

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

In the Matter of:

ELECTRONIC APPLICATION)	
OF SOUTH KENTUCKY RURAL)	CASE NO.
ELECTRIC COOPERATIVE)	2024-00402
CORPORATION FOR A GENERAL)	
ADJUSTMENT OF RATES)	

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE
CORPORATION'S VERIFIED RESPONSE TO
COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION
ENTERED APRIL 24, 2025

Comes now South Kentucky Rural Electric Cooperative Corporation (South Kentucky), by counsel, and does hereby tender its Verified Response to Commission Staff's Third Request for Information entered April 24, 2025.

Filed: May 7, 2025

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

Electronic Application of South Kentucky)
Rural Electric Cooperative Corporation for)
a General Adjustment of Rates and Other)
General Relief

Case No. 2024-00402

VERIFICATION OF CARRIE BESSINGER

COMMONWEALTH OF KENTUCKY)
COUNTY OF PULASKI)

Carrie Bessinger, Chief Financial Officer of South Kentucky Rural Electric Cooperative Corporation, being duly sworn, states that she has supervised the preparation of certain responses to the Commission Staff's Third 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.


Carrie Bessinger

The foregoing Verification was signed, acknowledged and sworn to before me this 6th day of May, 2025, by Carrie Bessinger.


Commission expiration: Aug 31, 2025



**South Kentucky RECC
Case No. 2024-00402
Commission Staff's Third Request for Information**

Request 1: Refer to South Kentucky RECC's Response to the Attorney General's First Request for Information (Attorney General's First Request), Item 16(b). Provide all rate design options South Kentucky RECC considered that the Board decided not to adopt. Additionally, provide the reasoning behind the Board not adopting those rate design options.

Response 1: South Kentucky's Board of Directors was presented with various rate designs by John Wolfram. The Board ultimately chose the rate design as presented in this proceeding because a rate design with the residential consumer charge closer to the actual fixed costs is most equitable to all members because it reduces subsidization between classes. A rate design with the customer charge near the fixed costs also prevents the Cooperative's revenue from being as dependent on weather. In the coldest weather, a higher consumer charge saves South Kentucky's members money versus a higher kWh charge. The Board engaged in a discussion with Mr. Wolfram on the proposed rate design and how the request in this case aligned with other cooperatives before the Commission at that time. The Board approved the rate design as proposed because, in the Board's opinion, it is best for the Members and the Cooperative.

**South Kentucky RECC
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Request 2: Refer to South Kentucky RECC's Response to the Attorney General's First Request, Item 16(e). Provide the analysis South Kentucky RECC conducted in Excel spreadsheet format, unlocked with formulas intact. Additionally, provide the source of the inputs.

Response 2: Please see Excel spreadsheet provided separately.

**South Kentucky RECC
Case No. 2024-00402
Commission Staff's Third Request for Information**

Request 3: Refer to Commission Staff's Second Request for Information (Commission Staff's Second Request), Item 14, dated March 14, 2025, and South Kentucky RECC's Response to Commission Staff's Second Request, Item 14, dated March 28, 2025. South Kentucky RECC's Response to Commission Staff's Second Request recited the incorrect request. Commission Staff's Second Request, Item 14 stated:

Refer to Exhibit JW-2 Schedule 1.07. South Kentucky RECC is proposing a \$996,188 increase in Proforma expenses to remove any FEMA declared storm costs and reimbursements. Explain why the adjustment is an increase if it is removing any FEMA declared storm costs and reimbursements.

Reconcile, explain, and, if necessary, correct South Kentucky RECC's Response to Commission Staff's Second Request, Item 14. If the response provided was intended to address another request, identify and explain the same. If the response to Item 14 was not the response intended, provide the correct answer to Item 14.

Response 3: The response to Commission Staff's Second Request, Item 14 is correct even though the request copied into the response document was incorrect. The response provided for Item 14 addresses the intended question.

The test year includes FEMA reimbursements of \$1,416,873. Much of the costs being reimbursed were incurred prior to the test year and were greater than FEMA expenses incurred during the test year by a net of \$761,400. The original expense amount reported on Schedule 1.07 inadvertently omitted some FEMA storm expenses that were incurred during the test year. When completing

the response for Item 14 this omission was discovered and corrected. The revised schedule 1.07 removes from the revenue requirement all FEMA storm costs incurred and FEMA reimbursements received during the test year.