

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF INTER-COUNTY ENERGY)
COOPERATIVE CORPORATION FOR) CASE NO.
APPROVAL OF A PREPAY SERVICE TARIFF) 2015-00311

COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION
TO INTER-COUNTY ENERGY COOPERATIVE CORPORATION

Inter-County Energy Cooperative Corporation ("Inter-County"), pursuant to 807 KAR 5:001, is to file with the Commission the original in paper medium and an electronic version of the following information. The information requested herein is due within ten days of the date of this request. Responses to requests for information in paper medium 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 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.

Inter-County 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

Inter-County 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 should 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 filing a paper containing personal information, Inter-County shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Application, Exhibit A, and to the Prepared Testimony of James R. Adkins (“Adkins Testimony”), question 17. The Adkins Testimony states that a Prepay account customer would not be disconnected during the weekend or on a holiday should the customer’s account reach a negative balance. The Adkins Testimony further states that such disconnections would take place on the following normal work day. Neither the proposed Prepay Service Tariff, attached as Exhibit A to the Application, nor the Prepay Service Agreement provides that disconnects will not occur on weekends or holidays. Explain why this information should not be included in the proposed Prepay Service Tariff and the Prepay Service Agreement.

2. Refer to the Application, Exhibit A, pages 1 and 7 of 8. Paragraph 3 on page 1 provides that the Prepay Service Agreement will remain in effect until the Member notifies Inter-County otherwise. Paragraph 23 on page 7 states that the Prepay Service Agreement will be in effect for one year. Explain which statement is correct.

3. Refer to the Application, Exhibit A, page 3 of 8, and to Exhibit D, page 2 of 3. Paragraph 12 of Exhibit A provides that “[a] prior Member, who previously received service from Inter-County Energy and discontinued service without paying his/her final bill (i.e. an uncollectible account/bad debt)” would have future payments split 50/50, with 50 percent of those payments being applied to new purchases and 50 percent being applied to the prior outstanding balance. Exhibit D, however, states that future payments would be split 70/30 under the same scenario.

a. State which is the correct allocation.

b. If the information contained in Exhibit D is incorrect, provide a corrected version of Exhibit D.

4. Refer to the Application, the Adkins Testimony, question 7, which states that Inter-County estimates that approximately 800 of its Members will use the program. Provide what percentage of Inter-County’s total Residential class those 800 Members represent.

5. Refer to the Application, the Adkins Testimony, Tables A and D, pages 3 and 5, respectively. Provide supporting calculations for the use of 90 percent of labor costs as the estimation for benefits when calculating the installation and transaction costs.

6. Refer to the Application, the Adkins Testimony, Exhibit E, Table B, page 4. Provide an explanation for the use of “(2.19% x 2)” to calculate Interest and Margins, when the description for Table B states, “Interest Expense of 4.52 percent based on the current FFB 10 year rate.”

7. Refer to the Application, the Adkins Testimony, question 10.
 - a. Explain how including a built-in transaction fee in the Prepay Service Fee will encourage members to make as large a prepayment as feasible.
 - b. Explain whether Inter-County's software will permit a separate transaction fee.



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

DATED NOV 13 2015

cc: Parties of Record

*James R Adkins
Jim Adkins Consulting
1041 Chasewood Way
Lexington, KENTUCKY 40513-1731

*J. Hadden Dean
Sheehan Barnett Dean Pennington Little & Dexter
116 North Third Street
P.O. Box 1517
Danville, KENTUCKY 40423

*Inter-County Energy Cooperative Corporation
1009 Hustonville Road
P. O. Box 87
Danville, KY 40423-0087

*James L Jacobus
President/CEO
Inter-County Energy Cooperative Corporation
1009 Hustonville Road
P. O. Box 87
Danville, KY 40423-0087

*Cynthia Luttrell
Executive Assistant
Inter-County Energy Cooperative Corporation
1009 Hustonville Road
P. O. Box 87
Danville, KY 40423-0087