

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

ELECTRONIC APPLICATION OF TAYLOR COUNTY	)	
RURAL ELECTRIC COOPERATIVE CORPORATION	)	CASE NO.
FOR A GENERAL ADJUSTMENT OF RATES	)	2023-00147

**RESPONSES TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION  
TO TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION  
DATED JULY 5, 2023**

**Filed: July 19, 2023**

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

**In the Matter of:**

**THE ELECTRONIC APPLICATION OF )**  
**TAYLOR COUNTY RURAL ELECTRIC )**      **Case No. 2023-000147**  
**COOPERATIVE CORPORATION FOR )**  
**A GENERAL ADJUSTMENT OF RATES )**

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**VERIFICATION OF JEFFREY R. WILLIAMS**

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COMMONWEALTH OF KENTUCKY    )  
  )  
COUNTY OF TAYLOR                    )

Jeffrey R. Williams, Chief Executive Officer of Taylor County Rural Electric Cooperative Corporation, being duly sworn, states that he has supervised the preparation of certain responses to Attorney General of the Commonwealth of Kentucky's First Request for Information in the above referenced case on behalf of Taylor County Rural Electric Cooperative Corporation, 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.

  
\_\_\_\_\_  
Jeffrey R. Williams

The foregoing Verification was signed, acknowledged and sworn to before me this 19<sup>th</sup> day of July, 2023, by Jeffrey R. Williams.

Patsy R. Walters  
Commission expiration: 5/20/27





**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 1**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 1.** Refer to the Application generally. Provide an organizational chart of Taylor County RECC, including all positions. If a position is vacant, please designate as such.

**Response 1.** Please see attached. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.

ATTACHMENTS  
ARE EXCEL  
SPREADSHEETS  
AND UPLOADED  
SEPARATELY

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 2**

**RESPONSIBLE PARTY: Patsy Walters/ Jeffrey Williams**

**Request 2.** Refer to the Application, page 1, in which Taylor County RECC states that it provides electric power to approximately 27,700 members in the Kentucky counties of Adair, Casey, Cumberland, Green, Hart, Marion, Metcalfe, Russell, and Taylor.

- a. Provide a detailed account of all economic issues that the Company's customers in the above-referenced counties are combating at the present time.
- b. Provide Taylor County RECC's actual number of customers for the years 2013 – 2023.
- c. Explain in detail whether Taylor County RECC projects a future gain or loss of electric customers, and provide all projections concerning the same.
- d. Provide Taylor County RECC's total annual energy sales for the years 2013 – 2023.
- e. Explain whether Taylor County RECC expects annual energy sales to increase or decrease, and provide all projections concerning the same.

f. Both Taylor County RECC and South Kentucky Rural Electric Cooperative Corporation ("South Kentucky RECC") provides electricity to Adair, Casey, Cumberland, and Russell counties.

- i. Provide a map of Taylor County RECC's electric service area.
- ii. Provide a map differentiating between Taylor County RECC's electric service area and South Kentucky RECC's electric service area.
- iii. Explain whether Taylor County RECC has ever worked, or plans on working, with South Kentucky RECC on any joint ventures to provide electricity to Adair, Casey, Cumberland, or Russell counties.
- iv. Explain in detail whether Taylor County RECC has ever discussed merger with South Kentucky RECC or another similarly situated rural cooperative in order to streamline operations and obtain economies of scale. If not, explain in detail why not.

g. Based upon the most recent United States Census information, the poverty rates for Taylor County RECC's electric service area are as follows:

Adair County – 24.2%,

Casey County – 20.7%,

Cumberland County – 22.5%,

Green County – 19.5% ,

Hart County – 20.4%,

Marion County – 15.8%,



Metcalfe County – 19.3%,

Russel County – 27%,

Taylor County – 17.6%. <sup>1</sup>

Confirm that Taylor County RECC is aware of the above percentages of its electric customers who live at or below the poverty line.

**Response 2a.** The rise of cost-of-living, tightening financial conditions and the lingering Covid-19 pandemic all weigh heavily on Taylor County RECC's members.

**Response 2b.** Please refer to OAG First Data Request 122.

**Response 2c.** Please see attached.

**Response 2d.** Please refer to OAG First Data Request 122.

**Response 2e.** Please see attached.

**Response 2f.** Please see attached Map of Electric Distribution Service Areas. Taylor County RECC has not discussed plans with South Kentucky RECC on any joint ventures to provide electricity to Adair, Casey, Cumberland, or Russell counties. Taylor County RECC has

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<sup>1</sup><https://www.census.gov/quickfacts/fact/table/marioncountykentucky,hartcountykentucky,greencountykentucky,cumberlandcountykentucky,caseycountykentucky,adaircountykentucky/PST045222>;  
<https://www.census.gov/quickfacts/fact/table/taylorcountykentucky,russellcountykentucky,metcalfcountykentucky/PST045222>.

not discussed a merger with South Kentucky RECC or another similarly situated rural cooperative in order to streamline operations and obtain economies of scale.

**Response 2g.** Taylor County RECC is aware of the poverty levels within the service territory.

## Executive Summary *(continued)*

### *Overall Results*

- Total sales are projected to grow by 1.3 percent per year for the period 2022-2042 which is consistent with the 1.3 percent growth rate projected in the 2020 load forecast for the period 2020-2040. Results shown in Table 1-2.
- Winter peak demands are projected to increase 1.0 percent per year over the 20 year forecast (2022-2042). Summer peak demands for the same period indicate a growth rate of 0.9 percent.
- Load factor increases from 43.5% to 45.6% through the forecast period.

**Executive Summary (continued)**  
**Overall Results – Table 1-2**

	Time Period	Residential	Small Commercial	Large Commercial	Other	Total Sales
5-Year	2016-2021	1.7%	-0.4%	5.7%	-3.8%	2.0%
	2022-2027	1.5%	1.3%	1.5%	1.9%	1.5%
10-Year	2011-2021	0.2%	-0.5%	18.9%	-1.3%	2.1%
	2022-2032	1.4%	1.2%	1.5%	1.0%	1.4%
15-Year	2006-2021	0.6%	0.3%	3.0%	0.3%	1.0%
	2022-2037	1.4%	1.1%	1.5%	0.6%	1.3%
20-Year	2001-2021	0.8%	1.3%	3.0%	1.6%	1.4%
	2022-2042	1.4%	1.0%	1.4%	0.5%	1.3%

## Key Assumptions

### Economic History and Forecast

Table 1-3

	Time Period	Population	Households	Total Employment	Total Real Personal Income
5 Year Growth Rates	2016-2021	0.2%	0.5%	-0.3%	4.0%
	2022-2027	0.3%	0.9%	0.4%	2.6%
10 Year Growth Rates	2011-2021	0.1%	0.3%	0.4%	2.9%
	2022-2032	0.3%	0.8%	0.6%	2.6%
15 Year Growth Rates	2006-2021	0.2%	0.3%	0.3%	2.6%
	2022-2037	0.3%	0.8%	0.6%	2.7%
20 Year Growth Rates	2001-2021	0.3%	0.3%	0.7%	2.4%
	2022-2042	0.2%	0.7%	0.6%	2.6%

- EKPC's source for economic forecasts is IHS Markit. Total Real Personal Income is reported in millions of 2009 dollars. Growth rates shown are Compound Annual Growth Rates.

# Electric Distribution Service Areas

## PSC Regulated Rural Electric Utilities

- Big Sandy RECC
- Blue Grass Energy Cooperative
- Clark Energy Cooperative
- Cumberland Valley Electric
- Farmers RECC
- Fleming-Mason Energy Cooperative
- Grayson RECC
- Inter-County Energy Cooperative
- Jackson Energy Cooperative
- Jackson Purchase Energy Corporation
- Kenergy Corporation
- Licking Valley RECC
- Meade County RECC
- Nolin RECC
- Owen Electric Cooperative
- Salt River Electric Cooperative
- Shelby Energy Cooperative
- South Kentucky RECC
- Taylor County RECC

## PSC Regulated Investor Owned Utilities

- Duke Energy Kentucky, Inc.
- Kentucky Power
- Kentucky Utilities Company (KU)
- Louisville Gas and Electric Company (LG&E)

## TVA Regulated Utilities

- Gibson EMC (TN)
- Pennyrite RECC
- Tri-County REMC
- Warren RECC
- West Kentucky RECC

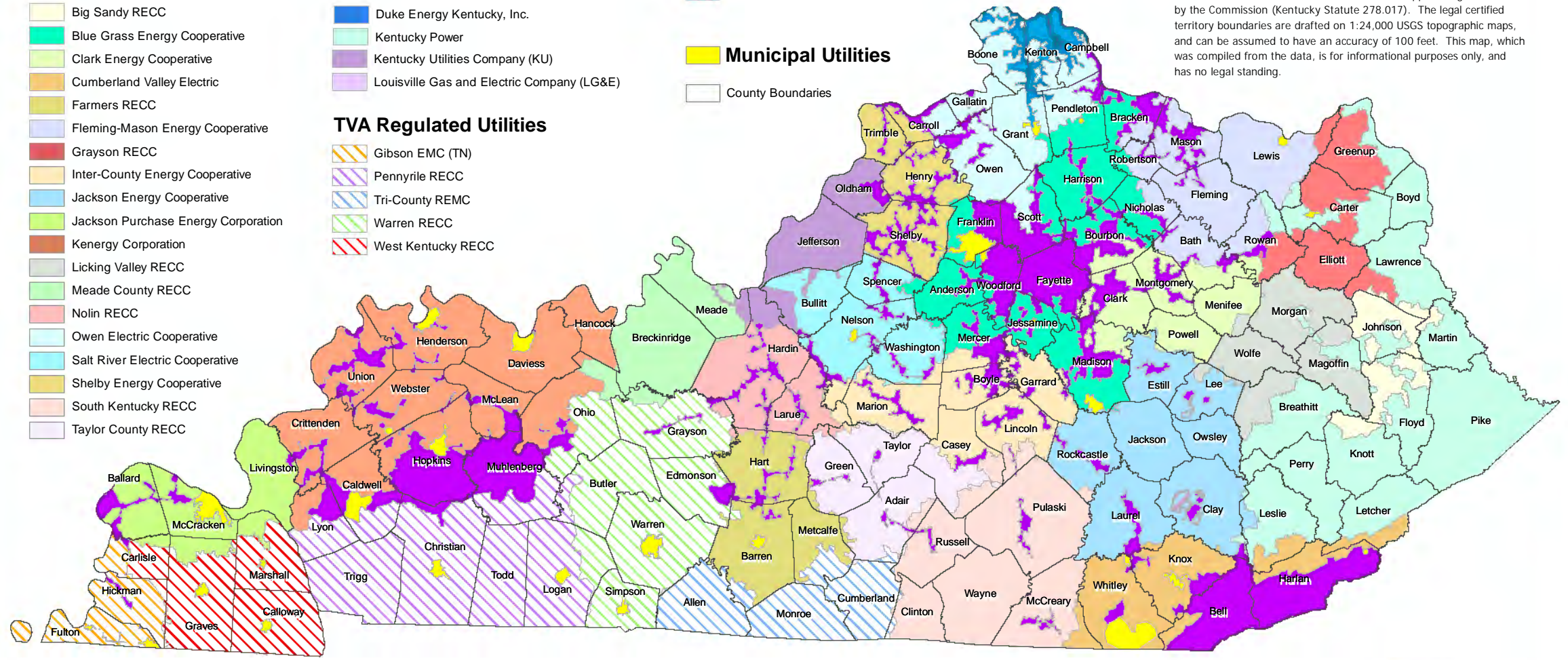
## Multi-Service Areas

- Jackson Energy Cooperative & KU

## Municipal Utilities

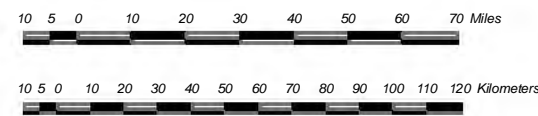
- County Boundaries

The electric service areas are compiled from certified territory maps on file with the Public Service Commission. These are legal documents which define the retail service area of electric suppliers regulated by the Commission (Kentucky Statute 278.017). The legal certified territory boundaries are drafted on 1:24,000 USGS topographic maps, and can be assumed to have an accuracy of 100 feet. This map, which was compiled from the data, is for informational purposes only, and has no legal standing.



Kentucky has 30 municipal systems serving over 500,000 customers. Ten of these are provided wholesale power by the Tennessee Valley Authority (TVA) and are regulated by them. The others are self-regulated by the municipality.

The boundaries for the municipal systems were either derived from the Public Service Commission's certified territory maps, or from boundaries submitted for informational purposes to the PSC from the municipals. If the municipal service area boundaries were unknown, a circle was placed around the urbanized area.



Kentucky Public Service Commission  
 March 20, 2020

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 3**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 3.** Refer to the Application generally. Provide the following information for Taylor County RECC employees.

- a. Provide the position title and salary for each salaried employee for the years 2013 – 2023.
- b. Provide the average raise that the salaried employees received for the years 2013 – 2023. Ensure to explain whether the annual raise is directly connected to a performance review.
- c. Provide the average bonus that each salaried employee received for the years 2013 - 2023.
- d. Provide all awards given to the salaried employees for the years 2013 – 2023.
- e. Provide all vehicle allowances given to the salaried employees for the years 2013 – 2023.
- f. Provide all incentive compensation given to the salaried employees for the years 2013 – 2023.

- g. Provide the average raise, if any, which will be given to salaried employees for 2024.
- h. Provide a detailed explanation of the insurance benefits provided to the Company's salaried employees, including but not limited to health, dental, vision, life insurance, etc. Ensure to include all premiums paid by the Company's salaried employees, premiums paid by the Company or parent company on the salaried employees' behalf, as well as all copays, deductibles, and maximum out of pocket amounts.
- i. Provide a detailed explanation of the retirement benefits provided to the Company's salaried employees, including but not limited to, whether there is a defined benefit plan, 401(k) matching, etc.
- j. Explain whether any of the salaried employees are members of a union.

**Response 3a.** Please see attached schedule.

**Response 3b.** Please see attached schedule for the average raise provided to the salaried employees. Taylor County RECC currently does not have a written formal review process in place; a verbal performance review is discussed with the employee.

**Response 3c.** Please see attached schedule.

**Response 3d.** Please see attached schedule.

**Response 3e.** Please see attached schedule.

**Response 3f.** Taylor County RECC does not have an incentive compensation plan for the years 2013-2023.



**Response 3g.** Taylor County has not determined raises for salaried employees for 2024 yet.

**Response 3h.** Please refer to OAG's First Data Request No. 25 for a detailed explanation of the insurance benefits provided to the Company's salaried employees.

**Response 3i.** Please see attached explanation of Taylor County RECC 401(k) Retirement Benefits. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.

**Response 3j.** Taylor County RECC's salaried employees are not a member of the union.

# 401(k) Pension Plan

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## SUMMARY PLAN DESCRIPTION

as adopted by

TAYLOR COUNTY RECC

18-023-001

Effective Date: January 01, 2023

## Introduction

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This document is a Summary Plan Description (SPD) of the 401(k) Pension Plan (“401(k) Plan” or “Plan”) sponsored by NRECA. The purpose of this SPD is to summarize the key provisions of the 401(k) Plan. Each participant in the 401(k) Plan is responsible for reading this SPD and related materials completely and for complying with all rules and Plan provisions.

The Federal laws governing the operation of retirement plans are complex. This document is only a summary of the most important provisions of the Plan. It does not discuss some of the more technical aspects of the Plan's operation that may affect you, your right to participate or the amount of benefits available to you. The Plan is operated according to the provisions of the Plan and amendments.

**If the terms of this SPD conflict with the terms of the 401(k) Plan document, the Plan document will govern in all cases. In addition, the language in the Plan document gives the I&FS Committee and its delegates (as defined in the section titled *Administrative and Contact Information*) discretionary authority to determine eligibility for benefits or to interpret the terms of the Plan.**

If you have questions or you do not understand any part of this SPD, contact your local benefits administrator (BA) or the plan administrator. The plan administrator's name and address can be found in the section titled *Administrative and Contact Information*.

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## Administrative and Contact Information

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### Benefits Administrator

Your co-op's BA is the person who has on-site plan administrator responsibilities for your employer. Your BA is your primary point of contact for any questions concerning the operation and administration of the 401(k) Plan. However, it is recommended that you seek the advice of a qualified tax or financial professional before making decisions about your 401(k) Plan, particularly decisions about Plan distributions.

The BA of your 401(k) Plan is:

Benefits Administrator  
TAYLOR COUNTY RECC  
P.O. BOX 100,  
CAMPBELLSVILLE, KY 42719

Employer Identification Number: 61-0359668

### Plan Sponsor

The plan sponsor is a designated party that sets up a retirement plan, such as the 401(k) Plan, for the benefit of the adopting employers and their eligible employees.

The plan sponsor of the 401(k) Plan is:

National Rural Electric Cooperative Association (NRECA)  
4301 Wilson Boulevard  
Arlington, VA 22203-1860

Employer Identification Number: 53-0116145

NRECA, as the 401(k) Pension Plan sponsor, is the only body authorized to voluntarily terminate the 401(k) Plan; however, your employer may cease participation in the Plan with appropriate advance notice to the plan administrator and employees. For more about these events, see the section titled *Amendment and Termination of Your Plan*.

### Plan Administrator

The plan administrator is responsible for the administration and operation of the 401(k) Plan and acts in the interest of the Plan's participants. The plan administrator is designated as the agent for legal matters related to the 401(k) Plan and works with your co-op to ensure that the Plan meets all government regulations. Any action against or in connection with the Plan, NRECA, or any fiduciary or Named Fiduciary of the Plan must be filed exclusively in the United States District Court for the Eastern District of Virginia. Legal process may be served on the plan administrator at the following address.

The plan administrator of the 401(k) Plan is:

Senior Vice-President  
Insurance and Financial Services  
National Rural Electric Cooperative Association  
4301 Wilson Boulevard  
Arlington, VA 22203-1860  
703.907.5743

Employer Identification Number: 54-2072724

### **Plan Trustee**

The assets of the 401(k) Plan are held in trust by a trustee that has been designated to invest Plan assets, at the direction of investment managers, for the benefit of participants and their beneficiaries.

The trustee of the 401(k) Plan is:

State Street Bank and Trust Company  
1200 Crown Colony Drive; 5th floor  
Quincy, MA 02169

### **Insurance & Financial Services Committee**

The named fiduciary of the 401(k) Plan is the Insurance and Financial Services Committee (the I&FS Committee), whose members are appointed by the president of the NRECA board of directors. This committee has the central fiduciary responsibility for the plan and is vested with the discretion to select providers for the plan, including the administrator, investment managers and trustee. The I&FS Committee delegates authority to various entities and individuals to carry out required plan operations and then actively monitors its delegates in order to help ensure compliance with complex federal laws and regulations governing employee benefit plans. The I&FS Committee has the exclusive discretion to interpret the terms of the plan and to determine eligibility for benefits.

### **Plan Number**

The Plan number assigned by the Plan Sponsor is 444.

## General Plan Information

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Your employer, in cooperation with NRECA, has established the 401(k) Plan at your co-op to provide a retirement plan for the benefit of its employees and their beneficiaries. The 401(k) Plan is what is known as a defined contribution plan; it is qualified under all applicable sections of the Internal Revenue Code of 1986 (the Code) and Treasury Regulations. The 401(k) Plan operates on a calendar year basis during the 12-month period beginning on January 1 and ending on December 31.

### General Plan Contributions

The Plan is a money purchase pension plan with a special salary deferral feature that allows you to contribute to your account on a pre-tax basis. This means that you will be able to make contributions before federal and, where applicable, state taxes are withheld. This will enable you to save more for retirement with minimal impact on your take-home pay. Contributions to the Plan will begin after you meet the eligibility requirements for participation. The contributions accumulate with investment earnings until you or your beneficiaries are eligible to withdraw your benefit (upon retirement, disability, termination or death).

The benefit available to you at retirement depends on the amount(s) contributed to the Plan and on the investment results obtained over the term of your investment. There is no guarantee as to the amount of your benefit available at retirement. When you receive your distribution(s), you may be liable for income tax on the taxable portion of your account.

The benefits available under the 401(k) Plan are designed to supplement any benefits available to you under Social Security and any other retirement plans in which you may participate. The Plan should be considered as one source of retirement security along with your other personal savings and investments.

### Employer Contributions

Your employer will contribute to the Plan on your behalf after you meet the eligibility requirements for employer contributions. As with your own salary deferrals, your employer contributions will be held in an account under your name until you are eligible to withdraw your benefit. You do not pay income tax on these contributions when they are made, but you may be liable for income tax on the taxable portion of your account when the money is distributed to you.

### For More Information

A more thorough discussion of how your account is maintained and operated is provided in the sections to follow. If you have questions specific to your 401(k) Plan account or about the Plan in general, please contact your BA. See the section titled *Administrative and Contact Information* for details.



## Summary of Plan Benefits

<b>Effective date of plan</b>	01/01/1995
<b>Employer Plan amendment date</b>	01/01/2023
<b>Employer Identification Number (EIN)</b>	61-0359668
<b>Plan number</b>	002
<b>Eligible class of employees</b>	All Employees
<b>Excluded class of employees</b>	A. All Employees who transfer to Taylor County REC from another NRECA member cooperative shall be excluded from participation for the first three months of employment.
<b>Eligibility waiting period for employee contributions</b>	3 months (First of the month on or next following)
<b>Eligibility waiting period for employer contributions</b>	3 months (First of the month on or next following)
<b>Normal Retirement Date (NRD)</b>	Age 62
<b>Plan type</b>	401(k) Plan
<b>Compensation used for employer contributions</b>	Base salary
<b>Compensation used for employee elective contributions</b>	Base salary
<b>Safe Harbor Plan design</b>	No
<b>Employer base contribution</b>	16% of compensation
<b>Employee required contribution for base contribution</b>	3% of compensation

<b>Loan provision</b>	Yes
<b>Number of loans available</b>	Four
<b>Loan fees</b>	\$100 per loan
<b>Contributions during initial disability period</b>	No
<b>Investment of contributions</b>	Employee designates
<b>Frequency of investment changes</b>	Daily
<b>Self-Directed Brokerage Account (SDBA)</b>	Yes

## Eligibility, Participation and Vesting

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This section contains general information about how you qualify to participate in the 401(k) Plan and when you can begin making and receiving contributions.

### Eligibility

#### Eligible class of employees

To be eligible to participate in the 401(k) Plan, you must be in the following class of employees:

All employees of your employer who have met the age and service requirements

If you have questions about the eligible class(es) of employees, please see your BA.

#### Excluded class of employees

Your employer excludes certain classifications from participation in the Plan. All employees in the following job classifications are not eligible to participate in the Plan:

- Other job classifications:
  - A. All Employees who transfer to Taylor County REC from another NRECA member cooperative shall be excluded from participation for the first three months of employment.

### Age and Service Requirements

To become a participant in the Plan, you must meet certain minimum service requirements. There are no minimum age requirements to participate in the Plan. This means that you must be a member of the group of eligible employees described above and you must work for a minimum length of time.

You become a participant on the first day of the month coincident with or next following the date on which you meet the minimum service requirements. The service requirements are based on either hours of service or one year of eligibility service (called the 1,000 hour rule). Your employer's specific service requirements are described later in this section.

Your employer will keep track of your service and will enter you into the Plan on the first of the month coincident with or next following the date you complete either the minimum hours of service (if applicable to your Plan) or 1,000 hours of service.

#### Hours of service

Hours of service are any hours for which you were paid your salary. This includes paid vacation, sick leave, holidays, jury duty and military service. You are also credited with hours of service for any uncompensated leave of absence, as long as you return to work at the end of such leave.

#### The 1,000 hour rule

Under the 1,000 hour rule, service is calculated during a computation period defined as either:

- Your first 12 consecutive months of employment, beginning on the date you complete an hour of service, or
- A subsequent calendar year (if you do not perform at least 1,000 hours of service during your first 12 consecutive months of employment).

Therefore, under this rule, if you do not work at least 1,000 hours in your first 12 months of employment, the next 12-month period used to determine your eligibility is the calendar year (January 1 through December 31) after the year in which you first began to work for your

employer. It is not necessary to be employed each and every day of the eligibility computation period in order to satisfy the 1,000 hour requirement.

**For example**, if you began work on May 10, 2022 and you did not perform at least 1,000 hours of service by May 9, 2023, the measurement year changes to the calendar year from January 1, 2023 to December 31, 2023. If you perform at least 1,000 hours of service during 2023, you will have one year of eligibility service on December 31, 2023 and would be eligible to participate in the Plan on January 1, 2024.

### **Employer contributions and employee contributions**

You will meet the minimum service requirements on the first day of the month coincident with or next following the date you have performed at least 84 hours of service in each of three full calendar months. The calendar months do not need to be consecutive, but must be within the same computation period.

**For example**, if you were hired on May 10, 2022 and you performed at least 84 hours of service in each of the months June 2022, August 2022 and September 2022, you would be eligible to participate in the Plan on October 1, 2022.

On the other hand, you may be eligible to participate in the Plan if you meet the 1,000 hour requirement. The 1,000 hour requirement applies only if:

- You do not perform at least 84 hours of service in each of at least three full calendar months, and
- You perform at least 1,000 hours of service in the 12-month period beginning on the date you perform your first hour of service or in a subsequent calendar year.

**For example**, if you were hired on May 10, 2022 and you did not perform at least 84 hours of service in any three full calendar months, but performed at least 1,000 hours of service by May 9, 2023, you would be eligible to participate in the Plan on June 1, 2023.

## **Additional Eligibility Issues**

### **Reemployment**

#### **For prior participants**

If you are a participant in the Plan, terminate your employment, and are later rehired by an employer that participates in the Plan, you will become a participant either on the day you are rehired or when you begin making employee contributions, if applicable.

#### **For previously non-participating employees**

If you satisfied the 1,000 hour rule requirement but did not become a participant in the Plan, then terminate employment and are later rehired by an employer that participates in the Plan, you may be eligible to participate in the Plan on the first day of the month following the date you are rehired.

### **Employment with related employers**

Employment with the following related employers counts toward eligibility service in this Plan:

- An employer that is a member of NRECA and does not participate in the NRECA pension programs;
- An employer that is an affiliate of an NRECA member employer that participates in the Plan;
- An employer that was not a member of NRECA and later became a member of NRECA;

- Any of the above entities of which an employee is a leased employee, if leased employees within the meaning of Section 414(n) of the Code are eligible to participate in an employer's plan.

### **Employment as part of an excluded class of employees**

If you are in an excluded class of employees and later become part of an eligible class of employees, your employment as a member of the excluded group will count towards the service requirement for participation in this Plan.

### **Part-time, seasonal or temporary employees**

Eligibility service for part-time, seasonal or temporary employees is credited in the same manner as service for full-time employees. If your employer has elected an eligibility period of one, three or six months and you work part time, you may not meet eligibility requirements on a monthly basis, but may still be eligible to participate in the Plan if you perform more than 1,000 hours of service in a year. Your employer will calculate your hours of service and will offer participation at the appropriate time.

### **Breaks in service**

If, during your initial eligibility period, there is a calendar year in which you are credited with fewer than 501 hours of service, you will be deemed to have incurred a break in service. If you again perform service for a participating employer, then the day you begin working will be treated as the first day of a new eligibility computation period. Any service you had prior to the year in which you were credited with fewer than 501 hours of service will be disregarded for the purposes of meeting the service requirement for eligibility.

This break in service rule applies only during the initial eligibility period.

### **Vesting**

The term "vested" refers to the percentage of your 401(k) account that you own. You are always 100% vested in your 401(k) Plan account; however, your account is subject to investment gains and losses, and there is no guarantee of what your account balance will be at any future date.

## Contributions To Your Account

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This section explains how contributions to your account are calculated using the Plan's salary definition and the contribution formula elected by your employer.

### Compensation (Salary)

Your compensation, or salary, refers to the amount you earn in wages as an employee of TAYLOR COUNTY RECC during a plan year. This figure is used to determine permitted 401(k) Plan contributions. Salary includes amounts that are actually paid to you, except where certain deferred compensation amounts are included in your salary as required by the IRS. For 2022, compensation in excess of \$305,000 may not be used to calculate benefits under Federal regulations. The IRS reviews this figure annually and adjusts it periodically to reflect changes in the cost of living.

Your employer has elected **base salary** as the amount used to determine the permitted contribution under the Plan for the following contribution types:

- Employer contributions;
- Pre-tax employee contributions;

Your **base salary** is defined as your regular compensation, including:

- Wages from your employer subject to income tax withholding;
- Any amount deferred under a qualified salary reduction arrangement under Sections 125, 401(k) and 457(b) of the Code;
- Elective amounts that are not includible in your gross income by reason of Section 132(f)(4) of the Code;
- Differential wage payments defined under Section 3401 of the Code; and
- Wages paid by the later of two and a half months after your termination of employment or the end of the calendar year of your termination;

but excluding:

- Any extra, overtime or bonus compensation;
- Reimbursements or other expense allowances provided under an accountable plan;
- Fringe benefits;
- Moving expenses;
- Welfare benefits;
- A retainer or fee under a contract;
- Pension, deferred compensation or retirement allowances; and
- Any amount deferred under a nonqualified defined benefit deferred compensation plan.

### Contribution Types

#### Employer Base Contributions (employee contribution required)

Your employer makes an **Employer Base Contribution** equal to 16% of your salary. However, in order to receive the Employer Base Contribution, you must first make a Required Employee Contribution in the amount of 3% of your salary. If you do not make the Required Employee Contribution, you will not receive the Employer Base Contribution. Amounts you contribute in excess of the required employee contribution do not affect the employer base contribution.

**For example**, if your salary is \$25,000 per year and you contribute 3% of your salary or \$750.00, your employer would contribute \$4,000.00 or 16% of your salary.

## Voluntary employee contributions

After-tax voluntary employee contributions are not permitted.

## True-up contributions

True-up contributions are employer contributions that were not fully contributed to a participant's account during the Plan year or period of participation, which must be funded to ensure that the participant receives the full employer contribution amount. True-up contributions must be made no later than the employer's annual federal tax return filing deadline (including extensions).

## Contributions After Your Normal Retirement Date

Contributions to your account will continue as long as you are an eligible participant, regardless of your age.

## Contributions From Other Sources

The 401(k) Plan will accept an eligible rollover distribution as a contribution to this Plan.

You may roll over an account from a former employer as long as the plan of your former employer is a qualified plan that has operated in compliance with all of the federal laws governing retirement plans. A rollover may come from your former employer's retirement plan that is qualified under sections 401(a), 403(a) or 403(b) of the Code or from a governmental 457(b) plan. In addition, you may roll over the taxable portion of an IRA, but not contributions that would not be otherwise taxable to you if distributed from your IRA. **It is recommended that you seek the advice of a qualified tax or financial professional before making a decision about rollovers.**

You may roll over a distribution from a qualified retirement plan into this Plan any time after you start to work, including before you meet the eligibility requirements for participation. There are three ways to roll your money into this Plan:

- A **direct rollover** from your former employer's plan to this Plan. A direct rollover occurs when your former plan forwards your distribution directly to this Plan. After-tax employee contributions can also be directly rolled over.
- A rollover from a **traditional IRA**. After-tax employee contributions from a traditional IRA or Roth IRA account cannot be rolled over into this Plan.
- An **indirect rollover**. If you receive a distribution from your former employer's plan or an IRA, as opposed to a direct rollover to this Plan from either your former employer's plan or your IRA, you may deposit the taxable portion of your distribution in this Plan, provided you do so within 60 days of receiving the money from your former plan. You must deposit the check from your former employer's plan or your IRA, not your personal check.

This Plan permits only **direct** rollovers from a former employer's Roth 401(k). Your employer is not required to offer the Roth option in this Plan in order for you to roll over your Roth 401(k) balance from a former employer's plan. You may not roll over a Roth IRA distribution into this Plan.

Rollovers do not count towards your annual contribution limit. See the section titled *Contribution Limits* for details about the contribution limits in this Plan.

If you are also a participant in the Retirement Security (RS) Plan and you terminate your employment, you may roll over your RS Plan benefit into this Plan.

In addition, if your 401(k) Plan account balance is at least \$5,000 and you terminate your employment, if you leave your account balance in the 401(k) Plan you are permitted to roll over a distribution from an eligible retirement plan.

## Contribution Limits

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This section summarizes the contribution limits specified by the Treasury Regulations and the Code. Several tests must be performed to make sure the deposits to your Plan account do not exceed these limits, which are periodically adjusted for inflation, usually annually.

### All Employees

#### Salary deferrals

Under Section 402(g) of the Code, the maximum 401(k) contribution (pre-tax and Roth) that a participant can make is \$20,500 (the 2022 limit, indexed annually).

You can also make an additional catch-up contribution of \$6,500 (2022 limit, indexed annually) if at any time during the plan year you are at least 50 years old.

If you participate in more than one 401(k) plan during the plan year, all of your pre-tax and Roth contributions (if applicable) to all plans will be aggregated towards the limit.

#### Annual contribution limit

Under Section 415(c) of the Code, all employer and employee contributions made to your retirement plan accounts during a calendar year are limited to the lesser of 100% of your salary or \$61,000 (2022 limit, indexed annually). Employee required contributions to the Retirement Security (RS) Plan (or any other defined benefit plan) and contributions to any other defined contribution plan also apply toward this annual limit. Your annual contribution limit is the sum of:

- Current year contributions made by you or your employer to this Plan;
- Current year contributions to any other defined contribution plan in which you are a participant; and
- Your contributions to a defined benefit pension plan.

Your annual contribution limit is affected only by current year contributions made on your behalf by you or your employer to this Plan, to any other defined contribution plan and to a defined benefit pension plan. A rollover will not affect your annual contribution limit.

### Highly Compensated Employees

You are a highly compensated employee for 2022 if you earned more than \$130,000 during 2021 or if you own at least 5% of your employer's business during the current or prior year. This amount is adjusted annually for inflation, if needed. Under the nondiscrimination rules of Section 401(k) and Section 401(m) of the Code, highly compensated employees may not contribute more than a certain percentage of the amount contributed by non-highly compensated employees.

To determine if this has occurred, your Plan will be tested annually using methods described by the IRS. If the highly compensated group's actual deferral percentage is greater than the maximum percentage allowed under IRS rules, the excess contributions must be refunded to highly compensated employee(s). If you are a highly compensated employee and you must receive a refund, you will be notified.

### Top Heavy Plans

Your plan administrator is responsible for determining whether your Plan is top heavy for each Plan year. A plan is considered top heavy if more than 60% of the account balances are attributable to key employees. The term "key employee" generally refers to owners of the company and individuals who are corporate officers. If the Plan becomes top heavy, certain



requirements may apply (such as additional benefits for non-key employees). If this occurs and your employer participates in both the RS and 401(k) Plans, the top heavy minimum contribution will be provided to non-key employees through the RS Plan. You will be notified if this takes place.

The law requires specific vesting schedules to be applied to top heavy plans. Since all contributions under your Plan are always 100% vested, the top heavy vesting requirements are automatically satisfied.

## Leaves Of Absence

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This section contains general information about compensated and uncompensated leaves of absence and how they affect your participation in the 401(k) Plan.

If you take a leave of absence (such as vacation, holiday, sickness or jury duty) for which you are receiving any type of compensation, your leave of absence will have no effect on your participation in the Plan.

Generally, if you are on a leave of absence for which you are not receiving any type of compensation, you will be withdrawn from participation in the Plan for that leave period. Special rules apply to unpaid leaves of absence for purposes of uniformed service.

### Military Leave

Military leave is any absence from employment because you are called to active duty, including active duty for training, full-time National Guard duty and inactive training. The Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) gives individuals who must perform military service certain reemployment and benefit rights as outlined below. See your BA for information on plan participation during and after a period of military leave and to obtain information and instructions applicable to your individual circumstances.

#### Contributions during military leave

There is no effect on your 401(k) Plan benefits if you use paid leave. If your employer pays you differential pay, you can make up contributions for the difference between what your employer paid you while you were on military leave and what your salary would have been if you had not been on leave. If you take an unpaid leave of absence, contributions to your 401(k) Plan account will be suspended. Upon your return to employment, you and your employer are able to make up any contributions missed during this absence, if applicable.

Starting from your date of reemployment, the deadline for you to make up the elective deferrals or after-tax contributions is three times the period of uniformed service that gave rise to the USERRA rights, generally no more than five years. For example, if you served in the military for one year, you would have three years (three times the service period) in which to make up the deferrals or contributions. If your employment is terminated for any reason, voluntarily or involuntarily, the make-up period will end at the date of your termination.

#### Loans during military leave

If your employer's Plan permits loans and you have an outstanding loan during your military leave of absence, you may request a loan repayment grace period. This grace period can begin on the date you begin performing uniformed service. You will not be required to make loan repayments during the grace period, but interest will continue to accrue during your military leave of absence. When you return to work, a new repayment date will be determined using the repayment date under the original term of the loan plus the period of uniformed service. You must repay your loan no later than this new repayment date.

#### Distributions during military leave

Generally, military service is considered a leave of absence and not a termination of employment. Distributions cannot be made unless you terminate employment. If you terminate employment, receive a distribution and are then subsequently reemployed with the same employer, you may be able to roll your distribution back over to the 401(k) Plan, provided that all applicable rollover rules are satisfied. See the section of this SPD titled *Contributions From Other Sources* for a discussion of rollover rules.

## **Returning to work after military leave**

To be entitled to reemployment following your completion of uniformed service, you must produce either your DD214 or a certificate of release. Your discharge papers should indicate that your discharge was honorable, general, under honorable conditions or uncharacterized. In addition, prior to your leave of absence, you must notify your employer of your intent to return to work following the leave.

If your period of service is 30 calendar days or less, you must report to work no later than the beginning of your first scheduled work period after completing your military service, allowing for safe travel home and an eight-hour rest period.

If your period of service is 31 through 180 calendar days, you must submit an application for reemployment (written or oral) no later than 14 calendar days after completing your military service.

If your period of service is 181 calendar days or more, you must submit an application for reemployment (written or oral) no later than 90 calendar days after completing your military service.

If you do not submit an application for reemployment with your former employer within the timeframes noted above, then you will be treated as having terminated employment on the last day worked before you left for uniformed service. Special rules apply if you incur or aggravate an illness or injury during the period of service.

## **Disability Leave**

If your active employment stops as a result of your disability as defined under the NRECA Long-term Disability Plan, you are subject to certain contribution and withdrawal conditions under the 401(k) Plan.

### **Contributions while disabled**

Generally, as long as you are receiving compensation through your employer, you can make salary deferrals to your 401(k) Plan. Salary deferrals must stop when you begin to receive long-term disability income.

Your employer will not make any contributions if you are disabled.

### **Contributions during periods of rehabilitation**

If you return to work on rehabilitative status, as approved by Cooperative Benefit Administrators, your employer and your physician, employer and employee contributions will be made during your period of rehabilitative status based on the compensation earned through your employer, subject to required or matching contributions, if applicable.

### **Loans while disabled**

For information about loans during disability, see the section titled *Loans* located in the *Payment Events* chapter of this SPD.

### **Disability withdrawals**

If you should become disabled, you will be entitled to receive all or a portion of your Plan account balance. Please see the section titled *Payment Events* for details on disability withdrawals.

## Investments

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This section contains general information about the rules that govern the investment of your 401(k) Plan account.

The 401(k) Plan is a retirement plan as described in Section 404(c) of the Employee Retirement Income Security Act of 1974 (ERISA) and the regulations issued thereunder. Accordingly, any fiduciary within the meaning of Section 3(14) or 3(21) of ERISA shall not be liable for any loss or by reason of any loss or by reason of any breach, that results from a participant exercising control over investment of his or her account. This includes any investments made using the established procedures and based on instructions from you, via telephone, internet or other approved method, that are believed to be genuine, to the extent that you exercise control over the assets in your account as described in Section 404(c) of ERISA.

This Plan is an individual account plan. This means that all employer and employee contributions are maintained in separate accounts for each participant. Each account is credited with its share of contributions and investment gains and losses.

Your employer is responsible for submitting employee contributions to the Plan as soon as the contributions can be separated from their general assets. These contributions are credited to your account on the evening of the third business day after NRECA receives actual payment for the investment and all information required to process the deposit. Your employer and employee contributions to the Plan are invested in one or more of the available investment funds, as specified by you.

### Investment Options

Once you enroll in the Plan, you may choose to invest your contributions and any contributions made by your employer (if applicable to your plan) in any of the available investment funds.

The Plan offers a variety of investment options. Investment and disclosure information, including detailed profiles of all investment options, can be found online at [cooperative.com/401kInvestments](http://cooperative.com/401kInvestments) and in the *Participant Fees Annual Disclosure Statement*, which is located on [cooperative.com](http://cooperative.com) at *My Benefits > Education & Resources > Retirement Plan Documents*. These resources provide important information to help you compare and choose between the investment options in your Plan. They provide the name of the designated investment manager for each investment option, general information about operation of the Plan, expense information and a chart comparing the performance and other features of each investment option. In addition, the plan administrator will provide you with an update if, for example, investment options are added, removed or changed during the year.

To assist you, NRECA provides investment education and retirement planning on behalf of participants in the 401(k) Plan. Assistance is available from NRECA's Personal Investment & Retirement Consulting (PIRC) team, either by phone at 866.673.2299 (option 6), by email [pirc@nreca.coop](mailto:pirc@nreca.coop) or in writing at:

NRECA PIRC; IFS 8-306  
4301 Wilson Blvd  
Arlington, VA 22203-1860

However, NRECA does not provide investment, legal or tax advice. It is recommended that you consult with your own legal, tax, or investment advisers before making specific decisions.

### Investment performance: variable return investments

Each of the Plan's current investment options is a variable return investment, meaning it does not have a fixed or stated return. The table in the *Participant Fees Annual Disclosure Notice*

shows how these options have performed over time and allows you to compare them with an appropriate benchmark for the same time periods. An investment's past performance is not necessarily an indication of how it will perform in the future. Your investment in these options could lose money.

### **Commodity pool operator disclosure notice**

The Commodity Exchange Act regulates financial futures, including futures contracts used by stock and bond funds for hedging purposes. Under the Commodity Futures Trading Commission (CFTC) regulations, any investment fund that invests in futures contracts is potentially classified as a commodity pool, and any person operating such a commodity pool could be required to register and be regulated as a commodity pool operator by the CFTC. However, statutory exclusions are available for certain entities.

Periodically, the NRECA Insurance & Financial Services Committee may pursue trades of futures or options on futures on behalf of the 401(k) Plan. Because the committee, as named fiduciary of the plan, has claimed an exclusion from the definition of a commodity pool operator under the Act, the committee is not subject to registration or regulation as a pool operator under the Act. This information is disclosed above is a requirement of the statutory exclusion pursuant to 17 CFR § 4.5(c)(2).

### **Valuation**

All 401(k) Plan investment options are priced daily for each day in which the New York Stock Exchange (NYSE) is open for business. Each fund's share price is calculated at the close of business (usually 4 pm ET) on days when the NYSE is open. Valuations may not be performed on any business trading day that shares cannot be valued due to the inability of NRECA personnel to service the Plan because of circumstances beyond their control, such as severe weather or an Act of God, even if the NYSE is open for business.

### **Voting rights**

The designated investment managers will exercise any voting or other rights associated with ownership of the investments held in your Plan account.

### **Expenses**

The Plan is self-administered and does not charge participants or beneficiaries separately for administration services, including recordkeeping, legal and accounting services. Instead, the Plan charges expenses to your account through the annual operating expenses of each investment option as described in your *Participant Fees Annual Disclosure Notice*. The expense ratios therein are the total annual operating expenses for each investment option, which reduce the return of each option. There are no shareholder-type fees or Plan-level expenses other than the individual fees described in the disclosure and elsewhere in this document.

The cumulative effect of total annual operating expenses can substantially reduce the growth of your retirement savings. Visit the Department of Labor's website at [www.dol.gov/agencies/ebsa/about-ebsa/our-activities/resource-center/publications/understanding-your-retirement-plan-fees](http://www.dol.gov/agencies/ebsa/about-ebsa/our-activities/resource-center/publications/understanding-your-retirement-plan-fees) for an example showing the long-term effects of fees and expenses. This site also discusses the many factors to consider when choosing your investment options, including whether a given choice, along with your other investments, will help you achieve your retirement goals.

### **Qualified Default Investment Alternative**

If you do not choose investment fund(s) when you enroll in the Plan, any contributions to your account will automatically be invested in the 401(k) Plan's Qualified Default Investment

Alternative (QDIA). The QDIA for the 401(k) Plan is the Target Date Portfolio (TDP) investment funds, a group of funds that invest in a mix of different asset classes. These funds serve as the default investment option for the 401(k) Plan in order to comply with federal regulations designed to foster retirement income security.

If you do not choose your own investment options from your Plan's line-up, contributions to your account will be invested in the TDP specific to your year of birth using the assumption that you will retire at age 65. If your assumed retirement date falls between the target year of two TDPs, then additions to your account will be divided equally between the two TDPs closest to your assumed retirement age of 65. NRECA will continue to direct your 401(k) Plan account investments to the TDP(s) selected for you until you make an investment election of your own. You may choose to leave your investments in the TDPs selected for you, or at any time you can make your own selection from the investment options available in your Plan's fund lineup.

Each year you will receive a notice that describes the Plan's QDIA investment options (in which you may be invested) and explains how to change your current account balance and future contribution allocations. Consult the detailed information about each of the TDP investment options at [cooperative.com/401kInvestments](http://cooperative.com/401kInvestments) or contact PIRC as described above before making decisions about how to invest.

## **Giving Investment Instructions**

You can invest your contributions and any employer contributions (if your employer has elected to contribute and you are eligible to receive them) in any of the available investment funds. Your investment allocation may be in one fund or split among multiple funds; however, you may not allocate less than 1% of your entire contribution to any one fund.

To direct your Plan investments, including changing your existing account balance, choosing an allocation for future contributions or rebalancing your account, log in to [cooperative.com](http://cooperative.com) or call NRECA at 866.673.2299 (option 5, then 1). Your elections will go into effect either the same day, or, if after 4 pm ET, on the next business trading day.

### **Limits on fund exchanges**

Your instructions for an exchange will be implemented after 4 pm ET on any day the NYSE is open for business. However, due to market timing restrictions, if you sell shares from one fund (excluding the stable income/cash investment option), you will be prevented from moving existing money back into that fund for 30 days. This policy applies only to fund-to-fund exchanges, with certain exceptions that include new investments made from regular payroll contributions and mistakes made by you while requesting a transaction. These exceptions are described in detail in the QDIA notice sent to you annually and described above.

## **Share Value and the Dollar Value of Your Account**

Contributions are used to purchase shares in the investment funds of your choice based on the share values in effect when the trustee receives the contributions. The share value is determined on a daily basis and reflects the value of each investment fund at the current market value.

Increases or decreases in the market value of a fund are reflected in the share price. By multiplying the number of shares in your account by the share price, you can determine the dollar value of your account.

For example, if the price per share in a particular fund is \$5 per share on June 30, 2022 and your account has 500 shares in this fund (450 shares plus an additional 50 purchased), the value of your account on June 30, 2022 is \$2,500 (\$5 x 500 shares).

Date	# of shares in account	Plus shares purchased (contribution)	Equals total # of shares in account	Times daily \$ price per share	Equals account value
June 30, 2022	450	+ 50	= 500	x \$5	= \$2,500

## Account Statements

You will receive a statement of your account balance at the end of each calendar quarter. The statement will show the value of your account at the start of the quarter, your contributions and investment results, withdrawals and fees and the value of your account at the end of the quarter.

## Self-Directed Brokerage Account

Your employer has chosen to offer the Self-Directed Brokerage Account (SDBA) as an additional investment option within your Plan. You can set up an account, direct a portion of your Plan assets to the SDBA, and then use the account balance to buy and sell individual stocks, bonds and mutual funds.

NRECA offers the SDBA choice in conjunction with TD Ameritrade, Inc. When you open an SDBA account, TD Ameritrade routes the orders you place with them to be executed and then maintains records for the self-directed portion of your account.

When you open an SDBA you serve as your own investment manager. All investments are made at your own direction and risk. Securities purchased through the SDBA, including mutual funds, are not bank deposits and are not insured by the FDIC or guaranteed by TD Ameritrade. All investments are subject to investment risk, including possible loss of the principal amount invested, and there is no guarantee of any future performance. Neither NRECA nor TD Ameritrade can give you advice concerning your investment selections or the potential tax implications surrounding them.

Complete information on the SDBA investment option is available on [cooperative.com](http://cooperative.com) at *My Benefits > My Retirement > Self Directed Brokerage Account*.

### SDBA eligibility requirements

To open an SDBA account, your total 401(k) Plan account balance must be at least \$5,000 when your SDBA enrollment application is received. You may transfer up to 50% of the value of your 401(k) Plan account, excluding outstanding loans, to the SDBA. The minimum initial transfer is \$1,000 and the minimum subsequent transfer is \$250. You must maintain a \$500 account balance in the 401(k) Plan's core funds. If the assets in your traditional funds fall below \$500, you will not be allowed to make any further transfers into your SDBA until the minimum balance is restored to at least \$500. You may make a maximum of one transfer either in or out of the brokerage account on any trading day.

### SDBA fees

The Plan currently imposes a charge against your individual account for opening and maintaining an SDBA. This does not include any fees and commissions you separately incur as a result of selecting investments through the SDBA. Your quarterly 401(k) Plan account statement provides information on the Plan's SDBA-related expenses that you incur individually in the prior quarter.

In addition, TD Ameritrade may impose separate fees and commissions for each investment you select through the SDBA, in addition to any ongoing fees for the particular investment. The types of charges you incur depend on the investments you select within the account and can include transaction fees, front and back end sales loads, contingent deferred sales charges, 12b-1 fees, redemption fees, exchange fees, brokerage fees, management fees and shareholder servicing fees.

A fee schedule is available on cooperative.com at *My Benefits > My Retirement > Self Directed Brokerage Account > SDBA Commissions and Service Fees*. However, participants and beneficiaries should call TD Ameritrade at 866.766.4015 to ask about commissions and fees, including any undisclosed fees associated with the purchase or sale of a particular security through the SDBA, before purchasing or selling that security.

### **SDBA withdrawals and distributions**

Assets in your SDBA must be transferred back to your 401(k) Plan account before such amounts are available for loans, withdrawals and/or distributions.

In the event of your termination, retirement, or quasi-retirement, your SDBA will automatically be liquidated unless you elect to defer payment of your 401(k) Plan account (even if you choose annuity payments). Note that if you do not request a distribution of your benefits when you separate from service, then you are deemed to have elected to defer distribution, as described in the *Payment Options* chapter of this document under *Making Your Election*. If the distribution of your 401(k) Plan account is deferred, you must continue to meet the minimum balance requirement of \$500 in order for your SDBA to not be liquidated. In the event of your death, your SDBA will be liquidated and will be included in the distribution of your Plan account to your beneficiary.

If TD Ameritrade ever needs to liquidate securities without your instructions, it would follow this selling order:

- No-load, no-fee mutual funds;
- No-load mutual funds;
- Load mutual funds;
- Equities;
- Fixed-income securities.

### **Your SDBA and Qualified Domestic Relations Order Withdrawals**

In the case of a Qualified Domestic Relations Order, if your 401(k) Plan account balance is not sufficient to cover the settlement, NRECA will first ask you to transfer assets from your SDBA to your 401(k) Plan account so that NRECA can comply with the court order. If you do not transfer the assets, NRECA will instruct TD Ameritrade to make the transfer.

### **Your SDBA and required minimum distributions (RMDs)**

If you need to take an RMD, NRECA will authorize TD Ameritrade to liquidate and close your SDBA. Proceeds will be transferred to your 401(k) Plan account and your distribution will be processed. See the section titled *Payment Events* for more information on RMDs.



## Payment Events

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This section contains general information about how various events may affect your benefit payment.

You may receive a payment from the Plan if you terminate your employment, retire or die. In addition, you may also receive a benefit following certain corporate transactions or if the Plan is terminated.

Your beneficiaries may receive a payment from the Plan in the event of your death. Benefits also may be paid if a Qualified Domestic Relations Order (QDRO) exists that requires a part of your benefit be paid to an alternate payee (usually the participant's ex-spouse).

Under certain circumstances you may request a cash withdrawal from your account while you are still employed by your employer. If elected by your employer, these circumstances may include: financial hardship, disability, withdrawal of voluntary employee contributions and quasi-retirement. Other sections of this SPD describe these withdrawal types in further detail, if your employer has elected to offer them in this Plan.

For details about the forms of payment you may elect with regard to your Plan benefit, see the section of this SPD titled *Payment Options*.

## Termination of Employment

You are entitled to receive your total account balance from this Plan if you either voluntarily or involuntarily terminate your employment with your employer.

## Normal Retirement

Your Normal Retirement Date under this Plan is the first day of the month coinciding with or next following the day you reach age 62.

## Required Minimum Distributions

IRS rules state that you must begin to receive at least a minimum benefit (called a required minimum distribution or RMD) from your 401(k) Plan account when you reach your required beginning date (RBD). If you were born on or before June 30, 1949, your RBD is April 1 of the year following the year you turn 70 1/2 or the year in which you retire, whichever is later. If you were born after June 30, 1949, your RBD is April 1 of the year following the year you turn 72 or the year in which you retire, whichever is later. If you reach your RBD, do not provide distribution instructions to NRECA, and are not already receiving benefit payments from your Plan account, your RMD for the year will automatically be sent to you.

## Death

In the event of your death, your designated beneficiary(ies) will receive your undistributed Plan account balance. See the section titled *General Beneficiary Information* for details about the rules for designating your beneficiary.

The form of death benefit that your beneficiary (or beneficiaries) will receive depends upon both your marital status and whether you had begun to receive your Plan benefit at the time of your death.

## Married participants

If you had not begun receiving your Plan benefit prior to your death, your spouse will receive a monthly annuity (called a pre-retirement survivor annuity) for his or her life, unless your spouse

had previously waived this form of payment in writing. If the value of your account is greater than \$5,000 at the time of your death, then your spouse may also be eligible to receive the benefit in another form, including a single cash payment or annual installments.

If you die after starting to receive your Plan benefit, your spouse will receive a monthly payment for the remainder of his or her life equal to 100% of the monthly amount you were receiving at the time of your death, unless your spouse had previously consented to your choice of another form of payment, in which case your spouse's options will depend on the form of payment you chose. Your spouse will be notified of the available payment options as needed.

### **Unmarried participants**

If you are unmarried and die before beginning to receive your Plan benefit, your beneficiary will receive a life-only annuity (monthly payments that continue as long as your beneficiary is alive but stop immediately upon his or her death) unless he or she elects to receive the benefit in either a single cash payment or in annual installments.

### **Additional death benefit information**

If you elect to terminate or retire, submit your distribution election and then die before your actual termination or retirement date, the Plan's death benefit will be paid (not the form of benefit you elected in writing). In addition, if you should die without having made your elections via a signed option form, the Plan's applicable form of death benefit will be paid. See the earlier information about the death benefits provided under this Plan.

### **Disability**

If you become disabled, you are entitled to receive all or a portion of your Plan account balance. You may request a distribution no earlier than 26 weeks after you stop working due to your disability status. If you are married, you may withdraw your benefits only as a Joint and Spouse Annuity, unless your spouse consents, in writing, to an alternate form of payment.

If you previously quasi-retired in the Retirement Security (RS) Plan and transferred your accrued benefit from the RS Plan to your 401(k) Plan account, withdrawal of the RS Plan portion of your account will cause a reduction in your long-term disability benefit. However, you may withdraw all of the money attributable to contributions to your 401(k) Plan account without any reduction to your long-term disability benefit. It is recommended that you seek the advice of a qualified tax or financial professional before making a decision about Plan distributions.

### **Potential tax consequences of disability withdrawals**

If your disability withdrawal is made before you are 59 1/2 years old, a 10% tax penalty may be assessed on the taxable portion of the withdrawal unless an exception applies. Exceptions are explained in the packet of withdrawal information that you receive when requesting a distribution. Also, if the distribution is not rolled over into an IRA, the taxable portion is subject to a 20% mandatory tax withholding.

### **Loans**

The Plan allows you to borrow against your account. Loans from the Plan must carry a market rate of interest and they must have adequate security. If you borrow from your account, you must sign a promissory note. A regular repayment schedule will be established and your account balance will be the collateral for any loan from the Plan. Also, you will have to pay an administrative fee in advance to cover the expenses of handling your loan.

The Plan treats loans as another investment in your account. The total value of your account is not reduced because you have borrowed from it; however, there is less money in your

investment funds because you have withdrawn some for the loan. In other words, the loan remains an asset of your account. If you receive a total distribution from your Plan account prior to paying off the loan, the amount of your distribution will exclude the portion of the loan that you have not paid back.

### **Eligible borrowers**

An employee who has met the Plan's participation requirements and has an account balance sufficient to receive at least the minimum loan amount is considered an eligible borrower. If you roll over money from another plan into this Plan, you may not receive a loan until you become a participant in this Plan. Dependents and beneficiaries of employees are not eligible borrowers.

If you were an eligible borrower and your active employment ends as a result of total or permanent disability as determined under the Plan, you may still apply for a loan.

### **Internal Revenue Code rules**

**Minimum loan amount:** The minimum loan from the Plan is \$1,000.

**Maximum loan amount:** The maximum loan permitted is the lesser of \$50,000 or 50% of the value of your Plan account as of the day you apply for the loan. If you have had another Plan loan in the last 12-month period, the \$50,000 limitation will be reduced by the highest outstanding loan balance on your account during the last 12 months prior to your new loan application minus the outstanding balance of all loans from the Plan on the date the loan is made.

**Interest rate:** Interest rates for a loan must be comparable to that of any commercial lender making a similar loan. Your interest rate will be 1% higher than the prime rate in effect nationwide as published in financial journals as of the first business day of the quarter in which the loan is approved. The applicable quarters are the calendar quarters beginning January 1, April 1, July 1 and October 1.

**Loan term:** The maximum time allowed for repayment of a loan is five years.

**Repayment schedule:** The loan must be paid in substantially equal installments made not less frequently than quarterly. (Some exceptions are made for unpaid leaves of absence.)

### **Plan rules**

**Applying for a loan:** After you request a loan, a written application for a Plan loan will be generated in the form of a promissory note and loan agreement. This will provide evidence of your obligation to repay the borrowed amount and your understanding of, and agreement to, the terms and conditions under which the loan is granted.

**Number of outstanding loans:** No more than four loans can be outstanding from your Plan account at one time, up to the maximum loan amount.

**Prepayment:** You may pre-pay a Plan loan in full before the end of its term. Partial pre-payments are not permitted.

**Refinancing:** You may not refinance an existing Plan loan.

**Spousal consent:** You may not borrow from your Plan account without your spouse's written consent on the promissory note.

### **Loan administration**

Loans are taken proportionately from each eligible investment fund in which your account is invested.

## Loan interest

The interest you pay on your loan goes back into your own account. Your payments of principal and interest are allocated to your account's investments in the same proportion that the money was withdrawn from your account when you made the loan. However, if you change your investment fund selections while you are repaying a loan, the payments will go to your most recent selections and not to the investment funds from which the money was withdrawn.

Interest on Plan loans is not tax-deductible.

## Applying for a loan

You can find out if you are eligible for a loan or request a loan using cooperative.com. Go to *My Benefits > My Retirement > Loans*, and follow the instructions. Or call NRECA's automated voice response system at 866.673.2299 (option 5, then 1) and follow the voice prompts for loan administration. These resources are available 24 hours a day. You may also contact your BA in the event you do not have access to cooperative.com or if you have questions about loan administration.

The plan currently imposes an administrative fee against individual accounts for processing your loan application. This fee will be deducted from the loan proceeds and will be repaid into your account as part of your loan repayment amount. See the section titled *Summary of Plan Benefits* for fee amounts. Your quarterly 401(k) Plan account statement provides information about loan expenses you incur individually in the prior quarter.

## Repaying your loan

**Active employees:** You will make loan repayments through payroll deductions, as agreed to in the promissory note. If, for some reason, you are unable to make payroll deductions, alternate arrangements for repayment must be made with your employer.

**General leaves of absence not related to disability:** If you have a Plan loan and are on a leave of absence from employment, you can request a grace period for repayments equal to the length of your leave of absence, up to a maximum of 12 months. You will not be required to make loan repayments; however, interest on any outstanding principal and interest balance will continue to accrue. At the end of the grace period, the original terms and conditions of the loan will be reinstated.

**Military leaves of absence:** If you have an outstanding loan, you may request a repayment grace period during your military leave of absence. This grace period can begin on the date you begin performing uniformed service and extend to the end of your military leave of absence. You will not be required to make loan repayments during the grace period, but interest will continue to accrue. When you return to work, a new repayment date will be calculated using the repayment date under the original term of the loan plus the period of uniformed service. You must repay your loan no later than this new repayment date.

**Disabled employees:** If you have a Plan loan and are on disability leave of absence, but are not receiving compensation from your employer, then your loan repayments cannot be made through payroll deduction. In order to keep your loan from default, you are required to submit all loan repayments to your employer through another method.

## Loan default

If you miss your Plan loan repayments for three successive months, a loan default will occur. A loan default will also occur if you fail to pay the balance by the loan maturity date. If you default on your loan, NRECA will report your loan default as a distribution on IRS Form 1099-R. Interest on the loan will continue to add up until the time you repay the outstanding balance or you

become eligible for a distribution from the Plan. If you do not repay your defaulted loan in full by its maturity date, you will be unable to take another loan from the Plan in the future. Complete information on loan defaults is found in your promissory note.

### **Distribution events with an outstanding loan**

When you have a distribution event (e.g., termination of employment, retirement or death) you have the following options for your outstanding Plan loan balance:

**Option 1:** Pay off your outstanding loan balance when you terminate employment. You will have 90 days after termination to pay the outstanding balance to avoid a default distribution.

**Option 2:** Receive your distribution, (less the balance total outstanding loan amount) and report the outstanding loan amount as ordinary income for the year you receive the distribution.

**Option 3:** If your new employer participates in the 401(k) Plan and offers the loan option, you may transfer your loan obligation to your new employer's Plan and continue to make payments through your new employer for the remaining term of the loan. When choosing this option, note that all outstanding loans from your prior employer may be transferred to your new employer, even if your new employer does not permit as many loans under its loan provision.

*For example, you have three outstanding loans and terminate your employment. You transfer to a new employer that offers the 401(k) Plan and has adopted the loan program, allowing two outstanding loans. You are permitted to transfer all of your loans to your new employer's Plan; however, you will not be eligible to request a new loan until the number of outstanding loans at your new employer falls to at least one fewer than that allowed under the new employer's Plan—in this example, until at least two of your loan obligations are paid off.*

### **General Beneficiary Information**

When you enroll in the Plan, you are asked to designate a beneficiary.

If you are not married, you may designate any individual or trust as a beneficiary to receive payment from the Plan if you die before you receive your benefit. Unless you marry, your beneficiary will not change until you designate a new beneficiary.

