

DORSEY, GRAY, NORMENT & HOPGOOD

ATTORNEYS-AT-LAW

318 SECOND STREET

HENDERSON, KENTUCKY 42420

JOHN DORSEY (1920-1986)
STEPHEN D. GRAY
WILLIAM B. NORMENT, JR.
J. CHRISTOPHER HOPGOOD
S. MADISON GRAY
DAVIS L. HUNTER

TELEPHONE
(270) 826-3965
TELEFAX
(270) 826-6672
www.dkgnlaw.com

December 23, 2014

FEDERAL EXPRESS

RECEIVED

DEC 24 2014

PUBLIC SERVICE
COMMISSION

Mr. Jeff DeRouen
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

Re: Kenergy Corp.
Case No. 2014-0376

Dear Mr. DeRouen:

Enclosed you will find Kenergy's Responses to Data Requests
(original plus 10 copies) in the above referenced matter.

Your assistance in this matter is appreciated.

Very truly yours,

DORSEY, GRAY, NORMENT & HOPGOOD

By



J. Christopher Hopgood
Counsel for Kenergy Corp.

JCH/cds
Encls.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

DEC 24 2014

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:

THE APPLICATION OF KENERGY CORP.) CASE NO. 2014-00376
FOR AN ORDER ISSUING A CERTIFICATE)
OF PUBLIC CONVENIENCE AND)
NECESSITY)

PETITION FOR ORDER ISSUING
KENERGY CORP. CONFIDENTIAL PROTECTION

1. **KENERGY CORP.** (“Kenergy”) hereby petitions the Kentucky Public Service Commission (“Commission”), pursuant to 807 KAR 5:001 Section 13, and KRS 61.878(1)(c), to grant confidential protection to certain information Kenergy is filing with its responses to the Commission Staff’s (“PSC”), Initial Data Requests for Information. The information for which Kenergy seeks confidential treatment is hereinafter referred to as the “Confidential Information.”

2. The Confidential Information includes responses to Item 1 of the Commission Staff’s Initial Requests for Information. Kenergy committed to vendors that it would maintain confidentiality of the vendors’ pricing and other proposal content that were stamped as “proprietary” and “confidential”. Attached hereto as Exhibits 1-a and 1-b are the vendors’ written requests to the Commission to honor the confidential nature of this information.

3. One (1) copy of the paper attachments with the confidential information underscored, highlighted with transparent ink, printed on yellow paper, or otherwise marked "CONFIDENTIAL," is being filed with this petition in a separate sealed envelope marked "CONFIDENTIAL." A copy of those pages, with the Confidential Information redacted, is being filed with the original and each of the 10 copies of the responses to the information requests filed with this petition. See 807 KAR 5:001 Sections 13(2)(a)(3), 13(2)(b).

4. A copy of this petition with the Confidential Information redacted has been served on all parties to this proceeding. See 807 KAR 5:001 Section 13(2)(c).

5. The Confidential Information is not publicly available, is not disseminated within Kenergy except to those employees and professionals with a legitimate business need to know and act upon the information, and is not disseminated to others without a legitimate need to know and act upon the information.

6. If and to the extent the Confidential Information becomes generally available to the public, whether through filings required by other agencies or otherwise, Kenergy will notify the Commission in writing. See 807 KAR 5:001 Section 13(10)(b).

7. As discussed below, the Confidential Information is being submitted confidentially pursuant to 807 KAR 5:001 Section 13(9)(a) and/or is entitled to confidential protection based upon KRS 61.878(1)(c)(1). 807 KAR 5:001 Section 13(2)(a)(1).

I. Information Protected by KRS 61.878(1)©(1)

A. Kenergy's Vendors Face Actual Competition

8. KRS 61.878(1)(c)(1) protects “records confidentially disclosed to an agency or required by an agency to be disclosed to it, generally recognized as confidential or proprietary, which if openly disclosed would permit an unfair commercial advantage to competitors of the entity that disclosed the records.”

