

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

In the Matter of:

THE ELECTRONIC APPLICATION OF	)	
FARMERS RURAL ELECTRIC	)	CASE NO.
COOPERATIVE CORPORATION	)	2025-00107
FOR A GENERAL ADJUSTMENT OF RATES	)	

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FARMERS RURAL ELECTRIC COOPERATIVE  
CORPORATION'S VERIFIED RESPONSE TO  
COMMISSION STAFF'S FIRST REQUESTS FOR INFORMATION  
ENTERED APRIL 16, 2025

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Comes now Farmers Rural Electric Cooperative Corporation ("Farmers"), by counsel, and does hereby tender its Verified Response to Commission Staff's First Request for Information entered April 16, 2025.

Filed: May 19, 2025

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FOR A GENERAL ADJUSTMENT OF RATES	)	2025-00107

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**VERIFICATION OF TOBIAS MOSS**

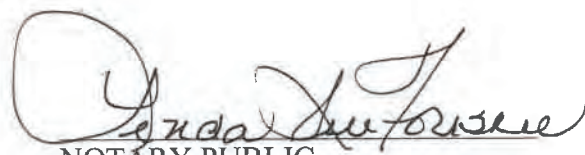
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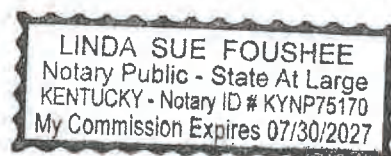
COMMONWEALTH OF KENTUCKY    )  
  )  
COUNTY OF BARREN                    )

Tobias Moss, President and CEO of Farmers Rural Electric Cooperative Corporation, being duly sworn, states that he has supervised the preparation of certain responses to Commission Staff's First 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.

  
\_\_\_\_\_  
Tobias Moss

The foregoing Verification was signed, acknowledged and sworn to before me this 14<sup>th</sup> day of May, 2025 by Tobias Moss.

  
\_\_\_\_\_  
NOTARY PUBLIC  
Notary ID No: KYNP75170  
My Commission Expires: 07-30-2027



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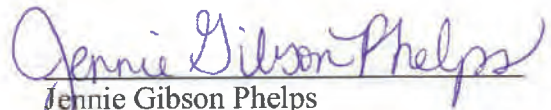
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**VERIFICATION OF JENNIE GIBSON PHELPS**


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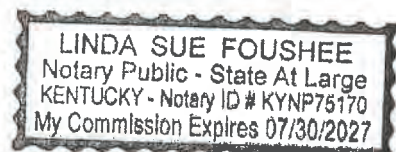
COMMONWEALTH OF KENTUCKY     )  
   )  
COUNTY OF BARREN                     )

Jennie Gibson Phelps, Vice President, Finance & Accounting of Farmers Rural Electric Cooperative Corporation, being duly sworn, states that she has supervised the preparation of certain responses to Commission Staff's First 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.

  
Jennie Gibson Phelps

The foregoing Verification was signed, acknowledged and sworn to before me this 14<sup>th</sup> day of May, 2025 by Jennie Gibson Phelps.

  
NOTARY PUBLIC  
Notary ID No: KYNP75170  
My Commission Expires: 07-30-2027



**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 1:** Provide the following expense account data:

a. A schedule, in comparative form, showing the operating expense account balance for the test year and each of the three most recent calendar years for each account or subaccount included in Farmers RECC annual report. Show the percentage of increase or decrease of each year over the prior year.

b. A listing, with descriptions, all of activities, initiatives or programs undertaken by Farmers RECC since its last general rate case for the purpose of minimizing costs or improving the efficiency of its operations or maintenance activities. Include all quantifiable realized and projected savings.

**Response 1(a):** Please see the Excel file uploaded separately.

**Response 1(b):** Since Farmers' last general rate increase, the cost of doing business and providing safe and reliable electric service has increased due to extraordinary inflationary pressures. In addition to the savings presented in the Application, Exhibit 8 and Application Exhibit 9, Farmers provides the following summary of significant activities, initiatives, or programs undertaken, or continued since its last general rate case for the purpose of minimizing costs or improving the efficiency of its operations or maintenance activities:

- In 2024, Farmers conducted its annual meeting with a new drive-thru registration process. The format change resulted in a cost savings of approx. \$12,000. Please see Response 49 to Commission Staff's First Request for additional information.
- To ensure Farmers' network and systems are secure, Farmers periodically has a vendor to perform penetration testing. Farmers applied for a program and was awarded an opportunity to have this testing completed for a substantially less cost. The savings was an estimated \$60,000.

- Farmers requires annual safety training for all its employees. Farmers utilizes the training program from Kentucky Electric Cooperatives (“KEC”). This training is covered under the annual KEC dues, which minimizes the costs for Farmers to secure the same training elsewhere.
- In 2020, Farmers created a new position for a Purchasing Manager. Focusing exclusively on materials and inventory, the Purchasing Manager has implemented better strategies for competitively quoting bids, minimizing waste and improving the utilization of material work flow. A few examples from the 2024 test year include: competitively quoting fuel cost resulting in a 10% expense reduction; reviewing conversion cost of certain CSP to Conventional transformers, saving the cooperative \$32,000 annually; negotiating prices on first aid supply, rug, shop towel & uniform service reducing cost by \$4,500.
- In 2013, Farmers participated in a voluntarily prepay option to fund obligations to the National Rural Electric Cooperative Association (“NRECA”) Retirement & Security (“RS”) Plan. While the prepayment occurred over a decade ago, it has still resulted in billing rate reductions and therefore, cost savings. For example, the prepayment reduced the RS billing rate from 32.64% to 24.53% in the 2024 test year. More recently, in 2022, Farmers switched vendors for its long-term disability insurance, resulting in an annual cost savings of \$12,000.

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 2:** Provide the capital structure at the end of the five most recent calendar years and each other the other periods shown in Schedule A1 and Schedule A2.

**Response 2:** Please see the Excel file uploaded separately.

**ATTACHMENT IS AN  
EXCEL SPREADHSEET  
AND UPLOADED  
SEPERATELY**

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 3:** Provide the following:

- a. A list of all outstanding issues of long-term debt as of the end of the latest calendar year together with the related information as shown in Schedule B1.
- b. An analysis of short-term debt as shown in Schedule B2 as of the end of the latest calendar year.

**Response 3(a)-(b):** Please see the Excel files uploaded separately.

**ATTACHMENTS ARE  
EXCEL SPREADHSEETS  
AND UPLOADED  
SEPERATELY**

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 4:** Provide Farmers RECC's internal accounting manuals, directives, and policies and procedures.

**Response 4:** Please see Attachment PSC 1-4, RUS Form 1717-b2 "Guide for Preparing Financial and Statistical Reports for Electric Distribution Borrowers". Also reference the Audited Financial Statements provided in Exhibit 17 of the Application for a summary of significant accounting policies.

## **ATTACHMENT PSC 1-4**

Disclaimer: The contents of this guidance document does not have the force and effect of law and is not meant to bind the public in any way. This document is intended only to provide clarity to the public regarding existing requirements under the law or agency policies.

UNITED STATES DEPARTMENT OF AGRICULTURE  
Rural Utilities Service

**BULLETIN 1717B-2**

RD-GD-2002-45

**SUBJECT:** Guide for Preparing Financial and Statistical Reports for Electric Distribution Borrowers

**TO:** All Electric Distribution Borrowers

**EFFECTIVE DATE:** Date of approval.

**OFFICE OF PRIMARY INTEREST:** Assistant Administrator, Electric Program.

**FILING INSTRUCTIONS:** This bulletin replaces RUS Bulletin 1717B-2, "Guide for Preparing Financial and Statistical Reports for Electric Distribution Borrowers," dated December 31, 1993. Suggestion to borrowers: Distribute copies of this bulletin to all units responsible for elements of the report.

This Bulletin is also available on the RUS Data Collection System Website at <http://dcs.usda.gov>.

**PURPOSE:** To provide instructions to all electric distribution borrowers required to submit operating reports to RUS. These instructions implement reporting requirements in the borrower's loan contract with RUS and the laws and regulations that authorize RUS to collect this information. The guidance provided in this bulletin corresponds to the completion of a paper Form 7 and 7a. The RUS Data Collection System Website contains instructions for completion of the electronic form.



Blaine D. Stockton  
Assistant Administrator  
Electric Program

2/14/02

Date

**INSTRUCTIONS FOR THE PREPARATION OF THE  
FINANCIAL AND STATISTICAL REPORT**

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**ATTACHMENTS:**

Attachment 1	RUS Form 7
Attachment 2	RUS Form 7a

**INDEX:**

Financial and Statistical Reports  
Financial Statements  
Operating Reports  
Reports

**ACRONYMS**

CBO	Certificates of Beneficial Ownership
CD	Certificate of Deposit
CFC	National Rural Utilities Cooperative Finance Corporation
CL	Capital Leases
CATS	Certificates of Accrual on Treasury Securities
CTC	Capital Term Certificates
DCS	Data Collection System
ERC	Energy Resources Conservation
FCSFAC	Farm Credit System Finance Assistance Corporation
FDIC	Federal Deposit Insurance Corporation

**ACRONYMS**

(continued)

FERC	Federal Energy Regulatory Commission
FFB	Federal Financing Bank
FICO	Financing Corporation
FHLB	Federal Home Loan Banks
FHLMC	Federal Home Loan Mortgage Corporation or Freddie Mac
FmHA	Farmers Home Administration
FNMA	Federal National Mortgage Association or Fannie Mae
G&T	Generation and Transmission borrower
GNMA	Government National Mortgage Association, Ginnie Mae, or Ginnies
GSA	General Services Administration
NOW	Negotiable Order of Withdrawal
NRUCFC	National Rural Utilities Cooperative Finance Corporation
REFCORP	Resolution Funding Corporation
REIT	Real Estate Investment Trusts
RUS	Rural Utilities Service
SBA	Small Business Administration
Sallie Mae	Student Loan Marketing Association
TIGERS	Training Investment Growth Receipts
TVA	Tennessee Valley Authority
WMATA	Washington Metropolitan Area Transit Authority

## **1. REQUIREMENTS**

The Rural Utilities Service's (RUS) requirements regarding the submission of financial and statistical reports by electric distribution borrowers are contained in the loan contract. Also, RUS's reporting requirements are codified in 7 CFR Parts 1710 and 1717.

## **2. REPORTS**

**2.1** The preparation of a monthly financial and statistical report aids a borrower's management in effectively operating and controlling the business.

**2.2** As an aid to borrowers in developing and submitting operating information on a uniform basis, RUS furnishes a prescribed report form to be used by electric distribution borrowers. An original and one copy of RUS Form 7, pages 1 through 5, and Form 7a, Pages 1 and 2, should be submitted to RUS annually by March 1 for the period ending December 31. Quarterly reports (RUS Form 7, pages 1 and 2) are requested when a deficit exists in the prior year's operations. In addition, individual borrowers may be requested by RUS to submit RUS Form 7 (pages 1 and 2) monthly.

**2.3** If after the filing of RUS Form 7 and 7a for December 31, major adjustments in the accounts are made which significantly affect the operating statement for the year, the balance sheet, or key financial ratios, revised reports reflecting these adjustments should be submitted to RUS promptly.

**2.4** Sample copies of the revised report forms are attached to this guide. A supply of these forms will be furnished to borrowers not using the Data Collection System (DCS) system, upon request.

**2.5** Distribution borrowers having generating facilities shall continue to submit reports on the operation of such facilities in accordance with the current instructions set forth in RUS Bulletin 1717B-3, in addition to the RUS Form 7 and 7a.

**2.6** Timely reporting not only permits RUS to fulfill its reporting obligations, but helps the borrower have data promptly for effective management. It is strongly urged that attention be given to organizing your operations so that required reports will be submitted on time.

## **3. GENERAL**

The "Financial and Statistical Report" makes available to RUS information for analyses in connection with the security of Government loan funds. It is believed that this report, when supplemented by such additional information as may be desired by an individual borrower, will also be of great assistance to boards of directors and managers of the system in successfully coping with various management problems.

The report provides RUS with sufficient information to prepare an annual financial and statistical report of all RUS borrowers' electric operations. RUS provides the Federal Energy Regulatory Commission (FERC) with a copy of the RUS statistical report. Thus, most borrowers are not required to submit individual reports to FERC.

The reports prepared by borrowers must accurately reflect the financial data as shown by the books of account, and should be prepared in accordance with the detailed instructions contained in this manual. Maximum benefits can be derived from the monthly and annual report only when they are correctly prepared. Careful preparation of the report also eliminates additional correspondence. After the report has been prepared and typed, it should be carefully reviewed and verified for both clerical and/or typographical errors. Accounts referenced: RUS Uniform System of Accounts - Electric (7 CFR 1767, subpart B, and RUS Bulletin 1767B-1).

These instructions and report forms do not apply to power supply borrowers.

#### **4. SPECIFIC INSTRUCTIONS**

**4.1** The "Financial and Statistical Report," RUS Form 7, Pages 1 through 5, and Form 7a, "Investments, Loan Guarantees and Loans - Distribution," are composed as follows:

##### Form 7

Part A.	Statement of Operations
Part B.	Data on Transmission and Distribution Plant
Part C.	Balance Sheet
Part D.	Notes to Financial Statements
Part E.	Changes in Utility Plant
Part F.	Materials and Supplies
Part G.	Service Interruptions
Part H.	Employee - Hour and Payroll Statistics
Part I.	Patronage Capital
Part J.	Due From Consumers for Electric Service
Part K.	kWh Purchased and Total Cost
Part L.	Long-Term Leases
Part M.	Annual Meeting and Board Data
Part N.	Long-Term Debt and Debt Service Requirements
Part O.	Power Requirements Data Base – Annual Summary

Form 7a

Part I.	Investments
Part II.	Loan Guarantees
Part III.	Ratio
Part IV.	Loans

**4.2** The following system is used in this guide for reference to items reported on RUS Forms 7 and 7a:

A capital letter designates the part, a number designates the item or line number, and a lower case letter designates the column. Example: A15d indicates Part A, Item 15, Column d.

**4.3** "Red" (or negative) figures on the report should be indicated by enclosing the amount in parentheses (--). Do not use parentheses to indicate that an amount is to be deducted when the format provides for the deduction to be made. Example: The entry for Form 7 - C4 should not be enclosed with parentheses as Net Utility Plant is to be determined by subtracting line 4 from line 3.

**4.4** A column for "Budget" has been provided on RUS Form 7, Page 1, Part A, "Statement of Operations," for the convenience of borrowers. When used, this should consist of the cumulative monthly figures taken from the previously prepared annual budget. A budget is a plan for future guidance of the business in which probable revenue and expense is estimated and allocated. If there is a substantial difference between the budget item and the actual, it would be appropriate to make an analysis of operations to determine if remedial action is needed. While reporting of the "Budget" information is optional, RUS may require borrowers to report budget information on a case-by-case basis.

**4.5** Much care should be exercised in the insertion of the statistical data required by the report, particularly that which cannot be verified on the report.

**4.6** Borrowers should report all amounts to the "nearest dollar" and eliminate the cents. All totals and subtotals should be the sums of the rounded figures used.

**EXHIBIT A**  
**SPECIFIC INSTRUCTIONS FOR RUS FORM 7**  
**FINANCIAL AND STATISTICAL REPORT**

**PART A, STATEMENT OF OPERATIONS**

**Column**

**a     Last Year**

This column reflects cumulative annual totals through the month covered by the report, entries for which should be obtained from Column b of this same part (RUS Form 7, Part A) of the operating report for the corresponding month of the prior year.

**b     This Year**

Cumulative annual totals are also reflected in this column, entries for which should be obtained from the year-to-date totals of the general ledger trial balance for the corresponding month.

**c     Budget (Optional)**

Entries for this column should be obtained from the operating budget using cumulative annual totals for the corresponding month.

**d     This Month**

Entries for this column should be obtained from the monthly totals of the general ledger trial balance of the appropriate accounts for the month involved.

**Item No.**

**1     Operating Revenue and Patronage Capital**

The entry for Column b is obtained by adding Part O, Items 12 and 13 of the "Total Year to Date" column.

**2     Power Production Expense**

Accounts 500 through 554

**3     Cost of Purchased Power**

Accounts 555, 556, and 557

**4     Transmission Expense**

Accounts 560 through 573

**5     Distribution Expense - Operation**

Accounts 580 through 589

**Item No.** (continued)

- 6     **Distribution Expense - Maintenance**  
Accounts 590 through 598
- 7     **Customer Accounts Expense**  
Accounts 901 through 905
- 8     **Customer Service and Informational Expense**  
Accounts 907 through 910
- 9     **Sales Expense**  
Accounts 911 through 916
- 10    **Administrative and General Expense**  
Accounts 920 through 931 and 935
- 11    **Total Operation and Maintenance Expense**  
Total of Items 2 through 10
- 12    **Depreciation and Amortization Expense**  
Accounts 403.1 through 403.7 and 404 through 407 (including 407.3 & 407.4)
- 13    **Tax Expense - Property and Gross Receipts**  
Account 408.1 and 408.6. Some States have enacted laws providing for payments in lieu of property taxes. These taxes should be reported as "Tax Expense - Property and Gross Receipts."
- 14    **Tax Expense - Other**  
All subaccounts of Accounts 408, except 408.1 and 408.6 plus Accounts 409.1, 410.1, 411.1, 411.4 and 420
- 15    **Interest on Long-Term Debt**  
Account 427. Do not include any interest earned on Balance of Advance Payments. It is non-operating income, item 21.
- 16    **Interest Charged to Construction - Credit**  
Account 427.3
- 17    **Interest Expense - Other**  
Account 431
- 18    **Other Deductions**  
Accounts 409.2, 410.2, 411.2, 411.5, 411.6, 411.7, 411.8, 411.9, 425, 426.1 through 426.5, 428, 428.1, 429, 429.1 and 430

**Item No.** (continued)

- 19     **Total Cost of Electric Service**  
Total of Items 11 through 18
- 20     **Patronage Capital and Operating Margins**  
Item 1 minus Item 19
- 21     **Non-Operating Margins - Interest**  
Account 419 and 432. Include interest earned on Balance of Advance Payments, if any.
- 22     **Allowance for Funds Used During Construction**  
Account 419.1
- 23     **Income (Loss) from Equity Investment**  
Account 418.1 plus the amounts recorded in Account 421 relating to the income or loss from investments recorded on the equity method of accounting for investments.
- 24     **Non-Operating Margins - Other**  
Net total of Accounts 415, 417, 418, 421, 421.1, less Accounts 416, 417.1, 421.2, and 422
- 25     **Generation and Transmission Capital Credits**  
Account 423
- 26     **Other Capital Credits and Patronage Dividends**  
Account 424
- 27     **Extraordinary Items**  
Net total of Accounts 409.3 plus 434 minus 435 plus or minus 435.1
- 28     **Patronage Capital or Margins**  
Total of Items 20 through 27

**PART B, DATA ON TRANSMISSION AND DISTRIBUTION PLANT**

All entries for Column a should be obtained from Column b of this part of the Operating Report for the prior year.

**Item No.****1     New Services Connected**

In Column b insert the total of all new individual services connected this year to date. The data should include new construction and exclude connections to new consumers on previously connected services.

**2     Services Retired**

In Column b place the number of all individual service installations physically removed during the year.

**3     Total Services in Place**

In Column b insert the number of services as of the end of the reporting period. (Report all services in place whether or not they are in use.)

**4     Idle Services (Exclude Seasonals)**

The number of idle services in Column b should be the total number of delivery points to which service wires remain physically in place but for which no bill is being rendered. Seasonal consumers or patrons paying a nominal sum for the retention in place of idle facilities should be excluded from the count of idle services.

**5     Miles Transmission**

Mileage in Column b represents the total pole line miles of transmission line that have been energized. A transmission line is a line serving as a source of supply to a point where the voltage is transformed to a voltage used for distribution purposes.

**6     Miles Distribution - Overhead**

Mileage in Column b represents the present total overhead pole line miles that have been energized. Distribution lines are those which deliver electric energy from the substation or metering point to the point of attachment to the consumers' wiring and include primary, secondary, and service facilities.

**7     Miles Distribution - Underground**

Mileage in Column b represents the total underground line miles of distribution lines (primary, secondary, and services) that have been energized.

**8     Total Miles Energized**

Sum of Items 5, 6, and 7

Note: (1) Underbuild in overhead lines or joint runs in underground installations do not increase the number of line miles except for distribution underbuild on transmission poles. In such cases, distribution pole line miles would be increased by the number of underbuild miles involved.

**PART C, BALANCE SHEET**

**Assets and Other Debits**

**Item No.**

- 1     Total Utility Plant in Service**  
Accounts 101 (total of Accounts 301 through 399), 101.1, 102 through 106, 114, 116, 118, and 120.1 through 120.6
- 2     Construction Work in Progress**  
All subaccounts of Account 107
- 3     Total Utility Plant**  
Sum of Items 1 and 2
- 4     Accumulated Provision for Depreciation and Amortization**  
All subaccounts of Account 108, and Accounts 111, 115, and 119
- 5     Net Utility Plant**  
Item 3 less Item 4
- 6     Non-Utility Property (Net)**  
Account 121 less Account 122
- 7     Investments in Subsidiary Companies**  
Account 123.11
- 8     Investments in Associated Organizations - Patronage Capital**  
Account 123.1
- 9     Investments in Associated Organizations - Other - General Funds**  
The amount of the investments recorded in Accounts 123.22 and 123.23 as provided for in 7 CFR 1717, Subpart N, Investments, Loans, and Guarantees by Electric Borrowers.

**Item No.** (continued)**10     Investments in Associated Organizations - Other - Nongeneral Funds**

The amount of the investments in Accounts 123.22 and 123.23. The following are classified as such investments:

(1) All National Rural Cooperative Finance Corporation (CFC) – Capital Term Certificates (CTC) except those purchased more than 24 months in advance of their due date.

(2) Investments which have been specifically excluded by the Administrator or his designated representative.

(Note: The above investments are nongeneral fund items regardless of the account in which they are reported. However, the only excludable investments to be reported, for Item 10 are those which are reported in Accounts 123.22 or 123.23. The sum of the amounts reported for Items 9 and 10 should equal the sum of the balances in Accounts 123.22 and 123.23.)

**11     Investments In Economic Development Projects**

Report investments in Economic Development Projects recorded in accounts 123, Investments in Associated Organizations, and 124, Other Investments. (Note: These Economic Development investment amounts should not be reported on any other line of the Balance Sheet.)

**12     Other Investments**

Report amount in Account 124 not related to Economic Development Projects included in Item 11.

**13     Special Funds**

Accounts 125 through 128

**14     Total Other Property and Investments**

Total of Items 6 through 13

**15     Cash - General Funds**

Accounts 131.1, 131.12, 131.13, 131.14, and 135. Item 46, "Accounts Payable," should be utilized for checks written and not paid as of the date of this report.

**16     Cash - Construction Funds - Trustee**

Accounts 131.2 and 131.3. Item 46, "Accounts Payable," must be credited for checks written and not paid as of the date of this report.

**17     Special Deposits**

Accounts 132 through 134

**Item No.** (continued)

- 18     **Temporary Investments**  
Account 136
- 19     **Notes Receivable (Net)**  
Account 141 and 145 less Account 141.1
- 20     **Accounts Receivable - Sales of Energy (Net)**  
Account 142.1 less Account 144.1
- 21     **Accounts Receivable - Other (Net)**  
Accounts 142.2, 143 and 146 less Accounts 144.2 through 144.4
- 22     **Materials and Supplies - Electric and Other**  
Accounts 151 through 157, 158.1, 158.2 and 163
- 23     **Prepayments**  
Accounts 165.1 and 165.2
- 24     **Other Current and Accrued Assets**  
Accounts 171 through 174
- 25     **Total Current and Accrued Assets**  
Total of Items 15 through 24
- 26     **Regulatory Assets**  
Accounts 182.2 and 182.3
- 27     **Other Deferred Debits**  
Accounts 181 through 190, except 182.2 and 182.3
- 28     **Total Assets and Other Debits**  
Total of Items 5, 14, 25 through 27

**Liabilities and Other Credits****Item No.**

- 29     **Memberships**  
Accounts 200.1 and 200.2
- 30     **Patronage Capital**  
Accounts 201.1 and 201.2

**Item No.** (continued)**31 Operating Margins - Prior Years**

Account 219.1 and Account 219.4 when it applies to operating margins.

**32 Operating Margins - Current Year**

Total of Items 20, 25, 26, and the portion of Line 27 that relates to operating margins of the current RUS Form 7, Part A, Column b less that portion of current year margins transferred from Account 219.1 to Account 201.2 and included in the amount reported for Line 28, "Patronage Capital or Margins."

**33 Non-Operating Margins**

Total of Account 219.2 plus Account 219.4 when it applies to non-operating margins, and Items 21, 22, 23, 24, and the portion of Line 27 that relates to non-operating margins, of the current RUS Form 7, Part A, Column b.

**34 Other Margins and Equities**

Total of Accounts 208, 211, 215, 216.1, 217, 218, and 219.3

**35 Total Margins and Equities**

Total of Items 29 through 34.

**36 Long-Term Debt - RUS (Net)**

Accounts 224.1, 224.3, 224.5, 224.7 and 224.9 less Accounts 224.2, 224.4, 224.6, 224.8, and 224.10; also enter the amount of Account 224.6 in the space for "Payments-Unapplied." Report only the long-term portion of the debt under this item. The current portion of the debt (due within one year) should be reported on item 48.

**37 Long-Term Debt - RUS - Economic Development (Net)**

Report amounts recorded in accounts 224.16, Long-Term Debt - Economic Development Notes Executed, less 224.17, RUS Notes Executed - Economic Development - Debit. Report only the long-term portion of the debt under this item. The current portion of the debt (due within one year) should be reported on item 49.

**38 Long-Term Debt – FFB – RUS Guaranteed**

Report amounts recorded in accounts 224.14 less 224.15 that relate to FFB loans. Report only the long-term portion of the debt under this item. The current portion of the debt (due within one year) should be reported on item 48.

**39 Long-Term Debt - Other - RUS Guaranteed**

Report amounts recorded in accounts 224.11, 224.12, 224.14, 225, 226 less Accounts 123.21, 224.13 and 224.15 pertaining to Non-FFB debt whose repayment is guaranteed by RUS. Report only the long-term portion of the debt under this item. The current portion of the debt (due within one year) should be reported on item 48.

**Item No.** (continued)**40     Long-Term Debt - Other (Net)**

Report amounts in Accounts 221, 222, 223, 224.11, 224.12, 224.14, 225, 226 less 123.21, 224.13 and 224.15 pertaining to debt whose repayment is NOT guaranteed by RUS. Report only the long-term portion of the debt under this item. The current portion of the debt (due within one year) should be reported on item 48.

**41     Total Long-Term Debt**

Total of Items 36 through 40.

**42     Obligations Under Capital Leases - Noncurrent**

Account 227

**43     Accumulated Operating Provisions**

Accounts 228.1 through 228.4, and 229. Note: If the cumulative amount recorded in Account 228 is a debit balance, the amount should be reported on Line 12, Other Investments.

**44     Total Other Noncurrent Liabilities**

Sum of items 42 and 43

**45     Notes Payable**

Accounts 231 and 233

**46     Accounts Payable**

Accounts 232.1, 232.2, 232.3 and 234.

**47     Consumers Deposits**

Account 235

**48     Current Maturities Long-Term Debt**

Report amounts due within one year of the obligations reported on items 36, 38, 39 and 40.

**49     Current Maturities Long-Term Debt – Economic Development**

Report amounts due within one year of the obligations reported on item 37.

**50     Current Maturities – Capital Leases**

Account 243

**51     Other Current and Accrued Liabilities**

Accounts 236.1 through 236.7, 237, 238.1, 238.2, 239, 240, 241, and 242.1 through 242.5

**52    Total Current and Accrued Liabilities**

Total of Items 45 through 51

**53    Regulatory Liabilities**

Account 254

**54    Other Deferred Credits**

Accounts 252, 253, 253.1, 255, 256, 257, 281, 282, and 283

**55    Total Liabilities and Other Credits**

Total of Items 35, 41, 44, and 52 through 54

**PARTS D, NOTES TO FINANCIAL STATEMENTS**

Part D provides space for important disclosure notes to the financial statements not included in other parts of this form.

A partial checklist of these disclosure notes is as follows:

Prepaid or deferred charges that are being amortized for a period exceeding 12 months.

Capital leases for lessee; sales or financing leases for lessor.

Unbilled revenue -- Report of the amount not billed to consumers for which kWhs have been consumed. Please state if this amount is or is not included in Part C, line 20.

Accounting changes.

Contingent Assets and Liabilities

Deferred compensation\Pension plans -- employers.

Deferred Debits or Credits, and Extraordinary Items.

Margin Stabilization Plans.

Short-term obligations expected to be refinanced.

Deferred credits that are being amortized for a period exceeding 12 months.

Related party transactions.

**PART E, CHANGES IN UTILITY PLANT**

**Item No.**

- 1    Distribution Plant**  
Accounts 360 through 373
- 2    General Plant**  
Accounts 391 through 399.
- 3    Headquarters Plant**  
Accounts 389 through 390.
- 4    Intangibles**  
Accounts 301, 302, and 303
- 5    Transmission Plant**  
Accounts 350 through 359
- 6    All Other Utility Plant**  
Accounts 101.1, 102 through 106, 114, 116, 118, 120.1 through 120.6, and 310 through 346.
- 7    Total Utility Plant in Service**  
Total of Items 1 through 6. Amount in column e should agree with Part C, Item 1.
- 8    Construction Work in Progress**  
Account 107. Amount in column e should agree with Part C, Item 2.
- 9    TOTAL UTILITY PLANT**  
Total of Items 7 and 8. Amount in column e should agree with Part C, Item 3.

**Column**

- a    Balance Beginning of Year**  
The balances in this column for each item should be the same as shown in "Balance End of Year" column of the previous years' report.

**Column** (continued)**b     Additions**

This column should show the additions to plant during the year including any corrections for additions for the current or preceding year for each item. The amount of the additions should be net cost (gross cost less contributions in aid of construction credited to the plant accounts). Include in this column transfers involving Account 103, "Experimental Electric Plant Unclassified," Account 106, "Completed Construction Not Classified - Electric," and Account 107, "Construction Work in Progress - Electric," made to close the record for items in these accounts. A credit will be shown in this column for Accounts 103, 106, and 107 if the "Balance End of Year" in either Accounts 103, 106, or 107 is less than "Balance Beginning of Year." Any amount paid for electric plant purchased during the year should be shown in Column b.

**c     Retirements**

This column should show the value of physical retirements for each item of plant made during the year including any corrections for retirements for the current or preceding year. Any amount received during the year for electric plant sold should be shown in Column c. Do not include contributions in aid of construction in this account. See instructions for Column b above.

**d     Adjustments and Transfers**

Include in this column:

1. Transfers between utility plant purchased or sold and the utility plant in service accounts.
2. Transfers between utility plant in service accounts and utility plant leased to others.
3. Transfers between utility plant in service accounts and utility plant held for future use.
4. Reclassifications or transfers within the utility plant in service accounts.

Do not include corrections of additions and retirements for the current or preceding year in this column. (These should be shown in Column b or Column c, respectively.) Do not include transfers from Account 107 to 106, or 106 to the electric plant in service accounts. (These are to be shown in Column b.)

Ordinarily, this column should total to zero. However, when utility plant purchased is transferred to the utility plant in service accounts, a difference will occur because of the accumulated provision for depreciation. When the utility plant in service accounts are credited with utility plant sold, a difference will develop. This is because of the adjustment to the accumulated provision for depreciation and the gain or loss.

**Column** (continued)**e      Balance End of Year**

These balances should be determined at year-end directly from the accounts. Each item and column total should be verified to see that "Balance Beginning of Year" plus "Additions" minus "Retirements" and plus or minus "Adjustments and Transfers" equal "Balance End of Year." The amount for Item 8 should agree with RUS Form 7, Part C, Item 2. The amount for Item 9 should agree with RUS Form 7, Part C, Item 3.

**PART F, MATERIALS AND SUPPLIES****Item No.****1      Electric**

**Column a:** Enter the total of the balances in Accounts 151 through 154 and 163 at the end of the previous year.

**Column b:** Enter the total of materials purchased during the year and recorded in Accounts 151, 152, and 154, plus net additions to Accounts 153 and 163 excluding inventory adjustments which are to be reported in Column f.

**Column c:** Enter the amount of the materials returned to stores from retirement of plant during the year.

**Column d:** Enter the net amount of materials used during the year (materials charged out less materials returned to stores). Include stores expense assigned to those materials. Do not include credits for inventory adjustments that are to be reported in Column f.

**Column e:** Enter the amount of all materials and supplies sold during the year.

**Column f:** Enter the net amount of inventory adjustments (shortages, overages, and breakage) made during the year.

**Column g:** Enter the total of the balances in Accounts 151 through 154 and 163 as of the end of the year.

**2      Other**

Enter in Column a the total of Accounts 155, 156, 157, 158.1, and 158.2 at the end of the previous year. Enter in Column b the amount of other purchases (at cost) for the year. Enter in Column c any trade-in merchandise or other material put into stock. Enter in Column d any merchandise or other materials taken from stock for the cooperative's use. Enter in Column e all merchandise and other material sold during the year. Enter in Column f any adjustments (net) for shortages, overages, breakage, etc. Enter in

Column g the total of the balances in Accounts 155, 156, 157, 158.1, and 158.2 on December 31 (Note: Columns a plus b and c, less d and e, plus or minus f, as appropriate, equal Column g).

## **PART G, SERVICE INTERRUPTIONS**

The importance and manner of measuring and reporting continuity of service is described in RUS Bulletin 161-1. This bulletin provides for coding of causes that fit the four classifications shown in this part.

Average hours interruptions per consumer are obtained by multiplying the time of each interruption by the number of consumers affected and dividing by the average number of consumers receiving service.

### **Column**

**a Power Supplier**

Enter in this column the average interruption hours per consumer resulting from failure of the power supplier's facilities.

**b Extreme Storm**

It is intended that this column exclude common or expected weather conditions and include extreme weather conditions resulting in extraordinary interruption time and equipment damage. Usually there is a series of concurrent interruptions resulting from conditions that exceed design assumptions.

**c Prearranged**

This column includes service interruptions caused by a decision to de-energize all or part of the system.

**d All Other**

Include in this column all service interruptions not included in Columns a, b, and c.

**e Total**

This column represents the sum of all causes, and represents either the average interruption hours per consumer for the current year (Item 1), or the average for 5 years (Item 2).

### **Item No.**

**1 Present Year**

Enter data for the current year in the appropriate column.

**2 Five Year Average**

Enter data for the most recent 5 years including the current year. In the event that statistics are not available for a full previous 5 years, use the best estimate possible until actual figures become available

## **PART H, EMPLOYEE - HOUR AND PAYROLL STATISTICS**

The object of this part is to obtain statistics on all work performed for the borrower by the cooperative's employees based on payroll records.

### **Item No.**

**1     Number of Full-Time Employees**

The number reported should be the number of employees hired full-time for normal operations of the system. It should not include employees added to do emergency work, employees added for seasonal employment, or for special assignments. If an employee works for the first 6 months of the year, quits in July, and is replaced immediately or later by another employee, these two employees should be reported as one full-time employee.

**2     Employee-Hours Worked - Regular Time**

Report the total number of employee-hours worked for which the employees received a regular rate of pay. Include all employees both salaried and those paid by the hour. All leave with pay is to be counted as hours worked. All leave without pay is not to be counted.

**3     Employee-Hours Worked - Overtime**

Report the total number of employee-hours worked for which a premium rate of pay was received by the employee.

**4     Payroll - Expensed**

Enter the amount of payroll that was charged to the operation and maintenance expense accounts (Accounts 500 through 598 and 901 through 931 and 935) during the year.

**5     Payroll - Capitalized**

Enter the amount of payroll that was used in construction and retirement work (all payroll charged to Accounts 107.1 through 107.3, 108.8, plus all payroll directly charged to the plant Accounts 301 through 399).

**6     Payroll - Other**

Enter the amount of payroll that was not included in Items 4 and 5.

**PART I, PATRONAGE CAPITAL****Item No.****1     Capital Credits Distributions****a.     General Retirements**Column (a) - This Year

Enter the total of those retirements made during the current year that covered a specific period or a specific percentage of a period. See Item 1b(a) for additional instructions.

Column (b) - Cumulative

This entry should be determined in accordance with the instructions from Item 1a except that the period covered is from inception through and including the current year. It also may be determined by using the balance for this item for the prior year and adding the entry in Item 1a(a) for the current year.

**b.     Special Retirements**Column (a) - This Year

Enter the total of those retirements made during the current (reported) year, such as estate settlements (Note: The total of the entries in Items 1 and 2 in column a should equal total patronage capital retirements for the year).

Column (b) - Cumulative

The entry should be determined in accordance with the instructions for Item 2a except the period covered is from inception through and including the current year. It also may be determined by using the balances for this item for the prior year and adding the entry in Item 2a for the current year.

**c.     Total Retirements**Column (a) - This Year

Enter total of 1a and 2a

Column (b) - Cumulative

Enter total of 1b and 2b

**2     Capital Credits Received****a.     Cash Received From Retirement of Patronage Capital by Suppliers of Electric Power**Column (a) - This Year

Self-explanatory

**b. Cash Received From Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System**

Column (a) - This Year

Self-explanatory

**c. Total Cash Received**

Column (a) - This Year

Enter total of 2a and 2b

**PART J, DUE FROM CONSUMERS FOR ELECTRIC SERVICE**

**Item No.**

**1 Amount Due Over 60 Days**

Include both connected and disconnected consumers.

**2 Amount Written Off During Year**

Include total charges during the current year to Account 144.1 representing the write-off of uncollectible accounts.

**PART K, kWh PURCHASED AND TOTAL COST**

Enter in Column a the name of each wholesale power supplier from which power was purchased for resale. Column b is for RUS use only. Enter in Column c the total kWh purchased from each supplier. Enter in Column d the total cost of power from each supplier. This shall include energy, demand, wheeling and other charges associated with the power purchased from each supplier. Enter in Column e the average cost per kWh purchased (in cents). This calculation is made by dividing Column d by Column c.

When the power bill includes charges or credits for items other than charges for demand and energy, such as fuel cost adjustments, wheeling, equipment rentals, taxes, etc., the amounts thereof should be determined and entered in Column f or g as appropriate.

**PART L, LONG-TERM LEASES**

Report in this part by lessor, the type of property, and the amount of rental for the year (accrued or paid) on all restricted property that the borrower holds under long-term lease from other parties.

Restricted Rentals as defined in 7 CFR Part 1718, Subpart B, "Mortgage for Distribution Borrowers," shall mean all rentals required to be paid under finance leases and charged to income, exclusive of any amounts paid under any such lease (whether or not designated therein as rental or additional rental) for maintenance or repairs, insurance, taxes, assessments, water

rates or similar charges. For the purpose of this definition the term “finance lease” shall mean any lease having a rental term (including the term for which such lease may be renewed or extended at the option of the lessee) in excess of 3 years and covering property having an initial cost in excess of \$250,000 other than aircraft, ships, barges, automobiles, trucks, trailers, rolling stock and vehicles; office, garage and warehouse space; office equipment and computers. Long-Term Lease as defined in 7 CFR Part 1718, Subpart B, “Mortgage for Distribution Borrowers,” shall mean a lease having an unexpired term (taking into account terms of renewal at the option of the lessor, whether or not such lease has previously been renewed) of more than 12 months.

General plant is not to be included in the data to be reported in this part. Leases accounted for as capital leases (CL), the cost of which is included in utility (or non-utility) plant, should also be disclosed here with proper additional information included in Part D, "Notes to Financial Statements," and Part N, "Long-Term Debt and Debt Service Requirements." Identify these leases by placing "(CL)" following the name of the lessor.

## **PART M, ANNUAL MEETING AND BOARD DATA**

### **Item No.**

**1     Date of Last Annual Meeting**

Use date scheduled even if no legal meeting was held. If such is the case, so state.

**2     Total Number of Members**

The number of members in the cooperative that are eligible to vote is to be reported in this block. This number is to be determined on the basis of one vote to one member. It will customarily be less than the number of billed consumers as usually some members are billed for more than one account. If exact figures are not available, enter best estimate and use asterisk (\*) to show the figure is an estimate.

**3     Number of Members Present at Meeting**

Report number of members present in person as determined by registration or votes cast. Only report persons eligible to vote. Do not report total number of persons in attendance.

**4     Was Quorum Present?**

A "yes" or "no" answer is sufficient.

**5     Number of Members Voting by Proxy or Mail**

Report the number of absentee ballots cast. Include both proxy votes and absentee votes. If none, so state.

**6     Total Number of Board Members**

List number on board when all vacancies are filled.

**Item No.** (continued)**7     Total Amount of Fees and Expenses for Board Members**

Include all fees, expenses, and per diem paid to board members for all purposes during the current year, including attendance at board meetings, training seminars, delegated board business, association meetings, amounts paid for insurance, and other expenses directly associated with individual board members.

**8     Does Manager Have Written Contract?**

A "yes" or "no" answer is requested.

**PART N, LONG-TERM DEBT AND DEBT SERVICE REQUIREMENTS**

This section is to be prepared by all borrowers that list an amount on line 36 through 40 plus line 42 of Part C, RUS Form 7. Report all loans made to the utility system here. Loans made by the reporting utility system to others (e.g., economic development loans to finance local projects) should not be reported in this part of the report. Part N, line 12a, Total, should match the sum of the amount reported on line 41, "Total Long-Term Debt," plus the sum of the amount reported on line 42, "Obligations Under Capital Leases - Noncurrent, Part C, Balance Sheet.

**Item No.**

**1-11** Enter required data for each lender. List each lender separately. Include all types of long-term obligations including long-term lease obligations (capital) as reported on lines 36, 37, 38, 39, 40, and 42, Part C, Balance Sheet.

**12** Enter the total of Items 1 through 11 for each column.

**Column****a     Balance End of Year**

Enter the outstanding long-term debt balance for each lender.

**b     Interest**

Enter the sum of the amount for current interest billed during the year by each lender. This amount includes interest charged to construction as well as interest charged to expense. Do not deduct the interest earned on Balance of Advance Payments accounts.

**c     Principal**

Enter the sum of the amounts billed for principal during the year by each lender. If a portion of the principal amount is being refinanced (e.g., the proceeds from a RUS or RUS-guaranteed loan are used to pay off a CFC intermediate-term construction loan), that amount should not be included in this column as part of the principal billed. The

principal amount being refinanced, however, should be asterisked and the refinanced portion should be shown under Part D, "Notes to Financial Statements."

Do not include in Columns b and c amounts billed that are applicable to another year's transaction such as billings for past due accounts, note assumptions, etc.

Amounts reported in Columns b and c should include billings due for payment by the end of the year. If a billing was not received for such a payment, the amount that will be billed should be estimated and included as part of the amounts reported in these columns.

**d     Total**

Enter the total of amounts in Columns b and c for each lender.

**PART O. POWER REQUIREMENTS DATA BASE – ANNUAL SUMMARY**

All revenue from operating electric plant including kWh sales, penalties, income from utility property, and miscellaneous items is to be reported in this part. Please note that if unbilled revenue is estimated (accrued) and reported in Form 7, Part A, Item 1, then the unbilled revenue must be included in the applicable classes on this form in Part O, also. It must be added to the billed revenue for Residential Sales, Residential Sales - Seasonal, etc. It should not be reported as Sales for Resales - Other.

**Item No.**

**1 - 9     Line a**

**Number Consumers Served**

Enter the number of consumers, by classification, having a current service connection in December in Column a. Enter the average number of consumers served based on the number of months that revenue is reported in Column b.

**Special Circumstances for Number Consumers Served**

Residential consumers (seasonal and non-seasonal) should be counted on the basis of the number of residences served. If one meter serves two residences, then two consumers should be counted. If a water heater is metered separately from other appliances on the same premises, do not count the water heater load as a separate consumer.

Security or safety lights, billed to a residential customer, should not be counted as an additional consumer, nor should they be included in the Public Street and Highway Lighting Classification.

Seasonal consumers expected to resume service during the next seasonal period should be counted during off-season periods as well.

A residence and commercial establishment on the same premises, receiving service through the same meter and being billed under the same rate schedule, would be classified as one consumer based on the rate schedule. If the same rate schedule applies to both the residential and the commercial class, the consumer should be classified according to principal use.

Consumers for Public Street and Highway Lighting should be counted by the number of billings, regardless of the number of lights per billing.

Installations erected for billboards or advertising purposes should be counted by billing and included in the appropriate commercial classification.

**1 - 9 Line b**

**kWh Sold**

Enter the number of kWh sold during the year for each consumer classification in Column c, Total Year to Date.

**1 - 9 Line c**

**Revenue**

Enter the dollar value of billings for the year for each consumer classification in Column c, Total Year to Date.

