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**TO: Gwen R. Pinson, Executive Director
Kentucky Public Service Commission
(502) 564-3460 (Fax)**

**FROM: James C Worley

jim43worley@gmail.com**

SUBJECT: KyPSC Case: 2017-0419

Copy of letter sent to the Office of Rate Intervention, Kentucky Attorney General

3 pages including cover

November 19, 2017
480 W. Lexington Ave.
Danville, KY 40422

Rebecca Goodman
Office of Rate Intervention
Kentucky Attorney General
700 Capital Avenue, Suite 118
Frankfort, KY 40601-3499

Re.: Kentucky Public Service Commission Case: 2017-0419
Grayson RECC request to install an AMI system

Dear Ms. Goodman:

I am writing to you to encourage the Attorney General's Office to intervene in the above PSC Case. Because of Grayson RECC's confidentiality request no public information is available as to the capital or operating cost of the Automated Metering Infrastructure System. Furthermore, Grayson RECC has presented only qualitative arguments for the benefits of the system and no data to confirm that the benefits are needed or cost effective.

At a cost to residential consumers of 13.28 ¢/kWh¹, Grayson RECC has the highest electric rates in the Commonwealth of Kentucky. The average consumer cost for the 19 distribution cooperatives supervised by the PSC is 10.65 ¢/kWh¹. Some of this has to do with the geography of its territory. However, there are other causes that relate to the management of the cooperative.

- Grayson RECC has only 320 customers per employee. The average for all systems is 451 and the most efficient system has 695 customers per employee.
- The cooperative has a net Operating and Maintenance cost² of \$523 per customer. Second highest of all the systems, which average \$425 per customer. The most efficient system has a cost of \$255 per customer.
- Over the last 10 years, Grayson RECC's Net O&M cost per customer has shown an annual growth rate of 4.64%. The average for the 16 systems served by East Kentucky Power Cooperative is 2.02%. Three of these sixteen systems have had a negative growth rate over this same period.

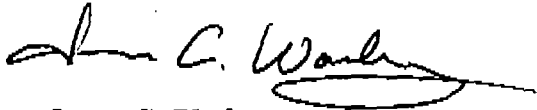
I will be the first to argue the Grayson RECC faces some of the hardest challenges of all the electric distribution systems in the Commonwealth. I will also be the first to argue that because of the poverty and poor employment opportunities endemic to its territory, it needs to be most careful in adopting any measure that will increase costs to its customers. Nothing in its submission to the PSC indicates that the AMI system will decrease the system's Net O&M Cost. Nothing in its submission to the PSC indicates that there is any net financial benefit to its customers.

¹ Commonwealth of Kentucky Public Service Commission Annual Report Statistics - 2016

² Net O&M Cost is the Total Operations and Maintenance costs for the system less the Cost of Power. These figures are found on Reference Page 15 of the system's annual financial report to the PSC.

Grayson RECC needs to be challenged to show, quantitatively, how its customers will benefit from the installation of an AMI system.

Respectfully yours,

A handwritten signature in black ink, appearing to read "James C. Worley". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

James C. Worley
jim43worley@gmail.com

C: Public Service Commission
Grayson RECC