If you are married, Federal law requires that your spouse automatically becomes the mandatory beneficiary of your Plan benefit. This is true even if you had previously designated someone else as beneficiary; thus, any beneficiary designations you may have made before you were married will be revoked. You may designate someone other than your spouse as a beneficiary only if your spouse agrees and the consent is in writing and is witnessed by a notary public. Your BA can provide you with the proper forms for this purpose.

The Plan will make payment upon your death to the person named as beneficiary on the latest beneficiary designation you made on the *Beneficiary Designation/Waiver of Qualified Pre-retirement Survivor Annuity Form*. To designate a beneficiary, complete this form and submit it to your BA, who will enter your election(s) in NRECA's system.

If you do not designate a proper beneficiary or if you designate no beneficiary, payments will be made to the first surviving person in the following order:

1. Your spouse;
2. Your children;
3. Your parents;
4. Your brothers and sisters;
5. The executors or administrators of your estate.

In the event you divorce, you should update your beneficiary information as soon as possible. Even if you divorce, remarry or rewrite your will, your former spouse may be entitled to benefits after your death unless you update your beneficiary designations.

We suggest that you review your beneficiary election annually at the time of your co-op's annual enrollment to ensure it reflects your most current designation.

### **Minor beneficiary designations**

The Plan will not make a distribution to a minor beneficiary. If you wish to name a minor child as a beneficiary, we recommend that you establish the proper legal vehicle, such as a guardianship or conservatorship, as required by the laws of your state, so that the assets in your account can be paid as soon as possible to your child's designated guardian.

## **Assignment of Benefits**

### **Qualified Domestic Relations Orders**

A domestic relations order is a court order that provides for child support, alimony payments or marital property rights to an alternate payee. An alternate payee is your spouse, former spouse, child or other dependent, recognized in a domestic relations order as having a right to receive all or a portion of your 401(k) Plan benefit. If the court order allocates a portion of your benefits to an alternate payee, the domestic relations order must be submitted to the plan administrator for review. If the domestic relations order meets statutory requirements, it is considered a Qualified Domestic Relations Order (QDRO) and the plan administrator will be obligated by law to comply with its terms.

To meet the requirements, the order must contain the following information:

- Name, address, date of birth and social security number of both the participant and alternate payee;
- Correct name of the Plan from which a payment will be made;
- Amount or percentage of your benefit to be paid by the Plan or the manner that the amount or percentage is to be determined; and
- Timing of the payment.

A QDRO cannot require a type or form of benefit that the Plan does not otherwise provide. It cannot require the Plan to provide increased benefits and cannot require that benefits otherwise payable to an alternate payee under an earlier QDRO be paid to anyone else. An alternate payee may elect any payment option that the Plan allows, either immediately or at a later date, except a Joint and Spouse annuity or intermittent withdrawals (either unscheduled or as part of a series). If your account becomes subject to a QDRO, contact your BA and NRECA for further instructions and sample QDRO documents.

We strongly suggest that you submit an updated beneficiary designation as soon as possible if your account becomes subject to a QDRO.

### **Additional assignment information**

You may not use this Plan or any other qualified plan as collateral for a loan.

As a general rule, your benefits may not be garnished, subject to certain exceptions (such as if the IRS places a levy on your retirement benefits).

## **Power of Attorney**

The laws of your state govern any power of attorney that you execute for retirement plan payment purposes. Most states have a checklist document describing the steps you must follow

in order to give your power of attorney authority over retirement benefits. It is a good idea to specifically reference your retirement plan benefits in your power of attorney if it is not otherwise part of state law. Once a legal power of attorney has been granted, that person may act on your behalf in the fashion you indicate, until it is revoked or you die.

## Payment Options

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This section explains the payment options permitted by the Plan. **Before making a decision about your distribution or choosing any of the options described here, it is recommended that you seek the advice of a qualified tax or financial professional.**

### Forms of Payment

Benefits are paid from the 401(k) Plan in the following forms:

- Joint and (100%, 75%, 50%) Spouse Annuity without Cash Refund;
- Joint and (100%, 75%, 50%) Spouse Annuity with Cash Refund;
- Straight (Single) Life Annuity without Cash Refund;
- Straight (Single) Life Annuity with Cash Refund;
- Joint and (100%, 75%, 50%) Survivor Annuity without Cash Refund;
- Joint and (100%, 75%, 50%) Survivor Annuity with Cash Refund; and
- 10-Year Certain and Life Annuity.

Any of these annuities can be combined with the Individual Cost of Living Adjustment (Individual COLA) option. See the section titled *Individual Cost of Living Adjustment (Individual COLA) option* for details.

Other payment forms include:

- Intermittent withdrawals;
- Annual installments not to exceed 15 years; and
- Single cash payment.

### Automatic Form of Payment if You Are Married

Your benefit will be paid as a Joint and 100% Spouse Annuity unless you make another choice in writing. A Joint and 100% Spouse Annuity provides you with a monthly payment for as long as you live. If you are survived by a spouse, your spouse will receive a monthly payment for the remainder of his or her life equal to 100% of the monthly amount you were receiving at the time of your death.

You may waive the Joint and 100% Spouse Annuity only if your spouse irrevocably consents in writing to the waiver. A notary public must witness your spouse's signature. You may revoke any waiver prior to the time benefit payments begin. **Because your spouse participates in these elections, it is important to inform the plan administrator immediately of any change in your marital status.**

### Automatic Form of Payment if You Are Unmarried

Your benefit will be paid as a Straight (Single) Life Annuity, unless you make another choice in writing. This annuity provides a monthly payment to you for as long as you live. All payments stop when you die.

### Other Forms of Payment

Whether you are married or unmarried, you may elect any other form of payment the Plan provides, subject to certain restrictions.

#### Annuity payments

An annuity is a periodic payment, usually monthly, providing equal payments for your life and, under certain annuity options, for the lifetime of your beneficiary. The amount of your annuity is



calculated using the value of your account balance at the time payments begin. The 401(k) Plan provides these annuity options:

**Joint and (100%, 75%, 50%) Spouse Annuity without Cash Refund** provides equal monthly payments for your life. After your death, your spouse will receive a percentage (100%, 75% or 50%) of this amount for life.

**Joint and (100%, 75%, 50%) Spouse Annuity with Cash Refund** provides equal monthly payments for your life. After your death, your spouse will receive a percentage (100%, 75% or 50%) of this amount for life. In addition, with this option, if there is any excess value to the annuity beyond the total amount of monthly payments actually received by you and your spouse, you can request that the excess value be paid as a single cash payment to an alternate beneficiary.

**Straight (Single) Life Annuity without Cash Refund** provides equal monthly payments for your life and terminates at your death.

**Straight (Single) Life Annuity with Cash Refund** provides equal monthly payments for your life and terminates at your death. After your death, if there is any excess value to the annuity beyond the total amount of monthly payments actually received by you, you can request that this be paid as a single cash payment to an alternate beneficiary.

**Joint and (100%, 75%, 50%) Survivor Annuity without Cash Refund** provides equal monthly payments for your life and then a percentage (100%, 75% or 50%) of those monthly payments to an alternate beneficiary (not your spouse) for their life.

**Joint and (100%, 75%, 50%) Survivor Annuity with Cash Refund** provides equal monthly payments for your life. After your death, your contingent annuitant will receive a percentage (100%, 75% or 50%) of this amount for life. In addition, with this option, if there is any excess value to the annuity beyond the total amount of monthly payments actually received by you and your contingent annuitant, you can request that this will be paid as a single cash payment to an alternate beneficiary.

**10-Year Certain and Life Annuity** provides equal monthly payments to you for life and in the event you die before the completion of 120 monthly payments (10 years), the balance is payable in monthly payments to your contingent annuitant. If both you and your contingent annuitant die before the completion of 120 monthly payments, then the balance is paid in a single cash payment to an alternate beneficiary.

Any of the foregoing annuity options may be taken as a partial annuity. A partial annuity provides you with a lifetime monthly payment using just part of your account balance, leaving you with additional options later. You may take a partial annuity upon your employment termination or quasi-retirement through the unscheduled intermittent withdrawal process.

### **Cash refund option**

If you elect the cash refund option, if both you and your spouse (or contingent annuitant) die, and if the value of the single sum payment you would have received at retirement is more than the total amount of monthly payments that you and your spouse (or contingent annuitant) actually received, the difference will be paid as a single cash payment to your alternate beneficiary.

### **Individual Cost of Living Adjustment (Individual COLA) option**

When you elect your 401(k) Plan benefit, you can also select the Individual COLA option along with any of the annuity options described in the *Annuity Payments* section of this SPD, including those with the cash refund feature.

Combined with one of the existing annuity options, the Individual COLA option provides inflation protection. The feature allows you (and your surviving beneficiary) to receive 100% annual cost-of-living adjustments after receiving your first annuity payment.

If you elect the Individual COLA option, your annuity payments will be automatically adjusted annually based on the consumer price index (CPI-U) measurements that are issued by the Bureau of Labor Statistics of the U.S. Department of Labor. The adjustments:

- Are based on the average monthly percentage change in the CPI-U for the one-year period ending three months before each payment anniversary;
- Begin one year after your first payment date and on each payment anniversary thereafter;
- Are based on contract terms set by the 401(k) Plan annuity provider; and
- Are paid for by you, rather than by your employer, through a lower starting monthly benefit (as compared to a similar type benefit without inflation protection).

If you are eligible to receive a distribution, you will be able to elect the Individual COLA option when you complete an option form. For details, refer to the section of this SPD titled *Making your Election*.

### **Intermittent withdrawals**

If you terminate employment or retire and your account balance is greater than \$1,000, you can request an unscheduled cash withdrawal. The minimum amount that may be withdrawn on an unscheduled basis is \$1,000.

If your account balance remains above \$5,000, you can request both an unscheduled cash withdrawal and a partial annuity. You may request a partial annuity as either a percentage of your account balance (in 10% increments) or as a dollar amount. If you wish to take a total distribution as a combined cash and annuity payment, you must elect this on your option form.

If your employer has elected the feature and you are eligible to quasi-retire (for basic plans, at the Normal Retirement Date; or, for 401(k) Plans, at the later of either your Normal Retirement Date or age 59 1/2), then you may also elect to receive up to four unscheduled withdrawals a year as well as a partial annuity.

In addition, if you terminate your employment or retire (but not quasi-retire), then you may elect to receive a series of equal withdrawals, paid either monthly, quarterly, semi-annually or annually, for at least 12 months and up to 9 years and 11 months. The minimum amount that may be withdrawn as a series of equal withdrawals is \$500 per payment. At the time of your election, your account balance must be \$5,000 or more.

### **Installment payments**

Installment payments are approximately equal annual payments made to you from your account for a specified number of years. You choose the number of years over which the payments will be made, up to a maximum of 15 installments (i.e., 15 years).

### **Single cash payments**

A single cash payment is a distribution of your total account balance, valued as of the date the distribution is paid.

## **Making Your Election**

If you are eligible to receive a distribution for any reason, information describing your distribution options will be sent to you, your beneficiary, or an alternate payee, depending on the reason for the distribution. If you do not request a distribution (except when your account balance is \$1,000 or less), then you will be deemed to have elected to defer receiving your benefit until the next

distributable event. If you later wish to request benefit payments, contact NRECA for an option form.

In addition, the NRECA Personal Investment & Retirement Consulting (PIRC) team is available to discuss your payment options. To contact a PIRC representative, please call 866.673.2299 (option 6).

Once you make a payment election, details about your distribution will be sent to you at least 30 days but not more than 90 days (the 30/90 day election period) before your payments are scheduled to begin. You may change or revoke your election at any time before payments begin. However, once you begin receiving benefits in the form you have elected, the election is irrevocable; neither you nor your spouse, if applicable, may change that election.

You may elect to waive the standard form of benefits (with the consent of your spouse, if you are married) and choose another form of payment during the 30/90 day election period. If you are married, the standard form of benefit is the 100% Joint and Spouse Annuity; if you are unmarried, the standard form of benefit is the Life Only Annuity. For more on the Plan's automatic form(s) of payment, see the sections on this topic earlier in this chapter.

If you want your benefit payments to begin before the end of the 30/90-day election period, then you may elect to waive the 30 day period. If you waive the 30 day period, payments may begin no sooner than the end of the seven day period beginning the day after you sign your option form.

## Impact of Your Account Balance on Your Payment Choices

If your account balance is **less than \$200** following your termination of employment (and no amount has previously been paid to you as an annuity or in installments) you will receive your entire account balance in a single cash payment. If you are married, your spouse does not need to consent to the single cash payment distribution.

If your account balance is **more than \$200 but less than \$1,000** following your termination of employment and no amount has been previously been paid to you as an annuity or in installments, then you will receive distribution option forms to make a payment election. If you are married, your spouse does not need to consent to your election. If you do not make a payment election within 90 days of the option form event date or request date (whichever is later), then you will receive your entire account balance in a single cash payment.

If your account balance is **more than \$1,000 but less than \$5,000** following your termination of employment and no amount has previously been paid to you as an annuity or in installments, then you will receive an option form on which to make a payment election. If you are married, your spouse does not need to consent to your election. If you do not make a payment election within 90 days of the option form event date or the request date (whichever is later), then your account balance will not be paid until the later of your future election or the April 1 following the date you reach age 72 (age 70 1/2 if you were born on or before June 30, 1949).

If your account balance is **greater than \$5,000** following your termination of employment, you may elect any form of payment available under the Plan, subject to your spouse's consent, if applicable.

If you die while you are still working and your surviving spouse's pre-retirement survivor annuity is worth more than \$1,000 but less than \$5,000, your surviving spouse automatically will receive a single cash payment. If your account balance is greater than \$5,000, your surviving spouse may be eligible to receive a single cash payment or installments in lieu of the annuity.

## Receiving Your Payment

The plan administrator will make payments as soon as administratively possible after receipt of your option forms, but not fewer than 30 days after the required explanation of payment options was provided to you, unless you elect to waive the 30-day period. The earliest date a distribution may be paid is seven days after the date you sign your option form (i.e., on the eighth day). The actual amount of the distribution will be based on current share prices at the time your payment is processed.

You will have up to 90 days to return your option form. During this 90-day period you may change your election; however, once payments begin, your election is then irrevocable. Intermittent withdrawals are the only form of payment that you may change or stop once they have begun. See the section titled *Other Forms of Payment* for more information.

If you do not return your option form before 90 days have elapsed from the later of the event date or the request date on the form, the form will no longer be valid. You may request another option form on which to make an election; however, if your account balance is \$1,000 or less and you do not elect another form of payment within 90 days, you will automatically receive a lump sum. In addition, you may not defer payments indefinitely. See the section titled *Deferring Payments* for information about your required beginning date under this Plan.

## Re-employment

If you are re-employed **within 90 days** from the date your prior employment was terminated and you have elected your payment (i.e., you signed your distribution option forms), then you may receive your payment if you are re-employed with another employer.

If you are re-employed **more than 90 days** after the date your prior employment was terminated, you **did not** make a payment election (i.e., you did not sign your distribution option forms) and you become a participant in the 401(k) Plan, you may not receive a distribution. On the other hand, if you do not become a participant in the 401(k) Plan upon re-employment, you may receive a distribution by electing a payment (i.e., by signing your distribution option forms).

## Deferring Payments

If you elect to defer receipt of your benefits to a later date (or if you do not make a distribution election) then your benefit payments must begin no later than April 1 of the calendar year following the later of the year you either terminate employment or turn 72 (age 70 1/2 if you were born on or before June 30, 1949).

**You must maintain a current address in NRECA's system if you delay your benefit payment. Contact your benefits administrator promptly to update any personal information for benefits purposes, including primary address, mailing address, marital status or legal name.**

## General Tax Information

The taxable portion of your payment from the 401(k) Plan could be subject to a 20% tax withholding if you do not roll over the distribution to another qualified plan or an Individual Retirement Account (IRA). It is recommended that you seek the advice of a qualified tax or financial professional before making a decision about Plan distributions.

If you receive a single cash payment from the 401(k) Plan directly, 20% of the taxable portion will be withheld for income tax. You may subsequently elect to roll over your payment, but you must complete the rollover within 60 days of the day you received the payment. You will receive only 80% of your total distribution for rollover. You may add money from other sources (e.g.,

your own savings) to your distribution to replace the 20% withholding in order to roll over an amount equal to 100% of your benefit.

A distribution may be made directly from the 401(k) Plan to either an IRA or another qualified plan. This is called a direct rollover. Because the 20% tax withholding does not apply to a direct rollover, 100% of your payment will be transferred to your IRA or to the plan of your new employer.

Distributions from the 401(k) Plan that are eligible rollover distributions (and thus subject to 20% tax withholding) include:

- Any total cash distribution, including an outstanding loan;
- Disability withdrawals from the Plan;
- Earnings on voluntary employee contribution withdrawals;
- Installment payments for a period of fewer than 10 years;
- Any portion of a distribution that is greater than the required minimum distribution received after the later of age 72 (age 70 1/2 if you were born on or before June 30, 1949) or your actual retirement (although if rolled over to an IRA, such amount would be taken into account in determining the required minimum distribution from the IRA); and
- Eligible distributions to a surviving spouse or an ex-spouse under a QDRO.

Distributions that are not eligible for rollover (and not subject to 20% tax withholding) are:

- Any payment in a series of substantially equal periodic payments made over the life expectancy of the participant or joint life expectancies of the participant and beneficiary;
- Any payment in a series of substantially equal periodic payments over a period of ten years or more;
- A required minimum distribution (following the later of age 72 (age 70 1/2 if you were born on or before June 30, 1949) or actual retirement);
- A distribution to an alternate payee or a beneficiary who is not the spouse; and
- A hardship distribution (if permitted by your employer).

If you are under age 59 1/2, your payment may be subject to income tax and to an additional 10% penalty on the taxable portion of your distribution(s), unless an exception applies. The plan administrator does not withhold this 10% penalty from your distributions; you should speak with a tax professional to ensure that you properly report the 10% penalty on your tax return, if applicable.

If you receive your distribution as a series of substantially equal periodic payments (an annuity), there is an exception to the application of the 10% penalty. However, this exception only applies if your payment is the result of your retirement in the year you turn age 55. It does not apply if your payment is the result of quasi-retirement (if permitted by your employer) and you are under age 59 1/2, even if you are over age 55.

## Overpayments

An overpayment occurs when you (or your contingent annuitant, your beneficiary or an alternate payee) are paid more than you (or he or she) are entitled to under the terms of the Plan. If an overpayment of retirement benefits is made from the Plan to any of these parties, the Plan is entitled to correct the overpayment or request that it be returned. The Plan may utilize any means that are necessary to ensure that the error (overpayment) is corrected and the Plan is made whole.

You, your contingent annuitant, your beneficiaries or an alternate payee are obligated to repay, immediately upon request by the Plan, any overpayments (plus interest and earnings from the

date of the distribution through the date of the request) stemming from mistakes, errors or corrections.

In the case of annuities, the Plan is entitled to offset the overpayment or error against ongoing annuity payments to you, your contingent annuitant, beneficiary or an alternate payee, as applicable. In the case of single cash payments, the recipient may repay the excess he or she received.

For single cash payments, if the Plan does not receive repayment, the plan administrator may take affirmative steps to collect the overpayment, plus interest and earnings, through any means at its disposal, up to and including reversal of rollovers, collections activity or legal action, in which case the Plan shall be entitled to collection of the overpayment in full, plus attorneys' fees and costs.

## Procedure For Claiming Benefits

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This section describes how you present a claim for your benefits.

Pursuant to federal authority related to the Novel Coronavirus Outbreak, the time to file or perfect benefit claims and to appeal a denied claim has been extended. Notwithstanding any other provisions in this chapter, the Plan will disregard the COVID-19 “Outbreak Period” for purposes of determining the deadline to file or perfect a benefit claim and to appeal an adverse benefit determination. The Outbreak Period begins March 1, 2020 and ends 60 days after the end date of the COVID-19 National Emergency. The National Emergency does not currently have an end date.

Benefits will be paid to participants and beneficiaries without a formal claim when a recognized distribution event occurs. As a general rule, a claim for a benefit occurs when there is a dispute with regards to the amount of a payment. All claims for Plan benefits will be subject to a full and fair review. You may appoint a duly authorized representative to assist you at any time, if you provide written notice of such authorization. All communications under this procedure must be sent to:

401(k) Pension Plan  
c/o Plan Administrator  
National Rural Electric Cooperative Association  
4301 Wilson Boulevard  
Mail Stop IFS 7-300  
Arlington, VA 22203-1860

### Submitting a Claim

If you feel you are entitled to a benefit you have not received or if you believe the amount of your benefit is wrong, you should submit your request for a claim review to the plan administrator in writing. You should explain the problem and include any information or documents you feel will assist in the review. Initial claims determinations are made by the plan administrator.

You (or your beneficiary) have three years to submit a claim review request, as measured from the earlier of the date that you knew (or had reason to know) that either:

- The benefit paid to you was incorrect; or
- Your claim for benefits would have been denied.

If you do not submit your claim within this three-year timeframe, your request for claim review will be denied.

### Claim Determination

The plan administrator will, in most circumstances, provide a decision about your claim within 90 days of receipt. If circumstances require an extension, written notice will be given to you prior to the expiration of the initial 90 day period, along with:

- An explanation of the reason(s) for the extension; and
- The date when you will be notified of decision about the claim.

The plan administrator has discretion to determine whether an extension is necessary.

### Claim Denial

If your claim is wholly or partially denied as a result of the claim determination process, the plan administrator will notify you in writing of this denial within the time periods described above.

The written explanation will contain:

- The specific reason or reasons for the denial;
- The specific reference to the Plan provisions on which the denial is based;
- A description of any additional information or material necessary to perfect your claim as well as an explanation of why such material or information is necessary; and
- A description of what steps are necessary to submit your claim for review.

If you are not notified of a claim denial as discussed above, the claim will be deemed denied on the 90th day after receipt. The plan administrator determines whether a claim has been submitted or received and, if so, the date on which it was sent or received.

If you wish to challenge the claim determination, you must proceed with the claim review (appeal) procedure described below.

## **Claim Review (Appeal)**

If your claim has been denied, either in writing or because the 90th day following receipt of your claim has passed, you may submit your claim for review. The I&FS Committee (or their duly authorized delegate other than the individual or entity who performed the initial claim determination) reviews claim appeals. Your request for review must be in writing and must follow this procedure:

- File the request for review no later than 90 days after you receive written notification that your claim has been denied or, if there is no written decision, the 90th day following the date the Plan received your claim. If you or your representative fail to submit a written request for appeal in a timely fashion to the correct address listed in this procedure, this will bar review of your claim denial by the I&FS Committee, as well as any judicial review.
- Include any documents related to the denial of your claim and send any issues and comments in writing. The information you send will supplement the administrative record and should contain all the information you wish to be considered during the review, including relevant documents, records and correspondence. In preparing your appeal, you may request a copy of the pertinent documents, including claims records, that the plan administrator used to make the initial decision.
- Your appeal must be given a full and fair review. The I&FS Committee will evaluate claim review requests at its regularly scheduled meeting. Or, review will occur by telephone (if required to meet the applicable time periods), and this telephone review shall be as effective as if the review was conducted in person. If the review period is not within normal scheduled meeting times or a meeting cannot be held without undue cost and inconvenience, the review period will automatically be extended to 120 days. Claimants and their authorized representative may request an in-person review by the I&FS Committee at their regularly scheduled meeting, provided that the I&FS Committee has the sole and exclusive authority to approve or deny such request, in its discretion.
- The I&FS Committee's decision on appeal will be written. It will contain the specific reason(s) for the denial and the specific Plan provisions on which a denial is based. The I&FS Committee's decision on appeal is final.

Once the I&FS Committee or its delegate renders a final decision in writing, if you want the decision reviewed by a court, that review can only occur after this claims review procedure is complete and you have exhausted your administrative remedies. You must apply for judicial review of the I&FS Committee's decision within one year of the decision date and your review request must be filed in the United States District Court for the Eastern District of Virginia. A claimant or their representative's failure to seek judicial review in the required venue and within



one year of the date the I&FS Committee rendered its final decision bars judicial review of your claim, including the plan administrator's or the I&FS Committee's determinations.

## Statement of ERISA Rights

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This section explains your rights under the Employee Retirement Income Security Act of 1974 (ERISA).

As a participant in the Plan described in this Summary Plan Description (SPD), you are entitled to certain rights and protections under ERISA. ERISA provides that all plan participants are entitled to the rights and protections outlined below.

### Receive Information About Your Plan and Benefits

You are entitled to examine, without charge, at the plan administrator's office and at other specified locations, such as work sites and union halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

You are entitled to obtain, upon written request to the plan administrator, copies of documents governing the operation of the Plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The plan administrator may require a reasonable fee for providing you with copies of these documents.

You are entitled to receive a summary of the Plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.

You are entitled to obtain a statement containing your total account balance, the value of each investment to which assets in your account have been allocated, determined as of the most recent valuation date under the Plan, and an explanation of any limitations or restrictions on your right to direct an investment. This statement must be requested in writing and is not required to be given more frequently than quarterly. The Plan must provide the quarterly statements free of charge.

### Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and their beneficiaries. No one, including your employer, your union or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a pension benefit or exercising your rights under ERISA.

### Enforce Your Rights

If your claim for a pension benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in Federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to \$171 a day, not to exceed \$1,713 (2022 limit, indexed annually) until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in Federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in a Federal court. If it should happen that Plan Fiduciaries misuse the Plan's money or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or you may file suit in a Federal court. The court will decide who should pay these costs and fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

## **Assistance with Your Questions**

If you have any questions about your Plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue NW, Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

## **Amendment and Termination of Your Plan**

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Your employer has the right to amend or terminate its participation in the 401(k) Plan. This section discusses the rights and responsibilities of your employer if the board of directors elects to either amend or terminate your employer's participation in the Plan.

If the Plan is amended, no amendment will permit any part of the Plan assets to be used for any purpose other than to provide benefits for participants and their beneficiaries. No amendment may cause any reduction in your account balance or cause Plan assets to be turned over to your employer.

If your employer elects to withdraw from participation, your employer may make distributions to you only when permitted by the Plan. Your account will continue to receive investment gains, losses or both until you experience a distributable event. Your employer will provide further information and instructions in the event of a Plan termination.

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AND UPLOADED  
SEPARATELY

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 4**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 4.** Refer to the Application generally. Provide the following information for Taylor County RECC employees.

- a. Provide the position title and salary for each salaried employee for the years 2013 – 2023.
- b. Provide the average raise that the salaried employees received for the years 2013 – 2023. Ensure to explain whether the annual raise is directly connected to a performance review.
- c. Provide the average bonus that each salaried employee received for the years 2013 - 2023.
- d. Provide all awards given to the salaried employees for the years 2013 – 2023.
- e. Provide all vehicle allowances given to the salaried employees for the years 2013 – 2023.
- f. Provide all incentive compensation given to the salaried employees for the years 2013 – 2023.
- g. Provide the average raise, if any, which will be given to salaried employees for 2024.

- h. Provide a detailed explanation of the insurance benefits provided to the Company's salaried employees, including but not limited to health, dental, vision, life insurance, etc. Ensure to include all premiums paid by the Company's salaried employees, premiums paid by the Company or parent company on the salaried employees' behalf, as well as all copays, deductibles, and maximum out of pocket amounts.
- i. Provide a detailed explanation of the retirement benefits provided to the Company's salaried employees, including but not limited to, whether there is a defined benefit plan, 401(k) matching, etc.
- j. Explain whether any of the salaried employees are members of a union.

**Response 4a.** Please see attached schedule. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.

**Response 4b.** Please see attached schedule for the average raise provided to the non-salaried employees. Annual raises are not directly connected to a performance review. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.

**Response 4c.** Please see attached schedule. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.

**Response 4d.** Please see attached schedule. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.

**Response 4e.** Taylor County RECC does not have any non-salaried employees that receive a vehicle allowance for the years 2013-2023.

**Response 4f.** Taylor County RECC does not have an incentive compensation plan for the years 2013-2023.

**Response 4g.** The average raise for non-salaried employees for 2024 will be 2.5% per negotiated union contract.

**Response 4h.** Please refer to OAG's First Data Request No. 25 for a detailed explanation of the insurance benefits provided to the Company's non-salaried employees.

**Response 4i.** Please see OAG's First Data Request No. 3i for Taylor County RECC 401(k) Retirement Benefits.

**Response 4j.** Taylor County RECC's non-salaried employees are members of a union.



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**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 5**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 5.** Refer to the Application generally.

- a. Provide a detailed explanation of all salary and benefits provided to the members of the Board of Directors during the years 2013 – 2023. Ensure to provide the salary amounts, and specific details regarding all benefit packages including but not limited to health, dental, vision, accidental death and disability, life insurance, bonuses, awards, vehicle allowances, and the like.
- b. Provide the total amount of the Board of Directors' fees for the test year.
- c. Provide a breakdown of the total amount of the Board of Directors' fees for the test year.
- d. Discuss if there will be any changes to the Board of Directors' salaries and/or benefit packages for 2024.
- e. When setting the Board of Directors' fees and benefits did Taylor County RECC review other Kentucky rural electric cooperative Board of Directors' fees and benefits? If so, explain in detail the findings. If not, explain in detail why not.

**Response 5a.** Please refer to the OAG's First Data Request 49 for a detailed explanation of all salary and benefits provided to the members of the Board of Directors during the years 2013 – 2023.

**Response 5b.** Please refer to the OAG's First Data Request 47 for the total amount of the Board of Directors' fees for the test year.

**Response 5c.** Please refer to the OAG's First Data Request 47 for the breakdown amount of the Board of Directors' fees for the test year.

**Response 5d.** There are no planned changes to Board of Directors pay and benefits for 2024.

**Response 5e.** Yes. Please see Taylor RECC's response to PSC 2 – 17b.

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 6**

**RESPONSIBLE PARTY: Jeffrey Williams**

**Request 6.** Refer to the Application generally. Provide a copy of all formal studies conducted that compare Taylor County RECC's wage and benefit information to the local wage and benefit information for the geographic area in which Taylor County RECC operates. If no study exists, explain why not.

**Response 6.** Please see Taylor RECC's response to PSC 1 – 19a. Otherwise, Taylor County RECC has not performed studies of the local Campbellsville market. Electric utilities are in every area of the state and country. Therefore, our labor market is influenced by studying the wages NRECA provides for our state and region. Taylor County RECC like many electric cooperatives utilize NRECA's salary survey as a guide.

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 7**

**RESPONSIBLE PARTY: Jeffrey Williams**

**Request 7.** Refer to the Application generally. Explain the current process of awarding wage/salary increases to salaried versus non-salaried and union versus non-union employees.

**Response 7.** Typically, union raises are governed by a labor contract, whereas salary and hourly non-union employees are based upon market range and performance on the job. The salary study, performed by an outside consultant utilizes data provided by NRECA.

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 8**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 8.** Refer to the Application generally. Has Taylor County RECC obtained and/or is the Company seeking any funds/grants from federal, state, or local sources which have been or will be made available? If so, identify the source and amount of those funds/grants. If not, and funds/grants are available for which the Company is eligible, explain why the Company is foregoing those opportunities.

**Response 8.** On December 11, 2021, and January 1, 2022, Taylor County RECC's service area sustained damage from tornados. Taylor County filed an application with FEMA for the damages and a total of \$597,038.81 has been received to date. On March 3, 2023, Taylor County RECC's service area sustained damaged from a windstorm. Taylor County has filed an application with FEMA for the damages with an estimated cost of \$1.1M.

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 9**

**RESPONSIBLE PARTY: John Wolfram**

**Request 9.** Refer to the Application generally. Provide a succinct list that identifies all proposed pro forma adjustments, the amount of each pro forma adjustment, along with a brief description of each adjustment.

**Response 9.** Please see Wolfram Direct Testimony, Exhibit JW-2, page 2 of 22.

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 10**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 10.** Refer to the Application generally. Provide a list that identifies all miscellaneous costs for the test year, including but not limited to dinners (including all holiday dinners), gifts, donations, membership dues, annual meeting costs, etc. For each cost indicate whether it was removed from or included in the requested revenue requirement.

**Response 10.** Please see attached schedule. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.



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**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

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**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 11**

**RESPONSIBLE PARTY:           John Wolfram**

**Request 11.**           Refer to the Application generally. Explain in detail whether there are any direct charges, allocated costs, surcharges, pass-through charges, etc., from East Kentucky Power Cooperative ("EKPC"), or any other entity, to Taylor County RECC. If so, provide a detailed list of the same with explanations for each allocated charge.

**Response 11.**           All of the costs from EKPC are included in the purchased power invoices from EKPC. These are included in Account 555 and are detailed by month in Wolfram Direct Testimony, Exhibit JW-7.

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 12**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 12** Refer to the Application generally. Explain in detail whether Taylor County RECC provides any assistance program(s) for customers experiencing difficulty paying their electric bills.

**Response 12.** Taylor County works with its members in need to establish partial payment plans to avoid disconnection for non-payment. Taylor County also readily advocates to its members who express a need to contact assistance programs run by such agencies as the Lake Cumberland Community Services, Taylor County Crisis Relief, Salvation Army, and local churches. Taylor County works with These agencies regularly to ensure that its members can take advantage of these programs. As a standard practice, Taylor County posts information to its social media platforms and ensures that its employees are educated in offering information about these programs.

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 13**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 13.** Refer to the Application generally.

- a. Provide a detailed explanation of how Taylor County RECC operates its capital credit program, and ensure to discuss how the Company accounts for capital credits that cannot be provided back to the member due to the member passing away, moving, etc.
- b. Provide the monetary amount of capital credits that Taylor County RECC currently has on the books, separated by year.

**Response 13.** Please see attachments.

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## ARTICLE VIII - NON-PROFIT OPERATION

### **Section 1. Interest or Dividends on Capital Prohibited**

The Cooperative shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Cooperative on any capital furnished by its patrons.

### **Section 2. Patronage Capital in Connection with Furnishing Electric Energy**

In the furnishing of electric energy the Cooperative's operations shall be so conducted that all patrons, members and non-members alike, will through their patronage furnish capital for the Cooperative. In order to induce patronage and to assure that the Cooperative will operate on a non-profit basis the Cooperative is obligated to account on a patronage basis to all its patrons, members and non-members alike, for all amount received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expense at the moment of receipt by the Cooperative are received with the understanding that they are furnished by the patrons, members and non-members alike, as capital. The Cooperative is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Cooperative shall be set up and kept in such a manner that at the end of each calendar year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to

the capital account of each patron, and the Cooperative may within a reasonable time after the close of the calendar year notify each patron of the amount of capital so credited to his account. All such amounts credited to the capital account of any patron shall have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Cooperative corresponding amounts for capital.

In the event of dissolution or liquidation of the Cooperative, after all outstanding indebtedness of the Cooperative shall have been paid, outstanding capital credits shall be retired without priority on a pro-rate basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Cooperative will not be impaired thereby, the capital then credited to patrons' account may be retired in full or in part. Any such retirements of capital shall be made in order of priority according to the year in which the capital was furnished and credited, and capital first received by the Cooperative being first retired. In no event, however, may any such capital be retired unless, after the proposed retirement, the Capital of the Cooperative shall equal at least forty per centum (40%) of the total assets of the Cooperative.

Capital credited to the account of each patron shall be assignable only on the books of the Cooperative pursuant to written instructions from the assignor and only to successors in interest or successors in occupancy in all or a part of such patron's premises served by the Cooperative unless the Board of Directors, acting under policies

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of general application, shall determine otherwise. In the event that a non-member patron shall elect to become a member of the Cooperative the capital credited to the account of such non-member patron may be applied by the Cooperative toward the payment of a membership fee on behalf of such non-member patron.

Notwithstanding any other provision of these bylaws, the Board of Directors, at its discretion, shall have the power at any time upon the death of any patron, if the legal representative of his estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the Board of Directors acting under policies of general application, and the legal representatives of such patron's estate shall agree upon; provided, however, that the financial condition of the Cooperative will not be impaired thereby.

The patrons of the Cooperative, by dealing with the Cooperative, acknowledge that the terms and provisions of the articles of incorporation and bylaws shall constitute and be a contract between the Cooperative and each patron, and both the Cooperative and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions. The provisions of this article of the bylaws shall be called to the attention of each patron of the Cooperative by posting in a conspicuous place in the Cooperative's office.

TAYLOR KY  
PGM CCAUDITR

CAPITAL CREDIT AUDIT REPORT

DATE 05/13/23  
TIME 10:22 AM

PAGE 1 Witness: Patsy Walters

NO OUT OF BALANCE ACCOUNTS

YR	PATRONAGE	OPER MARGINS	ESTATE REFUND NET MARGINS	G & T	GAINS
55	291978.96	41178.05		41178.05	
56	324256.08	42834.48		42834.48	
57	685911.17	47571.84		47571.84	2106.76
58	788305.40	65103.69		65103.69	10563.67
59	1359052.11	289571.58		289571.58	43406.39
60	1644428.15	317104.43		317104.43	37011.77
61	1348539.70	150368.71		150368.71	28947.09
62	1152863.86	90867.35		90867.35	22855.25
63	1231948.33	85202.65		85202.65	5806.25
64	1193437.16	74126.62		74126.62	17641.15
65	877197.79	79276.54		79276.54	
66	948259.02	63786.04		63786.04	
67	1056486.80	63689.96		63689.96	
68	1567932.08	115880.09		115880.09	16123.10
69	1698717.25	127028.26		127028.26	38117.70
70	1929690.12	106963.66		106963.66	26045.47
71	2031431.42	106470.28		106470.28	105372.91
72	2342096.56	167769.49		167769.49	111962.71
73	2534518.97	224464.51		224464.51	104423.92
74	2623770.58	45162.18		45162.18	
75	3496434.48	208110.41		208110.41	
76	3772599.95	123064.37		123064.37	47178.49
77	3984846.87	77785.25		77785.25	
78	5094362.15	16178.39		16178.39	
79	5060112.07				
80	6785715.96	14308.34		14308.34	
81	8724304.14	214156.21		214156.21	70201.12
82	9954908.65	197596.59		197596.59	242698.85
83	11443157.56	285225.67		285225.67	721230.13
84	11600350.91	155469.63		155469.63	
85	11374579.69	6087.16		6087.16	241459.84
86	11279259.25	38607.91		38607.91	227737.42
87	12140903.21	332579.67		332579.67	195761.70
88	12881922.74	258265.74		258265.74	164545.18
89	13249693.79	110187.88		110187.88	170721.68
90	14102338.08	59460.85		59460.85	162584.25
91	14587185.66				217558.72
92	14616693.96				515513.22
93	17087938.33	805695.63		805695.63	71265.00
94	17683057.84				
95	16827214.12	356082.70		356082.70	
96	16899313.52	169183.45		169183.45	
97	16707104.47	191308.09		191308.09	
98	18544296.35	1341525.14		1341525.14	
99	19484025.15	1423304.17		1423304.17	
00	20924207.41	1320691.96		1320691.96	
01	25963550.94	2090861.62		2090861.62	1345558.89
02	26132017.42	1618634.96		1618634.96	1682405.27
03	28389057.82	2030223.74		2030223.74	1323206.19
04	31570685.13	1937335.17		1937335.17	
05	36624393.91	1867289.61		1867289.61	
06	38636955.80	1710846.11		1710846.11	
07	43061757.89	1567029.12		1567029.12	
08	43747434.52	638070.04		638070.04	415434.79
09	44560257.97	2575815.61		2575815.61	1375954.78
10	43034639.21	1284924.46		1284924.46	1383362.86
11	43850754.31				2450944.82
12	42404647.95				2250640.42



13	45221966.85	956248.88	956248.88	2901365.05
14	48646771.45	1028101.83	1028101.83	2853270.58
15	44962615.54	55853.46	55853.46	2164745.63
16	45316463.25	513466.43	513466.43	2328012.45
17	44725852.82	239721.12	239721.12	939573.41
18	48686412.71	653164.49	653164.49	1757300.57
19	45573371.03			1843725.85
20	43166924.68			1206059.85
21	48588934.67			462219.04
22	59838633.11			1717145.51
	TOTALS	30776882.27	30776882.27	34019765.70

	DETAIL	MASTER
ASSIGNED MARGINS	64796647.97	64796647.97

YR	NO UN-DEL	GAINS AVAILABLE FOR REFUND	NO D-PAT	OPER MARGINS	ESTATE REFUND	AMOUNT REMAINING	PERM EQ
51			1				
52			1				
55			1027				
56			1091				
57			1606				
58			1700				
59	1		1808				
60			1880				
61	1		1947				
62			2048				
63			2098				
64			2170				
65			1765				
66			1851				
67			1928				
68			2578				
69			2679				
70			2759				
71			2872				
72			2965				
73			3009				
74			2571				
75			2644				
76			3301				
77			2832				
78			2879				
79			2908				
80			3404				
81			3463				
82			3518				
83			3567				
84			3600				
85			3623				
86			3685				
87			3722				
88			3749				
89			3821				
90			3829				
91			3839				
92			3866				
93			3891				
94			3905				
95			3895				
96			3934				
97			3925				
98			3076				
99			2974				
00			2902				
01			2805				
02			2703				
03			2576				
04			2467				
05			2363				
06			2256				
07			2144				
08			2053				
09			1945				
10			1796				

11	1671
12	1529
13	1407
14	1277
15	1147
16	995
17	853
18	719
19	600
20	462
21	312
22	161

TOTALS

2

167347

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 14**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 14.** Refer to the Application, paragraph 2. Confirm that in Case No. 2021-00119, the Commission granted Taylor County a \$1,582,344 rate increase associated with EKPC's wholesale rate increase.<sup>2</sup> If not confirmed, explain why not in detail.

**Response 14.** Taylor County confirms a \$1,582,344 pass-through rate increase associated with EKPC's wholesale rate increase.

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<sup>2</sup> Case No. 2021-00119, *Electronic Application of Taylor County Rural Electric Cooperative Corporation for Pass-Through of East Kentucky Power Cooperative, Inc. Wholesale Rate Adjustment* (Ky. PSC Sep. 30, 2021), Order at 8.

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 15**

**RESPONSIBLE PARTY: Patsy Walters & Jeffrey Williams**

**Request 15.** Refer to the Application, paragraph 3.

- a. Explain in detail and provide all examples of the “aggressive cost control measures” that Taylor County RECC has taken since the last general rate case.
- b. Explain in detail and provide all examples of the “diligent management and board oversight” that Taylor County RECC discusses.
- c. Explain in detail what “favorable federal policies” Taylor County RECC is referring to in this paragraph.

**Response 15a.** Aggressive cost control measures is verbiage used to describe Taylor RECC's board and management's ability to stave off a rate case for over ten (10) years and only the second general rate adjustment in the last twenty-five (25) years. Please refer to the Direct Testimony of Mr. Williams at 5, Lines 8-23 on the various ways Taylor County RECC was able to operate lean for years. Please note the ratio's referenced in this section of Mr. Williams' testimony as well. In the category of total cost of service minus power costs, Taylor County RECC ranked 773rd lowest

out of 812 cooperatives nationwide and in the category of total controllable costs per consumer, Taylor County RECC ranked 799th lowest out of 812 cooperatives nationwide.

**Response 15b.** Please refer to Taylor RECC's response to AG 1-15a.

**Response 15c.** Favorable federal policies would include the payroll protection program that was used by Taylor County RECC. Please refer to the Direct Testimony of Mr. Williams at 5, lines 8 – 10.

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 16**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 16.** Refer to the Application, paragraph 3.

- a. Explain in detail whether Taylor County RECC has participated in, or continues to participate in, the Rural Utilities Service's ("RUS") Cushion of Credit program.
- b. Confirm that the RUS Cushion of Credit program allowed cooperatives utilities to deposit cash with RUS from funds available in excess of its debt service requirements and earn interest on those deposits at 5.0%. However, when changes were made to the RUS Cushion of Credit Program through the enactment of the 2018 Farm Bill, it modified the interest rate on those deposits from 5% to the 1-year variable treasury rate on October 1<sup>st</sup> of each year. The 2018 Farm Bill also allowed for cooperatives to apply the Cushion of Credit funds to outstanding RUS and Federal Financing Bank ("FFB") loans by September 30, 2020, without prepayment penalties.<sup>3</sup> If not confirmed, explain why not.
- c. Explain whether Taylor County RECC is aware of any further updates to the RUS Cushion of Credit program since the 2018 Farm Bill was enacted.

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<sup>3</sup><https://www.federalregister.gov/documents/2019/06/07/2019-11924/announcement-of-new-cushion-of-credit-program-provisions>;<https://www.usda.gov/farmbill>;<https://www.electric.coop/farm-bill-advances-electric-co-op-interests-in-rural-development-broadband>.

- d. If Taylor County RECC received interest income from the RUS Cushion of Credit program for the test year, explain whether this amount was included in the revenue requirement. If not, explain why not.
- e. When changes were made to the Federal Farm Bill in 2018, explain whether Taylor County RECC used its Cushion of Credit deposit amounts to prepay its RUS/FFB loans without penalty from the period of December 20, 2018 – September 30, 2020. If not, explain in detail why not.
- f. Provide a detailed account of Taylor County RECC's Cushion of Credit deposit amounts for the years 2013 – 2023.
- g. Provide a detailed account of Taylor County RECC's RUS/FFB loans, with the corresponding principal and interest amounts, for the years 2013 – 2023.

**Response 16a.** Taylor County RECC currently participates in the Rural Utilities Service's ("RUS") Cushion of Credit program.

**Response 16b.** Taylor County confirms.

**Response 16c.** Taylor County is not aware of further updates.

**Response 16d.** Taylor County does receive minimal interest income from the RUS Cushion of Credit program. This amount was included in the revenue requirement.

**Response 16e.** Taylor County did not use any of the funds of the Cushion of Credit to prepay its RUS/FFB loans without penalty. Taylor County only has a small balance to cover a monthly loan payment or two.

**Response 16f.** Please see attached schedule. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.



**Response 16g.** Please see attached schedule. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.

ATTACHMENTS  
ARE EXCEL  
SPREADSHEETS  
AND UPLOADED  
SEPARATELY

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 17**

**RESPONSIBLE PARTIES: Patsy Walters and John Wolfram**

**Request 17.** Refer to the Application, paragraph 4. Taylor County RECC asserts that it is requesting a \$6,377,262 rate increase, or 12.8%, to achieve an Operating Times Interest Earned Ratio ("OTIER") of 1.85.

- a. Provide Taylor County RECC's OTIER for the years 2013 – 2023.
- b. Provide Taylor County RECC's TIER for the years 2013 – 2023.
- c. If the Commission were to grant Taylor County RECC's full rate increase request, provide the resulting TIER.

**Response 17a & 17b.** Please see the table below for Taylor County RECC's TIER & OTIER for years 2013 – May 2023.

YEAR	TIER (1.25 Benchmark)	OTIER (1.10 Benchmark)
2013	6.18	2.34
2014	6.12	2.51
2015	4.78	1.19
2016	6.42	1.94
2017	3.41	1.47
2018	4.63	1.99
2019	2.85	0.58
2020	2.82	1.01
2021	1.00	-1.23
2022	0.82	-0.13
May-23	-7.34	-7.18

**Response 17c.** The requested increase would result in an annual TIER of 1.91. See Wolfram Direct Testimony, Exhibit JW-2, page 1, column 6, line 35.

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 18**

**RESPONSIBLE PARTY: John Wolfram**

**Request 18.** Refer to the Application, paragraph 5. Taylor County RECC states that it is requesting an increase in the monthly residential customer charge from \$10.22 to \$16.84, to take effect immediately.

- a. Explain how seeking to increase the monthly residential customer charge from \$10.22 to \$16.84, which is a staggering increase of approximately 64.775%, is in line with the principle of gradualism.
- b. Explain whether Taylor County RECC contemplated implementing the proposed higher customer charge in two phases instead of a 64.775% increase at one time.

**Response 18a.** Please see Wolfram Direct Testimony, page 24, line 13 through page 25, line 2. The proposed increase moves the customer charge approximately 1/3 of the way across the gap between the current customer charge and the cost-based customer charge (\$30.79) from the cost of service study. Taylor County RECC disagrees with the characterization of this proposed

movement as “staggering” and notes that the increase to the total residential billings rather than one component of those billings is more relevant. Examined another way, Taylor RECC’s current customer charge is only 33% ( $\$10.22 / \$30.79$ ) of what it should be in order to recover the actual fixed customer-related costs of serving residential members of the cooperative. Increasing the charge by only 1/3 of the supported increase is consistent with the principle of gradualism, particularly since Taylor County RECC has not increased based rates in a full rate filing in over a decade.

**Response 18b.** Taylor County RECC did not consider a phased increase, because addressing financial metrics and cash flow challenges is a high priority and doing so sooner than later is in the best interest of Taylor County RECC’s members.

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 19**

**RESPONSIBLE PARTY: Jeffrey Williams**

**Request 19.** Refer to the Application, paragraph 26.

- a. The Company states that increased right of way costs in the amount of \$3,279,658 accounts for approximately 50% of the requested rate increase. Explain in detail why the right of way costs have increased so drastically.
- b. Explain whether Taylor County RECC handles right of way internally or if it uses contractors.
- c. Provide Taylor County RECC's right of way maintenance plan, including the trimming cycle.
- d. Explain whether Taylor County RECC issues requests for proposal in order to secure the most economically favorable right of way contracts.
- e. Provide copies of all responses to the right of way requests for proposal for the last five years.
- f. Explain in detail whether Taylor County RECC coordinates its right of way program with the Kentucky Transportation Cabinet/Kentucky Department

of Highways right of way program, in order to mitigate expense for the Company's customers. Provide all related documentation regarding the same.

- g. The Company states that other significant adjustments to the test year include interest expense, 401k expense, wages, and salaries. Provide a detailed discussion of why there have been significant increases in each of the referenced categories.

**Response 19a.** Please refer to Taylor RECC's response to PSC 2 – 1a.

**Response 19b.** Taylor County RECC utilizes contractors for ROW maintenance.

**Response 19c.** Please refer to Taylor RECC's response to PSC 2 – 1d.

**Response 19d.** Yes. Please refer to Taylor RECC's response to PSC 2 – 1c.

**Response 19e.** Please refer to Taylor RECC's response to PSC 2 – 1c.

**Response 19f.** Taylor RECC does not coordinate its right of way program with the Kentucky Transportation Cabinet/Kentucky Department of Highways right of way program.

**Response 19g.** Please see the pro forma adjustments in the Direct Testimony of Mr. Wolfram that shows the detail to each of these increases. Interest expense is a direct function of long-term borrowing. Taylor County RECC has over \$11 million in money spent for capital projects that its borrowing from the RUS. Wages have gone up because of higher pay since 2021 to the end of 2022. The 401k plan has been adjusted and is also in direct correlation to higher wages.



**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 20**

**RESPONSIBLE PARTIES: Patsy Walters and John Wolfram**

**Request 20.** Refer to the Application, paragraph 29.

- a. Taylor County RECC asserts that it is requesting the rate case expense to be allowed recovery in the rates, and amortized over a three-year period.
  - i. Provide the total rate case expense that has been accrued thus far. Consider this a continuing request.
  - ii. Provide a breakdown of the total rate case expense that has been accrued thus far by category. Consider this a continuing request.
  - iii. Provide copies of invoices supporting the level of incurred rate case costs to date and supply such new invoices as they become available.
  - iv. Provide the estimated total rate case expense.
  - v. Provide a breakdown of the estimated total rate case expense.
  - vi. If Taylor County RECC has not filed a general rate case in eleven years, explain why the rate case expense should be amortized in only three years.

- vii. Explain whether Taylor County RECC intends to include charges for its own employees to work on the rate case during regular business hours.

**Response 20a.** Please see attached schedule.

- i. Total rate case expense that has been accrued thus far:
- ii. Total rate case expense that has been accrued thus far by category:
- iii. Copies of invoices supporting the level of incurred rate case costs to date and supply such new invoices as they become available. Please refer to PSC First Data Request 37 for previous invoices. For most recent invoices, please see attached.
- iv. Estimated total rate case expense.
- v. Breakdown of the estimated total rate case expense.
- vi. Taylor County RECC amortized the rate case costs over three years because this is the long-standing Commission practice and because prospectively Taylor County RECC anticipates filing rate cases more frequently than every eleven years.
- vii. Taylor County RECC does not intend to include charges for its own employees to work on the rate case during regular business hours in the rate case expense pro forma adjustment.

TAYLOR COUNTY RECC  
P.O. BOX 100  
CAMPBELLSVILLE, KENTUCKY 42719

TAYLOR COUNTY BANK - CAMPBELLSVILLE, KY 79-788/839

No. 105471

A Touchstone Energy Cooperative 

Vendor	Check Nbr	Check Date	Check Amount
3129	105471	07/13/23	\$675.00

Pay SIX HUNDRED SEVENTY-FIVE DOLLARS AND 00/100 CENTS

**GENERAL FUND**

To The  
Order Of  
CATALYST CONSULTING LLC  
3308 HADDON ROAD  
LOUISVILLE KY 40241

\_\_\_\_\_  
AUTHORIZED SIGNATURE

\_\_\_\_\_  
AUTHORIZED SIGNATURE



3129  
CATALYST CONSULTING LLC

Please Detach and Retain Statement

Check Nbr: 105471  
Check Date: 07/13/23

We herewith hand you our check in settlement of items listed below.

Invoice Nbr	Description	Invoice Date	Exp Acct	Amount
230604	SERVICES PROVIDED IN JUN 2023	07/01/23	183.00	675.00

**INVOICE**

<b>Date:</b> July 1, 2023	<b>Invoice #:</b> 230604
<b>Client:</b> Taylor County RECC P. O. Box 100 Campbellsville, KY 42719  Attn: Patsy Walters	<b>Project:</b> 2021 Rate Filing Case No. 2023-00147  For Services Provided in June 2023

#	Item	Description	Qty	Rate	Amt
1	Consulting Services	John Wolfram – consulting support for 2021 rate review. Review final draft filing. Emails and calls with staff on same.	3.0 hours	\$225.00	\$ 675.00
<b>TOTAL</b>					<b>\$ 675.00</b>

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

3129

183.00


OTSD 05

Services provided in June 2023

TAYLOR COUNTY RECC  
P.O. BOX 100  
CAMPBELLSVILLE, KENTUCKY 42719

TAYLOR COUNTY BANK - CAMPBELLSVILLE, KY 73-788/833

No. 105485

A Touchstone Energy® Cooperative 

Vendor      Check Nbr      Check Date      Check Amount  
8056          105485          07/13/23          \$10,645.50

Pay TEN THOUSAND, SIX HUNDRED FORTY-FIVE DOLLARS AND 50/100 CENTS

**GENERAL FUND**

To The  
Order Of      HONAKER LAW OFFICE PLLC  
1795 ALYSHEBA WAY, STE 6202  
LEXINGTON KY 40509

\_\_\_\_\_  
AUTHORIZED SIGNATURE

\_\_\_\_\_  
AUTHORIZED SIGNATURE



8056  
HONAKER LAW OFFICE PLLC

Please Detach and Retain Statement

Check Nbr:      105485  
Check Date:     07/13/23

We herewith hand you our check in settlement of items listed below.

Invoice Nbr	Description	Invoice Date	Exp Acct	Amount
398	JUN 2023 BILLING	07/03/23	923.00	1,025.00
399	2023 GENERAL RATE CASE	07/03/23	183.00	9,620.50



**L. Allyson Honaker**  
allyson@hloky.com  
(859) 368-8803 (office)  
(859)396-3172 (mobile)

1795 Alysheba Way, Ste 6202  
Lexington, KY 40509

July 03, 2023

Invoice No. 399

Taylor County RECC  
Mr. Jeff Williams  
PO Box 100  
Campbellsville, KY 42718

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Client Number: 07340 Taylor County RECC  
Matter 07340-0002 Taylor County RECC- 2023 Rate  
For Services Rendered from 6/1/2023 Through 6/30/2023.

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<b>Fees</b>				
<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
6/1/2023	BHK	Review emails regarding notice for application.	0.30	\$75.00
6/1/2023	BHK	Review exhibits provided by J. Wolfram for application.	1.80	\$450.00
6/1/2023	LAH	Continue review of exhibits and application; make edits as needed; exchange emails with J. Williams, et. al. re status of additional exhibits and testimony review.	0.80	\$212.00
6/1/2023	LAH	Exchange emails with J. Wolfram re timeline to receive final versions of exhibits and cover sheets.	0.20	\$53.00

Continued On Next Page

Client Number: 07340  
 Matter Number: 07340-0002

6/2/2023	LAH	Review all final edits from J. Wolfram on cover sheets, exhibits and testimony; exchange emails with J. Wolfram and P. Walters re exhibit needed on reconciliation of rate base and capital; review partial exhibit provided by J. Wolfram and edits from P. Walters; exchange emails with P. Walters re Kentucky Living section needed; review Kentucky Living section emailed by P. Walters; convert and combine affidavit and notice for Exhibit 5 attachment; final review of all documents and update as needed; prepare all documents in pdf format; combine to create final version of application; optimize to reduce file size for emailing; email complete application and exhibits to team for review; edit application to include TOC and email revised version to team for review.	6.50	\$1,722.50
6/4/2023	LAH	Review edits from J. Wolfram to Application and exhibits; make edits; exchange emails with J. Wolfram re page sizing errors; make edits to dates on tariffs; remove and replace exhibits with edited versions; enhance and optimize filing.	1.40	\$371.00
6/5/2023	LAH	Review edits from B. Koenig and P. Walters; edit application; compare application and exhibits to filings checklist; exchange emails with P. Walters, et. al. re filing.	0.90	\$238.50
6/5/2023	BHK	Final review of Application and exhibits against checklist with statutes and regulations. Sent back to A. Honaker.	2.50	\$625.00
6/5/2023	BHK	Discussion with A. Honaker re: rate case application and depreciation study exhibit.	0.30	\$75.00
6/6/2023	LAH	Exchange emails re final edits to Application filing from J. Wolfram; telephone conference with J. Williams re edits to Application and Exhibits; finalize edits for filing; draft cover letter; prepare complete application for electronic filing; electronically file same; exchange emails with team re filing complete.	2.50	\$662.50
6/7/2023	LAH	Review no deficiency letter from Commission; email same to team for review; exchange emails with P. Walters re responses to data requests.	0.40	\$106.00

Continued On Next Page

Client Number: 07340  
Matter Number: 07340-0002

7/3/2023  
Page: 3

6/8/2023	LAH	Exchange emails with J. Gardner re pole attachment rates and any changes proposed in rate proceeding; review current tariff for pole attachment tariff; exchange emails with L. Marcum re updated pole attachment tariff status; review multiple emails from P. Walters re responses to data requests; conference with B. Koenig re same.	0.80	\$212.00
6/9/2023	LAH	Review multiple emails from P. Walters re exhibits for responses to data requests.	0.40	\$106.00
6/10/2023	LAH	Review multiple emails and attachments from P. Walters for responses to data requests.	0.60	\$159.00
6/12/2023	LAH	Review and organize all exhibits and responses to data requests received from P. Walters, et. al.; begin drafting responses.	2.80	\$742.00
6/13/2023	LAH	Review multiple emails and exhibits from P. Walters re data request responses; draft verifications for responses and email to witnesses for signatures.	0.60	\$159.00
6/13/2023	LAH	Exchange emails with J. Wolfram re verification.	0.10	\$26.50
6/14/2023	LAH	Continue preparing responses and exhibits for filing.	1.80	\$477.00
6/14/2023	BHK	Review emails from P. Walters and J. Wolfram re: exhibits for data responses.	0.40	\$100.00
6/15/2023	LAH	Complete compiling responses to data requests and put into proper format for filing; convert to pdfs, insert attachments; prepare to email to team for review; exchange emails with J. Wolfram re status; email complete responses to team for review; email to P. Walters re question on one response.	3.40	\$901.00
6/15/2023	LAH	Exchange emails with P. Walters re NRECA board rep; review edits to responses to data requests from P. Walters; edit responses.	0.70	\$185.50
6/15/2023	LAH	Review the Commission Order establishing a procedural schedule and calendar dates.	0.20	\$53.00
6/15/2023	LAH	Make final edits to responses; add bookmarks and optimize; split into smaller size pdfs and email to team for one last review.	1.80	\$477.00
6/15/2023	BHK	Review Order setting procedural schedule for rate case.	0.10	\$25.00
6/15/2023	LAH	Exchange multiple emails with P. Walters, J. Williams, et. al. re responses to data requests and edits to make to same; telephone conference with J. Wolfram re same.	0.40	\$106.00

Continued On Next Page



Client Number: 07340  
Matter Number: 07340-0002

6/16/2023	LAH	Review emails from P. Walters, et. al. re final edits to responses; make edits; exchange emails with team re same; draft motion for confidential treatment; email same to team for review; exchange emails with J. Williams, et. al re motion and responses; exchange emails with A. Goad re confidentiality agreement with AG.	1.20	\$318.00
6/16/2023	BHK	Review Data Request Responses to Staff's First Requests.	1.30	\$325.00
6/17/2023	LAH	Email to team re confidentiality agreement for AG; draft same; email to A. Goad for review and signature.	0.50	\$132.50
6/17/2023	BHK	Review and edit of Motion for Confidentiality for DR Responses.	0.30	\$75.00
6/19/2023	LAH	Exchange emails with J. Wolfram and P. Walters re responses to data requests; office conference with B. Koenig re same; draft cover letter for filing; prepare all documents for electronic filing; electronically file same; email confidential information to PSCED; email team re filing complete.	0.90	\$238.50
6/22/2023	LAH	Exchange emails with A. Goad re edits to confidentiality agreement; edit agreement; email changes to J. Williams to review.	0.50	\$132.50
6/28/2023	LAH	Exchange emails with A. Goad re adding another person to the confidentiality agreement; review updated Exhibit A; email confidential information to A. Goad.	0.20	\$53.00
6/29/2023	LAH	Telephone conference with J. Wolfram re next steps.	0.10	\$26.50
<b>Billable Hours / Fees:</b>			<b>36.70</b>	<b>\$9,620.50</b>

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### Timekeeper Summary

Timekeeper BHK worked 7.00 hours at \$250.00 per hour, totaling \$1,750.00.

Timekeeper LAH worked 29.70 hours at \$265.00 per hour, totaling \$7,870.50.

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Continued On Next Page

Client Number: 07340  
Matter Number: 07340-0002

**Payment Detail**

<u>Date</u>	<u>Description</u>	<u>Amount</u>
6/29/2023	Check Number 105322 against Inv# 357	(\$9,711.50)
<b>Total Payments Received:</b>		<b>(\$9,711.50)</b>

**Current Invoice Summary**

<b>Prior Balance:</b>	\$9,711.50	
<b>Payments Received:</b>	(\$9,711.50)	<b>Last Payment: 6/29/2023</b>
<b>Unpaid Prior Balance:</b>	\$0.00	
<b>Current Fees:</b>	\$9,620.50	
<b>Advanced Costs:</b>	\$0.00	
<b>TOTAL AMOUNT DUE:</b>	<u>\$9,620.50</u>	

Thank You for Letting Us Serve You.  
Payment Due Upon Receipt.

