

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF FARMERS)	
RURAL ELECTRIC COOPERATIVE)	CASE NO.
CORPORATION FOR GENERAL ADJUSTMENT)	2025-00107
OF RATES)	

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

Farmers Rural Electric Cooperative Corporation (Farmers 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 June 12, 2025. The Commission directs Farmers 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.

Farmers RECC shall make timely amendment to any prior response if Farmers 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 Farmers RECC fails or refuses to furnish all or part of the requested information, Farmers 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, Farmers 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. Refer to the Application, Exhibit 3 and Exhibit 4, generally. Tariff Sheet No. 46 Rate Schedule NM- Net Metering is not included in the exhibits. Confirm that Tariff Sheet No. 46 does not specify net metering rates and that the rates are intended to mirror the Residential Service rate. If not confirmed, provide the corrected exhibits.

2. Refer to the Direct Testimony of John Wolfram (Wolfram Direct Testimony), Exhibit JW-6 at 1. Confirm that the Residential Time-of-Day rate serves only 1 customer.

3. Refer to the Wolfram Direct Testimony, Exhibit JW-9 at 5. Confirm that the changes to the single phase customer charge on the Schedule C- Time-of-Day Commercial Service rate will not have an impact on revenue.

4. Reconcile the current net metering tariff, P.S.C. Ky No. 10, First Revised Sheet No. 46, with KRS 278.465 and 278.466.

5. Refer to Farmers RECC's tariff, P.S.C. Ky No. 10, First Revised Sheet No. 2. Provide the cost justification for the \$30 reconnect charge.

6. Refer to Farmers RECC's tariff, P.S.C. Ky No. 10, First Revised Sheet No. 3. Provide the cost justification for the \$40 meter test charge.

7. Refer to Farmers RECC's tariff, P.S.C. Ky. No. 10, First Revised Sheet No. 6., which states in pertinent part "[r]emote disconnect switch will be installed. If service is disconnected for non-payment or if a reconnect is made with the switch, a fee of \$30.00 will be applied to the members' account of (sic) this extra service and is due and payable at the time such account is collected."

a. Explain the reasons a remote disconnect switch might be installed.

b. Provide the cost justification for the \$30 reconnect fee in this circumstance.

8. Refer to Farmers RECC's tariff, P.S.C. Ky. No. 10, First Revised Sheet No. 6. Provide the cost justification for the \$30 fee for collection phone calls.

9. Refer to Farmers RECC's tariff, P.S.C. Ky. No. 10, First Revised Sheet No. 6. Provide the cost justification for the \$70 fee for the trips for collection. Include in the cost justification an explanation as to why the utility would visit a residence to collect a delinquent customer's payment.

10. Refer to Farmers RECC's tariff, P.S.C. Ky. No. 10, First Revised Sheet No. 7. Provide the cost justification for the \$25 return check fee.

11. Refer to the Farmers RECC's tariff, Pay As You Go program. The relevant tariff information references late fees and disconnect fees.² Provide the specific location those fees are described and set in the tariff generally.

12. Refer to the Direct Testimony of Jennie Phelps (Phelps Direct Testimony), page 6, lines 5-6.

a. Explain how Farmers RECC's current rate design structure makes budgeting revenue difficult due to weather dependency.

b. Explain whether Farmers RECC has considered restructuring its rate design to reduce the impact of weather fluctuation.

13. Provide the Farmers RECC Board of Directors' minutes for the year 2024 and year to date 2025.

14. Provide the Farmers RECC Board of Director's minutes for September 2022 and September 2023.

15. Refer to Wolfram Direct Testimony, page 25, lines 1-9. The proposed increase to Schedule C is not warranted based on the COSS according to the testimony. Provide an example, based on previous RECC filings Mr. Wolfram has consulted on, that the corresponding customer charge increase to the commercial class was not supported by the COSS.

² For example, #7 in P.S.C. Ky No. 10, Original Sheet 9.

16. Refer to Farmers RECC's response to Commission Staff's First Request for Information (Staff's First Request), Item 8, Schedule E, line 2. Identify the project and explain the final expense which resulted in the project being 195 percent over budget.

17. Refer to Exhibit JW-2. The rates listed do not appear to incorporate the depreciation study filed in Case No. 2016-00365.³ Provide an updated Exhibit JW-2 with corrected information as well as an updated depreciation expense adjustment.

18. Provide the full depreciation study from Case No. 2016-00365 in this case record. If the study has been accepted or approved by the Commission, provide that information as well.

19. Refer to the Phelps Direct Testimony and Wolfram Direct Testimony, generally. Although mentioned in reference to Exhibit JW-2 and Exhibit JP-1, there is no discussion of Times Interest Earnings Ratio (TIER). Discuss Farmers RECC's TIER during the test year, in reference to any requests in this application that would impact the TIER and incorporate the relevant information from Exhibit JW-2 and Exhibit JP-1 into the discussion.

20. Discuss whether Farmers RECC has explored refinancing the variable interest rate indebtedness to a fixed rate indebtedness to lower the impact it has on the revenue requirement. If not, explain why Farmers RECC believes that maintaining a variable interest rate on indebtedness is the best option.

³ Case No. 2016-00365, *Application of Farmers Rural Electric Cooperative Corporation for an Increase In Retail Rates* (Ky. PSC May 12, 2027), Order. For example: Distribution Plan – The rates for the Line Transformers were adjusted to 3.08%; the poles were adjusted to 3.26% ; and the underground conductors were assigned a 3.57% rate.

21. Refer to Farmers RECC's response to Staff's First Request Item, 20, PSC_1-20.xlsx. Describe the exemplary performance of the Chief Executive Officer (CEO) in his first year that resulted in the person being awarded a 12 percent increase in salary from 2023 to 2024. Provide a copy of the criteria used to evaluate the CEO's performance and the resulting evaluation rating.

22. Refer to the Application Schedule 1.07. Confirm Farmers RECC completed a formal or informal benefits study to justify its 88 percent employer health insurance contribution rate. If yes, provide a copy of the study. If not, explain why not.



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DATED **MAY 28 2025**

cc: Parties of Record

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