

David S. Samford david@gosssamfordlaw.com (859) 368-7740

August 14, 2018

RECEIVED

AUG 1 4 2018

PUBLIC SERVICE COMMISSION

### VIA HAND DELIVERY

Gwen R. Pinson, Executive Director Kentucky Public Service Commission 211 Sower Boulevard Frankfort, KY 40602

Re: IN THE MATTER OF: APPLICATION OF INTER-COUNTY ENERGY COOPERATIVE CORPORATION FOR A GENERAL ADJUSTMENT OF EXISTING RATES - Case No. 2018-00129

Ms. Pinson:

Please find enclosed and accept for filing in the above-styled matter an original and ten (10) copies of Inter-County Energy Cooperative Corporation's Responses to Commission Staff's Third Request for Information. Please note that a portion of the Response to Item 9 is being filed under seal. This Excel spreadsheet was previously filed on July 17, 2018 in pdf format with certain information redacted for the public record along with a Motion for Confidential Treatment. The Motion for Confidential Treatment is currently still pending before the Commission. In order to keep all of the cells intact, the information which was previously redacted in pdf format could not be redacted, therefore a public version is not being refiled with this filing. A public version of this document was filed in response to Item 23 of Commission Staff's Second Request for Information on July17, 2018. Please return a file-stamped copy to me.

I appreciate your assistance with this matter, and please do not hesitate to contact me with any questions or concerns.

Respectfully submitted

David S. Samford

Enclosures

RECEIVED

### COMMONWEALTH OF KENTUCKY

AUG 1 4 2018

### BEFORE THE PUBLIC SERVICE COMMISSION

PUBLIC SERVICE COMMISSION

In the Matter of:	
APPLICATION OF INTER-COUNTY ENERGY COOPERATIVE CORPORATION FOR A GENERAL ADJUSTMENT OF EXISTING RATES	) ) Case No. 2018-00129 )
INTER-COUNTY ENERGY COOPERATIVE RESPONSE TO COMMISSION STAFF'S THIRD RE	

### COMMONWEALTH OF KENTUCKY

### BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:			
APPLICATION OF INTER-COUNTY EN COOPERATIVE CORPORATION FOR A ADJUSTMENT OF EXISTING RATES		)	Case No. 2018-00129
VERIFICATIO	ON OF JERRY	CA	RTER
COMMONWEALTH OF KENTUCKY COUNTY OF BOYLE	) )		
Jerry Carter, President and Chief Corporation, being duly sworn, states the responses of Inter-County Energy Coopera for Information in the above-referenced responses are true and accurate to the best reasonable inquiry.	at he has supervative Corporation case and that the	vised n to ( he m	the preparation of certain of the Commission Staff's Third Request atters and things set forth in his
	Jerry	2 Sarte	w Carto
The foregoing Verification was sig day of August, 2018, by Jerry Carter.	ned, acknowled	ged a	and sworn to before me this 9th
	Farral	10	C, Notary # 583751
	NOTARY PU Commission	JBLI expir	C, Notary # 583751 ration: 8-24-21

#### COMMONWEALTH OF KENTUCKY

### BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:	
APPLICATION OF INTER-COUNTY ENERGY COOPERATIVE CORPORATION FOR A GEN ADJUSTMENT OF EXISTING RATES	( ) ( ) ( ) ( ) ( ) ( ) ( ) ( ) ( ) ( )
VERIFICATION OF	SHEREE GILLIAM
COMMONWEALTH OF KENTUCKY ) COUNTY OF BOYLE )	
Sheree Gilliam, Senior Vice-President Fi Cooperative Corporation, being duly sworn, sta certain of the responses of Inter-County Energy Third Request for Information in the above-refe forth in her responses are true and accurate to the formed after reasonable inquiry.	Cooperative Corporation to Commission Staff's renced case and that the matters and things set
	Sheree Gilliam
The foregoing Verification was signed, as day of August, 2018, by Sheree Gilliam.	eknowledged and sworn to before me this _9 <sup>th</sup>
	arrah Colenian TARY PUBLIC, Notary # 583751
NO	TARY PUBLIC, Notary # 583751
Con	nmission expiration: 8-24-21

### COMMONWEALTH OF KENTUCKY

### BEFORE THE PUBLIC SERVICE COMMISSION

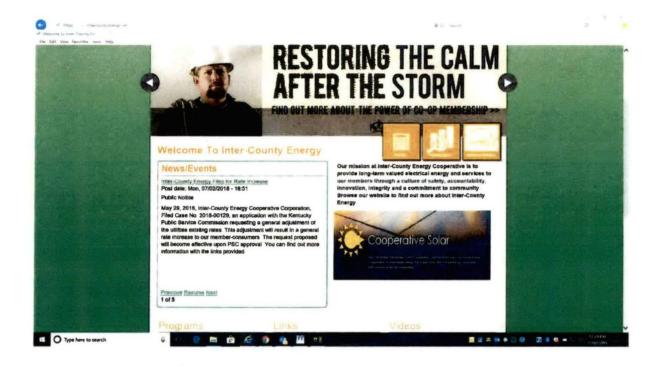
In the Matter of:			
APPLICATION OF INTER-COUNTY ENER COOPERATIVE CORPORATION FOR A C ADJUSTMENT OF EXISTING RATES		)	Case No. 2018-00129
VERIFICATION	OF LANCE	SCH	IAFER
COMMONWEALTH OF KENTUCKY COUNTY OF FAYETTE	) ) )		
Lance Schafer, Rate and Regulatory Aduly sworn, states that he has supervised the p Energy Cooperative Corporation to Commi above-referenced case and that the matters accurate to the best of his knowledge, inform	reparation of c ssion Staff's and things se	ertai Third et for	n of the responses of Inter-County I Request for Information in the th in his responses are true and
	Lance	Scha	afer
The foregoing Verification was signed day of August, 2018, by Lance Schafer.	d, acknowledg	ged an	nd sworn to before me this 14
	NOTARY PU Commission e		7, Notary # 573665 ation: 11-4-19

### Inter-County Energy Cooperative Corporation Case No. 2018-00129 Commission Staff's Third Request for Information

1. Refer to Inter-County Energy's response to Commission Staff's Second Request for Information (Staff's Second Request), Item 1, in which Inter-County energy indicated that screenshots of the information requested regarding Inter-County Energy's website were provided but in which the screenshots were not provided. Provide the screenshots requested in Staff's Second Request, Item 1.

