

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:


THE ELECTRONIC APPLICATION OF)
FLEMING-MASON ENERGY COOPERATIVE,) Case No. 2023-00223
INC. FOR A GENERAL ADJUSTMENT OF RATES)

RESPONSES TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION TO
FLEMING-MASON ENERGY COOPERATIVE, INC.
DATED OCTOBER 11TH, 2023

This 24th day of October, 2023.

Respectfully submitted,

CAMPBELL ROGERS & STACY PLLC
ATTORNEYS AT LAW
154 FLEMINGSBURG ROAD
MOREHEAD, KY 40351
(606) 783-1012
(606) 784-8926 FAX
earl@campbellrogers.com

BY: 
EARL ROGERS III
ATTORNEY FOR FLEMING-MASON
ENERGY COOPERATIVE, INC.

CERTIFICATE OF SERVICE

This is to certify that the foregoing electronic filing was transmitted to the Kentucky Public Service Commission for filing on October 24th, 2023; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; by virtue of the Commission's Order of July 22, 2021, in case number 2020-00085, no paper copies of this filing will be made.



EARL ROGERS III
ATTORNEY FOR
FLEMING-MASON ENERGY COOPERATIVE, INC.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION


In the Matter of:

THE ELECTRONIC APPLICATION OF)	
FLEMING-MASON ENERGY COOPERATIVE, INC.)	CASE NO.
FOR A GENERAL ADJUSTMENT OF RATES)	2023-00223

VERIFICATION OF BRANDON HUNT

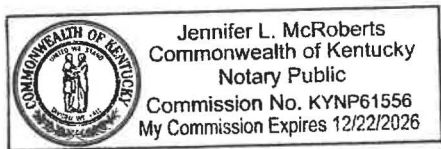
COMMONWEALTH OF KENTUCKY)
)
COUNTY OF FLEMING)

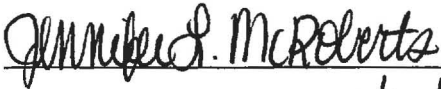
Brandon Hunt, President and Chief Executive Officer of Fleming-Mason Energy Cooperative, Inc., being duly sworn, states that he has supervised the preparation of certain responses to Commission Staff's Second Request for Information in the above-referenced case and that the matters and things set forth therein are true and accurate to the best of his knowledge, information, and belief, formed after reasonable inquiry.



Brandon Hunt

The foregoing Verification was signed, acknowledged, and sworn to before me this 24th day of October 2023, by Brandon Hunt.





Commission Expiration: 12/22/26

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

THE ELECTRONIC APPLICATION OF)	
FLEMING-MASON ENERGY COOPERATIVE, INC.)	CASE NO.
FOR A GENERAL ADJUSTMENT OF RATES)	2023-00223

VERIFICATION OF LAUREN C. FRITZ

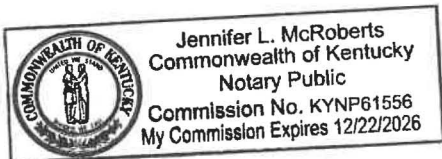
COMMONWEALTH OF KENTUCKY)
)
COUNTY OF FLEMING)

Lauren C. Fritz, Chief Financial Officer of Fleming-Mason Energy Cooperative, Inc., being duly sworn, states that she has supervised the preparation of certain responses to Commission Staff’s Second Request for Information in the above-referenced case and that the matters and things set forth therein are true and accurate to the best of her knowledge, information, and belief, formed after reasonable inquiry.



Lauren C. Fritz

The foregoing Verification was signed, acknowledged, and sworn to before me this this 24th day of October 2023, by Lauren C. Fritz.


Jennifer L. McRoberts
Commonwealth of Kentucky
Notary Public
Commission No. KYNP61556
My Commission Expires 12/22/2026


Commission Expiration: 12/22/26

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION


In the Matter of:

THE ELECTRONIC APPLICATION OF)
FLEMING-MASON ENERGY COOPERATIVE) CASE NO. 2023-000223
INC. FOR A GENERAL ADJUSTMENT)
OF RATES)

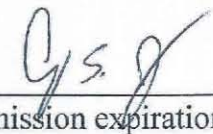
VERIFICATION OF JOHN WOLFRAM

COMMONWEALTH OF KENTUCKY)
COUNTY OF JEFFERSON)

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


John Wolfram

The foregoing Verification was signed, acknowledged and sworn to before me this 23rd day of October 2023, by John Wolfram.


