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Chairman

Robert Cicero  
Vice Chairman

Talina R. Mathews  
Commissioner

December 21, 2018

## PARTIES OF RECORD

Re: *Application of Inter-County Energy Cooperative for a General Adjustment of Existing Rates*  
Case No. 2018-00129

Attached is a copy of the informal conference 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 informal conference memorandum, please do so within five days of receipt of this letter. If you have any questions, please contact Benjamin Bellamy, Staff Attorney III, at 502-782-2584.

Sincerely,

A handwritten signature in blue ink that reads "Gwen R. Pinson".

Gwen R. Pinson  
Executive Director

BAB

Attachment

## INTRA-AGENCY MEMORANDUM

### KENTUCKY PUBLIC SERVICE COMMISSION

**TO:** Case File No. 2018-00129

**FROM:** Benjamin Bellamy, Staff Attorney III

**DATE:** December 21, 2018

**Re:** Informal Conference of October 24, 2018

Pursuant to notice submitted on October 11, 2018, an informal conference (IC) was conducted on October 24, 2018 at the offices of the Kentucky Public Service Commission with Inter-County Energy Cooperative Corporation (Inter-County) to clarify certain outstanding issues that may assist in addressing Inter-County's request that this matter be decided on the written record. Commission Staff and representatives from Inter-County were in attendance. A sign in sheet identifying each person who attended and their affiliation is attached hereto as an appendix.

Commission Staff first discussed whether Inter-County believed that customers served under Schedule 2 had been provided proper notice that the demand charge would be applied to the first 10 kW of demand whereas it previously had not been applied to the first 10 kW of demand. Inter-County representatives indicated that they believed that proper notice had been provided but that the issue was moot, because Inter-County was withdrawing its request for that change.

Inter-County representatives explained that application of the demand charge to the first 10 kW of demand was not feasible, because there are certain low demand customers in that class for which it is not practical to install a demand meter. They indicated that it was necessary to exclude the first 10 kW of demand from the per kW demand charge as the costs associated with installing a demand meter or calculating the appropriate demand charge without a meter outweighed the benefit of the additional revenue. They indicated that the change would not affect the cost allocation between customer classes but that it would result in an increase in the proposed energy charge for customers served under Schedule 2.

Commission Staff also made inquiries regarding Inter-County's response to Commission Staff's Fourth Request for Information, Item 4. Commission Staff inquired as to whether any storm damage expenses other than extraordinary expenses were incurred in years 2013 through 2018. Inter-County representatives indicated that they did not specifically track storm damage expenses such that it was not possible to specifically break out storm damage expenses incurred in the test year or in other years. Rather, expenses incurred to manage storm damage would have been accounted for based on the type of expense, e.g. regular pay, over time pay, etc., without any distinction between whether the expense was incurred to manage storm damage or for some other purpose.

Inter-County representatives indicated that they only accounted separately for storm damage expenses if they believed the event might be extraordinary or that they might be entitled to some other relief, e.g. federal disaster relief.

Commission Staff asked whether Inter-County could provide some additional information related to storm damages and the change it intended to make regarding its demand charge. Inter-County provided that information on November 2, 2018.

Commission Staff inquired as to whether Commission Staff's Fourth Request for Information, which was served after Inter-County made its motion for the case to be submitted on the written record, or any of the discussions during the IC changed Inter-County's position regarding its desire to have the matter submitted on the written record. Inter-County representatives indicated that their position on the hearing had not changed.

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

CC: Parties of Record

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF INTER-COUNTY  
ENERGY COOPERATIVE CORPORATION  
FOR A GENERAL ADJUSTMENT OF  
EXISTING RATES

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)  
)  
)

CASE NO  
2018-00129

Please sign in:

NAME

ON BEHALF OF

Melissa Honaker

Goss Sanford for ICE

Lance Scher

PSE For ICE

Shree Sullivan

Inter County Energy

Rich Macke

PSE for ICE - via Teleconference

David S. Sanford

Goss Sanford, PLLC / ICE

Greg W. Cantu

ICE

William M. Foley

PSC-FA

Mary Beth Purvis

PSC-FA

Sam Reid

PSC-FA

Jim Stevens

PSC-FA

Quang D. Nguyen

PSC

Benjamin Bellamy

PSC

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