

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LICKING VALLEY RURAL	)	
ELECTRIC COOPERATIVE CORPORATION FOR	)	CASE NO.
AN ORDER ISSUING A CERTIFICATE OF	)	2016-00077
PUBLIC CONVENIENCE AND NECESSITY	)	

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

Licking Valley Rural Electric Cooperative Corporation ("Licking Valley"), 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 on or before April 7, 2016. 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 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 the 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 shall 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, Licking Valley shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the cover letter to Licking Valley's application ("Application") in which Licking Valley requests expedited review.

a. Explain in specific detail why Licking Valley has requested an expedited decision.

b. State the date by which Licking Valley requests a decision.

c. Explain how the proposed project would be affected if Licking Valley has not received a decision by the requested expedited date.

2. Refer to the Application, Exhibit 1, page 1.

a. Describe Licking Valley's current distribution of TSI- and TSII-enabled meters.

b. Describe Licking Valley's current non-deployed meter inventory stock, by meter and TS type.

c. Provide the number of TSII communication modules Licking Valley has remaining in stock.

d. Explain why Licking Valley deployed only 50 percent of its TSII-enabled meters by January 1, 2015.

e. Provide the current status of deployment of Licking Valley's TSII-enabled meters.

f. Explain whether Licking Valley plans to simultaneously operate a power line carrier-based system and a radio frequency ("Rf")-based communication system. If so, explain under what conditions and for what time period.

g. Describe the limitation of the TSII-enabled meters and their future support by the vendor, and explain how this led to Licking Valley's decision to research other Automated Meter Information ("AMI") solutions.

h. Provide information regarding the AMI systems that Licking Valley researched and assessed.

3. Refer to the Application, Exhibit 1, page 1, which states that the systemwide conversion to AMI meters was 50 percent implemented as of January 1, 2015. Refer also to Exhibit 4, which states that Licking Valley expects to purchase 17,000 meters for residential use and 300 meters for commercial and industrial use. State the percentage of existing meters that will be replaced by the new AMI meters.

4. Refer to the Application, Exhibit 1, page 2, regarding the vendor selection process.

a. Describe in detail Licking Valley's AMI system vendor selection process and how Licking Valley ultimately selected Landis+Gyr as the vendor to implement the proposed project.

b. Provide a copy of the economic analysis performed by Licking Valley to evaluate the various AMI system alternatives and to justify why Landis+Gyr was selected as the vendor. If no economic analysis was performed, provide a detailed explanation for why one was not conducted.

c. At the bottom of page 1 and the top of page 2 of Exhibit 1, Licking Valley noted that the Landis+Gyr Rf technology was selected based, in part, on the fact that it met certain specifications, including the utilization of Landis+Gyr meters and that it could integrate with National Information Solutions Cooperative (“NISC’s”) “SmartHub and iVUE systems.”

(1) Explain why Licking Valley required an AMI solution be capable of utilizing Landis+Gyr meters.

(2) Provide a detailed explanation of the NISC SmartHub and iVUE systems.

5. Refer to the Application, Exhibit 3, page 1, Section 2.2, regarding NISC’s provision of technical support for the duration of the deployment.

a. What is the time period for which NISC will provide ongoing technical support?

b. Explain how Licking Valley selected NISC as the vendor for the Meter Data Management System (“MDMS”).

c. Provide the cost that Licking Valley will incur for NISC’s delivery of the MDMS, NISC’s supporting “the integration of the MDMS with the head-end system, CIS and other appropriate systems,” NISC’s performing System Acceptance Testing, and NISC’s training of Licking Valley personnel on the use of the MDMS system.

6. Refer to the Application, Exhibit 3, page 2, Section 2.3.
  - a. Explain in detail Licking Valley's plans for the existing meters that will be replaced, including testing for accuracy in accordance with 807 KAR 5:041, Section 15(3).
  - b. Explain in detail whether these meters have been fully depreciated.
7. Refer to the Application, Exhibit 3, page 2, Section 2.4.
  - a. State whether Licking Valley has begun any Rf system installation, beyond the pilot project deployment.
  - b. Provide an updated meter deployment timeline.
  - c. Provide the data collected in support of the line item "Satisfied with results of the pilot project."
8. Refer to the Application, Exhibit 5, page 1, regarding member satisfaction.
  - a. Describe in detail the customer's experience as they access information about their account via Licking Valley's website.
  - b. Describe in detail the timeliness of the available information to the customer.
  - c. Explain in detail Licking Valley's intent concerning the distribution of remote disconnect meters.
  - d. State the number of meters that will include remote connect and disconnect functionality.
  - e. Describe how a meter with remote connect and disconnect capability is physically different from a standard meter.

f. Explain the decision process for installing a remote connect and disconnect meter.

9. Refer to the Application, Exhibit 5, page 1, regarding enhanced data collection. Explain what alternative rate structures Licking Valley is considering for future use, and how Licking Valley will evaluate the data collected from AMI meters in evaluating alternative rate structures.

10. State whether Licking Valley performed a formal study in connection with the decision to deploy AMI Rf metering. If so, provide a copy of the study. If not, explain why a formal study was not conducted.

11. Provide a copy of the minutes from the Board of Directors meeting approving the AMI Rf system.

12. Refer to the information filed in response to the Commission's deficiency letter with respect to 807 KAR 5:001, Section 15(2)(f), the estimated annual cost of operation after the proposed facilities are placed in service. Licking Valley states that its meter expense for 2015 was \$730,148 and estimates a 3 percent annual cost increase for the operation of the metering program.

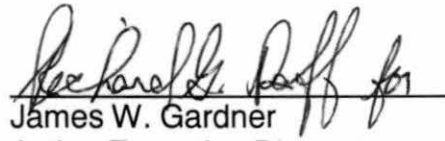
a. Provide the amount of meter expense for the years 2011 through 2014.

b. Provide the basis for the statement that the meter expense will have an annual 3 percent increase for the operation of its metering program.

c. Provide a breakdown of the meter expenses.

d. State the amount that meter reading expense is expected to decrease from 2016 through 2020.

e. Identify and quantify any other cost increases or decreases associated with the AMI program including telecommunications, substation expenses, etc.

  
James W. Gardner  
Acting Executive Director  
Public Service Commission  
P. O. Box 615  
Frankfort, Kentucky 40602

DATED MAR 24 2016

cc: Parties of Record

\*Kerry K Howard  
President & CEO  
Licking Valley R.E.C.C.  
P. O. Box 605  
271 Main Street  
West Liberty, KY 41472

\*Larry Cook  
Assistant Attorney General  
Office of the Attorney General Utility & Rate  
1024 Capital Center Drive  
Suite 200  
Frankfort, KENTUCKY 40601-8204

\*Licking Valley R.E.C.C.  
P. O. Box 605  
271 Main Street  
West Liberty, KY 41472

\*Rebecca W Goodman  
Assistant Attorney General  
Office of the Attorney General Utility & Rate  
1024 Capital Center Drive  
Suite 200  
Frankfort, KENTUCKY 40601-8204