



Big Sandy Rural Electric  
Cooperative Corporation

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Toll Free (888) 789-RECC (7322)

ORIGINAL

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FEB 12 2016

Public Service  
Commission

February 8, 2016

Mr. Jeff Derouen  
Executive Director  
Public Service Commission  
211 Sower Blvd.  
Frankfort, KY 40602

RE: Public Service Commission Case No. 2015-00337

Dear Mr. Derouen:

Please find enclosed the original and 10 copies of Big Sandy Rural Electric Cooperative Corporation's response to Commission Staff's Second Request for Information in Case No. 2015-00337, APPLICATION OF BIG SANDY RURAL ELECTRIC COOPERATIVE CORPORATION FOR APPROVAL OF A PREPAY METERING PROGRAM TARIFF. Billy Frasure will be the witness responsible for responding to the questions related to the information provided.

If you should need any additional information, please do not hesitate to contact me.

Thank you,

A handwritten signature in black ink, appearing to read "David Estopp", written over a horizontal line.

David Estopp  
President & General Manager

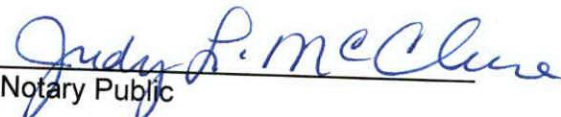
CERTIFICATE

STATE OF KENTUCKY )  
COUNTY OF JOHNSON )

Billy O. Frasure, CPA, being duly sworn, states that he has supervised the preparation of the response of Big Sandy RECC to the Public Service Commission Staff's Request for information in Case No. 2015-00337 dated January 26, 2016 and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief formed after reasonable inquiry.

  
\_\_\_\_\_  
Billy O. Frasure, CPA

Subscribed and sworn before me on this 8<sup>th</sup> day of February, 2016

  
\_\_\_\_\_  
Notary Public

## **EXHIBITS**

1. **Exhibit A- Prepay Program Tariff**

## **ATTACHMENTS**

1. **ATTACHMENT 1 - "SEDC"**
2. **ATTACHMENT 2 - "GE METERS"**

**BIG SANDY RECC**  
**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**  
**CASE NO. 2015-00337**

Item 1

Refer to Big Sandy's response to Commission Staff's First Request for Information ("Staff's First Request"), Item 7, and Exhibit A, page 2 of 3, numbered paragraph 6. Explain whether Big Sandy is willing to add the 30/70 prepayment plan guidelines, which are referenced in the response to Item 7 and Exhibit A, numbered paragraph 6, in a way similar to the guidelines included in Exhibit A, numbered paragraph 8, and Exhibit B, numbered paragraph 17.

**Response**

Yes, Big Sandy is willing to add the 30/70 prepayment plan guidelines. Please see Exhibit A, page 2 of 3, numbered paragraph 6 for the update.

Item 2

Refer to Big Sandy's response to Staffs First Request, Item 11. State what method(s) of notification Big Sandy accepts for a member to opt out of the Prepay program.

**Response**

A member can either come into Big Sandy's office or call in to notify us of their desire to opt out of the Prepay program. From that point, the procedure stated in Big Sandy's response to Staffs First Request, Item 11 would be followed.

Item 3

Refer to Big Sandy's response to Staff's First Request, Item 12.a. State whether Big Sandy will be charged the \$6.00 per member Exceleron software hosting fee that was set out in Case No. 2012-004251 through August 2016. If so, state whether the proposed decreased Prepay fee will result in a shortfall in cost recovery, the estimated amount of the shortfall, and how the shortfall will be absorbed by Big Sandy.

**Response**

Big Sandy believes any shortfall in cost will be immaterial in amount and will have little effect on its cost of operations.

Witness: Billy Frasure

**BIG SANDY RECC**  
**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**  
**CASE NO. 2015-00337**

Item 4

Refer to Big Sandy's response to Staff's First Request, Item 12.b. State at what rate Big Sandy is transitioning to meters with built-in connect/disconnect collars, and whether this type of meter is currently being issued to customers that are not participating in the Prepay program.

**Response**

Big Sandy's is in a slow transition to the meters with built-in connect/disconnect collars. These meters are being issued to new members regardless of whether the member is participating in Prepay metering. However, Big Sandy is not replacing meters currently in use with the new meters.

