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March 4, 2013

PARTIES OF RECORD

Re: Case No. 2012-00425
Application of Big Sandy Rural Electric Cooperative Corporation for Approval of a Prepay Metering Program

Attached is a copy of the memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the informal conference memorandum, please do so within five days of receipt of this letter. If you have any questions, please contact Quang Nguyen, Staff Attorney, at 502-782-2586.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Derouen".


Jeff Derouen
Executive Director

QN/kar

Attachments

INTRA-AGENCY MEMORANDUM
KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File

FROM: Quang D. Nguyen, Staff Attorney 

DATE: March 4, 2013

RE: Case No. 2012-00425
Application of Big Sandy Rural Electric Cooperative Corporation for Approval of a Prepay Metering Program

Pursuant to a Staff Notice, an informal conference was held at the Commissions' offices in Frankfort, Kentucky on March 1, 2013. The purpose of the informal conference was to discuss any and all outstanding issues relating to the application filed by Big Sandy Rural Cooperative Corporation ("Big Sandy"). A list of the attendees is attached to this memo.

Commission Staff initiated discussion by asking several clarifying questions to Big Sandy concerning certain revisions to the company's proposed Prepay Metering Program Tariff (attached as Exhibit A to Big Sandy's application), the Agreement for Participation in the Prepay Program (attached as Exhibit B to Big Sandy's application), and the attachment to the application entitled "Big Sandy Rural Electric Administrative Policy Prepaid Metering Program. Representatives from Big Sandy confirmed that those revisions have been, or will be, made and that such revisions reflect the discovery questions raised by Commission Staff in the two data requests.

Commission Staff also raised questions concerning the level of proposed monthly charge, which is driven in large parts by a hosting fee charged by Exceleron. Big Sandy indicated that it engaged Exceleron's Prepaid Account Management System because Big Sandy's current billing system is not capable of communicating with its automated meter infrastructure ("AMI") system. Big Sandy further indicated that it would have to purchase a software program from its AMI vendor, Aclara, at a cost of \$6,500 in order for its AMI system to be able to interface with its billing system. The purchase cost of this software does not reflect additional costs for service, installation, an additional fee from the billing system provider, and personnel costs. Accordingly, Big Sandy stated that Exceleron provided a more economic alternative with more robust features (i.e., the ability to send text messages and make automated phone calls).

Lastly, Commission Staff inquired about Big Sandy's proposal to implement the Prepay Metering Program as a permanent program, rather than a pilot program as implemented by other distribution cooperatives. Big Sandy's belief is that this program will be successful in terms of participation and benefits as proven by the other distribution cooperatives that have already offered similar programs.

There being no further discussions, the informal conference was adjourned.

Attachment

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG SANDY RURAL)
ELECTRIC COOPERATIVE CORPORATION) CASE NO.
FOR APPROVAL OF A PREPAY METERING) 2012-00425
PROGRAM)

March 1, 2013

Please sign in:

NAME	REPRESENTING
Quang D. Nguyen	PSC
Fereydoon Gorjian	PSC/Engineering
Leah Faulkner	PSC/FA

Participating via phone:

Jeff Prater	Big Sandy
Albert Burchett	Big Sandy
Aaron Davis	Big Sandy
Stanley D. Darnell (212)	Big Sandy
Betty Castle	