

**Commonwealth of Kentucky  
Before the  
Public Service Commission**

**Case Number 2011-00303  
Commission Staff's Second  
Information Request**

**Clark Energy Cooperative, Inc**

**Winchester, Kentucky**

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

RESPONSES OF CLARK ENERGY COOPERATIVE, INC.  
TO COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION

Comes Clark Energy Cooperative, Inc., by counsel and pursuant to Commission Staff's Second Request for Information dated April 20, 2012 files its Responses.

Holly S. Eades, Vice-President of Finance is the witness responsible for Clark Energy Cooperative, Inc.'s response to Request 1 and Todd Peyton, Manager of Engineering Services of Clark Energy Cooperative, Inc. is the witness responsible for Clark Energy Cooperative, Inc.'s responses to Requests 2 through 4.

**GRANT, ROSE & PUMPHREY**

By:   
Robert L. Rose  
51 South Main Street  
Winchester, Kentucky 40391  
ATTORNEYS FOR CLARK ENERGY

CERTIFICATE OF SERVICE

This is to certify these Responses of Clark Energy Cooperative, Inc. to the Commission Staff's Second Request for Information dated April 20, 2012 has been served upon the Public Service Commission by filing electronically and by hand delivering

one true and accurate copy to Faith Burns, Esquire, Post Office Box 615, Frankfort, Kentucky 40602-0615, Attorney for the Public Service Commission, on this 27<sup>th</sup> day of April, 2012.



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Robert L. Rose  
Of Counsel for Clark Energy  
Cooperative, Inc.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

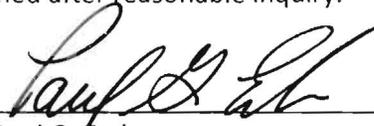
In the Matter of:

APPLICATION OF CLARK ENERGY COOPERATIVE, INC )  
FOR A CERTIFICATE OF CONVENIENCE AND )  
NECESSITY TO CONSTRUCT ACCORDING TO )  
IT'S 2010-2014 FOUR YEAR CONSTRUCTION )  
WORK PLAN )  
)  
)

CASE NO.  
2011-00303

RESPONSE OF CLARK ENERGY COOPERATIVE, INC.  
TO COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION  
DATED APRIL 20TH.

Paul G. Embs, being duly sworn, states that he has supervised the preparation of the responses of Clark Energy Cooperative, Inc. to the Public Service Commission Information Requests in the above-referenced case and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

  
\_\_\_\_\_  
Paul G. Embs  
President & CEO

Subscribed and sworn before me on this 27<sup>th</sup> day of April, 2012.

  
\_\_\_\_\_  
Notary Public

My commission expires:

MY COMMISSION EXPIRES SEPTEMBER 8, 2012

**Clark Energy Cooperative, Inc.**

**PSC Case No. 2011-00303  
2<sup>nd</sup> Information Request**

Request #1

Responsible Party: Holly Eades

1. Refer to the response to Item 1 of the Commission Staffs First Information Request (“Staffs First Request”). Provide the annual actual cost of operations (excluding the cost of power) for each year 2009 through 2011, and the annual budgeted cost of operations (excluding the cost of power) for each year 2012 through 2014.

**Response:** 2009 - \$13,146,937  
2010 - \$14,008,455  
2011 - \$14,221,506  
2012 - \$14,698,054 – Budgeted  
2013 - \$15,250,000 – Estimated  
2014 - \$15,785,000 – Estimated

**Clark Energy Cooperative, Inc.**

**PSC Case No. 2011-00303  
2<sup>nd</sup> Information Request**

Request #2

Responsible Party: Todd Peyton

2. Refer to the response to Item 6 of Staffs First Request.

a. State whether the mechanical meters can be retrofitted to work with the TS2 system or if they would have to be replaced. If the former, provide the cost to retrofit the meter to make it compatible with the TS2 system.

b. State whether the digital TSI meters can be retrofitted to work with the TS2 system or if they would have to be replaced. If the former, provide the cost to retrofit the meter to make it compatible with the TS2 system.

**Response:**

- a. Yes, existing mechanical meters can be retrofitted to work with the TS2 system. Cost to retrofit mechanical meters \$81 each.
- b. Digital TS1 meters do not need to be retrofitted or changed in any way to work with the TS2 system. Digital TS1 meters will report, with the same TS1 functionality, using the TS2 infrastructure.

**Clark Energy Cooperative, Inc.**

**PSC Case No. 2011-00303  
2<sup>nd</sup> Information Request**

Request #3

Responsible Party: Todd Peyton

3. Page 4 of the 740C Detail Report filed in the application shows that the AMR\AMI project total cost is \$1,559,800. Exhibit 3 shows that the cost for the TS2 project is \$1,381,900.
  - a. Confirm that these two references are for the same project.
  - b. Explain the discrepancy of \$177,900.

**Response:**

- a. Yes, both references are for the same project
- b. \$1,381,900 is the original estimated project cost; \$1,559,800 is the estimated project cost as completed over the term of the Construction Work Plan due to inflation.

**Clark Energy Cooperative, Inc.**

**PSC Case No. 2011-00303  
2<sup>nd</sup> Information Request**

Request #4

Responsible Party: Todd Peyton

4. Refer to the response to Staff's First Request, Item 6, in which Clark Energy states it has 7,020 TS1 meters and 810 TS2 meters in its system.
  - a. When did Clark Energy begin purchasing and installing TS1 and TS2 meters? Provide a breakdown by year of the number and cost of TS1 and TS2 meters.
  - b. Identify the construction work plans "CWP" filed with the Commission in which the TS1 and TS2 meter purchases were included.
  - c. If they were not included in a CWP, did Clark Energy obtain a Certificate of Public Convenience and Necessity prior to purchasing the TS1 and TS2 meters? If yes, identify the case number of the proceeding.
  - d. Section 2 of the CWP, page 2-4, shows the replacement of 4,000 meters, or 1,000 meters per year. State whether these replacements are expected to be made as meters fail or whether Clark Energy is gradually replacing all mechanical meters at a rate of 1,000 meters per year. If the latter, does Clark Energy plan to replace meters at the rate of 1,000 per year beyond the time period of this CWP, or does Clark Energy expect to accelerate the replacements after 2014? Explain your response.

**Response: Continued on next page**

## PSC Request 4

### Response: Continued

- a. Clark Energy began purchasing and installing TS1 meters in 2001-2002. Clark Energy re-used existing mechanical meters by installing TS1 modules in each meter. 26,000 TS1 modules were purchased from 2001-2002 at a cost of \$52.84 each. Clark Energy purchased 2,304 TS2 Digital meters in 2011 at a cost of \$98 for both the Digital meter and TS2 module. No meters have been purchased in 2012.
- b. TS1 purchases were an amendment to the 1999-2003 CWP Case Number 99-335, TS2 purchases are part of the 2010-2014 CWP.
- c. TS2 purchases are part of the 2010-2014 CWP Case Number 2011-00303.
- d. Clark Energy plans to replace 1,000 meters per year to gradually replace mechanical meters. There is currently no plan to accelerate beyond the 1,000 meters per year replacement.