### **Response:**

Please see attached. Page 2 of this response is a screenshot of the main Inter-County web page and page 3 of this response is a printout of the same page that shows the insert under News/Events pertaining to this case. If you click on the link "Inter-County Energy Files for Rate Increase", it takes you to page 4 of this response. Clicking on the link provided on page 4, "Proposed Rates" will take you to a copy of the Customer Notice that was printed in *Kentucky Living* and two different newspapers. Page 4 of the attachment also shows the link to the Commission's website where the documents pertaining to this case can be found.





About Us | Careers | Outages | Right of Way | Contact Us | Service Requirements

Select Language ▼ Pay Online Outage Map

Item 1

A feweringered known Liverprenate & P.A.



**OUTAGE REPORTING: 1.866.224.2235** 

Home My Co-op Reducing Your Bill Residential Safety/Community Solar, EV's and Renewables. My Business, Inter-County Energy Files for Rate Increase



# RESTORING THE CALM, AFTER THE STORM

### **Welcome To Inter-County Energy**

#### News/Events

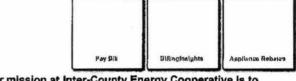
Inter-County Energy Files for Rate Increase

Post date: Mon, 07/02/2018 - 18:51

**Public Notice** 

May 29, 2018, Inter-County Energy Cooperative Corporation, Filed Case No. 2018-00129, an application with the Kentucky Public Service Commission requesting a general adjustment of the utilities existing rates. This adjustment will result in a general rate increase to our member-consumers. The request proposed will become effective upon PSC approval. You can find out more information with the links provided.

Previous Resume Next



Our mission at Inter-County Energy Cooperative is to provide long-term valued electrical energy and services to our members through a culture of safety, accountability, innovation, integrity and a commitment to community. Browse our website to find out more about Inter-County Energy.



Videos

### **Programs**



### Links

Build a Business, Build a Life

The People At the End of The Lines

**Unclaimed Capital Credits** 

· Pay Your Bill/Accessing Account

Daily Temperatures

. 8-1-1: Call Before You Dig

· Cooperative Action Network

Danville, KY

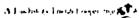
0



About Us | Careers | Outages | Right of Way | Contact Us | Service Requirements

Attention Members: As a r

SelectPangOptime V Outage Map





**OUTAGE REPORTING: 1.866.224.2235** 

Home My Co-op Reducing Your Bill Residential Safety/Community Solar, EV's and Renewables My Business

Inter-County Energy Files for Rate Increase

### Inter-County Energy Files For Rate Increase

**Public Notice** 

May 29, 2018, Inter-County Energy Cooperative Corporation, Filed Case No. 2018-00129, an application with the Kentucky Public Service Commission requesting a general adjustment of the utilities existing rates. This adjustment will result in a general rate increase to our memberconsumers. The request proposed will become effective upon PSC approval. You can find out more information with the links provided.

#### **Proposed Rates**

http://psc.ky.gov/PSC\_WebNet/ViewCaseFilings.aspx?case=2018-00129

### Co-op Information

Home

My Co-op

Reducing Your Bill

Residential

Safety/Community

Solar, EV's and Renewables

My Business

Inter-County Energy

Files for Rate Increase

Submitted by interco on Mon, 07/02/2018 - 18:51

Item 2
Page 1 of 1
Witness: Jerry Carter

# Inter-County Energy Cooperative Corporation Case No. 2018-00129 Commission Staff's Third Request for Information

2. Provide a copy of the compensation study referred to in response to Staff's Second Request, Item 2, when it becomes available to Inter-County Energy.

### **Response:**

Inter-County will provide a copy of the compensation study when it becomes available to Inter-County.

Item 3
Page 1 of 2
Witness: Sheree Gilliam

# Inter-County Energy Cooperative Corporation Case No. 2018-00129 Commission Staff's Third Request for Information

3. Identify, by position, the annual turnover rate for each of the past five calendar years.

### Response:

Please see attached.

Item 3 Page 2 of 2 Witness: Sheree Gilliam

Item#3 - Identify by position, the annual turnover rate for each of the past five calendar years.

Position	# in position	2013	2014	2015	2016	2017	2018	
Lineman	22	14%	9%		4.5%	4.5%	23%	2018 reflects 7 months through 7/31/18
President/CEO	1					100%		
District Manager-Lebanon	1				100%			
Communications Specialist	1				100%			
Executive Assistant	1				100% ·			
Accountant	1			•	100%			
Customer Service Rep	8	12.5%		25%				
Member Service Advisor	2		50%					
Human Resouces Admin	1		100%					
Maintenance Superintendant	1					100%		
VP Finance & Administration	1	100%						
VP Office Services	1		100%					
VP Member Svc & Mktg/PR	1		100%					
Engineering Technician	4					25%		
Crew Leader	. 5		20%			20%		
Safety/Loss Coordinator	1					100%		
Engineering Coordinator	1				100%			
Superintendant Construction	1		100%					
System Engineer	1		100%					

Item 4
Page 1 of 4
Witness: Sheree Gilliam

# Inter-County Energy Cooperative Corporation Case No. 2018-00129 Commission Staff's Third Request for Information

4. Identify, by position, the annual percentage salary increases for each of the past five calendar years.

### Response:

Please see attached and also see Work Paper 2 filed with the Application in this case.

