COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF CLARK ENERGY COOPERATIVE, INC. FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY TO CONSTRUCT ACCORDING TO ITS 2010-2014 CONSTRUCTION WORK PLAN	)))))	CASE NO. 2011-00303

COMMISSION STAFF'S FIRST INFORMATION REQUEST TO CLARK ENERGY COOPERATIVE, INC.

Clark Energy Cooperative, Inc. ("Clark Energy") is to file with the Commission, in the format identified in the Commission's Order entered September 14, 2011 for the use of electronic filing procedures, its responses to the requests herein, with a copy as identified in the Commission's September 14, 2011 Order to all parties of record.

The original and paper copy filed with the Commission shall be appropriately bound, tabbed and indexed and shall include the name of the witness responsible for responding to the questions related to the information provided.

The information requested herein is due no later than 14 days from the issuance of this request. 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.

Clark Energy 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 Clark Energy fails or refuses to furnish all or part of the requested information, it 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.

1. Refer to paragraph 10 of the Application. Clark states that "[t]he anticipated annual cost of operations, excluding the cost of power, of the existing and proposed facilities is $14,081,508." Provide the amount of the $14,081,508 that is related to the facilities proposed in Clark Energy's 2010-2014 Construction Work Plan ("CWP") (i.e., the amount of additional operations and maintenance costs that will be incurred due to the proposed construction). Include a detailed analysis of the annual costs.

2. The Application states that this is Clark Energy's 2010-2014 CWP. Documentation provided with the CWP indicates that all approvals from the Rural Utilities Service ("RUS") were received in January and March 2010, and that Clark Energy's Board of Directors approved the CWP on January 26, 2010.

a. Explain why Clark Energy did not file its 2010-2014 CWP with the Commission until February 2012.

b. Has Clark Energy begun construction on any projects included in the 2010-2014 CWP? If yes, provide an analysis that includes the following: name of

the project, date that construction began, completion date, if applicable; and total spending to date for each project.

3. Clark Energy refers to the CWP being for the period 2010-2014 throughout its application. However, the January 26, 2010 Board of Directors Resolution approving the CWP sets out the time period as January 1, 2010 to December 31, 2013. Provide the specific date range applicable to the CWP.

4. Refer to page 2 of the Executive Summary. In the section entitled Results of Proposed Construction, Clark Energy states that the CWP will adequately serve the 2013 summer peak load and the 2014 winter peak load as projected in East Kentucky Power Cooperative's ("EKPC") 2008 load forecast.

a. Provide EKPC's most recent load forecast for Clark Energy.

b. Based on EKPC's most recent load forecast for Clark Energy, will the 2010-2014 CWP adequately serve the 2013 summer peak load and the 2014 winter peak load?

5. Refer to Section 1, page 1-10, which states that, "Clark Energy purchases power from EKPC at twenty 69 KV delivery points, two 138 KV delivery points, and 2 meter points." Explain what is meant by 2 meter points.

6. In Section 2, page 2-7, RUS Code 705-1, Clark Energy states that it proposes to "[u]pgrade all substations with two-way communications for the Hunt TS2 system. This will allow Clark Energy to continue to use the existing TS1 meters and upgrade to TS2 meters as new meters are purchased."

a. State the total number of meters in Clark Energy's system identified by type, i.e, mechanical or digital. State the number of Clark Energy's digital meters that are TS1 and the number that are TS2.

b. State the type of meters Clark Energy is proposing to purchase to serve the 2,134 projected new members (shown on page 2-2) and as the 4,000 replacement meters (shown on page 2-4).

7. What AMR/AMI systems other than the Turtle 2 system were considered? Provide the reason they were rejected and their estimated costs.

8. Provide Clark Energy's feasibility study related to the upgrade to a Turtle 2 system.

9. Provide the reason Clark Energy decided to install the Turtle 2 system. Include in your response the functions provided by the Turtle 2 system that are not provided by the Turtle 1 system and why those additional functions are needed for Clark Energy's system.

10. Refer to Section 2, page 2-2. Explain the reason for the difference in the average installed cost/meter between underground and overhead.

11. Refer to "Clark Energy Hazard Mitigation Project Three Phase Overhead to Three Phase Underground Cave Run Lake\Daniel Boone National Forest" of Exhibit 3, which shows an estimated cost of $491,440.19.

a. Indicate who is responsible for that cost.

b. Refer to page 2-23, RUS Code-611. It shows the estimated cost of this project as $526,400. Explain the difference.

12. Refer to Appendix B, "Stone Rd. Substation," which states, "[t]he proposed improvements for the new substation were compared to the cost of the Base Case system improvements to serve the projected load." Provide the estimated cost of the substation alternative and the cost of the Base Case system improvements.

13. Refer to Section 2, page 2-7, item 2.6 AMR/AMI, RUS Code 601. Clark Energy states this project will upgrade meters with a built-in remote disconnect device.

a. Explain whether this project is to purchase meters with a remote disconnect/reconnect device built in, or is the project to purchase the remote disconnect/reconnect device that will then be installed on each meter. Provide a full description of the equipment to be purchased, including manufacturer, model, functions and capabilities.

b. Why does Clark Energy propose to buy only 500 units?

c. Does Clark Energy plan to upgrade its entire system with meters with the remote connect/disconnect feature?

d. Is the equipment that Clark Energy is proposing to purchase compatible with the planned upgrade to the Hunt TS-2 system?

e. Are the devices/meters to be purchased by this project compatible with the other meters Clark Energy plans to purchase as part of this CWP (2,134 meters to serve projected new members and 4,000 replacement meters)?

Jeff Derouen
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Public Service Commission
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DATED MAR 05 2012

cc: Parties of Record

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