

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

In the Matter of:

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

**ATTORNEY GENERAL’S FIRST REQUEST FOR INFORMATION TO
FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION**

Comes now the Attorney General of the Commonwealth of Kentucky, by his Office of Rate Intervention (“Attorney General”), and submits these Data Requests to Farmers Rural Electric Cooperative Corporation (hereinafter “Farmers RECC” or “company”) to be answered by the date specified in the Commission’s May 13, 2025 Orders of Procedure in accord with the following:

- (1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate requested item will be deemed a satisfactory response.
- (2) Identify the witness who will be prepared to answer questions concerning each request.
- (3) Repeat the question to which each response is intended to refer.
- (4) These requests shall be deemed continuing so as to require further and supplemental responses if the companies receive or generate additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

(6) If you believe any request appears confusing, please request clarification directly from undersigned Counsel.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self-evident to a person not familiar with the printout.

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, notify undersigned Counsel as soon as possible, and in accordance with Commission direction.

(10) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements,

interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other

electronically maintained or transmitted information regardless of the media or format in which they are stored, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(13) Provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

(14) "And" and "or" should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.

(15) "Each" and "any" should be considered to be both singular and plural, unless specifically stated otherwise.

Respectfully submitted,

RUSSELL COLEMAN
ATTORNEY GENERAL



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Certificate of Service and Filing

Pursuant to the Commission's Orders and in accord with all other applicable law, Counsel certifies that, on May 29, 2025 an electronic copy of the foregoing was served via the Commission's electronic filing system.

this 29th day of May, 2025.

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

Assistant Attorney General

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FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION
No. 2025-00107**

Data Requests

1. Provide copies of all confidential documents previously filed with the Commission in this proceeding.
2. Refer to the Application generally. Provide an organizational chart of Farmers RECC, including all positions. If a position is vacant designate as such.
3. Refer to the Application, paragraph 1, in which Farmers RECC states that it provides electric power to approximately 26,900 members in the Kentucky counties of Adair, Barren, Edmonson, Grayson, Green, Hardin, Hart, Larue, Metcalfe, Monroe and Warren.
 - a. Provide a detailed account of all economic issues that the Company's customers in the above-referenced counties are experiencing at the present time.
 - b. Provide Farmers RECC's actual number of customers for the years 2023 – 2025.
 - c. Explain in detail whether Farmers RECC projects a future gain or loss of customers and provide copies of all such projections concerning the same.
 - d. Provide Farmers total annual energy sales for the years 2023 – 2025.
 - e. Explain whether Farmers RECC expects annual energy sales to increase or decrease, and provide copies of all such projections.
 - f. Provide a map of Farmers RECC's electric service area.
 - g. Provide a list of all rural electric cooperatives and investor-owned electric utilities whose service territory is contiguous with Farmers RECC's service territory.

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h. Explain whether Farmers RECC has ever worked, or plans on working, with any other rural electric cooperative or investor-owned electric utility on any joint ventures to provide electricity to Adair, Barren, Edmonson, Grayson, Green, Hardin, Hart, Larue, Metcalfe, Monroe and Warren counties.

i. Based upon the most recent United States Census information, the poverty rates for Farmers RECC's electric service area are as follows:

Adair County – 22.1%

Barren County – 18.01%,

Edmonson County – 16%,

Grayson County – 17.8%,

Green County – 17.6%,

Hardin County – 14.2%,

Hart County – 17.7%,

Larue County – 16.1%,

Metcalfe County – 24.2%,

Monroe County – 23.7%.

Warren County – 14.2%.¹

Confirm that Farmers RECC is aware of the above significant percentages of its electric customers who live at or below the poverty line.

j. Based upon the high poverty rates that exist in the Farmers RECC electric service area, explain in detail all low-income assistance programs and payment plan

¹<https://www.census.gov/quickfacts/fact/table/greencountykentucky,graysoncountykentucky,edmonsoncountykentucky,barrencountykentucky,adaircountykentucky,US/IPE120223>;
<https://www.census.gov/quickfacts/fact/table/warrencountykentucky,monroecountykentucky,metcalfecountykentucky,laruecountykentucky,hartcountykentucky,hardincountykentucky/IPE120223>

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options that Farmers RECC provides to its customers experiencing difficulty paying their electric bills.

