

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF SOUTH)	
KENTUCKY RURAL ELECTRIC COOPERATIVE)	CASE NO.
CORPORATION FOR A GENERAL)	2024-00402
ADJUSTMENT OF RATES AND OTHER)	
GENERAL RELIEF)	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

South Kentucky Rural Electric Cooperative Corporation (South Kentucky RECC), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on March 28, 2025. The Commission directs South Kentucky RECC 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

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).

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.

South Kentucky RECC shall make timely amendment to any prior response if South Kentucky RECC 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 South Kentucky RECC fails or refuses to furnish all or part of the requested information, South Kentucky RECC 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, South Kentucky RECC shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Provide the total number of overtime hours, by month, recorded for employees during the fiscal years 2019 through the present month of 2025.

a. In this response, identify how many of those hours were union employees and non-union employees, as well as a summary of the reasons for the overtime.

b. Will overtime hours be reduced as the result of fulfillment of vacant positions. If yes, calculate and provide the impact of the expected reduction in overtime hours to the test year.

2. Refer to the Direct Testimony of John Wolfram (Wolfram Direct Testimony), page 24, lines 10 through 13. Explain how an increase in the residential customer charge of \$13.25, or 75.7 percent, is consistent with the principle of gradualism.

3. Refer to the Direct Testimony of Carrie Bessinger (Bessinger Direct Testimony), page 9, lines 9-11. Refer also to the Wolfram Direct Testimony, Exhibit JW-2, Schedule 1.10. Confirm that the pro forma adjustment to Wages & Salaries is based on 165 total employees. If confirmed, provide an explanation for the employee level used in this adjustment considering South Kentucky RECC currently employs 131 employees.

4. Refer to Bessinger Direct Testimony, page 13, lines 1-11.

a. Explain why South Kentucky RECC delineated between 60 days or less and 61 days – 365 days for the proposed remote reconnection fees.

b. Explain the purpose for the proposed remote reconnection fee for 61 days – 365 days and provide the cost justification for the \$300 charge.

5. Refer to Exhibit JW-2, Schedule 1.10.

a. Provide an explanation for the columns labeled “Other”.

b. Confirm that the employees listed in lines 1-13 are salaried employees. If this cannot be confirmed, provide a description for those employees similar to the description found in line 26.

6. Refer to the Direct Testimony of Kevin Newton (Newton Direct Testimony), page 5, lines 5-6. Provide total residential customer sales in kWh for 2024.

7. Refer to Newton Direct Testimony, page 5, line 18. Provide board minutes approving a six-year Right-Of-Way (ROW) cycle. If not apparent in the meeting minutes, explain how a six-year ROW cycle was chosen.

8. Refer to Bessinger Direct Testimony, page 7, lines 10-12. Provide South Kentucky RECC's TIER and OTIER metrics for 2024

9. Describe any restrictions, penalties, assessments, or sanctions that South Kentucky RECC has received from its lenders for not meeting its OTIER requirement of 1.10.

10. Refer to Bessinger Direct Testimony, page 8, lines 8-9. Provide South Kentucky RECC's outstanding debt and weighted average interest rate as of February 28, 2025.

11. Refer to Bessinger Direct Testimony, page 9-10. Confirm South Kentucky RECC has not ever completed a formal or informal study of the benefits package offered to its employees. If not confirmed, provide a copy of the study. If confirmed, explain why not.

12. Refer to Wolfram Direct Testimony, page 7, line 20. Explain why South Kentucky RECC is using an OTIER of 1.85 as the basis for its revenue requirement when its previous general rate application, Case No. 2021-00407,² South Kentucky RECC requested a TIER of 2.00.

² Case No. 2021-00407, *Electronic Application of South Kentucky Rural Electric Cooperative Corporation for a General Adjustment of Rates, Approval of Depreciation Study, and Other General Relief* (filed Dec. 14, 2021), Application at 4.

13. Refer to Exhibit JW-2 Schedule 1.04. Provide an updated Year-End Customer Normalization adjustment with the month and year entries in chronological order.

14. Refer to Exhibit JW-2 Schedule 1.07. South Kentucky RECC is proposing a \$996,188 increase in Proforma expenses to remove any FEMA declared storm costs and reimbursements. Explain why the adjustment is an increase if it is removing any FEMA declared storm costs and reimbursements.

15. Refer to Exhibit JW-2, Schedule 1.08. Explain the calculation and purpose of the \$12,380.88 added to the pro forma adjustment of Directors' Expense.

16. Refer to Exhibit JW-2, Schedules 1.09 and 1.10. Confirm that the normalized wages in 1.09 are the pro forma wages excluding overtime from 1.10. If not confirmed, identify and explain the specific information included in the pro forma wages in Schedule 1.09.

17. Refer to Exhibit JW-2, Schedules 1.10 and 1.13. Confirm that the normalized wages in 1.13 are the pro forma wages including overtime from 1.10. If not confirmed, identify and explain the specific information included in the pro forma wages in Schedule 1.13.

18. Refer to Exhibit JW-2, Schedules 1.19 and 1.20. Explain how South Kentucky RECC estimated the number of pro forma occurrences for remote service reconnection within 60 days and remote reconnection greater than 60 and less than 365 days.

19. Refer to South Kentucky RECC's response to Commission Staff's First Request (Staff's First Request), Item 1a.

a. Confirm that Account 925.01 Linemen Rodeo Expense of \$17,672.18 is included in the test year. If not confirmed, explain when the line item expense occurred and whether it is excluded from the requested revenue requirement increase.

b. Explain the benefit of a Linemen Rodeo to South Kentucky's customers.

c. Provide all line items in account 925.01 that make up the \$17,672.18 amount.

20. Refer to South Kentucky RECC's response to Staff's First Request, Item 5. Confirm that 2020-2023 Construction Work Plan is the newest Construction Work Plan South Kentucky RECC has. If no, provide the newest Construction Work Plan. If yes, explain why South Kentucky RECC is using a Construction Work Plan that uses load forecasting from 2018.

21. Refer to South Kentucky RECC's response to Staff's First Request, Item 6. Describe how being short-staffed effects the design process for South Kentucky RECC's delayed projects.

22. Refer to South Kentucky RECC's response to Staff's First Request, Item 15. Provide the same Excel file including the year 2024.

23. Refer to South Kentucky RECC's response to Staff's First Request, Item 17.

a. Confirm that South Kentucky has 131 filled positions and six unfilled positions. If not confirmed, provide current number of filled and unfilled positions with titles.

b. Provide any documentation or minutes for when the Board approved the total number of employees; and any budget approvals related to employees or specific employee count.

24. Provide the cost justification for each nonrecurring charge currently listed in South Kentucky RECC's tariff.



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DATED MAR 14 2025

cc: Parties of Record

Case No. 2024-00402

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