9. Kenergy's vendors compete in the automated meter market. The information sought to be protected is proprietary and if disclosed would subject the vendor to unfair competition.

10. As such, the Confidential Information is generally recognized as confidential and proprietary.

II. Time Period

11. Kenergy requests that the Confidential Information contained in the attachments remain confidential for a period of five (5) years from the date of this petition, which should allow sufficient time for the projected data to become historical and sufficiently outdated that it could not be used to determine similar confidential information at that time or to competitively disadvantage to Kenergy's vendors.

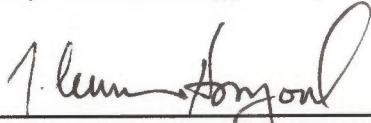
III. Conclusion

12. Based on the foregoing, the Confidential Information is entitled to confidential protection. If the Commission disagrees that Kenergy is entitled to confidential protection, due process requires the Commission to hold an evidentiary

hearing. *Utility Regulatory Com'n v. Kentucky Water Service Co., Inc.*, 642 S.W2d 591 (Ky. App. 1982).

WHEREFORE, Kenergy respectfully requests that the Commission classify and protect as confidential the Confidential Information.

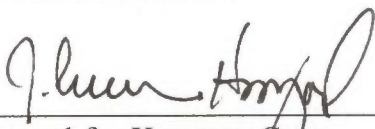
DORSEY, GRAY, NORMENT & HOPGOOD
318 Second Street
Henderson, KY 42420
Telephone (270) 826-3965
Telefax (270) 826-6672
Attorneys for Kenergy Corp.

By 

J. Christopher Hopgood
chopgood@dkgnlaw.com

CERTIFICATE OF SERVICE

I hereby certify that the foregoing was served by mailing the original to the Kentucky Public Service Commission, 211 Sower Blvd., Frankfort, KY 40602 by Federal Express on this 23rd day of December, 2014.



Counsel for Kenergy Corp.



December 22, 2014

Doug Hoyt
Director of Procurement & Contracts
Kenergy

Apex CoVantage
200 Presidents Plaza
198 Van Buren Street
Herndon, Virginia 20170-5338

t 703.709.3000
f 703.709.0333
info@apexcovantage.com
www.apexcovantage.com

Re: Apex Confidential & Proprietary Information

Dear Mr. Hoyt,

Per your email request on December 19, 2014, Apex is requesting that the following information related to our proposal to provide Advanced Metering Infrastructure Services - Installation, Testing, and Removal of Meters Response be kept confidential and proprietary. The following matrix responds to this request and explains the basis therefor:

Sections	Section Heading & Description	Rationale
C.	<i>Installation, Testing and Removal of Meters</i> Methodology, schedule, and installation pricing	Confidential and Proprietary information concerning Apex's specific approach to, methodology for and scheduling of the AMI project. Reveals Apex's specific pricing proposal for each element of the project, including the underlying pricing assumptions. This information, if disclosed, would be useful to Apex's competitors;
E.	<i>Warranty Information</i>	Reveals Apex's specific warranty offering for the Proposal. This information, if disclosed, would be useful to Apex's competitors.
F	<i>Additional Information</i> ProField, Apex's unique offering, and value add	Reveals aspects of Apex's specific proposal for the project, including the application of the ProField platform to increase productivity. This information, if disclosed, would be useful to Apex's competitors.

Exhibit
1-a



Sections	Section Heading & Description	Rationale
Ex.A	<i>Contact Information</i>	Reveals information about Apex personnel assigned as contacts for the project and their titles/positions and contact numbers.

Let me know if there are any questions concerning the foregoing.