**10 Total Number of Consumers**

Enter the total of Lines 1a through 9a, Column a, December, and Column b, Average No. Consumers Served.

**11 Total kWh Sold**

Enter the total of Lines 1b through 9b, Column c, Total Year to Date.

**12 Total Revenue Received from Sales of Electric Energy**

Enter the total of Lines 1c through 9c, Column c, Total Year to Date.

**13 Other Electric Revenue**

Report amounts in accounts 412, 414, 449.1, 450, 451, and 453 through 456 less account 413. Enter the total in column c, Total Year to Date. Check: Line 12 total plus Line 13 total must agree with Part A, Line 1, Column b.

**14 kWh - Own Use**

Enter the total of the kWh consumed for corporate purposes in Column c, Total Year to Date. Show only kWh purchases under wholesale power contract for resale or self-generated and used for this purpose. Do not report energy purchased directly from a supplier solely for corporate purposes.

**15 Total kWh Purchased**

Enter the total of the kWh delivered by the power suppliers in the Column c, Total Year to Date. Transformer loss adjustments for low or high side delivery, if any, should be reported as kWh delivered.

**16 Total kWh Generated**

Enter the total of the net generation in Column c, Total Year to Date. Check: These figures should agree with those reported in RUS Form 12d, 12e, 12f, and 12g.

**17 Cost of Purchases and Generation**

Enter the total of Part A, Column b, Lines 2, 3, and 4, in Column c, Total Year to Date.

**18 Interchange - kWh - Net**

Energy flow between two electric systems, but not included in power billings is to be entered on this line. Energy received into the systems should be reported as a positive figure and energy delivered out of the system should be reported as a negative number. When the flow is both "in" and "out", the difference should be reported. Enter the total in Column c, Total Year to Date.

**19 Peak - Sum All kW Input (Metered)**

Please check the appropriate box indicating coincident or non-coincident peak.

Enter the highest monthly demand reported in Column c, Total Year to Date.

Include both generated and purchased power. For purchased power, use metered demand plus adjustments for transformer losses. Do not include adjustments made for billing purposes.

**EXHIBIT B**  
**SPECIFIC INSTRUCTIONS FOR RUS FORM 7a**  
**INVESTMENTS, LOAN GUARANTEES AND LOANS - DISTRIBUTION**

This form implements the reporting requirements placed on RUS borrowers in 7 CFR 1717, Subpart N.

**General Instructions**

1. RUS Form 7a, Investments, correspond to those reported in the Balance Sheet (RUS Form 7, Page 2, Part C, Balance Sheet). Also, all investment items summarized on the Balance Sheet are also reported here and classified as either included, that is subject to the 15% Rule\*, or excluded.

\*The 15 percent Rule states: "A Borrower in compliance with all provisions of its RUS mortgage, RUS loan contract, and any other agreements with RUS may, without prior written approval of the Administrator, invest its own funds or make loans or guarantees not in excess of 15 percent of its total utility plant without regard to any provisions contained in any RUS mortgage or RUS loan contract to the effect that the borrower must obtain prior approval from RUS, ..." [Reference 7 CFR 1717.654, "Transactions below the 15 percent level," 1717.655, "Exclusion of certain investments, loans, and guarantees," and 1717.656, "Exemption of certain borrowers from controls."]

2. *Please cross check each item listed in PART I. INVESTMENTS, to ensure that the total of each category on the Form 7a (e.g., 1. Non-Utility Property (Net)) matches the balance sheet amount on Form 7.*

3. Exhibit C of this bulletin classifies most investments as either Included or Excluded. In developing our guidelines, we referred to 7 CFR 1717.655, "Exclusion of certain investments, loans, and guarantees." If you need further clarification, contact your RUS Regional Division office for assistance. Exhibit D of this bulletin describes each type of investment in greater detail and classifies it as included or excluded.

4. Almost all investments must be reported separately, however, there are exceptions: Energy Resources Conservation (ERC) loans, and Loans to Employees, Officers, and Directors, each of these types of investments should be combined and reported as a total. A full description of each investment is needed by RUS to verify its proper classification as included or excluded.

5. Loan guarantees that a RUS borrower makes (e.g. member guarantees of its power supplier's loan from RUS) in conformance with the terms of a formal agreement with RUS are excludable.

6. If you need more space than the printed forms provide, please show the remainder of your investments, separately, on a continuation page with headings like the Form 7a, keyed to the report name, item name, and number. A continuation form is enclosed.

Please review the following material carefully.

**ITEMS INCLUDED IN 15% RULE CALCULATION:**

All items properly reported in the Balance Sheet, RUS Form 7, Part C. Balance Sheet, items: 6 through 13, 15, 17 through 19, plus 21 must be reported as Included, or Excluded items, as defined below. The sum of the Included items, plus the sum of the borrower's commitments to invest in the 12 months following the reporting period, plus the sum of loans (the balances of loans outstanding) which the borrower has guaranteed, except those amounts excluded, added together, may not exceed 15% of Total Utility Plant to comply with the 15% Rule. [Reference 7 CFR 1717.655, "Exclusion of certain investments, loans, and guarantees."]

**EXCLUDED INVESTMENTS:**

The following list includes nearly all Approved Exclusions [Reference 7 CFR 1717.655]

1. Patronage Capital allocated from a power supply cooperative of which the borrower is a member.
2. Loans, investments, security, obligations entered into prior to the date of the borrower's initial RUS Mortgage.
3. Securities or deposits issued, guaranteed or fully insured as to payment by the U.S. Government or any agency thereof. Though not an exhaustive list, this includes:
  - (a) U.S. Savings Bonds
  - (b) U.S. Treasury Bonds, Notes, Bills, Certificates
  - (c) Checking, Savings, and Certificates of Deposit, up to the limit of the amount insured by an instrumentality of the U.S. Government. [However, the amount exceeding \$100,000 (in any single institution) insured by the Federal Deposit Insurance Corporation (FDIC) should be reported on Form 7a, Part I, as an Included item.]
  - (d) Securities issued by the following Federal agencies and guaranteed as to payment by the full faith and credit of the U.S. Government (payable from the U.S. Treasury):  
Farm Credit System Financial Assistance Corporation (FCSFAC),  
Farmers Home Administration (FmHA),  
Federal Financing Bank (FFB),  
General Services Administration (GSA),  
Government National Mortgage Assoc. (GNMA),  
Maritime Administration Guaranteed Ship Financing Bonds issued after 1972,  
Small Business Administration (SBA),  
Washington Metropolitan Area Transit Authority (WMATA) Bonds.
  - (e) Other securities or deposits issued, guaranteed or fully insured as to payment by any agency of the United States Government. Unlike those listed above, these instruments may not be guaranteed by the full faith and credit of the U.S. Government, but are excludable.

4. Capital term certificates, bank stock, or similar securities of the supplemental lender which have been purchased as a condition of membership in the supplemental lender, or as a condition of receiving financial assistance from such lender, i.e., subscription or loan related capital term certificates from CFC, or stock from CoBank or Banks for Cooperatives.
5. Capital Credits issued by the supplemental lender received as an outcome of receiving financial assistance from that lender.
6. CFC Commercial Paper, CoBank Cash Investment Service, and Surplus Funds Program (St. Paul Bank for Cooperatives).
7. Any other investment that has been given formal written approval by the Administrator of RUS as an exclusion from the 15% Rule should be shown in Excluded column. For clarity, footnote such investments, and explain their special exemptions, otherwise the reviewer will assume they are classified improperly.
8. Investments funding post-retirement benefits are an excluded investment. [Reference Financial Accounting Standards Board Statement 106]
9. Reserves, if required by Revenue Bond Agreement; or amounts set aside to ensure prompt payment of loans made, guaranteed, or secured by a lien accommodated by RUS are excluded. However, only funds required for payments due within a three-month period after the report date may be excluded unless the "Agreement" requires a larger fund.

## **PART I. INVESTMENTS**

Report all items in the following Balance Sheet categories on Form 7, Part C:

1. Non-Utility Property (Net):  
Report items summarized as Balance Sheet item 6.
2. Investments in Associated Organizations:  
Report items summarized as Balance Sheet items 7, 8, 9 and 10.
3. Investments in Economic Development Projects:  
Report items summarized as Balance Sheet item 11.
4. Other Investments:  
Report items summarized as Balance Sheet item 12.
5. Special Funds:  
Report items summarized as Balance Sheet item 13.

6. Cash-General:

Report items summarized as Balance Sheet item 15.

7. Special Deposits:

Report items summarized as Balance Sheet item 17.

8. Temporary Investments:

Report items summarized as Balance Sheet item 18.

9. Notes and Accounts Receivable (Net):

Report items summarized as Balance Sheet item 19 and 21.

10. Commitments To Invest Within 12 Months:

These items do not appear on the RUS Form 7, Part C, Balance Sheet. Report any legally binding commitments to invest within the 12 months following the reporting period.

Column headings:

Column (a), Investment Description, giving issuer's name e.g. C.D. 1st National Bank, Omaha NE, or US Treasury Certificates, other investments, giving the name, the city and state of their address, type of investment.

Column (b), Included Amount: See Exhibit C of this bulletin.

Column (c), Excluded Amount: See Exhibit C of this bulletin.

Column (d), Income or Loss: For each investment that is accounted for under the equity method of accounting and reported in Section 2, Investments in Associated Organizations, 3, Investments in Economic Development Projects, and 4, Other Investments, indicate the amount of income or loss recognized during the reporting period. If there were no investments to account for under the equity method of accounting, please enter zero. For each receivable reported in section 9, Accounts & Notes Receivable (Net), indicate the amounts, if any, charged to the provision for uncollectible notes receivable. If there were no charges for uncollectible notes receivable, please enter zero.

Column (e), Rural Development: Identify investments in rural economic development by placing an "X" in column e. Include investments in any/all types of projects or products that were made to improve the economy and/or quality of life in your area.

Examples of Rural Economic Development Investments include (but are not limited to): energy resources and conservation loans, rural development loans/grants, water/wastewater, satellite/cable TV, natural/propane gas, telephone/Internet, power quality, load management, agricultural services, housing, industrial parks/organizations, incubator buildings, public health/safety, financing/revolving loan funds, security services, etc.

## **PART II. LOAN GUARANTEES**

In this part, the reporting RUS borrower should list each loan guarantee they have given. They should not list those they receive from RUS or any other source. For example, a reporting borrower's guarantee of a bank's loan to a local rural development project should be reported here. By contrast, a Federal Financing Bank loan to your organization, the reporting RUS borrower, the repayment of which is guaranteed by RUS, should not be reported here.

List each loan your organization has guaranteed. This includes but is not limited to guarantees of loans to rural development projects, subsidiary organizations, associated/nonassociated organizations, power supply organizations.

**Excluded Guarantees:** Guarantees that a borrower makes in conformance with the terms of a formal agreement with RUS are excludable. For example, if a reporting RUS borrower guarantees the repayment of a loan made by a bank to a subsidiary of the power supplier, but the terms of that loan were not specifically agreed to by RUS, the guarantee is Includable. By contrast, a member's guarantee of its power supplier's loan, made as required by RUS, is Excludable.

**Column (a), Organization:** Identify the legal person, or entity whose loan is guaranteed, giving the name, the city and state of their address.

**Column (b), Maturity Date:** This is the date when the final payment on the loan guarantee by your organization is payable. If the final date has been extended, the new final date payment should be furnished here.

**Column (c), Original Amount:** The original loan amount owed upon execution of the note, usually the face amount, or a portion thereof, if it is a partial guarantee.

**Column (d), Loan Balance:** The remaining balance of the original loan amount that is outstanding, or portion thereof if it is a partial guarantee.

**Column (e), Rural Development:** Identify loan guarantees in rural economic development by placing an "X" in column e. Include loan guarantees in any/all types of projects or products that were made to improve the economy and/or quality of life in your area.

Examples of Rural Economic Development Investments include (but are not limited to): energy resources and conservation loans, rural development loans/grants, water/wastewater, satellite/cable TV, natural/propane gas, telephone/Internet, power quality, load management, agricultural services, housing, industrial parks/organizations, incubator buildings, public health/safety, financing/revolving loan funds, security services, etc.

**Line 4, Totals,** report the totals of Original Amounts and Loan Balances for all guarantees.

**Line 5, Total - Included Loan Guarantees,** report the sums of the Original Amounts and remaining Loan Balances or portion of the loan balances (shown in column d) that your

organization guaranteed, which are not excludable, that is, those which are subject to the 15% Rule limitation.

### **PART III, RATIO OF INVESTMENTS AND LOAN GUARANTEES TO TOTAL UTILITY PLANT**

Divide the sum of the Included Investments (Part I, item 11, Total of Investments, column (b)) plus Included Loan Guarantees (Part II, Totals, Column (d)) by the Total Utility Plant (Form 7, Part C, Balance Sheet, item 3). This percentage should be expressed as a whole number with one decimal digit, e.g. 12.9%. Note: the balance of the "Loans" Part IV is not included.

### **PART IV, LOANS**

List each note receivable, draft, demand loan, time loan, and similar evidence of indebtedness for each loan made by your organization. However, loans to your Employees, Officers, and Directors, and Energy Resources Conservation Loans (both items printed on the form) should be reported as totals.

Column (a) Name of the debtor organization

Column (b) Final maturity date

Column (c) Original loan amount

Column (d) Outstanding loan balance, or carrying value

Column (e) "X" for loans made for Rural Development purposes

**EXHIBIT C****INVESTMENTS UNDER THE 15 PERCENT RULE**Investments to be INCLUDED in the 15 Percent Calculation

Annuity-type investments	Money market mutual funds
Asset management accounts	Mortgage-backed securities (unless
Brokerage Accounts (non-FDIC)	backed by full faith and credit
Cash and CD's* (uninsured part)	of a U.S. Government Agency)
Commercial paper (except NRUCFC)	Municipal bonds
Common stock	Mutual funds
Convertible certificates (bonds,	Options (stock)
debentures, preference stock)	Patronage capital, other than that
Corporate bonds	from power suppliers
Energy resources conservation loans	and supplemental lenders
Futures contracts	Preferred stock
Lines of credit (to others,	Real Estate Investment Trusts
including G&T's)	Repurchase agreements
Loan guarantees NOT required by RUS	Unit investment trusts
Loans - personal	Warrants
Membership certificates	Zero coupon bonds

Investments to be EXCLUDED from 15 Percent Calculation

Capital term certificates, bank	Patronage capital,
stocks, etc., purchases as	from power supply cooperative
condition of supplemental lender	from supplemental lenders
membership or financing	Post Retirement Benefits - Funded
CoBank cash investment services	Revenue Bond (Debt Service) Reserves
certificates	Surplus Funds Program (St. Paul
Commercial paper issued by NRUCFC	Bank for Cooperatives)
Deferred compensation (including	U.S. Savings Bonds
MINT)	U.S. Treasury Bills
Loan guarantees required by RUS	U.S. Treasury Bonds
Mortgage backed securities backed	U.S. Treasury Notes
by full faith and credit of a	U.S. Governments backed by full
U.S. Government agency	faith and credit, U.S. Treasury:
(e.g., Ginnies, FCSFAC,	e.g., Maritime Administration
FmHA CBO's, Frannies, FFB,	Guaranteed Ship Financing Bonds
GSA, and TVA)	(issued after 1972)
NRUCFC membership certificates	Farm Credit System Financial
NRUCFC securities (debt)	Assistance Corporation
	FmHA, SBA, and WMATA

Investments Which May Be EXCLUDED Within Certain Limits

\* Several forms of investment may be excluded from the 15 percent calculation to the extent that they are insured by U.S. Government agencies, such as FDIC, etc. However, any such investments in excess of the insured amount (typically \$100,000) are Included in the 15 percent calculation.

## EXHIBIT D INVESTMENT DESCRIPTIONS

<b><u>Type of Investment</u></b>	<b><u>Description</u></b>	<b><u>Includable or Excludable</u></b>
Annuity	Provides regular, guaranteed income payments for life or set time period.	Includable
Asset Management Account	One-stop financial plan that included brokerage account, checking, debit and credit card, money market fund.	Includable
Brokerage Accounts	Stock Brokers, banks, other agents providing investment services	Includable
Capital term certificates, bank stock, or similar securities	Securities of the supplemental lender which have been purchased as a condition of membership in the supplemental lender, or as a condition of receiving financial assistance from such lender.	Excludable
Cash, Uninsured	See U.S. Government issued, guaranteed, or fully insured securities or deposits.	Includable
Certificate of Deposit (CD) (Less than \$100,000) In FDIC Bank	Receipt for set sum of money left in bank for set period of time at an agreed-upon interest rate; at end of period, bank pays deposit plus interest.	Excludable
CoBank Cash Investment Services	Short-term unsecured notes sold by the CoBank.	Excludable

**INVESTMENT DESCRIPTIONS**

<b><u>Type of Investment</u></b>	<b><u>Description</u></b>	<b><u>Includable or Excludable</u></b>
Commercial Paper	Short-term unsecured notes sold by large corporations.	Includable
Commercial Paper, NRUCFC	Short-term unsecured notes sold by NRUCFC.	Excludable
Common Stock	Security that represents ownership in a company.	Includable
Convertible	Bond, debenture, or preferred share of stock which may be exchanged by owner for common stock, usually of same company.	Includable
Corporate Bond	Debt obligation of corporation.	Includable
Debt Service Reserve	Cash set aside to ensure prompt payment of (1) Revenue Bonds, or (2) RUS: Loans, Guarantees, or RUS Lien Accommodated Loans	Excludable: AMT. DUE IN THE 3 MONTHS FOLLOWING REPORT DATE
Deferred Compensation	Periodic payments made to an employee after retirement, either for the employee's life or for a specified number of years, for specific duties performed during periods of active employment.	Excludable

## INVESTMENT DESCRIPTIONS

<b><u>Type of Investment</u></b>	<b><u>Description</u></b>	<b><u>Includable or Excludable</u></b>
Energy Resources Conservation (ERC) Loans	Loans made by RUS borrower to its consumers for the cost of labor and materials for the following energy conservation measures: <ol style="list-style-type: none"> <li>1. Caulking</li> <li>2. Weather-stripping</li> <li>3. Ceiling insulation</li> <li>4. Wall insulation</li> <li>5. Floor insulation</li> <li>6. Duct insulation</li> <li>7. Pipe insulation</li> <li>8. Water heater insulation</li> <li>9. Storm windows</li> <li>10. Thermal windows</li> <li>11. Storm or thermal doors</li> <li>12. Clock thermostats</li> <li>13. Attic ventilation fans</li> </ol>	Includable
Futures contracts	Contracts covering sale of financial instruments or physical commodities for future delivery; includes agricultural products, metals, Treasury bills, foreign currencies, and stock index futures (i.e., Standard and Poor's 500).	Includable
Line of Credit	Bank's moral commitment to make loans to a company for a specific maximum amount for a given period of time, typically 1-year. There is usually no commitment fee charged on the unused line. However, a compensating balance requirement often exists.	Includable

## INVESTMENT DESCRIPTIONS

<b><u>Type of Investment</u></b>	<b><u>Description</u></b>	<b><u>Includable or Excludable</u></b>
Loan Guarantee	Guarantees for the payment of debt obligations of others; i.e., including but not limited to rural development projects, subsidiary organizations, associated/nonassociated organizations, power supply organizations, etc.	Includable Excludable  if formally approved by RUS/ or required by RUS loan contract.
Loans - Employees, Directors, Officers, and Others	Agreement by which an owner of property (the lender) allows another party (the borrower) to use the property for a specified time period, and in return the borrower will pay the lender a payment (usually interest), and return the property (usually cash) at the end of the time period. A loan is usually evidenced by a Promissory Note. Loans to a power supply cooperative, G&T, of which the cooperative is a member, are excludable, if these loans have been given specific RUS approval for exclusion or are required by RUS.	Includable
Membership Certificate	Security that represents ownership in a company.	Includable

**INVESTMENT DESCRIPTIONS**

<b><u>Type of Investment</u></b>	<b><u>Description</u></b>	<b><u>Includable or Excludable</u></b>
Money market deposit account (if FDIC insured and Under \$100,000)	A type of money market fund at a bank or savings and loan association with limited checking privileges.	Excludable
Money market mutual fund	An investment company which buys short-term money market instruments.	Includable
Mortgage-backed securities	Securities representing a share ownership of mortgages guaranteed as to payment by an Agency of the Federal governments; includes Ginnie Maes, Fannie Maes, Freddie Macs, etc.	Excludable
Mortgage-Backed securities	Not guaranteed as to payment by an agency of the Federal Government.	Includable
Municipal bond	Debt obligation of state, city, town or their agencies.	Includable
Municipal bond Public Utility Cooperative (Municipalities)	Debt obligation of public utility cooperative that is required by law to obtain financing through bonds.	Includable
Mutual fund	Investment trust in which your dollars are pooled with those of hundreds of others and invested by professional managers in stocks or bonds.	Includable

## INVESTMENT DESCRIPTIONS

<b><u>Type of Investment</u></b>	<b><u>Description</u></b>	<b><u>Includable or Excludable</u></b>
National Rural Utilities Coopera- tive Finance Corporation (NRUCFC) membership certificate	Security that represents ownership in NRUCFC.	Excludable
NRUCFC Patronage Capital	Amounts paid or payable by NRUCFC arising from its furnishing credit services to member cooperatives, i.e., the refund of excess of its charges over its actual cost of service.	Excludable
NRUCFC Securities, Other	All securities issued by NRUCFC, except patronage capital, are excludable investments.	Excludable
Negotiable order of withdrawal (NOW) account	NOW interest-bearing checking account.	Excludable if FDIC & under \$100,000
Options	The right to buy (call) or sell (put) a stock at a given price (strike price) for a given period of time.	Includable

**INVESTMENT DESCRIPTIONS**

<b><u>Type of Investment</u></b>	<b><u>Description</u></b>	<b><u>Includable or Excludable</u></b>
Patronage Capital, other than power suppliers and supplemental lenders	Amounts paid or payable by the other associated companies in connection with the furnishing of supplies, etc., which are in excess of the cost of service and all other amounts which the associated companies are obligated to credit to the cooperative as patronage capital.	Includable
Patronage Capital, G&T Power Suppliers	Amounts paid or payable by the cooperative in connection with the furnishing of electric energy which are in excess of the cost of service and all other amounts which the G&T power supplier is obligated to credit to the cooperative as patronage capital.	Excludable
Preferred stock	Stock sold with a fixed dividend; if company is liquidated, has priority over common stock.	Includable
Real estate investment trusts (REIT)	Corporation or trust that invests in or finances real estate: offices, shopping centers, apartments, hotels, etc.; sold as securities.	Includable

## INVESTMENT DESCRIPTIONS

<b><u>Type of Investment</u></b>	<b><u>Description</u></b>	<b><u>Includable or Excludable</u></b>
Repurchase Agreement	Short-term buy/sell deal involving any money market instruments (but usually Treasury bills, notes, and bonds) in which there is an agreement that securities will be resold to the seller on an agreed-upon date, often the next day. The money market fund holds the securities as collateral and charges interest for the loan.	Includable
Savings account	Account in which money deposited earns interest.	Excludable if FDIC insured & less than \$100,000
SuperNOW account	Interest-bearing bank account.	Excludable if FDIC insured & less than \$100,000
Surplus Funds Program, (St. Paul Bank for Cooperatives)	Short-term unsecured notes sold by the Banks of Cooperatives. (St. Paul, Springfield, and CoBank).	Excludable
Treasury bills	Short-term U.S. Treasury securities; maturities: 13, 26, 52 weeks.	Excludable

**INVESTMENT DESCRIPTIONS**

<b><u>Type of Investment</u></b>	<b><u>Description</u></b>	<b><u>Includable or Excludable</u></b>
Treasury bonds	Long-term U.S. Treasury securities; maturities: 10 years or more.	Excludable
Treasury notes	Medium-term securities of U.S. Treasury, maturities: not less than 1 year and not more than 10 years.	Excludable
Unit investment trust	Fixed portfolio of securities deposited with a trustee; offered to public in units; categories include municipal bonds, corporate bonds, public utility common stocks, etc.	Includable
U.S. Savings Bonds	Debt obligations of U.S. Treasury designed for small investor.	Excludable
U.S. Government issued, guaranteed, or fully insured, securities or deposits	Securities or deposits issued, guaranteed, or fully insured, as to payment by the U.S. Government, or any agency thereof.	Excludable
	Deposits are fully insured, up to a \$100,000 limit, by the following agencies: 1. Federal Deposit Insurance Corporation (FDIC) 2. National Credit Union Share Insurance Fund	Excludable

<b><u>Type of Investment</u></b>	<b><u>Description</u></b>	<b><u>Includable or Excludable</u></b>
U.S. Government issued, guaranteed, or fully insured, securities or deposits (continued)	<p>Securities fully backed with the full faith and credit of the U.S. Government are as follows:</p> <ol style="list-style-type: none"> <li>1. Farm Credit System Financial Assistance Corporation (FCSFAC)</li> <li>2. Farmers Home Administration (FmHA) Certificates of Beneficial Ownership (CBO)</li> <li>3. Federal Financing Bank (FFB)</li> <li>4. General Services Administration (GSA)</li> <li>5. Government National Mortgage Association (GNMA), also known as Ginnie Mae</li> <li>6. Maritime Administration Guaranteed Ship Financing Bonds, issued after 1972</li> <li>7. Small Business Administration (SBA)</li> <li>8. Washington Metropolitan Area Transit Authority (WMATA) Bonds</li> </ol>	Excludable
	<p>The following investments are securities backed by the full faith and credit of U.S. Government agencies and are Excludable Investments:</p> <ol style="list-style-type: none"> <li>1. Farm Credit System</li> <li>2. Federal Home Loan Banks (FHLB)</li> <li>3. Federal Home Loan Mortgage Corporation (FHLMC) (Freddie Mac)</li> </ol>	Excludable

U.S. Government  
issued, guaranteed,  
or fully insured,  
securities or deposits  
(continued)

4. Federal National Mortgage  
Association (FNMA)  
(Fannie Mae)
5. Financing Corporation  
(FICO)
6. Resolution Funding  
Corporation (REFCORP)
7. Student Loan Marketing  
Association (Sallie Mae)
8. Tennessee Valley Authority  
(TVA)
9. United States Postal  
Service

Warrant

Gives holder right to  
purchase a given stock at  
a stipulated price over  
a fixed number of years.

Includable

Zero coupon bond

Debt instruments; sold at  
discount from face value  
with no annual interest  
paid out; capital appreciation  
realized upon maturity;  
includes Training Investment  
Growth Receipts (TIGERS),  
and Certificates of Accrual  
on Treasury Securities (CATS).

Includable

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 5:** Provide Farmers RECC's long-term construction planning program.

**Response 5:** Attachment PSC 1-5 contains Farmers' Construction Work Plan that was submitted to the Kentucky Public Service Commission on December 12, 2024. Farmers signed the loan commitment letter on March 20, 2025 and is awaiting further paperwork on the \$30,000,000 construction work plan from United States Department of Agriculture.

## **ATTACHMENT PSC 1-5**

PREPARED BY HI-LINE ENGINEERING

# FARMERS RURAL ELECTRIC COOPERATIVE

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*2024-2027 Construction Work  
Plan*

01.01.24



**Hi LiNE**  
ENGINEERING  
a GDS Associates Company



01/01/2024

Mr. Chuck Bishop  
Farmers Rural Electric Cooperative  
504 South Broadway  
Glasgow, KY 42141

**RE: 2024-2027 Construction Work Plan**

Dear Mr. Bishop:

The report presented herewith is the result of a comprehensive study of your Electrical Distribution System prepared by Hi-Line Engineering with assistance from Farmers Rural Electric Cooperative's staff.

In order to enhance its value as a reference book, the report is divided into the following general parts:

Summary, Discussion, and Cost Estimates  
Charts and Graphs

References to the Table of Contents will indicate the manner in which the data has been catalogued. It is our earnest hope that this report will be an aid to Farmers RECC in furnishing efficient and continuous service to its member-owners.

I hereby certify that this 2024-2027 Construction Work Plan was prepared by me or under my direct supervision, and that I am a duly registered professional engineer under the laws of the Commonwealth of Kentucky, State Registration No. 38993.

Sincerely,

  
Braxton J. Underwood, P.E.  
Principal



**CERTIFICATION**  
**2024 – 2027 Construction Work Plan**  
**For**  
***Farmers Rural Electric Cooperative***

I certify that:

1. Upon completion of the construction of the electrical facilities contained herein, the system will be capable of adequately and dependably serving the projected load as contained in the current RUS approved Load Forecast and this Four-Year Construction Work Plan.
2. The preparation and recommendations of this Four-Year Construction Work Plan are consistent with the requirements of the applicable RUS bulletins.
3. I hereby certify that this 2024 – 2027 Construction Work Plan was prepared by me or under my direct supervision and that I am a duly registered professional engineer under the laws of the Commonwealth of Kentucky.

A handwritten signature in blue ink, reading "Braxton J. Underwood", is written over a horizontal line.

Braxton J. Underwood, P.E.  
Kentucky Registered Engineer  
No. 38993



9/11/2024

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# 1 INTRODUCTION

## 1.1 PURPOSE OF REPORT

The purpose of this report is to examine the existing electrical distribution system of Farmers RECC, and to plan for its orderly expansion. All improvements made since the last study have been reflected in this report. Where meter data and calculated system conditions indicated the need for system improvements, measures to correct these conditions are recommended.

The report documents the engineering analysis performed in late 2023 of Farmers' distribution system and summarizes the proposed construction for Farmers' distribution system for the four-year planning period from January 1, 2024 to December 31, 2027. The report also provides engineering support, in the form of descriptions, costs, and justification of required new facilities. The report does not include a study of the Cooperative's system sectionalizing. Sectionalizing is considered in this study to the extent that line configuration changes are recommended which will permit the Cooperative to utilize normal sectionalizing procedures. Also, general estimates for sectionalizing additions associated with the system improvements recommended in this study are included.

## 1.2 RESULTS OF PROPOSED CONSTRUCTION

Upon completion of the facilities proposed in this Work Plan, the system will provide adequate and dependable service to approximately 28,000 member-owners. The sum of the 2027/2028 Non-Coincidence Winter Peak (NCP) projections by substation is projected to be 142,950 kW.

## 1.3 GENERAL BASIS OF STUDY

The 2027 projected number of member-owners and total peak system demand are based on the Cooperative's Load Forecast prepared by East Kentucky Power Cooperative and 2023 substation demand data. All construction proposed herein is consistent with the Cooperative's current Long Range Plan. It is anticipated that the current Long Range Plan will serve as an adequate guideline for this construction work plan.

A complete list of lines and equipment, and their estimated cost (based on historical costs) of necessary service upgrades to existing member-owners is in Section 3.4 – Member Service Cost Estimate.

An analysis, using RUS guidelines as a basis and the design criteria of thermal loading, voltages, physical conditions and reliability described herein was performed on all of the substations, distribution lines and major equipment of the existing system. Milsoft's distribution analysis software, WindMil, was used to analyze the distribution circuits during the projected peak NCP load in 2027/2028. The exhibits in Section 2 form the rest of the basis of this analysis.

For each deficiency that was determined, alternate solutions were considered and analyzed so cost-effective solutions would be proposed.

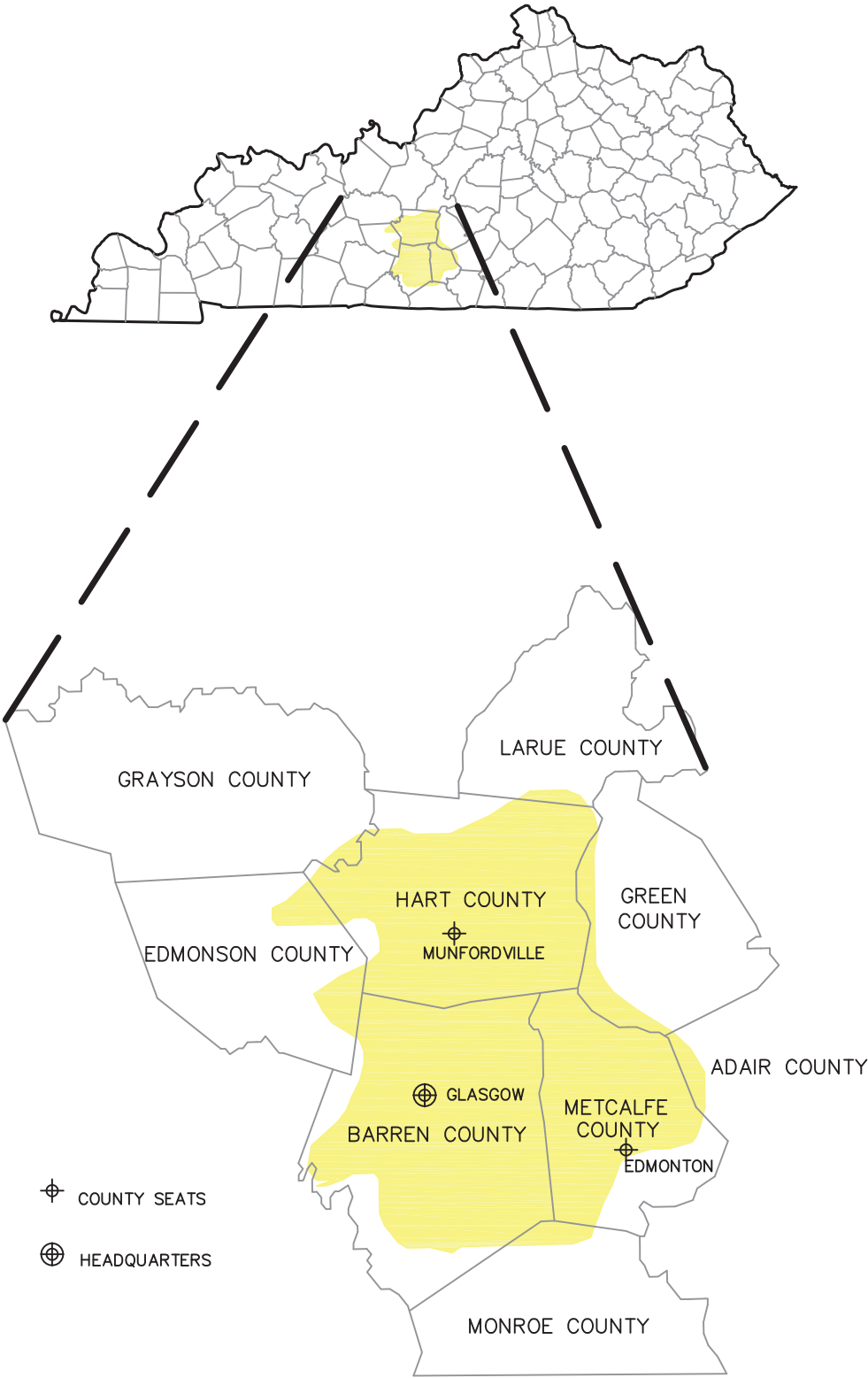
## 1.4 SERVICE AREA

Farmers Rural Electric Cooperative is an electric distribution utility headquartered in Glasgow, Kentucky. The Cooperative provides electric service to portions of 9 counties in Southcentral Kentucky. The Cooperative provides electric service to approximately 26,600 members with an estimated average of 1,093 kilowatt hours per month.

Wholesale power purchases are made from East Kentucky Power Cooperative. East Kentucky owns and maintains the transmission lines, substations, and their associated equipment. Farmers RECC provides electric service from 18 substations owned and operated by East Kentucky Power.

The Cooperative's service area includes several well-developed areas along several highways which includes one interstate highway (I-65), several U.S. Highways, the Cumberland Pkwy, and many state routes. The cooperative uses both 7.2/12.47 kV and 14.4/24.94 kV as its distribution voltage. Many of the substations in this system are tied together with three phase tie lines allowing for the ability to back-feed substations, if necessary.

FARMERS RURAL ELECTRIC SERVICE AREA  
KENTUCKY 34 BARREN



## **1.5 CONCLUSIONS**

Currently the Cooperative is providing adequate and dependable service to all its member-owners, however, because of normal load growth during the next four years, problems with voltage levels and sectionalizing will develop at several locations.

To expand existing system facilities to serve the projected four-year load, the Cooperative will be adding one new substation (Cub Run) and is recommended to convert 103.33 miles of existing line to larger conductors, reinsulate to 14.4 kV, and/or add additional phases. Some of the line improvements included in this Work Plan have been recommended to eliminate loading problems and excessive accumulated voltage drop on single-phase lines based on the calculated load currents. Prior to implementing these improvements, it is recommended that the Cooperative utilize clamp-on maximum indicating ammeters in these areas to verify the calculated data. This procedure will ensure that major investments in line improvements will not be made prematurely.

By following the improvements recommended in this study, the Cooperative will continue to maintain adequate and dependable service to its member-owners.

## **1.6 RECOMMENDATIONS**

It is recommended that the Cooperative adopt this Work Plan as the basis for its construction schedule for the next four years. By installing the improvements listed in the "Construction Program" and shown on the 2024-2027 Work Plan Circuit Diagrams, the maximum voltage drop that will be experienced on the periphery of the substation areas should not exceed 7 volts assuming a 125-volt bus voltage at the time the design kW demands are reached. In some cases, when good service can be maintained by the usage of line voltage regulators, these have been recommended in order that investments in major permanent improvements could be postponed until they would be economically justified.

## **1.7 EXECUTIVE SUMMARY OF COST ESTIMATES**

The following table contains a summary of the recommended expenditures contained in this 2024-2027 Construction Work Plan.

## EXECUTIVE SUMMARY OF COST ESTIMATES

### Farmers Rural Electric Cooperative Construction Work Plan

		Four-Year CWP Total
<b>New Line for New Consumers</b>		
	New Consumers	2,100
	Consumers - Total	2,100
	Miles of Line - New Consumers	78.0
	Miles of Line - Total	78.0
100	Cost for New Consumers	\$ 9,982,875
	<b>Subtotal 100</b>	\$ 9,982,875
<b>New Tie-Lines</b>		
200	All 200 Projects	\$ -
	<b>Subtotal 200</b>	\$ -
<b>Conversion and Line Changes</b>		
300	All 300 Projects	\$ 3,651,861
	<b>Subtotal 300</b>	\$ 3,651,861
<b>New Substations</b>		
400	Cub Run Substation	
	<b>Subtotal 400</b>	\$ -
<b>Transformers and Meters</b>		
	Transformers - Total <sup>1</sup>	\$ 4,368,901
	Meters- Total <sup>1</sup>	\$ 2,407,063
601	Transf. & Meters - Total	\$ 6,775,964
602	Service Changes	\$ 421,636
603	Sectionalizing	\$ 400,000
604	Voltage Regulators	\$ 865,840
605	Capacitors	\$ -
606	System Replacement - Poles	\$ 3,623,550
607	Miscellaneous Replacements	\$ 400,000
608	Conductor Replacement	\$ 1,202,210
612	Autotransformers	\$ 1,000,000
	<b>Subtotal 600</b>	\$ 14,689,200
<b>Outdoor Lights</b>		
702	Construction Cost of New Outdoor Lights	\$ 1,739,556
<b>SCADA</b>		
704	SCADA Replacements	\$ 150,000
	<b>Subtotal 700</b>	\$ 1,889,556
	<b>Grand Total</b>	<b>\$ 30,213,492</b>

<sup>1</sup> Transformer and Meter totals include the cost of equipment related to new services, upgrades in capacity to existing services, and the replacement of deteriorated equipment

## 2 Basis of Study and Proposed Construction

### 2.1. DESIGN CRITERIA

Each of the following design criteria items was reviewed by the RUS General Field Representative on August 6, 2024 and his provisional concurrence was attained.

Construction proposed herein is required to meet the following minimum standards of adequacy for voltages, thermal loading, safety and reliability on the system.

1. Voltage levels on primary distribution lines should fall between 118 and 126 volts on a 120-volt base.
2. The following equipment should not be thermally loaded by more than the percentage shown of its nameplate rating (winter loading):

2.1. Power Transformers	130% Winter ; 100% Summer
2.2. Regulators	130% Winter ; 100% Summer
2.3. Auto-Transformers	130% Winter ; 100% Summer
2.4. Reclosers	100% Winter ; 100% Summer
2.5. Line Fuses	80% Winter ; 80% Summer
3. Primary conductors should be reviewed if loaded over 75% of their thermal rating. A case by case limit is used for major tie lines between substations to allow for different backfeed situations.
4. Poles and/or crossarms should be replaced if found to be physically deteriorated by visual inspection and/or tests.
5. Conductors (and associated poles and hardware as required) should be considered for replacement if found to be in need of being changed out on a systematic basis.
6. Primary distribution lines should be rebuilt and/or relocated if they are found to be unsafe or fail to meet the applicable National Electrical Safety Code clearances.
7. New lines and line conversions should be built according to the standard primary voltage levels as determined after review of the Long Range Plan, present loading and future load growth projection.
8. New primary conductor sizes should be determined on a case by case basis using the Economic Conductor Sizing Computer Program and presently valid constants and variables. The final proposed conductor may be modified to conform with the cooperative's standard sizes and recommendations of the Long-Range Plan.

9. All new primary construction should be overhead except where underground is required to comply with governmental or environmental regulations, local restrictions or favorable economics.
10. All new distribution lines to be designed and built according to RUS standard construction specifications and guidelines.
11. The fault current available at regulator or auto-transformer location should not exceed limits as set out by IEEE C37.91-1985 and in no case should it exceed 25 times normal base current at the location in question.
12. The fault current available at oil circuit recloser locations should not exceed the nameplate rating.
13. System improvements to correct voltage drop and to improve phase balance should be considered on single and two-phase lines with loads exceeding 50 amps (based on Operating and Engineering practices).
14. Power factor correction should be considered when the substation power factor decreases below 97% lagging at peak load or 95% leading at minimum load. Power factor correction capacitors are to be located for maximum loss reduction with consideration given for voltage improvement.
15. System Improvements to minimize reliability risk and correct poor reliability feeders should be considered when a substation feeder meets 3 of the 4 the following criteria: exceeds 100 circuit miles, exceeds 1,000 services, exceeds 100,000 consumer-miles, and consistently appears on top ten annual worst performing feeders (based on operating and engineering practices).

2.2 STATUS OF PREVIOUS WORK PLAN IMPROVEMENTS

The following table summarizes the status of the system improvements recommended in the 2021-2025 Construction Work Plan.

Farmers completed 43% of the recommended projects in the previous work plan. Eight projects in the last work plan are to be carried over in this work plan (excludes series 600).

Status of System Improvements from  
Farmers RECC 2021-2025 CWP

SUBSTATION	RUS CODE	Description	Location/Span Numbers	Reason	EST \$ / MILE	EST. MILE/UNIT	EST TOTAL	ACTUAL MILE/UNIT	ACTUAL TOTAL	STATUS
<b>300 - Conversions and Line Changes</b>										
Munfordville	304* 0206A	3-ph 1/0 ACSR to 3-ph 397 ACSR and convert	PC-2141 to PC-1656	Voltage	\$55,358	5.5	\$303,360			Completed
Temple Hill	306* 0301A	Convert 1-ph and 3-ph to 14.4 kV		Voltage	\$16,667	15.3	\$255,000			Completed
Seymour	321* 1102A	Convert 1-ph to 14.4 kV	3816SD1 to PC-14176	Voltage	\$12,000	6.9	\$82,680			Carry Over
Fox Hollow	323* 1203A	3-ph 1/0 ACSR to 3-ph 397 ACSR	PC-25868 to PC-11220	Voltage	\$120,000	3.3	\$396,000			Carry Over
Jonesville	336* 1703C	Convert 1-ph to 14.4 kV	3278SD1 to PC-5585	Voltage	\$12,000	10.7	\$128,400			Completed
Munfordville	388 0206B	Convert 1-ph to 14.4 kV	3644SD2 to PC-2384	Voltage	\$12,000	3.2	\$38,400			Carry Over
Knob Lick	389 0401A	Convert 1-ph to 14.4 kV	4585SD2 to PC-30775	Voltage	\$12,000	3.5	\$41,640			Carry Over
Knob Lick	390 0404A	1-ph 4 ACSR to 3-ph 1/0 ACSR	PC-34076 to PC-34079	Voltage	\$70,000	0.9	\$63,000			Completed
Beckton	391 0502A	Convert 1-ph and 3-ph to 14.4 kV	0637SD3 to PC-36340	Voltage	\$14,013	12.7	\$178,240			Carry Over
Beckton	392 0502B	Convert 1-ph and 3-ph to 14.4 kV	0646SD1 to PC-38145	Voltage	\$13,623	8.4	\$114,160			Carry Over
Beckton	393 0502C	Convert 1-ph to 14.4 kV	PC-47204 to PC-37432	Voltage	\$12,000	0.3	\$4,080			Completed
Parkway 1	394 0704A	3-ph 2/0 ACSR to 3-ph 397 ACSR	PC-25177 to PC-24709	Voltage	\$120,000	1.0	\$116,400			Carry Over
West Glasgow 1	395 1001A	3-ph 1/0 ACSR to 3-ph 397 ACSR	PC-26690 to PC-26692	Conductor Loading	\$120,000	0.7	\$80,400			Completed
Jonesville	396 1701A	Convert 1-ph to 14.4 kV	2672SD1 to PC-44625	Conductor Loading	\$12,000	3.4	\$40,440			Carry Over
<b>604 - Voltage Regulators</b>										
Munfordville	0206C	Install 3-150A Regulators	3658VR1	Voltage	\$50,000	1.0	\$50,000			Completed
Knob Lick	0401A (389)	Install 1-50A Regulator	PC-31157	Voltage	\$14,000	1.0	\$14,000			Remove
Knob Lick	0404A (390)	Install 3-100A Regulators	PC-24189	Voltage	\$42,000	1.0	\$42,000			Remove
Beckton	0502A (391)	Install 3-100A Regulators	PC-37421	Voltage	\$42,000	1.0	\$42,000			Carry Over
Beckton	0503A	Install 1-50A Regulator	PC-39829	Voltage	\$14,000	1.0	\$14,000			Review
Bon Ayr	1603A	Install 1-50A Regulator	PC-41317	Voltage	\$14,000	1.0	\$14,000			Carry Over
Jonesville	1703A	Install 1-50A Regulator	PC-181662	Voltage	\$14,000	1.0	\$14,000			Completed
Roseville	1802A	Install 1-50A Regulator	PC-21670	Voltage	\$14,000	1.0	\$14,000			Review
Munfordville	0202A	Install 2-100A Regulators	PC-30321	Voltage	\$42,000	1.0	\$42,000			Carry Over
Munfordville	0206A (304)	Install 1-50A Regulator	PC-10756	Voltage	\$14,000	1.0	\$14,000			Completed

## 2.3 HISTORICAL AND PROJECTED SYSTEM DATA

### 2.3.1 Annual Energy, Load, and Consumer Data

The summaries of the last five operating reports for the Cooperative are shown below for reference. This data depicts the annual energy sales, number of member-owners, and load data for 2017-2021.

