

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LICKING VALLEY RURAL)	
ELECTRIC COOPERATIVE CORPORATION FOR)	CASE NO.
AN ORDER ISSUING A CERTIFICATE OF)	2016-00077
PUBLIC CONVENIENCE AND NECESSITY)	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO
LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION

Licking Valley Rural Electric Cooperative Corporation ("Licking Valley"), pursuant to 807 KAR 5:001, is to file with the Commission the original and ten copies of the following information, with a copy to all parties of record. The information requested herein is due on or before May 5, 2016. 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 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.

Licking Valley 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

Licking Valley 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 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 filing a paper containing personal information, Licking Valley shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to Licking Valley's response to Commission Staff's First Request for Information ("Staff's First Request"), Item 1.a. In response to the inquiry asking why Licking Valley has requested expedited review, Licking Valley states, "With the metering system currently in place, LVRECC can only do certain DSM programs, Pre-paid metering and remote disconnects on approx. 20% of the membership."

a. Reference also Licking Valley's response to the Attorney General's Initial Data Requests ("AG's First Request"), Item 1, which states, "With the metering system currently in place, LVRECC can only do certain DSM programs, Pre-paid metering and remote disconnects on 1/2 of the membership." Reconcile the difference regarding the percentage of Licking Valley's members who can be disconnected remotely with the existing meters.

b. Provide in detail the types of DSM programs that Licking Valley would consider evaluating and potentially offering to its members if Licking Valley is authorized to implement the proposed AMI meters.

c. Explain in detail why the Prepay Program is cited as a basis for the proposed AMI meters, given that Licking Valley estimates that only 300 residential customers will participate in the Prepay Program¹ and in light of the fact that a Prepay Program participant will be given an AMI meter with an embedded disconnect device, the incremental cost of which is being recovered under the Prepay Program.

d. Explain how the proposed AMI meters will affect the calculation of the costs that are currently recovered by the Prepay Program, including the \$90.37 incremental cost for an AMI meter with an embedded disconnect device.²

2. Refer to Licking Valley's response to Staff's First Request, Item 1.c. Provide a date by which Licking Valley would have to purchase additional TS1 and TS2 meters if a final decision has not been rendered by the Commission on this matter.

3. Refer to Licking Valley's response to Staff's First Request, Items 2.b. and 2.e. The response to Item 2.b. states that Licking Valley has 236 TS2 meters in inventory as of March 28, 2016. However, the response to Item 2.e. states that all TS2 meters have been deployed by Licking Valley. Provide a detailed explanation reconciling the difference in the two responses concerning the number of TS2 meters that are currently in inventory.

4. Refer to Licking Valley's response to Staff's First Request, Item 2.e., in which Licking Valley states that all 3,563 TS2 meters are deployed. Rectify this number with the 7,000 to 8,000 TS2 meters Licking Valley stated were currently in service in its

¹ Case No. 2014-00256, *Application of Licking Valley Rural Electric, Inc. for Approval of a Prepay Metering Tariff* (Ky. PSC Oct. 1, 2014).

² *Id.*, Application, Exhibit C, page 3 of 9 (filed July 31, 2014).

distribution system during a May 13, 2015 telephonic conference with Commission staff in Case No. 2012-00013.³

5. Refer to Licking Valley's response to Staff's First Request, Item 2.f. Provide the specific details and timeline for the roll out of the proposed AMI meters.

a. Will Licking Valley first deploy in the areas solely served by TS1 meters, i.e., the areas where substations have not been upgraded to TS2 compatibility?

b. Will meter deployment and substation upgrades be done totally in-house?

6. Refer to Licking Valley's response to Staff's First Request, Item 4.a.

a. Provide the specific details as to why GE's system is incompatible with Licking Valley's service area.

b. Provide a copy of any and all correspondence between Licking Valley and GE in connection with the AMI RFP.

c. Provide the specific details of the "issues of quality and malfunctioning devices" that Sensus was having with its mesh-style system and explain how Licking Valley became aware of these issues.

d. Provide a copy of any and all correspondence between Licking Valley and Sensus in connection with the AMI RFP.

7. Refer to Licking Valley's response to Staff's First Request, Item 6.a. Explain in detail the conditions under which Licking Valley would return an existing meter back into service in its system.

³ Case No. 2012-00013, *Application of Licking Valley Rural Electric Cooperative Corporation for a Certificate of Public Convenience and Necessity for Its 2012–2015 Construction Work Plan* (Ky. PSC June 15, 2015), May 13, 2015 Teleconference Memo.

8. Refer to the response to Staff's First Request, Item 6.b., regarding the accumulated depreciation on the TS1 and TS2 meters. Also refer to the response to the AG's First Request, Item 3.a., regarding the date for Licking Valley's next base rate case. Assuming the Commission approves Licking Valley's request in this proceeding and assuming Licking Valley's next rate case will be concluded before the proposed project is complete, how does Licking Valley intend to recover the undepreciated cost of the meters and all other equipment retired due to the AMI system?

9. Refer to Licking Valley's response to Staff's First Request, Item 7.c.

a. Explain how the data provided, which consists of one customer's usage reading over an approximately four-week period, justifies Licking Valley's conclusion that the results of the 100-meter Pilot Project were satisfactory.

b. Provide a detailed explanation of the 100-meter Pilot Project "results" and explain how Licking Valley evaluated those results to arrive at the conclusion that the pilot project was satisfactory.

c. Identify any issues that Licking Valley encountered during the implementation of the 100-meter Pilot Project and explain how Licking Valley resolved, or intends to resolve, those issues.

d. Confirm that the total number of Rf meters utilized during the pilot project was 100 meters.

e. Provide a narrative to accompany the data submitted in Exhibit 6 and explain why the data for Friday, November 27, 2015, was not captured.

10. Refer to Licking Valley's response to Staff's First Data Request, Item 12.d. Also refer to the application, Exhibit 5, page 2 of 2, where Licking Valley states that the AMI system will eliminate the need for manual meter reads. Explain in detail why Licking Valley believes that meter reading expenses will not be reduced in connection with the proposed AMI meters.

11. Refer to the AG's First Request, Item 22. If the instant application is approved, when does Licking Valley anticipate conducting a study on alternative rate structures?



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DATED APR 21 2016

cc: Parties of Record

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