

RECEIVED

APR 22 2013

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF OWEN ELECTRIC)	CASE NO. 2012-00448
COOPERATIVE, INC. FOR A GENERAL)	
INCREASE IN ITS RETAIL RATES)	

ATTORNEY GENERAL'S INITIAL DATA REQUESTS

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits these Initial Requests for Information to Owen Electric Cooperative, Inc., ["Owen"] to be answered by the date specified in the Commission's Order of Procedure, and in accord with the following instructions:

(1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.

(2) Please identify the witness(es) who will be prepared to answer questions concerning each request.

(3) Please repeat the question to which each response is intended to refer. The Office of the Attorney General can provide counsel for Owen with an electronic version of these data requests, upon request. **NOTE CAREFULLY:** Requests to which Owen must respond are contained in both the main body of the question itself, as well in any subparts appended thereto. Any failure to answer all requests set forth in the question

could result in the Attorney General filing a motion to compel, together with any and all other appropriate relief.

(4) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

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

(6) If any request appears confusing, please request clarification directly from the Office of Attorney General.

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

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

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

(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 include all information regardless of the medium or media in which they are recorded (including electronic media and e-mail), in any written, graphic or other tangible form including, but not necessarily limited to: 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 / records, 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, 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.

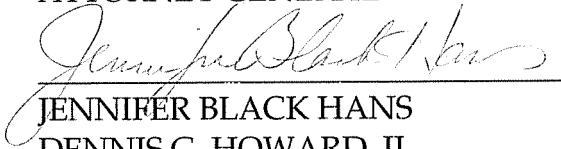
(12) In the event any document called for has been destroyed or transferred beyond the control of the company:

(a) please identify: (i) the person by whom it was destroyed and/or transferred; (ii) the transferee; and (iii) the person authorizing the destruction or transfer; and

(b) state: (i) the time, place, and method of destruction or transfer; and, (ii) the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(13) Please 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.

Respectfully submitted,
JACK CONWAY
ATTORNEY GENERAL



JENNIFER BLACK HANS
DENNIS G. HOWARD, II
LAWRENCE W. COOK
ASSISTANT ATTORNEYS GENERAL
1024 CAPITAL CENTER DRIVE, STE. 200
FRANKFORT KY 40601-8204
(502) 696-5453
FAX: (502) 573-8315

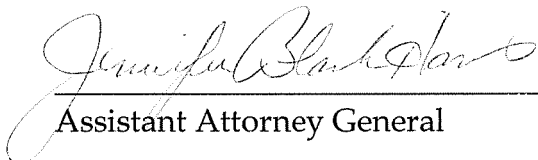
Certificate of Service and Filing

Counsel certifies that an original and ten photocopies of the foregoing were served and filed by hand delivery to Jeff Derouen, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; counsel further states that true and accurate copies of the foregoing were mailed via First Class U.S. Mail, postage pre-paid, to:

Hon. James M. Crawford
Crawford & Baxter, P.S.C.
P O Box 353
Carrollton, KY 41008

Mark Stallons
Owen Electric Cooperative, Inc.
P O Box 400
Owenton, KY 40359

This 22nd day of April, 2013



Assistant Attorney General

APPLICATION OF OWEN ELECTRIC COOPERATIVE, INC.,
FOR A GENERAL INCREASE IN ITS RETAIL RATES
CASE NO. 2012-00448
Attorney General's Initial Data Requests

1. Please confirm that Owen is seeking a total revenue increase of \$4,074,169 or 2.75% increase in current revenues or identify where in the application this information is supplied.
2. Please provide a breakdown of the average bill for Owen's residential and commercial customers using Owen's **currently approved rates**. Please include in this breakdown, the kWh usage along with any surcharges, etc., which make up the average customer's monthly bill.
3. Please provide a breakdown of the average bill for Owen's residential and commercial customers using the **rates proposed** by Owen in this case. Please include in this breakdown, the kWh usage along with any surcharges, etc., which make up the average customer's monthly bill.
4. Please state whether any relative, by blood or marriage, of Owen's board of directors or executive management team holds, or will hold any type or sort of position, whether as employee, officer, board member, contractor or consultant, with Owen.
5. Does Owen anticipate any changes in any existing contracts as a result of any change in its rate structure / proposed rate increase (e.g., engineering, information technology, maintenance, labor, etc.)?
6. Does Owen maintain any contracts with vendors whose principals are in any manner related, by blood or marriage, to Owen's officers, members of its Board, its employees, its independent contractors or consultants? If yes:
 - a. Please provide copies of any such contract, and a breakdown of how much money was spent per contract per year for the last ten (10) calendar years; and
 - b. Please state whether the contracts were awarded pursuant to a bid process, and if so, provide specifics of that bid process.
7. Does Owen have any anti-nepotism policies in place? If so, provide copies of any and all such policies, and/or memoranda referring to such policies.

