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PUBLIC SERVICE COMMISSION

October 23, 2007

Mr. Dennis G. Howard, II Assistant Attorney General Utility & Rate Intervention Division 1024 Capital Center Dr. Frankfort, KY 40601

RE: Case No. 2007-00022

Dear Mr. Howard:

Enclosed is the information requested in the Attorney General's Supplemental Requests for Information dated October 9, 2007.

Also enclosed is a copy of the responses to the Kentucky Public Service Commission's "Fourth Data Request" dated October 9, 2007.

Sincerely,

Jon K. Hazelrigg

Joni K. Hazelrigg CFO

Enclosures

Item 1 Page 1 of 4 Witness: Chris Perry

Fleming-Mason Energy Case No. 2007-00022 Attorney General's Supplemental Data Requests Dated October 9, 2007

1. With regard to the sale of Fleming-Mason Services, please provide the following information:

- a. Please provide details concerning the status of the sale.
- b. Please identify the buyer.
- c. Please provide information on when the sale occurred.
- d. Please provide details concerning the sale price.
- e. Please explain whether the \$750,000 loan from NCSC has been paid back with the proceeds from the sale? If not, why not. If so, provide proof.
- f. What was the loan amount from Fleming-Mason Energy to Fleming-Mason Services at the time of the sale? Has this loan been paid back to Fleming-Mason Energy from the proceeds of the sale? If not, why not. If so, provide proof.

Response:

Please refer to the responses to the PSC in the 4th Data Request. This information is confidential and a Motion for Confidentiality has been filed with the PSC. A copy of the Motion for Confidentiality is attached.

Item 1 Page Z of 4

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In The Matter of:

AUTHORIZATION OF FLEMING-MASON ENERGY COOPERATIVE, INC. FOR CASE NO. 2007-00022 AN ADJUSTMENT OF RATES

MOTION FOR CONFIDENTIALITY

Comes Fleming-Mason Rural Energy Cooperative Corporation, by their attorney, Marvin W. Suit, and moves the Commission under the provisions of 807 KAR 5001-Section 7- Confidential Material for their responses dated October 22, 2007 to the <u>FOURTH DATA REQUEST OF COMMISSION STAFF TO</u> <u>FLEMING-MASON ENERGY COOPERATIVE, INC.</u> be kept confidential as follows:

 Pursuant to KRS 61.878 (1) [c] 1. Records confidentially disclosed to an agency, generally recognized as confidential or proprietary, which if openly disclosed would permit an unfair commercial advantage to competitors of the entity that disclosed the records

b. In conjunction with the regulation of the commercial enterprise

- 2. This request applies to the responses of the applicant to the <u>FOURTH DATA REQUEST</u> as stated above due to the fact that Fleming-Mason Service Corporation has entered into an INTENT TO SELL the assets of the corporation which sale is to be completed by December 1, 2007 and the publication of the responses by the Commission could jeopardize the sale and frustrate the very action that the Commission has indicated desired in the disposal of this subsidiary corporation.
- 3. The responses have been redacted from the publicly filed responses and the confidential responses are provided in full and enclosed in a sealed envelope for the uses of the Commission.
- The applicant respectfully requests that confidentiality be granted the responses of the applicant as outlined herein.

DATED: October 22, 2007

MARVIN W. SUIT

MARVIN W. SUIT SUIT, McCARTNEY & PRICE Attorney for Applicant 207 Court Square Flemingsburg, Ky. 41041 (Ph)-606-849-2338

CERTIFICATE OF SERVICE

I hereby certify that this Motion has been filed with the Public Service Commission of Kentucky, 211 Sower Blvd, P. O. Box 615, Frankfort, KY 40602-0615 and the Office of the Attorney General, Attn: Dennis F. Howard II, 1024 Capital Center Drive, Suite 200, Frankfort, KY 40601-8204 this 22nd day of October 2007 by depositing same in the United States Mail with postage prepaid.

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MARVIN W. SUIT SUIT, McCARTNEY & PRICE Attorney for Applicant 207 Court Square Flemingsburg, Ky. 41041 (Ph)-606-849-2338

Item 2 Page 1 of 1 Witness: Chris Perry

Fleming-Mason Energy Case No. 2007-00022 Attorney General's Supplemental Data Requests Dated October 9, 2007

2. Why is Kentucky Wireless still on the books of Fleming-Mason Energy? What is the purpose of this subsidiary? What is the amount of expenses that are incurred on an annual basis to have this subsidiary and who pays for these expenses?

Response:

Kentucky Wireless LLC is strictly a registered name. There has never been any activity with this company. It was registered to be used sometime in the future if wireless activity was expanded. Since Fleming-Mason Energy is divesting of all wireless activities, the name will not be used anytime in the foreseeable future. There are no material expenses incurred for this name.

Item 3 Page 1 of 1 Witness: Chris Perry

Fleming-Mason Energy Case No. 2007-00022 Attorney General's Supplemental Data Requests Dated October 9, 2007

3. Please provide the actual annual Acct. 583 – Overhead Line expenses for the operating years 2002, 2003, and 2004.

Response:

2002 504,489

2003 448,247

2004 510,371

Item 4 Page 1 of 1 Witness: Chris Perry

Fleming-Mason Energy Case No. 2007-00022 Attorney General's Supplemental Data Requests Dated October 9, 2007

4. Please provide the actual annual Acct. 595 – Transformer expenses for the operating years 2002, 2003, and 2004.

Response:

2002 27,230

2003 21,858

2004 37,867

Item 5 Page 1 of 1 Witness: Chris Perry

Fleming-Mason Energy Case No. 2007-00022 Attorney General's Supplemental Data Requests Dated October 9, 2007

5. Please provide the actual annual Acct. 904 – Uncollectible expenses for the operating years 2002, 2003, and 2004.

Response:

2002 65,219

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2003 (22,868)

2004 62,377

Item 6 Page 1 of 1 Witness: Chris Perry

Fleming-Mason Energy Case No. 2007-00022 Attorney General's Supplemental Data Requests Dated October 9, 2007

6. Please provide the actual annual Acct. 923 –expenses for the operating years 2002, 2003, and 2004.

Response:

2002 31,290

2003 37,590

2004 46,807

Item 7 Page 1 of 1 Witness: Chris Perry

Fleming-Mason Energy Case No. 2007-00022 Attorney General's Supplemental Data Requests Dated October 9, 2007

7. Please provide the actual hydro plant study expenses included in the 2006 test year Acct. 923 expense. Please explain whether the company believes the expenses associated with this study are non-recurring.

Response:

\$29,778.

This is a non-recurring expense.