

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

| | | |
|--|---|------------|
| ELECTRONIC APPLICATION OF INTER-COUNTY |) | |
| ENERGY COOPERATIVE CORPORATION FOR A |) | |
| CERTIFICATE OF PUBLIC CONVENIENCE AND |) | CASE NO. |
| NECESSITY AUTHORIZING THE INSTALLATION |) | 2022-00350 |
| OF A NEW ADVANCED METERING |) | |
| INFRASTRUCTURE (AMI) SYSTEM |) | |

**RESPONSES TO COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO
INTER-COUNTY ENERGY COOPERATIVE CORPORATION. DATED
NOVEMBER 17, 2022**

**COMMONWEALTH OF KENTUCKY
BEFORE THE
KENTUCKY PUBLIC SERVICE COMMISSION**

In the Matter of:

Electronic Application of Inter-County)
Energy Cooperative Corporation for a)
Certificate of Public Convenience and) Case No. 2022-00350
Necessity Authorizing the Installation of a)
New Advanced Metering Infrastructure)
(AMI) System)

VERIFICATION OF DAVID PHELPS

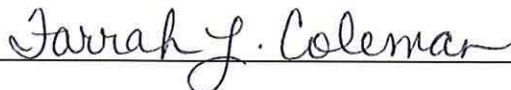
COMMONWEALTH OF KENTUCKY)
)
COUNTY OF BOYLE)

David Phelps, Vice-President of Operations and Engineering for Inter-County Energy Cooperative Corporation being duly sworn, states that he has supervised the preparation of certain responses to data request in the above-referenced case and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

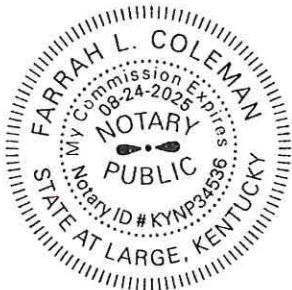


David Phelps

The foregoing Verification was signed, acknowledged and sworn to before me this 7th day of December, 2022, by David Phelps.



Notary Commission No. KYNP34536
Commission expiration: 8-24-2025



INTER-COUNTY ENERGY COOPERATIVE CORPORATION
PSC CASE NO. 2022-00350
RESPONSE TO REQUEST FOR INFORMATION

PSC'S REQUEST FOR INFORMATION DATED 11/17/22

REQUEST 1

RESPONSIBLE PARTY: David Phelps

Request 1. Refer to the Application, Exhibit 1, Customer Information Letter. Inter-County Energy states that Landis+Gyr's support for the Automatic Meter Reading (AMR) system would be ending and new meters and parts would no longer be produced.

a. Provide copies of all communications from Landis+Gyr to Inter-County Energy indicating when meters and parts will no longer be available.

b. Explain in specific detail how and when Inter-County Energy became aware that support of the AMR system would end.

c. Explain in specific detail how Inter-County Energy will continue to use its current meters for three years after support ends and replacement parts are no longer produced.

Response 1a. Landis+Gyr announced via Product Notice on December 10, 2018, that it would not accept any orders for its TS2 meter modules after October 31, 2019. This announcement was filed with the Application at Exhibit 1 pages 2 through 3 of 60. Inter-County Energy did not receive any additional written communications from Landis+Gyr.

Response 1b. A Landis+Gyr representative visited our office not long after the December 10, 2018 Product Notice to discuss the Notice and promote their new AMR alternatives.

Response 1c. As part of the proposed AMI deployment, any returned legacy metering equipment which can be repurposed will be salvaged, reconditioned, and redeployed as needed to replace failed equipment.

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REQUEST 2

RESPONSIBLE PARTY: David Phelps

Request 2. Refer to the Application, Exhibit 1, Request for Proposals (RFP). Provide a list of vendors the RFP was sent to.

Response 2. The RFP was sent to seven vendors which were as follows:

Aclara Technologies, LLC

77 Westport Plaza, Suite 500

St. Louis, Ms. 63146

Itron

2121 Cooperative Way, Suite 600

Herndon, Va. 20171

Landis + Gyr

30000 Mill Creek Ave, Suite 100

Alpharetta, Ga. 30022

NightHawk

2304 Tarpley Rd., Suite 110B

Carrollton, Tx. 75006

OATI Inc.

3660 Technology Dr.

Minneapolis, Mn. 55418

Tantalus Systems

1130 Situs Ct., Suite 230

Raleigh, Nc. 27606

Vision Metering, LLC.

7 Ross Canon St.

York, Sc. 29745

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REQUEST 3

RESPONSIBLE PARTY: David Phelps

Request 3. Provide the number of Landis+Gyr AMR meters Inter-County Energy has remaining in stock.

Response 3. Inter-County Energy currently has three hundred (300) 1-phase meters and twenty-four (24) 3-phase meters.

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REQUEST 4

RESPONSIBLE PARTY: David Phelps

Request 4. Provide the analysis that Inter-County Energy performed, including the bid evaluation sheets, surveys or other utilities, and a copy of the material supplied to Inter-County Energy's Board of Directors, supporting the selection of Landis+Gyr to be the vendor for the AMI System proposed in this case.

Response 4. Please refer to Exhibit 3 of Inter-County Energy's Application filed in this matter on October 24, 2022. Exhibit 3 contains the responses received from the RPF, pricing and the fifteen year costs that were used to evaluate the systems proposed.

