

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF SOUTH KENTUCKY)	
RURAL ELECTRIC COOPERATIVE)	
CORPORATION FOR A CERTIFICATE)	CASE NO.
OF CONVENIENCE AND NECESSITY)	2009-00489
TO INSTALL AN ADVANCED)	
METERING INFRASTRUCTURE)	
SYSTEM (AMI))	

FIRST DATA REQUEST OF COMMISSION STAFF
TO SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

South Kentucky Rural Electric Cooperative Corporation (“South Kentucky”), pursuant to 807 KAR 5:001, is to file with the Commission the original and eight copies of the following information, with a copy to all parties of record. The information requested herein is due 10 days from the date of this Order. Responses to requests for information 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.

South Kentucky shall make timely amendment to any prior response if it 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 South Kentucky fails or refuses to furnish all or part of the requested information, South Kentucky shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should 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.

1. Refer to Exhibit A of South Kentucky's December 10, 2009 application, pages 11-28. Provide a narrative description of the analysis performed by South Kentucky that led to the selection of the Aclara Two-Way Automatic Communications System ("TWACS"). At minimum, the description should include:

- a. A listing of the Advanced Metering Infrastructure ("AMI") technologies considered other than TWACS.
- b. Whether a Request for Proposals was issued and if so, the names of the respondents and a brief description of each proposal, including the cost.
- c. A comparison of the capabilities, costs and any negative aspects of the systems considered by South Kentucky.
- d. The reasons the TWACS was chosen over the other systems considered.

2. Refer to Exhibit A, page 29 of the application.
 - a. Explain how South Kentucky arrived at the projected savings in bad debt write-offs of 10 percent. Include all calculations performed in arriving at the 10 percent projection.
 - b. Explain whether South Kentucky proposes to make periodic on-site visits to its customers' premises if its AMI program is approved. If visits are not proposed, explain whether South Kentucky believes there is any value from a safety perspective of on-site visits by meter readers or service personnel.
 - c. Explain how South Kentucky proposes to limit the risks incurred by remote connections and reconnections.
 - d. Provide the percentage of South Kentucky's meter reads that are currently estimated.
 - e. Through a demand response program using direct load control for six months each year, South Kentucky estimates savings of approximately \$43,000 per month, or \$260,000 per year. How many years does South Kentucky expect it will take before it attains this level of savings? Also, given the differences in the two systems, explain why South Kentucky believes it is realistic to assume the same estimated savings per customer as Florida Power and Light.
3. Explain whether it is expected that an AMI system such as the one proposed will be beneficial in reducing lengths of service outages following major storms or disasters.

4. Describe the extent to which South Kentucky has considered the confidentiality of personal information that can potentially be obtained about customers through AMI and how that information will be protected and/or used.

5. Provide the failure rates reported for TWACS meters and the failure rate of the mechanical meters currently in use on South Kentucky's system. Explain whether the capability exists to retrieve information from a failed TWACS meter and identify any information that is retrievable.

6. Refer to Exhibit G of the application. Provide the discount rate used by South Kentucky in performing its present value cash flow analysis.

7. Will all South Kentucky customers (Residential, Commercial, and Industrial) receive new meters? If no, explain why.

8. Provide the estimated cost of each residential, commercial, and industrial meter. Can those meters be used with any AMI system other than TWACS?

9. Provide the total estimated cost of the AMI system. Explain in detail how it was derived.

10. Will South Kentucky's employees be trained to install the new meters and equipment?

a. If no, explain who will perform the installation.

b. If yes, provide the numbers of trained employees who will be responsible for installation of the AMI system.

11. Has South Kentucky contacted other electric utilities in Kentucky to determine what other AMI systems are in use and how they perform?

a. If no, explain why this has not been done.

b. If yes, provide the following

1) The AMI technology in use and the name of the electric utility using it.

2) The advantages and disadvantages of the different AMI systems and the reason South Kentucky chose TWACS technology.

3) Comparison of costs between the different AMI systems.

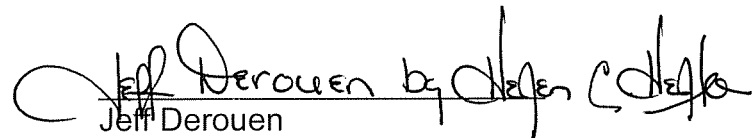
4) Is South Kentucky aware of any other electric utility in Kentucky that uses the TWACS technology that South Kentucky is proposing to install? If yes, name the utility and indicate its experience with the TWACS technology.

12. Refer to Exhibit G, page 2 of 2.

a. Explain how the 1,500,000 under the column "Labor & Overhead" was derived. Provide all supporting calculations.

b. Explain how the values under the column "Total Operating Costs" were derived. Provide all supporting calculations.

c. Explain how the values under the column "Net Borrowings" were derived. Provide all supporting calculations.



Jeff Derouen
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY

DATED: DEC 28 2009

cc: Parties of Record

Stephen Johnson
Vice President of Finance
South Kentucky R.E.C.C.
925-929 N. Main Street
P. O. Box 910
Somerset, KY 42502-0910

Honorable Darrell L Saunders, P.S.C.
Attorney at Law
700 Master Street
P.O. Box 1324
Corbin, KY 40702