- k. Please advise if Farmers RECC has any plans in place if the federal government cuts LIHEAP funds in the near future. Further, please advise if Farmers RECC and/or other cooperatives in the EKPC family are having discussions regarding possible options in response to these proposed cuts.
- 4. Refer to the Application generally. Explain in detail whether there are any direct charges, allocated costs, surcharges, pass-through charges, etc., from East Kentucky Power Cooperative (“EKPC”), or any other entity, to Farmers RECC. If so, provide a detailed list of the same with explanations for each allocated charge.
- 5. For all payments Farmers makes with its own credit cards, provide the total amount of credits the Company has accrued from the credit card issuer for each of the past three years, and provide the accounting and journal entries for these credits.
 - a. Explain whether any employees are allowed to accrue points or any other remuneration arising from use of company credit cards.
- 6. Refer to the Application generally.
 - a. Explain in detail whether Farmers RECC has participated in, or continues to participate in, the Rural Utilities Service’s (“RUS”) Cushion of Credit program.
 - b. Confirm that the RUS Cushion of Credit program allowed cooperatives to deposit cash with RUS from funds available in excess of its debt service requirements and earn interest on those deposits at 5.0%. However, when changes were made to the

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RUS Cushion of Credit Program through the enactment of the 2018 Farm Bill, it modified the interest rate on those deposits from 5% to the 1-year variable treasury rate on October 1st of each year. The 2018 Farm Bill also allowed for cooperatives to apply the Cushion of Credit funds to outstanding RUS and Federal Financing Bank (“FFB”) loans by September 30, 2020, without prepayment penalties.² If not confirmed, explain why not.

- c. Explain whether Farmers RECC is aware of any further updates to the RUS Cushion of Credit program since the 2018 Farm Bill was enacted.
- d. If Farmers RECC received interest income from the RUS Cushion of Credit program for the test year, explain whether this amount was included in the revenue requirement. If not, explain why not.
- e. When changes were made to the Federal Farm Bill in 2018, explain whether Farmers RECC used its Cushion of Credit deposit amounts to prepay its RUS/FFB loans without penalty from the period of December 20, 2018 – September 30, 2020. If not, explain in detail why not.
- f. Provide a detailed account of Farmers RECC’s Cushion of Credit deposit amounts for the years 2023 – 2026.
- g. Provide a detailed account of Farmers RECC’s RUS/FFB loans, with the corresponding principal and interest amounts, for the years 2023 – 2025.

²<https://www.federalregister.gov/documents/2019/06/07/2019-11924/announcement-of-new-cushion-of-credit-program-provisions>; <https://www.usda.gov/farmbill>; <https://www.electric.coop/farm-bill-advances-electric-co-op-interests-in-rural-development-broadband>.

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7. Refer to the Application, paragraph 4. Farmers RECC asserts that it is requesting a \$2,365,822.00 rate increase, or 3.94%, increase to achieve an Operating Times Interest Earned Ratio ("OTIER") of 1.85.
 - a. Provide Farmers RECC's TIER for the years 2014 – 2025, with and without the removal of G&T Capital Credits.
 - b. Provide Farmers RECC's Operating Times Interest Earned Ratio ("OTIER") for the years 2014 – 2025.
 - c. Provide the monetary amount that the Company's rate increase would be if based upon a 2.00 TIER, with and without the removal of G&T Capital Credits. Be sure to include interest income, non-operating margins, capital credits, and dividends in the calculation as required by TIER.
8. Farmers RECC states that it is requesting an increase in the monthly residential customer charge from \$18.12 to \$27.79.
 - a. Explain how seeking to increase the monthly residential customer charge from \$18.12 to \$27.79, which is an increase of approximately 53.37%, is in line with the principle of gradualism.
 - b. Explain whether Farmers RECC contemplated proposing a lower increase to the monthly residential customer charge so as not to create rate shock for the customers.
 - c. Explain whether Farmers RECC contemplated implementing the proposed higher customer charge in two or multiple phases instead of a 53.37% increase at one time.

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- d. Explain whether the increase in the customer charge is beneficial to residential ratepayers, and if so, how.
 - e. Provide the cost of service for each rate class applicable to fixed cost as determined for this application.
 - f. Provide a list of all electric utilities in Kentucky, with the corresponding monthly residential customer charge, residential volumetric charge, average bill, and rank the utilities from lowest to highest average bill. Ensure to include Farmers RECC's current and proposed residential customer charge, residential volumetric charge, average bill, and rank based upon its proposed revenue requirement.
9. Refer to the Application, Paragraph 30 and Direct Testimony of Tobias Moss ("Moss Testimony"), page 6, lines 10-14. Farmers RECC asserts that it seeks this rate increase due to stagnant customer and load growth along with the increased costs of purchased power and business.
- a. Explain in detail and provide all examples of cost control measures and efficiencies that have been implemented since the last general rate case, if any.
 - b. Farmers RECC asserts that there has been a decrease in customer growth. Explain in detail whether Farmers RECC has decreased the number of employees in an effort to rightsize the utility. If not, explain in detail why not.
 - c. Explain in detail all known reasons for the decreases in customer and load growth.

