

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG SANDY RURAL)	
ELECTRIC COOPERATIVE CORPORATION FOR)	CASE NO.
APPROVAL OF A PREPAY METERING)	2015-00337
PROGRAM TARIFF)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION

Big Sandy Rural Electric Cooperative Corporation ("Big Sandy"), pursuant to 807 KAR 5:001, is to file with the Commission the original and ten copies of the following information, with a copy to all parties of record. The information requested herein is due within 20 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.

Big Sandy 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 Big Sandy 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. When filing a paper containing personal information, Big Sandy shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Provide the total number of Prepay Pilot program participants to date and explain whether Big Sandy continues to believe that 500 is a reasonable estimate for program participation.

2. Provide the average number of transactions Big Sandy experiences per month from those members on the Prepay Pilot Program.

3. In response to Commission Staff's Second Request for Information ("Staff's Second Request") in Case No. 2012-00425,¹ Item 3, Big Sandy responded that internet service would not be required for participation in the proposed Prepay program. Confirm whether internet service is still not a requirement.

4. Refer to the Application, Exhibit A, page 1 of 3, paragraph 2 under the section "Terms & Conditions." Explain whether a member must be capable of receiving email, text, **and** automated phone messages or if the member must be capable of

¹ Case No. 2012-00425, *Application of Big Sandy Rural Electric Cooperative Corporation for Approval of a Prepay Metering Program* (Ky. PSC Mar. 28, 2013).

receiving either email, text, **or** an automated phone message in order to participate in the Prepay Pilot Program.

5. Refer to the Application, Exhibit A, page 1 of 3, paragraph 3 under the section "Terms & Conditions."

a. The tariff references a member who is moving his/her status to a prepay account. Explain whether, in order to participate in the Prepay Pilot Program, a member must be moving from post-pay or whether the program is open to new members.

b. If the program is open to new members, explain whether Big Sandy is willing to change the wording to "Any member choosing to enroll in Prepay. . . ."

c. Explain whether the initial required payment for electricity is for kWh usage only, or whether it can be used for other charges such as the Prepay program fee, the monthly customer charge, etc. If the initial payment can be used for all monthly charges, explain whether Big Sandy is willing to change the tariff to state that the initial purchase must be a minimum of \$100.00.

6. Refer to the Application, Exhibit A, page 2 of 3, paragraph 4, under the section "Terms & Conditions" and to Exhibit C, page 1 of 6, paragraph 1. Confirm that all payment methods by post-pay members are available to the prepay member. If this is not the case, provide a list of methods available to post-pay members and a list available to prepay members.

7. Refer to the Application, Exhibit A, page 2 of 3, paragraph 6, under the section "Terms & Conditions." Explain how the unpaid balance will be paid back.

8. Refer to the Application, Exhibit A, page 3 of 3, paragraph 17 under the section "Terms & Conditions."

a. Provide the number of prepay members who customize their threshold amounts.

b. Provide the amount(s) chosen by members who customize their threshold amounts.

c. Confirm that the automated message will be electronic.

9. Refer to the Application, Exhibit B, page 2 of 3, paragraph 11. Explain whether Big Sandy is willing to add a specific reference to the Cooperative Rules and Regulations as approved by the Kentucky Public Service Commission.

10. Refer to the Application, Exhibit B, page 3 of 3, paragraph 19. Clarify what type of communication is required, and state whether Big Sandy is willing to be more specific in this paragraph as to the communication required.

11. Refer to the Application, Exhibit B, page 3 of 3, paragraph 20. Explain the manner in which the member must opt out.

12. Refer to the Application, Exhibit C, page 1 of 6, paragraph 1.

a. Confirm that Big Sandy is now using SEDC as the provider of its Prepay program software instead of Exceleron. If this is not the case, state the date of the change in provider, and provide the reason for the change.

b. Confirm that the remote connect/disconnect collar is still a separate item that is added to the existing meter. If not, and if the entire meter must be replaced, provide the cost of the existing meter and the cost of the new meter.

13. Refer to the Application, Exhibit C, page 2 of 6, Exhibit A. Provide a detailed breakdown of the 90% Benefits rate calculation.

14. Refer to the Application, Exhibit C, page 2 of 6, Exhibit B. Provide the current FFB 15-year interest rate for Big Sandy.

15. Refer to the Application, Exhibit C, page 3 of 6, Exhibit C. Provide the calculations used to estimate the \$1.05 transaction fee.

16. Refer to the Application, Exhibit C, page 3 of 6, Exhibit D. Also refer to Big Sandy's supplemental filing provided with its 2014 Annual Report as required in the Appendix of the Final Order in Case No. 2012-00425.

a. Provide the average percentage reduction in participants' monthly usage after enrolling in the Prepay Pilot program.

b. Explain whether Big Sandy believes it is more appropriate to use the usage reduction that its participants have actually achieved and is directly applicable to its system or the 10 percent based on the Cooperative Research Network Project 10-10 – Prepaid Metering Analytical Report as indicated on page 3 of Exhibit C.

17. Provide an example of an automated text, an automated email, and a transcript of an automated phone call.

18. Provide a summary of the estimated hardware and software costs, implementation costs, and monthly support and maintenance fees from Big Sandy's CIS Company.

19. Provide information from the manufacturer on the type of metering equipment installed in Big Sandy's Prepay Pilot program.

20. Explain whether Big Sandy has considered offering the Prepay program to its small commercial rate class.

21. Refer to the Application, Attachment 1.

a. Provide the average number of delinquent notices mailed by month for the years 2013 and 2014.

b. Confirm that the overtime trips will be made by the lineman and not the serviceman.

c. Confirm that it will take an hour for an overtime field visit but only 30 minutes for a field visit during normal working hours.

d. Provide and explain the calculations of the time savings associated with the CSR preparing cut offs.

e. State whether the current interest rate on deposits is 0.104 percent or 0.12 percent.

f. Provide and explain the calculation of Decrease in Bad Debt Write-offs.

g. Provide the difference in the wholesale and retail rate used to calculate the loss on margins.

h. Provide the average residential usage used in calculating the lost margin from kWh sales.

i. Explain why the loss of connection fees is divided 50/50 between new connects or reconnects and reconnects for non-payment.

j. Explain why the loss of connection fees is not included in the total calculation of lost income due to the prepay program.

k. Explain why 183 was used in the calculation of lost income due to the elimination of late fees.

22. Provide a revised Exhibit E and Attachment 1 if the responses to any of the preceding items caused a change in the information provided.

23. State whether Big Sandy believes that its current monthly program charge in the amount of \$8.86 has discouraged participation in the Prepay Pilot program.



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DATED DEC 04 2015

cc: Parties of Record

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