

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF MEADE COUNTY RURAL)	
ELECTRIC COOPERATIVE CORPORATION FOR)	CASE NO.
A GENERAL ADJUSTMENT OF RATES AND A)	2013-00033
FLOW-THROUGH OF BIG RIVERS ELECTRIC)	
CORPORATION'S RATE INCREASE)	

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

Meade County Rural Electric Cooperative Corporation ("Meade County"), pursuant to 807 KAR 5:001, is to file with the Commission one electronic copy and a paper original of the following information, with a copy to all parties of record. The information requested herein is due on or before April 10, 2013. Responses to requests for information shall be filed in accordance with the electronic filing procedures set forth in 807 KAR 5:001, Section 8. 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 the 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 County 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 County fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall 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.

1. Meade County's service territory includes the counties of Breckinridge, Grayson, Hancock, Hardin, Meade, and Ohio.

a. Identify the manner in which notice of Meade County's application was provided to its customers in each county in its service territory.

b. If the notice was published, provide an affidavit from the publisher verifying the notice was published, including the dates of the publication with an attached copy of the published notice.¹

c. If the notice was published in a trade publication or newsletter going to all customers, provide an affidavit from an authorized representative of the utility verifying the trade publication or newsletter was mailed.

d. If the notice was mailed, provide an affidavit from an authorized representative of the utility verifying the notice was mailed.

¹ 807 KAR 5:001, Section 16(5), requires an applicant to file with the Commission no later than 45 days from the date of the initial filing the applicable affidavit concerning proof of notice. Meade County's responses herein are due April 10, 2013, 44 days from the date its application was considered filed in this case.

2. Refer to paragraph 25 of the application in which Meade County references the Order in Case No. 2010-00222² modifying the original Order that required Meade County to conduct a depreciation study within five years or by its next rate case, whichever occurred first. The requirement to conduct a study by its next rate case was removed due to the expected completion date of a six-year wire replacement project occurring within the five-year time frame. Meade County had completed one year of the project at the time the Order was issued in Case No. 2010-00222. Provide an update on the status of the project including percent of completion, expected completion date, expenditures to date, and the current estimated project cost.

3. Refer to Meade County's February 25, 2013 filing in response to the Commission's notice of deficiencies, page 4 of 4, the Customer Growth Calculation. Explain why no adjustment is being proposed for Rate Schedules 3A and 4.

4. Refer to Meade County's February 25, 2013 filing in response to the Commission's notice of deficiencies, the revised proposed tariff, pages 16-18 of 119. Confirm that these pages contain outdated information and should be deleted from Meade County's tariff. If this cannot be confirmed, explain.

5. Refer to the application, the testimony of Jack D. Gaines ("Gaines Testimony"), at page 6. Starting at line 6, Mr. Gaines states that "Normalizing Unwind Factor expense for the currently effective EMF of \$0.006 per kWh and for customer growth kWh will increase the annual cost of purchased power by \$528,476." Provide the supporting calculation of the \$528,476.

² Case No. 2010-00222, Application of Meade County Rural Electric Cooperative Corporation to Adjust Electric Rates (Ky. PSC Mar. 28, 2011)

6. Refer to page 8 of the Gaines Testimony at which Mr. Gaines discusses the allocation of the distribution portion of the requested increase. Starting at line 9, Mr. Gaines states that Meade is proposing to increase the customer charge for all non-lighting classes by \$2.51. Explain why Meade County is proposing to increase only the customer charges of these classes.

7. Refer to page 10 of the Gaines Testimony wherein Mr. Gaines discusses the cost-of-service study ("COSS") methodology. Provide the methodology and explain any differences between the methodology and allocations in the COSS filed in this case and the one sponsored by Mr. Gaines in Case No. 2011-00035.³

8. Refer to page 12 of the Gaines Testimony.

a. Provide the calculation of the minimum size methodology referred to on lines 16-19 that was used to allocate Account 364 between demand and consumer-related.

b. Provide the calculation of the minimum intercept methodology referred to on lines 20-24 that was used to allocate Accounts 365-368 between demand and consumer-related.

