

Grayson Rural Electric Cooperative Corporation

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August 25, 2011


Mr. Jeff Derouen, Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
PO Box 615
Frankfort, Kentucky 40602

Re: Case No. 2010-00441

Dear Mr. Derouen:

Enclosed is one (1) original and seven (7) copies of Grayson's response to the Commission's fourth data request of August 15, 2011 in the above referenced case.

Respectfully submitted,


Don M. Combs
Mgr.- Finance & Accounting

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**PUBLIC SERVICE
COMMISSION**

The undersigned, Don M. Combs, as Manager of Finance and Accounting of Grayson Rural Electric, being first duly sworn, states that the responses herein supplied in Case No. 2010-00441 Order dated August 15, 2011 are true to the best of my knowledge and belief formed after reasonable inquiry.

Dated: 8/25/11

Grayson Rural Electric

By: 

Don M. Combs
Manager of Finance and Acct.

Subscribed, sworn to, and acknowledged before me by Don M. Combs, as Manager of Finance and Acct. for Grayson Rural Electric on behalf of said Corporation this 25th day of August, 2011.

My Commission expires 9th day of January, 2015.
Witness my hand and official seal this

25th day of August, 2011.
Marilyn A. Thacker
Notary Public in and for State at Large Co., KY.

Case No. 2010-00441
Fourth Data Request – August 15, 2011

1. Refer to Grayson's response to Item 3.3h. of the Second Information Request of Commission Staff wherein Grayson listed the functions of the Turtle 2 system that cannot be provided by the Turtle 1 system.
 - a. Provide the estimated cost to upgrade Grayson's meters so that all of the benefits from the Turtle 2 system can be achieved. Include all supporting calculations.

Response:

Our deployment plan includes providing Turtle 2 modules to new residential meter sets, members requesting rate structures requiring a Turtle 2 module, routine meter changes and locations where voltages need monitoring. Based upon these criteria, we anticipate the need to upgrade 400 meters in the beginning and gradually increase annually to meet the demand.

Cost for a new meter -	\$ 100.00
Annual Number	400
Annual Cost	\$ 40,000.00

- b. Has Grayson completed the upgrade of the substation equipment to allow communication with both Turtle 1 and Turtle 2 modules? If so, when was the upgrade completed?

Response:

Seven (7) of Grayson's 12 substations have been upgraded to communicate with both Turtle 1 and Turtle 2 modules. The remaining 5 are in the early stages of completion and should be finished by September 2012.

Case No. 2010-00441
Fourth Data Request – August 15, 2011

- c. By upgrading the substations, but not installing the Turtle 2 modules onto the customer meters, will the existing Turtle 1 modules currently installed on the meters achieve any or all of the benefits listed for the Turtle 2 system? If no, list the benefits which will be achieved and those which will not be achieved.

Response:

No additional benefits will be achieved from existing Turtle 1 modules. They will continue to provide regular meter readings for kwh usage and demand as they have since 2001 and for the foreseeable future will be sufficient for the majority of Grayson's members. They will not be able to measure Time of Use related data for those customers, monitor voltage or operate remote disconnect modules.

- d. One of the benefits indicated by Grayson of the Turtle 2 system is to accommodate optional inclining block and off-peak rate structures.
- i. How many customers have signed up for the inclining block and time-of- day tariffs to date?

Response:

**3 Inclining block customers
1 Time of Use customer**

- ii. In order to accommodate customers desiring the tariffs, will Grayson have to provide in-home displays?

Response:

Grayson was not planning on providing in home displays at this point, but will keep monitoring their potential benefit for customers.

Case No. 2010-00441

Fourth Data Request – August 15, 2011

- iii. Does Grayson plan to provide in-home displays to all customers regardless of whether the customer is or is not on an inclining block or time-of-day tariff?

Response:

No.

- iv. Provide the estimated cost for each display.

Response:

Not available.

- e. Regarding the existing digital meters installed on Grayson's system, what upgrade is necessary to be able to achieve the benefits of the Turtle 2 system? Provide the estimated cost.

Response:

Cost of Turtle 2 module - \$ 66.00
Est. Installation Cost - \$ 34.00
Total Cost / module - \$ 100.00

- f. When does Grayson plan to upgrade all the meters in its system to the Turtle 2 system? Provide a schedule for completion of the upgrade.

Response:

Grayson does not anticipate upgrading all its meters to the Turtle 2 system in the near future, but believes over time most will be upgraded to take advantage of optional rates that might be developed in the future.

Case No. 2010-00441
Fourth Data Request – August 15, 2011

2. Provide a detailed breakdown of how much Grayson has spent on the Turtle 2 upgrade to date. Include all supporting calculations.

Response:

Substation retrofits –	\$ 509,746
TS 2 modules (888) -	\$ 62,057
Focus TS2 meters (50)	\$ 12,500
Polyphase TS2 meters (8)	\$ 3,200
Total	\$ 587,503

Case No. 2010-00441
Fourth Data Request – August 15, 2011

3. Refer to Grayson's response to Item 1 of the Second Information Request of Commission Staff. Grayson indicates that construction began on five projects between November 15, 2009 and September 19, 2010. On November 12, 2009, Grayson was sent a letter notifying Grayson of the requirement to file an application requesting a certification of public convenience and necessity regarding its construction work plan ("CWP") before any construction commenced on any projects in the CWP. (For reference purposes, a copy of the letter is attached as an Appendix to this Data Request.) Explain why Grayson did not comply with this letter.

Response:

Grayson did receive this letter and was planning on responding to the request when the person responsible for responding to the letter was deeply involved in preparing Grayson's financial budget and suffered a death in his family. Grayson, in early 2010, became involved in 2 cases, 2010-00089 and 2010-00230, plus various East Kentucky Power projects that managed to dominate the year and cause the CWP application to be forgotten until November 2010, when it was submitted.