

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

APR 21 2016

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:

In the Matter of:

THE APPLICATION OF LICKING VALLEY)
RURAL ELECTRIC COOPERATIVE)
CORPORATION FOR AN ORDER)
ISSUING A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY)

Case No. 2016-00077

ATTORNEY GENERAL’S SUPPLEMENTAL DATA REQUESTS

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits these Supplemental Data Requests to Licking Valley Rural Electric Cooperative Corporation [hereinafter “Licking Valley” or “LVRECC”] to be answered by the date specified in the Commission’s Order of Procedure, and in accord with the following:

- (1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.
- (2) Please identify the witness who will be prepared to answer questions concerning each request.
- (3) Please repeat the question to which each response is intended to refer. The Office of the Attorney General can provide counsel for Licking Valley with an electronic version of these questions, upon request.
- (4) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, 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.

(6) If you believe any request appears confusing, please request clarification directly from Counsel for the Office of Attorney General.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self-evident to a person not familiar with the printout.

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

(10) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance

policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information regardless of the media or format in which they are stored, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

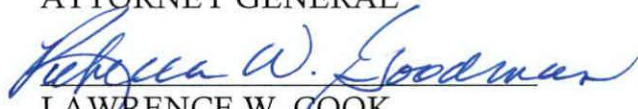
(11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(13) Please provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

Respectfully submitted,

ANDY BESHEAR
ATTORNEY GENERAL



LAWRENCE W. COOK
KENT A. CHANDLER
REBECCA W. GOODMAN
ASSISTANT ATTORNEYS GENERAL
1024 CAPITAL CENTER DRIVE,
SUITE 200
FRANKFORT KY 40601-8204
(502) 696-5453
FAX: (502) 573-8315
Rebecca.Goodman@ky.gov
Larry.Cook@ky.gov
Kent.Chandler@ky.gov

Certificate of Service and Filing

Counsel certifies that an original and six photocopies of the foregoing were served and filed by hand delivery to Aaron D. Greenwell, Acting Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; counsel further states that true and accurate copies of the foregoing were mailed via First Class U.S. Mail, postage pre-paid, to:

Hon. Gregory Allen
P. O. Box 585
Salysersville KY 41465

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

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

this 21st day of April, 2016


Assistant Attorney General

1. Reference the company's response to Attorney General ("AG") data request 1-1. Explain whether Licking Valley ("LVRECC") has considered converting its remaining substations to TS2 technology, and then deploying AMI/RF meters on a customer-by-customer basis whenever a given customer requests pre-paid metering service or a participation in a DSM program requiring AMI/RF technology. If not, why not?
 - a. Please explain what is meant by the phrase "The industry trend is moving away from power line carrier for metering data."
 - b. Does LVRECC believe that "industry trends" are enough to warrant the cost of this program?
 - c. If the Commission should approve all or any portion of LVRECC's application, when does LVRECC believe that all or any component or portion of the to-be-deployed AMI/RF system will become outdated?
 - d. Would it be possible to extend the life spans of LVRECC's existing meters, and if so, would that option be more cost-effective than replacing all meters? Could this be done by means of equipping existing meters with an RF module?
2. Reference LVRECC's responses to AG 1-5. Please confirm that the cost of converting the five remaining substations to TS2 technology is not included in the current application.
 - a. Of the five substations that have been converted to TS2 technology, does LVRECC know the costs incurred for the early retirement of infrastructure that was replaced with the TS2 technology? If not, will LVRECC have this information by the time it files its next base rate case?
3. Reference LVRECC's response to AG 1-8, wherein the company acknowledged that its ratepayers will incur stranded costs for the early retirements of some existing meter infrastructure.
 - a. How does LVRECC believe it will obtain cost recovery for these stranded costs if not from its ratepayers in the form of higher base rates? How does the company reconcile this response to its response in AG 1-3 wherein LVRECC confirmed that all costs associated with the application will be passed on to its ratepayers in the form of higher base rates?
4. Reference LVRECC'S response to AG 1-9, wherein the company stated that it is moving away from electro mechanical meters because that infrastructure is becoming

obsolete. State what guarantees the company has that the AMI/RF technology (including software, hardware and firmware) will not become obsolete.

- a. Reconcile your response to LVRECC's response to PSC 1-10 wherein the company's Board of Directors has apparently been concerned about the "...need for metering technology to be as modern as possible."
5. With regard to the company's response to AG 1-11, please confirm that the company is asking its ratepayers to pay 100% of the cost of the new meters, and that the company believes ratepayers will receive no benefits at all.
6. With regard to the company's responses to AG 1-20 and AG 1-15, would the company agree that its DSM program for air-conditioning load control devices could also be characterized as a demand response program? If not, why not?
7. Regarding the company's response to AG 1-22, would LVRECC commit to: (a) conducting a formal cost-benefit analysis designed to assess costs and benefits from its ratepayers' perspective; and (b) to safeguarding its ratepayer's interests prior to seeking approval to implement any such "alternative rate structure"? If not, why not?
8. Regarding the company's response to AG 1-24, please clarify whether it is the company's intent under this current application to replace all existing meters, including the AMI/TS2s deployed to date.
9. With regard to the company's response to AG 1-27:
 - a. provide details regarding the usage of meter-supplied information in the "customer information system," and provide a description of the customer information system; and
 - b. state whether the company will, or could sell data generated by the AMI/RF meters. If not, will the company give this data to any third parties?
 - c. State whether EKPC and/or NRECA have any policies regarding the provision of data regarding customers' electricity consumption to third parties. If so, please provide copies of such policies.
 - d. Describe how the company intends to use data generated from AMI/RF meters to help customers lower their consumption.

10. Refer to LVRECC's response to PSC 1-8. Has LVRECC obtained Commission approval for a pre-pay system? If so, please provide the case number in which such permission was granted.
11. Reference LVRECC's response to PSC 1-12(b), wherein the company stated that the reason for the 3% increase for the operation of the company's meter system is "inflation."
 - a. Is LVRECC aware that most economists are not predicting an inflation rate anywhere near as great as 3%?
 - b. Will Licking Valley provide any annual true-up of its meter program O & M costs in order to reconcile actual inflation against the 3% estimate? If not, what does LVRECC intend to do with the excess funds it collects from its member-owners in the form of higher base rates to pay for "inflation" that is not actually incurred?
12. Given LVRECC's responses to PSC 1-12 (d)-(e), is it fair to conclude that LVRECC intends to pay for a meter system that will not supply any cost savings of any type or sort to either the company or its member-owners?
 - a. If your answer is "yes," please explain why the least-cost solution for LVRECC would be to convert its entire system to electro-mechanical meters.