

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF SOUTH KENTUCKY RURAL	)	
ELECTRIC COOPERATIVE CORPORATION FOR	)	CASE NO.
A CERTIFICATE OF CONVENIENCE AND	)	2010-00055
NECESSITY TO CONSTRUCT ADDITIONAL	)	
LINES AND FACILITIES	)	

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

Pursuant to 807 KAR 5:001, South Kentucky Rural Electric Cooperative Corporation ("South Kentucky") is to file with the Commission the original and seven copies of the following information, with a copy to all parties of record. The information requested herein is due ten days from the date of this request. 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 South Kentucky's Construction Work Plan ("CWP"), page 8. South Kentucky is proposing to install 12,000 new meters over the period 2010 through 2013 at a total cost of \$798,000. In Case No. 2009-00489,<sup>1</sup> South Kentucky was authorized to install an Advanced Metering Infrastructure ("AMI") System which would entail replacing all of its meters over the construction period.<sup>2</sup>

- a. Provide a description of the planned uses for the 12,000 meters included in the CWP.
- b. Provide a description of the type of meters.
- c. If applicable, provide a description of the AMI module that would be installed in the new meters.

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<sup>1</sup> Case No. 2009-00489, Application of South Kentucky Rural Electric Cooperative Corporation for a Certificate of Convenience and Necessity to Install an Advanced Metering Infrastructure System (AMI) (Ky. PSC Jan. 19, 2010).

<sup>2</sup> Case No. 2009-00489, Response to Commission Staff's First Data Request, Item 7.

d. Refer to South Kentucky's response to Item 8 of the Commission Staff's First Data Request ("Staff's Initial Data Request") in Case No. 2009-00489. Explain in detail why the cost of meters in that response is different from the \$67 cited in the CWP. To the extent the \$67 amount is an average, provide an estimate of the costs for the proposed 12,000 meters by meter type (residential, commercial, industrial, etc).

2. Identify any other costs in the CWP that may be associated with South Kentucky's AMI or Smart Grid activities.

3. Refer to the response to Staff's Initial Data Request, Item 6, which references the Historical Annual Energy Load and Consumer Data table in Section II, G, page 13, of the CWP ("the Energy Load Table"). The response to Item 6 calculates the 2003 Load Factor as:

$$\begin{aligned}\text{Load Factor}_{2003} &= \text{kWh Sold}_{2003} / (\text{Peak kW}_{2003} \times 365 \times 24) \\ &= 1,037,801,000 / (312,000 \times 365 \times 24) \\ &= .3797 \text{ or } 38.0\%.\end{aligned}$$

Using the same formula for Years 2001 and 2002 yields the following results:

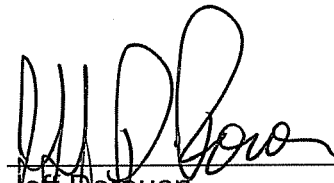
$$\begin{aligned}\text{Load Factor}_{2001} &= \text{kWh Sold}_{2001} / (\text{Peak kW}_{2001} \times 365 \times 24) \\ &= 985,426,000 / (282,000 \times 365 \times 24) \\ &= .3989 \text{ or } 39.9\%.\end{aligned}$$

$$\begin{aligned}\text{Load Factor}_{2002} &= \text{kWh Sold}_{2002} / (\text{Peak kW}_{2002} \times 365 \times 24) \\ &= 1,024,676,000 / (265,400 \times 365 \times 24) \\ &= .4407 \text{ or } 44.1\%.\end{aligned}$$

The Energy Load Table reports Load Factor  $_{2001} = 41.5\%$  and Load Factor  $_{2002} = 47.0\%$ . These results for 2001 and 2002 are reproducible if one uses kWh Purchased and not kWh Sold.

a. Should the % Annual Load Factor column of the Energy Load Table use kWh Purchased or kWh Sold in the numerator of the Load Factor calculation? Explain the reasons supporting the answer.

b. Recalculate the Energy Load Table based on the response to Item 3.a.



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DATED:     **MAY 24 2010**    

cc: Parties of Record

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