Item # 4 Inter-County Energy

Position(s)	Salary - percentage increase	Historical W	age Increases	over the pa	st 5 years]			
	, L	Wage	Wage	P		Wage		
		Rate	Rate	Percent		Rate	Percent	· · · · · · · · · · · · · · · · · · ·
Emp#	Position/Title	11/01/12	11/01/16	Increase	Reason for Increase	11/01/17	Increase	Reason for Increase
Salaried Er	nployees:					•		
2212	VP Office Svc	28.08	44.59	58.8%	Promotion	47.65	6.9%	COL + MKT STEP
6615	System Eng	0.00	43.46	#DIV/0!	Market Step	44.55	2.5%	COL
6607	VP Operations	41.24	60.26	46.1%	Market Change	61.77	2.5%	COL
2283 ]	Member Svc Advisor	22.73	29.42	29.4%	Market Step	30.16	2.5%	COL
	Member Svc Advisor	29.27	22.87	-21.9%	Job Change	24.38	6.6%	COL + MKT STEP
	Safety Coordinator	29.27	32.85		Market Change	34.35	4.6%	COL + MKT STEP
	VP Finance & Administration	41.81	52.40	25.3%	Promotion	53.71	2.5%	COL
	Supt. Construction	33.33	40.51		Promotion	41.52		COL
	VP Member Services	33.49	48.94		Promotion	52.86		COL + MKT STEP
3 4 4 4	Pres/CEO	81.78	93.57	14.4%		96.37		COL
5569	Supt. Maintenance	30.26	34.71	14.7%	Promotion	37.68	8.6%	COL + MKT STEP
Hourly Em	ployees:							
5517	Lineman	30.26	33.73	11.5%	Market Change	34.57	2.5%	COL
5584	Lineman	0.00	24.37	#DIV/0!	Market Step	27.78	14.0%	COL + MKT STEP
5534	Lineman	0.00	27.65	#DIV/0!	Hire 06/19/2017	30.30	9.6%	COL + MKT STEP
2260	Lineman	0.00	18.25	#DIV/0!	Market Step	20.06	9.9%	COL + MKT STEP
5540	Lineman	30.26	33.73	11.5%	Market Change	34.57	2.5%	COL
	Lineman	0.00	29.25		Market Step	31.98		COL + MKT STEP
	Lineman	29.27	32.85		Market Change	33.67	2.5%	COL
5529	Lineman	27.64	32.85		Market Change	33.67		COL
	Lineman	0.00	21.94		Market Step	25.25		COL + MKT STEP
5590		0.00	29.25		Market Step	31.98		COL + MKT STEP
5608	Lineman	0.00			Hired 7/17/17	20.20		COL
5586	Lineman	29.49	32.87		Market Change	33.69		COL
5588	Lineman	0.00			Market Step	33.22		COL + MKT STEP
5545	Lineman	30.26	33.73	11.5%	Market Change	34.57	2.5%	COL

5560 Lineman	19.64 30.87	57.2% Market Change	33.67	9.1% COL + MKT STEP
5604 Lineman	0.00 24.37	#DIV/0! Market Step	27.78	14.0% <i>COL</i> + <i>MKT STEP</i>
5580 Lineman	0.00 32.85	#DIV/0! Market Step	33.67	2.5% COL
5610 Lineman	0.00 19.71	#DIV/0! Hired 10/2/17	19.71	0.0% COL
5600 Lineman	0.00 21.94	#DIV/0! Market Step	25.25	15.1% <i>COL</i> + <i>MKT STEP</i>
5602 Lineman	0.00 21.94	#DIV/0! Martket Step	25.25	15.1% COL + MKT STEP
5511 Lineman	29.49 32.87	11.5% Market Change	33.69	2.5% COL
5543 Lineman	30.26 33.73	11.5% Market Change	34.57	2.5% COL
2224 Payroll Specialist	22.68 25.29	11.5% COL	25.92	2.5% COL
2266 IT Administrator	27.82 31.27	12.4% COL	32.05	2.5% COL
2202 Supervisor District Office	22.65 25.26	11.5% Promotion	27.18	7.6% COL + MKT STEP
2210 CSR	0.00 15.00	#DIV/0! Hire Date 1/9/17	15.38	2.5% COL
2285 CSR	0.00 15.38	_ ·	17.12	11.3% <i>COL</i> + <i>MKT STEP</i>
2256 CSR	0.00 15.93		18.07	13.4% COL + MKT STEP
2264 CSR	0.00 15.38	#DIV/0! Market Step	16.79	9.2% COL + MKT STEP
2226 CSR	0.00 16.59	#DIV/0! Market Step	18.41	11.0% <i>COL</i> + <i>MKT STEP</i>
2255 CSR	0.00 18.32		19.82	8.2% COL + MKT STEP
2270 CSR	0.00 18.52	· · · · · · · · · · · · · · · · · · ·	19.82	7.0% $COL + MKT$ $STEP$
2215 CSR	0.00 15.39	*	17.13	11.3% <i>COL</i> + <i>MKT STEP</i>
2281 Ex Assistant	21.93 26.24		28.00	6.7% $COL + MKT$ $STEP$
6627 Warehouse/Purchasing	25.11 29.46	· · · · · · · · · · · · · · · · · · ·	30.20	2.5% COL
6633 Engineering Assst	19.64 23.66		24.25	2.5% COL
6637 Dispatcher	19.33 27.65		28.34	2.5% COL
2250 Dispatcher	15.86 20.48	· · · · · · · · · · · · · · · · · · ·	20.99	2.5% COL
6590 Engineering Tech	32.24 35.94		36.84	2.5% COL
5514 Engineering Tech	32.24 35.94		36.84	2.5% COL
4528 Engineering Tech	32.24 35.94	• • •	36.84	2.5% COL
5542 Engineering Tech	30.73 34.43	12.0% COL	35.33	2.6% COL
1132 Facilities Maintenance	19.18 21.38		21.91	2.5% COL
5523 Crew Leader	33.33 37.15	<b>~</b>	38.08	2.5% COL
6648 Crew Leader	29.49 33.86		35.89	6.0% COL + MKT STEP
5535 Crew Leader	29.49 33.62		35.18	4.6% COL + MKT STEP
5507 Meter Tech	24.14 25.90		30.77	18.8% <i>COL</i> + <i>MKT STEP</i>
2245 Accountant	15.78 23.87		27.03	13.2% <i>COL</i> + <i>MKT STEP</i>
6663 Plant Accountant	25.40 29.76		30.50	2.5% COL
2268 Engineering Coordinator	0.00 18.60	#DIV/0! Martket Step	20.37	9.5% COL + MKT STEP

