

COMMONWEALTH OF KENUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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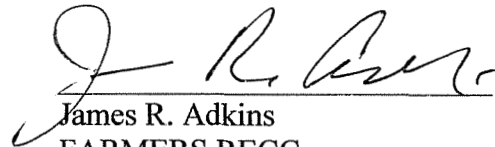
PUBLIC SERVICE
COMMISSION

In the Matter of the Establishment of a)
Remote Disconnect/Reconnect Charge for) CASE NO. 2010-00059
Farmers Rural Electric Cooperative Corporation)

**APPLICANT'S RESPONSES TO
SECOND DATA REQUEST OF COMMISSION STAFF**

The applicant, Farmers Rural Electric Cooperative Corporation, makes the following responses to the "Second Data Request of Commission Staff", as follows:

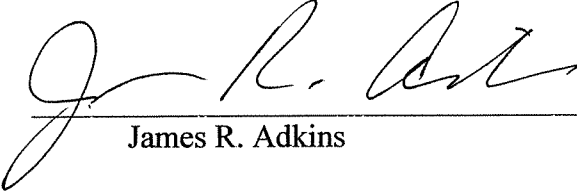
1. The witnesses who prepared to answer questions concerning each request are William T. Prater, and James R. Adkins
2. James R. Adkins is the person supervising the preparation of the responses on behalf of the applicant.
3. The responses and Exhibits are attached hereto and incorporated by reference herein.



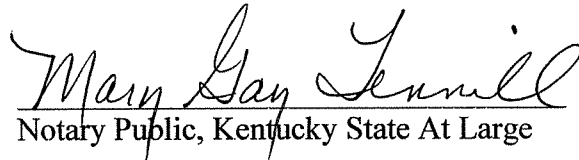
James R. Adkins
FARMERS RECC
504 South Broadway
Glasgow, KY 42141
(270)0629-1307

The undersigned, James R. Adkins, being duly sworn, states that the responses herein are true and accurate to the best my knowledge and belief formed after reasonable inquiry.

Dated: April 26, 2010


James R. Adkins

Subscribed, sworn to, and acknowledged before me by James R. Adkins, on behalf of Farmers Rural Electric Cooperative Corporation the 26th day of April 2010>


Notary Public, Kentucky State At Large

My Commission Expires: 3-28-2014

ID # 157770

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION
CASE NO. 20100-00059

RESPONSE TO COMMISSION STAFF'S SECOND DATA REQUEST

Refer to your response to Item No. 1 of Commission Staff's First Data Request. The response states that the \$211.11 represents the incremental cost of an upgraded AMI meter (emphasis added). However, the second sentence in the response provided that the base cost of an upgraded meter is \$190.00, which has been adjusted to failure rate of 10 percent,

a. Question:

Identify and provide an itemization of the cost of each item of equipment that comprises the \$211.11.

a. Response:

First a clarification should be made as to Farmers RECC's planned installation in regards to equipment for remote connects and disconnects. Farmers will be installing a collar and not an upgraded meter as been identified previous filings in this case. The cost information that has been utilized is still valid.

Cost of a collar:	\$190.00
Cost for 10 percent failure rate	<u>21.11</u>
Total Cost	\$211.11

b. Question:

State whether Farmers is replacing the current AMR meter with an entirely new AMI meter or if it is altering the current AMR meter in order to make it capable of remotely disconnecting and reconnecting. If not specifically identified in a. above, describe the meter equipment required for remote disconnect and reconnect.

b. Response:

The current AMI meter will be supplemented by a disconnect collar which is attached to this current meter,

FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION
CASE NO. 20100-00059

RESPONSE TO COMMISSION STAFF'S SECOND DATA REQUEST

Question:

Considering the fact that the ability to remotely disconnect/reconnect requires capital costs beyond manual disconnects/reconnects and the proposed tariff charge is the same as the current tariff charge for manual disconnects/reconnects, provide a detailed explanation of all benefits of having the ability to remotely disconnect/reconnect.

Response:

- a. Safety – It is not uncommon to encounter situations at service locations that can present a safety hazard to the employee. Remote locations can present a danger to a lone employee and as a result, the cooperative commonly dispatches two employees to such locations. Aggressive dogs, locked facilities, and similar situations can also present problems. A location with a hostile customer presents a particular threat to employees. In situations like this, the cooperative also dispatches two employees. Nighttime reconnects in these same situations only heighten the safety concerns. Additionally, by reducing the amount of miles driven by employees due to disconnection/reconnection, the risk of ordinary vehicular accidents is less.
- b. Speed and costs associated with disconnecting services for non-payment –
Electronic disconnect capability allows the cooperative to more efficiently and

timely terminate services for non-payment due to not having to dispatch an employee and vehicle to visit the site and physically perform the disconnection. Should the delinquent amount never be paid, the cooperative will incur smaller losses by disconnecting more promptly. The longer-term costs associated with repeat disconnections at the same location will also be less by performing them electronically.

- c. Speed and member cost for reconnection of service - Electronic reconnection of service allows the member to have their service restored more quickly. The need to dispatch personnel to physically reconnect the service is eliminated. It is not unusual for the cooperative to have non-pay members who are requesting a reconnect of service while a widespread storm outage is occurring. Typically, they cannot be immediately addressed due to personnel being temporarily redirected toward storm restoration. These reconnects can be electronically processed more quickly under those circumstances if they are not being directly affected by downed lines. The member's cost for reconnection of service after normal business hours will also be reduced by \$40. The member is currently required to pay a total in service charges of \$100 for an after-hours manual reconnect (\$30 disconnect fee + \$70 after-hours reconnect fee). That amount would only be \$60 if done electronically (\$30 disconnect fee + \$30 reconnect fee).