

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF FLEMING-MASON)	
ENERGY COOPERATIVE, INC. FOR A)	
CERTIFICATE OF PUBLIC CONVENIENCE)	CASE NO.
AND NECESSITY TO INSTALL AN)	2012-00361
ADVANCED METERING INFRASTRUCTURE)	
SYSTEM (AMI))	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO
FLEMING-MASON ENERGY COOPERATIVE, INC.

Fleming-Mason Energy Cooperative, Inc. ("Fleming-Mason"), pursuant to 807 KAR 5:001, is to file with the Commission the original and 10 copies of the following information, with a copy to all parties of record. The information requested herein is due no later than 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.

Fleming-Mason 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 Fleming-Mason 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 6 of the Application.

a. Provide a detailed analysis of the project cost components listed, separately identifying costs for equipment, material, and labor to install.

b. Will Fleming-Mason's substation equipment require any upgrades or additions to be compatible with the proposed Advanced Metering Infrastructure ("AMI") system?

(1) If the response to 1.b. is yes, are the costs associated with any substation installations resulting from the AMI project included in the estimated project cost?

(2) If the response to 1.b. is no, provide the costs of any substation upgrades or additions related to the AMI project, and state Fleming-Mason's source of funding for the substation upgrades.

2. a. State the total number of meters in Fleming-Mason's system identified by type, i.e., mechanical or digital and/or solid-state.

b. Where digital/solid-state meters are currently used, are they compatible with the new AMI system?

3. Refer to Exhibit 1 of the Application.

a. What are the alternatives to a radio frequency AMI system? Explain fully why an alternative system would or would not satisfy Fleming-Mason's requirements.

b. Identify the five vendors that received a Request for Proposals ("RFP").

c. Provide copies of the three proposals received.

d. Provide documentation of the assessment process of the RFP's that resulted in the selection of Tantalus Systems.

e. Explain the weighted scoring process used in assessing the RFP's received and provide available documentation.

4. Refer to Exhibit 1, page 1, of the Application. It states, "[t]he committee decided to concentrate their efforts on vendors that utilize radio frequency (RF) which uses either licensed or un-licensed frequency to send and receive data."

a. Explain the difference between a licensed and unlicensed frequency.

b. If an unlicensed frequency is used, explain the potential benefits and problems of using an unlicensed versus a licensed frequency.

c. Explain whether there are any security issues with an unlicensed versus a licensed frequency.

d. Explain how the selected system is "Future Proof."

e. Provide a detailed assessment of how voltage monitoring requirements, including compliance with 807 KAR 5:041, Section 7, will be met by the new system.

5. Refer to Exhibit 2, page 1, of the Application. It states, “[t]he two-way, near real-time network will enable FME to monitor and control smart meters, smart thermostats, load control devices and the infrastructure equipment over which electricity, water and gas are delivered.”

a. Explain the term “near” in the phrase “near real-time network.”

b. Explain why Fleming-Mason is interested in monitoring water and gas deliveries.

6. Refer to Exhibit 2, page 3, of the Application (Demand Side Management - Distribution System). Provide additional information about Dispatchable Conservation Voltage Reduction including how this technology may yield immediate operational savings.

7. Refer to Exhibit 3, where it is stated that Fleming-Mason will provide and deploy the meters.

a. Provide a complete description of the meters proposed to be installed. Include the manufacturer, type, life expectancy, and rate of failure of this type of meter. Also include a copy of any materials supplied by the vendor describing the capabilities and features of the meters.

b. Explain why Fleming-Mason selected these meters instead of other available meters.

c. Do the meters selected represent the most recent technology available? If not, explain Fleming-Mason's decision to select these meters.

8. Refer to Exhibit 4, page 3, Assumptions.

a. Explain how the present worth rate of six percent was determined.

b. Explain how the annual fixed charge of 13.85 percent was determined.

c. Explain the reason for the difference in the operation and maintenance cost rate of one percent for automated meter reading ("AMR") meters and two percent for mechanical meters.

d. Explain the reason for the difference in the inflation rate of one percent for AMR Meters and three percent for mechanical meters.

e. Define SEC Labor and explain how the inflation rate of four percent for SEC Labor was determined.

f. Explain how the inflation rate of 2.40 percent for Contract Labor was determined.

g. Explain the rationale for using 15 years as an evaluation period.

h. Throughout Exhibit 4 of the Application, there are several references to AMR. Did Fleming-Mason intend to use AMR or AMI?

i. Explain how costs will be eliminated for Public Service Commission Voltage Recordings and how it determined the savings to be \$2000.

j. Explain the difference between "Cost to Replace Existing Meter with AMR" (\$12/each) and "Cost Associated with Meter Replacement" (\$2/each).

