

MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION
THE ELECTRONIC APPLICATION OF MEADE COUNTY RURAL ELECTRIC
COOPERATIVE CORPORATION FOR A GENERAL ADJUSTMENT OF
RATES PURSUANT TO STREAMLINED PROCEDURE PILOT PROGRAM
ESTABLISHED IN CASE NO. 2018-00407
CASE NO. 2020-00131

Response to the Commission Staff's First Set of Data Requests

July 21, 2020

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ELECTRONIC APPLICATION OF)
 MEADE COUNTY RURAL ELECTRIC)
 COOPERATIVE CORPORATION) Case No. 2020-00131
 FOR A GENERAL ADJUSTMENT OF)
 RATES PURSUANT TO STREAMLINED)
 PROCEDURE PILOT PROGRAM)
 ESTABLISHED IN CASE NO. 2018-00407)

VERIFICATION OF MARTIN LITTREL

COMMONWEALTH OF KENTUCKY)
)
 COUNTY OF MEADE)

Martin Littrel, being duly sworn, states that he has supervised the preparation of certain responses to Requests for Information in the above-referenced case and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

Martin W. Littrel
 Martin Littrel

The foregoing Verification was signed, acknowledged and sworn to before me this 14th day of July, 2020, by Martin Littrel.



Melanie S. Raley

Notary Commission No. KY NP 2303
 Commission expiration: 3-18-2024

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ELECTRONIC APPLICATION OF)
MEADE COUNTY RURAL ELECTRIC)
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FOR A GENERAL ADJUSTMENT OF) Case No. 2020-00131
RATES PURSUANT TO STREAMLINED)
PROCEDURE PILOT PROGRAM)
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VERIFICATION OF ANNA SWANSON

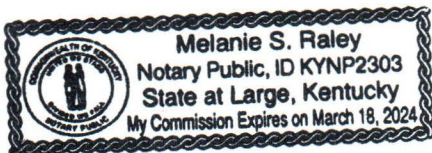
COMMONWEALTH OF KENTUCKY)
)
COUNTY OF MEADE)


Anna Swanson, being duly sworn, states that she has supervised the preparation of certain responses to Requests for Information in the above-referenced case and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.



Anna Swanson

The foregoing Verification was signed, acknowledged and sworn to before me this 14th day of July, 2020, by Anna Swanson.





Notary Commission No. KYNP 2303
Commission expiration: 3-18-2024

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ELECTRONIC APPLICATION OF)	
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VERIFICATION OF JOHN WOLFRAM

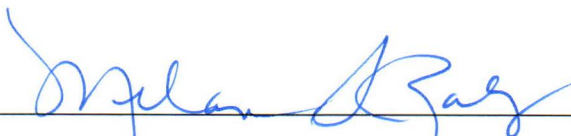
COMMONWEALTH OF KENTUCKY)
)
 COUNTY OF MEADE)

John Wolfram, being duly sworn, states that he has supervised the preparation of certain responses to Requests for Information in the above-referenced case and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.



 John Wolfram

The foregoing Verification was signed, acknowledged and sworn to before me this 14th day of July, 2020, by John Wolfram.



Notary Commission No. KYNP2303

Commission expiration: 3-18-2024



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1 **Item 1)** *Refer to Case No. 2014-00414 and Meade RECC's prepaid service tariff in*

2 *General.*²

3 *a. Meade RECC estimated that approximately 3 percent of its members would elect to*
4 *participate in the prepay program. Provide the percentage of Meade RECC's members*
5 *that are currently enrolled in the prepaid program.*

6 *b. The current daily prepaid fee (tariff) of \$0.32 was calculated based on the assumption*
7 *of 3 percent participation, monthly costs for software, communication fees, meter costs,*
8 *installation costs, and communication fees. Provide support that the \$0.32 daily*
9 *prepaid fee remains valid and reasonable.*

10

11 **Response)**

12 a. Meade County prepay tariffs were approved on April 15, 2015. During the testing phase
13 of the prepay program, Meade County discovered that it could not effectively rely on
14 meter communications due to the age of its AMI system, and interruption of service to its
15 members became a significant concern. Meade County made the decision to postpone the
16 advertisement of the prepay program until a new AMI system could be deployed. Meade
17 County is currently in the pilot phase of its new AMI system and is further testing the

² Case No. 2014-00414, *Application of Meade County Rural Electric Cooperative Corporation for Approval of a Prepay Metering Tariff* (Ky. PSC Apr. 15, 2015)

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1 prepay functionality of its meters and software. Meade County does not currently have
2 members enrolled in the prepay program.

3 b. The prepay service fee of \$0.32 was not revised because Meade County does not
4 currently have members enrolled in the prepay program. Without enrollment in the
5 program, Meade County could not provide numerical data to be included in the Cost of
6 Service Study and could not justifiably revise the prepay service fee. Please see attached
7 for supporting analysis of the \$0.32 fee initially filed in Case No. 2014-00414. This fee
8 remains valid and reasonable.

9

10 **Witness)** Anna Swanson

PREPAY COSTS ANALYSIS

<u>Monthly Charge</u>			
Equipment Costs:			
1. Software for program	(*)		<u>Per Member</u>
Prepay Software		\$ 18,700.00	\$ 23.38
2. Hardware	(*)		
New Disconnect AMI Meter		\$ 238.25	\$ 238.25
Less Old Meter Cost		\$ 48.03	\$ 48.03
Cost of Disconnect Meter			\$ 190.22
Installation Cost:			
3. CSR set up per member:			
labor 15 min.		\$ 20.18	\$ 5.05
Benefits		54.0%	\$ 2.72
4. Field Service Representative charge per member:			
Labor 30 min.		\$ 22.62	\$ 11.31
Benefits		69.0%	\$ 7.80
5. Investment per Member			<u>\$ 240.48</u>
Annual Expenses based on 15 year life			
1. Depreciation			\$ 16.03
2. Interest & Margins (2.26% x 2)			\$ 10.87
3. O & M			
Software - 20%			\$ 4.68
Hardware - 10%			\$ 19.02
4. Annual Expenses			<u>\$ 50.60</u>
5. Monthly Expense per member			\$ 4.22
6. Prepay Software support		\$ 580.00	\$ 0.73
7. Communication Fees		4 notices	\$ 0.16
8. Monthly Expense per Member			<u>\$ 5.10</u>
9. Transaction Fees (4 w/ one free)		\$1.50 each	\$ 4.50
10. Monthly Expense with transaction fee			<u>\$ 9.60</u>
Recommendation			<u>\$ 9.60</u>
Daily Fee			<u>\$ 0.32</u>
(*) Based on 801 participating Members			

