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June 15, 2015

PARTIES OF RECORD

RE: Informal Conference for
Case No. 2012-00013

Enclosed is a memorandum that has been filed in the post case correspondence of the above-referenced case. Any comments regarding the content of this memorandum should be submitted to the Commission within seven days of receipt of this letter. Questions regarding this memorandum should be directed to Fereydoon Gorjian at (502) 782-2601.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeff Derouen".

Jeff Derouen
Executive Director

Enclosure

INTRA-AGENCY MEMORANDUM
KENTUCKY PUBLIC SERVICE COMMISSION

TO: Post Case Correspondence File of Licking Valley Rural Electric Cooperative Corporation

FROM: Fereydoon Gorjian

DATE: June 15, 2015

RE: May 13, 2015 Teleconference Regarding the Annual Report Submitted by Licking Valley Rural Electric Cooperative Corporation in Connection with Case No. 2012-00013, Application of Licking Valley Rural Electric Cooperative Corporation for a Certificate of Public Convenience and Necessity for its 2012-2015 Construction Work Plan

Commission Staff conducted a telephonic conference with representatives of Licking Valley Rural Electric Cooperative Corporation ("Licking Valley") on May 13, 2015. The purpose of the conference was to discuss the annual reporting that was submitted by Licking Valley on April 23, 2015 in conformity with the September 10, 2012 Order approving Licking Valley's 2012-2015 Construction Work Plan ("CWP"). In particular, Commission Staff sought additional information and clarification on Licking Valley's decision to discontinue the retrofitting of its existing electro-mechanical meters in order to be capable of two-way communication; the reason for Licking Valley's decision to retire its electro-mechanical meters and replacing them with digital two-way meters; and Licking Valley's decision to implement a pilot meter project as part of its efforts to upgrade its meter system to a radio frequency ("RF") metering system.

Licking Valley indicated that its current meter vendor, Landis+Gyr Company, would no longer provide technical support for power line carrier service (which includes TS1 and TS2). Thus, Licking Valley decided to

abandon the continuation of retrofitting its meters with the TS-2 system, and to implement a "100-Meter Pilot Project" for 3 to 4 billing cycles, using the RF technology, which it plans to begin within the next 2 to 3 weeks. Licking Valley indicated those TS-2 meters that have been retrofitted are currently being used in its DSM programs, and when the existing TS-2's are no longer functional, Licking Valley will replace them with digital meters capable of two-way communication. Licking Valley also stated that there are approximately 7,000 - 8,000 TS-2 meters existing on its distribution system and that the remaining meters are TS-1 meters (electro-mechanical and some digital) which are not capable of two-way communication. Licking Valley stated that it has looked at 4 or 5 more companies that provide RF technology, After reviewing and comparing the products offered by the vendors, Licking Valley concluded that due to extensive mountain terrain in its electric service territories, the RF system is better suited for its service area and that Landis+Gyr was the best choice financially. Licking Valley also stated that the approximate cost of the "100-Meter Pilot Project" would be about \$100,000 to \$125,000, and if it replaces all of the remaining TS-2 meters with digital meters, the total estimated cost is between \$4 million and \$4.2 million dollars. In conclusion, Licking Valley agreed to submit the results of its "100-Meter Pilot Project" test and its final decision to Commission Staff no later than August 17, 2015, on whether to install the Landis+Gyr digital meters on its system. If the results of the "100-Meter Pilot Project" are successful it will follow-up with a letter and file for a CPCN, requesting system-wide application and installation of Landis+Gyr digital meters.

DATE/TIME CONFERENCE ROOM

May 13, 2015 at 2:00 PM

CR # 2

NAME OF REQUESTOR/SUBJECT OF MEETING

Commission Staff

Licking Valley Rural Electric Cooperative Corporation

Annual Report Filed Pursuant to Case No. 2012-00013

NAME	AGENCY/COMPANY
Dang D Nguyen	PSC
Chris Whelan	PSC
Fereydoon Gorjian	PSC
Jim Livers	
Kerry Howard	Licking Valley RECC
Greg Chaney	Licking Valley RECC
John May	Licking Valley RECC

By Phone



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