6610 Mapping	24.05	27.15	12.9% COL	27.83	2.5% COL
6631 Human Resources	18.90	27.36	44.8% Promotion	30.20	10.4% COL + MKT STEP
2240 Manager Member Accounts	17.16	27.36	59.4% Promotion	30.73	12.3% COL + MKT STEP

Witness: Sheree Gilliam

### Inter-County Energy Cooperative Corporation Case No. 2018-00129 Commission Staff's Third Request for Information

- 5. Refer to Staff's Second Request, Item 5a.
  - a. Describe the typical level of experience for new hires at Inter-County Energy in each of the positions identified in response to that request and for Linemen.
  - b. Describe the training that Inter-County Energy provides to new hires in each such position (if the training varies explain)'
  - c. Provide the cost associated with training new hires in each such position (if the costs vary explain).

#### **Response:**

Inter-County does not generally hire persons with little to no relevant experience for the positions listed in Staff's Second Request, Item 5.a. Please see the responses below for more detailed information regarding the level of experience typically required.

a. <u>Electric Engineer</u> – B.S. degree in Electrical Engineering with a Professional Engineer's License preferred. Must have thorough knowledge of distribution engineering including load studies, sectionalizing studies, distribution line routing, distribution economics, transformer loading, distribution line design and system mapping. Candidate should also have thorough understanding of NESC, NEC and PSC regulations, RUS design specifications, work order and loan procedures.

<u>Mapping Technician</u> – High school diploma with additional courses in CAD, knowledge of CAD surveying or mapping and distribution system layout, preparing system maps, drawings and charts. Candidate must be capable of keeping all maps current, operate computer-assisted mapping system and have thorough knowledge of algebraic equations and statistics.

<u>Staking Engineer</u> – High school diploma and additional courses in basic knowledge of topics including: electrical terms and principles; maintenance and construction requirements; and materials used in line design.

Page 2 of 3

Witness: Sheree Gilliam

Candidate must also have a minimum of four years of related and progressive responsibility and/or be an Inter-County grade of Engineer Technician Second Class and completion of the segments of the Merchant Line Training Program or its equivalent if employed after January 1, 1990.

<u>Dispatcher</u> – High school diploma required with a minimum of five years of related and progressively responsible experience. Candidate will maintain radio communications with field personnel regarding routine activities as well as power outages and other emergencies. Candidate must have knowledge of the distribution service area, distribution line construction, maintenance and operations procedures, material and equipment. Candidate must also possess thorough knowledge of the cooperative's billing, collections, service connections, work order and mapping procedure with a reasonable amount of knowledge of RUS Uniform System of Accounts. Candidate must also understand the cooperative's Outage Management System (OMS) as well as SCADA.

<u>Plant Accountant</u> – College degree or additional training beyond high school in the field of invoicing, work order costing, inventory, fixed assets and production tracking/costing. A minimum of four years in electric utility operations or accounting with a thorough understanding of the RUS Uniform System of Accounts.

<u>Accountant</u> – College degree in Accounting, Business Administration or other Finance related coursework preferred. Thorough knowledge of RUS System of Accounts, general accounting or bookkeeping courses helpful. Must have excellent knowledge of generally accepted accounting principles and procedures; taxes, banking and other financial matters; and, advanced knowledge of MS Excel and Power Point.

Network/Computer Systems Administrator — Bachelor degree in Information Technology or the equivalent in computer or related subject is required. Candidate must have at least five years of experience in a computer environment and possess a broad knowledge of commonly used concepts, practices and procedures in the computer industry and in telecommunications. Candidate must also have a working knowledge of cooperative operations and the computer applications normally needed for daily operations and have the expertise to preserve assets by implementing disaster recovery, back-up procedures and information security and control structure. Candidate will recommend IT strategies, policies and procedures by evaluating organizational outcomes, identifying problems, evaluating trends and analyzing requirements.

Item 5
Page 3 of 3
Witness: Sheree Gilliam

<u>Line Technician First Class</u> – High school diploma or equivalent with a minimum of four years of directly related and progressively responsible experience and/or an Inter-County grade of Second Class Line Technician. Candidate must have a thorough knowledge of distribution line construction, maintenance, sectionalizing, operations, metering and apparatus. Candidate must also have a thorough knowledge of the proper use and operations of line construction equipment, techniques and materials; must have thorough understanding of the cooperative's policies and procedure, RUS Spec Book, safety rules and a functional understanding of OSHA and environmental laws, OMS and SCADA.

- b. Training is never completed and is an on-going process. Positions such as Staking Engineer and Line Technician must complete the Merchant's Electric Program which includes 2200 hours of course work requiring approximately four years to complete. Other course work for linemen includes mastering basic skills as well as hot skills. Fulfilling the requirements to become a first-class journeyman lineman is not an easy task and takes an average of seven and one-half years. Beyond that, becoming a crew leader or foreman requires that the journeyman lineman participate in advanced Foreman's Training. Other positions require training specifically designed for electric distribution employees such as NRECA's Management Internship Program, state and local training for accounting, member services and IT groups, which occurs semi-annually across the state. Employees working with metering and AMI attend annual training to learn about new techniques and updates. Managers and Supervisors attend training provided by NRECA as well as the Kentucky Chamber of Commerce. Forklift and hazard recognition training is offered through trade groups and all Inter-County employees are mandated to participate in monthly, on-line safety training as well as attend monthly, in-house safety meetings.
- c. The Society of Human Resource Managers (SHRM) reports that the average cost per hire is approximately \$4,200 while the average time it takes to fill a given position is forty-two days. Inter-County knows from experience that providing the required course work associated with becoming a lineman is approximately \$5,200 and that cost does not reflect the time spent by other lineman and supervisors mentoring the new lineman.