Commission expiration: 04/08/2026

COREY SCOTT JONES
Notary Public - State at Large
Kentucky
My Commission Expires Apr. 08, 2026
Notary ID KYNP48750

**FLEMING-MASON ENERGY COOPERATIVE, INC.
PSC CASE NO. 2023-00223
SECOND REQUEST FOR INFORMATION RESPONSE**

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 10/11/2023

REQUEST 1

RESPONSIBLE PERSON: Brandon Hunt

COMPANY: Fleming-Mason Energy Cooperative, Inc.

Request 1. Refer to Application, Exhibit 9, page 13, lines 1-9. Explain the reasoning for changing line extension charges on new services beyond 1,000 feet for permanent structures and 300 feet for seasonal structures.

Response 1. The purpose of the change to the line extension policy is to apply a portion of the capital investment of the cost of the line extension to the cost-causer. The change remains advantageous to new members by virtue of the extension footage allowed by 807 KAR 5:041 Section 11, however this does not allow excessively long line extensions to be the burden and cost-bearing responsibility of existing members. This line extension policy is used by several other cooperatives across the state.

**FLEMING-MASON ENERGY COOPERATIVE, INC.
PSC CASE NO. 2023-00223
SECOND REQUEST FOR INFORMATION RESPONSE**

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 10/11/2023

REQUEST 2

RESPONSIBLE PERSON: Brandon Hunt

COMPANY: Fleming-Mason Energy Cooperative, Inc.

Request 2. Refer to the Application, Direct Testimony of Brandon Hunt (Hunt Direct Testimony), page 5 and the Application, Exhibit 17, page 28.

Request 2a. Explain the value or benefit to Fleming-Mason Energy of the subsidiary FM Utility Resources, LLC (FM Utility Resources).

Response 2a. FM Utility Resource, LLC ("FMUR") provides value to Fleming-Mason Energy ("FME") and our members. Currently, FMUR only conducts a small portion of the entire vegetation management footprint, but their work is essential. Their particular duties include hotspot trimming, danger trees, and work order clearing. Prior to the creation of FMUR, FME historically contracted a group similar to FMUR from the hired contractor. In addition to the cycle vegetation clearing work, the contractor would provide such a crew as FMUR to complete similar work. Given the nature of the work performed by the contracted crew, the work was performed on a T&M basis. Therefore, the value of the FMUR addition was an economic and operational benefit that can be monitored through contractor cost comparisons.

Request 2b. Explain what level of control Fleming-Mason Energy has in the operation of FM Utility Resources.

Response 2b. From an operational standpoint, FME has complete control over FMUR. They are duly managed by FME's Right of Way Technician and Maintenance Superintendent. Their daily tasks of hotspot and work order clearing work is provided to FMUR's crew leader to manage work duties. Employment and budgets are at the sole discretion of FME management.

Request 2c. Explain who is employed by FM Utility Resources and whether any work is contracted out.

Response 2c. No work is contracted out. FM Utility Resources currently has 4 employees with the following job titles:

Foreman

Trimmer A

Groundman

Groundman/Apprentice Trimmer

Request 2d. State whether the margins from FM Utility Resources are included in Fleming-Mason Energy's test year. If so, provide the amount. If not, explain why not.

Response 2d. FM Utility Resources have zero net margins included in Fleming-Mason Energy's test year. Please see explanation of net income for FM Utility Resources in the Application filed under Exhibit 17, page 28 of the audit report for year end 2022.

**FLEMING-MASON ENERGY COOPERATIVE, INC.
PSC CASE NO. 2023-00223
SECOND REQUEST FOR INFORMATION RESPONSE**

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 10/11/2023

REQUEST 3

RESPONSIBLE PERSON: John Wolfram

COMPANY: Catalyst Consulting LLC

Request 3. Refer to the Direct Testimony of John Wolfram (Wolfram Direct Testimony), page 23, lines 16-22.

Request 3a. Fleming-Mason Energy stated that due to the residential customer charge increasing that it needs to increase the customer charge for the Time-of-Day (TOD) and lower the energy charge. Explain why the TOD customer charge is not the same as the residential customer charge. Provide in the response the resulting energy charges if the customer charge is the same as the proposed residential customer charge.

