Application of Meade County Rural Electric Cooperative Corporation for an Order and Certificate of Public Convenience and Necessity Authorizing Application to Execute a "Secured Promissory Note" not to Exceed \$14,726,249.25 Pursuant to KRS 278.300 and 807 KAR 5:001, Section 11 and Related Sections* (Ky. PSC Aug. 18, 2003).

8. Refer to the Littrel Testimony, page 12. Provide the Key Ratio Trend Analysis.

9. Refer to the Direct Testimony of Anna Swanson (Swanson Testimony), page 6. Provide the total advances against the referenced line of credit of \$5 million as of the date of this request. State the current interest on these advances, if any.

10. Refer to the Swanson Testimony, page 9. Explain whether, as employee contributions have increased, employer contributions to flexible spending accounts (FSAs) or other similar health savings accounts have increased.

11. Refer to the Swanson Testimony, page 9. Explain whether the referred-to consultant surveys are industry specific or if regional salaries are also surveyed.

12. Refer to the Swanson Testimony, page 11. Provide the average monthly energy usage of residential members receiving benefits from the Low Income Home Energy Assistance Program.

13. Refer to the Swanson Testimony, Exhibit AS-1.

a. Explain the change in interest paid for long-term debt between 2013 and 2014.

b. Explain the change in interest paid for long-term debt between 2017 and 2018.

14. Refer to the Direct Testimony of John Wolfram (Wolfram Testimony), page 22. Provide Table 3 with the return on rate base at the proposed rates.

15. Provide the number of members utilizing a net metering tariff, the average annual usage of these members, and the average annual bill of these members for the years 2015–2019.

16. Refer to the application, Exhibit 36. Provide supporting invoices and other evidence for any rate case expenses incurred to date that have not already been provided.

17. Refer to the Wolfram Testimony, page 15. Calculate the adjustment for healthcare using the percentage for all workers (21 percent employee share for single plans and 34 percent for family plans), rather than utility specific percentage from the BLS survey.

18. Refer to the Wolfram Testimony, page 15. Calculate the adjustment for dental coverage using 60 percent employee share for all plans, rather than utility specific percentage from the BLS survey.

19. Refer to the Wolfram Testimony, page 15. Provide an explanation for the negative adjustment for vision coverage given that employees already share 50 percent of the cost.

20. Refer to the Wolfram Testimony, page 15, and Schedule 1.13 Labor. Provide the retirement date of employee 2, and explain why all wages were not excluded.

21. Refer to the Wolfram Testimony, page 15, and Schedule 1.13 Labor. Provide the hire date of employee 23.

22. Refer to the Wolfram Testimony, page 15, and Schedule 1.13 Labor. Provide an explanation for each employee that did not work 2,080 hours in the test year.

23. Refer to the Wolfram Testimony, page 15, and Schedule 1.13 Labor. Provide an explanation for the inclusion or exclusion of overtime in the Pro Forma Wages.

24. Provide the number of overtime hours for each employee for the past five years.

25. Provide the pay rate for each employee for the past five years.

26. Refer to the proposed changes to tariff sheet Original 31: Domestic Power Use. Explain why Meade RECC removed “domestic servants quarters” and “such as tenant houses, etc.,” from this tariff section.



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Acting Executive Director
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DATED JUL 10 2020

cc: Parties of Record

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