TABLE 2-1. SUMMARY OF LOADS

Year	Miles of Line	# of Consumers	Total kWh Sold	Total kWh Purchased
2019	3,690	25,544	500,430,672	524,796,489
2020	3,706	25,783	471,666,904	495,532,833
2021	3,725	26,067	487,136,226	512,484,310
2022	3,750	26,316	502,651,193	527,188,650
2023	3,767	26,525	462,239,537	485,310,332

### 2.3.2 Projected Data

Accurate Projections of the System loads into the future are critical when preparing a work plan. The EKPC Load Forecast was an excellent source for projecting total system demand, the total number of consumers, and average usage. Hi-Line Engineering prepared load projections to compare with the EKPC Load Forecast.

Using the trends seen from the historical demand of each substation service area, the 2027/2028 winter projections were made such that their sum coincides with the Load Forecast's "1-in-5" 2027/2028 winter projection. A complete listing of the substation projections for this Work Plan can be found in the Appendix.

### 2.3.3 Substation Data

A summary of the historical and projected loading at each of the substations and the major equipment in each station is included in this report in the Appendix. This data was reviewed with Farmers to ensure its accuracy.

### 2.3.4 Energy Losses

Over the last five years, the losses at Farmers vary from 4.6% to 4.9% with a five-year average of 4.78%. The level of line losses is considered to be within acceptable levels.

Year	Member-Owners	Purchased	Sold	% Loss	Miles of Line	kWh Sold/Mile
2019	25,544	524,796,489	500,430,672	4.6%	3,690	135,618
2020	25,783	495,532,833	471,666,904	4.8%	3,706	127,271
2021	26,067	512,484,310	487,136,226	4.9%	3,725	130,775
2022	26,316	527,188,650	502,651,193	4.7%	3,750	134,040
2023	26,525	485,310,332	462,239,573	4.8%	3,767	122,708

### 2.3.5 System Power Factor

Farmers Rural Electric's wholesale power costs are based on a kW demand rate with a 90% power factor penalty. However, Farmers has a goal to reduce system losses by means of maintaining a cost-effective power factor.

### 2.3.6 Service Reliability

The Cooperative maintains outage records and prepares monthly and annual summaries. The five-year average outage time per consumer per year is 630.13 minutes; however, excluding Major Events, the average outage time drops to 194.85 minutes. A chart showing the outage data by year has been included below for reference.

**Average Annual Outage Minutes/Member-Owner by Cause**

Year	Power Supplier	Major Event	Planned	All Other	Total
2019	14.65	0	4.31	119.32	138.28
2020	14.7	37.43	5.8	69.65	127.58
2021	0.01	60.62	4.33	86.56	151.52
2022	3.38	107.82	3.41	108.92	223.53
2023	8.10	1,970.52	7.34	523.78	2,509.74
5-Year Average*	8.17	435.28	5.04	181.65	630.13

\*5-Year Average Excluding Major Events:

194.85

## 3 Required Construction Items

### 3.1 DISCUSSION OF SYSTEM IMPROVEMENTS

The system improvements that will be required during the next four years to accommodate the projected system growth are described as they appear on the 2024-2027 Circuit Diagrams. The improvements recommended in this work plan are indicated on these diagrams and are identified by the RUS improvement numbers.

Project names were assigned to each conversion project to more easily identify each project. The cost estimates and the descriptions are organized by substation alphabetically. An asterisk by the RUS improvement number indicates an improvement which is repeated from the previous work plan.

## **Goodnight Substation**

The Goodnight Substation has five feeders and is fed by a 69 kV transmission line. This station contains three single-phase 3,333 kVA 69-7.2/12.47 kV transformers and is in Barren County, just Northeast of Glasgow off US HWY 31E. Voltage levels are maintained at the station by three single-phase voltage regulators. The five distribution circuits serving a present peak load of 12,416 kW in 2022 and is projected to serve a future peak load of 9,700 kW in the summer of 2027.

### **301.01**

#### **Circuit 4 – Slash Rd**

This improvement calls for the reconductor of 2.62 miles of three-phase 4/0 ACSR to three-phase 397 ACSR feeding toward Slash Rd. between sections PC-7391 and PC-7421. This improvement is necessary due to the accumulated voltage drop at the end of the feeder exceeding the design criteria. This improvement will continue to help with conductor loading as the subdivision described in project 301.02 continues to develop.

### **604.01**

#### **Circuit 4 – Pace Quarry Rd Regulator**

This improvement calls for the installation of a three-phase 200-amp regulator bank at PC-7853 at Pace Quarry Rd. This improvement is necessary to assist with the accumulated voltage drop at the end of the line section.

## **Munfordville Substation**

The Munfordville Substation has seven feeders and is served by a 69 kV transmission line. This station contains one three-phase 12,000/16,000/20,000 kVA 69-14.4/25 kV transformers and is in Hart County, off US HWY 31W. Voltage levels are maintained at the station by three single-phase voltage regulators. The seven distribution circuits are serving a present peak load of 15,160 kW in 2022 and are projected to serve a future peak load of 12,600 kW in the winter of 2027/2028.

### **302.01      Circuit 6 – Martin Pierce Rd**

This improvement calls for the reinsulation and conversion of 3.6 miles of single-phase line from 7.2kV to 14.4kV feeding west along Martin Pierce Rd. from section PC-5149 to PC-1831. This improvement is necessary due to the projected 50 amps of load on a single-phase line exceeding the design criteria. Converting this line will reduce the accumulated voltage drop.

### **302.02      Circuit 3 – Progress Rd**

This improvement calls for the reinsulation and conversion of 5.2 miles of single-phase line from 7.2kV to 14.4kV feeding south along Progress Rd. between section PC-11666 and PC-11633. This improvement is necessary due to the accumulated voltage drop exceeding the design criteria.

### **388 02026B\*      Circuit 6 – Broad Ford Rd**

This improvement calls for the reinsulation of 0.7 miles from 7.2kV to 14.4kV and conversion of 2.1 miles of single-phase #4 ACSR to three-phase 1/0 ACSR feeding along Broad Ford Rd. The step down transformer at PC-5014 will be removed and three step down transformers will be reinstalled single-phase at PC-3765. This improvement is necessary due to the accumulated voltage drop at the end of the feeder exceeding the design criteria.

### **604.02      Circuit 2 – Flint Ridge Rd Regulator**

This improvement calls for the installation of a single-phase 100-amp regulator at PC-7853 at Flint Ridge Rd. This improvement is necessary to assist with the accumulated voltage drop at the end of the line section.

## Temple Hill Substation

The Temple Hill Substation has six feeders and is fed by a 69 kV transmission line. This station contains one three-phase 11,200/14,000 kVA 69-14.4/25 kV transformer and is in Barren County, located Southeast of Glasgow off KY HWY 63. Voltage levels are maintained at the station by three single-phase voltage regulators. This station has six distribution circuits serving a present peak load of 13,167 kW in 2017 and is projected to serve a future peak load of 8,800 kW in the winter of 2027/2028.

No improvements are necessary at this time

## Knob Lick Substation

The Knob Lick Substation has five feeders and is fed by a 69 kV transmission line. This station contains one three-phase 11,200/14,000 kVA 69-14.4/25 kV transformer and is in Metcalfe County, located West of Knob Lick off of KY HWY 70. Voltage levels are maintained at the station by three single-phase voltage regulators. This station has five distribution circuits serving a present peak load of 9,438 kW in 2022 and is projected to serve a future peak load of 7,000 kW in the winter of 2027/2028.

### **304.01      Circuit 1 - Bill Poytner Rd**

This improvement calls for the reinsulation and conversion of 1 mile of three-phase and 1 mile of single-phase line from 7.2kV to 14.4kV feeding along Bill Poytner Rd. between sections PC-36270 and PC-33479. Step down transformers will be relocated beyond PC-33479. This improvement is necessary due to the accumulated voltage drop at the end of the feeder exceeding the design criteria.

### **304.02      Circuit 1 - Mell Ridge Rd**

This improvement calls for the reinsulation and conversion of 7.3 miles of single-phase line from 7.2kV to 14.4kV feeding along Mell Ridge Rd. between sections PC-33142 and PC-33724. Step down transformer will be relocated beyond PC-33724. This improvement is necessary due to the accumulated voltage drop at the end of the feeder exceeding the design criteria.

### **389 0401A\*      Circuit 1 - Will Davis Rd**

This improvement calls for the reinsulation and conversion of 5.1 miles of single-phase line from 7.2kV to 14.4kV feeding along Will Davis Rd. between sections PC-33917 and PC-33130. Step down transformer will be relocated beyond PC-33130. This improvement is necessary due to the accumulated voltage drop at the end of the feeder exceeding the design criteria.

### **604.04A      Circuit 1 – Sulphur Well Regulator**

This improvement calls for the installation of a single-phase 100-amp regulator at PC-286566 feeding toward Sulphur Well. This improvement is necessary to assist with the accumulated voltage drop at the end of the line section.

### **604.04B      Circuit 1 – Mell Cork Rd Regulator**

This improvement calls for the installation of a single-phase 100-amp regulator at PC-34292 at Mell Cork Rd. This improvement is necessary to assist with the accumulated voltage drop at the end of the line section.

## Beckton Substation

The Beckton Substation has four feeders and is fed by a 69 kV transmission line. This station contains one three-phase 11,200/14,000 kVA 69-14.4/25 kV transformer and is in Barren County, located West of Glasgow off Old Bowling Green Rd. Voltage levels are maintained at the station by three single-phase voltage regulators. This station has four distribution circuits serving a present peak load of 13,966 kW in 2022 and is projected to serve a future peak load of 10,700 kW in the winter of 2027/2028.

### **391 0502A\*      Circuit 2 - Finney Rd East**

This improvement calls for the reinsulation and conversion of 2.6 miles of three-phase and 10.2 miles of single-phase line from 7.2kV to 14.4kV feeding East along Finney Rd. between sections 0637SD3 and PC-36340. Step down transformers will be relocated beyond PC-36340. This improvement is necessary due to the accumulated voltage drop at the end of the feeder exceeding the design criteria.

### **392 0502B\*      Circuit 2 - Finney Rd West**

This improvement calls for the reinsulation and conversion of 1.4 miles of three-phase and 7 miles of single-phase line from 7.2kV to 14.4kV feeding West along Finney Rd. between sections 0646SD1 and PC-38145. Step down transformers will be relocated beyond PC-38145. This improvement is necessary due to the accumulated voltage drop at the end of the feeder exceeding the design criteria.

### **604 0502A\*      Circuit 2 – Beaver Creek Boat Ramp Rd Regulator**

This improvement calls for the installation of a three-phase 100-amp regulator bank at PC-38000 at Beaver Creek Boat Ramp Rd. This improvement is necessary to assist with the accumulated voltage drop at the end of the line section.

### **604.05B          Circuit 2 – N Lucas Rd Regulator**

This improvement calls for the installation of a single-phase 100-amp regulator at PC-47784 at N Lucas Rd. This improvement is necessary to assist with the accumulated voltage drop at the end of the line section.

### **604.05C          Circuit 2 – Finney Rd West Regulator**

This improvement calls for the installation of a three-phase 100-amp regulator at PC-38122 at Finney Rd. West. This improvement is necessary to assist with the accumulated voltage drop at the end of the line section.

### **604.05D          Circuit 3 – Old Bowling Green Rd Regulator**

This improvement calls for the installation of a three-phase 100-amp regulator at PC-38122 at Old Bowling Green Rd. This improvement is necessary to assist with the accumulated voltage drop at the end of the line section.

## Cave City Substation

The Cave City Substation has six feeders and is fed by a 69 kV transmission line. This station contains three single-phase 3,333 kVA 69-7.2/12.47 kV transformers and is in Barren County, located in Cave City off of KY HWY 90. Voltage levels are maintained at the station by three single-phase voltage regulators. This station has six distribution circuits serving a present peak load of 11,690 kW in 2022 and is projected to serve a future peak load of 9,200 kW in the winter of 2027/2028.

No improvements are necessary at this time

## Parkway 1 Substation

The Parkway 1 Substation has four feeders and is fed by a 69 kV transmission line. This station contains one three-phase 11,200/14,000 kVA 69-7.2/12.47 kV transformer and is in Barren County, located South of Glasgow off Scottsville Rd. Voltage levels are maintained at the station by three single-phase voltage regulators. This station has four distribution circuits serving a present peak load of 10,315 kW in 2018 and is projected to serve a future peak load of 10,900 kW in the summer of 2027.

### **394 0704A\*      Circuit 4 – Scottsville Rd**

This improvement calls for the reconductor of 0.97 miles of three-phase 2/0 ACSR to three-phase 397 ACSR feeding toward Scottsville Rd. between sections PC-25177 and PC-24709. This improvement is necessary due to the accumulated voltage drop at the end of the feeder exceeding the design criteria.

### **307.01            Circuit 4 – Haywood Cedar Grove Rd**

This improvement calls for the reconductor of 0.72 miles of single-phase #4 ACSR to three-phase 1/0 ACSR feeding toward Haywood Cedar Grove Rd. between sections PC-24681 and PC-24686. This improvement is necessary due to the accumulated voltage drop at the end of the feeder exceeding the design criteria.

## **Galloway Substation**

The Galloway Substation has three feeders and is fed by a 69 kV transmission line. This station contains one three-phase 12,000/16,000/20,000 kVA 69-14.4/25 kV transformer and is located in Metcalfe County, East of Wisdom off US HWY 68. Voltage levels are maintained at the station by three single-phase voltage regulators. This station has three distribution circuits serving a present peak load of 12,119 kW in 2022 and is projected to serve a future peak load of 10,600 kW in the winter of 2027/2028.

### **308.01      Circuit 1 - Old Glasgow Rd**

This improvement calls for the reinsulation and conversion of 4.1 miles of single-phase line from 7.2kV to 14.4kV feeding along Old Glasgow Rd. between sections PC-29197 and PC-28952. Step down transformer will be relocated beyond PC-28952. This improvement is necessary due to the projected 57 amps of load on a single-phase line exceeding the design criteria.

### **308.02      Circuit 1 - E Fork Rd**

This improvement calls for the reinsulation and conversion of 1.71 miles of single-phase line from 7.2kV to 14.4kV feeding along E Fork Rd. between sections PC-147674 and PC-31773. Step down transformer will be relocated beyond PC-31773. This improvement is necessary due to the projected 48 amps of load on a single-phase line exceeding the design criteria.

### **308.03      Circuit 1 - Breeding Rd**

This improvement calls for the reinsulation and conversion of 1.69 miles of single-phase line from 7.2kV to 14.4kV feeding along Breeding Rd. between sections PC-32054 and PC-30978. Step down transformer will be relocated beyond PC-30978. This improvement is necessary due to the accumulated voltage drop at the end of the feeder exceeding the design criteria.

### **308.04      Circuit 1 - Columbia Rd**

This improvement calls for the reinsulation and conversion of 1.8 miles of single-phase line from 7.2kV to 14.4kV feeding along Columbia Rd. between sections PC-32333 and PC-31794. Step down transformer will be relocated beyond PC-31794. This improvement is necessary due to the accumulated voltage drop at the end of the feeder exceeding the design criteria.

### **604.08      Circuit 1 – E Fork Rd Regulator**

This improvement calls for the installation of a single-phase 100-amp regulator at PC-31895 at E Fork Rd. This improvement is necessary to assist with the accumulated voltage drop at the end of the line section.

**Bonnieville Substation**

The Bonnieville Substation has two feeders and is fed by a 69 kV transmission line. This station contains one three-phase 5,600/7,000 kVA 69-14.4/25 kV transformer and is in Hart County, located in Bonnieville off of US HWY 31W. Voltage levels are maintained at the station by three single-phase voltage regulators. This station has two distribution circuits serving a present peak load of 4,527 kW in 2018 and is projected to serve a future peak load of 4,900 kW in the winter of 2027/2028.

No improvements are necessary at this time

## West Glasgow 1 Substation

The West Glasgow 1 Substation has two feeders and is fed by a 69 kV transmission line. This station contains one three-phase 11,200/14,000 kVA 69-14.4/25 kV transformer and is located in Barren County, in Glasgow off Donnelly Dr. Voltage levels are maintained at the station by three single-phase voltage regulators. This station has two distribution circuits serving a present peak load of 12,492 kW in 2017 and is projected to serve a future peak load of 8,700 kW in the summer of 2027.

### 310.01

#### Circuit 2 - Carden Rd

This improvement calls for the reinsulation and conversion of 5.08 miles of single-phase line from 7.2kV to 14.4kV feeding toward Carden Rd between sections PC-21243 and PC-267977. This improvement is necessary due to the projected 66 amps of load on a single-phase line and accumulated voltage drop at the end of the feeder exceeding the design criteria.

## Seymour Substation

The Seymour Substation has three feeders and is fed by a 69 kV transmission line. This station contains one three-phase 11,200/14,000 kVA 69-14.4/25 kV transformer and is located in Hart County east of Horse Cave on Legrande HWY. Voltage levels are maintained at the station by three single-phase voltage regulators. This station has three distribution circuits serving a present peak load of 6,920 kW in 2022 and is projected to serve a future peak load of 6,300 kW in the winter of 2027/2028.

### **311.01      Circuit 2 – Short Cut Rd**

This improvement calls for the reinsulation and conversion of 3 miles of OH single-phase and 0.7 miles of single-phase URD line from 7.2kV to 14.4kV feeding along Short Cut Rd. between sections PC-14875 and PC-229065. Step down transformer will be relocated beyond PC-229065. This improvement is necessary due to the projected 46 amps of load on a single-phase line and accumulated voltage drop at the end of the feeder exceeding the design criteria.

### **311.02      Circuit 2 – Lonoke Rd**

This improvement calls for the reconductor of 0.78 miles of single-phase #4 ACSR to three-phase 1/0 ACSR feeding along Lonoke Rd. between sections PC-14204 and PC-4914. This improvement is necessary due to the projected 68 amps of load on a single-phase line and accumulated voltage drop at the end of the feeder 3 on Jonesville exceeding the design criteria. Multi-phasing this line while installing a new open point at PC-4984 will allow Seymour to resolve the loading and voltage on Jonesville.

### **321 1102A\*      Circuit 2 – Hardyville Rd**

This improvement calls for the reinsulation and conversion of 4.8 miles of single-phase line from 7.2kV to 14.4kV feeding along Hardyville Rd. between sections PC-15888 and PC-14179. Step down transformer will be relocated beyond PC-14179. This improvement is necessary due to the projected 73 amps of load on a single-phase line and accumulated voltage drop at the end of the feeder exceeding the design criteria.

### **604.11      Circuit 2 – Hardyville Rd Regulator**

This improvement calls for the installation of a single-phase 100-amp regulator at PC-14179 at Hardyville Rd. This improvement is necessary to assist with the accumulated voltage drop at the end of the line section.

## **Fox Hollow Substation**

The Fox Hollow Substation has three feeders and is fed by a 69 kV transmission line. This station contains one three-phase 11,200/14,000 kVA 69-7.2/12.47 kV transformer and is located Barren County off Tompkinsville Rd. Voltage levels are maintained at the station by three single-phase voltage regulators. This station has three distribution circuits serving a present peak load of 15,314 kW in 2022 and is projected to serve a future peak load of 12,500 kW in the winter of 2027/2028.

### **323 1203A\*      Circuit 3 – Cumberland Pkwy**

This improvement calls for the reconductor of 3.3 miles of three-phase 1/0 ACSR to three-phase 397 ACSR near the Cumberland Pkwy between sections PC-25868 and PC-11220. This improvement is necessary due to conductor loading and the accumulated voltage drop at the end of the line section.

## Edmonton Substation

The Edmonton Substation has three feeders and is fed by a 69 kV transmission line. This station contains one three-phase 11,200/14,000 kVA 69-14.4/25 kV transformer and is in Metcalfe County, located in Edmonton off Industrial Dr. Voltage levels are maintained at the station by three single-phase voltage regulators. This station has three distribution circuits serving a present peak load of 4,053 kW in 2020 and is projected to serve a future peak load of 1,950 kW in the summer of 2027.

No improvements are necessary at this time

## **Parkway 2 Substation**

The Parkway 2 Substation has one feeder and is fed by a 69 kV transmission line. This station contains one three-phase 11,200/14,000 kVA 69-7.2/12.47 kV transformer and is in Barren County, located South of Glasgow off Scottsville Rd. Voltage levels are maintained at the station by three single-phase voltage regulators. This station has one distribution circuit serving a present peak load of 4,912 kW in 2017 and is projected to serve a future peak load of 3,750 kW in the summer of 2027.

No improvements are necessary at this time

**West Glasgow 2 Substation**

The West Glasgow 2 Substation has two feeders and is fed by a 69 kV transmission line. This station contains one three-phase 11,200/14,000 kVA 69-14.4/25 kV transformer and is located in Barren County, in Glasgow off Donnelly Dr. Voltage levels are maintained at the station by three single-phase voltage regulators. This station has two distribution circuits serving a present peak load of 11,716 kW in 2017 and is projected to serve a future peak load of 6,275 kW in the summer of 2027.

No improvements are necessary at this time

## Bon Ayr Substation

The Bon Ayr Substation has four feeders and is fed by a 69 kV transmission line. This station contains one three-phase 12,000/16,000/20,000 kVA 69-14.4/25 kV transformer and is located in Barren County, west of Glasgow off US HWY 68. Voltage levels are maintained at the station by three single-phase voltage regulators. This station has four distribution circuits serving a present peak load of 7,728 kW in 2022 and is projected to serve a future peak load of 6,400 kW in the winter of 2027/2028.

### **316.01      Circuit 3 - Park City-Bon Ayr Rd**

This improvement calls for the reinsulation and conversion of 0.9 miles of three-phase and 0.2 miles of single-phase line from 7.2kV to 14.4kV feeding along Park City-Bon Ayr Rd. between sections PC-67653 and PC-40665. Step down transformers will be relocated beyond PC-40665. This improvement is necessary due to the accumulated voltage drop at the end of the feeder exceeding the design criteria.

### **604.16A      Circuit 3 – US HWY 31W Regulator**

This improvement calls for the installation of a single-phase 100-amp regulator at PC-55933 feeding toward US HWY 31W. This improvement is necessary to assist with the accumulated voltage drop at the end of the line section.

### **604.16B      Circuit 3 – Park City-Bon Ayr Rd Regulator**

This improvement calls for the installation of a single-phase 100-amp regulator at PC-40649 at Park City-Bon Ayr Rd. This improvement is necessary to assist with the accumulated voltage drop at the end of the line section.

## Jonesville Substation

The Jonesville Substation has four feeders and is fed by a 69 kV transmission line. This station contains one three-phase 12,000/16,000/20,000 kVA 69-14.4/25 kV transformer and is located in Hart County on Hammonsville Rd. Voltage levels are maintained at the station by three single-phase voltage regulators. This station has five distribution circuits serving a present peak load of 8,983 kW in 2022 and is projected to serve a future peak load of 8,000 kW in the winter of 2027/2028.

### **396 1701A\*      Circuit 1 – Gaddie Cemetery Rd Conversion**

This improvement calls for the reinsulation and conversion of 2.9 miles of single-phase line from 7.2kV to 14.4kV feeding along Gaddie Cemetery Rd from section PC-46895 to PC-44973. Step down transformers will be relocated beyond PC-44973. This improvement is necessary due to the projected 53 amps of load on a single-phase line exceeding the design criteria and accumulated voltage drop at the end of the line section.

### **317.02            Circuit 1 – Gaddie Cemetery Rd Reconductor**

This improvement calls for the reconductor of 2.2 miles of single-phase #4 ACSR to single-phase 1/0 ACSR along Primrose Dr between sections PC-313244 and PC-46895. This improvement is necessary due to the accumulated voltage drop at the end of the line section exceeding the design criteria.

### **317.03            Circuit 2 – US HWY 31E**

This improvement calls for the reinsulation and conversion of 1.6 miles of single-phase line from 7.2kV to 14.4kV feeding along US HWY 31E from section PC-45450 to PC-45537. Step down transformers will be relocated beyond PC-45537. This improvement is necessary due to the projected 46 amps of load on a single-phase line exceeding the design criteria and accumulated voltage drop at the end of the line section.

### **317.04            Circuit 3 - Hammonsville Rd**

This improvement calls for the reconductor of 2.0 miles of three-phase 1/0 ACSR to three-phase 397 ACSR along Hammonsville Rd. between sections PC-123859 and PC-45815. This improvement is necessary due to the accumulated voltage drop at the end of the line section exceeding the design criteria.

### **317.05            Circuit 3 – Munfordville Linwood Rd**

This improvement calls for the reinsulation and conversion of 4.8 miles of single-phase line from 7.2kV to 14.4kV feeding along Munfordville Linwood Rd. from section PC-47311 to PC-5914. Step down transformers will be relocated beyond PC-5914. This improvement is necessary due to the accumulated voltage drop at the end of the line section exceeding the design criteria.

### **317.06            Circuit 3 – Hedgepeth Rd**

This improvement calls for the reinsulation and conversion of 4.4 miles of single-phase line from 7.2kV to 14.4kV feeding toward Hedgepeth Rd. from section PC-201023 to PC-5564. Step down transformers will be relocated beyond PC-5564. This improvement is necessary due to the accumulated voltage drop at the end of the line section exceeding the design criteria.

**604.17**

**Circuit 3 – Gilead-Fairview Rd Regulator**

This improvement calls for the installation of a single-phase 100-amp regulator at PC-3656 at Gilead-Fairview Rd. This improvement is necessary to assist with the accumulated voltage drop at the end of the line section.

## Roseville Substation

The Roseville Substation has four feeders and is fed by a 69 kV transmission line. This station contains one three-phase 12,000/16,000/20,000 kVA 69-14.4/25 kV transformer and is located in southern Barren County on Elmo Rd. Voltage levels are maintained at the station by three single-phase voltage regulators. This station has four distribution circuits serving a present peak load of 8,220 kW in 2022 and is projected to serve a future peak load of 6,600 kW in the winter of 2027/2028.

### **318.01      Circuit 1 – Moores School Rd**

This improvement calls for the reinsulation and conversion of 5.7 miles of single-phase line from 7.2kV to 14.4kV feeding along Moores School Rd. from section PC-52094 to PC-20855. Step down transformers will be relocated beyond PC-20855. This improvement is necessary due to the accumulated voltage drop at the end of the line section exceeding the design criteria.

### **318.02      Circuit 2 – Winn School Rd**

This improvement calls for the reinsulation and conversion of 2.4 miles of single-phase line from 7.2kV to 14.4kV feeding along Winn School Rd. from section PC-210346 to PC-21670. Step down transformers will be relocated beyond PC-21670. This improvement is necessary due to the accumulated voltage drop at the end of the line section exceeding the design criteria.

### **604.18      Circuit 2 – Tobacco Rd Regulator**

This improvement calls for the installation of a three-phase 150-amp regulator bank at section PC-22218 near Tobacco Rd. This improvement is necessary to assist with the accumulated voltage drop at the end of the line section.

**Cub Run Substation (Planned 2026)**

The Cub Run Substation is proposed to be located in Hart County east of Cub Run near the intersection of Cub Run Hwy and Priceville Hwy. This station has a projected current peak of 5.8MW with 2 feeders and potential expansion to 3 feeders.

The addition of this station is necessary to reduce the loading on the current Munfordville substation. It will also allow potential ties with other Munfordville circuits. This will provide voltage support to circuit 6 currently served by the Munfordville substation. The new station will reduce the long circuit currently serving the load. The reduction in average circuit miles to serve the load will increase reliability. This new source will also provide back feed support in areas where this was not previously available. The substation justification has been discussed and approved by EKPC for review and the timetable for the substation is late 2026, before the end of this Work Plan.

## **Miscellaneous System Improvements**

Cost estimates were prepared for miscellaneous system improvements:

- Transformers and Meters
- Sectionalizing
- System Wide Voltage Regulators
- System Wide Capacitors
- Miscellaneous Replacements
- Distribution Backbone

### **601 Transformers and Meters**

Farmers Rural Electric must test 10% of consumer meters annually, a budget has been included for meters for new members and others that fail while in service.

### **603 Sectionalizing**

Sectionalizing is considered in this report to the extent that normal sectionalizing procedures may be used. The Cooperative removes reclosers and breakers each year for inspection, maintenance, and testing. A portion of these reclosers will need to be replaced and new reclosers will be required for lines that are scheduled to be multi-phased in this work plan. In addition, there is typically a need for replacement of existing pad-mounted switchgear in areas where there is a significant amount of underground infrastructure. A budget has been included for system wide sectionalizing costs over the three-year planning period. The total sectionalizing cost can be found in the System Wide Cost Estimates.

### **604 System Wide Voltage Regulators**

Voltage regulators are shown as site-specific improvements within each substation area. The total cost for these voltage regulators is summarized in the System Wide Cost Estimates.

### **605 System Wide Capacitors**

Farmers Rural Electric's wholesale power contract is based on a kW rate with a power factor penalty. Because of this contract requirement, it is very important and cost effective to maintain a power factor as close to unity as practical continuously. Another added benefit to maintaining a higher power factor is the reduction of system line losses. The addition or removal of capacitors needed to maintain this power factor are typically estimated on a substation-by-substation basis and are listed as site specific in the Cost Estimates and Discussion of System Improvements. These capacitor bank locations can be found on the circuit diagrams contained in this construction work plan where applicable.

**608 Conductor Replacement**

It is recommended that Farmers Rural Electric replace aging and deteriorating overhead and underground conductor. This will ensure the continuing reliability of the system's overhead and underground components.

Based on historical data, it is projected that the Cooperative will replace approximately 15 miles of smaller #4 ACSR and copper overhead conductor.

The total cost for the replacement of the overhead and underground cable is summarized in the System Wide Cost Estimates.

**612 System Wide Autotransformers**

As part of the site-specific improvements listed in the 300 projects, voltage conversions make up a significant portion of the projects. During these conversions, along with normal maintenance cycles, the condition of the Autotransformers should be assessed.

The total cost for the replacement of these Autotransformers is summarized in the System Wide Cost Estimates.

## 3.2 COST ESTIMATES OF SYSTEM IMPROVEMENTS

Farmers Rural Electric Cooperative 2024-2027 4 Year CWP								
200 - New Tie-Lines								
RUS Ref.	Section Numbers	Sub No.	Ckt. No.	Name	Project Description	Units/Miles	Unit Cost	Extended Cost
						Sub Total 200		\$0
300 - Conversions and Line Changes								
RUS Ref.	Section Numbers	Sub No.	Ckt No.	Name	Project Description	Units/Miles	Unit Cost	Extended Cost
301.01	PC-7391 to PC-7421	1	4	Slash Rd	Install New open Point	1.00	\$10,000	\$10,000
302.01	PC-5149 to PC-1831	2	6	Martin Pierce Rd	Convert 10 XFMR and Reinsulate single-phase line from 7.2 kV to 14.4 kV	3.58	\$19,235	\$68,863
302.02	PC-11666 to PC-11633	2	3	Progress Rd	Convert 33 XFMR and Reinsulate single-phase line from 7.2 kV to 14.4 kV	5.17	\$19,235	\$99,447
388 0206B*	3644SD2 to PC-2390	2	6	Broad Ford Rd	Convert 5 XFMR and Reinsulate three-phase line from 7.2 kV to 14.4 kV	0.70	\$35,265	\$47,127
					Reconductor single-phase #4 ACSR to three-phase 1/0 ACSR	2.10	\$112,206	\$235,633
304.01	PC-36270 to PC-33479	4	1	Bill Poytner Rd	Convert 3 XFMR and Reinsulate three-phase line from 7.2 kV to 14.4 kV	1.03	\$35,265	\$36,323
					Convert 10 XFMR and Reinsulate single-phase line from 7.2 kV to 14.4 kV	1.03	\$19,235	\$19,812
304.02	PC-33142 to PC-33724	4	1	Mell Ridge Rd	Convert 30 XFMR and Reinsulate single-phase line from 7.2 kV to 14.4 kV	7.30	\$19,235	\$140,418
389 0401A*	PC-33917 to PC-33130	4	1	Will Davis Rd	Convert 19 XFMR and Reinsulate single-phase line from 7.2 kV to 14.4 kV	5.14	\$19,235	\$98,870
391 0502A*	0637SD3 to PC-36340	5	2	Finney Rd East	Convert 107 XFMR and Reinsulate three-phase and single-phase line from 7.2 kV to 14.4 kV	2.56	\$35,265	\$90,278
						10.16	\$19,235	\$195,431
392 0502B*	0646SD1 to PC-38145	5	2	Finney Rd West	Convert 48 XFMR and Reinsulate three-phase and single-phase line from 7.2 kV to 14.4 kV	1.36	\$35,265	\$47,960
						7.02	\$19,235	\$135,032
394 0704A*	PC-25177 to PC-24709	7	4	Scottsville Rd	Reconductor three-phase 2/0 ACSR to three-phase 397 ACSR	0.97	\$192,354	\$186,583
307.01	PC-24681 to PC-24686	7	4	Haywood Cedar Grove Rd	Reconductor single-phase #4 ACSR to three-phase 1/0 ACSR	0.72	\$112,206	\$80,788
308.01	PC-29197 to PC-28952	8	1	Old Glasgow Rd	Convert 37 XFMR and Reinsulate single-phase line from 7.2 kV to 14.4 kV	4.10	\$19,235	\$78,865
308.02	PC-147674 to PC-31773	8	1	E Fork Rd	Convert 11 XFMR and Reinsulate single-phase line from 7.2 kV to 14.4 kV	1.71	\$19,235	\$32,892
308.03	PC-32054 to PC-30978	8	1	Breeding Rd	Convert 6 XFMR and Reinsulate single-phase line from 7.2 kV to 14.4 kV	1.69	\$19,235	\$32,508
308.04	PC-32333 to PC-31794	8	1	Columbia Rd	Convert 8 XFMR and Reinsulate single-phase line from 7.2 kV to 14.4 kV	1.80	\$19,235	\$34,624
310.01	PC-21243 to PC-267977	10	2	Carden Rd	Convert 26 XFMR and Reinsulate single-phase line from 7.2 kV to 14.4 kV	5.08	\$19,235	\$97,716
					Convert 29 XFMR and Reinsulate single-phase line from 7.2 kV to 14.4 kV	2.98	\$19,235	\$57,321
311.01	PC-14875 to PC-229065	11	2	Short Cut Rd	Convert 5 URD XFMR and URD single-phase line from 7.2 kV to 14.4 kV	0.36	\$19,235	\$6,925
311.02	PC-14204 to PC-4914	11	2	Lonoke Rd	Reconductor single phase #4 ACSR to three-phase 1/0 ACSR	0.78	\$112,206	\$87,521
321 1102A*	PC-15888 to PC-14179	11	2	Hardyville Rd	Convert 34 XFMR and Reinsulate single-phase line from 7.2 kV to 14.4 kV	4.79	\$19,235	\$92,137
323* 1203A	PC-25868 to PC-11220	12	3	Cumberland Pkwy	Reconductor three-phase 1/0 ACSR to three-phase 397 ACSR	3.30	\$192,354	\$634,767
316.01	PC-67653 to PC-40665	16	3	Park City-Bon Ayr Rd	Convert 6 XFMR and Reinsulate three-phase line from 7.2 kV to 14.4 kV	0.91	\$35,265	\$32,091
					Convert 4 XFMR and Reinsulate single-phase line from 7.2 kV to 14.4 kV	0.17	\$19,235	\$3,270
396 1701A*	PC-46895 to PC-44973	17	1	Gaddie Cemetery Rd Conversion	Convert 21 XFMR and Reinsulate single-phase line from 7.2 kV to 14.4 kV	2.91	\$19,235	\$55,975
317.02	PC-313244 to PC-46895	17	1	Gaddie Cemetery Rd Reconductor	Reconductor single phase #4 ACSR to single phase 1/0 ACSR	2.15	\$80,147	\$172,317
317.03	PC-45450 to PC-45537	17	2	US HWY 31E	Convert 13 XFMR and Reinsulate single-phase line from 7.2 kV to 14.4 kV	1.57	\$19,235	\$30,200
317.04	PC-123859 to PC-45815	17	3	Hammonsville Rd	Reconductor three-phase 1/0 ACSR to three-phase 397 ACSR	1.97	\$192,354	\$378,936
317.05	PC-47311 to PC-5914	17	3	Munfordville Linwood Rd	Convert 19 XFMR and Reinsulate single-phase line from 7.2 kV to 14.4 kV	4.77	\$19,235	\$91,753
317.06	PC-201023 to PC-5564	17	3	Hedgepeth Rd	Convert 25 XFMR and Reinsulate single-phase line from 7.2 kV to 14.4 kV	4.37	\$19,235	\$84,058
318.01	PC-52094 to PC-20855	18	1	Moores School Rd	Convert 18 XFMR and Reinsulate single-phase line from 7.2 kV to 14.4 kV	5.73	\$19,235	\$110,219
318.02	PC-210346 to PC-21670	18	2	Winn School Rd	Convert 14 XFMR and Reinsulate single-phase line from 7.2 kV to 14.4 kV	2.35	\$19,235	\$45,203
					Total Miles	103.33		
						Sub Total 300		\$3,651,861

Farmers Rural Electric Cooperative								
2024-2027 4 Year CWP								
603 - Sectionalizing								
RUS Ref.	Section Numbers	Sub No.	Ckt. No.	Name	Project Description	Units/Miles	Unit Cost	Extended Cost
System Wide					System Wide Sectionalizing Equipment Maintenance	1	\$400,000	\$400,000
						Sub Total 603		\$400,000
604 - Voltage Regulators								
RUS Ref.	Section Numbers	Sub No.	Ckt. No.	Name	Project Description	Units/Miles	Unit Cost	Extended Cost
604.01	PC-7865	1	4	Pace Quarry Rd Regulator	Install 3-1ph 7.62 kV 200A (3-152 KVA) Line Voltage Regulators	1	\$ 84,956	\$ 84,956
604.02	PC-30325	2	2	Flint Ridge Rd Regulator	Install 1-1ph 7.62 kV 100A (76.2 KVA) Line Voltage Regulator	1	\$ 22,441	\$ 22,441
604.04A	PC-286566	4	1	Sulphur Well Regulator	Install 1-1ph 7.62 kV 100A (76.2 KVA) Line Voltage Regulator	1	\$ 22,441	\$ 22,441
604.04B	PC-34292	4	1	Mell Cork Rd Regulator	Install 1-1ph 7.62 kV 100A (76.2 KVA) Line Voltage Regulator	1	\$ 22,441	\$ 22,441
604 0502A*	PC-38000	5	2	Beaver Creek Boat Ramp Rd Regulator	Install 3-1ph 7.62 kV 100A (3-76.2 KVA) Line Voltage Regulator	1	\$ 67,324	\$ 67,324
604.05B	PC-47784	5	2	N Lucas Rd Regulator	Install 1-1ph 7.62 kV 100A (76.2 KVA) Line Voltage Regulator	1	\$ 22,441	\$ 22,441
604.05C	PC-38122	5	2	Finney Rd West Regulator	Install 3-1ph 7.62 kV 100A (3-76.2 KVA) Line Voltage Regulator	1	\$ 67,324	\$ 67,324
604.05D	PC-374154	5	3	Old Bowling Green Rd Regulator	Install 3-1ph 7.62 kV 100A (3-76.2 KVA) Line Voltage Regulator	1	\$ 67,324	\$ 67,324
604.08	PC-31895	8	1	E Fork Rd Regulator	Install 1-1ph 7.62 kV 100A (76.2 KVA) Line Voltage Regulator	1	\$ 22,441	\$ 22,441
604.11	PC-14179	11	2	Hardyville Rd Regulator	Install 1-1ph 7.62 kV 100A (76.2 KVA) Line Voltage Regulator	1	\$ 22,441	\$ 22,441
604.16A	PC-55933	16	3	US HWY 31W Regulator	Install 1-1ph 7.62 kV 100A (76.2 KVA) Line Voltage Regulator	1	\$ 22,441	\$ 22,441
604.16B	PC-40649	16	3	Park City-Bon Ayr Rd Regulator	Install 1-1ph 7.62 kV 100A (76.2 KVA) Line Voltage Regulator	1	\$ 22,441	\$ 22,441
604.17	PC-3656	17	3	Gilead-Fairview Rd Regulator	Install 1-1ph 7.62 kV 100A (76.2 KVA) Line Voltage Regulator	1	\$ 22,441	\$ 22,441
604.18	PC-22218	18	2	Tobacco Rd Regulator	Install 3-1ph 7.62 kV 150A (3-114.3 KVA) Line Voltage Regulator	1	\$ 76,941	\$ 76,941
System Wide					System Wide Regulator Maintenance	1	\$300,000	\$300,000
						Sub Total 604		\$865,840
605 - Capacitors								
RUS Ref.	Section Numbers	Sub No.	Ckt. No.	Name	Project Description	Units/Miles	Unit Cost	Extended Cost
						Sub Total 605		\$0
606 - Poles								
RUS Ref.	Section Numbers	Sub No.	Ckt. No.	Name	Project Description	Units/Miles	Unit Cost	Extended Cost
System Wide					System Wide Pole Changes	1400.0	\$2,588	\$3,623,550
						Sub Total 606		\$3,623,550
608 - Conductor Replacement								
RUS Ref.	Section Numbers	Sub No.	Ckt. No.	Name	Project Description	Units/Miles	Unit Cost	Extended Cost
System Wide					System Wide Conductor Replacement	15.0	\$80,147	\$1,202,210
						Sub Total 608		\$1,202,210
612 - Autotransformers								
RUS Ref.	Section Numbers	Sub No.	Ckt. No.	Name	Project Description	Units/Miles	Unit Cost	Extended Cost
System Wide					System Wide Autotransformer Maintenance			\$1,000,000
						Sub Total 612		\$1,000,000
						Sub Total All 600		\$7,091,599
						Grand Total:		\$10,743,461

**GOODNIGHT SUBSTATION (1)**

RUS	Section	Ckt.	Improvement		Units/	Unit	Extended
<u>Ref.</u>	<u>Numbers</u>	<u>No.</u>	<u>Name</u>	<u>Project Description</u>	<u>Miles</u>	<u>Cost</u>	<u>Cost</u>
Series 200 - Tie Lines							
No Improvements Required							
Series 300 - Line Changes							
301.01	PC-7391 to PC-7421	4	Slash Rd	Reconductor three-phase 4/0 ACSR to three-phase 397 ACSR	2.60	\$192,354	\$500,119
Series 400 - New Substations							
No Improvements Required							
Series 603 - Sectionalizing							
No Improvements Required							
Series 604 - Line Regulators							
604.01	PC-7853	4	Pace Quarry Rd Regulator	Install 3-1ph 7.62 kV 200A (3-152 KVA) Line Voltage Regulators	1		#VALUE!
Series 605 - Capacitors							
No Improvements Required							