P.O. per Jeff # 8056  
 Recd Jeff Date 07SD 01  
 Price & Exp 2000  
 Posted Jeff Acct No. 183.0  
 Approved Jeff  
 Check No. 2023 General Rate Case

ATTACHMENTS  
ARE EXCEL  
SPREADSHEETS  
AND UPLOADED  
SEPARATELY

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

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**REQUEST 21**

**RESPONSIBLE PARTIES: Patsy Walters and John Wolfram**

**Request 21.** Refer to the Application, Exhibit 1. Taylor County RECC states that it, “will have an insufficient rate structure that could put it at risk of not being in compliance with its lender requirements.”

- a. Explain in detail the various lender requirements.
- b. Provide Taylor County RECC's rate structure in comparison to its lender requirements for the years 2013 – 2023.

**Response 21a.** Please refer to PSC Second Data Request 9.

**Response 21b.** The rate structure does not “compare” to the lender requirements. The intent of the cited phrase in the Application Exhibit 1 is to explain that the total revenue generated from rates is insufficient for achieving the financial metrics required by the lenders described in the response to part a. See the data provided in response to Item 37.

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

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**REQUEST 22**

**RESPONSIBLE PARTY: John Wolfram**

**Request 22.** Refer to the Application, Exhibit 4. Explain the Residential Marketing Rate – Schedule R-1 in detail.

**Response 22.** This special marketing rate was established for the purpose of members installing electric thermal storage (“ETS”) units. These were used to replace wood heat, baseboard or wall heaters. ETS units have been installed for heating the whole house. The electric power furnished under this marketing program is separately metered for each point of delivery and is applicable during the off-peak hours. This rate is available to consumers already receiving service under Schedule A, Farm and Home Service Rate. The ETS units are charged during our off-peak times, which results in a lower rate for the members.

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

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**REQUEST 23**

**RESPONSIBLE PARTY: John Wolfram**

**Request 23.** Refer to the Application, Exhibit 5.

- a. Confirm that the average residential customer, using 1,113 kWh of electricity, will have a \$21.34 increase, or 19.44%, to its monthly electric bill if the Commission grants Taylor County RECC's rate increase request.
- b. If the Commission grants Taylor County RECC's rate increase request provide the average residential customer's total monthly electric bill.
- c. Explain how an approximately 20% increase in electric rates is in line with the principle of gradualism.

**Response 23a.** Confirmed.

**Response 23b.** The total monthly electric bill will vary based on the Fuel Adjustment Charge ("FAC"), Environmental Surcharge ("ES"), franchise fees, taxes, and other miscellaneous charges. It will vary seasonally. Based on test year data, the electric bill for the average residential customer including base rate charges, FAC and ES will be \$131.12.

**Response 23c.** Taylor County RECC has avoided a general rate increase for over a decade and even though the cooperative wants to keep its rates as low as possible for its members, it is not possible to avoid a rate increase any longer. The proposed increase is driven by what is needed to continue to provide safe and reliable service for its members while adjusting the test period for known and measurable changes. The proposed rates are in line with gradualism to the extent that the proposed residential rate increases do not go so far as to eliminate the subsidization of the residential class by other rate classes.

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**REQUEST 24**

**RESPONSIBLE PARTY: Jeffrey R. Williams**

**Request 24.** Refer to the Direct Testimony of Jeffrey R. Williams (“Williams Testimony”), at 4. Mr. Williams states that in 2022 both the Company’s general manager and general counsel retired, and these positions have been replaced with a new Chief Executive Officer (“CEO”) and general counsel.

- a. Provide the salary, including all overtime pay, and all benefits that Taylor County RECC’s general manager and general counsel received in 2021 and 2022, separated by position.
- b. Provide the salary, including all overtime pay, and all benefits that Taylor County RECC’s new Chief Executive Officer (“CEO”) and general counsel have received in 2022 and 2023.
- c. If there are differences of salary and/or benefits between the prior and current general manager and general counsel, identify the differences and include a detailed explanation as to why the differences exist.



**Response 24a.** Please see attached schedule. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.

**Response 24b.** Please see attached schedule. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.

**Response 24c.** The prior general manager and current CEO are under contract; which is voted on by the Board of Directors. The general counsel is hired by the Board of Directors and CEO. The previous general counsel's hourly rate was \$170.00 with a \$50.00 per month retainer fee. The current general counsel's hourly rate is \$ \$250.00. When reviewing this data request it was discovered by counsel that an error had occurred in the hourly rate for the 2023 Rate Case matter and it was entered as \$265.00. Taylor RECC's other matters are correctly billed at \$250.00/hour. Upon finding this error, counsel calculated the number of hours she had worked on the 2023 Rate Case matter, which was 87.1, and has notified Taylor County RECC that a credit of \$1306.50 will be issued on the July 2023 invoice which would be for the \$15/hour that has been overbilled due to the incorrect amount in the electronic billing system.

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**REQUEST 25**

**RESPONSIBLE PARTY: Jeffrey Williams**

**Request 25.** Refer to the Williams Testimony at 4. Mr. Williams states that prior to 2022, Taylor County RECC had not been cutting circuits for a number of years, and had only been cutting hot-spot areas and new services that required removal of vegetation. Explain in detail why the Company had not been cutting circuits for a number of years.

**Response 25.** With a change in executive leadership, this is not known. It seems the cooperative was trying to stave off a general rate increase and to keep costs low.

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**REQUEST 26**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 26.** Refer to the Williams Testimony at 5. Provide a copy of the referenced 5-year contract, including all amendments, with the Teamsters union workforce, which comprises approximately 70% of the Company's employees.

**Response 26.** Please refer to OAG's First Data Request 24 and OAG's Second Data Request 3.

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

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**REQUEST 27**

**RESPONSIBLE PARTIES: Patsy Walters and John Wolfram**

**Request 27.** Refer to the Williams Testimony at 5.

a. Provide a copy of the referenced Cooperative Finance Corporation's ("CFC") Key Ratio Trend Analysis ("KRTA").

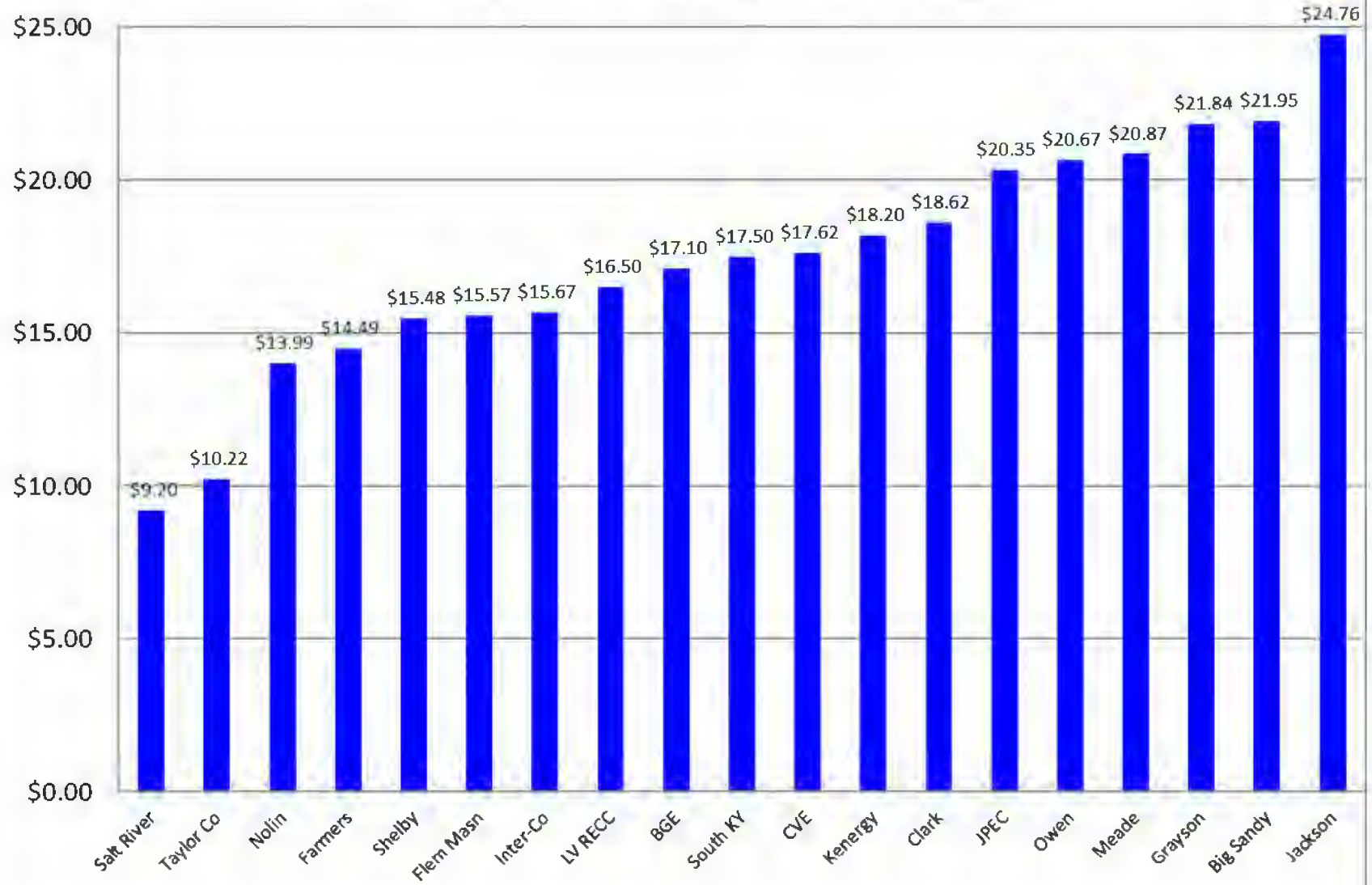
b. Provide a list of all electric utilities in Kentucky, with the corresponding monthly residential customer charge, residential volumetric charge, average bill, and rank the utilities from lowest to highest average bill. Ensure to include Taylor County RECC's proposed residential customer charge, residential volumetric charge, average bill, and rank based upon its proposed revenue requirement.

**Response 27a.** This is being filed under seal pursuant to a Motion for Confidential Treatment. Please see attached CFC KRTA Report.

**Response 27b.** Taylor County RECC did not compile all the requested information during the development of this case. The relevant information that the cooperative did compile, which only includes the monthly residential customer charge for electric distribution cooperatives in Kentucky, from publicly-available data on the Commission's website, is attached.

ATTACHMENT  
FILED UNDER SEAL  
PURSUANT TO A  
MOTION FOR  
CONFIDENTIAL  
TREATMENT

## Monthly Residential Fixed Charges



**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

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**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 28**

**RESPONSIBLE PARTY: Jeffrey R. Williams**

**Request 28.** Refer to the Williams Testimony at 6 – 7.

- a. Provide a copy of the pay and benefit evaluation.
- b. Mr. Williams states that prior to 2022, employees did not contribute to their health care plan, but this has now changed. Explain in detail how this has changed and provide all employee/employer contribution percentages to health, dental, vision, disability, etc. insurances.
- c. Mr. Williams states that Lineman pay was evaluated by reviewing cooperatives in Kentucky and adjusted based upon that information. Provide a detailed account of how the Lineman pay was evaluated and adjusted. Additionally, provide a copy of the evaluation regarding the same.
- d. Explain in detail why the union pay was adjusted 5%, instead of the contractual 2.5%, for the 2022 raise.

e. Mr. Williams states that the union members' vacation accrual, dental, and 401k percentage contribution were adjusted. Provide a detailed account of and the reason for the referenced adjustments.

f. Mr. Williams states that the 401k percentage was adjusted from 10% of total pay including overtime, to 16% of regular pay, not including overtime, and that it is important to note that Taylor County RECC does not have a pension plan. Explain whether Taylor County RECC has ever offered a pension plan, or stopped offering a pension plan for new hires.

g. Mr. Williams states that, "[l]astly, the vacation, healthcare, dental and 401k changes were kept the same across the company for the 30% of non-union workers."

i. Explain whether this statement is asserting that all of the changes to vacation, healthcare, dental, and 401k for union employees were also made for the non-union employees.

ii. If so, explain why these changes were also made for the non-union employees.

iii. Explain whether Taylor County RECC evaluated the non-union workers pay and benefits, and if so, provide a copy of the evaluation.

iv. Explain whether the 5% raise was also provided to the non-union workers in 2022, and if so, explain in detail why.



**Response 28a.** Please refer to Taylor RECC's response to AG 1-28c, AG 1-28e as well as other parts of AG 1-28 for details.

**Response 28b.** Please refer to Taylor RECC's response to AG 1-28e. for a discussion on the amendment to the union contract and how and why healthcare changed. For the employee/employer contribution percentages, please refer to the Direct Testimony of Ms. Walters at 8-10.

**Response 28c.** Lineman pay was evaluated by looking at confidential information provided by Taylor County RECC by other cooperatives in Kentucky. This was part of the overall amendment to the union contract approved by the Board, Teamsters Union and employees.

**Response 28d.** As part of the amendment to the union contract described in part AG 1-28e, and lineman pay in part AG 1-28c, the remainder of the union employees were offered at least a 5% increase in 2022. Employees would now be responsible for a portion of the healthcare premium, up to 12% of the premium in 2024, and we were able to move to a much less expensive health insurance, per employee.

**Response 28e.** Benefits were evaluated to help ensure competitive benefits are offered to our employees. Since Taylor County RECC is 70% union, any amendment to the contract that was in place had to be approved by the Board, the Teamsters Union, and employees. Prior to this amendment, healthcare was only paid for single coverage by the company if the employee was hired after November 30, 2005. So, employees that had been with the company 17 years or less had to buy their own family health insurance. This caused employee retention issues to our most

needed employees. However, there was no employee contribution to healthcare. Management and the Board realized that there was a large discrepancy in the benefits provided to employees hired prior to November 30, 2005 and those hired after that date. As a result, it was determined that the healthcare benefits needed to be updated. The employee could get dental, but they paid the full cost. Vacation was a non-monetary benefit that was very restrictive. 401k employer contribution was 10%, but was on total pay, including overtime pay. Management and the Board believed that this could have incentivized unnecessary overtime. Any amendment to the contract needed to address these issues together. The Board, Teamsters Union and union employees all voted to approve the amendment.

Taylor RECC moved its healthcare insurance to East Kentucky Power's KREC insurance, which most cooperatives in the state use. This switch actually saved Taylor RECC money, while providing a better healthcare benefit to its employees. 401k contributions were increased to 16% employer contribution, but only on regular pay (40 hours weekly). Vacation was adjusted to a less restrictive accrual. Dental is now shared 80/20 by the company/employee.

**Response 28f.** There is no pension offered to any employees at Taylor County RECC. The only retirement plan is the 401k contribution. To our knowledge there has never been a pension plan.

**Response 28g** Part i. Yes. All benefit changes were the same for union and non-union employees.

**Page 5 of 5**

Part ii. Taylor County RECC strives to offer the same benefits for all employees whether union or non-union. Taylor RECC's Teamsters union employees comprise approximately 70% of the work force.

Part iii. Taylor County RECC evaluated pay for non-union employees for annual adjustments/promotions using the salary study that was conducted. Please see attached. The attachment is being filed under seal pursuant to a Motion for Confidential Treatment.

Part iv. No the 5% raise was not included to non-union workers.

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**REQUEST 29**

**RESPONSIBLE PARTIES: Patsy Walters and John Wolfram**

**Request 29.** Refer to the Direct Testimony of Patsy Walters ("Walters Testimony"), at 2. Ms. Walters discusses Taylor County RECC's debt portfolio which includes the following lenders: RUS, CFC, CoBank, and FFB.

- a. Provide the TIER and OTIER that are required by all of Taylor County RECC's loan contracts.
- b. Confirm or deny that normally loans that an RECC enters into only require a TIER of 1.25X. If denied, explain in full detail what TIER is generally required.
- c. If (c) is confirmed, other than Commission precedent, provide the justification and reason a higher TIER than what is required by the loan contract terms is necessary.
- d. Explain how Taylor County RECC utilizes the additional funds that the Commission awards that are above and beyond the required TIER and OTIER amounts per the loan contract terms, and how the company accounts for these funds.

e. If Taylor County RECC were to ask for a 1.25X TIER, provide the rate increase that the Company would be seeking in the pending case, all else equal.

**Response 29a.** Please refer to PSC Second Data Request 9.

**Response 29b.** Taylor County confirms that normally loans that an RECC enters into only require a TIER of 1.25X.

**Response 29c.** The loan covenants establish minimum requirements for financial metrics like TIER. Taylor County RECC considers it prudent to establish rates that permit the achievement of financial metrics above these minimums, and the Commission has supported this view in every distribution cooperative rate case of which Taylor County RECC is aware.

**Response 29d.** Taylor County RECC does not accept the premise of the question that the amounts above the minimum lender-required TIER or OTIER are “additional funds” for which separate allocation or tracking is warranted. On the contrary, Taylor County RECC uses TIER and OTIER in order to establish its total revenue requirement, consistent with standard Commission practices and traditional ratemaking methods. The cooperative is entitled to a reasonable opportunity to recover its prudently-incurred costs and is also entitled to earn a fair and reasonable rate of return on its capital investments. All of Taylor County RECC’s rate revenue allows the cooperative to recover its costs, earn a reasonable return on its investment, and manage contingencies related to providing safe, reliable, and cost-effective electric service to its members. The Commission has found in repeated distribution cooperative rate filings in recent years that a

TIER of 2.00 provides that reasonable return. The Commission also established the OTIER cap of 1.85 for cooperatives using the Streamlined Procedure Pilot Program, which indicates an expectation by this Commission that cooperatives like Taylor County RECC should achieve financial metrics above the minimum thresholds established by the lenders. There are no “additional funds” and thus no special or separate “accounts for these funds” exist.

**Response 29e.** All else being equal, the revenue deficiency at a target TIER of 1.25 is \$5,404,844.

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**REQUEST 30**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 30.** Refer to the Walters Testimony at 7, in which she asserts that payment processing fees have risen significantly in the past 10 years.

a. Provide the monetary amount that Taylor County RECC has included in the revenue requirement for payment processing fees, with a breakdown between each payment type.

b. If Taylor County RECC includes credit card fees in the revenue requirement then provide the Commission case number and Order that approved these specific fees to be included in rates.

c. Provide all payment processing fees that Taylor County RECC has paid for in the years 2013 – 2023, and provide a breakdown for each type of payment processing fee.

d. Identify the type of payments Taylor County RECC accepts from a customer without assessing a fee.

e. Identify the type of payments Taylor County RECC accepts only with a fee assessment.

f. Explain in full detail whether Taylor County RECC requires a convenience fee to be added to all credit card transactions in order for other member customers to not subsidize the credit card payments. If not, explain in full detail why not.

g. Provide the type of credit cards that Taylor County RECC accepts as payment (e.g. Visa, MasterCard, American Express, etc.), the fee that the Company pays to process each type of credit card, and the associated fee to the member customer.

h. Provide all other forms of payment that Taylor County RECC accepts from member customers to pay the utility bill, as well as the corresponding fees that the Company pays for each payment type, as well as all fees assessed to the member customers for each payment type.

**Response 30a.** Taylor RECC does not pass any payment processing fees on to its members.

**Response 30b.** Taylor RECC does not any pass credit card fees on to its members.

**Response 30c.** Please see attached schedule. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.

**Response 30d.** Taylor RECC accepts the following types of payments without assessing a fee: Check, Cash, Credit Card, and ACH.

**Response 30e.** Taylor County RECC does not assess a fee when accepting payments.



**Response 30f.** Taylor County RECC does not require a convenience fee to be added to all credit card transactions to avoid negative customer sentiment.

**Response 30g.** Taylor County RECC accepts the following credit cards: Visa and Mastercard. Please see Response 30c for a listing of credit card fees paid by the company. Taylor County does not any pass credit card fees on to its members.

**Response 30h.** Taylor County RECC accepts the following types of payments: Check, Cash, Credit Cards, and ACH. Please see Response 30c for a listing of fees paid by the company. Taylor RECC does not assess a fee to its members when accepting payments.

ATTACHMENTS  
ARE EXCEL  
SPREADSHEETS  
AND UPLOADED  
SEPARATELY

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

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**REQUEST 31**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 31.** Refer to the Direct Testimony of Patsy Walters ("Walters Testimony"), at 7, in which she asserts that technology costs have risen significantly in the past 10 years. Explain in detail the technology costs that have increased in the past decade.

**Response 31.** New technologies bring benefits to Taylor RECC's members, but at a cost. Inflation is affecting Taylor County's IT Budget, bringing cost increases in areas; including servers, storage, and professional services. Taylor County implemented a PrePay Program, as well, see Response 115 to OAG DR-1.

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**REQUEST 32**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 32.** Refer to the Walters Testimony at 7, in which she states that 46% of Taylor County RECC's long-term debt is at fixed interest rates, while 54% are at variable interest rates. Ms. Walters further asserts that Taylor County RECC is monitoring rising interest rates. Explain in detail whether the Company previously attempted to secure fixed interest rates on some of its variable interest rate loans due to the rising interest rates. If not, explain in detail why not.

**Response 32.** Taylor County RECC secured fixed interest rates on two of its RUS variable rate loans. Taylor County was able to extend the maturity date on four RUS variable rate loans while benefiting from historical low interest rates. Taylor County requested two advancements totaling \$6.2M in the past year on its FFB work plan loan during the rise of interest rates and opted to monitor rising rates.

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**REQUEST 33**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 33.** Refer to the Walters Testimony, at 8. Ms. Walters states that Taylor County RECC currently employs 57 full-time employees, with 34 of the employees working outside and 23 working inside.

- a. Provide the total number of full-time employees that the Company employed for the years 2013 – 2023, with a breakdown between outside and inside workers.
- b. Confirm that the 34 employees working outside are union members, and the 23 employees working inside are non-union members. If not confirmed, explain the response in detail.
- c. Provide the number of part-time employees that the Company employed for the years 2013 – 2023, if any.

**Response 33a.** Please see attached schedule. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.

**Response 33b.** Taylor REC currently has 57 employees; 23 inside and 34 outside. Currently, there are 13 inside union positions out of the total 23; the remaining 10 are salaried positions. Currently, there are 26 outside union positions out of the total 34; the remaining 8 are salaried positions.

**Response 33c.** Taylor County RECC did not have any part-time employees for the years 2013-2023.

ATTACHMENTS  
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**REQUEST 34**

**RESPONSIBLE PARTY: Jeffrey R. Williams**

**Request 34.** Refer to the Walters Testimony at 8. Ms. Walters asserts that beginning on January 1, 2023, Taylor County RECC will pay 95% of the full premiums for all coverage levels for all employees. Then on January 1, 2024, the Company will pay 90% of the full premiums for coverage level for all employees. On January 1, 2025, the Company will pay 88% of the full premiums for all coverage levels for all employees. Additionally, the Company will create a Health Savings Account for each employee and contribute either \$3,500 for employee only coverage or \$7,000 for family coverage. For all current retirees and employees who were hired on or before November 30, 2005, who have attained at least age 60, and have at least 30 years of service with the Company, insurance or Humana Medicare will be provided.

- a. Provide a copy of all formal studies conducted that compare Taylor County RECC's health insurance premium and health savings account contributions to those of local employers for the geographic area in which Taylor County RECC operates. If no formal study exists explain why not.



b. Discuss any informal studies that compare Taylor County RECC's health insurance premium and health savings account contributions to those of local employers for the geographic area in which Taylor County RECC operates. If no informal study exists explain why not.

c. Confirm that according to the most recent data from the Bureau of Labor Statistics, the average share of premiums paid by the employer for single coverage in private industry is 78%.<sup>4</sup>

d. Confirm that according to the most recent data from the Bureau of Labor Statistics, the average share of premiums paid by the employer for family coverage in private industry is 67%.<sup>5</sup>

e. For all current retirees and employees who were hired on or before November 30, 2005, explain whether Taylor County RECC pays 100% of the insurance costs.

f. Provide the contribution amounts to insurance costs that are paid by Taylor County RECC and the retirees for those who were hired after November 30, 2005.

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<sup>4</sup> [https://www.bls.gov/news.release/archives/ebs2\\_09222022.htm](https://www.bls.gov/news.release/archives/ebs2_09222022.htm), Table 3.

<sup>5</sup> [https://www.bls.gov/news.release/archives/ebs2\\_09222022.htm](https://www.bls.gov/news.release/archives/ebs2_09222022.htm), Table 4.

**Response 34a.** No study exists. The healthcare is a contractually negotiated benefit for our union employees. Management was able to amend the contract in 2022 with several pay and benefit changes. This included offering all employees family insurance, provided they pay a portion of the premium. The result was the company saving money per employee by transitioning to the KREC's insurance plan offered by East Kentucky Power. This plan was significantly cheaper per employee than the previous plan. Management was also able to get the employee contribution to 12% by 2025. Prior to this change, employees made no contribution.

**Response 34b.** Please refer to Taylor RECC's response to AG 1-34a.

**Response 34c.** Confirmed

**Response 34d.** Confirmed

**Response 34e.** All employees now pay a portion of their health insurance costs moving to 12% by 2025. Retirees do not pay a portion of their retiree medical. Only those hired before November 30, 2005 qualify for this benefit.

**Response 34f.** All current employees pay the same portion of the premium, as noted in this question. No employee hired after November 30, 2005, receives any retiree medical benefit.

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**REQUEST 35**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 35.** Refer to the Walters Testimony at 9. Ms. Walters states that as of October 2022, the Company began paying 80% of the dental premiums for all employees who are actively employed and choose dental coverage. Provide the dental premiums paid by the employer and employee prior to October 2022.

**Response 35.** The employee was responsible for the entire dental premium prior to October 2022.

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**REQUEST 36**

**RESPONSIBLE PARTIES: Patsy Walters/Jeffrey Williams**

**Request 36.** Refer to the Walters Testimony at 9. Ms. Walters states that the Company contributes 16% of the employee's base salary to a 401(k), and requires the employee to contribute at least 3% of their base salary to participate in the plan.

a. Provide a copy of all studies that Taylor County RECC conducted and/or relied upon concerning the 16% employer contribution rate and the 3% employee contribution rate. If no study exists, explain why not.

b. Provide a copy of all formal studies conducted that compare Taylor County RECC's 401(k) contributions to that of local employers for the geographic area in which Taylor County RECC operates. If no formal study exists, explain why not.

c. Discuss any informal studies that compare Taylor County RECC's 401(k) contributions to that of local employers for the geographic area in which Taylor County RECC operates. If no informal study exists, explain why not.

**Response 36a.** No study exists. Taylor County RECC offers only one retirement plan, the 401k contribution. No pension plan is offered. Our manager of accounting reviewed data provided

confidentially by other cooperatives in the state on retirement plan contributions. The CEO reviewed the NRECA R&S pension plan with NRECA staff and determined the benefit for these plans based upon the factors. As we moved to amend the union contract, this was part of the amendment. This change to 16% caps the amount contributed to regular pay (40 hours weekly), as previously the amount contributed was calculated on total pay.

**Response 36b.** No study exists. Please refer to Taylor RECC's response to AG 1 – 6.

**Response 36c.** No study exists. Please refer to Taylor RECC's response to AG 1 – 6.

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

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**REQUEST 37**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 37.** Refer to the Walters Testimony, Exhibit PW-1. Provide an updated Exhibit PW-1 to include the years 2022 and 2023.

**Response 37.** Please see attached schedule. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.

ATTACHMENTS  
ARE EXCEL  
SPREADSHEETS  
AND UPLOADED  
SEPARATELY

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 38**

**RESPONSIBLE PARTY: John Wolfram**

**Request 38.** Refer to the Direct Testimony of John Wolfram ("Wolfram Testimony"), at 8.

a. Mr. Wolfram states that Taylor County RECC proposes its revenue requirement in the pending case using an OTIER of 1.85, instead of using a TIER of 2.00.

i. Explain in detail why Taylor County RECC decided to diverge from the normal practice of basing its revenue requirement on a 2.00 TIER in a general base rate case, and instead used an OTIER of 1.85.

ii. If the Commission were to grant Taylor County RECC's rates as proposed, provide the resulting TIER and OTIER.

**Response 38a i.** The OTIER of 1.85 allowed for a smaller total revenue increase than the TIER of 2.00. See Wolfram Direct Testimony, Exhibit JW-2, page 1, line 51, columns 5 and 6.

**Response 38a ii.** Using the adjusted test year, the proposed rates yield a TIER of 1.91 and an OTIER of 1.85. See Wolfram Direct Testimony, Exhibit JW-2, page 1, column 6, lines 34 and 35.



**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 39**

**RESPONSIBLE PARTY:            John Wolfram**

**Request 39.**            Refer to the Wolfram Testimony at 17 – 18. Explain whether the class cost of service study was performed in line with recent Commission precedent.<sup>6</sup> If not, explain in detail why not.

**Response 39.**            The class cost of service study was performed in line with recent Commission precedent for traditional rate filings (those cited and/or other cases not listed in the footnote).

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<sup>6</sup> See Case No. 2021-00066, *Electronic Application of Kenergy Corp. for a General Adjustment of Rates Pursuant to Streamlined Procedure Pilot Program Established in Case No. 2018-00407* (Ky. PSC June 24, 2021), Order at 11 – 12; See Case No. 2020-00131, *Electronic Application of Meade County Rural Electric Cooperative Corporation for an Adjustment in Rates* (Ky. PSC Sept. 16, 2020), Order at 12 – 13; See Case No. 2020-00264, *Electronic Application of Cumberland Valley Electric, Inc. for a General Adjustment of Rates Pursuant to Streamlined Procedure Pilot Program Established in Case No. 2018-00407* (Ky. PSC Dec. 30, 2020), Order at 10 – 11; See Case No. 2020-00338, *Electronic Application of Licking Valley Rural Electric Cooperative Corporation for a General Adjustment of Rates Pursuant to Streamlined Procedure Pilot Program Established in Case No. 2018-00407* (Ky. PSC Apr. 8, 2021), Order at 10 – 12.

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 40**

**RESPONSIBLE PARTY:** Patsy Walters

**Request 40.** Benefits 401(k) Match Expense. Refer to the Wolfram Testimony, Exhibit JW-2, Schedule 1.11. Provide the 401(k) match expense for test year, the adjusted test year, and each of the years 2018, 2019, 2020, 2021 and 2022, broken out by expensed and capitalized.

**Response 40.**

<b>401K Match Expense</b>			
<b>YEAR</b>	<b>401(k) MATCH</b>	<b>CAPITALIZED</b>	<b>EXPENSED</b>
2018	315,287.57	123,119.80	192,167.77
2019	324,109.81	126,564.88	197,544.93
2020	341,328.36	133,288.72	208,039.64
2021	355,353.43	138,765.51	216,587.92
Pro Forma Adj	301,105.00	117,567.00	183,538.00
Adjusted 2021	656,458.43	256,332.51	400,125.92
2022	386,271.53	150,839.03	235,432.50

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 41**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 41.** Board of Director Fees and Meeting Costs. Refer to the Wolfram Testimony, Exhibit JW-2, Schedule 1.09. Provide the annual directors' expenses for each of the years 2018-2022, the test year, and the adjusted test year.

**Response 41.**

Please see attached schedule. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.

ATTACHMENTS  
ARE EXCEL  
SPREADSHEETS  
AND UPLOADED  
SEPARATELY

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 42**

**RESPONSIBLE PARTY: Patsy Walters and John Wolfram**

**Request 42.** Board of Directors' Expenses. Refer to the Wolfram Testimony, Exhibit JW-2, Schedule 1.09.

a. Refer to lines 32-36. Explain the basis for adding these to the adjusted test year amount.

b. Refer to line 33. Provide the annual per diem per meeting for each of the years 2018, 2019, 2020, 2021, 2022, and forecasted for 2023.

**Response 42a.** Please see the response to Item PSC 2-17 parts b and c.

**Response 42b.** The annual per diem per meeting for each of the years 2018, 2019, 2020, 2021, and 2022 was \$300.00. The annual per diem per meeting for 2023 is \$325.00 with \$1,000.00 retainer per month.

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 43**

**RESPONSIBLE PARTY:           John Wolfram**

**Request 43.**           Board of Directors' Expenses. Refer to the Wolfram Testimony, Exhibit JW-2, Schedule 1.09, line 2. Explain why the NRECA winter school meeting amounts were removed for the other directors but not for Mr. Shuffett.

**Response 43.**           Please see the response to Item PSC 2-17 part a.

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 44**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 44.** Board of Director Fees and Meeting Minutes. Provide copies of the Board of Director Meeting Minutes for 2021, 2022 and 2023 year-to-date.

**Response 44.** Please see the attached Board Minutes.

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A Regular meeting of the Board of Directors of the Taylor County Rural Electric Cooperative Corporation was held Thursday, January 7, 2021, at 7:00 P.M., EST, at the Headquarters Building, 625 West Main Street, Campbellsville, KY.

The meeting was called to order by Donald Dean Shuffett, President. Upon calling the roll, the following were found to be present:

Chad Taylor	Bryan Clements
Greg Corbin	Bradley Irvin
Raymond Rucker	Chris Tucker
Donald D. Shuffett	

that being all the members of the Board.

Mr. Myers, Manager and Mrs. Walters, Accounting Supervisor were also present.

Mr. Shuffett asked if the members of the board had received a copy of the minutes for the regular board meeting held December 3, 2020. All members of the board indicated they had received the mailing of the minutes. Motion was made by Mr. Corbin, seconded by Mr. Rucker, unanimously carried, RESOLVED, that the minutes of the December 3, 2020 regular board meeting be approved as mailed.

Mr. Shuffett asked if the members of the board received a copy of the Manager's report for the month ended November 30, 2020. All members of the board indicated they had received the mailing of the Manager's report. Motion was made by Mr. Taylor, seconded by Mr. Irvin, unanimously approved, RESOLVED, that the Manager's report for the month of November 30, 2020, be accepted as mailed including all transactions covered thereby.



Mr. Corbin asked if the members of the board received a copy of the East Kentucky Power Board Summary. All members of the board indicated they had received the mailing of the EKPC Board Summary. EKPC's management anticipates recommending in early 2021 that the Board grant approval for the co-op to file a request with the Kentucky Public Service Commission (PSC) for a rate increase.

Mr. Myers reported on PSC. Taylor County RECC's Prepay Program has been approved by the PSC with an effective date of February 8, 2021.

There were no reports for KEC or CoBank.

Mrs. Walters reported that Joe Legel from Jones, Nale & Mattingly PLC has submitted a proposal to do the audit for the year ended May 31, 2021 for \$13,500.00 & 2020 Form 990 for \$850.00. Motion was made by Mr. Tucker, seconded by Mr. Corbin, unanimously approved, RESOLVED, that the proposal of Joe Legel from Jones, Nale & Mattingly PLC to do the audit for the year ended May 31, 2021 for \$13,500.00 & 2020 Form 990 for \$850.00.

Mrs. Walters asked if the members of the board received a copy of the budget for 2021. After discussion, motion was made by Mr. Rucker, seconded by Mr. Taylor, unanimously approved, RESOLVED, that the budget for 2021 be approved as presented.

Mr. Myers discussed union negotiations. No meeting has been scheduled to resume union negotiations as of date.

Mr. Myers discussed employee activity. Phyllis Rhodes is off work after testing positive for COVID. David Karnes is off work due to quarantine. Employees are being tested and quarantined if exposed

and/or showing symptoms from COVID-19.

Mrs. Walters reported that 13 accounts past due 26 or more weeks in the amount of \$3,782.96 are scheduled for write off. Motion was made by Mr. Irvin, seconded by Mr. Clements, unanimously approved, RESOLVED, that the following 13 accounts past due 26 or more weeks in the amount of \$3,782.96 be written off as uncollectible.

Mr. Myers discussed miscellaneous items. The co-op is working on the following projects: a new phone system for the office, Ipads/Iphones for engineering department and construction foremen and a GPS system for vehicles.

Mrs. Walters presented the board members with a questionnaire regarding the family and business relationships between certain individuals within the cooperative. This questionnaire has been established by the IRS as a reporting disclosure on the Form 990. The members were required to list any relationships and sign.

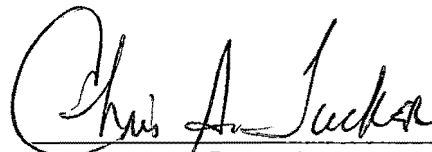
Motion was made by Mr. Irvin, seconded by Mr. Taylor, unanimously approved, RESOLVED, that the following applications for refund of Capital Credits of Deceased Consumers be approved and the credits refunded to the properly designated person or persons in the total amount of \$14,026.05 (fourteen thousand, twenty-six dollars and five cents).

<u>M/N</u>	<u>NAME</u>	<u>AMOUNT</u>
106572	Sue Cundiff	\$ 55.42
19944	Particia Followell	861.38
65490	Patricia Followell	95.16
2833	Beatrice Ford	614.76
38769	Charles/Lucilole Goode	.77
29025	Charlie/Lucille Goode	70.14
34272	Charlie/Lucille Goode	890.84
43779	Alta jean Woodrum Hunt	904.59

67355	Margaret E Judd	\$ 247.06
33677	Margaret Judd	149.66
64089	Eleanor sharp	489.53
70743	Helen G Shofner	1,344.35
85982	Helen G Shofner	535.04
32416	Sam Tucker	312.02
41301	Sam Tucker	95.12
75338	Sam Tucker	9.83
26915	Sam Tucker	4,444.53
43551	Elaine Underwood	1,351.22
71384	Elaine Underwood	2.57
65157	Ernest l/Jewell Walls	711.10
58473	Andrew A Yates	840.96
		<u>\$14,026.05</u>

Motion was made by Mr. Clements, seconded by Mr. Corbin, unanimously approved, RESOLVED, that new members listed on the following pages be accepted as members of the Taylor County Rural Electric Cooperative Corporation and that membership certificates be issued to them.

There being no further business to come before the board the meeting was duly adjourned.

  
Secretary

SEAL

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A Regular meeting of the Board of Directors of the Taylor County Rural Electric Cooperative Corporation was held Thursday, February 4, 2021, at 7:00 P.M., EST, at the Headquarters Building, 625 West Main Street, Campbellsville, KY.

The meeting was called to order by Donald Dean Shuffett, President. Upon calling the roll, the following were found to be present:

Chad Taylor	Bryan Clements
Greg Corbin	Bradley Irvin
Raymond Rucker	Chris Tucker
Donald D. Shuffett	

that being all the members of the Board.

Mr. Myers, Manager and Mrs. Walters, Accounting Supervisor were also present.

Mr. Shuffett asked if the members of the board had received a copy of the minutes for the regular board meeting held January 7, 2021. All members of the board indicated they had received the mailing of the minutes. Motion was made by Mr. Taylor, seconded by Mr. Irvin, unanimously carried, RESOLVED, that the minutes of the January 7, 2021 regular board meeting be approved as mailed.

Mr. Shuffett asked if the members of the board received a copy of the Manager's report for the month ended December 31, 2020. All members of the board indicated they had received the mailing of the Manager's report. After discussion, motion was made by Mr. Corbin, seconded by Mr. Rucker, unanimously approved, RESOLVED, that the Manager's report for the month of December 31, 2020, be accepted as mailed including all transactions covered thereby.

Mr. Corbin asked if the members of the board received a copy of the East Kentucky Power Board Summary. All members of the board indicated they had received the mailing of the EKPC Board Summary. EKPC's Board approved seeking a rate increase.

Mr. Myers reported on PSC. Taylor County RECC's Prepay Program has been approved by the PSC with an effective date of February 8, 2021.

Mr. Tucker reported on KEC. The Kentucky Public Service Commission had a follow-up virtual public meeting to discuss proposed pole attachment regulations on January 13, 2021.

There was no report for CoBank.

Mr. Myers discussed EKPC wholesale rate increase. EKPC's proposed rate increase would be an average of approximately 3.8 percent. The law firm of Goss Samford, PLLC will be representing Taylor County RECC. John Wolfram from Catalyst Consulting, LLC will be handling the data requests. EKPC plans to absorb all rate case expenses.

Mr. Myers discussed employee activity. John Edwards and Bradley Willis are off work due to COVID. Jeremy Fryman has been placed on light duty due to a shoulder injury at work. Bradley Caudill is currently off work with a broken ankle. Employees are being tested and quarantined if exposed and/or showing symptoms from COVID-19.

Mr. Myers reported a tentative date has been set for Tuesday, February 9 to resume union negotiations.

Motion was made by Mr. Taylor, seconded by Mr. Tucker, unanimously approved, RESOLVED, that the Board go into Executive

Session to discuss union negotiations. After discussion, motion was made by Mr. Tucker, seconded by Mr. Corbin, unanimously approved, RESOLVED, that the Board come out of Executive Session.

Mrs. Walters reported that 17 accounts past due 26 or more weeks in the amount of \$4,888.03 are scheduled for write off. Motion was made by Mr. Clements, seconded by Mr. Irvin, unanimously approved, RESOLVED, that the following 17 accounts past due 26 or more weeks in the amount of \$4,888.03 be written off as uncollectible.

Mr. Myers discussed miscellaneous items. Roger Watson will be retiring in April. Landon Russell has been hired as a replacement and should begin work in May. Taylor County RECC is looking at Solomon Corporation to dispose of old transformers and Power System Engineering to perform sample meter testing.


Mr. Myers discussed bid quotes for a new service truck in Taylor County. Mr. Myers was only able to get a bid quote from Dutch's Ford in Mount Sterling, Kentucky for a service truck in the amount of \$39,890. Motion was made by Mr. Tucker, seconded by Mr. Taylor, unanimously approved, RESOLVED, to purchase a service truck from Dutch's Ford in Mount Sterling, Kentucky in the amount of \$39,890.

Motion was made by Mr. Rucker, seconded by Mr. Clements, unanimously approved, RESOLVED, that the following applications for refund of Capital Credits of Deceased Consumers be approved and the credits refunded to the properly designated person or persons in the total amount of \$11,965.54 (eleven thousand, nine hundred sixty-five dollars and fifty-four cents).

<u>M/N</u>	<u>NAME</u>	<u>AMOUNT</u>
57170	Cecil Morris Dobson	\$ 823.45
68741	Chad Ervin	966.55
90942	Chad Ervin	838.31
104873	Nancy S Foley	174.45
29066	Janet Foster	125.47
49162	Janet Foster	34.55
24868	Janet Foster	1,316.30
78889	Kevin Mings	1,585.54
37746	Floyd/Elizabeth Roy	414.54
29703	Floyd/Elizabeth Roy	4,571.93
60024	Floyd/Elizabeth Roy	105.45
66206	Floyd/Elizabeth Roy	42.69
29480	Nancy Wethington	150.26
43206	Nancy Wethington	816.05
		<u>\$11,965.54</u>

Motion was made by Mr. Irvin, seconded by Mr. Clements, unanimously approved, RESOLVED, that new members listed on the following pages be accepted as members of the Taylor County Rural Electric Cooperative Corporation and that membership certificates be issued to them.

There being no further business to come before the board the meeting was duly adjourned.

  
Secretary

SEAL

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A Regular meeting of the Board of Directors of the Taylor County Rural Electric Cooperative Corporation was held Thursday, March 4, 2021, at 7:00 P.M., EST, at the Headquarters Building, 625 West Main Street, Campbellsville, KY.

The meeting was called to order by Donald Dean Shuffett, President. Upon calling the roll, the following were found to be present:

Chad Taylor	Bryan Clements
Greg Corbin	Bradley Irvin
Raymond Rucker	Donald D. Shuffett

that being all the members of the Board, except Chris Tucker who was absent.

Mr. Myers, Manager and Mrs. Walters, Accounting Supervisor were also present.

Mr. Shuffett asked if the members of the board had received a copy of the minutes for the regular board meeting held February 4, 2021. All members of the board indicated they had received the mailing of the minutes. Motion was made by Mr. Taylor, seconded by Mr. Corbin, unanimously carried, RESOLVED, that the minutes of the February 4, 2021 regular board meeting be approved as mailed.

Mr. Shuffett asked if the members of the board received a copy of the Manager's report for the month ended January 31, 2021. All members of the board indicated they had received the mailing of the Manager's report. After discussion, motion was made by Mr. Corbin, seconded by Mr. Clements, unanimously approved, RESOLVED, that the Manager's report for the month of January 31, 2021, be accepted as mailed including all transactions covered thereby.



Mr. Corbin asked if the members of the board received a copy of the East Kentucky Power Board Summary. All members of the board indicated they had received the mailing of the EKPC Board Summary.

Mr. Myers reported on KEC. House Bill 320 is in the Kentucky Legislation allowing Kentucky Cooperatives to provide broadband services. KEC continues to work with legislators and the PSC concerning pole attachments.

There were no reports for PSC or CoBank.

Motion was made by Mr. Corbin, seconded by Mr. Irvin, unanimously approved, RESOLVED, that the Board go into Executive Session to discuss union negotiations. After discussion, Mr. Shuffett brought the Board out of Executive Session.

Mr. Myers and Mrs. Walters discussed EKPC wholesale rate increase and Taylor County RECC's Pass-Through. Mr. Wolfram stated in an email to Mrs. Walters: EKPC is allocating \$1,725,220 to TCRECC in total, and that EKPC is developing a pass-through filing designed to recover that incremental amount through retail rates, and that the increase will be "proportional" across the retail rate classes based on 2019 actuals.

Mr. Myers discussed employee activity. Ernie Sharp and Kathy Williams were off work due to COVID. David Weatherford's father passed away. Jeremy Fryman has been placed off work for a shoulder injury at work. Bradley Caudill is currently off work with a broken ankle. Employees are being tested and quarantined if exposed and/or showing symptoms from COVID-19.

Mrs. Walters reported that 20 accounts past due 26 or more weeks in the amount of \$8,985.54 are scheduled for write off. Motion was

made by Mr. Irvin, seconded by Mr. Rucker, unanimously approved, RESOLVED, that the following 20 accounts past due 26 or more weeks in the amount of \$8,985.54 be written off as uncollectible.

Mr. Myers discussed miscellaneous items:

Mr. Myers discussed bid quotes for a new bucket truck in Taylor County. The two bids received were a 2021 Terex Freightliner Truck for \$197,837 and a 2021 Altec Freightliner Truck for \$198,223. Motion was made by Mr. Corbin, seconded by Mr. Taylor, unanimously approved, RESOLVED, that the bid be accepted for the 2021 Altec Freightliner Truck in the amount of \$198,223.

Mr. Myers reported on the ice storm damage and costs that occurred February 2021. Taylor County RECC experienced minimal damage compared to other parts of the state with an estimated cost to date of \$85,000 to \$100,000. Taylor County RECC is scheduled to meet virtually with FEMA next week to discuss damages/costs.

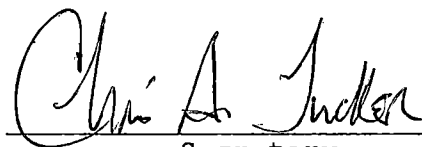
Mr. Myers reported on Ground Solutions' performance and progress with the ROW mowing. A recommendation was made to the Board that Taylor County RECC continue to use Ground Solutions for ROW mowing. The Board was in agreement.

Motion was made by Mr. Taylor, seconded by Mr. Rucker, unanimously approved, RESOLVED, that the following applications for refund of Capital Credits of Deceased Consumers be approved and the credits refunded to the properly designated person or persons in the total amount of \$14,394.52 (fourteen thousand, three hundred ninety-four dollars and fifty-two cents).

<u>M/N</u>	<u>NAME</u>	<u>AMOUNT</u>
40344	John R II/Margaret Bartman	\$ 1,417.50
96283	Doris Beams	456.87
93138	Arvin Bell	12.26
38845	Donald/Barbara Bruce	244.53
38844	Donald/Barbara Bruce	1,581.15
78180	Maurice Bryant	668.13
54595	Otha C Clements	16.06
63392	Otha C Clements	9.73
50101	Otha C Clements	1.23
35166	Otha C Clements	526.01
14755	Otha C Clements	1,071.35
37881	Gerald P Gilpin	525.98
37493	Gerald Gilpin	84.03
99196	Nannie Knifley	198.53
29394	Joyce D Rodgers Lee	117.87
34987	Joyce D Rodgers Lee	65.40
35017	Joyce D Rodgers Lee	823.55
36428	Joyce D Rodgers Lee	199.41
58233	Joyce D Rodgers Lee	2.51
58087	Joyce D Rodgers Lee	126.56
49381	Joyce D Rodgers Lee	4.53
49380	Joyce D Rodgers Lee	6.45
49379	Joyce D Rodgers Lee	5.92
83189	Doris M Lewis	898.57
7199	Ludora Perkins	1,428.39
19654	Ronald G/Louise Roy	2,275.33
64568	Ronald G Roy	48.14
77608	Charles E Shaw	715.95
101559	James E Thompson	186.67
80747	Melvin B/Edith Walker	675.91
		<u>\$14,394.52</u>

Motion was made by Mr. Clements, seconded by Mr. Irvin, unanimously approved, RESOLVED, that new members listed on the following pages be accepted as members of the Taylor County Rural Electric Cooperative Corporation and that membership certificates be issued to them.

There being no further business to come before the board the meeting was duly adjourned.

  
Secretary

SEAL

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A Regular meeting of the Board of Directors of the Taylor County Rural Electric Cooperative Corporation was held Thursday, April 1, 2021, at 7:00 P.M., EDT, at the Headquarters Building, 625 West Main Street, Campbellsville, KY.

The meeting was called to order by Donald Dean Shuffett, President. Upon calling the roll, the following were found to be present:

Chad Taylor	Bryan Clements
Greg Corbin	Bradley Irvin
Raymond Rucker	Chris Tucker
Donald D. Shuffett	

that being all the members of the Board.

Mr. Myers, Manager and Mrs. Walters, Accounting Supervisor were also present.

Mr. Shuffett asked if the members of the board had received a copy of the minutes for the regular board meeting held March 4, 2021. All members of the board indicated they had received the mailing of the minutes. Motion was made by Mr. Taylor, seconded by Mr. Clements, unanimously carried, RESOLVED, that the minutes of the March 4, 2021 regular board meeting be approved as mailed.

Mr. Shuffett asked if the members of the board received a copy of the Manager's report for the month ended February 28, 2021. All members of the board indicated they had received the mailing of the Manager's report. After discussion, motion was made by Mr. Corbin, seconded by Mr. Rucker, unanimously approved, RESOLVED, that the Manager's report for the month of February 28, 2021, be accepted as mailed including all transactions covered thereby.

Mr. Corbin asked if the members of the board received a copy of the East Kentucky Power Board Summary. All members of the board indicated they had received the mailing of the EKPC Board Summary.

Mr. Myers and Mr. Tucker reported on KEC. KEC continues to work with legislators and the PSC concerning pole attachments.

There were no reports for PSC or CoBank.

Motion was made by Mr. Taylor, seconded by Mr. Corbin, unanimously approved, RESOLVED, that the Board go into Executive Session to discuss union negotiations. After discussion, Mr. Shuffett brought the Board out of Executive Session.

Mrs. Walters discussed EKPC wholesale rate increase and Taylor County RECC's Pass-Through. Taylor County RECC favored the Test Year Rate File Method. The notice was published in the local newspapers along with Taylor County RECC's website. The Pass-Through Application was filed with the PSC on April 1, 2021.

Mrs. Walters discussed a possible rate case for Taylor County RECC. Taylor County RECC did not make Tier in 2019 or 2020. After discussing with Mr. Zumstein, Taylor County RECC will look at options after the annual audit ending May 31, 2021.

The Board appointed the following to serve on the nominating committee: Marshall Irvin, Charles Noe, Mark Lee, Craig Dix, Joe Rucker, Gena McCubbins, and Steve Turner.

Mr. Myers discussed Taylor County RECC's Annual Meeting. The Board proposed a drive thru member appreciation day to be held on July 16, 2021. This would take the place of Taylor County RECC's traditional annual meeting.

Mr. Myers discussed employee activity. Jeremy Fryman has been placed back on workers compensation for a shoulder injury at work. Bradley Caudill is back to work and has been placed on light duty. Employees are being tested and quarantined if exposed and/or showing symptoms from COVID-19.

Mrs. Walters reported that 34 accounts past due 26 or more weeks in the amount of \$15,963.76 are scheduled for write off. Motion was made by Mr. Clements, seconded by Mr. Rucker, unanimously approved, RESOLVED, that the following 34 accounts past due 26 or more weeks in the amount of \$15,963.76 be written off as uncollectable.

There were no miscellaneous items to report.

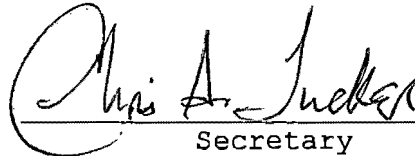
Motion was made by Mr. Taylor, seconded by Mr. Rucker, unanimously approved, RESOLVED, that the following applications for refund of Capital Credits of Deceased Consumers be approved and the credits refunded to the properly designated person or persons in the total amount of \$17,320.85 (seventeen thousand, three hundred twenty dollars and eighty-five cents).

<u>M/N</u>	<u>NAME</u>	<u>AMOUNT</u>
93245	Joseph E Allen	\$ 90.68
35265	Verlis Bloyd	517.98
32474	Floyd Lee Bryant	483.00
41298	Floyd Lee Bryant	2.13
44454	Floyd Lee Bryant	2.25
89673	Doris Coffman	413.78
33018	Lula Mae Dooley	1,745.71
24725	Phillip/Wanda Gaskins	1,477.41
84978	Whilmina Hughes	767.39
110319	Margaret L Kessinger	38.50
94699	Lowell Lee	547.52
49767	Patricia A Madson	1,172.71
14810	Robert Matney	1,879.64
35160	Robert Matney	644.75
74909	Shelia Price	940.52
16802	Billy Gene Pruitt	219.32

95400	Morris F Simmons	106.27
67234	Bertram H/Mary Jo Sneed	1,581.47
35746	Jewell Stults	900.16
64217	Jewell Stults	7.76
14902	Lewis Weatherford	1,750.50
65792	Lewis Weatherford	13.92
40704	Edith Wilson	1,776.07
31681	Miller Jr/Doris Wilson	<u>241.41</u>
		\$17,320.85

Motion was made by Mr. Corbin, seconded by Mr. Tucker, unanimously approved, RESOLVED, that new members listed on the following pages be accepted as members of the Taylor County Rural Electric Cooperative Corporation and that membership certificates be issued to them.

There being no further business to come before the board the meeting was duly adjourned.

  
Secretary

SEAL

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A Regular meeting of the Board of Directors of the Taylor County Rural Electric Cooperative Corporation was held Thursday, May 6, 2021, at 7:00 P.M., EDT, at the Headquarters Building, 625 West Main Street, Campbellsville, KY.

The meeting was called to order by Donald Dean Shuffett, President. Upon calling the roll, the following were found to be present:

Chad Taylor	Bryan Clements
Greg Corbin	Bradley Irvin
Raymond Rucker	Chris Tucker
Donald D. Shuffett	

that being all the members of the Board.

Mr. Myers, Manager and Mrs. Walters, Accounting Supervisor were also present.

Mr. Shuffett asked if the members of the board had received a copy of the minutes for the regular board meeting held April 1, 2021. All members of the board indicated they had received the mailing of the minutes. Motion was made by Mr. Taylor, seconded by Mr. Irvin, unanimously carried, RESOLVED, that the minutes of the April 1, 2021 regular board meeting be approved as mailed.

Mr. Shuffett asked if the members of the board received a copy of the Manager's report for the month ended March 31, 2021. All members of the board indicated they had received the mailing of the Manager's report. After discussion, motion was made by Mr. Corbin, seconded by Mr. Tucker, unanimously approved, RESOLVED, that the Manager's report for the month of March 31, 2021, be accepted as mailed including all transactions covered thereby.



Mr. Corbin asked if the members of the board received a copy of the East Kentucky Power Board Summary. All members of the board indicated they had received the mailing of the EKPC Board Summary.

Mr. Myers reported on PSC. An application of Taylor County RECC for approval of changes to its meter testing plan has been submitted to the PSC.

There were no reports for CoBank or KEC.

Due to Covid-19 pandemic, Mr. Spragens, Jr., Attorney, contacted the nominating committee by phone on Tuesday, May 4, 2021 to make its report. A petition was received for the Casey County seat from Mark Woodrum. The petition was in order and Mr. Woodrum was nominated. In addition, the Nominating Committee nominated Bryan Clements for the Casey County seat. Each nominating committee member will be paid \$100.00 for their services.

Motion was made by Mr. Irvin, seconded by Mr. Taylor, unanimously approved, RESOLVED, that the Board go into Executive Session to discuss 2021 director election. After discussion, Mr. Shuffett brought the Board out of Executive Session.

Mr. Myers discussed union negotiations. The union has voted to accept the changes to the union contract that were negotiated. Increase in wage rates will be 2% for the first year; then 2.5% annually thereafter for duration of contract effective December 1, 2020. New employees hired by the Cooperative will begin their employment at eighty percent (80%) of the "classified rate"; after twelve (12) months of employment, such employees will be paid at the rate of ninety percent (90%) of the "classified rate"; and at the end

of twenty-four (24) months of employment, such employees will be paid at one hundred percent (100%) of the "classified rate". Health insurance and H.S.A./H.R.A. contributions will remain the same thru 2025. Motion was made by Mr. Corbin, seconded by Mr. Rucker, unanimously approved, RESOLVED, the Board accept the union contract effective date December 1, 2020 for five (5) years.

Mr. Myers reported on Taylor County RECC's Board member to serve on EKPC's Board of Directors. Mr. Corbin will represent Taylor County RECC on EKPC's Board as stated in April 2019 minutes: Mr. Corbin to represent Taylor County RECC on EKPC Board for a four year term.

Mr. Myers reported that a Representative and Alternate need to be appointed for the East Kentucky Virtual Annual Meeting on Tuesday, June 8, 2021. The Board agreed that Chris Tucker would be a Representative and Bradley Irvin an Alternate Representative for the East Kentucky Virtual Annual Meeting.

Mr. Myers discussed plans for this year's annual meeting/member appreciation day with the Board. Taylor County RECC will have a drive thru member appreciation day on July 16, 2021.

Mr. Myers discussed employee activity. Jeremy Fryman is on workers compensation for a shoulder injury at work. Roger Watson retired April 30, 2021 after 41 years of service. Landon Russell has been hired full time as an engineer and will assume some of Roger Watson's duties.

Mrs. Walters reported that 39 accounts past due 26 or more weeks in the amount of \$11,339.07 are scheduled for write off. Motion was made by Mr. Rucker, seconded by Mr. Clements, unanimously approved,

RESOLVED, that the following 39 accounts past due 26 or more weeks in the amount of \$11,339.07 be written off as uncollectable.

Mr. Myers reported on miscellaneous items: EKPC wholesale rate increase and Taylor County RECC's Pass-Through has been suspended for five (5) months by the PSC. The Co-op is looking to purchase two pick-up trucks.

Mr. Myers discussed the election process. Four election commissioners would need to be chosen by the next board meeting on June 3, 2021. Ballots will be mailed out no later than June 25, 2021. Ballots will be due at Taylor County RECC's office on July 6, 2021. Counting of the ballots will begin on July 7, 2021. Results of the election will be announced on Taylor County RECC's website and at Taylor County RECC's Member Appreciation Day.

Mrs. Walters presented the IRS Form 900 for the year ended December 31, 2020 for the Boards review. Motion was made by Mr. Rucker, seconded by Mr. Taylor, unanimously approved, RESOLVED, that the Board of Directors of Taylor County RECC have reviewed the IRS Form 990 for the year ended, December 31, 2020 with approval.

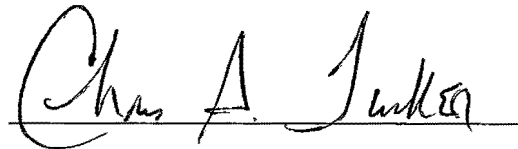
Motion was made by Mr. Irvin, seconded by Mr. Tucker, unanimously approved, RESOLVED, that the following applications for refund of Capital Credits of Deceased Consumers be approved and the credits refunded to the properly designated person or persons in the total amount of \$25,194.38 (twenty-five thousand, one hundred ninety-four dollars and thirty-eight cents).

M/N	NAME	AMOUNT
28605	Bufford L Akin	\$ 1,197.42
12037	Juanita Blankenship	248.76
35399	Juanita Blankenship	48.30
41495	Evelyn J Button	135.44
24647	Ranel Curry	6,809.24
35404	Ranel Curry	433.37
58180	Carol Cook Martin	1,340.42
66011	Carol cook Martin	21.94
66038	Cosby C/Lanie Munday	1,925.99
72601	Betty Ollestad	2,217.17
35534	Leona Pike	1,407.03
25353	George M Jr Rice	2,769.50
62961	George M Jr Rice	57.09
77237	George M Jr Rice	5.84
25512	John W/Helen Vaughn	2,573.13
25549	Denver Dr/Sally Wells	3,019.06
58981	Ray L Wheat	984.68
		<u>984.68</u>
		\$25,194.38

Motion was made by Mr. Clements, seconded by Mr. Tucker, unanimously approved, RESOLVED, that new members listed on the following pages be accepted as members of the Taylor County Rural Electric Cooperative Corporation and that membership certificates be issued to them.

The Board scheduled to meet for the Manager's Appraisal on Thursday, May 20, 2021 at 7:00 pm EDT at the Headquarters Building, 625 West Main Street, Campbellsville, KY.

There being no further business to come before the board the meeting was duly adjourned.



Secretary

SEAL

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A special called meeting of the Board of Directors of the Taylor County Rural Electric Cooperative Corporation was held Thursday, May 20, 2021 at 7:00 P.M., EDT, at Bradley Irvin's Cabin, Adair County, KY, to conduct the Manager's Appraisal pursuant to waiver of notice signed by all Directors present prior to the meeting.

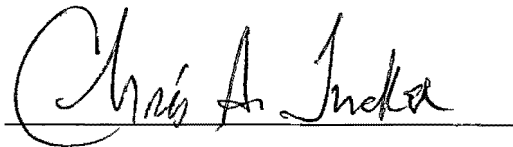
The meeting was called to order by Donald Dean Shuffett, President. Upon calling the roll, the following members were present:

Greg Corbin	Chad Taylor
Chris Tucker	Raymond Rucker
Bradley Irvin	Donald Dean Shuffett
Bryan Clements	

Mr. Shuffett explained to the Board the Appraisal process.

All members reviewed the Managers Appraisal Survey. The Board reviewed each question of the Appraisal form one question at a time. The board gave Mr. Myers a satisfactory appraisal but added they would approach Mr. Myers with some concerns regarding questions they felt unsure of. The Board wants to gather more information on specific subjects on the management process.

There was no other business to come before the Board, the meeting was duly adjourned.



Secretary

SEAL

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION  
CAMPBELLSVILLE, KENTUCKY 42719

We, the Directors of the Taylor County Rural Electric Cooperative Corporation waive all notice of the time, place and purpose of a meeting of the Board of Directors and fix Bradley Irvin's Cabin as the place and the 20<sup>th</sup> day of May 2021, 7:00 P.M., EDT, as the time for the holding of such meeting for the following purposes:

1. Annual Manager Appraisal
2. Any Other Business to come before the Board

IN WITNESS WHEREOF, we have hereunto set our hands  
this 20<sup>th</sup> day of May, 2021.

