

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the matter of:

APPLICATION OF MEADE COUNTY RURAL)
ELECTRIC COOPERATIVE CORPORATION) CASE NO.
FOR AN ADJUSTMENT OF RATES) 2006-00500

THIRD DATA REQUEST OF COMMISSION STAFF TO
MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

Meade County Rural Electric Cooperative Corporation ("Meade"), pursuant to 807 KAR 5:001, is requested to file with the Commission the original and five copies of the following information, with a copy to all parties of record. The information requested herein is due on or before June 5, 2007. Each copy of the data requested should be placed in a bound volume with each item tabbed. Responses to requests for information shall be appropriately indexed, for example, Item 1(a), Sheet 2 of 6, and shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be under oath or, for representatives of a public or private corporation, a partnership, an 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 response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Meade shall make timely amendment to any prior response if it obtains information upon the basis of which it knows that the response was incorrect when

made or, though correct when made, is now incorrect in any material respect. For any request to which Meade fails to furnish all or part of the requested information, Meade shall provide a written explanation of the specific grounds for its failure to furnish.

Careful attention shall be given to copied material to ensure its legibility. 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 provided for total company operations and jurisdictional operations, separately.

1. Refer to Exhibit 14 of the Application.

a. Does Meade's calculation of the pole attachment rate use the net cost of the poles or the gross cost?

b. Provide a detailed explanation of the derivation of the 27 percent reserve ratio on page 3 of 13.

c. Is the 27 percent reserve ratio supposed to represent the net to gross ratio?

2. Refer to the response to the Commission Staff's Second Data Request dated May 8, 2007 ("Staff's Second Request"), Item 6(b). Concerning the new branch office building in the Hardinsburg District:

a. Indicate when construction was started and completed on the new branch office building.

b. Provide the total cost of the new branch office building. Include a breakdown of the total cost between land, site preparation, the building, parking areas, and any other applicable cost category.

c. Did Meade secure a Certificate of Public Convenience and Necessity (“CPCN”) for the construction of the new branch office building?

(1) If yes, provide the case number where Meade was granted a CPCN.

(2) If no, explain in detail why Meade did not seek a CPCN for the new branch office building.

3. Refer to the response to the Staff’s Second Request, Item 7(d). Meade’s response references its response to the Attorney General’s Initial Data Request, Item 7, which states, “A large part of the increase is due to additional employees time recorded in this account, along with benefits and transportation costs.” Identify the reason(s) for the additional employee time charged to this account.

4. Refer to the response to the Staff’s Second Request, Item 8(a). Provide a schedule showing the total performance bonuses, total sick leave paid, and the number of employees who received either payment for calendar years 2002 through 2006.

5. Refer to the response to the Staff’s Second Request, Item 10.

a. For each loan shown in the response, indicate how long the fixed interest rate will be in effect. In addition, state when the next repricing period is for each loan.

b. Identify and explain the reason(s) why all of Meade’s long-term debt currently has fixed interest rates.

6. Refer to the response to the Staff’s Second Request, Item 15(g) and 15(h), pages 7 through 11 of 11. There are several references in the agendas to

Touchstone Energy and branding. Explain why expenses associated with this portion of the meetings should be included in rate-making purposes.



Beth O'Donnell
Executive Director
Public Service Commission
P. O. Box 615
Frankfort, KY 40602

DATED May 21, 2007

cc: All Parties