

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF FLEMING-MASON ENERGY)	
COOPERATIVE, INC. FOR A CERTIFICATE OF)	
PUBLIC CONVENIENCE AND NECESSITY FOR ITS)	CASE NO.
CONSTRUCTION WORK PLAN FOR THE PERIOD)	2011-00058
FROM JANUARY 1, 2011 THROUGH DECEMBER)	
31, 2012)	

ORDER

Fleming-Mason Energy Cooperative, Inc. ("Fleming-Mason Energy") filed its application on May 31, 2011, requesting a Certificate of Public Convenience and Necessity for its 2011-2012 Construction Work Plan ("Work Plan") which includes certain proposed construction improvements and additions to its existing plant. The estimated cost of the proposed improvements and additions is \$6,928,506. In support of the application, Fleming-Mason Energy states that the proposed improvements and additions to its facilities are required over the next two-year period to serve its load. The Commission will approve the application for the reasons given below.

Fleming-Mason Energy seeks authorization to construct extensions and additions to its plant as follows:

System Additions and Improvements Summary

<u>Category Name</u>	<u>Estimated Cost</u>
New line distribution overhead and underground totaling 32 miles	\$1,353,000
Line conversion and line changes totaling 173 miles	2,482,485
New transformers	916,617

New meters, single & three-phase	79,000
Service upgrade (sets of service wires to increase capacity)	258,300
Sectionalizing equipment	200,000
Voltage or line regulators	40,000
Pole changes-replacement	1,406,444
Security lights	<u>192,660</u>
TOTAL	\$6,928,506

In its application, Fleming-Mason Energy stated that the contract and force account work, as well as equipment, will be financed with internally generated funds and it does not intend to file for a loan through the United States Rural Utilities Services (“RUS”).¹ New construction and miscellaneous distribution equipment account for approximately 37 percent of the proposed expenditures, while 63 percent is for system improvements.

Fleming-Mason Energy’s Work Plan includes the purchase of 660 single-phase meters to serve new customers at an estimated cost of \$66,000. Fleming-Mason Energy does not have Automated Meter Reading (“AMR”) or Advanced Metering Infrastructure (“AMI”) capabilities. Fleming-Mason Energy is currently installing Landis & GYR Focus meters that are not available to be retrofitted to become AMR/AMI capable. However, Fleming-Mason Energy is currently considering implementation of an AMI program and commits to keeping the Commission fully informed as to its direction, as well as filing the appropriate application for approval of such plans.

¹ Response to Commission Staff’s First Data Request, Item 10.

Fleming-Mason Energy estimates 300 poles will be replaced each year in its distribution system. Fleming-Mason Energy states that they are in compliance with KAR 5:006, Section 25(2)(d), which requires a jurisdictional electric utility to “inspect electric utility lines operating at voltages of less than sixty-nine (69) KV, including insulators, conductors and supporting facilities every two years.”² Based on its historical data, Fleming-Mason Energy expects to replace 600 poles over the two-year period covered by the Work Plan. The average cost for these pole replacements is estimated to be \$2,400 per pole, with the total cost of pole replacements equaling approximately \$1,406,444 for the 2011-2012 Work Plan.

SUMMARY

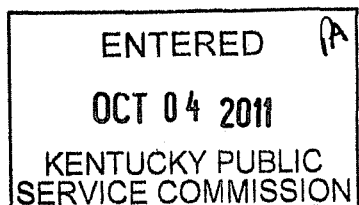
The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. The improvements and additions proposed by Fleming-Mason Energy are necessary to provide adequate, reliable electric service to existing customers and anticipated new customers.
2. The proposed construction will enable Fleming-Mason Energy to continue to provide adequate and dependable electric service to its customers. The system improvements that are recommended in this Work Plan will not duplicate existing facilities and are needed to correct voltage problems, improve phase balance, reduce system energy loss, and provide for improved service reliability.

² Response to Commission Staff's Second Request, Item 1.

IT IS THEREFORE ORDERED that Fleming-Mason Energy is granted a Certificate of Public Convenience and Necessity to construct the facilities described in its 2011-2012 Work Plan.

By the Commission



ATTEST:

A handwritten signature in black ink, appearing to be "M. J. Greer", written over a horizontal line. The signature is cursive and somewhat stylized.

Executive Director

Gary Grubbs, PE
P&D Engineers, Inc.
121 Hidden Forest Road
Glasgow, KENTUCKY 42141

Brandon Hunt
System Engineer
Fleming-Mason Energy Cooperative, Inc.
P. O. Box 328
Flemingsburg, KY 41041