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March 30, 2017

Ms. Talina R. Mathews
Executive Director
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, KY 40602-0615

RECEIVED

MAR 31 2017

PUBLIC SERVICE
COMMISSION

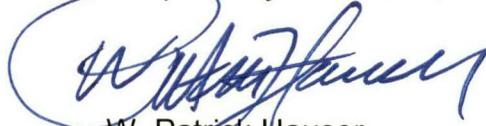
Re: Cumberland Valley Electric, Inc.
Supplemental Application For Waiver of Periodic Testing
Case No. 2017-00134

Dear Ms. Mathews:

Enclosed please find for the proper filing thereof an original and ten (10) copies of the Supplemental Application for Waiver of Periodic Testing in the above referenced matter.

Should you have any questions or need further information, please let me know.

Respectfully Submitted,



W. Patrick Hauser
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606-546-3811
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Attorney for
Cumberland Valley Electric, Inc.

WPH/dd

Enclosures

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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MAR 31 2017

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:

**APPLICATION OF CUMBERLAND VALLEY)
ELECTRIC, INC. FOR WAIVER OF PERIODIC)
METER TESTING FOR 2017, 2018 AND 2019)**

CASE NO. 2017-00134

SUPPLEMENTAL APPLICATION

Cumberland Valley Electric, Inc. ("CVE") respectfully submits this supplemental application seeking approval of a Waiver of Periodic Meter testing for the years of 2017, 2018 and 2019. CVE submitted its initial Request for Waiver of Periodic Meter Testing for 2017, 2018 and 2019 by letter dated March 1, 2017 to the Public Service Commission of the Commonwealth of Kentucky ("Commission"). The Applicant respectfully states as follows:

1. CVE is a nonprofit electric cooperative organized under KRS Chapter 279 and is engaged in the business of distributing retail electric power to member customers in the Kentucky counties of: Bell, Clay, Harlan, Knox, Laurel, Leslie, Letcher, McCreary and Whitley. CVE serves about 23,682 member-customers and has 2,656 miles of distribution lines in its nine county service territory.
2. CVE's mailing address is P.O. Box 440, Gray, Kentucky 40734. CVE's email address is psc@cumberlandvalley.coop.
3. Cumberland Valley Electric, Inc. was incorporated in the Commonwealth of Kentucky on July 12, 1940. Articles of Amendment to the Articles of Incorporation were filed on June 22, 2000. Cumberland Valley Electric, Inc. is currently in good standing.
4. CVE is currently testing meters pursuant to 807 KAR 5:041 Section 15.
5. This Application is made for the purpose of requesting a waiver of periodic meter testing for the years of 2017, 2018 and 2019.

6. CVE utilizes Landis + Gyr's TS2 AMI technology for meter reading, two-way communications for remote connects, disconnects and load control switching.
7. As part of this meter testing process CVE has been replacing electro-mechanical (EM) meters with solid state digital meters. Landis + Gyr informed CVE in the second quarter of 2016 that its support for this technology is scheduled to extend through the year 2020 with no firm commitment for support thereafter. Further, CVE was informed that Landis + Gyr had not sold any TS2 systems in the previous five (5) years. Therefore, CVE believes it is evident that this technology has reached obsolescence, particularly with the emergence of RF based AMI solutions. The projected cost of these replacements, pursuant to Exhibit E of CVE's current work plan, is \$2,514,421.00. CVE is currently accepting proposals from 5 AMI vendors for consideration of a new AMI project at CVE. CVE anticipates selection of a vendor/AMI solution and application for CPCN for a new AMI project to the Commission by the third or fourth quarter of 2017. CVE expects full deployment of a new AMI system within 3 to 4 years after project commencement.
8. The current schedule for meter testing calls for replacement of 3,679 meters in 2017, 3,356 in 2018 and 3,237 in 2019, a combined total of 10,272 meters. In anticipation of the application for CPCN to the Commission for a new AMI solution, CVE does not consider the present testing schedule a prudent capital expenditure and, therefore, requests relief from periodic meter testing for the years of 2017, 2018 and 2019.
9. The Commission in Case No. 2016-00077 regarding Licking Valley Rural Electric Cooperative Corporation's application for CPCN and its AMI project, made a finding consistent with the relief sought by CVE in this matter

WHEREFORE, the Cumberland Valley Electric, Inc. requests that the Public Service Commission of the Commonwealth of Kentucky to issue an Order granting Cumberland Valley Electric a Waiver of Periodic Meter Testing for 2017, 2018 and 2019.

Respectfully submitted,



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**ATTORNEY FOR PETITIONER,
CUMBERLAND VALLEY ELECTRIC, INC.**

CERTIFICATE OF SERVICE

Counsel certifies that an original and ten photocopies of Cumberland Valley Electric's Amended Application was submitted via Federal Express delivery on the 30th day of March 2017 to Talina R. Mathews, Executive Director, Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602-0615.



W. PATRICK HAUSER