

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

ELECTRONIC APPLICATION OF)	
JACKSON ENERGY COOPERATIVE)	
CORPORATION FOR A GENERAL)	Case No. 2024-00324
ADJUSTMENT OF RATES PURSUANT)	
TO 807 KAR 5:078)	

INITIAL DATA REQUESTS OF THE ATTORNEY GENERAL

Comes now the Attorney General of the Commonwealth of Kentucky, by his Office of Rate Intervention (“Attorney General”), and submits these Data Requests to Jackson Energy Cooperative Corporation (hereinafter “Jackson Energy,” or “company”) to be answered by January 30, 2025, 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 companies receive or generate 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.

(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 undersigned Counsel 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,

RUSSELL COLEMAN
ATTORNEY GENERAL



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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, on January 13, 2025, an electronic copy of the foregoing was served via the Commission's electronic filing system.

this 13th day of January, 2025

A handwritten signature in blue ink, appearing to read "J. Michael New". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Assistant Attorney General

**ELECTRONIC APPLICATION OF JACKSON ENERGY COOPERATIVE CORPORATION
FOR A GENERAL ADJUSTMENT OF RATES PURSUANT TO 807 KAR 5:078, Case No.
2024-00324**

Data Requests

1. Provide copies of all workpapers supporting calculations at issue in this proceeding.
2. Provide copies of all confidential documents previously filed with the Commission in this proceeding.
3. Refer to the Application generally. Provide an organizational chart of Jackson Energy, including all positions. If a position is vacant, please designate as such.
4. Jackson Energy states that it provides electric power to approximately 53,372 members located primarily in the Kentucky counties of Jackson, Rockcastle, Estill, Laurel, Clay, Lee, and Owsley, with members in other adjoining counties as well.
 - 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 Jackson Energy's actual number of customers for the years 2014 – 2024.
 - c. Explain in detail whether Jackson Energy projects a future gain or loss of electric customers, and provide copies of all projections concerning the same.
 - d. Provide Jackson Energy's total annual energy sales for the years 2014 – 2024.
 - e. Explain whether Jackson Energy expects annual energy sales to increase or decrease, and provide copies of all projections concerning the same.
 - f. Provide a map of Jackson Energy's electric service area.
 - g. Provide a list of all rural electric cooperatives and investor-owned electric utilities whose service territory is contiguous with Jackson Energy's service territory.
 - h. Explain whether Jackson Energy has ever worked, or plans on working, with any other rural electric cooperative or investor-owned electric utility on any joint ventures.
 - i. Based upon the most recent United States Census information, the poverty rates for Jackson Energy's electric service area are as follows:
Jackson County – 23.9 %
Rockcastle County – 21.8 %
Estill County – 22.7 %
Laurel County – 21.8 %
Clay County – 37.2 %
Lee County – 31.1 %
Owsley County – 33.1 %¹

¹<https://www.census.gov/quickfacts/fact/table/owsleycountykentucky,claycountykentucky,rockcastlecountykentucky,laurelcountykentucky,estillcountykentucky,jacksoncountykentucky/PST045223>

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Confirm that Jackson Energy is aware of the above percentages of its electric customers who live at or below the poverty line.

5. Refer to the Application generally. Provide the following information for Jackson Energy executive staff employees.
 - a. Provide the position title and salary for each executive staff employee for the years 2014 - 2024.
 - b. Provide the average raise that the executive staff employees received for the years 2014 - 2024. Ensure to explain whether the annual raise is directly connected to a performance review.
 - c. Provide the average bonus that each executive staff employee received for the years 2014 - 2024.
 - d. Provide all awards given to the executive staff employees for the years 2014 - 2024.
 - e. Provide all vehicle allowances given to the executive staff employees for the years 2014 - 2024.
 - f. Provide all incentive compensation given to the executive staff employees for the years 2014 - 2024.
 - g. Provide the average raise, if any, which will be given to executive staff employees for 2024.
 - h. Provide the average raise, if any, which will be given to executive staff employees for 2025.
 - i. Provide a detailed explanation of the insurance benefits provided to the Company's executive staff employees, including but not limited to health, dental, vision, life insurance, etc. Ensure to include all premiums paid by the Company's executive staff employees, premiums paid by the Company or parent company on the executive staff employees' behalf, as well as all copays, deductibles, and maximum out of pocket amounts.
 - j. Provide a detailed explanation of the retirement benefits provided to the Company's executive staff employees, including but not limited to, whether there is a defined benefit plan, 401(k) matching, etc.
 - k. Explain whether any of the executive staff employees are members of a union.