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1 **Item 2)** *Refer to the Direct Testimony of Martin Littrel (Littrel Testimony), page 5.*
2 *Provide an example of rate volatility due to misalignment between existing rates and the*
3 *cost of providing electric service.*

4

5 **Response)** An example when Meade County experienced rate volatility due to existing rates
6 not aligning with the cost of providing service is any month in which weather is mostly
7 mild but for even one extremely hot or cold day. For that month, energy usage (over the
8 course of the full month) will be relatively low, but coincident peak demand (set on the
9 extreme day) will be relatively high. This creates a higher demand charge on the
10 wholesale bill that will not be offset by relatively low energy-related retail revenues.

11 From the test year, an example of when Meade County experienced rate volatility
12 due to existing rates not aligning with cost-based rates is the month of October 2019.
13 Meade County's annual load factor for wholesale 2019 billing was 56 percent. The
14 highest monthly load factor was 65 percent in July and the lowest was 47 percent in
15 October. Because Meade County has fixed costs incorporated into its retail energy
16 charge, the cooperative experiences rate volatility in months like October 2019 when
17 billing demands (and thus wholesale demand charges) are high but overall energy sales
18 are low. See Wolfram Testimony, Exhibit JW-7, page 1 of 3. The extent to which Meade

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1 County will recover the wholesale bill in full from its retail revenues will fluctuate less
2 over time as Meade County removes more of its fixed costs from the variable charge.

3

4 **Witness)** John Wolfram

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1 **Item 3)** *Refer to the Littrel Testimony, page 5. Provide the monthly Times Interest*
2 *Earned Ratio (TIER) for 2019 as well as the monthly TIER for each month of 2020 thus*
3 *far.*

4

5 **Response)** Please reference the below table:

6

<u>Month</u>	<u>TIER</u>
1/31/2019	1.37
2/28/2019	1.78
3/31/2019	1.65
4/30/2019	1.50
5/31/2019	1.43
6/30/2019	1.28
7/31/2019	1.26
8/31/2019	1.30
9/30/2019	1.26
10/31/2019	1.24
11/30/2019	1.29
12/31/2019	1.23
1/31/2020	1.37
2/29/2020	1.09
3/31/2020	1.13
4/30/2020	1.24
5/31/2020	1.25
6/30/2020	1.22

7

8 **Witness)** Anna Swanson

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1 **Item 4)** *Refer to the Littrel Testimony, page 7. Provide the compensation study.*

2

3 **Response)** The information for this response is being filed under seal pursuant to a
Motion for 4 Confidential Treatment.

5

6 **Witness)** Martin Littrel

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1 **Item 5)** *Refer to the Littrel Testimony, page 7. Provide the annual operations and*
2 *maintenance expenses from 2013 to 2019.*

3

4 **Response)** Please reference the below table:

5

<u>Year</u>	<u>Distribution Operations & Maintenance Expense</u>
2013	9,005,998.55
2014	9,763,167.54
2015	9,700,416.04
2016	9,387,964.11
2017	9,422,300.15
2018	9,913,457.07
2019	9,537,923.54

6

7 **Witness)** Anna Swanson

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1 **Item 6)** *Refer to the Littrel Testimony, page 8. Quantify any annual savings that*

2 *Meade RECC has realized due to the following:*

3 *a. Revisions in the R&S Plan; and*

4 *b. Revisions in healthcare insurance.*

5

6 **Response)**

7 a. When Meade County made a prepayment to the R & S Plan in 2013, the current
8 contribution requirement immediately decreased approximately 25% of the billing rate.

9 For 2019, the prepayment resulted in a discounted contribution rate of 25.46% as
10 opposed to the full rate of 34.23%, saving approximately \$126,000. National Rural
11 Electric Cooperative Association (“NRECA”) expects that making the prepayment will
12 continue to benefit from the differential value of the reduction for at least 10-15 years.

13 Employees hired after July 31, 2002 are not eligible for the R & S plan and only qualify for
14 401(k) Contributions. In 2019, Meade County saved approximately \$498,000 resulting from
15 the plan changes.

Estimated R & S Cost for Employees Hired after July 31, 2002	\$828,844
Actual Cost (12% Match to 401K only) for Employees Hired after July 31, 2002	\$330,923
Meade County savings resulting from plan changes	\$497,921

16

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- 1 b. Meade County moved retiree Medicare insurance to a separate plan through Humana in
2 April 2019, resulting in lower premiums and savings for the retirees and the Cooperative.
3 In 2019, Meade County saved a prorated amount of \$16,571 or an annualized savings of
4 approximately \$22,000.

5

6 **Witness)** Martin Littrel

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1 **Item 7)** *Refer to the Littrel Testimony, page 11. Meade RECC's most recent refinancing*
2 *application was Case No. 2003-00310. ² State whether Meade RECC has considered in any*
3 *further refinancing since Case No. 2003-00310. If so, state why Meade RECC did not engage*
4 *in refinancing.*

5

6 **Response)** Meade County has always attempted to take advantage of lower interest rates
7 when available by actively communicating with representatives from Cooperative Finance
8 Corporation ("CFC") and the Rural Utility Service ("RUS") on a routine basis. In these
9 discussions, we have requested our lenders perform periodic reviews of our loan portfolio to see
10 if we can lower our borrowing cost, but unfortunately, market conditions have not always been
11 cost beneficial to refinance our entire debt. However, we continue to evaluate repricing and/or
12 refinancing opportunities to benefit financially from more favorable interest rates. Recently,
13 Meade County has attained lower interest rates by repricing several short-term variable rate
14 maturities at longer repayment timelines to avoid interest rate volatility in the future. By
15 proactively executing these low interest long-term fixed loans, it has safeguarded the
16 Cooperative by minimizing our refinancing risk that was associated with short-term variable rate
17 financing by avoiding a rise in interest rates and by creating a more stable funding option. In

² Case No. 2003-00310 *Application of Meade County Rural Electric Cooperative Corporation for an Order and Certificate of Public Convenience and Necessity Authorizing Application to Execute a "Secured Promissory Note" not to Exceed \$14,726,249.25 Pursuant to KRS 278.300 and 807 KAR 5:001, Section 11 and Related Sections (Ky. PSC Aug. 18, 2003).*

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1 addition, Meade County's overall borrowing cost has reduced through these ongoing efforts as
2 our blended cost of debt in 2019 was 2.93 compared to 3.25 in 2013, thus lowering our cost of
3 capital and reducing financial risk associated with the short-term market.