Response 3a. In the currently effective Fleming-Mason Energy tariff, the TOD customer charge is \$3.40 greater than the residential customer charge. The reason for this legacy condition is not known. The cost of service study indicates that the cost-based TOD customer charge should be \$2.85 greater than the residential customer charge. Given these facts, Fleming-Mason Energy elected to propose maintaining the current differential between the two charges. If the TOD customer charge is the same as the proposed residential customer charge, the TOD on-peak energy charge required to maintain revenue neutrality for TOD with all else being equal is \$0.12471 per kWh. Note that Fleming-Mason Energy would not oppose this change because the number of members taking service under the TOD schedule is small and the billing impacts are negligible.

Request 3b. Explain how for the TOD and Inclining Block rate that, considering both have a positive return on rate base, increasing the customer charge and decreasing the energy charges benefits both Fleming-Mason Energy and the customers.

Response 3b. Because the proposed rate changes are revenue neutral for both TOD and IB members, the fact that the return on rate base is positive is not relevant; the return on rate base will not change as a result of the revised charges. That being said, in connection with preparing this response, Fleming-Mason is reviewing the proposed rates for the Inclining Block rate and the TOD rate and will update this response to reflect the results of that review.

Request 3c. Provide any recent rate cases where the Commission approved of increasing the customer charge and decreasing the energy charges for a TOD rate.

Response 3c. The Commission approved increasing the customer charge and decreasing the energy charge for a TOD rate for Kentucky Utilities Company in Case No. 2020-00349 and for Louisville Gas & Electric Company in Case No. 2020-00350 in orders dated June 30, 2021.

**FLEMING-MASON ENERGY COOPERATIVE, INC.
PSC CASE NO. 2023-00223
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 10/11/2023
REQUEST 4**

**RESPONSIBLE PERSON: John Wolfram
COMPANY: Catalyst Consulting LLC**

Request 4. Refer to the Wolfram Direct Testimony, page 24, lines 10-17. Explain how increasing the customer charge to \$19.50 signifies gradualism.

Response 4. The principle of gradualism is much more applicable to the customer bill in totality than it is to any single per-unit component of the bill. In this case Fleming-Mason Energy is proposing to increase the average residential bill by 7.2% or by \$9.28 per month. The proposed increase to the customer charge from \$15.57 to \$19.50 does not comprise a full move to cost-based rates. The proposed customer charge increase, which is under four dollars per month, will be less burdensome for those members most in need than an equivalent increase in the energy charge would be, due to the higher levels of average monthly usage for those members. The proposed increase to the customer charge is 25%; this is less meaningful than the absolute dollar amounts of the proposed increase, in cases like this where the current customer charge is low (e.g., less than \$20). Overall, even after the approval of the proposed rate changes, the residential class will continue to be significantly subsidized by the other rate classes. If the Commission approves the proposed rates, Fleming-Mason Energy could still require many years – likely several decades – to achieve cost-based rates for its residential members. This signifies gradualism, particularly given that Fleming-Mason Energy has not changed its customer charge in a base rate case in ten years.

**FLEMING-MASON ENERGY COOPERATIVE, INC.
PSC CASE NO. 2023-00223
SECOND REQUEST FOR INFORMATION RESPONSE**

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 10/11/2023

REQUEST 5

RESPONSIBLE PERSON: Brandon Hunt

COMPANY: Fleming-Mason Energy Cooperative, Inc.

Request 5. Refer to the FME-Pres-Prop-Rates-2022-FILED.xlsx, Billing Detail tab, Contract Codes. Confirm that the customer, energy, and demand charges for AppHarvest, Dravo, Guardian Industries, Int'l Papers, and Tennessee Gas were negotiated at the time of the contracts being signed. If not, then explain when and how those charges were negotiated.

Response 5. Customer, energy, and demand charges for AppHarvest (Mastronardi), Dravo, Guardian Industries, Int'l Paper, and Tennessee Gas were negotiated at the time of contracts. Changes from the rates have been through wholesale base rate increase pass-throughs.

**FLEMING-MASON ENERGY COOPERATIVE, INC.
PSC CASE NO. 2023-00223
SECOND REQUEST FOR INFORMATION RESPONSE**

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 10/11/2023

REQUEST 6

RESPONSIBLE PERSON: John Wolfram

COMPANY: Catalyst Consulting LLC

Request 6. Refer to the FME-COS-2022-FILED.xlsx, Alloc & Returns tab, Row 399.

