

LAW OFFICE OF  
**JOHN J. SCOTT, PSC**  
108 EAST POPLAR STREET  
P.O. BOX 389  
ELIZABETHTOWN, KENTUCKY 42702-0389

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MAR 6 2015

PUBLIC SERVICE  
COMMISSION

TELEPHONE 270-765-2179  
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JOHN J. SCOTT  
ATTORNEY AT LAW

March 4, 2015

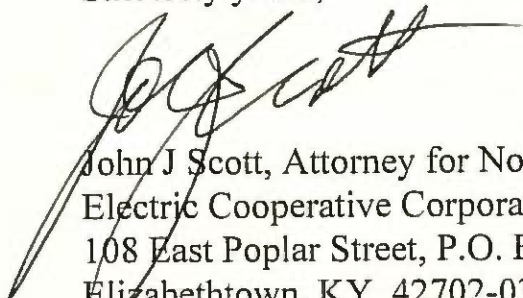
Mr. Jeff R. Derouen  
Executive Director  
Public Service Commission  
211 Sower Boulevard, P.O. Box 615  
Frankfort, KY 40602-0615

Re: Case No. 2014-00436

Dear Mr. Derouen:

Please find enclosed a Motion for Confidentiality in regard to the items that were previously sent to the Commission by letter dated February 18, 2015, a copy of which is attached hereto. An original and 10 copies are attached.

Sincerely yours,



John J Scott, Attorney for Nolin Rural  
Electric Cooperative Corporation  
108 East Poplar Street, P.O. Box 389  
Elizabethtown, KY 42702-0389  
270-765-2179 [john@johnscottlaw.org](mailto:john@johnscottlaw.org)

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COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF NOLIN RURAL ) CASE NO. 2014-00436  
ELECTRIC COOPERATIVE )  
CORPORATION FOR AN ORDER )  
PURSUANT TO KRS 807 KAR 5:001 )  
AND KRS 278.020 REQUESTING THE )  
GRANTING OF A CERTIFICATE OF )  
PUBLIC CONVENIENCE AND )  
NECESSITY TO INSTALL AN AMI )  
SYSTEM )

MOTION

Motion of Nolin Rural Electric Cooperative Corporation for Confidential Treatment of certain information attached herewith.

Nolin Rural Electric Cooperative Corporation (“Nolin”) hereby petitions the Kentucky Public Service Commission (the “Commission”), pursuant to 807

KAR 5:001, Section 13 and KRS 61.878 to grant confidential treatment to certain information that Nolin is filing herewith. Said information was previously sent to the Commission attached to a letter dated February 18, 2015, a copy of which is attached hereto. The information Nolin seeks to protect is confidential and is hereinafter referred to as the "Confidential Information".

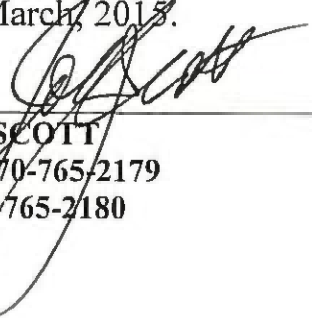
- 1.) Pursuant to 807 KAR 5:001, Section 13, a single copy containing the Confidential Information, highlighted with yellow transparent ink, is being filed with this Response, along with ten (10) copies with the Confidential Information redacted.
- 2.) The Confidential Information, if openly disclosed, would permit an unfair commercial advantage to competitors of Nolin RECC and the Vendor, which is the General Electric Company (hereafter "GE").
- 3.) The information which has been marked for confidential treatment has to do with matters which are competitively bid and may be competitively bid again in the future and could be used by competitors to the detriment of Nolin and GE. Accordingly, GE has requested that Nolin keep the information which has been marked for confidential treatment as confidential.

- 4.) The time period for which the material should be treated as confidential would be for a period ten (10) years from the date of this Motion, which should allow sufficient time for the data to become sufficiently outdated that it could no longer be used to the detriment of Nolin and GE.

Based on the foregoing information set forth above, the Confidential Information is entitled to confidential treatment. However, if the Commission disagrees that Nolin is entitled to such confidential treatment, then we would request that the Commission hold an evidentiary hearing regarding this issue.

WHEREFORE, Nolin RECC requests that the Commission classify and protect as confidential all of the Confidential Information found in the attachment hereto.

WITNESS the signature of the Attorney for Nolin Rural Electric Cooperative Corporation this 4<sup>th</sup> day of March, 2015.

  
\_\_\_\_\_  
**JOHN J. SCOTT**  
Phone - 270-765-2179  
Fax - 270-765-2180

Email – [jscott@johnscottlaw.org](mailto:jscott@johnscottlaw.org)  
JOHN J. SCOTT, P.S.C.  
108 E. POPLAR STR., P.O. BOX 389  
ELIZABETHTOWN, KY 42702-0389  
ATTORNEY FOR NOLIN RURAL  
ELECTRIC COOPERATIVE CORPORATION

**CERTIFICATE**

I certify that on this date, the above Motion was filed or served on the Kentucky Public Service Commission this 4<sup>th</sup> day of March, 2015.