4

5 **Witness)** Martin Littrel

MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION
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1 **Item 8)** *Refer to the Littrel Testimony, page 12. Provide the Key Ratio Trend Analysis.*

2

3 **Response)** The information for this response is being filed under seal pursuant to a
Motion for 4 Confidential Treatment.

5

6 **Witness)** Martin Littrel

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- 1 **Item 9)** *Refer to the Direct Testimony of Anna Swanson (Swanson Testimony), page 6.*
- 2 *Provide the total advances against the referenced line of credit of \$5 million as of the date of*
- 3 *this request. State the current interest on these advances, if any.*

4

5 **Response)** The balance on the \$5 million line of credit as of June 30, 2020 is zero.

6

7 **Witness)** Anna Swanson

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1 **Item 10)** *Refer to the Swanson Testimony, page 9. Explain whether, as employee*
2 *contributions have increased, employer contributions to flexible spending accounts (FSAs) or*
3 *other similar health savings accounts have increased.*

4

5 **Response)** Meade County does not contribute to flexible spending accounts (FSAs) or other
6 similar health savings accounts.

7

8 **Witness)** Anna Swanson

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1 **Item 11)** *Refer to the Swanson Testimony, page 9. Explain whether the referred-to*
2 *consultant surveys are industry specific or if regional salaries are also surveyed.*

3

4 **Response)** The compensation study referenced in Item 4 utilizes a National Compensation
5 System Survey produced annually by NRECA. This survey produced by NRECA provides
6 information from cooperative distribution systems located throughout the United States. The
7 compensation study is comprised of state, regional, and national reports. It also includes the
8 Economic Research Institute Salary Database which contains data for our region and those
9 industries with similar annual revenues and consumer size.

10

11 **Witness)** Anna Swanson

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1 **Item 12)** *Refer to the Swanson Testimony, page 11. Provide the average monthly energy*
2 *usage of residential members receiving benefits from the Low Income Home Energy*
3 *Assistance Program.*

4

5 **Response)** The average monthly energy usage of residential members receiving benefits from
6 LIHEAP is 1,350 kWh.

7

8 **Witness)** Anna Swanson

MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION
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1 **Item 13)** *Refer to the Swanson Testimony, Exhibit AS-1.*

2 *a. Explain the change in interest paid for long-term debt between 2013 and 2014.*

3 *b. Explain the change in interest paid for long-term debt between 2017 and 2018.*

4

5 **Response)**

6 a. Interest paid for long-term debt decreased from 2013 to 2014 by approximately \$196,559

7 due to short-term maturities becoming eligible for new rates during 2013 and 2014.

8 Meade County was able to lock in much lower interest rates than previously attained. In

9 May 2013, Meade County was able to save interest expense through the payoff of a loan
10 in the amount of \$1,468,500 with a 6.05% rate.

11 b. Interest paid for long-term debt increased from 2017 to 2018 by approximately \$415,273

12 mostly due to the drawdown of a RUS loan by Meade County. The loan was intended to

13 finance Meade County's construction work plan and funds were required to be drawn on

14 or before April 1, 2018. Meade County drafted \$18,000,000 during the first quarter of

15 2018. The funds are being utilized for Meade County's current construction work plan to

16 avoid additional borrowing.

17

18 **Witness)** Anna Swanson

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1 **Item 14)** *Refer to the Direct Testimony of John Wolfram (Wolfram Testimony), page*

2 *22. Provide Table 3 with the return on rate base at the proposed rates.*

3

4 **Response)** The requested data is provided in Supplemental Table 3 below, with the

5 additional data appended as two new columns to the right.

6

7

Supplemental Table 3. COSS Results: Rates of Return

#	Rate	Return on Rate Base	Unitized Return on Rate Base	Return after Rate Revision	Unitized Return after Rate Revision
1	Residential	(0.24%)	(0.08)	1.72%	0.37
2	Small Comm	3.59%	1.20	3.59%	0.77
3	3 Phase	44.42%	14.80	44.42%	9.57
3A	3 Ph 0-999 KVA TOD	20.60%	6.86	20.60%	4.44
4	Large 1000 KVA TOD	42.38%	14.12	42.38%	9.13
5	Private Outdoor Lighting	11.18%	3.73	11.18%	2.41
6	Street & Hwy Lights	4.85%	1.62	4.85%	1.05
	TOTAL	3.00%	1.00	4.64%	1.00

8

9 **Witness)** John Wolfram

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1 **Item 15)** *Provide the number of members utilizing a net metering tariff, the average*
2 *annual usage of these members, and the average annual bill of these members for the years*
3 *2015–2019.*

4

5 **Response)** Please see attached.

