

**Commonwealth of Kentucky
Before the
Public Service Commission**

**Case Number 2011-00303
Commission Staff's First Information
Request**

Clark Energy Cooperative, Inc

Winchester, Kentucky

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

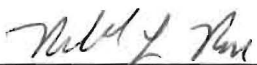
APPLICATION OF CLARK ENERGY)	
COOPERATIVE, INC. FOR A)	
CERTIFICATE OF CONVENIENCE)	CASE NO.
AND NECESSITY TO CONSTRUCT)	2011-00303
ACCORDING TO IT'S 2010-2014)	
FOUR YEAR CONSTRUCTION WORK PLAN)	

RESPONSES OF CLARK ENERGY COOPERATIVE, INC.
TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

Comes Clark Energy Cooperative, Inc., by counsel and pursuant to Commission Staff's First Request for Information dated March 5, 2012 files its Responses.

Holly S. Eades, Vice-President of Finance is the witness responsible for Clark Energy Cooperative, Inc.'s response to Request 1 and Todd Peyton, Manager of Engineering Services of Clark Energy Cooperative, Inc. is the witness responsible for Clark Energy Cooperative, Inc.'s responses to Requests 2 through 13.

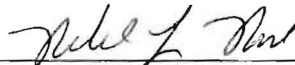
GRANT, ROSE & PUMPHREY

By: 
Robert L. Rose
51 South Main Street
Winchester, Kentucky 40391
ATTORNEYS FOR CLARK ENERGY

CERTIFICATE OF SERVICE

This is to certify these Responses of Clark Energy Cooperative, Inc. to the Commission Staff's First Request for Information dated March 5, 2012 has been served upon the Public Service Commission by filing electronically and by hand delivering one true and accurate copy to Faith Burns, Esquire, Post Office Box

615, Frankfort, Kentucky 40602-0615, Attorney for the Public
Service Commission, on this 29th day of March, 2012.



Robert L. Rose
Of Counsel for Clark Energy
Cooperative, Inc.

Clark Energy Cooperative, Inc.

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1st Information Request**

Request #1

Responsible Party: Holly Eades

1. Refer to paragraph 10 of the Application. Clark states that “the anticipated annual cost of operations, excluding the cost of power, of the existing and proposed facilities is \$14,081,508.” Provide the amount of the \$14,081,508 that is related to the facilities proposed in Clark Energy’s 2010-2014 Construction Work Plan (“CWP”) (i.e., the amount of additional operations and maintenance costs that will be incurred due to the proposed construction). Include a detailed analysis of the annual costs.

Response: The amount \$14,081,508 is the annual budgeted cost (2011), less purchased power, to operate and maintain the entire electric distribution system. Clark Energy does not have accounting software that tracks maintenance and operation cost on a per project basis.

Clark Energy Cooperative, Inc.

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Request #2

Responsible Party: Todd Peyton

2. The Application states that this is Clark Energy’s 2010-2014 CWP. Documentation provided with the CWP indicates that all approvals from the Rural Utilities Service (“RUS”) were received in January and March 2010, and that Clark Energy’s Board of Directors approved the CWP on January 26, 2010.
 - a. Explain why Clark Energy did not file its 2010-2014 CWP with the Commission until February 2012.
 - b. Has Clark Energy begun construction on any projects included in the 2010-2014 CWP? If yes, provide an analysis that includes the following: name of the project, date that construction began, completion date, if applicable; and total spending to date for each project.

Response:

- a. Oversight by Clark Energy
- b. Yes

<u>Project Name</u>	<u>Construction Started</u>	<u>Completion</u>	<u>Total Cost</u>
Snow Creek	10/06/2010	12/31/2010	\$60,259.55
Hwy 36\Suiters Branch	02/28/2011	07/05/2011	\$124,507.74
Lower Paint Creek	10/03/2011	02/29/2011	\$68,705.76
Prewitt Pike	06/20/2011	08/09/2011	\$43,898.83

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Request #3

Responsible Party: Todd Peyton

3. Clark Energy refers to the CWP being for the period 2010-2014 throughout its application. However, the January 26, 2010 Board of Directors Resolution approving the CWP sets out the time period as January 1, 2010 to December 31, 2013. Provide the specific date range applicable to the CWP.

Response: Specific date range is January 1, 2010 to December 31, 2013. Naming of the CWP is based on the CWP covering the projected summer 2010 through the winter 2013-2014 peak loads.

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Request #4

Responsible Party: Todd Peyton

4. Refer to page 2 of the Executive Summary. In the section entitled Results of Proposed Construction, Clark Energy states that the CWP will adequately serve the 2013 summer peak load and the 2014 winter peak load as projected in East Kentucky Power Cooperative's ("EKPC") 2008 load forecast.

- a. Provide EKPC's most recent load forecast for Clark Energy.
- b. Based on EKPC's most recent load forecast for Clark Energy, will the 2010-2014 CWP adequately serve the 2013 summer peak load and the 2014 winter peak load?

Response:

- a. EKPC 2010 Load Forecast Included as part of response 4.
- b. Yes, the summer and winter peak loads in the 2008 EKPC load forecast exceed the 2010 projections.