9. Refer to page 14 of the Gaines Testimony. Describe the "average and excess" methodology referred to on lines 7-8.

10. Refer to Table 2 on page 15 of the Gaines Testimony. Given the rates of return in column d in this table, explain why a portion of the distribution increase is proposed for rate schedules 2, 3, and 4.

³ Case No. 2011-00035, Application of Kenergy Corp. for an Adjustment in Existing Rates (Ky. PSC Feb. 21, 2013).

11. Refer to Exhibit I of the application, page 1 of 7. This schedule shows a 29.57 and 34.15 percent increase for Schedules 5 and 6, respectively.

a. State the number of customers that would be affected by the proposed increases. Include in your response, for each lighting class, the impact upon the customer with the largest number of lights.

b. Besides the rates, explain the difference between Rate Schedule 5 –Outdoor Lighting Service, and Rate 6–Street Lighting Service.

12. Refer to Exhibit K of the application.

a. In the same format as page 5 of 7, provide the TIER and DSC calculation for the year ending December 31, 2012.

b. In the same format as page 7 of 7, provide the actual equity capitalization ratios for the year ending December 31, 2012.

c. On page 7 of 7, under the column titled Proposed, total margins and equities is shown as \$28,773,322 for each calculation of the equity capitalization ratio. On Exhibit S, page 2 of 3, the adjusted test year shows total margins and equities of \$28,882,247. Reconcile this discrepancy.

13. Refer to Exhibit P of the application.

a. Exhibit P shows 2012 total annual meeting expenses of \$20,309. Exhibit 11, page 6 of 6, shows a total of \$23,472.86 for annual meeting expenses. Explain the discrepancy between the two amounts.

b. Provide the primary reasons for the decrease in annual meeting expenses of \$5,202 from 2011 to 2012.

14. Refer to Exhibit R, Schedule 1, page 1. The Demand rate billed by Meade County's wholesale supplier, Big Rivers Electric Corporation ("Big Rivers"), is shown as \$16.95. In response to a request for information in Case No. 2012-00535,⁴ Big Rivers revised its proposed Rural demand rate to \$16.848. Provided a revised Schedule 1 and all other exhibits and schedules that would change as a result of this revision.

15. Refer to Exhibit R of the application, Schedule 3, the Summary of Revenue – Test Year Ending November 2012, page 2. For the Unbilled Revenue section, lines 75 through 80, provide the supporting calculations for the amounts on these lines and a breakdown by rate class.

16. Refer to Exhibit R, Schedule 4, pages 1 and 4. Explain the reason for the correction factors and why they differ between rate classes.

17. Refer to Exhibit R, Schedule 4, page 2.

a. Refer to line 9, Demand Charge. Confirm that the amount in columns i and k should be \$2,560,400 rather than the \$2,560,903 shown. If this cannot be confirmed, explain.

b. Explain why the energy rates on lines 27-29 differ from those on lines 11-13.

18. Refer to Exhibit R, Schedule 4, page 3, the Rate Schedule 4 section.

a. Provide the origin of the \$3.42 that appears in the "Test Year Rate" column for December 2011 through October 2012.

⁴ Case No. 2012-00535, Application of Big Rivers Electric Corporation for an Adjustment of Rates (Ky. PSC filed Jan. 15, 2013) response to Item 36 of Commission Staff's Second Request for Information.

b. Explain why the test-year amounts are shown with a line item for the 11-month period of December 2011 through October 2012 and a separate line item for November 2012.

19. Refer to Exhibit R, Schedule 4, page 4. Explain how the revenue amounts on this page were calculated, as they cannot be calculated by multiplying the rate by the test-year units.

20. Refer to Exhibit R, Schedule 8.

a. Refer to pages 1-3 of 150.

(1) Explain why the amounts for each rate class on line 1, Sales Revenue, differ from the amounts shown for each class on Exhibit R, Schedule 3, pages 1 and 2.

(2) Explain why only one expense category, Other O&M, is allocated to Rate Schedule 3A.