Item 6
Page 1 of 1
Witness: Sheree Gilliam

### Inter-County Energy Cooperative Corporation Case No. 2018-00129 Commission Staff's Third Request for Information

6. Refer to Inter-County Energy's response to Staff's Second Request, Item 8. Describe all projections, if any, made by Inter-County Energy in the two years preceding the filing of this matter and since the filing of this matter regarding expected increases or decreases in the interest rates on its variable rate debt, and explain the basis for those projections.

#### **Response:**

Inter-County does not prepare its own interest rate projections. Inter-County relies on the projections offered by financial institutions including Federal Financing Bank (FFB), Rural Utilities Services (RUS), Cooperative Financing Corporation (CFC) and CoBank as well as other outside sources.

### Inter-County Energy Cooperative Corporation Case No. 2018-00129 Commission Staff's Third Request for Information

- 7. Refer to Inter-County Energy's response to Staff's Second Request, Item 14, in which Inter-County Energy indicated that it has not sought approval of the referenced depreciation rates referred to therein outside of this proceeding.
  - a. Describe which Commission cases form the basis for Inter-County Energy's contention that the depreciation rates requested by Inter-County Energy for Distribution Plant accounts 370 Meters and 370 AMI Meters substation are consistent with a depreciation rate historically approved by the Commission.
  - b. Explain why Inter-County Energy contends that the historically approved rates referred by Inter-County Energy should be applied to Inter-County Energy's accounts (is the property at issue identical; is the distribution system similar, etc.).
  - c. State whether Inter-County Energy sought any information from the manufacturer, vendor or other party regarding the useful life of the property represented in Distribution Plant accounts 370 Meters and 370 AMI Meters substance. If so, provide and explain any information obtained.
  - d. State whether Inter-County Energy performed any additional investigation regarding the useful life of the property represented in Distribution Plant accounts 370 Meters and 370 AMI Meters substance. If so, describe the investigation and explain the results of the investigation.

#### Response:

a. The following cases were used as a basis for the contention that the rate proposed in the present case for account 370 is consistent with the rate historically granted by the Commission:

<u>Cooperative</u>	Case Number
Big Sandy RECC	2008-00401
Big Sandy RECC	2012-00030

Blue Grass Energy	2008-00011
Clark Energy	2009-00314
Farmers Rural Electric	2008-00030
Grayson Rural Electric	2008-00254
Grayson Rural Electric	2012-00426
Jackson Energy Cooperative	2013-00219
Licking Valley Rural Electric	2009-00016
Meade County Rural Electric	2010-00222
Owen Electric Cooperative	2008-00154
Taylor County Rural Electric	2012-00023
Farmers Rural Electric	2016-00365
Nolin Rural Electric	2016-00367

- b. Both Inter-County's equipment in account 370 and distribution system are similar to Farmers Rural Electric Cooperative's equipment and distribution system.
- c. Inter-County sought an estimate of service life from the distributor of the equipment, Landis and Gyr. Although the equipment has an estimated service life of 20 years, support for the meters used by Inter-County (the TS2 system) will end in 2022, effectively imposing a shorter service life on Inter-County's meters, which were installed beginning in 2009. Please see the attached question-and-answer sheet from Landis and Gyr that describes the end of the support for its meters.
- d. No additional investigation regarding the average service life of the equipment in account 370 was performed.

	TS2 End of Sales, FAQ's
Q.	ineard that the TS2 system is going away.
A:	That is partially correct. The sale of TS2 modules is going to end due to vendor notifications of
1	component obsolescence. However, TS2 network equipment will continue to be available. The
1	TS2 system will remain supported in Command Center through 2022 and the support is available
	through 2022.
Q.	How long do I have to purchase 152 products and what is available for sale;
A:	The last-time buy will close on October 31, 2019, for the following equipment:
1	TS2 FOCUS AL (Part numbers FASY-0694-0001/2, FASY-0624-0003/4, and Multi-Utility
	FASY-0749-0001/2)
	■ TS2 FOCUS AX/AX-SD* (Part numbers 26-1238, 26-1239, 26-1240, 26-1241)
1	TS2 54e* (Part number FASY-0636-0002)
	■ TS2 kV2c (Part numbers FASY-0538-0002 and Multi-Utility FASY-0650-0002)
	TS2 Load Control Switch (Part numbers FASY-0530-0008/10)
	You must take delivery of this product by March 31, 2020.
1	*Note the S4e meter has been discontinued and meter stock has been depleted. Landis+Gyr is actively developing a TS2 module for the new S4x meter and is also investigating qualifying the TS2 AX module for the FOCUS AX Polyphase.
Q.	
A:	You may want to consider Gridstream RF and/or PLX going forward as the added features and
-	benefits are significant. Your TS2 can remain in place while you transition, and your technical
	team would be happy to sit down and review options.
Q:	want for continue to use my IS2 network. Can liger replacements?
A:	The PLC 3000 Collectors and Transformer Coupling Units will remain available as they are
1.	compatible with TS2 and/or PLX.
Q.	thave load control with T52, what are my options?
A:	Your TS2 load control may stay in place while you consider upgrades to your network and a
	transition to Gridstream RF or PLX.
Q:	IVe got a lot of investment in meters. Are they junk if Jupgrade?
A:	Landis+Gyr has introduced new FOCUS AXe/AXe-SD and S4x meters with much more capabilities
1	available with Gridstream RF and PLX deployments, so consider the cost of a retrofit versus the
eren eren eren	benefit of new metering.
Q.	I have all my substations upgraded to TS2. Do I keep adding or replacing TS2 meters? What
	are my options?
A:	Option 1. Stay with TS2, but understand that its capabilities are limited and any endpoints you
	purchase under this last-time buy opportunity are an investment in 12-year-old technology.
{	Option 2. Take advantage of your current investment and Landis+Gyr's reputation in the marketplace to consider a migration to their latest generation AMI systems and meters.
	marketplace to consider a migration to their latest generation Aivil Systems and meters.
o.	lihave begun the migration to Gribstream RF or PIX but won't have my 152 system replaced.
	before October 31, 2019. What are myoptions?
A:	Many utilities have added the new AMI network to certain areas or substations, and made all
	new meter purchases of the new technology. As they deploy new meters, their policy is to
	conduct a "remove from service" of the TS2 meters, and place them into stock for re-use
	elsewhere on their system. Re-use of the TS2 meters helps to manage costs.
Q	What version of Command Center supports all of the PLC and RF offerings.
A:	Command Center 7.0 which is available now.