## MUNFORDVILLE SUBSTATION (2)

RUS	Section	Ckt.	Improvement			Units/	Unit	Extended	XFMR
<u>Ref.</u>	<u>Numbers</u>	<u>No.</u>	<u>Name</u>		<u>Project Description</u>	<u>Miles</u>	<u>Cost</u>	<u>Cost</u>	<u>Cost</u>
Series 200 - Tie Lines									
No Improvements Required									
Series 300 - Line Changes									
302.01	PC-5149 to PC-1831	6	Martin Pierce Rd		Convert 10 XFMR and Reinsulate single-phase line from 7.2 kV to 14.4 kV	3.6	\$19,235	\$68,863	\$24,044
302.02	PC-11666 to PC-11633	3	Progress Rd		Convert 33 XFMR and Reinsulate single-phase line from 7.2 kV to 14.4 kV	5.2	\$19,235	\$99,447	\$79,346
388 0206B*	3644SD2 to PC-2390	6	Broad Ford Rd		Convert 5 XFMR and Reinsulate three-phase line from 7.2 kV to 14.4 kV	0.7	\$35,265	\$47,127	\$12,022
					Reconductor single-phase #4 ACSR to three-phase 1/0 ACSR	2.1	\$112,206	\$235,633	
Series 400 - New Substations									
No Improvements Required									
Series 603 - Sectionalizing									
No Improvements Required									
Series 604 - Line Regulators									
604.02	PC-30325	2	Flint Ridge Rd Regulator		Install 1-1ph 7.62 kV 100A (76.2 KVA) Line Voltage Regulator	1	\$22,441	\$22,441	
Series 605 - Capacitors									
No Improvements Required									

**Farmers Rural Electric Cooperative**  
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### TEMPLE HILL SUBSTATION (3)

RUS	Section	Ckt.	Improvement	Units/	Unit	Extended
<u>Ref.</u>	<u>Numbers</u>	<u>No.</u>	<u>Name</u>	<u>Miles</u>	<u>Cost</u>	<u>Cost</u>
Series 200 - Tie Lines						
			No Improvements Required			
Series 300 - Line Changes						
			No Improvements Required			
Series 400 - New Substations						
			No Improvements Required			
Series 603 - Sectionalizing						
			No Improvements Required			
Series 604 - Line Regulators						
			No Improvements Required			
Series 605 - Capacitors						
			No Improvements Required			

#### NOB LICK SUBSTATION (4)

RUS Ref.	Section Numbers	Ckt. No.	Improvement Name	Project Description	Units/ Miles	Unit Cost	Extended Cost	XFMR Cost
Series 200 - Tie Lines								
No Improvements Required								
Series 300 - Line Changes								
304.01	PC-36270 to PC-33479	1	Bill Poytner Rd	Convert 3 XFMR and Reinsulate three-phase line from 7.2 kV to 14.4 kV	1.0	\$35,265	\$36,323	\$7,213
				Convert 10 XFMR and Reinsulate single-phase line from 7.2 kV to 14.4 kV	1.0	\$19,235	\$19,812	\$24,044
304.02	PC-33142 to PC-33724	1	Mell Ridge Rd	Convert 30 XFMR and Reinsulate single-phase line from 7.2 kV to 14.4 kV	7.3	\$19,235	\$140,418	\$72,133
389 0401A*	PC-33917 to PC-33130	1	Will Davis Rd	Convert 19 XFMR and Reinsulate single-phase line from 7.2 kV to 14.4 kV	5.1	\$19,235	\$98,870	\$45,684
Series 400 - New Substations								
No Improvements Required								
Series 603 - Sectionalizing								
No Improvements Required								
Series 604 - Line Regulators								
604.04A	PC-286566	1	Sulphur Well Regulator	Install 1-1ph 7.62 kV 100A (76.2 KVA) Line Voltage Regulator	1	\$22,441	\$22,441	
604.04B	PC-34292	1	Mell Cork Rd Regulator	Install 1-1ph 7.62 kV 100A (76.2 KVA) Line Voltage Regulator	1	\$22,441	\$22,441	
Series 605 - Capacitors								
No Improvements Required								

### BECKTON SUBSTATION (5)

RUS	Section	Ckt.	Improvement		Units/	Unit	Extended	XFMR
Ref.	Numbers	No.	Name	Project Description	Miles	Cost	Cost	Cost
Series 200 - Tie Lines								
No Improvements Required								
Series 300 - Line Changes								
391 0502A*	0637SD3 to PC-36340	2	Finney Rd East	Convert 107 XFMR and Reinsulate three-phase and single-phase line from 7.2 kV to 14.4 kV	2.6	\$35,265	\$90,278	\$257,273
					10.2	\$19,235	\$195,431	
392 0502B*	0646SD1 to PC-38145	2	Finney Rd West	Convert 48 XFMR and Reinsulate three-phase and single-phase line from 7.2 kV to 14.4 kV	1.4	\$35,265	\$47,960	\$115,412
					7.0	\$19,235	\$135,032	
Series 400 - New Substations								
No Improvements Required								
Series 603 - Sectionalizing								
No Improvements Required								
Series 604 - Line Regulators								
604 0502A*	PC-38000	2	Beaver Creek Boat Ramp Rd Regulator	Install 3-1ph 7.62 kV 100A (3-76.2 KVA) Line Voltage Regulator	1	\$67,324	\$67,324	
604.05B	PC-47784	2	N Lucas Rd Regulator	Install 1-1ph 7.62 kV 100A (76.2 KVA) Line Voltage Regulator	1	\$22,441	\$22,441	
604.05C	PC-38122	2	Finney Rd West Regulator	Install 3-1ph 7.62 kV 100A (3-76.2 KVA) Line Voltage Regulator	1	\$67,324	\$67,324	
604.05D	PC-374154	3	Old Bowling Green Rd Regulator	Install 3-1ph 7.62 kV 100A (3-76.2 KVA) Line Voltage Regulator	1	\$67,324	\$67,324	
Series 605 - Capacitors								
No Improvements Required								

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### CAVE CITY SUBSTATION (6)

RUS	Section	Ckt.	Improvement		Units/	Unit	Extended
<u>Ref.</u>	<u>Numbers</u>	<u>No.</u>	<u>Name</u>	<u>Project Description</u>	<u>Miles</u>	<u>Cost</u>	<u>Cost</u>
Series 200 - Tie Lines							
			No Improvements Required				
Series 300 - Line Changes							
			No Improvements Required				
Series 400 - New Substations							
			No Improvements Required				
Series 603 - Sectionalizing							
			No Improvements Required				
Series 604 - Line Regulators							
			No Improvements Required				
Series 605 - Capacitors							
			No Improvements Required				

### PARKWAY 1 SUBSTATION (7)

RUS	Section	Ckt.	Improvement		Units/	Unit	Extended
<u>Ref.</u>	<u>Numbers</u>	<u>No.</u>	<u>Name</u>	<u>Project Description</u>	<u>Miles</u>	<u>Cost</u>	<u>Cost</u>
Series 200 - Tie Lines							
No Improvements Required							
Series 300 - Line Changes							
394 0704A*	PC-25177 to PC-24709	4	Scottsville Rd	Reconductor three-phase 2/0 ACSR to three-phase 397 ACSR	0.97	\$192,354	\$186,583
307.01	PC-24681 to PC-24686	4	Haywood Cedar Grove Rd	Reconductor single-phase #4 ACSR to three-phase 1/0 ACSR	0.72	\$112,206	\$80,788
Series 400 - New Substations							
No Improvements Required							
Series 603 - Sectionalizing							
No Improvements Required							
Series 604 - Line Regulators							
No Improvements Required							
Series 605 - Capacitors							
No Improvements Required							

### GALLOWAY SUBSTATION (8)

RUS	Section	Ckt.	Improvement			Units/	Unit	Extended	XFMR
<u>Ref.</u>	<u>Numbers</u>	<u>No.</u>	<u>Name</u>	<u>Project Description</u>		<u>Miles</u>	<u>Cost</u>	<u>Cost</u>	<u>Cost</u>
Series 200 - Tie Lines									
No Improvements Required									
Series 300 - Line Changes									
308.01	PC-29197 to PC-28952	1	Old Glasgow Rd	Convert 37 XFMR and Reinsulate single-phase line from 7.2 kV to 14.4 kV	4.1	\$19,235	\$78,865	\$88,964	
308.02	PC-147674 to PC-31773	1	E Fork Rd	Convert 11 XFMR and Reinsulate single-phase line from 7.2 kV to 14.4 kV	1.71	\$19,235	\$32,892	\$26,449	
308.03	PC-32054 to PC-30978	1	Breeding Rd	Convert 6 XFMR and Reinsulate single-phase line from 7.2 kV to 14.4 kV	1.69	\$19,235	\$32,508	\$14,427	
308.04	PC-32333 to PC-31794	1	Columbia Rd	Convert 8 XFMR and Reinsulate single-phase line from 7.2 kV to 14.4 kV	1.8	\$19,235	\$34,624	\$19,235	
Series 400 - New Substations									
No Improvements Required									
Series 603 - Sectionalizing									
No Improvements Required									
Series 604 - Line Regulators									
604.08	PC-31895	1	E Fork Rd Regulator	Install 1-1ph 7.62 kV 100A (76.2 KVA) Line Voltage Regulator	1	\$22,441	\$22,441		
Series 605 - Capacitors									
No Improvements Required									

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BONNIEVILLE SUBSTATION (9)

RUS	Section	Ckt.	Improvement		Units/	Unit	Extended
<u>Ref.</u>	<u>Numbers</u>	<u>No.</u>	<u>Name</u>	<u>Project Description</u>	<u>Miles</u>	<u>Cost</u>	<u>Cost</u>
Series 200 - Tie Lines							
			No Improvements Required				
Series 300 - Line Changes							
			No Improvements Required				
Series 400 - New Substations							
			No Improvements Required				
Series 603 - Sectionalizing							
			No Improvements Required				
Series 604 - Line Regulators							
			No Improvements Required				
Series 605 - Capacitors							
			No Improvements Required				

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### WEST GLASGOW 1 SUBSTATION (10)

RUS	Section	Ckt.	Improvement			Units/	Unit	Extended	XFMR
<u>Ref.</u>	<u>Numbers</u>	<u>No.</u>	<u>Name</u>		<u>Project Description</u>	<u>Miles</u>	<u>Cost</u>	<u>Cost</u>	<u>Cost</u>
Series 200 - Tie Lines									
	No Improvements Required								
Series 300 - Line Changes									
310.01	PC-21243 to PC-267977	2	Carden Rd		Convert 26 XFMR and Reinsulate single-phase line from 7.2 kV to 14.4 kV	5.08	\$19,235	\$97,716	\$62,515
Series 400 - New Substations									
	No Improvements Required								
Series 500 - Station Changes									
	No Improvements Required								
Series 603 - Sectionalizing									
	No Improvements Required								
Series 604 - Line Regulators									
	No Improvements Required								
Series 605 - Capacitors									

## SEYMOUR SUBSTATION (11)

RUS Ref.	Section Numbers	Ckt. No.	Improvement Name	Project Description	Units/ Miles	Unit Cost	Extended Cost	XFMR Cost
Series 200 - Tie Lines								
No Improvements Required								
Series 300 - Line Changes								
311.01	PC-14875 to PC-229065	2	Short Cut Rd	Convert 29 XFMR and Reinsulate single-phase line from 7.2 kV to 14.4 kV	3.0	\$19,235	\$57,321	\$69,728
				Convert 5 URD XFMR and URD single-phase line from 7.2 kV to 14.4 kV	0.4	\$19,235	\$6,925	\$12,022
311.02	PC-14204 to PC-4914	2	Lonoke Rd	Reconductor single phase #4 ACSR to three-phase 1/0 ACSR	0.8	\$112,206	\$87,521	
321 1102A*	PC-15888 to PC-14179	2	Hardyville Rd	Convert 34 XFMR and Reinsulate single-phase line from 7.2 kV to 14.4 kV	4.8	\$19,235	\$92,137	\$81,750
Series 400 - New Substations								
No Improvements Required								
Series 603 - Sectionalizing								
No Improvements Required								
Series 604 - Line Regulators								
604.11	PC-14179	2	Hardyville Rd Regulator	Install 1-1ph 7.62 kV 100A (76.2 KVA) Line Voltage Regulator	1	\$22,441	\$22,441	
Series 605 - Capacitors								
No Improvements Required								

### FOX HOLLOW SUBSTATION (12)

RUS	Section	Ckt.	Improvement		Units/	Unit	Extended
<u>Ref.</u>	<u>Numbers</u>	<u>No.</u>	<u>Name</u>	<u>Project Description</u>	<u>Miles</u>	<u>Cost</u>	<u>Cost</u>
Series 200 - Tie Lines							
No Improvements Required							
Series 300 - Line Changes							
323* 1203A	PC-25868 to PC-11220	3	Cumberland Pkwy	Reconductor three-phase 1/0 ACSR to three-phase 397 ACSR	3.3	\$192,354	\$634,767
Series 400 - New Substations							
No Improvements Required							
Series 603 - Sectionalizing							
No Improvements Required							
Series 604 - Line Regulators							
No Improvements Required							
Series 605 - Capacitors							
No Improvements Required							

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EDMONTON SUBSTATION (13)

RUS	Section	Ckt.	Improvement		Units/	Unit	Extended
<u>Ref.</u>	<u>Numbers</u>	<u>No.</u>	<u>Name</u>	<u>Project Description</u>	<u>Miles</u>	<u>Cost</u>	<u>Cost</u>
Series 200 - Tie Lines							
			No Improvements Required				
Series 300 - Line Changes							
			No Improvements Required				
Series 400 - New Substations							
			No Improvements Required				
Series 500 - Station Changes							
			No Improvements Required				
Series 603 - Sectionalizing							
			No Improvements Required				
Series 604 - Line Regulators							
			No Improvements Required				
Series 605 - Capacitors							
			No Improvements Required				

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PARKWAY 2 SUBSTATION (14)

RUS <u>Ref.</u>	Section <u>Numbers</u>	Ckt. <u>No.</u>	Improvement <u>Name</u>	<u>Project Description</u>	Units/ <u>Miles</u>	Unit <u>Cost</u>	Extended <u>Cost</u>
Series 200 - Tie Lines							
			No Improvements Required				
Series 300 - Line Changes							
			No Improvements Required				
Series 400 - New Substations							
			No Improvements Required				
Series 500 - Station Changes							
			No Improvements Required				
Series 603 - Sectionalizing							
			No Improvements Required				
Series 604 - Line Regulators							
			No Improvements Required				
Series 605 - Capacitors							
			No Improvements Required				

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WEST GLASGOW 2 SUBSTATION (15)

RUS	Section	Ckt.	Improvement		Units/	Unit	Extended
<u>Ref.</u>	<u>Numbers</u>	<u>No.</u>	<u>Name</u>	<u>Project Description</u>	<u>Miles</u>	<u>Cost</u>	<u>Cost</u>
Series 200 - Tie Lines							
			No Improvements Required				
Series 300 - Line Changes							
			No Improvements Required				
Series 400 - New Substations							
			No Improvements Required				
Series 500 - Station Changes							
			No Improvements Required				
Series 603 - Sectionalizing							
			No Improvements Required				
Series 604 - Line Regulators							
			No Improvements Required				
Series 605 - Capacitors							
			No Improvements Required				

**Farmers Rural Electric Cooperative**  
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### BON AYR SUBSTATION (16)

RUS Ref.	Section Numbers	Ckt. No.	Improvement Name	Project Description	Units/ Miles	Unit Cost	Extended Cost	XFMR Cost
Series 200 - Tie Lines								
No Improvements Required								
Series 300 - Line Changes								
316.01	PC-67653 to PC-40665	3	Park City-Bon Ayr Rd	Convert 6 XFMR and Reinsulate three-phase line from 7.2 kV to 14.4 kV	0.9	\$35,265	\$32,091	\$14,427
				Convert 4 XFMR and Reinsulate single-phase line from 7.2 kV to 14.4 kV	0.2	\$19,235	\$3,270	\$9,618
Series 400 - New Substations								
No Improvements Required								
Series 500 - Station Changes								
No Improvements Required								
Series 603 - Sectionalizing								
No Improvements Required								
Series 604 - Line Regulators								
604.16A	PC-55933	3	US HWY 31W Regulator	Install 1-1ph 7.62 kV 100A (76.2 KVA) Line Voltage Regulator	1	\$22,441	\$22,441	
604.16B	PC-40649	3	Park City-Bon Ayr Rd Regulator	Install 1-1ph 7.62 kV 100A (76.2 KVA) Line Voltage Regulator	1	\$22,441	\$22,441	
Series 605 - Capacitors								
No Improvements Required								

### JONESVILLE SUBSTATION (17)

RUS Ref.	Section Numbers	Ckt. No.	Improvement Name	Project Description	Units/ Miles	Unit Cost	Extended Cost	XFMR Cost
Series 200 - Tie Lines								
No Improvements Required								
Series 300 - Line Changes								
396 1701A*	PC-46895 to PC-44973	1	Gaddie Cemetery Rd Conversion	Convert 21 XFMR and Reinsulate single-phase line from 7.2 kV to 14.4 kV	2.9	\$19,235	\$55,975	\$50,493
317.02	PC-313244 to PC-46895	1	Gaddie Cemetery Rd Reconductor	Reconductor single phase #4 ACSR to single phase 1/0 ACSR	2.2	\$80,147	\$172,317	
317.03	PC-45450 to PC-45537	2	US HWY 31E	Convert 13 XFMR and Reinsulate single-phase line from 7.2 kV to 14.4 kV	1.6	\$19,235	\$30,200	\$31,257
317.04	PC-123859 to PC-45815	3	Hammons ville Rd	Reconductor three-phase 1/0 ACSR to three-phase 397 ACSR	2.0	\$192,354	\$378,936	
317.05	PC-47311 to PC-5914	3	Munfordville Linwood Rd	Convert 19 XFMR and Reinsulate single-phase line from 7.2 kV to 14.4 kV	4.8	\$19,235	\$91,753	\$45,684
317.06	PC-201023 to PC-5564	3	Hedgepeth Rd	Convert 25 XFMR and Reinsulate single-phase line from 7.2 kV to 14.4 kV	4.4	\$19,235	\$84,058	\$60,110
Series 400 - New Substations								
No Improvements Required								
Series 500 - Station Changes								
No Improvements Required								
Series 603 - Sectionalizing								
No Improvements Required								
Series 604 - Line Regulators								
604.17	PC-3656	3	Gilead-Fairview Rd Regulator	Install 1-1ph 7.62 kV 100A (76.2 KVA) Line Voltage Regulator	1	\$22,441	\$22,441	
Series 605 - Capacitors								
No Improvements Required								

### ROSEVILLE SUBSTATION (18)

RUS	Section	Ckt.	Improvement			Units/	Unit	Extended	XFMR
<u>Ref.</u>	<u>Numbers</u>	<u>No.</u>	<u>Name</u>	<u>Project Description</u>		<u>Miles</u>	<u>Cost</u>	<u>Cost</u>	<u>Cost</u>
Series 200 - Tie Lines									
No Improvements Required									
Series 300 - Line Changes									
318.01	PC-52094 to PC-20855	1	Moores School Rd	Convert 18 XFMR and Reinsulate single-phase line from 7.2 kV to 14.4 kV	5.7	\$19,235	\$110,219	\$43,280	
318.02	PC-210346 to PC-21670	2	Winn School Rd	Convert 14 XFMR and Reinsulate single-phase line from 7.2 kV to 14.4 kV	2.4	\$19,235	\$45,203	\$33,662	
Series 400 - New Substations									
No Improvements Required									
Series 500 - Station Changes									
No Improvements Required									
Series 603 - Sectionalizing									
No Improvements Required									
Series 604 - Line Regulators									
604.18	PC-22218	2	Tobacco Rd Regulator	Install 3-1ph 7.62 kV 150A (3-114.3 KVA) Line Voltage Regulator	1	\$76,941	\$76,941		
Series 605 - Capacitors									
No Improvements Required									

### **3.3 DISTRIBUTION LINE AND EQUIPMENT COSTS**

**Glasgow, Kentucky**  
**Farmers Rural Electric Cooperative**  
**2024-2027 CONSTRUCTION WORK PLAN**

**DISTRIBUTION LINE AND EQUIPMENT COSTS**

	Inf. Rate Years to Inflate	12.52% 4
From real numbers turned in from previous CWP	Previous CWP	2027
1 1 ph to 1 ph #2 ACSR	\$ 40,000.00	\$ 64,117.84
2 1 ph to 1 ph 1/0 ACSR	\$ 50,000.00	\$ 80,147.30
3 1 ph to 3 ph #2 ACSR	\$ 60,000.00	\$ 96,176.76
4 1 ph to 3 ph 1/0 ACSR	\$ 70,000.00	\$ 112,206.22
5 1 ph to 3 ph 4/0 ACSR	\$ 100,000.00	\$ 160,294.60
6 1 ph to 3 ph 397 ACSR	\$ 120,000.00	\$ 192,353.52
7 3 ph to 3 ph 1/0 ACSR	\$ 70,000.00	\$ 112,206.22
8 3 ph to 3 ph 4/0 ACSR	\$ 100,000.00	\$ 160,294.60
9 3 ph to 3 ph 397 ACSR	\$ 120,000.00	\$ 192,353.52
10 3 ph to 3 ph DC 397 ACSR	\$ 160,000.00	\$ 256,471.36
11 New 3ph 110 ACSR Line	\$ 90,000.00	\$ 144,265.14
12 New 3ph 397 ACSR Line	\$ 150,000.00	\$ 240,441.90
13 New 3ph DC 397 ACSR Line	\$ 190,000.00	\$ 304,559.74
14 1ph #2 12.47 kV AL UG to 1ph #2 25 kV AL UG	\$ 250,000.00	\$ 400,736.50
15 3ph #2 12.47 kV AL UG to 3ph #2 25 kV AL UG	\$ 200,000.00	\$ 320,589.20
16 750 AL UG getaway	\$ 150,000.00	\$ 240,441.90
17 Reinsulate 1ph line for 14.4 kV	\$ 12,000.00	\$ 19,235.35
18 Reinsulate 2ph line for 14.4 kV	\$ 17,000.00	\$ 27,250.08
19 Reinsulate 3ph line for 14.4 kV	\$ 22,000.00	\$ 35,264.81
20 1ph 14.4 kV 100A (1-76.2 KVA) Line Voltage Regulators	\$ 14,000.00	\$ 22,441.24
21 3-1ph 7.62 kV 100A (3-76.2 KVA) Line Voltage Regulators	\$ 42,000.00	\$ 67,323.73
22 3-1ph 7.62 kV 150A (3-114.3 KVA) Line Voltage Regulators	\$ 48,000.00	\$ 76,941.41
23 3-1ph 7.62 kV 200A (3-152 KVA) Line Voltage Regulators	\$ 53,000.00	\$ 84,956.14
24 3-1ph 14.4 kV 50A (1-72 KVA) Line Voltage Regulators	\$ 40,000.00	\$ 64,117.84
25 3-1ph 14.4 kV 100A (3-144 KVA) Line Voltage Regulators	\$ 45,000.00	\$ 72,132.57
26 3-1ph 14.4 kV 150A (3-216 KVA) Line Voltage Regulators	\$ 50,000.00	\$ 80,147.30
27 3-1ph 14.4 kV 200A (3-288 KVA) Line Voltage Regulators	\$ 53,000.00	\$ 84,956.14
28 300 kVAR Fixed Bank Line Capacitors	\$ 4,500.00	\$ 7,213.26
29 Replace 7.2 kV Transformer with 14.4 kV Transformer	\$ 1,500.00	\$ 2,404.42
30 Install 1ph Step Bank	\$ 15,000.00	\$ 24,044.19
31 Install 2ph Step Bank	\$ 25,000.00	\$ 40,073.65
32 Install 3ph Step Bank	\$ 35,000.00	\$ 56,103.11
33 Install 5MVA Padmounted Step Bank	\$ 110,000.00	\$ 176,324.06
34 1ph Recloser Bank	\$ 5,000.00	\$ 8,014.73
35 3ph Recloser Bank	\$ 12,000.00	\$ 19,235.35
36 3ph Electronic Recloser Bank	\$ 22,000.00	\$ 35,264.81

### **3.4 MEMBER SERVICE COST ESTIMATE**

Farmers Rural Electric Cooperative  
2024-2027 Construction Work Plan  
Member Service Cost Estimates

	Historical 24 Months Ending Dec 2023	Projected Year 2024	Projected Year 2025	Projected Year 2026	Projected Year 2027	Total for Work Plan Period
<b>Number of New Services</b>						
100 New Services	936	525	525	525	525	2,100
Total	936	525	525	525	525	2,100
<b>Historical Total Feet of Line</b>						
Primary, Secondary, Service	206,171	103,086	103,086	103,086	103,086	412,344
Total	206,171	103,086	103,086	103,086	103,086	412,344
<b>Average Length per Service (feet)</b>						
Primary, Secondary, Service (estimated)	220	220	220	220	220	
Total	220	220	220	220	220	
<b>Projected Miles of New Line (estimated)</b>						
Primary, Secondary, Service	39.0	19.5	19.5	19.5	19.5	78
Total	39.0	19.5	19.5	19.5	19.5	78
<b>100 Total Historical Cost for New Services</b>						
Construction Cost	\$ 3,954,358					
Cost-in-Aid of Construction	\$ 253,037					
Construction Cost less Cost-in-Aid of Construction	\$ 3,701,321					
<b>100 Average Cost per New Service</b>						
Construction Cost	\$ 4,225	\$ 4,542 <sup>(1)</sup>	\$ 4,883 <sup>(1)</sup>	\$ 5,249 <sup>(1)</sup>	\$ 5,643 <sup>(1)</sup> <sup>(1)</sup>	
Construction Cost less Cost-in-Aid of Construction	\$ 3,954	\$ 4,251 <sup>(1)</sup>	\$ 4,570 <sup>(1)</sup>	\$ 4,913 <sup>(1)</sup>	\$ 5,281 <sup>(1)</sup> <sup>(1)</sup>	
<b>100 Projected Cost for New Services</b>						
Construction Cost		\$ 2,384,550	\$ 2,563,575	\$ 2,755,725	\$ 2,962,575	\$ 10,666,425
Construction Cost less Cost-in-Aid of Construction		\$ 2,231,775	\$ 2,399,250	\$ 2,579,325	\$ 2,772,525	\$ 9,982,875
<b>Number of Transformers</b>						
Single Phase - Padmounts	46	23	23	23	23	92
Three Phase - Padmounts	5	3	3	3	3	12
Single Phase - Overhead	770	385	385	385	385	1,540
Transformers - Conversions						
Total	821	411	411	411	411	1,644
<b>Average Installation Cost of Transformers</b>						
Single Phase - Padmounts	\$ 3,363	\$ 3,615 <sup>(1)</sup>	\$ 3,886 <sup>(1)</sup>	\$ 4,177 <sup>(1)</sup>	\$ 4,490 <sup>(1)</sup> <sup>(1)</sup>	
Three Phase - Padmounts	\$ 34,222	\$ 36,789 <sup>(1)</sup>	\$ 39,548 <sup>(1)</sup>	\$ 42,514 <sup>(1)</sup>	\$ 45,703 <sup>(1)</sup> <sup>(1)</sup>	
Single Phase - Overhead	\$ 1,190	\$ 1,279 <sup>(1)</sup>	\$ 1,375 <sup>(1)</sup>	\$ 1,478 <sup>(1)</sup>	\$ 1,589 <sup>(1)</sup> <sup>(1)</sup>	
<b>Total Cost of Transformers</b>						
Transformers - Conversions		\$ 325,198	\$ 325,198	\$ 325,198	\$ 325,198	\$ 1,300,790
Single Phase - Padmounts	\$ 154,676	\$ 83,145	\$ 89,378	\$ 96,071	\$ 103,270	\$ 371,864
Three Phase - Padmounts	\$ 171,108	\$ 110,367	\$ 118,644	\$ 127,542	\$ 137,109	\$ 493,662
Single Phase - Overhead	\$ 916,235	\$ 492,415	\$ 529,375	\$ 569,030	\$ 611,765	\$ 2,202,585
Total	\$ 1,242,019	\$ 1,011,125	\$ 1,062,595	\$ 1,117,841	\$ 1,177,342	\$ 4,368,901
<b>Number of Meters</b>						
Single Phase Meters-AMI New Service	936	523 <sup>(2)</sup>	523 <sup>(2)</sup>	523 <sup>(2)</sup>	523 <sup>(2)</sup> <sup>(2)</sup>	2,092
Three Phase Meters-AMI New Service	5	2 <sup>(2)</sup>	2 <sup>(2)</sup>	2 <sup>(2)</sup>	2 <sup>(2)</sup> <sup>(2)</sup>	8
Single Phase Meters-AMI Replacement	694	2,000	2,150	2,350	2,500	9,000
Three Phase Meters-AMI Replacement	71	36	36	36	36	142
Total meters	1,706	2,561	2,711	2,911	3,061	11,242

Farmers Rural Electric Cooperative  
2024-2027 Construction Work Plan  
Member Service Cost Estimates

	Historical 24 Months Ending Dec 2023	Projected Year 2024	Projected Year 2025	Projected Year 2026	Projected Year 2027	Total for Work Plan Period
<b>Average Installation Cost of Meters</b>						
Residential Meters - PLC	\$ 233	\$ 250 <sup>(1)</sup>	\$ 269 <sup>(1)</sup>	\$ 289 <sup>(1)</sup>	\$ 311 <sup>(1)</sup> <sup>(1)</sup>	
Residential Meters - Cellular	\$ 204	\$ 219 <sup>(1)</sup>	\$ 235 <sup>(1)</sup>	\$ 253 <sup>(1)</sup>	\$ 272 <sup>(1)</sup> <sup>(1)</sup>	
Three Phase Meters	\$ 1,050	\$ 1,128 <sup>(1)</sup>	\$ 1,213 <sup>(1)</sup>	\$ 1,304 <sup>(1)</sup>	\$ 1,402 <sup>(1)</sup> <sup>(1)</sup>	
<b>Total Cost of Meters</b>						
Single Phase Meters-AMI New Service	\$ 217,704	\$ -	\$ -	\$ -	\$ -	\$ -
Three Phase Meters-AMI New Service	\$ 5,249	\$ 2,256	\$ 2,426	\$ 2,608	\$ 2,804	\$ 10,094
Single Phase Meters-AMI Replacement	\$ 161,417	\$ 438,000	\$ 505,250	\$ 594,550	\$ 680,000	\$ 2,217,800
Three Phase Meters-AMI Replacement	\$ 74,529	\$ 40,044	\$ 43,062	\$ 46,292	\$ 49,771	\$ 179,169
<b>600-601</b> Total cost of meters	\$ 458,900	\$ 480,300	\$ 550,738	\$ 643,450	\$ 732,575	\$ 2,407,063
<b>601 Total for Transformers and Meters</b>	\$ 1,700,919	\$ 1,491,425	\$ 1,613,332	\$ 1,761,291	\$ 1,909,917	\$ 6,775,964
<b>602 For Service Changes</b>						
Number of New Transformers	92	46	46	46	46	184
Number of New Meters	-	-	-	-	-	-
Number of Sets of Larger Service Wire	92	46	46	46	46	184
Average Cost per Service Wire Change	\$ 1,906	\$ 2,049 <sup>(1)</sup>	\$ 2,203 <sup>(1)</sup>	\$ 2,368 <sup>(1)</sup>	\$ 2,546 <sup>(1)</sup> <sup>(1)</sup>	
<b>602 Total Cost of Service Changes</b>						
Install Cost	\$ 175,342	\$ 94,254	\$ 101,338	\$ 108,928	\$ 117,116	\$ 421,636
Total	\$ 175,342	\$ 94,254	\$ 101,338	\$ 108,928	\$ 117,116	\$ 421,636
<b>606 Poles</b>						
Number of Poles Replacement Work Orders	1,120	350	350	350	350	1,400
Replacement Cost	\$ 2,410,967	\$ 809,900	\$ 870,800	\$ 936,250	\$ 1,006,600	\$ 3,623,550
Avg. Net Replacement Cost/Pole	\$ 2,153	\$ 2,314 <sup>(1)</sup>	\$ 2,488 <sup>(1)</sup>	\$ 2,675 <sup>(1)</sup>	\$ 2,876 <sup>(1)</sup> <sup>(1)</sup>	
<b>702 Outdoor Lights</b>						
Number of Outdoor Lights	1,134	567	567	567	567	2,268
Replacement Cost (3)	\$ 681,042	\$ 366,282	\$ 393,498	\$ 422,982	\$ 454,734	\$ 1,637,496
Avg. Net Replacement Cost/Light (3)	\$ 600.57	\$ 646 <sup>(1)</sup>	\$ 694 <sup>(1)</sup>	\$ 746 <sup>(1)</sup>	\$ 802 <sup>(1)</sup> <sup>(1)</sup>	
<b>Total Member Service Cost:</b>		\$ 4,993,636	\$ 5,378,218	\$ 5,808,776	\$ 6,260,892	<b>\$ 22,441,521</b>

(1) Values inflated using 7.5%

(2) Number of new meters shall equal the number of new services constructed.

(3) Includes poles, fixtures, and conductor

1.075 1.075 1.075 1.075

**APPENDIX A:** Substation Datasheet – Existing System

**FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION  
2024 CONSTRUCTION WORK PLAN-LONG RANGE PLAN  
SUBSTATION DATA SHEET - EXISTING SYSTEM CONFIGURATION**

Sub #	Substation	Ownership	HS Voltage	LS Voltage	Circuits	Transformer Configuration (MVA)	Regulation Type (Bus or Feeder)	Voltage Regulators (MVA Summer/Winter)	2022 Existing Peak Demand (KW)	2027 Projected Peak Demand (KW)	Transformer Capacity (MVA)	EKPC Transformer Top Nameplate Summer Rating (MVA)	EKPC Transformer Top Nameplate Winter Rating (MVA)
1	Goodnight	EKPC	69	12.47	5	(3) 1Ph 3,333 kVA (fused)	Bus	17.90(S)-23.40(W)	12,416	9,700	10 MVA OA	14	18
2	Munfordville	EKPC	69	24.9	6	3Ph 12/16/20 MVA (fused)	Bus	18.50(S)-24.30(W)	15,160	12,600	12 MVA OA	14	18
3	Temple Hill	EKPC	69	24.9	6	3Ph 11.2 MVA (fused)	Bus	30.90(S)-40.40(S)	11,174	8,800	11.2 OA	14	18
4	Knob Lick	EKPC	69	24.9	5	3Ph 11.2 MVA (fused)	Bus	18.50(S)-24.30(W)	9,438	7,000	11.2 OA	14	18
5	Beckton	EKPC	69	24.9	4	3Ph 11.2 MVA (fused)	Bus	18.50(S)-24.30(W)	13,966	10,700	11.2 OA	14	18
6	Cave City	EKPC	69	12.47	6	(3) 1Ph 3,333 kVA (fused)	Bus	26.30(S)-34.40(W)	11,690	9,200	10 MVA OA	14	18
7	Parkway I	EKPC	69	12.47	4	3Ph 11.2 MVA (fused)	Bus	17.90(S)-23.40(W)	9,540	10,900	11.2 OA	14	18
8	Galloway	EKPC	69	24.9	3	3Ph 12/16/20 MVA (fused)	Bus	26.30(S)-34.40(W)	12,119	10,600	12 MVA OA	14	18
9	Bonnieville	EKPC	69	24.9	2	3Ph 5.6 MVA (fused)	Bus	18.50(S)-24.30(W)	4,447	4,900	5.6 MVA OA	7	9
10	West Glasgow I	EKPC	69	24.9	2	3Ph 11.2 MVA (fused)	Bus	18.50(S)-24.30(W)	6,950	8,700	11.2 OA	14	18
11	Seymour	EKPC	69	24.9	3	3Ph 11.2 MVA (fused)	Bus	18.50(S)-24.30(W)	6,920	6,300	11.2 OA	14	18
12	Fox Hollow	EKPC	69	12.47	4	3Ph 11.2 MVA (fused)	Bus	28.70(S)-37.50(W)	15,314	12,500	11.2 OA	14	18
13	Edmonton Industrial Park	EKPC	69	24.9	3	3Ph 11.2 MVA (fused)	Bus	18.50(S)-24.30(W)	1,764	1,950	11.2 OA	14	18
14	Parkway II	EKPC	69	12.47	1	3Ph 11.2 MVA (fused)	Bus	17.90(S)-23.40(W)	4,179	3,750	11.2 OA	14	18
15	West Glasgow II	EKPC	69	24.9	2	3Ph 12/16/20 MVA (ckt swticher)	Bus	18.50(S)-24.30(W)	6,762	6,275	12 MVA OA	19	25
16	Bon Ayr	EKPC	69	24.9	4	3Ph 12/16/20 MVA (ckt swticher)	Bus	18.50(S)-24.30(W)	7,728	6,400	12 MVA OA	19	25
17	Jonesville	EKPC	69	24.9	3	3Ph 12/16/20 MVA (ckt swticher)	Bus	35.80(S)-46.80(W)	8,983	8,000	12 MVA OA	19	25
18	Roseville	EKPC	69	24.9	4	3Ph 12/16/20 MVA (ckt swticher)	Bus	30.90(S)-40.40(S)	8,220	6,600	12 MVA OA	19	25
Total System									166,770	144,875	0	261	344

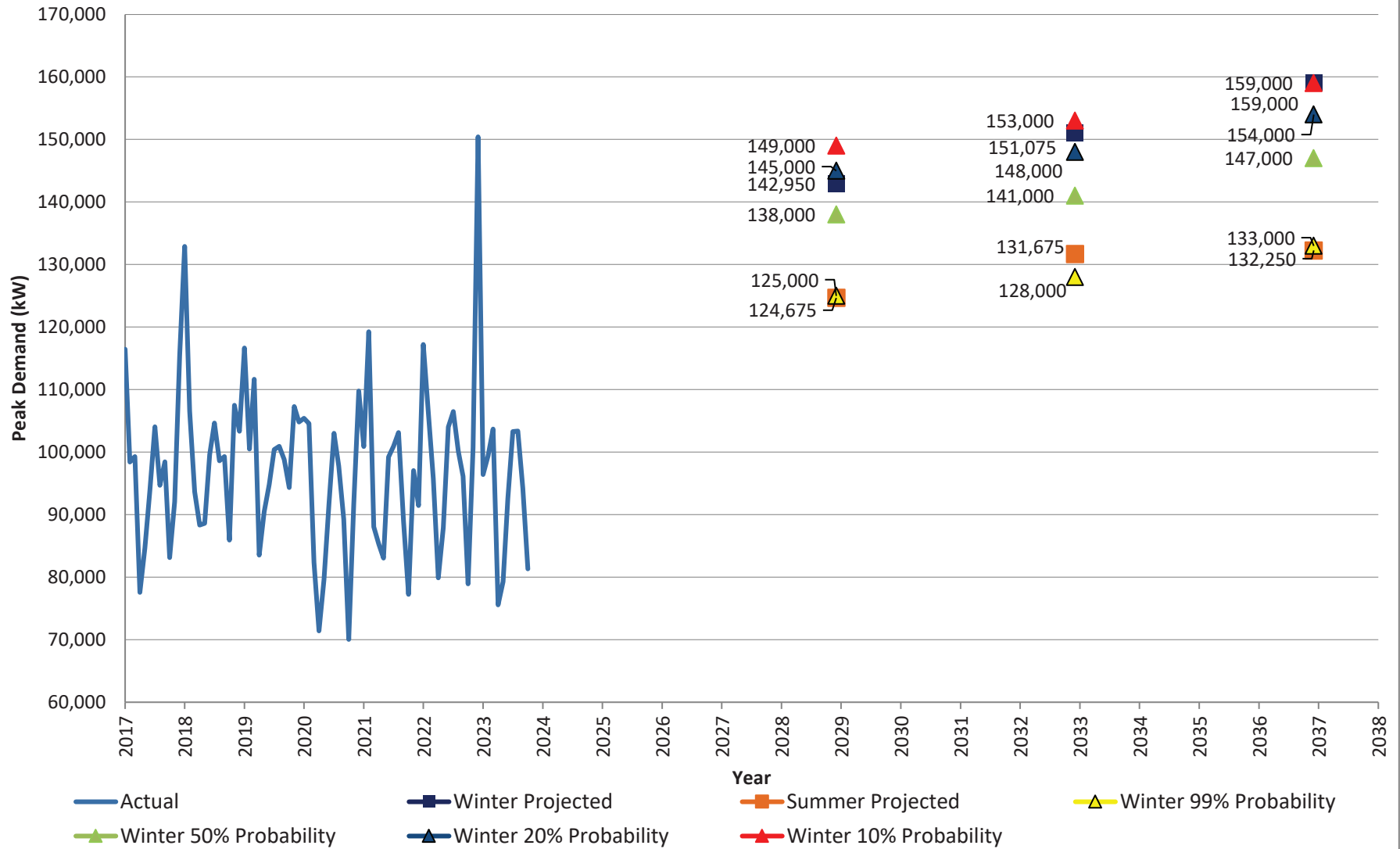
**APPENDIX B:** Substation Datasheet – Proposed System  
Configuration

**FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION  
2024 CONSTRUCTION WORK PLAN-LONG RANGE PLAN  
SUBSTATION DATA SHEET - PROPOSED SYSTEM CONFIGURATION**

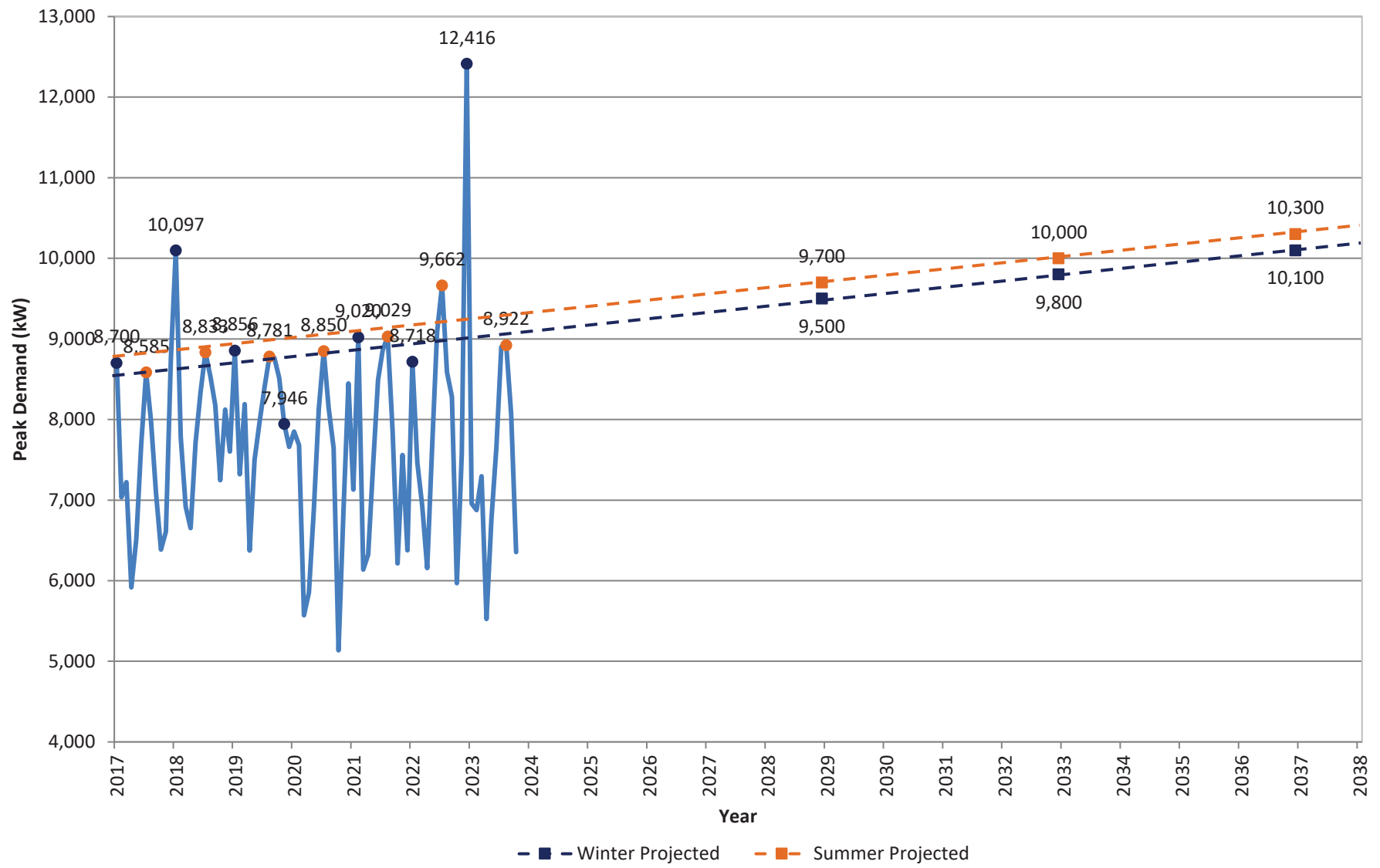
Sub #	Substation	Ownership	HS Voltage	LS Voltage	Circuits	Transformer Configuration (MVA)	Regulation Type (Bus or Feeder)	Voltage Regulators (MVA Summer/Winter)	2022 Existing Peak Demand (KW)	2027 Projected Peak Demand (KW)	Transformer Capacity (MVA)	EKPC Transformer Top Nameplate Summer Rating (MVA)	EKPC Transformer Top Nameplate Winter Rating (MVA)
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6	Cave City	EKPC	69	12.47	6	(3) 1Ph 3,333 kVA (fused)	Bus	26.30(S)-34.40(W)	11,690	9,200	10 MVA OA	14	18
7	Parkway I	EKPC	69	12.47	4	3Ph 11.2 MVA (fused)	Bus	17.90(S)-23.40(W)	9,540	10,900	11.2 OA	14	18
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12	Fox Hollow	EKPC	69	12.47	4	3Ph 11.2 MVA (fused)	Bus	28.70(S)-37.50(W)	15,314	12,500	11.2 OA	14	18
13	Edmonton Industrial Park	EKPC	69	24.9	3	3Ph 11.2 MVA (fused)	Bus	18.50(S)-24.30(W)	1,764	1,950	11.2 OA	14	18
14	Parkway II	EKPC	69	12.47	1	3Ph 11.2 MVA (fused)	Bus	17.90(S)-23.40(W)	4,179	3,750	11.2 OA	14	18
15	West Glasgow II	EKPC	69	24.9	2	3Ph 12/16/20 MVA (ckt switcher)	Bus	18.50(S)-24.30(W)	6,762	6,275	12 MVA OA	19	25
16	Bon Ayr	EKPC	69	24.9	4	3Ph 12/16/20 MVA (ckt switcher)	Bus	18.50(S)-24.30(W)	7,728	6,400	12 MVA OA	19	25
17	Jonesville	EKPC	69	24.9	3	3Ph 12/16/20 MVA (ckt switcher)	Bus	35.80(S)-46.80(W)	8,983	8,000	12 MVA OA	19	25
18	Roseville	EKPC	69	24.9	4	3Ph 12/16/20 MVA (ckt switcher)	Bus	30.90(S)-40.40(S)	8,220	6,600	12 MVA OA	19	25
19	New Cub Run (Proposed)	EKPC	69	24.9	3	3Ph 12/16/20 MVA (ckt switcher)	Bus			5,850			
Total System									166,770	144,875	0	261	344