(3) Explain why line 9, Taxes, column b, differs on pages 1 and 2.

b. Refer to page 5 of 150. For Rate Schedule 4, explain why Meade County is proposing to increase the customer charge for the distribution portion of the increase when this page shows that the current customer charge of \$622.88 is higher than the amount justified by the COSS.

c. Refer to pages 5-8 of 150. The calculations on pages 5, 7, and 8 include margins at 2.26 percent of rate base. The calculations on page 6 include margins at 1.04 percent of rate base. Explain the basis for the 1.04 percent, state the

location in the COSS where it is calculated, and explain why the rate on page 6 differs from pages 5, 7, and 8.

d. Refer to pages 16 and 150 of 150. Explain the difference between the total adjusted expenses of \$44,204,128 on page 16, line 192, column H, and total system expenses of \$45,953,229 on page 150, line 23, column C.

e. Refer to pages 45-56 of 150. For each account with a labor cost, provide the basis upon which the labor cost was classified between demand and consumer-related.

f. Refer to pages 61-92 of 150. For each expense account with a balance, provide the basis upon which the expense was classified between demand and consumer-related.

g. Refer to page 63 of 150.

(1) Refer to Line 88 in the Distribution Operations section. Explain the rationale for using DIST-OH2 as the basis for allocating Account 584, Underground Lines Expense.

(2) Refer to Line 80 in the Distribution Maintenance section. Explain the rationale for using DIST-OH1 as the basis for allocating account 594, Underground Lines.

h. Refer to page 101 of 150. Explain how the Primary System - Consumers allocation on line 13, and the weighting factors on line 14, were determined.

i. Refer to page 102 of 150. The third line of the page heading is "12 Month Average Kenergy System Non-Coincident Peak". Confirm that the heading was intended to refer to Meade County instead of Kenergy.

- j. Refer to page 103 of 150.
 - (1) Explain how the secondary and services weighting factors and the transformer weighting factors were determined.
 - (2) Explain why the meter reading and billing weighting factors are "1" for each rate class.
 - k. Refer to page 106 of 150. Provide the basis for the allocation of the "Other Revenue" line items to the rate classes.
 - l. Refer to pages 116-117 of 150. Explain why Account 431, Interest on Customer Deposits, is allocated using Allocation Factor 9 on page 116 and the Rate Base allocator on page 117.
 - m. Refer to pages 121-122 of 150. Explain why Account 431, Interest on Customer Deposits, is allocated using the Rate Base allocator on page 121 and Allocation Factor 16 on page 122.
 - n. Refer to pages 139 and 141. Explain why interest on customer deposits would be allocated to the Rate Schedules 5 and 6.
21. Provide in the form of an Excel spreadsheet Gaines Exhibits I and R (all schedules) with the formulas intact and unprotected and all rows and columns accessible. If any exhibits or schedules need to be revised in response to an information request, provide the revised copy.
22. Refer to Exhibit S of the application, page 4 of the application, which shows the amount of the proposed increase based on attaining a TIER of 2.0X.

a. Describe the methodology employed by Meade County in determining that 2.0X was the appropriate TIER on which to base its requested rate increase.

b. Discuss whether Meade County is aware of any studies performed by the Rural Utilities Service ("RUS") or the National Rural Utilities Cooperative Finance Corporation ("CFC") on the subject of the appropriate TIER level for an electric distributive cooperative? If yes, identify the studies and when they were performed.

23. Refer to Exhibit S of the application. Provide the calculation of the Public Service Commission assessment adjustment in the amount of \$445.

24. Refer to Meade County's response to Commission Staff's First Request for Information ("Staff's First Request"), item 8, and Exhibit W of the application. Item 8 of Staff's First Request requested a comparison of the monthly balances of the balance-sheet accounts of Meade County for the test year to the same month of the 12-month period immediately preceding the test year.

a. It appears that Exhibit W shows the monthly activity in each account for the test year and the preceding 12-month period rather than month-end balances. Confirm that this is correct.

b. If the response to 24.a is yes, provide a corrected Exhibit W that provides the requested information in whole-dollar amounts rather than rounded-dollar amounts.