9. Refer to Exhibit 5 of the Application. It states that, “[s]tudies have shown that members electing to move to pre-pay metering consume anywhere from 7% to 12% less electric. Fleming-Mason plans to offer pre-pay as an option after AMI deployment.”

a. What studies have determined that members electing to move to pre-pay metering consume anywhere from seven percent to 12 percent less electric?

b. What interest has been expressed by members of Fleming-Mason concerning pre-pay metering?

10. Refer to Exhibit 5 of the Application. Provide the rate of financing from Rural Utilities Service for the AMI system.

11. Refer to numbered paragraph 7 of the Application where Fleming-Mason is requesting relief from sample testing of its single phase meters. Is Fleming-Mason current on its sample meter testing program?

a. Provide information on Fleming-Mason’s policy and procedures for meters removed from service and tested that are found to be in error of +/- 1.0 to +/- 1.9 percent.

b. Provide information on Fleming-Mason’s policy and procedures for meters removed from service and tested that are found to be in error greater than +/- 2.0 percent.

12. Refer to Exhibit 1, page 1, of the Application where a list of Fleming-Mason’s “critical criteria” for selecting an AMI system is noted.

a. Explain bullet point 4, “Multi-Speak Compliant Software.”

b. Explain bullet point 5, “CIS Software Compatible.”

13. Refer to Exhibit 2, page 3, of the Application which states, “[t]he WAN Collectors may be installed with one or two NiCad rechargeable battery packs”

- a. Explain where the Wide Area Network Collectors are located.
- b. Explain whether one or two NiCad packs will be installed.

14. Refer to Exhibit 2, page 4, of the Application in the paragraph discussing Distribution Automation. This statement occurs in parenthesis, “(per phase for polyphase meters).” Explain if polyphase meters are included in this Application.

15. Refer to Exhibit 2, page 4, of the Application in the paragraph discussing Customer Access. The language states, “[p]rovided via the MDM web portal.” Explain MDM.

16. Refer to Exhibit 2, page 4, of the Application. The last sentence states, “FME will be able to present current consumption and rates data without to consumer smart phones and other personal communication devices.” Clarify the meaning of this sentence.

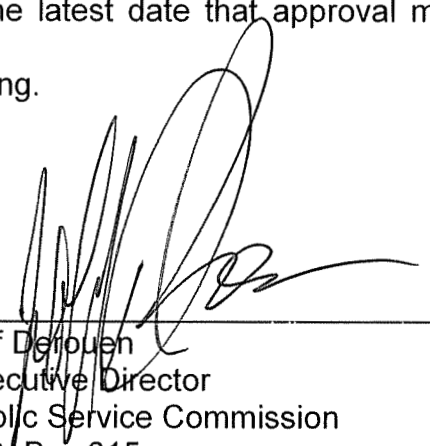
17. Refer to Exhibit 5 of the Application.

a. The last sentence under the Cost-Savings Benefits paragraph states, “[i]t will reduce line losses through better collection and utilization of load data.” Explain.

b. Explain how the AMI system will eliminate energy theft through the use of tamper detection.

18. Refer to Exhibit 6 of the Application. Break down the costs for “Code 601” and explain how Fleming-Mason determined the need for 1000 remote disconnect meters.

19. Fleming-Mason has requested expedited treatment of this case in order to sign a contract on or before October 1, 2012 to lock in pricing. In the event the Commission approves this Application, provide the latest date that approval must be received in order for Fleming-Mason to lock in pricing.



Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED SEP 06 2012

cc: Parties of Record

Case No. 2012-00361

Joni Hazelrigg
Fleming-Mason Energy Cooperative, Inc.
1449 Elizaville Road
P. O. Box 328
Flemingsburg, KY 41041

Honorable Marvin W Suit
Attorney At Law
Suit, McCartney & Price, PLLC
207 Court Square
Flemingsburg, KENTUCKY 41041