Raymond Rucker  
Chad Taylor  
Chris A. Treker  
Bradley Irvin  
Bryan Clement  
Donald O. Shuffert  
Janet Rucker

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A Regular meeting of the Board of Directors of the Taylor County Rural Electric Cooperative Corporation was held Thursday, June 3, 2021, at 7:00 P.M., EDT, at the Headquarters Building, 625 West Main Street, Campbellsville, KY.

The meeting was called to order by Donald Dean Shuffett, President. Upon calling the roll, the following were found to be present:

Chad Taylor	Bryan Clements
Donald D. Shuffett	Bradley Irvin
Raymond Rucker	Chris Tucker

that being all the members of the Board, except Greg Corbin who was absent.

Mr. Myers, Manager and Mrs. Walters, Accounting Supervisor were also present.

Mr. Shuffett asked if the members of the board had received a copy of the minutes for the regular board meeting held May 6, 2021. All members of the board indicated they had received the mailing of the minutes. Motion was made by Mr. Rucker, seconded by Mr. Tucker, unanimously carried, RESOLVED, that the minutes of the May 6, 2021 regular board meeting be approved as mailed.

Mr. Shuffett asked if the members of the board had received a copy of the minutes for the special board meeting held May 20, 2021. All members of the board indicated they had received the mailing of the minutes. Motion was made by Mr. Taylor, seconded by Mr. Clements, unanimously carried, RESOLVED, that the minutes of the May 20, 2021 special board meeting be approved as mailed.

Mr. Shuffett asked if the members of the board received a copy of the Manager's report for the month ended April 30, 2021. All members of the board indicated they had received the mailing of the Manager's report. After discussion, motion was made by Mr. Tucker, seconded by Mr. Irvin, unanimously approved, RESOLVED, that the Manager's report for the month of April 30, 2021, be accepted as mailed including all transactions covered thereby.

Mr. Shuffett asked if the members of the board received a copy of the East Kentucky Power Board Summary. All members of the board indicated they had received the mailing of the EKPC Board Summary.

Mr. Myers reported on PSC. Taylor County RECC's Pass-Through filings are up to date.

Mr. Myers reported on KEC. Items discussed were broadband for Kentucky, 911 fees in Marshall County, net metering, and material order lag time and price increase. Classes are being offered the weekend before the KEC Annual Meeting scheduled November 15 & 16, 2021.

There was no report for CoBank.

Mr. Myers discussed Taylor County RECC's drive-thru Annual Meeting on Friday, July 16, 2021. The drive-thru will be held at Taylor County High School from 8:30 A.M. to 12:00 P.M. Mr. Myers suggested and the Board agreed to donate \$500 to TCHS for use of their parking lot. The number of members needed for a quorum is 100 members. The reorganizational meeting will be held at the Taylor County RECC's Headquarters Building, 625 West Main Street, Campbellsville, KY following the drive-thru. The board agreed to order shirts for all employees.



Mr. Clements appointed Sharlet Salyers, Sharlene Roy, Madison Cleary, and Sheila Wilson to serve on the 2021 Election Committee.

Mr. Myers discussed office and warehouse re-openings. Taylor County RECC's office will reopen to the public on June 14, 2021.

Mr. Shuffett discussed the Manager Appraisal. The Manager Appraisal completed for Mr. Myers was rated as satisfactory. The members of the board will discuss and vote on the Manager Appraisal at the July board meeting.

Mr. Myers discussed employee activity. Jeremy Fryman is on workers compensation for a shoulder injury at work. Landon Russell started to work as an engineer on May 24, 2021. The union contract was signed on Tuesday, June 1, 2021.

Mrs. Walters reported that 25 accounts past due 26 or more weeks in the amount of \$10,657.16 are scheduled for write off. Motion was made by Mr. Irvin, seconded by Mr. Rucker, unanimously approved, RESOLVED, that the following 25 accounts past due 26 or more weeks in the amount of \$10,657.16 be written off as uncollectable.

Mr. Myers reported on miscellaneous items: EKPC's Annual Meeting is scheduled for June 8 at 10:30 A.M. via zoom. Taylor County RECC has a 2 to 4 hour planned outage on June 10, 2021 for members on the McKinney Substation. The member file history scanning is now complete. Unified installed a new phone system in the office. The billboard sign covering located on the property of Taylor County RECC needs to be replaced. Mr. Skaggs is working with Davis Resource out of Ohio to GPS the system for an estimated cost of \$1.2 million over a 12 month period.

Motion was made by Mr. Taylor, seconded by Mr. Clements, unanimously approved, RESOLVED, that the following applications for refund of Capital Credits of Deceased Consumers be approved and the credits refunded to the properly designated person or persons in the total amount of \$16,563.40 ( sixteen thousand, five hundred sixty-three dollars and forty cents).

<u>M/N</u>	<u>NAME</u>	<u>AMOUNT</u>
41430	Loddie Biggs	\$ 352.64
36478	Loddie Biggs	595.12
36596	Loddie Biggs	76.35
69424	Loddie Biggs	65.36
19864	Barbara Campbell	1,054.36
29653	Donald Keith Cox	10.01
43137	Donald Keith Cox	702.97
75926	Leonard D England	11.54
49883	Leonard D England	1,192.10
35128	Harold/Christine Gosser	2,243.90
38951	Harold/Christine Gosser	50.10
96282	Donna Gregory	339.08
101954	Alvin Gupton	16.96
73176	Alvin Gupton	1,690.47
58956	Buddy/Frances Lee	18.77
33482	Buddy/Frances Lee	1,216.63
40645	Ralph R/Janet Pickett	1,187.56
69353	Ralph Roger Pickett	41.82
25688	Manuel Sapp	2,157.07
91077	Margaret C Shuffett	767.17
98410	Eugenia Simpson	308.42
34039	Zelma Sneed	745.52
71690	Zelma Sneed	12.79
45675	Bobby/Christine Webster	1,706.69
		<u>\$ 16,563.40</u>

Motion was made by Mr. Tucker, seconded by Mr. Irvin, unanimously approved, RESOLVED, that new members listed on the following pages be accepted as members of the Taylor County Rural Electric Cooperative Corporation and that membership certificates be issued to them.

There being no further business to come before the board the meeting  
was duly adjourned.

  
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Secretary

SEAL

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A Regular meeting of the Board of Directors of the Taylor County Rural Electric Cooperative Corporation was held Thursday, July 1, 2021, at 7:00 P.M., EDT, at the Headquarters Building, 625 West Main Street, Campbellsville, KY.

The meeting was called to order by Donald Dean Shuffett, President. Upon calling the roll, the following were found to be present:

Chad Taylor	Bryan Clements
Greg Corbin	Bradley Irvin
Raymond Rucker	Chris Tucker
Donald D. Shuffett	

that being all the members of the Board.

Mr. Myers, Manager and Mrs. Walters, Accounting Supervisor were also present.

Mr. Shuffett asked if the members of the board had received a copy of the minutes for the regular board meeting held June 3, 2021. All members of the board indicated they had received the mailing of the minutes. Motion was made by Mr. Taylor, seconded by Mr. Rucker, unanimously carried, RESOLVED, that the minutes of the June 3, 2021 regular board meeting be approved as mailed.

Mr. Shuffett asked if the members of the board received a copy of the Manager's report for the month ended May 31, 2021. All members of the board indicated they had received the mailing of the Manager's report. After discussion, motion was made by Mr. Corbin, seconded by Mr. Tucker, unanimously approved, RESOLVED, that the Manager's report for the month of May 31, 2021, be accepted as mailed including all transactions covered thereby.

Mr. Corbin asked if the members of the board received a copy of the East Kentucky Power Board Summary. All members of the board indicated they had received the mailing of the EKPC Board Summary.

There were no reports for PSC, CoBank or KEC.

Mr. Myers discussed employee activity. Jeremy Fryman is on workers compensation for a shoulder injury at work. Phyllis Rhodes has announced her retirement.

Mrs. Walters reported that 19 accounts past due 26 or more weeks in the amount of \$3,072.72 are scheduled for write off. Motion was made by Mr. Rucker, seconded by Mr. Irvin, unanimously approved, RESOLVED, that the following 19 accounts past due 26 or more weeks in the amount of \$3,072.72 be written off.

Mr. Myers discussed several miscellaneous items: A bid price of \$2,500 from Active Ad Sign was received to replace the billboard sign covering located on the property of Taylor County RECC. A 2021 Chevy Silverado 1500 has been purchased and delivered from Dutch Ishmael Ford in the amount \$33,990.00. The Drive-thru Annual Meeting will be held at Taylor County High School on July 16, 2021 from 9:00 A.M. to 12:00 P.M. The reorganizational meeting will be held at Taylor County RECC's Headquarters Building, 625 West Main Street, Campbellsville, KY following the drive-thru annual meeting. Taylor County RECC's annual audit is scheduled for the last of July or first of August. Services will be performed by Jones, Nale & Mattingly PLC. Rob Spragens, Jr., Cooperative Attorney, is reviewing the contract from Davis Resource in order to begin work on system GPS. Phase III contract with Taylor County RECC will be up for renewing soon. Ballot count for the 2021 Board Director Election will begin at 8:00 A.M. on Wednesday, July 7, 2021 at the Taylor County RECC Headquarters Building. Taylor

County RECC has looked into Broadband for the area but decided it's not in the best interest of the coop to invest in the project. KEC will conduct an election on July 20, 2021, to select the Kentucky Representative to serve on the NRECA's Board of Directors.

Mr. Myers reported that it is time update Taylor County RECC's Corporate Visa Accounts. The Board, unanimously approved,

AND BE IT RESOLVED, that the Manager, President & CEO and authorized persons Acknowledged by the Manager, President & CEO of this Corporation be and are hereby authorized to initiate Corporate Visa Accounts with Rural Cooperatives Credit Union for the use of the Corporation assigned to individuals through the Corporation and payable in full monthly by the Corporation. The limit of the Corporate Visa Accounts may not exceed an aggregate amount of \$48,000.00, and each Corporate Visa Account may not exceed an individual limit of \$20,000.00 per account and shall not have cash advance authority. These Corporate Visa Accounts will be for the purpose of business use and receipts must be submitted to the Corporation accounting department on a monthly basis to offset all usage appearing on the monthly statements. The Manager, President & CEO and authorized persons acknowledged by the Manger, President & CEO have the authority to retract such privilege at any time without reason.

BE IT FURTHER RESOLVED, all acts of things previously done by authorized officers of the Corporation are hereby ratified and confirmed.

Motion was made by Mr. Corbin, seconded by Mr. Taylor, unanimously approved, RESOLVED, that the Board go into Executive Session to discuss the Manager Appraisal. After discussion, Mr. Shuffett brought the Board out of Executive Session. Motion was made by

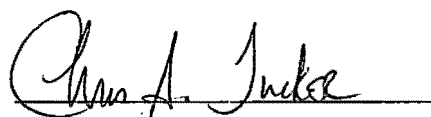
Mr. Taylor, seconded by Mr. Rucker, unanimously approved, RESOLVED, that the Manager Appraisal completed for Mr. Myers be rated satisfactory.

Motion was made by Mr. Taylor, seconded by Mr. Rucker, unanimously approved, RESOLVED, that the following applications for refund of Capital Credits of Deceased Consumers be approved and the credits refunded to the properly designated person or persons in the total amount of \$7,615.93 ( seven thousand, six hundred fifteen dollars and ninety-three cents).

M/N	NAME	AMOUNT
24436	Donald Gaines	\$1,727.59
24805	Donald Gaines	135.90
47018	Donald Gaines	30.75
60454	Donald Gaines	23.40
98012	Charles G Mahoney	66.93
101856	Erin K Martin	262.69
31486	Betty Parker	1,574.86
54784	Betty Parker	68.75
56258	Betty Parker	146.01
64540	Betty Parker	6.91
65310	Betty Parker	8.71
43698	Gary / Rosetta Samuel	1,192.73
10673	Ruth Mae Wade	3.73
45604	Ruth Mae Wade	976.69
63828	Donnie Wood	1,096.45
66513	Donnie Wood	90.04
99077	Jeff A Woolridge	<u>204.33</u>
		\$7,615.93

Motion was made by Mr. Clements, seconded by Mr. Irvin, unanimously approved, RESOLVED, that the following new members be accepted as members of the Taylor County Rural Electric Cooperative Corporation and that membership certificates be issued to them.

There being no further business to come before the board the meeting was duly adjourned.



Chris A. Tucker

Secretary

SEAL



## TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

The Drive Thru Annual Meeting of the Taylor County Rural Electric Cooperative Corporation was held at the Taylor County High School Campus, 2705 Old Hodgenville Rd, Campbellsville, KY, from 9:00 A.M. to 12 P.M., EDT, on Friday, July 16, 2021, pursuant to notice attached hereto which was mailed to the members on the 28th day of June 2021 to their proper Post Office address according to the Cooperative's records.

There were four hundred and twenty-nine registrations by the members exceeding the number required for a quorum. The registrations by county were:

Adair	-	42
Casey	-	14
Green	-	76
Taylor	-	297

A copy of the Treasurer's report was dispensed to the members for review.

The nominating committee met in May, 2021, and nominated candidates for the board seat in Casey County. Candidates nominated were James Bryan Clements and Mark Anthony Woodrum. Mr. Clements received 615 votes and Mr. Woodrum received 1246 votes with Mr. Woodrum being seated as the director in Casey County per the by-laws. A copy of the director election results were dispensed to the members.

Drawing for the prizes were held after the drive thru annual meeting had ended with a list of members winning prizes attached hereto.

Following the Drive-Thru Annual Meeting, instructions to the Board Members that a re-organizational meeting would be held immediately in the Board Room at Taylor County Rural Electric Cooperative Corporation office.

  
Secretary

SEAL

### 2021 DRIVE THRU ANNUAL MEETING PRIZE WINNERS

1. Any registered, active voting membership is eligible to win if name is drawn.
2. In cases where more than one service connection is under the same membership, only ONE MEMBERSHIP registration is eligible for the drawing.
3. Member or spouse of Member or the individual authorized by a company, corporation, or church to vote does not have to be present to win.
4. Drawing will be in order as follows:
  - A. Member's name will be drawn
  - B. Member will be contacted by phone to pick up prize.
5. NO SUBSTITUTIONS.

	<b>PRIZE</b>	<b>NAME</b>	<b>ADDRESS</b>	<b>ACCOUNT #</b>
1	TV	Raymond/Judy Arnett	2910 Marshall Ridge Rd, Greensburg KY 42743-9777	29381001
2	CHEST FREEZER	James Moss	1158 T P Cundiff Rd, Columbia KY 42728	56575002
3	THERMOSTAT	Barth/Sandra Hodges	1110 Salletown Rd, Campbellsville KY 42718	89881003
4	BISSELL VACCUM	Bert/Glenda Mattingly	1505 Elkhorn Rd, Campbellsville, KY 42718	40168002
5	CRAFTSMAN AIR COMPRESSOR	Faith/David Webber	84 Heather Dr, Campbellsville KY 42718	105218002
6	POWER XL AIR FRYER	Dollie Cox	700 W Main St, Campbellsville KY 42718	59726001

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A re-organizational meeting of the Board of Directors of the Taylor County Rural Electric Cooperative Corporation was held Friday, July 16, 2021, after the drive thru annual meeting, in the Headquarters Building on West Main Street, Campbellsville, Kentucky, pursuant to waiver of notice signed before the meeting.

The meeting was called to order by Donald Dean Shuffett. Upon calling the roll, the following were found to be present:

Raymond Rucker	Chad Taylor
Bradley Irvin	Chris Tucker
Greg Corbin	Mark Woodrum
Donald Dean Shuffett	

that being all the members of the Board.


Also present was Barry Myers, Manager; Patsy Walters, Accounting Supervisor; and Rob Spragens, Jr., Cooperative Attorney.

Mr. Spragens asked the Board if there would be any changes in the officers. Motion was made by Mr. Corbin, seconded by Mr. Rucker, unanimously approved, RESOLVED, that Mr. Shuffett remain as President, Mr. Taylor be appointed as Vice President, Mr. Tucker remain as Secretary, and Mr. Irvin remain as Treasurer. The nominations ceased and the officers were elected by acclimation.

Mr. Myers and Mr. Tucker discussed the voting delegates for the NRECA Director Election to be held on Tuesday, July 20, 2021 at the KEC Board Meeting. The NRECA Director candidates are as listed: Jason Todd, Tim Sharp, Marty Littrel, Greg Grissom, and David Smart.

There being no further business to come before the board a motion  
was made by Mr. Rucker, seconded by Mr. Taylor, unanimously approved,  
RESOLVED, the re-organizational meeting be adjourned.

Secretary

  
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SEAL

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION  
CAMPBELLSVILLE, KENTUCKY 42719

We, the Directors of the Taylor County Rural Electric Cooperative Corporation waive all notice of the time, place and purpose of a meeting of the Board of Directors and fix the Taylor County Rural Electric Headquarters Building on West Main Street, Campbellsville, Kentucky as the place and the 16th day of July 2021, 12:00 P.M., EDT, as the time for the holding of such meeting for the following purposes:

1. Election of Board Officers
2. Any Other Business to come before the Board

IN WITNESS WHEREOF, we have hereunto set our hands this  
16th day of July, 2021.

Chris A. Tucker  
David D. Shuffert  
Brendon Lee  
Mark Wilson  
Raymond Tucker  
Ernie  
Chad Perry

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A Regular meeting of the Board of Directors of the Taylor County Rural Electric Cooperative Corporation was held Thursday, August 5, 2021, at 7:00 P.M., EDT, at the Headquarters Building, 625 West Main Street, Campbellsville, KY.

The meeting was called to order by Donald Dean Shuffett, President. Upon calling the roll, the following were found to be present:

Chad Taylor	Mark Woodrum
Greg Corbin	Bradley Irvin
Raymond Rucker	Chris Tucker
Donald D. Shuffett	

that being all the members of the Board.

Mr. Myers, Manager and Mrs. Walters, Accounting Supervisor were also present.

Mr. Shuffett asked if the members of the board had received a copy of the minutes for the regular board meeting held July 1, 2021. All members of the board indicated they had received the mailing of the minutes. Motion was made by Mr. Taylor, seconded by Mr. Corbin, unanimously carried, RESOLVED, that the minutes of the July 1, 2021 regular board meeting be approved as mailed.

Mr. Shuffett asked if the members of the board had received a copy of the minutes for the re-organizational board meeting held July 16, 2021. All members of the board indicated they had received the mailing of the minutes. Motion was made by Mr. Tucker, seconded by Mr. Rucker, unanimously carried, RESOLVED, that the minutes for the re-organizational board meeting held July 16, 2021 be approved as mailed.

Mr. Shuffett asked if the members of the board received a copy of the Manager's report for the month ended June 30, 2021. All members of the board indicated they had received the

mailing of the Manager's report. After discussion, motion was made by Mr. Tucker, seconded by Mr. Irvin, unanimously approved, RESOLVED, that the Manager's report for the month of June 30, 2021, be accepted as mailed including all transactions covered thereby.

Mr. Corbin asked if the members of the board received a copy of the East Kentucky Power Board Summary. All members of the board indicated they had received the mailing of the EKPC Board Summary.

Mr. Myers reported on the PSC. EKPC pass thru rate case revised rates for Taylor County RECC have been filed with the PSC. The PSC issued a first data request for approval of sample meter testing program for single-phase meters for Taylor County RECC.

Mr. Tucker reported on the KEC monthly meeting. Marty Littrel was selected as NRECA Director. New pole attachment requirements are being discussed.

There was no report for CoBank.

Mr. Myers discussed employee activity. Jeremy Fryman is on workers compensation for a shoulder injury at work. Phyllis Rhodes retired July 30, 2021 after 50 years of service. Scott Cochran is off work due to an injury received working an outage. Ann Beard tested positive for Covid-19.

Mrs. Walters reported that 19 accounts past due 26 or more weeks in the amount of \$6,489.37 are scheduled for write off. Motion was made by Mr. Rucker, seconded by Mr. Irvin, unanimously approved, RESOLVED, that the following 19 accounts past due 26 or more weeks in the amount of \$6,489.37 be written off.



Mr. Myers discussed the following miscellaneous items:

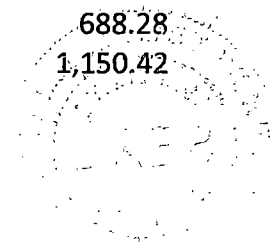
- 2022 Humana Policy Renewal-Single coverage increased from \$311.00 a month (which reflects a \$38.58 COVID credit) in 2021 to \$362.12 a month in 2022, with no changes to coverage. Anthem 2022 rates should be available for review by November.
- Taylor County RECC GPS of system-Pilot program is set to begin with Mile Lane substation. The entire system will take approximately 12-18 months to GPS.
- Mr. Myers and Mr. Rodney Hitch of EKPC are working with Adair County economic development to promote the industrial park located in Adair County. Taylor County RECC has agreed to pay for a third of the cost but not to exceed half. Motion was made by Mr. Corbin, seconded by Mr. Tucker, unanimously approved, RESOLVED, for Mr. Myers and Mr. Rodney to continue on work in promoting the industrial park located in Adair County.
- The billboard sign located on the property of Taylor County RECC has been replaced.

Mr. Corbin discussed the following miscellaneous items:

- Jaraff Trimmer-discussed additional equipment for ROW and possible contractor to operate.
- Electric Vehicle-quotes have been received from Bachman Volkswagon for 2 electric vehicles with either a lease option or purchase price. Motion was made by Mr. Corbin, seconded by Mr. Taylor, unanimously approved, RESOLVED, to purchase or lease an electric vehicle for coop use.
- ROW assistant-discussed hiring an assistant for Tommy Curry.

Motion was made by Mr. Taylor, seconded by Mr. Irvin, unanimously approved, RESOLVED, that the following applications for refund of Capital Credits of Deceased Consumers be approved and the credits refunded to the properly designated person or persons in the total amount of \$20,164.79 (twenty thousand, one hundred sixty-four dollars and seventy-nine cents).

M/N	NAME	AMOUNT
72999	Edward L Allen	\$355.01
73000	Edward L Allen	3.65
22484	Trannie Arnett	733.05
74822	Garnett / Donna Burris	42.16
40594	Garnett / Donna Burris	688.28
29728	Garnett Burris	1,150.42



67384	Anthony M Creason	520.23
71280	Anthony M Creason	8.13
76965	Anthony M Creason	1.30
83448	Lois Evans	2,222.23
64100	Herald Gaddis	1,158.17
89909	Kathy E Goode	347.33
45732	Joel E / Margaret Harris	2,785.33
31154	Joel E / Margaret Harris	298.88
40435	Joel E / Margaret Harris	6.90
57791	Joel E Harris / Joel M Harris	915.46
77250	Joel E Harris	1.60
62506	Joel E / Margaret C Harris	93.04
44279	Jerry Lane Judd	49.88
35048	Jerry Karnes	1,710.68
83524	Phyllis Milby	931.05
93952	Rondal Parnell	179.70
58451	D Elwood Richerson	563.02
37973	D Elwood Richerson	31.48
37974	D Elwood Richerson	257.78
77669	James P / Debra Rodgers	1,065.58
76274	Pat Rodgers	17.88
40865	Pat Rodgers	255.40
25843	Margaret M Sapp	1,422.48
25325	Glenn Spratt	1,286.55
7074	Washington Vaughn	233.34
35433	Washington Vaughn	<u>828.80</u>
		\$20,164.79

Motion was made by Mr. Irvin, seconded by Mr. Rucker, unanimously approved, RESOLVED, that the following new members be accepted as members of the Taylor County Rural Electric Cooperative Corporation and that membership certificates be issued to them.

There being no further business to come before the board the meeting was duly adjourned.

  
Secretary

SEAL



TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A Regular meeting of the Board of Directors of the Taylor County Rural Electric Cooperative Corporation was held Thursday, September 2, 2021, at 7:00 P.M., EDT, at the Headquarters Building, 625 West Main Street, Campbellsville, KY.

The meeting was called to order by Donald Dean Shuffett, President. Upon calling the roll, the following were found to be present:

Chad Taylor	Mark Woodrum
Greg Corbin	Bradley Irvin
Raymond Rucker	Chris Tucker
Donald D. Shuffett	

that being all the members of the Board.

Mr. Myers, Manager and Mrs. Walters, Accounting Supervisor were also present.

Mr. Shuffett asked if the members of the board had received a copy of the minutes for the regular board meeting held August 5, 2021. All members of the board indicated they had received the mailing of the minutes. Motion was made by Mr. Taylor, seconded by Mr. Corbin, unanimously carried, RESOLVED, that the minutes of the August 5, 2021 regular board meeting be approved as mailed.

Mr. Shuffett asked if the members of the board received a copy of the Manager's report for the month ended July 31, 2021. All members of the board indicated they had received the mailing of the Manager's report. After discussion, motion was made by

Mr. Woodrum, seconded by Mr. Corbin, unanimously approved, RESOLVED, that the Manager's report for the month of July 31, 2021, be accepted as mailed including all transactions covered thereby.

Mr. Corbin asked if the members of the board received a copy of the East Kentucky Power Board Summary. All members of the board indicated they had received the mailing of the EKPC Board Summary.

There were no reports for PSC, CoBank, and KEC.

Mr. Myers reported Federated Insurance has provided a quote for this year's Property and Liability Insurance in the amount \$183,046. Motion was made by Mr. Rucker, seconded by Mr. Tucker, unanimously approved, RESOLVED, that the quote from Federated Insurance for Property and Liability Insurance in the amount \$183,046 be accepted.

Mrs. Walters reported checks dated 2019 from the general fund checking account in the amount of \$3,929.29 are scheduled for write off. Motion was made by Mr. Tucker, seconded by Mr. Irvin, unanimously approved, RESOLVED, that checks dated 2019 from the general fund checking account in the amount of \$3,929.29 be written off.

Mrs. Walters reported other accounts receivables dated 2010-2014 in the amount of \$31,260.65 are scheduled for write off. Motion was made by Mr. Corbin, seconded by Mr. Woodrum,

unanimously approved, RESOLVED, that other accounts receivables dated 2010-2014 in the amount of \$31,260.65 be written off.

Mr. Myers discussed employee activity. Jeremy Fryman is on workers compensation for a shoulder injury at work. Andrea Bartley, Scott Cochran and Derek Bray have been off work due to Covid-19. Scott Cochran is also off work due to an injury received working an outage.

Mrs. Walters reported that 25 accounts past due 26 or more weeks in the amount of \$4,527.07 are scheduled for write off.

Motion was made by Mr. Rucker, seconded by Mr. Irvin, unanimously approved, RESOLVED, that the following 25 accounts past due 26 or more weeks in the amount of \$4,527.07 be written off.

Mr. Myers discussed the following miscellaneous items:

- Dan Antle from Reed Brothers Insurance is working on the Anthem renewal.
- Taylor County RECC GPS of system-Pilot program will begin with Mile Lane substation. The entire system will take approximately 12-18 months to GPS.
- Jones, Nale & Mattingly, PLC should have Taylor County RECC's audit ready to present at the October board meeting.
- Taylor County RECC and Phase III are currently negotiating a new contract.
- An electric vehicle has been ordered from Bachman Volkswagon. The expected delivery date will be November/December 2021.

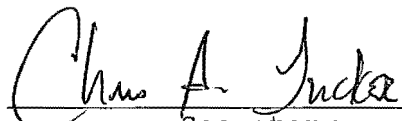
Motion was made by Mr. Irvin, seconded by Mr. Taylor, unanimously approved, RESOLVED, that the following applications for refund of Capital Credits of Deceased Consumers be approved

and the credits refunded to the properly designated person or persons in the total amount of \$10,313.29 (ten thousand, three hundred thirteen dollars and twenty-nine cents).

M/N	NAME	AMOUNT
102354	J C Bernard	\$ 135.11
31894	Delana Faye Burton	1,253.25
109332	Johnnie A Cox	39.60
10180	Lena Dial	2,731.23
66084	Lena Dial	168.28
41231	David Glover	344.19
15718	Mary Janice Harmon	1,105.57
101855	John A Helm	60.90
56809	Ralph Lewis	17.57
6610	Ralph /Clarice Lewis	2,416.37
39697	Ralph /Clarice Lewis	185.44
101658	Verina L Lile	47.52
47317	Ronnie Marr	143.54
74241	Ronnie R Marr	833.15
28443	Ruth Young	831.57
		<u>\$ 10,313.29</u>

Motion was made by Mr. Tucker, seconded by Mr. Rucker, unanimously approved, RESOLVED, that new members listed on the following pages be accepted as members of the Taylor County Rural Electric Cooperative Corporation and that membership certificates be issued to them.

There being no further business to come before the board the meeting was duly adjourned.

  
Secretary

SEAL

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A Regular meeting of the Board of Directors of the Taylor County Rural Electric Cooperative Corporation was held Thursday, October 7, 2021, at 7:00 P.M., EDT, at the Headquarters Building, 625 West Main Street, Campbellsville, KY.

The meeting was called to order by Donald Dean Shuffett, President. Upon calling the roll, the following were found to be present:

Chad Taylor	Mark Woodrum
Greg Corbin	Bradley Irvin
Raymond Rucker	Chris Tucker
Donald D. Shuffett	

that being all the members of the Board.

Mr. Myers, Manager and Mrs. Walters, Accounting Supervisor were also present.

Mr. Shuffett asked if the members of the board had received a copy of the minutes for the regular board meeting held September 2, 2021. All members of the board indicated they had received the mailing of the minutes. Motion was made by Mr. Taylor, seconded by Mr. Tucker, unanimously carried, RESOLVED, that the minutes of the September 2, 2021 regular board meeting be approved as mailed.

Mr. Shuffett asked if the members of the board received a copy of the Manager's report for the month ended August 31, 2021. All members of the board indicated they had

received the mailing of the Manager's report. After discussion, motion was made by Mr. Corbin, seconded by Mr. Woodrum, unanimously approved, RESOLVED, that the Manager's report for the month of August 31, 2021, be accepted as mailed including all transactions covered thereby.

Mr. Corbin asked if the members of the board received a copy of the East Kentucky Power Board Summary. All members of the board indicated they had received the mailing of the EKPC Board Summary.

Mr. Myers reported on PSC. The EKPC Pass-Through Rate Adjustment for Taylor County RECC has been approved with an effective date for services rendered on and after October 1, 2021. Taylor County RECC's Sample Meter Testing Program filed with the PSC has been approved.

Mr. Tucker and Mr. Myers reported on KEC. Mr. Tucker gave an update on 911 fees. Mr. Myers gave an update on pole attachments.

There was no report for CoBank.

Mr. Myers discussed plans for the KEC Annual Meeting November 15-16, 2021 at the Louisville Marriott Downtown.

Joe Legel, CPA; Jason Garman, CPA; and Alan Zumstein, CPA, from Jones, Nale, & Mattingly PLC joined the meeting virtually to present the Taylor County RECC audit report for the year ended May 31, 2021. Mr. Legel went through the audit report and



answered questions. The Board thanked Mr. Legel, Mr. Garman and Mr. Zumstein for the report and excused them from the meeting. Motion was made by Mr. Corbin, seconded by Mr. Rucker, unanimously approved, RESOLVED, that the audit report prepared by Jones, Nale, & Mattingly PLC for the year ended May 31, 2021, be accepted.

Mr. Myers discussed employee activity. Jeremy Fryman is back to work. Scott Cochran is on workers compensation due to an injury received working an outage. The following employees have been off work due to Covid: Nick Russell, Mike Edwards and Jessica Squires. Ed Bush, a former employee, passed away. The Basic Skills Workshop will be held at Inter County. New I-phones have been issued to the staking engineers.

Mrs. Walters reported that 41 accounts past due 26 or more weeks in the amount of \$23,355.89 are scheduled for write off. Motion was made by Mr. Irvin, seconded by Mr. Rucker, unanimously approved, RESOLVED, that the following 41 accounts past due 26 or more weeks in the amount of \$23,355.89 be written off.

Mr. Myers discussed the following miscellaneous items:

- A new contract between Taylor County RECC and Phase III Construction: The unit price will increase by 25%, labor and equipment rate will increase \$5.00 an hour, a rock clause has been added (\$150.00 a foot), and the contract will be thru October 2022. Motion was made by Mr. Corbin, seconded by Mr. Tucker, unanimously approved, RESOLVED, the new contract

between Taylor County RECC and Phase III Construction be accepted.

- NRECA's Winter School for Directors will be held in Nashville, TN, December 10-14, 2021.
- Taylor County RECC's prepaid meeting is currently in the testing phase.

Mr. Shuffett discussed the following miscellaneous items:

- Directors' time log for board meetings.
- Employee overtime by department for the month of July 2021.
- Employee Christmas dinner.

Motion was made by Mr. Rucker, seconded by Mr. Irvin, unanimously approved, RESOLVED, that the following applications for refund of Capital Credits of Deceased Consumers be approved and the credits refunded to the properly designated person or persons in the total amount of \$11,882.26 (eleven thousand, eight hundred, eight-two dollars and twenty-six cents).

M/N	NAME	AMOUNT
28961	Finley/Reba Akin	\$ 1211.68
35292	Finley/Reba Akin	147.85
92182	Margorie H Bale	575.45
36193	James W Beams	1343.84
39470	James W Beams	401.96
74883	James W Beams	3.01
48478	Jack O Bendschneider	1095.01
56128	Jack O Bendschneider	9.39
47545	Velma Bond	1033.96
109984	Bernice Childress	18.05
59209	Frances Money	765.45
88350	Janice Overstreet	593.25
16245	Fred/Catheline Raffety	1546.48
74291	Fred/Catheline Raffety	30.93
62299	Dennis Scott	27.52
15710	Dennis Scott	1161.44
29493	Dennis Scott	66.25
25337	Kenneth R/Helen Smith	<u>1850.74</u>
		\$11,882.26

Motion was made by Mr. Taylor, seconded by Mr. Tucker, unanimously approved, RESOLVED, that new members listed on the following pages be accepted as members of the Taylor County Rural Electric Cooperative Corporation and that membership certificates be issued to them.

There being no further business to come before the board the meeting was duly adjourned.



Secretary

SEAL

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A Regular meeting of the Board of Directors of the Taylor County Rural Electric Cooperative Corporation was held Thursday, November 4, 2021, at 7:00 P.M., EDT, at the Headquarters Building, 625 West Main Street, Campbellsville, KY.

The meeting was called to order by Donald Dean Shuffett, President. Upon calling the roll, the following were found to be present:

Chad Taylor	Mark Woodrum
Greg Corbin	Bradley Irvin
Raymond Rucker	Chris Tucker
Donald D. Shuffett	

that being all the members of the Board.

Mr. Myers, Manager and Mrs. Walters, Accounting Supervisor were also present.

Mr. Shuffett asked if the members of the board had received a copy of the minutes for the regular board meeting held October 7, 2021. All members of the board indicated they had received the mailing of the minutes. Motion was made by Mr. Taylor, seconded by Mr. Corbin, unanimously carried, RESOLVED, that the minutes of the October 7, 2021 regular board meeting be approved as mailed.

Mr. Shuffett asked if the members of the board received a copy of the Manager's report for the month ended September 30, 2021. All members of the board indicated they had received the mailing of the Manager's report. After discussion, motion was

made by Mr. Rucker, seconded by Mr. Tucker, unanimously approved, RESOLVED, that the Manager's report for the month of September 30, 2021, be accepted as mailed including all transactions covered thereby.

Mr. Corbin asked if the members of the board received a copy of the East Kentucky Power Board Summary. All members of the board indicated they had received the mailing of the EKPC Board Summary.

There were no reports for PSC, CoBank or KEC.

Mr. Myers finalized plans for the KEC Annual Meeting November 15-16, 2021 at the Louisville Marriott Downtown.

Mr. Myers discussed SURE/ACRE Contributions. Two checks in the amounts of \$35.00-SURE and \$25.00-ACRE were collected from each board member.

Mr. Myers discussed the following employee activity:

- Scott Cochran is back to work on light duty.
- Jeremy Fryman is on FMLA leave.
- Tracy Moss is on workers compensation due to a knee injury.
- The annual Christmas party will be held Friday, December 17, 2021 at 7:00pm at Swan's Landing.
- The Board Christmas dinner will be held Thursday, December 2, 2021 at 7:00pm at the Headquarters Building Auditorium.
- Two employees turned in their resignations: Tristan Lee is going to work for Allstar Contractor. Nick Russell is going to work for Bowlin Group, LLC.

Mrs. Walters reported that 37 accounts past due 26 or more weeks in the amount of \$41,951.23 are scheduled for write off.

Motion was made by Mr. Rucker, seconded by Mr. Irvin, unanimously approved, RESOLVED, that the following 37 accounts past due 26 or more weeks in the amount of \$41,951.23 be written off.

Mr. Myers discussed the following miscellaneous items:

- Taylor County RECC received the December 1, 2021 thru November 30, 2022 health insurance quote from Anthem Blue Cross Blue Shield. The Board agreed on the 6% increase in premium for both single and family coverage.
- Washington Youth Tour is being planned for 2022. The Board agreed Taylor County RECC would send 4 students; one from each county.
- A quote has been received from a Kendall Vegetation System - Approximately \$144/hour for Jaraff Trimmer and crew.

Motion was made by Mr. Corbin, seconded by Mr. Tucker, unanimously approved, RESOLVED, that the Board go into Executive Session to discuss employee activity. Mr. Shuffett then brought the Board out of Executive Session after discussion.

Motion was made by Mr. Taylor, seconded by Mr. Irvin, unanimously approved, RESOLVED, that the following applications for refund of Capital Credits of Deceased Consumers be approved and the credits refunded to the properly designated person or persons in the total amount of \$22,409.97 (twenty-two thousand, four hundred and nine dollars and ninety-seven cents).

M/N	NAME	AMOUNT
56746	Verlene Adams	\$ 682.56
84628	Richard Appleby	718.90
64752	Louise Bagby	971.39

105146	Jerry W Boyd	64.98
39614	Vivian E Cochran	121.46
36465	Vivian E Cochran	2405.31
36105	Willard / Sharon Coomer	373.31
56535	Willard / Sharon Coomer	1379.93
63655	Willard / Sharon Coomer	8.78
19596	Charles Fawcett	308.54
39225	Charles Fawcett	43.62
49509	Charles Fawcett	1463.92
76598	Louise Gowen	389.74
39496	Thelma Haggard	894.61
47098	Pat Hodge	19.89
84324	Pat Hodge	2292.41
16148	Donald Land	2591.78
60797	Donald Land	130.97
54407	Billy E Montgomery	1354.43
31574	Millie Parker	2147.81
25818	George / Louise Sullivan	2895.61
64172	Louise Sullivan	62.00
83622	Timmy Webb	<u>1088.02</u>
		\$22,409.97

Motion was made by Mr. Tucker, seconded by Mr. Woodrum, unanimously approved, RESOLVED, that new members listed on the following pages be accepted as members of the Taylor County Rural Electric Cooperative Corporation and that membership certificates be issued to them.

There being no further business to come before the board the meeting was duly adjourned.

  
Secretary

SEAL

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A Regular meeting of the Board of Directors of the Taylor County Rural Electric Cooperative Corporation was held Thursday, December 2, 2021, at 7:00 P.M., EST, at the Headquarters Building, 625 West Main Street, Campbellsville, KY.

The meeting was called to order by Donald Dean Shuffett, President. Upon calling the roll, the following were found to be present:

Chad Taylor	Donald D. Shuffett
Greg Corbin	Bradley Irvin
Raymond Rucker	Chris Tucker

that being all the members of the Board, except Mark Woodrum who was absent.

Mr. Myers, Manager and Mrs. Walters, Accounting Supervisor were also present.

Mr. Shuffett asked if the members of the board had received a copy of the minutes for the regular board meeting held November 4, 2021. All members of the board indicated they had received the mailing of the minutes. Motion was made by Mr. Taylor, seconded by Mr. Rucker, unanimously carried, RESOLVED, that the minutes of the November 4, 2021 regular board meeting be approved as mailed.

Mr. Shuffett asked if the members of the board received a copy of the Manager's report for the month ended October 31, 2021. All members of the board indicated they had received the mailing of the Manager's report. Motion was made by Mr. Corbin, seconded by Mr. Irvin, unanimously approved, RESOLVED, that the Manager's report



for the month of October 31, 2021, be accepted as mailed including all transactions covered thereby.

Mr. Corbin asked if the members of the board received a copy of the East Kentucky Power Board Summary. All members of the board indicated they had received the mailing of the EKPC Board Summary.

Mr. Myers reported on PSC. The electronic tariff filing of East Kentucky Power Cooperative, Inc. and its member distribution cooperatives of proposed changes to their qualified cogeneration and small power production facilities tariffs were approved by the PSC.

Mr. Tucker reported on KEC Annual Meeting.

There was no report for CoBank.

Mr. Myers reported that it was time to discuss salary adjustments for non-union employees. After discussion, a motion was made by Mr. Corbin, seconded by Mr. Irvin, unanimously approved, RESOLVED, the recommended salary adjustments for non-union employees by effective December 1, 2021.

Mrs. Walters reported that it is time to renew the line of credit with CFC. Motion was made by Mr. Tucker, seconded by Mr. Taylor, unanimously approved,

RESOLVED, that the Cooperative establish a line of credit and authorize borrowing from National Rural Utilities Cooperative Finance Corporation ("CFC") in an amount which shall not at any one time exceed \$3,000,000.00 (the "Line of Credit Amount"), subject to the provisions of the Line of Credit Agreement substantially in the form submitted to this meeting (the "Line of Credit Agreement"); and,

RESOLVED, that the individuals listed below are hereby authorized to execute and to deliver to CFC the Line of Credit Agreement; and

RESOLVED, that each of the following individuals is hereby authorized in the name and on behalf of the Cooperative to execute and to deliver all such other documents and instruments as may be necessary or appropriate, to execute any future amendments to said Line of Credit Agreement as such individual may deem appropriate within the Line of Credit Amount so authorized and to do all such other acts as in the opinion of such authorized individual acting may be necessary or appropriate in order to carry out the purposes and intent of the foregoing resolutions:

President	Donald Dean Shuffett
Vice-President	Chad Taylor
Secretary	Christopher Tucker
Treasurer	Bradley Irvin

Mr. Myers discussed the following employee activity:

- Jeremy Fryman is on FMLA leave.
- Tracy Moss is on workers compensation due to a knee injury.
- Jason Kelsay has been off work with Covid.
- One employee turned in his resignation: Jacob Shofner is going go to work for Bowlin Group, LLC.
- Two linemen have been hired: Noah Layton and Briar McVay.

Mrs. Walters reported that 35 accounts past due 26 or more weeks in the amount of \$17,288.34 are scheduled for write off.

Motion was made by Mr. Rucker, seconded by Mr. Irvin, unanimously approved, RESOLVED, that the following 35 accounts past due 26 or more weeks in the amount of \$17,288.34 be written off.

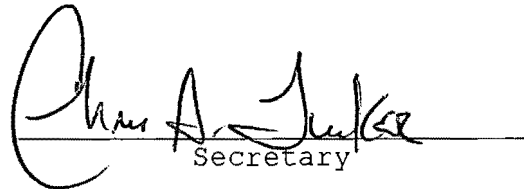
Mr. Myers discussed miscellaneous items. The annual Christmas party will be held Friday, December 17, 2021 at 7:00pm at Swan's Landing.

Motion was made by Mr. Taylor, seconded by Mr. Tucker, unanimously approved, RESOLVED, that the following applications for refund of Capital Credits of Deceased Consumers be approved and the credits refunded to the properly designated person or persons in the total amount of \$11,669.94 (eleven thousand, six hundred sixty-nine dollars and ninety-four cents).

<u>M/N</u>	<u>NAME</u>	<u>AMOUNT</u>
105191	Charles Howard Carman	\$ 103.08
16474	Jane Coffey	744.21
38715	Michael Collins	50.96
49336	Michael Collins	248.00
72927	Mike Collins	1783.07
72928	Mike Collins	56.83
1458	George/ Anna Graves	1851.31
36261	Harry/ Inishia Ingram	777.84
82506	Curtis Judd	1480.24
36536	Blanche Kerr	1146.90
60861	Blanche Kerr	3.57
45403	Mary F Milby	1311.26
29253	Ted/ Mary Milby	238.21
10903	Earnest Rainwater	1294.88
16533	Earnest Rainwater	79.76
88079	Dixie Wise	499.82
		<u>\$11,669.94</u>

Motion was made by Mr. Corbin, seconded by Mr. Irvin, unanimously approved, RESOLVED, that new members listed on the following pages be accepted as members of the Taylor County Rural Electric Cooperative Corporation and that membership certificates be issued to them.

There being no further business to come before the board the meeting was duly adjourned.

  
Secretary

SEAL

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A Regular meeting of the Board of Directors of the Taylor County Rural Electric Cooperative Corporation was held Monday, January 10, 2022, at 7:00 P.M., EST, at the Headquarters Building, 625 West Main Street, Campbellsville, KY.

The meeting was called to order by Donald Dean Shuffett, President. Upon calling the roll, the following were found to be present:

Mark Woodrum	Donald D. Shuffett
Greg Corbin	Bradley Irvin
Raymond Rucker	Chris Tucker

that being all the members of the Board, except Chad Taylor who was absent.

Mr. Myers, Manager; Mrs. Walters, Accounting Supervisor and Mike Skaggs, Engineer were also present.

Mr. Shuffett asked if the members of the board had received a copy of the minutes for the regular board meeting held December 2, 2021. All members of the board indicated they had received the mailing of the minutes. Motion was made by Mr. Corbin, seconded by Mr. Rucker, unanimously carried, RESOLVED, that the minutes of the December 2, 2021 regular board meeting be approved as mailed.

Mr. Shuffett asked if the members of the board received a copy of the Manager's report for the month ended November 30, 2021. All members of the board indicated they had received the mailing of the Manager's report. After discussion, motion was made by Mr. Rucker, seconded by Mr. Irvin, unanimously approved, RESOLVED,

that the Manager's report for the month of November 30, 2021, be accepted as mailed including all transactions covered thereby.

There were no reports for EKPC, PSC, CoBank or KEC.

Mrs. Walters reported that Joe Legel from Jones, Nale & Mattingly PLC has submitted a proposal to do the audit for the year ended May 31, 2022 for \$14,500.00. Motion was made by Mr. Tucker, seconded by Mr. Corbin, unanimously approved, RESOLVED, that the proposal of Joe Legel from Jones, Nale & Mattingly PLC to do the audit for the year ended May 31, 2022 for \$14,500.00.

Mrs. Walters asked if the members of the board received a copy of the budget for 2022. After discussion, motion was made by Mr. Corbin, seconded by Mr. Irvin, unanimously approved, RESOLVED, that the budget for 2022 be approved as presented.

Mrs. Walters presented the board members with a questionnaire regarding the family and business relationships between certain individuals within the cooperative. This questionnaire has been established by the IRS as a reporting disclosure on the Form 990. The members were required to list any relationships and sign.

Mrs. Walters left the meeting due to a family emergency.

Mr. Skaggs discussed concerns with the shortage of lineman within the coop. After discussion, Mr. Skaggs agreed to gather additional information to present at the February board meeting.

Mr. Myers discussed the following employee activity:

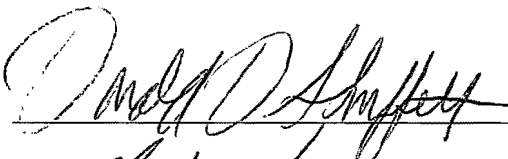
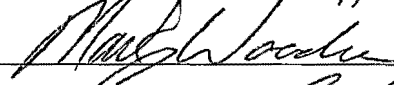
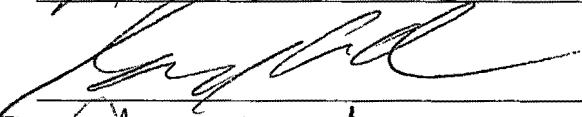


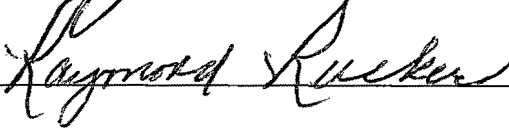
- Jeremy Fryman is on FMLA leave. He is scheduled to come back to work on January 17, 2022.
- Tracy Moss is on workers compensation due to a knee injury.
- Slade Burris is off work with Covid.
- Scott Cochran is on light duty.

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION  
CAMPBELLSVILLE, KENTUCKY 42719

We, the Directors of the Taylor County Rural Electric Cooperative Corporation waive all notice of the time, place and purpose of a meeting of the Board of Directors and fix the Taylor County Rural Electric Headquarters Building on West Main Street, Campbellsville, Kentucky as the place and the 10th day of January 2022, 7:00 P.M., EST, as the time for the holding of such meeting for the following purposes:

1. See copy of attached Agenda

IN WITNESS WHEREOF, we have hereunto set our hands this  
10th day of January, 2022.

  
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AGENDA - BOARD MEETING January 6, 2022

DINNER - COLTONS - 5:45 P.M. (EST)

- I. CALL TO ORDER
- II. ACCEPT MINUTES -REGULAR BOARD MEETING -MAILED
- III. ACCEPT MANAGER'S REPORT -MAILED
- IV. OLD BUSINESS
  - A. Report on EKP, PSC, CO-BANK, KEC
  - B. Discuss Audit Proposal
  - C. Review and Discuss 2022 Budget
  - D. Update on Work Plan
  - E. Discuss Employee Activity
  - F. Discuss Billing Problems
  - G. Discuss Miscellaneous Items
- V. NEW BUSINESS
  - A. Capital Credits
  - B. New Members
  - C. Agenda Items for Next Meeting
- VI. ADJOURN

Mr. Myers reported that 34 accounts past due 26 or more weeks in the amount of \$12,632.99 are scheduled for write off.

Motion was made by Mr. Tucker, seconded by Mr. Woodrum, unanimously approved, RESOLVED, that the following 34 accounts past due 26 or more weeks in the amount of \$12,632.99 be written off as uncollectible.

Motion was made by Mr. Tucker, seconded by Mr. Woodrum, unanimously approved, RESOLVED, that the following applications for refund of Capital Credits of Deceased Consumers be approved and the credits refunded to the properly designated person or persons in the total amount of \$13,519.22 (thirteen thousand, five hundred nineteen dollars and twenty-two cents).

<u>M/N</u>	<u>NAME</u>	<u>AMOUNT</u>
72648	James Brummett	\$ 4.19
32225	James Brummett	3587.10
47794	James Brummett/Lois Davis	19.59
17774	Dorothy Clements	1982.38
28216	Betty Lou Cox	991.00
3275	Edith Smith Hunt	704.00
49003	Louise Merrell	711.98
76506	Malicia Osborne	292.11
49834	Joe Phelps	2087.10
64174	Joe Phelps	23.57
45010	William/ Linda Philpott	1495.51
76524	Margie A Spaw	995.81
83236	Daniel J Thiron	624.88
		<u>\$13519.22</u>

Motion was made by Mr. Tucker, seconded by Mr. Woodrum, unanimously approved, RESOLVED, that new members listed on the following pages be accepted as members of the Taylor County Rural Electric Cooperative Corporation and that membership certificates be issued to them.



There being no further business to come before the board the meeting  
was duly adjourned.

SEAL

  
Secretary

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A Regular meeting of the Board of Directors of the Taylor County Rural Electric Cooperative Corporation was held Tuesday, February 8, 2022, at 7:00 P.M., EST, at the Headquarters Building, 625 West Main Street, Campbellsville, KY.

The meeting was called to order by Donald Dean Shuffett, President. Upon calling the roll, the following were found to be present:

Mark Woodrum	Chad Taylor
Greg Corbin	Bradley Irvin
Raymond Rucker	Chris Tucker
Donald D. Shuffett	

that being all the members of the Board.

Mr. Myers, Manager; Mrs. Walters, Accounting Supervisor and Mike Skaggs, Engineer were also present.

Mr. Myers presented the members of the board with a letter of retirement. He thanked the board for allowing him to serve as manager. Mr. Myers' last day will be July 15, 2022.

Mr. Shuffett asked if the members of the board had received a copy of the minutes for the regular board meeting held January 10, 2022. All members of the board indicated they had received the mailing of the minutes. A correction was made to move the following paragraph on the minutes to after the budget discussion due to Mrs. Walters having to leave the meeting due to a family emergency:

Mrs. Walters presented the board members with a questionnaire regarding the family and business relationships between certain individuals within the cooperative. This questionnaire has been established by the IRS as a reporting disclosure on the Form 990. The members were required to list

any relationships and sign.

Motion was made by Mr. Woodrum, seconded by Mr. Rucker, unanimously carried, RESOLVED, that the minutes of the January 10, 2022 regular board meeting be approved with the above correction.

Mr. Shuffett asked if the members of the board received a copy of the Manager's report for the month ended December 31, 2021. All members of the board indicated they had received the mailing of the Manager's report. After discussion, motion was made by Mr. Corbin, seconded by Mr. Irvin, unanimously approved, RESOLVED, that the Manager's report for the month of December 31, 2021, be accepted as mailed including all transactions covered thereby.

Mr. Corbin reported on East Kentucky Power Board meeting.

Mr. Myers reported on KEC. The Legislative Reception will be held March 16, 2022 at Goodwood Brewing. The dates for the KEC Statewide Annual Meeting has been changed to August 15-16, 2022.

There were no reports for PSC or CoBank.

Mr. Skaggs gave an update on the current work plan. Discussion included carryover items, GPS of system timeline, outage management system, and after-hours phone answering system. Mr. Skaggs also discussed joint use and the shortage of experienced lineman.

Mrs. Walters presented an updated RUS 675-Certificate of Authority form to the Board. Motion was made by Mr. Tucker, seconded by Mr. Taylor, unanimously carried, RESOLVED, that

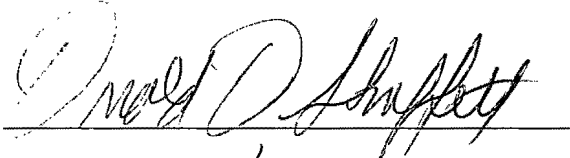
In conformity with the requirements of the Rural Utilities Service (RUS), and in accordance with the resolution of the board of directors of the Taylor County Rural Electric Cooperative Corporation, 625 West Main Street, P.O. Box 100, Campbellsville KY 42719-0100, attached hereto, adopted at a meeting of the board, held February 8, 2022 at which a quorum of the board was

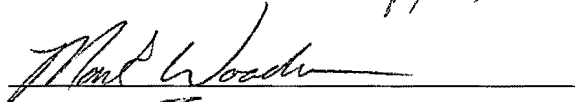
TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION  
CAMPBELLSVILLE, KENTUCKY 42719

We, the Directors of the Taylor County Rural Electric Cooperative Corporation waive all notice of the time, place and purpose of a meeting of the Board of Directors and fix the Taylor County Rural Electric Headquarters Building on West Main Street, Campbellsville, Kentucky as the place and the 8th day of February 2022, 7:00 P.M., EST, as the time for the holding of such meeting for the following purposes:

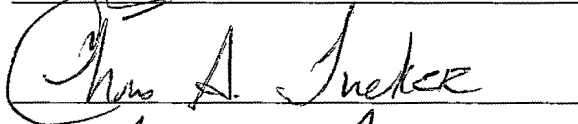
1. See copy of attached Agenda

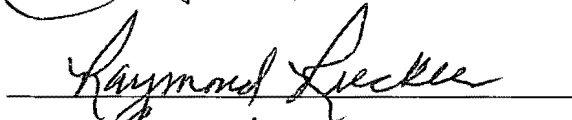
IN WITNESS WHEREOF, we have hereunto set our hands this  
8th day of February, 2022.

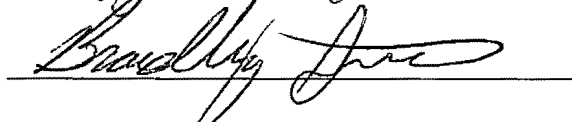
  
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AGENDA - BOARD MEETING February 3, 2022

DINNER - CREEKSIDE - 5:45 P.M. (EST)

- I. CALL TO ORDER
- II. ACCEPT MINUTES -REGULAR BOARD MEETING -MAILED
- III. ACCEPT MANAGER'S REPORT -MAILED
- IV. OLD BUSINESS
  - A. Report on EKP, PSC, CO-BANK, KEC
  - B. Current Workplan Update - Mike Skaggs - Engineer
  - C. Update RUS Form 675 - Certificate of Authority
  - D. Discuss Agreement with Catalyst Consulting, LLC to do a Cost of Service and Rate Design Study.
  - E. FEMA / Tornadoes Discussion
  - F. Discuss Employee Activity
  - G. Discuss Billing Problems
  - H. Miscellaneous Items
- V. NEW BUSINESS
  - A. Capital Credits
  - B. New Members
  - C. Agenda Items for Next Meeting
- VI. ADJOURN

present, the officers and manager, whose signatures appear below, have been authorized to sign the following RUS forms in connection with requisitioning and account for Loan Funds: RUS Form No. 595 - Financial Requirement & Expenditure Statement.

This certification is to remain in force until rescinded by resolution of the board of directors and notification of such action of RUS.

Title: Manager Name: Barry L. Myers

Taylor County RECC, Borrower  
Donald D. Shuffett, President  
Chris A Tucker, Secretary  
Date: 2/8/2022

Mrs. Walters discussed a cost of service study and rate filing.

Mrs. Walters presented the members of the board with Taylor County RECC's financials from previous years, discussing Operating TIER and TIER requirements along with cash flow. John Wolfram with Catalyst Consulting, LLC submitted a proposal with estimated costs of \$45,000 for a Traditional cost of service study and rate filing and \$18,000-\$20,000 for a streamlined cost of service study and rate filing. After discussion, motion was made by Mr. Corbin, seconded by Mr. Irvin, unanimously carried, RESOLVED, that John Wolfram from Catalyst Consulting, LLC perform a cost of service study and rate design for Taylor County RECC.

Mrs. Walters discussed FEMA and damages from December 11, 2021 tornado. To date, Taylor County RECC has an estimated cost of \$418,500.

Mr. Myers discussed employee activity. Adair County Warehouse have 3 employees to test positive for Covid, with the remaining Adair County employees being quarantined. Tracy Moss, Slade Burris and Scot Cochran are back to work.

Mrs. Walters reported that 38 accounts past due 26 or more weeks in the amount of \$20,115.41 are scheduled for write off. Motion was made by Mr. Rucker, seconded by Mr. Irvin, unanimously approved, RESOLVED, that the following 38 accounts past due 26 or more weeks in the amount of \$20,115.41 be written off as uncollectible.

Mrs. Walters discussed a depreciation study. Per PSC Order 2012-00023, Taylor County RECC shall perform a depreciation study within 5 years from the date of this order, or in connection with the filing of its next rate case, whichever is earlier. Steve Seelye from The Prime Group, LLC submitted a proposal to perform a depreciation study for Taylor County RECC with an estimated cost of \$13,000 to \$15,000. After discussion, motion was made by Mr. Taylor, seconded by Mr. Woodrum, unanimously approved, RESOLVED, that Steve Seelye from The Prime Group, LLC perform a deprecation study for Taylor County RECC with an estimated cost of \$13,000 to \$15,000.

Mrs. Walters discussed the January billing adjustment along with high kwh usage and fuel charge for February member bills.

Motion was made by Mr. Corbin, seconded by Mr. Woodrum, unanimously approved, RESOLVED, that the following applications for refund of Capital Credits of Deceased Consumers be approved and the credits refunded to the properly designated person or persons in the total amount of \$20,875.70 (twenty thousand, eight hundred seventy-five dollars and seventy cents).

<u>M/N</u>	<u>NAME</u>	<u>AMOUNT</u>
58583	Donald Edward Christie	\$ 1676.06
25498	Raymond E Curry	1821.03
66526	Raymond E Curry	7.23
45735	Jerry Wayne / Debra Davis	2241.17
102337	Gracie Green	110.68
63936	Wayne Hatcher	35.02
39184	Wayne Hatcher	373.94
63702	Wayne Hatcher	185.67
46099	R K / Ina Humphress	1303.21
35043	Mitchell R Jeffries	1257.35
16072	Clinton Kelly	328.43
22279	Clinton Kelly	357.99
45259	Clinton Kelly	757.22
39215	James E / Helen R Kessler	1136.58
60667	James / Helen Kessler	126.07
10683	Bobby McFelia	1344.61
57556	Steve Ratliff	720.83
72615	Rosie Roberts	1324.73
83232	James Spowles	436.93
77660	James Stamper	759.06
56820	Roger W Stearman	2835.27
64765	Roger W Stearman	7.94
91219	William Whicker	414.84
73825	Gary Wright	<u>1313.84</u>
		\$20,875.70

Motion was made by Mr. Taylor, seconded by Mr. Irvin, unanimously approved, RESOLVED, that the new members listed on the following pages be accepted as members of the Taylor County Rural Electric Cooperative Corporation and that membership certificates be issued to them.

Mr. Shuffett scheduled a special meeting on Thursday, February 17, 2022 at the Headquarters Building, 625 West Main Street, Campbellsville, KY to discuss the hire process for a new manager and the shortage of experienced lineman.

There being no further business to come before the board the meeting was duly adjourned.

  
Secretary

SEAL

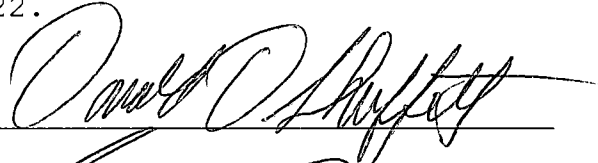


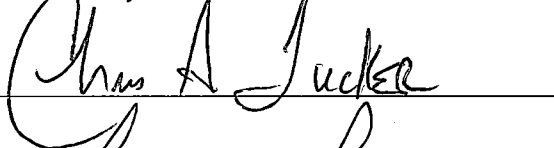
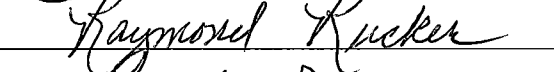

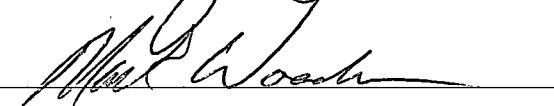


TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION  
CAMPBELLSVILLE, KENTUCKY 42719

We, the Directors of the Taylor County Rural Electric Cooperative Corporation waive all notice of the time, place and purpose of a meeting of the Board of Directors and fix the Taylor County Rural Electric Headquarters Building on west Main Street, Campbellsville, Kentucky as the place and the 17<sup>th</sup> day of February 2022, 7:00 P.M., EST, as the time for the holding of such meeting for the following purposes:

1. The Hire Process for a New Manager
2. Shortage of Experienced Lineman

IN WITNESS WHEREOF, we have hereunto set our hands  
this 17<sup>th</sup> day of February, 2022.

  
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TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A special meeting of the Board of Directors of the Taylor County Rural Electric Cooperative Corporation was held Thursday, February 17, 2022 at 7:00 P.M., EST, at the Taylor County Rural Electric Headquarters Building, West Main Street, Campbellsville, KY, to discuss the new hire process for a new manager and shortage of experienced lineman pursuant to waiver of notice signed by all directors present prior to the meeting.

The meeting was called to order by Donald Dean Shuffett, President. Upon calling the roll, the following were found to be present:

Greg Corbin	Raymond Rucker
Chris Tucker	Bradley Irvin
Chad Taylor	Mark Woodrum
Donald D. Shuffett	

that being all the members of the Board.

