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COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG SANDY RURAL )  
ELECTRIC COOPERATIVE CORPORATION ) CASE No. 2008-00401  
FOR AN ADJUSTMENT IN RATES )

ATTORNEY GENERAL’S SUPPLEMENTAL REQUESTS FOR INFORMATION

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits these Supplemental Requests for Information to Big Sandy Rural Electric Cooperative Corporation [hereinafter referred to as “BSRECC”] 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) Please repeat the question to which each response is intended to refer. The Office of the Attorney General can provide counsel for BSRECC with an electronic version of these questions, upon request.

(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 any request appears confusing, please request clarification directly from 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.

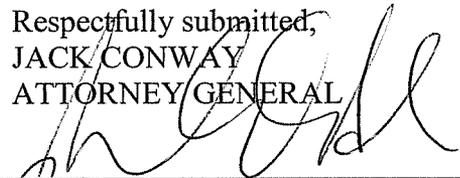
(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

(10) 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.

(11) 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.

(12) 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



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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 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:

Bobby D. Sexton  
President/General Manager  
Big Sandy R.E.C.C.  
504 11th Street  
Paintsville, KY 41240-1422

Albert A. Burchett  
Attorney-At-Law  
P.O. Box 346  
Prestonsburg, Kentucky 41653

this 9<sup>th</sup> day of March, 2009

  
\_\_\_\_\_  
Assistant Attorney General

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1. With regard to the responses to AG-1-6(a) and (b), explain why it would not be appropriate to impute representative monthly Account 450 and Account 451 revenue for December 2007 in order to properly recognize 12 months worth of revenues for the test year. If it would be appropriate, provide the representative monthly revenue amounts for Accounts 450 and 451. If it would not be appropriate, explain in detail why not.
2. With regard to the response to accounts 586.00 (Meter) and 586.10 (Meter – AMI), please provide the following information:
  - a. For 2006, the net expense in these two accounts was a credit of (\$3,324). Please explain the reasons for this.
  - b. For 2007, the total expense in these two accounts was \$154,467. Please provide this expense on a monthly basis.
  - c. For the test year ended 8/31/08, the total expense increased to \$425,699. Explain this very large increase over the actual 2007 expense (almost 3 times as high).
  - d. Provide the actual Account 586.00 (Meter) and Account 586.10 (Meter – AMI) expenses booked in 2008 and in the 12-month period ended 2/28/09.
  - e. Provide the Account 586.00 (Meter) and Account 586.10 (Meter – AMI) expenses included in the Board-approved 2008 budget; in the Board-approved 2009 budget; and (if available) in the Board-approved 2010 budget.
3. With regard to the response to AG-1-9, please provide the following information:
  - a. Explain in detail the activities making up the Meter Changing/Testing program.
  - b. Explain when the Meter Changing/Testing program was started.
  - c. Explain whether the Meter Changing/Testing program underlying the test year expense of \$425,699 will be an ongoing program to be implemented each year in the future or whether the test year amount of \$425,699 includes start-up costs that will not be incurred on an ongoing recurring basis. If it includes such non-recurring start-up costs, please quantify the portion of the \$425,699 making up such non-recurring costs.
4. With regard to the response to AG-1-10, please provide the following information:
  - a. Explain in detail the activities making up the System Mapping project.
  - b. Provide the actual Account 588 (Miscellaneous Distribution) expenses for 2008 and the 12-month period ended 2/28/09.
  - c. Provide the Account 588.00 expenses included in the Board-approved 2008 budget; in the Board-approved 2009 budget; and (if available) in the Board-approved 2010 budget.

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- d. Explain when the System Mapping project was started in 2008.
  - e. Explain whether the System Mapping project expenses included in the test year expense of \$164,690 will be ongoing, recurring expenses to be incurred each year in the future or whether the test year amount of \$164,690 includes start-up costs that will not be incurred on an ongoing recurring basis. If it includes such non-recurring start-up costs, please quantify the portion of the \$164,690 making up such non-recurring costs.
5. With regard to response to AG-1-12, is the support for the \$1,600 for the estimated testing costs also included in the attachment to the response to AG-1-12? If so, indicate where on the attachment. If not, provide the supporting source documentation.
6. In the response to AG-1-14, Big Sandy has provided a corrected Schedule 3, page 2 showing that the corrected annualized distribution plant depreciation expenses amount to \$1,679,661 rather than the originally filed amount of \$1,708,797. In this regard, please provide the following information:
  - a. Reconcile the 2.80% depreciation rate for account 367 with the 2.78% for this account from the depreciation study and, if applicable, make the appropriate correction.
  - b. Please also provide a corrected Schedule 3, page 3, showing the corrected "Normalized" total depreciation accruals of \$1,869,194 (also corrected for the item referenced in part (a) above, if applicable) the associated corrected Amount to Transportation Clearing, and the associated corrected depreciation expense.
  - c. In addition, provide a revised Exhibit S, page 2 showing the corrected pro forma annualized depreciation expenses and the impact of this correction on the proposed rate increase.
7. Please update the actual rate case expenses shown in the response to AG-1-20 for invoices submitted and services rendered through the end of February and to date.
8. With regard to the response to AG-1-32, please provide the following information:
  - a. Explain why the following expenses should be included for ratemaking purposes: \$100 – cancer walk; \$370.99 – pocket calendars; \$252 – appleday sponsor; \$12.50 – yearbook donation; \$1928.93 – Washington Youth Group expenses; \$100 – sponsor; and \$422.50 – Kiwanis dues.
  - b. Explain the nature and purpose of the \$1,545 expense for Touchstone Energy Sponsor and explain why the expense should receive rate recovery.

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9. With regard to the response to PSC-2-14, please confirm that you agree that \$25,189 (= \$37,784 x 2/3) worth of legal fees should be removed from the test year expenses.
10. With regard to the response to AG-1-25, if the filing already includes 2080 regular hours for each employee and already includes overtime expenses for the appropriate applicable employees, why is it appropriate to then, on top of that, also charge the ratepayers for \$9,600 dispatch expenses for "after-hours telephone calls?"
11. Big Sandy referred to the responses to PSC-2-6(a) and (b) in response to AG-1-22 (a), (b) and (c). However, the responses to PSC-2-6(a) and (b) do not provide the answers sought in AG-1-22 (a), (b) and (c). Please provide the responses to the specific information requested in AG-1-22 (a), (b) and (c).
12. With regard to BSRECC's response to AG 1-36:
  - a. Identify the name of the bank at which Mr. Shepherd is employed.
  - b. Provide the current amount of the balance in the account.
  - c. Provide the average month's end balance for each month of the test year.