APPLICATION OF OWEN ELECTRIC COOPERATIVE, INC.,
FOR A GENERAL INCREASE IN ITS RETAIL RATES
CASE NO. 2012-00448
Attorney General's Initial Data Requests

8. Does Owen employ the relatives of:
 - a. Any Owen board member;
 - b. Any Owen officer;
 - c. any Owen consultant; and/or
 - d. Any other Owen employee?

9. Has any member of Owen's Board ever served on the Board of any other business entity? If so, please state:
 - a. The name and address of each such entity, and the nature of that business; and
 - b. The length of time they served on the other entity's board.

10. Please provide a schedule listing all CWIP projects included in the rate base. For each project, provide the scheduled completion date, projected cost at completion, and identify any and all PSC orders allowing Owen to include CWIP in the rate base.

11. Please state the test year customer deposit balance.

12. Please provide the Analysis of Salaries and Wages that is normally included in cooperative rate cases, for the years 2007 to date, together with any analysis of projected salaries and wages in future years.

13. State whether Owen intends to seek recovery of any performance bonus expenses for ratemaking purposes, and if so, provide:
 - a. A quantification of the amount; the recipient(s) if officers, directors, or management;
 - b. A quantification of how many union employees received a performance bonus; the amount for each recipient; and
 - c. A complete justification for recovering such expense.

14. Provide a detailed listing of any and all performance bonus expenses for ratemaking purposes for the individuals noted in the aforementioned question for each from 2007 to the present.

APPLICATION OF OWEN ELECTRIC COOPERATIVE, INC.,
FOR A GENERAL INCREASE IN ITS RETAIL RATES
CASE NO. 2012-00448
Attorney General's Initial Data Requests

15. If the Commission approves Owen's requested rates, would the company be willing to refund any potential additional revenues it takes in as a result of having filed the case? If not, why not? Explain in complete detail.
16. Please provide a copy of the most recent power requirements study (long range demand and energy forecast) conducted by or for Owen.
17. Please provide the transmission costs billed and paid by Owen in each month of the test year.
18. Please provide for the Owen system in-total, the annual peak demand (MW) and annual energy purchases for each of the last 10 years.
19. Please provide a copy of all residential intraclass cost studies and/or analyses conducted by or for Owen.
20. For each rate schedule, please provide the following regarding test year monthly billings to customers:
 - a. The number of bills for usage through meters read monthly by Owen;
 - b. The number of bills for usage estimated monthly by Owen;
 - c. The number of bills for usage through meters read monthly by customers;
 - d. The number of bills for usage through meters retrieved telemetrically; and
 - e. The number of bills for usage tabulated other than by (a) through (d).
21. Please provide a copy of the most recent voltage line loss study conducted by or for Owen.
22. Please provide a copy of RUS Form 7 for Owen for each of the last 5 years.
23. With regard to Owen demand-side management ("DSM") and/or conservation programs, please provide the following:
 - a. Identification and detailed narrative describing each program in-place in each of the last 10 years; and
 - b. All metrics, studies and analyses relating to the cost versus benefits of each program in (a). This information should include any all quantifiable benefits that the end-users can actually see on their bills; for example, a decreased level of consumption has led to a decrease in the total bill.

APPLICATION OF OWEN ELECTRIC COOPERATIVE, INC.,
FOR A GENERAL INCREASE IN ITS RETAIL RATES
CASE NO. 2012-00448
Attorney General's Initial Data Requests

24. Please identify and provide a detailed narrative of each potential DSM and/or conservation program Owen contemplates if its proposed rate structures are approved.
25. Please provide a copy of the most recent National Rural Utilities Cooperative Finance Corporation ("CFC") Trend Report for Owen.
26. How much have Owen's revenues increased since its last two rate cases (KPSC Case Nos. 2011-00037 and 2008-00154)?
27. What is the average OTIER for past 2 years?
28. What is the average OTIER for past 3 years?
29. Provide Owen's average TIER for TY.
30. Provide Owen's average TIER last 2 years.
31. Provide Owen's average TIER last 3 years.
32. Owen, in the current case, is proposing an adjustment to its FAC charge. Has Owen proposed such any adjustment to its FAC in its latest FAC case to reflect the change Owen proposes in the current base rate case?
33. Will Gallatin also see an increase in its FAC charge?
34. State the last time that Owen has changed Gallatin's rates. Is Owen contemplating any change on Gallatin in the current rate case? If so, describe impact.
35. Reference Exhibit H of the Application. As to each of the testimonies and supporting workpapers, please confirm that all relevant work was performed by the sponsoring witness. If any workpaper, calculation or study was not performed by the sponsoring witness, please provide the following:
 - a. The name and contact information of person(s) who developed the same;
 - b. A response regarding whether the relevant information was developed using software or other tools and whether said software is deemed proprietary; and

APPLICATION OF OWEN ELECTRIC COOPERATIVE, INC.,
FOR A GENERAL INCREASE IN ITS RETAIL RATES
CASE NO. 2012-00448
Attorney General's Initial Data Requests

