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PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

FRANK MCANINCH)	
)	
COMPLAINANT)	
)	CASE NO.
V.)	2013-00165
)	
TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION)	
)	
DEFENDANT)	

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION'S
RESPONSES TO COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**

Taylor County Rural Electric Cooperative Corporation (Taylor County), acting consistent with this Court's interim Order entered on December 11, 2013, responds as follows to the Commission Staff's second request for information propounded on December 3, 2013.

1. Refer to Taylor RECC's response to item 6.a. of Commission Staff's initial Request for Information ("Staff's First Request"). Provide a sample large power contract as it pertains to saw mills, or other questionable permanent service.

RESPONSE: A specimen contract is attached hereto as a 3 page "Exhibit A".

2. Refer to the response to Item 7 of Staff's First Request, Exhibit 1.d.

a. Provide a detailed supporting calculation for "INSTALL LABOR" of \$3,175.60. The calculation should include and estimate of hours worked, as well as the associated labor rates.

b. Provide a detailed supporting calculation for "RETIREMENT LABOR" of \$1,871.60. The calculation should include an estimate of hours worked, as well as the associated labor rates.

c. Provide a detailed supporting calculation for the 130 percent figure utilized for "LABOR OVERHEAD."

d. Provide and itemized statement supporting the calculation of "MATERIAL COST" of \$3,237.36. The calculation should include dollar amounts for each of the items listed on Exhibit 1.f. of Taylor RECC's Responses to Staff's First Request.

RESPONSE: a. Such calculation is provided as a part of single page "Exhibit B" which includes a calculation of both installation labor (\$3,175.60) and retirement labor (\$1,871.60).

b. See "Exhibit B".

c. The 130% figure utilized is an historical figure. Actual 2012 labor overhead data is provided on single page "Exhibit C".

d. Itemized material costs are set out on two page "Exhibit D". The lower total reflected on Exhibit D results from fluctuations in material costs from the time of original calculation to present.

Witnesses responsible for the responses to foregoing request No. 2 a thru d are John Patterson, Office Manager, Taylor County RECC and Mike Skaggs, Engineer, Taylor County RECC.

3. Refer to the response to Item 7 of Staff's First Request, Exhibit 1.a. State whether Taylor RECC will perform the labor portion of the installation and retirement of requested service, or if Taylor RECC will subcontract it to a third party. If Taylor RECC is subcontracting the labor to a third party, provide the following:

a. An explanation stating why a separate line item for "LABOR OVERHEAD" is being charged for third-party contract work.

b. All written estimates between the third-party contractor and Taylor RECC relating to this service request.

c. All contracts between the third-party contractor and Taylor RECC relating to this service request.

RESPONSE: Taylor County RECC anticipates that it will perform the labor portion of both the installation and retirement of the requested services. Mike Skaggs, Engineer, Taylor County RECC, is the witness who would respond to that inquiry.

4. If the service does not achieve permanency and retirement of the installed materials occurs before all job costs have been refunded, state whether Complainant is entitled to receive the non-refunded balance paid for materials salvaged and returned to inventory by Taylor RECC.

RESPONSE: Taylor County RECC would not typically either salvage or return to inventory materials for which the member has been charged. Certain equipment (meters, transformers, etc.) are, under RUS accounting rules. At the time of purchase and are not charged to the member, and those items of equipment may be returned to inventory. The witnesses who may respond further to this area of inquiry include John

Patterson, Office Manager, Taylor County RECC and Mike Skaggs, Engineer, Taylor County RECC.

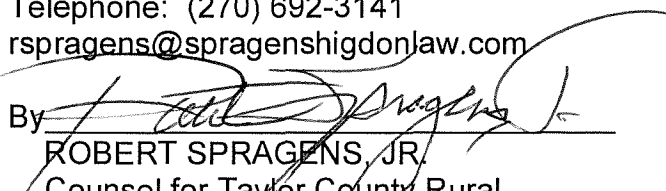
5. Refer to Taylor RECC's tariff, PSC No. 5, Sheet No. 16, "Distribution Line Extensions To Mobile Homes". State how this provision came to be included in Taylor RECC's tariff. If it was authorized by Commission Order, provide the Order number

RESPONSE: Upon review of Taylor County RECC's historical data, Taylor County RECC is unable to determine a time at which the subject language was *not* included within its tariff. Accordingly, and insofar as Taylor County RECC's available records reflect, that language has been a part of each and every tariff approved by the Commission over the years. Witnesses who may respond further to this area of inquiry include Barry Meyers, Manager, Taylor County RECC, John Patterson, Office Manager, Taylor County RECC and Mike Skaggs, Engineer, Taylor County RECC.