Confirm that the "<reserved>" is for the revenue increase. If not, then explain where the proposed increase cell is in the rate of return for the rate increase.

Response 6. Confirmed.

**FLEMING-MASON ENERGY COOPERATIVE, INC.
PSC CASE NO. 2023-00223
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 10/11/2023
REQUEST 7**

**RESPONSIBLE PERSON: John Wolfram
COMPANY: Catalyst Consulting LLC**

Request 7. Refer to the FME-COS-2022-FILED.xlsx, Summary of Returns tab, Column H, After Proposed Rate Revisions table. The rate of return on rate base are hard coded. Explain how Fleming-Mason Energy calculated these percentages.

Response 7. Fleming-Mason Energy calculated the percentages by (i) populating the "Alloc & Returns tab" Row 399 (as described in the response to Item PSC 2-3) with the proposed revenue increases for each rate class shown in Exhibit JW-9, then (ii) pasting the values from lines 1-16 of the cited worksheet into the column on lines 18-23.

**FLEMING-MASON ENERGY COOPERATIVE, INC.
PSC CASE NO. 2023-00223
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 10/11/2023
REQUEST 8**

RESPONSIBLE PERSON: Lauren C. Fritz

COMPANY: Fleming-Mason Energy Cooperative, Inc.

Request 8. Provide the date that Fleming-Mason Energy's billing cycle begins (meter read date). State whether the date that the billing cycle begins is the date that would be best stated as the effective date of any order the Commission issues concerning rates in this case.

Response 8. The billing cycle begins on the first of each month. The date that the billing cycle begins is the date that would be best stated as the effective date of any order the Commission issues concerning rates in this case.

**FLEMING-MASON ENERGY COOPERATIVE, INC.
PSC CASE NO. 2023-00223
SECOND REQUEST FOR INFORMATION RESPONSE**

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 10/11/2023

REQUEST 9

RESPONSIBLE PERSON: Lauren C. Fritz

COMPANY: Fleming-Mason Energy Cooperative, Inc.

Request 9. Refer to the Application, Wolfram Testimony, Exhibit JW-2, page 1. Provide a detailed itemization of the charges that are included in the Other Electric Revenue of \$1,051,255.

Response 9.

Late Charge- Electric Accounts	\$370,161.85
Misc Service Revenues	\$120,300.00
Revenue/Expense- Temporary Services	\$13,624.49
Rent from Electric Property	\$520,693.73
Other Electric Revenue	<u>\$26,475.00</u>
	\$1,051,255.07

**FLEMING-MASON ENERGY COOPERATIVE, INC.
PSC CASE NO. 2023-00223
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 10/11/2023
REQUEST 10**

RESPONSIBLE PERSON: Lauren C. Fritz

COMPANY: Fleming-Mason Energy Cooperative, Inc.

Request 10. Refer to the Application, Wolfram Direct Testimony, Exhibit JW-2, Schedule

1.03. Provide a breakdown of the test-year interest expense in the same format as Schedule
1.03.

Response 10.

Please see the attached breakdown of test-year interest expense in format of Schedule 1.03.

The loans at year-end date of 12/31/22 (test year) with the rate of 3.520% were variable. Due to the increase in the quarterly variable rate on the FFB loans, those loans were fixed at the rates listed in the initial application under Schedule 1.03, Exhibit JW-2.

The variable FFB quarterly rate has continued to increase in the year 2023. (See worksheet for supporting documentation.)

01/06/2023	4.55%
02/08/2023	4.71%
02/23/2023	4.84%
02/27/2023	4.84%
04/12/2023	5.09%
05/03/2023	5.24%
05/09/2023	5.31%
08/03/2023	5.53%
10/19/2023	5.61%

**ATTACHMENTS
ARE EXCEL
SPREADSHEETS
AND UPLOADED
SEPARATELY**

**FLEMING-MASON ENERGY COOPERATIVE, INC.
PSC CASE NO. 2023-00223
SECOND REQUEST FOR INFORMATION RESPONSE**

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 10/11/2023

REQUEST 11

RESPONSIBLE PERSON: Brandon Hunt

COMPANY: Fleming-Mason Energy Cooperative, Inc.