25. Refer to Exhibit X of the application, which provides a comparison of income statement account levels for the test period and the 12 months immediately preceding the test period.

a. Provide a revised Exhibit X that provides the requested information in whole-dollar amounts rather than rounded-dollar amounts.

b. The comparison of the Wildblue revenue and expense accounts, shows there was no activity in the test year as compared with the preceding 12-month period. Provide a detailed explanation for why these accounts do not reflect any activity for the test year.

c. Account 419.10, Interest Income – Cushion of Credit, increased by \$106,000 – from (\$69,000) to (\$175,000) – from 2011 to the 2012 test period. Provide a detailed explanation for why this account increased by this magnitude.

d. Account 421.00, Misc Non-Operating Income, increased by \$72,000 – from (\$4,000) to (\$76,000) – from 2011 to the 2012 test period. Provide a detailed explanation for why this account increased by this magnitude.

e. Account 421.10, Gain on Disposition of Property, decreased by \$44,000 – from (\$120,000) to (\$76,000) – from 2011 to the 2012 test period. Provide a detailed explanation for why this account decreased by this magnitude, and a detailed breakdown of the transactions in this account.

f. Account 424.00, Other Capital Credits & Patronage Capital, decreased by \$42,000 – from (\$92,000) to (\$50,000) – from 2011 to the 2012 test period. Provide a detailed explanation for why this account decreased by this magnitude.

g. Account 427.20, Interest on Long-term Debt CFC, decreased by \$152,000 – from \$422,000 to \$270,000 – from 2011 to the 2012 test period. Provide a detailed explanation for why this account decreased by this magnitude.

h. Account 427.30, Interest on FFB Note, increased by \$188,000 – from \$409,000 to \$597,000 – from 2011 to the 2012 test period. Provide a detailed explanation for why this account increased by this magnitude.

i. Account 454.00, Rent from Electric Property, decreased by \$41,000 – from (\$284,000) to (\$243,000) – from 2011 to the 2012 test period. Provide a detailed explanation for why this account decreased by this magnitude and a detailed breakdown of the transactions in this account.

j. Account 580.00, Operation – Supervision & Engineering, increased by \$55,000 – from \$379,000 to \$434,000 – from 2011 to the 2012 test period. Provide a detailed explanation for why this account increased by this magnitude and a detailed breakdown of the transactions in this account.

k. Account 586.00, Meter Expense, increased by \$73,000 – from \$248,000 to \$321,000 – from 2011 to the 2012 test period. Provide a detailed explanation for why this account increased by this magnitude.

l. Account 588.00, Misc. Distribution Expense, decreased by \$104,000 – from \$725,000 to \$621,000 – from 2011 to the 2012 test period. Provide a detailed explanation for why this account decreased by this magnitude.

m. Account 590.00, Maintenance – Supervision & Engineering, increased by \$61,000 – from \$394,000 to \$455,000 – from 2011 to the 2012 test period. Provide a detailed explanation for why this account increased by this magnitude.

n. Account 592.00, Maintenance of Station Equipment, increased by \$111,000 – from \$110,000 to \$221,000 – from 2011 to the 2012 test period. Provide a detailed explanation for why this account increased by this magnitude.

o. Account 593.00, Maintenance of Overhead Lines, decreased by \$65,000 – from \$581,000 to \$516,000 – from 2011 to the 2012 test period. Provide a detailed explanation for why this account decreased by this magnitude.

p. Account 593.10, Maintenance, increased by \$123,000 – from \$803,000 to \$926,000 – from 2011 to the 2012 test period. Provide a detailed explanation for why this account increased by this magnitude.

q. Account 593.40, Maintenance – Service Orders, increased by \$45,000 – from \$244,000 to \$289,000 – from 2011 to the 2012 test period. Provide a detailed explanation for why this account increased by this magnitude.

r. Account 902.10, Special Meter Reading Expenses, increased by \$19,000 – from \$55,000 to \$74,000 – from 2011 to the 2012 test period. Provide a detailed explanation for why this account increased by this magnitude.

s. Account 903.20, Sign-up New Members, increased by \$17,000 – from \$76,000 to \$93,000 – from 2011 to the 2012 test period. Provide a detailed explanation for why this account increased by this magnitude and a detailed explanation of the expenses recorded in this account.

