

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF SALT RIVER ELECTRIC)	
COOPERATIVE CORPORATION FOR AN ORDER)	
ISSUING A CERTIFICATE OF PUBLIC)	CASE NO.
CONVENIENCE AND NECESSITY TO)	2019-00399
CONSTRUCT AN ADVANCED METERING)	
INFRASTRUCTURE SYSTEM (AMI) PURSUANT)	
TO 807 KAR 5:001 AND KRS 278.020)	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO SALT RIVER ELECTRIC COOPERATIVE CORPORATION

Salt River Electric Cooperative Corporation (Salt River), pursuant to 807 KAR 5:001, is to file with the Commission the original and six copies in paper medium of the following information, with a copy to all parties of record. The information requested herein is due on or before January 29, 2020. Responses to requests for information in paper medium shall be appropriately bound, tabbed, and indexed.

Each response shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, 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.

Salt River shall make timely amendments to any prior response if Salt River obtains information which indicates that the response was incorrect when made or,

though correct when made, is now incorrect in any material respect. For any request to which Salt River fails or refuses to furnish all or part of the requested information, Salt River shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Salt River shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the application, Exhibit 2, which states that the 48-month installation was chosen because it balances cash and work flow.

a. State whether Salt River performed a quantitative cost-benefit analysis to support the four-year installation period and, if performed, provide a copy.

b. If a cost-benefit analysis for the proposed four-year installation period was not performed, explain in specific detail why installing the proposed advance metering infrastructure (AMI) system over a four-year period is cost-effective and prudent.

c. Provide a net cost-benefit analysis of installing the AMI system over a two-year period and a three-year period, rather than a four-year period.

2. Refer to the application, Exhibit 4, which contains a brief narrative summary of expected benefits of the proposed AMI system.

a. State whether Salt River performed a quantitative cost-benefit analysis for the proposed AMI system and, if one was performed, provide a copy.

b. If a cost-benefit analysis for the proposed AMI system was not performed, explain why not and describe in specific detail the basis upon which Salt River made its decision to award the project to Aclara.

3. Refer to Salt River's response to Commission Staff's First Request for Information (Staff's First Request), Item 1, which states that Landis & Gyr will end support of TS2 software system at the end of 2022. Explain how Salt River will address TS2 software issues after 2022 given that the installation of the proposed AMI system will not be completed before Landis & Gyr ends its support for TS2 software.

4. Refer to Salt River's response to Staff's First Request, Item 2, which provided a blank copy of the AMI system questionnaire provided to vendors who bid on the proposed AMI project. Provide a copy of the AMI system questionnaires that were completed by each vendor and then submitted to Salt River for the proposed AMI project.

5. Refer to Salt River's response to Staff's First Request, Item 4, which states that Salt River made telephone calls and site visits to existing customers of each of the five meter vendors whose systems were under consideration by Salt River for the proposed AMI system. Identify the utilities that Salt River spoke to regarding each of the five vendors, and indicate whether any utility was a reference for the vendor or whether Salt River independently identified the utility as an existing customer of the vendor.

6. Refer to Salt River's response to Staff's First Request, Item 5.b., which states that Salt River will determine when to use RUS loan funds based on cash flows implementing its equity management policy. Explain in specific detail what the equity management policy is and what the thresholds are for determining when to use RUS loan funds.

7. Refer to Salt River's response to Staff's First Request, Item 7, which discusses Salt River's plan to recondition and deploy TS2 meters until the proposed Aclara AMI system four-year installation is completed.

a. Explain the order in which Salt River will replace TS2 meters with the proposed Aclara AMI meters. For example, whether replacement will be by circuit or oldest meters first.

b. Describe Salt River's contingency plan for the anticipated four-year installation schedule if fewer TS2 meters than planned are able to be reconditioned and returned to service prior to replacement by the proposed Aclara AMI meters.

c. Explain how the estimated total cost to recondition and deploy TS2 meters during the proposed Aclara AMI installation period compares to replacing the pulled meter with an AMI meter.

8. Refer to Salt River's response to the Attorney General's First Request for Information, Item 27.b., which asked for a per-meter breakdown of the benefit amount to each ratepayer. Also refer to Salt River's response to the Attorney General's First Request, Item 12.b., which discussed an estimated cost savings of \$750,000 per year.

a. State whether the estimated savings of \$750,000 per year is the expected benefit from installing the proposed Aclara AMI system or was the estimated benefit from changing from electro-mechanical meters to the current TS2 system.

b. If the estimated savings is derived from the proposed Aclara AMI system, provide a schedule with a breakdown of the cost savings.

c. Salt River did not provide a per meter breakdown of the benefits. Provide the estimated per-meter amount of quantifiable benefits by ratepayer class.

9. Confirm that the operating software for the Aclara AMI system is an off-the-shelf product and is not operating software developed solely for Salt River.

10. Describe in detail any difficulties that Salt River has experienced in obtaining replacement equipment for the TS2 system and provide cost impact from those difficulties.

11. Provide all documents provided by Aclara that support a determination that the proposed AMI meters will have a 15-year useful life.



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DATED JAN 10 2020

cc: Parties of Record

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