

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF FLEMING-)	CASE NO.
MASON ENERGY COOPERATIVE, INC. FOR A)	2023-00223
GENERAL ADJUSTMENT OF RATES)	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO FLEMING-MASON ENERGY COOPERATIVE, INC.

Fleming-Mason Energy Cooperative, Inc. (Fleming-Mason Energy), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on October 24, 2023. The Commission directs Fleming-Mason Energy to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and 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

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Fleming-Mason Energy shall make timely amendment to any prior response if Fleming-Mason Energy obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which Fleming-Mason Energy fails or refuses to furnish all or part of the requested information, Fleming-Mason Energy shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned 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. When filing a paper containing personal information, Fleming-Mason Energy 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 Application, Exhibit 9, page 13, lines 1-9. Explain the reasoning for changing line extension charges on new services beyond 1,000 feet for permanent structures and 300 feet for seasonal structures.

2. Refer to the Application, Direct Testimony of Brandon Hunt (Hunt Direct Testimony), page 5 and the Application, Exhibit 17, page 28.

a. Explain the value or benefit to Fleming-Mason Energy of the subsidiary FM Utility Resources, LLC (FM Utility Resources).

b. Explain what level of control Fleming-Mason Energy has in the operation of FM Utility Resources.

c. Explain who is employed by FM Utility Resources and whether any work is contracted out.

d. State whether the margins from FM Utility Resources are included in Fleming-Mason Energy's test year. If so, provide the amount. If not, explain why not.

3. Refer to the Direct Testimony of John Wolfram (Wolfram Direct Testimony), page 23, lines 16-22.

a. Fleming-Mason Energy stated that due to the residential customer charge increasing that it needs to increase the customer charge for the Time-of-Day (TOD) and lower the energy charge. Explain why the TOD customer charge is not the same as the residential customer charge. Provide in the response the resulting energy charges if the customer charge is the same as the proposed residential customer charge.

b. Explain how for the TOD and Inclining Block rate that, considering both have a positive return on rate base, increasing the customer charge and decreasing the energy charges benefits both Fleming-Mason Energy and the customers.

c. Provide any recent rate cases where the Commission approved of increasing the customer charge and decreasing the energy charges for a TOD rate.

4. Refer to the Wolfram Direct Testimony, page 24, lines 10-17. Explain how increasing the customer charge to \$19.50 signifies gradualism.

5. Refer to the FME-Pres-Prop-Rates-2022-FILED.xlsx, Billing Detail tab, Contract Codes. Confirm that the customer, energy, and demand charges for AppHarvest, Dravo, Guardian Industries, Int'l Papers, and Tennessee Gas were negotiated at the time of the contracts being signed. If not, then explain when and how those charges were negotiated.

6. Refer to the FME-COS-2022-FILED.xlsx, Alloc & Returns tab, Row 399. Confirm that the "<reserved>" is for the revenue increase. If not, then explain where the proposed increase cell is in the rate of return for the rate increase.

7. Refer to the FME-COS-2022-FILED.xlsx, Summary of Returns tab, Column H, After Proposed Rate Revisions table. The rate of return on rate base are hard coded. Explain how Fleming-Mason Energy calculated these percentages.

8. Provide the date that Fleming-Mason Energy's billing cycle begins (meter read date). State whether the date that the billing cycle begins is the date that would be best stated as the effective date of any order the Commission issues concerning rates in this case.

9. Refer to the Application, Wolfram Testimony, Exhibit JW-2, page 1. Provide a detailed itemization of the charges that are included in the Other Electric Revenue of \$1,051,255.

10. Refer to the Application, Wolfram Direct Testimony, Exhibit JW-2, Schedule 1.03. Provide a breakdown of the test-year interest expense in the same format as Schedule 1.03.

11. Refer to the Application, Wolfram Direct Testimony, Exhibit JW-2, Schedule 1.05.

a. Provide the number of miles of right-of-way maintenance, cost per mile, and total cost expended for each year 2019, 2020, 2021, and 2022.

b. Provide the number of miles of right-of-way maintenance, cost per mile, and total cost for 2023.

c. Provide the annual number of miles and cycle over which right-of-way maintenance is routinely conducted. Include in the response the total miles of right-of-way that Fleming-Mason Energy maintains.

d. State how the pro forma right-of-way maintenance expense of \$2.1 million was determined.

12. Provide Fleming-Mason Energy's annual reliability metrics for 2016 to the most recent available data for 2023 and separately show outages caused by ROW vegetation. Include in the response, the System Average Interruption Duration, System Average Interruption Frequency, Customer Average Interruption Frequency, Customer Average Interruption Duration, and Customer Minutes of Interruption.

13. Provide Fleming-Mason Energy's target clearing cycle in years and miles per year.

14. Provide a breakdown of the test-year interest expense in the same format as Schedule 1.09. Provide the total test-year expenses for the Board of Directors.

15. Provide a breakdown of the test-year interest expense in the same format as Schedule 1.10. Provide the information per employee and identify employees hired or vacant during or after the test year.

16. Refer to the Application, Wolfram Direct Testimony, Exhibit JW-2, Schedule 1.12. Explain the basis for the nine percent increase in health insurance costs.

17. Refer to the Application, Wolfram Direct Testimony, Exhibit JW-2, Schedule 1.12 and Case No. Case No. 2019-00053, final Order, page 9.² Provide the adjustment necessary to reduce Fleming-Mason Energy's contribution to employee insurance premiums to the Bureau of Labor Statistics' average.

18. State the credit metrics which are used in Fleming-Mason Energy's debt covenants and provide the minimum required for each.

19. Provide the number of occurrences and the amount recorded for late fees during the calendar years 2021, 2022, and year to date 2023.

20. Provide cost support for each of Fleming-Mason Energy's nonrecurring charges.

21. For each of Fleming-Mason Energy's nonrecurring charges, provide the number of times the charge was assessed and the total amount of revenues in the test year.



Linda C. Bridwell, PE
Executive Director
Public Service Commission
P.O. Box 615
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DATED OCT 11 2023

cc: Parties of Record

² Case No. Case No. 2019-00053, *Electronic Application of Jackson Purchase Energy Corporation for a General Adjustment in Existing Rates* (Ky. PSC June 20, 2019).

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