

**COMMONWEALTH OF KENTUCKY**

**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

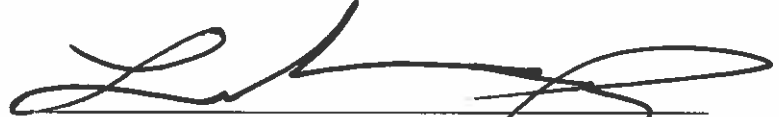
ELECTRONIC TARIFF FILING OF SALT RIVER )  
ELECTRIC COOPERATIVE CORP. TO )  
IMPLEMENT AN ADVANCED METERING ) CASE NO. 2022-00357  
SYSTEM (AMS) OPT-OUT TARIFF FOR )  
RESIDENTIAL CUSTOMERS )

**CERTIFICATE OF PREPARATION**

**STATE OF KENTUCKY  
COUNTY OF NELSON**

**Timothy J. Sharp**, being duly sworn, states that he supervised the preparation of responses to The Public Service Commission's First Request for Information dated November 17, 2022, in the above-named case, and that the matters and items set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

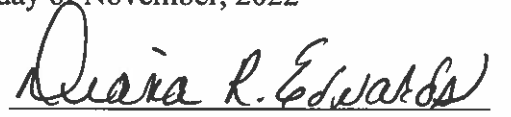
SALT RIVER ELECTRIC COOPERATIVE CORP.



Timothy J. Sharp PE  
President and Chief Operating Officer

STATE OF KENTUCKY  
COUNTY OF NELSON

Subscribed and sworn before me on this 30<sup>th</sup> day of November, 2022



Diana R. Edwards  
Notary Public, KY State at Large  
My commission expires: July 05, 2023  
I.D. No. 626327





COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF SALT RIVER	)	
ELECTRIC COOPERATIVE CORP. TO	)	CASE NO.
IMPLEMENT AN ADVANCED METERING	)	2022-00357
SYSTEM (AMS) OPT-OUT TARIFF FOR	)	
RESIDENTIAL CUSTOMERS	)	

SALT RIVER ELECTRIC COOPERATIVE CORP.'s RESPONSE TO COMMISSION  
STAFF'S FIRST REQUEST FOR INFORMATION

Salt River Electric Cooperative Corp. (Salt River Electric), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information. The information requested is due on December 1, 2022. The Commission directs Salt River Electric to the Commission's July 22, 2021 Order in Case No. 2020-00085<sup>1</sup> regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and 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.

---

<sup>1</sup> Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

Salt River Electric shall make timely amendment to any prior response if Salt River Electric obtains information that indicates the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Salt River Electric fails or refuses to furnish all or part of the requested information, Salt River Electric 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. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Salt River Electric shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. State whether Salt River Electric has received any requests from members to opt-out of the Advanced Metering System (AMS). If so, state how many such requests Salt River Electric has received and when those requests were received.

**Respondent: Chase Mills, Chief Operations Officer**

**Answer 1.**

**Salt River has received 4 opt-out requests in 2022. Specific dates were not recorded for these requests, but we do have a list of the members who would prefer to have a non-communicating meter installed at their premise.**

**Prior to 2022 Salt River received requests and inquiries regarding options for removing installed AMS meters, however these requests were not documented.**

2. State what efforts have been made by Salt River Electric, if any, to encourage those members who do not wish to be metered using AMS to acquiesce. If none, explain.

**Respondent: Chase Mills, Chief Operations Officer**

**Answer 2.**

**Members who express concerns regarding their installed AMS meter receive a call from Salt River management. During this call we take the opportunity to explain the AMS system its use and benefit the member and the cooperative. One of the four opt out request made in 2022 has acquiesced following this discussion.**

3. Confirm that the AMS is fully deployed in Salt River Electric's service territory. If this cannot be confirmed, provide the estimated date when Salt River Electric expects full deployment.

**Respondent: Chase Mills, Chief Operations Officer**

**Answer 3.**

**Salt River has a fully deployed Landis and Gyr AMS and is in the process of upgrading this system to an Aclara AMS. Salt River expects to have full deployment of the new Aclara system in 2025.**

4. Explain why Salt River Electric decided to include an AMS opt-out for residential customers.

a. Explain whether and in what ways the AMS opt-out could negatively impact Salt River Electric.

b. Explain whether and in what ways the AMS opt-out could positively impact Salt River Electric.

