

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF TAYLOR)	
COUNTY RURAL ELECTRIC COOPERATIVE)	CASE NO.
CORPORATION FOR A GENERAL)	2023-00147
ADJUSTMENT OF RATES)	

COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION
TO TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

Taylor County Rural Electric Cooperative Corporation (Taylor RECC), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on August 11, 2023. The Commission directs Taylor RECC to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and 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

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Taylor RECC shall make timely amendment to any prior response if Taylor RECC obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which Taylor RECC fails or refuses to furnish all or part of the requested information, Taylor 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 and scanned 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, Taylor 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. Compare Taylor RECC's proposed residential monthly customer charge to the residential monthly customer charges currently charged by each electric utility subject to the Commission's jurisdiction.

2. Refer to the Application, the Direct Testimony of John Wolfram (Wolfram Direct Testimony), Exhibit JW-2, Schedule 1.06. Provide the same adjustment using 2021 data.

3. Refer to Application, Wolfram Direct Testimony, Exhibit JW-2, Schedule 1.09. Provide any test-year expenses for the Board of Directors that are for spouses or family of directors.

4. Refer to Application, Wolfram Direct Testimony, Exhibit JW-2, Schedule 1.08. Provide all donations, advertising, and dues paid by Taylor RECC in the test year Excel spreadsheet format, with all formulas, columns, and rows unprotected and fully accessible

5. Refer to the Application, Wolfram Direct Testimony Exhibit JW-5, pages 8–9. The unadjusted results of the Cost-of-Service Study (COSS) show that the Residential Farm & Home A have a Utility Operating Margin of (2,218,303). The adjusted results of the Residential Farm & Home A resulted in a Pro-Forma Utility Operating Margin of (4,720,813). Provide a justification for the pro-forma adjustment.

6. Refer to the Application, Wolfram Direct Testimony, Exhibit JW-5, page 18.
a. The COSS showed that the cost-based customer charge should be revised to \$30.79. Explain why Taylor RECC selected a customer charge of \$16.84.

b. Explain whether Taylor RECC has considered implementing the customer charge in phases. If not, then explain why not.

c. Explain how using the zero-intercept method in the COSS resulted in a \$30.79 customer charge.

7. Refer to the Application, Wolfram Direct Testimony, Exhibit JW-5, page 18.
a. Using a presumed revenue increase of \$6,125,858, provide a sample bill for the average energy use Residential Farm & Home customer using the

\$16.84 customer charge and a resulting energy charge. Include in the response the most recent line items that are typically included in the bill.

b. Using a presumed revenue increase of \$6,125,858, provide a sample bill for the average energy use Residential Farm & Home customer using the \$13.53 customer charge and a resulting energy charge. Include in the response the most recent line items that are typically included in the bill.

c. Using a presumed revenue increase of \$6,125,858, provide a sample bill for the average energy use Residential Farm & Home customer using the \$20.15 customer charge and a resulting energy charge. Include in the response the most recent line items that are typically included in the bill.

8. Refer to the Application, Wolfram Direct Testimony, Exhibit JW-8, page 2. Explain whether a 90.71 percent customer related classification for underground conductors and devices is considered average. If not, why not.

9. Refer to the Application, Wolfram Direct Testimony, Exhibit JW-8, page 3. Explain why the total number of units is equal to *The Electric Utility Cost Allocation Manual* published by the National Association of Regulatory Utility Commissioners (NARUC CAM) instead of the actual quantity of line transformers.

10. Provide the depreciation rates used by Taylor RECC for each year from 2012 through 2023. If the depreciation rate was different from the depreciation rate authorized in Case No. 2012-00023² provide an explanation of why Taylor RECC is using an unauthorized depreciation rate.

² Case No. 2012-00023, *Application of Taylor County Rural Electric Cooperative Corporation for an Adjustment of Rates* (Ky. PSC Mar. 26, 2013).

11. Refer to Taylor RECC's response to Commission Staff's First Request for Information, Item 52, Response_52_Nonrecurring_charges_2_(1).xlsx, Combined Data tab, cell I15. Provide a cost justification for the (\$3,170.33) meter reading charge.

12. Refer to Taylor RECC's response to Commission Staff's Second Request for Information (Staff's Second Request), Item 1(c). The response stated the request for proposals (RFP) for vegetation management was submitted confidentially, it was not filed, only the bids were provided. Provide the RFP.

13. Refer to Taylor RECC's response to Staff's Second Request, Item 1(c). Provide the executed contracts for the selected vegetation management contractors.

14. Refer to Taylor RECC's response to Staff's Second Request, Item 1(c). Provide a description and a map of the 11 circuits included in the RFP.

15. Refer to Taylor RECC's response to Staff's Second Request, Item 1(d). The response stated a vegetation management plan was provided as a separate attachment; it was not provided. Provide the vegetation management plan.

16. Refer to Taylor RECC's response to Staff's Second Request, Item 3. Provide the reasoning Taylor RECC entered into a contract with Local Union No. 89, General Drivers, Warehousemen and Helpers, Affiliated with International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America (Teamsters) for a 5 percent increase in wages and benefits instead of the 2.5 percent contractually negotiated increase for wages and benefits.

17. Refer to Taylor RECC's response to Staff's Second Request, Item 4(a).

a. Provide the Customer Average Interruption Frequency for 2016-2022.

b. Confirm that outage minutes are Customer Minutes of Interruption.

If this cannot be confirmed, explain.

18. Refer to Taylor RECC's response to Staff's Second Request, Item 5. Provide a timeline for the preparation of the rate case between the February 9, 2022 approval and the June 6, 2023 filing.

19. Refer to Taylor RECC's response to Staff's Second Request, Item 17. State when the changes to the Board of Director's compensation and benefits were made.

20. Refer to Taylor RECC's response to Staff's Second Request, Item 19. Confirm that the total costs are based on 2021 rates. If this cannot be confirmed, explain the basis and provide the total cost based on 2021 rates.

21. Provide a description of the capital projects and infrastructure improvements Taylor RECC intends to undertake in the next five years. Include any cost estimates and supporting calculations.



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DATED AUG 02 2023

cc: Parties of Record

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