

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>ELECTRONIC APPLICATION OF</b>	)	
<b>JACKSON PURCHASE ENERGY</b>	)	
<b>FOR A GENERAL ADJUSTMENT</b>	)	<b>Case No. 2021-00358</b>
<b>OF RATES AND OTHER RELIEF</b>	)	

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**SUPPLEMENTAL DATA REQUESTS OF THE ATTORNEY GENERAL**

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The Attorney General of the Commonwealth of Kentucky, through his Office of Rate Intervention (“Attorney General”) submits these Data Requests to Jackson Purchase Energy Corporation (hereinafter “Jackson” or the “Company”) to be answered by January 3, 2022 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 and KIUC 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.

(16) “Update” indicates that the request should be periodically updated through the course of this matter.

Respectfully submitted,

DANIEL J. CAMERON  
ATTORNEY GENERAL



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*Certificate of Service and Filing*

Pursuant to the Commission's Orders in Case No. 2020-00085, and in accord with all other applicable law, Counsel certifies that, on December 14, 2021, a copy of the forgoing was served by electronic mail to the following.

Mark David Goss  
L. Allyson Honaker  
mdgoss@gosssamfordlaw.com  
allyson@gosssamfordlaw.com

this 14th day of December, 2021.

A handwritten signature in blue ink, appearing to read "J. Michael New". The signature is written in a cursive style with a long horizontal stroke at the end.

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Assistant Attorney General

**ELECTRONIC APPLICATION OF JACKSON PURCHASE ENERGY CORPORATION FOR A  
GENERAL ADJUSTMENT OF RATES AND OTHER GENERAL RELIEF**

**Supplemental Set of Data Requests**

1. Provide all reasons why the Company chose a historic test year instead of a forecast test year.
2. Indicate specifically to what extent the Company believes the selection of a historic test year limits its ability to propose post-test year adjustments, if at all. If the Company believes that there are limitations, then identify each such limitation on post-test year adjustments (address scope, timing, and calculation) and the basis for each such limitation. If the Company believes there are no such limitations, then so state and provide the basis for this conclusion.
3. Provide a copy of the trial balance for November 2021 and each subsequent month as they are available throughout the pendency of this proceeding.
4. Refer to the attachment to the response to AG 1-8, page 4 of 4. Provide the monthly calculations of short-term interest expense and long-term interest expense budgeted in 2021. Provide the underlying schedule(s) of each short-term borrowing/notes payable and each long-term debt issue outstanding, principal, interest rate and interest expense for each month in live Excel spreadsheet format with all formulas intact.
5. Refer to the response to AG 1-28(b). Provide the source information by month for January 2019 through the most recent month for which actual information is available, as well as the annual amounts for each year 2019 and 2020 and the twelve months ending with the same ending month as the Company's "proforma year," the calculations of the proforma hourly rates, and a copy of the underlying source documents used for this purpose.
6. Refer to the attachment to the response to AG 1-42 pages 4-5 wherein it shows the average revenue per kWh for the large commercial class in 2019 of \$0.097. Compare this average revenue per kWh to the \$0.9295 used in the revised Schedule 1.11 YearEndCust adjustment for this class shown in cell I36, reconcile the calculations of the two different results, and indicate which average revenue per kWh is correct and describe why it is correct and the other is incorrect. Provide all support relied on for the calculations and this response, including all Excel spreadsheets in live format with all formulas intact.
7. Refer to the attachment to the response to AG 1-42 page 9 wherein it shows the average wage rate per hour in 2019 of \$37.77. The average wage rate per hour in 2019 on Schedule 1.12 is \$36.90, calculated as cell E21/cell C21. Reconcile the calculations of the two different results, and indicate which average wage rate per hour in 2019 is correct, describe why it is correct and why the other is incorrect. Provide all support relied on for the calculations and this response, including all Excel spreadsheets in live format with all formulas intact. If necessary, provide a revised Schedule 1.12 if there are errors in the hours and/or payroll dollars in the test year on this schedule.