t. Account 903.21, Filing/Scanning, increased by \$17,000 – from \$25,000 to \$42,000 – from 2011 to the 2012 test period. Provide a detailed explanation for why this account increased by this magnitude and a detailed explanation of the expenses recorded in this account.

u. Account 903.51, Taking Payments, increased by \$27,000 – from \$139,000 to \$166,000 – from 2011 to the 2012 test period. Provide a detailed

explanation for why this account increased by this magnitude and a detailed explanation of the expenses recorded in this account.

v. Account 908.00, Customer Assistance Expense, increased by \$30,000 – from \$75,000 to \$105,000 – from 2011 to the 2012 test period. Provide a detailed explanation for why this account increased by this magnitude.

w. Account 920.50, Taking Calls, increased by \$20,000 – from \$69,000 to \$89,000 – from 2011 to the 2012 test period. Provide a detailed explanation for why this account increased by this magnitude.

x. Account 928.00, Regulatory Commission Expense, decreased by \$56,000 – from \$58,000 to \$2,000 – from 2011 to the 2012 test period. Provide a detailed explanation for why this account decreased by this magnitude.

y. Account 935.00, Maintenance of General Property, increased by \$52,000 – from \$99,000 to \$151,000 – from 2011 to the 2012 test period. Provide a detailed explanation for why this account increased by this magnitude.

26. Refer to Exhibit 1 of the application.

a. Provide a copy of or detailed description of Meade County's Wage and Salary Plan.

b. Provide a complete and detailed description of the Performance Bonus Program.

(1) When was the Performance Bonus Program established?

(2) Provide the calculations for how the performance bonus amounts indicated on pages 3 through 5 of 11 were determined.

(3) On page 3 of 11, employee 116 is shown as receiving a performance bonus of \$4,334. Explain how this amount was determined and why it is significantly more than the other performance bonus amounts indicated.

(4) Provide the date that the test-year performance bonuses were paid.

(5) Provide the total dollar amount of performance bonuses paid for the years 2007 through 2011.

(6) Are performance bonuses guaranteed to be granted and paid annually? If the response is no, explain Meade County's decision to include performance bonuses in the calculation of normalized wages.

c. Describe the rationale and decision-making process that led to the decision to grant a 3-percent wage increase in 2012, when wage increases granted for 2010 and 2011 were 2 percent and no increase was granted for 2009.

d. On page 1 of 11, Meade County states that employees are granted wage increases on November 1 of each year. Provide the date when employees begin getting paid at the new wage rates.

e. On page 1 of 11, Meade County shows the wage increase for 2012 is 3.0 percent. On pages 3 through 7 of 11, wage rates are shown for Nov. 30, 2012, indicating an increase of 2.0 percent. Explain why the rates do not reflect an increase of 3.0 percent.

27. Refer to Exhibit 3 of the application.

a. Page 3 shows test-year depreciation expense for General Plant is \$578,099. Page 5 shows an accrual amount for General Plant depreciation of \$574,255. Reconcile these two amounts.

b. Provide the date that Meade County's current depreciation rates were established.

c. Describe the impact that the wire-replacement project has had on Meade County's depreciation expense.

28. Refer to Exhibit 4 of the application.

a. Provide a detailed analysis of Other Taxes in the amount of \$38,490.

b. Provide a comparative schedule of property tax expense for each year of the period 2006 through 2010.

c. To what does Meade County attribute the increase in assessed values for tangible tax purposes in Breckinridge County?

d. Explain why Meade County has never conducted a depreciation study.

29. Refer to Exhibit 5 of the application.

a. Provide an update of the current interest rates for outstanding long-term debt as of the most recent date available and continue to update monthly until the date of the hearing in this proceeding.

b. Refer to Exhibit Y, page 7 of 7, which shows interest on long-term debt to be \$2,133,389. On page 2 of 4 of Exhibit 5, test-year interest expense for long-term debt is \$1,989,861. Reconcile the difference in these amounts.

c. On pages 2 and 3, in the section labeled "RUS loans," there is a line indicated as "Advance payment" reducing the total debt outstanding for RUS loans. Explain this amount and the impact on annual interest expense.