**APPENDIX C:** Load Projections

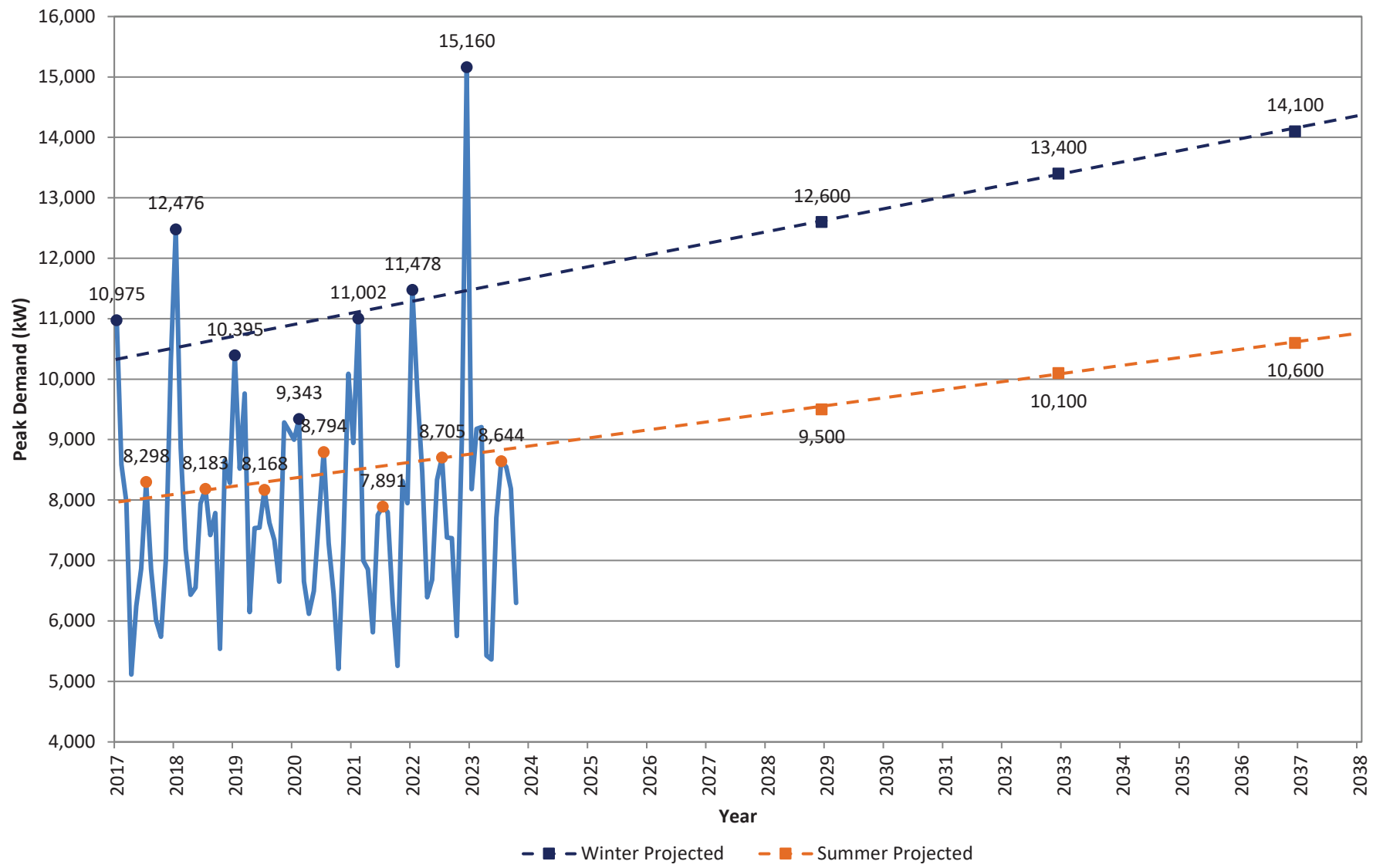
# FARMERS RECC TOTAL SYSTEM



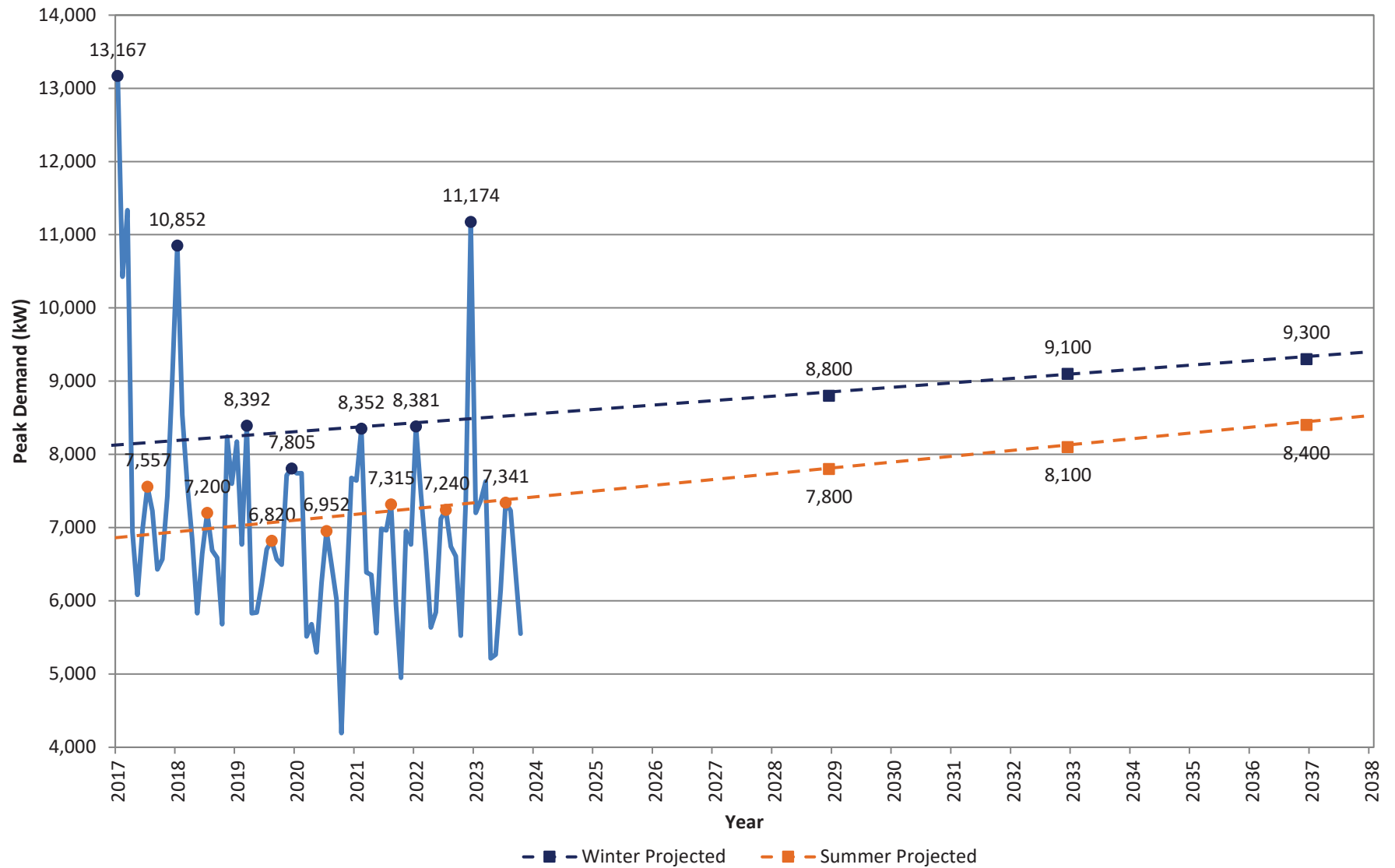
## FARMERS RECC GOODNIGHT SUBSTATION



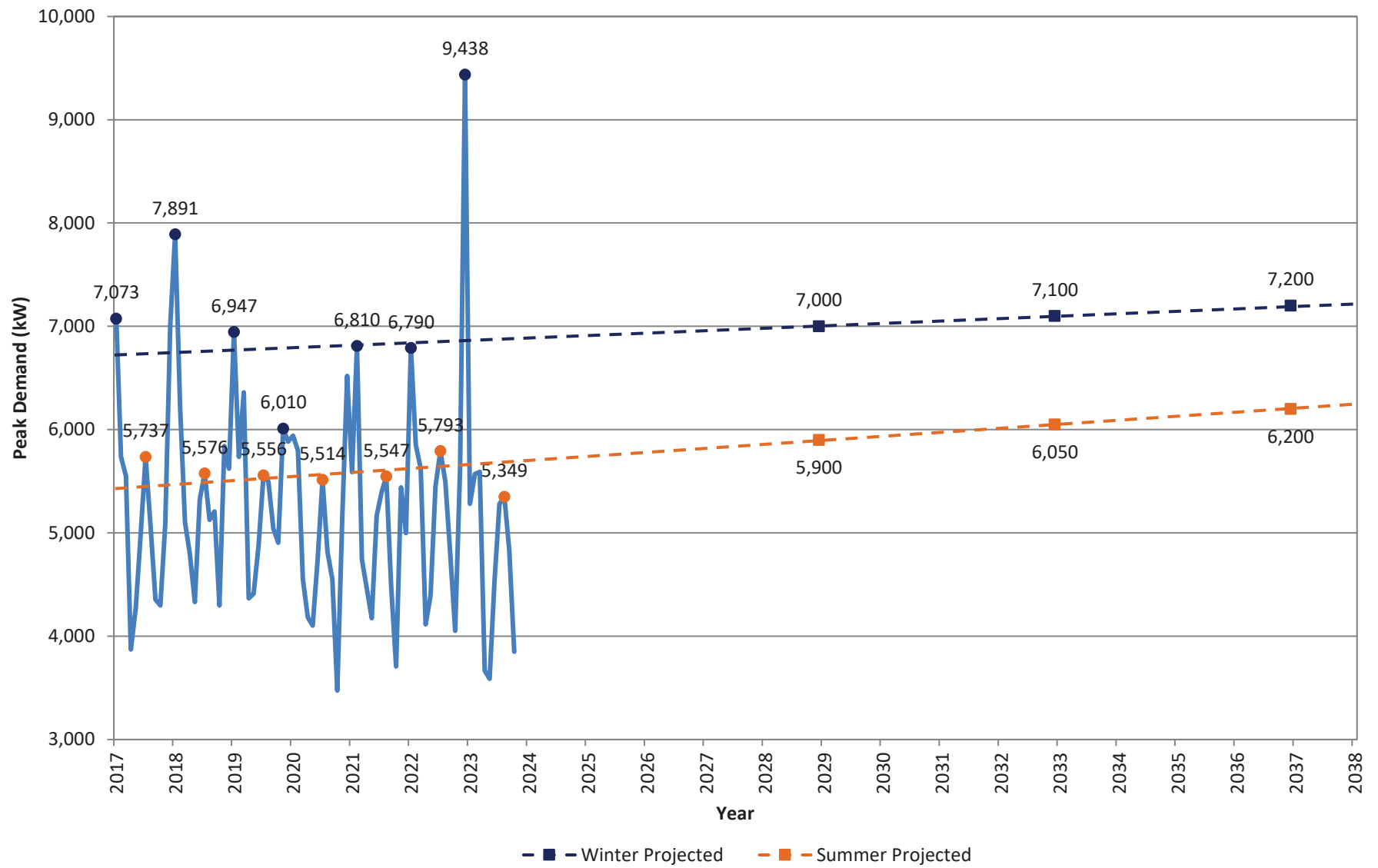
# FARMERS RECC MUNFORDVILLE SUBSTATION



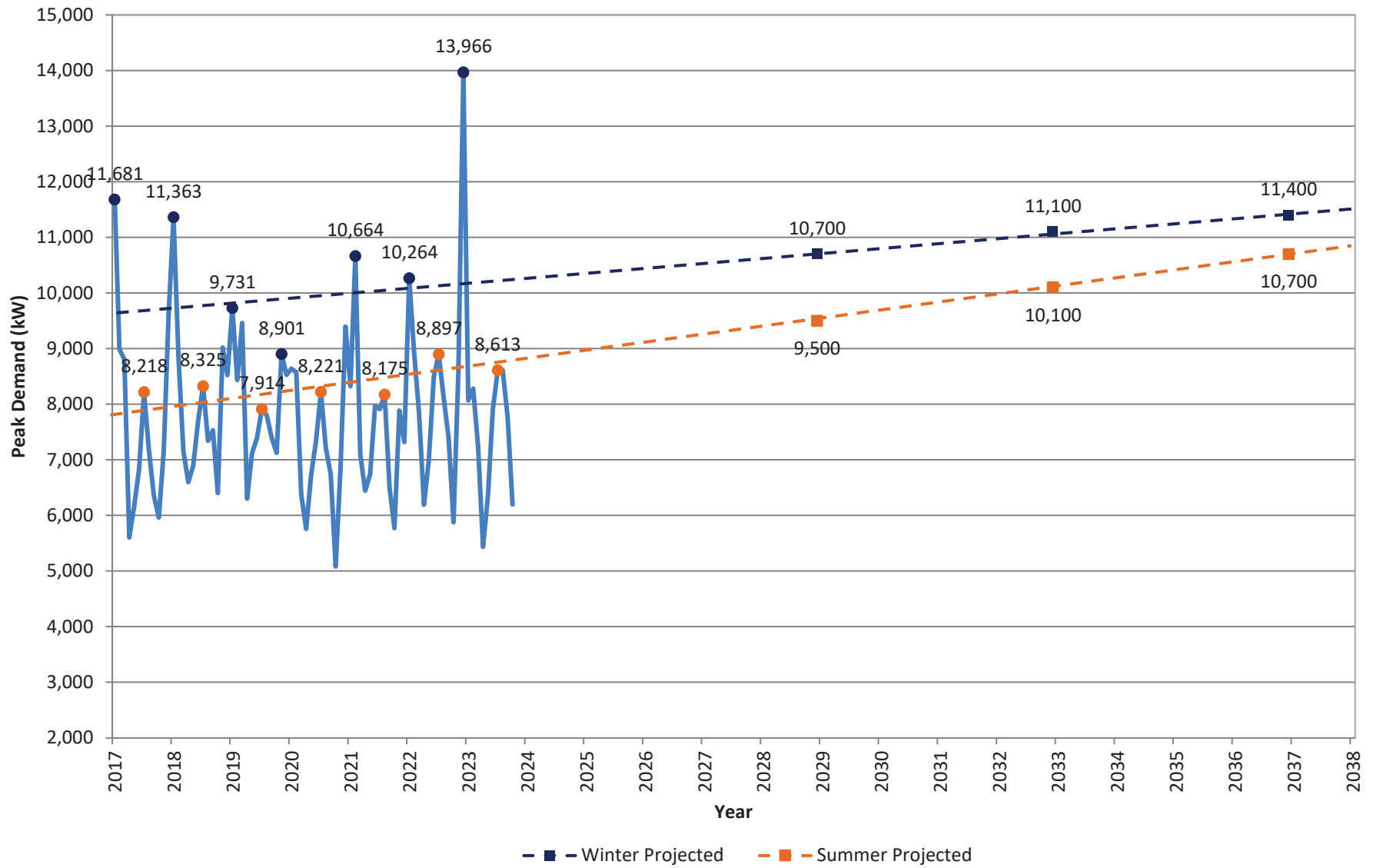
# FARMERS RECC TEMPLE HILL SUBSTATION



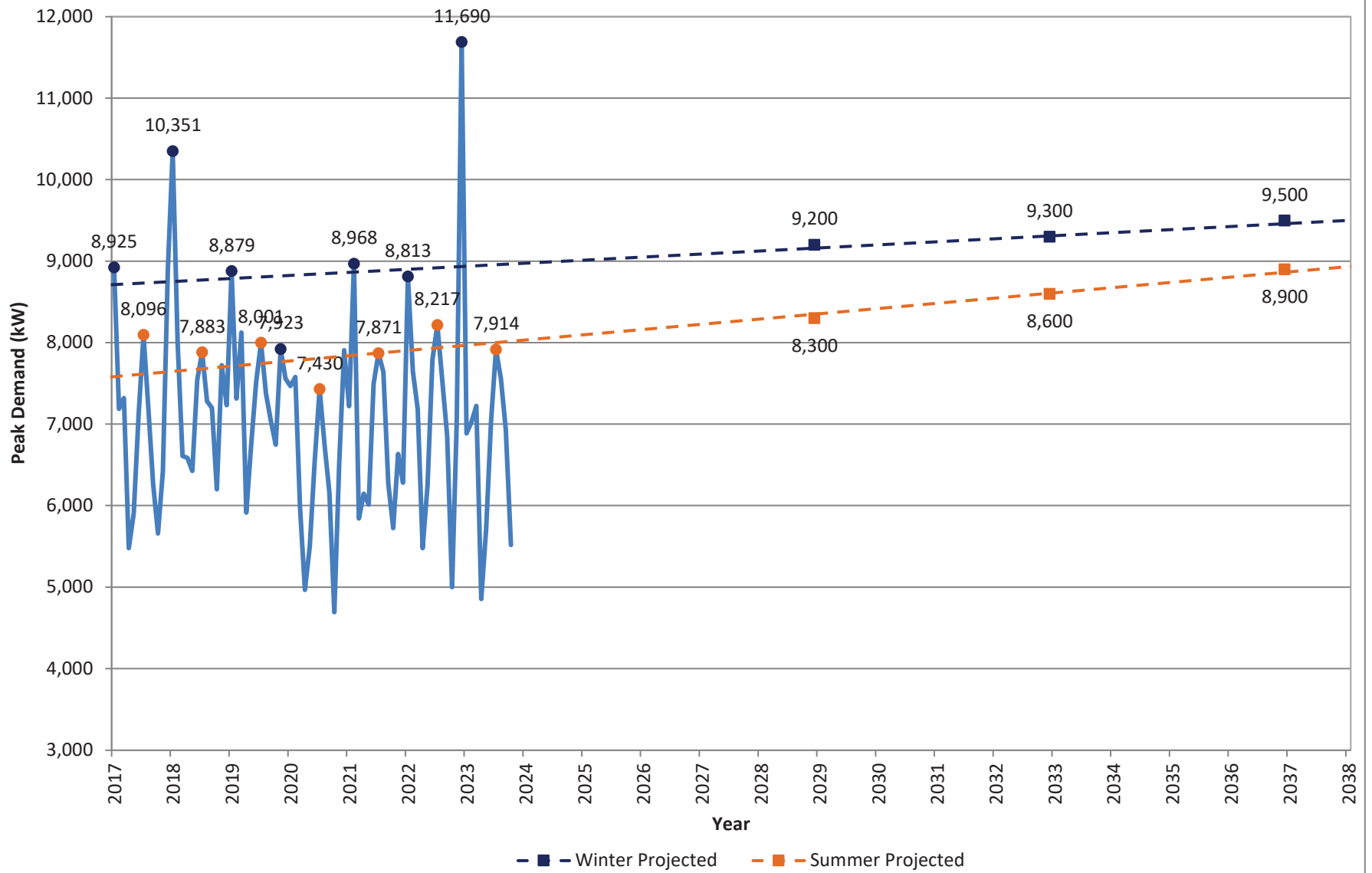
# FARMERS RECC KNOB LICK SUBSTATION



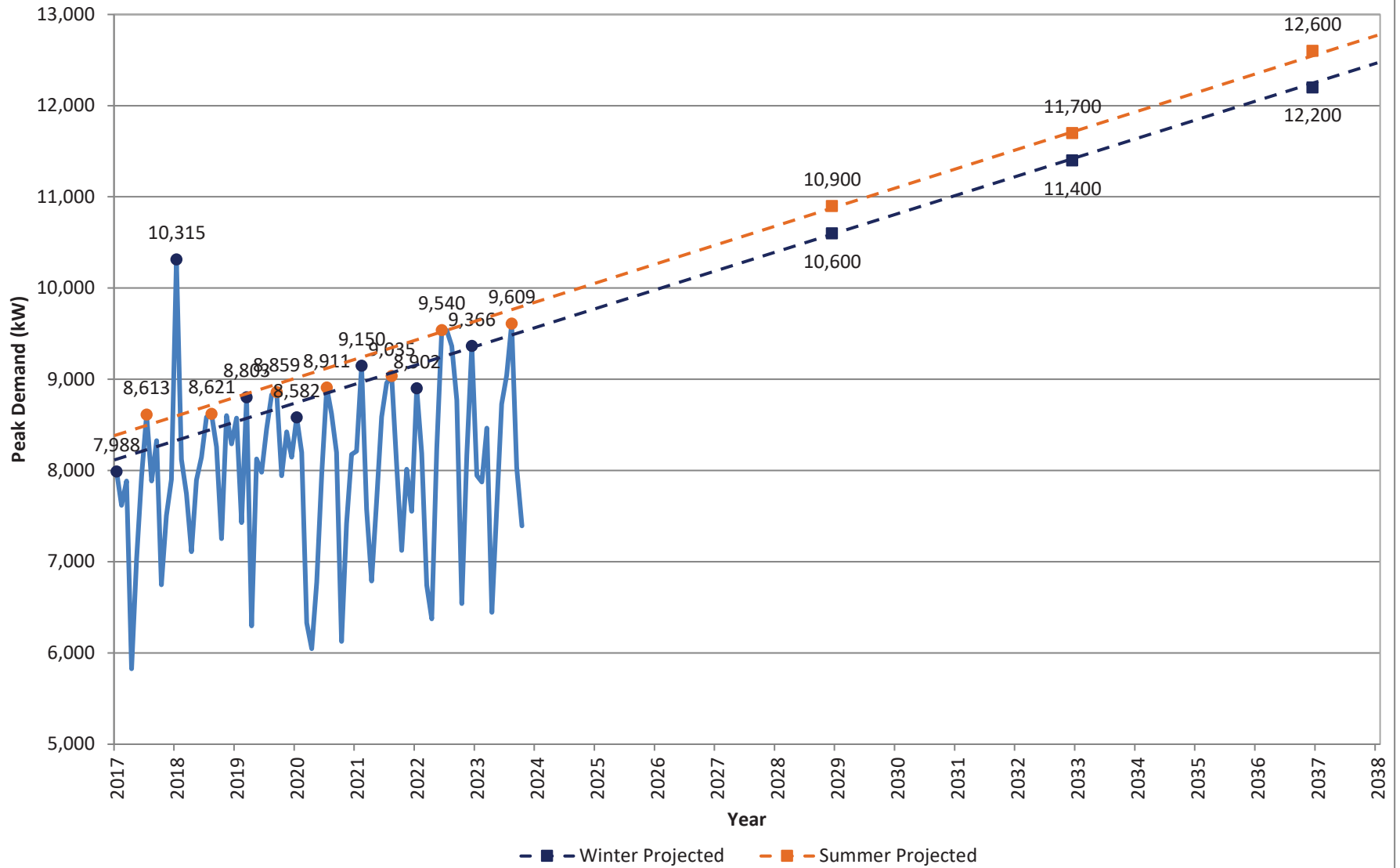
## FARMERS RECC BECKTON SUBSTATION



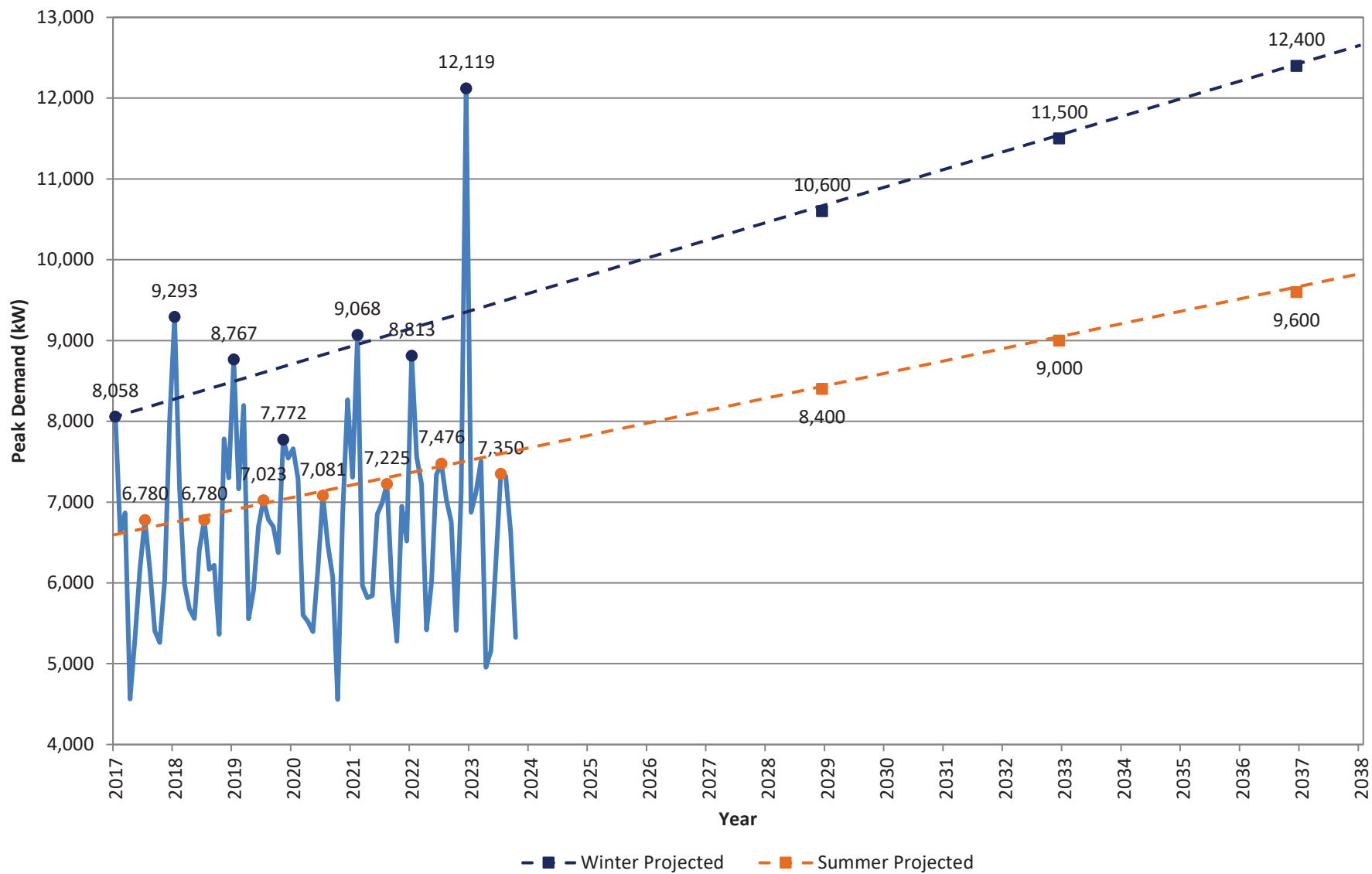
# FARMERS RECC CAVE CITY SUBSTATION



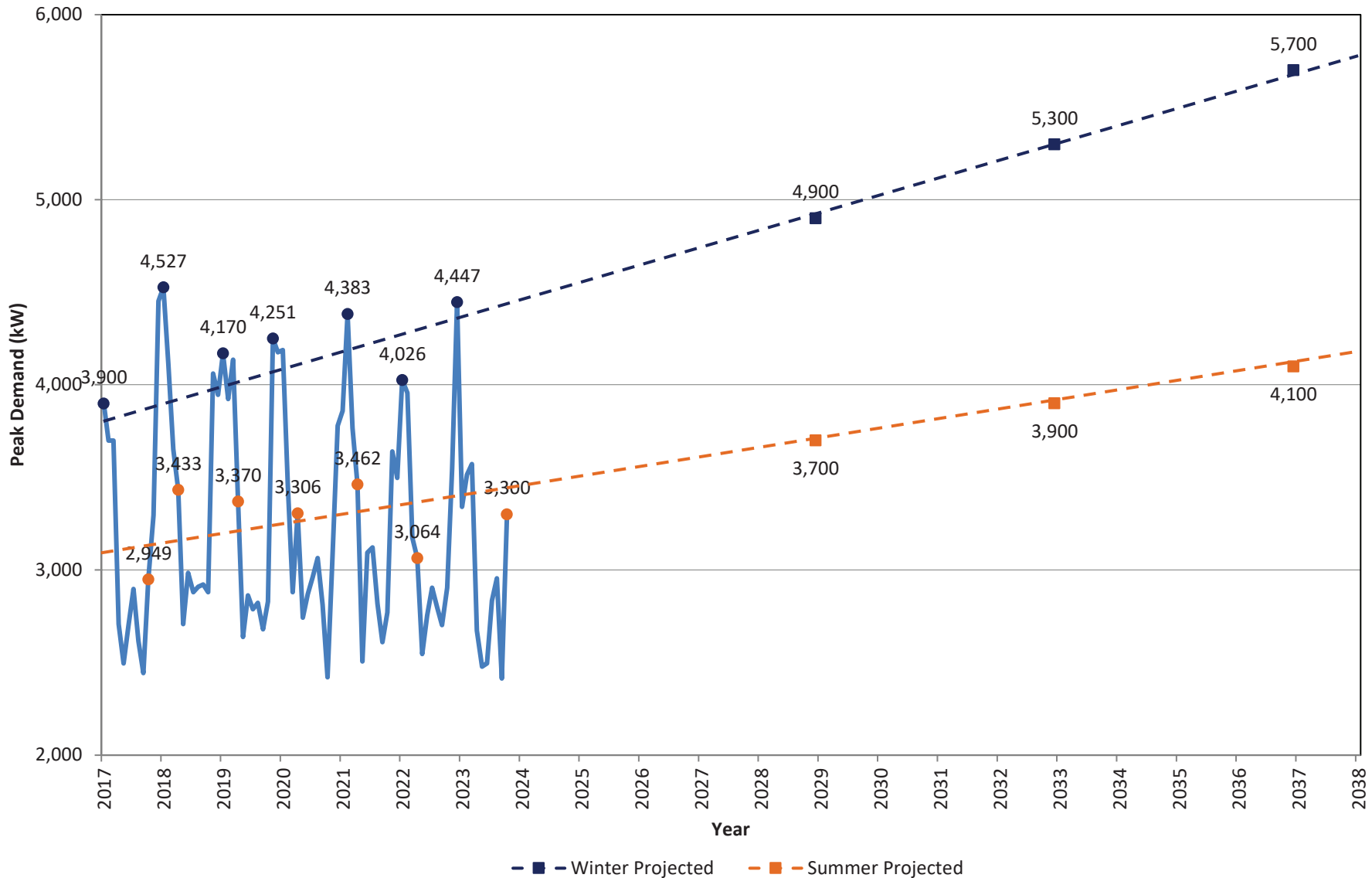
## FARMERS RECC PARKWAY 1 SUBSTATION



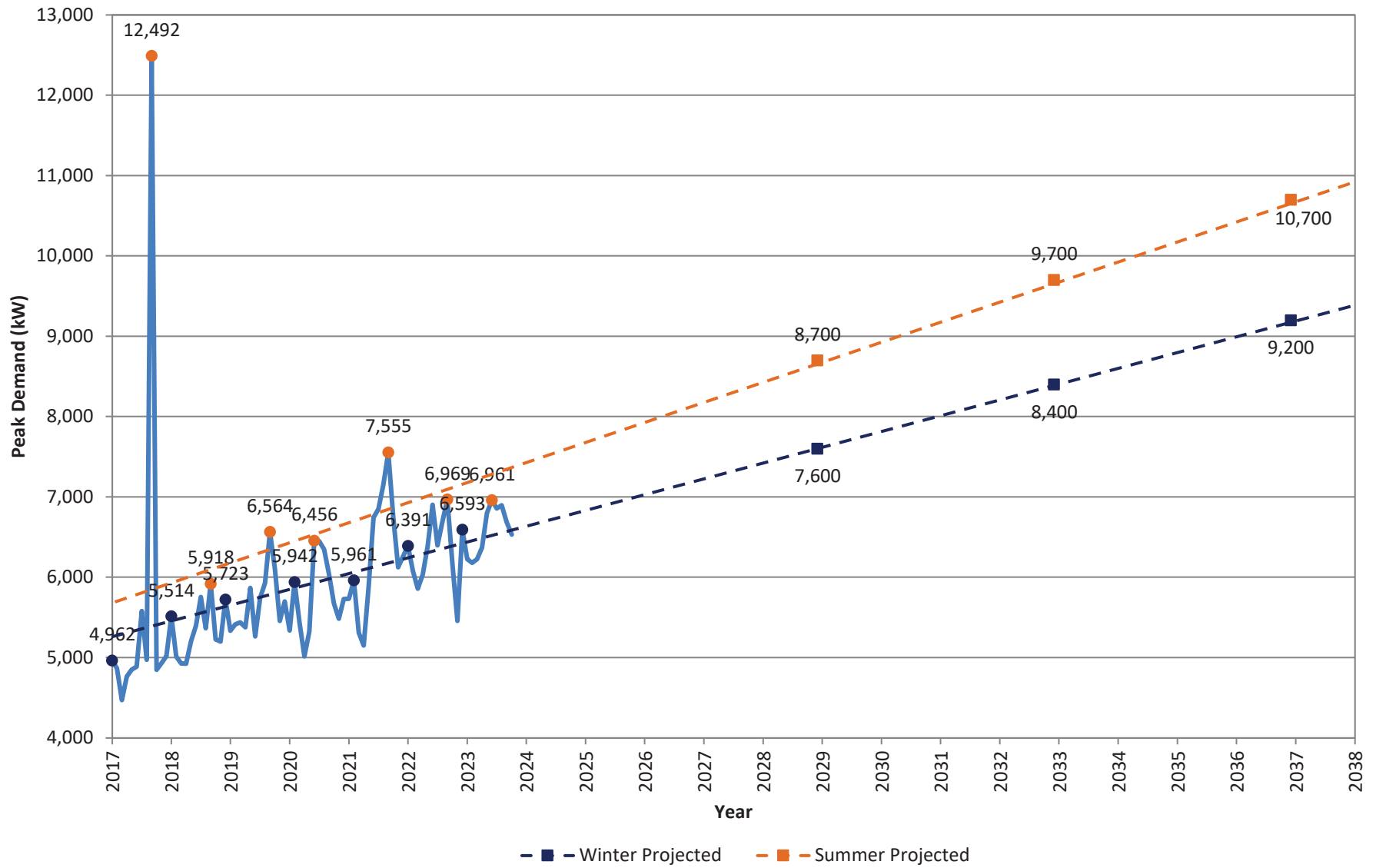
## FARMERS RECC GALLOWAY SUBSTATION



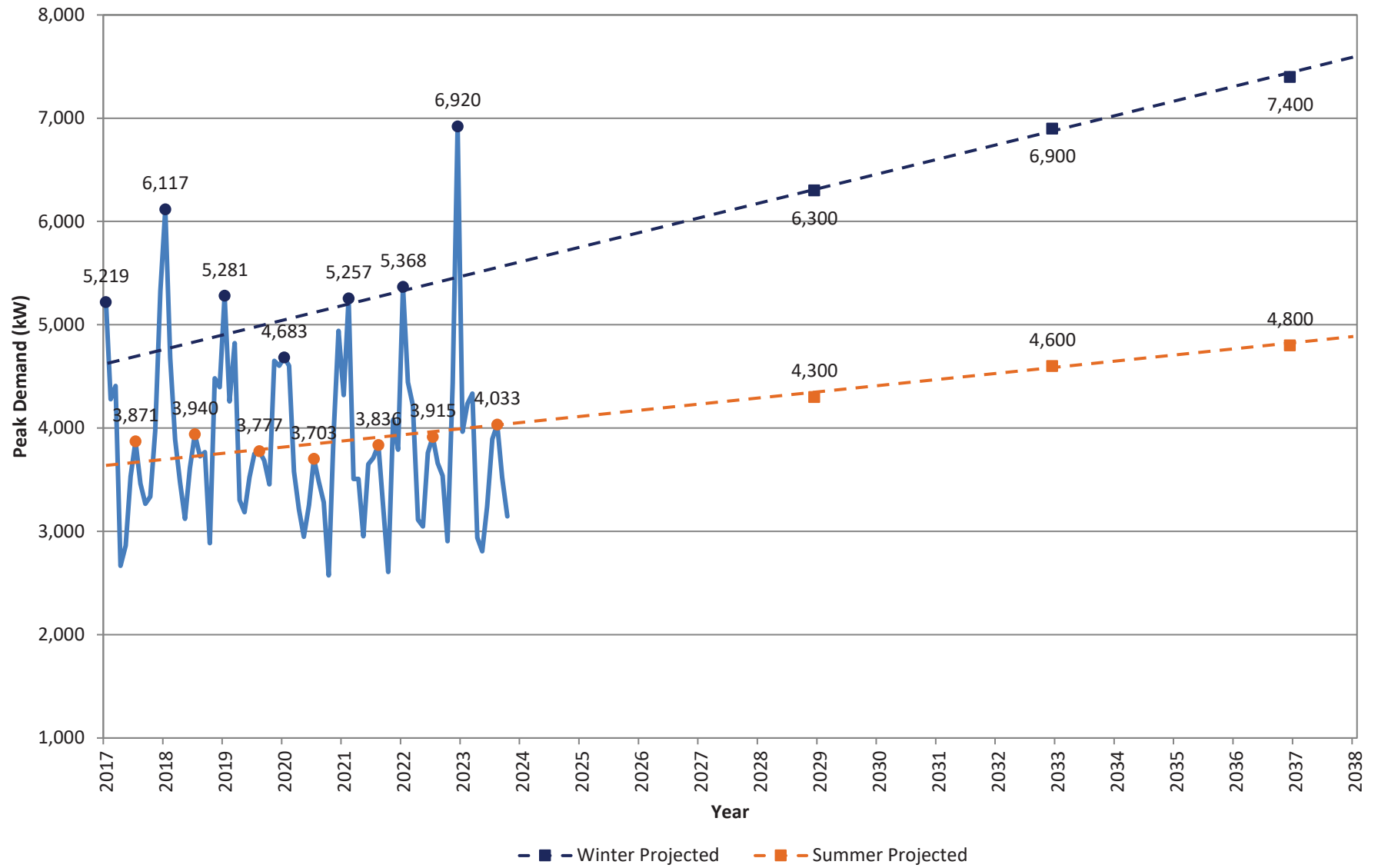
# FARMERS RECC BONNIEVILLE SUBSTATION



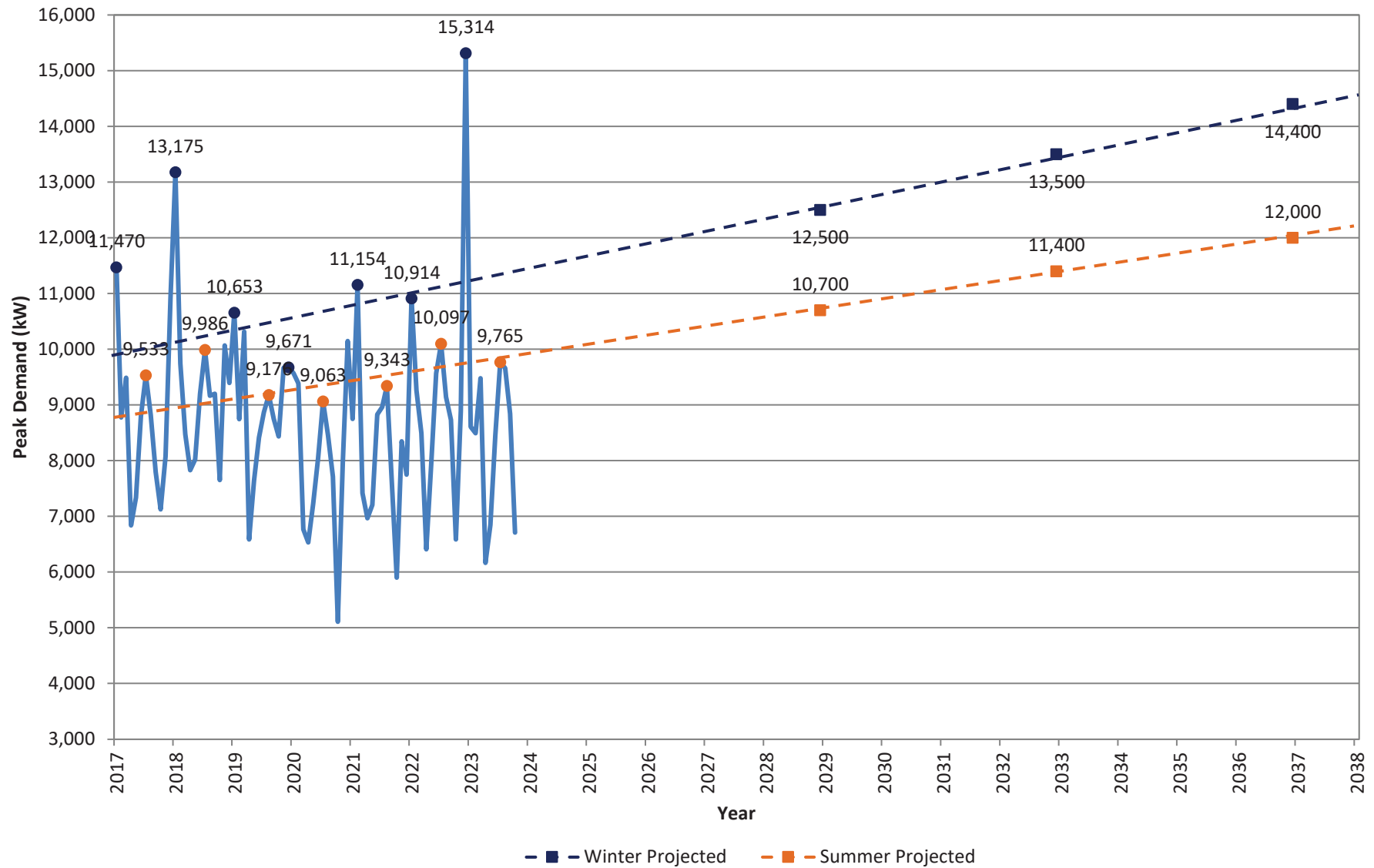
# FARMERS RECC WEST GLASGOW 1 SUBSTATION