  
\_\_\_\_\_  
JOHN J. SCOTT  
ATTORNEY FOR NOLIN RURAL  
ELECTRIC COOPERATIVE CORPORATION

LAW OFFICE OF  
**JOHN J. SCOTT, PSC**

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JOHN J. SCOTT  
ATTORNEY AT LAW

February 18, 2015

Mr. Jeff R. Derouen  
Executive Director  
Public Service Commission  
211 Sower Boulevard, P.O. Box 615  
Frankfort, KY 40602-0615

Re: Case No. 2014-00436

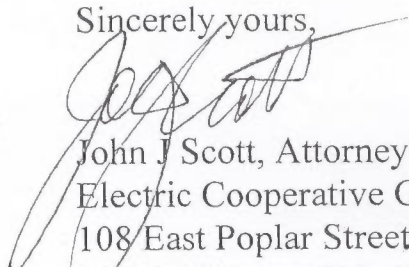
Dear Mr. Derouen:

In regard to the Order of the Commission relating to the Application of Nolin RECC for a CPCN to install an AMI system, please find enclosed the following:

1. Pages 1 and 4 of Exhibit 5 as discussed in the telephonic informal conference on February 11, 2015 and previously sent to the Commission Staff by email. Please note that an original and ten "blacked out copies" have been filed in order to protect the confidentiality of the information being provided.
2. In regard to the revised Exhibit 5 spreadsheet that Nolin is to file, it should be noted that this information is also to be confidential in nature, the same as it is being provided in paper format. Would the Commission prefer that we send the electronic information by email, Jump Drive or by CD?
3. It should be noted that in paragraph 2 on page 8 of the Order, the Order states that "Nolin's request for relief from *sample* testing". The word sample is probably in error because the only testing that Nolin had requested was "periodic testing" as the Commission noted on page 2 and again at the bottom of page 6 of the Order. We wanted to bring this to the attention of the Commission in case they want to make a revision of paragraph 2 of the Order.

Should you need anything further, please let me know.

Sincerely yours,



John J. Scott, Attorney for Nolin Rural  
Electric Cooperative Corporation  
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**Economic Analysis**

Nolin has performed analysis on the costs and savings associated with implementing a full AMI system. Page 2-4 of this Exhibit outlines the basic assumptions used in this calculation.

**Assuming a 10 year life of the AMI System:**

Accumulated Total Annual Cost of AMI System:	██████████
Accumulated Total Annual Saving of AMI System:	<u>\$ 7,219,938</u>
Accumulated Total Annual Cost of AMI System:	██████████
Present Worth of Total Annual Cost of AMI System:	██████████

**Current AMR Meter Reading Analysis for 10 years:**

Accumulated Total Annual Cost of Existing AMR System:	██████████
Present Worth of Total Annual Cost of Existing AMR System:	██████████

The above costs results in a 10 year Present Worth savings of \$ 3,620,975 when comparing AMI net costs to AMR net cost.

**SUM OF COSTS & SAVINGS ASSOCIATED WITH CONVERSION FROM AMR TO AMI METER READING**

Costs to Replace AMR Meters w/ AMI Meters	Cost of AMI (Make Ready)	Costs to Install AMI Meters (New Meters)	Total Cost of O&M Expenses	Total Cost of Fixed Charges of AMI Equipment	Total Cost of License & Maintenance Fees	Cost to Read AMR Meters until AMI is Operational	Savings from Reduction of High Bill Complaints	Savings from Reduction of Not Reporting Meters	Savings from Avoidable kWh Energy Theft	Savings from Reduction in "No Voltage" Calls
█	\$1,365,000	█	\$1,481,975	█	█	█	(\$492,506)	(\$251,178)	(\$1,344,684)	(\$240,122)

**SUM OF COSTS & SAVINGS ASSOCIATED WITH CONVERSION FROM AMR TO AMI METER READING (continued)**

Savings from Avoidable Damage to Transformers	Savings from Connects & Disconnects	Savings from Avoidable Meter Re-Reads	Savings from Reduction of Line Loss (Phase Balancing)	Savings from End of Line PSC Voltage Recordings	Savings from Improved Outage Management	Saving from not Admin. Contract Meter Reading	Accumulated Total Annual Cost of AMI System	Accumulated Total Annual Saving of AMI System	Accumulated Total Annual Cost of AMI System	Present Worth of Total Annual Cost of AMI System
(\$720,366)	█	█	(\$1,680,855)	(\$36,018)	(\$360,183)	█	█	(\$7,219,938)	█	█

**SUM OF COSTS ASSOCIATED WITH OPERATING EXISTING AMR SYSTEM (10 years)**

AMR Mechanical Meter Replacement (10% Year)	AMR Solid State Meter Replacement (10% Year)	Total Cost of New Meter Installations	Total Cost of O&M Expenses for Existing AMR System	Total Cost of Fixed Charges of AMR Metering Equipment	Cost for Read Large Commercial Meters	Cost to Read Residential & Commercial AMR Meters	Accumulated Total Annual Cost of Existing AMR System	Accumulated Total Annual Cost of Existing AMR System	Present Worth of Total Annual Cost of Existing AMR System
█	█	\$678,345	\$1,338,558	\$1,146,672	\$12,006	█	█	█	█