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PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF GRAYSON RURAL)	
ELECTRIC COOPERATIVE CORPORATION)	CASE NO. 2018-00272
FOR AN ADJUSTMENT OF RATES)	

ATTORNEY GENERAL’S SUPPLEMENTAL DATA REQUESTS

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention (“Attorney General”), and submits these Supplemental Data Requests to Grayson Rural Electric Cooperative Corporation (hereinafter “Grayson” or “Grayson RECC”) to be answered by January 4, 2019, and in accord with the following:

- (1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate requested item will be deemed a satisfactory response.
- (2) Identify the witness who will be prepared to answer questions concerning each request.
- (3) Repeat the question to which each response is intended to refer.
- (4) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.
- (5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, 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.

- (6) If you believe any request appears confusing, please request clarification directly from undersigned Counsel for the Office of Attorney General.
- (7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.
- (8) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self-evident to a person not familiar with the printout.
- (9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, notify the Office of the Attorney General as soon as possible, and in accordance with Commission direction.
- (10) As used herein, the words “document” or “documents” are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting

records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information regardless of the media or format in which they are stored, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

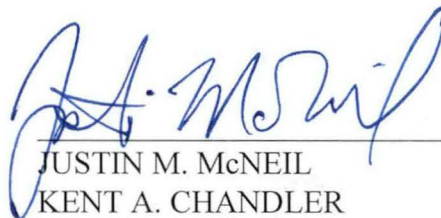
(13) Provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

(14) “And” and “or” should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.

(15) “Each” and “any” should be considered to be both singular and plural, unless specifically stated otherwise.

Respectfully submitted,

ANDY BESHEAR
ATTORNEY GENERAL



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1. Refer to Grayson's Application, Exhibit 9, page 9 of 11. The policy explains that only Active Directors are normally entitled to paid medical insurance coverage from the Grayson RECC. Confirm that a director who leaves for any reason, and their dependents, still forfeit paid medical insurance coverage.
 - a. Explain why certain Directors are exempt from this policy due to Board action taken in January of 2000.
 - b. Provide the minutes of the referenced November 2001 board meeting, which should include a list of those exempted.
 - c. Confirm whether any non-active directors or their dependents are still receiving paid medical insurance coverage.

2. Refer to Grayson's Response to AG 1-6(d) and (e), to Grayson's Response to PSC Staff 1-8(c).
 - a. Confirm that this listing is the full measure of Grayson's efforts since its last rate case to increase efficiency or reduce costs for operation and maintenance.
 - b. Explain whether Grayson plans any additional cost saving measures and how much it expects to save from any such plans.

3. Refer to Grayson's Response to AG 1-8. In light of the Commission's Final Order in Case No. 2012-00426, fully explain whether Grayson RECC considered reducing its wage and salary increases.
 - a. Refer to Grayson's Response to AG 1-8(d). Explain fully how the current Union Contract is based on the notion that Grayson does not award hourly and salaried increases it cannot afford to pay.
 - b. Refer to Grayson's Response to AG 1-16, Board Minutes of August 28, 2015, page 5, Board Minutes of August 26, 2016, page 5, Board Minutes of November 29, 2017, page 3, and Grayson's Response to AG 1-8(a). Explain whether the Wage & Salary Plan referred to includes only non-bargaining employees and fully explain the rationale of the Board's adoption of a 3.96%, 3.81%, and 3.67% increase, noted as the equivalent of each year's union raise, instead of 1, 2, or 3% increases which are sometimes listed as alternatives. Does the Board normally always adopt an increase that is equivalent to the union increase?
 - c. Explain the "\$5,000 merit in reserve" increases which were also approved as part of the total increases, how those funds are distributed, and the criteria for same.

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- d. State where in the record the "2015-2021 Wage & Salary Adjustment for Non-Union Employees" is provided. If it is not in the record, provide it in full.
 - e. Explain the process for developing the Wage & Salary Plan.
 - f. Explain the length of time the Wage & Salary Plan usually covers and whether it is ever intended to coincide with the timing of the Union Contract term.
 - g. For non-bargaining employees, explain how the Board arrives at its recommended percentage or hourly rate
 - h. Refer to Grayson's Response to AG 1-8(e). Fully explain whether the Commission's recommendation was a factor in the negotiation of the current Union Contract, and explain whether it will be a factor in the negotiation of the next contract before the expiration of the current one on January 1, 2024.
 - i. Explain whether any provision of the current Union Contract allows Grayson to temporarily reduce or eliminate wage increases based on the overall financial health of the cooperative.
 - j. State whether Grayson ever awards bargaining employees increases above those specified in the Union Contract, explain why or why not, and the reasoning behind any Board recommendation of a higher rate or percentage.
 - k. Refer to Grayson's Response to AG 1-16, Board Minutes of June 23, 2017, page 2. Regarding a possible upcoming wage and salary review, it states that the "last survey was done by June Lane about twenty years ago." Explain whether this was the last wage and salary study performed by Grayson.
 - l. Refer to Grayson's Response to AG 1-16, Board Minutes of October 30, 2017, page 8. Provide the proxy group of local cooperatives used by Mr. Bruning in the wage comparison and explain the methodology he used when comparing Grayson's wages to "the job market in Ohio, Kentucky and West Virginia."
4. Refer to Grayson's Response to AG 1-12(b) and PSC 1-8(c). Fully explain whether Grayson considers elimination of positions through natural attrition of its workforce an efficient and consistent way to reduce expenses.
 5. Refer to Grayson's Response to AG 1-13. Identify any singular, discrete economic development projects that Grayson has participated in over the past twelve months.
 - a. Identify any economic development projects in which Grayson RECC will participate in the near future.

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Certificate of Service and Filing

Counsel certifies that an original and ten (10) photocopies of the foregoing were served and filed by hand delivery to Gwen R. Pinson, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, KY 40601; counsel further states that true and accurate copies of the foregoing were mailed via First Class U.S. Mail to:

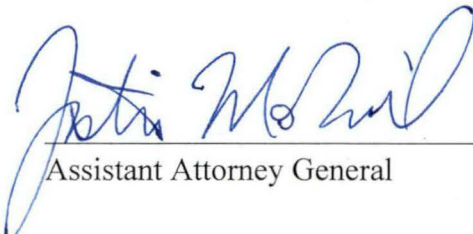
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This 14th day of December 2018.


Assistant Attorney General