

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF MEADE )  
COUNTY RURAL ELECTRIC COOPERATIVE ) Case No. 2020-00131  
CORPORATION FOR AN ADJUSTMENT OF RATES )

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**ATTORNEY GENERAL’S INITIAL DATA REQUESTS**

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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 Meade County Rural Electric Cooperative (hereinafter “Meade” or the “Company”) to be answered by July 23, 2020, 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.

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Respectfully submitted,

DANIEL J. CAMERON  
ATTORNEY GENERAL



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*Certificate of Service and Filing*

Pursuant to the Commission's Order dated March 17, 2020 in Case No. 2020-00085, and in accord with all other applicable law, Counsel certifies that an electronic copy of the forgoing was served and filed by e-mail to the following on July 10, 2020. A physical copy of the filing will be submitted to the Commission once the State of Emergency has ceased.

Thomas Brite  
[Tbrite@bbtel.com](mailto:Tbrite@bbtel.com)

this 10th day of July, 2020



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Assistant Attorney General

Case No. 2020-00131  
ELECTRONIC APPLICATION OF MEADE COUNTY RURAL ELECTRIC COOPERATIVE  
CORPORATION FOR AN ADJUSTMENT OF RATES

Attorney General's First Set of Data Requests

1. Please explain why Meade proposes to raise base rates for residential customers only.
2. Martin Littrel states in his testimony at page 11 that Meade has, “pursu[ed] historically low interest rates when advantageous with its lenders.” Please provide a list of any and all refinancing that Meade has undertaken since the last rate case along with any associated case numbers.
3. Please provide a list of the compensation and benefits received by all employees (including executive employees) for each and every year since 2013. Please segregate the data related to the value of benefits from pay received as salary. Please provide this data for current and former employees employed during that the period. Please include the job title of each employee.
  - a. Please calculate a rolling year-to-year percentage increase for each employee for salary and benefits.
4. Please identify and discuss projected margins for the next three years should the Commission deny the requested rate increase.
5. Please explain why the Commission should increase facility charges without corresponding changes to energy charges, and thereby alter rate design, in a streamlined case. In other words, should issues related to inter-class subsidization not be reserved for non-streamlined rate cases?
6. Confirm that Meade's current minimum charge for Schedule 1 (Residential, Farm and Non-Farm, Schools & Churches) customers is not less than \$0.572 per day.
  - a. Provide the amount by which Meade's wholesale energy charge, and its demand charge have increased since Big Rivers' 2012 and 2013 wholesale rate increases. Provide this figure in both dollars and cents, and as a percentage.
7. John Wolfram states in his testimony at page 19-20 that “the zero-intercept method did not provide reasonable results for poles, so for this category, the minimum system method was applied.” Please explain why the zero intercept method did not return reasonable results for poles and why use of the minimum system method is appropriate.
8. Please discuss Meade's process for determining/checking customer usage.
9. Please discuss patronage capital as listed in the October 31, 2019 Balance Sheet, listed as totaling \$33,967,436 in 2019.

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CORPORATION FOR AN ADJUSTMENT OF RATES

- a. Does Meade have any plans to distribute patronage capital to its members?
  - b. Has Meade considered using all or a portion of the patronage capital balance to offset the requested rate increase? If not, why not?
10. Please identify the total amounts spent by Meade annually since 2013 on advertising Christmas gifts, advertising, economic development, lobbying, and donations.
  11. Please discuss whether Meade funds a life insurance policy or policies for any of its employees and/or their spouses. If so, please identify the employee and/or spouse and provide the annual cost of that policy or those policies.
  12. Please discuss whether automobiles are purchased or leased for the personal use of any employees of Meade. If so please identify the employee and identify the annual amount cost of that automobile or those automobiles and any associated insurance policy or policies.
  13. Please discuss whether Meade provides a supplemental executive retirement plan to any of its employees or former employees.
  14. State to what extent, if any, Meade utilizes weather normalization for its base rates.
  15. Provide a copy of Meade's anti-nepotism policy.
  16. Has the Company provided any type of new benefits to employees, officers, or directors in the past four years? If so, provide a complete description, the monetary value(s) thereof, and the sums included in rates.
  17. Do any of Meade's directors, and/or their spouses, have life insurance coverage funded by Meade? If so: a) Provide the amount that Meade pays for that premium; and b) State whether any portion of this amount is included for purposes of ratemaking.
  18. Provide the total amount of all annual bonuses of any type or sort Meade has granted during the test year and the two preceding years, in terms of actual dollar amounts for each position, including bonuses to officers and directors.
  19. Reference the application generally. Provide copies of all studies that Meade has conducted addressing the impact that the proposed rate design will have on the elderly, low income, fixed income and home bound segments of its ratepayer base. Provide detailed information for each specified group.
  20. Provide the Company's current DSC, and the DSC level it is required to maintain by any applicable covenant.



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21. Has Meade 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 a study has not been performed.
  
22. Does Meade employ the relatives of:
  - a. Any Meade Board Member;
  - b. Any Meade Officer;
  - c. Any Meade Consultant; and/or
  - d. Any other Meade Employee?If so, provide specific details.
  
23. State for how long Meade has made pre-paid service available to willing customers.
  - a. Provide the amount of monthly electrical consumption for the average pre-paid residential customer, and the amount of consumption for non-pre-pay residential customers.
  - b. Explain why the pre-paid service fee of \$0.32 was not increased.
  
24. Reference Exhibit AS-2, Meade County Audited Financial Statement dated Oct. 31, 2019, "Recent Accounting Pronouncements," p. 9, regarding FASB ASU 2014-09, "Revenue From Contracts With Customers." Explain what effect this standard will have on Meade's TIER, OTIER and DSC if applicable.
  
25. Reference Wolfram Schedule 1.09. Identify the costs for the 2019 NRECA Annual Conference that are included in rates. Identify also Meade's designated director representative for the NRECA Annual Conference, and the total sum of that director's expenses that are included in rates.