

South Kentucky RECC

Responses to Email from PSC Staff related to LED Lighting

From: PSC - Tariffs [mailto:psc.tariffs@ky.gov]
Sent: Tuesday, November 10, 2015 1:56 PM
To: Jeff C. Greer
Subject: South Kentucky LED Lighting Tariff Filing 690

Mr. Greer,

Commission Staff has reviewed the tariff filing submitted by South Kentucky RECC on November 2, 2015 to add LED Outdoor Lighting options to its existing Lighting Tariffs and eliminate three lighting configurations. Staff's comments are below.

- On Exhibit B, Page 1 of 2, the difference between 2014 total debt and Rural Economic Development Loans is incorrect, which also throws off the average distribution plant debt, the 2014 total debt and equity, and the average total debt and equity. However, it does not throw off the final percentages. Therefore, a revised version of that page is **not** needed.
- Please provide the supporting calculations for the installation costs.
- Please provide support for the cost of each light.
- It was noted that South Kentucky is proposing to phase in the rate for the STL LED lights. What is the reasoning for wanting to phase in that rate?
- The margin notations that are in the markup versions of the tariff pages should also be in the final versions.

If you want to discuss any of the comments above, please let us know and I will get with our Financial Analysis Staff and give you a call.

Any new or revised documents can be e-mailed to us at psc.tariffs@ky.gov.

Thanks.

Daniel

South Kentucky RECC

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Installation Cost

The Installation cost is the average installation cost for the 12 month period ending on July 2015 for lighting. The account with the largest number of lights installed in the period was used to get the most accurate average cost of installation.

In Account 371.00, the total cost of installations for the period was \$374,430.16 (last five month of 2014 of \$170,690.88 plus the first seven months of 2015 for \$203,739.28) taken from our Work Order Ledger Report which are attached.

The largest number of lights installed by type in Account 371.00 was security lights. A total of 441 were installed for a total cost of \$265,654.78. This resulted in an average total installed cost of \$602.39. There were other lights installed within the 371.00 account. However, the security lights were installed for the least cost per light.

The cost of the existing Security Lighting fixture of \$127.50 (highlighted on attached invoice) was subtract from the total average installed cost to arrive at the installation cost of \$474.89.

Cost of each Light

The cost of each light was quoted to us via email on August 4, 2015 from our Sales representative from United Utility Supply. The pricing detail is as follow:

64 Watt Security light. Cat # 027 LNL2PKGL5MVOLT - Lumens – 6,300 Cost is \$179.00 with Tax \$189.74

108 Watt Cobrahead Cat# 027 ATB030BLEDE10R2 - Lumens - 10,500 Cost is \$269.00 with Tax \$285.14

200 Watt Flood Light Cat # ACP1LED610APCSS - Lumens is 20,200 Cost is \$509.00 with Tax \$539.54

Reasoning for Phase in of Rate for STL LED Lights

South Kentucky proposed to phase in the rate for the STL LED lights so to evoke the theory of gradualism as suggested by the Commission in our Case No. 2011-00096. This similar methodology was utilized for our ETS rates previously, and we felt it prudent to employ the same methodology. The Street Lighting Tariff applies to Cities and Townships. It is our desire to convert all of the fixtures within these areas to the energy efficient LED fixtures. We recognize that the rate of the new LED fixture is an increase from the current rate for the similar non-LED light. In order to gain support for this conversion and to lessen the immediate burden on these members, we chose to propose the phase in of the rate.

ACCOUNT TOTALS

	-----MONTH-----	-----YTD-----	-----LIFE-----
BUILT	53 34112.01	308 170690.88	46071 9084675.33
RETIRE	16- 5380.81-	162- 37463.20-	10012- 1903387.38-
TOTAL	37 28731.20	146 133227.68	36059 7181287.95

ACCOUNT TOTALS

	-----MONTH-----	-----YTD-----	-----LIFE-----
BUILT	36 23361.81	318 203739.28	46389 9288414.61
RETIRE	24- 5794.23-	164- 42264.99-	10176- 1945652.37-
TOTAL	12 17567.58	154 161474.29	36213 7342762.24



WESCO
DISTRIBUTION
1721 Fortune Ct
Lexington KY 40509

ORIGINAL

CUSTOMER NUMBER	INVOICE DATE	PACKING SLIP NO.	INVOICE NUMBER
70800-01	09/22/2015	55865601	560713
BRANCH CODE	CUSTOMER ORDER NUMBER		PAGE
7843	D1414		1 of 1

REMIT TO:

WESCO RECEIVABLES CORP.
LOCKBOX #771751
1751 SOLUTIONS CENTER DR
CHICAGO IL 60677-1007

SOLD TO:

2751 1 MB 0.439 E0181 I0353:D1476843201 P2843577 0002:0004



SOUTH KENTUCKY RECC
PO BOX 910
SOMERSET KY 42502-0910

SHIP TO:

SOUTH KENTUCKY RECC
925-929 N.MAIN ST.
PO BOX 910
SOMERSET, KY 42501

INVOICE		***INVOICE***		***INVOICE***		
SHIPPING DATE & ROUTING	FOB	SHIPPING TERMS	NO. OF INVOICES	B/L	INV. REQ.	RETURN MATERIAL WILL NOT BE ACCEPTED WITHOUT AUTHORIZATION
09/22/2015 WESCO Truc	P/S	PREPAID-NO CHARGE	01	N	Y	

LINE NO.	CATALOG NUMBER AND DESCRIPTION	I.D. NUMBER	QUANTITY		UNIT PRICE	U/M	SELLING PRICE		EXTENSION
			QUANTITY SHIPPED	BALANCE DUE			TRADE	CASH	
010	CPL RMA10PN255LPVY5 100W PULSESTART	66240097991	24	0	120.280	E	0.00	0.00	2,886.72
020	CPL RMA10PN2XXY MH HEAD ONLY 100W P	66240097993	80	0	65.990	E	0.00	0.00	5,279.20
030	VNT MP100W/C/U/ED28/UVS/PS/3K LAMP	09044422145	48	0	28.500	E	0.00	0.00	1,368.00
SUB TOTAL									9,533.92
KY SALES TAX									572.04
<p>SO. KY. RECC RECEIVED <u>MM</u> DATE <u>9-22-15</u> PRICES & TOTALS CKD. <u>DC</u> APPROVED <u>DC</u></p> <p>33300222 00504501 Dept 1607 WH 10 15² 1.10 Qty 24 # 3059.92 MSED03 Dept 1801 598.15 # 5595.95 (Qty 80 100 MH Heads) MSED03 Dept 1801 598.15 # 1450.09 (Qty 48 100 MH Lamps)</p>									



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TERMS	YOU MAY DEDUCT IF PAID WITHIN 10 DAYS - NET 30 DAYS >	0.00	TOTAL >	10,105.96
PAST DUE ACCOUNTS SUBJECT TO CHARGE OF 1.5% OR MAXIMUM PERMITTED BY LAW				