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- d. Due to these issues, explain in detail whether Farmers RECC has ever discussed merger with any other similarly situated rural cooperative in order to streamline operations and obtain economies of scale. If not, explain in detail why not.

10. Refer to the Application, paragraph 30.

- a. Farmers RECC asserts that it is requesting the rate case expense to be allowed recovery in the rates and amortized over a three-year period.
 - i. Provide the total rate case expense that has been accrued thus far. Consider this a continuing request.
 - ii. Provide a breakdown of the total rate case expense that has been accrued thus far by category. Consider this a continuing request.
 - iii. Provide copies of invoices supporting the level of incurred rate case costs to date and supply such new invoices as they become available.
 - iv. Provide the estimated total rate case expense.
 - v. Provide a breakdown of the estimated total rate case expense.
 - vi. Does Farmers RECC commit to exclude charges associated with its own employees work on the rate case during regular business hours from the rate case expense? If not, explain in detail why not.

11. Refer to the Application, Exhibit 1. Farmers RECC states that, “without an adjustment of rates in the magnitude requested in this case, Farmers RECC’s insufficient rate structure will continue to put it at risk of non-compliance with its lenders...”

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- a. Explain in detail the various lender requirements.
 - b. Provide Farmers RECC's rate structure in comparison to its lender requirements for the years 2023 – 2025.
12. Refer to the application generally. What is the highest and lowest TIER and OTIER that is required by the Company's current debt covenants?
13. Refer to direct the Testimony of Jennie Gibson Phelps ("Phelps Testimony"), page 11, lines 13-16. Confirm that the average residential customer using 1053 kWh of electricity will have a \$7.99 increase, or 5.92%, to the monthly electric bill if the Commission grants Farmers RECC's rate increase request. If not confirmed, provide the proposed average residential customer monthly increase.
14. Refer to the Application generally.
 - a. Provide the average resident customer's total load.
 - b. Provide the average residential customer's current total monthly electric bill, and the projected bill if the Commission grants Farmers RECC's rate increase request.
15. Refer to the Moss testimony, pages 5-6.
 - a. Explain whether Farmers RECC handles ROW internally or if it uses contractors.
 - b. Explain whether Farmers RECC' issues requests for proposal in order to secure the most economically favorable ROW contracts.
 - c. Provide copies of all responses to the Farmers RECC requests for proposal for the last five years.

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- d. In any situation, does Farmers RECC require customers to pay for ROW clearing or maintenance?
- e. Refer to Commission's final Order in Case No. 2023-00158, page 17.³ Did Farmers RECC (a) evaluate its ROW expenses? (b) explore regional bidding together with other cooperatives, and/or with the Kentucky Transportation Cabinet"; and (c) evaluate bringing services in-house, as suggested by the Commission?

16. Refer to the Application generally.

- a. Explain whether Farmers RECC provides health savings account contributions to its employees, and if so, provide the monetary amount regarding the same.
- b. Provide a copy of all formal studies conducted that compare Farmers RECC's health insurance premium and health savings account contributions to those of local employers for the geographic area in which the Company operates. If no formal study exists explain why not.
- c. Discuss any informal studies that compare Farmers RECC's health insurance premium and health savings account contributions to those of local employers for the geographic area in which the Company operates. If no informal study exists explain why not.

³Case No. 2023-00157, *Electronic Application of Farmers Rural Electric Cooperative Corporation for a General Adjustment of Rates, Pursuant to Streamlined Procedure Pilot Program Established in Case No. 2018-00407* (Ky. PSC Oct. 3, 2023), Order at 17.

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- d. Confirm that according to the most recent data from the Bureau of Labor Statistics, the average share of premiums paid by the employer for single coverage in private industry is 80%.⁴
- e. Provide the average percentage share of premiums paid by Farmers RECC for single coverage employee health insurance.
- f. Confirm that according to the most recent data from the Bureau of Labor Statistics, the average share of premiums paid by the employer for family coverage in private industry is 68%.⁵
- g. Provide the average percentage share of premiums paid by Farmers RECC for family coverage employee health insurance.
- h. Provide the contribution amounts to insurance costs that are paid by Farmers RECC and the retirees.
- i. Provide the contribution amounts to dental insurance costs that are paid by Farmers RECC and the employees.
- j. Provide the contribution amounts to vision insurance costs that are paid by Farmers RECC and the employees.
- k. Provide the contribution amounts to short-term disability insurance that are paid by Farmers RECC and the employees.