30. Refer to Exhibit 6 of the application.

a. Provide a narrative description of each section of the actuarial valuation study describing the process involved and how the amounts reported in the study are determined.

b. Page 1, line 17, shows the test-year accrual for Statement of Financial Accounting Standards 106 costs. In the same format shown as of January 1, 2012, on pages 2-8 of Exhibit 6, provide the actuarial variance results as of January 1, 2011 that resulted in the test-year accrual of \$118,662.

c. Refer to page 2 of Exhibit 6. Explain how the amount of \$98,014 was determined and what it represents.

d. Refer to page 3 of Exhibit 6, which has the heading, Exhibit 1. Under the section titled Change in Accumulated Benefit Obligation, explain the amount \$45,378 identified as Disbursements.

e. Refer to the fourth page of Exhibit 6, which has the heading, Exhibit 2. The amount of the "[a]mortization of net loss" on line 3 under "Other changes in plan assets and benefit obligations recognized in other comprehensive income" is \$15,358.

(1) Provide the amount of the net loss being amortized.

(2) Identify the period over which the loss was incurred and the period over which it is being amortized.

f. Refer to page 6 of Exhibit 6, specifically, the top portion of the page which has the heading "FAS 106 Expense Components."

(1) Explain the derivation of the amounts shown for the service cost, interest cost, and the amortization of actuarial loss.

(2) Provide the amount of the loss being amortized.

(3) Identify the period over which the loss was incurred and the period over which it is being amortized.

g. Explain how the "[e]xpected pay-as-you-go" expense of \$48,211 was derived.

31. Refer to Exhibit 7 which reflects Meade County's Retirement and Security and 401(k) plans.

a. Confirm that the wages shown on pages 2 through 4 are not the correct wages to calculate the Retirement and Security Program and NRECA Savings Plan 401(k) amounts shown on this exhibit.

b. If a. above is confirmed, provide a revised Exhibit 7 reflecting the correct wages.

32. Refer to Exhibit 9 of the application, which reflects Meade County's test-year professional-services expense.

a. Page 3 of 10 shows four payments to Thomas C. Brite in the amounts of \$827.00, \$1,572.55, \$250.00, and \$2,556.45. Fully explain the nature of these expenditures and whether Meade County considers them to be a normal recurring expense.

b. Page 3 of 10 shows a payment to Apogee Interactive in the amount of \$3,450.00. Fully explain the nature of this expenditure and whether Meade County considers this to be a normal recurring expense.

c. Page 3 of 10 shows three payments to KAEC in the amounts of \$341.72, \$508.04, and \$577.21. Fully explain the nature of these expenditures and whether Meade County considers them to be a normal recurring expense.

d. Page 3 of 10 shows three payments to Frost, Brown and Todd in the amounts of \$987.00, \$129.00, and \$1,204.00. Fully explain the nature of these expenditures and whether Meade County considers them to be a normal recurring expense.

33. Refer to Exhibit 10 of the application, which reflects Meade County's test year board of directors' expenses.

a. Pages 4 through 8 of 11 show payments to directors Barr, Rhodes, Sipes, Wilson, and Williams for KAEC director training. Provide a detailed narrative or documentation describing fully the agenda and the nature of the topics covered in the training and how it benefits Meade County. Provide the date and location of the training.

b. Pages 5 through 7 of 11 show several payments to directors Rhodes, Sipes, and Wilson for NRECA conferences. Provide a detailed narrative or documentation describing fully the agenda and the nature of the topics covered at the conferences and how it benefits Meade County. Provide the date and location of the conferences.

c. Pages 5 through 7 of 11 show payments to American Express for a NRECA regional meeting for directors Rhodes, Sipes, and Wilson. Provide a detailed narrative or documentation describing fully the agenda and the purpose of the meeting and how it benefits Meade County for directors to attend. Provide the date and location of the meeting.

d. In the same format as Exhibit 10, provide a schedule by conference, meeting or training session showing expenses incurred for each director in attendance.

