

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF MEADE COUNTY RURAL	)	
ELECTRIC COOPERATIVE CORPORATION FOR	)	CASE NO.
PASS-THROUGH OF BIG RIVERS ELECTRIC	)	2011-00038
CORPORATION WHOLESAL RATE	)	
ADJUSTMENT	)	

COMMISSION STAFF'S FIRST INFORMATION REQUEST  
TO MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

Pursuant to 807 KAR 5:001, Meade County Rural Electric Cooperative Corporation ("Meade") is to file with the Commission the original and 10 copies of the following information, with a copy to all parties of record. The information requested herein is due on or before April 22, 2011. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, 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.

Meade shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Meade fails or refuses to furnish all or part of the requested information, Meade shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Provide the workpapers, spreadsheets, and other documents which show the calculation of the increase in wholesale purchased power cost that Meade is proposing to flow through to its customers. Provide the information in hard copy as well as electronic format with the formulas intact and unprotected. Include a brief narrative description of the data being provided.

2. Refer to Exhibits 2, 3, and 4 of the application. Provide these exhibits in electronic format with the formulas intact and unprotected.

3. Refer to Exhibit 3 of the application.

- a. Refer to pages 1 and 2. It appears that the Non-Fuel Adjustment Clause Purchased Power Adjustment ("FAC PPA") amounts shown in column e, Proposed Revenue, were calculated using a rate (\$.0000922) per kWh. If this is

correct, explain how the rate was calculated. If this is not correct, provide the rate used and explain how it was calculated.

b. Refer to page 1 of 2. For Schedule 3A, the Non-FAC PPA is shown as zero. Explain why it is zero for this rate class.

c. Refer to page 2. Explain why no information is provided in columns (h), (i), and (j) for Schedule 5.

4. Refer to Exhibit 4 of the application.

a. Refer to page 1 of 2. The proposed energy charge for Schedule 1 is shown as \$.065541 per kWh. The rate shown for Schedule 1 in both Exhibit 1 and in the notice filed as Exhibit 7 is \$.06554 per kWh. State which is the proposed rate for Schedule 1.

b. Refer to page 2 of 2. Explain why Meade is proposing to increase the pole rental charge in Schedule 5 for a pass-through of a wholesale rate increase.

5. Refer to Exhibit 5, page 1 of 1, and Exhibit 8 of the application, the Jack D. Gaines Testimony ("Gaines Testimony"), page 5 of 6. With regard to the proposed change to the Renewable Resource Energy Service Tariff Rider ("Renewable Resource Rider"), Mr. Gaines states that, "[t]he net effect is that there will be no net change to the existing price for renewable energy." The Renewable Resource Rider is a premium paid on top of the customers' regular rate. Given that Meade is proposing to increase the energy rates for all customer classes and to increase the Renewable Resource Rider, as calculated in Exhibit 5, explain how there is not a doubling effect of the increase for those taking service under the Renewable Resource Rider.

6. Refer to Exhibit 8 of the application, the Gaines Testimony.

a. Confirm that Exhibit 1 filed with the Application is "Exhibit JDG-1" referred to in responses to question 6 and question 8. If not, provide Exhibit JDG-1 in both hard copy and electronic format.

b. Refer to page 3 of the Gaines Testimony.

(1) Provide the calculation for the (\$481,141) that appears on line 15.

(2) Provide the calculation for the (\$437,673) that appears on line 18.

(3) Did Mr. Gaines intend to use the word "decrease" instead of "increase" on line 18? If not, explain.

c. Refer to page 5 of the Gaines Testimony, question 11.

(1) In his response to question 11, Mr. Gaines describes the proposed Non-FAC PPA. Starting at line 13, Mr. Gaines states as follows:


It has two sections. Section 1 is applicable to kWh sales made under Meade's tariffs for non-direct served customers. The current month retail charge or credit is based on the amounts charged or credited by Big Rivers on the power bill for the second month preceding the current month, plus or minus over and under corrections amounts. The over and under correction is based on the preceding month's charges or refunds versus the amount calculated to be recoverable.

State whether the above is correct or whether the amounts charged or credited to non-direct served customers is based on the amortization of a regulatory account of Meade's wholesale supplier, that the initial rate proposed for this purpose is (\$.000963) per kWh, and that it is proposed to be in effect for 24 months.

(2) Explain why Meade is not proposing new tariff pages to implement the Non-FAC PPA.

d. Refer to the response to question 8. Confirm that the flow-through multiplier on line 10 should be 1.069359.

e. Refer to the response to question 10 and Exhibit 1, Schedule 24. Confirm that Schedule 24 should be Schedule 16, Renewable Energy Resource Energy Service Tariff Rider.

  
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Jeff Derouen  
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DATED APR 07 2011

cc: Parties of record

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