

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG SANDY RURAL ELECTRIC)
COOPERATIVE CORPORATION FOR A GENERAL) CASE NO.
ADJUSTMENT OF EXISTING RATES) 2017-00374

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO
BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

Big Sandy Rural Electric Cooperative Corporation ("Big Sandy"), pursuant to 807 KAR 5:001, is to file with the Commission the original and ten copies of the following information, with a copy to all parties of record. The information requested herein is due no later than December 19, 2017. 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 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.

Big Sandy 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 Big Sandy fails or refuses to furnish all or part of the requested information, Big Sandy 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. When filing a paper containing personal information, Big Sandy shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Application, Exhibit 3, the 3rd Revised Sheet No. 1, Schedule A-1 Farm & Home Tariff. Confirm that the Energy charge should be \$0.08705.

2. Refer to the Application, Exhibit 4, the 3rd Revised Sheet No. 1, Schedule A-1 Farm & Home Tariff. Confirm that the Energy charge should be \$0.07805.

3. Refer to the Application, Exhibit 4.

a. Explain why the due dates in the terms of payment section of each rate schedule, with the exception of Schedule IND 1-B, have been increased from 15 to 20 days.

b. Explain why the due date in the terms of payment section of Schedule IND 1-B is not proposed to be changed.

4. Refer to the Application, Exhibit 9.

a. Refer to page 5, lines 22–23 and page 6, lines 1–2. Provide the annual average customer count by rate class from 2013 to present.

b. Refer to page 7, lines 8–9. Big Sandy states that approximately 50 percent of its debt is at variable interest rates. Explain how Big Sandy monitors this interest rate risk.

c. Refer to page 7, lines 14–18. Explain whether Big Sandy is exploring further refinancing opportunities.

d. Refer to page 9, lines 15–18. Provide the percentage of single dental insurance premiums paid by Big Sandy.

e. Refer to page 11, lines 6–12.

(1) Explain whether the “annual employee performance evaluation” is a written evaluation. If so, provide a template.

(2) Provide the metrics included in the “Balanced Scorecard.”

(3) Explain how supplemental performance evaluations are tied to bonuses for management staff.

5. Refer to the Application, Exhibit 10, Exhibit JW-2, pages 5 and 6 of 38.

a. Confirm that the 13 employees included in the pro forma test year had regular hours worked of less than 2,080 for the actual test year. Explain why these employees should be included in the pro forma test year at 2,080 hours.

b. Confirm that employee H03 had 1,121 overtime hours in the test year. Explain whether this level of overtime is considered normal for this employee.

c. Explain why employee H19 had 2,082 regular hours worked in the actual test year.

d. Refer also to Big Sandy’s response to Staff’s Second Request, Item 26, page 3 of 4.

(1) Explain whether sick leave and personal days utilized by employees during the test year are included in Exhibit JW-2.

(2) Explain whether employees’ accrued vacation, sick leave, and personal days expire if unused.

6. Refer to the Application, Exhibit 10, Exhibits JW-4 and JW-5. Provide all allocation vectors and naming schematics. This should be in Excel spreadsheet format with all formulas and rows unprotected and accessible.

7. Refer to the Application, Exhibit 10, Exhibit JW-8. Explain why the consumer-allocation portion of the underground conductors is over 2.5 times larger than the customer-related portion for overhead conductors.

8. Refer to the Application, Exhibit 10, Exhibit JW-5. Confirm that the Pro-Forma Adjustment for FEMA Reimbursements is incorrect. Provide an update to the cost-of-service-study.

9. Refer to the Application, Exhibit 10, Exhibit JW-9, page 7 of 9.

a. Provide the reasoning for the inclusion of each light listed under the 175 Watt category.

b. Provide the reasoning for the inclusion of each light listed under the 400 Watt category.

c. Provide the reasoning for the inclusion of each light listed under the 400 Watt Flood category.

d. Refer to the Application, Exhibit 4, 2nd Revised Sheet No. 13, Schedule YL-1. Explain why the lights listed in the Application, Exhibit JW-9, Page 7 of 9 are not listed on the tariff.

10. Refer to the Application, Exhibit 20. Explain why Big Sandy has not conducted a depreciation study for ten years.

11. Refer to the Application, Exhibit JW-2 Schedule 1.03.

a. Confirm that the rate for line transformers is 3.46 percent and not 3.45 percent.

b. Confirm that the rate for transportation is 20 percent and not 16 percent.

12. Refer to Big Sandy's Revised Exhibit JW-2 Schedule 1.01, pages 5–6 of 38.

a. Explain what the column labelled as "other" represents.

b. Explain why Big Sandy is not planning to hire any summer or part-time employees.

13. Refer to Big Sandy's Revised Exhibit JW-2, page 10 of 38. Provide the source of the allocation percentages for the depreciation adjustment.

14. Refer to Big Sandy's Revised Exhibit JW-2, page 11 of 38. Explain why property taxes from 2014 were used to calculate the property tax adjustment.

15. Refer to Big Sandy's Revised Exhibit JW-2, page 30 of 38.

a. Explain what a second service connection entails.

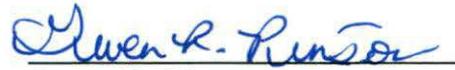
b. Explain why a second service connect takes five minutes longer than the other disconnect/reconnect estimated times.

c. Explain a field personnel's role in processing a returned check.

d. Explain why the mileage is different for a reconnect during regular hours versus a reconnect after-hours.

e. Explain why an after-hours reconnect takes twice the amount of time as a reconnect during regular hours.

16. Refer to Big Sandy's Response to Staff's First Data Request, Item 59, Big Sandy_COS_2017-10-30-2017.xls, tab Func & Classif, cell G316. Explain the \$600,157 and if it is allocated within the cost-of-service study.



Gwen R. Pinson
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Public Service Commission
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DATED DEC 07 2017

cc: Parties of Record

Case No. 2017-00374

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