

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF NOLIN RURAL ELECTRIC)
COOPERATIVE CORPORATION FOR A)
CERTIFICATE OF CONVENIENCE AND NECESSITY) CASE NO.
TO CONSTRUCT FACILITIES ACCORDING TO THE) 2010-00518
APPLICANT'S 12/01/10 - 11/30/13 CONSTRUCTION)
WORK PLAN)

SECOND INFORMATION REQUEST OF COMMISSION STAFF
TO NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION

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

Nolin shall make timely amendment to any prior 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 Nolin fails or refuses to furnish all or part of the requested information, Nolin shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should 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. The application includes a December 8, 2010 letter from Mike Norman, Rural Utilities Service ("RUS") Field Representative, which finds the Nolin 2010-2013 Construction Work Plan ("CWP") generally satisfactory for loan contract purposes.

a. When did Nolin file the CWP with RUS?

b. The approval to proceed with the proposed distribution system construction is contingent upon RUS's review and approval of an Environmental Report. What is the status of that approval?

2. Did Nolin begin any of the construction outlined in the CWP prior to filing the application in this matter? If yes, provide a schedule showing all projects constructed, and all expenditures for those construction projects to date.

3. Has Nolin begun construction on any of the projects included in the CWP since filing the application in this matter? If yes, provide a schedule showing all projects constructed and all expenditures for those construction projects to date.

4. Refer to paragraph 10 of the application. Following the Summary of Assumed Fixed Annual Charge Rates, it states that, "[t]he data contained in this section

details the assumptions which were taken from the Electric System Transmission & Distribution Planning Study submitted to the Utilities Commission City of New Smyrna Beach.” State the relevance of the New Smyrna Beach system to Nolin’s system.

5. In the Executive Summary of the CWP, page 4, Nolin states that, “[t]he 2013 projected number of consumers and total peak system load were interpolated directly from the cooperative’s 2010 Power Requirements Study (PRS) as approved by RUS,” and, “[a]ll of the proposed construction and recommendations herein, relative to power supply and delivery, were discussed and approved by the cooperative’s power supplier, East Kentucky Power Cooperative (EKPC).” Refer also to EKPC’s response to item 3 of Commission Staff’s Initial Information Request in Case No. 2010-00238.¹ In its response to item 3 of Commission Staff’s data request, EKPC states that:

The EKPC aggregated preliminary load forecast was presented to the Board in July. EKPC’s load forecast is made up of each of the sixteen member system’s individual load forecasts. Each of those systems must review and obtain approval from its respective Board of Directors. Those approvals took a few months to complete. Due to the significance of the results of this load forecast, i.e. the J.K. Smith 1 decision, EKPC went back to its Board again in October, and made another presentation reviewing the load forecast. The member systems were asked to revisit the 2011 energy projections, considering the actual sales for January through August 2010. Projections of customers and peak demands were also presented. Each member system was asked to discuss with key staff and indicate if any changes needed to be made. Each member system did respond and no changes were required. The load forecast was then approved by the EKPC Board of Directors in November 2010.

¹ Case No. 2010-00238, An Investigation of East Kentucky Power Cooperative, Inc.’s Need for the Smith 1 Generating Facility, filed Jan. 10, 2011.

a. Discuss in detail Nolin's participation in the review of EKPC's 2010 load forecast, as stated by EKPC in its response to item 3 of Commission Staff's Initial Data Request in Case No. 2010-00238.

b. Identify Nolin's 2012-2013 winter peak load or corresponding winter peak as set forth in EKPC's 2010 load forecast.

6. Refer to the "Summary of Proposed 3 Year Construction With Cost" table on page 7 of the CWP, which shows that Nolin intends to purchase 2,250 new AMR meters and 321 new three-phase AMR meters.

a. State whether Nolin intends to purchase 2,250 AMR meters or 2,106 AMR meters.

b. Is the need for the new meters based on new customer growth?

c. Provide a full description of the AMR meters, including specifications and capabilities.

d. Do these meters reflect the most current meter technology available on the market? If not, explain why Nolin has chosen these particular meters.

e. State whether the proposed new meters are compatible with Nolin's current meters and, if they are not compatible with Nolin's existing AMR meters, explain in detail.

f. Are the installed AMR meters capable of functioning as AMI meters? Explain in detail.

g. If the AMR meters are not capable of functioning as AMI meters, what hardware or network upgrades would be necessary in order for all of Nolin's AMR meters to function as AMI meters?

7. Refer to Section 704 of the CWP and Nolin's response to Staff's First Data Request, item 2a, in which Nolin states that it does not intend to include the "Load Management/SCADA-Self Healing Project" in the CWP that is the subject of this case.

a. Explain in detail why the Load Management/SCADA – Self Healing Project ("SCADA project") was included in the CWP if Nolin does not intend for it to be a part of the CWP that the Commission is examining in this case.

b. Explain the work process undertaken by Nolin in preparing Section 704.

c. Provide the current status of the SCADA project.

d. Explain in detail whether Nolin intends to file an application with the Commission for approval of a CWP that includes the SCADA project prior to undertaking any construction associated with that project.

e. Explain in detail whether the SCADA project is necessary in order to maintain reliability on Nolin's system and, if so, how soon Nolin would need to complete the SCADA project in order to ensure that reliability is not adversely impacted.

8. Refer to the letter filed by Nolin in this matter on April 7, 2011, in which Nolin states that it was awarded a \$3 million grant from the U.S. Department of Energy ("DOE") which it did not accept, and that it was also awarded a grant from the Kentucky Department for Energy Development and Independence ("DEDI") which Nolin does plan to use.

a. Provide a copy of the DEDI grant application and all related correspondence.

b. What was the amount of the grant awarded to Nolin by DEDI?

c. Has Nolin received all or part of the grant amount from DEDI? If yes, provide the current status of the funds received by Nolin from DEDI.

d. Describe in detail what project(s) the DOE grant was intended to fund.

e. Provide a copy of the DOE grant application and all related correspondence.

f. Explain in detail the reasons why Nolin decided to reject the DOE grant.

9. Refer to item 1.c of the Commission's First Information Request. Provide in PDF format a disc containing the data calculated using MilSoft's Windmil Engineering analysis.

10. Provide a clean, complete and accurate copy of Nolin's 2010-00518 Application, including all attachments.



Jeff Derouen
Executive Director
Public Service Commission
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DATED MAY 03 2011

cc: Parties of Record

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