

**FLEMING-MASON ENERGY COOPERATIVE, INC**  
**COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION**  
**CASE NO. 2014-00411**

Question 1

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WITNESS: Mary E. Purvis

Q1: Refer to the prepared Testimony of Mary Elizabeth Purvis (Purvis Testimony”), page 2, response to Question 7, and to Exhibit E of the Application.

- a. Describe the level of interest expressed by Fleming-Mason customers for a prepay metering program.

RESPONSE:

Fleming-Mason has not documented any interest expressed by customers for a prepay metering program. Based on the large deposits required at some locations, Fleming-Mason feels that a prepay program will give customers a viable option to receive service without having to pay a large deposit. Until recently, Fleming-Mason did not have any type of automated metering system, so a prepay program was not an option.

- b. Provide the number of Fleming-Mason customers who are eligible for the prepay program and confirm that 3 percent of that number is approximately 800. If the number is not approximately 800, explain why Fleming-Mason proposed 800 as a reasonable estimate of customer participation.

RESPONSE:

At the time of the filing, Fleming-Mason had 23,940 meters. Three percent of this is 718. Fleming-Mason decided to round this number up to 800. The results of the estimated costs do not change if the amount was adjusted. In Exhibit E the computations where the number of participates is used in Calculation 1: Prepay Software and Calculation 6: Repay Monthly Software Support which is zero due to it already embedded in the Software used by Fleming-Mason.

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- c. The asterisks on Exhibit E indicate that the hardware and transaction fee processing costs are based on 800 participating members. State how these cots would differ based on a lower participation rate.

RESPONSE:

The results will not alter. Please see response above to Q1b.

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Question 2

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WITNESS: Mary E. Purvis

Q2: Refer to page 3 of the Purvis Testimony, Table A. Provide support for the 90 percent Benefits rate for CSR Set Up under Installation Costs.

RESPONSE:

FLEMING-MASON  
COMPOSITE BENEFIT ANALYSIS  
2014

SOCIAL SECURITY	7.65%
RETIREMENT BENEFIT	24.44%
POST RETIREMENT EXP.	9.93%
GROUP INSURANCE	30.04%
GENERAL LIABILITY	1.97%
WORKERS COMP	3.08%
FEDERAL UNEMPLOYMENT	0.13%
STATE UNEMPLOYMENT	0.16%
HOLIDAY (5.33 hrs/month)	3.08%
VACATION (8 hrs/month)	4.62%
SICK LEAVE (8 hrs/month)	<u>4.62%</u>
	89.73%

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Question 3

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WITNESS: Mary E. Purvis

Q3: Refer to page 5 of the Purvis Testimony, response to Question 10. State how the embed rate of \$1.25 per transaction encourages consumers to make as large a prepayment as possible, considering that Fleming-Mason is not proposing a separate transaction fee.

RESPONSE:

With one free, the embedded transaction costs at \$1.25 each is \$3.75. This number was chosen based on PSC Case No. 2012-00260 where it referenced an average of four transactions are made each month. Such a fee is included to assist in the recovery of the costs associated with extra transactions. Fleming-Mason will also allow unlimited transactions.

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Question 4

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WITNESS: Mary E. Purvis

Q4: Refer to page 6 of the Purvis Testimony, response to Question 12. State how many customers who are eligible for the proposed prepay program have “regular” AMI meters installed, and how Fleming-Mason will use the regular meters once replaced by disconnect AMI meters.

RESPONSE:

Currently, Fleming-Mason has 15,781 “regular” AMI meters installed and 1,360 Remote Disconnect meters installed. If a customer voluntarily opts for the Prepay Tariff, and that customer does not already have a Remote Disconnect meter at their location, Fleming-Mason will replace the “regular” meter with a Remote Disconnect meter. The “regular” meter will then go into inventory to be used for a new hook-up or to replace an existing meter that defaults. Fleming-Mason plans to have all customers converted to an AMI meter no later than April 30, 2015.