

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

FILING OF FARMERS RURAL ELECTRIC	)	
COOPERATIVE CORPORATION TO	)	Case No.
ESTABLISH CERTAIN NONRECURRING	)	2010-00059
CHARGES	)	

FIRST DATA REQUEST OF COMMISSION STAFF TO  
FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION

Farmers Rural Electric Cooperative Corporation ("Farmers"), pursuant to 807 KAR 5:001, is to file with the Commission the original and four copies of the following information, with a copy to all parties of record. The information requested herein is due no later than April 2, 2010. Responses to requests for information shall be appropriately bound, tabbed and indexed. 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.

Farmers 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

Farmers 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. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Refer to Exhibit II of the application, line 3, which shows the "Cost of Remote Disconnect/Reconnect" as \$211.11.

a. State whether the \$211.11 includes the cost of the meter or if it is the incremental cost of equipment needed to remotely disconnect or reconnect service. Include in your response a detailed breakdown of the \$211.11.

b. State whether the \$211.11 is included in Farmers' rate base upon which current rates are set. If no, state whether Farmers plans to include the cost in rate base in its next rate case.

2. Refer to Exhibit II of the application, line 22.

a. The estimated number of remote disconnects and reconnects is shown as six per year. State whether this means that Farmers estimates that, for the enabled meters, it will remotely disconnect or reconnect each meter six times a year. If no, explain.

b. Provide the number of meters that were reconnected after being disconnected for nonpayment in 2009.

c. State the number of meters that were disconnected for non-payment and subsequently reconnected more than once in 2009.

3. State whether or not overtime charges would apply to a remote disconnection or reconnection.

4. Refer to Exhibit IV of the application. In paragraph 2, Farmers states that it did not propose the remote disconnection and reconnection charge in its last rate case because it “was not fully versed on the capabilities of this system and the needed ancillary equipment for remote connections and disconnections.”

a. Provide a description of the “ancillary equipment” needed for the remote disconnections and reconnections.

b. State whether the “ancillary equipment” referred to in the above statement is the same equipment that is shown on line 3 of Exhibit II. If no, explain the purpose of the equipment referred to in Exhibit II and state the cost of the ancillary equipment.

5. State the number of ancillary equipment items purchased by Farmers, the number of meters to which Farmers intends to install the ancillary equipment, and how Farmers will determine which meters will be equipped with the ancillary equipment. Provide this information by rate class.

6. Has Farmers performed an analysis of the costs and benefits of purchasing and installing the ancillary equipment needed to remotely disconnect and reconnect meters? If yes, provide that analysis. If no, explain why no such analysis was performed.

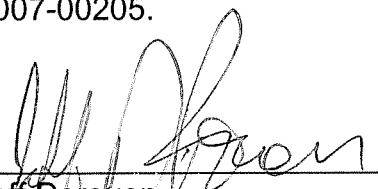
7. The Commission previously approved a remote disconnection and reconnection charge for Blue Grass Energy Cooperative Corporation ("Blue Grass") in Case No. 2007-00031<sup>1</sup> and Cumberland Valley Electric, Inc. ("Cumberland Valley") in Case No. 2007-00205.<sup>2</sup> The same methodology was used in both cases to calculate the service charge. Although the equipment costs are comparable in the aforementioned cases and the present case, Farmers is proposing to use a different methodology which results in a charge that is 50 percent higher than was calculated in the Blue Grass and Cumberland Valley cases.

a. Explain why the methodology used by Farmers is superior to that used by Blue Grass and Cumberland Valley. Exhibit 3 from Case No. 2007-00205 is provided as an Appendix to this data request and shows the methodology used by Cumberland Valley.

b. Recalculate the remote disconnect and reconnect charges by using the same methodology used by Blue Grass and Cumberland Valley and approved by the Commission in Case Nos. 2007-00031 and 2007-00205.

DATED MAR 18 2010

cc: Parties of Record

  
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Jeff Derouen  
Executive Director  
Public Service Commission  
P. O. Box 615  
Frankfort, Kentucky 40602

<sup>1</sup> Case No. 2007-00031, Application of Blue Grass Energy Cooperative Corporation for an Adjustment of Rates (Ky. PSC Mar. 20, 2007).

<sup>2</sup> Case No. 2007-00205, Application of Cumberland Valley Electric, Inc. to Establish a New Nonrecurring Charge, an Automated Meter Reading Remote Disconnect Switch Fee (Ky. PSC Jul. 16, 2007).

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2010-00059 DATED MAR 18 2010

## Remote Disconnect

1 Cost of Remote Disconnect	\$250.00		
Tax	\$15.18		
Handling	<u>\$3.00</u>		
Total cost of unit		\$268.18	
Installation:			
1 hr. labor	\$22.46		
Overhead	<u>\$22.46</u>		
Total		<u>\$44.92</u>	
Total Unit Cost & Installation			<u>\$313.10</u>
Amortized over 60 months			\$5.22
2 Dispatch Labor To Operate Switch & Communicate with Member			
1 hr. labor	\$16.56		
Overhead 65%	<u>\$10.76</u>		
Total		\$27.32	
1/4 hour			\$6.83
3 CSR to Process Service Order			
1 hr. labor	\$16.56		
Overhead 65%	<u>\$10.76</u>		
Total		\$27.32	
1/4 hour			\$6.83
Total Cost			\$18.88
4 Interest 6%			\$1.13
5 Margin for 2.0 TIER			\$1.13
6 Total Cost to Disconnect or Reconnect for Non-Pay Remotely			\$21.14
7 Requesting Service Fee			\$20.00

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