Sincerely,

Ronald J. Jarvis
General Counsel
Apex CoVantage
rjarvis@apexcovantage.com
www.apexcovantage.com

December 22, 2014

Mr. Jeff Derouen
Kentucky Public Service Commission
P.O. Box 614
211 Sower Blvd.
Frankfort, KY 40602-0615

RE: Confidentiality Request of the information submitted to Kenergy
Case No. 2014-00376

Dear Mr. Derouen:

Landis & Gyr is aware that Kenergy has submitted to the Kentucky Public Service Commission the required Application for a Certificate for Public Convenience and Necessity (CPCN) associated with their proposed deployment of an automated metering infrastructure (AMI) solution on their electric distribution system. Landis & Gyr submitted a proposal that was accepted by Kenergy to provide certain components of this system. Kenergy committed to vendors that it would maintain confidentiality of the vendor's pricing and other proposal content that was marked as "proprietary" and "confidential".

Items considered proprietary or confidential include trade secrets, commercially sensitive or proprietary information, research, development, inventions, processes, methods, specifications, protocols, designs, drawings, diagrams, knowhow, engineering, marketing data, techniques, documentation, customer information, pricing information, procedures, data concepts, business and marketing plans or strategies, financial information, business opportunities, requests for proposals or information, software and related documentation, hardware information, services and products (both existing and planned) and product road maps.

Please consider this letter as Landis & Gyr's request to the Commission to honor the confidential nature of this information.

Sincerely,



Stevven E Timm
Account Executive
Landis+Gyr
Cellular: +1 727 808 6610
Stevven.Timm@landisgyr.com

Exhibit
1-b

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

DEC 24 2014

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:

THE APPLICATION OF KENERGY CORP.) CASE NO. 2014-00376
FOR AN ORDER ISSUING A CERTIFICATE)
OF PUBLIC CONVENIENCE AND)
NECESSITY)

KENERGY CORP.'S RESPONSES TO DATA REQUESTS

KENERGY CORP. ("Kenergy") submits the following Responses to Data
Requests.

DORSEY, GRAY, NORMENT & HOPGOOD
318 Second Street
Henderson, KY 42420
Telephone (270) 826-3965
Telefax (270) 826-6672
Attorneys for Kenergy Corp.

By



J. Christopher Hopgood
chopgood@dkgnlaw.com

CERTIFICATE OF SERVICE

I hereby certify that the foregoing original plus ten copies was served by
mailing the original to the Kentucky Public Service Commission, 211 Sower Blvd.,
Frankfort, KY 40602 by Federal Express on this 23rd day of December, 2014.



Counsel for Kenergy Corp.

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
TO INITIAL REQUEST FOR INFORMATION OF COMMISSION STAFF**

CASE NO. 2014-00376

1

2 **Item 1)** Refer to paragraph (f) of the Application. Provide a cost breakdown
3 for:

4 a. The meter and module;

5

6 **Response 1a)** [REDACTED]

7 b. Installation (including removal)

8

9 **Response 1b)** [REDACTED]

10 c. End of life testing;

11

12 **Response 1c)** [REDACTED]

13 d. Operating system and software;

14

15 **Response 1d)** [REDACTED]

16 e. Communication equipment;

17

18 **Response 1e)** [REDACTED]

19 f. Meter Data Management System ("MDMS");

20

21 **Response 1f)** [REDACTED]

22

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RESPONSE OF KENERGY CORP.
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g. and Training.

Response 1g)

[REDACTED]

[REDACTED]

(Misc. Material)

[REDACTED]

(Annual maintenance for software)

[REDACTED]

(Total Estimate)

Witness) John Newland

**KENERGY CORP.
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Item 2) Resolve the estimated differences between:

a. \$9,719,314 as shown in paragraph (f) of the Application,

Response 2a) This represents the firm price of the project.

b. \$9,094,000 shown in Exhibit 4 of the Application; and

Response 2b) The difference between \$9,719,314 and \$9,094,000 are costs that will be expensed:

Kenergy Staff Labor	\$438,991
End of Life Testing for old meters	\$170,616
Refinement of Project Cost	<u>\$ 15,707</u>
	<u>\$625,314</u>

c. \$11,160,384 shown in Exhibit 6 of the Application reflect the preliminary price proposal

Response 2c) This represents the preliminary cost estimate that was developed prior to receipt of firm vendor proposal.