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Request #5

Responsible Party: Todd Peyton

5. Refer to Section I, page 1-10, which states that, “Clark Energy purchases power from EKPC at twenty 69 KV delivery points, two 138 KV delivery points, and 2 meter points.” Explain what is meant by 2 meter points.

Response: This section contains a typographical error. Section 1 page 1-10 should state “1” meter point. Delivery points are substations served by EKPC at 138kV or 69kV, while the metering point is also served by EKPC through a primary meter at distribution voltage.

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Request #6

Responsible Party: Todd Peyton

6. In Section 2, page 2-7, RUS Code 705-1, Clark Energy states that it proposes to “upgrade all substations with two-way communications for the Hunt TS2 system. This will allow Clark Energy to continue to use the existing TSI meters and upgrade to TS2 meters as new meters are purchased.”

a. State the total number of meters in Clark Energy’s system identified by type, i.e, mechanical or digital. State the number of Clark Energy’s digital meters that are TSI and the number that are TS2.

b. State the type of meters Clark Energy is proposing to purchase to serve the 2,134 projected new members (shown on page 2-2) and as the 4,000 replacement meters (shown on page 2-4).

Response:

a. (Mechanical – 18,292) (Digital – 7,830) (Digital TS1 – 7,020) (Digital TS2 – 810)

b. All meters proposed to be purchased are Digital TS2

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Request #7

Responsible Party: Todd Peyton

7. What AMR/AMI systems other than the Turtle 2 system were considered? Provide the reason they were rejected and their estimated costs.

Response: No other systems were considered since Clark Energy has already fully deployed the TS1 system, and the upgrade will take advantage of the existing hardware/software and other infrastructure preventing costly replacements and duplication of facilities.

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Request #8

Responsible Party: Todd Peyton

8. Provide Clark Energy's feasibility study related to the upgrade to a Turtle 2 System.

Response: No feasibility study was conducted since, as was stated in the response to question #7, Clark Energy has already fully deployed the TS1 system, and the upgrade will take advantage of the existing hardware/software and other infrastructure preventing costly replacements and duplication of facilities.

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Request #9

Responsible Party: Todd Peyton

9. Provide the reason Clark Energy decided to install the Turtle 2 system. Include in your response functions provided by the Turtle 2 system that are not provide by the Turtle 1 system and why those additional functions are needed for Clark Energy's system.

Response: Upgrading to the TS2 system allows Clark to continue to utilize all existing TS1 meters while also positioning Clark to provide optional rate plans to our Consumers. Optional rate plans include demand side management, prepaid metering, time of use, and off peak rates. Additional functionalities include two-way communications, voltage data, remote service connect\disconnect, and communication to our Outage Management System.

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Request #10

Responsible Party: Todd Peyton

10. Refer to Section 2, page 2-2. Explain the reason for the difference in the average installed cost/meter between underground and overhead.

Response: Simply a cell rounding issue in the spreadsheet formula used to produce the data resulting in the \$1 difference.

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Request #11

Responsible Party: Todd Peyton

Refer to “Clark Energy Hazard Mitigation Project Three Phase Overhead to Three Phase Underground Cave Run Lake\Daniel Boone National Forest” of Exhibit 3, which shows an estimated cost of \$491,440.19.

- a. Indicate who is responsible for that cost.
- b. Refer to page 2-23, RUS Code-61 1 It shows the estimated cost of this project as \$526,400. Explain the difference.

Response:

- a. A FEMA hazard mitigation grant has been secured for this project.
- b. \$491,440.19 is the original estimated project cost developed in early 2009 to apply for the now awarded FEMA grant. \$526,400 is the estimated project cost at time of completion in late 2012.

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Request #12

Responsible Party: Todd Peyton

12. Refer to Appendix 9, “Stone Rd. Substation,” which states, “the proposed improvements for the new substation were compared to the cost of the Base Case system improvements to serve the projected load.” Provide the estimated cost of the substation alternative and the cost of the Base Case system improvements.

Response: Estimated substation cost \$726,200. Base case system improvements \$1,047,300.

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Request #13

Responsible Party: Todd Peyton

13. Refer to Section 2, page 2-7, item 2.6 AMR/AMI, RUS Code 601. Clark Energy states this project will upgrade meters with a built-in remote disconnect device.

- a. Explain whether this project is to purchase meters with a remote disconnect/reconnect device built in, or is the project to purchase the remote disconnect/reconnect device that will then be installed on each meter. Provide a full description of the equipment to be purchased, including manufacturer, model, functions and capabilities.
- b. Why does Clark Energy propose to buy only 500 units?
- c. Does Clark Energy plan to upgrade its entire system with meters with the remote connect/disconnect feature?
- d. Is the equipment that Clark Energy is proposing to purchase compatible with the planned upgrade to the Hunt TS-2 system?
- e. Are the devices/meters to be purchased by this project compatible with the other meters Clark Energy plans to purchase as part of this CWP (2,134 meters to serve projected new members and 4,000 replacement meters)?

Response:

- a. The Landis+Gyr Focus AX SD meter has a disconnect/reconnect device built in as well as standard meter kWh and kW functions.

Response 13 continued:

- b. This is a pilot project to test these units before developing a more extensive deployment plan.
- c. No
- d. Yes
- e. Yes