- c. Provide the underlying schedules in their native format and in a manner that may be analyzed to reach the same results as offered in the testimony.
36. Reference Owen's Response to PSC 1-8(c), which lists activities described as "cost containment measures to reduce controllable costs." Please quantify the total annual cost reductions realized and the proportion of the total cost attributed to each activity referenced. Please provide any and all documentation regarding such cost containment measures.
37. Reference Owen's Response to PSC 1-35. Please provide the total balance of unadvanced loan funds available to advance "when necessary," as identified in the response.
38. Reference Owen's tariff filing relating to the transition to an advanced metering infrastructure ("AMI"), KPSC Case No. 2012-00468, incorporated by reference, in this matter. How often per year would manual meters be read and subject to the \$30 per occurrence fee, if Owen's proposed tariff is approved?
39. Explain Owen's reasoning in charging the \$30 proposed meter reading fee to ratepayers refusing AMI, but not to those ratepayers for whom problems with the transmission of data prevents full use of AMI? Please explain in detail.
40. As to the specific \$30 proposed meter reading fee, what review did Owen undertake regarding the associated costs justifying such a charge and the savings that would be realized as a result of the tariff change? Please provide all underlying studies, workpapers, reports, etc. underlying Owen's review of the same.
41. Is it Owen's definitive position that its members **must** participate in the smart grid until a resolution is reached in Case No. 2012-00428, wherein the PSC has yet to render a decision on whether customers can voluntarily opt-out of smart grid?
42. Is it Owen's definitive position that its members who do not voluntarily accept smart metering must pay the additional charge of on-site meter reading?
 - a. If yes, should this issue not be withheld until a resolution in Case No. 2012-00428, wherein the PSC has yet to render a decision on the treatment of smart grid investments?

APPLICATION OF OWEN ELECTRIC COOPERATIVE, INC.,
FOR A GENERAL INCREASE IN ITS RETAIL RATES
CASE NO. 2012-00448
Attorney General's Initial Data Requests

- b. If no, why should Owen be treated differently than other jurisdictional utilities in Kentucky regarding smart grid investments?
43. If any individuals opt-out of any smart grid program and if the smart grid investment at the time of the opt-out fails, becomes obsolete or is no longer used and useful, will those individuals be required to pay for any stranded costs for which those customers opted out?
 - a. If yes, please explain the justification in detail.
 - b. If no, please explain why not in detail.
44. Confirm that Owen filed a "revenue neutral case" on or about 6 May 2011 in case No. 2011-00037.
45. Confirm that the Commission entered its final order in that matter on or about February 29, 2012.
46. Confirm that, in Case No. 2011-00037, Owen represented to the Commission that by granting the rate design requested by Owen, the company would be able to better maintain its financial stability and integrity. (*See e.g.*, Owen's Post-Hearing Brief at page 6.)
47. Confirm that by maintaining a company's financial strength and integrity, the company should not be required to file applications for rate relief as frequently than if the opposite were true.
48. Confirm that in Case No. 2011-00037, Owen generally represented that the granting of its revenue neutral rate design would reduce the number and frequency of any future applications seeking rate increase.
49. Confirm that in the Commission's final order in Case No. 2011-00037, the Commission held that "given the extent of the change in cost recovery that is being approved for Owen, the Commission determines that there should be fewer changes in rates and that they should occur at least frequent intervals than Owen has proposed, at least for the purposes of this case." (*See* Final Order in Case No. 2011-00037 at page 10.)
50. Since the filing of Owen's Case No. 2011-00037, how many other EKPC member cooperatives have filed for rate applications seeking rate increases? For each cooperative that filed rate case, provide the following:

APPLICATION OF OWEN ELECTRIC COOPERATIVE, INC.,
FOR A GENERAL INCREASE IN ITS RETAIL RATES
CASE NO. 2012-00448
Attorney General's Initial Data Requests

- a. The date of the filing of the application;
 - b. The amount requested by the cooperative; and
 - c. The date of the last rate application filing of the cooperative prior to the most recent one.
51. For the years beginning in 2007 through the present, or for as many years as Owen has the information, please provide by each hour, by each day of the week, the following:
- a. Energy sold to farm and home class; and
 - b. The cumulative price difference in the price for each hour for each day between what the company had charged per kWh versus that which the company proposes in the current application under the "Off-Peak Marketing Rate."
52. For the years beginning in 2007 through the present, or for as many years as Owen has the information, please provide for each customer in the farm and home class the following for each month.
- a. The number of customers who used between 0 and 301 kWh;
 - i. Please provide the cumulative price difference by month that this block of customers would have been charged versus that which the customers will be charged under an inclining block rate;
 - b. The number of customers who used between 301 and 500 kWh;
 - i. Please provide the cumulative price difference by month that this block of customers would have been charged versus that which the customers will be charged under an inclining block rate;
 - c. The number of customers who used over 500 kWh; and
 - i. Please provide the cumulative price difference by month that this block of customers would have been charged versus that which the customers will be charged under an inclining block rate.