6

7 **Witness)** Anna Swanson

Item 15 - Net Metering Accounts

Year	Number of Members	Average Annual Usage	Average Annual Bill
2019	28	1,159	\$ 104.25
2018	21	1,353	\$ 138.15
2017	17	1,337	\$ 139.08
2016	14	1,417	\$ 125.85
2015	12	1,550	\$ 139.13

Year 2019

	Account	Net kWh	Amount
1	1 Average	1,220	\$ 146.23
2	2 Average	2,080	\$ 237.08
3	3 Average	1,909	\$ 230.08
4	4 Average	1,841	\$ 212.15
5	6 Average	266	\$ 30.39
6	7 Average	387	\$ 73.36
7	8 Average	498	\$ 7.64
8	9 Average	984	\$ 70.23
9	10 Average	2,021	\$ 230.45
10	11 Average	528	\$ 51.95
11	12 Average	1,476	\$ 95.20
12	13 Average	178	\$ 25.82
13	14 Average	933	\$ (2.87)
14	15 Average	95	\$ 10.09
15	16 Average	887	\$ 26.25
16	17 Average	1,764	\$ 126.72
17	18 Average	1,387	\$ 97.63
18	19 Average	252	\$ 16.42
19	20 Average	567	\$ 27.62
20	21 Average	2,016	\$ 230.61
21	22 Average	630	\$ (11.59)
22	23 Average	1,314	\$ 76.18
23	24 Average	1,292	\$ 122.89
24	25 Average	2,372	\$ 267.52
25	26 Average	423	\$ (14.85)
26	27 Average	201	\$ 11.51
27	28 Average	1,118	\$ 135.88
28	29 Average	5,295	\$ 537.03
	Grand Average	1,159	\$ 104.25

Year 2018

	Account	Net kWh	Amount
1	1 Average	1,577	\$ 190.17
2	2 Average	2,190	\$ 256.29
3	3 Average	2,082	\$ 256.90
4	4 Average	2,107	\$ 247.21
5	5 Average	1,367	\$ 165.66
6	7 Average	386	\$ 74.52
7	8 Average	639	\$ 26.66
8	9 Average	1,169	\$ 101.51
9	10 Average	1,942	\$ 229.71
10	16 Average	883	\$ 77.09
11	17 Average	1,961	\$ 165.02
12	18 Average	1,443	\$ 108.15
13	19 Average	373	\$ 33.58
14	20 Average	715	\$ 56.52
15	21 Average	2,048	\$ 241.50
16	22 Average	820	\$ 35.23
17	23 Average	1,798	\$ 148.37
18	25 Average	2,221	\$ 259.97
19	26 Average	422	\$ (12.09)
20	27 Average	166	\$ 6.36
21	28 Average	1,280	\$ 157.90
	Grand Average	1,353	\$ 138.15

Year 2017

	Account	Net kWh	Amount
1	1 Average	1,396	\$ 170.10
2	2 Average	2,008	\$ 235.80
3	3 Average	2,140	\$ 262.85
4	4 Average	1,974	\$ 232.74
5	5 Average	1,538	\$ 184.76
6	7 Average	330	\$ 67.64
7	8 Average	505	\$ 3.99
8	9 Average	653	\$ 27.38
9	10 Average	2,197	\$ 256.95
10	17 Average	1,766	\$ 142.47
11	18 Average	1,786	\$ 179.56
12	19 Average	289	\$ 19.49
13	21 Average	1,765	\$ 210.20
14	22 Average	794	\$ 90.76
15	23 Average	1,073	\$ 40.70
16	25 Average	1,790	\$ 212.70
17	26 Average	366	\$ (26.18)
	Grand Average	1,337	\$ 139.08

Year 2016

	Account	Net kWh	Amount
1	1 Average	1,497	\$ 155.74
2	2 Average	2,023	\$ 202.87
3	3 Average	2,177	\$ 228.25
4	4 Average	2,121	\$ 213.82
5	5 Average	1,591	\$ 165.32
6	7 Average	294	\$ 60.28
7	8 Average	567	\$ 3.50
8	10 Average	1,879	\$ 191.52
9	17 Average	1,876	\$ 117.67
10	19 Average	348	\$ 20.43
11	21 Average	1,613	\$ 166.54
12	23 Average	1,079	\$ 34.63
13	25 Average	1,959	\$ 197.44
14	26 Average	359	\$ (30.01)
	Grand Average	1,417	\$ 125.85

Year 2015

	Account	Net kWh	Amount
1	1 Average	1,178	\$ 120.19
2	2 Average	1,684	\$ 161.31
3	3 Average	2,150	\$ 215.82
4	4 Average	1,946	\$ 188.38
5	5 Average	1,344	\$ 134.56
6	8 Average	694	\$ 64.78
7	10 Average	1,973	\$ 190.48
8	17 Average	1,373	\$ 46.87
9	21 Average	1,361	\$ 136.13
10	23 Average	890	\$ 41.33
11	25 Average	2,083	\$ 199.79
12	26 Average	220	\$ (3.42)
	Grand Average	1,550	\$ 139.13

MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION
THE ELECTRONIC APPLICATION OF MEADE COUNTY RURAL ELECTRIC
COOPERATIVE CORPORATION FOR A GENERAL ADJUSTMENT OF
RATES PURSUANT TO STREAMLINED PROCEDURE PILOT PROGRAM
ESTABLISHED IN CASE NO. 2018-00407
CASE NO. 2020-00131

Response to the Commission Staff's First Set of Data Requests

July 21, 2020

1 **Item 16)** *Refer to the application, Exhibit 36. Provide supporting invoices and other*
2 *evidence for any rate case expenses incurred to date that have not already been provided.*