Item 5

Refer to Big Sandy's response to Staff's First Request, Attachment 1.

- a. Explain why \$82.50 was subtracted from the overtime trip cost calculation.

**Response**

The \$82.50 which was subtracted from the overtime trip savings calculation represented both a \$30 reconnect fee and a \$52.50 overtime fee. Big Sandy charges these fees to offset the cost incurred when a serviceman is sent out to reconnect a member after normal operating hours. Therefore, the net cost of an overtime reconnect would be less. With Prepay metering, however, Big Sandy estimated a reduction in the number of overtime reconnects. In order to calculate the actual savings from the reduction of overtime reconnects Big Sandy subtracted the fees we would have charged from the calculated cost.

- b. Explain why 30 percent of the projected 500 members were estimated to be charged a late fee, and whether 30 percent corresponds to the percentage of Big Sandy's total customers who are charged late fees.

**Response**

This estimation was based on Big Sandy's experience with its members and the belief that many of Big Sandy's members which pay their bill late frequently would find this program appealing. Big Sandy estimates that those members which frequently pay late would make up approximately 30 percent of Big Sandy's Prepay metering members.

Witness: Billy Frasure

**BIG SANDY RECC**  
**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**  
**CASE NO. 2015-00337**

Item 6

Refer to Big Sandy's response to Staff's First Request, Attachment 2. Explain whether a Prepay member receives a text message, e-mail, or automated phone call for each of the following:

- a. Daily Balance information;

**Response**

Big Sandy does not send alerts to Prepay members containing daily balance information. Prepay members may obtain their account balance by visiting [myusage.com](http://myusage.com) or by calling our office during operating hours.

- b. A Recharge notice;

**Response**

Big Sandy does not send Prepay members a recharge notice.

- c. A pending Disconnect notice;

**Response**

Big Sandy sends alerts via all three methods listed in item 6 when a Prepay member's account balance falls below \$25.

- d. A Reconnect notice;

**Response**

Big Sandy notifies Prepay members of a reconnect through e-mail.

**BIG SANDY RECC**  
**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**  
**CASE NO. 2015-00337**

e. Daily Usage; and

**Response**

Big Sandy does not send alerts to Prepay members containing daily usage information. Prepay members may obtain their usage information by visiting [myusage.com](http://myusage.com) or by calling our office during operating hours.

f. High Usage. Also, state what level of usage results in a high-usage alert and how that level was determined.

**Response**

Big Sandy does not send alerts to Prepay members containing usage information. Prepay members may obtain their usage information by visiting [myusage.com](http://myusage.com) or by calling our office during operating hours.

Item 7

Provide the vendor quotes associated with SEDC hardware, SEDC vendor software, SEDC Monthly Support Fee, and GE Meters with Disconnect Collars.

**Response**

Please refer to attachments "SEDC" and "GE METERS".

Witness: Billy Frasure

Big Sandy Rural Electric Cooperative Corporation

**PREPAY Metering PROGRAM**

**STANDARD RIDER**

Voluntary Prepay Electric Service is a rider to Rate Schedule A-1 (Farm and Home) as defined by the Cooperative.

**AVAILABILITY OF SERVICE**

All Rate Schedule A-1 (Farm and Home) accounts, excluding accounts on Levelized Billing, Budget Billing, auto draft, net metering, three phase accounts, and accounts greater than 200 amp service, within the territory served by the Cooperative.

**TYPE OF SERVICE**

Prepaid Electric Service.

**RATES**

In addition to the Customer Charge and KWH charge for Rate Schedule A-1 (Farm and Home), there will be:

**Monthly Program Fee: \$6.80 (\$0.23 per day)**

**TERMS & CONDITIONS**

Prepay Electric Service is a voluntary program. Members who qualify for this program as defined above in "AVAILABILITY OF SERVICE" may choose to voluntarily enroll their electric account (s) in this program. All members who participate in the Prepay Electric Service are subject to the following:

1. An agreement for Prepay Electric Service must be signed by the member for each account enrolling in the Prepay Electric Service. The term of the agreement is for one year. Special consideration may be made to terminate the one year requirement based upon the needs and circumstances of the member.
2. Members must confirm that he/she can receive electronic communications (email, text, or automated phone messages) to participate in the voluntary prepay program.
3. When a member enrolls for Prepay Electric Service, the initial purchase must be a minimum of \$100. Members may apply funds in any amount to their prepay account(s) as they choose and as many times per month as they choose.

