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Governor

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Secretary
Energy and Environment Cabinet



Commonwealth of Kentucky
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David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

February 12, 2015

PARTIES OF RECORD

Re: Case No. 2014-00436

Attached is a copy of a memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the memorandum please do so within five days of receipt of this letter. If you have any questions, please contact Jonathan Beyer, Commission Counsel, at 502/782-2581.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeff Derouen".

Jeff Derouen
Executive Director

Enclosures

INTRA-AGENCY MEMORANDUM
KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File – Case No. 2014-00436

FROM: Jonathan Beyer, Staff Attorney

DATE: February 12, 2015

RE: Telephonic Informal Conference of February 11, 2015

On February 11, 2015, Commission Staff contacted Nolin Rural Electric Cooperative Corporation (“Nolin”) personnel for the purpose of discussing its application for issuance of a certificate of Public Convenience and Necessity (“CPCN”) for an AMI metering system. A list of attendees is attached.

Commission Staff began the conference through inquiring into the basis of the financial numbers set forth on the first page of Nolin’s CPCN application in this matter. Nolin personnel indicated that the amounts are contained within the figures set forth on page 4 of Exhibit 5 to Nolin’s Application.

Staff next questioned statements on page 2 of Exhibit 1 to the Application regarding the cost to upgrade Nolin substations and the capital costs associated with replacing existing meters. Nolin personnel responded that the costs and savings referenced are also contained within the charts on page 4 of Exhibit 5.

Prior to the conference being convened Nolin provided a revised confidential version of pages 1 and 4 of Exhibit 5. During the conference the chart on page 4 of Exhibit 5 was discussed and Staff requested Nolin to provide the spreadsheet supporting all of the calculations. The parties agreed the spreadsheets would first be provided to Staff electronically and would be followed by a formal filing with the Commission. Nolin noted that some of the numbers in the spreadsheet have already been filed on a confidential basis, and it agreed to email the spreadsheet to Staff with the understanding that confidentiality be maintained. Staff requested Nolin also confirm whether the figures in each box on the chart reference a yearly sum or a ten year total. Nolin asserted a belief that the information was based upon a ten year total, but were not positive. Finally, Staff inquired into the present worth calculation to which Nolin indicated that the present worth value was derived from discounting the total worth figures at four percent per year for ten years.

Finding that no party had any further questions, the conference was adjourned. Following the adjournment, Nolin electronically provided two versions of the requested confidential spreadsheet. The second version corrected certain errors that Staff discovered in the first version. The original and revised spreadsheets along with the earlier provided document referenced above will be placed in the record upon their formal filing by Nolin, which should be accompanied by a request for confidentiality.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF NOLIN RURAL ELECTRIC)
COOPERATIVE CORPORATION FOR AN ORDER) CASE NO.
PURSUANT TO KRS 807 5:001 AND KRS 278.020) 2014-00436
REQUESTING THE GRANTING OF A)
CERTIFICATE OF PUBLIC CONVENIENCE AND)
NECESSITY TO INSTALL AN AMI SYSTEM)

February 11, 2015

Please sign in:

NAME

REPRESENTING

Jonathan Beyer

PSC

JOHN SHUPP

PSC - ENG.

Bob Russell

PSC - FA

RICHARD RAFF

PSC - LEGAL

Ron Handziak

PSC - FA

Anna Quenwell

PSC

John Scott

Nolin RECC

Vince Hauser

" "

Greg Harrington

" "

Mickey Miller

" "

} via
telephone