

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LICKING VALLEY RURAL)	
ELECTRIC FOR APPROVAL OF A PREPAY)	CASE NO.
METERING PROGRAM TARIFF)	2014-00256

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO LICKING VALLEY RURAL ELECTRIC

Licking Valley Rural Electric ("Licking Valley"), pursuant to 807 KAR 5:001, is to file with the Commission one original of the following information, with a copy to all parties of record. The information requested herein is due no later than August 29, 2014. 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.

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 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 Licking Valley's e-mail address listed in Item 2 of the application ("Application") and Item 9 of the Terms & Conditions of its proposed Prepay Service tariff. State the correct e-mail address and provide corrections as necessary,

2. Refer to paragraph 4 of the Application, which states, "This Application is for the purpose of requesting approval of a prepay metering program in accordance with the terms set forth in the proposed tariff attached as Exhibit A of this application." Confirm the proposed tariff PREPAY SERVICE is Exhibit A.

3. Refer to Item 1 of the Terms & Conditions of the proposed Prepay Service Tariff. Explain why all other rules and regulations apply only to residential customers when the Prepay Service is also available for Commercial and Small Power Service.

4. Explain whether new Prepay Service customers would be subject to a membership fee in addition to the Customer Facility Charge and Prepay Service Fee.

5. Refer to Item 10 of the Terms & Conditions of the Prepay Service Tariff. Explain what would happen to the accumulated interest when the deposit is converted into a credit on the Prepay account going forward.

6. Refer to Item 23 of the Agreement for Prepay Service where it states that the Prepay agreement “shall be in effect for (1) year.”

a. Identify where in the Prepay tariff a term of one year is required to receive the Prepay Service.

b. Explain why a one-year term for Prepay Service is necessary when other cooperatives have not required a term for Prepay Service. See, for instance, the Prepay Service agreement approved in Case No. 2012-00437.¹

7. Refer to the response to question 7 on page 2 of Exhibit C of the Application, which states, “LVE is estimating that 300 members will use the program. This number was calculated similarly to how Farmers’ and Shelby calculated theirs in that 300 represent approximately three percent of its members.” Also, refer to page 44 of the 2013 Annual Report of Licking Valley Rural Electric Cooperative Corporation, which lists 16,258 residential customers.

a. Confirm that the estimated 300 members proposed to use the program represent 3 percent of Licking Valley’s residential customers at the end of 2013.

b. Provide the most recent number of residential customers as of the date of this response.

8. Refer to the response to question 8 on page 2 of Exhibit C of the Application, which states, “Service disconnection and reconnection will be automatic with the installation of an AMI meter equipped with a disconnect feature.” Explain why Licking Valley did not chose to put a collar on the existing Advanced Metering

¹ Case No. 2012-00437, Application of Farmers Rural Electric Cooperative Corporation for Approval of a Prepay Metering Program Tariff, (Ky. PSC Jan. 23, 2013).

Infrastructure (“AMI”) meter rather than purchasing a new one with the disconnect feature.

9. Refer to the response of question 9 on pages 2-3 of Exhibit C of the Application, which states, “The equipment cost is the cost of the software and hardware divided by the number of estimate participants. An amount of \$90.37 represents the additional cost associated with the disconnect device/collar.” Also, refer to Table A of the response to question 9 on page 3 which refers to a New Disconnect AMI Meter for \$211.87 under the heading of Hardware.

a. Provide a description, including the name of the manufacturer, of the New Disconnect AMI Meter that is to be installed.

b. Provide a description, including the name of the manufacturer, of the old AMI meter that is to be replaced.

10. Refer to Table B of the response to question 9 on page 4.

a. Explain why there are no cost savings reflected in the Annual Expenses as a result of the Prepay Program.

b. Identify and explain any expected cost savings resulting from the implementation of the proposed Prepay Program.

11. Refer to Table C of the response to question 9 on page 4. There is no transaction fee listed as part of the proposed \$5.00 monthly rate.

a. Identify the specific costs and expenses required to process a prepaid meter transaction.

b. Identify the specific costs and expenses required to process a check transaction.

c. Identify the specific costs and expenses required to process a credit card transaction.

d. Identify the specific costs and expenses required to process a walk-in transaction.



Jeff Deroven
Executive Director
Public Service Commission
P. O. Box 615
Frankfort, Kentucky 40602

DATED AUG 15 2014

cc: Parties of Record