**Respondent: Chase Mills, Chief Operations Officer**

**Answer 4.**

**Salt River members have requested opt-out options AMS. It is vital for Salt River to provide options to its members when our strategies do not align with their desires.**

- a) It's not expected that a significant number of Salt River members will opt-out of AMS. No negative effects will be experienced on system robustness. The incremental cost incurred by Salt River will be charged to the specific members who request to opt-out.**
- b) AMS opt-out would provide our members with an option they requested.**

**5. Provide an explanation for the \$30 initial fee, including but not limited to a breakdown of the cost justification.**

**Respondent: Chase Mills, Chief Operations Officer**

**Answer 5.**

**Opt-Out Initial Process**

- 1. Member calls Salt River CSR to inquire about AMS system. If the members questions or concerns cannot be sufficiently responded to by the CSR, their contact information is taken so that a member of Salt River management can follow-up with the inquiring member.**
- 2. Salt River management calls the member to answer their questions and discuss their concerns. If the customer concerns cannot be quelled, Salt River management will present the AMS opt-out program to the member.**
- 3. Member officially request to opt-out of AMS, completes the opt-out paper work, and pays the opt-out initial fee.**
- 4. Meter change (AMS Opt-out) ticket is sent to operations.**
- 5. Lineman is assigned the ticket, travels to the members residence, replaces the meter with a non-communicating digital meter and completes the ticket.**
- 6. Ticket is returned to customer service and it is completed.**

**The intent of the initial cost is to cover Salt River's incremental cost of sending an employee to replace the AMS meter.**

**Incurred cost for the time associated with the CSR and/or management responding to member questions or the initial cost of the non-communicating meter will not be charged to the customer.**

**Assumptions:**

- **Travel Time – 20 minutes**
  - 10 minutes average duration of one-way travel
- **Onsite Time – 10 minutes**
  - Estimated average time to replace meter and complete/submit meter change ticket
- **Office Time – 5 minutes**
  - Estimated time required to enter a process the meter change ticket and enroll the member in the opt-out program.

**Cost Inputs:**

- **Field labor Rate – Average Salt River Lineman rate including overheads and benefits**
- **Field Office Rate – Average Salt River CSR rate including overheads and benefits**
- **Truck Rate – FEMA hourly rate for half ton trucks**

		<b>Per Hour</b>	<b>Duration (Minutes)</b>	<b>Cost</b>
<b>Labor</b>	Field	64.4	30	32.2
	Office	49.58	5	4.13
<b>Equipment</b>	Truck	22.64	20	7.55
Estimated Initial Monthly Cost -				43.88

6. Provide an explanation for the \$30 recurring monthly fee, including but not limited to a breakdown of the cost justification.
- a. Explain how Salt River Electric decided upon a \$30 recurring monthly fee when the estimated monthly cost is \$43.88.
  - b. Refer to Salt River Electric's current tariff on file with the Commission. Explain whether Salt River Electric's policy regarding meter reading is still the same. If it is not the same, provide the revised policy.
  - c. Salt River Electric currently charges \$27.25 for meter reads. Explain why Salt River Electric does not propose to adopt \$27.25 for the recurring monthly fee.



Respondent: Chase Mills, Chief Operations Officer

Answer 6.

**Monthly Reading Process**

- a) Meter read ticket is created and sent to operations.
- b) Lineman is assigned the ticket, travels to the members residence, records the current meter reading and submits the ticket.
- c) Ticket is returned to customer service; the meter reading is input to the customer account and the ticket is completed.

**Assumptions:**

- **Travel Time – 20 minutes**
  - 10 minutes average duration of one-way travel
- **Onsite Time – 10 minutes**
  - Estimated average time to read meter and complete/submit reading ticket
- **Office Time – 5 minutes**
  - Estimated time required to process the reading ticket.

**Cost Inputs:**

- **Field labor Rate – Average Salt River Lineman rate including overheads and benefits**
- **Office Rate – Average Salt River CSR rate including overheads and benefits**
- **Truck Rate – FEMA hourly rate for half ton trucks**

		Per Hour	Duration (Minutes)	Cost
Labor	Field	\$ 64.40	30	\$ 32.20
	Office	\$ 49.58	5	\$ 4.13
Equipment	Truck	\$ 22.64	20	\$ 7.55
Estimated Monthly Cost -				\$ 43.88

- a) Efforts will be made to group these monthly readings with other activities in the area such that the duration specific to obtaining an individual reading can be reduced. Due to the importance of obtaining monthly readings within a limited window of time, this will not always be possible to accomplish, but it is expected that some synergies will be seen.
- b) No changes are proposed to Salt Rivers current meter reading policy.
- c) Customer requested meter readings have greater flexibility in scheduling and allows Salt River to defer these request a couple of days when these orders are on the daily route for Salt River. Additionally, this initial rate was set in 2010, when labor and equipment rates were lower. To our knowledge, we have not charged anyone for re-reading a meter under this tariff.

7. Explain what account in its general ledger Salt River Electric will use to book the income from the meter read charge and what account in its general ledger it will book the income from the AMS opt-out monthly fee.

**Respondent: Jaime Roby, Chief Financial Officer**

**Answer 7.**

**Salt River would account per the RUS Standard accounting codes in GL account 456.00.**

8. State whether meter reads are performed by contractual labor or whether they are completed by employees of Salt River Electric.

**Respondent: Chase Mills, Chief Operations Officer**

**Answer 8.**

**Meter reads are completed by Salt River employees.**

9. Explain whether Salt River Electric has estimated the number of opt-outs and how these opt-outs will impact the robustness of the system. Provide supporting work papers which quantify any effect.

**Respondent: Chase Mills, Chief Operations Officer**

**Answer 9.**

**Salt River expects less than 50 members to sign up for AMS opt out. Due to the design of Salt Rivers AMS, opt out customers will not impact system robustness.**