6. Refer to the Application generally. Provide the following information for Jackson Energy employees.
 - a. Provide the position title and salary for each salaried employee for the years 2014 - 2024.

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- b. Provide the average raise that the salaried employees received for the years 2014 – 2024. 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 2014 - 2024.
 - d. Provide all awards given to the salaried employees for the years 2014 – 2024.
 - e. Provide all vehicle allowances given to the salaried employees for the years 2014 – 2024.
 - f. Provide all incentive compensation given to the salaried employees for the years 2014 – 2024.
 - g. Provide the average raise, if any, which will be given to salaried employees for 2024.
 - h. Provide the average raise, if any, which will be given to salaried employees for 2025.
 - i. Provide a detailed explanation of the insurance benefits provided to the Company’s salaried employees, including but not limited to health, dental, vision, life insurance, etc. Ensure to include all premiums paid by the Company’s salaried employees, premiums paid by the Company or parent company on the salaried employees’ behalf, as well as all copays, deductibles, and maximum out of pocket amounts.
 - j. 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.
 - k. Explain whether any of the salaried employees are members of a union.
7. Refer to the Application generally. Provide the following information for Jackson Energy employees.
- a. Provide the position title and wages for each non-salaried employee for the years 2014 – 2024.
 - b. Provide the average raise provided to the non-salaried employees for the years 2014 – 2024. 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 2014 – 2024.
 - d. Provide all awards given to the non-salaried employees for the years 2014 – 2024.
 - e. Provide all vehicle allowances given to the non-salaried employees for the years 2014 – 2024.
 - f. Provide all incentive compensation given to the non-salaried employees for the years 2014 – 2024.

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- g. Provide the average raise, if any, which will be given to non-salaried employees for 2024.
 - h. Provide the average raise, if any, which will be given to non-salaried employees for 2025.
 - i. 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.
 - j. 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.
 - k. Explain whether any of the non-salaried employees are members of a union.
8. 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 2014 – 2024. 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 in 2025.
 - e. When setting the Board of Directors' fees and benefits did Jackson Energy 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.
9. Refer to the Application generally. Provide a copy of all formal studies conducted that compare Jackson Energy's wage and benefit information to the local wage and benefit information for the geographic area in which Jackson Energy operates. If no such studies exist, explain why not.
10. 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.

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11. Refer to the Application generally. Explain in detail whether Jackson Energy has obtained and/or whether the Company is 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.
12. 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.
13. 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 Jackson Energy. If so, provide a detailed list of the same with explanations for each allocated charge.
14. Refer to the Application generally. Explain in detail whether Jackson Energy provides any assistance program(s) for customers experiencing difficulty paying their electric bills.
15. Refer to the Application generally.
 - a. Provide a detailed explanation of how Jackson Energy 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 Jackson Energy currently has on the books, separated by year.
16. Refer to the Application generally.
 - a. Explain in detail whether Jackson Energy 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

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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.² If not confirmed, explain why not.

- c. Explain whether Jackson Energy is aware of any further updates to the RUS Cushion of Credit program since the 2018 Farm Bill was enacted.
 - d. If Jackson Energy 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 Jackson Energy 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 Jackson Energy’s Cushion of Credit deposit amounts for the years 2014 – 2024.
 - g. Provide a detailed account of Jackson Energy’s RUS/FFB loans, with the corresponding principal and interest amounts, for the years 2014 – 2024.
17. See application generally.
- a. Provide Jackson Energy’s TIER for the years 2014 – 2024.
 - b. Provide Jackson Energy’s Operating Times Interest Earned Ratio (“OTIER”) for the years 2014 – 2024.
18. Jackson Energy states that it is requesting an increase in the monthly residential customer charge from \$24.76 to \$36.48.
- a. Explain how seeking to increase the monthly residential customer charge from \$24.76 to \$36.48, which is an increase of approximately 47.33%, is in line with the principle of gradualism.
 - b. Explain whether Jackson Energy contemplated proposing a lower increase to the monthly residential customer charge so as not to create rate shock for the customers.
 - c. Explain whether Jackson Energy contemplated implementing the proposed higher customer charge in two phases instead of a 47.33% increase at one time.
 - d. Provide a list of all electric utilities in Kentucky, with the corresponding monthly residential customer charge, residential volumetric charge,

²<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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average bill, and rank the utilities from lowest to highest average bill. Include Jackson Energy's proposed residential customer charge, residential volumetric charge, average bill, and rank based upon its proposed revenue requirement.

- e. Explain whether an increase in the monthly customer charge (and a decrease in volumetric charge) is beneficial to residential ratepayers and if so, how.