DATE OF ISSUE: \_\_\_\_\_

DATE EFFECTIVE: \_\_\_\_\_

ISSUED BY: \_\_\_\_\_

TITLE: PRESIDENT AND GENERAL MANAGER

Issued by authority of an Order of the Public Service Commission of Kentucky in  
Case No. \_\_\_\_\_ Dated \_\_\_\_\_



Big Sandy Rural Electric Cooperative Corporation

PREPAY METERING PROGRAM - CONTINUED

4. Members may apply funds to their prepay account(s) by the same means as post pay member. These include payments through Big Sandy RECCs website, (except for Levelized Billing, Budget Billing, auto pay, and net metering) check by phone, debit card / credit card by phone, or check /money order by mail or by payment at the office.
5. If a member elects to enroll an account in prepay and has a deposit on the account, the deposit will be applied to the account before the account changes to prepay. Any credit remaining on the account will be applied to the prepay account. However, if the member has another account(s) which does not have a satisfactory credit history, the remaining credit will be transferred as a deposit to the unsecured account(s). The deposit will only be refunded by applying it to the member's account(s) as described.
6. If a member elects to enroll an account in prepay, the total amount of any existing payment arrangements/contracts will be applied to the account so the full unpaid balance will be reflected on the prepay account. Future payments will be split 30/70 until the unpaid debt is retired. Under this provision, the member will be applying 30% of any funds paid on the prepay account to the unpaid debt. The remaining 70% of the funds will be applied to daily usage on the account.
7. Once enrolled in the prepay service, no additional payment arrangements will be made.
8. If a member's post pay account has been disconnected for non-payment and the member chooses the prepay option for the account to be reconnected, the member will be subject to a prepayment plan whereas future payments will be split 30/70 until the unpaid debt is retired. Under this provision, the member will be applying 30% of any funds paid on the prepay account to the unpaid debt. The remaining 70% of the funds will be applied to daily usage on the account.
9. A new member, who previously received service from Big Sandy RECC and discontinued service without paying his/her final bill, (i.e. an uncollectible account) will be required to pay this amount in full or enter a debt reduction plan utilizing the 30/70 split on all future payments prior to establishing prepay service.
10. Prepay accounts will be billed at least once a day to show the remaining funds on the account. If a meter reading is not available, the account will be estimated for that day. In addition, a month end billing will be done for any unbilled miscellaneous charges. Charges such as program fee, customer charge, KWH, fuel adjustment, environmental surcharge, applicable taxes, franchise fees and outdoor lights will be prorated daily.
11. Prepay accounts will not be subject to deposits, late fees, disconnect fees, and reconnect fees.
12. For a member who request their account to be changed from prepay to post pay, a deposit may be required based on their credit report obtained by Big Sandy RECC at the time of the request.

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Big Sandy Rural Electric Cooperative Corporation

PREPAY METERING PROGRAM - CONTINUED

13. If a payment on a prepay account is returned for any reason, the account is subject to a \$20.00 returned check charge as listed in Big Sandy RECC's Rules and Regulations, Case No. 2005-00125 Appendix B. In addition if an outstanding balance is transferred from another account, the amount of the transfer will be debited to the prepay account. The member will have to apply funds to the account to cover the transfer to keep the account from disconnecting due to a negative balance.
14. If a prepay account is disconnected due to lack of funds or any other reason, the Cooperative shall be held harmless for any damages due to loss of energy services. Likewise, if the account is disconnected and the member applies funds to the prepay account thus causing the account to be reconnected, the member accepts full responsibility for any damages to the location caused by the account being disconnected.
15. A monthly paper bill will not be mailed to members who receive prepay service. However, they may request a copy of their monthly bill or may view it online through MyUsage.com or link on Big Sandy RECC's website – www.bigsandyrecc.com. Big Sandy RECC requests a deviation from 807 KAR 5:006, Section 14 for this Prepay Metering Program rider only.
16. Due to the prepay status of an account, a delinquent notice will not be mailed on prepay accounts as the account should never be in arrears. Big Sandy RECC requests a deviation from 807 KAR 5:006, Section 14 for this Prepay Metering Program rider only.
17. When the amount of funds remaining on a prepay account reaches the established threshold customized by the member, (Big Sandy recommends \$25), an automated message will be sent to the member rather than a written notice sent by U.S. Mail.
18. All prepay accounts will not be eligible for a Winter Hardship Reconnect, Certificate of Need, or Medical Certificate as outlined in 807 KAR 506, Sections 13, 14, and 15. If a member on a prepay account presents a Certificate of Need, a Medical Certificate or qualifies for a Winter Hardship Reconnect, the member will be required to transfer to a post pay account.
19. A prepay account will be disconnected if the balance of the account becomes negative. The account will be disconnected regardless of weather /temperature as the member is responsible for ensuring that the prepay account is adequately funded. If the member cannot ensure proper funding, Big Sandy RECC recommends the member not utilize the prepay service.
20. A prepay account will be disconnected immediately in cases of theft, tampering, or hazardous code violation.
21. Members who voluntarily choose the prepay service are subject to all rules and regulations outlined in the Cooperative's tariffs and bylaws unless specifically noted above.