⁴ <https://www.bls.gov/news.release/ebs2.t03.htm>, Table 3.

⁵ <https://www.bls.gov/news.release/ebs2.t04.htm>, Table 4.

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- l. Provide the contribution amounts to long-term disability insurance that are paid by Farmers RECC and the employees.
 - m. Refer to the Application generally. Indicate the annual cost and expense associated with the employer portion of health care premiums in each of the last five calendar years.
17. Refer to the Direct Testimony of John Wolfram (“Wolfram Testimony”) at pages 14 – 22. Explain whether the class cost of service study was performed in line with recent Commission precedent.⁶ If not, explain in detail why not.
18. Refer to the Application generally. Provide copies of the Board of Director Meeting Minutes for 2024 and 2025 year-to-date. Consider this an ongoing request during the pendency of this case.
19. Refer to the Application generally. Provide the total amount of contributions and donations included for recovery in the test year and the adjusted test year by separate payee, along with a description of and the purpose for each payee. Also identify the customer benefit associated with each cost.
20. Refer to the Application generally. Does Farmers RECC offer its management employees incentive compensation? If so, provide the following:

⁶ See Case No. 2021-00066, *Electronic Application of Kenergy Corp. for a General Adjustment of Rates Pursuant to Streamlined Procedure Pilot Program Established in Case No. 2018-00407* (Ky. PSC June 24, 2021), Order at 11 – 12; See Case No. 2020-00131, *Electronic Application of Meade County Rural Electric Cooperative Corporation for an Adjustment in Rates* (Ky. PSC Sept. 16, 2020), Order at 12 – 13; See Case No. 2020-00264, *Electronic Application of Cumberland Valley Electric, Inc. for a General Adjustment of Rates Pursuant to Streamlined Procedure Pilot Program Established in Case No. 2018-00407* (Ky. PSC Dec. 30, 2020), Order at 10 – 11; See Case No. 2020-00338, *Electronic Application of Licking Valley Rural Electric Cooperative Corporation for a General Adjustment of Rates Pursuant to Streamlined Procedure Pilot Program Established in Case No. 2018-00407* (Ky. PSC Apr. 8, 2021), Order at 10 – 12.

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- a. How much incentive compensation was awarded in each of the last five calendar years?
- b. How much incentive compensation is included in the test year revenue requirement?
- c. Provide all documentation related to the criteria used for awarding incentive compensation.
- d. Who is responsible for authorizing or granting incentive compensation?
- e. What positions are eligible to be awarded incentive compensation?

21. Refer to the Wolfram Testimony, Exhibit JW-2, Reference Schedule 1.08.

- a. Provide a detailed breakdown of the donations, promotional advertising, and dues.
- b. Confirm that even if some of the aforementioned expenses in (a) are being excluded for ratemaking purposes, it does not change the fact that the expenses are still being paid with ratepayer funds.⁷

22. Refer to the Application generally and to Phelps Direct Testimony at pages 6-7 in regard to the use of the Rural Utilities Service's ("RUS") Cushion of Credit program.

- a. Provide an accounting of the RUS Cushion of Credit balances from October 2023 through May 2025. For each month, provide the beginning balance, the increase for the recorded interest income, the decrease for the principal loan repayments

⁷See Case No. 2016-00077, Licking Valley RECC's response to the Attorney General's Second Request for Information, Item 5.

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made, any other activity, and the ending balance. Also indicate the account numbers for all impacted accounting entries, including but not limited to the RUS Cushion of Credit balance, interest income, and principal reductions.

- b. Provide the interest rates applicable to the RUS Cushion of Credit balances used to determine the amount of interest income and cite to the source(s) of those rates for each month October 2023 through May 2025.
 - c. Describe all current uses of the RUS Cushion of Credit balances.
 - d. Explain why Farmers RECC chose not to base its revenue requirement determination on Times Interest Earned Ratio ("TIER") but upon Operating Times Interest Earned Ratio ("OTIER"), which excludes the RUS Cushion of Credit interest income that is recorded on its books each month and used to provide debt service payments on Farmer RECC's loans.
23. Provide a trial balance with all balance sheet and income statement accounts and subaccounts for each month from May 2023 through May 2025 and each month thereafter for which actual information is available and as actual information for each subsequent month is available throughout the pendency of this proceeding.
24. Refer to the Wolfram Direct Testimony at page 8 wherein he states, "(T)he Commission has approved an OTIER of 1.85 in other recent distribution cooperative rate filings." Indicate all base rate proceedings (not streamlined cases) to Mr. Wolfram's knowledge in which a 1.85 OTIER was approved by the Commission.
25. Refer to the Application generally. State when Farmers RECC anticipates it will file its next rate case.