3

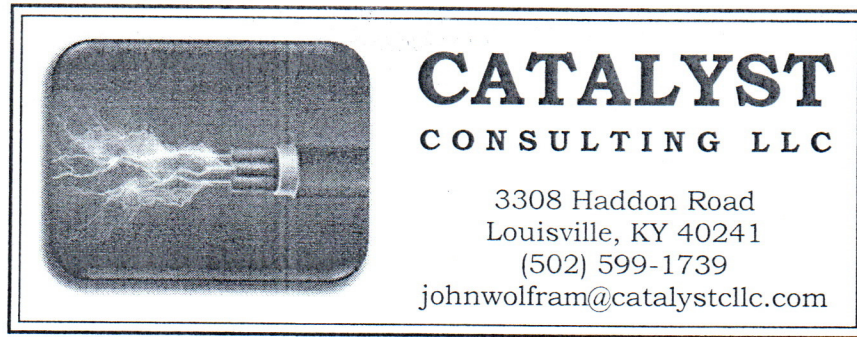
4 **Response)**

<u>Date</u>	<u>Description</u>	<u>Amount</u>	<u>Vendor Name</u>
*3/1/2020	Consulting/Cost of Service & Rate Case Study	\$1,560.00	Catalyst Consulting LLC
*4/1/2020	Consulting/Cost of Service & Rate Case Study	\$3,802.50	Catalyst Consulting LLC
*5/1/2020	Consulting/Cost of Service & Rate Case Study	\$3,217.50	Catalyst Consulting LLC
*6/1/2020	Consulting/Cost of Service & Rate Case Study	\$5,362.50	Catalyst Consulting LLC
7/1/2020	Consulting/Cost of Service & Rate Case Study	\$7,855.00	Catalyst Consulting LLC
	Total Expenses for Consulting Services	\$21,797.50	
*6/1/2020	Legal Services	\$1,462.50	Brite & Hopkins, PLLC
	Total Expenses for Legal Services	\$1,462.50	
6/5/2020	Required Correspondence to Kentucky Attorney General	\$36.47	FedEx
	Total Expenses for Filing	\$36.47	
	Total Rate Case Expenses	\$23,296.47	

**Previously submitted with application*

Please see attachment for copies of new invoices.

5 **Witness)** Anna Swanson



INVOICE

Date: July 1, 2020	Invoice #: 200608
Client: Meade County RECC P.O. Box 489 Brandenburg, Kentucky 40108 Attn: Anna Swanson	Project: 2019 Cost of Service & Rates Study Case No. 2020-00131 For Services Provided in June 2020

#	Item	Description	Qty	Rate	Amt
1	Consulting Services	John Wolfram – consulting support for 2019 Cost of Service & Rates Study. Review final application, testimony, exhibits, notices, verifications, and compliance actions. Calls and emails with staff on same.	16.5 hours	\$195.00	\$ 3,217.50
2	Consulting	Fixed price for COSS		\$10,000.00	
		COSS hours billed through March		\$ 5,362.50	
		Balance of fixed COSS price due		\$ 4,637.50	\$ 4,637.50
TOTAL					\$ 7,855.00

Please remit payment to Catalyst Consulting LLC as noted above. Thank you.

928 PSCE-00 D-1

Anna Swanson
7-16-2020



Invoice Number	Invoice Date	Account Number	Page
7-034-93462	Jun 10, 2020	2891-2455-1	1 of 2

Billing Address:
 MEADE COUNTY R E C C
 PO BOX 489
 BRANDENBURG KY 40108-0489

Shipping Address:
 MEADE COUNTY R E C C
 1351 HIGHWAY 79
 BRANDENBURG KY 40108-7004

Invoice Questions?
Contact FedEx Revenue Services
 Phone: 800.622.1147
 M-F 7 AM to 8 PM CST
 Sa 7 AM to 6 PM CST
 Internet: fedex.com

Invoice Summary

FedEx Express Services

Total Charges	USD	\$77.44
TOTAL THIS INVOICE	USD	\$77.44

Account Summary as of Jun 10, 2020

Previous Balance	0.00
Payments	0.00
Adjustments	0.00
New Charges	77.44
New Account Balance	\$77.44

Other discounts may apply.

APPROVED BY _____
 INVOICE NO _____
 ACCT. NO BDGT CD. DOLLARS

921	POST00	4097
928	PSCE00	3647
	DI	

MM
AM-7

Amw
6-17-2020

Detailed descriptions of surcharges can be located at fedex.com

Invoice Number	Invoice Date	Account Number	Page
7-034-93462	Jun 10, 2020	2891-2455-1	2 of 2

FedEx Express Shipment Detail By Payor Type (Original)

Ship Date: Jun 05, 2020 **Cust. Ref.:** Loan payoff - BCamp **Ref.#2:**
Payor: Shipper **Ref.#3:**

- Fuel Surcharge - FedEx has applied a fuel surcharge of 2.50% to this shipment.
- Distance Based Pricing, Zone 5
- Your revenue threshold for this ship date was not met, therefore no Earned Discounts were applied.

Automation	INET	Sender	Recipient	
Tracking ID	770626939224	Melanie Raley	LOCKBOX SERVICES - NRECA -2074	
Service Type	FedEx Standard Overnight	Meade County RECC	WELLS FARGO	
Package Type	FedEx Envelope	1351 Hwy 79	2975 REGENT BLVD	
Zone	05	BRANDENBURG KY 40108 US	IRVING TX 75063 US	
Packages	1			
Rated Weight	2.0 lbs, 0.9 kgs			
Delivered	Jun 08, 2020 10:24	Transportation Charge		39.97
Svc Area	A1	Fuel Surcharge		1.00
Signed by	C.WILLIAMS	Courier Pickup Charge		0.00
FedEx Use	000000000/233/_	Total Charge	USD	\$40.97



Ship Date: Jun 05, 2020 **Cust. Ref.:** ANNA SWANSON- RATE CASE **Ref.#2:**
Payor: Shipper **Ref.#3:**

- Fuel Surcharge - FedEx has applied a fuel surcharge of 2.50% to this shipment.
- Distance Based Pricing, Zone 2
- Your revenue threshold for this ship date was not met, therefore no Earned Discounts were applied.

Automation	INET	Sender	Recipient	
Tracking ID	770636375422	Melanie Raley	JOHN G HORNE III, EXECUTIVE DI	
Service Type	FedEx Standard Overnight	Meade County RECC	OFFICE OF KY ATTORNEY GENERAL	
Package Type	FedEx Box	1351 Hwy 79	700 CAPITAL AVE	
Zone	02	BRANDENBURG KY 40108 US	FRANKFORT KY 40601 US	
Packages	1			
Rated Weight	5.0 lbs, 2.3 kgs			
Delivered	Jun 08, 2020 09:32	Transportation Charge		35.58
Svc Area	A5	Fuel Surcharge		0.89
Signed by	H.NAPIER	Total Charge	USD	\$36.47
FedEx Use	000000000/1283/_			

Shipper Subtotal	USD	\$77.44
Total FedEx Express	USD	\$77.44

MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION
THE ELECTRONIC APPLICATION OF MEADE COUNTY RURAL ELECTRIC
COOPERATIVE CORPORATION FOR A GENERAL ADJUSTMENT OF
RATES PURSUANT TO STREAMLINED PROCEDURE PILOT PROGRAM
ESTABLISHED IN CASE NO. 2018-00407
CASE NO. 2020-00131

Response to the Commission Staff's First Set of Data Requests

July 21, 2020

1 **Item 17)** *Refer to the Wolfram Testimony, page 15. Calculate the adjustment for*
2 *healthcare using the percentage for all workers (21 percent employee share for single plans*
3 *and 34 percent for family plans), rather than utility specific percentage from the BLS survey.*

4

5 **Response)** Please see attached.

