

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

**ATTORNEY GENERAL’S FIRST REQUEST FOR INFORMATION TO
TAYLOR COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION**

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, through his Office of Rate Intervention (“Attorney General”), and submits the First Request for Information to Taylor County Rural Electric Cooperative Corporation (hereinafter “Taylor County RECC” or the “Company”) to be answered by July 19, 2023, and in accord with the following:

- (1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate requested item will be deemed a satisfactory response.
- (2) Identify the witness who will be prepared to answer questions concerning each request.
- (3) Repeat the question to which each response is intended to refer.
- (4) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.
- (5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that

the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

(6) If you believe any request appears confusing, please request clarification directly from undersigned Counsel for the Office of Attorney General.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout, which would not be self-evident to a person not familiar with the printout.

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, notify the Office of the Attorney General as soon as possible, and in accordance with Commission direction.

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

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

(11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the

control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

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

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

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

Respectfully submitted,

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Certificate of Service and Filing

Pursuant to the Commission's Orders and in accord with all other applicable law, Counsel certifies that the foregoing electronic filing was transmitted to the Commission on July 5, 2023, and there are currently no parties that the Commission has excused from participation by electronic means in this proceeding.

This 5th day of July, 2023,



Assistant Attorney General

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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.
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.

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- 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%. ¹

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

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

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

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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.
4. Refer to the Application generally. Provide the following information for Taylor County RECC employees.
- a. Provide the position title and wages for each non-salaried employee for the years 2013 – 2023.
 - b. Provide the average raise provided to the non-salaried employees for the years 2013 – 2023. Ensure to explain whether the annual raise is directly connected to a performance review.
 - c. Provide the average bonus provided to the non-salaried employees for the years 2013 – 2023.
 - d. Provide all awards given to the non-salaried employees for the years 2013 – 2023.
 - e. Provide all vehicle allowances given to the non-salaried employees for the years 2013 – 2023.
 - f. Provide all incentive compensation given to the non-salaried employees for the years 2013 – 2023.
 - g. Provide the average raise, if any, which will be given to non-salaried employees for 2024.

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

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- 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.
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.
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.
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.
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.
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.

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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.
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.
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.
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.² If not confirmed, explain why not in detail.
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.

² 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.

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- 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.
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 1st 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.³ 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.

³<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>.

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- 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.
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.
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.

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- 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.
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.

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- 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.

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 Kentucky 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.

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.

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- b. Provide Taylor County RECC's rate structure in comparison to its lender requirements for the years 2013 – 2023.
- 22. Refer to the Application, Exhibit 4. Explain the Residential Marketing Rate – Schedule R-1 in detail.
- 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.
- 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.

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- 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.
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.
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.
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.
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

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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.

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

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- 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

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pays for each payment type, as well as all fees assessed to the member customers for each payment type.

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.
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.
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.

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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%.⁴

⁴ https://www.bls.gov/news.release/archives/ebs2_09222022.htm, Table 3.

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- 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%.⁵
 - 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.
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.
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.

⁵ https://www.bls.gov/news.release/archives/ebs2_09222022.htm, Table 4.

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- 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.
37. Refer to the Walters Testimony, Exhibit PW-1. Provide an updated Exhibit PW-1 to include the years 2022 and 2023.
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.
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.⁶ If not, explain in detail why not.

⁶ 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.

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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.
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.
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.
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.
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.
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.

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- 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.
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.
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.
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.
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.
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.
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

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12/31/2022 are used to calculate depreciation expense. Provide an updated schedule showing the 12/31/2021 balances.

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.

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.⁷

- 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,
 4. the annual adjusted test year depreciation expense using the rates in 1, 2, and 3.

54. Depreciation Expense. Refer to the Application generally.

- a. Provide the annual depreciation expense that was authorized in the last rate case.⁸

⁷ Case No. 2012-00023, *Application of Taylor County Rural Electric Cooperative Corporation for an Adjustment of Rates* (Ky. PSC Mar. 26, 2013).

⁸ *Id.*

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- b. Provide the annual actual depreciation expense for each year 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, and 2022.

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.

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.

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.

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- 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.

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.

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.

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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%.
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.
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.
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.
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.
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

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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.

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.

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.

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.

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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.
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.
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.
72. Health Insurance Contributions. Refer to the Commission's final Order in Case No. 2021-00407, page 9.⁹ 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.

⁹ 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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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.
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.
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.
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.
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.
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.

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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.)
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.
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.
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.
83. Incentive Compensation. Refer to the Application generally. In what possible scenarios would no incentive compensation payments be made?
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.
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.

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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.
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.
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.
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.
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

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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.

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.

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.)

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.

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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.
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.
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.
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.
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.
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.
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

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to other. If any of the other is ultimately expensed, provide the amount ultimately expensed in each year.

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.

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.).

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.

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).

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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.

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.

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,
- e. Hiring dates for any of these positions that have been filled, and,
- f. Fully loaded annual salary for unfilled positions.

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108. Payroll. Refer to the Application generally. Provide a description of the Company's merit and cost of living wage rate increase policies.
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%.
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.
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.
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.

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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.
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.
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.
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.
117. Rate Case. Refer to the Application generally. State when Taylor County RECC anticipates it will file its next rate case.
118. Rate Case Expense. Refer to the Application generally.

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- a. Provide the actual amount of rate case expense incurred in the prior rate case.
 - b. Identify the amortization period used.
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.
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.
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.
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.

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- d. Identify any large commercial and industrial customers that were added in 2021, 2022, and 2023.
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.
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 expectation went into effect.
 - c. How often has the entire system been cleared since the last rate case?
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.
126. ROW maintenance expense. Refer to the Wolfram Testimony, Exhibit JW-2, Schedule 1.05.

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- 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.

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.

128. ROW maintenance expense. Refer to the Wolfram Testimony, Exhibit JW-2, Schedule 1.05. Provide copies of all documentation supporting the proforma adjustment.

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.

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- 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.

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.

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.

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.

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.

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134. SERP. Refer to the Application generally. Describe the benefits provided by Taylor County RECC's SERP plan.
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.
136. SERP. Refer to the Application generally. Explain how eligibility for SERP is determined.
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.
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.
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.
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.

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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.
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.
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.
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.
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.
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.

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- b. Administrative & General Expense
- c. Depreciation
- d. Interest on long term debt.

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.

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.

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.