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26. Refer to the Application generally. Identify all surcharges, trackers and mechanisms approved by the Commission and utilized by the utility. Identify the Docket Number in which the surcharge/tracker/balancing account was initially approved, and a description of the costs/revenues being recovered via the surcharge/tracker/mechanism.
27. Refer to the Application generally.
- a. Provide the names, positions, salaries, and date of hire for all employees of Farmers RECC who are related to executive staff, such as the CEO, or any member of the Board of Directors, if any.
 - b. Provide the names of all members of the Farmers RECC Board of Directors who are related to the executive staff, such as the CEO, if any.
 - c. Explain whether Farmers RECC has a Nepotism Policy. If so, provide a copy of the policy. If not, explain why a Nepotism Policy is not in place, and whether Farmers RECC is agreeable to implementing one.
28. Refer to the Application generally. Provide the following information for Farmers RECC's salaried employees.
- a. Provide the position title and salary for each salaried employee for the years 2017 – 2024.
 - b. Provide the average raise that the salaried employees received for the years 2017 – 2024. Ensure to explain whether the annual raise is directly connected to a performance review.
 - c. Provide the average bonus that each salaried employee received for the years 2017 - 2024.
 - d. Provide all awards given to the salaried employees for the years 2017 – 2024.

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- e. Provide all vehicle allowances given to the salaried employees for the years 2017 – 2024.
 - f. Provide all incentive compensation given to the salaried employees for the years 2017 – 2024.
 - g. Provide the average raise, if any, which will be given to salaried employees for 2025.
 - h. Provide a detailed explanation of the insurance benefits provided to the Company's salaried employees, including but not limited to health, dental, vision, life insurance, etc. Ensure to include all premiums paid by the Company's salaried employees, premiums paid by the Company on the salaried employees' behalf, as well as all copays, deductibles, and maximum out of pocket amounts.
 - i. Provide a detailed explanation of the retirement benefits provided to the Company's salaried employees, including but not limited to, whether there is a defined benefit plan, 401(k) matching, etc.
 - j. Explain whether any of the salaried employees are members of a union.
29. Refer to the Application generally. Provide the following information for Farmers RECC's non-salaried employees.
- a. Provide the position title and wages for each non-salaried employee for the years 2017 – 2024.
 - b. Provide the average raise provided to the non-salaried employees for the years 2017 – 2024. Ensure to explain whether the annual raise is directly connected to a performance review.

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- c. Provide the average bonus provided to the non-salaried employees for the years 2017 – 2024.
 - d. Provide all awards given to the non-salaried employees for the years 2017 – 2024.
 - e. Provide all vehicle allowances given to the non-salaried employees for the years 2017 – 2024.
 - f. Provide all incentive compensation given to the non-salaried employees for the years 2017 – 2024.
 - g. Provide the average raise, if any, which will be given to non-salaried employees for 2025.
 - h. Provide a detailed explanation of the insurance benefits provided to the Company's non-salaried employees, including but not limited to health, dental, vision, life insurance, etc. Ensure to include all premiums paid by the Company's non-salaried employees, premiums paid by the Company on the non-salaried employees' behalf, as well as all copays, deductibles, and maximum out of pocket amounts.
 - i. Provide a detailed explanation of the retirement benefits provided to the Company's non-salaried employees, including but not limited to, whether there is a defined benefit plan, 401(k) matching, etc.
 - j. Explain whether any of the non-salaried employees are members of a union.
 - k. Describe any other type of benefit or remuneration provided to non-salaried employees.
30. Refer to the Application generally.

