

1. Please refer to PSC 1-22 Response. Provide justification for the extremely large pay raises for a large number of employees. As one example, employee no. 110 received pay raises of 3%, 16.4%, 21.2%, 6.0%, 8.5%, and 8.7% for the years of 2009-2014. Yet another example is employee no. 2539 with a 59.7% raise, 2.3%, 2.6%, and 6.5% for years 2011-2014. Explain in full detail and do not limit the answer to the two examples cited in this question.
2. Please refer to the Company's Response to PSC 1-27. Provide the justification and rationale behind Blue Grass granting the President and CEO raises of 21.2% in 2011, 6% in 2012, and 8.5% in 2013 which resulted in almost a \$100,000 raise in salary in only two years since the effective dates were from 2/28/11 and 3/2/13.
3. Reference the response to PSC 2-22. Explain the reasoning behind the decision to charge \$25.00, as opposed to \$30, per remote disconnect and reconnect occurrences.
4. Reference the response to AG 1-2, PSC 2-20. Provide all documents either originating with consultants or BGE that are associated with BGE securing the consultant.
5. Reference the response to AG 1-2. This response is non-responsive and inadequate. PSC2-20 does not provide the requested information. Provide all invoices as originally requested and provide these on an ongoing basis.
6. Reference the response to AG 1-3. This response is non-responsive and inadequate. Provide minutes of meetings documenting discussion of a rate increase or rate design change during "general discussion" or any other time during board meetings.
7. Reference the response to AG 1-4. Provide any presentations, recordings, or notes from presentations related to the need for a rate design change.
8. Please reference the response to AG 1-4 and explain why the Company would not have provided information to the ratepayers concerning the rate increase request even if it believes it is a rate design change and maintenance increase, since it is still in fact an increase in rates.
 - a. What date did the Company begin contemplating that it would ask for a rate increase?
 - b. What date was the last Company annual meeting?

- c. Is it the Company's position that the member ratepayers do not deserve to have information provided if a rate increase is based upon a rate design change and maintenance increase?
9. Reference the response to AG 1-6. Provide a single schedule that compares all of the information requested.
10. Reference the response to AG 1-6 and explain how the proposed average bill can be the same for phase 1 and 2 when it appears the Company is asking for an additional customer charge increase during phase 2?
11. Reference the response to AG 1-7 and explain why the Company does not believe it should conduct a study to compare the Company's salary, benefits, and raises per employee with the standard salary, benefits, and raises by the workforce in the counties which it services, including but not limited to the following counties: Anderson, Garrard, Madison, Robertson, Woodford, Bourbon, Harrison, Mercer, Scott, Bracken, Henry, Nelson, Shelby, Estill, Jackson, Nicholas, Spenser, Fayette, Jessamine, Pendleton, and Washington county.
12. Please reference the response to AG 1-8(b) and provide the Net TIER and OTIER for 2014 as requested. If not available as indicated in the Response, please provide a full explanation as to why it is not available.
13. Please reference the response to AG 1-10 and explain how much additional revenue the customer charge increase will provide the Company. Please also provide what percentage the increase of customer charge represents of \$2,452,901, which is the full revenue request increase the Company is currently seeking.
14. Reference the response to AG 1-11. This response is non-responsive and inadequate.
 - a. Refer to AG 1-11(d) and provide what the interest expense adjustment would be if the Company utilized the traditional approach and did not attempt to use a higher interest rate than what it is currently paying.
 - b. Refer to AG 1-11(g) and provide a breakdown of the \$90,000 rate case expense. Provide a breakdown of each category including but not limited to legal, consulting, advertising, supplies and miscellaneous.
 - c. Refer to AG 1-11(h) and provide a detailed breakdown of the \$7,776,965 increase in revenue requirements for GTCCs as original requested.
 - i. Please explain why the GTCCs are to be excluded from the determination of revenue.

