



INTER COUNTY
ENERGY COOPERATIVE

A Touchstone Energy Cooperative 

March 23, 2012

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MAR 27 2012

**PUBLIC SERVICE
COMMISSION**

Mr. Jeff Derouen
Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, KY 40602

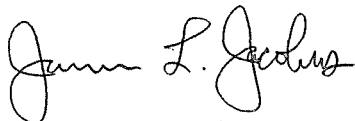
Subject: Administrative Case No. 2011-00450

Dear Mr. Derouen:

Please find enclosed the original and 10 copies of Inter-County Energy Cooperative Corporation's information as requested in the Commission Staff's Second Request For Information To All Electric Distribution Utilities dated March 15, 2012. David L. Phelps, Vice-President of Engineering & Operations will be the witness responsible for responding to questions related to the information provided.

Should you need additional information concerning this filing, please let me know.

Sincerely,



James L. Jacobus
President/CEO

Enclosures

Copy To: Service List Parties


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COMMISSION

ADMINISTRATIVE CASE NO. 2011-00450

In the Matter of:

**An Investigation of the Reliability Measures
of Kentucky's Jurisdictional Electric
Distribution Utilities**

March 23, 2012

P. O. Box 87 • Danville, KY 40423-0087 • (859) 236-4561

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO
ALL ELECTRIC DISTRIBUTION UTILITIES**

1. The following questions relate to the five-year average of System Average Interruption Duration Index ("SAIDI"), System Interruption Frequency Index ("SAIFI"), and Customer Average Interruption Duration Index ("CAIDI") on a circuit basis as a benchmark to determine the relative reliability of an individual circuit.

a. In your opinion, is it reasonable for the Commission to require each utility to develop and report a five-year average SAIDI on a circuit-by-circuit basis as a benchmark for comparison purposes? Explain your answer.

Response: No. In our opinion, the Commission should reserve the right to review SAIDI on any utility in which there have been multiple customer complaints. By requiring the utilities to provide five-year averages per every circuit, the Commission would be placing unjust costs and labor burden for those utilities not equipped with the latest technical tracking systems.

b. In your opinion, is it reasonable for the Commission to require each utility to explain why a particular circuit has a higher SAIDI than the utility's five-year average SAIDI for that circuit? Explain your answer.

Response: No. In our opinion, the Commission should reserve the right to review SAIDI on any utility in which there have been multiple customer complaints on a particular area and request the circuits five-year numbers be calculated and provided for review. By requiring the utilities to provide five-year averages per every circuit, the Commission would be placing unjust costs and labor burden for those utilities not equipped with the latest technical tracking systems.

c. In your opinion, is it reasonable for the Commission to require each utility to explain the planned corrective measures for the circuit with a higher SAIDI than the five-year average? Explain your answer.

Response: No. In our opinion, the Commission should reserve the right to review SAIDI on any utility in which there have been multiple customer complaints on a particular area and request the circuits five-year numbers be calculated and provided for review. By requiring the utilities to provide five-year averages per every circuit, the Commission would be placing unjust costs and labor burden for those utilities not equipped with the latest technical tracking systems.

- d. In your opinion, is it reasonable for the Commission to require each utility to develop and report a five-year average SAIFI on a circuit-by-circuit basis as a benchmark for comparison purposes? Explain your answer.

Response: No. In our opinion, for the same reasons given for SAIFI in the answer to Question 1.b.

- e. In your opinion, is it reasonable for the Commission to require each utility to explain why a particular circuit has a higher SAIFI than the utility's five-year average SAIDI for that circuit? Explain your answer.

Response: No. In our opinion, for the same reasons given for SAIFI in the answer to Question 1.b.

- f. In your opinion, is it reasonable for the Commission to require each utility to explain the planned corrective measures for the circuit with a higher SAIFI than the five-year average? Explain your answer.

Response: No. In our opinion, the same reasons given for SAIFI in the answer to Question 1.b.

- g. In your opinion, is it reasonable for the Commission to require each utility to develop and report a five-year average CAIDI on a circuit-by-circuit basis as a benchmark for comparison purposes? Explain your answer.

Response: No. In our opinion, for the same reasons given for SAIDI in the answer to Question 1.a.

- h. In your opinion, is it reasonable for the Commission to require each utility to explain why a particular circuit has a higher CAIDI than the utility's five-year average SAIDI for that circuit? Explain your answer.

Response: No. In our opinion, for the same reasons given for SAIDI in the answer to Question 1.b.

- i. In your opinion, is it reasonable for the Commission to require each utility to explain the planned corrective measures for the circuit with a higher CAIDI than the five-year average? Explain your answer.

Response: No. In our opinion, for the same reasons given for SAIDI in the answer to Question 1.c.

2. KRS 61.870 through KRS 62.884 address open records of public agencies and 807 KAR 5:001, Section 7, pertains to confidential material submitted to the Commission. Do you anticipate that some information submitted concerning the utility's circuits, whether with regard to SAIDI, SAIFI, CAIDI, or other reporting, could contain confidential, proprietary, or critical infrastructure information for which a petition for confidential information may also be submitted? Explain your answer. In your answer, provide examples of the type of information for which you may seek confidential protection.

Response: No. We do not have any concern with regard to SAIDI, SAIFI, or CAIDI indices that would require a petition for Confidentiality. However, depending on what other reporting would consist of, it would require us to reassess if a petition for confidentiality would be required.

3. Please describe your utility's capacity to compose electronic documents.

- a. Is the utility familiar with or currently using Microsoft Office products such as MS Word or Excel? If so, include the name and version(s) of the software currently used.

Response: Yes. Microsoft Office 2007 & 2010

- b. Describe your utility's current internet connectivity status, including connection speed.