Product Specification Sheet

### FOCUSAL E130

### Leading-Edge Technology for Advanced Residential Metering Applications

The FOCUS™ family of metering products provides the utility industry with an advanced, reliable and economical solid-state meter platform for advanced metering applications. The FOCUS AL utilizes a single circuit board design which allows room for installation of a modular communications board or a KYZ option output board. Fewer parts and connectors throughout the design increase reliability and contribute to better overall endpoint performance. Highly accurate load performance and the use of a field-proven Digital Multiplication Measurement Technique ensure reliability and dependability during the entire life of the FOCUS meter.

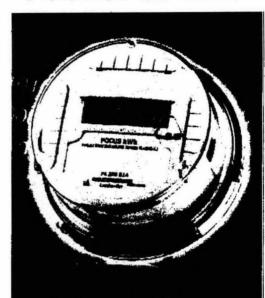
Meter reconfiguration can be accomplished optically through the configuration port located on the front cover.

- Select from displayable positive, negative, net and added (security) metrics
- Change the displayed information, order or digits

  Configure a CT/PT meter multiplier to obtain a direct reading

  Preset or reset kWh
- Adjust calibration

With a focus on customer satisfaction, we are committed to providing the best metering solution in terms of capability, technology and affordability. By utilizing our experience and technology with that of our strategic allies and development partners, we provide metering solutions that cover the range of utilities' residential metering needs.



### **Key Benefits**

- Digital Multiplication
   Measurement Technique
- Non-volatile memory
- Designed for a 20+ year life
- Meets or exceeds industry and ANSI standards
- Uses ANSI protocol (between meter and AMR device)
- . 6 digit LCD and 2 Alpha ID
- Selectable meter multipller up to 240 (1200:5 CT)

Landis Gyr+ manage energy better

#### Product Specification Sheet

### FOCUS AL/E130

#### Specifications

General Specifications Active Energy "kWh-only" meter Digital Multiplication Measurement Technique Non-Volatile Memory Designed for 20+ years life Meets ANSI standards for performance Utilizes ANSI protocol (between meter and AMI device) 8-Digit LCD Display scroll sequence programmable (factory or end user) Configuration Port - cover does not have to be removed Operating Temperature -40C to +85C under cover Nominal Voltage 120V or 240V Operating Voltage 80% to 115% of Vn 60Hz +/- 5% Frequency Humidity 5% to 95% relative humidity, non condensing Starting Load (Watts) Class 20 0,005 Amp (0.6W) Class 100 0.030 Amp (3.6W) Class 200 0.050 Amp (12W) Class 320 0.080 Amp (19.2W) Class 480. 0.120 Amp (28.8W) Voltage Burden ≤ 1.8W Max Load Performance Accuracy Accuracy Class 0.5% - typical accuracy 0.2% Available Forms Self-Contained 1S, 2S, 2SE, 12S, 25S Transformer Rated 35, 45 K-Base Energy Metrics: -+kWh, -kWh, Net kWh, and added kWh (Security) Display Options Metric Energy Display Format - 4x1, 4x10, 5x1, 5x10, 6x1 or 6x10 AMI Platform Modular or Integrated Selectable Meter Multiplier Up to 240 as result of PT ratio CT ratio Applicable Standards ANSI C12.1 for electric meters ANSI C12.10 for physical aspects of watt hour meters ANSI C12.19 Utility Industry End Device Data Tables ANSI C12.20 for electricity meters, 0.2 and 0.5 accuracy classes CAN3-C17-M84 Canadian specifications for approval of type of electricity meters

2800 Duncan Road Lafayette, IN 47904 U.S.A

Phone: 765.742.1001 • Tech Support: 800.777.2774

FAX: **765.429.0936** www.landisgyi.com



Product Specification Sheet

### FOGUS AX E330 + AX SD E350 Singlephase

### The Next Generation of Advanced Residential Metering

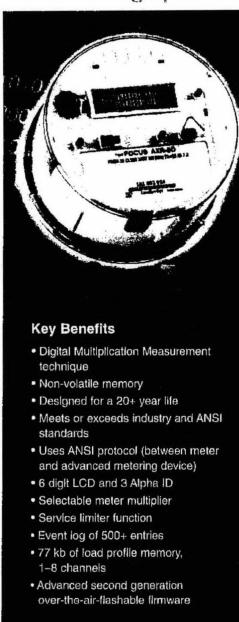
The FOCUS™ AX SD is an advanced meter platform with features that rival any meter in its class. With available service disconnect integrated into the meter base, utilities can take advantage of the 200 Amp relay to disconnect power or limit service remotely using an advance metering technology or manually at the meter. The combination of the FOCUS Service Disconnect base module and powerful AX register provides a flexible system that supports a variety of connect/disconnect and service-limiting applications.

A single circuit board design, mounted at the front of the meter, allows room for modular advanced metering communications or a KYZ option output board. Fewer parts and connectors throughout the board design increase reliability and contribute to better overall endpoint performance. Highly accurate load performance and the use of a field-proven Digital Multiplication Measurement Technique ensure reliability and dependability during the entire life of the FOCUS meter.

Meter reconfiguration can be accomplished optically through the configuration port located on the front cover.

- Select from displayable positive, negative, net and added (security) metrics
- Change the displayed information, order or digits
- Configure a CT/PT meter multiplier to obtain a direct reading
- Preset or reset kWh

With a focus on customer satisfaction, we are committed to providing the best metering solution in terms of capability, technology and affordability. By utilizing our experience and technology with that of our strategic allies and development partners, we provide metering solutions that cover the range of utilities' residential metering needs.



