

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

**ATTORNEY GENERAL’S SECOND REQUEST FOR INFORMATION TO
SOUTH KENTUCKY 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 Second Request for Information to South Kentucky Rural Electric Cooperative Corporation (hereinafter “SKRECC,” or the “Company”) to be answered by May 7, 2025, 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.

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Respectfully submitted,

RUSSELL COLEMAN
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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 April 25, 2025, and there are currently no parties that the Commission has excused from participation by electronic means in this proceeding.

This 25th day of April, 2025

A handwritten signature in blue ink, appearing to read "Thomas John" followed by a stylized flourish.

Assistant Attorney General

Electronic Application of South Kentucky Rural Electric Cooperative Corporation
for a General Adjustment of Rates
Case No. 2024-00402
Attorney General's Second Request for Information

1. Refer to the Company's response to Staff 2-5 concerning the omission of paid time off payout amounts from the "Other" category of \$120,926 for salaries employees and \$388,788 for hourly employees. Indicate whether these amounts were "inadvertently omitted" from the actual test year "Other" amounts in column 10 or some other column. If "inadvertently omitted" from another column other than column 10, indicate which column should have contained these amounts.
2. Refer to the Company's response to Staff 2-5 concerning the omission of paid time off payout amounts from the "Other" category of \$120,926 for salaries employees and \$388,788 for hourly employees. Provide the dates when the paid time off payout amounts were made and when they were recorded on the books of SKRECC.
3. Refer to the response to AG 1-47 in regards to the non-taxable wages that were factored into the actual test year payroll tax costs but not in the proforma payroll tax adjustment in Reference Schedule 1.13. Besides the non-taxable wages based on government limitations and factored into the calculations in Reference Schedule 1.13, describe all the other kinds of non-taxable wages experienced by the Company that would impact this calculation, such as deferred 401(k) costs or employee health coverage options.
4. Refer the Attachment response to AG 1-53(b), which includes the general ledger activity associated with account 593.50, Maintenance of Overhead Lines – R/W, for the months June 2023 through February 2025.
 - a. Provide a description of each department and activity code used to record costs in this account during these months.
 - b. Provide the expense totals by department that were recorded to account 593.50 during the test year.
 - c. Provide the expense totals by activity code that were recorded to account 593.50 during the test year.
 - d. Indicate whether activity code 6100 is the activity code for all contractor tree trimming invoices in account 593.50. If there are other activity codes for such invoices, please describe.
5. Refer to the annual totals of expense recorded in account 593.50, Maintenance of Overhead Lines – R/W, provided in the Attachment responses to AG 1-53 (a), (b),(d),(g) and (h). Certain annual data from those attachment responses are provided below as an example of some of the costs portrayed for each of the years.

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		Circuit Mile Contractor	
	Total	Trimming	All Other
	ROW	ROW	ROW
	Maintenance	Maintenance	Maintenance
	in Account	in Account	in Account
Year	593.50	593.50	593.50
2021	3,832,900	3,166,838	666,062
2022	3,739,771	2,970,780	768,991
2023	8,260,070	6,043,354	2,216,716
2024	9,554,931	7,304,060	2,250,871
Test Year	11,604,593	9,235,766	2,368,827

- a. Confirm whether the circuit mile trimming costs in the middle data column above and contained in Attachment response to AG 1-53(g) represents just the outside contractor expenses associated with the circuit mile trimming. If not confirmed, explain.
 - b. Provide a description of each of the other kinds of ROW maintenance expenses recorded in account 593.50 other than the expenses for contractor circuit mile trimming expense. These costs are summed in the third data column in the table above.
 - c. Describe all known reasons why the other kinds (non-circuit mile contractor trimming) of ROW maintenance expenses recorded in account 593.50 increased substantially from 2022 to 2023, and then remained fairly consistent throughout the remainder of the period portrayed in the table above.
6. Refer to the monthly totals of expense recorded in account 593.50, Maintenance of Overhead Lines – R/W, provided in the Attachment response to AG 1-53 (d) for each of the months in 2023 and 2024. Provide the monthly totals of trimming costs only for each of the months in 2023 and 2024 that were recorded in account 593.50, Maintenance of Overhead Lines – R/W (as depicted in the Attachment response to AG 1-53 (g)).
 7. Refer to the response to AG 1-53(j), which indicates that the 2025 budget includes circuit trimming for 901.50 miles. Refer also to the Confidential attachment to AG 1-53(k), [REDACTED]
[REDACTED]
[REDACTED] Explain all reasons for this apparent discrepancy in the number of circuit trimming miles anticipated in 2025.
 8. Refer to the Excel attachment response to AG 1-42(b), which shows the kWh and revenues associated with the 212 customer accounts that switched from both Rate 3 (LP) and Rate 4(OPS) to Rate 2 (B).

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- a. Provide the same type of data by month during the test year that shows the customer accounts that switched from Rate 3 (LP) to Rate 2 (B). Just like with the response to AG 1-42(b), provide in electronic format with all formulas intact.
 - b. Provide the same type of data by month during the test year that shows the customer accounts that switched from both Rate 4 (OPS) to Rate 2 (B). Just like with the response to AG 1-42(b), provide in electronic format with all formulas intact.
9. Refer to the Excel attachment revision to Reference Schedule 1.16 supplied with the responses to the AG's first set of requests on April 11, 2024, which shows revisions to the actual test year and projected test year amounts associated with various retiree health insurance benefits. Explain what factors prompted the revisions and why they were deemed to be appropriate.
10. Refer to the Excel attachment revision to Reference Schedule 1.10 supplied with the responses to the AG's first set of requests on April 11, 2024, which shows revisions to the proforma salaries and wages amount. Explain what factors prompted the revisions and why they were deemed to be appropriate.
11. Refer to the Excel attachment revision to Reference Schedule 1.09 on the overall revenue requirement file supplied with the responses to the AG's first set of requests on April 11, 2024, which shows revisions to the proforma retirement plan and 401(k) amounts. Explain what factors prompted the revisions and why they were deemed to be appropriate.
12. Refer to the Excel attachment revision to Reference Schedule 1.05 supplied with the responses to the AG's first set of requests on April 11, 2024, which shows revisions to the proforma depreciation expense amount. Explain what factors prompted each of the revisions and why they were deemed to be appropriate.
13. Refer to the response to AG 1-83 that references a software conversion that took place in the 2023 timeframe. A major software conversion is also mentioned in the Direct Testimony of Carrie Bessinger at 5. Describe the software conversion that took place.
14. Refer to the Excel attachment revision to Reference Schedule 1.09 on the overall revenue requirement file supplied with the responses to the AG's first set of requests on April 11, 2024, which shows revisions to the proforma retirement plan and 401(k) amounts. Refer also to the response to AG 1-59(l), which explains that "The proforma adjustment assumes for those employees that are not eligible for the RS Pension Plan, they will contribute 2% to the 401k plan to receive the cooperative's matching contribution." For the five employees that the 2% 401(k) matching calculation was used in the revised Reference Schedule 1.09 calculation, indicate for each why they were not eligible for the RS Pension Plan.