Inter-County Energy personnel visited three cooperatives in the state to review the different systems these cooperatives had in place. Inter-County Energy visited Salt River Electric which has the Aclara system, Blue Grass Energy which has the Landis+Gyr system and Fleming-Mason which has the Tantalus system. There were telephone conversations as well with these cooperatives along with other cooperatives in the state to discuss the systems and how they perform.

The presentation that was given to the Board of Directors was included in the Application at Exhibit 1 pages 54 through 60 of 60.

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REQUEST 5

RESPONSIBLE PARTY: David Phelps

Request 5. State whether obsolescence of the AMR meters was unique to Landis+Gyr AMR meters or the particular AMR Model used by Inter-County Energy and explain how you made this determination.

Response 5. The obsolescence of the AMR meters and system is not unique to only the Landis+Gyr AMR meters. All other manufacturers of compatible devices no longer manufacture or have available those products. Please see the attachment provided in Response 1 above for more information.

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REQUEST 6

RESPONSIBLE PARTY: David Phelps

Request 6. State whether any other type (i.e. AMR, mechanical) or model of meters was available and whether it was considered by Inter-County Energy. If so, provide estimated costs of these alternatives and state why they were not chosen

Response 6. Inter-County Energy has taken steps to prolong the life of its existing system. However, Inter-County Energy searched for other models compatible with its current TS2 AMR system and was only able to procure used meters and required metering equipment from other utilities. Although this has allowed Inter-County Energy to prolong the life of its current system, there are not enough used meters available to delay the change out of its existing meter system any further. Inter-County Energy did not look at reverting to mechanical meters since that would entail hiring meter readers to read the meters and mechanical meters would not be able to provide the timely information needed for Inter-County Energy to allow for the pre-pay meter program that Inter-County Energy currently offers nor potential future offerings such as electric vehicle, or time-of-use rates, etc. Additionally, other AMR meters and required metering equipment have either become obsolete or will become obsolete in the near future, therefore, Inter-County Energy did not consider other AMR meter models.

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REQUEST 7

RESPONSIBLE PARTY: **Alyssa Kurtz**

Request 7. Refer to the Application, page 3, paragraph 7, which states that Inter-County Energy will pay for the proposed project using its general fund until new Rural Utility Service (RUS) loan funds are needed to pay for construction.

a. Provide a detailed breakdown showing the amount of funding from general funds that will be used prior to drawing on RUS loan funds that will be used to pay the cost of the proposed project.

b. Explain how Inter-County Energy will determine when the RUS loan funds will be needed to pay the cost of proposed project.

c. Explain whether Inter-County Energy will need to file for permission to take on the additional financing from RUS and, if so, when such a filing will be made.

Response 7a. Inter-County Energy will continue to monitor its daily cash flow and will continue to cover the cost of operating expenses first and then cover the costs associated with the AMI project. Below is a breakdown of our general funds that will be used prior to drawing loan funds, as of October 31, 2022:

| | |
|-----------------------|---------------------|
| Farmers National Bank | \$ 3,461,948 |
| Farmers Bank Lebanon | <u>\$ 1,390,446</u> |
| | \$ 4,852,394 |

Response 7b. Inter-County Energy will determine when RUS loan funds are needed by monitoring our daily cash flow. Inter-County Energy currently has some short-term investments of \$5M in addition to general funds.

Response 7c. Inter-County Energy does not believe that an additional filing at RUS or the Commission would be required. The entire project along with the funding was included in the latest RUS work plan and loan approval which have both been approved by RUS. The RUS work plan was approved on January 12, 2022 and the RUS loan approval date was August 13, 2022.

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REQUEST 8

RESPONSIBLE PARTY: David Phelps

Request 8. Explain in detail Inter-County Energy's plans and related costs for the existing AMR meters that will be replaced, including testing for accuracy in accordance with 807 KAR 5:041, Section 15(3).

Response 8. Meters will be changed out and tested for accuracy in accordance with KPSC regulations by a qualified meter testing company. Depending on the condition and test results of the pulled meter, the meter will either be retired or salvaged for redeployment as needed until the AMI program is completed.

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REQUEST 9

RESPONSIBLE PARTY: Alyssa Kurtz

Request 9. Explain whether the AMR meters and other components of the AMR system have been fully depreciated, and, if not, provide the gross plant in service and the amount of accumulated depreciation for the AMR meters and other components of the AMR system by plant account and explain how Inter-County Energy intends to recover the undepreciated costs of the AMR meters.

Response 9. The AMR meters and other components have not been fully depreciated. As of October 31, 2022, the plant in service basis is \$5,675,105 and the amount of accumulated depreciation is \$2,654,916 and the remaining depreciable basis is \$3,020,189. Inter-County Energy plans to continue the depreciation of the meters and components and evaluate the remaining depreciable basis at a time closer to the end of the proposed AMI deployment.

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REQUEST 10

RESPONSIBLE PARTY: David Phelps

Request 10. Provide support for the useful life of the proposed AMI meters and components.

Response 10. The design life cycle of the Landis+Gyr meters is 20+ years and RF network equipment is 15+ years. Inter-County Energy expects a minimum 15-year useful life. Refer to Exhibit 2 in the Application. Pages 24, 26, 228 and 232 of 380 include some specific information on the useful life.