6

7 **Witness)** John Wolfram

Reference Schedule: 1.12
For PSC-17

MEADE COUNTY R.E.C.C.
For the 12 Months Ended December 31, 2019

Health Insurance Premiums

#	Option (1)	Total Cost \$ (2)	Employee % (3)	Employee \$ (4)	Utility % (5)	Utility \$ (6)
Normalized Test Year						
1	Employee	376,542	0%	-	100%	376,542
2	Employee & Spouse	51,545	50%	25,773	50%	25,773
3	Employee & Child(ren)	48,322	50%	24,161	50%	24,161
4	Employee & Family	132,977	50%	66,489	50%	66,489
5	Total	609,386		116,422		492,964
Pro Forma Year						
6	Employee	376,542	21%	79,074	79%	297,468
7	Employee & Spouse	51,545	34%	17,525	66%	34,020
8	Employee & Child(ren)	48,322	34%	16,429	66%	31,893
9	Employee & Family	132,977	34%	45,212	66%	87,765
10	Total	609,386		158,241		451,145
Adjustment						(41,819)

Dental Insurance Premiums

	Option (1)	Total Cost \$ (2)	Employee % (3)	Employee \$ (4)	Utility % (5)	Utility \$ (6)	
Normalized Test Year							
11	Employee	24,621	0%	-	100%	24,621	
12	Employee & Spouse	5,166	100%	5,166	0%	-	
13	Employee & Child(ren)	2,918	100%	2,918	0%	-	
14	Employee & Family	12,773	100%	12,773	0%	-	
15	Total	45,478		20,857		24,621	
Pro Forma Year							
16	Employee	24,621	12%	2,955	88%	21,666	
17	Employee & Spouse	5,166	22%	1,137	78%	4,029	
18	Employee & Child(ren)	2,918	22%	642	78%	2,276	
19	Employee & Family	12,773	22%	2,810	78%	9,963	
20	Total	45,478		7,543		37,935	
21	Adjustment						13,314

Vision Insurance Premiums

	Option (1)	Total Cost \$ (2)	Employee % (3)	Employee \$ (4)	Utility % (5)	Utility \$ (6)	
Normalized Test Year							
22	Employee	726	50%	363	50%	363	
23	Employee & Spouse	1,568	50%	784	50%	784	
24	Employee & Child(ren)	279	50%	139	50%	139	
25	Employee & Family	2,869	50%	1,435	50%	1,435	
26	Total	5,442		2,721		2,721	
Pro Forma Year							
27	Employee	726	12%	87	88%	639	
28	Employee & Spouse	1,568	22%	345	78%	1,223	
29	Employee & Child(ren)	279	22%	61	78%	218	
30	Employee & Family	2,869	22%	631	78%	2,238	
31	Total	5,442		1,125		4,317	
32	Adjustment						1,596
33	Grand Total Adjustment for Medical, Dental and Vision Insurance						(26,909)

This adjustment normalizes utility contributions to employee premiums for medical, dental and vision insurance to the amounts specified by the U.S. Bureau of Labor & Statistics pursuant to the requirements of the Streamlined Rate Procedure set forth in Case No. 2018-00407. See report published Sept. 2019 at

<https://www.bls.gov/ncs/ebs/benefits/2019/ownership/private/table10a.pdf>

Using Data for ALL WORKERS

MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION
THE ELECTRONIC APPLICATION OF MEADE COUNTY RURAL ELECTRIC
COOPERATIVE CORPORATION FOR A GENERAL ADJUSTMENT OF
RATES PURSUANT TO STREAMLINED PROCEDURE PILOT PROGRAM
ESTABLISHED IN CASE NO. 2018-00407
CASE NO. 2020-00131

Response to the Commission Staff's First Set of Data Requests

July 21, 2020

1 **Item 18)** *Refer to the Wolfram Testimony, page 15. Calculate the adjustment for dental*
2 *coverage using 60 percent employee share for all plans, rather than utility specific percentage*
3 *from the BLS survey.*

4

5 **Response)** Please see attached.

6

7 **Witness)** John Wolfram

Reference Schedule: 1.12
For PSC-18

MEADE COUNTY R.E.C.C.
For the 12 Months Ended December 31, 2019

Health Insurance Premiums

#	Option (1)	Total Cost \$ (2)	Employee % (3)	Employee \$ (4)	Utility % (5)	Utility \$ (6)
Normalized Test Year						
1	Employee	376,542	0%	-	100%	376,542
2	Employee & Spouse	51,545	50%	25,773	50%	25,773
3	Employee & Child(ren)	48,322	50%	24,161	50%	24,161
4	Employee & Family	132,977	50%	66,489	50%	66,489
5	Total	609,386		116,422		492,964
Pro Forma Year						
6	Employee	376,542	12%	45,185	88%	331,357
7	Employee & Spouse	51,545	22%	11,340	78%	40,205
8	Employee & Child(ren)	48,322	22%	10,631	78%	37,691
9	Employee & Family	132,977	22%	29,255	78%	103,722
10	Total	609,386		96,411		512,975
Adjustment						20,011

Dental Insurance Premiums

	Option (1)	Total Cost \$ (2)	Employee % (3)	Employee \$ (4)	Utility % (5)	Utility \$ (6)	
Normalized Test Year							
11	Employee	24,621	0%	-	100%	24,621	
12	Employee & Spouse	5,166	100%	5,166	0%	-	
13	Employee & Child(ren)	2,918	100%	2,918	0%	-	
14	Employee & Family	12,773	100%	12,773	0%	-	
15	Total	45,478		20,857		24,621	
Pro Forma Year							
16	Employee	24,621	60%	14,773	40%	9,848	
17	Employee & Spouse	5,166	60%	3,100	40%	2,066	
18	Employee & Child(ren)	2,918	60%	1,751	40%	1,167	
19	Employee & Family	12,773	60%	7,664	40%	5,109	
20	Total	45,478		27,287		18,191	
21	Adjustment						(6,430)