Mr. Myers, Manager and Mrs. Walters, Accounting Supervisor were also present.

Mr. Shuffett discussed the new hire process for a new manager. Members of the board have talked to several cooperatives across the state, along with NRECA and KEC. The Board agreed to have Chris Perry from KEC come to the next board meeting.

Mr. Shuffett received a letter from Mr. Rob Spragens, Jr., Attorney, announcing his retirement as Taylor County RECC's corporate counsel effective July 15, 2022.

Mr. Myers discussed the shortage of experienced lineman. After discussion, motion was made by Mr. Tucker, seconded by Mr. Rucker, unanimously approved, RESOLVED, that Taylor County RECC offer a \$2.00 an hour wage increase for the following classifications: serviceman, first class lineman and second class lineman. Mr. Myers and Mr. Pelfrey, labor attorney, will schedule a meeting with union representatives next week to discuss proposed wage increases.

There being no further business to come before the Board the meeting was duly adjourned.

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A Regular meeting of the Board of Directors of the Taylor County Rural Electric Cooperative Corporation was held Thursday, March 3, 2022, at 7:00 P.M., EST, at the Headquarters Building, 625 West Main Street, Campbellsville, KY.

The meeting was called to order by Donald Dean Shuffett, President. Upon calling the roll, the following were found to be present:

Chad Taylor	Mark Woodrum
Greg Corbin	Bradley Irvin
Chris Tucker	Donald D. Shuffett

that being all the members of the Board, except Raymond Rucker who was absent.

Mr. Myers, Manager and Mrs. Walters, Accounting Supervisor were also present.

Mr. Shuffett asked if the members of the board had received a copy of the minutes for the regular board meeting held February 8, 2022. All members of the board indicated they had received the mailing of the minutes. Motion was made by Mr. Taylor, seconded by Mr. Tucker, unanimously carried, RESOLVED, that the minutes of the February 8, 2022 regular board meeting be approved as mailed.

Mr. Shuffett asked if the members of the board had received a copy of the minutes for the special board meeting held February 17, 2022. All members of the board indicated they had received the mailing of the minutes. Motion was made by Mr. Corbin, seconded by Mr. Irvin, unanimously carried, RESOLVED, that the minutes of the February 17, 2022 special board meeting be approved as mailed.

Mr. Shuffett asked if the members of the board received a copy of the Manager's report for the month ended January 31, 2022. All members of the board indicated they had received the mailing of the Manager's report. After discussion, motion was made by Mr. Tucker, seconded by Mr. Woodrum, unanimously approved, RESOLVED, that the Manager's report for the month of January 31, 2022, be accepted as mailed including all transactions covered thereby.

Mr. Myers reported on PSC. Taylor County RECC has filed pole attachment tariffs with the PSC.

There were no reports for East KY, KEC or CoBank.

Mrs. Walters discussed FEMA Designation of Applicants Agent. Motion was made by Mr. Corbin, seconded by Mr. Irvin, unanimously approved, RESOLVED, that

**BE IT RESOLVED BY** Board of Directors OF Taylor County Rural Electric Cooperative Corporation

**THAT** Patsy R. Walters, Accounting Supervisor is hereby authorized to execute for and in behalf of Taylor County Rural Electric Cooperative Corporation, a public entity established under the laws of the Commonwealth of Kentucky, this application and to file it in the appropriate State office for the purpose of obtaining certain Federal financial assistance under the Disaster Relief Act (Public Law 288, 93<sup>rd</sup> Congress) or otherwise available from the President's Disaster Relief Fund.

**THAT** Taylor County Rural Electric Cooperative Corporation, a public entity established under the laws of the Commonwealth of Kentucky, hereby authorizes its agent to provide to the State and to the Federal Emergency Management Agency (FEMA) for all matters pertaining to such Federal disaster assistance the assurances and agreements.

Passed and approved the 3<sup>rd</sup> day of March, 2022.

Donald Dean Shuffett, President  
Chad Taylor, Vice-President  
Bradley Irvin, Treasurer

Mr. Myers discussed employee activity:

- Currently there are no employee covid cases to report and the mask mandate has been lifted.
- Taylor County RECC and Local Union No. 89 met to negotiate changes in the wage rates for the classifications of Serviceman, First Class Lineman, and Second Class Lineman only. Such changes were proposed by the cooperative at a meeting with the Union on February 23, 2022 and ratified by the Construction and Maintenance Bargaining Unit on March 1, 2022.

Mrs. Walters reported that 22 accounts past due 26 or more weeks in the amount of \$7,056.22 are scheduled for write off. Motion was made by Mr. Taylor, seconded by Mr. Corbin, unanimously approved, RESOLVED, that the following 22 accounts past due 26 or more weeks in the amount of \$7,056.22 be written off.

Mr. Myers discussed miscellaneous items:

- NRECA 2022 PowerXchange will be held March 6-9, 2022 in Nashville, TN.
- Legislative Reception will be held on Wednesday, March 16, 2022 at Goodwood Brewing in Frankfort.
- Taylor County RECC received 2 applicants from Taylor County High School, McKenzie Dixon and Will Blair, for the Washington Youth Tour.
- Dewayne Harmon has requested to attend the monthly board meeting.
- The decision has been made not to spray in 2022. Ground Solutions will continue to mow to control vegetation.
- Taylor County RECC plans to negotiate a short-term solution with Ground Solutions and Electricom to cover increase in fuel costs.

Motion was made by Mr. Ivin, seconded by Mr. Tayler, unanimously approved, RESOLVED, that the following applications for refund of Capital Credits of Deceased Consumers be approved and the credits refunded to the properly designated person or persons in the total amount of \$20,660.24 (twenty thousand, six hundred sixty dollars and twenty-four cents).

<u>M/N</u>	<u>NAME</u>	<u>AMOUNT</u>
11039	Winford Beams	\$ 2569.74
58714	Larry T/Sandra Clark	1126.43
67753	Larry T/Sandra Clark	42.15
65956	Cheryl Corbin	1094.60
60610	Janeice Melson Corbin	1503.56
32124	W E/Frances Dudgeon	1117.60
31408	Bernard/Margaret Fain	1077.88
91414	Rev W Ken Forman	442.33
17602	Alvin D Giles	1203.01
35457	Alvin D Giles	445.60
57517	Frances Mars	165.24
64278	Brenda Faye Matney	392.96
35420	Arlo/June Neat	1616.71
12540	Arlo Neat	252.50
60786	Clifton Price	3138.36
71643	Larry D Richerson	963.65
72828	Sandra Spears	12.28
57540	Sandra Parmley Spears	997.54
41926	Terry White	2001.24
72579	Terry/Donna White	15.82
99214	Diane R Whitley	299.25
96130	Berneda B Wright	181.79
		<u>\$20,660.24</u>

Motion was made by Mr. Corbin, seconded by Mr. Tucker, unanimously approved, RESOLVED, that new members listed on the following pages be accepted as members of the Taylor County Rural Electric Cooperative Corporation and that membership certificates be issued to them.

There being no further business to come before the board the meeting was duly adjourned.

  
Secretary

SEAL

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A Regular meeting of the Board of Directors of the Taylor County Rural Electric Cooperative Corporation was held Thursday, April 7, 2022, at 7:00 P.M., EDT, at the Headquarters Building, 625 West Main Street, Campbellsville, KY.

The meeting was called to order by Donald Dean Shuffett, President. Upon calling the roll, the following were found to be present:

Chad Taylor	Mark Woodrum
Greg Corbin	Bradley Irvin
Raymond Rucker	Chris Tucker
Donald D. Shuffett	

that being all the members of the Board.

Mr. Myers, Manager and Mrs. Walters, Accounting Supervisor were also present.

Mr. Shuffett asked if the members of the board had received a copy of the minutes for the regular board meeting held March 3, 2022. All members of the board indicated they had received the mailing of the minutes. Motion was made by Mr. Taylor, seconded by Mr. Rucker, unanimously carried, RESOLVED, that the minutes of the March 3, 2022 regular board meeting be approved as mailed.

Mr. Shuffett asked if the members of the board received a copy of the Manager's report for the month ended February 28, 2022. All members of the board indicated they had received the mailing of the Manager's report. After discussion, motion was made by Mr. Corbin, seconded by Mr. Woodrum, unanimously approved, RESOLVED, that the Manager's report for the month of February 28, 2022, be accepted as mailed including all transactions covered thereby.

Mr. Corbin asked if the members of the board received a copy of the East Kentucky Power Board Summary. All members of the board indicated they had received the mailing of the EKPC Board Summary.

Mr. Myers reported on PSC. The electronic investigation of the proposed pole attachment tariffs of rural electric cooperative corporations have been suspended for five months from the effective date of March 31, 2022.

Mr. Myers and Mr. Tucker reported on the following KEC items:

- House Bill 315-Broadband was approved by the Kentucky General Assembly.
- The shortage of transformer inventory and impact.
- The installation of EV charging stations every 50 miles.
- The KEC Statewide Annual Meeting will be held August 15-16, 2022.
- Additional liability insurance coverage for contractors.

There was no report for CoBank.

The Board appointed the following to serve on the nominating committee: Marshall Irvin, Chad Brown, Craig Dix, Joe Rucker, Gena McCubbins, and Steve Turner. Mr. Woodrum will appoint his nominee choice at a later date.

Mr. Myers discussed Taylor County RECC's rate case. A depreciation study for Taylor County RECC has been completed by Steve Seelye from The Prime Group LLC. David Samford from Goss Samford PLLC will represent Taylor County RECC during the rate case. Mrs. Walters is working with John Wolfram from Catalyst Consulting LLC on the initial data request.

Mr. Myers discussed Washington Youth Tour, June 17-23, 2022. Motion was made by Mr. Rucker, seconded by Mr. Irvin, unanimously approved, RESOLVED, that McKenzie Dixon and Will Blair from Taylor



County be sent on the Washington Youth Tour, June 17-23, 2022.

Mr. Myers discussed Taylor County RECC's Annual Meeting. The Board agreed to have a Traditional Annual Meeting on July 15, 2022 at Taylor County RECC's Main Office location. The Board also agreed to order shirts for employees.

Mrs. Walters discussed FEMA. Taylor County RECC submitted paperwork for Category B dated December 11-12, 2021 and is currently under review by FEMA. Category F-To Be Completed paperwork should be ready to submit the first of the next week. Category F-Utility Restoration paperwork is in the final stages of completion.

Mrs. Walters presented a Board Resolution for RUS expense deferral. Motion was made by Mr. Tucker, seconded by Mr. Taylor, unanimously approved, RESOLVED, that

**THAT WHEREAS,** Taylor County Rural Electric Cooperative Corporation (Taylor County RECC) has entered into a contract with Davey Resource Group Inc. whereby that entity will undertake to GPS/tag Taylor County's existing poles within its service area. Such services are to be provided consistent with a previously-approved RUS work plan which contemplates that such services will require approximately one year to completion, and at a cost of approximately \$1,000,000.00 with payments to be made to that contractor pursuant to monthly submitted invoices, and

**WHEREAS,** Taylor County RECC is advised that the expensing of the costs of this project may be achieved by recording all incurred costs in a deferred account, which total cost will then be amortized over a period of five (5) years, and

**WHEREAS,** Taylor County RECC understands that the aforesaid election on its part must be made, in request form, to RUS, which request will include the estimated costs, the deferred account or accounts with respect to which subject entries are to be made, and the period of amortization selected for such amortization.

**NOW THEREFORE,** consistent with the foregoing, be it resolved by the Board of Directors of Taylor County RECC that the referenced deferral and periodic amortization of cost of this project be and the same is hereby approved, and that RUS be requested to account for such incurred costs in the manner set forth herein above.

It is further resolved that this resolution be spread upon the

minutes of the 7th date of April, 2022 meeting of the Board of Directors and that appropriate copies thereof be provided to such regulatory agencies as may require same.

Mr. Myers discussed employee activity. CPR training was held April 7, 2022 for all employees. The Taylor County Extension Homemakers will host an appreciation lunch on April 21, 2022 at the Taylor County Extension Office at 12:00pm for Taylor County RECC employees.

Mr. Shuffett discussed employee activity within the office.

Mrs. Walters reported that 31 accounts past due 26 or more weeks in the amount of \$6,416.54 are scheduled for write off. Motion was made by Mr. Rucker, seconded by Mr. Irvin, unanimously approved, RESOLVED, that the following 31 accounts past due 26 or more weeks in the amount of \$6,416.54 be written off.

Mr. Myers reported on the following miscellaneous items:

- A 2021 Freightliner Digger Derrick Truck has been purchased from TEREX. Taylor County RECC was approved for a 5 year lease thru The Huntington National Bank with the option to buy.
- Two quotes have been received for the purchase of three wire trailers. The Board agreed to purchase from Brooks Brothers at a total cost of \$39,495.
- Ground Solutions has agreed to a \$20.00 per hour increase as a short term solution to increasing fuel costs.
- Taylor County RECC is currently negotiating with Electricom to cover increase in fuel costs.
- Mr. Corbin will represent Taylor County RECC on EKPC's Board as stated in April 2019 minutes: Mr. Corbin to represent Taylor County RECC on EKPC Board for a four year term.

Motion was made by Mr. Corbin, seconded by Mr. Woodrum, unanimously approved, RESOLVED, that the following applications for refund of Capital Credits of Deceased Consumers be approved and the credits refunded to the properly designated person or persons in the total amount of \$12,593.14 (twelve thousand, five hundred ninety-three dollars and fourteen cents).

<u>M/N</u>	<u>NAME</u>	<u>AMOUNT</u>
35344	Earl/Shirley Ann Beams	\$ 1360.22
38057	Earl/Shirley Beams	22.77
76878	Jean M Boreman	695.39
47628	Noel D/Peggy R Bryant	1003.41
14185	Mildred Coffey	28.25
85289	Joe Fair	537.47
25521	Elizabeth Jones	1804.55
4508	Edwin Murphy	1913.55
25619	Ruth Rodgers	2175.99
93152	Mary Ann Russell	306.96
104159	Juanita Shofner	51.09
19014	Marshall Taylor	351.67
27110	Marshall/Betty L Taylor	486.91
32063	Blond/Cleo Underwood	839.44
39028	Dennis B/Berneda F Wright	1010.66
47913	Dennis/Berneda Wright	4.81
		<u>\$12593.14</u>

Motion was made by Mr. Irvin, seconded by Mr. Tucker, unanimously approved, RESOLVED, that new members listed on the following pages be accepted as members of the Taylor County Rural Electric Cooperative Corporation and that membership certificates be issued to them.

Mr. Shuffett scheduled a meeting on Monday, April 11, 2022 at 6:00 P.M., EDT, at the Headquarters Building, 625 West Main Street, Campbellsville, KY to discuss the manager search.

There being no further business to come before the board the meeting was duly adjourned.

  
Secretary

SEAL

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION  
CAMPBELLSVILLE, KENTUCKY 42719

We, the Directors of the Taylor County Rural Electric Cooperative Corporation waive all notice of the time, place and purpose of a meeting of the Board of Directors and fix the Taylor County Rural Electric Headquarters Building on west Main Street, Campbellsville, Kentucky as the place and the 11<sup>th</sup> day of April 2022, 6:00 P.M., EDT, as the time for the holding of such meeting for the following purposes:

1. To discuss the manager search.

IN WITNESS WHEREOF, we have hereunto set our hands this 11<sup>th</sup> day of April, 2022.

Raymond Rucker  
Ernie O. Shifflet  
Rod Tasse  
Bryant H. White  
Chas A. Tucker  
Mal Wynn  
Bradley D. Dyer

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A special meeting of the Board of Directors of the Taylor County Rural Electric Cooperative Corporation was held Monday, April 11, 2022 at 7:00 P.M., EDT, at the Taylor County Rural Electric Headquarters Building, West Main Street, Campbellsville, KY, to discuss manager search pursuant to waiver of notice signed by all directors present prior to the meeting.

The meeting was called to order by Donald Dean Shuffett, President. Upon calling the roll, the following were found to be present:

Greg Corbin	Raymond Rucker
Chris Tucker	Mark Woodrum
Bradley Irvin	Chad Taylor
Donald D. Shuffett	

that being all the members of the Board.

Chris Perry and Julie Mayton from Kentucky Electric Cooperative were also present.

Board open meeting, entered and closed executive session on board policy.

Mr. Shuffett introduced Chris Perry and Julie Mayton from KEC. Mr. Perry and Ms. Mayton are coordinating the search for a manager at Taylor County RECC. Mr. Shuffett then turned the meeting over to Mr. Perry.

Mr. Perry talked to the Board about the process of a manager search, how it works and what would be required of the Board.

Mr. Perry and Ms. Mayton presented the Board with applicant names and resumes. They went through each applicant, one at a time, for a total of ten applicants.

Mr. Perry explained the interview process and what would be required of the Board and how to handle the interview stage of process.

Mr. Perry said the Board would need an attorney to represent the coop in the interview/contract process. After discussion, Mr. Perry said he could conduct the search for an attorney if the Board so chose. Motion was made by Mr. Rucker, seconded by Mr. Woodrum, unanimously approved, RESOLVED, that Mr. Perry conduct the search for an attorney for Taylor County RECC.

After discussion about the manager search, Mr. Perry stated the next step would be the question survey of applicants.

Mr. Shuffett scheduled a meeting on Monday, April 18, 2022 at 5:30 P.M., EDT, at the Headquarters Building, 625 West Main Street, Campbellsville, KY.

There being no further business to come before the Board the meeting was duly adjourned.

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION  
CAMPBELLSVILLE, KENTUCKY 42719

We, the Directors of the Taylor County Rural Electric Cooperative Corporation waive all notice of the time, place and purpose of a meeting of the Board of Directors and fix the Taylor County Rural Electric Headquarters Building on west Main Street, Campbellsville, Kentucky as the place and the 18<sup>th</sup> day of April 2022, 5:30 P.M., EDT, as the time for the holding of such meeting for the following purposes:

1. Question Survey of Applicants/Manager Search.

IN WITNESS WHEREOF, we have hereunto set our hands this 18<sup>th</sup> day of April, 2022.

Donald O. Shuffert  
Chris A. Tucker  
\_\_\_\_\_  
Brady D. \_\_\_\_\_  
Raymond Rucker  
Mark Wood  
Chris \_\_\_\_\_

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A special meeting of the Board of Directors of the Taylor County Rural Electric Cooperative Corporation was held Monday, April 18, 2022 at 5:30 P.M., EDT, at the Taylor County Rural Electric Headquarters Building, West Main Street, Campbellsville, KY, to discuss the question survey of applicants/manager search pursuant to waiver of notice signed by all directors present prior to the meeting.

The meeting was called to order by Donald Dean Shuffett, President. Upon calling the roll, the following were found to be present:

Greg Corbin	Raymond Rucker
Chris Tucker	Mark Woodrum
Bradley Irvin	Chad Taylor
Donald D. Shuffett	

that being all the members of the Board.

Chris Perry and Julie Mayton from Kentucky Electric Cooperative were also present via teleconference.

Mr. Shuffett called the meeting to order and then gave the floor Chris Perry from KEC. Mr. Perry stated he had requested all board members to supply him with their top four picks from the list of candidates that had previously been approved by the Board. Mr. Perry stated that he had received the information from the board members and tallied the votes for the top four candidates. After discussion, a motion was made by Mr. Irvin, seconded by Mr. Woodrum, unanimously approved, RESOLVED, to approve the names of the top four candidates.

Mr. Perry explained the interview process, giving the dates of May 11 and May 12, 2022 to conduct the interviews of the top four candidates selected. Mr. Perry said he would secure a proper location and time to hold the in-person interviews and possibly set up a meet and greet session. Mr. Perry stated that he had contacted Attorney Mark David for legal representation for Taylor County RECC during the interview and contract process of their search for a new Manager/CEO.

Mr. Perry would notify the approved candidates that had been selected by the Board.

Mr. Perry requested the Board meet on Wednesday, May 4, 2022 at 12:00 P.M., EDT, to solidify a proposed agenda for the interview portion of the Manager/CEO search process to be held May 11 and May 12, 2022.

There being no further business to come before the board motion was made by Mr. Rucker, seconded by Mr. Taylor, unanimously approved, RESOLVED, to adjourn the meeting.



TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION  
CAMPBELLSVILLE, KENTUCKY 42719

We, the Directors of the Taylor County Rural Electric Cooperative Corporation waive all notice of the time, as the 4<sup>th</sup> day of May 2022, 12:00 P.M., EDT, as the time for the holding of such meeting for the following purposes:

1. To Solidify a Proposed Agenda for the Interview Portion of the Manager/CEO Search Process.

IN WITNESS WHEREOF, we have hereunto set our hands  
this 4<sup>th</sup> day of May, 2022.

David D. Shuffert

David Lee

Leslie (Grog)

Bradley Jones

Chris A. Tucker

Raymond Lucken

Mark Wood

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A special meeting of the Board of Directors of the Taylor County Rural Electric Cooperative Corporation was held Wednesday, May 4, 2022 at 12:00 P.M., EDT, at the Holiday Inn Express, Plantation Drive, Campbellsville, KY, to discuss the manager search pursuant to waiver of notice signed by all directors present prior to the meeting.

The meeting was called to order by Donald Dean Shuffett, President. Upon calling the roll, the following were found to be present:

Greg Corbin	Raymond Rucker
Chris Tucker	Mark Woodrum
Bradley Irvin	Chad Taylor
Donald D. Shuffett	

that being all the members of the Board.

Chris Perry and Julie Mayton from Kentucky Electric Cooperative, and Mark David Goss from Goss Samford, PLLC were also present.

Mr. Shuffett called the meeting to order and then gave the floor Chris Perry from KEC. Mr. Perry had everyone in attendance to introduce themselves. Mr. Perry then requested to go into Executive Session to discuss items relative to the manager search. Executive Session was closed. Mr. Perry reviewed the reception and interview schedules. Mr. Perry and Mrs. Mayton then discussed the interview process and question and answer process with the CEO candidates. The Board had discussion with questions for Mr. Perry and Mrs. Mayton.

Mr. Goss then discussed with the Board what items, conditions, requirements, etc., would be required when preparing for the CEO contract. Mr. Goss then discussed Policies for Best Practices when working with the new CEO. The Board had discussion with questions for Mr. Goss.

There being no further business to come before the board motion was made by Mr. Rucker, seconded by Mr. Irvin, unanimously approved, RESOLVED, to adjourn the meeting.

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A Regular meeting of the Board of Directors of the Taylor County Rural Electric Cooperative Corporation was held Thursday, May 5, 2022, at 7:00 P.M., EDT, at the Headquarters Building, 625 West Main Street, Campbellsville, KY.

The meeting was called to order by Donald Dean Shuffett, President. Upon calling the roll, the following were found to

be present:           Chad Taylor                               Bradley Irvin  
                          Greg Corbin                               Raymond Rucker  
                          Mark Woodrum                              Chris Tucker  
  Donald D. Shuffett

that being all the members of the Board.

Mr. Myers, Manager; Mrs. Walters, Accounting Supervisor; and Rob Spragens, Jr., Attorney, were also present.

The nominating committee, which had been meeting with Attorney Rob Spragens, Jr., was asked to make its report. No petitions requesting nomination were received; the Committee in turn nominated Chad Taylor for the Adair County seat and Greg Corbin for the Green County seat. The Board thanked the members of the nominating committee and excused them from the meeting. Motion was made by Mr. Irvin, seconded by Mr. Corbin, unanimously approved, RESOLVED, that each nominating committee member be paid \$100.00 for their services.

Mr. Shuffett introduced Mr. Joseph Bott, Attorney, from Bertram, Cox, and Miller, LLP. The Board discussed with

Mr. Bott they were looking for an attorney to represent Taylor County RECC beginning July 15, 2022; which will be the last day for Mr. Spragens. The Board thanked Mr. Bott and would be in touch.

Mr. Spragens excused himself from the remainder of the meeting.

Mr. Shuffett asked if the members of the board had received a copy of the minutes for the regular board meeting held April 7, 2022. All members of the board indicated they had received the mailing of the minutes. Motion was made by Mr. Taylor, seconded by Mr. Rucker, unanimously carried, RESOLVED, that the minutes of the April 7, 2022 board meeting be approved as mailed.

Mr. Shuffett asked if the members of the board had received a copy of the minutes for the special meeting held April 11, 2022. All members of the board indicated they had received the mailing of the minutes. The board discussed Mr. Woodrum being omitted from the list of attendees; minutes needed to be amended to include. Motion was made by Mr. Irvin, seconded by Mr. Woodrum, unanimously carried, RESOLVED, that the minutes of the April 11, 2022 board meeting be approved as amended to include Mr. Woodrum on the list of attendees. Upon research, it was found Mr. Woodrum was listed as an attendee for special meeting therefore no correction was made to minutes dated

April 11, 2022.

Mr. Shuffett asked if the members of the board had received a copy of the minutes for the special meeting held April 18, 2022. All members of the board indicated they had received the mailing of the minutes. The board discussed Mr. Perry and Mrs. Mayton were present via teleconference; minutes needed to be amended to specify. Motion was made by Mr. Woodrum, seconded by Mr. Corbin, unanimously carried, RESOLVED, that the minutes of the April 18, 2022 board meeting be approved with an amendment to specify Mr. Perry and Mrs. Mayton were present via teleconference.

Mr. Shuffett asked if the members of the board received a copy of the Manager's report for the month ended March 31, 2022. All members of the board indicated they had received the mailing of the Manager's report. After discussion, motion was made by Mr. Tucker, seconded by Mr. Rucker, unanimously approved, RESOLVED, that the Manager's report for the month of March 31, 2022, be accepted as mailed including all transactions covered thereby.

Mr. Corbin asked if the members of the board received a copy of the East Kentucky Power Board Summary. All members of the board indicated they had received the mailing of the EKPC Board Summary.

Mr. Myers reported on PSC. Taylor County RECC has submitted information for its first data request on the proposed pole attachment tariffs.

There were no reports for CoBank and KEC.

Mrs. Walters presented the IRS Form 990 for the year ended December 31, 2021 for the Boards review. After discussion, motion was made by Mr. Rucker, seconded by Mr. Taylor, unanimously approved, RESOLVED, that the Board of Directors of Taylor County RECC have reviewed the IRS Form 990 for the year ended, December 31, 2021 with approval.

Mr. Myers reported that a Representative and Alternate need to be appointed for the East Kentucky Annual meeting on June 14, 2022. The Board agreed that Chris Tucker be the Representative and Chad Taylor be the Alternate Representative for the East Kentucky Annual Meeting on June 14, 2022.

Mr. Myers discussed Taylor County RECC Annual Meeting plans July 15, 2022.

Mr. Myers discussed employee activity. Wes Honadel has turned in his resignation and will be going to work for East Kentucky Power. Debbie Lawson's retirement date will be May 27, 2022. Carrie Durrett has announced her retirement date for August 13, 2022.

Mrs. Walters reported that 23 accounts past due 26 or more weeks in the amount of \$6,239.51 are scheduled for write off.

Motion was made by Mr. Irvin, seconded by Mr. Taylor, unanimously approved, RESOLVED, that the following 23 accounts past due 26 or more weeks in the amount of \$6,239.51 be written off.

Mrs. Walters discussed an amendment of the Board Resolution for RUS expense deferral. Motion was made by Mr. Corbin, seconded by Mr. Taylor, unanimously approved, RESOLVED,

**WHEREAS**, establishing regulatory assets for the Expenses is a departure from the Rural Development Uniform System of Accounts that also requires prior approval by the Rural Utilities Service, and

**WHEREAS**, Taylor County RECC has reasonable expectation that the Kentucky Public Service Commission will authorize the recovery of these costs through future rate, and

be added to original Board Resolution for RUS expense deferral dated April 7, 2022.

Mr. Myers discussed project graduation donations. Taylor County RECC will donate \$50.00 to each of the following schools for 2022 project graduation: Adair County, Campbellsville Independent, Green County, Casey County, and Taylor County.

The new Voucher Committee, consisting of Mr. Taylor, Mr. Irvin, and Mr. Woodrum, will meet at a later date to review the transactions for the period of January thru March 2022.

Motion was made by Mr. Taylor, seconded by Mr. Woodrum, unanimously approved, RESOLVED, that the following applications for refund of Capital Credits of Deceased Consumers be approved and the credits refunded to the properly designated

person or persons in the total amount of \$11,999.41 (eleven thousand, nine hundred ninety-nine dollars and forty-one cents).

<u>M/N</u>	<u>NAME</u>	<u>AMOUNT</u>
16745	Forest/Lory Bennett	\$ 1655.04
70710	Lory Bennett	32.21
58333	Jeanett Elmore	1802.11
59317	Jerome G/Pauline Harris	1279.26
17235	Eugene Mardis	1615.08
38455	Grover Pierce	477.57
57936	Charles/Shirley Slinker	654.73
17432	Betty Tungate	1274.96
76002	Betty Tungate	2.03
17736	William L/Sandra L Warren	2933.54
34469	William L/Sandra L Warren	96.79
36271	William L/Sandra L Warren	76.49
67592	William L/Sandra L Warren	99.60
		<u>\$11,999.41</u>

Motion was made by Mr. Rucker, seconded by Mr. Irvin, unanimously approved, RESOLVED, that new members listed on the following pages be accepted as members of the Taylor County Rural Electric Cooperative Corporation and that membership certificates be issued to them.

There being no further business to come before the board the meeting was duly adjourned.

  
Secretary

SEAL

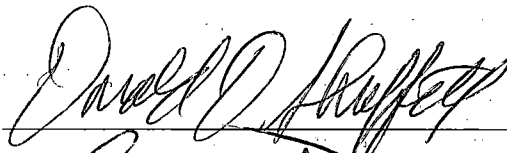


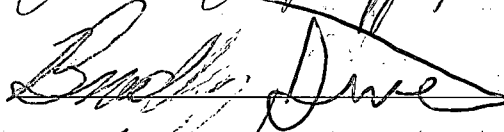
TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION  
CAMPBELLSVILLE, KENTUCKY 42719

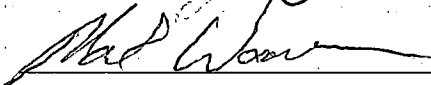
We, the Directors of the Taylor County Rural Electric Cooperative Corporation waive all notice of the time, place and purpose of a meeting of the Board of Directors and fix the Best Western Campbellsville Inn on East Broadway, Campbellsville, Kentucky as the place and the 10th day of May 2022, 5:00 & 7:00 P.M., EDT, as the time for the holding of such meeting for the following purposes:

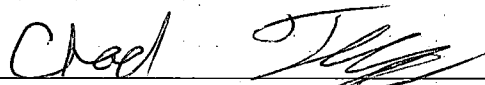
1. Meet and Greet for New Manager/CEO.

IN WITNESS WHEREOF, we have hereunto set our hands this 10th day of May, 2022.

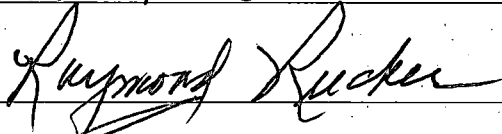
  
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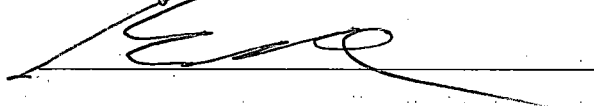
  
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TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A special meeting of the Board of Directors of the Taylor County Rural Electric Cooperative Corporation was held Tuesday, May 10, 2022 at 5:00 P.M., EDT, at the Best Western Campbellsville Inn, 1400 E Broadway St, Campbellsville, KY, for the Meet and Greet for new Manager/CEO pursuant to waiver of notice signed by all directors present prior to the meeting.

Members Present:

Donald D. Shuffett

Chad Taylor

Chris Tucker

Bradley Irvin

Greg Corbin

Raymond Rucker

Mark Woodrum

Guests Present:

Chris Perry

Candidate

Meet and Greet Reception with Candidate from 5:00 - 6:00 pm. No  
Action taken.

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A special meeting of the Board of Directors of the Taylor County Rural Electric Cooperative Corporation was held Tuesday, May 10, 2022 at 7:00 P.M., EDT, at the Best Western Campbellsville Inn, 1400 E Broadway St, Campbellsville, KY, for the Meet and Greet for New Manager/CEO pursuant to waiver of notice signed by all directors present prior to the meeting.

Members Present:

Donald D. Shuffett

Chad Taylor

Chris Tucker

Bradley Irvin

Greg Corbin

Raymond Rucker

Mark Woodrum

Guests Present:

Chris Perry

Candidate Alan Coffey & Spouse

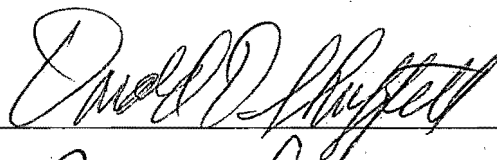
Meet and Greet Reception with candidate Alan Coffey from 7:00 - 8:00 pm. No Action taken.

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION  
CAMPBELLSVILLE, KENTUCKY 42719

We, the Directors of the Taylor County Rural Electric Cooperative Corporation waive all notice of the time, place and purpose of a meeting of the Board of Directors and fix the Holiday Inn Express on Plantation Drive, Campbellsville, Kentucky as the place and the 11th day of May 2022, 9:00 A.M. and 1:00, 5:00 & 7:00 P.M., EDT, as the time for the holding of such meeting for the following purposes:

1. Interview for New Manager/CEO.
2. Meet and Greet for New Manager/CEO.

IN WITNESS WHEREOF, we have hereunto set our hands  
this 11th day of May, 2022.

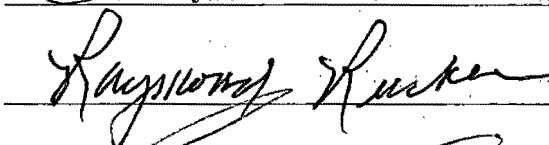
  
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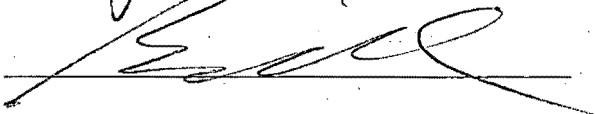
  
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TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A special meeting of the Board of Directors of the Taylor County Rural Electric Cooperative Corporation was held Wednesday, May 11, 2022 at 9:00 A.M., EDT, at the Holiday Inn Express, 102 Plantation Dr., Campbellsville, KY, for the Interview of Manager/CEO pursuant to waiver of notice signed by all directors present prior to the meeting.

Members Present:

Donald D. Shuffett

Chad Taylor

Chris Tucker

Bradley Irvin

Greg Corbin

Raymond Rucker

Mark Woodrum

Guests Present:

Chris Perry

Candidate

Interview with Candidate at 9:00 am. No Action taken.

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A special meeting of the Board of Directors of the Taylor County Rural Electric Cooperative Corporation was held Wednesday, May 11, 2022 at 1:00 P.M., EDT, at the Holiday Inn Express, 102 Plantation Dr., Campbellsville, KY, for the Interview of Manager/CEO pursuant to waiver of notice signed by all directors present prior to the meeting.

Members Present:

Donald D. Shuffett

Chad Taylor

Chris Tucker

Bradley Irvin

Greg Corbin

Raymond Rucker

Mark Woodrum

Guests Present:

Chris Perry

Candidate

Interview with Candidate at 1:00 pm. No Action taken.

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A special meeting of the Board of Directors of the Taylor County Rural Electric Cooperative Corporation was held Wednesday, May 11, 2022 at 5:00 P.M., EDT, at the Holiday Inn Express, 102 Plantation Dr., Campbellsville, KY, for the Meet and Greet for new Manager/CEO pursuant to waiver of notice signed by all directors present prior to the meeting.

Members Present:

Donald D. Shuffett

Chad Taylor

Chris Tucker

Bradley Irvin

Greg Corbin

Raymond Rucker

Mark Woodrum

Guests Present:

Chris Perry

Candidate

Meet and Greet Reception with Candidate from 5:00 - 6:00pm. No Action taken.

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A special meeting of the Board of Directors of the Taylor County Rural Electric Cooperative Corporation was held Wednesday, May 11, 2022 at 7:00 P.M., EDT, at the Holiday Inn Express, 102 Plantation Dr., Campbellsville, KY, for the Meet and Greet for new Manager/CEO pursuant to waiver of notice signed by all directors present prior to the meeting.

Members Present:

Donald D. Shuffett

Chad Taylor

Chris Tucker

Bradley Irvin

Greg Corbin

Raymond Rucker

Mark Woodrum

Guests Present:

Chris Perry

Candidate

Meet and Greet Reception with Candidate from 7:00 - 8:00pm. No Action taken.

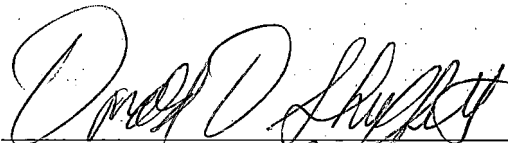


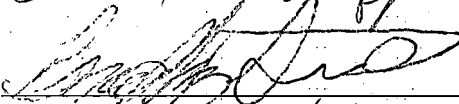
TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION  
CAMPBELLSVILLE, KENTUCKY 42719

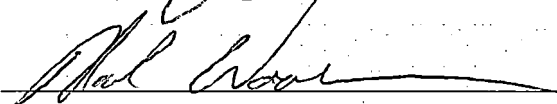
We, the Directors of the Taylor County Rural Electric Cooperative Corporation waive all notice of the time, place and purpose of a meeting of the Board of Directors and fix the Holiday Inn Express on Plantation Drive, Campbellsville, Kentucky as the place and the 12th day of May 2022, 9:00 A.M. & 1:00 P.M., EDT, as the time for the holding of such meeting for the following purposes:

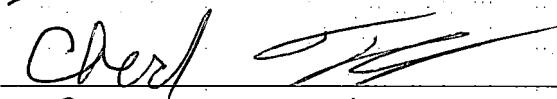
1. Interview for New Manager/CEO.

IN WITNESS WHEREOF, we have hereunto set our hands this 12th day of May, 2022.

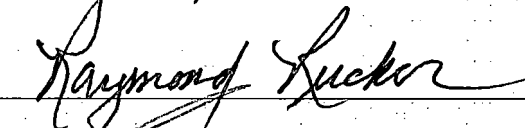
  
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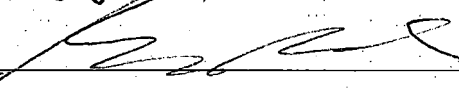
  
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TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A special meeting of the Board of Directors of the Taylor County Rural Electric Cooperative Corporation was held Thursday, May 12, 2022 at 9:00 A.M., EDT, at the Holiday Inn Express, 102 Plantation Dr., Campbellsville, KY, for the Interview of Manager/CEO pursuant to waiver of notice signed by all directors present prior to the meeting.

Members Present:

Donald D. Shuffett

Chad Taylor

Chris Tucker

Bradley Irvin

Greg Corbin

Raymond Rucker

Mark Woodrum

Guests Present:

Chris Perry

Candidate

Interview with Candidate at 9:00 am. No Action taken.

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A special meeting of the Board of Directors of the Taylor County Rural Electric Cooperative Corporation was held Thursday, May 12, 2022 at 1:00 P.M., EDT, at the Holiday Inn Express, 102 Plantation Dr., Campbellsville, KY, for the Interview of Manager/CEO pursuant to waiver of notice signed by all directors present prior to the meeting.

Members Present:

Donald D. Shuffett

Chad Taylor

Chris Tucker

Bradley Irvin

Greg Corbin

Raymond Rucker

Mark Woodrum

Guests Present:

Chris Perry

Candidate

Interview with Candidate at 1:00 pm. This concluded the interview process.

The Board of Directors and Chris Perry discussed the candidates.

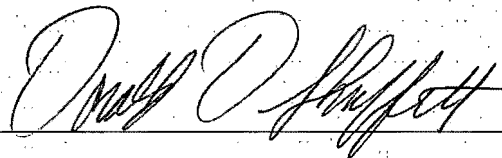
A decision was made to fill the CEO position at Taylor County RECC.

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION  
CAMPBELLSVILLE, KENTUCKY 42719

We, the Directors of the Taylor County Rural Electric Cooperative Corporation waive all notice of the time, place and purpose of a meeting of the Board of Directors and fix the Taylor County Rural Electric Headquarters Building on West Main Street, Campbellsville, Kentucky as the place and the 17th day of May 2022, 6:00 P.M., EDT, as the time for the holding of such meeting for the following purposes:

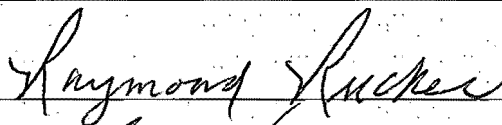
1. Finalize Contract for New Manager/CEO.

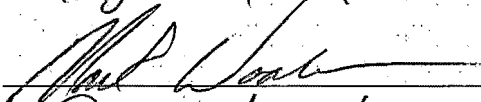
IN WITNESS WHEREOF, we have hereunto set our hands this 17th day of May, 2022.

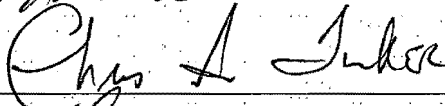
  
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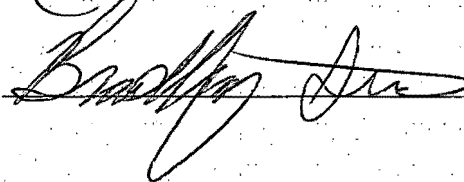
  
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TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A special meeting of the Board of Directors of the Taylor County Rural Electric Cooperative Corporation was held Tuesday, May 17, 2022 at 6:00 P.M., EDT, at the Taylor County Rural Electric Headquarters Building, West Main Street, Campbellsville, KY, to finalize the new Manager/CEO contract pursuant to waiver of notice signed by all directors present prior to the meeting.

The meeting was called to order by Donald Dean Shuffett, President. Upon calling the roll, the following were found to be present:

Greg Corbin	Raymond Rucker
Chris Tucker	Mark Woodrum
Bradley Irvin	Chad Taylor
Donald D. Shuffett	

that being all the members of the Board.

Mr. Shuffett explained the special meeting was to review and approve the new CEO contract. Legal counsel had reviewed the contract and made any necessary changes in order to present to the Board for their approval.

The contract was reviewed by the Board. After discussion, a motion was made by Mr. Taylor, seconded by Mr. Rucker, unanimously approved, RESOLVED, to approve the new CEO contract.

Mr. Shuffett took the Board into executive session to discuss vehicle compensation for the new CEO. After discussion, Mr. Shuffett brought the Board out of executive session.

There being no further business to come before the Board the meeting was duly adjourned.

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A Regular meeting of the Board of Directors of the Taylor County Rural Electric Cooperative Corporation was held Thursday, June 2, 2022, at 7:00 P.M., EDT, at the Headquarters Building, 625 West Main Street, Campbellsville, KY.

The meeting was called to order by Donald Dean Shuffett, President. Upon calling the roll, the following were found to be present:

Chad Taylor	Bradley Irvin
Donald D. Shuffett	Raymond Rucker
Mark Woodrum	Chris Tucker

that being all the members of the Board, except Greg Corbin who was absent.

Mr. Myers, Manager and Mrs. Walters, Accounting Supervisor, were also present.

Mr. Shuffett asked if the members of the board had received a copy of the minutes for the regular board meeting held May 5, 2022. All members of the board indicated they had received the mailing of the minutes. Motion was made by Mr. Taylor, seconded by Mr. Tucker, unanimously carried, RESOLVED, that the minutes of the May 5, 2022 board meeting be approved as mailed.

Mr. Shuffett asked if the members of the board had received a copy of the minutes for the special meeting held May 4, 2022. All members of the board indicated they had received the mailing of the minutes. Motion was made by Mr. Rucker, seconded by Mr.

Irvin, unanimously carried, RESOLVED, that the minutes of the May 4, 2022 special meeting be approved as mailed.

Mr. Shuffett asked if the members of the board had received a copy of the minutes for the special meeting held May 17, 2022. All members of the board indicated they had received the mailing of the minutes. Motion was made by Mr. Woodrum, seconded by Mr. Taylor, unanimously carried, RESOLVED, that the minutes of the May 17, 2022 special meeting be approved as mailed.

Mr. Shuffett asked if the members of the board received a copy of the Manager's report for the month ended April 30, 2022. All members of the board indicated they had received the mailing of the Manager's report. Mrs. Walters noted a \$4,942.11 correction to the April 2022 financials. After discussion, motion was made by Mr. Tucker, seconded by Mr. Woodrum, unanimously approved, RESOLVED, that the Manager's report for the month of April 30, 2022, be accepted including all transactions covered thereby.

Mr. Shuffett asked if the members of the board received a copy of the East Kentucky Power Board Summary. All members of the board indicated they had received the mailing of the EKPC Board Summary.

Mr. Myers reported on PSC. Taylor County RECC submitted information for its second data request on the proposed pole attachment tariffs.

Mr. Tucker reported on KEC meeting held on May 23, 2022.

There was no report for CoBank.

Mrs. Walters reported on the Resolution of the Board of Directors authorizing the Amendment and Restatement of the 401(k) Pension Plan for Taylor County Rural Electric Cooperative Corporation REA 18023-001. Motion was made by Mr. Taylor, seconded by Mr. Rucker, unanimously approved,

**WHEREAS**, Taylor County Rural Electric Cooperative Corporation (Taylor County R.E.C.C), is a participating employer in the:

- Retirement Security (RS) Plan
  - 401(k) Pension (401(k)) Plan
- Plan(s): elect one or both, as applicable*

**WHEREAS** the Board of Directors of Taylor County R.E.C.C. is aware that the Plan(s) must periodically be amended to comply with new or changed regulations, rulings, legislation and plan operations, and that this restatement will be effective July 1, 2022.

**THEREFORE BE IT RESOLVED** that this Board authorizes the July 1, 2022 amendment, restatement and continuance of the Plan(s) to conform in its (their) entirety with all the provisions of the governing plan document(s) of the Plan(s), through the execution of the Adoption Agreement(s), which includes all of the provisions of the Cooperative's most recently executed Adoption Agreement(s) and any compliance clarifications needed to conform with plan operations; and

**BE IT FURTHER RESOLVED**, in the event that the timing of the restatement does not correspond with regularly scheduled meetings of the Board of Directors, the Board does hereby authorize and direct the cooperative's (or the participating employer's) authorized representative to execute all necessary documents and to take any and all further actions necessary to carry out the July 1, 2022 amendment and restatement of the Plan(s); and, NRECA is fully authorized to rely on this designation in processing



the restatement of the Plan(s).

Mr. Myers discussed employee activity. Debbie Lawson retired. Lorena Ballard, a retired employee, passed away.

Mrs. Walters reported that 18 accounts past due 26 or more weeks in the amount of \$5,139.60 are scheduled for write off. Motion was made by Mr. Rucker, seconded by Mr. Irvin, unanimously approved, RESOLVED, that the following 18 accounts past due 26 or more weeks in the amount of \$5,139.60 be written off.

Mr. Myers discussed the following miscellaneous items:

- Materials have been restocked from tornados earlier this year.
- Taylor County RECC's Annual Meeting is scheduled for July 15, 2022. Motion was made by Mr. Rucker, seconded by Mr. Woodrum, unanimously approved, RESOLVED, that hot dogs be served at the annual meeting.
- KEC Annual Meeting will be held in August. Motion was made by Mr. Tucker, seconded by Mr. Woodrum, unanimously approved, RESOLVED, that Taylor County RECC pay for Mr. Myers' registration fee and hotel room to attend the KEC Annual Meeting.
- Mr. Myers asked the Board if he could purchase the current manger's vehicle upon his retirement. Motion was made by Mr. Tucker, seconded by Mr. Rucker, unanimously approved, RESOLVED, that the current manger's vehicle, Ford Explorer, be sold to Mr. Myers for \$10,000.00 upon his retirement.
- Mr. Myers also requested to receive his full 6 weeks of vacation and to keep his cell phone upon retirement. The Board agreed.

Mr. Shuffett discussed the following miscellaneous items:

- Mark David Goss is interested in serving as an attorney for Taylor County RECC. The Board discussed having Mr. Bott to serve as general counsel, while having Mr. Goss serve as contract counsel.

- The new CEO, Jeff Williams, will begin employment with Taylor County RECC on June 20, 2022. Mr. Williams also requested use of a 4X4 truck to be able to travel Taylor County RECC's territory. The Board agreed to purchase a new truck.

Motion was made by Mr. Rucker, seconded by Mr. Irvin, unanimously approved, RESOLVED, that the following applications for refund of Capital Credits of Deceased Consumers be approved and the credits refunded to the properly designated person or persons in the total amount of \$17,044.94 (seventeen thousand, forty-four dollars and ninety-four cents).

<u>M/N</u>	<u>NAME</u>	<u>AMOUNT</u>
73080	Jerry L Arnett	\$ 947.90
19923	Otis / Nancy Burton	1908.88
37532	Frances Collins	1476.54
31045	David K / Marcella Cox	121.03
10519	Elvin E Durham Jr	1544.41
45143	Bobby / Delores England	1412.61
57306	Marla Gilbert	1505.56
34380	Kathleen B Heckman	722.54
25044	Ruth W Phillips	1842.74
74185	Ruth W Phillips	96.09
74772	Ruth W Phillips	21.63
63231	Ruth W Phillips	72.83
41570	Ruth W Phillips	215.96
66916	Charles Ralls	1602.52
33764	Ronald L Summers	84.53
37774	Ronald L Summers	1.78
45289	Ronald L Summers	361.01
32113	Ronald / Mary Summers	1992.95
57719	Raymond E / Janet Wood	1113.43
		<u>\$17,044.94</u>

Motion was made by Mr. Tucker, seconded by Mr. Taylor, unanimously approved, RESOLVED, that new members listed on the following pages be accepted as members of the Taylor County Rural

Electric Cooperative Corporation and that membership certificates be issued to them.

Agenda item for next meeting: To hire an attorney for Taylor County RECC.

There being no further business to come before the board the meeting was duly adjourned.

  
Secretary

SEAL

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A Regular meeting of the Board of Directors of the Taylor County Rural Electric Cooperative Corporation was held Thursday, July 7, 2022, at 7:00 P.M., EST, at the Headquarters Building, 625 West Main Street, Campbellsville, KY. The meeting was called to order by Donald Dean Shuffett, President. Upon calling the roll, the following were found to be present:

Chad Taylor	Mark Woodrum
Greg Corbin	Bradley Irvin
Chris Tucker	Donald D. Shuffett
Raymond Rucker	

that being all the members of the Board.

Mr. Myers, Manager and Mr. Jeff Williams, CEO; were also present.

Mr. Shuffett asked if the members of the board had received a copy of the minutes for the regular board meeting held June 2, 2022. All members of the board indicated they had received the mailing of the minutes. Motion was made by Mr. Tucker, seconded by Mr. Corbin, unanimously carried, RESOLVED, that the minutes of the June 2, 2022 regular board meeting be approved as mailed.

Mr. Shuffett asked if the members of the board had received a copy of the minutes for the special meetings held May 10, 11 and 12, 2022. All members of the board indicated they had received the mailing of the minutes. Motion was made by Mr. Rucker, seconded by Mr. Taylor, unanimously carried, RESOLVED, that the minutes of the May 10, 11 and 12, 2022 special meetings be approved as mailed.

Mr. Shuffett asked if the members of the board received a copy of the Manager's report for the month ended May 31, 2022. All members of the board indicated they had received the mailing of the Manager's report. After discussion, motion was made by Mr. Corbin, seconded by Mr. Woodrum, unanimously approved, RESOLVED, that the Manager's report for the month of May 31, 2022, be accepted as

mailed including all transactions covered thereby.

Mr. Corbin reported on East Kentucky Power Board meeting.

There were no reports for PSC, KEC or CoBank.

The Board updated the RUS Certificate of Authority for Taylor County RECC. Motion was made by Mr. Tucker, seconded by Mr. Taylor, unanimously approved,

1. RESOLVED that Jeffrey R. Williams, the Chief Executive Officer of the Corporation, be the Certifier on behalf of the Corporation, who shall be responsible for submitting and certifying to the Rural Utilities Service, an agency of the United States Department of Agriculture delivering Rural Development Utilities Programs, any and all data required by RUS Form 674;

2. RESOLVED that Patsy Walters, the Accounting Supervisor of the Corporation, be the Security Administrator on behalf of the Corporation, who shall give access to the Corporation's data, as appropriate, to other employees, officers, or contractors of the Corporation, for the purpose of complying with RUS Form 674; and

3. RESOLVED that both shall comply with the Instructions for RUS Form 674 in regard to use of the government's data collection system.

The KEC Annual Meeting will be August 14-16, 2022 at the Louisville Marriott Downtown.

Mr. Myers reported that 23 accounts past due 26 or more weeks in the amount of \$5,544.00 are scheduled for write off. Motion was made by Mr. Rucker, seconded by Mr. Irvin, unanimously approved, RESOLVED, that the following 23 accounts past due 26 or more weeks in the amount of \$5,544.00 be written off.

Mr. Myers reported that Taylor County RECC will be selling 7 vehicles at the last of July. JJ Cain will do the advertisements and take care of everything for the 5 pickups, 1 digger truck and 1 cab/chassis being sold.

Mr. Myers reported 2 bids on small Bucket Truck: Terex \$159,537.00 and Altec \$135,901.00 with an add on could take to around \$142,000.00. After discussion, motion was made by Mr. Irvin, seconded

by Mr. Corbin, unanimously approved, RESOLVED, that Taylor County RECC would buy from Altec.

Mr. Myers reported that Bachman Volkswagen - electric car could be buy and lease: To buy \$45,235.04 or to lease - just fill out credit report. After discussion, motion was made by Mr. Corbin, seconded by Mr. Irvin, unanimously approved, RESOLVED, that Taylor County RECC would buy the Volkswagen.

Taylor County RECC Board discussed about Allyson Honaker, Attorney, to help with the Rate Cases at an hourly rate of \$265.00. Unanimously approved to Hire Ms. Honaker to help with the Rate Case.


Mr. Myers reported to the Board that Rob Spragens, Jr., Attorney, would be conducting the Taylor County RECC Annual Meeting on Friday, July 15, 2022 as well as the Re-Organizational Meeting.

Motion was made by Mr. Taylor, seconded by Mr. Tucker, unanimously approved, RESOLVED, that the following applications for refund of Capital Credits of Deceased Consumers be approved and the credits refunded to the properly designated person or persons in the total amount of \$13,524.31 (thirteen thousand, five hundred twenty-four dollars and thirty-one cents).

<u>M/N</u>	<u>NAME</u>	<u>AMOUNT</u>
106574	Barnes Harry Estate	\$ 134.80
103502	Smith Joe H Estate	76.88
83903	Sroczynski Thomas K Estate	651.99
78348	Ferry Isabelle Estate	166.96
74140	Buckman Ruth Estate	440.89
63045	Patton Joy and Doris J Estate	1148.56
58003	Buckman Larry/Ruth Ann Estate	205.28
44216	Buckman Larry/Ruth Estate	47.18
37495	Perkins Dorlene Cox Estate	713.37
36216	Janes Bernard and L V Estate	970.26
35780	Larimore Shirley Estate	1202.66
35642	Morris Carolyn Estate	1530.95
28793	Moran David C Estate	1245.19
25630	Beard Mamie L Bloyd Estate	918.25
24013	Beaty Clay and Ruby Estate	1517.06
18768	Kelsay Perry Estate	2018.52
17229	Janes Bernard Estate	32.61
7537	Janes Bernard Estate	502.90
		\$13,524.31

Motion was made by Mr. Irvin, seconded by Mr. Woodrum, unanimously approved, RESOLVED, that new members listed on the following pages be accepted as members of the Taylor County Rural Electric Cooperative Corporation and that membership certificates be issued to them.

There being no further business to come before the board the meeting was duly adjourned.

  
Secretary

SEAL

## TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

The Drive Thru Annual Meeting of the Taylor County Rural Electric Cooperative Corporation was held at the Taylor County High School Campus, 2705 Old Hodgenville Rd, Campbellsville, KY, from 8:30 A.M. to 11 A.M., EDT, on Friday, July 15, 2022, pursuant to notice by radio announcements the week of July 11, 2022. Originally, notification of the Annual Meeting was mailed to the members on the 28th day of June 2022 to their proper Post Office address according to the Cooperative's records. Due to increase of Covid in some of the counties, the Annual Meeting was changed to a Drive Thru Annual Meeting.

There were three hundred and ninety registrations by the members exceeding the number required for a quorum. The registrations by county were:

Adair	-	42
Casey	-	8
Green	-	61
Taylor	-	279

A copy of the Treasurer's report was dispensed to the members for review.

The nominating committee met in May, 2022, and nominated candidates for the board seat in Green and Adair Counties. Candidates nominated were Greg Corbin for Green County and Chad Taylor for Adair County. As no petitions were presented to the Committee, no further nominations were made and an election was not necessary. Mr. Corbin and Mr. Taylor were seated as directors per the by-laws.



Drawing for the prizes were held after the drive thru annual meeting had ended with a list of members winning prizes attached hereto.

Following the Drive-Thru Annual Meeting, instructions to the Board Members that a re-organizational meeting would be held immediately in the Board Room at Taylor County Rural Electric Cooperative Corporation office.

  
Secretary

SEAL

### 2022 ANNUAL MEETING PRIZE WINNERS

1. Any registered, active voting membership is eligible to win if name is drawn.
2. In cases where more than one service connection is under the same membership, only ONE MEMBERSHIP registration is eligible for the drawing.
3. Member or spouse of Member or the individual authorized by a company, corporation, or church to vote must be present to win.
4. Drawing will be in order as follows:
  - A. Member's name will be drawn
  - B. Member will come forward and pick up prize.
5. NO SUBSTITUTIONS.


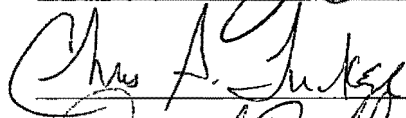

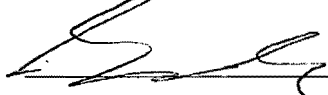


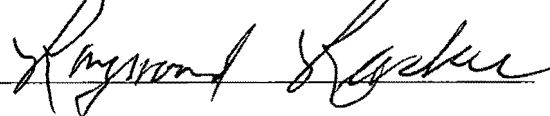
	<b>PRIZE</b>	<b>NAME</b>	<b>ADDRESS</b>	<b>ACCOUNT #</b>
1	Shark Vacuum	David and Sherry Cowherd	630 Friendship Rd	1100473
2	Mini Fridge	Beverly Robb	275 Casey Creek Rd	82427
3	Flat Screen Television	Rhonda Wilson	17710 Liberty Rd	75321
4	Air Fryer and Toaster	Kevin Mings	24 Harris Dr	71146
5	Compressor	Josh and Lynn Marcum	3750 Palestine Rd	109122

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION  
CAMPBELLSVILLE, KENTUCKY 42719

We, the Directors of the Taylor County Rural Electric Cooperative Corporation waive all notice of the time, place and purpose of a meeting of the Board of Directors and fix the Taylor County Rural Electric Headquarters Building on West Main Street, Campbellsville, Kentucky as the place and the 15th day of July 2022, 11:00 A.M., EDT, as the time for the holding of such meeting for the following purposes:

1. Election of Board Officers
2. Any Other Business to come before the Board

IN WITNESS WHEREOF, we have hereunto set our hands this 15th day of July, 2022.

  
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TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A re-organizational meeting of the Board of Directors of the Taylor County Rural Electric Cooperative Corporation was held Friday, July 15, 2022, after the drive thru annual meeting, in the Headquarters Building on West Main Street, Campbellsville, Kentucky, pursuant to waiver of notice signed before the meeting.

The meeting was called to order by Donald Dean Shuffett. Upon calling the roll, the following were found to be present:

Raymond Rucker	Chad Taylor
Bradley Irvin	Chris Tucker
Greg Corbin	Mark Woodrum
Donald Dean Shuffett	

that being all the members of the Board.

Also present was Barry Myers, Manager and Rob Spragens, Jr., Cooperative Attorney.

Mr. Spragens asked for nominations for President. Motion was made by Mr. Irvin, seconded by Mr. Corbin, nominating Chad Taylor for President. Motion was made by Mr. Rucker, seconded by Mr. Tucker, nominating Donald Dean Shuffett for President. Nominations ceased and a vote was taken. Chad Taylor was elected as President by a vote of five (5). Motion carried.

Mr. Spragens asked for nominations for Vice President. Motion was made by Mr. Taylor, seconded by Mr. Corbin, nominating Chris Tucker for Vice President. Motion was made by Mr. Taylor, seconded by Mr. Corbin, that the nominations cease and Mr. Tucker be elected as Vice President by acclamation. Motion carried

Mr. Spragens asked for nominations for Secretary. Motion was

made by Mr. Corbin, seconded by Mr. Taylor, nominating Mark Woodrum for Secretary. Motion was made by Mr. Corbin, seconded by Mr. Taylor that the nominations cease and Mr. Woodrum be elected by acclimation. Motion carried.

Mr. Spragens asked for nominations for Treasurer. Motion was made by Mr. Shuffett, seconded by Mr. Woodrum, nominating Bradley Irvin for Treasurer. Motion was made by Mr. Shuffett, seconded by Mr. Woodrum, that the nominations cease and Mr. Irvin be elected by acclimation. Motion carried.

The Board discussed updating Taylor County RECC's signature cards. Motion was made by Mr. Rucker, seconded by Mr. Tucker, unanimously approved, RESOLVED, the new Chief Executive Officer Jeffrey R. Williams, be added to all Taylor County RECC Bank Accounts. Chad Taylor, President, and Bradly Irvin, Treasurer, of Taylor County RECC along with Patsy R. Walters, Accounting Supervisor, will also be authorized to sign on all Taylor County RECC Bank Accounts; Barry L. Myers, retired Manager of Taylor County RECC, be removed from all Taylor County RECC Bank Accounts; all this being an effective date of July 15, 2022.

The Board discussed hiring an attorney as general counsel for Taylor County RECC. Motion was made by Mr. Corbin, seconded by Mr. Rucker, unanimously approved, RESOLVED, that Allyson Honaker be hired as general counsel for Taylor County RECC with an effective date of August 1, 2022 and an hourly rate of \$250.

There being no further business to come before the board the meeting was adjourned.

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A regular meeting of the Board of Directors of Taylor County Rural Electric Cooperative Corporation was held Thursday, August 4, 2022, at 7:00 p.m., EST, at the Taylor County Rural Electric Cooperative Corporation headquarters located at 625 W. Main Street, Campbellsville, KY. The meeting was called to order by Chad Taylor, President. Upon calling the roll, the following were found to be present:

Don Shuffett	Mark Woodrum
Greg Corbin	Bradley Irvin
Chris Tucker	Chad Taylor
Raymond Rucker	

that being all of the members of the Board of Directors. Jeff Williams, CEO was present and Allyson Honaker, General Counsel, participated via telephone.