Request 11. Refer to the Application, Wolfram Direct Testimony, Exhibit JW-2, Schedule 1.05.

Request 11a. Provide the number of miles of right-of-way maintenance, cost per mile, and total cost expended for each year 2019, 2020, 2021, and 2022.

Response 11a. Please see attached.

Request 11b. Provide the number of miles of right-of-way maintenance, cost per mile, and total cost for 2023.

Response 11b. Please see attached.

Request 11c. Provide the annual number of miles and cycle over which right-of-way maintenance is routinely conducted. Include in the response the total miles of right-of-way that Fleming-Mason Energy maintains.

Response 11c. The current cycle provides an average yearly clearing mile of 354.9 and an average yearly spraying mile of 1,421.3. The total miles of right-of-way that Fleming-Mason Energy maintains is 2,839.4.

Request 11d. State how the pro forma right-of-way maintenance expense of \$2.1 million was determined.

Response 11d. This pro forma right-of-way maintenance expense was based on a new contract that was signed with Asplundah.

**ATTACHMENTS
ARE EXCEL
SPREADSHEETS
AND UPLOADED
SEPARATELY**

**FLEMING-MASON ENERGY COOPERATIVE, INC.
PSC CASE NO. 2023-00223
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 10/11/2023
REQUEST 12**

RESPONSIBLE PERSON: Brandon Hunt

COMPANY: Fleming-Mason Energy Cooperative, Inc.

Request 12. Provide Fleming-Mason Energy's annual reliability metrics for 2016 to the most recent available data for 2023 and separately show outages caused by ROW vegetation. Include in the response, the System Average Interruption Duration, System Average Interruption Frequency, Customer Average Interruption Frequency, Customer Average Interruption Duration, and Customer Minutes of Interruption.

Response 12. See attached spreadsheet.

**ATTACHMENTS
ARE EXCEL
SPREADSHEETS
AND UPLOADED
SEPARATELY**

**FLEMING-MASON ENERGY COOPERATIVE, INC.
PSC CASE NO. 2023-00223
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 10/11/2023
REQUEST 13**

RESPONSIBLE PERSON: Brandon Hunt

COMPANY: Fleming-Mason Energy Cooperative, Inc.

Request 13. Provide Fleming-Mason Energy's target clearing cycle in years and miles per year.

Response 13. Fleming-Mason Energy is currently on an 8-year clear cycle and a 2-year spray cycle. Unless further evaluations indicate a justifiable cause for a change, this cycle is the target for FME. The exception could possibly be the few circuits that have a high rate of hot spotting be moved to a 6- or possibly 4-year cycle to increase efficiency within those circuits. This cycling provides an average yearly clearing rate of 354.9 miles and an average yearly spraying rate of 1,421.3 miles.

**FLEMING-MASON ENERGY COOPERATIVE, INC.
PSC CASE NO. 2023-00223
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 10/11/2023
REQUEST 14**

RESPONSIBLE PERSON: Lauren C. Fritz

COMPANY: Fleming-Mason Energy Cooperative, Inc.

Request 14. Provide a breakdown of the test-year interest expense in the same format as Schedule 1.09. Provide the total test-year expenses for the Board of Directors.

Response 14. The total test-year expenses for the Board of Directors are \$144,346.01.

**FLEMING-MASON ENERGY COOPERATIVE, INC.
PSC CASE NO. 2023-00223
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 10/11/2023
REQUEST 15**

RESPONSIBLE PERSON: Lauren C. Fritz

COMPANY: Fleming-Mason Energy Cooperative, Inc.

Request 15. Provide a breakdown of the test-year interest expense in the same format as Schedule 1.10. Provide the information per employee and identify employees hired or vacant during or after the test year.

Response 15. Please see attached. The attachment is being filed under seal pursuant to a Motion for Confidential Treatment.

**ATTACHMENT
FILED UNDER SEAL
PURSUANT TO A
MOTION FOR
CONFIDENTIAL
TREATMENT**

**FLEMING-MASON ENERGY COOPERATIVE, INC.
PSC CASE NO. 2023-00223
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 10/11/2023
REQUEST 16**

RESPONSIBLE PERSON: Lauren C. Fritz

COMPANY: Fleming-Mason Energy Cooperative, Inc.