Witness) Steve Thompson

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
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2 **Item 3)** Refer to Exhibit 1 of the Application.

3 a. When Kenergy formally began its tollgate process, which
4 Advanced Metering Infrastructure (“AMI”) technologies were evaluated prior to staff
5 determining a radio frequency (“RF”) system was preferable?

6

7 **Response 3a)** Power line Carrier, Cellular and Radio Frequency were
8 considered.

9 b. Were the 20 benchmarked utilities discussed in the evaluation
10 similar in size and scale to Kenergy and did they deploy AMI technologies?

11

12 **Response 3b)** The utilities were of various sizes and scales (some larger,
13 some smaller). They all deployed AMI or AMR technologies.

14 c. Discuss the benefits of a robust MDMS to Kenergy and its
15 customers.

16

17 **Response 3c)** The MDMS will verify and cleanse the raw meter data, provide
18 storage and archiving of said data, allow Kenergy to analyze the distribution system
19 (e.g., transformer loading), give members access to hourly usage information
20 through Kenergy’s existing “MyAccount” Web portal (website or mobile app) and will
21 allow the use of prepaid metering and dynamic pricing in the future.

22

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d. If one of the benefits of MDMS is the customer's availability to hourly data, explain the methods by which the customer may access the information.

Response 3d) On the Kenergy website or via a smart phone the member will sign up for or log into their existing "MyAccount" Web portal. Member's hourly usage data will be readily accessible there. The MDMS provides graphs for investigating usage and demand on individual accounts by year, month, week, day, hour, etc. The graphs include high, low, and average temperature data by service location zip code. Users may view billing information, including side-by-side billing comparisons and estimated usage charges to date. Users may also create markers on a selected date (or date range) to signify events in the life of the account; for example, users may create markers for energy efficient installations to compare before and after consumption patterns. In addition, Member Service Representatives would also be able to assist in accessing energy usage information during office visits.

e. Describe the procedure Kenergy used to develop a distribution vendor list for its June 26, 2014 RFP.

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Response 3e) Kenergy utilized all known vendors with two-way RF communications solutions for June 26, 2014 RFP. The list was compiled through benchmarking with other electric utilities, industry research, existing software partners and by attending industry meetings and trade shows.

f. How were the AMI vendors selected to participate in the RF propagation study and was participation required to qualify as a respondent to the June 26, 2014 RFP?

Response 3f) See response to "e" above. All known vendors were asked to provide a propagation study prior to Kenergy's issuance for request for proposal. Completion of a propagation study was not a requirement to qualify as a respondent to the June 26, 2014 RFP.

Witness) John Newland

**KENERGY CORP.
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Item 4) Refer to the “AMI” Solution – Specifications” section of Exhibit 1 of the Application.

a. Explain the requirements to use specific meter brands

Response 4a) The meter manufacturers listed in Exhibit 1 of the application were deemed acceptable by Kenergy based on experience and are compatible with a 2-way RF solution.

b. Does Kenergy require that meter manufacturers support multiple software vendor applications/modules? Explain in detail.

Response 4b) Kenergy did not make it a requirement that meter manufacturers support multiple AMI applications. The AMI solution chosen will support multiple meter manufacturers.

c. Clarify the requirement to “utilize [a] design which results in no more than 8 hops per meter and allows each meter’s ‘last gasp’ to be delivered to Milsoft’s OMS.”

Response 4c) Kenergy requires that meter to meter communication be limited to seven points of data transfer (hops) with the eighth point of transfer being a collector. As part of the selected AMI solution, meter data is communicated through an RF transfer between meters before it is delivered to collectors installed

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1
2 throughout the system. Data is communicated from collectors to a central master
3 station server. "Hops" refer to the number of data transfers by the meter. "Last
4 gasp" refers to the last data transfer by a meter before it is unable to communicate
5 due to loss of power. Eight hops per meter was specified to maximize capability for
6 meter reporting during outages.