Mr. Williams provided a safety moment. Mr. Taylor asked if the members of the Board of Directors had received a copy of the minutes of the regular board meeting held July 7, 2022. All members of the Board of Directors indicated they had received the mailing of the minutes. A correction to the minutes was noted and a motion was made by Chris Tucker to accept the minutes as amended and it was seconded by Raymond Rucker. The motion unanimously carried, RESOLVED, that the minutes of the July 7, 2022 regular board meeting approved as amended.

Mr. Taylor asked if the members of the Board of Directors had received a copy of the minutes of the July 15, 2022 re-organizational meeting. All members of the Board of Directors indicated they had received the mailing of the minutes. A motion was made by Bradley Irvin to accept the minutes as mailed and was seconded by Chris Tucker. The motion unanimously carried, RESOLVED that the minutes of the July 15, 2022 re-organizational meeting approved as mailed.

Mr. Williams gave the Kentucky Public Service Commission update, CFC and CoBank update. Mr. Tucker gave the KEC update. Mr. Corbin gave the East Kentucky Power Cooperative update. Mr. Williams gave the NRECA update.

Mr. Taylor asked if all members of the Board of Directors received a copy of the Management Reports for the month ended June 30, 2022. All members indicated that they had received the Management Reports. Mr. Williams provided an overview of what the CEO expense reports will be going forward and the information that will be provided to the Board of Directors at future board meetings. Mr. Williams also gave an update on the items contained in the Management Reports. Mr. Williams gave an update on his moving expenses. A motion was made by Greg Corbin and seconded by Mark Woodrum to approve the reimbursement of Mr. Williams' moving expenses and the motion unanimously carried. RESOLVED to pay Mr. Williams' moving expenses as provided. Mr. Williams also provided information on an employee who encountered expenses to install internet in order to work from home. A motion was made by Chris Tucker and seconded by Raymond Rucker to reimburse the employee for the expenses incurred to be able to work from home when employees were made to work from home, the motion unanimously carried. RESOLVED to pay the employee's expenses as provided. A motion was made by Chris Tucker and seconded by Raymond Rucker to accept the Management Reports and the motion unanimously carried. RESOLVED that the Management Reports are accepted as provided. Mrs. Honaker then gave the Legal Update.

The Board went into Executive Session.

After Executive Session, a motion was made by Greg Corbin and seconded by Mark Woodrum to give Mr. Williams the authority to offer an addendum to the union contract and was unanimously approved. RESOLVED that Mr. Williams has the authority to offer an addendum to

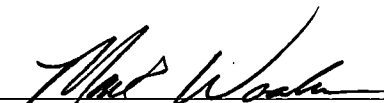
the union contract. A motion was made by Chris Tucker and seconded by Mark Woodrum to hire Dinsmore & Shohl, LLP to provide legal services for the labor addendum and was unanimously approved. RESOLVED to hire Dinsmore & Shohl, LLP to serve as counsel for labor addendum.

There was a motion made by Chris Tucker and seconded by Don Shuffett to sign the RESOLUTION for CoBank due to the new officers on the signature card which were approved at the July 15, 2022 re-organizational meeting. The motion was unanimously approved. RESOLVED to sign the Board Resolution for CoBank signature cards.

Mr. Williams reported that there was a total of \$9,319.32 in past due accounts that were scheduled for write-off. A motion was made by Raymond Rucker and seconded by Don Shuffett to approve the write-off, the motion was unanimously approved. RESOLVED, that the \$9,319.32 be written off.

A discussion on the capital credits paid in the amount of \$17,465.07 was held. A motion was made by Greg Corbin and seconded by Bradley Irvin to accept the payment of capital credits, the motion was unanimously approved. RESOLVED to pay the \$17,465.07 in capital credits.

There being no further business of to come before the Board of Directors, the meeting was duly adjourned.

  
Secretary

SEAL



## TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A regular meeting of the Board of Directors of Taylor County Rural Electric Cooperative Corporation was held Thursday, September 1, 2022, at 6:00 p.m., EST, at the Taylor County Rural Electric Cooperative Corporation headquarters located at 625 W. Main Street, Campbellsville, KY. The meeting was called to order by Chad Taylor, President. Upon calling the roll, the following were found to be present:

Don Shuffett

Mark Woodrum

Greg Corbin

Chris Tucker

Chad Taylor

Raymond Rucker

that being all of the members of the Board of Directors except Bradley Irvin. Jeff Williams, CEO and Allyson Honaker, General Counsel were also present.

Mr. Williams provided a safety moment. Mr. Taylor asked if the members of the Board of Directors had received a copy of the minutes of the regular board meeting held August 4, 2022. All members of the Board of Directors indicated they had received the mailing of the minutes. Two corrections to the minutes were noted and a motion was made by Don Shuffett to accept the minutes as amended and it was seconded by Chris Tucker. The motion unanimously carried, RESOLVED, that the minutes of the August 4, 2022 regular board meeting are approved as amended.

Mr. Williams gave the CFC and CoBank update. Mr. Tucker gave the KEC update. Mr. Corbin gave the East Kentucky Power Cooperative update. Mr. Williams gave the NRECA update.

Mr. Taylor asked if all members of the Board of Directors received a copy of the Management Reports for the month ended July 31, 2022. All members indicated that they had received the Management Reports. Mr. Williams gave an update on the items contained in the Management Reports. Mr. Williams gave an update on recent hires, engineering operations including a discussion of right-of-way bid package for circuit cutting will be issued within the next month or two. Mr. Williams also gave an update on the financing and accounting, the Lineman's Rodeo, Christmas dinner and the Rules and Regulations tariff. A motion was made by Chris Tucker and seconded by Don Shuffett to accept the Management Reports and the motion unanimously carried. RESOLVED that the Management Reports are accepted as provided.

The Board went into Executive Session.

Mrs. Honaker gave the Legal Update.

Mr. Williams gave the Financial Report. A discussion was had on the balance sheet. A motion was made by Mark Woodrum and seconded by Chris Tucker to approve the Financial Report and the motion unanimously carried. RESOLVED the Financial Report is accepted as provided. Mr. Williams gave an update on the CEO expenses for transportation.

Old business was discussed including hotel receipts for KEC meeting. New Business was discussed including *Kentucky Living* updates, new logo and quotes on moving expenses for Jeff Williams. A motion was made by Greg Corbin and seconded by Chris Tucker to approve the moving expenses for Mr. Williams and the motion unanimously carried. RESOLVED to pay Mr. Williams' moving expenses as provided.

Mr. Williams gave an update on corporate credit cards for directors and other employees. A motion was made by Mark Woodrum and seconded by Raymond Rucker to allow Mr. Williams

to obtain corporate credit cards for directors and management staff and the motion unanimously approved. RESOLVED that Mr. Williams can obtain corporate credit cards as provided.

Mr. Williams reported that there was a total of \$3,600.00 in past due accounts that were scheduled for write-off. A motion was made by Raymond Rucker and seconded by Greg Corbin to approve the write-off, the motion was unanimously approved. RESOLVED, that the \$3,600.00 be written off.

A discussion on the capital credits paid in the amount of \$17,591.00 was held. A motion was made by Greg Corbin and seconded by Mark Woodrum to pay the capital credits, the motion was unanimously approved. RESOLVED to pay the \$17,591.00 in capital credits.

A discussion was held on the amount of uncollectible accounts for members that are past due in the amount of \$10,918.86. A motion was made by Chris Tucker and seconded by Greg Corbin to approve these past due amounts and the motion unanimously carried. RESOLVED to accept the amount of \$10,918.86 of uncollectible accounts.

A discussion was held on new member applications. A motion was made by Raymond Rucker and seconded by Mark Woodrum to accept new members and the motion unanimously carried. RESOLVED new members are approved as presented.

A discussion was had on upcoming meetings on Continuing Education Classes, NRECA, audit and meeting on new headquarters.

There being no further business of to come before the Board of Directors, the meeting was duly adjourned.

  
Secretary

SEAL

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION  
CAMPBELLSVILLE, KENTUCKY 42719

We, the Directors of the Taylor County Rural Electric Cooperative Corporation waive all notice of the time, as the 26th day of October 2022, 12:00 P.M., EST, as the time for the holding of such meeting for the following purposes:

1. Discuss Directors Health/Medical Insurance.

IN WITNESS WHEREOF, we have hereunto set our hands this 26th day of October, 2022.

Chad Taylor  
Keith  
Chris A. Tucker  
Buddy Jones  
Mat Wood  
Raymond Lucker  
David D. Shufflett

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A regular meeting of the Board of Directors of Taylor County Rural Electric Cooperative Corporation was held Thursday, October 6, 2022, at 6:00 p.m., EST, at the Taylor County Rural Electric Cooperative Corporation headquarters located at 625 W. Main Street, Campbellsville, KY. The meeting was called to order by Chad Taylor, President. Upon calling the roll, the following were found to be present:

Don Shuffett	Mark Woodrum
Greg Corbin	Chris Tucker
Chad Taylor	Bradley Irvin
Raymond Rucker	

that being all of the members of the Board of Directors. Jeff Williams, CEO was also present and Allyson Honaker, General Counsel participated via Microsoft Teams.

Mr. Williams provided a safety moment. Mr. Taylor asked if the members of the Board of Directors had received a copy of the minutes of the regular board meeting held September 1, 2022. All members of the Board of Directors indicated they had received the mailing of the minutes. A question was raised as to the amount of the write-offs and if the number was corrected. A motion was made by Greg Corbin to accept the minutes as amended and it was seconded by Raymond Rucker. The motion unanimously carried, RESOLVED, that the minutes of the September 1, 2022 regular board meeting are approved for a caveat to check the write-off amount.

Jason Gorman, with Jones, Nale & Mattingly, presented the audit to the Board of Directors.

Mr. Williams gave the CFC and CoBank update. Mr. Tucker gave the KEC update. Mr. Corbin gave the East Kentucky Power Cooperative update. Mr. Williams gave the NRECA update.

Mr. Taylor asked if all members of the Board of Directors received a copy of the Management Reports for the month ended August 31, 2022. All members indicated that they had received the Management Reports. Mr. Williams gave an update on the items contained in the Management Reports. Mr. Williams gave an update on service territory maps for iPads, salary and benefit update, possible upcoming retirements and hires, the Lineman's Rodeo, disconnects and right-of-way bid package for circuit cutting will be issued within the next month or two. Patsy Walters gave an update on the financing and accounting. A motion was made by Bradley Irvin and seconded by Raymond Rucker to accept the Management Reports and the motion unanimously carried. RESOLVED that the Management Reports are accepted as provided.

Old business was discussed including information during hiring process and the winter school in Nashville. A motion was made by Don Shuffet and seconded by Mark Woodrum to approve and sign the Board Resolution for the 401(k) changes and the motion unanimously carried. RESOLVED to sign the Board Resolution for 401(k) changes.

Mr. Williams reported that there was a total of \$10,241.62 in uncollectible write-offs. A motion was made by Bradley Irvin and seconded by Chris Tucker to approve the write-off, the motion was unanimously approved. RESOLVED, that the \$10,241.62 be written off.

Mrs. Honaker gave the Legal Update.

The Board went into Executive Session.

A discussion on capital credits to be paid was held. A motion was made by Raymond Rucker and seconded by Don Shuffett to pay capital credits in the amount of \$17,811.85, the motion was unanimously approved. RESOLVED to pay \$17,811.85 in capital credits.

A discussion was held on new member applications. A motion was made by Bradley Irvin and seconded by Greg Corbin to accept new members and the motion unanimously carried.

RESOLVED new members are approved as presented.

A discussion was held on the date for the next meeting.

There being no further business of to come before the Board of Directors, the meeting was duly adjourned.

  
Secretary

SEAL

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A special meeting of the Board of Directors of the Taylor County Rural Electric Cooperative Corporation was held Wednesday, October 26, 2022 at 12:00 P.M., EDT, to discuss Taylor County Rural Electric Cooperative Corporation Board of Directors Health/Medical Insurance by all directors' present prior to the meeting.

The meeting was called to order by Chad Taylor, President. Upon calling the roll, the following were found to be present:

Greg Corbin	Raymond Rucker
Chris Tucker	Mark Woodrum
Bradley Irvin	Chad Taylor
Donald D. Shuffett	

that being all the members of the Board.

Mr. Taylor explained the special meeting was to discuss the Directors Health/Medical Insurance.

There being no further business to come before the Board the meeting was duly adjourned.

  
Secretary

SEAL



TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION  
CAMPBELLSVILLE, KENTUCKY 42719

We, the Directors of the Taylor County Rural Electric Cooperative Corporation waive all notice of the time, place and purpose of a meeting of the Board of Directors and fix the Taylor County Rural Electric Headquarters Building on west Main Street, Campbellsville, Kentucky as the place and the 3rd day of November 2022, at 6:00 P.M., EDT, as the time for the holding of such meeting for the following purposes:

1. Discuss/Presentation from Cooperative Building Solutions (CBS) on building a new Headquarters.

IN WITNESS WHEREOF, we have hereunto set our hands this 3rd day of November, 2022.

Chris Fajfy  
[Signature]  
Chris A. Tucker  
Bruce D. [Signature]  
Al Wood  
Raymond Rucker  
Mark O. [Signature]

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A special meeting of the Board of Directors of the Taylor County Rural Electric Cooperative Corporation was held Thursday, November 3, 2022 at 6:00 P.M., EDT, to discuss/presentation from Cooperative Budling Services (CBS) on a new Headquarters.

The meeting was called to order by Chad Taylor, President. Upon calling the roll, the following were found to be present:

Greg Corbin	Raymond Rucker
Chris Tucker	Mark Woodrum
Bradley Irvin	Chad Taylor
Donald D. Shuffett	

that being all the members of the Board.

Mr. Taylor explained the special meeting was to discuss building new headquarters.

There being no further business to come before the Board the meeting was duly adjourned.



Secretary

SEAL

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A regular meeting of the Board of Directors of Taylor County Rural Electric Cooperative Corporation was held Tuesday, November 8, 2022, at 6:00 p.m., EST, at the Taylor County Rural Electric Cooperative Corporation headquarters located at 625 W. Main Street, Campbellsville, KY. The meeting was called to order by Chad Taylor, President. Upon calling the roll, the following were found to be present:

Don Shuffett

Mark Woodrum

Greg Corbin

Chris Tucker

Chad Taylor

Bradley Irvin

Raymond Rucker

that being all of the members of the Board of Directors. Jeff Williams, CEO was also present and Allyson Honaker, General Counsel participated via Microsoft Teams.

Mr. Williams provided a safety moment. Mr. Taylor asked if the members of the Board of Directors had received a copy of the minutes of the regular board meeting held October 6, 2022. All members of the Board of Directors indicated they had received the mailing of the minutes. A motion was made by Greg Corbin to accept the minutes as amended and it was seconded by Raymond Rucker. The motion unanimously carried, RESOLVED, that the minutes of the October 6, 2022 regular board meeting are approved.

Mr. Williams gave the CFC and CoBank update. Mr. Tucker gave the KEC update. Mr. Corbin gave the East Kentucky Power Cooperative update. Mr. Corbin discussed the EKPC capital credits that were paid to Taylor County RECC in the amount of \$1,081,328.98. Mr. Williams gave the NRECA update.

Mr. Taylor asked if all members of the Board of Directors received a copy of the Management Reports for the month ended September 30, 2022. All members indicated that they had received the Management Reports. Mr. Williams gave an update on the items contained in the Management Reports including new hires, direct deposits, member appreciation and other items. Mr. Williams also discussed the status of disconnections, R-O-W bids sent out and strategic planning for next year to be scheduled. A motion was made by Bradley Irvin and seconded by Mark Woodrum to accept the Management Reports and the motion unanimously carried. RESOLVED that the Management Reports are accepted as provided.

Old business was discussed including Christmas gifts and bonuses for employees. A motion was made by Greg Corbin and seconded by Bradley Irvin to give each employee a \$100 bonus in lieu of the traditional ham and t-shirt. RESOLVED that each employee will receive a \$100 Christmas bonus in lieu of a ham and t-shirt. The CEO 401k retirement and to move the CEO to the same plan as the employees. A motion was made by Chris Tucker and seconded by Greg Corbin to change the CEO to the same 401k retirement plan as the employees and the motion was unanimously carried. RESOLVED that the CEO will be moved to the same 401k retirement plan as the employees. The new headquarters building study was discussed.

A discussion was held on the director insurance and retainer. A motion was made by Bradley Irvin and seconded by Raymond Rucker to discontinue the director health insurance and the HSA contributions for the directors and to implement a monthly retainer of \$1000.00 and a \$325.00 per meeting payment. Don Shuffett made a motion for a roll call vote on the motion and it was seconded by Greg Corbin. The roll call vote was as follows: Greg Corbin – yes; Raymond Rucker – yes; Chris Tucker – yes; Bradley Irvin – yes; Mark Woodrum – yes; Don Shuffett – no. Chad Taylor as chairman does not get an official vote but noted for the record that he would vote

yes. The motion carried 5-1 (with an additional yes vote from Chad Taylor). RESOLVED that the director's health insurance and HSA contributions will cease January 1, 2023 and a \$1000.00 retainer and \$325 per meeting fee will be implemented January 1, 2023.

Mr. Williams discussed changing the policy for service awards from a pin to a monetary award. Raymond Rucker made a motion and it was seconded by Chris Tucker to change the service awards to a monetary award instead of a pin and the motion unanimously carried. RESOLVED that the service awards will be changed to a monetary award instead of a pin.

Mr. Williams reported that there was a total of \$33,179.11 in uncollectible write-offs. A motion was made by Chris Tucker and seconded by Raymond Rucker to approve the write-off, the motion was unanimously approved. RESOLVED, that the \$33,179.11 be written off.

Mrs. Honaker gave the Legal Update.

A discussion on capital credits to be paid was held. A motion was made by Greg Corbin and seconded by Don Shuffett to pay capital credits in the amount of \$23,780.17, the motion was unanimously approved. RESOLVED to pay \$23,780.17 in capital credits.

A discussion was held on new member applications. A motion was made by Chris Tucker and seconded by Bradley Irvin to accept new members and the motion unanimously carried. RESOLVED new members are approved as presented.

A discussion was held on the date for the next meeting.

There being no further business of to come before the Board of Directors, the meeting was duly adjourned.

  
Secretary

SEAL

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A regular meeting of the Board of Directors of Taylor County Rural Electric Cooperative Corporation was held Thursday, December 1, 2022, at 3:00 p.m., EST, at the Holiday Inn Express conference room located at 102 Plantation Drive, Campbellsville, KY. The meeting was called to order by Chad Taylor, President. Upon calling the roll, the following were found to be present:

Don Shuffett

Greg Corbin

Chris Tucker

Raymond Rucker

Chad Taylor

Bradley Irvin

that being six of the seven members of the Board of Directors. Mark Woodrum was not present at the meeting. Jeff Williams, CEO was also present and Allyson Honaker, General Counsel participated via Microsoft Teams.

Mr. Williams provided a safety moment. Mr. Taylor asked if the members of the Board of Directors had received a copy of the minutes of the regular board meeting held November 8, 2022. All members of the Board of Directors indicated they had received the mailing of the minutes. A motion was made by Don Shuffett to accept the minutes as amended and it was seconded by Greg Corbin. The motion unanimously carried, RESOLVED, that the minutes of the November 8, 2022 regular board meeting are approved.

Mr. Williams gave the lenders update. Mr. Tucker gave the KEC update. Mr. Corbin gave the East Kentucky Power Cooperative update. Mr. Williams gave the NRECA update.

Mr. Taylor asked if all members of the Board of Directors received a copy of the Management Reports for the month ended October 31, 2022. All members indicated that they had received the Management Reports. Mr. Williams gave an update on the items contained in the

Management Reports including direct deposits, safety additions to the lobby, defibrillators ordered and Construction Work Plan updates. Mr. Williams also discussed the status of disconnections, R-O-W bids, headquarters and rate case updates. A motion was made by Greg Corbin and seconded by Chris Tucker to accept the Management Reports and the motion unanimously carried. RESOLVED that the Management Reports are accepted as provided.

Mrs. Honaker gave the Legal Update.

Old business was discussed including load forecast and the need for a Board Resolution to approve the load forecast. A motion was made by Chris Tucker and seconded by Bradley Irvin to accept the load forecast. RESOLVED that the load forecast is approved and Board Resolution signed.

Patsy Walters gave the Financial Report. A motion was made by Raymond Rucker and seconded by Greg Corbin to accept the Financial Report as presented. RESOLVED that the Financial Report is accepted as presented.

Mr. Williams reported that there was a total of \$14,010.69 in uncollectible write-offs. A motion was made by Greg Corbin and seconded by Chris Tucker to approve the write-off, the motion was unanimously approved. RESOLVED, that the \$14,010.69 be written off.

A discussion on capital credits to be paid was held. A motion was made by Raymond Rucker and seconded by Chris Tucker to pay capital credits in the amount of \$19,522.62, the motion was unanimously approved. RESOLVED to pay \$19,522.62 in capital credits.

A discussion was held on new member applications. A motion was made by Brad Irvin and seconded by Don Shuffett to accept new members and the motion unanimously carried. RESOLVED new members are approved as presented.

New business was discussed including a board meeting to be scheduled with MSE on the new headquarters, NRECA annual meeting, and new agenda items for next meeting.

A discussion was held on the date for the next meeting.

There being no further business of to come before the Board of Directors, the meeting was duly adjourned.

  
Secretary

SEAL



TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A regular meeting of the Board of Directors of Taylor County Rural Electric Cooperative Corporation was held Thursday, January 5, 2023, at 6:00 p.m., EST, at the Taylor County Rural Electric Cooperative Corporation headquarters located at 625 W. Main Street, Campbellsville, KY. The meeting was called to order by Chad Taylor, President. Upon calling the roll, the following were found to be present:

Don Shuffett	Greg Corbin
Chris Tucker	Raymond Rucker
Chad Taylor	Bradley Irvin
Mark Woodrum	

that being all seven members of the Board of Directors. Jeff Williams, CEO was also present and Allyson Honaker, General Counsel participated via Microsoft Teams.

Mr. Williams provided a safety moment. Mr. Taylor asked if the members of the Board of Directors had received a copy of the minutes of the regular board meeting held December 1, 2022. All members of the Board of Directors indicated they had received the mailing of the minutes. A motion was made by Greg Corbin to accept the minutes as amended and it was seconded by Raymond Rucker. The motion unanimously carried, RESOLVED, that the minutes of the December 1, 2022 regular board meeting are approved.

Mr. Williams gave the lenders update. Mr. Tucker gave the KEC update. Mr. Corbin gave the East Kentucky Power Cooperative update. Mr. Williams gave the NRECA update.

Mr. Taylor asked if all members of the Board of Directors received a copy of the Management Reports/CEO Update for the month ended November 30, 2022. All members

indicated that they had received the Management Reports/CEO Update. Mr. Williams gave an update on the items contained in the Management Reports/CEO Update including sales tax exemption forms, disconnects, Construction Work Plan, right-of-way, new website, new employees and meeting with PSC Chairman. A motion was made by Greg Corbin and seconded by Chris Tucker to accept the Management Reports/CEO Update and the motion unanimously carried. RESOLVED that the Management Reports are accepted as provided.

Mrs. Honaker gave the Legal Update.

Old business was discussed.

Patsy Walters gave the Financial Report including the 2023 budget presentation. A motion was made by Raymond Rucker and seconded by Chris Tucker to accept the Financial Report and approve the 2023 budget as presented and the motion unanimously carried. RESOLVED that the Financial Report is accepted and the 2023 budget is approved as presented.

Mr. Williams discussed a new Drug and Alcohol Policy. The board tabled the discussion until the January 12, 2023 meeting to allow legal counsel to review the Drug and Alcohol Policy.

Mike Skaggs presented the Construction Work Plan. A motion was made by Greg Corbin and seconded by Chris Tucker to approve the Construction Work Plan as presented and to sign the RUS loan documents as provided and the motion unanimously carried. RESOLVED that the Construction Work Plan is approved and RUS loan documents signed as provided.

Mr. Williams reported that there was a total of \$22,999.62 in uncollectible write-offs. A motion was made by Bradley Irvin and seconded by Chris Tucker to approve the write-offs, the motion was unanimously approved. RESOLVED, that the \$22,999.62 be written off.

A discussion on capital credits to be paid was held. A motion was made by Greg Corbin and seconded by Raymond Rucker to pay capital credits in the amount of \$17,577.87, the motion was unanimously approved. RESOLVED to pay \$17,577.87 in capital credits.

A discussion was held on new member applications. A motion was made by Mark Woodrum and seconded by Don Shuffett to accept new members and the motion unanimously carried. RESOLVED new members are approved as presented.

New business was discussed including next board meeting to hear presentation of MSE on the new headquarters.

A discussion was held on the date for the next meeting.

There being no further business of to come before the Board of Directors, the meeting was duly adjourned.

  
Secretary

SEAL

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION  
CAMPBELLSVILLE, KENTUCKY 42719

We, the Directors of the Taylor County Rural Electric Cooperative Corporation waive all notice of the time, as the 12th day of January 2023, 1:00 P.M., EDT, as the time for the holding of such meeting for the following purposes:

1. MSE Presentation.
2. Approval of Drug & Alcohol-Free Policy.
3. Discussion on the Intersection in Green County.

IN WITNESS WHEREOF, we have hereunto set our hands  
this 12th day of January, 2023.

Raymond Tucker  
Chris A. Juden  
Chad Stapp  
Mal Wood  
Mark O. Ruffin  
Bradley Doss

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A special meeting of the Board of Directors of Taylor County Rural Electric Cooperative Corporation was held Thursday, January 12, 2023, at 2:00 p.m., EST, at Campbellsville Civic Center located at 205 N. Columbia Ave, Campbellsville, KY. The Board first heard a presentation from MSE Engineering from Lexington, Kentucky regarding the new headquarters building. The meeting was called to order by Chad Taylor, President. Upon calling the roll, the following were found to be present:

Don Shuffett  
Chris Tucker  
Chad Taylor  
Mark Woodrum

Greg Corbin  
Raymond Rucker  
Bradley Irvin

that being all seven members of the Board of Directors. Jeff Williams, CEO was also present and Allyson Honaker, General Counsel participated via Microsoft Teams.

Mr. Williams provided a safety moment. Mr. Taylor asked if the members of the Board of Directors had received a copy of the Drug and Alcohol Policy that was presented at the January 5, 2023 meeting. All members of the Board of Directors indicated they had received the Drug and Alcohol Policy. Mrs. Honaker discussed minor changes she had made to the policy. The Board discussed. A motion was made by Greg Corbin to approve the Drug and Alcohol Policy as amended by Mrs. Honaker and it was seconded by Don Shuffett. The motion unanimously carried, RESOLVED, that the Drug and Alcohol Policy as amended by Mrs. Honaker is approved.

There being no further business of to come before the Board of Directors at the special meeting, the meeting was duly adjourned.

  
Secretary

SEAL

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A regular meeting of the Board of Directors of Taylor County Rural Electric Cooperative Corporation was held Thursday, February 9, 2023, at 6:00 p.m., EST, at the Taylor County Rural Electric Cooperative Corporation headquarters located at 625 W. Main Street, Campbellsville, KY. The meeting was called to order by Chad Taylor, President. Upon calling the roll, the following were found to be present:

Don Shuffett	Greg Corbin
Chris Tucker	Raymond Rucker
Chad Taylor	Bradley Irvin
Mark Woodrum	

that being all seven members of the Board of Directors. Jeff Williams, CEO was also present and Allyson Honaker, General Counsel participated via Microsoft Teams.

Mr. Williams provided a safety moment. Mr. Taylor asked if the members of the Board of Directors had received a copy of the minutes of the regular board meeting held January 5, 2023. All members of the Board of Directors indicated they had received the mailing of the minutes. A motion was made by Greg Corbin to accept the minutes as amended and it was seconded by Chris Tucker. The motion unanimously carried, RESOLVED, that the minutes of the January 5, 2023 regular board meeting are approved. Mr. Taylor asked if the members of the Board had received a copy of the minutes of the special board meeting held on January 12, 2023. All members of the Board of Directors indicated they had received the mailing of the minutes. A motion was made by Don Shuffett to amend the January 12, 2023 minutes to include the presentation by MSE Engineering and to accept the minutes with that amendment and was seconded by Mark Woodrum.

The motion unanimously carried, RESOLVED, that the minutes of the January 12, 2023 special board meeting minutes are approved as amended.

Mr. Williams gave the lenders update. Mr. Tucker and Mr. Williams gave the KEC update. Mr. Corbin gave the East Kentucky Power Cooperative update. Mr. Williams gave the NRECA update.

Mr. Taylor asked if all members of the Board of Directors received a copy of the Management Reports for the month ended December 31, 2022. All members indicated that they had received the Management Reports. Patsy Walters gave an update on the Management Report. A motion was made by Raymond Rucker to accept the Management Report and it was seconded by Bradley Irvin. The motion unanimously carried, RESOLVED, that the Management Report was accepted as presented.

Mr. Williams gave an update on the items contained in the CEO Update including sales tax exemption forms, disconnects, Construction Work Plan, right-of-way, new website, new employees, new sign and direct deposit for accounts payable.

Mrs. Honaker gave the Legal Update.

Old business was discussed.

New business was discussed regarding CBS and MSE engineering firms presentations on new headquarters and the desire to receive feasibility studies from either or both. A motion was made by Greg Corbin and seconded by Raymond Rucker to have both engineering firms prepare feasibility studies and to authorize up to \$90,000.00 to be spent on the two feasibility studies. The motion was unanimously approved. RESOLVED, that Mr. Williams is authorized to spend up to \$90,000.00 to obtain feasibility studies from both engineering firms.

Mr. Williams discussed his desire to apply for a seat on the CoBank board and requested Board approval for him to apply. A motion was made by Don Shuffett and seconded by Bradley Irvin to allow Jeff Williams to apply for a board seat on the CoBank board. The motion unanimously carried RESOLVED that Jeff Williams can apply for a seat on the CoBank board.

A discussion was had on the upcoming rate case and a meeting needed with John Wolfram to discuss the unadjusted cost of service study. A discussion was also had on the annual meeting date and location.

Mr. Taylor reported that there was a total of \$6,011.69 in uncollectible write-offs. A motion was made by Raymond Rucker and seconded by Mark Woodrum to approve the write-off, the motion was unanimously approved. RESOLVED, that the \$6,011.69. be written off.

A discussion on capital credits to be paid was held. A motion was made by Don Shuffett and seconded by Mark Woodrum to pay capital credits in the amount of \$19,769.91, the motion was unanimously approved. RESOLVED to pay \$19,769.91 in capital credits.

A discussion was held on new member applications. A motion was made by Bradley Irvin and seconded by Greg Corbin to accept new members and the motion unanimously carried. RESOLVED new members are approved as presented.

A motion was made by Chris Tucker and seconded by Raymond Rucker to enter executive session. The motion unanimously carried, RESOLVED for the Board to go into executive session. The Board went into executive session. A motion was made by Raymond Rucker and seconded by Don Shuffett to come out of executive session. The motion unanimously carried and the Board came out of executive session.

A discussion was had on the next meeting date and agenda.



There being no further business of to come before the Board of Directors, the meeting was  
duly adjourned.

  
Secretary

SEAL

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A special meeting of the Board of Directors of Taylor County Rural Electric Cooperative Corporation was held Monday, February 20, 2023, at 1:00 p.m., EST, at the Holiday Inn Express located at 102 Plantation Drive, Campbellsville, KY. The meeting was called to order by Chad Taylor, President. Upon calling the roll, the following were found to be present:

Don Shuffett  
Chris Tucker  
Chad Taylor

Greg Corbin  
Mark Woodrum  
Bradley Irvin

that being six of the seven members of the Board of Directors. Jeff Williams, CEO was also present and Allyson Honaker, General Counsel participated via Microsoft Teams. In addition, Taylor County's rate consultant, John Wolfram was present, along with Patsy Walters and Lynn Marcum of Taylor County.

Mr. Williams introduced John Wolfram to the Board. John Wolfram then presented his unadjusted cost of service study to the Board. Discussions were held on multiple portions of the study along with discussions on the Kentucky Public Service Commission's process for a general rate case proceeding. A motion was made by Greg Corbin and seconded by Chris Tucker, to continue to retain John Wolfram and for a full cost of service study to be performed. The motion unanimously carried, RESOLVED, that John Wolfram is retained to conduct a full cost of service study for Taylor County Rural Electric Cooperative in anticipation of its upcoming general rate proceeding.

There being no further business of to come before the Board of Directors at the special meeting, the meeting was duly adjourned.

SEAL

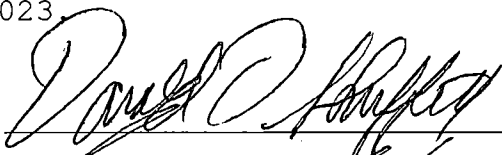
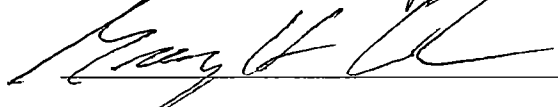
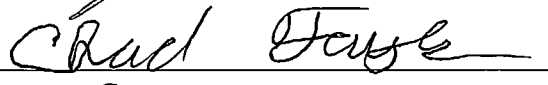
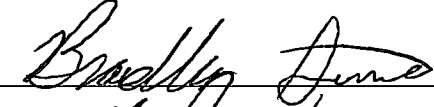
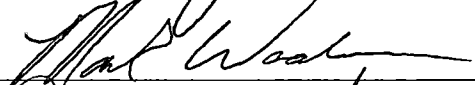

  
Secretary

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION  
CAMPBELLSVILLE, KENTUCKY 42719

We, the Directors of the Taylor County Rural Electric Cooperative Corporation waive all notice of the time, as the 20th day of February 2023, 1:00 P.M., EDT, as the time for the holding of such meeting for the following purposes:

1. John Wolfram presenting the Cost-of-Service Study.

IN WITNESS WHEREOF, we have hereunto set our hands this 20th day of February, 2023.

  
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**RESOLUTION OF THE BOARD OF DIRECTORS OF  
TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE  
CORPORATION AUTHORIZING A COMPLETE COST OF SERVICE  
STUDY TO BE PERFORMED**

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A meeting of the Board of Directors ("Board") of Taylor County Rural Electric Cooperative Corporation ("Taylor County") was held at the Holiday Inn Express' conference room, located at 102 Plantation Drive, Campbellsville, Kentucky, in person, on February 20, 2023, after due and proper notice of such meeting was given, and after a quorum was declared, during which meeting the Board discussed and considered the unadjusted cost of service study ("COSS") presented by its consultant, John Wolfram.

Upon motion by Greg Corbin and seconded by Chris Tucker , and duly carried, the following RESOLUTION was unanimously adopted:

**WHEREAS**, Taylor County is reviewing the need to file a general rate proceeding with the Kentucky Public Service Commission and has engaged the services of John Wolfram to determine the revenue requirement Taylor County requires; and,

**WHEREAS**, the Board has reviewed the unadjusted COSS prepared and presented by John Wolfram and recognizes the need for a full COSS to be completed; and

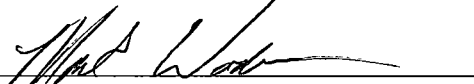
**WHEREAS**, the Board is in agreement that a full COSS should be completed to determine the required rate increase Taylor County will be filing with the Kentucky Public Service Commission.

**NOW, THEREFORE BE IT RESOLVED** by the Taylor County Board of Directors that Jeff Williams, Chief Executive Office of Taylor County is authorized and directed to continue to engage John Wolfram and to request John Wolfram to complete a full COSS on behalf of Taylor County.

DATE: 02/20/2023

  
\_\_\_\_\_  
CHAIRMAN OF THE BOARD

ATTEST:

  
\_\_\_\_\_  
SECRETARY

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A regular meeting of the Board of Directors of Taylor County Rural Electric Cooperative Corporation was held Thursday, March 2, 2023, at 6:00 p.m., EST, at the Taylor County Rural Electric Cooperative Corporation headquarters located at 625 W. Main Street, Campbellsville, KY. The meeting was called to order by Chad Taylor, President. Upon calling the roll, the following were found to be present:

Don Shuffett	Greg Corbin
Chris Tucker	Raymond Rucker
Chad Taylor	Bradley Irvin
Mark Woodrum	

that being all seven members of the Board of Directors. Jeff Williams, CEO was also present and Allyson Honaker, General Counsel participated via Microsoft Teams.

Mr. Williams provided a safety moment. Mr. Taylor asked if the members of the Board of Directors had received a copy of the minutes of the regular board meeting held February 9, 2023. All members of the Board of Directors indicated they had received the mailing of the minutes. A motion was made by Greg Corbin to accept the minutes as written and it was seconded by Mark Woodrum. The motion unanimously carried, RESOLVED, that the minutes of the February 9, 2023 regular board meeting are approved. Mr. Taylor asked if the members of the Board had received a copy of the minutes of the special board meeting held on February 20, 2023. All members of the Board of Directors indicated they had received the mailing of the minutes. A motion was made by Chris Tucker to accept the minutes as written and was seconded by Bradley Irvin. The motion unanimously carried, RESOLVED, that the minutes of the February 20, 2023 special board meeting minutes are approved.

Mr. Williams gave the lenders update. Mr. Tucker gave the KEC update. Mr. Corbin gave the East Kentucky Power Cooperative update. Mr. Williams gave the NRECA update.

Mr. Taylor asked if all members of the Board of Directors received a copy of the Management Reports for the month ended January 31, 2023. All members indicated that they had received the Management Reports. Patsy Walters gave an update on the Financial Report. A motion was made by Bradley Irvin to accept the Management Report/Financial Report and it was seconded by Raymond Rucker. The motion unanimously carried, RESOLVED, that the Management/Financial Report was accepted as presented.

Mr. Williams gave an update on the items contained in the CEO Report including sales tax exemption forms, disconnects, right-of-way, new website, KEC legislative reception and other matters.

Mrs. Honaker gave the Legal Update.

Old business was discussed regarding the severance package for Raymond Rucker and Don Shuffett. A motion was made by Chris Tucker to pay out the severance package since the board voted to discontinue severance packages going forward and was seconded by Mark Woodrum. The motion unanimously carried, RESOLVED, that the severance packages are to be paid to close the issue on severance packages.

New business was discussed regarding the nominating committee which will take action in April. It was also discussed to change the April board meeting from April 6, 2023 to April 13, 2023. A discussion was had on the MSE and CBS reports on the new headquarters and the timing to receive same. The board also discussed the rate case filing and the plan to file in mid-May 2023. Chris Tucker, Raymond Rucker and Don Shuffett agreed to be on the voucher committee.


Mr. Taylor reported that there was a total of \$14,001.02 in uncollectible write-offs. A motion was made by Raymond Rucker and seconded by Mark Woodrum to approve the write-off, the motion was unanimously approved. RESOLVED, that the \$14,001.02 be written off.

A discussion on capital credits to be paid was held. A motion was made by Greg Corbin and seconded by Chris Tucker to pay capital credits in the amount of \$11,234.41, the motion was unanimously approved. RESOLVED to pay \$11,234.41 in capital credits.

A discussion was held on new member applications. A motion was made by Don Shuffett and seconded by Bradley Irvin to accept new members and the motion unanimously carried. RESOLVED new members are approved as presented.

A discussion was had on the next meeting date and agenda.

There being no further business of to come before the Board of Directors, the meeting was duly adjourned.

  
Secretary

SEAL

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A regular meeting of the Board of Directors of Taylor County Rural Electric Cooperative Corporation was held Thursday, April 13, 2023, at 6:00 p.m., EST, at the Taylor County Rural Electric Cooperative Corporation headquarters located at 625 W. Main Street, Campbellsville, KY. The meeting was called to order by Chad Taylor, President. Upon calling the roll, the following were found to be present:

Greg Corbin

Chris Tucker

Chad Taylor

Mark Woodrum

Raymond Rucker

Bradley Irvin

that being six of the seven members of the Board of Directors. Jeff Williams, CEO was also present and Allyson Honaker, General Counsel participated via Microsoft Teams.

Mr. Williams provided a safety moment. Mr. Taylor asked if the members of the Board of Directors had received a copy of the minutes of the regular board meeting held March 2, 2023. All members of the Board of Directors indicated they had received the mailing of the minutes. A motion was made by Chris Tucker to accept the minutes as written and it was seconded by Mark Woodrum. The motion unanimously carried, RESOLVED, that the minutes of the March 2, 2023 regular board meeting are approved.

Mr. Williams gave the lenders update. Mr. Tucker gave the KEC update. Mr. Corbin gave the East Kentucky Power Cooperative update. A motion was made to go into Executive Session by Raymond Rucker and it was seconded by Bradley Irvin. The motion unanimously carried, RESOLVED, that the Board would go into executive session. A motion was made by Chris Tucker and it was seconded by Mark Woodrum to go back to regular session. The motion unanimously



carried, RESOLVED, that the Board would return to regular session. Mr. Williams gave the NRECA update.

Mr. Taylor asked if all members of the Board of Directors received a copy of the Management Reports for the month ended February 28, 2023. All members indicated that they had received the Management Reports. Jeff Williams and Patsy Walters gave an update on the Financial Report. A motion was made by Bradley Irvin to accept the Management Report/Financial Report and it was seconded by Raymond Rucker. The motion unanimously carried, RESOLVED, that the Management/Financial Report was accepted as presented.

Mr. Williams gave an update on the items contained in the CEO Report including outage map software, windstorm update which included zero accidents during restoration, drug and alcohol testing, ROW updates, new headquarters update, and other matters.

Mrs. Honaker gave the Legal Update, including an update on the status of the rate case to be filed.

Old business was discussed regarding the severance package for Raymond Rucker and Don Shuffett and that the payout had occurred. This ends the severance plan for Taylor County Board of Directors.


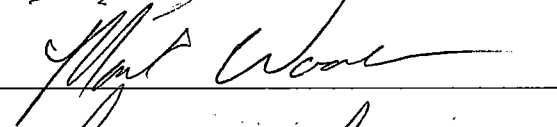

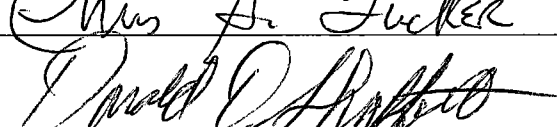
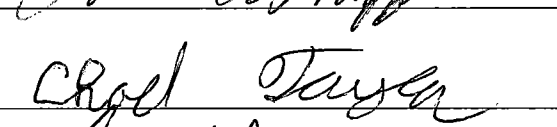
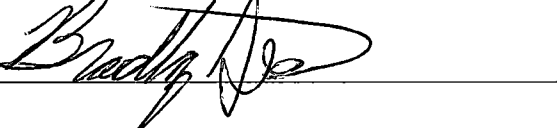

New business was discussed regarding the nominating committee candidates which were submitted. A discussion was held on Taylor County's nominee for the EKPC Board of Directors. A motion was made by Raymond Rucker and it was seconded by Bradley Irvin for Greg Corbin to serve as Taylor County's nominee for the EKPC Board of Directors for the one-year term beginning June 2023. The motion unanimously carried, RESOLVED, that Greg Corbin will serve as Taylor County's representative on the EKPC Board for a one-year term to begin June 2023.

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION  
CAMPBELLSVILLE, KENTUCKY 42719

We, the Directors of the Taylor County Rural Electric Cooperative Corporation waive all notice of the time, as the 20th day of April 2023, 1:00 P.M., EDT, as the time for the holding of such meeting for the following purposes:

1. John Wolfram presenting the Cost-of-Service Study and rate increase recommendation.

IN WITNESS WHEREOF, we have hereunto set our hands this 20th day of April, 2023.

  
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TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A special meeting of the Board of Directors of Taylor County Rural Electric Cooperative Corporation was held Thursday, April 20, 2023, at 1:00 p.m., EST, at the Taylor County Extension Office, located at 1143 South Columbia Avenue , Campbellsville, KY. The meeting was called to order by Chad Taylor, President. Upon calling the roll, the following were found to be present:

Don Shuffett	Greg Corbin
Chris Tucker	Mark Woodrum
Chad Taylor	Bradley Irvin
Raymond Rucker	

that being all seven members of the Board of Directors. Jeff Williams, CEO was also present and Allyson Honaker, General Counsel participated via Microsoft Teams. In addition, Taylor County's rate consultant, John Wolfram participated via Microsoft Teams.

Mr. Williams introduced John Wolfram to the Board. John Wolfram then presented his fully adjusted cost of service study to the Board. Discussions were held on multiple portions of the study. A motion was made by Greg Corbin and seconded by Raymond Rucker, to authorize management to file a general rate increase with the Kentucky Public Service Commission for an amount not to exceed \$6,600,000. The motion unanimously carried, RESOLVED, that Taylor County's management is authorized to take all necessary and recommended actions to pursue a general rate increase with the Kentucky Public Service Commission not to exceed \$6,600,000.

There being no further business of to come before the Board of Directors at the special meeting, the meeting was duly adjourned.

  
Secretary

SEAL

Mr. Taylor reported that there was a total of \$23,292.26 in uncollectible write-offs. A motion was made by Greg Corbin and seconded by Raymond Rucker to approve the write-offs, the motion was unanimously approved. RESOLVED, that the \$23,292.26 be written off.

A discussion on capital credits to be paid was held. A motion was made by Raymond Rucker and seconded by Chris Tucker to pay capital credits in the amount of \$17,353.80, the motion was unanimously approved. RESOLVED to pay \$17,353.80 in capital credits.

A discussion was held on new member applications. A motion was made by Bradley Irvin and seconded by Mark Woodrum to accept new members and the motion unanimously carried. RESOLVED new members are approved as presented.

A discussion was had on the next meeting date and agenda. A discussion was also held regarding the time for the meetings and it was decided to keep the start time the same.

There being no further business of to come before the Board of Directors, the meeting was duly adjourned.

  
Secretary

SEAL

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE  
CORPORATION AUTHORIZING THE FILING OF RATE APPLICATION  
WITH THE KENTUCKY PUBLIC SERVICE COMMISSION AND ALL  
OTHER NECESSARY FILINGS IN RELATION TO THE RATE  
APPLICATION**

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A meeting of the Board of Directors (“Board”) of Taylor County Rural Electric Cooperative Corporation (“Taylor County”) was held at the Taylor County Extension Office, located at 1143 South Columbia Avenue, Campbellsville, Kentucky, in person, on April 20, 2023, after due and proper notice of such meeting was given, and after a quorum was declared, during which meeting the Board discussed and considered the fully allocated cost of service study (“COSS”) presented by its consultant, John Wolfram.

Upon motion by Greg Corbin and seconded by Raymond Rucker, and duly carried, the following RESOLUTION was unanimously adopted:

**WHEREAS**, Taylor County is owned by the members it serves, and its purpose is to provide safe, efficient, and reliable electric service at rates and terms that are fair, just and reasonable; and,

**WHEREAS**, the leadership and management of Taylor County have thoroughly reviewed the Cooperative’s financial condition and it has become apparent to Taylor County’s Board of Directors that it is the prudent decision to request an increase in its revenues through its rates by filing an Application with the Kentucky Public Service Commission for a general rate proceeding;

**WHEREAS**, the Board has retained the services of a respected rate consultant, John Wolfram of Catalyst Consulting, LLC, who has completed a comprehensive cost of service study (“COSS”), which indicates that Taylor County would need an annual revenue increase of approximately \$6,600,000.00, in order to maintain an adequate financial position for the company; and,

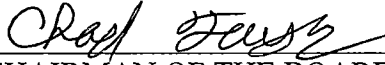
**WHEREAS**, Taylor County intends to file a rate adjustment application with the Commission using a historical 12-month test period beginning on January 1, 2021 and ending on December 31, 2021; and

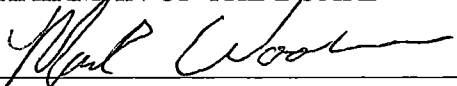
**NOW, THEREFORE BE IT RESOLVED** by the Taylor County Board of Directors that the Board of Directors hereby grants approval for the management of Taylor County to take all necessary and advisable actions in connection with the Application for a general adjustment to be filed with the Kentucky Public Service Commission.

**NOW, THEREFORE BE IT FURTHER RESOLVED** by the Taylor County Board of Directors that the Board of Directors grants approval for the Application to be filed with the Kentucky Public Service Commission for a general adjustment of rates will be for an increase not to exceed \$6,600,000.00

DATE: 05/04/2023

ATTEST:

  
\_\_\_\_\_  
CHAIRMAN OF THE BOARD

  
\_\_\_\_\_  
SECRETARY

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A regular meeting of the Board of Directors of Taylor County Rural Electric Cooperative Corporation was held Thursday, May 4, 2023, at 6:00 p.m., EST, at the Taylor County Rural Electric Cooperative Corporation headquarters located at 625 W. Main Street, Campbellsville, KY. The meeting was called to order by Chad Taylor, President. Upon calling the roll, the following were found to be present:

Greg Corbin	Donald Dean Shuffett
Chris Tucker	Raymond Rucker
Chad Taylor	Bradley Irvin
Mark Woodrum	

that being all seven members of the Board of Directors. Jeff Williams, CEO and Allyson Honaker, General Counsel, was also present.

Mr. Williams provided a safety moment. Mr. Taylor asked if the members of the Board of Directors had received a copy of the minutes of the regular board meeting held April 13, 2023. All members of the Board of Directors indicated they had received the mailing of the minutes. A motion was made by Greg Corbin to accept the minutes as written and it was seconded by Mark Woodrum. The motion unanimously carried, RESOLVED, that the minutes of the April 13, 2023 regular board meeting are approved. Mr. Taylor asked if the members of the Board of Directors had received a copy of the minutes of the special board meeting held April 20, 2023. All members of the Board of Directors indicated they had received the mailing of the minutes of the special meeting. A motion was made by Greg Corbin to accept the special board meeting minutes as written and it was seconded by Raymond Rucker. The motion unanimously carried, RESOLVD, that the minutes of the special board meeting on April 20, 2023 are approved.

Mr. Williams gave the lenders update. Mr. Tucker gave the KEC update. Mr. Corbin gave the East Kentucky Power Cooperative update. Mr. Williams gave the NRECA update.

Mr. Taylor asked if all members of the Board of Directors received a copy of the Management Reports for the month ended March 31, 2023. All members indicated that they had received the Management Reports. Jeff Williams and Patsy Walters gave an update on the Financial Report. A motion was made by Bradley Irvin to accept the Management Report/Financial Report and it was seconded by Raymond Rucker. The motion unanimously carried, RESOLVED, that the Management/Financial Report was accepted as presented.

Mr. Williams gave an update on the items contained in the CEO Report including outage map software, , drug and alcohol testing, ROW updates, new headquarters update, and other matters.

Mrs. Honaker gave the Legal Update, including an update on the status of the rate case to be filed. Mrs. Honaker also gave the nominating committee results for the upcoming board member election. The names on the election ballot will be as follows:

Taylor County – Raymond Rucker vs. Wayne Stearman

Green County – Donald Dean Shuffett vs. Kyle Milby

A discussion was had on the bylaws regarding the election and the counting of the votes. The Board authorized Jeff Williams to reach out to an accounting/auditing firm to have people present to count the official ballots. A motion was made by Raymond Rucker to allow Jeff Williams to reach out to accounting/auditing firms for counting of ballots and it was seconded by Donald Dean Shuffett. The motion unanimously carried, RESOLVED, that Jeff Williams will reach out to accounting/auditing firms to secure people to officially count the ballots.



Old business was discussed regarding tours of headquarters built by the two engineering firms that have provided information for the new headquarters.

New business was discussed regarding EKPC's annual meeting and Taylor County's representative at the annual meeting. A motion was made by Raymond Rucker and seconded by Bradley Irvin for Chris Tucker to be Taylor County's representative at EKPC's annual meeting and for Chad Taylor to be the alternate representative and it was seconded by Bradley Irvin. The motion unanimously carried. It is RESOLVED that Chris Tucker and Chad Taylor will be the representative and alternate at EKPC's annual meeting.

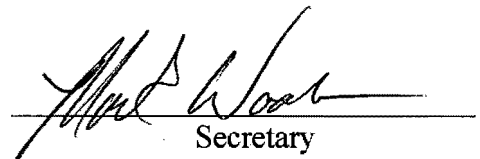
Mr. Taylor reported that there was a total of \$19,505.28 in uncollectible write-offs. A motion was made by Bradley Irvin and seconded by Chris Tucker to approve the write-offs, the motion was unanimously approved. RESOLVED, that the \$19,505.28 be written off.

A discussion on capital credits to be paid was held. A motion was made by Raymond Rucker and seconded by Bradley Irvin to pay capital credits in the amount of \$25,624.07 the motion was unanimously approved. RESOLVED to pay \$25,624.07 in capital credits.

A discussion was held on new member applications. A motion was made by Greg Corbin and seconded by Donald Dean Shuffett to accept new members and the motion unanimously carried. RESOLVED new members are approved as presented.

A discussion was had on the next meeting date and agenda.

There being no further business of to come before the Board of Directors, the meeting was duly adjourned.

  
Secretary

SEAL

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

A regular meeting of the Board of Directors of Taylor County Rural Electric Cooperative Corporation was held Thursday, June 1, 2023, at 6:00 p.m., EST, at the Taylor County Rural Electric Cooperative Corporation headquarters located at 625 W. Main Street, Campbellsville, KY. The meeting was called to order by Chad Taylor, President. Upon calling the roll, the following were found to be present:

Donald Dean Shuffett

Chris Tucker

Chad Taylor

Mark Woodrum

Raymond Rucker

Bradley Irvin

that being six of the seven members of the Board of Directors (Greg Corbin was attending an ACES meeting on behalf of Taylor County RECC). Jeff Williams, CEO was also present and Allyson Honaker, General Counsel participated via Microsoft Teams.

Mr. Williams provided a safety moment. Mr. Taylor asked if the members of the Board of Directors had received a copy of the minutes of the regular board meeting held May 4, 2023. All members of the Board of Directors indicated they had received the mailing of the minutes. A motion was made by Mark Woodrum to accept the minutes as amended, by showing Allyson Honaker was present in person, and it was seconded by Raymond Rucker. The motion unanimously carried, RESOLVED, that the minutes of the May 4, 2023 regular board meeting are approved as amended.

Mr. Williams gave the lenders update. Mr. Tucker gave the KEC update. Mr. Williams gave the East Kentucky Power Cooperative update. Mr. Williams gave the NRECA update.

Mr. Taylor asked if all members of the Board of Directors received a copy of the Management Reports for the month ended April 30, 2023. All members indicated that they had received the Management Reports. Jeff Williams gave an update on the Financial Report. A motion was made by Raymond Rucker to accept the Management Report/Financial Report and it was seconded by Mark Woodrum. The motion unanimously carried, RESOLVED, that the Management/Financial Report was accepted as presented.

Mr. Williams gave an update on the items contained in the CEO Report including a public contact incident, new signage, parking lot bids, grievances, technology update, windstorm update, right-of-way and the KEC Annual Meeting dates and other matters.

Mrs. Honaker gave the Legal Update, including an update on the status of the rate case to be filed.

Old business was discussed regarding the nominating committee details.

New business was discussed regarding an increase to the CoBank line of credit. A motion was made by Raymond Rucker and seconded by Donald Dean Shuffett to increase the CoBank line of credit by \$3 million. The motion unanimously carried. It is RESOLVED that the CoBank line of credit can be increased up to \$3 million. A revision to the bylaws was discussed at the May 4, 2023 meeting. Mrs. Honaker drafted language for the bylaw revision which was provided to the board prior to the meeting, giving proper notice of same. A motion was made by Donald Dean Shuffett and seconded by Bradley Irvin to amend Article III – Directors Section 3 Part C of the bylaws. The motion unanimously carried. It is RESOLVED that Bylaw, Article III – Directors Section 3 Part C is revised as written. Mr. Williams also notified the Board that he had reached out to Jones, Nale & Mattingly to be the independent auditing firm to count the election ballots.

A motion was made by Bradley Irvin and seconded by Raymond Rucker for Jones, Nale & Mattingly to be the independent firm to count the ballots for the upcoming election.

Mr. Williams also discussed the CFC Integrity Fund with the Board. A motion was made by Mark Woodrum and seconded by Chris Tucker for Taylor County RECC to give 50% of its capital credits paid by CFC, but not to exceed \$1,000, to be placed into the CFC Integrity Fund. The motion unanimously carried. It is RESOLVED that Taylor County will commit to contribution 50% of its capital credits paid by CFC, but not to exceed \$1,000, to the CFC Integrity Fund.

Mr. Taylor reported that there was a total of \$5,571.12 in uncollectible write-offs. A motion was made by Chris Tucker and seconded by Mark Woodrum to approve the write-offs, the motion was unanimously approved. RESOLVED, that the \$5,571.12 be written off.


A discussion on capital credits to be paid was held. A motion was made by Bradley Irvin and seconded by Mark Woodrum to pay capital credits in the amount of \$12,084.75 the motion was unanimously approved. RESOLVED to pay \$12,084.75 in capital credits.

A discussion was held on new member applications. A motion was made by Donald Dean Shuffett and seconded by Raymond Rucker to accept new members and the motion unanimously carried. RESOLVED new members are approved as presented.

A discussion was had on the next meeting date and agenda.

There being no further business of to come before the Board of Directors, the meeting was duly adjourned.

SEAL

  
Secretary

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 45**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 45.** Caregiver Program. Refer to the Application generally. Does Taylor County RECC offer payment for or reimbursement of caregiver (day care, elder care, and pet care) expenses as a benefit to employees? If so:

a. Provide a detailed description of the program and identify which employees are eligible for the benefit.

b. Provide the amount of caregiver program expense included in the test year, the adjusted test year and each of the years 2018, 2019, 2020, 2021 and 2022. Also provide the account number where the costs are recorded.

**Response 45.** Taylor County RECC does not offer a payment or reimbursement of a caregiver expense as a benefit to its employees.

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**REQUEST 46**

**RESPONSIBLE PARTY: John Wolfram**

**Request 46.** Contributions/Charity/Donations. Refer to the Application generally. Provide the total amount of contributions and donations included for recovery in the test year and the adjusted test year by separate payee, along with a description of and the purpose for each payee. Also identify the customer benefit associated with each cost.

**Response 46.** No charitable contribution or donation amounts are included in the adjusted test year for recovery in rates; thus for ratemaking purposes the customer benefits are moot.

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**REQUEST 47**

**RESPONSIBLE PARTY: Jeffrey Williams**

**Request 47.** Communications Expense. Refer to the Williams Testimony, page 7, lines 16-18. Provide an explanation of the revamped communications strategy, the year it was implemented, and the total cost by year since implementation, including the test year and adjusted test year.

**Response 47.** There is no expense in the test year nor in the adjusted pro forma year. The strategy is explained in the reference quoted in this question (Williams Direct at 7, lines 16-20)

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**REQUEST 48**

**RESPONSIBLE PARTY: John Wolfram**

**Request 48.** Club Dues. Refer to the Application generally. Provide the amount of country club and golf club dues expenses included in the test year and for recovery in the adjusted test year.

**Response 48.** No country club and golf club dues expenses are included for recovery in the adjusted test year.



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**REQUEST 49**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 49.** Covid-19 Costs. Refer to the Application generally. Identify all Covid-19 related costs included in the test year and adjusted test year by type. For each cost, state whether the cost is expected to recur annually beyond the adjusted test year.

**Response 49.** The only Covid-19 costs Taylor County incurred in 2021 was for a Thermometer in the amount of \$47.70. This is not a recurring charge.

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REQUEST 50

RESPONSIBLE PARTY: Patsy Walters

Request 50. Covid-19 Efficiencies and Cost Savings. Refer to the Application generally. Identify all Covid-19 related efficiencies and cost savings included in the test year and adjusted test year by type. For each, state whether it is expected to recur annually beyond the adjusted test year.

Response 50. Taylor County received the following Covid Relief Refunds in 2021 but do not expect to recur annually beyond the adjusted test year. Taylor County implemented a drive-thru annual meeting format for the protection of our member and employees in 2021 and 2022, and have continued this format.

<u>DATE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
1 <sup>st</sup> Qtr 2021	941 Refund Interest	\$ 93.92
1 <sup>st</sup> Qtr 2021	941 Refund Anthem	\$ 2,530.56
1 <sup>st</sup> Qtr 2021	941 Refund Wages	\$ 9,613.33

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**REQUEST 51**

**RESPONSIBLE PARTY:           John Wolfram**

**Request 51.**           Depreciation Expense. Refer to the Wolfram Testimony, Exhibit JW-2, Schedule 1.04. If the test year is the twelve months ended 2021, explain why the ending balances for 12/31/2022 are used to calculate depreciation expense. Provide an updated schedule showing the 12/31/2021 balances.

**Response 51.**           Please see the response to Item PSC 2-13.

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**REQUEST 52**

**RESPONSIBLE PARTY: John Wolfram**

**Request 52.** Depreciation Expense. Refer to the Wolfram Testimony, page 11, which states that Taylor County RECC is not proposing any changes to depreciation rates in this proceeding. Explain why not.

**Response 52.** Taylor County RECC reviewed the depreciation study, in particular the rates in Table 2 of the study, and determined that the recommended rates and the current rates are not sufficiently different to warrant revision.

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**REQUEST 53**

**RESPONSIBLE PARTY: John Wolfram**

**Request 53.** Depreciation Expense. Refer to the Application, Exhibit 20, which states that Taylor County RECC may not be using all of the depreciation rates approved by the Commission in its 2012 rate case.<sup>7</sup>

- a. Explain in detail why Taylor County RECC is not using the depreciation rates approved by the Commission in the 2012 rate case.
- b. Explain what rates Taylor County RECC is using.
- c. Provide a schedule by plant account number and balance (similar to Schedule 1.04) showing:
  1. the rates being used at the time the discovery was made,
  2. rates authorized in the 2012 rate case,
  3. the rates from the current depreciation study, and,

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<sup>7</sup> Case No. 2012-00023, *Application of Taylor County Rural Electric Cooperative Corporation for an Adjustment of Rates* (Ky. PSC Mar. 26, 2013).

4. the annual adjusted test year depreciation expense using the rates in 1, 2, and 3.