Request 16. Refer to the Application, Wolfram Direct Testimony, Exhibit JW-2, Schedule

1.12. Explain the basis for the nine percent increase in health insurance costs.

Response 16. Please refer to the attachment for a comparison year by year for premium rates for the Kentucky Rural Electric Cooperative Health (KREC) medical plan. The average premium increase approved by the KREC group was 8.97% in 2022 for the year 2023. The vision and dental plans are set rates through 2023-2024. This increase will help us stay ahead of medical inflation.

**ATTACHMENTS
ARE EXCEL
SPREADSHEETS
AND UPLOADED
SEPARATELY**

**FLEMING-MASON ENERGY COOPERATIVE, INC.
PSC CASE NO. 2023-00223
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 10/11/2023
REQUEST 17**

**RESPONSIBLE PERSON: John Wolfram
COMPANY: Catalyst Consulting LLC**

Request 17. Refer to the Application, Wolfram Direct Testimony, Exhibit JW-2, Schedule 1.12 and Case No. Case No. 2019-00053, final Order, page 9.2 Provide the adjustment necessary to reduce Fleming-Mason Energy's contribution to employee insurance premiums to the Bureau of Labor Statistics' average.

Response 17. Pursuant to the cited order, no adjustment is necessary. Fleming-Mason Energy's contribution to employee health insurance premiums is 20 percent. The cited Order states on page 9 that "the Commission finds that as long as the employee contribution rate for health insurance is at least 12 percent, it will not make a further adjustment to the national average. If a utility's employees' health insurance contribution is less than 12 percent, the Commission will adjust all contributions to the national average." For this reason an adjustment to the national average should not be made.

**FLEMING-MASON ENERGY COOPERATIVE, INC.
PSC CASE NO. 2023-00223
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 10/11/2023
REQUEST 18**

**RESPONSIBLE PERSON: Lauren C. Fritz
COMPANY: Fleming-Mason Energy Cooperative, Inc.**

Request 18. State the credit metrics which are used in Fleming-Mason Energy's debt covenants and provide the minimum required for each.

Response 18.

The Rural Utilities Service ("RUS") Loan Contract, Section 5.4(b), Rates to Provide Revenue Sufficient to Meet Coverage Ratios Requirements, states:

The average Coverage Ratios achieved by the Borrower in the 2 best years out of the 3 most recent calendar years must be not less than any of the following:

<i>TIER</i>	=	<i>1.25</i>
<i>DSC</i>	=	<i>1.25</i>
<i>OTIER</i>	=	<i>1.1</i>
<i>ODSC</i>	=	<i>1.1</i>

The CFC loan contract requires Modified Debt Service Coverage of 1.35 for the best two of the last three years.

The CoBank loan contract requires a Debt Service Coverage Ratio for such year of not less than 1.35 to 1.00.

**FLEMING-MASON ENERGY COOPERATIVE, INC.
PSC CASE NO. 2023-00223
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 10/11/2023
REQUEST 19**

RESPONSIBLE PERSON: Lauren C. Fritz

COMPANY: Fleming-Mason Energy Cooperative, Inc.

Request 19. Provide the number of occurrences and the amount recorded for late fees during the calendar years 2021, 2022, and year to date 2023.

Response 19. Please refer to Response 50 of the Commission's First Request for Information. As of September 30, 2023, there have been 33,279 occurrences of late fees totaling \$318,770.67 in assessments.

**FLEMING-MASON ENERGY COOPERATIVE, INC.
PSC CASE NO. 2023-00223
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 10/11/2023
REQUEST 20**

RESPONSIBLE PERSON: Lauren C. Fritz

COMPANY: Fleming-Mason Energy Cooperative, Inc.

Request 20. Provide cost support for each of Fleming-Mason Energy's nonrecurring charges.

Response 20. Please refer to Response 50 of the Commission's First Request for Information.

**FLEMING-MASON ENERGY COOPERATIVE, INC.
PSC CASE NO. 2023-00223
SECOND REQUEST FOR INFORMATION RESPONSE**

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 10/11/2023
REQUEST 21**

RESPONSIBLE PERSON: Lauren C. Fritz

COMPANY: Fleming-Mason Energy Cooperative, Inc.

Request 21. For each of Fleming-Mason Energy's nonrecurring charges, provide the number of times the charge was assessed and the total amount of revenues in the test year.

Response 21. Please refer to the workpapers tab of Response 50 of the Commission's First Request for Information.