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- a. Provide a detailed explanation of all salary and benefits provided to the members of the Board of Directors during the years 2017 – 2024. Ensure to provide the salary amounts, and specific details regarding all benefit packages, including but not limited to health, dental, vision, accidental death and disability, life insurance, bonuses, awards, vehicle allowances, and the like.
 - b. Provide the total amount of the Board of Directors' fees for the test year.
 - c. Provide a breakdown of the total amount of the Board of Directors' fees for the test year by director and/or vendor paid.
 - d. Discuss if there will be any changes to the Board of Directors' salaries and/or benefit packages in 2025 or 2026.
 - e. When setting the Board of Directors' fees and benefits did Farmers review other Kentucky rural electric cooperative Board of Directors' fees and benefits? If so, explain in detail the findings. If not, explain in detail why not.
 - f. Provide a detailed explanation all salary and benefits provided to the Company's attorney during the years 2023 – 2025. Ensure to provide the salary amounts, and specific details regarding all benefit packages, including but not limited to health, dental, vision, accidental death and disability, life insurance, bonuses, awards, vehicle allowances, and the like.
 - g. Describe any other type of benefit remuneration provided to Board Members, and to the Company's attorney.
31. Refer to the Application generally. Provide a copy of all formal studies conducted that compare Farmers RECC's wage and benefit information to the local wage and benefit

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information for the geographic area in which Farmers operates. If no such study exists, explain why not.

32. Refer to the Application generally. Explain the current process of awarding wage/salary increases to salaried versus non-salaried and union versus non-union employees.
33. Refer to the Application generally. Explain in detail whether Farmers RECC has obtained and/or whether the Company is seeking any funds/grants from federal, state, or local sources which have been or will be made available. If so, identify the source and amount of those funds/grants. If not, and funds/grants are available for which the Company is eligible, explain why the Company is foregoing those opportunities.
34. Refer to the Application generally. Provide a succinct list that identifies all proposed pro forma adjustments, the amount of each pro forma adjustment, along with a brief description of each adjustment.
35. Refer to the Application generally. Provide a list that identifies all miscellaneous costs for the test year, including but not limited to dinners (including all holiday dinners), gifts, donations, membership dues, annual meeting costs, etc. For each cost indicate whether it was removed from or included in the requested revenue requirement.
36. Refer to the Application generally.
 - a. Explain in detail whether the employees who participate in a pension plan are required to contribute any funds to the plan.
 - b. Provide Farmers RECC's percentage contribution amount to employee pension plans.
 - c. Explain in detail whether the employees who participate in the 401(k) program are required to contribute any funds to that program.

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- d. Provide Farmers RECC's percentage contribution amount to employee 401(k) plans.
 - e. Provide a copy of all formal studies that Farmers RECC conducted and/or relied upon concerning its retirement plan contribution rates, including the pension plans and 401(k) program. If no study exists, explain why not.
 - f. Provide a copy of all formal studies conducted that compare Farmers RECC's pension plan and 401(k) contribution rates to that of local employers for the geographic area in which the Company operates. If no formal study exists, explain why not.
 - g. Discuss any informal studies that compare Farmers RECC's pension plan and 401(k) contribution rates to that of local employers for the geographic area in which the Company operates. If no informal study exists, explain why not.
37. Refer to the Application generally.
- a. Explain whether payment processing fees have risen in the past seven years.
 - b. Provide the monetary amount that Farmers RECC has included in the revenue requirement for payment processing fees, with a breakdown between each payment type.
 - c. If Farmers RECC includes credit card fees in the revenue requirement then provide the Commission case number and Order that approved these specific fees to be included in rates.
 - d. Provide all payment processing fees that Farmers RECC has paid for in the years 2017 – 2024 and provide a breakdown for each type of payment processing fee.

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- e. Identify the type of payments Farmers RECC accepts from a customer without assessing a fee.
 - f. Identify the type of payments Farmers RECC accepts only with a fee assessment.
 - g. Explain in full detail whether Farmers RECC requires a convenience fee to be added to all credit card transactions in order for other member customers to not subsidize the credit card payments. If not, explain in full detail why not.
 - h. Provide the type of credit cards that Farmers RECC accepts as payment (e.g. Visa, MasterCard, American Express, etc.), the fee that the Company pays to process each type of credit card, and the associated fee to the member customer.
 - i. Provide all other forms of payment that Farmers RECC accepts from member customers to pay the utility bill, the corresponding fees that the Company pays for each payment type, as well as all fees assessed to the member customers for each payment type.
38. Refer to the Application generally. Identify fully any and all organizations to which Farmers RECC pays dues and/or membership fees of any type or sort (hereinafter referred to as “Dues Requiring Organizations”), which engage in any one or more of the following activities (hereinafter “covered activities”):
- i. legislative advocacy, regulatory advocacy, and/or public relations;
 - ii. advertising;
 - iii. marketing;
 - iv. legislative policy research; and/or,
 - v. regulatory policy research.