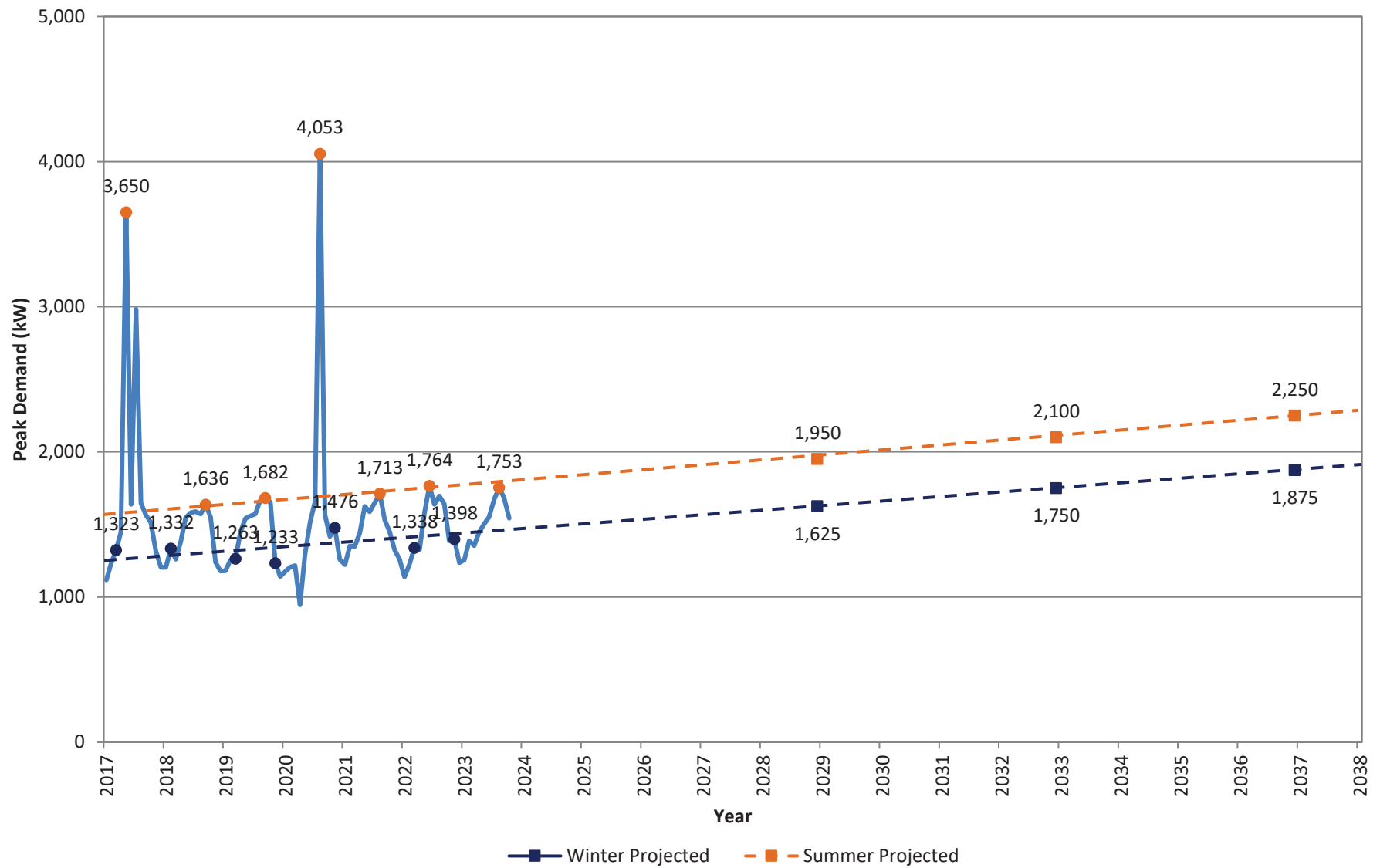
# FARMERS RECC SEYMOUR SUBSTATION



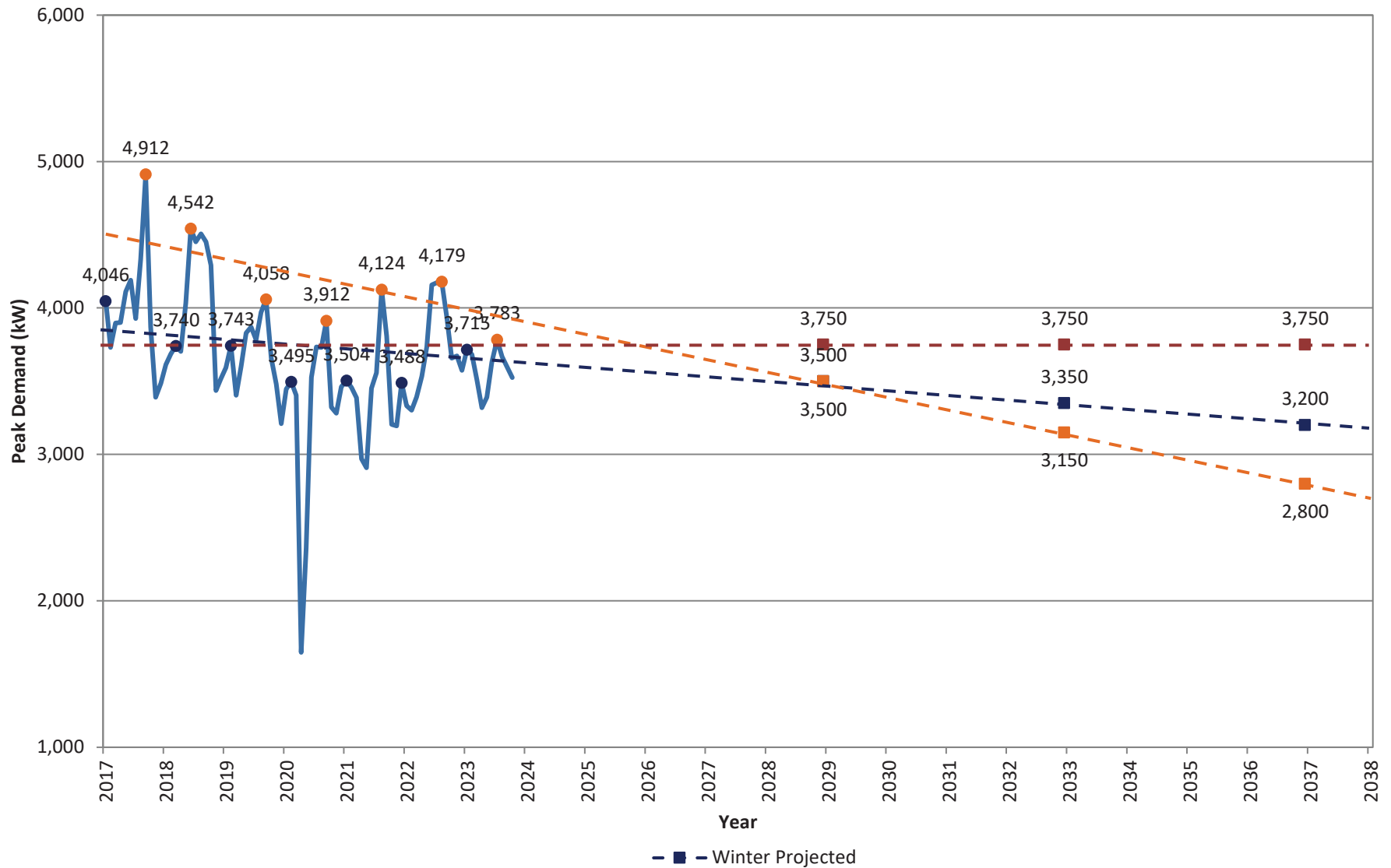
# FARMERS RECC FOX HOLLOW SUBSTATION



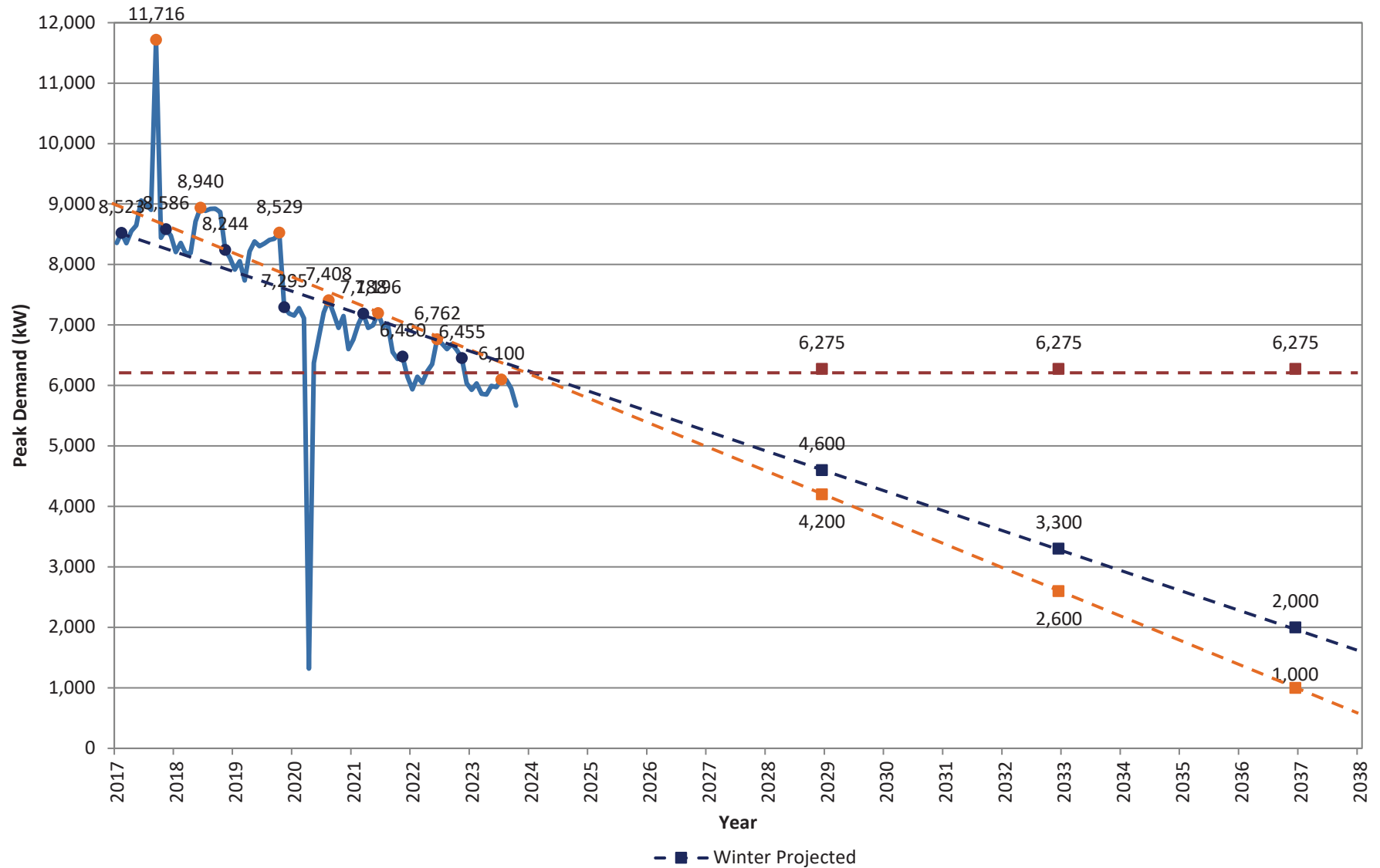
# FARMERS RECC EDMONTON INDUSTRIAL SUBSTATION



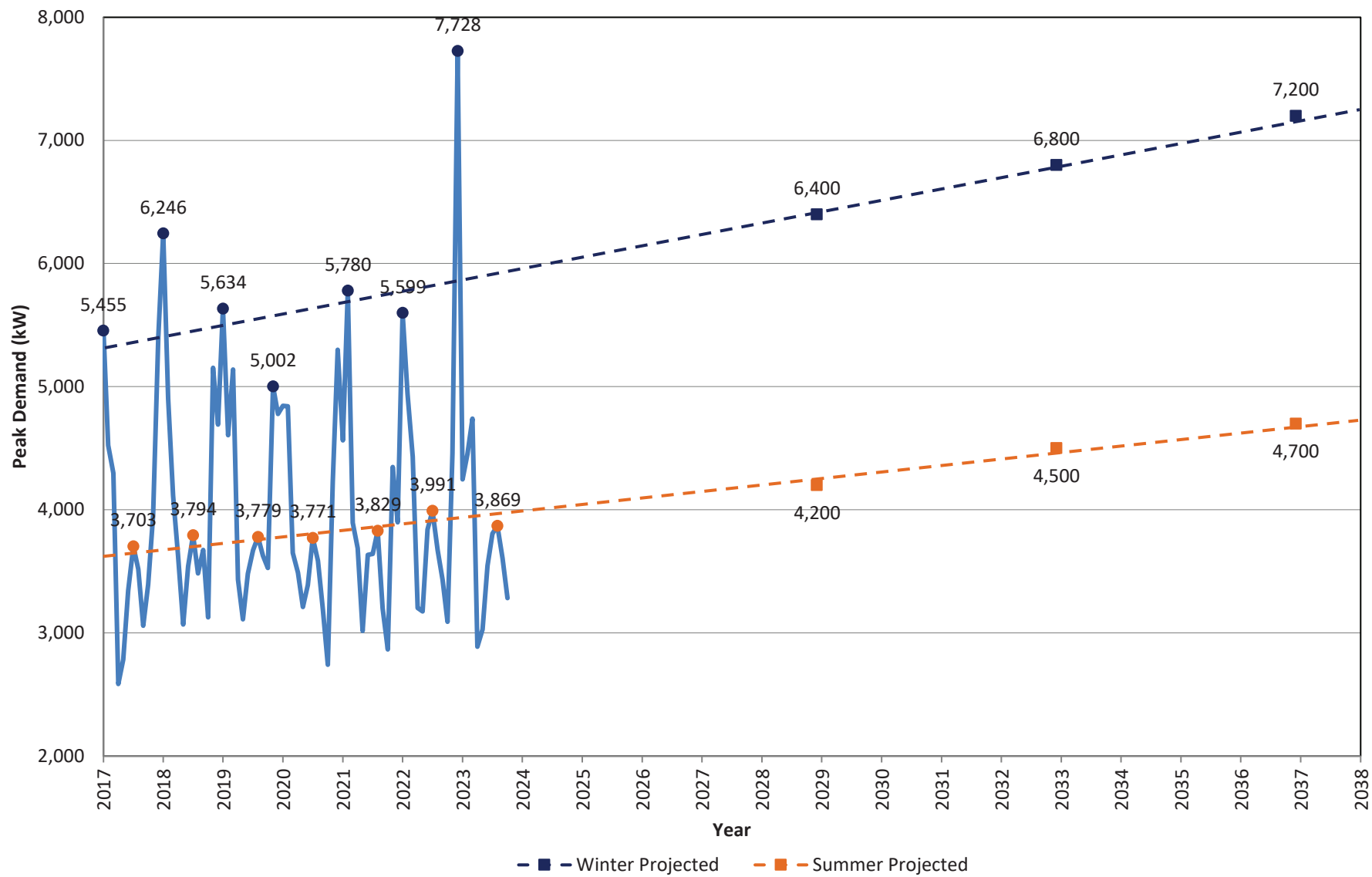
# FARMERS RECC PARKWAY 2 SUBSTATION



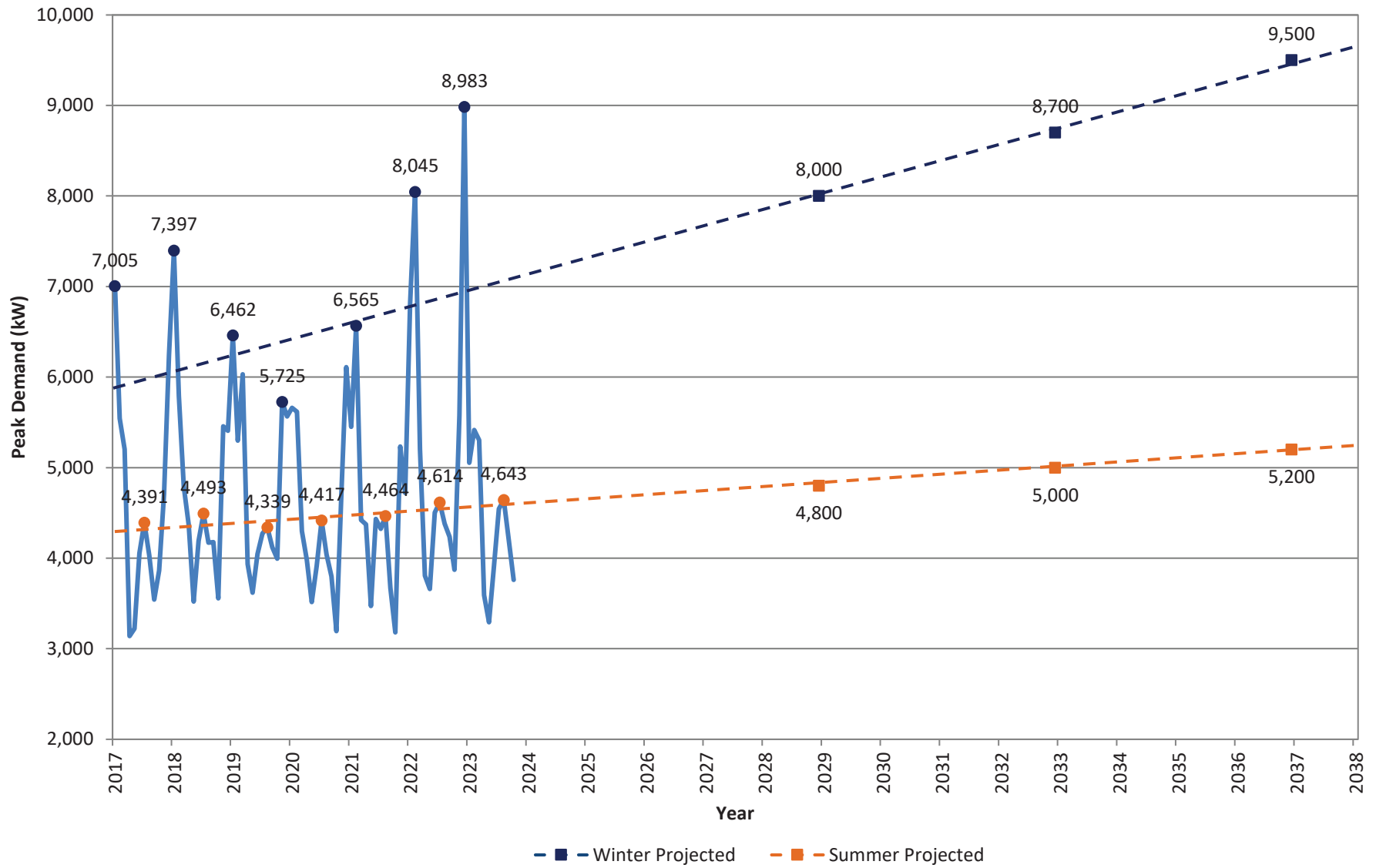
## FARMERS RECC WEST GLASGOW 2 SUBSTATION



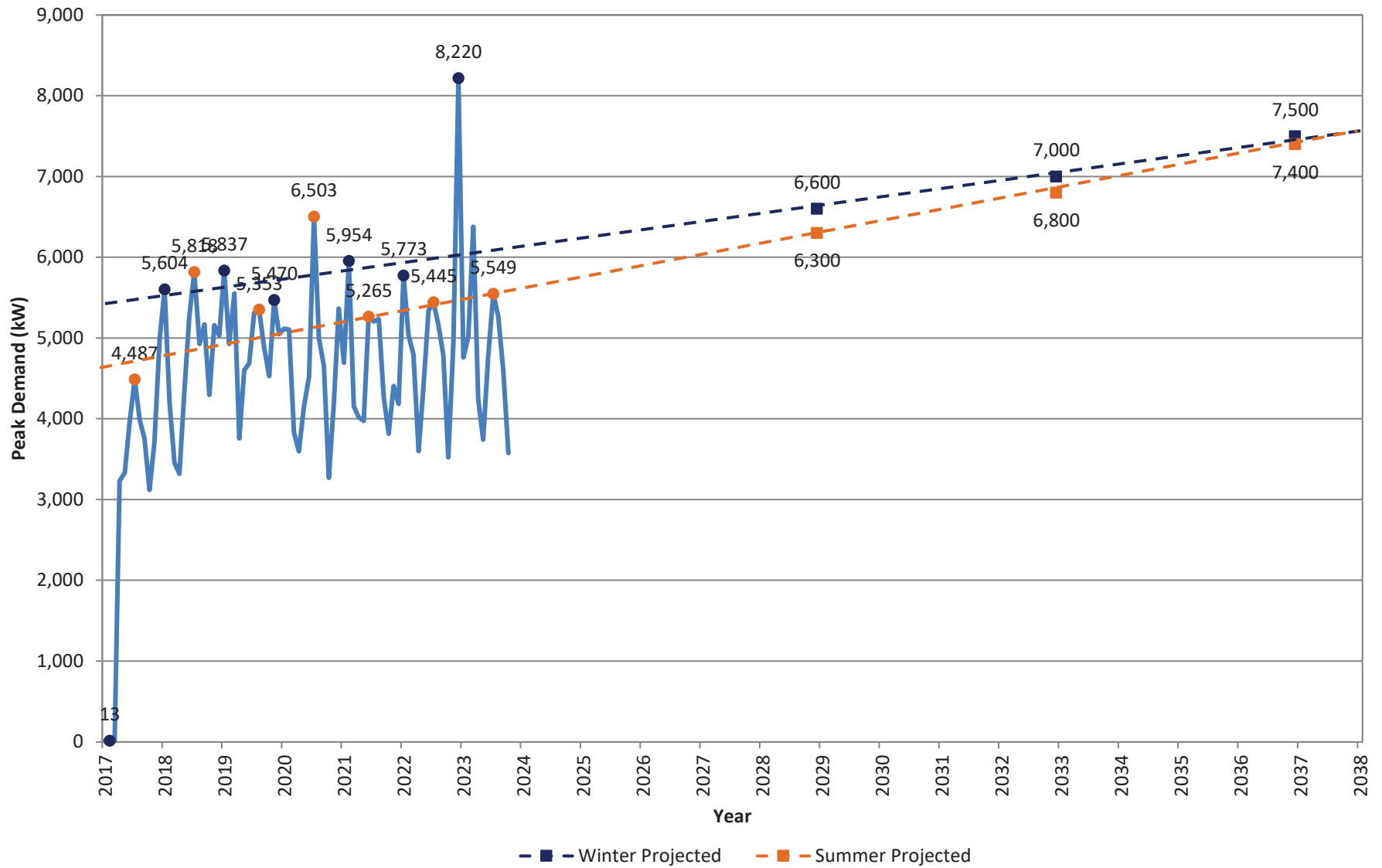
## FARMERS RECC BON AYR SUBSTATION



# FARMERS RECC JONESVILLE SUBSTATION



# FARMERS RECC ROSEVILLE SUBSTATION



**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 6:** Concerning Farmers RECC's construction projects, for each project started during the last five calendar years, provide the information requested in the format contained in Schedule C. For each project, include the amount of any cost variance and delay encountered, and explain in detail the reasons for such variances and delays.

**Response 6:** Please see the Excel file uploaded separately.

**ATTACHMENT IS AN  
EXCEL SPREADHSEET  
AND UPLOADED  
SEPERATELY**

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 7:** Provide the information shown in Schedule D for each construction project in progress, or planned to be in progress, during the 12 months preceding the test year.

**Response 7:** Please see the Excel file uploaded separately.

**ATTACHMENT IS AN  
EXCEL SPREADHSEET  
AND UPLOADED  
SEPERATELY**

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 8:** Provide, in the format provided in Schedule E, an analysis of Farmers RECC's Construction Work in Progress (CWIP) as defined in the Uniform System of Accounts for each project identified in Schedule D.

**Response 8:** Please see the Excel file uploaded separately.

**ATTACHMENT IS AN  
EXCEL SPREADHSEET  
AND UPLOADED  
SEPERATELY**

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 9:** Provide a calculation of the rate or rates used to capitalize interest during construction for the three most recent calendar years. Explain each component entering into the calculation of the rate(s).

**Response 9:** Farmers did not capitalize any interest for construction projects for the three most recent calendar years.

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 10:** Provide the following monthly account balances for the test year for the total company and Kentucky jurisdiction operations:

- a. Plant in service (Account No. 101);
  - b. Plant purchased or sold (Account No. 102);
  - c. Property held for future use (Account No. 105);
  - d. Completed construction not classified (Account No. 106);
  - e. Construction work in progress (Account No. 107);
  - f. Depreciation reserve (Account No. 108);
  - g. Materials and supplies (include all accounts and subaccounts);
  - h. Computation and development of minimum cash requirements;
  - i. Balance in accounts payable applicable to amounts included in utility plant in service;
  - j. Balance in accounts payable applicable to amounts included in plant under construction;
- and:
- k. Balance in accounts payable applicable to prepayments by major category or subaccount.

**Response 10(a)-(g) and (i)-(k):** Please see the Excel file provided separately.

**Response 10(h):** Minimum cash balance is determined on a monthly basis based on the needs of the cooperative. If need be, Farmers utilizes its lines of credit with National Rural Utilities Cooperative Finance Corporation ("CFC") and/or Co-Bank to manage cash flow needs.

**ATTACHMENT IS AN  
EXCEL SPREADHSEET  
AND UPLOADED  
SEPERATELY**

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 11:** Provide the journal entries relating to the purchase of utility plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise currently included in rate base. Also provide a schedule showing the calculation of the acquisition adjustment at the date of purchase or each item of utility plant, the amortization period, and the unamortized balance at the end of the test year.

**Response 11:** There have been no acquisitions of an operating unit or system since Farmers' last rate case.

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 12:** Provide a copy of Farmers RECC's most recent depreciation study. If no such study exists, provide a copy of Farmers RECC's most recent depreciation schedule. The schedule should include a list of all facilities by account number, service life, and accrual rate for each plant item, the methodology that supports the schedule, and the date of schedule was last updated.

**Response 12:** Please see the response in Application, Exhibit 9, Direct Testimony of Jennie Phelps.

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 13:** Provide Farmers RECC's cash account balances at the beginning of the test year and at the end of each month during the test year for total company and Kentucky jurisdictional operations.

**Response 13:** Please see the Excel spreadsheet provided separately.

**ATTACHMENT IS AN  
EXCEL SPREADHSEET  
AND UPLOADED  
SEPERATELY**

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 14:** Provide the average number of customers on Farmers RECC's system by rate schedule for the test year and two most recent calendar years.

**Response 14:** Please see the Excel spreadsheet provided separately.

**ATTACHMENT IS AN  
EXCEL SPREADHSEET  
AND UPLOADED  
SEPERATELY**

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 15:** Provide a schedule, in the format provided in Schedule F, of electric operations net income, per kWh sold, per company books for the test year and three calendar years preceding the test year.

**Response 15:** Please see the Excel spreadsheet provided separately.

**ATTACHMENT IS AN  
EXCEL SPREADHSEET  
AND UPLOADED  
SEPERATELY**

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 16:** Provide the comparative operating statistics as shown in Schedule G.

**Response 16:** Please see the Excel spreadsheet provided separately.

**ATTACHMENT IS AN  
EXCEL SPREADHSEET  
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SEPERATELY**

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 17:** Provide the information requested in Schedule H for budgeted and actual numbers of full- and part-time employees by employee group, by month, and by year; and regular wages, overtime wages, and total wages by employee group, by month, for test year and three most recent calendar years preceding the test year. Explain any variance exceeding 5 percent. Complete the information requested in Schedule H1.

**Response 17:** Please see the Excel spreadsheet provided separately.

**ATTACHMENT IS AN  
EXCEL SPREADHSEET  
AND UPLOADED  
SEPERATELY**

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 18:** State whether Farmers RECC, through an outside consultant or otherwise, performed a study or survey to compare its wages, salaries, benefits, and other compensation to those of other utilities in the region, or to other local or regional enterprises since Farmers RECC's last base rate case.

a. If comparisons were performed, provide the results of the study or survey, including all workpapers and discuss the results of such comparisons. State whether any adjustments to wages, salaries, benefits, and other compensation in the rate application are consistent with the results of such comparisons.

b. If comparisons were not performed, explain why not.

**Response 18(a)-(b):** Farmers RECC has engaged Intandem, LLC to conduct a comprehensive compensation plan. Alongside this, Farmers RECC regularly polls several sister cooperatives within the commonwealth that share similar characteristics such as the number of employees, member count, total utility plant, and annual revenue. The insights gained from these comparisons, as well as the report generated by Intandem, LLC are integral in forming proposals for annual wage adjustments for all employees.

The wage and salary study is being provided pursuant to a motion for confidential treatment.

ATTACHMENT  
FILED UNDER SEAL  
PURSUANT TO A  
MOTION FOR  
CONFIDENTIAL  
TREATMENT

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 19:** Provide the most recent wage, compensation, and employee benefits studies, analyses, or surveys conducted since Farmers RECC's last base rate case or that are currently utilized by Farmers RECC.

**Response 19:** Please see the information provided in response to Item 18. Note that the wage and salary study is being provided pursuant to a motion for confidential treatment.

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 20:** For each employee group, state the amount, percentage increase, and effective dates for general wage increases and, separately, for merit increases granted in the past three calendar years.

**Response 20:** For years 2022 – 2024 employees, with the exception of the President & CEO, received market pay adjustments on November 1 of each year based on the compensation study. The President & CEO's adjustment occurs on January 9, annually. Please see the Excel spreadsheet provided separately for further details on wage increases that have been awarded, along with explanations for any large variances.

**ATTACHMENT IS AN  
EXCEL SPREADHSEET  
AND UPLOADED  
SEPERATELY**

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 21:** Provide a schedule reflecting the salaries and other compensation of each executive officer for the test year and three most recent calendar years. Include the percentage annual increase and the effective date of each increase, the job title, duty and responsibility of each officer, the number of employees who report to each officer, and to whom each officer reports. For employees elected to executive office status since the test year in Farmers RECC's most recent rate case, provide the salaries for the persons they replaced.

**Response 21:** Please see the Excel file provided separately.

Farmers' executive officer is its President & Chief Executive Officer ("CEO"). The principal responsibility of this position is to oversee all departments and ensure all cooperative activities are completed in accordance with good business practices and consistent with the direction provided by Farmers' Board of Directors (to whom the President & CEO reports). Each of Farmers' employees ultimately reports to the President & CEO, and the employees that directly report to the President & CEO include the Vice President of Finance & Accounting, Vice President of Operations, Vice President of Engineering, Vice President of Member & Corporate Services, Vice President of Technology & Security, Director of Member and Public Communications and Human Resources Coordinator. Additionally, please see Attachment PSC 1-21 for a description of the CEO's duties.

## **ATTACHMENT PSC 1-21**



Farmers Rural Electric Cooperative Corporation

**POSITION:** President and Chief Executive Officer

**REPORTS TO:** Board of Directors

**DIRECT REPORTS:** Vice Presidents, Department Directors, and Executive Assistant/ Human Resources Coordinator

**EFFECTIVE:** September 2, 2022

**PURPOSE OF POSITION:**

The President and Chief Executive Officer is responsible for the overall leadership and management of the Cooperative. This position works in conjunction with the Board of Directors to determine and establish strategic direction and operational policies of the Cooperative. The Board of Directors delegates authority and responsibility to the President and CEO for planning, organizing, administering, and controlling the operations of the Cooperative. The President and CEO is responsible and accountable to the Board of Directors for directing the Cooperative in an effective and efficient manner to achieve the goals and objectives of the organization and for ultimately providing reliable, excellent electric service at the lowest practical cost to the membership.

***Job Specifications:***

1. B.A. or B.S college degree required. Advanced degree such as an MBA desired.
2. Minimum of ten years of senior level management experience required – preferably from the electric utility industry.
3. Knowledge and experience of electric distribution utility operations, financial management, regulations/laws governing utilities, rate development, and experience with state and federal regulatory agencies. Knowledge of power supply issues as they pertain to the provisioning of power for the cooperative to ensure adequate supply and fair costs.
4. Empathetic leader who interacts positively and effectively with employees, creating and maintaining a culture of respect, trust, continual improvement and servant leadership values.
5. Skilled in balancing healthy relationships with effective delegation and accountability as appropriate.
6. Must be a skilled communicator, both oral and written, and interact positively and effectively with members, the board of directors, employees, general public, and others. Must be skilled in public speaking.
7. Organizational, strategic-thinking skills, and sound judgment are required.



**Farmers Rural Electric Cooperative Corporation**

8. Working in partnership with community leaders and organizations is required to advance community development and keep the Cooperative engaged as a positive force for improvement.
9. Must be of excellent character, practice servant leadership, and lead by positive example.
10. Commitment to cooperative business principles and continually developing the profession of leadership is essential.

***Essential Duties/Responsibilities:***

To perform this job successfully, an individual must be able to perform each specification satisfactorily. The requirements listed below are representative of the knowledge, skill and/or ability required. All requirements are subject to possible modification to reasonably accommodate individuals with disabilities.

1. Works with the Board of Directors to establish the corporate culture, strategic plans, philosophy, goals, and objectives to ensure that the Cooperative is a progressive and leading cooperative within the area, state, and nation.
2. Ensures that the Cooperative's activities and operations are conducted in accordance with the bylaws, policies, mission, and goals established by the Board of Directors. Ensures that all legal and regulatory requirements are met.
3. Continuously promotes performance improvement throughout the Cooperative. Encourages and motivates employees to constantly seek improvements, simplify processes, and raise performance of the organization while effectively managing costs.
4. Maintains accessibility to all employees and members to bring about effective communication of the vision of the Cooperative, its mission, and goals. Works with all parties to develop alignment with the Cooperative's strategic plans, goals, and objectives.
5. Organizes and allocates corporate resources for attainment of goals and objectives consistent with the Cooperative's mission, vision, and strategic plans. Establishes appropriate control mechanisms and management systems for personnel, facilities, supplies, equipment, inventory, etc.
6. Develops and recommends to the Board of Directors new or updated policies that reduce risk, improve operations, and provide good control.
7. Oversees the development of short and long-term plans. Works with the staff to complete electrical distribution system studies, engineering work plans, long-term loan applications, power requirement studies, load forecasts, financial forecasts, energy management programs, member and public relations, facility plans, etc.



**Farmers Rural Electric Cooperative Corporation**

8. Formulates, with the staff, annual work plans and budgets for the Cooperative and recommends to the Board of Directors. Is responsible for ensuring compliance with plans and budgets, and reports progress to the Board on a regular basis.
9. Continually monitors the Cooperative's costs and revenue requirements and makes recommendations to the Board of Directors as to the level of rates, rate design and structure, and periodic adjustments to ensure the financial integrity of the Cooperative.
10. Determines and is responsible for the organizational structure of the Cooperative, the appropriate number of positions, additions, transfers, and reductions in personnel. Responsible for the overall administration of the wage and benefit plans, and for recommending periodic adjustments to such plans to the Board for approval.
11. Encourages continual learning and training for the Board and employees. Sees that the employees receive the proper education and training for their roles, and promotes cross-training and succession planning within the organization. Provides the Board with opportunities for training and continued education that will enhance their ability to carry out their responsibilities.
12. Serves as President on the board of the Cooperative's Propane subsidiary company. Is responsible for ensuring that the activities of the subsidiary company are congruent with the philosophy, goals, and objectives set by the Cooperative.
13. Stays actively involved with community leaders and local political representatives in the promotion of issues of concern to the communities and the Cooperative. Maintains visibility in the communities while positively promoting the mission and vision of the Cooperative. Works with state and federal political representatives, as well as regulatory agencies, on issues of concern to the Cooperative.
14. Responsible for establishing and ensuring a safe working environment and culture within the organization.
15. Plans, in conjunction with the Board, the annual membership meeting. Works with staff to carry out the meeting in compliance with the Cooperative's bylaws.
16. Participates on various boards such as East Kentucky Power Cooperative, Kentucky Association of Electric Cooperatives, community and charitable organizations, to represent the Cooperative's interests.
17. Stays informed of national and industry trends, and interprets them in terms of desirable developments, expansion, or competitive needs of the Cooperative. Recommends opportunities to the Board of Directors.



Farmers Rural Electric Cooperative Corporation

18. Understands that they are the face of Farmers Rural Electric Cooperative and that public perception is important. Conducts him/herself in a manner at all times in public and personal interactions that will not reflect negatively on the Cooperative or diminish its reputation.

This job description is not intended to be all-inclusive. Farmers RECC reserves the right to change job descriptions, job duties, or working schedules based on the needs of the Cooperative.

***Working Conditions:***

A flexible working schedule is required during power outage or emergency situations and is frequently necessary. Position requires frequent travel both within and outside the service area. Must be able to accommodate travel requirements to areas that may or may not be accessible via public transportation.

**ATTACHMENT IS AN  
EXCEL SPREADHSEET  
AND UPLOADED  
SEPERATELY**

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 22:** Provide a listing of all health care plan categories, dental plan categories, and vision plan categories available to corporate officers individually and to groups defined as Directors, Managers, Supervisors, Exempt, Non-Exempt, Union, and Non-Union Hourly employees (e.g., single, family). Include the associated employee contribution rates and employer contribution rates of the total premium cost for each category, and each plan's deductible(s) amounts.

**Response 22:** Please see the Excel spreadsheet provided separately.

**ATTACHMENT IS AN  
EXCEL SPREADHSEET  
AND UPLOADED  
SEPERATELY**

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 23:** Provide all current labor contracts and the most recent labor contracts previously in effect.

**Response 23:** Farmers does not have union employees and therefore no labor contracts.

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 24:** Provide each medical insurance policy that Farmers RECC currently maintains.

**Response 24:** Attachment PSC 1-24 contains a Summary of Benefits and Coverage for Farmers' medical insurance policy is attached to this response.

## **ATTACHMENT PSC 1-24**




The Summary of Benefits and Coverage (SBC) document will help you choose a health plan. The SBC shows you how you and the plan would share the cost for covered health care services. **NOTE: Information about the cost of this plan (called the premium) will be provided separately.**

**This is only a summary.** For more information about your coverage, or to get a copy of the complete terms of coverage, call 1-844-209-0071. For general definitions of common terms, such as allowed amount, balance billing, coinsurance, copayment, deductible, provider, or other underlined terms see the Glossary. You can view the Glossary at [engage.ameriben.com](https://engage.ameriben.com) or call 1-844-209-0071 to request a copy.

Important Questions	Answers			Why This Matters:
What is the overall deductible?		Network	Non-Network	Generally, you must pay all of the costs from providers up to the deductible amount before this plan begins to pay. If you have other family members on the plan, each family member must meet their own individual deductible until the total amount of deductible expenses paid by all family members meets the overall family deductible.
	Per participant:	\$1,500	\$3,000	
	Per family:	\$3,000	\$6,000	
Are there services covered before you meet your deductible?	Yes. Preventive care services when performed in network and benefits where a co-payment applies.			This plan covers some items and services even if you haven't yet met the deductible amount. But a copayment or coinsurance may apply. For example, this plan covers certain preventive services without cost sharing and before you meet your deductible. See a list of covered preventive services at <a href="https://www.healthcare.gov/coverage/preventive-care-benefits/">https://www.healthcare.gov/coverage/preventive-care-benefits/</a> .
Are there other deductibles for specific services?	No.			You don't have to meet deductibles for specific services.
What is the out-of-pocket limit for this plan?	Co-Insurance Out-of-Pocket Maximum			The out-of-pocket limit is the most you could pay in a year for covered services. If you have other family members in this plan, they have to meet their own out-of-pocket limits until the overall family out-of-pocket limit has been met.
		Network	Non-Network	
	Per participant:	\$2,000	\$4,000	
	Per family:	\$4,000	\$8,000	
	Overall Out-of-Pocket Maximum			
		Network	Non-Network	
	Per participant:	\$3,500	\$7,000	
	Per family:	\$7,000	\$14,000	
What is not included in the out-of-pocket limit?	Premiums, balance-billed charges, health care this Plan doesn't cover, charges in excess of benefit maximums, charges in excess of maximum			Even though you pay these expenses, they don't count toward the out-of-pocket limit.

	allowed amounts, pre-certification penalties, and non-medically necessary services.	
<b>Will you pay less if you use a <u>network provider</u>?</b>	<p><b>Yes, for medical:</b> Anthem. See <a href="http://www.anthem.com">www.anthem.com</a> or call 1-833-835-2714 for a list of <u>network providers</u>.</p> <p><b>Yes, for prescription drugs:</b> Navitus and Pillar Rx. For a list of retail and mail pharmacies, log on to <a href="http://www.navitus.com">www.navitus.com</a> or call 1-866-378-4755.</p> <p><b>Yes, for specialty drugs:</b> Lumicera. To contact, call 1-855-847-3553.</p>	This <u>plan</u> uses a <u>provider network</u> . You will pay less if you use a <u>provider</u> in the <u>plan's network</u> . You will pay the most if you use an <u>out-of-network provider</u> , and you might receive a bill from a <u>provider</u> for the difference between the <u>provider's</u> charge and what your <u>plan</u> pays ( <u>balance billing</u> ). Be aware, your <u>network provider</u> might use an <u>out-of-network provider</u> for some services (such as lab work). Check with your <u>provider</u> before you get services.
<b>Do you need a <u>referral</u> to see a <u>specialist</u>?</b>	No.	You can see the <u>specialist</u> you choose without a <u>referral</u> .

 All **copayment** and **coinsurance** costs shown in this chart are after your **deductible** has been met, if a **deductible** applies.