34. Refer to Exhibit 11 of the application.

a. Pages 4 and 5 show three payments to KY Association of Electric Coop for \$124.80, \$200.00, and \$100.00. Fully explain the nature of each one of these expenditures and why Meade County considers this to be a normal recurring expense.

b. Page 4 shows a payment to KY Association for Economic for \$150.00 for membership dues. Fully explain the nature of this expenditure and why Meade County considers this to be a normal recurring expense.

c. Page 4 shows a payment to Nolin RECC for \$83.14 for "2012 Young Farmers Banquet." Fully explain the nature of this expenditure and why Meade County considers this to be a normal recurring expense.

d. Pages 4 and 5 show several payments to David Pace totaling \$450.00 for Bluegrass Cellular. Fully explain the nature of this expenditure and why Meade County considers this to be a normal recurring expense.

e. Pages 4 and 5 show nine payments to US Bank Corporate PY for \$256.32, \$390.75, \$941.43, \$50.84, (\$100.00), \$307.20, \$96.85, \$638.26, and \$508.63.

Fully explain the nature of each one of these expenditures and why Meade County considers this to be a normal recurring expense.

f. Pages 4 and 5 show payments to Tim Gossett for \$589.45, \$196.00, \$100.00, and \$150.00. Fully explain the nature of each of these expenditures and why Meade County considers this to be a normal recurring expense.

g. Pages 4 and 5 show payments to Kyle Heavrin for \$50.00, \$50.00, and \$200.00. Fully explain the nature of each one of these expenditures and why Meade County considers this to be a normal recurring expense.

h. Page 4 shows a credit for \$900.00 from KY Assoc of Elect Coop for the "Washington Youth Tour." Explain why this credit was not removed for rate-making consistent with other expenses removed for the Washington youth tour.

i. Page 5 shows a payment to NCAEC for \$250.00 for "Satisfaction Summit Mtg Fee." Fully explain the nature of this expenditure and why Meade County considers this to be a normal recurring expense.

j. Page 5 shows a payment to Karen Brown for \$50.00 for "Cell Phone Reimbursement." Fully explain the nature of this expenditure and why Meade County considers this to be a normal recurring expense.

k. Page 5 shows a payment to Media Works Advert for \$67.65 for "Extended Rebates." Fully explain the nature of this expenditure and why Meade County considers this to be a normal recurring expense.

l. Page 5 shows a payment to Herald News Publishing for \$105.00 for "Newspaper Advertising." Fully explain the nature of this expenditure and why Meade County considers this to be a normal recurring expense.

m. Page 5 shows a payment to Herald News Publishing for \$93.75 for "Newspaper Conservation Ad." Fully explain the nature of this expenditure and why Meade County considers this to be a normal recurring expense.

n. Page 6 shows a payment to Print Solutions for \$4,114.92 for "Commuter Tumbler for Annual." Fully explain the nature of this expenditure and why Meade County considers this to be a normal recurring expense.

o. Page 6 shows a payment to Kaye Richardson for \$2,153.92 for "Annual Meeting Shirts." Fully explain the nature of this expenditure and why Meade County considers this to be a normal recurring expense.

35. Refer to Exhibit 12 of the application where Meade County estimates the expenses associated with this rate case. On a monthly basis, beginning with the first month in which it incurred any rate-case expense, provide the amount of Meade County's actual rate-case expenses, by category, as was done in the estimate. Consider this an ongoing request which is to be updated monthly.

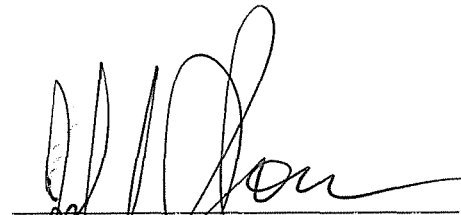
36. Refer to Meade County's response to Staff's First Request, Item 49.

a. Are the DSM programs listed offered in conjunction with identical programs offered by Big Rivers?

b. Does Meade County have plans to increase its DSM offerings in the future independent of Big Rivers' DSM programs?

c. Describe the level of customer interest in the DSM programs noted in Meade County's response. Provide the number of customers that are actually participating or have indicated a desire to participate.

d. Provide the 2013 budgeted or estimated total costs of Meade County's DSM programs.



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Executive Director
Public Service Commission
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DATED MAR 27 2013

cc: Parties of Record

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