The undersigned acts as counsel for Taylor County Rural Electric Cooperative Corporation and, acting in that capacity, has supervised the preparation of this Response, which is true and accurate to the best of counsel's knowledge, information and belief formed after a reasonable inquiry.

DATED this 31st day of December, 2013.

SPRAGENS & HIGDON, P.S.C.
Attorneys at Law
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By 
ROBERT SPRAGENS, JR.
Counsel for Taylor County Rural
Electric Cooperative Corporation

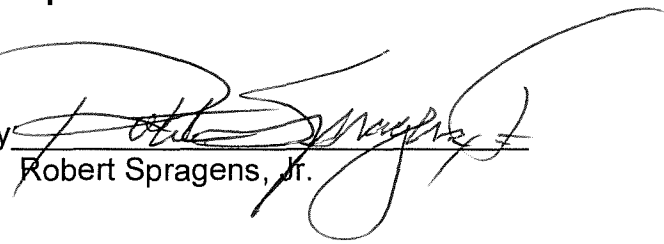
I hereby certify that a true copy of
the foregoing was mailed this
31st day of December, 2013, to:

Original and 8 Copies

Mr. Jeff Derouen, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602

Frank McAninch
1341 Iven Godbey Rd.
Liberty, KY 42539

Complainant

By 
Robert Spragens, Jr.

AGREEMENT FOR ELECTRIC SERVICE

AGREEMENT made _____, 20____, between _____

_____ (hereinafter called the "Seller"), and _____

_____ (hereinafter called the "Consumer"),

a _____
(corporation, partnership or individual)

The Seller shall sell and deliver to the Consumer, and the Consumer shall purchase all of the electric power and energy which the Consumer may need at the location described in Exhibit A, attached hereto and by this

reference made part hereof, up to _____ kilowatts, upon the following terms:

1. Service Characteristics.

a. Service hereunder shall be alternating current, _____ phase, _____ wire, sixty cycles, _____ volts.

b. The Consumer shall not use the electric power and energy furnished hereunder as an auxiliary or supplement to any other source of power and shall not sell electric power and energy purchased hereunder.

2. Payment.

a. The Consumer shall pay the Seller for service hereunder at the rates and upon the terms and conditions set forth in Schedule _____ attached to and made a part of this Agreement. Notwithstanding any provision of the Schedule and irrespective of Consumer's requirements for or use of electric power and energy, the demand for billing purposes hereunder shall be not less than _____ kilowatts for any billing period. In any event the Consumer shall pay to the Seller not less than \$ _____ per month for service or for having service available hereunder during the term hereof.

b. The initial billing period shall start when Consumer begins using electric power and energy, or _____ days after the Seller notifies the Consumer in writing that service is available hereunder, whichever shall occur first.

c. Bills for service hereunder shall be paid at the office of the Seller in _____ State of _____.

Such payments shall be due on the _____ day of each month for service furnished during the preceding monthly billing period.

If the Consumer shall fail to make any such payment within fifteen days after such payment is due, the Seller may discontinue service to the Consumer upon giving fifteen (15) days' written notice to the Consumer of its intention so to do, provided, however, that such discontinuance of service shall not relieve the Consumer of any of its obligations under this Agreement.

d. The Consumer agrees that if, at any time, the rate under which the Seller purchases electric service at wholesale is modified, the Seller may make a corresponding modification in the rate for service hereunder.

3. Membership.

The Consumer shall become a member of the Seller, shall pay the membership fee and be bound by such rules and regulations as may from time to time be adopted by the Seller.

4. Continuity of Service.

The Seller shall use reasonable diligence to provide a constant and uninterrupted supply of electric power and energy hereunder. If the supply of electric power and energy shall fail or be interrupted, or become defective through act of God, Governmental authority, action of the elements, public enemy, accident, strikes, labor trouble, required maintenance work, inability to secure right-of-way, or any other cause beyond the reasonable control of Seller, the Seller shall not be liable therefor or for damages caused thereby.

5. Right of Access.

Duly authorized representatives of the Seller shall be permitted to enter the Consumer's premises at all reasonable times in order to carry out the provisions hereof.

6. Term.

This Agreement shall become effective on the date first above written and shall remain in effect until _____ years following the start of the initial billing period and thereafter until terminated by either party giving to the other _____ months' notice in writing.