Landis

manage onergy better

Witnesses: Jerry Carter/Lance Schafer

#### **Product Specification Sheet**

### FOCUS AX/E330 • AX SD/E350 Singlephase

Specifications

General Specifications

Active Energy "kWh-kW" meter

Digital Multiplication Measurement Technique

Non-Volatile Memory Designed for 20+ years life

Meets ANSI standards for performance

Utilizes ANSI protocol (between meter and AMI device)

9-Digit LCD

Display scroll sequence programmable (factory or end user)

Configuration Port - cover does not have to be removed or optional ANSI C12.18 optical

port available

Operating Temperature

-40C to +85C under cover

Nominal Voltage

120V or 240V

Operating Voltage

80% to 115% of Vn

Frequency

60Hz +/- 5%

Humidity

5% to 95% relative humidity, non condensing

Starting Load (Watts)

0.005 Amp (0.6W)

Class 20 Class 100

0.030 Amp (3.6W)

Class 200

0.050 Amp (12W)

Class 320

0.080 Amp (19.2W)

Class 480

0.120 Amp (28.8W)

Voltage Burden

≤ 1.9W Max

Load Performance Accuracy

Accuracy Class 0.2%

Available Forms

Self-Contained 1S, 2S, 2SE, 12S, 25S

Transformer Rated

K-Base

**Display Options** 

Energy Metrics: -+kWh, -kWh, Net kWh, and added kWh (Security) Metric Energy Display Format - 4x1, 4x10, 5x1, 5x10, 6x1 or 6x10

Time of Use and Demand Billing

AMI Platform

Modular or Integrated

Selectable Meter Multiplier

Up to 4096 as result of PT ratio CT ratio

Applicable Standards

ANSI C12.1 for electric meters

ANSI C12.10 for physical aspects of watt hour meters

ANSI C12.18 Protocol specifications for ANSI Type 2 Optical Port

ANSI C12.19 Utility Industry End Device Data Tables

ANSI C12.20 for electricity meters, 0.2 and 0.5 accuracy classes

CAN3-C17-M84 Canadian specifications for approval of type of electricity meters

Service Disconnect

10,000 operations at full rated current (disconnect/connect)

Available forms: 1S, 2S, 12S, 25S

2800 Duncan Road Lafayette, IN 47904 U.S.A

Phone: 765.742.1001 • Tech Support: 800.777.2774

FAX: 765.429.0936 www.landisgyr.com manage energy better

### Inter-County Energy Cooperative Corporation Case No. 2018-00129

### **Commission Staff's Third Request for Information**

- 8. Refer to Inter-County Energy's response to Staff's Second Request, Item 25.
  - a. Identify and describe all additional property, equipment, software, etc., necessary to implement the remote connect/disconnect functionality described therein as compared to the AMR system approved in Case No. 2009-00143.
  - b. Identify and describe all costs associated with the implementation of the remote connect/disconnect functionality.
  - c. Identify and describe all benefits Inter-County Energy contends it received by implementing the remote connect/disconnect functionality.
  - d. Identify and describe any additional AMR/AMI functionality implemented by Inter-County Energy since the final order in Case NO. 2009-00143, and identify any additional costs and benefits associated with that functionality.

#### Response:

a. The only additional items associated with the implementation of the remote connect/disconnect functionality were the meters or collars themselves. There was not any additional software required. All labor involved in upgrading the meter functionality was an existing cost already committed through normal meter changeouts, collection trips or other normal work. The meters with remote connect/disconnect functionality represent 2.4% of all AMI meters in the field or in inventory.

b. Please see the chart below along with Response a. above.

7/15/2016       AXSD       50       \$ 11,660.00       224425       \$ 233.20         6/9/2017       AXSD       50       \$ 11,660.00       226976       \$ 233.20         9/14/2017       AXSD       50       \$ 11,660.00       227717       \$ 233.20         12/8/2017       AXSD       75       \$ 17,490.00       228435       \$ 233.20         5/8/2018       AXSD       50       \$ 11,660.00       229533       \$ 233.20	Date	Type	Quantity	Amount	Check#	Cos	t/Device	
6/6/2013       AXSD       100       \$ 22,323.60       217748       \$ 223.24         10/7/2015       AXSD       50       \$ 11,766.00       222300       \$ 235.32         7/15/2016       AXSD       50       \$ 11,660.00       224425       \$ 233.20         6/9/2017       AXSD       50       \$ 11,660.00       226976       \$ 233.20         9/14/2017       AXSD       50       \$ 11,660.00       227717       \$ 233.20         12/8/2017       AXSD       75       \$ 17,490.00       228435       \$ 233.20         5/8/2018       AXSD       50       \$ 11,660.00       229533       \$ 233.20	2012	RSS	100	\$ 26,807.19	211314-210940-210995	\$	268.07	
10/7/2015       AXSD       50       \$ 11,766.00       222300       \$ 235.32         7/15/2016       AXSD       50       \$ 11,660.00       224425       \$ 233.20         6/9/2017       AXSD       50       \$ 11,660.00       226976       \$ 233.20         9/14/2017       AXSD       50       \$ 11,660.00       227717       \$ 233.20         12/8/2017       AXSD       75       \$ 17,490.00       228435       \$ 233.20         5/8/2018       AXSD       50       \$ 11,660.00       229533       \$ 233.20	5/2/2013	AXSD	100	\$ 15,932.86	214145	\$	159.33	
7/15/2016       AXSD       50       \$ 11,660.00       224425       \$ 233.20         6/9/2017       AXSD       50       \$ 11,660.00       226976       \$ 233.20         9/14/2017       AXSD       50       \$ 11,660.00       227717       \$ 233.20         12/8/2017       AXSD       75       \$ 17,490.00       228435       \$ 233.20         5/8/2018       AXSD       50       \$ 11,660.00       229533       \$ 233.20	6/6/2013	AXSD	100	\$ 22,323.60	217748	\$	223.24	
6/9/2017       AXSD       50       \$ 11,660.00       226976 \$ 233.20         9/14/2017       AXSD       50       \$ 11,660.00       227717 \$ 233.20         12/8/2017       AXSD       75       \$ 17,490.00       228435 \$ 233.20         5/8/2018       AXSD       50       \$ 11,660.00       229533 \$ 233.20	10/7/2015	AXSD	50	\$ 11,766.00	222300	\$	235.32	
9/14/2017       AXSD       50       \$ 11,660.00       227717 \$ 233.20         12/8/2017       AXSD       75       \$ 17,490.00       228435 \$ 233.20         5/8/2018       AXSD       50       \$ 11,660.00       229533 \$ 233.20	7/15/2016	AXSD	50	\$ 11,660.00	224425	\$	233.20	
12/8/2017     AXSD     75     \$ 17,490.00     228435     \$ 233.20       5/8/2018     AXSD     50     \$ 11,660.00     229533     \$ 233.20	6/9/2017	AXSD	50	\$ 11,660.00	226976	\$	233.20	
5/8/2018 AXSD 50 \$ 11,660.00 229533 \$ 233.20	9/14/2017	AXSD	50	\$ 11,660.00	227717	\$	233.20	
	12/8/2017	AXSD	75	\$ 17,490.00	228435	\$	233.20	
7/11/2018 AYSD 75 \$ 17.490.00 230016 \$ 233.20	5/8/2018	AXSD	50	\$ 11,660.00	229533	\$	233.20	
7/11/2010 AASD 75 \$ 17,450.00 250010 \$ 255.20	7/11/2018	AXSD	75	\$ 17,490.00	230016	\$	233.20	
700 <b>\$ 158,449.65</b>			700	\$ 158,449.65				