Common Medical Event	Services You May Need	What You Will Pay		Limitations, Exceptions, & Other Important Information
		Network Provider (You will pay the least)	Non-Network Provider (You will pay the most)	
If you visit a health care <u>provider's</u> office or clinic	Primary care visit to treat an injury or illness	10% co-insurance after deductible	30% co-insurance after deductible	_____none_____
	<u>Specialist</u> visit	10% co-insurance after deductible	30% co-insurance after deductible	_____none_____
	<u>Preventive care/screening/immunization</u>	No Charge	<b>Up to \$500 per Year:</b> No charge  <b>Charges in Excess of \$500:</b> 30% co-insurance, deductible waived	You may have to pay for services that aren't preventive. Ask your <u>provider</u> if the services you need are preventive. Then check what your <u>plan</u> will pay for.
If you have a test	<u>Diagnostic test</u> (x-ray, blood work)	10% co-insurance after deductible	30% co-insurance after deductible	_____none_____
	Imaging (CT/PET scans, MRIs)	10% co-insurance after deductible	30% co-insurance after deductible	Includes computed tomographic (CT) studies, coronary CT angiography, MRI/MRA, nuclear cardiology, nuclear medicine, SPECT scans, and PET scans (excluding services rendered in an emergency room setting).  <b>Pre-certification is required.</b>

\* For more information about limitations and exceptions, see the plan or policy document at [engage.ameriben.com](http://engage.ameriben.com)

Common Medical Event	Services You May Need	What You Will Pay		Limitations, Exceptions, & Other Important Information
		Network Provider (You will pay the least)	Non-Network Provider (You will pay the most)	
<p><b>If you need drugs to treat your illness or condition</b> More information about <b><u>prescription drug coverage</u></b> is available at <a href="http://www.navitus.com">www.navitus.com</a></p>	Generic drugs	<b>Retail (34-Day Supply):</b> \$15 co-payment, deductible waived  <b>Mail Order (90-Day Supply):</b> \$30 co-payment, deductible waived  <b>OTC Non-Sedating Anti-Histamines:</b> 20% co-insurance  <b>OTC Proton Pump Inhibitors and Preventive Rx:</b> No charge	Not Covered	<p><b>Retail/Mail Order Prescriptions:</b> Up to ninety (90) day supply.</p> <p><b>Specialty Prescriptions:</b> Up to thirty-four (34) day supply.</p> <p>Not all <u>prescription drugs</u> are covered. To determine if a specific drug is covered under your <u>plan</u>, log into your account at <a href="http://www.navitus.com">www.navitus.com</a>.</p>
	Preferred brand drugs	<b>Retail (34-Day Supply):</b> \$30 co-payment, deductible waived  <b>Mail Order (90-Day Supply):</b> \$60 co-payment, deductible waived	Not Covered	
	Non-preferred brand drugs	<b>Retail (34-Day Supply):</b> \$60 co-payment, deductible waived  <b>Mail Order (90-Day Supply):</b> \$120 co-payment, deductible waived	Not Covered	
	<u>Specialty drugs</u>	<b>Retail (34-Day Supply):</b> 20% co-insurance up to	Not Covered	<b>Pre-certification may be required.</b>

\* For more information about limitations and exceptions, see the plan or policy document at [engage.ameriben.com](http://engage.ameriben.com)

Common Medical Event	Services You May Need	What You Will Pay		Limitations, Exceptions, & Other Important Information
		Network Provider (You will pay the least)	Non-Network Provider (You will pay the most)	
		a \$100 maximum <b>Retail/Mail Order (90-Day Supply):</b> Not Covered		
If you have outpatient surgery	Facility fee (e.g., ambulatory surgery center)	10% co-insurance after deductible	30% co-insurance after deductible	<b>Pre-certification is required.</b>
	Physician/surgeon fees	10% co-insurance after deductible	30% co-insurance after deductible	
If you need immediate medical attention	<u>Emergency room care</u>	<b>True Medical Emergency:</b> 10% after network deductible  <b>Non-Emergency Care:</b> 10% co-insurance after deductible		_____none_____
	<u>Emergency medical transportation</u>	10% co-insurance after network deductible		<b>Pre-certification is required</b> for non-emergent air ambulance and chartered flights.
	<u>Urgent care</u>	10% co-insurance after deductible	30% co-insurance after deductible	_____none_____
If you have a hospital stay	Facility fee (e.g., hospital room)	10% co-insurance after deductible	30% co-insurance after deductible	<b>Pre-certification is required.</b>
	Physician/surgeon fees	10% co-insurance after deductible	30% co-insurance after deductible	
If you need mental health, behavioral health, or substance abuse services	Outpatient services	10% co-insurance after deductible	30% co-insurance after deductible	Intensive psychiatric day treatment and partial hospitalization are included in this benefit.
	Inpatient services	10% co-insurance after deductible	30% co-insurance after deductible	Residential treatment facility services are included in this benefit. <b>Pre-certification is required</b> for inpatient stays.
If you are pregnant	Office visits	10% co-insurance after deductible	30% co-insurance after deductible	Dependent daughter pregnancy is not covered.  Cost-sharing does not apply for <u>preventive services</u> . Depending on the type of services, a <u>co-payment</u> , <u>co-insurance</u> , or <u>deductible</u> may apply. Maternity care may include tests and services described elsewhere in the SBC (i.e. ultrasound).
	Childbirth/delivery professional services	10% co-insurance after deductible	30% co-insurance after deductible	
	Childbirth/delivery facility services	10% co-insurance after deductible	30% co-insurance after deductible	

\* For more information about limitations and exceptions, see the plan or policy document at [engage.ameriben.com](https://engage.ameriben.com)

Common Medical Event	Services You May Need	What You Will Pay		Limitations, Exceptions, & Other Important Information
		Network Provider (You will pay the least)	Non-Network Provider (You will pay the most)	
<b>If you need help recovering or have other special needs</b>	<u>Home health care</u>	10% co-insurance after deductible	30% co-insurance after deductible	<b>Pre-certification is required.</b>
	<u>Rehabilitation services</u>	10% co-insurance after deductible	30% co-insurance after deductible	<b>Pre-certification is required</b> for physical therapy and occupational therapy in excess of eighteen (18) visits per calendar year per therapy type.
	<u>Habilitation services</u>	10% co-insurance after deductible	30% co-insurance after deductible	
	<u>Skilled nursing care</u>	10% co-insurance after deductible	30% co-insurance after deductible	<b>Benefit Maximum:</b> Sixty (60) days per sickness or injury per plan participant, combined with rehabilitation facilities. <b>Pre-certification is required.</b>
	<u>Durable medical equipment</u>	10% co-insurance after deductible	30% co-insurance after deductible	<b>Pre-certification is required</b> for <u>DME</u> purchases and rentals in excess of \$3,000.
	<u>Hospice services</u>	10% co-insurance after deductible	30% co-insurance after deductible	_____none_____
<b>If your child needs dental or eye care</b>	Children's eye exam	Not covered	Not covered	_____none_____
	Children's glasses	Not covered	Not covered	_____none_____
	Children's dental check-up	Not covered	Not covered	_____none_____

### Excluded Services & Other Covered Services:

#### Services Your Plan Generally Does NOT Cover (Check your policy or plan document for more information and a list of any other excluded services.)

- |  |   |  |
|--|---|--|
| <ul style="list-style-type: none"> <li>• Acupuncture</li> <li>• Cosmetic Surgery</li> <li>• Dental Care (Adult)</li> </ul> | <ul style="list-style-type: none"> <li>• Infertility Treatment</li> <li>• Long-Term Care</li> <li>• Non-Emergency Care When Traveling Outside the U.S.</li> </ul> | <ul style="list-style-type: none"> <li>• Routine Eye Care (Adult)</li> <li>• Weight-Loss Programs</li> </ul> |
|--|---|--|

#### Other Covered Services (Limitations may apply to these services. This isn't a complete list. Please see your plan document.)

- |   |   |   |
|---|---|---|
| <ul style="list-style-type: none"> <li>• Bariatric Surgery</li> <li>• Chiropractic Care – limited to \$1,000 per calendar year</li> </ul> | <ul style="list-style-type: none"> <li>• Hearing Aids – limited to \$5,000 every five (5) years</li> <li>• Private Duty Nursing – not covered when plan participant is in a hospital or other qualified treatment facility</li> </ul> | <ul style="list-style-type: none"> <li>• Routine Foot Care – for treatment of metabolic or peripheral-vascular disease</li> </ul> |
|---|---|---|

\* For more information about limitations and exceptions, see the plan or policy document at [engage.ameriben.com](https://engage.ameriben.com)

**Your Rights to Continue Coverage:** There are agencies that can help if you want to continue your coverage after it ends. The contact information for those agencies is: Department of Labor's Employee Benefits Security Administration at 1-866-444-EBSA (3272) or [www.dol.gov/ebsa/healthreform](http://www.dol.gov/ebsa/healthreform). You may also contact Insolved at 1-800-594-6957. Other coverage options may be available to you too, including buying individual insurance coverage through the Health Insurance Marketplace. For more information about the Marketplace, visit [www.HealthCare.gov](http://www.HealthCare.gov) or call 1-800-318-2596.

**Your Grievance and Appeals Rights:** There are agencies that can help if you have a complaint against your plan for a denial of a claim. This complaint is called a grievance or appeal. For more information about your rights, look at the explanation of benefits you will receive for that medical claim. Your plan documents also provide complete information to submit a claim, appeal, or a grievance for any reason to your plan. For more information about your rights, this notice, or assistance, contact: Department of Labor's Employee Benefits Security Administration at 1-866-444-EBSA (3272) or [www.dol.gov/ebsa/healthreform](http://www.dol.gov/ebsa/healthreform). You may also contact the third party administrator (TPA) to assist the plan administrator with claims adjudication. The TPA's name, address, and telephone number are:

AmeriBen  
Attention: Appeals Coordination  
P.O. Box 7186  
Boise, ID 83707  
1-844-209-0071

**Does this plan provide Minimum Essential Coverage? Yes**

Minimum Essential Coverage generally includes plans, health insurance available through the Marketplace or other individual market policies, Medicare, Medicaid, CHIP, TRICARE, and certain other coverage. If you are eligible for certain types of Minimum Essential Coverage, you may not be eligible for the premium tax credit.

**Does this plan meet the Minimum Value Standards? Yes**

If your plan doesn't meet the Minimum Value Standards, you may be eligible for a premium tax credit to help you pay for a plan through the Marketplace.

**Language Access Services:**

Spanish (Español): Para obtener asistencia en Español, llame al 1-844-209-0071.  
Tagalog (Tagalog): Kung kailangan ninyo ang tulong sa Tagalog tumawag sa 1-844-209-0071.  
Chinese (中文): 如果需要中文的帮助, 请拨打这个号码 1-844-209-0071.  
Navajo (Dine): Dinek'ehgo shika at'ohwol ninisingo, kwijigo holne' 1-844-209-0071.

*To see examples of how this plan might cover costs for a sample medical situation, see the next section.*

**PRA Disclosure Statement:** According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is **0938-1146**. The time required to complete this information collection is estimated to average **0.08** hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

\* For more information about limitations and exceptions, see the plan or policy document at [engage.ameriben.com](http://engage.ameriben.com)

## About these Coverage Examples:



**This is not a cost estimator.** Treatments shown are just examples of how this plan might cover medical care. Your actual costs will be different depending on the actual care you receive, the prices your providers charge, and many other factors. Focus on the cost sharing amounts (deductibles, copayments and coinsurance) and excluded services under the plan. Use this information to compare the portion of costs you might pay under different health plans. Please note these coverage examples are based on self-only coverage.

### Peg is Having a Baby

(9 months of in-network pre-natal care and a hospital delivery)

■ The plan's overall <u>deductible</u>	\$1,500
■ <u>Specialist cost sharing</u>	10%
■ Hospital (facility) <u>cost sharing</u>	10%
■ Other <u>cost sharing</u>	10%

#### This EXAMPLE event includes services like:

Specialist office visits (*prenatal care*)  
 Childbirth/Delivery Professional Services  
 Childbirth/Delivery Facility Services  
 Diagnostic tests (*ultrasounds and blood work*)  
 Specialist visit (*anesthesia*)

<b>Total Example Cost</b>	<b>\$12,700</b>
---------------------------	-----------------

#### In this example, Peg would pay:

Cost Sharing	
Deductibles	\$1,500
Copayments	\$0
Coinsurance	\$500
What isn't covered	
Limits or exclusions	\$0
<b>The total Peg would pay is</b>	<b>\$2,000</b>

### Managing Joe's type 2 Diabetes

(a year of routine in-network care of a well-controlled condition)

■ The plan's overall <u>deductible</u>	\$1,500
■ <u>Specialist cost sharing</u>	10%
■ Hospital (facility) <u>cost sharing</u>	10%
■ Other <u>cost sharing</u>	10%

#### This EXAMPLE event includes services like:

Primary care physician office visits (*including disease education*)  
 Diagnostic tests (*blood work*)  
 Prescription drugs  
 Durable medical equipment (*glucose meter*)

<b>Total Example Cost</b>	<b>\$5,600</b>
---------------------------	----------------

#### In this example, Joe would pay:

Cost Sharing	
Deductibles	\$1,500
Copayments	\$0
Coinsurance	\$70
What isn't covered	
Limits or exclusions	\$0
<b>The total Joe would pay is</b>	<b>\$1,570</b>

### Mia's Simple Fracture

(in-network emergency room visit and follow up care)

■ The plan's overall <u>deductible</u>	\$1,500
■ <u>Specialist cost sharing</u>	10%
■ Hospital (facility) <u>cost sharing</u>	10%
■ Other <u>cost sharing</u>	10%

#### This EXAMPLE event includes services like:

Emergency room care (*including medical supplies*)  
 Diagnostic test (*x-ray*)  
 Durable medical equipment (*crutches*)  
 Rehabilitation services (*physical therapy*)

<b>Total Example Cost</b>	<b>\$2,800</b>
---------------------------	----------------

#### In this example, Mia would pay:

Cost Sharing	
Deductibles	\$1,500
Copayments	\$0
Coinsurance	\$100
What isn't covered	
Limits or exclusions	\$0
<b>The total Mia would pay is</b>	<b>\$1,600</b>

The plan would be responsible for the other costs of these EXAMPLE covered services.

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 25:** Provide detailed descriptions of all early retirement plans or other staff reduction programs Farmers RECC has offered or intends to offer its employees during the test year. Include all cost-benefit analyses associated with these programs.

**Response 25:** Farmers' retirement and security plan allows for early retirement after obtaining the age of 55; however, this option is voluntary at the employee's discretion. Farmers did not offer any staff reduction programs during the test period, nor are any planned.

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 26:** Provide a complete description of Farmers RECC's other post-employment benefit package(s) provided to its employees.

**Response 26:** Based on years of service, Farmers will pay certain insurance costs for retirees and their families. Coverage is for retirees between the ages of 62 and 65. Benefits cease when the retiree turns age 65. Below is the policy:

*Employees who elect to retire between the ages of 62 and 65, and who have completed 15 or more years of employment with the cooperative, may continue medical coverage and dental coverage through the Cooperative until they attain the age of 65 or are eligible for Medicare. At that point, the retired employee shall cease to be eligible for coverage under the Cooperative's medical and dental plans.*

*If the employee chooses to retire between the ages of 62 and 65, the Cooperative will pay a pro-rata portion of the eligible retiree's insurance premium, based upon the ratio that the employee's number of years of full-time employment has to 30 years (e.g. if an employee has completed 15 years of service, the Cooperative will pay one-half of the premium; if an employee has completed 20 years of service, the Cooperative will pay two-thirds of the premium, etc.) The remainder of the premium shall be paid for by the retired employee or medical coverage and/or dental coverage will cease.*

*A dependent (spouse or eligible children) may be covered if the retiring employee so desires, with the additional cost of the premium being the sole responsibility of the retiree. The dependent's coverage will be calculated at the same discounted rate as the retiree, until the retiree reaches the age of 65. When the retiree reaches the age of 65, dependent access to medical coverage and dental coverage with the cooperative ceases, except as provided for by law. If the dependent reaches the age of 65 and becomes eligible for Medicare, prior to the retiree, the dependent will no longer be eligible for cooperative medical and/or dental coverage.*

*There is no coverage for employees who choose early retirement prior to age 62 except as otherwise provided by law.*

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 27:** Provide a complete description of the financial reporting and ratemaking treatment of Farmers RECC's pension costs.

**Response 27:** Farmers' pension costs are spread to the general ledger accounts charged with labor. These expense accounts directly impact the ratemaking revenue requirement.

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 28:** Regarding Farmers RECC's employee compensation policy:

- a. Provide Farmers FRECC's written compensation policy as approved by the board of directors.
- b. Provide a narrative description of the compensation policy, including the reasons for establishing the policy and Farmers RECC's objectives for the policy.
- c. Explain whether the compensation policy was developed with the assistance of an outside consultant. If the compensation policy was developed or reviewed by a consultant, provide any study or report provided by the consultant.
- d. Explain when Farmers RECC's compensation policy was last reviewed or given consideration by the board of directors.

**Response 28 (a):** Farmers written policy is attached to this response.

**Response 28 (b):** Farmers has established a comprehensive compensation policy to ensure the organization attracts and retains qualified personnel while fostering strong performance, growth, and development. This policy is designed to provide employees with fair and competitive salaries, systematic performance appraisals, and opportunities for professional advancement.

The primary reasons for establishing this compensation policy are to:

1. **Attract and Retain Talent:** By offering competitive wages and benefits, the Cooperative aims to attract skilled individuals and retain them within the organization.
2. **Ensure Fair Compensation:** The policy ensures that employees' salaries are comparable to those for similar positions within the Cooperative and the broader recruitment area.
3. **Promote Performance and Development:** Systematic performance appraisals and development opportunities encourage employees to improve and advance within the organization.
4. **Facilitate Budget Planning:** Accurate determination of budget and training needs allows for planned and controlled financial management.
5. **Maintain Transparency and Fairness:** The Board of Directors is assured that compensation and benefit programs are objectively determined and administered in the best interest of the Cooperative and its member-owners.

The objectives of the compensation policy are to:

1. **Attract and Retain Qualified Personnel:** Establish a program that encourages strong performance and growth among employees.
2. **Ensure Fair Salary Comparisons:** Provide employees with assurance that their salaries are fair compared to similar positions within the Cooperative and the recruitment area.
3. **Systematic Performance Appraisal:** Assure management and employees that performance is appraised fairly and consistently, with advice and training provided for development.
4. **Accurate Budget and Training Needs:** Enable management to determine budget and training needs accurately on a planned basis.
5. **Objective Administration:** Assure the Board that compensation and benefit programs are fairly and objectively determined and administered.

The policy outlines the responsibilities of the Cooperative, the President and CEO, and the Board of Directors in developing, maintaining, and overseeing employee wage and benefit programs. Recommendations to the Board are based on labor and market surveys, economic conditions, cost-of-living changes, and the financial condition of the Cooperative. The Board also determines the compensation range and benefit package for the President and CEO, ensuring decisions are made based on relevant factors and, if necessary, with the assistance of outside consultants.

**Response 28 (c):** The Wage and Benefit policy, included in response 28(a), was created and established by my predecessor in 2010 and therefore I cannot speak to if the policy was developed with the assistance of an outside consultant. However, in my tenure and prior, Farmers has worked with Intandem, LLC to develop a wage and salary plan. Please refer to Response 18 of this data response for additional details.

**Response 28 (d):** The Wage and Benefit policy, included in response 28(a), was reaffirmed by the Board of Directors in 2018. The policy is slated for review in 2025.

## **ATTACHMENT PSC 1-28**

# **FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION**

## **POLICY NO. 405**

### **WAGE AND BENEFIT POLICY**

#### **I. OBJECTIVES**

- A. To establish a compensation program that shall attract and retain qualified personnel and encourage strong performance, growth, and development of both the employees and the Cooperative.
- B. To provide employees with an assurance that his/her salary compares fairly with what is paid for other positions requiring similar skills and knowledge, and having similar duties and responsibilities, both within the Cooperative and within the area from which the Cooperative may recruit personnel.
- C. To assure both management and employees that performance shall be appraised systematically, fairly, and consistently, and that each employee shall be provided with the advice, counsel, assistance, and training needed to enable him/her to develop, improve, and advance within the organization within demonstrated capabilities.
- D. To enable management to determine more accurately the budget and training needs and to do this on a planned and controlled basis.
- E. To assure the Board of Directors (“Board”) that the compensation and benefit programs for the Cooperative have been fairly and objectively determined and administered in the best interest of the Cooperative and its member-owners.

#### **II. RESPONSIBILITIES**

- A. The Cooperative shall have formal employee wage and benefit programs to achieve the objectives of this policy. The President and CEO shall have responsibility for overseeing the development and maintenance of such programs. The employee salary and benefit plans designed to implement and carry out the above objectives shall be considered by the Board and acted upon before implementation.
- B. The President and CEO shall recommend an annual wage and benefit budget to the Board for their consideration and action. The President and CEO shall also recommend to the Board periodic revisions to the ranges in the employee wage and salary plan, and revisions to associated benefit plans.

# **FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION**

## **POLICY NO. 405**

### **WAGE AND BENEFIT POLICY**

Recommendations made to the Board shall be based on labor and market surveys, economic conditions, changes in the cost-of-living, the financial condition of the Cooperative, and any other pertinent factors. The President and CEO may employ outside consultants to insure that the objectives of this policy are achieved.

- C. The Board shall determine a compensation range and benefit package for the President and CEO. The Board shall determine all compensation and benefit adjustments for the President and CEO. In determining the appropriate wage and benefit plan and any adjustments for the President and CEO, the Board will base its decisions upon labor and market surveys, economic conditions, changes in the cost-of-living, the financial condition of the Cooperative, and other pertinent factors. The Board may employ outside consultants to insure that the objectives of this policy are achieved.

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 29:** State whether Farmers RECC's expenses for wages, salaries, benefits, and other compensation included in the test year, and any adjustments to the test year, are compliant with the board of director's compensation policy.

**Response 29:** Farmers' expenses for wages, salaries, benefits, and other compensation, are compliant with the policies and procedures of its Board of Directors. The Board delegates authority to the President and CEO to make hiring and salary decisions while following the guidelines for wages and salaries. The President and CEO keeps the board informed of any changes to wage and salary decisions.

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 30:** Provide, in the format provided in Schedule I, the following information for Farmers RECC's compensation and benefits for the test year and the three most recent calendar years preceding the test year. Provide information individually for each corporate officer and by category for Directors, Managers, Supervisors, Exempt, Non-Exempt, Union and Non-Union hourly employees. Provide the amounts, in gross dollars, separately for total company operations and jurisdictional operations.

- a. Regular salary or wages.
- b. Overtime pay.
- c. Excess vacation payout.
- d. Standby/Dispatch pay.
- e. Bonus and incentive pay.
- f. Any other forms of incentives, including stock options or forms or deferred compensation.
- g. Other amounts paid and reported on the employees' W-2 (specify).
- h. Healthcare benefit cost.
  - (1) Amount paid by Farmers RECC.
  - (2) Amount paid by employee
- i. Dental benefits cost.
  - (1) Amount paid by Farmers RECC.
  - (2) Amount paid by employee.
- j. Vision benefit cost.
  - (1) Amount paid by Farmers RECC.
  - (2) Amount paid by employee.
- k. Life insurance cost.
  - (1) Amount paid by Farmers RECC.
  - (2) Amount paid by employee.
- l. Accidental death and disability benefits.
  - (1) Amount paid by Farmers RECC.
  - (2) Amount paid by employee.
- m. Defined Benefit Retirement.
  - (1) Amount paid by Farmers RECC.
  - (2) Amount paid by employee.
- n. Defined Contribution – 401(k) or similar plan cost. Provide the amount paid by Farmers RECC.
- o. Cost of any other benefit available to an employee (specify).

**Response 30(a) through 30(o):** Please see the Excel spreadsheets filed separately.

**ATTACHMENT IS AN  
EXCEL SPREADHSEET  
AND UPLOADED  
SEPERATELY**

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 31:** For each item of benefits listed in Item 30 above for which an employee is required to pay part of the cost, provide a detailed explanation as to how the employee contribution rate was determined.

**Response 31:**

**Health Insurance:** For 2021-2024, the cooperative paid 90% and employees paid 10% of the full premiums for coverage level for all employees. Beginning January 1, 2025, the cooperative will pay 88% and employees will pay 12% of the full premiums for coverage level for all employees.

**Dental Insurance:** For 2021-2024, the cooperative paid 35% and employees paid 65% of the full premiums for coverage level for all employees.

**Vision Plan:** For 2021-2024, the cooperative paid 0% and the employees paid 100% of the premium.

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 32:** Provide a listing of all healthcare plan categories, dental plan categories, and vision plan categories available to corporate officers individually and to groups defined as Corporate Officers, Directors, Managers, Supervisors, Exempt, Non-Exempt, Union, and Non-Union Hourly employees (e.g., single, family, etc.). Include the associated employee contribution rates and employer contribution rates of the total premium cost for each category, and each plan's deductible(s) amounts.

**Response 32:** All full time employees are eligible for the following:

**Health Insurance:** For 2021-2024, the cooperative paid 90% and employees paid 10% of the full premiums for coverage level for all employees. Beginning January 1, 2025, the cooperative will pay 88% and employees will pay 12% of the full premiums for coverage level for all employees.

**Dental Insurance:** For 2021-2024, the cooperative paid 35% and employees paid 65% of the full premiums for coverage level for all employees.

**Vision Plan:** For 2021-2024, the cooperative paid 0% and the employees paid 100% of the premium.

Please also see the responses to Item 22 and Item 31.

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 33:** Provide a listing of all life insurance plan categories available to corporate officers individually and to groups defined as Directors, Managers, Supervisors, Exempt, Non-Exempt, Union and Non-Union Hourly employees. Include the associated employee contribution rates and employer contribution rates of the total premium cost for each plan category.

**Response 33:** Coverage for life insurance plan categories are the same for all full-time employees.

**Group Term Life Insurance:** Farmers pays 100% of the premium for Basic Life. The coverage is two times the current base salary of the employee, rounded to the nearest thousand.

**Accidental Death and Dismemberment Insurance:** Farmers pays 100% of the premium for this policy for employees. The coverage amount is equal to employee's basic life insurance benefit amount.

**Long-Term Disability Insurance:** Farmers pays 100% of the premium. If eligible, the monthly disability benefit is 66 2/3% of the employee's monthly earnings up to a maximum monthly benefit of \$12,500.

**Business Travel and Accident Insurance:** Farmers pays 100% of the premium for this policy. The maximum amount an employee may receive is \$100,000.

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 34:** Provide a listing of all retirement plans available to corporate officers individually, and to groups defined as Directors, Managers, Supervisors, Exempt, Non-Exempt, Union and Non-Union Hourly employees. Include the associated employee contribution rates, if any, and employer contribution rates of the total premium cost for each plan category.

**Response 34:** Please see Excel spreadsheet attached separately.

Employees, hired before January 1, 2012, are eligible for a Retirement Security Plan ("RS") defined benefit plan and a 401k defined contribution retirement plan. All plans are administered by National Rural Electric Cooperative Association ("NRECA"). The annual billing rate for the RS plan is determined by NRECA. RS billing rates are 2023 – 24.28%, 2024 – 24.53% and 2025 – 24.53%. Participants do not make employee contributions to the RS Plan. Employees have the option to contribute to the 401k plan. Farmers contributes an employer contribution equal to 100% of the employee elective contributions of 0.5% to 1.0% of the participant's compensation.

Employees, hired after January 1, 2012, are eligible for a 401k defined contribution retirement plan. The plan is administered by NRECA. Following one month of eligibility service, the employee may make employee contributions to the Plan. After an employee completes one year of eligibility service, Farmers contributes to each Participant's account an employer contribution equal to 100% of employee elective contributions of 1.0% to 4.0% of the participant's compensation. After an Employee complete one year of eligibility service, Farmers contributes to each participant's account an employer base contribution equal to 6.0% of the participant's compensation.

**ATTACHMENT IS AN  
EXCEL SPREADHSEET  
AND UPLOADED  
SEPERATELY**

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 35:** Provide an analysis of Farmers RECC's expenses for research and development activities for the test year and the three preceding calendar years. For the test year, include the following:

- a. The basis of fees paid to research organizations and Farmers RECC's portion of the total revenue of each organization, including where the contribution is monthly and provide the current rate and the effective date;
- b. Details of the research activities conducted by each organization;
- c. Details of services and other benefits provided to Farmers RECC by each organization during the test year and the preceding calendar year;
- d. Total expenditures of each organization including the basic nature of costs incurred by the organization; and
- e. Details of the expected benefits to Farmers RECC.

**Response 35(a)-(e):** Farmers did not have any research or development activities in the test year or the three preceding calendar years.

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 36:** Provide a running total for the following information concerning the cost of preparing the case:

a. A detailed schedule of expenses incurred to date for the following categories: For each category, the schedule should include the date of each transaction, check number or other document reference, the vendor, the hours worked, the rates per hour, amount, a description of the services performed, and the account number in which the expenditure was recorded. Provide copies of any invoices, contracts, or other documentation that support charges incurred in the preparation of this rate case. Indicate any costs incurred for this case that occurred during the test year.

- (1) Accounting;
- (2) Engineering;
- (3) Legal;
- (4) Consultants; and
- (5) Other Expenses (Identify separately).

b. An itemized estimate of the total cost to be incurred for this case. Expenses should be broken down into the same categories as identified in 37 a. above, with an estimate of the hours to be worked and the rates per hour. Include a detailed explanation of how the estimate was determined, along with all supporting work papers and calculations.

c. Provide monthly updates of the actual costs incurred in conjunction with this rate case, reported in the manner requested in 37.a. above. Updates will be due when Farmers RECC files its monthly financial statements with the Commission, through the month of the public hearing.

**Response 36(a) and 36(b):** Please see the Excel file uploaded separately.

**Response 36(c):** Farmers will provide the requested monthly updates of the actual costs incurred in conjunction with the rate case.

## **ATTACHMENT PSC 1-36**

14887



L. Allyson Honaker  
 allyson@hloky.com  
 (859) 368-8803 (office)  
 (859) 396-3172 (mobile)

1795 Alysheba Way, Ste 1203  
 Lexington, KY 40509

November 05, 2024

Invoice No. 1115

Farmers RECC  
 Mr. William T. Prather  
 504 S. Broadway  
 Glasgow, KY 42141

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Client Number: 02020 Farmers RECC  
 Matter 02020-0003 Farmers RECC - 2024 Rate Case  
 For Services Rendered Through 10/31/2024.

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### Fees

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
10/3/2024	LAH	Exchange emails with J. Phelps, et. al. re scheduling meeting.	0.10	\$29.00
10/18/2024	LAH	Review email and attachment from J. Phelps re items to discuss on kick off meeting.	0.20	\$58.00
10/18/2024	BHK	Review J. Phelps email with notes re: new rate case.	0.20	\$55.00
10/25/2024	LAH	Participate in meeting with T. Moss, J. Phelps, et. al. re upcoming filing and timing of same.	0.70	\$203.00
10/25/2024	BHK	Meeting with J. Phelps and T. Moss re: 2024 Rate Case.	0.80	\$220.00
10/27/2024	BHK	Draft TOC template for full rate case for Farmers.	0.30	\$82.50
10/31/2024	BHK	Draft 32 Exhibit Sheets for Full Rate Case and send to J. Phelps. Send draft table of contents and exhibits sheets to J. Phelps.	0.80	\$220.00
10/31/2024	LAH	Review email and multiple attachments for upcoming rate case from B. Koenig.	0.90	\$261.00

Continued On Next Page

Client Number: 02020  
Matter Number: 02020-0003

11/5/2024  
Page: 2

Billable Hours / Fees: 4.00 \$1,128.50

### Timekeeper Summary

Timekeeper BHK worked 2.10 hours at \$275.00 per hour, totaling \$577.50.

Timekeeper LAH worked 1.90 hours at \$290.00 per hour, totaling \$551.00.

### Current Invoice Summary

Prior Balance:	\$0.00
Payments Received:	\$0.00
Unpaid Prior Balance:	\$0.00
Current Fees:	\$1,128.50
Advanced Costs:	\$0.00
<b>TOTAL AMOUNT DUE:</b>	<b>\$1,128.50</b>

Thank You for Letting Us Serve You.  
Payment Due Upon Receipt.

Date	Rec. By
Approved By	Totals Checked
Use Tax	
Item ID	Acct. Amt.

OSEMOS 928.00

Rate Case

**HONAKER  
LAW  
OFFICE**

**L. Allyson Honaker**  
allyson@hloky.com  
(859) 368-8803 (office)  
(859) 396-3172 (mobile)

V#148817

2025

Rate Case Expenses

1795 Alysheba Way, Ste 1203  
Lexington, KY 40509

December 05, 2024

Invoice No. 1166

Farmers RECC  
Mr. William T. Prather  
504 S. Broadway  
Glasgow, KY 42141

Ok to pay  
JSP

Client Number: 02020 Farmers RECC  
Matter 02020-0003 Farmers RECC - 2024 Rate Case  
For Services Rendered Through 11/30/2024.

Fees				
Date	Timekeeper	Description	Hours	Amount
11/1/2024	BHK	Email discussion from J. Phelps and A. Honaker re: costs.	0.10	\$27.50
11/1/2024	LAH	Review emails and attached exhibit list from B. Koenig and J. Phelps.	0.20	\$58.00
11/4/2024	BHK	Phone discussion with A. Honaker re: Application draft, exhibit sheets, TOC.	0.10	\$27.50
11/4/2024	LAH	Phone discussion with B. Koenig re: Application draft, exhibit sheets, TOC.	0.10	\$29.00
11/11/2024	BHK	Draft/Revise Application for general rate case and sent to J. Phelps.	0.90	\$247.50
11/11/2024	LAH	Review draft table of contents and email from B. Koenig.	0.20	\$58.00

Billable Hours / Fees: 1.60 \$447.50

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928.00

LP

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\$00014887



~1166

Client Number: 02020  
Matter Number: 02020-0003

12/5/2024  
Page: 2

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### Timekeeper Summary

Timekeeper LAH worked 0.50 hours at \$290.00 per hour, totaling \$145.00.

Timekeeper BHK worked 1.10 hours at \$275.00 per hour, totaling \$302.50.

---

### Payment Detail

<u>Date</u>	<u>Description</u>	<u>Amount</u>
12/3/2024	Check Number 60351 against Inv# 1115)	(\$1,128.50)
Total Payments Received:		<u>(\$1,128.50)</u>

---

### Current Invoice Summary

Prior Balance:	\$1,128.50	
Payments Received:	<u>(\$1,128.50)</u>	Last Payment: 12/3/2024
Unpaid Prior Balance:	\$0.00	
Current Fees:	\$447.50	
Advanced Costs:	\$0.00	
TOTAL AMOUNT DUE:	<u><u>\$447.50</u></u>	

Thank You for Letting Us Serve You.  
Payment Due Upon Receipt.

V#14470



## INVOICE

<b>Date:</b> February 1, 2024	<b>Invoice #:</b> 250107
<b>Client:</b> Farmers R.E.C.C. 504 South Broadway Glasgow, Kentucky 42141	<b>Project:</b> Electric Rate Case Case No. 2025-00xxx  For Services Provided in January 2025

	Item	Description	Qty	Rate	Amt
1	Consulting Services	John Wolfram – consulting support. Initiate rate case models. Initial data request. Begin processing data. Calls and/or mails with staff on same.	9.5 hours	\$230.00	\$ 2,185.00
<b>TOTAL</b>					<b>\$ 2,185.00</b>

Please remit payment to Catalyst Consulting LLC at the address listed above. Thank you.

05em05  
928.00  
UP  
Rate Case work





V#14887

L. Allyson Honaker  
allyson@hloky.com  
(859) 368-8803 (office)  
(859) 396-3172 (mobile)

1795 Alysheba Way, Ste 1203  
Lexington, KY 40509

February 05, 2025

Invoice No. 1269

Farmers RECC  
Mr. William T. Prather  
504 S. Broadway  
Glasgow, KY 42141



Client Number: 02020 Farmers RECC

Matter 02020-0003 Farmers RECC - 2024 Rate Case

For Services Rendered Through 1/31/2025.

### Fees

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
1/17/2025	HST	Review emails re ETS contracts. Review contract for ETS. Send respond to J.Phelps.	0.40	\$106.00
1/17/2025	LAH	Review multiple emails from J. Phelps, et. al. re ETS contracts.	0.10	\$29.00
1/23/2025	LAH	Review multiple emails from J. Phelps, et. al. re contracts and tariff changes.	0.20	\$58.00
1/23/2025	HST	Exchange emails with J. Phelps, et.al. re tariff and contracts.	0.20	\$53.00
1/24/2025	HST	Review/reply to email from J.Phelps re ETS Rates.	0.20	\$53.00

Billable Hours / Fees: 1.10 \$299.00

08em 05  
928.00  
UR

OK to pay  
JSP

Continued On Next Page

Client Number: 02020  
Matter Number: 02020-0003

2/5/2025  
Page: 2

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### Timekeeper Summary

Timekeeper HST worked 0.80 hours at \$265.00 per hour, totaling \$212.00.

Timekeeper LAH worked 0.30 hours at \$290.00 per hour, totaling \$87.00.

---

### Payment Detail

<u>Date</u>	<u>Description</u>	<u>Amount</u>
12/20/2024	Check Number 60464 against Inv# 1166)	(\$447.50)
Total Payments Received:		(\$447.50)

---

### Current Invoice Summary

Prior Balance:	\$447.50	
Payments Received:	(\$447.50)	Last Payment: 12/20/2024
Unpaid Prior Balance:	\$0.00	
Current Fees:	\$299.00	
Advanced Costs:	\$0.00	
TOTAL AMOUNT DUE:	<u>\$299.00</u>	

Thank You for Letting Us Serve You.  
Payment Due Upon Receipt.

V#14470



## INVOICE

<b>Date:</b> March 1, 2025	<b>Invoice #:</b> 250205
<b>Client:</b> Farmers R.E.C.C. 504 South Broadway Glasgow, Kentucky 42141	<b>Project:</b> Electric Rate Case Case No. 2025-00xxx  For Services Provided in February 2025

Rate Case

	Item	Description	Qty	Rate	Amt
1	Consulting Services	John Wolfram – consulting support. Prepare unadjusted COSS. Begin Rev Req analysis. Calls and/or mails with staff on same.	21.5 hours	\$230.00	\$ 4,945.00
<b>TOTAL</b>					<b>\$ 4,945.00</b>

Please remit payment to Catalyst Consulting LLC at the address listed above. Thank you.

08em 05  
928.60  
LR



**HONAKER  
LAW  
OFFICE**

#14887

**L. Allyson Honaker**  
allyson@hloky.com  
(859) 368-8803 (office)  
(859) 396-3172 (mobile)

1795 Alysheba Way, Ste 1203  
Lexington, KY 40509

March 04, 2025

Invoice No. 1319

Farmers RECC  
Mr. William T. Prather  
504 S. Broadway  
Glasgow, KY 42141

08m 05  
928.00  
LR

Rate Case

Okay to  
pay  
JJP

Client Number: 02020 Farmers RECC  
Matter 02020-0003 Farmers RECC - 2024 Rate Case  
For Services Rendered Through 2/28/2025.

**Fees**

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
2/11/2025	LAH	Exchange emails with J. Phelps re timeline for filing.	0.10	\$29.00
2/24/2025	HST	Discussion with A.Honaker re rate application. Exchange emails with J.Phelps and A.Honker re same.	0.40	\$110.00
2/24/2025	LAH	Conference with H. Temple re status of drafts; exchange emails with J. Phelps re same and scheduling time to discuss.	0.40	\$116.00
2/25/2025	HST	Draft testimony for J.Phelps. Send for review.	1.50	\$412.50
2/25/2025	LAH	Review email and attached draft testimony from H. Temple.	0.50	\$145.00
2/27/2025	HST	Review email with questions from J.Phelps. Draft lengthy response. Review document containing questions for upcoming meeting.	0.50	\$137.50
2/27/2025	LAH	Exchange multiple emails with J. Phelps and H. Temple re questions on upcoming case; review attachment from J. Phelps re topics to discuss on Monday.	0.30	\$87.00

Continued On Next Page



#00014887



~1319

Client Number: 02020  
Matter Number: 02020-0003

3/4/2025  
Page: 2

2/28/2025 LAH

Review email from J. Phelps re upcoming  
meeting to discuss.

0.10

\$29.00

**Billable Hours / Fees:** 3.80 \$1,066.00

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### Timekeeper Summary

Timekeeper LAH worked 1.40 hours at \$290.00 per hour, totaling \$406.00.

Timekeeper HST worked 2.40 hours at \$275.00 per hour, totaling \$660.00.

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### Payment Detail

<u>Date</u>	<u>Description</u>	<u>Amount</u>
2/27/2025	Check Number 60807 against Inv# 1269)	(\$299.00)
	<b>Total Payments Received:</b>	<u>(\$299.00)</u>

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### Current Invoice Summary

<b>Prior Balance:</b>	\$299.00	
<b>Payments Received:</b>	(\$299.00)	<b>Last Payment: 2/27/2025</b>
<b>Unpaid Prior Balance:</b>	\$0.00	
<b>Current Fees:</b>	\$1,066.00	
<b>Advanced Costs:</b>	\$0.00	
<b>TOTAL AMOUNT DUE:</b>	<u><u>\$1,066.00</u></u>	

Thank You for Letting Us Serve You.  
Payment Due Upon Receipt.

V#14470



## INVOICE

<b>Date:</b> April 1, 2025	<b>Invoice #:</b> 250306
<b>Client:</b>  Farmers R.E.C.C. 504 South Broadway Glasgow, Kentucky 42141	<b>Project:</b>  Electric Rate Case Case No. 2025-00xxx  For Services Provided in March 2025

	Item	Description	Qty	Rate	Amt
1	Consulting Services	John Wolfram – consulting support. Prepare and present final rates to BOD. Calls and/or mails with staff on same.	26.5 hours	\$230.00	\$ 6,095.00
2	Mileage	3/3 Travel to Glasgow KY	206.0	\$ 0.700	\$ 144.20
<b>TOTAL</b>					<b>\$ 6,239.20</b>

Please remit payment to Catalyst Consulting LLC at the address listed above. Thank you.

RATE  
CASE

08em 05  
928.00  
UR

OK to pay  
JSP



**HONAKER  
LAW  
OFFICE**

V#14887

**L. Allyson Honaker**  
allyson@hloky.com  
(859) 368-8803 (office)  
(859) 396-3172 (mobile)



1795 Alysheba Way, Ste 1203  
Lexington, KY 40509

Farmers RECC  
Mr. Tobias Moss  
PO Box 1298  
Glasgow, KY 42142

Rate Case

April 07, 2025  
Invoice No. 1380

Client Number: 02020 Farmers RECC  
Matter 02020-0003 Farmers RECC - 2024 Rate Case  
For Services Rendered Through 3/31/2025.

**Fees**

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
3/3/2025	HST	Discussion with A. Honaker; meeting to discuss issues/concerns re rate case.	1.40	\$385.00
3/3/2025	LAH	Participate in video conference for rate application; review emails from J. Phelps, et. al. re same; conference with H. Temple.	1.40	\$406.00
3/3/2025	LAH	Exchange emails with J. Phelps re upcoming meeting; review notes re same.	2.00	\$580.00
3/3/2025	HST	Review email from J.Phelps with follow up items from meeting.	0.20	\$55.00
3/5/2025	HST	Review updates from J.Phelps on rate case timing and board vote.	0.20	\$55.00
3/6/2025	LAH	Review multiple emails from J. Phelps and H. Temple re exhibits for filing and next steps; conference with H. Temple re same.	0.40	\$116.00
3/6/2025	HST	Exchange emails with J.Phelps re application.	0.20	\$55.00
3/7/2025	HST	Edit application. Provide edits to J.Phelps.	0.30	\$82.50
3/7/2025	LAH	Telephone conference with J. Wolfram re status and upcoming board meeting.	0.20	\$58.00

Continued On Next Page

08em 05  
928.00  
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Client Number: 02020  
Matter Number: 02020-0003

4/7/2025  
Page: 2

3/7/2025	LAH	Review emails from J. Phelps and H. Temple re exhibits for filing with Application and new draft application.	0.20	\$58.00
3/7/2025	HST	Exchange emails with J.Phelps re exhibits on application.	0.20	\$55.00
3/12/2025	HST	Exchange emails with J.Phelps re testimony drafts.	0.30	\$82.50
3/12/2025	LAH	Review emails from J. Phelps re testimony; conference with H. Temple re same.	0.20	\$58.00
3/13/2025	HST	Draft testimony for T.Moss. Review edits to J.Phelps testimony. Send both to J.Phelps for review.	1.70	\$467.50
3/14/2025	LAH	Exchange emails with J. Phelps re RUS loan commitment; review emails re testimony from J. Phelps, et.al	0.20	\$58.00
3/14/2025	HST	Exchange emails with J.Phelps re testimony and interest expense.	0.30	\$82.50
3/19/2025	HST	Review COSS and revenue requirement from J.Wolfram ahead of board meeting.	0.40	\$110.00
3/20/2025	HST	Attend board meeting to discuss rate application. Conference with A. Honaker. Review emails from J. Phelps and board resolution provided.	1.60	\$440.00
3/20/2025	LAH	Review emails from J. Phelps, et. al. re board resolution.	0.10	\$29.00
3/20/2025	LAH	Conference with H. Temple re board meeting.	0.20	\$58.00
3/20/2025	LAH	Review email and slides for board meeting from J. Wolfram.	0.40	\$116.00
3/21/2025	HST	Review respond to email from J.Phelps re timing of application filing.	0.20	\$55.00
3/21/2025	LAH	Review emails from J.Phelps and H. Temple re timing of application filing.	0.10	\$29.00
3/26/2025	HST	Draft notice of intent. Send to J.Phelps for approval. Draft customer notice. Send to T.Moss and J.Phelps for review.	0.70	\$192.50
3/26/2025	LAH	Review emails from H. Temple re draft notice of intent and customer notice.	0.30	\$87.00
3/27/2025	HST	Draft cover letter and notice to use electronic filing. Email to Commission.	0.30	\$82.50
3/28/2025	HST	Review email from J.Wolfram with revised notice. Review revised notice.	0.20	\$55.00
3/30/2025	HST	Finalize NOI. Draft read first. Send both to M.Cave for filing.	0.40	\$110.00

Continued On Next Page

Client Number: 02020  
Matter Number: 02020-0003

4/7/2025  
Page: 3

3/31/2025	LAH	Review emails from J. Phelps and respond to same re customer notice edits and tariff changes' review edits to notice; edit same; draft language for tariffs; email notice to J. Wolfram to update rates; email to J Phelps re status.	0.50	\$145.00
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Billable Hours / Fees: 14.80 \$4,163.00

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### Timekeeper Summary

Timekeeper LAH worked 6.20 hours at \$290.00 per hour, totaling \$1,798.00.

Timekeeper HST worked 8.60 hours at \$275.00 per hour, totaling \$2,365.00.

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### Payment Detail

<u>Date</u>	<u>Description</u>	<u>Amount</u>
3/17/2025	Check Number 60931 against Inv# 1319)	(\$1,066.00)
Total Payments Received:		(\$1,066.00)

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### Current Invoice Summary

Prior Balance:	\$1,066.00	
Payments Received:	(\$1,066.00)	Last Payment: 3/17/2025
Unpaid Prior Balance:	\$0.00	
Current Fees:	\$4,163.00	
Advanced Costs:	\$0.00	
TOTAL AMOUNT DUE:	<u>\$4,163.00</u>	

Thank You for Letting Us Serve You.  
Payment Due Upon Receipt.

Ok to pay  
JSP



V#14470

## INVOICE

<b>Date:</b> May 1, 2025	<b>Invoice #:</b> 250405
<b>Client:</b>  Farmers R.E.C.C. 504 South Broadway Glasgow, Kentucky 42141	<b>Project:</b>  Electric Rate Case Case No. 2025-00xxx  For Services Provided in April 2025

	Item	Description	Qty	Rate	Amt
1	Consulting Services	John Wolfram – consulting support. Prepare and present final rates to BOD. Calls and/or mails with staff on same.	5.5 hours	\$230.00	\$ 1,265.00
<b>TOTAL</b>					<b>\$ 1,265.00</b>

Please remit payment to Catalyst Consulting LLC at the address listed above. Thank you.

