Ernie Fletcher Governor

LaJuana S. Wilcher, Secretary Environmental and Public Protection Cabinet

Christopher L. Lilly Commissioner Department of Public Protection

Robert M. Marshall President/CEO Owen Electric Cooperative, Inc. 8205 Highway 127 North P. O. Box 400 Owenton, KY 40359



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

July 18, 2006

Mark David Goss Chairman

> Teresa J. Hill Vice Chairman

Gregory Coker Commissioner

RE: Case No. 2006-00314

Please see enclosed data request from Commission Staff in the above case.

If you need further assistance, please contact Fereydoon Gorjian at (502) 564-3940 ext. 412.

Sincerely,

Beth O'Donnell Executive Director

BOD/jc Enclosure

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COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF OWEN ELECTRIC COOPERATIVE,)INC. FOR A CERTIFICATE OF PUBLIC CONVENIENCE)CASE NO.AND NECESSITY FOR ITS AUTOMATED METER)2006-00314READING PLAN)

INITIAL DATA REQUEST OF COMMISSION STAFF TO OWEN ELECTRIC COOPERATIVE, INC.

Owen Electric Cooperative, Inc. ("Owen"), pursuant to 807 KAR 5:001, is requested to file with the Commission the original and 6 copies of the following information, with a copy to all parties of record. The information requested herein is due 14 days from the date of this request. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the person who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information herein has been previously provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request.

1. Provide a narrative explanation of Owen's decision to implement an automated meter reading ("AMR") system. Include in the explanation all factors leading to Owen's decision including financial, safety, reliability, and operational reasons. Also

include the proposed starting date and ending date for implementation of the AMR system.

2. Refer to Exhibit 5 of Owen's June 22, 2006 application. Explain whether Owen is aware that its 2005-2007 Work Plan has not been filed with the Commission.

3. Provide additional detail of the expected cost of Owen's AMR meter replacement program. Include with the total cost a breakdown between labor costs and the cost of materials. Also include the costs of the required annual customer premise meter inspections. Provide all supporting calculations.

4. Has Owen performed a cost justification analysis of the proposed AMR system?

a. If yes, provide the results of the analysis and all assumptions used.

b. If no, explain whether a cost justification analysis will be performed and, if so, when. If a cost justification analysis will not be performed, explain why not.

5. Explain whether Owen expects that the AMR meter replacement program will cause Owen to increase rates sooner than would be required if the AMR program were not in place. If the need for a rate increase is expedited by the AMR meter program, provide an estimate of the impact upon the need for a rate increase.

6. Provide the total number of meters by customer classification that Owen plans to replace each year until the replacement program is complete. Include with the response, the total number of meters within each customer classification.

7. Explain whether Owen plans to use a competitive bidding process when purchasing the necessary AMR equipment. Include in the explanation a discussion of the bidding process to be used.

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8. Provide Owen's best estimate of the annual cost of meter reading, meter turn-ons and turn-offs, and any other expenses that will be eliminated with the implementation of its AMR program. Include all labor savings (including employee benefits), mileage or vehicle savings and other savings expected through elimination of monthly meter readings at the customer's premises. Provide all calculations and workpapers needed to derive the estimated annual cost.

Beth O'Donnell

Executive Director Public Service Commission 211 Sower Boulevard P. O. Box 615 Frankfort, Kentucky 40602

DATED <u>July 18, 2006</u> cc: All Parties