Vision Insurance Premiums

	Option (1)	Total Cost \$ (2)	Employee % (3)	Employee \$ (4)	Utility % (5)	Utility \$ (6)	
Normalized Test Year							
22	Employee	726	50%	363	50%	363	
23	Employee & Spouse	1,568	50%	784	50%	784	
24	Employee & Child(ren)	279	50%	139	50%	139	
25	Employee & Family	2,869	50%	1,435	50%	1,435	
26	Total	5,442		2,721		2,721	
Pro Forma Year							
27	Employee	726	12%	87	88%	639	
28	Employee & Spouse	1,568	22%	345	78%	1,223	
29	Employee & Child(ren)	279	22%	61	78%	218	
30	Employee & Family	2,869	22%	631	78%	2,238	
31	Total	5,442		1,125		4,317	
32	Adjustment						1,596
33	Grand Total Adjustment for Medical, Dental and Vision Insurance						15,178

This adjustment normalizes utility contributions to employee premiums for medical, dental and vision insurance to the amounts specified by the U.S. Bureau of Labor & Statistics pursuant to the requirements of the Streamlined Rate Procedure set forth in Case No. 2018-00407. See report published Sept. 2019 at

<https://www.bls.gov/ncs/ebs/benefits/2019/ownership/private/table10a.pdf>

Revised Dental to 60% for all plans

MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION
THE ELECTRONIC APPLICATION OF MEADE COUNTY RURAL ELECTRIC
COOPERATIVE CORPORATION FOR A GENERAL ADJUSTMENT OF
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ESTABLISHED IN CASE NO. 2018-00407
CASE NO. 2020-00131

Response to the Commission Staff's First Set of Data Requests

July 21, 2020

1 **Item 19)** *Refer to the Wolfram Testimony, page 15. Provide an explanation for the*
2 *negative adjustment for vision coverage given that employees already share 50 percent of the*
3 *cost.*

4
5 **Response)** Meade County applied the benchmark contribution levels from the U.S. Bureau of
6 Labor & Statistics (“BLS”) report to all of the employee health-related insurance premium
7 amounts (i.e. medical, dental, and vision). The adjustment normalizes utility contributions to *all*
8 employee premiums for medical, dental and vision insurance to the amounts specified by the
9 BLS, regardless of the amounts currently contributed by employees. Meade County did not
10 distinguish from the BLS report whether or not these coverage benchmarks excluded vision and
11 dental. If the intent of the Streamlined Rate Procedure is to adjust only the health care insurance
12 premiums, and not the vision or dental, then Meade County supports the elimination of the
13 portion of the proposed adjustment related to vision and dental. If vision and dental are meant to
14 be included, then a symmetric application of the benchmark is appropriate (i.e. it is appropriate
15 to calculate the pro forma adjustment by setting all employee contributions to the BLS
16 benchmark, regardless of whether the contribution amounts are currently higher than or lower
17 than the benchmark).

18

19 **Witness)** John Wolfram

MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION
THE ELECTRONIC APPLICATION OF MEADE COUNTY RURAL ELECTRIC
COOPERATIVE CORPORATION FOR A GENERAL ADJUSTMENT OF
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ESTABLISHED IN CASE NO. 2018-00407
CASE NO. 2020-00131

Response to the Commission Staff's First Set of Data Requests

July 21, 2020

1 **Item 20)** *Refer to the Wolfram Testimony, page 15, and Schedule 1.13 Labor.*

2 *Provide the retirement date of employee 2, and explain why all wages were not excluded.*

3

4 **Response)** The retirement date of employee 2 was 1/10/2020. All wages were not excluded
5 because there were labor costs for this employee at the beginning of 2020, only the difference
6 was excluded.

7

8 **Witness)** Anna Swanson

MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION
THE ELECTRONIC APPLICATION OF MEADE COUNTY RURAL ELECTRIC
COOPERATIVE CORPORATION FOR A GENERAL ADJUSTMENT OF
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ESTABLISHED IN CASE NO. 2018-00407
CASE NO. 2020-00131

Response to the Commission Staff's First Set of Data Requests

July 21, 2020

1 **Item 21)** *Refer to the Wolfram Testimony, page 15, and Schedule 1.13 Labor.*

2 *Provide the hire date of employee 23.*

3

4 **Response)** The hire date of employee 23 was 2/16/2020. This employee should not have had

5 a "B" in the note column (12) on Schedule 1.13.

6

7 **Witness)** Anna Swanson

MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION
THE ELECTRONIC APPLICATION OF MEADE COUNTY RURAL ELECTRIC
COOPERATIVE CORPORATION FOR A GENERAL ADJUSTMENT OF
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ESTABLISHED IN CASE NO. 2018-00407
CASE NO. 2020-00131

Response to the Commission Staff's First Set of Data Requests

July 21, 2020

1 **Item 22)** *Refer to the Wolfram Testimony, page 15, and Schedule 1.13 Labor.*

2 *Provide an explanation for each employee that did not work 2,080 hours in the test year.*

3

4 **Response)** (1) Employee 1 worked 1,769.70 hours in the test year because he retired on
5 6/1/2019. (2) Employee 8 worked 2,072 hours in the test year because she took off one day
6 without pay during the year. (3) Employee 12 worked 1,440 hours because he was hired during
7 the test year on 6/3/2019. The employee should have been noted with a "B" in the Note column
8 (12) on Schedule 1.13. (4) Employee 18 had 864 hours because he was only employed from
9 8/19/2019 to 10/16/2019. (5) Employee 20 had 1,960 hours because he was hired during the test
10 year on 1/7/2019. The employee should have been noted with a "B" in the Note column (12) on
11 Schedule 1.13. (6) Employee 21 had 1,600 hours because he was hired during the test year on
12 3/11/2019. The employee should have been noted with a "B" in the Note column (12) on
13 Schedule 1.13. (7) Employee 22 had 120 hours because he was hired during the test year on
14 11/25/2019. The employee should have been noted with a "B" in the Note column (12) on
15 Schedule 1.13.