<sup>\*</sup>RSS are disconnect collars that a normal meter fits into to allow remote disconnect capability

Though I was not employed by Inter-County at the time the meters began to be upgraded, it is my understanding that there was not a need to seek a CPCN for the increased functionality as the modest investment involved – which has been spread over a number of years – would clearly fall within the definition of an extension in the ordinary course of business as set forth in 807 KAR 5:001, Section 15(3). Moreover, the use of the remote function was noted by the Commission in Case No. 2015-00311, when Inter-County's Prepay tariff was approved.

c. First, the enhanced functionality enables benefits to members using the Prepay program, which allows for easier bad debt reconciliation, greater member energy-use management, easier energy cost budgeting, and the ability of members to avoid having to pay a deposit. Second, the functionality creates a safer working environment for Inter-County personnel who must consistently engage with locations with aggressive animals as well as hostile members. The use of a remote connect/disconnect device helps lessen the potential for dog bites, physical violence from aggressive/hostile or other threatening situations. Third, Inter-County benefits from reduced write-offs from use of the Prepay program. Fourth,

<sup>\*</sup>Highlighted areas are for meters that would be used on the upcoming prepay program and other areas of necessity. Examples include: aggressive animals, frequent connects/disconnects from members moving, hostile/difficult members, inaccessable/remote locations

<sup>\*</sup>Prepay Tariff with remote disconnect capabilities was PSC approved on March 16, 2017

Item 8 Page 3 of 3

Witness: Jerry Carter

Inter-County is seeing fewer truck rolls to locations where there is a consistent turnover of homeowners/tenants with the use of the remote connect/disconnect device. Finally, having a remote connect/disconnect device benefits Inter-County by reducing labor costs associated with servicing locations that are hard to access or have inaccessible meters.

The only additional AMI functionality added since the approval of Interd. County's AMR in Case No. 2009-00143 is the application of bi-directional AMI meters to meet the requirements of the 2008 Net Metering Law.

### Inter-County Energy Cooperative Corporation Case No. 2018-00129 Commission Staff's Third Request for Information

9. Provide all exhibits and schedules that were prepared in Inter-County Energy's Response to Commission Staff's Second Request for Information in Excel spreadsheet format with all formulas intact and unprotected and with all columns and rows accessible.

### **Response:**

All of the exhibits and schedules are included on the attached CD except one. The Excel spreadsheet for the information filed in pdf format as a response to Item 23 of Staff's Second Requests, is being filed on separate CD under seal. A motion for confidential treatment for the response to Item 23 of Staff's Second Requests was filed on July 17, 2018 and is still currently pending before the Commission. In order to keep all of the cells and formulas intact, Inter-County was unable to redact the information for which confidential information is sought in Excel spreadsheet form, therefore a redacted copy is not being provided with this response. A redacted public version of this same information was filed in pdf format in response to Item 23 of Staff's Second Requests.

### Inter-County Energy Cooperative Corporation Case No. 2018-00129 Commission Staff's Third Request for Information

10. Refer to the Application Exhibit 14, page 6 of 8, Schedule 2-Small Commercial and Small Power. The Demand Charge lists billing determinants at 70,650.8 for the proposed rates. Refer to Exhibit 14, page 2 of 8. The present rates Demand Charge billing determinants are stated as 33,103.7. Reconcile this difference.

#### Response:

During the Test Year, Schedule 2 – Small Commercial and Small Power customers were billed only for the demand greater than 10 kW. The historical test year billed demand, as shown on page 2 of Exhibit 7, was 32,178.7 kW, as where the historical metered demand was 68,676.7 kW. Billed demand adjusted for the end-of-test-year customer count as shown on page 3 of Exhibit 7, is 33,103.7. In the calculation of the revenue under proposed rates, the stipulation that Schedule 2 – Small Commercial and Small Power customers be billed only for demand greater than 10kW was removed. Therefore, in the proposed rates these customers are billed for all metered kW. The historical test-year metered demand of 68,676.7 kW was adjusted for the end-of-period customer level change using the adjusted energy. That calculation is the following: 68,676.7 kW/14,604,157 kWh \* 15,023,953 kWh = 70,650.8 kW, where 14,604,157 kWh is the historical Test-Year kWh as shown on page 2 of Exhibit 7, and 15,023953 kWh is the pro-forma Test-Year kWh, as shown on page 3 of Exhibit 7.

Witness: Jerry Carter/Sheree Gilliam

### Inter-County Energy Cooperative Corporation Case No. 2018-00129 Commission Staff's Third Request for Information

11. Provide all revised exhibits and schedules in Excel spreadsheet format with all formulas intact and unprotected and with all columns and rows accessible.

### Response:

There are no revised exhibits or schedules to include.