

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF JACKSON	)	
ENERGY COOPERATIVE CORPORATION	)	CASE NO. 2019-00066
FOR A GENERAL ADJUSTMENT	)	
IN EXISTING RATES	)	

**ATTORNEY GENERAL’S DATA REQUESTS**

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention (“Attorney General”), and submits these Data Requests to Jackson Energy Cooperative Corporation (hereinafter “JEC” or the “Cooperative”) to be answered by May 13, 2019, 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 requested item will be deemed a satisfactory response.
- (2) Identify the witness who will be prepared to answer questions concerning each request.
- (3) Repeat the question to which each response is intended to refer.
- (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 you believe any request appears confusing, please request clarification directly from undersigned Counsel for 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, notify the Office of the Attorney General as soon as possible, and in accordance with Commission direction.

(10) As used herein, the words “document” or “documents” are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting

records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information regardless of the media or format in which they are stored, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) 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.

(12) 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.

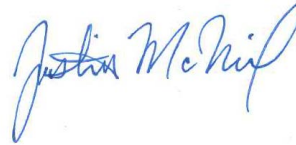
(13) Provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

(14) “And” and “or” should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.

(15) “Each” and “any” should be considered to be both singular and plural, unless specifically stated otherwise.

Respectfully submitted,

ANDY BESHEAR  
ATTORNEY GENERAL



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JUSTIN M. McNEIL  
KENT A. CHANDLER  
LAWRENCE W. COOK  
REBECCA W. GOODMAN  
ASSISTANT ATTORNEYS GENERAL  
700 CAPITOL AVE, SUITE 20  
FRANKFORT, KY 40601-8204  
PHONE: (502) 696-5453  
FAX: (502) 573-1005  
[Justin.McNeil@ky.gov](mailto:Justin.McNeil@ky.gov)  
[Kent.Chandler@ky.gov](mailto:Kent.Chandler@ky.gov)  
[Larry.Cook@ky.gov](mailto:Larry.Cook@ky.gov)  
[Rebecca.Goodman@ky.gov](mailto:Rebecca.Goodman@ky.gov)

1. Does JEC make contributions toward both a defined benefit retirement plan and a 401(k) for each employee? If so, explain whether JEC has taken any steps to reduce or phase out its contribution to one of these retirement plans given the Commission's stance on this issue.
2. Has JEC conducted any studies to compare the Company's salary, benefits, raises and bonuses per employee with the standard salary, benefits, raises and bonuses of the workforce in the counties that it services? If so, provide copies of all such studies. If not, explain why such a study has not been performed.
3. Provide JEC's current debt service coverage, and the debt service coverage level it is required to maintain by any applicable covenant.
4. Confirm that JEC has AMI meters.
  - a. State whether JEC conducts connects/disconnects remotely utilizing the AMI technology.
  - b. Provide a break-out, by category, of all savings JEC has achieved by installing AMI. The break-out should include, at a minimum: reduction in customer complaints, meters not reporting, energy theft, no-voltage calls, transformer damage, connects and disconnects, meter reading, meter re-reads, line loss, end of line voltage recordings, outage management, and contract meter reads.
5. Provide JEC's uncollectible expense for each of the past five (5) years, and 2019 to date.
6. Identify the current JEC Board of Directors' designated NRECA representative, and the name of the representative for each of the past five (5) years.
  - a. Provide travel expenses for each member for the Board of Directors for each of the past five (5) years, including an explanation of the reason for the travel.
7. Reference the JEC Application generally. Provide all invoices from outside experts, consultants, and legal counsel related to the current rate case, as well as the total amount expended thus far. Provide this information on an ongoing basis.
8. State to what extent, if any, JEC utilizes weather normalization for its base rates.
9. Refer to Exhibit JW-9. Confirm that under JEC's proposed rate change, customers using less than the system average of 1,066 kWh will see their bills increase.
  - a. Explain how customers consuming less than the system average will receive adequate notice that their rates are increasing.

- b. Explain how customers using more than the system average will be incentivized to conserve energy going forward.
10. Reference the JEC application generally. Provide copies of all studies that JEC has conducted addressing the impact that the proposed rate design will have on the elderly, low-income, fixed-income, and homebound segments of its ratepayer base. Provide detailed information for each specified group.
11. Provide copies of all studies JEC has conducted regarding the ability of JEC customers to conserve energy if the proposed revenue neutral rate design change is approved, which take into consideration the reduced DSM offerings that JEC and EKPC have made available to residential customers.
12. Provide copies of all studies or estimates JEC has produced indicating the degree to which consumption will increase if its proposed rate change is approved.
13. Explain the process JEC followed in determining whether to classify costs as “fixed” or “variable.”
  - a. Does JEC agree that at some point in all time, all costs become variable? If JEC does not so agree, explain why not.
14. Refer to Wolfram Direct at 18–20. Confirm that if approved, JEC’s proposed residential customer charge would be the highest amount out of all the sixteen distribution cooperatives on the EKPC system.
  - a. Explain how this rate design, together with the proposed subsidy reduction comports with the principle of gradualism.
  - b. Provide and explain any other support for JEC’s proposed increase on the residential customer charge.
15. Provide the number of JEC residential customers whose usage falls below the system average for the residential class. Break this out by the categories of monthly kWh as provided in the chart included in Exhibit JW-9, pg. 3.
16. Reference the JEC application generally. Provide the policies and procedures upon which JEC relies when making the determination to award a wage and/or salary increase to an employee, and whether or not a performance evaluation is the basis for the increase.
17. Provide the salary increases JEC has approved for each year since JEC’s last rate case, in terms of percentages for each position.

18. Provide the annual bonuses JEC has granted for each year since JEC's last rate case, in terms of actual dollar amounts for each position.
19. State whether JEC employees are required to pay for any portion of their health insurance, and life insurance. If so, provide details.
20. Confirm that by placing the full amount of the proposed rate change upon the monthly customer charge, JEC will make it more difficult for its customers to conserve energy.
21. Do any JEC officers, directors or employees have life insurance coverage with benefits in excess of \$50,000? If so:
  - a. Provide the amount that JEC pays for that portion of the premium attributable to coverage over \$50,000; and
  - b. State whether any portion of this amount is included for the purposes of ratemaking.
22. Refer to Wolfram Direct at 14 regarding the zero-intercept study. Explain why, if the cost of poles does not correlate to the number of customers, JEC believes it is reasonable to allocate any pole cost on the basis of number of customers. If JEC disagrees with the premise of the question, explain what JEC believes the results of the zero-intercept study regarding poles indicates.
23. Explain what impact on class returns would occur if account 364.00 was allocated solely on demand. Provide any worksheets used in calculating the impact.
24. Explain what impact on class returns would occur if account 368.00 was allocated solely on demand. Provide any worksheets used in calculating the impact.
25. Explain, in complete detail, what effect allocating accounts 364.00 and/or 368.00 has on JEC's alleged support for its proposed increase of the residential customer charge. Provide any worksheets used in calculating impacts.
26. Provide JEC's margins by month, and by class if available, for each month for 2017 and 2018.