

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF FARMERS RURAL ELECTRIC)	
COOPERATIVE CORPORATION FOR)	
APPROVAL OF AN OPTIONAL RESIDENTIAL)	CASE NO.
TIME-OF-DAY TARIFF AND FIFTEEN)	2014-00155
INDUSTRIAL TARIFFS BASED ON THREE)	
WHOLESALE POWER TARIFFS AVAILABLE TO)	
FARMERS RECC)	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION

Farmers Rural Electric Cooperative Corporation ("Farmers"), 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 by July 15, 2014. Responses to requests for information shall be appropriately bound, tabbed and indexed. 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 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.

Farmers shall make timely amendment to any prior response if it 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

Farmers fails or refuses to furnish all or part of the requested information, Farmers shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should 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.

1. Refer to Farmers' response to Item 1 of Commission Staff's Initial Information Request ("Staff's First Request"). Paragraph 3 of the response states that the increase experienced by commercial customers was ". . . because their loads were going to exceed 50 kw demand and thus be subject to the additional kW demand charges in Schedule C."

a. State whether this is true for all the commercial customers who experienced an increase.

b. Explain why the annual filings in Case No. 2012-00108¹ do not reflect the total the customers would have paid, including demand charges, if they had stayed on Schedule C.

2. Refer to the response to Item 2.e. of Staff's First Request. The response states, "One primary driver contributed to the determination of the load ranges." The response mentions only one factor, service requirements which differ for the

¹ Application of Farmers Rural Electric Cooperative Corporation for a New Commercial Time-of-Day Tariff (Ky. PSC Apr. 27, 2012).

various size loads to meet capacity and energy requirements, for determining the load ranges. State any other factors that contributed to the determination of the load ranges.

3. Refer to the response to Item 3.b. of Staff's First Request. The response states, "The proposed tariff has been developed to bill an industrial member to bill [sic] on its maximum demand." State whether the "proposed tariff" referenced in the response refers to all of the proposed industrial tariffs. If the response is no, state to which proposed tariff the response refers.

4. Refer to the response to Item 3.c. of Staff's First Request, which discusses the origin of the \$.049882 per kWh which appears in the analysis on Schedule 1, page 2 of 2, in Schedule D of the application. Confirm that the \$.049882 per kWh is not a retail rate proposed in any of the tariffs in Farmers' application.

5. Refer to the response to Item 6 of Staff's First Request. Confirm that Farmers is not proposing to delete Schedules D and E at this time.

6. Refer to the response to Item 9.b. of Staff's First Request.

a. Confirm that the comparison uses 1,660 kWh for the current rate and 1,560 kWh for the proposed rate.

b. Provide a revised response using 1,660 kWh for both the current and proposed rates.


7. Refer to the response to Item 10 of Staff's First Request.

a. Confirm that Farmers calculated a customer charge of \$3,017 for loads of 5,000 kW – 9,999 kW by averaging an East Kentucky Power Cooperative, Inc. ("EKPC") Load Center charge of \$2,737 for loads of 3,000 kW – 7,499 kW and \$3,297 for loads of 7,500 kW – 14,999 kW. If this cannot be confirmed, explain how the \$3,017

was calculated. If this can be confirmed, given Farmers' response to Item 5 of Staff's First Request, state whether the proposed customer charge for loads of 5,000 kW – 9,999 kW should instead be \$3,015 $((\$2,737 + \$3,292)/2)$.

8. Confirm that Farmers calculated a customer charge of \$4,304 for loads of 10,000 kW and above by averaging an EKPC's Load Center charge of \$3,297 for loads of 7,500 kW – 14,999 kW and \$5,310 for loads of 15,000 kW and above. If this cannot be confirmed, explain how the \$4,304 was calculated. If this can be confirmed, given Farmers' response to Item 5 of Staff's First Request, state whether the proposed customer charge for loads of 10,000 kW and above should instead be \$4,301 $((\$3,292 + \$5,310)/2)$.

9. Refer to the response to Item 19 of Staff's First Request. For the two industrial customers that may be interested in switching to one of the proposed tariffs, provide a comparison for each customer of its bill under the existing tariff rate with its bill as it would be calculated under the proposed tariff rate that would most likely apply to each customer.



Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED JUL 01 2014

cc: Parties of Record

Woodford L Gardner, Jr.
Richardson Gardner & Alexander
117 East Washington Street
Glasgow, KENTUCKY 42141-269