The reason that Taylor County RECC may not be using all of the depreciation rates approved by the Commission in its 2012 rate case is not known, since neither the current CEO and nor the Manager of Finance & Accounting were with the cooperative at that time, and they have not located any internal documentation related to the implementation of the revised depreciation rates from that time. However, variances may result from the view that the Commission Order is not entirely clear about which rates were approved for certain accounts. In the Order on page 7, the Commission correctly notes that “Taylor County has proposed rates that, for some account groups, fall outside the recommended RUS ranges” and proceeds to tabulate the then-current rates, the proposed rates, and the recommended RUS ranges, as follows:

	<u>Account</u>	<u>Taylor County</u>		<u>RUS Range</u>
		<u>Current</u>	<u>Proposed</u>	
362.00	Station Equipment	3.00%	6.67%	3.00 - 4.00%
364.00	Poles, Towers & Fixtures	3.00%	3.54%	3.00 - 4.00%
365.00	Overhead Conductors & Devices	3.00%	2.76%	2.30 - 2.80%
366.00	Underground Conduit	3.00%	2.38%	2.40 - 2.90%
367.00	Underground Conductors & Devices	3.00%	4.65%	2.40 - 2.90%
368.00	Line Transformers	3.00%	2.98%	2.60 - 3.10%
369.00	Services	3.00%	3.86%	3.10 - 3.60%
370.00	Meters	3.00%	6.67%	2.90 - 3.40%
371.00	Inst. on Customer Premises	3.00%	7.50%	3.90 - 4.40%
373.00	Street Lights	3.00%	6.00%	3.90 - 4.40%

The Commission then stated the following, beginning on page 8:

“As this is the first depreciation study ever performed by Taylor County, the Commission concludes that an adjustment of depreciation rates is warranted. However, for the account groups in the following table, for which the proposed rates are outside of the upper end of the RUS range, we find that Taylor County has not demonstrated the existence of “extreme” conditions that would support such rates. Recognizing the time that has transpired since Taylor County’s last depreciation rate adjustment and taking into account the results of its depreciation study, for the following accounts, the Commission will approve increased depreciation rates for Taylor County based on the upper end of the RUS recommended ranges of rates:

362.00	Station Equipment	4.00%
367.00	Underground Conductors & Devices	2.90%
369.00	Services	3.60%
371.00	Installations on Customer Premises	4.40%
373.00	Street Lights	4.40%

Similarly, although the rate difference is minimal, we will increase Taylor County’s proposed rate of 2.38 percent for Account 366.00, Underground Conduit, which is below the lower end of the RUS recommended rate, to the rate at the lower end of the RUS recommended range, which is 2.40 percent.

The depreciation rate of 6.67 percent proposed by Taylor County for meters was developed separately from its depreciation study. Recognizing the changes in technology by which electric power is distributed, we agree that the useful service life of the Automated Metering Infrastructure (“AMI”) meter system should not exceed 15 years. The Commission therefore finds that a 6.67 percent depreciation rate is appropriate. This is consistent with the depreciation rates approved recently for other electric cooperatives for AMI meters.

The Commission recognizes that Taylor County’s original depreciation adjustment was understated by \$143,308 due to the omission from the calculation of Account 371, Installations on Consumer Premises, and that this amount should be included in Taylor County’s adjusted test-year depreciation expense. After applying the revised depreciation rates indicated above, we find that the test-year depreciation expense should be increased by \$518,785.”

As Taylor County RECC understands this language, the Commission agreed that a change is warranted. Then,

- 1) for Accounts 362, 367, 369, 371 and 373, the Commission explicitly rejected Taylor County RECC's proposed rates and approved the rates tabulated above based on the upper end of the recommended RUS ranges; then
- 2) the Commission rejected Taylor County RECC's recommended rate for account 366 and approved a rate at the lower end of the recommended RUS range; then
- 3) the Commission explicitly approved the proposed rate for meters in account 370.

However, the order makes no explicit finding about the depreciation rates for the accounts not mentioned by number, i.e. accounts 364, 365, or 368. The order does not state that the proposed rates for these accounts are accepted, nor does it say that they are rejected. As a result, it is not clear whether the Commission intended to approve the proposed rates for these accounts or maintain the then-current rates for these accounts. How the Taylor County RECC staff at that time interpreted the Commission Order is not known.

The attached table summarizes the then-current and proposed rates from the 2012 rate case, the rates mentioned in the 2012 Commission Order, the rates used in 2021 to determine depreciation expense, and the rates recommended in the 2022 depreciation study.

In its Application in this case, Taylor County RECC did not request any change to the depreciation rates as applied in the 2021 test year. Based on the information compiled on this matter and described in this response, Taylor County RECC certainly welcomes and even respectfully asks for clarification from the Commission on what depreciation rates it finds reasonable for all of these accounts on a prospective basis.

**Response 53b. Please see the response to part a.**



**Response 53c.** See attached. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.

ATTACHMENTS  
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SEPARATELY

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

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**REQUEST 54**

**RESPONSIBLE PARTIES: Patsy Walters and John Wolfram**

**Request 54.** Depreciation Expense. Refer to the Application generally.

a. Provide the annual depreciation expense that was authorized in the last rate case.<sup>8</sup>

b. Provide the annual actual depreciation expense for each year 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, and 2022.

**Response 54a.** The final order in the referenced case indicates that in response to a Commission Staff request for information, Taylor County RECC provided a revised schedule that increased the pro forma depreciation expense adjustment to \$601,421. The Commission recognized that this amount should be included in Taylor County's adjusted test-year depreciation expense. But then the Commission ordered revisions to certain depreciation rates, and after

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<sup>8</sup> *Id.*

applying the revised depreciation rates, found that the test-year depreciation expense should be increased by \$518,785. Although the total amount of depreciation rates allowed in the order is not explicitly stated, the

language paraphrased above indicates that the allowed depreciation expense was \$601,421 + 518,785 = \$1,120,206.

**Response 54b.**

Annual Actual Depreciation Expense	
2012	\$2,322,533.00
2013	\$2,514,639.25
2014	\$2,659,262.26
2015	\$2,761,768.65
2016	\$2,792,781.67
2017	\$2,827,849.38
2018	\$2,891,277.89
2019	\$2,985,427.20
2020	\$3,102,798.71
2021	\$3,259,870.44
2022	\$3,370,954.87

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**REQUEST 55**

**RESPONSIBLE PARTY: John Wolfram**

**Request 55.** Deviations. Refer to the Application generally.

- a. Identify all aspects of Taylor County RECC's proforma adjustments and requested revenue requirement that represent a deviation from the principles and policies established in prior Commission Orders.
- b. Identify each area of deviation, and for each deviation explain Taylor County RECC's perception of the principle established in the prior Commission Orders, and the dollar impact resulting from such deviation.
- c. Show which accounts are affected and the dollar impact on each account for each such deviation and the schedule where each deviation is reflected.

**Response 55a.** Taylor County RECC is not aware of any deviations of this sort, with the possible exception of the normalization of depreciation expense using 2022 year-end balances. See the response to Item PSC 2-13.

**Response 55b.** See the response to Item PSC 2-13.

**Response 55c.** See the response to Item PSC 2-13.

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**REQUEST 56**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 56.** D&O Insurance Expense. Refer to the Application generally. Provide the Directors & Officers' insurance expense included in the test year, the adjusted test year, and each of the years 2018, 2019, 2020, 2021, and 2022.

**Response 56.** Please see OAG First Data Request 41.

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**REQUEST 57**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 57.** Dues - Industry Associations. Refer to Taylor County RECC's response to the Commission Staff's First Request for Information ("Commission Staff's First Request"), Item 1(a), Exhibit 1a, Account 930.2.

- a. Provide a breakdown by organization for each of the years shown, the test year, and the adjusted test year.
- b. State the purpose and objective of each organization listed.
- c. For each organization, identify the benefits provided to customers.
- d. State whether any of the organizations listed engage in lobbying or advocacy activities, attempts to influence public opinion, institutional or image-building advertising. If so, identify the amount and whether Taylor County RECC has included the portions of dues related to such activities in the test year and adjusted test year.

**Response 57a.** Please see attached schedule. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.



**Response 57b-c.** The National Rural Electric Cooperatives Association (NRECA) helps cooperatives develop comprehensive benefit packages through their 401(K) Pension Plan, Group Benefits Program, and associated resources. Kentucky Electric Cooperative (KEC) is a statewide organization that provides legislative, communications, and training services for the 24 local, consumer-owned electric distribution cooperatives. Membership in the Kentucky Council of Cooperatives allows high school juniors and seniors to participate in local (county-level) programs of the American Private Enterprise System Youth Program where they learn about different types of business with an emphasis on cooperatives. The Chamber of Commerce works in close partnership with local businesses, industries, schools, government, and community leaders for the benefit of all.

**Response 57d.** Taylor County RECC is unable to determine the portion of dues, if any, that the above organizations may use for lobbying or advocacy activities, attempts to influence public opinion, institutional or image-building advertising.

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**REQUEST 58**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 58.** Dues Non-Industry. Refer to the Application generally.

- a. Identify all non-industry dues and memberships payments included for recovery in the test year and the adjusted test year and in which accounts the costs are included.
- b. Provide the total non-industry dues for each of the years 2018, 2019, 2020, 2021 and 2022.
- c. State the purpose and objective of each organization listed.
- d. Identify the benefits provided to customers.
- e. State whether any of the organizations listed engage in lobbying or advocacy activities, attempts to influence public opinion, institutional or image-building advertising. If so, identify the amount and whether Taylor County RECC has included the portions of dues related to such activities in the test year and adjusted test year.

**Response 58.** Taylor County RECC does not have any non-industry dues.

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**REQUEST 59**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 59.** Economic Development Expenses. Refer to the Application generally. Identify the total amount of economic development expenses by type included in the test year, the adjusted test year and each of the years 2018, 2019, 2020, 2021 and 2022. Also provide an explanation of the expenses and how they benefit customers.

**Response 59.** Taylor County RECC does not have any Economic Development Expenses.

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**REQUEST 60**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 60.** Employee Benefits. Refer to the Application generally. Provide a detailed listing of all expenses included in the test year and adjusted test year for employee benefits, by benefit type. Provide a similar listing for 2018, 2019, 2020, 2021, and 2022 and explain any variance occurring between the years exceeding 10%.

**Response 60.** Please see attached schedule. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.

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**REQUEST 61**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 61.** Employee Cafeteria. Refer to the Application generally. Identify the total amount of cafeteria revenues and expenses, separately that are included in the test year, the adjusted test year and for each of the years 2018, 2019, 2020, 2021, and 2022.

**Response 61.** Taylor County RECC does not have Employee Cafeteria revenues or expenses.

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REQUEST 62

RESPONSIBLE PARTY: Patsy Walters

Request 62. Employee Recognition/Awards Expense. Refer to the Application generally. Identify the amount of employee recognition expense included for recovery in the test year and the adjusted test year (including but not limited to dinners, luncheons, parties, picnics, barbeques, employee appreciation events, awards, prizes, gifts, etc.) and for each of the years 2018, 2019, 2020, 2021, and 2022.

Response 62.

	2018	2019	2020	2021	2022
Employee Christmas Party/Picnic	1,813.63	4,026.91	37.78	3,105.50	4,187.02
Employee Christmas Present	1,358.38	600.00	1,796.81	2,682.19	2,690.83
Employee Retirement Gift		629.80		172.94	833.81
Employee Service Awards	978.66	2,971.60	30.36	4,954.28	
Total Employee Expense	4,150.67	8,228.31	1,864.95	10,914.91	7,711.66



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**REQUEST 63**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 63.** Entertainment/Sponsorships. Refer to the Application generally. Please provide the amount of sporting/entertainment event tickets, season tickets, suites, sponsorships, etc. included in the test year, the adjusted test year and each of the years 2018, 2019, 2020, 2021, and 2022.

**Response 63.** There are no expenses under this category.

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**REQUEST 64**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 64.** Environmental Remediation. Refer to the Application generally. Provide the amount of environmental remediation expense included for recovery in the test year and the adjusted test year and each of the years 2018, 2019, 2020, 2021, and 2022.

**Response 64.** Taylor County RECC does not have any environmental remediation expenses.

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**REQUEST 65**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 65.** Federal/State funding/loans. Refer to the Williams Testimony at 5. Provide a description of all funding received, the total amount of federal and state funding received, the dates the funding was received, the dates it was forgiven, and a detailed explanation of how these amounts were reflected in the test year and adjusted test year.

**Response 65.** In 2020, Taylor County RECC received SBA/PPP Loan Funds in the amount of \$882,873.52. The loan was forgiven December 2020 and funds were spread across operating expense/capital accounts. In 2021, procedures were updated on how to record the SBA/PPP Loan Forgiveness amount. During Taylor County RECC's annual audit ending May 2021, reversing journal entries were made to expense/capital accounts and recorded as Miscellaneous Non-operating Income. The adjusted test year reflects the entry to Miscellaneous Non-operating Income.

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**REQUEST 66**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 66.** Gains/Losses on sale of utility property. Refer to the Application generally.

a. Identify all gains and losses on sales of utility property for each year since the last rate case.

b. For each transaction, provide a description of the property, the original cost, sale price, date acquired, date sold, and whether the asset is included in the test year and adjusted test year rate base.

c. Identify the amount of gains and losses that have been reflected in the revenue requirement in the test year and the adjusted test year and the schedule where they are reflected. If none are reflected in the revenue requirement, explain why not.

d. If gains and losses occur in between rate cases, explain how they are treated for ratemaking purposes.

**Response 66a & b.** Please see attached schedule. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.

**Response 66c.** Gains/Losses are reported as Non-Operating Margins – Other on Part A of the RUS Form 7.

**Response 66d.** Any gains or losses incurred between rate cases and outside of the test period are not included for ratemaking purposes. Ratemaking is based on the test year amounts, appropriately adjusted for known and measurable changes, consistent with long-standing Commission practice.

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**REQUEST 67**

**RESPONSIBLE PARTY: John Wolfram**

**Request 67.** G&T Capital Credits. Refer to the Wolfram Testimony, Exhibit JW-2, Schedule 1.15. Explain what these amounts represent and identify the Commission practice referred to in the schedule.

**Response 67.** The amounts in Exhibit JW-2, Reference Schedule 1.15 represent the capital credits from East Kentucky Power Cooperative reported on RUS Form 7, Part A, line 25, column b, "Generation and Transmission Capital Credits." The Commission practice referenced is the longstanding Commission practice of removing the effect of G&T capital credits when determining the revenue requirement for distribution cooperatives for ratemaking purposes.

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**REQUEST 68**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 68.** G&T Capital Credits. Refer to Taylor County RECC's response to the Commission Staff's First Request, Item 16, Excel Spreadsheet Schedule F.

- a. Explain why the capital credits are much lower in the test year than the other years shown.
- b. Show how the test year amount was derived.
- c. Provide the 2018 and 2023 year to date G&T Capital Credits.

**Response 68a.** East Kentucky Power Cooperative (EKPC) G&T Capital Credit allocations for 2021 for each of the distribution cooperatives are based on the contribution-to-gross-margin method. EKPC's total margin for 2021 was lower than other years shown.

**Response 68b.** EKPC provides a schedule assigning margins to each of the distribution cooperatives/members annually.



EAST KENTUCKY POWER COOPERATIVE, INC.

SCHEDULE ASSIGNING 2021 MARGINS TO MEMBERS

	2020 Patronage Capital (Cumulative)	2021 Margin (Final)	2021 Patronage Capital (Cumulative)
Big Sandy RECC	\$ 17,110,861.12	\$ 209,736.88	\$ 17,320,598.00
Blue Grass Energy	\$ 79,162,580.04	\$ 1,190,844.10	\$ 80,353,424.14
Clark Energy	\$ 29,528,473.39	\$ 436,924.68	\$ 29,965,398.07
Cumberland Valley Electric	\$ 32,514,157.17	\$ 411,844.19	\$ 32,926,001.36
Farmers RECC	\$ 31,685,840.93	\$ 456,824.98	\$ 32,142,665.91
Fleming Mason Energy	\$ 52,770,161.24	\$ 790,436.01	\$ 53,560,597.25
Grayson RECC	\$ 17,221,710.70	\$ 235,130.23	\$ 17,456,840.93
Inter-County Energy	\$ 30,144,199.72	\$ 480,226.84	\$ 30,624,426.56
Jackson Energy	\$ 61,410,950.42	\$ 872,493.40	\$ 62,283,443.82
Licking Valley RECC	\$ 17,865,450.63	\$ 238,102.82	\$ 18,103,553.45
Nolin RECC	\$ 45,979,080.08	\$ 653,988.08	\$ 46,633,068.16
Owen Electric	\$ 89,611,965.89	\$ 1,315,490.24	\$ 90,927,456.13
Salt River Electric	\$ 68,595,012.24	\$ 1,136,730.10	\$ 69,731,742.34
Shelby Energy	\$ 27,391,644.67	\$ 414,240.04	\$ 27,805,884.71
South Kentucky RECC	\$ 81,537,083.91	\$ 1,236,852.77	\$ 82,773,936.68
Taylor County RECC	<u>\$ 31,270,030.75</u>	<u>\$ 462,219.04</u>	<u>\$ 31,732,249.79</u>
Totals	<u>\$ 713,799,202.90</u>	<u>\$ 10,542,084.40</u>	<u>\$ 724,341,287.30</u>

**Response 68c.** Note: EKPC has not allocated 2023.

	2018	2019	2020	2021	2022
Generation & Transmission Capital Credits	1,765	1,845	1,197	462	1,717

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

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**REQUEST 69**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 69.** GPS System. Refer to the Walters Testimony, Exhibit PW-2, the May 31, 2022 Financial Report at page 21.

- a. Provide an explanation of the GPS System project.
- b. Provide the start and completion date of the project.
- c. Provide the total cost of the GPS System project and explain how it was

reflected in the test year and adjusted test year.

**Response 69a.** The GPS project is a field inventory and electrical network connectivity undertaking. The project is foundational in that future software, such as Outage Management, etc., is dependent on this data being in place.

**Response 69b.** January 2022 – December 2023

**Response 69c.** The total cost of the GPS System project will be approximately \$1.1 million. The GPS System Project started January 2022. Preliminary work was performed the last of 2021 in the amount of \$24,599.60; which was not reflected in the adjusted test year.

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**REQUEST 70**

**RESPONSIBLE PARTIES: Patsy Walters & John Wolfram**

**Request 70.** Health Insurance. Refer to Taylor County RECC's response to the Commission Staff's Request, Item 32. If Taylor County RECC is further reducing the percentage amount that the cooperative pays for premiums in 2024-2025, explain in detail how the amounts reflected in Schedule 1.12 will not result in overcollections from the customers.

**Response 70.** The amount in Wolfram Direct Testimony, Exhibit JW-2, Reference Schedule 1.12 includes known and measurable changes for the pro forma year. Since Taylor County RECC does not know the amount that insurance premiums may increase, this adjustment doesn't include how much the insurance costs may increase in 2024-2025.

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

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**REQUEST 71**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 71.** Health Benefits. Refer to the Wolfram Testimony, Exhibit JW-2, Schedule 1.12, page 18 of 22. Provide the annual historical medical and dental total cost broken out by employee and utility for each year 2018, 2019, 2020, 2021, 2022, the test year, and the adjusted test year.

**Response 71.** Please see attached schedule. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.

ATTACHMENTS  
ARE EXCEL  
SPREADSHEETS  
AND UPLOADED  
SEPARATELY

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

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**REQUEST 72**

**RESPONSIBLE PARTY: John Wolfram**

**Request 72.** Health Insurance Contributions. Refer to the Commission's final Order in Case No. 2021-00407, page 9.<sup>9</sup> Did Taylor County RECC make any adjustments to Health Benefits Expense based on health insurance benefit contributions in excess of the Bureau of Labor Statistics' average for single and family coverage? If not, explain why not and update the adjusted test year expense based on the most recent report available. Provide all supporting calculations and documents.

**Response 72.** Taylor County RECC did not propose any adjustments to Health Benefits Expense based on health insurance benefit contributions in excess of the Bureau of Labor Statistics' average for single and family coverage. First, this is not a streamlined case, so strictly speaking such an adjustment is not required. Second, even if this were a streamlined case, the adjustment is only required when the cooperative employees make no contribution to health care premiums, which is not the case for Taylor County RECC. See the response to PSC 2-19.

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<sup>9</sup> Case No. 2021-00407, *Electronic Application of South Kentucky Rural Electric Cooperative Corporation for a General Adjustment of Rates, Approval of Depreciation Study, and Other General Relief* (Ky. PSC Jun. 30, 2022), Order at 9.



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**RESPONSE TO REQUEST FOR INFORMATION**

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**REQUEST 73**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 73.** Health Club/Fitness Center Fees. Refer to the Application generally. Provide the amount of health/fitness expenses (including but not limited to: fitness/gym memberships, exercise classes, cost of maintaining employee exercise rooms/equipment, etc.) included in the test year, adjusted test year, and each of the years 2018, 2019, 2020, 2021, and 2022.

**Response 73.** Taylor County RECC does not have any Health Club/Fitness expenses.

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**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 74**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 74.** Incentive Compensation. Refer to the Application generally. Provide the amounts of Incentive Compensation broken out by plan included in the test year, adjusted test year, and each of the years 2018, 2019, 2020, 2021, and 2022. If there are amounts charged to capital provide those separately.

**Response 74.** Taylor County RECC has no incentive compensation plans.

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**REQUEST 75**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 75.** Incentive Compensation. Refer to the Application generally. Identify all amounts of incentive compensation that the Company has removed from the test year and adjusted test year and the reason for which it is not seeking recovery.

**Response 75.** Taylor County RECC has no incentive compensation plans.

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

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**RESPONSE TO REQUEST FOR INFORMATION**

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**REQUEST 76**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 76.** Incentive Compensation. Refer to the Application generally. Provide complete copies of any incentive compensation plans, bonus programs, or other incentive award programs in effect at Taylor County RECC for the test year, the adjusted test year and each of the years 2018, 2019, 2020, 2021, and 2022.

**Response 76.** Taylor County RECC has no incentive compensation plans.

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

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**REQUEST 77**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 77.** Incentive Compensation. Refer to the Application generally. For each plan, for each of the years 2018, 2019, 2020, 2021, 2022, and the test year, provide the number of employees eligible under the plan for incentive compensation payment and number of eligible employees that did not receive incentive compensation payment.

**Response 77.** Taylor County RECC has no incentive compensation plans.

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

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**REQUEST 78**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 78.** Incentive compensation. Refer to the Application generally. Provide any studies Taylor County RECC has in its possession that reflect a comparison of Taylor County RECC's incentive compensation to that allowed in rates in other jurisdictions.

**Response 78.** Taylor County RECC has no incentive compensation plans.

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

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**REQUEST 79**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 79.** Incentive Compensation. Refer to the Application generally. Provide for the test year and each of the years 2018, 2019, 2020, 2021, and 2022, the various goals on which incentive payments were to be determined and the actual achievement attained (i.e., the response should show actual metrics and not a simple reference that the goal was at target, not at target, at maximum, etc.)

**Response 79.** Taylor County RECC has no incentive compensation plans.

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

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**REQUEST 80**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 80.** Incentive Compensation. Refer to the Application generally. Does Taylor County RECC have any studies or analysis that show that its incentive compensation plan provides any benefit to customers? If so, provide copies of all documents.

**Response 80.** Taylor County RECC has no incentive compensation plans.



**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

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**RESPONSE TO REQUEST FOR INFORMATION**

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**REQUEST 81**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 81.** Incentive Compensation. Refer to the Application generally. Does Taylor County RECC adjust the non-financial goals based on prior years achievements? If so, provide an example. If not, explain why not.

**Response 81.** Taylor County RECC has no incentive compensation plans.

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**REQUEST 82**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 82.** Incentive Compensation. Refer to the Application generally. Is there a financial goal, that if not met, would result in no incentive compensation payments being made? If so, identify the goal.

**Response 82.** Taylor County RECC has no incentive compensation plans.

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**REQUEST 83**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 83.** Incentive Compensation. Refer to the Application generally. In what possible scenarios would no incentive compensation payments be made?

**Response 83.** Taylor County RECC has no incentive compensation plans.

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**REQUEST 84**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 84.** Injuries and Damages. Refer to the Application generally. Provide the injuries and damages reserve balance, including debits and credits to the reserve, for each of the years 2018, 2019, 2020, 2021, and 2022.

**Response 84.** Taylor County RECC does not have a reserve balance for Injuries and Damages.

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**REQUEST 85**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 85.** Insurance Expense. Refer to the Application generally. Provide a schedule showing the amount of insurance expense by type for each year 2018, 2019, 2020, 2021, and 2022, the test year, and the adjusted test year.

**Response 85.** Please see attached. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.

ATTACHMENTS  
ARE EXCEL  
SPREADSHEETS  
AND UPLOADED  
SEPARATELY

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

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REQUEST 86

RESPONSIBLE PARTY: Patsy Walters

Request 86. Insurance Expense. Refer to the Walters Testimony at 9. Identify the employees eligible for business travel and accident insurance. Provide the annual amount for each of the years 2018, 2019, 2020, 2021, and 2022, the test year, and the adjusted test year.

Response 86. All Taylor County RECC employees are eligible for the business travel and accident insurance policy. The annual amount for each year is as follows:

2018	\$261.00	2019	\$261.00	2020	\$324.00
2021	\$324.00	2022	\$324.00		

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**REQUEST 87**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 87.** Insurance credits. Refer to the Application generally. Provide the amount of insurance credits/distributions received by type (e.g., Energy Insurance Mutual Limited, Nuclear Electric Insurance Limited, etc. in the test year, adjusted test year, and each of the years 2018, 2019, 2020, 2021, and 2022. If amounts were received but not reflected explain why.

**Response 87.** Taylor County RECC does not have any Insurance credits.



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**REQUEST 88**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 88.** Insurance Expense. Refer to the Application generally. For insurance coverage for which the Company is self-insured, provide a description of that self-insurance, a description of how it is accounted for in the utility's books and records and a description of activity for each year 2018, 2019, 2020, 2021, and 2022, the test year, and the adjusted test year.

**Response 88.** Taylor County RECC does not have any self-insured Insurance Expense.

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**REQUEST 89**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 89.** Interest Expense. Refer to the Wolfram Testimony at 11 and Exhibit JW-2, Schedule 1.03.

- a. Explain what the "Advance - 2023" on line 23 represents.
- b. Refer to Taylor County's response to the Commission Staff's First Request, Item 3, Excel Spreadsheet Schedule B1, page 1. Explain why the items on lines 21-24 are included in Schedule 1.03 if they are maturing on 12/31/2022.
- c. Refer to Taylor County's response to the Commission Staff's First Request, Item 3, Excel Spreadsheet Schedule B1, pages 1 – 2. Explain why the rates changed for Debt Issues FFB-2-1 and FFB-3-2.

**Response 89a.** The amount labeled 'Advance 2023' is amounts already spent by Taylor County RECC and included in the 4-year CWP with RUS as reimbursement projects. These amounts are already included on report 219 with RUS. We are simply waiting for the finalization of documents from RUS. Original communication with RUS indicated we would have these funds in late Spring

or early Summer. We now expect them late Summer or early Fall. 30-year RUS FFB rates are currently just above 4%.

**Response 89b.** FFB-2-1, FFB-3-2, FFB-3-3, and FFB-3-4 are variable interest rate loans that are based upon a common type of RUS loan with a quarterly payment due date/maturity.

**Response 89c.** FFB-2-1 and FFB-3-2 are variable interest rate loans that are renewed on a quarterly basis.

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**REQUEST 90**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 90.** Judgments/Settlements. Refer to the Application generally.

a. Provide, in list form, the details of all judgments and/or settlements resulting from suits brought, which involved Taylor County RECC as a defendant, which resulted in Taylor County RECC, during the test year, paying or agreeing to pay or being ordered to pay an amount in excess of \$10,000, including but not limited to the case name, a brief description of the case, the date filed, the date of settlement or the date of judgment, and the amount Taylor County RECC was ordered or agreed to pay. Provide this information even if appeals are pending and note every instance of an appeal.

b. Provide the total amount of judgments/settlements expense included in the test year, the adjusted test year, and each of the years 2018, 2019, 2020, 2021, and 2022.

**Response 90a.** To our knowledge, there are no judgements or settlements as referenced in this question.

**Response 90b.** To our knowledge, there are no judgements or settlements as referenced in this question.

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**REQUEST 91**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 91.** Legal Expense. Refer to the Application generally. Itemize the amount of outside legal expense, by vendor, included in the test year, the adjusted test year, and each of the calendar years 2018, 2019, 2020, 2021, and 2022.

**Response 91.** Please see attached schedule. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.

ATTACHMENTS  
ARE EXCEL  
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TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

PSC CASE NO. 2023-00147

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REQUEST 92

RESPONSIBLE PARTY: Patsy Walters

Request 92. 2021 Members Meeting. Refer to Taylor County RECC's response to the Commission Staff's First Request, Item 50. Provide a breakdown of the \$15,837 cost for the 2021 election. Confirm that there was no meeting held in 2021. If a meeting was held in 2021, provide the total cost broken down by category (e.g., prizes, entertainment, etc.)

Response 92. The following is a breakdown of Taylor County RECC 2021 election:

Breakdown of 2021 Election	
Nominating Committee	\$700.00
Ballots-Supplies, Printing, & Postage	\$14,337.00
Election Committee	\$800.00
Total 2021 Election Expense	\$15,837.00



Taylor County RECC had a drive-thru annual meeting in 2021 but did not have an annual meeting in 2020 due to COVID. If a meeting was held in 2020, the approximate costs of prizes, entertainment, etc. would be as follows:

<b>2020 Annual Meeting Estimated Costs</b>	
Prizes	\$2,500.00
Food	\$700.00
Member Gifts	\$5,000.00
Entertainment	\$600.00
Other-Grounds Maintenance, Porta Pottys, Supplies, etc.	\$1,000.00
<b>Total</b>	<b>\$9,800.00</b>

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**REQUEST 93**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 93.** Non-recurring expenses. Refer to the Application generally.

- a. For each expense account in the test year and the adjusted test year, list each non-recurring expense or credit exceeding \$10,000.
- b. For each such expense or credit, state the amount, the basis and provide copies of all journal entries and supporting documentation.
- c. Reconcile the dollar amounts included above to any adjustments proposed by Taylor County RECC.

**Response 93a.** Taylor County RECC hired Davey Resource Group in the test year 2021 for a GPS System Project.

**Response 93b.** An invoice for \$24,599.60 was recorded as an expense in December 2021 for preliminary work performed by the group. Please see attached invoice.

**Response 93c.** This invoice was not accounted for in the original proforma adjustments.

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**REQUEST 94**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 94.** O&M Cost Budget. Refer to the Application generally. Provide Taylor County RECC's annual O&M expense budget for each of the years 2018 through 2022.

**Response 94.** Please see attached.

**TAYLOR COUNTY R.E.C.C.  
2018 BUDGET**

REVENUE	\$45,523,884
Other Rev	<u>757,020</u>
TOTAL REVENUE	\$46,280,903
PURCHASED POWER	\$35,862,185
Operations:	1,936,349
Maintenance	1,815,962
Consumer Acct	1,203,214
Cust Serv & Info	135,177
Admin & Gen	1,713,643
TOTAL OP & MAINT.	<u>\$42,666,531</u>
Depreciation	2,874,900
Other Tax	60,000
Interest LTD	792,000
Other Interest	48,000
Other Ded	0
Total Cost Elec	<u>\$46,441,431</u>
OPERATING MARGIN	<u>(\$160,528)</u>
OPERATING TIER	0.80

**OPERATIONS**

PAYROLL	\$610,904
PAYROLL TAX	46,734
WORK COMP	73,064
INSURE BENEFIT	231,871
RETIRE	61,090
PROPERTY TAX	576,000
TRANSPORTATION	112,739
CONTRACT LABOR	75,600
POLE INSPECT	36,000
MAPPING	31,200
OTHER	<u>81,147</u>
TOTAL	\$1,936,349

**MAINTENANCE**

PAYROLL	\$573,151
PAYROLL TAX	43,846
WORK COMP	68,549
INSURE BENEFIT	217,503
RETIRE	57,315
ROW	664,800
TRANSPORTATION	23,371
TREE REPLACE	15,000
ROW SPRAY	80,000
OTHER	<u>72,426</u>
TOTAL	\$1,815,962

**CONSUMER ACCTS**

UNCOLL ACCTS	\$0
PAYROLL	428,777
PAYROLL TAX	32,801
WORK COMP	51,282
INSURE BENEFIT	163,210
RETIRE	42,878
TRANSPORTATION	3,846
COMPUTER	162,000
POSTAGE	130,000
OTHER	<u>188,421</u>
TOTAL	\$1,203,214

**ADMIN & GEN**

PAYROLL	\$387,409
PAYROLL TAX	29,637
WORK COMP	46,334
TRANSPORTATION	7,826
INSURE BENEFIT	147,484
RETIRE	38,741
DIRECT B CROSS	108,450
BD MEETING	42,000
DUES KAEC	70,000
DUES NRECA	28,800
NEWSLETTER	109,200
CO-OP ATTORNEY	8,400
LABOR ATTORNEY	19,500
PROPERTY INS.	168,000
UNIFORMS	19,000
OFFICE SUPP	72,000
ELECTION	22,000
EMP DIR TRAIN	78,000
ANNUAL MEETING	18,900
AUDIT	10,750
PATTERSON & DEWAR	99,996
BLDG & GRD MAINT	135,800
OTHER	<u>45,415</u>
TOTAL	\$1,713,643

**CUSTOMER SERVICE & INFO**

PAYROLL	\$74,208
PAYROLL TAX	5,677
WORK COMP	371
INSURE BENEFIT	11,700
RETIRE	7,421
TRANS	4,800
ADVERTISING	25,000
OTHER	<u>6,000</u>
TOTAL	\$135,177

**TOTAL OPERATING EXPENSES**

Payroll	\$2,074,449
Payroll Tax	158,695
Work Comp	239,600
Insure Benefit	771,769
Retire	207,445
Property Tax	576,000
Trans	152,582
Contract Labor	75,600
Pole Inspection	36,000
Electricom	664,800
Tree Replacement	15,000
ROW Spray	80,000
Mapping	31,200
Computer	162,000
Postage	130,000
Director B Cross	108,450
Board Meeting	42,000
Dues KAEC	70,000
Dues NRECA	28,800
Newsletter	109,200
Co-op Attorney	8,400
Labor Attorney	19,500
Property Insurance	168,000
Uniforms	19,000
Office Supplies	72,000
Election	22,000
Employee Director Training	78,000
Annual Meeting	18,900
Audit	10,750
Patterson & Dewar	99,996
Building and Grounds	135,800
Advertising	25,000
Other	393,409
Uncollectible Account	0
Depreciation	2,874,900
Other Tax	60,000
Interest LTD	792,000
Other Interest	<u>48,000</u>
<b>TOTAL EXPENSE</b>	<b>\$10,579,246</b>

**TAYLOR COUNTY R.E.C.C.  
2019 BUDGET**

REVENUE	\$49,005,595
Other Rev	<u>760,711</u>
TOTAL REVENUE	\$49,766,306
PURCHASED POWER	\$38,387,782
Operations:	2,090,776
Maintenance	2,010,391
Consumer Acct	1,232,907
Cust Serv & Info	137,713
Admin & Gen	1,841,527
TOTAL OP & MAINT.	<u>\$45,701,097</u>
Depreciation	2,978,100
Other Tax	60,000
Interest LTD	912,000
Other Interest	12,000
Other Ded	0
Total Cost Elec	<u>\$49,663,197</u>
OPERATING MARGIN	<u>\$103,109</u>
OPERATING TIER	1.11



**OPERATIONS**

PAYROLL	\$663,594
PAYROLL TAX	50,765
WORK COMP	57,998
INSURE BENEFIT	264,265
RETIRE	66,359
PROPERTY TAX	600,000
TRANSPORTATION	127,473
CONTRACT LABOR	75,600
POLE INSPECT	36,000
MAPPING	31,200
OTHER	<u>117,521</u>
TOTAL	\$2,090,776

**MAINTENANCE**

PAYROLL	\$591,334
PAYROLL TAX	45,237
WORK COMP	51,683
INSURE BENEFIT	234,762
RETIRE	59,133
ROW	690,000
TRANSPORTATION	29,951
TREE REPLACE	15,000
ROW SPRAY	112,000
OTHER	<u>181,291</u>
TOTAL	\$2,010,391

**CONSUMER ACCTS**

UNCOLL ACCTS	\$0
PAYROLL	407,403
PAYROLL TAX	31,166
WORK COMP	35,607
INSURE BENEFIT	162,092
RETIRE	40,740
TRANSPORTATION	7,477
COMPUTER	174,000
POSTAGE	130,000
OTHER	<u>244,421</u>
TOTAL	\$1,232,907

**ADMIN & GEN**

PAYROLL	\$468,979
PAYROLL TAX	35,877
WORK COMP	40,989
TRANSPORTATION	15,332
INSURE BENEFIT	186,838
RETIRE	46,898
DIRECT B CROSS	90,000
BD MEETING	36,000
DUES KAEC	70,000
DUES NRECA	33,600
NEWSLETTER	109,200
CO-OP ATTORNEY	5,000
LABOR ATTORNEY	8,500
PROPERTY INS.	168,000
UNIFORMS	19,000
OFFICE SUPP	72,000
ELECTION	22,000
EMP DIR TRAIN	78,000
ANNUAL MEETING	18,900
AUDIT	11,000
PATTERSON & DEWAR	80,000
BLDG & GRD MAINT	180,000
OTHER	<u>45,415</u>
TOTAL	\$1,841,527

**CUSTOMER SERVICE & INFO**

PAYROLL	\$75,238
PAYROLL TAX	5,756
WORK COMP	196
INSURE BENEFIT	13,200
RETIRE	7,524
TRANS	4,800
ADVERTISING	25,000
OTHER	<u>6,000</u>
TOTAL	\$137,713

**TOTAL OPERATING EXPENSES**

Payroll	\$2,206,547
Payroll Tax	168,801
Work Comp	186,472
Insure Benefit	861,157
Retire	220,655
Property Tax	600,000
Trans	185,034
Contract Labor	75,600
Pole Inspection	36,000
Electricom	690,000
Tree Replacement	15,000
ROW Spray	112,000
Mapping	31,200
Computer	174,000
Postage	130,000
Director B Cross	90,000
Board Meeting	36,000
Dues KAEC	70,000
Dues NRECA	33,600
Newsletter	109,200
Co-op Attorney	5,000
Labor Attorney	8,500
Property Insurance	168,000
Uniforms	19,000
Office Supplies	72,000
Election	22,000
Employee Director Training	78,000
Annual Meeting	18,900
Audit	11,000
Patterson & Dewar	80,000
Building and Grounds	180,000
Advertising	25,000
Other	594,648
Uncollectible Account	0
Depreciation	2,978,100
Other Tax	60,000
Interest LTD	912,000
Other Interest	<u>12,000</u>
<b>TOTAL EXPENSE</b>	<b>\$11,275,415</b>

**TAYLOR COUNTY R.E.C.C.  
2020 BUDGET**

REVENUE	\$47,344,537
Other Rev	<u>756,221</u>
TOTAL REVENUE	\$48,100,758
PURCHASED POWER	\$36,943,704
Operations:	2,127,286
Maintenance	1,994,805
Consumer Acct	1,252,046
Cust Serv & Info	140,124
Admin & Gen	1,771,015
TOTAL OP & MAINT.	<u>\$44,228,980</u>
Depreciation	3,086,700
Other Tax	64,800
Interest LTD	960,000
Other Interest	48,000
Other Ded	0
Total Cost Elec	<u>\$48,388,480</u>
OPERATING MARGIN	<u>(\$287,722)</u>
OPERATING TIER	0.70

**OPERATIONS**

PAYROLL	\$668,071
PAYROLL TAX	51,107
WORK COMP	58,389
INSURE BENEFIT	264,720
RETIRE	66,807
PROPERTY TAX	624,000
TRANSPORTATION	132,670
CONTRACT LABOR	75,600
POLE INSPECT	36,000
MAPPING	32,400
OTHER	<u>117,521</u>
TOTAL	\$2,127,286

**MAINTENANCE**

PAYROLL	\$585,582
PAYROLL TAX	44,797
WORK COMP	51,180
INSURE BENEFIT	230,885
RETIRE	58,558
ROW	690,000
TRANSPORTATION	62,511
TREE REPLACE	15,000
ROW SPRAY	75,000
OTHER	<u>181,291</u>
TOTAL	\$1,994,805

**CONSUMER ACCTS**

UNCOLL ACCTS	\$162,000
PAYROLL	392,626
PAYROLL TAX	30,036
WORK COMP	34,315
INSURE BENEFIT	155,246
RETIRE	39,263
TRANSPORTATION	4,139
COMPUTER	180,000
POSTAGE	130,000
OTHER	<u>124,421</u>
TOTAL	\$1,252,046

**ADMIN & GEN**

PAYROLL	\$412,055
PAYROLL TAX	31,522
WORK COMP	36,014
TRANSPORTATION	17,004
INSURE BENEFIT	162,499
RETIRE	41,205
DIRECT B CROSS	90,000
BD MEETING	36,000
DUES KAEC	70,000
DUES NRECA	33,600
NEWSLETTER	116,000
CO-OP ATTORNEY	12,000
LABOR ATTORNEY	16,000
PROPERTY INS.	168,000
UNIFORMS	19,000
OFFICE SUPP	72,000
ELECTION	22,000
EMP DIR TRAIN	78,000
ANNUAL MEETING	18,900
AUDIT	13,800
PATTERSON & DEWAR	60,000
BLDG & GRD MAINT	200,000
OTHER	<u>45,415</u>
TOTAL	\$1,771,015

**CUSTOMER SERVICE & INFO**

PAYROLL	\$77,283
PAYROLL TAX	5,912
WORK COMP	201
INSURE BENEFIT	13,200
RETIRE	7,728
TRANS	4,800
ADVERTISING	25,000
OTHER	<u>6,000</u>
TOTAL	\$140,124

**TOTAL OPERATING EXPENSES**

Payroll	\$2,135,616
Payroll Tax	163,375
Work Comp	180,099
Insure Benefit	826,551
Retire	213,562
Property Tax	624,000
Trans	221,125
Contract Labor	75,600
Pole Inspection	36,000
Electricom	690,000
Tree Replacement	15,000
ROW Spray	75,000
Mapping	32,400
Computer	180,000
Postage	130,000
Director B Cross	90,000
Board Meeting	36,000
Dues KAEC	70,000
Dues NRECA	33,600
Newsletter	116,000
Co-op Attorney	12,000
Labor Attorney	16,000
Property Insurance	168,000
Uniforms	19,000
Office Supplies	72,000
Election	22,000
Employee Director Training	78,000
Annual Meeting	18,900
Audit	13,800
Patterson & Dewar	60,000
Building and Grounds	200,000
Advertising	25,000
Other	474,648
Uncollectible Account	162,000
Depreciation	3,086,700
Other Tax	64,800
Interest LTD	960,000
Other Interest	<u>48,000</u>
<b>TOTAL EXPENSE</b>	<b>\$11,444,776</b>

**TAYLOR COUNTY R.E.C.C.  
2021 BUDGET**

REVENUE	\$46,326,381
Other Rev	<u>735,909</u>
TOTAL REVENUE	\$47,062,290
PURCHASED POWER	\$35,604,114
Operations:	2,233,150
Maintenance	2,197,106
Consumer Acct	1,333,970
Cust Serv & Info	153,738
Admin & Gen	1,804,409
TOTAL OP & MAINT.	<u>\$43,326,487</u>
Depreciation	3,218,700
Other Tax	64,800
Interest LTD	960,000
Other Interest	48,000
Other Ded	0
Total Cost Elec	<u>\$47,617,987</u>
OPERATING MARGIN	<u>(\$555,698)</u>
OPERATING TIER	0.42



**OPERATIONS**

PAYROLL	\$729,345
PAYROLL TAX	55,795
WORK COMP	63,745
INSURE BENEFIT	273,019
RETIRE	72,935
PROPERTY TAX	624,000
TRANSPORTATION	146,791
CONTRACT LABOR	75,600
POLE INSPECT	36,000
MAPPING	38,400
OTHER	<u>117,521</u>
TOTAL	\$2,233,150

**MAINTENANCE**

PAYROLL	\$553,063
PAYROLL TAX	42,309
WORK COMP	48,338
INSURE BENEFIT	207,015
RETIRE	55,306
ROW	810,000
TRANSPORTATION	204,784
TREE REPLACE	15,000
ROW SPRAY	80,000
OTHER	<u>181,291</u>
TOTAL	\$2,197,106

**CONSUMER ACCTS**

UNCOLL ACCTS	\$186,000
PAYROLL	387,836
PAYROLL TAX	29,669
WORK COMP	33,897
INSURE BENEFIT	145,294
RETIRE	38,784
TRANSPORTATION	42,069
COMPUTER	216,000
POSTAGE	130,000
OTHER	<u>124,421</u>
TOTAL	\$1,333,970

**ADMIN & GEN**

PAYROLL	\$450,279
PAYROLL TAX	34,446
WORK COMP	39,354
TRANSPORTATION	10,591
INSURE BENEFIT	168,446
RETIRE	45,028
DIRECT B CROSS	90,000
BD MEETING	36,000
DUES KAEC	70,000
DUES NRECA	33,600
NEWSLETTER	116,000
CO-OP ATTORNEY	12,000
LABOR ATTORNEY	16,000
PROPERTY INS.	177,000
UNIFORMS	19,000
OFFICE SUPP	90,000
ELECTION	22,000
EMP DIR TRAIN	78,000
ANNUAL MEETING	18,900
AUDIT	14,350
PATTERSON & DEWAR	18,000
BLDG & GRD MAINT	200,000
OTHER	<u>45,415</u>
TOTAL	\$1,804,409

**CUSTOMER SERVICE & INFO**

PAYROLL	\$80,570
PAYROLL TAX	6,164
WORK COMP	226
INSURE BENEFIT	13,200
RETIRE	8,057
TRANS	14,521
ADVERTISING	25,000
OTHER	<u>6,000</u>
TOTAL	\$153,738

**TOTAL OPERATING EXPENSES**

Payroll	\$2,201,094
Payroll Tax	168,384
Work Comp	185,559
Insure Benefit	806,974
Retire	220,109
Property Tax	624,000
Trans	418,755
Contract Labor	75,600
Pole Inspection	36,000
Electricom	810,000
Tree Replacement	15,000
ROW Spray	80,000
Mapping	38,400
Computer	216,000
Postage	130,000
Director B Cross	90,000
Board Meeting	36,000
Dues KAEC	70,000
Dues NRECA	33,600
Newsletter	116,000
Co-op Attorney	12,000
Labor Attorney	16,000
Property Insurance	177,000
Uniforms	19,000
Office Supplies	90,000
Election	22,000
Employee Director Training	78,000
Annual Meeting	18,900
Audit	14,350
Patterson & Dewar	18,000
Building and Grounds	200,000
Advertising	25,000
Other	474,648
Uncollectible Account	186,000
Depreciation	3,218,700
Other Tax	64,800
Interest LTD	960,000
Other Interest	<u>48,000</u>
<b>TOTAL EXPENSE</b>	<b>\$12,013,875</b>

**TAYLOR COUNTY R.E.C.C.  
2022 BUDGET**

REVENUE	\$48,636,164
Other Rev	<u>722,999</u>
TOTAL REVENUE	\$49,359,163
PURCHASED POWER	\$37,973,054
Operations:	2,237,558
Maintenance	2,630,708
Consumer Acct	1,341,954
Cust Serv & Info	159,239
Admin & Gen	1,808,650
TOTAL OP & MAINT.	<u>\$46,151,163</u>
Depreciation	3,357,000
Other Tax	64,800
Interest LTD	960,000
Other Interest	48,000
Other Ded	0
Total Cost Elec	<u>\$50,580,963</u>
OPERATING MARGIN	<u>(\$1,221,800)</u>
OPERATING TIER	(0.27)

**OPERATIONS**

PAYROLL	\$681,434
PAYROLL TAX	52,130
WORK COMP	59,557
INSURE BENEFIT	262,270
RETIRE	68,143
PROPERTY TAX	624,000
TRANSPORTATION	146,902
CONTRACT LABOR	75,600
POLE INSPECT	42,000
MAPPING	48,000
OTHER	<u>177,521</u>
TOTAL	\$2,237,558

**MAINTENANCE**

PAYROLL	\$667,989
PAYROLL TAX	51,101
WORK COMP	58,382
INSURE BENEFIT	255,665
RETIRE	66,799
ROW	1,002,000
TRANSPORTATION	204,481
TREE REPLACE	15,000
ROW SPRAY	128,000
OTHER	<u>181,291</u>
TOTAL	\$2,630,708

**CONSUMER ACCTS**

UNCOLL ACCTS	\$150,000
PAYROLL	415,875
PAYROLL TAX	31,814
WORK COMP	36,347
INSURE BENEFIT	159,776
RETIRE	41,588
TRANSPORTATION	36,132
COMPUTER	264,000
POSTAGE	130,000
OTHER	<u>76,421</u>
TOTAL	\$1,341,954

**ADMIN & GEN**

PAYROLL	\$426,013
PAYROLL TAX	32,590
WORK COMP	37,234
TRANSPORTATION	11,458
INSURE BENEFIT	163,454
RETIRE	42,601
DIRECT B CROSS	120,000
BD MEETING	36,000
DUES KAEC	70,000
DUES NRECA	33,600
NEWSLETTER	160,400
CO-OP ATTORNEY	12,000
LABOR ATTORNEY	16,000
PROPERTY INS.	186,000
UNIFORMS	19,000
OFFICE SUPP	90,000
ELECTION	22,000
EMP DIR TRAIN	78,000
ANNUAL MEETING	18,900
AUDIT	15,400
PATTERSON & DEWAR	18,000
BLDG & GRD MAINT	200,000
OTHER	<u>0</u>
TOTAL	\$1,808,650

**CUSTOMER SERVICE & INFO**

PAYROLL	\$81,603
PAYROLL TAX	6,243
WORK COMP	228
INSURE BENEFIT	14,400
RETIRE	8,160
TRANS	17,605
ADVERTISING	25,000
OTHER	<u>6,000</u>
TOTAL	\$159,239

**TOTAL OPERATING EXPENSES**

Payroll	\$2,272,914
Payroll Tax	173,878
Work Comp	191,749
Insure Benefit	855,565
Retire	227,291
Property Tax	624,000
Trans	416,578
Contract Labor	75,600
Pole Inspection	42,000
Electricom	1,002,000
Tree Replacement	15,000
ROW Spray	128,000
Mapping	48,000
Computer	264,000
Postage	130,000
Director B Cross	120,000
Board Meeting	36,000
Dues KAEC	70,000
Dues NRECA	33,600
Newsletter	160,400
Co-op Attorney	12,000
Labor Attorney	16,000
Property Insurance	186,000
Uniforms	19,000
Office Supplies	90,000
Election	22,000
Employee Director Training	78,000
Annual Meeting	18,900
Audit	15,400
Patterson & Dewar	18,000
Building and Grounds	200,000
Advertising	25,000
Other	441,233
Uncollectible Account	150,000
Depreciation	3,357,000
Other Tax	64,800
Interest LTD	960,000
Other Interest	<u>48,000</u>

**TOTAL EXPENSE** **\$12,607,910**

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 95**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 95.** O&M Expenses. Refer to the Commission Staff's First Request, Item 1, Exhibit 1a. For each of the accounts shown with 10% or more increase in any year, provide an explanation of the reason for the increase.

**Response 95.** Taylor County RECC may experience fluctuations between accounts in any given year due to uncontrollable events such as storm work, costs in supplies, general plant maintenance, etc. These accounts are monitored, on a monthly basis, by management and approved by the Board to ensure increases are acceptable. See below for an explanation on a few of the larger increases:

Account 925.00      2021 – Very little activity with only one contractor repairing damage to a members' property.

2022 – Contractor repairing damage to member's property on two separate occasions. In addition, employee labor/benefits were posted to account for repairing damages to a member's property.



Account 595.00      In 2022, there was an increase of labor/benefits that were posted to the maintenance of line transformers than in 2021 and 2020.

Account 930.20      2019 NRECA dues were paid February 29, 2020, and 2020 NRECA dues were paid December 31, 2020.

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 96**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 96.** O&M Expense. Refer to the Commission Staff's First Request, Item 1, Exhibit 1a. Provide an itemization of the costs included in account 930.4 Misc general expense for the test year and the adjusted test year.

**Response 96.** Please see the itemization of costs below for account 930.40:

Analysis of Account No. 930.40 – Miscellaneous General Expenses for the Test Year January 2021-December 2021				
Line No.	Item (a)	Amount (b)	Excluded Amount (c)	Adjusted test Year Amount (d)
1	Annual Meeting Expenses	\$1,815.43	(\$1,815.43)	\$0.00
2	Director's Fees and Expenses	\$5,913.22	(\$4,942.40)	\$970.82
3	KEC - KY Chamber Dues	\$341.02	(\$341.02)	\$0.00
4	Director Election Expense	\$15,836.95		\$15,836.95
5	Office Supplies-Postage	\$2,000.00		\$2,000.00
6	Employee Spread Labor/Benefits	\$5,820.98		\$5,820.98
7	Employee Training/Travel	\$1,148.77		\$1,148.77
8	Project Graduation Donations	\$250.00	(\$250.00)	\$0.00
9	St Jude Children's Hospital Donation	\$100.00	(\$100.00)	\$0.00
10	Employee Bereavement-Flowers	\$153.70	(\$153.70)	\$0.00
11	KEC - Kentucky Living Magazine	\$119,154.12	(\$119,154.00)	\$0.12
12	Grounds Maintenance	\$24.04		\$24.04
13	Department of Treasury-Federal Excise Tax	\$414.96		\$414.96
14	Total	\$152,973.19	(\$126,756.55)	\$26,216.64

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 97**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 97.** Other Electric Revenue. Refer to the Wolfram Testimony, Exhibit JW-2, page 1, line 3. Provide an itemization of other electric revenue by type for each year 2018, 2019, 2020, 2021, and 2022, the test year, and the adjusted test year.

**Response 97.** Please see attached schedule. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.

ATTACHMENTS  
ARE EXCEL  
SPREADSHEETS  
AND UPLOADED  
SEPARATELY

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 98**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 98.** Other Taxes. Refer to Taylor County's response to the Commission Staff's First Request, Item 43. Provide a similar breakdown of other operating taxes for each of the years 2018, 2019, 2020, 2021, 2022, the test year, and the adjusted test year.

**Response 98.** Please see attached schedule. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.

ATTACHMENTS  
ARE EXCEL  
SPREADSHEETS  
AND UPLOADED  
SEPARATELY

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 99**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 99.** Late Fees. Refer to the Application generally. Did the company suspend late fees to customers due to the Covid-19 pandemic? If so, provide the dates when the late fees were suspended and when they resumed being assessed.

**Response 99.** Taylor County RECC suspended late fees to customers due to the Covid-19 pandemic from April 2020 through September 2020.



**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 100**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 100.** Payroll. Refer to the Application generally. Provide for each year 2018, 2019, 2020, 2021 and 2022, the test year and the adjusted test year, the amount of base pay, overtime, incentive compensation, and the amount of other pay broken down in the most detailed format available including the amount charged to capital, charged to expense, and charged to other. If any of the other is ultimately expensed, provide the amount ultimately expensed in each year.

**Response 100.** Please see attached schedule. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.

ATTACHMENTS  
ARE EXCEL  
SPREADSHEETS  
AND UPLOADED  
SEPARATELY

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 101**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 101.** Payroll. Refer to the Application generally. Provide Capital and O&M budgeted and actual payroll for each year 2018, 2019, 2020, 2021, and 2022, the test year, and the adjusted test year.

**Response 101.** Please see attached schedule. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.

ATTACHMENTS  
ARE EXCEL  
SPREADSHEETS  
AND UPLOADED  
SEPARATELY

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 102**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 102.** Payroll. Refer to the Application generally. Provide, for each employee group, for each year 2018, 2019, 2020, 2021, and 2022, the test year, and the adjusted test year, the aggregate percentage increase in compensation granted and provide a breakdown of the aggregate percentage increase by type of increase (i.e., merit, promotion, step, etc.).

**Response 102.** Please see attached schedule. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.

ATTACHMENTS  
ARE EXCEL  
SPREADSHEETS  
AND UPLOADED  
SEPARATELY

TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

PSC CASE NO. 2023-00147

RESPONSE TO REQUEST FOR INFORMATION

OAG’S REQUEST FOR INFORMATION DATED 7/05/23

REQUEST 103

RESPONSIBLE PARTY: Patsy Walters

Request 103. Payroll (Full Time Equivalents (“FTE”)). Refer to the Application generally. Provide the number of FTE's included in the test year, the adjusted test year, and for each of the years 2018, 2019, 2020, 2021, and 2022.

Response 103. Please see below the number of FTE’s for each year.

FTE	
2018	55
2019	57
2020	57
2021	58
Adj Test Year-2021	57
2022	60

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 104**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 104.** Payroll. Refer to the Application generally. Provide the following monthly labor data in total, for the test year, adjusted test year, and each of the years 2018, 2019, 2020, 2021, and 2022 showing annual totals.

- a. Number of actual employees broken down between type (e.g., salaried, hourly, union, non-union, temporary, etc.).
- b. Regular payroll broken down between expensed, capitalized, and other.
- c. Overtime payroll broken down between expensed, capitalized, and other.
- d. Temporary payroll broken down between expensed, capitalized, and other.
- e. Other payroll (specify).

**Response 104.** Please see attached schedule. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.



ATTACHMENTS  
ARE EXCEL  
SPREADSHEETS  
AND UPLOADED  
SEPARATELY

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 105**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 105.** Payroll. Refer to the Application generally. Provide for each employee group, by month, for each year 2018, 2019, 2020, 2021, and 2022 and the test year, and the adjusted test year, the number of full-time employees budgeted, the number of part-time employees budgeted, and the actual number of full-time employees and part-time employees (not FTEs). Also, provide for each period the budgeted and actual FTEs.

**Response 105.** Please see attached schedule. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.

ATTACHMENTS  
ARE EXCEL  
SPREADSHEETS  
AND UPLOADED  
SEPARATELY

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 106**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 106.** Payroll. Refer to the Application generally. Provide a list of all open/vacant positions in the test year and adjusted test year including:

- a. Job title,
- b. Date the job was created,
- c. Length of time that the position has been open,
- d. Explanation as to why the position is still vacant,
- e. Planned hiring dates for each position,
- f. Hiring dates for any of these positions that have been filled, and
- g. Fully loaded annual salary for unfilled positions.

**Response 106.** Taylor County RECC's positions are filled as they become vacant.

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 107**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 107.** Payroll. Refer to the Application generally. Provide a list of all new positions in the test year and adjusted test year including:

- a. Job title,
- b. Date the job was created,
- c. Length of time that the position has been open,
- d. Planned hiring dates for each position,
- f. Fully loaded annual salary for unfilled positions.

**Response 107.** In response to request 107, there are no new positions created during the test year.

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**REQUEST 108**

**RESPONSIBLE PARTY: Jeffrey Williams**

**Request 108.** Payroll. Refer to the Application generally. Provide a description of the Company's merit and cost of living wage rate increase policies.

**Response 108.** There are no written policies for the Company's merit and cost of living wage rate increases.

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**REQUEST 109**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 109.** Payroll Percentages. Refer to the Wolfram Testimony, Exhibit JW-2, Schedule 1.10. Provide the expensed, capitalized, and other percentages for each of the years 2018, 2019, 2020, 2021, 2022, the test year, and the adjusted test year. Provide the calculations showing how the percentages were derived and explanations for increases/decreases of more than 5%.

**Response 109.** Please see attached schedule. Taylor County RECC may experience increases/decreases of greater than 5% from one year to the next year due to the number of work orders completed and/or maintenance performed. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.

ATTACHMENTS  
ARE EXCEL  
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**REQUEST 110**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 110.** Penalties. Refer to the Application generally. List all penalties and fines paid by Taylor County RECC in the test year and included in the adjusted test year. Indicate in which account each item was recorded and a description of each fine/penalty.

**Response 110.** Taylor County did have any penalties or fines paid in the test year.

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REQUEST 111

RESPONSIBLE PARTY: Patsy Walters

Request 111. Pension Expense. Refer to Taylor County RECC’s response to the Commission Staff’s First Request, Item 28. Provide the annual pension expense included in the test year, the adjusted test year, and for each of the years 2018, 2019, 2020, 2021, and 2022. Provide the account numbers where the costs are charged.

Response 111. Taylor County did not have any adjustments to pension expense for the test year 2021. Pension Expense is recorded quarterly to general ledger account number 926.00.

ANNUAL 401(k) EXPENSE	
2018	13,337.00
2019	14,085.00
2020	14,944.00
2021	16,220.00
2022	15,220.00
TOTAL	73,806.00

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**REQUEST 112**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 112.** Pension Expense. Refer to the Application generally.

- a. Explain how the pension expense in the adjusted test year was determined. Provide the calculations and documentation supporting the adjusted test year amount.
- b. Provide an explanation and supporting documentation for any increase to pension expense in the test year to the adjusted test year.
- c. Explain whether any changes to assumptions were used in determining the adjusted test year pension expense and why the changes were made.

**Response 112.** Taylor County did not adjust pension expense for the test year 2021.

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**REQUEST 113**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 113.** Plant Held for Future Use. Refer to the Application, Exhibit 15. Identify all amounts of plant held for future use included in rate base in the test year and adjusted test year, and each of the years 2018, 2019, 2020, 2021, and 2022. For each property, provide the amount included, the date the property was acquired, a description of the property, and the date when the property will be providing service to customers.

**Response 113.** Taylor County RECC does not have any plant held for future use.

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**REQUEST 114**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 114.** Pole Attachment Fees and Revenues. Refer to the Application generally. Provide the pole attachment fees and revenues separately for each of the years: 2018, 2019, 2020, 2021, 2022, the test year, and adjusted test year.

**Response 114.** Please see attached schedule. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.

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**REQUEST 115**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 115.** Prepaid Metering Program. Refer to Taylor County RECC's response to the Commission Staff's First Request, Item 1.

- a. Provide the annual actual expense of the prepaid metering program for 2021 and 2022.
- b. Provide the amount of expense included in the test year and adjusted test year.
- c. Provide the forecasted annual expense for 2023, 2024 and 2025.
- d. Identify where the estimated annual savings of \$209,000 associated with the prepaid metering program are reflected in the pending application.

**Response 115a.** A monthly recurring support fee of \$544.00 was recorded in 2021 and a monthly recurring support fee of \$546.00 in 2022.

**Response 115b.** Taylor County did not make any adjustments in the test year 2021. Please see the response to 115a. above.

**Response 115c.** Taylor County only anticipates a monthly recurring support fee for 2023, 2024, 2025.

**Response 115d.** Please see attached schedule. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.



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**REQUEST 116**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 116.** Professional Services. Refer to Taylor County RECC's response to the Commission Staff's First Request, Item 44. Provide similar data (legal, engineering, accounting, other) for each of the years 2018, 2019, 2020, 2021, 2022, the test year, and adjusted test year.

**Response 116.** Please see attached. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.

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**REQUEST 117**

**RESPONSIBLE PARTY: Jeffrey Williams**

**Request 117.** Rate Case. Refer to the Application generally. State when Taylor County RECC anticipates it will file its next rate case.

**Response 117.** Taylor County RECC does not know when it will file its next case. That will be dependent on rising costs, margin growth and other factors as they arise.

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**REQUEST 118**

**RESPONSIBLE PARTY: John Wolfram**

**Request 118.** Rate Case Expense. Refer to the Application generally.

- a. Provide the actual amount of rate case expense incurred in the prior rate case.
- b. Identify the amortization period used.

**Response 118a.** The amount of expense incurred is not known. However, in the last rate case, the Commission stated the following in its final order beginning on page 12: "The Commission's longstanding practice is to allow recovery of rate case expenses based on the utility's most recent actual costs, typically through the date of the hearing. Taylor County's most recent actual expense through January 29, 2013, as reported in its response to the post-hearing data request, was \$55,860.26 The Commission finds that Taylor County's allowable rate case expenses should be decreased by \$34,140, from \$90,000 to \$55,860. Amortizing this amount over three years will result in an annual expense of \$18,620, which is \$11,380 less than the amount proposed."

