

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE
COMMISSION

In the Matter of:

APPLICATION OF FARMERS RURAL)
ELECTRIC COOPERATIVE FOR) CASE No. 2008-00030
AN ADJUSTMENT OF RATES)

ATTORNEY GENERAL'S SUPPLEMENTAL REQUEST FOR INFORMATION

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits this Supplemental Request for Information to Farmers Rural Electric Cooperative Corporation ["FRECC"], to be answered by the date specified in the Commission's Order of Procedure, 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 request item will be deemed a satisfactory response.

(2) Please identify the witness who will be prepared to answer questions concerning each request.

(3) 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.

(4) If any request appears confusing, please request clarification directly from the Office of Attorney General.

(5) 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.

(6) 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.

(7) If FRECC objects to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

(8) 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.

(9) 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.

(10) Please provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response.

Respectfully submitted,

JACK CONWAY
ATTORNEY GENERAL

A handwritten signature in cursive script, reading "Lawrence W. Cook", is written over a horizontal line.

LAWRENCE W. COOK
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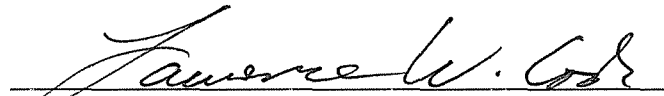
Certificate of Service and Filing

Counsel certifies that an original and ten photocopies of the foregoing were served and filed by hand delivery to Jeff R. Derouen, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; counsel further states that true and accurate copies of the foregoing were mailed via First Class U.S. Mail, postage pre-paid, to:

William T. Prather
President & CEO
Farmers R.E.C.C.
P. O. Box 1298
Glasgow, KY 42141-1298

Woodford L. Gardner, Jr.
Richardson, Gardne, Barrickman & Alexander
117 E. Washington St.
Glasgow, KY 42141-2696

this 3rd day of March, 2009.


Assistant Attorney General

FARMERS RURAL ELECTRIC COOPERATIVE
CASE NO. 2008-00030
Attorney General's Supplemental Data Requests to Farmers

1. The response to AG-1-1 states that Schedule R and Schedule C1 currently have no customer charges, however, those charges are included in the first 50kwh for each rate class (\$0.16145 for R and \$0.16145 for C1). Please reconcile this to the Schedule R and Schedule C1 information shown on Schedule J, pages 2 and 4 which show the following information for these customer classes:

	<u>Schedule R</u>	<u>Schedule C1</u>
Customer Charge	\$8.07	\$8.07
First 50 kwh	\$0.16145	\$0.16145

2. As shown in the response to PSC-2-13, Account 593.29 – Maintenance – Cycle 2 has the following booked expenses in the recent past:

2003	\$317,024
2004	\$340,630
2005	\$378,723
2006	\$338,189
2007	\$570,479
Test Year	\$719,703

In this regard, please provide the following information:

- a. Explain the reasons why the expenses in the test year have more than doubled since 2006 and why there has been such a sharp expense increase starting in 2007.
 - b. Are there any events in the test year causing the extraordinary expense increase to approximately \$720,000 in the test year? If so, describe these events and their impacts on the test year expense.
 - c. Provide the actual Account 593.29 expenses booked in the 12-month period ended 1/31/09.
 - d. Provide the Account 593.29 expenses as included in the Board-approved budgets for 2008 and 2009.
3. With regard to the response to AG-1-9, provide the nature and purpose of the 908.60 expense of \$19,026 for “Button Up payments.”
 4. With regard to the response to AG-1-27, please provide a detailed breakout and description of each item included in the following Account 921 expense categories (please provide these expense items in the same format and detail as per Exhibit 11, i.e., including dates and check numbers, amounts, descriptions, etc.):
 - a. Miscellaneous General (\$8,903)
 - b. Subscriptions and publications (\$2,857)
 - c. Membership dues (\$2,887)

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5. With regard to the Wellness Program expense of \$6,206.05 shown in the response to PSC-2-18, please provide a detailed breakout and description of each item included in this expense category. Please provide these expense items in the same format and detail as per Exhibit 11, i.e., including dates and check numbers, amounts, descriptions, etc.
6. Exhibit 11, page 3 shows KY Living magazine expenses totaling \$97,159 in Account 930.10 – General Advertising expenses. Exhibit 11, pages 7 – 9 show KY Living magazine expenses totaling \$18,080 in Account 930.23 – Public Relations expenses. Please differentiate between the KY Living magazine expenses of \$97,159 and \$18,080 and explain why they are booked in separate accounts, one for general advertising and the other for public relations.
7. With regard to the response to PSC-2-25(b), please provide the following information:
 - a. Description of nature and purpose of KAEC's activities dedicated to "Legislative Representation." In addition, indicate the approximate percentage of KAEC's activities dedicated to this function.
 - b. Description of nature and purpose of KAEC's activities dedicated to "Youth Programs." In addition, indicate the approximate percentage of KAEC's activities dedicated to this function.
 - c. Description of nature and purpose of KAEC's activities dedicated to "Regulatory Body Representation." In addition, indicate the approximate percentage of KAEC's activities dedicated to this function.