15. Reference the response to AG 1-12(c). This response is non-responsive and inadequate. Provide a response to the question as it was left blank. If the answer is no, please explain why the Company cannot provide the information requested.
16. Reference the response to AG 1-12(d). Provide a citation to the Federal Reserve Chairs statement.
 - a. Provide any and all data, statements, articles, or other media or document supporting BGEs assertion that interest rates cannot go much lower and will rise in the second half of 2015.
17. Refer to AG 1-15 and provide a detailed breakdown and summary of all loans that the Company is requesting to have a different interest rate applied than what is actually paid. Please provide the current interest rate paid, principal, variable or fixed, current interest payment, current principal payment, etc.
 - a. Provide the average cost of debt/interest rate on only the loans that the company is asking for a higher interest rate to be applied than what is actual.
18. Refer to AG 1-16 and provide all information on the CFC variable rate loan that the Company is not using the standard normalization approach for interest rate adjustment. In the detailed breakdown and summary of the CFC loan provide the current interest rate paid, principal, variable or fixed, current interest payment, current principal payment, etc.
19. Please refer to AG 1-19 where citations to base rate cases utilizing historic test years where the PSC approved a higher interest rate than those existing during the preparation of the application were requested. The Company responded to see Item No. 5 of the Commission Staff's Second Request for Information; however, this Response does not answer the question posed. This response is non-responsive and inadequate. Provide an answer to the original question presented in AG 1-19.
20. Please refer to AG 1-20 where the Company states that in the Cumberland Valley Electric Rate Case the PSC allowed an interest rate percent higher than the year end interest rates for FFB loans in the normalization of interest expense. Is the Company aware that in the Cumberland case the Commission stated, "[t]he Commission agrees with the AG that it is not appropriate in the context of a historical test-year rate case to use an interest rate based on a quoted rate that Cumberland Valley is not currently paying."
 - a. Does the Company admit that the Commission held that "[t]his departure from our traditional approach is based on the unique situation in which Cumberland Valley finds itself. Absent a comparable situation arising in the future, the

Commission's belief is that its traditional approach for determining interest expense is the appropriate method to be used in future proceedings."

- b. Admit or deny that Cumberland Valley was not meeting its mortgage requirements, but Blue Grass is meeting its mortgage requirements.
 - c. Does the Company admit that the PSC denied Cumberland's proposal to use an FFB interest rate that the Company did not currently pay, but instead the Commission utilized a five year average interest rate approach based on actual average interest rates Cumberland Valley experienced for the five year period 2009-2013 of 1.34 percent?
21. Refer to AG 1-21 and provide what the exact dollar amount would be for interest expense if BGE used the normal approach to interest expense adjustment and used the actual interest rates of the loans instead of a higher interest rate. Please provide the actual amount and do not refer to an exhibit.
 22. Refer to AG 1-25 where the Company referred to PSC 2-7. The Response to PSC 2-7 states that if the rates are approved then the maintenance increase would affect bills starting with June 1, 2014 billing, and the second step rate increase would take effect one year later, June 1, 2015. Please explain if this is correct or if the Company has erred in this response.
 23. Refer to AG 1-26(b) and explain how other EKPC distribution coops have a lower average expense per customer than BGE. Provide a detailed list of how these coops have a much lower average expense per customer than BGE.
 - a. Does BGE plan to incorporate any of the cost saving measures that the other coops have implemented in order to have lower average expenses per customer than BGE?
 - b. Do the other coops not provide as large of raises as BGE, etc.?
 24. Please refer to AG 1-31, 32, 41, 46, 47, and 51 and explain why 2014 calendar year information not available? Explain the answer in full detail. Consider these requests ongoing and provide the information as soon as it is available.
 25. Refer to AG 1-37(b). This response is non-responsive and inadequate. Provide a narrative explanation as requested and provide all documentation referenced.
 26. Refer to AG 1-38 and provide a detailed breakdown of each and every cost that falls under Labor, Expenses, Benefits, Transportation, and Scholarships.

- a. Do any of these categories include expenses on items the Commission has previously ruled, either for BGE or other utilities, should be excluded from rate base?
27. Refer to AG 1-44 and provide a detailed breakdown of all Christmas and Regular Bonuses given by the Company. The breakdown should include but not be limited to the employee job title, amount of bonus given, salaried versus hourly, employee number, designation of whether it was a Christmas or Regular bonus.
 28. Reference the response to AG 1-55. Due to BGE's failure to provide the requested information, despite the Attorney General executing a confidentiality agreement with BGE, the Attorney General reserves the right to ask additional requests for information on this information. The Attorney General will make every practical effort to avoid delaying or altering the procedural schedule.
 29. Refer to AG 1-60 where the Company admitted that it employs a person that is a relative, by blood or marriage to another BGE employee. Provide the job titles, salary, date of hiring for each employee that are related to one another. The Company responded by referring to Item 59, but this does not answer the question posed.