UR 186.00  
08em US  
Rate case

OK to pay  
JSP



**HONAKER  
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OFFICE**

**L. Allyson Honaker**  
allyson@hloky.com  
(859) 368-8803 (office)  
(859)396-3172 (mobile)

1795 Alysheba Way, Ste 1203  
Lexington, KY 40509

May 07, 2025

Invoice No. 1440

Farmers RECC  
Mr. Tobias Moss  
PO Box 1298  
Glasgow, KY 42142-1298

OK to pay  
JSP

Client Number: 02020 Farmers RECC

Matter 02020-0001 Farmers RECC - ~~General~~ Rate Case  
For Services Rendered Through 4/30/2025.

**Fees**

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
4/1/2025	MLC	Finalize and file notice of intent and corresponding cover letter and send same to AG	0.40	\$106.00
4/3/2025	MLC	Correspond with A. Honaker re status of rate case and deadline for notice to be published with Kentucky Living	0.10	\$26.50
4/3/2025	LAH	Conference with M. Cave re customer notice and timing for filing application.	0.10	\$29.00
<b>Billable Hours / Fees:</b>			<b>0.60</b>	<b>\$161.50</b>

**Timekeeper Summary**

Timekeeper MLC worked 0.50 hours at \$265.00 per hour, totaling \$132.50.

Timekeeper LAH worked 0.10 hours at \$290.00 per hour, totaling \$29.00.

Continued On Next Page

Client Number: 02020  
Matter Number: 02020-0001

5/7/2025  
Page: 2

### Payment Detail

<u>Date</u>	<u>Description</u>	<u>Amount</u>
4/21/2025	Check Number 61089 against Inv# 1379)	(\$369.50)
Total Payments Received:		(\$369.50)

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### Current Invoice Summary

Prior Balance:	\$369.50	
Payments Received:	(\$369.50)	Last Payment: 4/21/2025
Unpaid Prior Balance:	\$0.00	
Current Fees:	\$161.50	
Advanced Costs:	\$0.00	
TOTAL AMOUNT DUE:	<u>\$161.50</u>	

Thank You for Letting Us Serve You.  
Payment Due Upon Receipt.

**HONAKER  
LAW  
OFFICE**

**L. Allyson Honaker**  
allyson@hloky.com  
(859) 368-8803 (office)  
(859)396-3172 (mobile)

1795 Alysheba Way, Ste 1203  
Lexington, KY 40509

May 07, 2025

Invoice No. 1441

Farmers RECC  
Mr. Tobias Moss  
PO Box 1298  
Glasgow, KY 42142

OK to pay  
JSP

Client Number: 02020 Farmers RECC  
Matter 02020-0003 Farmers RECC - 2024 Rate Case  
For Services Rendered Through 4/30/2025.

**Fees**

<u>Date</u>	<u>Timekeeper</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
4/1/2025	HST	Review email establishing case from PSC. Review NOI filing. Review email from A.Honaker re updated notice and updated notice.	0.40	\$110.00
4/1/2025	LAH	Review PSC acknowledgment letter re case number; review email from J. Phelps re same; coordinate filing of NOI with M. Cave; review email and customer notice and tariff questions from J. Phelps; update notice; telephone conference with J. Phelps; email customer notice to team to review; review email from H. Temple re edits to same.	0.50	\$145.00
4/2/2025	LAH	Review email from J. Phelps re customer notice.	0.10	\$29.00
4/4/2025	HST	Exchange emails with J.Phelps re application exhibits.	0.20	\$55.00
4/4/2025	LAH	Review emails from J. Phelps, et. al. re rate case documents; review attachments provided; conference with H. Temple re status.	0.30	\$87.00

Continued On Next Page

4/7/2025	HST	Discussion with A.Honaker. Review customer notice final revisions. Review/edit first drafts of testimony.	1.80	\$495.00
4/7/2025	MLC	Edit and revise customer notice per regulation	0.90	\$238.50
4/7/2025	LAH	Telephone conference with J Wolfram re customer notice; edit notice; exchange emails with J. Phelps, et. al. re same.	0.50	\$145.00
4/11/2025	HST	Exchange emails with J.Phelps re application.	0.20	\$55.00
4/14/2025	HST	Review/edits application exhibits.	1.20	\$330.00
4/16/2025	MLC	Edit and revise application, table of contents, exhibits, testimony of Jennie Phelps, verifications, and customer notice	3.40	\$901.00
4/16/2025	HST	Review/edit exhibits. Convert to pdf, combine attachments. Review application and TOC. convert to pdf. Send all for review.	2.40	\$660.00
4/16/2025	LAH	Review and attached current drafts of Application and Exhibits.	1.20	\$348.00
4/17/2025	MLC	Receive and review staff's 1st data request	0.30	\$79.50
4/17/2025	LAH	Review Commission Staff DR 1 issued; conference with H. Temple re same.	0.30	\$87.00
4/17/2025	LAH	Review email and attached exhibit from J. Phelps.	0.10	\$29.00
4/21/2025	LAH	Review emails from J. Wolfram, J. Phelps, et. al. re application and testimony.	0.20	\$58.00
4/22/2025	HST	Exchange emails with J.Phelps re unavailable dates for technical conference.	0.20	\$55.00
4/23/2025	LAH	Exchange emails with H. Temple re testimony.	0.20	\$58.00
4/23/2025	LAH	Review emails from J. Phelps, et. al. re unavailable dates.	0.10	\$29.00
4/26/2025	HST	Make edits to application. Send to J.Phelps and A.Honaker for review.	0.80	\$220.00
4/28/2025	LAH	Review multiple emails from J. Phelps, J. Wolfram, et.al. re application and exhibits; review email re verification from J. Wolfram; conference with H. Temple re same.	0.40	\$116.00
4/28/2025	LAH	Review draft application, testimony and exhibits and edit same; email edits to H. Temple to review.	1.80	\$522.00
4/29/2025	HST	Exchange emails with J.Phelps and J.Wolfram re application.	0.40	\$110.00
4/29/2025	LAH	Review emails from J. Phelps, J. Wolfram, et.al. re application and exhibits.	0.20	\$58.00

Continued On Next Page

Client Number: 02020  
Matter Number: 02020-0003

5/7/2025  
Page: 3

Billable Hours / Fees: 18.10 \$5,020.00

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### Timekeeper Summary

Timekeeper HIST worked 7.60 hours at \$275.00 per hour, totaling \$2,090.00.

Timekeeper LAH worked 5.90 hours at \$290.00 per hour, totaling \$1,711.00.

Timekeeper MLC worked 4.60 hours at \$265.00 per hour, totaling \$1,219.00.

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### Payment Detail

<u>Date</u>	<u>Description</u>	<u>Amount</u>
4/21/2025	Check Number 61089 against Inv# 1380)	(\$4,163.00)
<b>Total Payments Received:</b>		<b>(\$4,163.00)</b>

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### Current Invoice Summary

<b>Prior Balance:</b>	\$4,163.00	
<b>Payments Received:</b>	(\$4,163.00)	<b>Last Payment: 4/21/2025</b>
<b>Unpaid Prior Balance:</b>	\$0.00	
<b>Current Fees:</b>	\$5,020.00	
<b>Advanced Costs:</b>	\$0.00	
<b>TOTAL AMOUNT DUE:</b>	<b>\$5,020.00</b>	

Thank You for Letting Us Serve You.  
Payment Due Upon Receipt.

**ATTACHMENT IS AN  
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AND UPLOADED  
SEPERATELY**

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 37:** Provide the following information for the most recent calendar year concerning Farmers RECC and any affiliated service corporation or corporate service division/unit:

- a. A schedule detailing the costs charged, either directly or allocated, by the service company to Farmers RECC. Indicate Farmers RECC's accounts where these costs were recorded. For costs that are allocated, include a description of the allocation factors utilized.
- b. A schedule detailing the costs charged, either directly or allocated, by the service company to Farmers RECC. Indicate Farmers RECC's accounts where these costs were recorded. For costs that are allocated, include a description of the allocation factors utilized.

**Response 37(a) and 37(b):** Please see the Excel file uploaded separately.  
Also, please also refer to Exhibit 24 of the Application.

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SEPERATELY**

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 38:** Provide the following information for the most recent calendar year concerning all affiliate-related activities not identified in response to Item 37:

- a. Provide the names of affiliates that provided some form of service to Farmers RECC and the type of service Farmers RECC received from each affiliate.
- b. Provide the names of affiliates to whom Farmers RECC provided some form of service and the type of service Farmers RECC provided to each affiliate.
- c. Identify the service agreement with each affiliate, state whether the service agreement has been previously filed with the Commission and identify the proceeding in which it was filed. Provide each service agreement that has not been previously filed with the Commission.

**Response 38(a) through 38(c):** Farmers Energy Propane Plus, LLC is a wholly owned subsidiary of Farmers and is primarily in the business of selling propane and propane accessories to customers in Farmers' service territory and surrounding areas. Farmers is not involved in the day-to-day operations of the affiliate and does not promote the business. Farmers has a Cost Allocation Manual detailing how costs will be allocated.

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 39:** Describe Farmers RECC's lobbying activities and provide a schedule showing the name, salary, and job title of each individual whose job function involves lobbying on the local, state, or national level.

**Response 39:** Farmers does not engage in lobbying activities.

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 40:** Regarding demand-side management, conservation, and energy-efficiency programs, provide the following:

- a. A list of all programs currently offered by Farmers RECC.
- b. The total cost incurred for these programs by Farmers RECC in each of the three most recent calendar years.
- c. The total energy and demand reductions realized through these programs in each of the three most recent calendar years.
- d. The total cost for these programs included in the test year and expected energy reductions to be realized from these programs.

**Response 40(a):** In coordination with East Kentucky Power Cooperative, Inc. ("EKPC"), Farmers offered the following DSM programs: Direct Load Control-Commercial; Direct Load Control-Residential; Electric Thermal Storage Incentive Program; Button-Up Weatherization; Heat-Pump Retrofit; Touchstone Energy Home; and Community Assistance Resources for Energy Savings; Renewable Energy Rider Program; Community Solar Program; Enviro Watts Program.

Farmers continued to offer Demand-Side Management/Energy Efficiency programs to its members during the test year with the assistance of EKPC. In the test year, Farmers paid out \$44,830 to its members for these programs, but was reimbursed in full by EKPC, and thus, there was no impact to the test year expenses.

**Response 40(b):** Farmers was reimbursed by EKPC for amounts incurred.

**Response 40(c) – 40(d):****Test Year 2024:**

Owner-Member	Farmers RECC	Totals YTD by Program	MWh / kWh and MW Saved through Dec 31, 2024			
Group / Program		Qty	MWh	kWh	Winter MW	Summer MW
Residential	17	17	76	75,993	0.001	0.004
CARES HEAT PUMP ELIGIBLE	1	1	5	4,731	0.001	0.001
Heat Pump Retrofit	7	7	53	53,176	0.000	0.002
Heat Pump Retrofit (14 SEER)	2	2	15	15,066	0.000	0.001
Heat Pump Retrofit (15 SEER & up / Geo)	1	1	3	3,020	0.000	0.000
LED-Promotional	6	6	0	0	0.000	0.000
Sw itches	-6	-6	-0	-35	-0.001	-0.005
DLC AC	-5	-5	-0	-25	0.000	-0.005
DLC WH	-1	-1	-0	-10	-0.001	-0.000
Total	11	11	76	75,958	0.001	-0.001
MWh	76					
Winter MW	0.001					
Summer MW	-0.001					

**Calendar Year 2023:**

Owner-Member	Farmers RECC	Totals YTD by Program	MWh / kWh and MW Saved through Dec 31, 2023			
Group / Program		Qty	MWh	kWh	Winter MW	Summer MW
Residential	12	12	57	56,589	0.006	0.004
CARES HEAT PUMP ELIGIBLE	4	4	19	18,924	0.006	0.003
Heat Pump Retrofit	1	1	8	7,533	0.000	0.000
Heat Pump Retrofit (14 SEER)	4	4	30	30,132	0.000	0.001
LED-Promotional	3	3	0	0	0.000	0.000
Sw itches	-9	-9	-0	-55	-0.001	-0.008
DLC AC	-7	-7	-0	-35	0.000	-0.007
DLC WH	-2	-2	-0	-20	-0.001	-0.001
Total	3	3	57	56,534	0.005	-0.003
MWh	57					
Winter MW	0.005					
Summer MW	-0.003					

**Response 40(c) – 40(d):****Calendar Year 2022:**

Owner-Member	Farmers RECC	Totals YTD by Program	MWh / kWh and MW Saved through Dec 31, 2022			
			Qty	MWh	kWh	Winter MW
Group / Program						Summer MW
Residential	34	34	104	103,631	0.005	0.006
Button Up - Level I	2	2	2	2,465	0.002	0.001
CARES HEAT PUMP ELIGIBLE	2	2	9	9,462	0.003	0.001
Heat Pump Retrofit (14 SEER)	8	8	60	60,264	0.000	0.003
Heat Pump Retrofit (15 SEER & up / Geo)	6	6	31	31,056	0.000	0.002
LED-Promotional	16	16	0	384	0.000	0.000
Sw itches	-11	-11	-0	-60	-0.001	-0.010
DLC AC	-10	-10	-0	-50	0.000	-0.010
DLC WH	-1	-1	-0	-10	-0.001	-0.000
Total	23	23	104	103,571	0.004	-0.004
MWh	104					
Winter MW	0.004					
Summer MW	-0.004					

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 41:** Provide the following information with regard to uncollectible accounts for the test year and three preceding calendar years (taxable year acceptable):

- a. Reserve account balance at the beginning of the year;
- b. Charges to reserve account (accounts charged off);
- c. Credits to reserve account;
- d. Current year provision;
- e. Reserve account balance at the end of the year; and
- f. Percent of provision to total revenue.

**Response 41(a) through 41(f):** Please see the Excel spreadsheet provided separately.

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**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 42:** Provide an analysis of Other Operating Taxes as shown in Schedule J for the most recent calendar year.

**Response 42:** Please see the Excel file provided separately.

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SEPERATELY**

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 43:** Provide a detailed analysis of expenses incurred during the test year for professional services, as shown in Schedule K, and all workpapers supporting the analysis. At a minimum, the workpapers should show the payee, dollar amount, reference (i.e., voucher no. etc.) account charged, hourly rates and time charged to Farmers RECC according to each invoice, and a description of the services performed.

**Response 43:** Please see the Excel spreadsheet provided separately.

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SEPERATELY**

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 44:** Provide the following information for Farmers RECC. If any amounts were allocated, show a calculation of the factor used to allocate each amount.

a. A detailed analysis of all charges booked during the test year for advertising expenditures. Include a complete breakdown of Account No. 913 – Advertising Expenses, and any other advertising expenditures included in any other expense accounts, as shown in Schedule L1. The analysis should specify the purpose of the expenditure and the expected benefit to be derived.

b. An analysis of Account No. 930 – Miscellaneous General expenses for the test year. Include a complete breakdown of this account as shown in Schedule L2 and provide detailed workpapers supporting this analysis. At a minimum, the workpapers should show the date, vendor, reference (i.e., voucher no., etc.), dollar amount, and brief description of each expenditure of \$500 or more, provided that lesser items are grouped by classes as shown in Schedule L2.

c. An analysis of Account No. 426 – Other Income Deductions for the test year. Include a complete breakdown of this account as shown in Schedule L3 and provide detailed workpapers supporting this analysis. At a minimum, the workpapers should show the date, vendor, reference (i.e., voucher no. etc.), dollar amount, and brief description of each expenditure of \$500 or more, provided that lesser items are grouped by classes as shown in Schedule L3.

**Response 44(a):** Farmers does not utilize general ledger account 913. Advertising expense is included in response (c) below.

**Response 44(b) - (c):** Please see the Excel spreadsheets provided separately of Accounts 930 and 426. Please also see the Application, Exhibit 10, Direct Testimony of John Wolfram, Exhibit JW-2, Reference Schedules 1.08 and 1.09.

**ATTACHMENT IS AN  
EXCEL SPREADHSEET  
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**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 45:** Provide the name and personal mailing address of each member of Farmers RECC's board of directors. Also identify the board members who are representatives to the Kentucky Association of Electric Cooperatives or the National Rural Electric Cooperative Association. If any changes occur in board membership during the course of this proceeding, update the response to this request.

**Response 45:**

	<b>RANDY LONDON</b>		<b>PAUL HAWKINS</b>	
	BOARD CHAIRMAN		7925 CUB RUN HWY	
	230 B. BASTIN RD		MUNFORDVILLE KY 42765	
	CAVE CITY KY 42127			
			<b>C. F. MARTIN, JR.</b>	
	<b>CORNELIUS FAULKNER</b>		6489 BUNNELL CROSSING	
	BOARD VICE CHAIRMAN		HARDYVILLE KY 42746	
	<i>KEC Representative</i>			
	513 MEGAN LANE		<b>RANDY D. SEXTON</b>	
	GLASGOW KY 42141		<i>EKPC Representative</i>	
			130 CLAY LICK ACRES RD	
	<b>BRANDI WILLIAMS</b>		EDMONTON KY 42129	
	SECRETARY TREASURER			
	42 BLUE SKY DRIVE		<b>RONNIE D SMITH</b>	
	GLASGOW KY 42141		238 ROBERTS ROAD	
			CENTER KY 42214	

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 46:** Provide a detailed analysis of the total compensation paid to each member of the board of directors during the test year, including all fees, fringe benefits, and expenses, with a description of the type of meetings, seminars, etc., attended by each member. If any of the listed expenses in this analysis include the costs for directors' spouses, list expenses for the directors' spouses separately.

**Response 46:** Please see the Excel spreadsheet provided separately. Also, see the Application, Exhibit 10, Direct Testimony of John Wolfram, Exhibit JW-2, Reference Schedule 1.09.

**ATTACHMENT IS AN  
EXCEL SPREADHSEET  
AND UPLOADED  
SEPERATELY**

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 47:** Provide Farmers RECC's written policies on the compensation of its attorneys, auditors, and all other professional service providers. Include a schedule of fees, per diems, and other compensation in effect during the test year. Include all agreements, contracts, memoranda of understanding, and any other documentation that explains the nature and type of reimbursement paid for professional services. If any changes occurred during the test year, indicate the effective date of these changes and the reason for these changes.

**Response 47:** Farmers' policies concerning the function and compensation of its corporate attorney is attached as Attachment PSC 1-47(a). Please also see attached the most recent engagement letters, or engagement letters applicable to the test year for various consultants attached as Attachment DR 1-47(b).

## **ATTACHMENT PSC 1-47(a)**

# FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION

## POLICY NO. 151

### FUNCTIONS AND COMPENSATION OF COOPERATIVE ATTORNEY

#### **I. POLICY**

The Board of Directors shall select and the Cooperative shall maintain a continuing relationship with a competent attorney to provide the Cooperative with sound and timely general legal guidance and counsel in order to ensure maximum protection of the legal rights of the Cooperative and to maintain its operations within the limits prescribed by law.

#### **II. PROVISIONS**

##### **A. Functions**

The services required of the attorney will vary in nature and extent according to the conditions and problems that arise. These services can be divided into routine and special services.

##### **1. Routine Services**

- a. Attendance at regular and special Board meetings, or meetings of committees of the Board, when requested by the Board or President and CEO.
- b. Review of the minutes and proceedings of all regular and special Board meetings to check conformity with the Bylaws and applicable state and federal laws and regulations.
- c. Review of the minutes, resolutions, notice of meetings, and proceedings of the annual meeting of the members, or of special meetings of the members, and attending such meetings to be available for consultation and participation if events warrant.
- d. Review and legal approval of standard contracts and other standard documents as to form, substance, and execution.
- e. Advice, consultation, and correspondence concerning miscellaneous legal matters of a minor nature not requiring an unusual amount of time, study, and attention.

# FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION

## POLICY NO. 151

### FUNCTIONS AND COMPENSATION OF COOPERATIVE ATTORNEY

- f. Attendance at association meetings pertaining to the activities of the Cooperative where special services are not required and the choice of attending is left to the discretion of the attorney.

#### 2. Special Services

- a. Review and legal approval of special contracts and other special documents as to form, substance, and execution.
- b. Preparation and legal review of documents and matters pertaining to the disposition or acquisition of real property and interests in real property.
- c. Preparation and legal review of documents and matters pertaining to loans and mortgages.
- d. Representation of the Cooperative in state or federal court, or before a local, state, or federal agency.
- e. Collection activities regarding money owed to the Cooperative when specifically requested to do so by the Board or President and CEO.
- f. Special requests from the Board or President and CEO for actions, opinions, or advice that require considerable time, study, and research.
- g. All types of legal proceedings, other than those of a minor and routine nature, and those under the direction of the legal department of the Cooperative's insurance carrier.
- h. Attendance at association meetings pertaining to the legal responsibilities and concerns of the Cooperative when specifically required by the Board or President and CEO.

#### B. Compensation

- 1. Routine services shall be compensated for and included in the monthly retainer fee as agreed upon from time to time by the Board of Directors and the attorney with the following exceptions:

# **FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION**

## **POLICY NO. 151**

### **FUNCTIONS AND COMPENSATION OF COOPERATIVE ATTORNEY**

- a. The attorney shall be compensated and reimbursed for attendance at special Board meetings, or meetings of committees of the Board, in the same manner as members of the Board of Directors.
  - b. The attorney shall be compensated and reimbursed for voluntary attendance at association meetings pertaining to the activities of the Cooperative in the same manner as members of the Board of Directors.
2. Special services as described above shall be compensated for at the hourly rate as contractually agreed upon from time to time by the Board of Directors and the attorney.
3. The Cooperative shall reimburse the attorney for all reasonable and legitimate expenses incurred and associated with representation of the Cooperative.

### **III. RESPONSIBILITY**

The Board of Directors and the President and CEO shall be responsible for the administration of this policy.

**ATTACHMENT PSC 1-47(b)**



CAMPBELL, MYERS AND RUTLEDGE, PLLC

Cindy L. Greer, CPA • R. Brent Billingsley, CPA • Ryan A. Mosier, CPA

Skip R. Campbell, CPA • L. Joe Rutledge, CPA • Jenna B. Glass, CPA • Jordan T. Constant, CPA • Lane S. Norris, CPA

December 1, 2024

To Board of Directors and Management  
Farmers Rural Electric Cooperative Corporation  
504 South Broadway Street  
Glasgow, KY 42141

We are pleased to confirm our understanding of the services we are to provide Farmers Rural Electric Cooperative Corporation and Subsidiary for the years ended December 31, 2024 and 2023.

#### **Audit Scope and Objectives**

We will audit the financial statements of Farmers Rural Electric Cooperative Corporation and Subsidiary as of and for the years ended December 31, 2024 and 2023.

We have also been engaged to report on supplementary information other than RSI that accompanies Farmers Rural Electric Cooperative Corporation and Subsidiary's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements:

- 1) Consolidating Balance Sheets
- 2) Consolidating Statements of Revenue

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records of Farmers Rural Electric Cooperative Corporation and Subsidiary and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable

assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We have identified the following significant risks of material misstatement as part of our audit planning:

#### Revenue recognition and management override of controls

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of financial statements does not relieve you of your responsibilities.

#### **Audit Procedures—Internal Control**

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

## **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Farmers Rural Electric Cooperative Corporation and Subsidiary's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

## **Responsibilities of Management for the Financial Statements**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us; for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, or contracts or grant agreements that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to [include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon]. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any

significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

#### **Other Services**

We will also assist in preparing the financial statements and related notes of Farmers Rural Electric Cooperative Corporation and Subsidiary in conformity with accounting principles generally accepted in the United States of America based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

#### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the Cooperative; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Campbell, Myers and Rutledge, PLLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a Regulator or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for the purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Campbell, Myers and Rutledge, PLLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Regulator. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Cindy Greer, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, confirmation service provider fees, etc.) except that we agree that our gross fee, including expenses, will not exceed \$19,500. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be

encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

### Reporting

We will issue a written report upon completion of our audit of Farmers Rural Electric Cooperative Corporation and Subsidiary's financial statements. Our report will be addressed to management and those charged with governance of Farmers Rural Electric Cooperative Corporation and Subsidiary. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will state (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that Farmers Rural Electric Cooperative Corporation and Subsidiary is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

We appreciate the opportunity to be of service to Farmers Rural Electric Cooperative Corporation and Subsidiary and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

*Campbell, Myers and Rutledge, PLLC*

### RESPONSE:

This letter correctly sets forth the understanding of Farmers Rural Electric Cooperative Corporation and Subsidiary.

Management signature: \_\_\_\_\_



Title: \_\_\_\_\_

*President + CEO*



*Jones, Nale & Mattingly PLC*

## **REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL**

To the Members of  
Campbell, Myers & Rutledge, PLLC  
and the Peer Review Alliance Report Acceptance Committee

We have reviewed the system of quality control for the accounting and auditing practice of Campbell, Myers & Rutledge, PLLC (the firm) in effect for the year ended December 31, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### **Firm's Responsibility**

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of the applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### **Peer Reviewer's Responsibility**

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

### **Required Selections and Considerations**

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

## Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Campbell, Myers & Rutledge, PLLC in effect for the year ended December 31, 2023, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Campbell, Myers & Rutledge, PLLC has received a peer review rating of *pass*.

*Jones, Nale & Mattingly PC*

Louisville, Kentucky  
October 3, 2024

*Proposal for Consulting Services For*

**Farmers R.E.C.C.**

**Cost of Service Study  
& Rate Design**

**November 1, 2024**

*Submitted By*

**CATALYST**  
CONSULTING LLC





November 1, 2024

Toby Moss  
President/CEO  
Farmers R.E.C.C.  
504 South Broadway  
Glasgow, Kentucky 42141

Dear Toby,

Thank you for giving Catalyst Consulting LLC the opportunity to submit a proposal to assist Farmers R.E.C.C. in performing a cost of service and rate design study.

Please let me know if you have any questions about this proposal. I look forward to assisting you on this initiative.

Sincerely,

A handwritten signature in black ink, appearing to read "John Wolfram", with a long, sweeping horizontal line extending to the right.

John Wolfram  
Principal

Enclosure

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## **Executive Summary**

This proposal provides a quote for consulting services to assist Farmers R.E.C.C. ("Farmers") by

- 1) collecting the data necessary to perform a cost of service and rate study;
- 2) determining the target annual revenue requirement;
- 3) preparing a fully allocated, embedded cost of service analysis which will utilize a cost of service model that functionally assigns, classifies, and allocates all the utility's accounting costs and plant for a twelve-month test period;
- 4) determining and/or reviewing pro forma adjustments to reflect any known and measurable changes to the test period values;
- 5) calculating a rate of return for each rate class;
- 6) calculating per-unit costs which reflect unbundled cost-based rates for each rate class;
- 7) evaluating how well each rate component in the current rates reflects cost causation and recommending alternatives for rate modifications that would better reflect cost causation;
- 8) designing electric rates;
- 9) delivering a presentation to the Board of Directors regarding cost of service study results;
- 10) preparing and supporting a rate filing before the Kentucky Public Service Commission ("Commission").

To make the cost of service study more useful, Catalyst Consulting will provide Farmers with all the cost of service models, consumption analyses, and rate design models electronically in Microsoft Excel® format at the end of the study.

## Scope of Work

Catalyst Consulting will perform the following services on this project.

### 1. Data Collection & Review

Catalyst Consulting will provide Farmers with a list of information required to conduct the studies. Additional items and/or discussion around the data required for filing a rate case may follow initial review. Catalyst Consulting will review the data provided and may assist with preparing the filing requirements for a rate case.

### 2. Revenue Requirement

- a) Catalyst Consulting will work with Farmers staff to prepare the estimated annual target margins for electric operations.
- b) Catalyst Consulting will work with Farmers to develop pro forma adjustments, based on information provided by the utility, to ensure that the cost of service study reflects revenues and expenses that will be incurred when the new rates become effective.

### 3. Cost of Service Study

- a) Catalyst Consulting will develop a fully-allocated, embedded cost-of-service study to identify the relative responsibility of each electric rate classification for the recovery of the costs of service.
- b) The cost of service study will utilize a standardized Microsoft Excel® model that functionally assigns, classifies, and allocates all of the utility's accounting costs for the twelve month test period. The first step will be to functionalize all of the utility's costs into major functional groups. Functionalizing costs in this manner will permit the study to be used to develop unbundled rates, as described below. The second step will be to classify all functionalized costs as energy-related, demand-related, customer-related. The third step will be to allocate the functionalized and classified costs to the classes of customers identified by the utility. The classes of customers will generally correspond to the utility's rate schedules and special contract customers (if any). The methods used to functionally assign, classify, and allocate costs adhere to industry-accepted practices and have been accepted by regulators in numerous formal rate proceedings.
- c) Catalyst Consulting will identify the revenue requirement associated with each functional (unbundled) category. The revenue requirement will be expressed both in dollars and

on a per unit cost basis. Catalyst Consulting will allocate Farmers' functionalized revenue requirement to the rate classes as appropriate.

- d) Catalyst Consulting will calculate a rate of return for each rate class and for the overall system.
- e) Catalyst Consulting will develop per-unit costs for customer, energy, and demand cost components from the cost of service study ("cost-based rates").
- f) Catalyst Consulting will provide a copy of the cost of service model and related schedules in electronic format so that Farmers can use the models to perform further analysis on detailed cost information, evaluate management decisions, or explore additional rate options.

#### **4. Rate Design**

- a) In consultation with management, Catalyst Consulting will develop an appropriate set of rate design criteria and objectives.
- b) Catalyst Consulting will review the current Farmers rate structure and identify any differences between the current rates and the cost-based rates from the cost of service study.
- c) Catalyst Consulting will work with Farmers to design the appropriate utility rate schedules that provide revenue recovery sufficient to cover the total system revenue requirement, taking into consideration the revenue responsibility indicated by the cost of service study and Farmers' rate design policies and objectives. The rate design will include any proposed revisions to existing rate structures and classifications desired by Farmers' management team or Board of Directors.
- d) Catalyst Consulting will develop analyses for each existing rate class served by Farmers that show the billing determinants for each rate component and the revenue derived from each component and show the same billing units applied to the new proposed rate design. This shows the revenue that will be generated from the new rate design versus the old rate design and helps to ensure that the utility will receive the revenue that it needs from the new rates.
- e) Catalyst Consulting will explore other rate alternatives as directed by Farmers' management and/or Board of Directors.

## **5. Board Presentation(s)**

Catalyst Consulting will deliver presentation(s) to Farmers' Board and management team regarding the results of the cost of service and rate studies, as desired.

## **6. Support Rate Filing**

- a) Catalyst Consulting will prepare testimony and exhibits for a rate filing before the Commission to implement the rates approved by Farmers' Board.
- b) Catalyst Consulting will assist Farmers with developing filing requirements, exhibits or other schedules as desired.
- c) Catalyst Consulting will participate fully in the rate proceeding and provide broad support to the utility. This includes providing strategic guidance on the development of the filing, drafting direct testimony, preparing exhibits and schedules, drafting written responses to data requests, reviewing intervenor testimony, developing data requests, sponsoring rebuttal testimony, contributing to possible settlement negotiations, assisting in witness preparation, participating in formal hearings, preparing responses to post-hearing data requests, and assisting in the development of post-hearing briefs if applicable. The approach is to fully partner with Farmers on the filing, from start to finish, and to help in every way desired, to help achieve the most favorable ruling possible from the Commission.

## **7. Financial Assessment**

As desired, Catalyst Consulting will prepare high-level analysis of current revenue requirements, on a monthly basis, to serve as an initial assessment of the financial health of the utility. This will be on an unadjusted basis using the most recent 12 months of financial data. These assessments can be repeated monthly until such time as the management team and/or Board of Directors elect to proceed with the other proposed items in the Scope of Work.

## **Study Schedule**

Catalyst Consulting will complete this study in a timely manner and will work with Farmers' staff to meet the desired deadlines. Studies ordinarily require approximately three months. The critical path item for achieving this target is the timely provision of test period data and company information noted in Scope of Work Item 1.

## Pricing & Fee Schedules

For all activities on this project, Catalyst Consulting will charge for services at the following hourly rates:

Member	John Wolfram	\$235 per hour
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The hourly rates quoted are effective through December 31, 2025.

The cost of the work described in the Scope of Work Items 1 and 3 for the cost of service study is fixed at \$10,000. The cost estimate for the work described in Scope of Work Item 2 is \$2,000. The cost estimate for each Presentation described in Scope of Work Item 5 is \$1,500 plus travel. The cost for the work described in the Scope of Work Item 4 will vary based on the extent of necessary rate revisions and for Scope of Work Item 6 will vary based on the type of rate filing, the number of data requests and the overall complexity of the formal proceeding before the Commission. These items are challenging to estimate accurately. The cost estimate for the work described in the Scope of Work Item 7 is up to \$1,000.

Based on the nature of the filing, the entire project in total is estimated to cost as follows:

- |   |          |
|---|----------|
| 1) Traditional cost of service study and rate filing:                                     | \$45,000 |
| 2) Streamlined rate filing with cost of service study, revenue increase and rate changes: | \$20,000 |
| 3) Streamlined rate filing with cost of service study and revenue neutral rate changes:   | \$18,000 |

For all travel (if any) Catalyst Consulting will bill the actual reasonable cost of transportation, meals, lodging, and incidentals. Mileage reimbursement will be in accordance with rates allowed by the IRS. Catalyst Consulting may also bill for other ad hoc expenses, including printing, shipping, etc., if incurred. Reasonable efforts will be made to minimize expenses and obtain advantageous pricing.

For any activities that are not expressly provided for in the Scope of Work, Catalyst Consulting will bill for its services based on the time spent performing the requested services, for the actual costs of travel, accommodations, and ad hoc expenses reasonably incurred.

## Company Information

### Contact Information

Company contact information for Catalyst Consulting LLC is as follows:

Catalyst Consulting LLC  
John Wolfram, Principal  
3308 Haddon Road  
Louisville, Kentucky 40241  
Phone : (502) 599-1739  
Email: [johnwolfram@catalystcllc.com](mailto:johnwolfram@catalystcllc.com)  
Web: [www.catalystcllc.com](http://www.catalystcllc.com)  
Linkedin: [www.linkedin.com/in/johnwolfram](http://www.linkedin.com/in/johnwolfram)

## Initial Data Request

To perform the activities outlined in the Scope of Work, Catalyst Consulting will require the following information.

- 1) RUS Financial and Operating Report Electric Distribution report (formerly known as RUS Form 7) for the test year to be used in the cost of service study.
- 2) Trial Balance – showing operating revenues, expenses, and plant balances by RUS account number (consistent with RUS Bulletin 1767B-1) for the twelve month test period.
- 3) Year-End Accumulated Depreciation (depreciation reserve) by primary Plant Account Number. If not available, please provide by major functional group (i.e., Distribution, Transmission).
- 4) Annual Depreciation Expenses by primary Plant Account Number. If not available, please provide by major functional group.
- 5) Labor expenses by primary O&M account (i.e., labor dollars that have been expensed).
- 6) Monthly Billing Determinants for the test year by rate schedule. This includes all information necessary to reproduce the test period billings. As much detail as possible is desired. Billing determinants include the following, by month and by rate schedule:
  - a. Number of customers,
  - b. kWh sales,
  - c. kW billing demand (CP or NCP as billed, or both if possible)
  - d. Revenue for each rate schedule.
  - e. For Seasonal and TOU rate schedules, if any, please provide data by each rate block or On-Peak/Off-Peak period.
- 7) Monthly unit charges billed under all rate tracking mechanisms by rate class. Also please include any other monthly charges that are billed in the monthly revenue.
- 8) Load data for individual customers within various rate classes. As much information about load as possible is desired. Data showing estimated load at the time of the system peak is desired or any other customer load data that would permit a more

accurate estimate of customer demands by rate class at the time of the system peak. This includes monthly class maximum demands (NCP), monthly class coincident peak demands (CP), and monthly sum of the individual customer maximum demands for each class. Hourly system loads are also desired if available.

- 9) Hourly load data by rate class for 12 months for all classes for which a Time Of Use Rate is required, if available. If not available, any estimation of on-peak/off-peak differential based on experience or other data would be useful.
- 10) Monthly Purchased Power Detail for the 12-month test year. This includes invoices for wholesale power supply purchases, other transmission costs billed to Farmers if any, or any other billed amounts & invoices related to monthly purchased power expenses.
- 11) Copy of the Wholesale Supplier's Rate Schedule (including any riders or power cost adjustments) applicable to the test year and any announced or projected schedules on a prospective basis.
- 12) Estimate of installed cost of meters by rate schedule (i.e., meter installation and equipment cost for a typical customer served under each rate schedule.) This information would typically be provided by the utilities' engineering department and would be based on the *best engineering estimate* of what it currently costs to install a meter for a typical customer served under each major rate schedule (including the cost of the meter and installation costs that are booked in Account 370).
- 13) Estimate of installed cost of services by rate schedule (i.e., service installation and equipment cost for a typical customer served under each rate schedule.) This information would typically be provided by the utilities' engineering department and would be based on the *best engineering estimate* of what it currently costs to install a service for a typical customer served under each major rate schedule (including the cost of the service and installation costs that are booked in Account 369).
- 14) Continuing Property Records – CPR plant detail for the following accounts (including number of units and investment by type of equipment):
  - a. Account 364 – Poles, Towers and Fixtures
  - b. Account 365 – Overhead Conductors and Devices
  - c. Account 367 – Underground Conductors
  - d. Account 368 – Line Transformers (if account includes station transformers, then differentiate between line transformers and station transformers)

- 15) Number of streetlights and outdoor lights under each lighting schedule by month by rate schedule.
- 16) Copy of all special contracts, if any.
- 17) Table of balances for (a) Materials & Supplies and (b) Prepayments for 13 months (test year plus last month before test year) for use in filed COS.
- 18) Any information from previous rate adjustments or studies that may be pertinent to this study.

Catalyst Consulting will require frequent interaction with members of the Farmers staff during this project, especially with employees from the finance and accounting area.

Additional information may be required after review of the data or policies requested above.

Please feel free to ask any questions regarding these data requirements.

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 48:** Provide Farmers RECC's policies, specifying the compensation of directors and a schedule of standard directors' fees, per diems, and other compensation in effect during the test year. If changes occurred during the test year, indicate the effective date and the reason for the changes.

**Response 48:** Please see Attachment PSC 1-48 for the Board policy. There were no changes to the policy during the test year.

## **ATTACHMENT PSC 1-48**

# FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION

## POLICY NO. 152

### DIRECTOR'S COMPENSATION

#### I. POLICY

In order to encourage proper involvement in the governance of Farmers Rural Electric Cooperative Corporation ("Cooperative"), it shall be the practice of the Cooperative to adequately and fairly compensate directors for the time and effort they spend in considering and conducting the Cooperative's business.

#### II. PROVISIONS

A. Director's fees are set as follows for service on the board, attendance to the Cooperative's monthly board meetings and other board-authorized meetings specific to the organization:

1. The Chairman of the board shall receive a monthly stipend of \$1,100. All other directors shall receive a monthly stipend of \$800. plus:
2. \$300 per meeting per diem for regular and special board meetings, committee meetings, training meetings, and all other authorized meetings. The Board of Directors, at its discretion, may reduce the amount of the fee paid for any meeting of shorter duration or limited agenda.
3. If a director is attending another authorized Cooperative meeting on the same day as the regular monthly board meeting (i.e. committee meeting), then the director shall be paid only one per diem fee for that day. The rate paid for that day shall be the normal board meeting per diem of \$300. Should other authorized meetings occur on a day different from the normal board meeting day, then the per diem of \$300 per day shall be paid.
4. In the event the board authorizes a director to participate in a normal, monthly board meeting by conference call or by virtual meeting via the internet, the per diem shall be \$300 unless otherwise determined by the board.

Should a director attend an authorized Cooperative meeting by conference call or by virtual meeting, and the duration is three (3) hours or less, then the meeting fee shall be \$150.00. If the meeting duration is one (1) hour or less, then attendance shall be covered under the regular monthly stipend with no additional meeting fee compensation. In both of these situations, it is assumed no travel is involved as they are virtual or conference call meetings.

# **FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION**

## **POLICY NO. 152**

### **DIRECTOR'S COMPENSATION**

5. If the director misses a regular board meeting due to illness or death of an immediate family member, the per diem for that meeting shall be paid. Subsequent absences will be addressed by the Board on a case-by-case basis.
6. When a meeting is held at a distance requiring a Director to travel out of state on a day prior to and/or a day after the meeting, payment for such additional travel and expenses shall be limited to one additional day's compensation.

#### **B. Compensation for Service on Associated Boards:**

- a. Where directors serve on associated-organization boards, as board-designated and approved representatives for Farmers Rural Electric Cooperative, should the daily per diem paid for such representation from those organizations be less than \$300 per day, then the cooperative shall compensate the director for the difference to ensure that the normal daily per diem is received for service.

#### **C. Expenses:**

- a. Expenses shall be paid/reimbursed in accordance with Policy 102 – Travel and Expense Reimbursement – Directors.

#### **D. Dental insurance coverage:**

- a. Directors may elect to participate in the Cooperative's dental insurance program by paying the full cost of the monthly premium for either a single or family plan. Payment shall be made monthly.

#### **E. Term and Travel Insurance:**

- a. Directors may elect to participate in the Cooperative's NRECA Term Life and Travel insurance group policy by paying the full cost of the monthly premiums. Payment shall be made monthly. They will qualify for varying amounts of coverage based upon their age and any other terms as dictated by the Summary Plan Description.

# **FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION**

## **POLICY NO. 152**

### **DIRECTOR'S COMPENSATION**

#### **III. RESPONSIBILITY**

The Board of Directors and the President and CEO shall be responsible for the administration of this policy.

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 49:** Provide the date, time, and a general description of the activities at the most recent annual members' meeting. Indicate the number of new board members elected. For the most recent meeting and the five previous annual members' meetings, provide the number of members in attendance, the number of members voting for new board members, and the total cost of the meeting.

**Response 49:** Farmers held its Annual Meeting on July 25, 2024, at the Cave Area Conference Center. This year's annual meeting was marked by a new drive-thru registration process and a productive business meeting. From 8:00AM to 4:00PM, attendees enjoyed the convenience of the drive-thru registration, where they were greeted by Farmers employees and handed their bucket and bulbs. At 2:00PM, the business meeting was called to order. Members attended in person and virtually. The state of the Cooperative was reported to the membership by Farmers' President and CEO, Tobias Moss. Mr. Moss gave a brief description of what a cooperative is and how they operate differently than other forms of business under the seven cooperative principles. He also reported on the Cooperative's involvement in the communities that Farmers serves. There being no further business, the meeting was adjourned.

Please see the attached excel sheet for additional data regarding the 2024 meeting and information on the five previous annual members' meetings.

**ATTACHMENT IS AN  
EXCEL SPREADHSEET  
AND UPLOADED  
SEPERATELY**

**Farmers Rural Electric Cooperative Corporation**

**Case No. 2025-00107**

**Commission Staff's First Request for Information**

**Request 50:** Provide any information, when known, that would have a material effect on net operating income, rate base, or cost of capital that have incurred after the test year but were not incorporated in the filed testimony and exhibits.

**Response 50:** Farmers knows of no material item that has occurred after the test year but will inform the Commission if and when any material item is identified.

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 51:** For the test year and the five preceding calendar years, provide a schedule detailing all nonrecurring charges by customer class which includes:

- a. Type of charge;
- b. Amount billed;
- c. Amount recovered;
- d. Number of times the charge was assessed; and
- e. Support for the nonrecurring charge.

**Response 51:** Please see the Excel spreadsheets provided separately.

**ATTACHMENT IS AN  
EXCEL SPREADHSEET  
AND UPLOADED  
SEPERATELY**

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 52:** To the extent not already provided, provide a copy of each cost of service study, billing analysis, and all exhibits and schedules that were prepared in Farmers RECC's rate application in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

**Response 52:** The Excel spreadsheet files responsive to this request were uploaded to the Commission website on May 5, 2025, concurrent with the filing of the Application in this docket.

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 53:** To the extent not already provided, provide all workpapers, calculations, and assumptions Farmers RECC used to develop its test year financial information in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

**Response 53:** The Excel spreadsheet files responsive to this request were uploaded to the Commission website on May 5, 2025, concurrent with the filing of the Application in this docket.

**Farmers Rural Electric Cooperative Corporation**  
**Case No. 2025-00107**  
**Commission Staff's First Request for Information**

**Request 54:** State the credit metrics that are used in Farmers RECC's debt covenants.

**Response 54:** The Rural Utilities Service ("RUS") Loan Contract, Section 5.4.(b), Rates to Provide Sufficient to Meet Coverage Ratio 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 National Rural Utilities Cooperative Finance Corporation ("CFC") Loan Agreement, Section 5.01 A states:

*The Borrower shall achieve an Average DSC Ratio of not less than 1.35.*

Please refer to Exhibit 9, JP-1 of the Application for definitions, formulas and calculations of the credit metrics.