

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF SHELBY)	CASE NO.
ENERGY COOPERATIVE, INC. FOR A GENERAL)	2024-00351
ADJUSTMENT OF RATES)	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO SHELBY ENERGY COOPERATIVE, INC.

Shelby Energy Cooperative, Inc. (Shelby 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 January 30, 2025. The Commission directs Shelby 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.

Shelby Energy shall make timely amendment to any prior response if Shelby 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 Shelby Energy fails or refuses to furnish all or part of the requested information, Shelby 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, Shelby 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 the Direct Testimony of John Wolfram (Wolfram Testimony), page 19, lines 8 through 12, including "Table 3. COSS Results: Rates of Return" (Table 3).

a. Confirm if the "Off Peak Retail Marketing (ETS)" rate, referenced in row 2 of Table 3, is receiving a subsidy (the unitized rate of return is less than the total system rate of return). If confirmed, explain whether any changes to this rate were

considered to reduce the subsidy. If so, explain why a change to the rate was not included in this application. If not confirmed, state why.

b. Confirm if the “Prepay Service” and “General Service” rates, referenced in row 3 and 4 of Table 3, are not receiving a subsidy (the unitized rate of returns are not less than the total system rate of return). If confirmed, explain how the decision was made to increase both of these rates. If not confirmed, state why.

2. Refer to Shelby Energy’s response to Commission Staff’s First Request for Information (Staff’s First Request), Item 6, and Attachment PSC_1-6.xlsx.

a. For Project Nos. 368 and 367, explain how “inflationary pressures on material and labor along with poor weather conditions for construction” resulted in the projects exceeding their expected budgets by 365 percent and 305 percent, respectively.

b. Provide Excel file “PSC_1-21.xlsx” with all formulas, columns, and rows unprotected and fully accessible.

3. Refer to the Wolfram Testimony, Exhibit JW-2, page 8 of 21, Donations Promotional Advertising & Dues. Refer also to Shelby Energy’s response to Staff’s First Request, Item 45, and Attachments PSC_1-45a.xlsx, PSC_1-45b.xlsx, and PSC_1-45c.xlsx. Provide an itemized breakdown of the total test-year expenses to Account Nos. 426.100, 426.200, 426.400, 909.000, and 930.200 in Excel spreadsheet format, with all formulas, columns, and rows unprotected and fully accessible. The response should group expenses by the categories detailed in Schedule 1.04. Identify expenses that are removed by Shelby Energy’s proposed adjustment.

4. Refer to the Wolfram Testimony, Exhibit JW-2, page 16 of 21, Wages & Salaries. Refer also to Shelby Energy's response to Staff's First Request, Items 18 and 31, and Attachments PSC_1-18.xlsx and PSC_1-31.xlsx.

a. Explain the discrepancies regarding regular wages, overtime wages, and total compensation for the test year ending December 2023.

b. Provide an itemized breakdown of the corrected test-year and pro forma wages and salaries used to calculate the proposed adjustment, showing each employee's regular and overtime hours and wages, wage rates, and total wages in Excel spreadsheet format, with all formulas, columns, and rows unprotected and fully accessible. Include the employee position in the response.

c. Provide the total number of employees in the test year. In the response, detail the number of employees that are considered part time, full time, salary, hourly, union, and non-union employees.

5. Refer to the Wolfram Testimony, Exhibit JW-2, page 18 of 21, Directors Expense. Refer also to Shelby Energy's response to Staff's First Request, Item 47, and Attachment PSC_1-47.xlsx. Provide an itemized breakdown of the total test-year expenses for the Board of Directors in Excel spreadsheet format, with all formulas, columns, and rows unprotected and fully accessible. The response should group expenses by director and category, such as industry association meetings, regular board meeting payments, per diems, etc. Identify expenses that are removed by Shelby Energy's proposed adjustment.

6. Refer to the Wolfram Testimony, Exhibit JW-2, page 21 of 21, Health Insurance Premiums. Refer also to Shelby Energy's response to Staff's First Request, Item 31, and Attachment PSC_1-31.xlsx. Reconcile the discrepancy regarding total health insurance expense for the test year with a full description of any items added or removed in reaching a reconciled calculation.



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DATED JAN 16 2025

cc: Parties of Record

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