7. Succession and Approval.

a. This Agreement shall be binding upon and inure to the benefit of the successors, legal representatives and assigns of the respective parties hereto.

b. This contract shall not be effective unless approved in writing by the Administrator of the Rural Electrification Administration.

8. Deposit.

The Consumer shall deposit with the Seller the sum of \$ _____ on account of the cost of facilities required to make service available to the Consumer on or before commencement of construction of such facilities. Such deposit shall be returnable to the Consumer in the form of a credit on each bill for service

in the amount of _____ percent of the bill, which credits shall continue until they total \$ _____. No refunds shall be made to the Consumer of any portion of the deposit remaining upon termination of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement all as of the day and year first above written.

ATTEST:

SELLER

SECRETARY

By _____
PRESIDENT

CONSUMER

ATTEST:

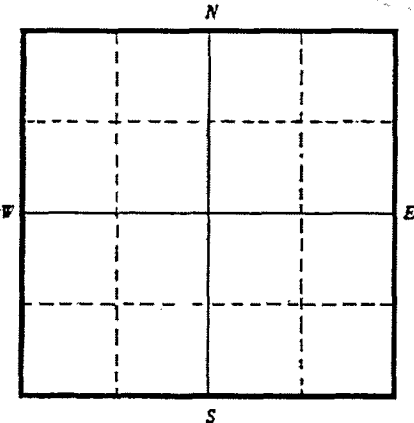
By _____

SECRETARY

TITLE OF OFFICER*

*If other than president, vice president, partner or owner, a power of attorney must accompany contract.

EXHIBIT A

DESCRIPTION AND LOCATION OF SERVICE			
TYPE OF OPERATION		USE OF SERVICE	
SERVICE WILL BE MADE AVAILABLE ON OR BEFORE (date) 20		SIZE OF LARGEST MOTOR	
NUMBER OF ACRES	SECTION	TOWNSHIP	RANGE
APPROX. MILES	(Direction)	FROM (Town)	(Name of road)
OWNER			
OWNER'S ADDRESS			
MAIL BILLS AND NOTICES TO			
<p>(Show the location of the point of service in section tract below. Also show existing electric lines, roads, irrigation ditches, etc. that may be related to this service.)</p> <div style="text-align: center;">  </div>			

Construction Unit

	Install Qty	Install Cost	Total	Remove Qty	Remove Cost	Total
4/0 QP	60	\$ 0.84	\$ 50.40	60	\$ 0.51	\$ 30.60
4ACSR	2960	\$ 0.47	\$ 1,391.20	2960	\$ 0.30	\$ 888.00
C1-1	1	\$ 110.00	\$ 110.00	1	\$ 70.00	\$ 70.00
C7A	2	\$ 160.00	\$ 320.00	2	\$ 91.00	\$ 182.00
E1-3	4	\$ 89.00	\$ 356.00	4	\$ 47.00	\$ 188.00
E3-10	4	\$ 11.00	\$ 44.00	4	\$ 8.00	\$ 32.00
EGB	4	\$ 35.00	\$ 140.00	4	\$ 30.00	\$ 120.00
F1-4S	2	\$ 51.00	\$ 102.00	2	\$ 17.00	\$ 34.00
J6C	1	\$ 14.00	\$ 14.00	1	\$ 8.00	\$ 8.00
K11C	1	\$ 14.00	\$ 14.00	1	\$ 8.00	\$ 8.00
M2-11	1	\$ 46.00	\$ 46.00	1	\$ 29.00	\$ 29.00
M2-12	2	\$ 46.00	\$ 92.00	2	\$ 29.00	\$ 58.00
OH SER	1	\$ -	\$ -	1	\$ -	\$ -
P40	1	\$ 244.00	\$ 244.00	1	\$ 112.00	\$ 112.00
P45	1	\$ 252.00	\$ 252.00	1	\$ 112.00	\$ 112.00

\$ 3,175.60

\$ 1,871.60

Exhibit

B

MONTH	LABOR	LABOR OVH	% OF LABOR OH TO LABOR
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2012