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**Meter Data Management System  
Solution Summary**

**Hardware Schedule: DISREGARD HARDWARE FOR VIRTUAL SYSTEM PROVIDERS**

<u>Item:</u>	<u>Qty:</u>	<u>Description:</u>	<u>Amount:</u>
Server	1	Dell PowerEdge R720 Server for up to 8, 2.5-Inch Hard drives Intel Xeon®E5-2667 2.90GHz, 15M Cache 12GB Memory (3x4GB) 1333Mhz RAID 5 FOR PERC H710 Integrated RAID controller 512MB Cache 8 x 300GB 10k RPM Serial-Attach SCSI 6Gbps DVD Rom, SATA, Internal iDRAC 7 Enterprise RD1000 Internal SATA Drive Bay 3 x RD1000 removable disk 750GB Native capacity ReadyRails™ Sliding Rails Without Cable Management Arm, for square hole racks Dual, Hot-plug, Redundant Power Supply 750W C13 to C14 PDU style power cords, 2 feet Five year Pro Support for IT with Next Business Day with onsite service	
<b>Total Hardware:</b>			<u><u>\$8,900.00</u></u>

**MDMS Database Software:**

1	Oracle 12c Database (Enterprise Edition)	<u>\$14,500.00</u>
1	Red Hat Linux OS License OTC	<u>\$1,800.00</u>
1	(Annual) LINUX - OS Subscription, Satellite Services, System and Oracle 12c Support	<u>\$3,600.00</u>

**Implementation and Deployment:**

Historical Retrieval of (1) year of reading intervals	<u>\$1,000.00</u>
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**Grand Total:** \$29,800.00

**Reoccurring Subscription:**

1	MDMS Software Subscription & Support (Tier base fee calculation .02 x 13,000)  ***Monthly Minimum = \$300.00***	<u>\$300.00</u>
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**Total Monthly:** \$300.00



2208 S. 14th St.  
 Mattoon, IL 61938  
 Phone: (217) 235-0546  
 Fax: 217.258.6630

"GE METERS"

ACKNOWLEDGEMENT

ORDERED BY	ORDER DATE	ORDER NO.
	01/19/16	3106311-00
P.O. DATE	P.O. NUMBER	PAGE NO.
01/19/16	7811	1 of 1
SALES REP	TAKEN BY	FREIGHT OUT
MDM	MTM	NO



CUST #: 100734

BILL TO: BIG SANDY ELECTRIC  
 504 11TH ST  
 PAINTSVILLE, KY 41240

SHIP TO: BIG SANDY RECC  
 3914 KY RT 321  
 HAGERHILL, KY 41222

ALL SALES SUBJECT TO TERMS & CONDITIONS OF SALE FOUND AT ANIXTERPOWERSOLUTIONS.COM. PRODUCT SAFETY DATA SHEETS FOUND ON SAME WEB SITE.

INSTRUCTIONS	SHIP POINT	VIA	SHIPPED	TERMS
	Anixter - mEm1/3405	Our Truck		Net 30

LINE NO.	PRODUCT AND DESCRIPTION	ORDERED	BO	SHIPPED	QTY	PRICE	NET AMOUNT
1	727X231021-ACLARA I-210+FR2S CL200 240V W/V2 O REMOTE DISC	120		120	Ea	180.00	21600.00
1 Lines Total			Qty Shipped Total	120		Total	21600.00
						Taxes	1296.00
						Invoice Total	22896.00