

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF SOUTH KENTUCKY RURAL ELECTRIC)	
COOPERATIVE CORPORATION FOR APPROVAL OF A)	CASE NO.
PREPAY METERING TARIFF)	2013-00198

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO
SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE CORPORATION

South Kentucky Rural Electric Cooperative Corporation ("South Kentucky"), pursuant to 807 KAR 5:001, is to file with the Commission one electronic copy and a paper copy of the following information, with a copy to all parties of record. The information requested herein is due on or before October 3, 2013. Responses to requests for information shall be filed in accordance with the electronic filing procedures set forth in 807 KAR 5:001, Section 8. 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 the 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.

South Kentucky 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

South Kentucky fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall 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.

1. Refer to Exhibit A of the Application, page 2, paragraph 4, which states, "Members may apply funds to their prepay account(s) by most methods as post pay and as listed on South Kentucky Rural Electric Cooperation's (SKRECC) website, www.skrecc.com, under the Prepay Electric."

a. Provide the methods of payment that are available to members who post pay.

b. Provide the methods of payment that will be available to prepay members.

2. Refer to Exhibit A (Prepay Metering Program) of the Application, pages 2-3, paragraph 9, which states, "A new member, who previously received service from SKRECC and discontinued service without paying his/her final bill, (i.e. an uncollectible account/bad debt) will be required to pay a minimum of 75% of the past due amount prior to establishing prepay service. The remaining balance will be subject to the 70/30 split until the unpaid debt is retired."

a. Explain whether South Kentucky is aware that no other jurisdictional Kentucky distribution cooperative has adopted a similar requirement that a

minimum of 75 percent of the past due amount must be paid prior to establishing prepay service.

b. Explain why South Kentucky has included this requirement in its proposed tariff.

3. Refer to Exhibit B of the Application, page 3, paragraph 24, which states, "The Term of this agreement shall be for one (1) year."

a. Explain what occurs if a customer terminates before the one year period has ended; if a charge will be assessed to the customer, provide cost support.

b. After the customer has completed the one-year term, explain if the contract converts to a month-to-month agreement.

4. Refer to the Prepared Testimony of Mary Elizabeth Purvis ("Purvis Testimony"), page 2, the response to Question 9.

a. Provide the make and model of the \$174.50 collar (switch).

b. Provide the make, model, and cost of the meter used in the prepay metering system.

5. Refer to page 3, Exhibit A, of the Purvis Testimony.

a. Describe the \$76,815 substation hardware and explain its purpose.

b. Provide an analysis of how the 60.63 percent benefits rate was determined.

c. Provide an explanation of how the 10.85 percent overhead rate was determined.

6. Refer to page 4, Exhibit B, of the Purvis Testimony.

a. Provide an analysis and breakdown of how the 6.5 percent interest and margin rate was determined.

b. Provide an analysis and breakdown of how the 10 percent hardware rate was determined.

7. Refer to page 4 of the Purvis Testimony.

a. Provide cost support for the communications fees via texting or emailing calculated at \$0.04.

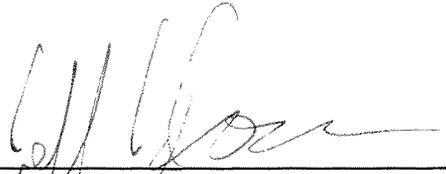
b. Explain what items are included in the \$0.69 per month charge for monthly software support.

8. Refer to page 5, the response to Question 10 and Exhibit D, of the Purvis Testimony.

a. Explain whether South Kentucky charges post-pay customers a transaction fee to make payments.

b. Explain whether South Kentucky incurs any external costs for processing payments.

c. The response to Question 10 states that the cost estimate for the transaction fee is "calculated by finding the average cost for one CSR to make a transaction that on average lasts three minutes." Exhibit D calculates the fee using 24 as the number of transactions per hour. Explain why 24 was chosen if the average time to enter each transaction is 3 minutes.



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DATED SEP 20 2013

cc: Parties of Record

Case No. 2013-00198

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