7 d. Provide examples and the expected benefits of "down line
8 devices" envisioned by Kenergy to receive DNP3 meter communication.

9
10 **Response 4d)** Examples of down line devices include regulators, capacitors, &
11 switches. Initially Kenergy will control down line regulators to allow for optimization
12 of system voltage along with enhancing distribution demand response capability.

13 e. Elaborate on a meter's ability to allow for "intermittent shutoff."
14

15 **Response 4e)** The AMI system allows for intermittent shut off which is a
16 feature of the solution. This feature comes as a basic capability of the AMI/meter
17 and is provided at no additional cost to Kenergy. Kenergy has no immediate plans
18 to use this feature.

19 f. What is the anticipated life of the Landis+Gyr meter and the
20 related software module?
21
22

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Response 4f) Manufacturer literature states that the meter and module selected have a 20 year life design. This was confirmed during on-site vendor proposal evaluation meetings. Kenergy plans to depreciate this system over 15 years.

g. Does Kenergy anticipate selecting a meter which could remain in service as new technology becomes available through a software upgrade?

Response 4g) Yes, Kenergy has a firm commitment from Landis+Gyr that it will support the system for a minimum of 15 years. All meters installed in this project are able to be remotely upgraded.

h. Define and provide information regarding a "CSV" file.

Response 4h) CSV, ("comma separated values") is an industry database format standard. The AMI related vendors will provide data in this format for integration into Kenergy's existing information systems.

Witness) John Newland

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Item 5) Refer to page 2 of Exhibit 3 of the Application. Kenergy states that it will replace a portion of three-phase meters with new digital meters. Is Kenergy anticipating having both new and old meters on its system? Explain in detail.

Response 5) Kenergy clarifies 100% of three phase meters will be replaced as part of the project. This will be done by Kenergy personnel as well as contract labor.

Witness) John Newland

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Item 6) Refer to the Exhibit 5 of the Application.

a. Provide a discussion of Kenergy's "MyAccount" app.

Response 6a) MyAccount is a Kenergy branded web portal to allow access to member account and billing information. This website provides Kenergy's members' account management at their fingertips. Members can view their usage and billing, manage payments, notify customer service of account and service issues and receive special messaging from Kenergy.

b. Provide Kenergy's criteria for installing meters with remote connect/disconnect.

Response 6b) Remote disconnects will be installed on apartments, seasonal accounts and accounts that have been disconnected then reconnected during the last 18 months.

Witness) John Newland

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Item 7) Refer to the response to Item 6 of the Testimony of John Newland (“Newland Testimony”) which states, “An AMI system will eliminate the need for manual reads for three (3) phase accounts that have been estimated for six (6) months.” Confirm that all of Kenergy’s meters are manually and periodically read and provide a timetable.

Response 7) Each Kenergy meter is read annually by our contractor or a Kenergy employee. In addition all three phase demand accounts are read monthly by Kenergy personnel.

Witness) John Newland

**KENERGY CORP.
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Item 8) Refer to the response to Item 7 of the Newland Testimony which states, "RUS has approved a modification to the Kenergy Construction Work Program. Loan funds will provide 100% of the cost of the project." Does Exhibit 6 of the Application represent the loan amount requested by Kenergy?

Response 8) Yes, this is the amount Kenergy requested approval of RUS, based on preliminary project cost estimates. Subsequent negotiations have resulted in the reduced estimated project cost included in the application.

Witness) John Newland

**KENERGY CORP.
RESPONSE OF KENERGY CORP.
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Item 9) Refer to response to Item 8 of the Newland testimony. Provide minutes of the October 14, 2014 Kenergy Board meeting.

Response 9) The approval of Tollgate 3 at the October 14, 2014 Kenergy Board meeting (excerpt attached) granted the AMI Team permission to move forward with the AMI System.

Witness) John Newland