**Response 118b.** See the response to part a.

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REQUEST 119

RESPONSIBLE PARTY: Patsy Walters

Request 119. Regulatory Assessment Expense. Refer to the Application generally. Provide the regulatory assessment expense for each of the years: 2018, 2019, 2020, 2021, 2022, the test year, and adjusted test year.

Response 119. Please see below Regulatory Expenses:

- 2018- \$8.25 Postage
- 2019- \$26.82 Fedex
- 2020- \$0
- 2021- \$0
- 2022- \$0

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**REQUEST 120**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 120.** Relocation Expense. Refer to the Application generally. Identify the amount of employee relocation expense included in the test year, the adjusted test year, and each of the years 2018, 2019, 2020, 2021, and 2022. Also, provide a description of the purpose for the relocation expenses.

**Response 120.** Taylor County RECC had relocation expenses in the amount of \$13,880.69 for the year 2022 when a new CEO was hired. There were no relocation expenses in any other years requested.

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**REQUEST 121**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 121.** Revenues. Refer to Taylor County RECC's response to the Commission Staff's First Request, Item 16, Excel Spreadsheet Schedule F. Explain the reason for the increase in operating revenues in 2022 over the test year amount.

**Response 121.** Two factors have caused the increase in operating revenues in 2022 over the test year amount. The commission granted Taylor County a \$1,582,344 pass-through rate increase associated with EKPC's wholesale rate increase in the later part of 2021. The total pass-through fuel adjustment amount for 2021 was a credit \$1,856,811.36 while in 2022, the total pass-through fuel adjustment amount was a debit of \$6,340,111.99.



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**REQUEST 122**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 122.** Revenues-Sales of Electricity. Refer to the Wolfram Testimony, Exhibit JW-2, page 1, line 2.

- a. Provide the actual total revenues for each of the years: 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, and 2022, broken down by residential, commercial, and industrial.
- b. Provide the actual number of customers for of the years: 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, and 2023 year to date broken down by residential, commercial, and industrial.
- c. Identify any large commercial and industrial customers that have left in 2021, 2022, and 2023.
- d. Identify any large commercial and industrial customers that were added in 2021, 2022, and 2023.

**Response 122 a.** Please see attached schedule. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.

**Response 122b.** Please see attached schedule. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.

**Response 122c.** Taylor County has not had any large commercial and industrial customers to leave in 2021, 2022, and 2023.

**Response 122d.** Taylor County has not added any large commercial and industrial customers in 2021, 2022, and 2023.

ATTACHMENTS  
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**REQUEST 123**

**RESPONSIBLE PARTY: Jeffrey Williams**

**Request 123.** Right of Way ("ROW") maintenance expense. Refer to the Williams Testimony at 4.

- a. Provide a detailed description of the ROW maintenance program prior to 2022.
- b. Provide a detailed description of the ROW maintenance program after the change in 2022.

**Response 123a.** Please refer to Taylor RECC's response to PSC 2 – 1 all parts.

**Response 123b.** Please refer to Taylor RECC's response to PSC 2 – 1 all parts.

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**REQUEST 124**

**RESPONSIBLE PARTY: Jeffrey Williams**

**Request 124.** ROW maintenance expense. Refer to the Williams Testimony at 4, which states, “[c]ooperatives are expected to maintain their right of way and clear their entire system every 5 years, or thereabout.”

- a. Identify the authority that the Company has relied on for this statement.
- b. Provide the date that this expectative went into effect.
- c. How often has the entire system been cleared since the last rate case?

**Response 124a.** Please refer to Taylor RECC's response to PSC 2 – 4b.

**Response 124b.** Taylor County RECC as well as many cooperatives have vegetation management plans that clear their system in this timeframe. Although Taylor County RECC hasn't kept up with this cycle in the past, it has been in its vegetation management plan.

**Response 124c.** To our knowledge, it hasn't been cleared since the last rate case resulting in reliability, safety and accessibility issues.

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**REQUEST 125**

**RESPONSIBLE PARTY: Jeffrey Williams**

**Request 125.** ROW maintenance expense. Refer to the Williams Testimony at 5, which states, "Taylor County had reduced right-of-way maintenance for a number of years in an effort to stave off a rate increase."

- a. Identify each of the years since the last rate case that ROW maintenance was reduced by the Company.
- b. Explain how the Company was able to provide safe and reliable service (as stated in Exhibit 1) despite these reductions.

**Response 125a.** It seems every year Taylor County RECC has not cleared full circuits. Not clearing full circuits creates safety, reliability and accessibility concerns which are not in line with prudent utility practices.

**Response 125b.** It seems every year Taylor County RECC has not cleared full circuits. Not clearing circuits creates safety, reliability and accessibility concerns which are not in line with prudent utility practices. Areas of our system where there is vegetation overgrowth makes safety of workers, members and contractors at higher risk, as well as increases the unreliability of service. This increases costs for outages, overtime as well as compromises the safety of our employees when an outage or interruption of power exists.

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**REQUEST 126**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 126.** ROW maintenance expense. Refer to the Wolfram Testimony, Exhibit JW-2, Schedule 1.05.

a. Provide the budgeted ROW maintenance expense for each of the years: 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, and the adjusted test year.

b. Provide the actual ROW maintenance expense for each of the years: 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, and 2022.

c. Provide the annual ROW maintenance expense approved in the last rate case.

**Response 126 a & b.** Please see attached schedule. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.

**Response 126c.** The annual ROW maintenance expense in 2011 was \$636,382.03.

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**REQUEST 127**

**RESPONSIBLE PARTY: Jeffrey Williams**

**Request 127.** ROW maintenance expense. Refer to the Wolfram Testimony, Exhibit JW-2, Schedule 1.05.

- a. Provide the budgeted ROW miles trimmed for each of the years: 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, and 2023.
- b. Provide the actual ROW miles trimmed for each of the years: 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, and year to date 2023.

**Response 127a.** 2023 budget for circuit miles is 617 miles. No circuit miles were budgeted to be trimmed in 2012- 2022.

**Response 127b.** Actual miles cut at the time of this response is 314. Prior years had no circuits cut or budgeted to management's knowledge. No complete circuits were maintained in 2012 – 2022.

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**REQUEST 128**

**RESPONSIBLE PARTY: Jeffrey Williams**

**Request 128.** ROW maintenance expense. Refer to the Wolfram Testimony, Exhibit JW-2, Schedule 1.05. Provide copies of all documentation supporting the proforma adjustment.

**Response 128.** Please refer to Taylor RECC's response to PSC 2 – 1 all parts

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**REQUEST 129**

**RESPONSIBLE PARTY: Jeffrey Williams**

**Request 129.** Safety Program. Refer to the Williams Testimony, at 7, lines 14 – 15.

- a. Provide a description of the new safety program and the year it was implemented.
- b. Provide the actual annual expense by major category for each year that the program has been in place.
- c. Provide the total annual forecasted amount of the new program by major category that is included in the adjusted test year.
- d. Explain how the Company addressed safety prior to the implementation of the program.
- e. State whether the new program was created due to any accidents or incidents that the Company had experienced. If so, provide a detailed explanation of the accidents/incidents.

**Response 129a.** Most cooperatives in the state have a safety manager that leads the safety program at the company. The “new program” is simply hiring a manager devoted to focusing on safety and to help ensure our employees are properly trained on safety. He is responsible for implementing prudent utility practices as it relates to safety. He trains with the help of Kentucky Electric Cooperatives (“KEC”) and EKPC and is our point of contact with federated insurance. Our safety manager was hired in October 2022.

**Response 129 b.** This program just started in late 2022. The main added expenditure is the new safety manager position.

**Response 129c.** The only adjustment in the adjusted test year is the safety manager position.

**Response 129d.** The manager of operations was responsible for the safety of the lineman and any related reporting and training.

**Response 129e.** This program was not created due to accidents the company had experienced.

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**REQUEST 130**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 130.** Sample Meter Testing Program. Refer to Taylor County RECC's response to the Commission Staff's First Request, Item 1.

- a. Provide the annual actual expense of the Sample Meter Testing Program for 2021 and 2022.
- b. Provide the amount of expense included in the test year and adjusted test year.
- c. Provide the forecasted annual expense for 2023, 2024, and 2025.

**Response 130a.** In 2021, Taylor County worked with Power System Engineering Inc to develop a plan for the Sample Meter Testing Program. The amount of consulting fees for 2021 was \$3,150.00 and 2022 was \$1,587.64 totaling \$4,737.64.

**Response 130b.** The amount of consulting fees for the test year 2021 was \$3,150.00. Taylor County did not have an adjustment for the test year.

**Response 130c.** Taylor County does not anticipate any annual expenses for 2023, 2024 and 2025.

Current periodic testing would require testing of 4,000 meters annually. Where sample meter testing program will require 1,000 meters annually to be tested.

<b>Annual Periodic Testing Program Cost</b>		
Average Meters Tested Annually	Cost to Test	Annual Cost
3847	\$30.37	\$116,833
Cost of Testing over 8 year cycle		\$934,667
<b>Proposed Sample Meter Program Testing Cost</b>		
Meters to be Tested	Cost to Test	Annual Cost
1000	\$30.37	\$30,370
Cost of Testing over 8 year cycle		\$242,960
<b>Potential Savings over 8 years</b>		<b>\$691,707</b>

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**REQUEST 131**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 131.** SBA/PPA Loan. Refer to the Wolfram Testimony, Exhibit JW-2, Schedule 1.14. State whether the income statement amounts shown are included or excluded from Taylor County RECC's response to the Commission Staff's First Request, Item 1, Exhibit 1a, in the test year column.

**Response 131.** The amounts listed on schedule 1.14 are included in the Commission Staff's First Request, Item 1, Exhibit 1a, in the test year column.

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**REQUEST 132**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 132.** SBA/PPA Loan. Refer to the Wolfram Testimony, Exhibit JW-2, Schedule 1.14.

- a. Provide the annual SBA/PPA costs spent by year broken out by capital and expense.
- b. Provide the dates and amounts of SBA/PPA funds received.
- c. Provide the dates that the loans were forgiven.
- d. Provide copies of the original and reversing journal entries referenced.

**Response 132a.** Taylor County did not incur any costs to apply for the SBA/PPP Loan.

**Response 132b.** Taylor County received SBA/PPP loan funds on April 23, 2020, in the amount of \$882,873.52.



**Response 132c.** Taylor County received SBA/PPP loan forgiveness notification on December 31, 2020, for the full amount.

**Response 132d.** Please see attached documentation.

TAYLOR COUNTY RECC  
PRG. BENECALC

BENEFIT CALCULATION  
FOR MONTH 12/20

PAGE 1  
RUN DATE 01/21/21 02:56

Witness: Patsy Walters

BENEFIT ACCT 224.18 OTHER LONG TERM DEBT-SBA/PPP PROJECT 0

LABOR ACCT	DEPT	JOB	VEHICLE	PROJECT	CO	ITEMID	LABOR AMOUNT	BENEFIT AMOUNT
107.00	400	0	0	0	00	LOAN 00	27,780.44	82,498.75-
107.00	500	0	0	0	00	LOAN 00	3,031.04	9,001.19-
107.00	600	0	0	0	00	LOAN 00	26,503.28	78,706.00-
ACCOUNT TOTALS:							57,314.76	170,205.94-
107.20	500	124829	0	0	00	LOAN 00	29.93	88.88-
107.20	500	125433	0	0	00	LOAN 00	29.93	88.88-
107.20	500	125512	0	0	00	LOAN 00	29.94	88.91-
107.20	500	125694	0	0	00	LOAN 00	29.93	88.88-
107.20	500	125720	0	0	00	LOAN 00	59.86	177.76-
107.20	500	125776	0	0	00	LOAN 00	29.93	88.88-
107.20	500	125829	0	0	00	LOAN 00	29.93	88.88-
107.20	500	125836	0	0	00	LOAN 00	29.93	88.88-
107.20	500	125856	0	0	00	LOAN 00	29.93	88.88-
107.20	500	125909	0	0	00	LOAN 00	14.97	44.46-
107.20	500	125938	0	0	00	LOAN 00	29.93	88.88-
107.20	500	125943	0	0	00	LOAN 00	59.86	177.76-
107.20	500	126001	0	0	00	LOAN 00	29.93	88.88-
107.20	500	126006	0	0	00	LOAN 00	14.97	44.46-
107.20	500	126007	0	0	00	LOAN 00	14.97	44.46-
107.20	500	126008	0	0	00	LOAN 00	14.97	44.46-
107.20	500	126009	0	0	00	LOAN 00	14.97	44.46-
107.20	500	126010	0	0	00	LOAN 00	14.97	44.46-
107.20	500	126012	0	0	00	LOAN 00	29.94	88.91-
107.20	500	126013	0	0	00	LOAN 00	29.94	88.91-
107.20	500	126019	0	0	00	LOAN 00	14.97	44.46-
107.20	500	126020	0	0	00	LOAN 00	29.94	88.91-
107.20	500	126026	0	0	00	LOAN 00	59.86	177.76-
107.20	500	126029	0	0	00	LOAN 00	14.97	44.46-
107.20	500	126030	0	0	00	LOAN 00	14.97	44.46-
107.20	500	126039	0	0	00	LOAN 00	29.94	88.91-
107.20	500	126044	0	0	00	LOAN 00	44.90	133.34-
107.20	500	126047	0	0	00	LOAN 00	14.97	44.46-
107.20	500	126048	0	0	00	LOAN 00	14.97	44.46-
107.20	500	126049	0	0	00	LOAN 00	29.93	88.88-
107.20	500	126050	0	0	00	LOAN 00	29.94	88.91-
107.20	500	126051	0	0	00	LOAN 00	59.86	177.76-
107.20	500	126052	0	0	00	LOAN 00	14.97	44.46-
107.20	500	126056	0	0	00	LOAN 00	14.97	44.46-
107.20	500	126057	0	0	00	LOAN 00	14.97	44.46-
107.20	500	126064	0	0	00	LOAN 00	14.97	44.46-
107.20	500	126065	0	0	00	LOAN 00	29.93	88.88-
107.20	500	126068	0	0	00	LOAN 00	14.97	44.46-
107.20	500	126069	0	0	00	LOAN 00	59.86	177.76-
107.20	500	126079	0	0	00	LOAN 00	29.94	88.91-

BENEFIT ACCT 224.18 OTHER LONG TERM DEBT-SBA/PPP PROJECT 0

LABOR ACCT	DEPT	JOB	VEHICLE	PROJECT	CO	ITEMID	LABOR AMOUNT	BENEFIT AMOUNT
107.20	500	126080	0	0	00	LOAN 00	59.86	177.76-
107.20	500	126081	0	0	00	LOAN 00	89.80	266.68-
107.20	500	126082	0	0	00	LOAN 00	14.97	44.46-
107.20	500	126083	0	0	00	LOAN 00	14.97	44.46-
107.20	500	126087	0	0	00	LOAN 00	14.97	44.46-
107.20	500	126088	0	0	00	LOAN 00	14.97	44.46-
107.20	500	126089	0	0	00	LOAN 00	14.97	44.46-
107.20	500	126090	0	0	00	LOAN 00	14.97	44.46-
107.20	500	126091	0	0	00	LOAN 00	14.97	44.46-
107.20	500	126092	0	0	00	LOAN 00	14.97	44.46-
107.20	500	126093	0	0	00	LOAN 00	14.97	44.46-
107.20	500	126096	0	0	00	LOAN 00	59.86	177.76-
107.20	500	126097	0	0	00	LOAN 00	14.97	44.46-
107.20	500	126098	0	0	00	LOAN 00	14.97	44.46-
107.20	500	126102	0	0	00	LOAN 00	14.97	44.46-
107.20	500	126103	0	0	00	LOAN 00	29.93	88.88-
107.20	500	126105	0	0	00	LOAN 00	14.97	44.46-
107.20	500	126108	0	0	00	LOAN 00	14.97	44.46-
107.20	500	126109	0	0	00	LOAN 00	14.97	44.46-
107.20	500	126110	0	0	00	LOAN 00	14.97	44.46-
107.20	500	126111	0	0	00	LOAN 00	14.97	44.46-
107.20	500	126115	0	0	00	LOAN 00	14.97	44.46-
107.20	500	126116	0	0	00	LOAN 00	29.93	88.88-
107.20	500	126117	0	0	00	LOAN 00	29.93	88.88-
107.20	500	126132	0	0	00	LOAN 00	29.94	88.91-
107.20	500	126133	0	0	00	LOAN 00	14.97	44.46-
107.20	500	126134	0	0	00	LOAN 00	14.97	44.46-
107.20	500	126136	0	0	00	LOAN 00	14.97	44.46-
107.20	500	126140	0	0	00	LOAN 00	179.58	533.29-
107.20	500	126143	0	0	00	LOAN 00	29.94	88.91-
107.20	500	126145	0	0	00	LOAN 00	29.93	88.88-
107.20	500	126146	0	0	00	LOAN 00	29.94	88.91-
107.20	500	126149	0	0	00	LOAN 00	59.86	177.76-
107.20	600	109962	0	0	00	LOAN 00	106.44	316.09-
107.20	600	112317	0	0	00	LOAN 00	378.14	1,122.95-
107.20	600	116984	0	0	00	LOAN 00	589.25	1,749.88-
107.20	600	121408	0	0	00	LOAN 00	71.75	213.07-
107.20	600	125073	0	0	00	LOAN 00	1,510.29	4,485.06-
107.20	600	125138	0	0	00	LOAN 00	242.18	719.19-
107.20	600	125260	0	0	00	LOAN 00	248.87	739.06-
107.20	600	125361	0	0	00	LOAN 00	206.89	614.40-
107.20	600	125414	0	0	00	LOAN 00	1,790.94	5,318.50-
107.20	600	125422	0	0	00	LOAN 00	472.68	1,403.70-
107.20	600	125427	0	0	00	LOAN 00	3,659.08	10,866.26-
107.20	600	125471	0	0	00	LOAN 00	1,372.47	4,075.78-
107.20	600	125491	0	0	00	LOAN 00	459.15	1,363.52-

BENEFIT ACCT 224.18 OTHER LONG TERM DEBT-SBA/PPP PROJECT 0

LABOR ACCT	DEPT	JOB	VEHICLE	PROJECT	CO	ITEMID	LABOR AMOUNT	BENEFIT AMOUNT
107.20	600	125635	0	0	00	LOAN 00	412.67	1,225.49-
107.20	600	125731	0	0	00	LOAN 00	313.43	930.78-
107.20	600	125754	0	0	00	LOAN 00	659.89	1,959.66-
107.20	600	125760	0	0	00	LOAN 00	829.90	2,464.53-
107.20	600	125768	0	0	00	LOAN 00	425.74	1,264.31-
107.20	600	125769	0	0	00	LOAN 00	636.94	1,891.50-
107.20	600	125770	0	0	00	LOAN 00	825.34	2,450.99-
107.20	600	125771	0	0	00	LOAN 00	282.24	838.16-
107.20	600	125772	0	0	00	LOAN 00	235.07	698.08-
107.20	600	125773	0	0	00	LOAN 00	106.44	316.09-
107.20	600	125774	0	0	00	LOAN 00	53.23	158.08-
107.20	600	125779	0	0	00	LOAN 00	472.68	1,403.70-
107.20	600	125780	0	0	00	LOAN 00	602.53	1,789.32-
107.20	600	125791	0	0	00	LOAN 00	851.49	2,528.64-
107.20	600	125801	0	0	00	LOAN 00	53.23	158.08-
107.20	600	125811	0	0	00	LOAN 00	469.28	1,393.61-
107.20	600	125817	0	0	00	LOAN 00	679.21	2,017.03-
107.20	600	125822	0	0	00	LOAN 00	203.37	603.94-
107.20	600	125827	0	0	00	LOAN 00	661.75	1,965.18-
107.20	600	125830	0	0	00	LOAN 00	406.73	1,207.85-
107.20	600	125876	0	0	00	LOAN 00	16.44	48.82-
107.20	600	125877	0	0	00	LOAN 00	106.44	316.09-
107.20	600	125899	0	0	00	LOAN 00	2,546.28	7,561.61-
107.20	600	125900	0	0	00	LOAN 00	332.03	986.02-
107.20	600	125906	0	0	00	LOAN 00	1,037.48	3,080.97-
107.20	600	125907	0	0	00	LOAN 00	769.52	2,285.22-
107.20	600	125941	0	0	00	LOAN 00	90.94	270.06-
107.20	600	125944	0	0	00	LOAN 00	141.12	419.08-
107.20	600	125947	0	0	00	LOAN 00	567.22	1,684.46-
107.20	600	125958	0	0	00	LOAN 00	312.02	926.60-
107.20	600	125962	0	0	00	LOAN 00	162.69	483.14-
107.20	600	125972	0	0	00	LOAN 00	206.33	612.73-
107.20	600	125977	0	0	00	LOAN 00	212.87	632.15-
107.20	600	125983	0	0	00	LOAN 00	212.87	632.15-
107.20	600	125988	0	0	00	LOAN 00	156.71	465.38-
107.20	600	125990	0	0	00	LOAN 00	517.23	1,536.00-
107.20	600	125992	0	0	00	LOAN 00	106.44	316.09-
107.20	600	125993	0	0	00	LOAN 00	348.09	1,033.71-
107.20	600	126021	0	0	00	LOAN 00	378.14	1,122.95-
107.20	600	126032	0	0	00	LOAN 00	90.94	270.06-
107.20	600	126041	0	0	00	LOAN 00	162.69	483.14-
107.20	600	126045	0	0	00	LOAN 00	515.84	1,531.87-
107.20	600	126059	0	0	00	LOAN 00	212.87	632.15-
107.20	600	126067	0	0	00	LOAN 00	293.30	871.00-
107.20	600	126081	0	0	00	LOAN 00	435.33	1,292.79-
107.20	600	126104	0	0	00	LOAN 00	103.17	306.38-

BENEFIT ACCT 224.18 OTHER LONG TERM DEBT-SBA/PPP PROJECT 0

LABOR ACCT	DEPT	JOB	VEHICLE	PROJECT	CO	ITEMID	LABOR AMOUNT	BENEFIT AMOUNT
107.20	600	126140	0	0	00	LOAN 00	421.68	1,252.25-
107.20	600	126142	0	0	00	LOAN 00	35.15	104.38-
107.20	600	126145	0	0	00	LOAN 00	140.56	417.42-
107.20	600	126149	0	0	00	LOAN 00	210.86	626.18-
ACCOUNT TOTALS:							33,227.94	98,676.04-
108.00	400	0	0	0	00	LOAN 00	1,340.28	3,980.19-
108.00	500	0	0	0	00	LOAN 00	1,122.51	3,333.48-
108.00	600	0	0	0	00	LOAN 00	597.90-	1,775.57
ACCOUNT TOTALS:							1,864.89	5,538.10-
108.80	500	125512	0	0	00	LOAN 00	89.80	266.68-
108.80	500	125909	0	0	00	LOAN 00	14.97	44.46-
108.80	500	125938	0	0	00	LOAN 00	29.93-	88.88
108.80	500	125995	0	0	00	LOAN 00	29.93	88.88-
108.80	500	126006	0	0	00	LOAN 00	14.97	44.46-
108.80	500	126007	0	0	00	LOAN 00	14.97	44.46-
108.80	500	126008	0	0	00	LOAN 00	14.97	44.46-
108.80	500	126009	0	0	00	LOAN 00	14.97	44.46-
108.80	500	126010	0	0	00	LOAN 00	14.97	44.46-
108.80	500	126012	0	0	00	LOAN 00	29.94	88.91-
108.80	500	126013	0	0	00	LOAN 00	29.94	88.91-
108.80	500	126019	0	0	00	LOAN 00	14.97	44.46-
108.80	500	126020	0	0	00	LOAN 00	29.94	88.91-
108.80	500	126029	0	0	00	LOAN 00	14.97	44.46-
108.80	500	126030	0	0	00	LOAN 00	14.97	44.46-
108.80	500	126039	0	0	00	LOAN 00	29.94	88.91-
108.80	500	126044	0	0	00	LOAN 00	44.90	133.34-
108.80	500	126047	0	0	00	LOAN 00	14.97	44.46-
108.80	500	126048	0	0	00	LOAN 00	14.97	44.46-
108.80	500	126050	0	0	00	LOAN 00	29.94	88.91-
108.80	500	126052	0	0	00	LOAN 00	14.97	44.46-
108.80	500	126056	0	0	00	LOAN 00	14.97	44.46-
108.80	500	126057	0	0	00	LOAN 00	14.97	44.46-
108.80	500	126064	0	0	00	LOAN 00	14.97	44.46-
108.80	500	126068	0	0	00	LOAN 00	14.97	44.46-
108.80	500	126079	0	0	00	LOAN 00	29.94	88.91-
108.80	500	126080	0	0	00	LOAN 00	59.86	177.76-
108.80	500	126081	0	0	00	LOAN 00	44.90	133.34-
108.80	500	126082	0	0	00	LOAN 00	14.97	44.46-
108.80	500	126083	0	0	00	LOAN 00	14.97	44.46-
108.80	500	126085	0	0	00	LOAN 00	119.72	355.53-
108.80	500	126087	0	0	00	LOAN 00	14.97	44.46-
108.80	500	126088	0	0	00	LOAN 00	14.97	44.46-

BENEFIT ACCT 224.18 OTHER LONG TERM DEBT-SBA/PPP PROJECT 0

LABOR ACCT	DEPT	JOB	VEHICLE	PROJECT	CO	ITEMID	LABOR AMOUNT	BENEFIT AMOUNT
108.80	500	126089	0	0	00	LOAN 00	14.97	44.46-
108.80	500	126090	0	0	00	LOAN 00	14.97	44.46-
108.80	500	126091	0	0	00	LOAN 00	14.97	44.46-
108.80	500	126092	0	0	00	LOAN 00	14.97	44.46-
108.80	500	126093	0	0	00	LOAN 00	14.97	44.46-
108.80	500	126096	0	0	00	LOAN 00	29.93	88.88-
108.80	500	126097	0	0	00	LOAN 00	14.97	44.46-
108.80	500	126098	0	0	00	LOAN 00	14.97	44.46-
108.80	500	126102	0	0	00	LOAN 00	14.97	44.46-
108.80	500	126105	0	0	00	LOAN 00	14.97	44.46-
108.80	500	126108	0	0	00	LOAN 00	14.97	44.46-
108.80	500	126109	0	0	00	LOAN 00	14.97	44.46-
108.80	500	126110	0	0	00	LOAN 00	14.97	44.46-
108.80	500	126111	0	0	00	LOAN 00	14.97	44.46-
108.80	500	126115	0	0	00	LOAN 00	14.97	44.46-
108.80	500	126116	0	0	00	LOAN 00	29.93	88.88-
108.80	500	126132	0	0	00	LOAN 00	29.94	88.91-
108.80	500	126133	0	0	00	LOAN 00	14.97	44.46-
108.80	500	126134	0	0	00	LOAN 00	14.97	44.46-
108.80	500	126136	0	0	00	LOAN 00	14.97	44.46-
108.80	500	126140	0	0	00	LOAN 00	29.93	88.88-
108.80	500	126143	0	0	00	LOAN 00	29.94	88.91-
108.80	500	126145	0	0	00	LOAN 00	29.93	88.88-
108.80	500	126146	0	0	00	LOAN 00	29.94	88.91-
108.80	500	126149	0	0	00	LOAN 00	29.93	88.88-
108.80	600	125073	0	0	00	LOAN 00	313.43	930.78-
108.80	600	125491	0	0	00	LOAN 00	175.76	521.95-
108.80	600	125768	0	0	00	LOAN 00	212.88	632.18-
108.80	600	125770	0	0	00	LOAN 00	412.67	1,225.49-
108.80	600	125771	0	0	00	LOAN 00	141.12	419.08-
108.80	600	125772	0	0	00	LOAN 00	156.71	465.38-
108.80	600	125773	0	0	00	LOAN 00	106.44	316.09-
108.80	600	125774	0	0	00	LOAN 00	53.23	158.08-
108.80	600	125779	0	0	00	LOAN 00	189.07	561.48-
108.80	600	125791	0	0	00	LOAN 00	212.87	632.15-
108.80	600	125817	0	0	00	LOAN 00	48.83	145.01-
108.80	600	125830	0	0	00	LOAN 00	40.68	120.81-
108.80	600	125876	0	0	00	LOAN 00	61.91	183.85-
108.80	600	125945	0	0	00	LOAN 00	40.68	120.81-
108.80	600	125958	0	0	00	LOAN 00	104.01	308.88-
108.80	600	125962	0	0	00	LOAN 00	162.69	483.14-
108.80	600	125977	0	0	00	LOAN 00	106.44	316.09-
108.80	600	125983	0	0	00	LOAN 00	212.87	632.15-
108.80	600	125991	0	0	00	LOAN 00	106.44	316.09-
108.80	600	125992	0	0	00	LOAN 00	106.44	316.09-
108.80	600	126021	0	0	00	LOAN 00	94.54	280.75-

BENEFIT ACCT 224.18 OTHER LONG TERM DEBT-SBA/PPP PROJECT 0

LABOR ACCT	DEPT	JOB	VEHICLE	PROJECT	CO	ITEMID	LABOR AMOUNT	BENEFIT AMOUNT
108.80	600	126028	0	0	00	LOAN 00	206.33	612.73-
108.80	600	126036	0	0	00	LOAN 00	206.89	614.40-
108.80	600	126059	0	0	00	LOAN 00	106.44	316.09-
108.80	600	126070	0	0	00	LOAN 00	78.36	232.70-
108.80	600	126081	0	0	00	LOAN 00	145.11	430.93-
108.80	600	126104	0	0	00	LOAN 00	103.17	306.38-
108.80	600	126142	0	0	00	LOAN 00	35.15	104.38-
108.80	600	126149	0	0	00	LOAN 00	105.43	313.09-
ACCOUNT TOTALS:							5,378.77	15,973.29-
163.00	500	0	0	0	00	LOAN 00	329.23	977.70-
163.00	600	0	0	0	00	LOAN 00	877.46	2,605.77-
163.00	900	0	0	0	00	LOAN 00	5,125.00	15,219.56-
163.00	1000	0	0	0	00	LOAN 00	573.84	1,704.12-
ACCOUNT TOTALS:							6,905.53	20,507.15-
184.00	1000	0	0	0	00	LOAN 00	1,568.04	4,656.56-
ACCOUNT TOTALS:							1,568.04	4,656.56-
184.10	500	0	123	0	00	LOAN 00	269.37	799.94-
184.10	500	0	124	0	00	LOAN 00	59.86	177.76-
184.10	500	0	127	0	00	LOAN 00	239.44	711.06-
184.10	600	0	54	0	00	LOAN 00	32.61	96.84-
184.10	600	0	59	0	00	LOAN 00	256.58	761.96-
184.10	600	0	74	0	00	LOAN 00	135.10	401.20-
184.10	600	0	100	0	00	LOAN 00	220.71	655.44-
184.10	600	0	102	0	00	LOAN 00	22.74	67.53-
184.10	600	0	103	0	00	LOAN 00	263.11	781.35-
184.10	600	0	104	0	00	LOAN 00	209.02	620.72-
184.10	600	0	108	0	00	LOAN 00	493.49	1,465.50-
184.10	600	0	109	0	00	LOAN 00	636.92	1,891.44-
184.10	600	0	110	0	00	LOAN 00	302.57	898.53-
184.10	600	0	114	0	00	LOAN 00	580.47	1,723.80-
184.10	600	0	120	0	00	LOAN 00	22.74	67.53-
184.10	600	0	125	0	00	LOAN 00	443.51	1,317.08-
184.10	600	0	128	0	00	LOAN 00	169.03	501.96-
184.10	1000	0	10	0	00	LOAN 00	13.35	39.65-
184.10	1000	0	11	0	00	LOAN 00	13.35	39.65-
184.10	1000	0	13	0	00	LOAN 00	66.73	198.17-
184.10	1000	0	49	0	00	LOAN 00	720.63	2,140.03-
184.10	1000	0	54	0	00	LOAN 00	26.69	79.26-
184.10	1000	0	57	0	00	LOAN 00	153.47	455.76-
184.10	1000	0	59	0	00	LOAN 00	100.09	297.23-

BENEFIT ACCT 224.18 OTHER LONG TERM DEBT-SBA/PPP PROJECT 0

LABOR ACCT	DEPT	JOB	VEHICLE	PROJECT	CO	ITEMID	LABOR AMOUNT	BENEFIT AMOUNT
184.10	1000	0	61	0	00	LOAN 00	26.69	79.26-
184.10	1000	0	70	0	00	LOAN 00	133.45	396.30-
184.10	1000	0	96	0	00	LOAN 00	33.37	99.10-
184.10	1000	0	101	0	00	LOAN 00	40.04	118.91-
184.10	1000	0	102	0	00	LOAN 00	280.25	832.25-
184.10	1000	0	104	0	00	LOAN 00	26.69	79.26-
184.10	1000	0	106	0	00	LOAN 00	93.42	277.43-
184.10	1000	0	108	0	00	LOAN 00	286.92	852.06-
184.10	1000	0	114	0	00	LOAN 00	260.23	772.80-
184.10	1000	0	116	0	00	LOAN 00	26.69	79.26-
184.10	1000	0	117	0	00	LOAN 00	40.04	118.91-
184.10	1000	0	119	0	00	LOAN 00	26.69	79.26-
184.10	1000	0	120	0	00	LOAN 00	60.06	178.36-
184.10	1000	0	123	0	00	LOAN 00	80.07	237.78-
184.10	1000	0	125	0	00	LOAN 00	133.45	396.30-
184.10	1000	0	127	0	00	LOAN 00	66.73	198.17-
184.10	1000	0	128	0	00	LOAN 00	93.42	277.43-
ACCOUNT TOTALS:							7,159.79	21,262.23-
580.00	10	0	0	0	00	LOAN 00	6,529.50	19,390.46-
580.00	20	0	0	0	00	LOAN 00	2,200.26	6,534.05-
580.00	500	0	0	0	00	LOAN 00	1,684.60	5,002.71-
580.00	800	0	0	0	00	LOAN 00	1,261.65	3,746.68-
ACCOUNT TOTALS:							11,676.01	34,673.90-
583.00	20	0	0	0	00	LOAN 00	4,998.18	14,842.95-
583.00	100	0	0	0	00	LOAN 00	6,036.64	17,926.83-
583.00	400	0	0	0	00	LOAN 00	225.20	668.77-
583.00	500	0	0	0	00	LOAN 00	15,773.11	46,840.94-
583.00	600	0	0	0	00	LOAN 00	2,931.90	8,706.78-
583.00	800	0	0	0	00	LOAN 00	5,600.16	16,630.63-
ACCOUNT TOTALS:							35,565.19	105,616.90-
586.00	500	0	0	0	00	LOAN 00	9,457.90	28,086.85-
586.00	600	0	0	0	00	LOAN 00	403.14	1,197.19-
586.00	800	0	0	0	00	LOAN 00	6,140.53	18,235.35-
ACCOUNT TOTALS:							16,001.57	47,519.39-
587.00	500	0	0	0	00	LOAN 00	29.93	88.88-
ACCOUNT TOTALS:							29.93	88.88-



BENEFIT ACCT 224.18 OTHER LONG TERM DEBT-SBA/PPP PROJECT 0

LABOR ACCT	DEPT	JOB	VEHICLE	PROJECT	CO	ITEMID	LABOR AMOUNT	BENEFIT AMOUNT
590.00	10	0	0	0	00	LOAN 00	2,480.87	7,367.37-
590.00	20	0	0	0	00	LOAN 00	2,151.56	6,389.42-
590.00	500	0	0	0	00	LOAN 00	1,684.63	5,002.80-
ACCOUNT TOTALS:							6,317.06	18,759.59-
593.00	100	0	0	0	00	LOAN 00	2,554.75	7,586.77-
593.00	500	0	0	0	00	LOAN 00	17,809.15	52,887.30-
593.00	600	0	0	0	00	LOAN 00	13,323.58	39,566.64-
593.00	700	0	0	0	00	LOAN 00	5,333.34	15,838.26-
ACCOUNT TOTALS:							39,020.82	115,878.97-
594.00	500	0	0	0	00	LOAN 00	29.93	88.88-
594.00	600	0	0	0	00	LOAN 00	412.67	1,225.49-
ACCOUNT TOTALS:							442.60	1,314.37-
597.00	600	0	0	0	00	LOAN 00	45.47	135.03-
ACCOUNT TOTALS:							45.47	135.03-
598.00	500	0	0	0	00	LOAN 00	119.72	355.53-
598.00	600	0	0	0	00	LOAN 00	64.77	192.35-
ACCOUNT TOTALS:							184.49	547.88-
902.00	600	0	0	0	00	LOAN 00	1,240.65	3,684.32-
902.00	800	0	0	0	00	LOAN 00	2,951.68	8,765.52-
ACCOUNT TOTALS:							4,192.33	12,449.84-
903.00	100	0	0	0	00	LOAN 00	27,924.23	82,925.76-
903.00	500	0	0	0	00	LOAN 00	59.86	177.76-
ACCOUNT TOTALS:							27,984.09	83,103.52-
907.00	100	0	0	0	00	LOAN 00	6,591.66	19,575.06-
ACCOUNT TOTALS:							6,591.66	19,575.06-
920.00	10	0	0	0	00	LOAN 00	2,607.39	7,743.09-
920.00	100	0	0	0	00	LOAN 00	7,366.15	21,875.04-
920.00	200	0	0	0	00	LOAN 00	15,151.10	44,993.77-
920.00	300	0	0	0	00	LOAN 00	4,368.16	12,972.00-
ACCOUNT TOTALS:							29,492.80	87,583.90-

BENEFIT ACCT 224.18 OTHER LONG TERM DEBT-SBA/PPP PROJECT 0

LABOR ACCT	DEPT	JOB	VEHICLE	PROJECT	CO	ITEMID	LABOR AMOUNT	BENEFIT AMOUNT
935.00	400	0	0	0	00	LOAN 00	1,670.50	4,960.83-
935.00	600	0	0	0	00	LOAN 00	462.70	1,374.07-
935.00	800	0	0	0	00	LOAN 00	4,013.04	11,917.41-
935.00	1000	0	0	0	00	LOAN 00	186.83	554.67-
ACCOUNT TOTALS:							6,333.07	18,806.98-
GRAND TOTALS:							297,296.81	882,873.52-

GRAND TOTALS

BENEFIT ACCT	DESCRIPTION	LABOR AMOUNT	BENEFIT AMOUNT
224.18	OTHER LONG TERM DEBT-SBA/PPP	297,296.81	882,873.52-
		TOTAL BENEFIT AMOUNT:	882,873.52-

Client: **05445 - Taylor County Rural Electric Cooperative**  
 Engagement: **2021 - Taylor County Rural Electric Cooperative**  
 Period Ending: **5/31/2021**  
 Trial Balance: **G01.01 - Taylor County Rural Electric Cooperative**  
 Workpaper: **G02.01 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries</b>				
<b>Adjusting Journal Entries JE # 3</b>				
To adjust for PPP funds allocated.				
107.20	Work Orders		289,389.13	
108.8	RETIREMENT WORK-IN-PROGRESS		21,511.39	
184.10	TRANSPORTATION CLEARING		25,918.79	
580	OPERATION-SUPERVISION		34,673.90	
583	OVERHEAD LINE EXPENSE		105,616.90	
586	METER EXPENSE		47,519.39	
587	CONSUMER INSTALLATION EXPENSE		88.88	
590	MAINT, SUPERVISION & ENG		18,759.59	
593	MAINT OF OVERHEAD LINES		115,878.97	
594	MAINT OF UNDERGROUND LINES		1,314.37	
597	MAINTENANCE OF METERS		135.03	
598	MAINT OF MISC PLANT DIST		547.88	
902	METER READING EXPENSE		12,449.84	
903	CONS RECORDS & COLLECTION		83,103.52	
907	SUPERVISION (MSE)		19,575.06	
920	ADM & GEN SALARIES		87,583.90	
935	MAINTENANCE OF GENERAL PLANT		18,806.98	
421.0	MISCELLANEOUS NONOPERATING INCOME			882,873.52
<b>Total</b>			<b>882,873.52</b>	<b>882,873.52</b>
<b>Total Adjusting Journal Entries</b>			<b>882,873.52</b>	<b>882,873.52</b>
<b>Total All Journal Entries</b>			<b>882,873.52</b>	<b>882,873.52</b>

GL# 107.20 applied to 107.00 5/31/21; spread in August Month End Processing  
 GL# 108.80 applied to 108.00 5/31/21; spread in August Month End Processing  
 GL #184.10 applied to 184.00 5/31/21; spread in August Month End Processing  
 Expense Accounts adjusted 5/31/21.

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 133**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 133.** SERP. Refer to the Application generally. Provide the amount of Supplemental Executive Retirement Plan ("SERP") included in the test year, the adjusted test year, and each of the years 2018, 2019, 2020, 2021, and 2022.

**Response 133.** There is no SERP plan at Taylor County RECC.

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 134**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 134.** SERP. Refer to the Application generally. Describe the benefits provided by Taylor County RECC's SERP plan.

**Response 134.** There is no SERP plan at Taylor County RECC.

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 135**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 135.** SERP. Refer to the Application generally. Identify both the number of employees eligible for SERP and the number of employees ineligible for SERP for each of the years 2018, 2019, 2020, 2021, and 2022.

**Response 135.** There is no SERP plan at Taylor County RECC.

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 136**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 136.** SERP. Refer to the Application generally. Explain how eligibility for SERP is determined.

**Response 136.** There is no SERP plan at Taylor County RECC.



**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 137**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 137.** Severance Pay. Refer to the Application generally. Provide the amount of severance pay included in the test year, the adjusted test year, and each of the years 2018, 2019, 2020, 2021, and 2022.

**Response 137.** Taylor County RECC did not have any severance pay for 2018, 2019, 2020, 2021 or 2022.

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 138**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 138.** Student Loan Repayment Expenses. Refer to the Application generally.

Does Taylor County RECC offer repayment of student loans as a benefit to employees? If so:

- a. Provide a detailed description of the program and which employees are eligible for the benefit.
- b. Provide the amount of student loan repayment expenses included in the test year, the adjusted test year and each of the years 2018, 2019, 2020, 2021, and 2022.

**Response 138a.** Please see below explanation:

ARTICLE XXIV

Miscellaneous

**SECTION 7.** Educational Assistance Program.

In order to actively encourage employees to take advantage of educational opportunities and to provide for individual growth and potential advancement, financial assistance will be made available under the following circumstances:

- (1) Eligibility -- All regular full-time employees.
- (2) Effective Date -- After completion of the probationary period provided for in this Agreement.
- (3) Covered Educational Programs -- Courses which improve employee effectiveness under their present assignments and/or qualify an employee for promotion and such courses are taken on the employees' own time outside of regularly scheduled working hours.
- (4) Expenses Eligible for Reimbursement -- Tuition for all approved courses completed with a grade "C" or better, or if the course is not graded on a letter basis but on a "pass-fail" basis, the employee receives a "pass" grade.
- (5) Reimbursed Amount -- Fifty percent (50%) of the expenses for tuition after completion of the course and upon presentation to the Manager of proof of the grade and paid receipts for such tuition.
- (6) Application Procedure --
  - (a) Employee must complete an application for course approval in sufficient time to obtain necessary approval prior to course registration and provide such application to his supervisor;
  - (b) Approval by the employee's immediate supervisor; and
  - (c) Final approval, in writing, by the Manager.

(a) Employee must complete the application for course approval in sufficient time to obtain necessary approval prior to course registration and provide such application to his supervisor;

(b) Approval by the employee's immediate supervisor; and

(c) Final approval, in writing, by the Manager.

**Response 138b.** Taylor County did not have any student loan repayment expenses for the years 2018, 2019, 2020, 2021, and 2022.

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 139**

**RESPONSIBLE PARTY: John Wolfram**

**Request 139.** Surcharge Amounts. Refer to the Wolfram Testimony, Exhibit JW-2, Schedules 1.01 and 1.02. If the revenues and expenses are being removed from the revenue requirement in this case, explain why Fuel Adjustment Clause adjustment is positive and the Environmental Surcharge is negative.

**Response 139.** Taylor County RECC cannot provide a detailed explanation. The Fuel Adjustment Clause ("FAC") and the Environmental Surcharge ("ES") are both assigned to Taylor County RECC monthly by East Kentucky Power Cooperative ("EKPC"). Each can vary by month and each can swing from positive values to negative values based on drivers supported by EKPC in its FAC and ES filings.

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 140**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 140.** Temporary Help. Refer to the Application generally. Provide the amount of temporary help expense for each of the years 2018, 2019, 2020, 2021, and 2022, the test year, and the adjusted test year.

**Response 140.** Please see attached schedule. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.

ATTACHMENTS  
ARE EXCEL  
SPREADSHEETS  
AND UPLOADED  
SEPARATELY

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 141**

**RESPONSIBLE PARTY: John Wolfram**

**Request 141.** Trackers and Surcharges. Refer to the Application generally. Identify all surcharges, trackers and mechanisms approved by the Commission and utilized by the utility. Identify the Docket Number in which the surcharge/tracker/balancing account was initially approved, and a description of the costs/revenues being recovered via the surcharge/tracker/mechanism.

**Response 141.** See Taylor County RECC's approved tariff, on file with the Commission and publicly available at:

<https://psc.ky.gov/tariffs/Electric/Taylor%20County%20RECC/Tariff.pdf>



**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 142**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 142.** Training Expense. Refer to the Application generally. Provide the amount of employee training expense included in the test year, adjusted test year, and each of the years 2018, 2019, 2020, 2021, and 2022. Provide a description of the types and purpose of the training conducted each year.

**Response 142.** Please see attached schedule. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.

ATTACHMENTS  
ARE EXCEL  
SPREADSHEETS  
AND UPLOADED  
SEPARATELY

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 143**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 143.** Uncollectibles. Refer to Taylor County RECC's response to the Commission First Request, Item 42. Provide an updated Exhibit 42 to include 2022 data.

**Response 143.** Please see attached schedule. The attachment is an excel spreadsheet that is being uploaded into the Commission's electronic filing system separately.

ATTACHMENTS  
ARE EXCEL  
SPREADSHEETS  
AND UPLOADED  
SEPARATELY

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 144**

**RESPONSIBLE PARTY: John Wolfram**

**Request 144.** Vacancy Adjustment. Refer to the Application generally. Did the Company apply a vacancy adjustment to its adjusted test year payroll expense? If so, provide the amount and all supporting calculations. If not, explain why not.

**Response 144.** The cooperative did not apply a vacancy adjustment to payroll expense; it is our understanding that this kind of adjustment is atypical for distribution cooperative rate filings. Current headcount is 58 and the Organizational Chart contains 60 employees. Please see our response to AG 1 – 103. The adjusted Test Year contains 57 employees

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 145**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 145.** Variance Reports. Refer to the Application generally. Provide copies of each written operating budget variance report and variance explanation used by Taylor County RECC management to monitor and control budgets under his or her responsibility. Provide for each month of 2020, 2021, 2022, and 2023 year-to-date.

**Response 145.** Please see attached reports.

TAYLOR COUNTY RECC  
PRG. BUDOPBST

BUDGET TO ACTUAL COMPARISON  
FROM 01/20 THRU 12/20

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PART A. STATEMENT OF OPERATIONS/BUDGET

LINE NO		ACTUAL ANNUAL AMOUNT	BUDGET AMOUNT	DIFFERENCE	% CHANGE FROM ACTUAL
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	43,720,677.56	48,100,757.00	4,380,079.44	10.0
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.0
3.0	COST OF PURCHASED POWER.....	33,254,997.00-	36,943,706.00-	3,688,709.00-	11.1
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.0
5.0	REGIONAL MARKET OPERATIONS EXPENSE.....	.00	.00	.00	.0
6.0	DISTRIBUTION EXPENSE-OPERATION.....	1,921,673.51-	2,127,285.00-	205,611.49-	10.7
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	1,972,675.12-	1,994,805.00-	22,129.88-	1.1
8.0	CONSUMER ACCOUNTS EXPENSE.....	1,153,140.49-	1,252,046.00-	98,905.51-	8.6
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.	96,854.19-	140,124.00-	43,269.81-	44.7
10.0	SALES EXPENSE.....	.00	.00	.00	.0
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	1,415,183.32-	1,771,014.00-	355,830.68-	25.1
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	39,814,523.63-	44,228,980.00-	4,414,456.37-	11.1
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	3,102,798.71-	3,086,700.00-	16,098.71	.5-
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	.00	.00	.00	.0
15.0	TAX EXPENSE - OTHER.....	55,561.87-	64,800.00-	9,238.13-	16.6
16.0	INTEREST ON LONG TERM DEBT.....	730,070.69-	960,000.00-	229,929.31-	31.5
17.0	INTEREST CHARGED TO CONSTRUCTION CREDIT	.00	.00	.00	.0
18.0	INTEREST EXPENSE - OTHER.....	45,497.57-	48,000.00-	2,502.43-	5.5
19.0	OTHER DEDUCTIONS.....	.00	.00	.00	.0
20.0	TOTAL COST OF ELECTRIC SERVICE.....	43,748,452.47-	48,388,480.00-	4,640,027.53-	10.6
21.0	PATRONAGE CAPITAL & OPERATING MARGINS....	27,774.91 -	287,723.00-	259,948.09-	935.9
22.0	NON OPERATING MARGINS - INTEREST.....	89,998.14	.00	89,998.14-	100.0
23.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.0
24.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.0
25.0	NON OPERATING MARGINS - OTHER.....	35,044.54-	.00	35,044.54	100.0-
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	1,197,349.50	.00	1,197,349.50-	100.0
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	107,033.70	.00	107,033.70-	100.0
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.0
29.0	PATRONAGE CAPITAL OR MARGINS.....	1,331,561.89	287,723.00-	1,619,284.89-	121.6-
RATIOS					
TIER		2.824	.700		
MARGINS TO REVENUE		.030	.006		
POWER COST TO REVENUE		.761	.768		
INTEREST EXPENSE TO REVENUE		.017	.020		
CURRENT ASSETS : CURRENT LIABILITIES		.0000			
MARGINS & EQUITIES AS % OF ASSETS		.0000			
LONG TERM DEBT AS % OF PLANT		.0096			
TOTAL PLANT : GENERAL FUNDS		5.0247			
QUICK ASSET RATIO		.0000			
MARGINS & EQUITIES : LONG-TERM DEBT-RUS		.2305			
MARGINS & EQUITIES : TOTAL DEBT		4.7676			

TAYLOR COUNTY RECC  
 PRG. BUDOPBST

BUDGET TO ACTUAL COMPARISON  
 FROM 01/21 THRU 12/21

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PART A. STATEMENT OF OPERATIONS/BUDGET

LINE NO	ACTUAL ANNUAL AMOUNT	BUDGET AMOUNT	DIFFERENCE	% CHANGE FROM ACTUAL	
1.0	49,335,742.41	47,062,291.00	2,273,451.41-	4.6-	
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.0	
3.0	COST OF PURCHASED POWER.....	38,800,021.00-	35,604,114.00-	3,195,907.00	8.2-
4.0	TRANSMISSION EXPENSE.....	.00	.00	.0	
5.0	REGIONAL MARKET OPERATIONS EXPENSE.....	.00	.00	.0	
6.0	DISTRIBUTION EXPENSE-OPERATION.....	2,266,759.68-	2,233,149.00-	33,610.68	1.5-
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	2,646,181.00-	2,197,106.00-	449,075.00	17.0-
8.0	CONSUMER ACCOUNTS EXPENSE.....	1,288,345.11-	1,333,969.00-	45,623.89-	3.5
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.....	139,609.52-	153,738.00-	14,128.48-	10.1
10.0	SALES EXPENSE.....	.00	.00	.0	
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	1,683,907.26-	1,804,409.00-	120,501.74-	7.2
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	46,824,823.57-	43,326,485.00-	3,498,338.57	7.5-
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	3,259,870.44-	3,218,700.00	41,170.44	1.3-
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	.00	.00	.0	
15.0	TAX EXPENSE - OTHER.....	47,600.84-	64,800.00-	17,199.16-	36.1
16.0	INTEREST ON LONG TERM DEBT.....	642,669.77-	960,000.00-	317,330.23-	49.4
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.0
18.0	INTEREST EXPENSE - OTHER.....	27,056.93-	48,000.00-	20,943.07-	77.4
19.0	OTHER DEDUCTIONS.....	.00	.00	.00	.0
20.0	TOTAL COST OF ELECTRIC SERVICE.....	50,802,021.55-	47,617,985.00-	3,184,036.55	6.3-
21.0	PATRONAGE CAPITAL & OPERATING MARGINS....	1,466,279.14-	555,694.00-	910,585.14	62.1-
22.0	NON OPERATING MARGINS - INTEREST.....	31,810.97	.00	31,810.97-	100.0
23.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.0
24.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.0
25.0	NON OPERATING MARGINS - OTHER.....	842,192.73	.00	842,192.73-	100.0
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	462,219.04	.00	462,219.04-	100.0
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	131,606.02	.00	131,606.02-	100.0
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.0
29.0	PATRONAGE CAPITAL OR MARGINS.....	1,549.62	555,694.00-	557,243.62-	960.0-
RATIOS					
TIER	1.002	.421			
MARGINS TO REVENUE	.000	.012			
POWER COST TO REVENUE	.786	.757			
INTEREST EXPENSE TO REVENUE	.013	.020			
CURRENT ASSETS : CURRENT LIABILITIES	.0000				
MARGINS & EQUITIES AS % OF ASSETS	.0000				
LONG TERM DEBT AS % OF PLANT	.0036				
TOTAL PLANT : GENERAL FUNDS	3.6375				
QUICK ASSET RATIO	.0000				
MARGINS & EQUITIES : LONG-TERM DEBT-RUS	.2179				
MARGINS & EQUITIES : TOTAL DEBT	11.2920				



TAYLOR COUNTY RECC  
PRG. BUDOPBST

BUDGET TO ACTUAL COMPARISON  
FROM 01/22 THRU 12/22

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PART A. STATEMENT OF OPERATIONS/BUDGET

LINE NO		ACTUAL ANNUAL AMOUNT	BUDGET AMOUNT	DIFFERENCE	% CHANGE FROM ACTUAL
1.0	OPERATING REVENUE & PATRONAGE CAPITAL....	60,738,229.72	49,359,164.00	11,379,065.72-	18.7-
2.0	POWER PRODUCTION EXPENSE.....	.00	.00	.00	.0
3.0	COST OF PURCHASED POWER.....	49,401,903.00-	37,973,054.00-	11,428,849.00	23.1-
4.0	TRANSMISSION EXPENSE.....	.00	.00	.00	.0
5.0	REGIONAL MARKET OPERATIONS EXPENSE.....	.00	.00	.00	.0
6.0	DISTRIBUTION EXPENSE-OPERATION.....	2,275,848.80-	2,237,557.00-	38,291.80	1.7-
7.0	DISTRIBUTION EXPENSE-MAINTENANCE.....	3,536,812.82-	2,630,709.00-	906,103.82	25.6-
8.0	CONSUMER ACCOUNTS EXPENSE.....	1,196,292.54-	1,341,956.00-	145,663.46-	12.2
9.0	CUSTOMER SERVICE & INFORMATIONAL EXPENSE.	158,159.70-	159,239.00-	1,079.30-	.7
10.0	SALES EXPENSE.....	.00	.00	.00	.0
11.0	ADMINISTRATIVE & GENERAL EXPENSE.....	1,941,226.42-	1,808,651.00-	132,575.42	6.8-
12.0	TOTAL OPERATIONS & MAINTENANCE EXPENSE...	58,510,243.28-	46,151,166.00-	12,359,077.28	21.1-
13.0	DEPRECIATION & AMORTIZATION EXPENSE.....	3,370,954.87-	3,357,000.00-	13,954.87	.4-
14.0	TAX EXPENSE - PROPERTY & GROSS RECEIPTS..	.00	.00	.00	.0
15.0	TAX EXPENSE - OTHER.....	42,402.88-	64,800.00-	22,397.12-	52.8
16.0	INTEREST ON LONG TERM DEBT.....	812,136.09-	960,000.00-	147,863.91-	18.2
17.0	INTEREST CHARGED TO CONSTRUCTION - CREDIT	.00	.00	.00	.0
18.0	INTEREST EXPENSE - OTHER.....	32,114.60-	48,000.00-	15,885.40-	49.5
19.0	OTHER DEDUCTIONS.....	.00	.00	.00	.0
20.0	TOTAL COST OF ELECTRIC SERVICE.....	62,767,851.72-	50,580,966.00-	12,186,885.72	19.4-
21.0	PATRONAGE CAPITAL & OPERATING MARGINS....	2,029,622.00-	1,221,802.00-	807,820.00	39.8-
22.0	NON OPERATING MARGINS - INTEREST.....	12,469.47	.00	12,469.47-	100.0
23.0	ALLOW. FOR FUNDS USED DURING CONSTRUCTION	.00	.00	.00	.0
24.0	INCOME (LOSS) FROM EQUITY INVESTMENTS....	.00	.00	.00	.0
25.0	NON OPERATING MARGINS - OTHER.....	7,789.46-	.00	7,789.46	100.0-
26.0	GENERATION & TRANSMISSION CAPITAL CREDITS	1,717,145.51	.00	1,717,145.51-	100.0
27.0	OTHER CAPITAL CREDITS & PATRONAGE DIVID..	161,336.83	.00	161,336.83-	100.0
28.0	EXTRAORDINARY ITEMS.....	.00	.00	.00	.0
29.0	PATRONAGE CAPITAL OR MARGINS.....	146,459.65-	1,221,802.00-	1,075,342.35-	734.2
RATIOS					
	TIER	.820	.273-		
	MARGINS TO REVENUE	.002	.025		
	POWER COST TO REVENUE	.813	.769		
	INTEREST EXPENSE TO REVENUE	.013	.019		
	CURRENT ASSETS : CURRENT LIABILITIES	.0000			
	MARGINS & EQUITIES AS % OF ASSETS	.0000			
	LONG TERM DEBT AS % OF PLANT	.0035			
	TOTAL PLANT : GENERAL FUNDS	3.8511			
	QUICK ASSET RATIO	.0000			
	MARGINS & EQUITIES ; LONG-TERM DEBT-RUS	.2051			
	MARGINS & EQUITIES : TOTAL DEBT	10.3498			

TAYLOR COUNTY RECC  
PRG. BUDOPBST

BUDGET TO ACTUAL COMPARISON  
FROM 01/23 THRU 05/23

PAGE 1  
RUN DATE 07/15/23 12:36 PM

PART A. STATEMENT OF OPERATIONS/BUDGET

LINE NO	ACTUAL ANNUAL AMOUNT	BUDGET AMOUNT	DIFFERENCE	% CHANGE FROM ACTUAL
1.0	24,846,977.17	27,337,946.00	2,490,968.83	10.0
2.0	.00	.00	.00	.0
3.0	20,278,272.00-	22,317,033.00-	2,038,761.00-	10.1
4.0	.00	.00	.00	.0
5.0	.00	.00	.00	.0
6.0	1,040,812.34-	1,015,124.00-	25,688.34	2.5-
7.0	3,694,554.16-	2,834,899.00-	859,655.16	23.3-
8.0	567,168.25-	704,601.00-	137,432.75-	24.2
9.0	65,180.80-	74,618.00-	9,437.20-	14.5
10.0	.00	.00	.00	.0
11.0	931,089.66-	1,030,583.00-	99,493.34-	10.7
12.0	26,577,077.21-	27,976,858.00-	1,399,780.79-	5.3
13.0	1,448,376.14-	1,412,500.00-	35,876.14	2.5-
14.0	.00	.00	.00	.0
15.0	11,389.98-	27,000.00-	15,610.02-	137.1
16.0	441,112.20-	600,000.00-	158,887.80-	36.0
17.0	.00	.00	.00	.0
18.0	119,807.37-	20,000.00-	99,807.37	83.3-
19.0	.00	.00	.00	.0
20.0	28,597,762.90-	30,036,358.00-	1,438,595.10-	5.0
21.0	3,750,785.73-	2,698,412.00-	1,052,373.73	28.1-
22.0	13,297.33	.00	13,297.33-	100.0
23.0	.00	.00	.00	.0
24.0	.00	.00	.00	.0
25.0	.00	.00	.00	.0
26.0	.00	.00	.00	.0
27.0	57,162.86	.00	57,162.86-	100.0
28.0	.00	.00	.00	.0
29.0	3,680,325.54-	2,698,412.00-	981,913.54	26.7-
<b>RATIOS</b>				
TIER	7.343-	3.497-		
MARGINS TO REVENUE	.148	.099		
POWER COST TO REVENUE	.816	.816		
INTEREST EXPENSE TO REVENUE	.018	.022		
CURRENT ASSETS : CURRENT LIABILITIES	.0000			
MARGINS & EQUITIES AS % OF ASSETS	.0000			
LONG TERM DEBT AS % OF PLANT	.0035			
TOTAL PLANT : GENERAL FUNDS	3.5518			
QUICK ASSET RATIO	.0000			
MARGINS & EQUITIES : LONG-TERM DEBT-RUS	.1986			
MARGINS & EQUITIES : TOTAL DEBT	9.7508			

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 146**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 146.** Variances. Refer to the Wolfram Testimony, Exhibit JW-2 page 1, and the Application, Exhibit 29. Explain the reason for the variances in spending between the test year budget and Actual test year 2021 amounts (Col 2) for the following:

- a. Distribution Expense – Maintenance.
- b. Administrative & General Expense
- c. Depreciation
- d. Interest on long term debt.

**Response 146 a-d.** The test year budget includes pro forma adjustments.

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 147**

**RESPONSIBLE PARTY: Patsy Walters**

**Request 147.** Workpapers. Refer to the Application generally. Provide all workpapers Taylor County RECC utilized in preparing its filing, not previously filed in the pending case. Provide the workpapers in electronic format, with all formulas and calculations intact.

**Response 147.** There are no further workpapers.

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 148**

**RESPONSIBLE PARTY: John Wolfram**

**Request 148.** Working Capital. Refer to the Application, Exhibit 15.

- a. Provide the workpapers and calculations supporting the test year amount of working capital.
- b. Explain all changes in methodology in deriving the working capital in the current case from the previous rate case.

**Response 148a.** See Wolfram Direct Testimony, Exhibit JW-4, page 7 of 28. Working capital is the sum of Cash Working Capital, Materials & Supplies, and Prepayments. Cash Working Capital is 1/8 of total O&M less purchased power. Materials & Supplies and Prepayments are both 13-month average values.

**Response 148b.** None.

**TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

**PSC CASE NO. 2023-00147**

**RESPONSE TO REQUEST FOR INFORMATION**

**OAG'S REQUEST FOR INFORMATION DATED 7/05/23**

**REQUEST 149**

**RESPONSIBLE PARTY: John Wolfram**

**Request 149.** Year-end Customers. Refer to the Wolfram Testimony, Exhibit JW-2, Schedule 1.06. Provide the supporting calculations and documents showing how the total purchased power kWh on line 45 was derived.

**Response 149.** This amount is taken directly from the wholesale power bills. See Wolfram Direct Testimony, Exhibit JW-7, page 1, line 38.