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8. Provide the total wages and salaries for calendar years 2019 and 2020 and the twelve months ending November 2021. Separate the total wages and salaries for each of these periods into the amounts expensed and the amounts capitalized.
9. Provide the total wages and salaries for the last pay periods in calendar years 2019 and 2020 and in November 2021. Separate the total wages and salaries for each of these pay periods into the amounts expensed and the amounts capitalized.
10. Provide the full-time equivalent employees (“FTEs”) at the end of each month from January 2017 through November 2021.
11. Provide an organization chart that shows each employee position along with the names of each supervisory position by month from January 2019 through the most recent month for which actual information is available. Indicate on each monthly chart each position that is filled (F) or unfilled (U).
12. Indicate the Company’s pay frequency for each group of employees to the extent that there are differences, e.g., salaried and hourly paid employees or professional and union employees.
13. Refer to the attachment to the supplemental response to AG 1-28 wherein it provides salary amounts and hourly amounts. Indicate whether the salary amounts are weekly or based on some other payroll schedule.
14. Refer to Schedule 1.12 Wages and Salaries. In cell E21, the total payroll cost in the test year was \$6.212 million. In cell D27, the total payroll cost in 2020 was \$6.017 million, a reduction of \$0.195 million. In cell I21, the Company shows a total payroll cost in the “proforma year” of \$6.531 million, an increase of \$0.514 million compared to the actual total payroll cost in 2020. Provide all reasons why the total payroll costs should not be based on the actual costs in 2020 rather than the Company’s calculations for the “proforma year.”
15. Refer to the revised Schedule 1.09 and the narrative response to AG 1-29.
  - a. Confirm that the revised Schedule 1.09 reflects outstanding long-term debt at some date in November 2021, nearly two years after the end of the historic test year and that the related revised revenue requirement includes two times the revised increase in long-term debt interest expense, one time for the increase in interest expense and the second time for the requested 2.0 TIER.
  - b. Confirm that the Company did not reduce or eliminate its interest-other expense to reflect the fact that it repaid its short-term borrowings when it issued the new RUS/FFB debt in November 2021. If it did not reduce or eliminate this interest expense, then explain why it did not do so.



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- b. Separate the November 2021 RUS/FFB #3-3 debt issuance on revised Schedule 1.09 into the amount for the new HQ building, the amount for other construction work plan projects, and the amounts for any other assets.
  - c. Provide the November 2021 trial balance for all accounts and compare the October 2021 trial balances to the November 2021 trial balances for each short-term debt and long-term debt trial balance account/subaccount.
  - d. Confirm that the revised Schedule 1.09 reflects \$82.896 million in long-term debt outstanding at some date in November 2021 compared to the actual \$45.808 million at December 31, 2019, an increase of \$37.088 million, or 81.0%, in less than two years and since the end of the historic test year.
16. Confirm that the Company did not capitalize interest to the new HQ building during construction. If confirmed, then explain why it did not do so.
17. Provide a schedule showing the actual monthly construction costs incurred for the new HQ building that were recorded to CWIP. Provide the journal entries by month from the date the Company first incurred capital expenditures recorded to CWIP until the CWIP was closed to plant in service.
18. Provide a schedule showing the actual debt outstanding by month related to the monthly construction costs incurred for the new HQ building, the interest rate, and the interest expense by month related to this debt.
19. Refer to Exhibit 29 to the Company's Application in this proceeding. The filing requirement is described as "The operating budget for each month of the period encompassing the proforma adjustments."
  - a. Describe how the Company defines the "period encompassing the proforma adjustments"?
  - b. Confirm that in response to this filing requirement, the Company provided only the operating budget for each month of the historic test year.
  - c. Confirm that the Company's proposed proforma adjustments extend beyond the historic test year into the calendar years 2020 and 2021. Identify the date and/or period encompassing each of the proposed proforma adjustments."
20. Provide a history of the Company's ROW maintenance activities and expense for the years 2016 through 2020 and the twelve months ending November 2021, including, but not limited to, the following information.
  - a. Total ROW maintenance expense by FERC expense account.
  - b. For each contractor, circuits trimmed, miles trimmed by circuit, expense by circuit, and cost per mile per circuit.

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21. Refer to Exhibit JRW-4. Indicate which bids were selected from those received. Indicate if WA Kendal was selected for the Wickliffe circuit as the low bid. If not, explain why not.
22. Provide a similar comparison of all subsequent bids received for ROW maintenance and indicate which bids were selected from those received.
23. Refer to page 52 of the attachment to the response to AG 1-38, please provide the following:
  - a. The graph Ward Morgan provided to the board on outage occurrences.
  - b. The 2021 ROW management plan provided at the meeting.
24. Please provide each Engineering and Operations report provided to the Board of Directors for the years 2019 to the present.
25. Regarding response to Staff Data Request 2-21 (d) please explain the bid responses provided, for example, under the Townsend Tree Service bid, for the hourly crews:
  - a. For the numbers \$2.70 and \$11,232 under “chain saw”, please provide headers and explanations for the column that lists “\$2.70” and headers and explanations for the column that lists “\$11,232”.
  - b. Similar explanation for derivation and meaning of both columns of numbers for each of the other rows.
  - c. Explain what the total number \$214,635 represents.
26. Regarding response to Staff Data Request 2-21 (d) please verify that all of the bids are tabulated in a similar fashion and describe the numbers in each column, and what the column 2 total represents in terms of the crew costs.
27. Regarding response to Staff Data Request 2-21 (d) please explain why only Townsend Tree Service provided a row for “chain saw” and the other bidders did not.
28. Regarding response to Staff Data Request 2-21 (d) please explain why Townsend Tree Service did not provide a row for “pickup” and the other bidders did.
29. Regarding response to Staff Data Request 2-21 (d) please explain how the circuit bids were tabulated.