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- a. If so confirmed with regard to any one or more of these organizations, identify that organization and provide the amount of Farmers RECC dues which that organization applies to covered activities, both in dollar terms and percentages of total dues.
 - b. Explain whether all or any portion of said dues are excluded from the pending rate case.
39. Refer to the Application generally. Explain whether Farmers RECC pays any dues or membership fees to law firms or trade groups which maintain an affiliate engaged in any of the covered activities identified in the preceding question.
- a. If so, identify fully the law firm or trade group by name, the name of the affiliate engaged in any such activities, and the amounts Farmers RECC paid to the law firm, trade group, or affiliate thereof for those activities.
 - b. Explain whether Farmers RECC is seeking recovery from ratepayers for any such sums identified in subpart (a) of this question.
40. Refer to the Application generally. If any affiliate of Farmers RECC pays dues to one or more Dues Requiring Organizations, and a jurisdictional portion of those dues are charged back to Farmers RECC, explain whether the dues are being recovered in rates, the amounts thereof, and precisely where they can be found in the Application.
41. Refer to the Application generally. For all expenses associated in any manner with any Dues Requiring Organization and for which the Company seeks reimbursement from ratepayers:
- a. Provide a complete copy of all invoices received from each such Dues Requiring Organization since the conclusion of the Company's last rate case;

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- b. Provide any and all documents in the Company's possession that depict how each such Dues Requiring Organization spends the dues it collects from the Company, including the percentage that applies to all covered activities.
 - c. Provide a detailed description of the services and benefits each Dues Requiring Organization provided to the Company since the conclusion of its most recent rate case. Of these services and benefits, identify which ones accrue directly to ratepayers, and explain fully how.
 - d. Explain whether any Company personnel actively participate on committees and/or perform any other work for any Dues Requiring Organizations or any other industry organization to which the Company belongs. If so:
 - i. State specifically which employees participate, how they are compensated for their time (amount and source of compensation), and the purpose and accomplishments of any such association related work; and,
 - ii. List any and all reimbursements received from industry associations, for work performed for such organizations by the Company's employees.
42. Refer to the Application generally. Provide a list of all open/vacant positions in the test year and adjusted test year including:
- a. Job title,
 - b. Date the job was created,
 - c. Length of time that the position has been open,
 - d. Explanation as to why the position is still vacant,
 - e. Planned hiring dates for each position,
 - f. Hiring dates for any of these positions that have been filled, and

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- g. Fully loaded annual salary for unfilled positions.
43. Refer to the Application generally. Provide a list of all new positions in the test year and adjusted test year including:
- a. Job title,
 - b. Date the job was created,
 - c. Length of time that the position has been open,
 - d. Planned hiring dates for each position,
 - e. Hiring dates for any of these positions that have been filled, and,
 - f. Fully loaded annual salary for unfilled positions.
44. Refer to the Application generally. Explain whether any expenses associated with vacant positions being filled after the end of the test year have been included in the pending rate increase/requested revenue requirement.
45. Refer to the Application generally. Provide a copy of and a description of the Company's merit and cost of living wage rate increase policies.
46. Refer to the Application generally.
- a. Provide the budgeted right-of-way ("ROW") maintenance expense for each of the years 2015 – 2024.
 - b. Provide the actual ROW maintenance expense for each of the years 2015 – 2024.
 - c. Provide the budgeted ROW miles trimmed for each of the years 2015 – 2024.
 - d. Provide the actual ROW miles trimmed for each of the years 2015 – 2024.
47. What is the ROW trimming cycle and what cycle is the pro forma expense level meant to achieve?

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48. Refer to the Application generally. Provide the amount of Supplemental Executive Retirement Plan (“SERP”) that the Company has provided to employees for each of the years 2015 – 2024.
49. Provide copies of all loan agreements Farmers RECC currently has in effect. These should include all loans made from the RUS, CoBank, and CFC.
50. Refer to the Application generally. Provide the following information for Farmers RECC executive staff employees.
- a. Provide the position title and salary for each executive staff employee for the years 2015-2024.
 - b. Provide the average raise that the executive staff employees received for the years 2015-2024. Ensure to explain whether the annual raise is directly connected to a performance review.
 - c. Provide the average bonus that each executive staff employee received for the years 2015-2024.
 - d. Provide all awards given to the executive staff employees for the years 2015-2024.
 - e. Provide all vehicle allowances given to the executive staff employees for the years 2015-2024.
 - f. Provide all incentive compensation given to the executive staff employees for the years 2015-2024.
 - g. Provide the average raise, if any, which will be given to executive staff employees for 2024.
 - h. Provide the average raise, if any, which will be given to executive staff employees for 2025.

