

Matthew G. Bevin
Governor

Charles G. Snavely
Secretary
Energy and Environment Cabinet



Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

Daniel E. Logsdon Jr.
Vice Chairman

Robert Cicero
Commissioner

June 3, 2016

PARTIES OF RECORD

Re: Case No. 2016-00077

Attached is a copy of a memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the memorandum please do so within five days of receipt of this letter.

If you have any questions, please contact Quang Nguyen, Commission Staff Attorney, at 502-782-2586.

Sincerely,

A handwritten signature in blue ink that reads "Aaron D. Greenwell".

Aaron D. Greenwell
Acting Executive Director


QN/ph

Attachments

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File

FROM: Quang D. Nguyen, Staff Attorney 

DATE: June 3, 2016

RE: Case No. 2016-00077
Application of Licking Valley Rural Electric Cooperative Corporation for an Order Issuing a Certificate of Public Convenience and Necessity

Pursuant to the Commission Staff's May 31, 2016 Notice, an informal conference was held on May 31, 2016, at the Commission's offices in Frankfort, Kentucky. The purpose of the informal conference was to discuss certain outstanding issues in this matter. A list of the attendees is attached hereto.

In response to questions posed by the Attorney General ("AG"), the only intervenor in this matter, Licking Valley stated that there are approximately 18,000 meters in its system, consisting of approximately 13,200 TS1 meters and 3,800 TS2 meters. Licking Valley noted that both the TS1 and TS2 meters communicate using a power line carrier ("PLC") system, but the TS1 meters are only capable of one-way communication whereas the TS2 meters are capable of two-way communication and are equipped with remote disconnect feature. Both TS1 and TS2 meters send a reading every 27 hours. Licking Valley indicated that any noise or interference on the power line could impact the communications on a PLC system and that any interference could hamper the effectiveness of the PLC system. Lastly, Licking Valley indicated that it currently has two net metering customers, one of whom has a TS2 meter and the other has the new piloted RF system meter.

In response to questions posed by Commission Staff, Licking Valley stated that the proposed AMI RF meters' firmware and software would be capable of being upgraded, if needed. Licking Valley states that the proposed AMI RF meters would allow it to fully market demand-side management ("DSM") programs that are being offered by East Kentucky Power Cooperative, Inc. as compared to its current situation in which the offering of DSM programs are limited due to the fact that only five of the 10 substations serving its customers are on an AMI system which is capable of two-way communications. Licking Valley also indicated that the proposed RF system would enable it to further market its prepay program and increase participation across its system rather than being limited to those customers who are currently served by the five AMI substations.

With respect to the prepay program, Staff noted that prepay program participants are currently charged a \$5 monthly fee for participating in the program and that the monthly fee is comprised of, among other things, the incremental cost of an AMI meter with a disconnect feature. Should Licking Valley's proposed AMI RF meters be approved and the costs ultimately recovered in base rates, Staff expressed concerns that future prepay program participants would be unnecessarily charged for an AMI meter via the monthly fee because the cost of the meters would be recovered through base rates. Staff noted that Licking Valley has filed a notice of intent to file a base rate case and that the prepay program monthly fee would be investigated as part of Licking Valley's rate case.

In light of the discussions had at the IC clarifying the outstanding issues in this matter, Staff inquired of the AG whether a hearing was still needed or whether the matter could be decided upon the record. The AG indicated that he would need some time to review the matter and inform whether a hearing is still needed.

There being no further discussions, the informal conference was adjourned.

Attachment

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) 2016-00077
OF PUBLIC CONVENIENCE AND NECESSITY)

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May 31, 2016 Informal Conference
=====

Please sign in:

NAME

REPRESENTING

Deanna D. Nguyen

PSC

Jennifer Fell

PSC Staff

Jim Livors

"

Chris Murphy

Licking Valley RECC

Arya Cheney

LVRECC

Kerry Howard

LVRECC

John My

LVRECC

GREGORY D. ALLEN

LVRECC

JEFF JOHNSON

PSC ENG

Leann Cook

OAG

*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