

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF OWEN ELECTRIC)
COOPERATIVE, INC. FOR A CERTIFICATE OF) CASE NO.
PUBLIC CONVENIENCE AND NECESSITY FOR ITS) 2010-00316
2010-2011 CONSTRUCTION WORK PLAN)

FIRST INFORMATION REQUEST OF COMMISSION STAFF
TO OWEN ELECTRIC COOPERATIVE, INC.

Pursuant to 807 KAR 5:001, Owen Electric Cooperative, Inc. ("Owen") is to file with the Commission the original and five copies of the following information, with a copy to all parties of record. The information requested herein is due within 10 days of 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.

Owen 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 Owen fails or refuses to furnish all or part of the requested information, Owen 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. The cover letter filed with the application on December 10, 2010 states that Rural Utilities Service (“RUS”) approved Owen’s 2010-2011 Construction Work Plan (“CWP”) in November 2009.

a. When did Owen file the CWP with RUS?

b. Provide a copy of the approval documentation received by Owen.

2. Given that RUS approved Owen’s CWP in November 2009, explain in detail why Owen did not file its CWP with the Commission until December 10, 2010.

3. Did Owen begin any of the construction outlined in the CWP prior to filing the application in this matter on December 10, 2010? If yes, provide a schedule showing all projects constructed and all expenditures for those construction projects to date.

4. Has Owen begun construction on any of the projects included in the CWP since filing the application in this matter on December 10, 2010? If yes, provide a schedule showing all projects constructed and all expenditures for those construction projects to date.

5. Refer to Section III-B, page 1 of Owen's 2010-2011 Construction Work Plan Report, filed as part of Owen's application in this matter, which states, in pertinent part, "[t]he design load was derived after reviewing the *2008 Load Forecast* with the GFR." Refer also to East Kentucky Power Cooperative, Inc.'s ("East Kentucky's") response to Item 3 of Commission Staff's Initial Information Request in Case No. 2010-00238.¹ In its response to Item 3 of Commission Staff's data request, East Kentucky states that:

The EKPC aggregated preliminary load forecast was presented to the Board in July. EKPC's load forecast is made up of each of the sixteen member system's individual load forecasts. Each of those systems must review and obtain approval from its respective Board of Directors. Those approvals took a few months to complete. Due to the significance of the results of this load forecast, i.e. the J.K. Smith 1 decision, EKPC went back to its Board again in October, and made another presentation reviewing the load forecast. The member systems were asked to revisit the 2011 energy projections, considering the actual sales for January through August 2010. Projections of customers and peak demands were also presented. Each member system was asked to discuss with key staff and indicate if any changes needed to be made. Each member system did respond and no changes were required. The load forecast was then approved by the EKPC Board of Directors in November 2010.

a. Discuss in detail Owen's participation in the review of East Kentucky's 2010 load forecast, as stated by East Kentucky in its response to Item 3 of Commission Staff's Initial Data Request in Case No. 2010-00238.

b. Identify Owen's 2011-2012 winter peak load or corresponding winter peak set forth in the East Kentucky's 2010 load forecast.

¹ Case No. 2010-00238, An Investigation of East Kentucky Power Cooperative, Inc.'s Need for the Smith 1 Generating Facility (Ky. PSC Jan. 10, 2011).

c. Based on Owen's review of East Kentucky's 2010 load forecast, explain in detail Owen's decision to base its application in this matter on East Kentucky's 2008 load forecast, as opposed to East Kentucky's more current 2010 load forecast.

6. Refer to Section III-B, page 1 of Owen's 2010-2011 Construction Work Plan Report. What factored into Owen selecting an annual inflation rate of 4%?

7. Refer to Appendix D, a copy of a July 20, 2010 letter from Mark Stallions, Owen's President and CEO, informing Tony Campbell, President and CEO of East Kentucky, of Owen's utilization of East Kentucky's 2008 Load Forecast in preparing its completed 2010 – 2011 Construction Work Plan.

a. Did Mr. Campbell, in his requested reply letter, advise Owen to utilize the 2010 load forecast? Explain in detail.

b. Provide a copy of Mr. Campbell's reply letter.

8. Refer to Section IV-C of the CWP, page 1, which states that Owen plans to purchase 1,940 new AMI meters, 250 new 3-phase AMI meters and 50 retrofit kits for 3-phase meters.

a. Is the need for the new meters based on new customer growth?

b. Provide a full description of the proposed meters including specifications and capabilities.

c. Do these meters reflect the most current meter technology available on the market? If not, explain why Owen has decided on these particular meters.

9. In Case No. 2006-00314,² Owen was authorized to replace 54,000 mechanical meters with AMR meters. The replacement of those meters was estimated to be completed by December 31, 2009.

a. Provide the date the replacement of the 54,000 meters was completed.

b. State whether the proposed new meters are compatible with Owen's current meters, and if they are not compatible with Owen's existing AMR meters, explain in detail.

c. Are the installed AMR meters capable of functioning as AMI meters? Explain in detail.

d. If the AMR meters are not capable of functioning as AMI meters, what hardware or network upgrades would be necessary in order for all of Owen's AMR meters to function as AMI meters?



Jeff Derouen
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DATED: FEB 23 2011

cc: Parties of Record

² Case No. 2006-00314, Application of Owen Electric Cooperative, Inc. for a Certificate of Public Convenience and Necessity for its Automated Meter Reading Plan (Ky. PSC Oct. 31, 2006).

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