Jan-12	\$ 18,671.49	\$ 54,093.10	290%
Feb-12	\$ 39,762.29	\$ 58,465.07	147%
Mar-12	\$ 33,440.62	\$ 53,466.21	160%
Apr-12	\$ 22,650.58	\$ 62,387.89	275%
May-12	\$ 42,895.58	\$ 54,731.30	128%
Jun-12	\$ 20,324.55	\$ 25,000.78	123%
Jul-12	\$ 27,400.66	\$ 51,994.95	190%
Aug-12	\$ 164,848.72	\$ 65,002.76	39%
Sep-12	\$ 234,138.13	\$ 67,014.28	29%
Oct-12	\$ 52,034.92	\$ 48,385.43	93%
Nov-12	\$ 46,877.31	\$ 31,748.78	67%
Dec-12	\$ 34,441.64	\$ 90,331.64	262%

2012 AVERAGE LABOR OVERHEAD	150%
------------------------------------	-------------

Exhibit

C

Frank McAninch
 Three Phase Saw Mill
 WORK ORDER 112520

MATERIAL COST

ITEM NO.	DESCRIPTION	QUANTITY	UNIT	
			PRICE	COST
00992000	ANCHOR PATENT 10"	2	\$37.40	\$74.81
02150000	GUY ATTACHMENT	4	\$4.13	\$16.51
02160000	GUY INS (EGB)	4	\$15.25	\$60.99
06310000	BOLT, CARRIAGE	6	\$0.67	\$4.02
06330000	BOLT, DOUBLEARM	4	\$2.97	\$11.86
06360000	BOLT, EYE	4	\$3.43	\$13.72
06380000	BOLT, MACHINE	10	\$1.15	\$11.49
06390000	BOLT, SINGLE UPSET	1	\$4.97	\$4.97
07530000	CROSSARM BRACES LD	3	\$7.81	\$23.43
11700600	CLAMP DE STRAIN	6	\$8.00	\$47.98
11700700	CLAMP HOT LINE	9	\$7.29	\$65.57
11701000	CLAMP TRIPLEX CABLE	2	\$2.07	\$4.13
11701200	GUY GRIP PREFORM	8	\$3.27	\$26.12
11701300	CLAMP, GROUND ROD	1	\$1.74	\$1.74
11701400	CLAMP, GUY BONDING	4	\$3.45	\$13.82
11701700	GRIP, DE NEUT	2	\$1.33	\$2.67
11702000	COMPRESSION STIRUP	9	\$8.76	\$78.86
12320000	CLEVIS, SEC SWING	3	\$3.37	\$10.12
12340000	CLEVIS, SERVICE (K11/K11C)	1	\$2.52	\$2.52
15100400	WIRE, 4ACSR	3108	\$0.13	\$400.93
15600600	WIRE 6 SD	163	\$0.44	\$72.37
15601000	WIRE, 1/0 THW COVERD CU	30	\$1.28	\$38.49
16044000	WIRE, 4/0 QPX	72	\$1.96	\$141.41
17040600	CONNECTOR 2,4,6	1	\$2.05	\$2.05
18200800	CROSSARM 8'	3	\$33.36	\$100.07
18208800	CROSSARM BRACELESS HD/LD	2	\$214.11	\$428.23
18350000	CUTOUT ARRESTOR COMB	3	\$166.23	\$498.70
29300000	GUY GUARD	4	\$2.88	\$11.54
31030000	CLUSTER MOUNTS	1	\$148.93	\$148.93
34230000	INSULATOR, PIN TYPE	6	\$4.98	\$29.88
34240000	INSULATOR, LARGE SPOOL	4	\$1.11	\$4.42
34240300	TIE, SPOOL	1	\$2.40	\$2.40
34250000	INSULATOR, SMALL SPOOL	1	\$0.82	\$0.82
34280200	INSULATOR, SUSPENSION	6	\$10.15	\$60.91
42910000	NUT, EYE	2	\$2.09	\$4.17
45410000	CROSSARM PIN	4	\$4.70	\$18.80
45500000	WILDLIFE PROTECTOR	6	\$4.19	\$25.12
45600000	POLE TOP PIN	2	\$7.97	\$15.94
46800000	POLE GROUND PLATE	2	\$4.83	\$9.65

Exhibit

D

48400000	POLE 40'	1	\$234.27	\$234.27
48450000	POLE 45'	1	\$316.56	\$316.56
53680000	ANCHOR ROD 3/4 X 8 TWINEYE	2	\$22.76	\$45.53
53750000	TIE, DOUBLE SUPPORT	3	\$11.31	\$33.94
53800000	GROUND ROD	1	\$12.82	\$12.82
55540000	LAG SCREW	4	\$0.54	\$2.14
73001000	WIRE 10 M ALUM	160	\$0.25	\$40.65
	TOTAL			\$3,176.06