16

17 **Witness)** Anna Swanson

MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION
THE ELECTRONIC APPLICATION OF MEADE COUNTY RURAL ELECTRIC
COOPERATIVE CORPORATION FOR A GENERAL ADJUSTMENT OF
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CASE NO. 2020-00131

Response to the Commission Staff's First Set of Data Requests

July 21, 2020

- 1 **Item 23)** *Refer to the Wolfram Testimony, page 15, and Schedule 1.13 Labor.*
- 2 *Provide an explanation for the inclusion or exclusion of overtime in the Pro Forma Wages.*
- 3
- 4 **Response)** In order to normalize the test year labor to the wages for year 2020, actual
- 5 overtime hours for the test year were calculated at the current rate of pay.
- 6
- 7 **Witness)** Anna Swanson

MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION
THE ELECTRONIC APPLICATION OF MEADE COUNTY RURAL ELECTRIC
COOPERATIVE CORPORATION FOR A GENERAL ADJUSTMENT OF
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ESTABLISHED IN CASE NO. 2018-00407
CASE NO. 2020-00131

Response to the Commission Staff's First Set of Data Requests

July 21, 2020

1 **Item 24)** *Provide the number of overtime hours for each employee for the past five years.*

2

3 **Response)** Please see attached.

4

5 **Witness)** Anna Swanson

Overtime Hours Worked

Employee #	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019
1	11.00	13.00	11.00	37.50	3.40
2	229.25	211.00	153.25	20.50	
3	324.50	207.00	349.55	74.00	
4	20.50	34.00	5.50	39.50	0.50
5	129.00	81.00	105.00	80.00	27.50
6	17.50	13.50	9.00	88.00	28.50
7	12.00	15.00	4.00	44.50	2.50
8	31.50	4.00	4.00	10.00	
9	221.75	347.80	185.50	514.25	298.45
10	40.50	47.00	45.00	156.50	112.00
11		7.00	3.00	66.50	4.00
12	15.50	12.00	9.50	13.50	8.50
13	9.30				
14	431.00	325.30	251.00	356.50	265.50
15		4.00			
16	17.00	60.50	33.00	249.50	68.50
17	588.00	753.25	628.25	782.70	425.25
18	1.75				
19	515.50	511.50	380.50	371.00	274.50
20	152.00	136.00	113.00	178.50	209.50
21	10.30	4.00	5.30	17.10	5.00
22	516.75	590.50	630.75	500.25	332.75
23	7.00	3.50	3.50		3.50
24	88.00	96.50	82.50	140.50	94.00
25	36.00	159.00			
26	4.00	4.00	4.30	0.15	0.80
27	177.50	177.00	188.00	191.00	125.00
28	203.00	219.00	114.00	193.50	120.50
29	105.50	61.00	94.00	246.50	231.75
30	9.00	7.00	8.00		13.00
31	202.00	173.50	145.00	350.20	287.25
32	240.50	223.50	248.90		
33	513.00	482.50	542.00	404.00	346.00
34	254.50	216.30	248.55	352.00	320.50
35	305.25	381.00	317.00	51.00	
36	4.00	4.00	4.00		4.00
37	10.00				
38	18.00	35.00	10.50	58.00	4.00
39	10.75	14.00	8.00	8.17	19.00
40	8.25	8.00		4.00	
41	8.00	3.50	3.50	3.50	3.00

Overtime Hours Worked

Employee #	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019
42	12.50	10.00	7.50	11.75	2.50
43	13.50	11.50	6.00	36.00	5.50
44	5.75	4.00	4.00	0.25	
45	670.50	801.80	588.00	862.00	715.75
46	203.00	472.00	370.50	518.00	307.00
47	11.80	4.65	8.00	5.00	0.73
48	8.80	8.50	6.05	5.00	4.25
49	7.50	10.70	8.00	21.10	8.00
50	5.50	5.50			
51	3.00	6.00			
52		4.00	4.00	0.50	0.30
53		43.50	268.50	640.00	405.75
54			3.50		
55			6.00	4.50	
56			5.50		50.00
57			52.25	591.75	360.70
58				37.00	
59				194.55	385.50
60				80.00	254.50
61					2.50
62				333.45	349.25
63				18.50	16.50
64				99.00	102.75
65					77.50
66					18.50
67					1.50
TOTAL HOURS	6,440.70	7,027.80	6,285.65	9,061.17	6,707.63

MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION
THE ELECTRONIC APPLICATION OF MEADE COUNTY RURAL ELECTRIC
COOPERATIVE CORPORATION FOR A GENERAL ADJUSTMENT OF
RATES PURSUANT TO STREAMLINED PROCEDURE PILOT PROGRAM
ESTABLISHED IN CASE NO. 2018-00407
CASE NO. 2020-00131

Response to the Commission Staff's First Set of Data Requests

July 21, 2020

1 **Item 25)** *Provide the pay rate for each employee for the past five years.*

2

3 **Response)** The information for this response is being filed under seal pursuant to a
Motion for 4 Confidential Treatment.

5

6 **Witness)** Anna Swanson

THIS EXHIBIT IS BEING FILED
UNDER SEAL PURSUANT
TO A MOTION FOR
CONFIDENTIAL TREATMENT

MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION
THE ELECTRONIC APPLICATION OF MEADE COUNTY RURAL ELECTRIC
COOPERATIVE CORPORATION FOR A GENERAL ADJUSTMENT OF
RATES PURSUANT TO STREAMLINED PROCEDURE PILOT PROGRAM
ESTABLISHED IN CASE NO. 2018-00407
CASE NO. 2020-00131

Response to the Commission Staff's First Set of Data Requests

July 21, 2020

1 **Item 26)** *Refer to the proposed changes to tariff sheet Original 31: Domestic Power Use.*

2 *Explain why Meade RECC removed “domestic servants quarters” and “such as tenant houses,*
3 *etc.,” from this tariff section.*

4

5 **Response)** Meade County removed the above stated wording and revised the tariff sheet to
6 achieve a statement using updated terminology that is more applicable to the service territory.

7

8 **Witness)** Anna Swanson