

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

ORDER

The matter is before the Commission upon a petition filed by the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention (“AG”), requesting a rehearing of the Commission’s final Order issued on August 29, 2016. The Commission’s August 29, 2016 Order granted Licking Valley Rural Electric Cooperative Corporation’s (“Licking Valley”) request for a Certificate of Public Convenience and Necessity (“CPCN”) to purchase and install an upgraded Advanced Metering Infrastructure (“AMI”) system. Licking Valley’s current meter system consists of 13,764 Landis+Gyr Turtle I meters (“TSI Meters”) and 3,563 Landis+Gyr Turtle II meters (“TSII Meters”). Licking Valley’s existing TSI Meters have Automated Meter Reading capabilities, which allow them to communicate in one direction. The TSII Meters have AMI capabilities that enable these meters to communicate in two directions. Licking Valley’s current meter system utilizes a power line carrier (“PLC”) technology to transmit metered data over existing power lines. The Commission’s August 29, 2016 Order approving Licking Valley’s application to upgrade its AMI system was based primarily on the finding that Licking Valley’s existing TSI meters are obsolete

and its existing TSII meter would soon be rendered obsolete because Landis+Gyr is discontinuing its technical support for those meters.

In support of his petition, the AG contends that the Commission improperly determined that Licking Valley's existing TSII meters could no longer be supported. The AG noted that although Licking Valley stated that the TSII meters would no longer be supported by Landi+Gyr, the record also contains a statement made by Licking Valley regarding continued support for PLC systems in general. The AG surmises that because the PLC system includes TSII meters, the evidentiary record contains a contradiction with respect to ongoing technical support for Licking Valley's TSII meters and that the Commission failed to address this issue in its August 29, 2016 Order. Therefore, the AG avers that there was "no adequate basis to support the Commission's decision,"¹ and rehearing is necessary for the Commission to resolve the issue.

The AG also contends that the Commission should have required Licking Valley to conduct a cost-benefit analysis to justify the proposed AMI upgrade.

Having reviewed the petition and being otherwise sufficiently advised, the Commission finds that the AG has established good cause to permit a rehearing in this matter. The rehearing will allow the record to be more fully developed on the issue of future technical support for Licking Valley's TSII meters. Clarification of this issue will indicate whether Licking Valley's meter replacement program is being performed due to the obsolescence of its existing meters, in which case the Commission has not

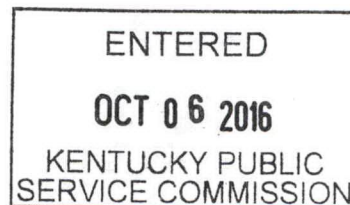
¹ Attorney General's Petition for Rehearing at 3.

previously required a quantification of benefits, or due to reasons other than obsolescence, in which case the Commission has typically required a quantification of benefits associated with an AMI upgrade project.

IT IS THEREFORE ORDERED that:

1. The AG's petition for rehearing is granted.
2. Licking Valley shall file testimony fully addressing the issue of future technical support for its existing TSII Meters no later than October 24, 2016.
3. Requests for information to Licking Valley shall be filed no later than November 7, 2016.
4. Licking Valley shall file responses to requests for information no later than November 21, 2016.
5. The parties shall file a statement as to whether there are any material issues of fact that warrant a hearing or whether this case may be submitted for adjudication based on the existing record without a hearing no later than November 30, 2016.

By the Commission



ATTEST:


Executive Director

*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