Response: Cable 4MB X 2MB. Backup is DSL (1.5M/256K)

- c. Is the utility familiar with the Commission's website?

Response: Somewhat.

- d. Has your utility registered on the PSC website and does it have a valid username and password? (This registration would currently be used for Electronic Case Filing, Annual Reports, and Tariff Filings).

Response: No.

- e. If recommended, would your utility have technical staff available to interface with the PSC Information Services Team to assist in the design and implementation of an automated process for uploading data to the Commission?

Response: Yes, but with some limitation on available time.

4. The following questions relate to the manner by which the utility tracks SAIDI, SAIFI, and CAIDI as stated in response to Items 2. (a) and (b) of the Commission's Order of January 11, 2012.

- a. This question applies to Kentucky Power Company ("Kentucky Power"), Big Sandy Rural Electric Cooperative Corporation, Blue Grass Energy Cooperative Corporation, Clark Energy Cooperative, Inc., Duke Energy Kentucky, Inc. ("Duke"), Farmers Rural Electric Cooperative Corporation, Fleming-Mason Energy Cooperative, Inc., Grayson Rural Electric Cooperative Corporation, Inter-County Energy Cooperative Corporation, Jackson Energy Cooperative Corporation, Jackson Purchase Energy Corporation, Kenergy Corp., Kentucky Utilities Company ("KU"), Louisville Gas and Electric Company ("LG&E"), Meade County Rural Electric Cooperative Corporation, Nolin Rural Electric Cooperative Corporation, Owen Electric Cooperative, Inc., Salt River Electric Cooperative Corporation, Shelby Energy Cooperative, Inc., South Kentucky Rural Electric Cooperative Corporation, and Taylor County Rural Electric Cooperative Corporation, all of which reported that they tracked SAIDI, SAIFI, and CAIDI using an outage management system or an outage management system in conjunction with an Excel spreadsheet.

- (1) Does your utility have the ability to export (or upload) the data to another data base or data system (including an Excel spreadsheet) maintained by the Commission? If not, explain why.

Response: Yes. We have the ability but are unsure of what data and what security is provided.

- (2) If not identified elsewhere, identify the file formats to which your utility has the ability to export data.

Response: Microsoft products, ESRI based files, PDF's, JPEG, etc. (only Microsoft Access database file format for database files).

- b. This question applies to Cumberland Valley Electric, Inc. and Licking Valley Rural Electric Cooperative Corporation, who reported that they tracked SAIDI, SAIFI, and CAIDI manually. Does your utility have the ability to export (or upload) the data to another data base or data system (including an Excel spreadsheet) maintained by the Commission. If not, explain why.

Response: Not applicable to Inter-County Energy Cooperative.

8. Explain how the SAIDI, SAIFI, and CAIDI indices influence the allocation of capital for system improvement projects within the utility. For the Investor-Owned Utilities Kentucky Power, Duke, KU, and LG&E, explain the manner in which the parent company influences the amount and allocation of capital for system reliability improvements.

Response: The indices above are reviewed at the end of each year and additional line inspections are done on those cause codes which are maintenance related. The primary influence of allocation of capital for system improvement projects are determined by well established RUS guidelines.

9. Does the utility currently share other types of data with entities outside your organization? If yes, describe those other sharing systems and data, and with whom your utility shares the information.

Response: No.

10. Identify any disadvantages to making the reliability index numbers available on the Commission's website.

Response: It allows disgruntled and special interest groups or individuals that are focused on discrediting the utility to dramatize utility performance by advertising these values to the general public that are unaware of what the numbers represent and how unpreventable events influence these values.

11. Identify any advantages to making the reliability index numbers available on the Commission's website.

Response: We are not aware of any advantages to the utility or its consumers.

12. In your opinion, what information would the utility's customers be most interested in having easily accessible? In your opinion, is it more appropriate to have this information available by circuit or system averages? How does your utility relay reliability information to your customers? Explain your answers.

Response: In our opinion, none of the indices because the majority of customers do not understand the indices numbers. In our opinion, neither because of the lack of understanding. Our utility does not relay reliability information to our customers as a normal process of business. However, if a customer does contact us with a concern, we give them the detail of the known causes which have recently affected them and what corrective actions we have taken, or if unknown we will do an investigation into their concern.

13. If not identified elsewhere, describe the reliability information available for public review on your utility's website.

Response: We currently do not have reliability information available on our website.

14. If the utility's customer requests information from the utility on reliability measures, do you provide it? Explain your answer.

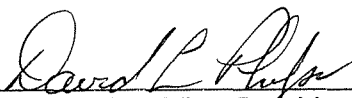
Response: Yes we would. However, to our knowledge the only customers who have asked for these reliability measures have been large industrial accounts whose process is sensitive to reliable power.

15. Does the utility have a suggestion for a better or more efficient method or manner for reporting or providing reliability information to the public?

Response: No, not at this time.

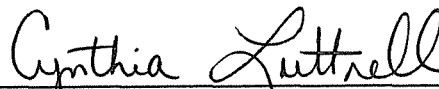
CERTIFICATION

David L. Phelps, being duly sworn, states that he has prepared Inter-County Energy Cooperative's responses to the questions from the Commission Staff's Second Request For Information To All Electric Distribution Utilities in Case No. 2011-00450 dated March 15, 2012, and that the responses are true and accurate to the best of his knowledge, information and belief formed after a reasonable inquiry.



David L. Phelps, Vice-President
Engineering & Operations
Inter-County Energy Cooperative Corporation

Subscribed and sworn to before me by David L. Phelps, Vice-President, Engineering & Operations this 23rd day of March 2012.



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STATE OF KENTUCKY
COUNTY OF BOYLE

My Commission Expires July 15, 2013

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