

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LICKING VALLEY RURAL	)	
ELECTRIC COOPERATIVE CORPORATION FOR	)	CASE NO.
A CERTIFICATE OF PUBLIC CONVENIENCE AND	)	2012-00013
NECESSITY FOR ITS 2012-2015 CONSTRUCTION	)	
WORK PLAN	)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO  
LICKING VALLEY RURAL ELECTRIC COOPERATIVE CORPORATION

Licking Valley Rural Electric Cooperative Corporation ("Licking Valley"), pursuant to 807 KAR 5:001, is to file with the Commission the original and six copies of the following information, with a copy to all parties of record. The information requested herein is due within 10 days of the date of this request. 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.

Licking Valley 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 Licking Valley 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.

1. Licking Valley refers to its Construction Work Plan ("CWP") as being for the period 2012-2015. Provide the specific date range applicable to the CWP.

2. Refer to the February 16, 2012 letter from Rural Utility Service ("RUS") on page 3 of the Application. Provide the status of RUS's review and approval of the Environmental Report.

3. Refer to page 1 of the Executive Summary in the CWP where the RUS Operations and Maintenance Survey (Form 300) is referenced. Provide a copy of the completed Form 300.

4. Refer to Section II-D of the Application, page 1, Analysis of 1998 Long Range Plan ("LRP"). Explain in detail what is meant by B block and C block load, how each load block level has been determined, and the reason for the selection of each block load and its application to the 2012-2015 CWP. Provide a table showing the B block and C block load.

5. Refer to Section II-D of the Application, page 1, which states that the projected peak of this CWP is only slightly above the B block load level of the LRP, and

therefore, the substations proposed in the C block load level are not needed. Does Licking Valley project that the substations in the C block load level will be necessary at some point during the 2012-2015 CWP?

a. If yes, when does Licking Valley project the C block load level will be needed?

b. If no, why is the C block load level still part of the 2012-2015 CWP?

6. Refer to Section II-E of the Application, page 3, Service Reliability. Licking Valley notes that the five-year average outage hours per consumer is 18.71, but that the data is skewed due to the extensive widespread outages caused by Hurricane Ike in the fall of 2008 and the ice storm of early 2009. In the absence of these two extreme storm events, Licking Valley states that its typical average outage hours would fall below the minimum level recommended by RUS.

a. Compute the total outage hours per consumer for the years 2008 and 2009, without the outages caused by Hurricane Ike and the ice storm of early 2009, respectively, and provide the resulting five-year average outage hours per consumer.

b. What is the typical outage hour per consumer as recommended by RUS?

7. Refer to Section III-B of the Application, page 3.

a. The "New Meters (601)" section shows that Licking Valley proposes to purchase 1,350 new meters at a total cost of \$161,559, for an average cost of approximately \$120 per meter. State the type of meters Licking Valley is proposing to purchase.

b. The "Retrofit AMI Meters (601)" section shows that Licking Valley proposes to purchase 1,400 new meters at a total cost of \$213,308, for an average cost of approximately \$152 per meter retrofit. State the type of meters Licking Valley will purchase and explain why Licking Valley is proposing to retrofit rather than replace the meters, given that the cost to replace the meters appears to be less than the cost to retrofit.

c. Explain the difference in capabilities between a new meter and retrofitted meter.

d. The "New 3PH AMI Meters (601)" section shows that Licking Valley proposes to purchase 22 new meters at a total cost of \$14,092, for an average cost of approximately \$640 per meter. State the type of meters Licking Valley is proposing to purchase.

e. The "Retrofit 3PH AMI Meters (601)" section shows that Licking Valley proposes to purchase 10 new meters at a total cost of \$8,468, for an average cost of approximately \$847 per meter retrofit. State the type of meters Licking Valley will purchase and explain why Licking Valley is proposing to retrofit rather than replace the meters, given that the cost to replace the meters appears to be less than the cost to retrofit.

8. In Section IV-C of the Application, page 1, RUS Code 601, Licking Valley states that it will be converting its AMI metering system from Turtle 1 AMR System ("TS1") to the Turtle 2 System ("TS2").

a. State the total number of meters on Licking Valley's system identified by type, i.e, mechanical or digital. State the number of Licking Valley's digital meters that are TS1 and the number that are TS2.

b. What AMR/AMI systems, other than the TS2, were considered? Provide the reason they were rejected and their estimated costs.

c. Provide Licking Valley's feasibility study related to the upgrade to a TS2.

d. Provide the reason Licking Valley decided to install the TS2. Include in your response the functions provided by the TS2 that are not provided by the TS1 and why those additional functions are needed for Licking Valley's system.

9. Refer to Section IV-D of the Application, RUS Code 700, AMI Equipment – RUS Code 705. Licking Valley proposes to purchase certain hardware and software equipment necessary to complete the TS2 conversion at an estimated amount of \$291,800. Provide in detail the type of hardware and software equipment proposed to be purchased and describe the functionality of each piece of equipment.

10. Refer to Appendix A of the CWP, the Economic Conductor Analysis. Provide all data and numerical values used to construct the economic conductor calculation curve for #2 ACSR, 1/0 ACSR, and 336.4 ACSR conductors.

DATED MAR 16 2012

cc: Parties of Record

  
Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
P.O. Box 615  
Frankfort, Kentucky 40601

Honorable Gregory D Allen  
Collins & Allen Law Office  
730 Old Burning Ford Road  
P.O. Box 475  
Salyersville, KENTUCKY 41465

James D. Bridges  
Distribution System Solutions, Inc.  
c/o Licking Valley RECC  
P.O. Box 605  
West Liberty, KENTUCKY 41472

Kerry K Howard  
President & CEO  
Licking Valley R.E.C.C.  
P. O. Box 605  
271 Main Street  
West Liberty, KY 41472