



Rural Electric Cooperative Corporation

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**PUBLIC SERVICE
COMMISSION**

June 27, 2007

Greg Stumbo, Attorney General
Utility & Rate Intervention Division
1024 Capital Center Drive
Frankfort, KY 40601

RE: Case No. 2006-00466

Dear Mr. Stumbo:

Please find enclosed the original and seven (7) copies of the responses to the "Attorney General's Supplemental Requests for Information" dated June 6, 2007.

If you have any questions, please do not hesitate to call.

Sincerely,

D.V. Sparks

O. V. Sparks
Vice President Administration & Finance

Enclosures

JUN 28 2007

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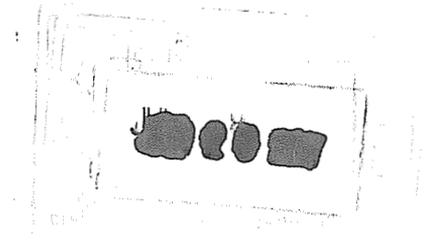
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RESPONSE TO AG'S SUPPLEMENTAL DATA REQUEST

A NONRECURRING EVENT

- Q. Please refer to NRECC's response to PSC 2-16©(3). NRECC stated therein that expenses associated with EEOC lawsuit, totaling \$2,901.44 are not recurring expenses. Does NRECC agree to exclude these costs from its revenue requirements.
- R. Nolin does not agree to exclude these expenses from its revenue requirements. This one event may not be a recurring event in itself, but NRECC always seems to have a number of nonrecurring events each year. Therefore, NRECC believes this item should remain a part of NRECC's revenue requirements



RESPONSE TO AG'S SUPPLEMENTAL DATA REQUEST

A NONRECURRING EVENT

- Q. Please refer to NRECC's response to PSC 2-16©(4). Nolin stated therein that expenses totaling \$997.50 are nonrecurring. Does NRECC agree to exclude these costs?
- R. Nolin does not agree to exclude these expenses from its revenue requirements. This one event may not be a recurring event in itself, but NRECC always seems to have a number of nonrecurring events each year. Therefore, NRECC believes this item should remain a part of NRECC's revenue requirements

RESPONSE TO AG'S SUPPLEMENTAL DATA REQUEST

A RECURRING EVENT

- Q. With regard to NRECC's response to PSC 2-16©(6), explain how the Mulligan complaint is a recurring expense. Why did NRECC spend \$575.00 on this complaint. Provide an accounting of the sums so expended.
- R This expense item is considered a recurring one because complaints from members is a normal event in the normal course of business. Not all complaints will come from a member named Mulligan, but there will continue to be complaints whose investigation will cause Nolin to expend some time, effort and money to resolve.

The expense amount incurred by NRECC was for a review by Nolin's legal counsel to determine if Nolin had handled this matter in an appropriate way. The fees incurred for this complaint were for legal counsel's time

RESPONSE TO AG'S SUPPLEMENTAL DATA REQUEST

INTEREST EXPENSE ON CUSTOMER DEPOSITS

- Q Please refer to NRECC's responses to AG 1-10. Provide the full amount of interest on customer deposits for the test year. Did NRECC remove interest on customer deposits from the rate base?
- R The amount of interest that NRECC expensed on customer deposits during the test year amounted to \$64,541.75.

NRECC did not remove the interest expense on customer deposits from the test year expenses in this rate application.

**NOLIN RECC
CASE NO 2006-00466**

RESPONSE TO AG'S SUPPLEMENTAL DATA REQUEST

NRECC did not have any business transactions with these companies during the test year. G & P Construction did have electric services on Nolin RECC prior to September 2005. These services were all disconnected prior to that date. Since August 2006 G & P Construction has connected one service with Nolin RECC as follows:

Account Number	Billing Date	Billing Amount
4001205800	4/2/07	\$50.01
4001205800	5/2/07	\$35.65
4001205800	6/1/07	\$31.64

RESPONSE TO AG'S SUPPLEMENTAL DATA REQUEST

- Q. If NRECC's response to question number 5, above is "yes", provide details of the transaction including but not limited to dates, amount(s) transacted, nature of goods or services provided, and whether the transaction was the subject of a competitive bid process.
- R. The response for item number 5 is no.

RESPONSE TO AG'S SECOND DATA REQUEST

MEETING/CONFERENCE ATTENDANCE

Q Please confirm the following expenses incurred with regard to attendance at meetings/conferences other than those attended by NRECC's delegate to the NRECA and KAEC annual meetings:

R a.	NRECA Regional Meeting	\$ 3,782.12
b.	Strategic Issues Conference	1,932.16
c.	NRECA Annual Meeting	10,028.67
d.	KAEC Annual Meeting	2,684.28
e.	KAEC Director Training	2,366.25
f.	NRECA Director Training	644.00
g.	NRECA Benefits Conference	4,077.44
h.	NRECA Tech Advantage	2,488.08
i.	NRECA Net Conference	2,023.86
j.	NRECA Conference	3,198.43
k.	NRECA Connect Conference	3,252.29
m.	NRECA Employee Meeting	1,759.02
n.	NRECA Finance Conference	949.62
	Total	<u><u>\$ 39,186.22</u></u>

R The amount listed above cannot be confirmed in total. The reference for this information are Exhibits 10 and 11 from the original application. Listed below are the ones that can be confirmed and the breakdown between director expense and employee expense.

	<u>Director</u>	<u>Employee</u>	<u>Total</u>	
a.	NRECA Regional Meeting	\$ 3,782.12	\$ 3,782.12	
b.	Strategic Issues Conference	1,932.16	1,932.16	
c.	NRECA Annual Meeting	9,730.07	\$ 298.60	10,028.67
d.	KAEC Annual Meeting	2,376.28	225.00	2,601.28
e.	KAEC Director Training	2,366.25		2,366.25
f.	NRECA Director Training	644.00		644.00
g.	NRECA Benefits Conference		4,077.44	4,077.44
h.	NRECA Tech Advantage		2,488.08	2,488.08
i.	NRECA Net Conference		2,023.86	2,023.86
j.	NRECA Conference		10,747.13	10,747.13
k.	NRECA Connect Conference		3,252.39	3,252.39
m.	NRECA Employee Meeting		1,759.02	1,759.02
n.	NRECA Finance Conference		949.62	949.62
	Total	<u><u>\$ 20,830.88</u></u>	<u><u>\$ 25,821.14</u></u>	<u><u>\$ 46,652.02</u></u>