

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF GRAYSON RURAL ELECTRIC)	
COOPERATIVE CORPORATION FOR APPROVAL)	
OF OPTIONAL RATES, TEMPORARY SERVICE)	CASE NO.
RATE, GENERAL SERVICE TARIFF, AND)	2010-00230
REMOTE DISCONNECT AND RECONNECT)	
SERVICE CHARGE)	

COMMISSION STAFF'S SECOND INFORMATION REQUEST TO
GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

Grayson Rural Electric Cooperative Corporation ("Grayson"), pursuant to 807 KAR 5:001, is to file with the Commission an original and 10 copies of the following information, with a copy to all parties of record. The information requested herein is due within 14 days of the date of this request. Responses 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.

Grayson shall make timely amendment to any 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 Grayson fails

or refuses to furnish all or part of the requested information, Grayson 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 applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Refer to Grayson's response to item 1 of Commission Staff's Initial Information Request ("Staff's First Request"). This response states that Grayson has both mechanical and digital meters on its system.

a. State the number of mechanical versus digital meters on Grayson's system.

b. State whether the term "digital" meter refers to TS-1 (one-way communication) AMR meters. If no, explain what "digital" means as used in the response.

c. State whether Grayson has any meters on its system that have the capability for two-way communication.

2. Refer to the response to item 2 of Staff's First Request. Grayson was asked to describe the type of meters, not currently in use on its system, that would be necessary to implement the proposed rates in the application. The response stated that additional equipment would need to be installed on substations. In addition, the response stated, "For customers choosing a rate that requires the TS-2 module and the

substation is [sic] not yet been converted to communicate with the TS-2, [sic] module, the meter would be read manually.”

a. State whether any of the meters currently in use on Grayson’s system are adequate to implement the proposed tariffs.

b. Explain how a meter that has to be read manually could be used for a customer on a time-of-day rate schedule.

3. Refer to the response to item 4 of Staff’s First Request, which states that an error was made in preparing the tariff filed in the application and that a revised tariff is attached to the response. A revised tariff was not provided with the response. Provide the revised tariff.

4. Refer to the response to item 5 of Staff’s First Request. Describe how Grayson’s proposed time-of-day rates compare to those of other East Kentucky Power Cooperative, Inc. member systems.

5. Refer to the response to item 6 of Staff’s First Request, which states that “the greater the revenue requirements collected from rates other than energy provides will help provide a basis for developing a more favorable type of TOD rate design.” Explain the meaning of this statement.

6. Refer to Grayson’s response to item 10 of Staff’s First Request.

a. The response to 10.a. states that the Schedule 8 tariff, Seasonal Service, was revoked in Case No. 1998-00455;¹ however, Schedule 8 still appears in Grayson’s current tariff.

¹ Case No. 1998-00455, Application of Grayson Rural Electric Cooperative Corporation to Adjust Electric Rates (Ky. PSC Jul. 8, 1999).

- (1) Confirm that there are no customers on Schedule 8.
- (2) Confirm that Schedule 8 should be deleted from Grayson's

tariff.

b. Refer to the response to 10.d. State whether a Schedule 17 customer would be given the option of staying on Schedule 17 or switching to Schedule 18.

7. Refer to the response to Item 12 of Staff's First Request. Grayson states that no change in language would be needed to its tariff to implement a remote disconnect/reconnect charge. Explain why Grayson is not proposing to modify its tariff to explicitly provide for remote service disconnects and reconnects by including language such as the following:

In some instances, a remote disconnect switch will be installed. If service is disconnected for nonpayment or if a reconnect is made with the switch, a fee of \$30 for each disconnect and \$30 for each reconnect will be applied to the member's account for this extra service and is due and payable at the time such account is collected.

8. Refer to the response to item 13 of Staff's First Request.

a. In part b. of the response, Grayson indicated that the cost of the equipment is not included in the rate base upon which its current rates are set but did not respond to the second part of the question. State whether Grayson plans to include the cost in rate base in its next rate case.

b. Refer to part c. of the response.

(1) State whether the "disconnect module" is a collar which will be attached to the meter. If no, describe the disconnect module.

(2) The total equipment cost of \$270.44 includes \$24.59 for a 10 percent failure rate. Explain each of the following: the basis for assuming a 10 percent failure rate, the length and terms of the manufacturer's warranty on the disconnect module, and why the cost of the failures should be included in the calculation.

c. Provide the number of disconnect modules Grayson has purchased to date, the number installed in customer meters, and the failure rate to date.

d. State how Grayson will determine which customers will have the disconnect modules installed on their meters.



Jeff Detouen
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED AUG 18 2010

cc: Parties of Record

Don M Combs
Manager Finance & Administration
Grayson R.E.C.C.
109 Bagby Park
Grayson, KY 41143