

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION OF BIG SANDY RURAL)	
ELECTRIC COOPERATIVE CORPORATION,)	
FLEMING-MASON ENERGY COOPERATIVE,)	CASE NO.
INC., GRAYSON RURAL ELECTRIC)	2012-00484
COOPERATIVE CORPORATION FOR AN ORDER)	
APPROVING KY ENERGY RETROFIT)	
RIDER PERMANENT TARIFF)	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION, FLEMING-
MASON ENERGY COOPERATIVE, INC., AND GRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION

Big Sandy Rural Electric Cooperative Corporation ("Big Sandy"), Fleming-Mason Energy Cooperative, Inc., ("Fleming-Mason"), and Grayson Rural Electric Cooperative Corporation ("Grayson") (collectively "Joint Applicants"), pursuant to 807 KAR 5:001, are to file with the Commission the original and six copies of the following information, with a copy to all parties of record. The information requested herein is due within 14 days of the date of issuance of this request. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response 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 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.

Big Sandy, Fleming-Mason, and Grayson shall make timely amendment to any prior response if they obtain information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Big Sandy, Fleming-Mason, or Grayson fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding, 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.

1. Refer to the Joint Applicants' response to Item 2 of Commission Staff's First Request for Information ("Staff's First Request"). As of the date of the response, the Joint Applicants have paid a total of \$13,820.66 to the Mountain Association for Community Economic Development ("MACED").

a. For your particular cooperative, provide a breakdown of those payments to MACED, identifying the specific services provided for those funds. State whether any of those expenditures are to be reimbursed to your particular cooperative by MACED or by the Kentucky Energy Retrofit participants.

b. If the expenditures identified in the response to Item 1.a. are not to be reimbursed, explain whether it is the position of the Joint Applicants that the

expenditures of each particular cooperative are the responsibility of the entire membership of that cooperative.

2. Refer to the Joint Applicants' response to Item 12.b. of Staff's First Request. Joint Applicants state, "If the capital costs are not revenue neutral, additional capital costs could accrue to the customer or to the coop."

a. Explain whether additional capital costs have accrued to the customer or to your particular cooperative resulting from the Kentucky Energy Retrofit Rider ("KER Rider") since approval of the pilot program.

b. If additional capital costs have accrued, identify separately for each cooperative each project for which additional capital costs have accrued, with the amount of the additional costs over the life of each project. Include all calculations performed to provide the additional costs identified for each project.

c. For your particular cooperative, identify and explain each instance, if any, in which the customer could be subjected to costs differing from those costs set out in the Retrofit Agreement. State in the explanation whether the interest rate is clearly identified in the Retrofit Agreement and whether the interest rate is fixed or variable.

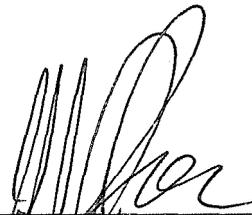
d. For your particular cooperative, explain why the cooperative's current average cost of capital was used as the annual interest rate to be charged in the current KER Rider, given that MACED, not the cooperative, is the source of capital used for retrofit projects.

3. Refer to the Final Order for Case No. 2010-00089,¹ footnote 2 in that Order, and the Joint Applicants' response to Item 12.b. of Staff's First Request. In the Final Order for Case No. 2010-00089, refer to the sentence on page 3 that reads: "MACED and the Joint Applicants stated the current interest rate for any on-bill retrofit measure is 3 percent."

a. For your particular cooperative, state what the interest rate will be on participants if the proposed interest rate changes in the retrofit rider approved by the Commission.

b. For your particular cooperative, explain whether the proposed change in the interest rate will be applicable to existing or new participants in the retrofit rider.

4. For your particular cooperative, explain whether any complaints from KER Rider participants have been received to date. Provide copies of all correspondence concerning complaints arising from the KER Rider between KER participants and your particular cooperative.



Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED FEB 04 2013

cc: Parties of Record

¹ Case No. 2010-00089, Joint Application of Big Sandy Rural Electric Cooperative Corporation, Fleming-Mason Rural Electric Cooperative, Inc., Grayson Rural Electric Cooperative Corporation, and Jackson Energy Cooperative for an Order Approving an On-Bill Financing Program Titled the "KY Energy Retrofit Rider" (Ky. PSC Dec. 16, 2010).

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