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- i. Provide a detailed explanation of the insurance benefits provided to the Company's executive staff employees, including but not limited to health, dental, vision, life insurance, etc. Ensure to include all premiums paid by the Company's executive staff employees, premiums paid by the Company on the executive staff employees' behalf, as well as all copays, deductibles, and maximum out of pocket amounts.
 - j. Provide a detailed explanation of the retirement benefits provided to the Company's executive staff employees, including but not limited to, whether there is a defined benefit plan, 401(k) matching, etc.
 - k. Explain whether any of the executive staff employees are members of a union.
 - l. Describe any other type of benefit or remuneration provided to executive staff employees.
51. Refer to the Application generally. Explain in detail whether Farmers RECC has obtained and/or whether the Company is seeking any funds/grants from federal, state, or local sources which have been or will be made available. If so, identify the source and amount of those funds/grants. If not, and funds/grants are available for which the Company is eligible, explain why the Company is foregoing those opportunities.
52. Refer to the Application generally.
- a. Provide a detailed explanation of how Farmers RECC operates its Capital Credit Program, and ensure to discuss how the Company accounts for capital credits that cannot be provided back to the member due to the member passing away, moving, etc.
 - b. Provide the monetary amount of capital credits that Farmers RECC currently has on the books, separated by year.

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53. Are there Farmers RECC employees who participate in both a 401(k) plan and a Retirement Security (defined benefit) pension plan? If so, indicate how much 401(k) cost and how much defined benefit pension cost was included in the test year for these individuals.
54. Refer to the Application generally. Is the Fuel Adjustment Clause designed to recover 100% of Farmers RECC's fuel and purchase power costs?
55. Refer to the Application generally.
- a. Does Farmers RECC pay for the travel and meal expenses for Directors' spouses when the spouse accompanies the Director? If so, indicate by year, from 2020, 2021, 2022, 2023, and 2024 how much spousal travel expenses have been incurred by the Company.
 - b. Indicate how much spousal travel has been included in the adjusted test year revenue requirement.
56. Refer to the Application generally. If the TIER required by Farmers RECC's debt covenants is lower than the 2.0 TIER requested in the Cooperative's rate relief request, explain why it is necessary to have rates that provide TIER higher than required by debt covenants.
57. Refer to the Application generally. Provide copies of all approved capital plans covering the next five years.
58. Refer to the Application generally. Provide all workpapers relied upon by the witnesses to the extent they have not been previously provided.
59. Refer to the Application generally. Provide the budgeted versus actual employees by month for the last five years.

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60. Please refer to the application generally. By board member and by year, please provide a breakdown of all board of directors fees paid for each year 2015-2024. In light of the need for additional capital, has the board considered reducing its fees? If so, please provide copies of every board of directors meeting where this was discussed or voted on.
61. For each of the donations, promotional advertising, and dues payments listed on Exhibit JW-2, Reference Schedule 1.08, please provide the amount of expense incurred in each of the last five calendar years.
62. For each loan shown on Exhibit JW-2, Reference Schedule 1.03, please indicate the expiration date.
63. Please indicate the date of filing and the effective date of approved rates for each of the Company's last three rate cases.
64. Please confirm that the use of "2022" on Exhibit JW-2, Reference Schedule 1.06 was a mistake. If confirmed, what should the correct year have been?
65. Please refer to Exhibit JW-2, Reference Schedule 1.06.
- a. Please provide the reconciliation between the customer numbers in the referenced schedule and the Company's annual report for the associated year.
 - b. Please provide customers numbers for each year from 2020 to 2024 by the same rate schedule and breakdown as shown on the referenced schedule.
66. Please refer to the application generally, indicate the amount of net write-offs of customer accounts experienced in each of the last five calendar years.
67. Please identify the amount spent on outside services by vendor in each of the last five calendar years along with a brief description of the type of services rendered by each vendor.

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68. Please refer to Exhibit JW-2, Reference Schedule 1.17.

- a. When was the Outerloop Property originally purchased?
- b. What was the historical cost of the Outerloop Property?
- c. Please describe what the Outerloop Property was.
- d. What was the net book value of the Outerloop Property at the time of sale?

69. Refer to Exhibit JW-2, Reference Schedule 1.04. Please indicate the source of currently requested depreciation rates and the order approving the current depreciation rates.