

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF MEADE COUNTY)	
RURAL ELECTRIC COOPERATIVE)	
CORPORATION FOR A GENERAL)	CASE NO.
ADJUSTMENT OF RATES AND A FLOW)	2013-00033
THROUGH OF BIG RIVERS ELECTRIC)	
CORPORATION'S RATE INCREASE)	

COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION TO
MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

Meade County Rural Electric Cooperative Corporation ("Meade County"), pursuant to 807 KAR 5:001, is to file with the Commission the original and 10 copies of the following information, with a copy to all parties of record. The information requested herein is due on or before May 8, 2013. 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 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 County shall make timely amendment to any prior response if it obtains 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 Meade County 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 shall be given to copied material to ensure that it is legible. 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.

1. Refer to the response to Item 1.b. of Commission Staff's Second Information Request ("Staff's Second Request"). In its response to Item 1.b. Meade County refers to Exhibit A, pages 1 through 31. In exhibit A, refer to the letter dated March 19, 2013 addressed to "Mr. Gossett" from Debbie Bradley and to the Newspaper Affidavit signed by Jowanna Bandy. Confirm that the notice in the Ohio County Times-News was published on only two occasions – February 13, 2013 and February 27, 2013.

2. Refer to Exhibit R of the application, Schedule 8, page 21 of 150.

- a. In the Primary column, provide the supporting calculations for the amounts on lines 4, 18, 24, 25, 27, 34, 40, 41, and 42 and a narrative description of how they were calculated.

- b. With the exception of lines 7-11, provide the supporting calculations of the amounts in the Secondary and Services column and a narrative description of how they were calculated.

3. Refer to the response to Item 7 of Staff's Second Request. The response states that "the 'minimum-size' methodology generally produces a more reasonable result for Account 364 although in this instance, both methodologies produce very similar results." Explain what is meant by a "more reasonable result."

4. Refer to the response to Item 11 of Staff's Second Request. The response to part a. states that the customer with the most lights under Schedule 5 would experience an increase of \$327.70 per month under Meade County's proposed rates. The response to part b. states that Schedule 5 is for light service to individual customers usually in conjunction with residential or commercial service. Identify the customer with the most lights under Schedule 5.

5. Refer to the response to Item 14 of Staff's Second Request in which Meade County lists exhibits that were revised and filed with the response.

a. The version of Exhibit R, Schedules 1, 2, 3, and 4 filed in Excel spreadsheet format are the original versions of these schedules and not the revised versions. Provide the revised versions of these schedules in Excel spreadsheet format.

b. Revised Exhibit R, Schedule 8, was not provided. Provide revised Schedule 8 (the cost of service study) in Excel spreadsheet format.

c. Refer to revised Exhibit R, Schedule 4, the Consumption Analysis Data and Revenue Proof. Confirm that column b of this schedule, the Test Year Units, includes the billed sales for the 12 months ending November 30, 2012.

6. Refer to the response to Item 15 of Staff's Second Request.

a. The response states that the attached pages were filed electronically. The pages were not filed in Excel spreadsheet format. Provide pages 2-4 of this response in Excel spreadsheet format.

b. Refer to page 3 of 4. Explain how the 1.007264819 that appears on line 84 was calculated.

7. Refer to the response to Item 20.j. of Staff's Second Request. The response to Item 20.j.(2) was not provided. Provide the response to subpart (2).

8. Refer to the response to Item 23 of Staff's Second Request which states that the calculation of the Public Service Commission assessment adjustment is provided in Exhibit 14, page 15 of 15. Provide the location in Exhibit 14, page 15 of 15 where the calculation is found.

9. Refer to the response to Item 24 of Staff's Second Request.

a. Account 154.000, Plant Material and Operating Supplies, decreased by \$381,571, from \$1,340,494 to \$958,923, from 2011 to the 2012 test period. Provide a detailed explanation for why this account decreased by this magnitude.

b. Account 173.000, Accrued Utility Revenue, increased by \$463,820, from \$0 to \$463,820, from 2011 to the 2012 test period. Provide a detailed explanation for why this account increased by this magnitude.

c. Account 232.100, Accounts Payable - General, increased by \$615,788, from \$1,628,867 to \$2,244,655, from 2011 to the 2012 test period. Provide a detailed explanation for why this account increased by this magnitude.

10. Refer to the response to Item 25 of Staff's Second Request.

a. Refer to the response to Item 25.b. Fully describe the Wildblue operations and explain why they were transferred to Bowie-Cass Electric Cooperative.

b. Refer to the response to Item 25.e. Provide an analysis of the activity of Account 421.10, Gain on Disposition of Property, for the years 2006 through 2010.

c. Refer to the response to Item 25.i. Describe the accrual journal entry for \$29,000 that was made in December 2012, and explain how it accounts for the change in Account 454.00, Rent from Electric Property, since the entry was made after the test year.

d. Refer to the response to Item 25.p. Provide a detailed description of Meade County's right-of-way tree trimming program and the factors that specifically contributed to the increase in costs.

e. Refer to the response to Item 25.x. Identify the prior year rate case that Meade County refers to in its response. Were the costs incurred during the test year for this proceeding or for the prior case?

11. Refer to the response to Item 26 of Staff's Second Request.

a. Refer to the response to 26.b.(3). Describe the nature of the \$2,000 bonus and state whether any other employee received a similar bonus. Explain why Meade County considers this to be a recurring expense.

b. Refer to the response to Item 26.b.(5). Explain why a performance bonus was not granted in 2009. Is this an indication that the granting of performance bonuses is not guaranteed?

c. Provide the total amount of the incentive plan payments for the years 2000 through 2006.

12. Refer to the response to Item 27.c. of Staff's Second Request. Provide a breakdown of the project costs to date by account number.

13. Refer to the response to Item 29 of Staff's Second Request.

a. Confirm that Meade County's adjustment to long-term debt interest expense is now (\$98,321) per the revised Exhibit 5 attached as page 2 of 2 of the response.

b. Meade County's response to Item 29.a. indicates that only interest rates on Rural Utilities Service ("RUS") loans 295 and 314 will change. The revised Exhibit 5 shows that interest rates on the following loans also changed: RUS loans B324, B325, B326; FFB loans H010, F035, F040, F045; and CFC loans 9009, 9011, 9015, 9016 and 9021. Explain this discrepancy.

14. Refer to the response to Item 32.c. of Staff's Second Request.

a. How long has Meade County had a website?

b. Since the inception of Meade County's website, provide each time it has undergone redesign, who performed the task, and the cost.

c. Explain Meade County's decision to outsource this task rather than have it performed by Meade County personnel.

15. Refer to the response to Item 33.d. of Staff's Second Request. The response shows payments identified as "KAEC ANNUAL MTG" for which Meade County had removed \$4,056.16 for rate-making purposes.

a. Confirm that the remaining expenses for directors Barr, Rhodes, Sipes, Wilson and Williams are for the KAEC director training described in Meade County's response to Item 33.a.

b. Explain the payment to each of the above-named directors for Meeting Fees of \$250.00.

16. Refer to the response to Item 35 of Staff's Second Request. Provide the current estimate of total rate case expense for this proceeding.

17. Refer to the response to Item 36 of Staff's Second Request.

a. Refer to the response to Item 36.c. Provide the number of participants by Demand Side Management ("DSM") program.

b. Refer to the response to Item 36.d. Provide a breakdown of the budgeted amount of \$260,000 by DSM program.



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DATED APR 24 2013

cc: Parties of Record

Case No. 2013-00033

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