CLARK ENERGY
A Touchstone Energy Cooperative

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

CONSIDERATION OF THE IMPLEMENTATION OF SMART GRID AND SMART METER TECHNOLGIES	) CASE NO.) 2012-00428

RESPONSES TO COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO CLARK ENERGY COOPERATIVE, INC.

DATED SEPTEMBER 18, 2014

Clark Energy Cooperative, Inc. ("Clark Energy"), pursuant to the Public Service Commission's (PSC) information request dated September 18th, 2014, hereby submits the following response dated October 2nd, 2014 regarding Case No. 2014-00428.

DATE: October 2, 2014

ATTEST:

Scott Sidwell

Scott Sidwell

Sr. VP of Engineering & Operations

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COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 09/18/14

RESPONSIBLE PARTY: Scott Sidwell

Question 6.

In the Report, the Joint Utilities state that no opt-outs should be permitted from AMR deployments. Explain why the Joint Utilities believe that there should be no opt-outs for AMR meters (that only provide for one-way communication).

Response to Question 6.

Clark Energy understands that AMR systems essentially perform one function which is reading meters to collect billing information. The use of AMR systems has been a cost effective means to improve billing accuracy and reduce the time and expense to read and bill our members. To permit opt-outs for AMR deployments would require a return to a more labor intensive procedure to read meters and require more time and expense to prepare the bills for the members opting out. The additional costs incurred to provide for the opt-out would have to borne by the opting out member. Clark Energy doubts that requiring utilities to maintain two processes for collecting billing information can be more cost-effective and result in more accurate bills than a single uniform process.

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Question 7

The Report includes the following statements: "This section does not address opt-outs from AMR metering. The Joint Utilities believe no opt-outs should be permitted from AMR deployments, and a number of utilities have already deployed AMR system-wide and the Joint Utilities oppose any across-the-board, one-size-fits-all opt-out requirement for smart-meter deployments, but support each utility's ability to propose opt-outs appropriate for their customers and systems. Do you agree that opt-outs should not be permitted for AMR meters (that only provide for one-way communication)? If not, explain why.

Response to question 7

Clark Energy agrees with the view of the Joint Utilities that opt-outs for AMR meters should not be permitted.

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RESPONSIBLE PARTY: Scott Sidwell

Question 8

Do you believe that opt-outs should be allowed for AMI or smart meters? Has your response changed from your original position which may have been set forth in your testimony or in response to earlier data requests? If so, explain.

Response to Question 8

Clark Energy believes that opt-outs are not beneficial to the members as a whole with either AMR or AMI. Permitting members to opt-out of a smart meter deployment will result in additional costs that will have to be recovered from the member opting out. Our original position remains the same.

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RESPONSIBLE PARTY: Scott Sidwell

Question 9

If opt-outs are granted, should the customer electing to opt out be required to bear the cost of the opt-out? Explain your response.

Response to question 9

Clark Energy believes that in the effort to be fair to all our members, any member choosing to opt-out of AMR or AMI should bear the cost of doing so due to the cost associated with sending personnel to their location each month to retrieve readings.

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Question 10

Describe and estimate the costs that would be incurred to provide customer opt-out.

Response to question 10

Without knowing the numbers of members that might opt-out of AMR or AMI it would be difficult for Clark Energy to estimate the costs with any accuracy. If a small number of members opt-out the costs might be in the hundreds of dollars per month but if a large number of members choose to opt-out the cost could be in the thousands per month. Small cooperatives do not have the personnel on staff to handle situations like this without either adding personnel and trucks or contracting with an outside agency to retrieve the information. At the minimum the trip charge of $25.00 allowed in our tariff would need to be added to their bill for each trip to read the meter.

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Question 11

Are there any circumstances under which utilities should have the right to refuse to honor a members request to opt-out of AMI meters? Explain your response.

Response to question 11

Clark Energy still holds the opinion that members should not have the right to opt-out but if allowed to do so Clark Energy notes that Page 26 of the Report of the Joint Utilities, section E, paragraph 4, states that situations involving safety, access, and meter tampering reflect times when it would be reasonable for the utility to refuse a customer's opt-out request. Clark Energy agrees such situations, and perhaps others, could be times when a request for opt-out might be reasonably refused. Clark Energy also believes such refusals would have to be evaluated on a case-by-case basis.

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Question 12

Refer to page 21 of the Report, paragraph 10. Describe how smart meters identify their malfunctioning early.

Response to question 12

Currently Clark Energy monitors our meters each month with computer generated reports that looks for meters that are slowing down comparative to previous reading or that have stopped reporting entirely. Any meter suspected of inaccurate reporting is field checked to confirm malfunctions.

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Question 13

Refer to page 24 of the Report which gives the example of a customer's finding that daily meter reading is a privacy problem. State whether daily meter reading is the default or the normal occurrence.

Response to question 13

Clark Energy recovers daily meter readings from each AMR/AMI meter on the system even though only one reading per month is used for the billing cycle. Engineering information and voltage levels are available to our engineering department when needed for planning or reference.

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Question 14

Refer to page 26, paragraph 5. Confirm whether smart meters measure demand for residential customers.

Response to question 14

Clark Energy's smart meters are capable of measuring demand for residential customers.

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Question 15

Refer to CAC's comments on page 28 of the Report regarding the instantaneous remote disconnects. Do you believe that the ability to instantaneously and remotely disconnect a customer for non-payment is an advantage only to the utility, or does it also benefit other customers? Explain your response.

Response to question 15

Clark Energy respectfully disagrees with the characterization that the ability to instantaneously and remotely disconnect a customer for non-payment is an "advantage" to the utility. The ability to remotely disconnect or reconnect is a cost benefit to both the utility and all customers in that the utility does not have to incur the cost to dispatch an employee to the customer's location to physically disconnect or reconnect the meter. There is an added benefit to the member with remote reconnections in that the member does not have to wait until the employee can arrive at the member's location to perform the reconnection. Although rare, there have been situations where utility employees have been unwittingly placed in a dangerous situation when a member responds adversely to the utility's effort to physically disconnect service. Allowing service to be disconnected remotely will reduce the potential danger to utility personnel associated with disconnections.

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Question 16

If the Commission does not require the adoption of the EISA 2007 Smart Grid Investment Standard or a derivative thereof, do you anticipate submitting an application for a CPCN for any smart grid or smart meter deployment? Explain your answer.

Response to question 16

Clark Energy does not have plans or anticipate submitting an application for a CPCN for any smart grid or smart meter deployment in the near future. Clark Energy will monitor emerging technologies to see if any smart grid projects would benefit our members.

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Question 17

Are there any smart-grid deployments for which the Commission should require the submission of a request for a CPCN?

Response to question 17

While Clark Energy can appreciate why it might be desirable to designate that certain smart grid deployments would require the submission of a request for a CPCN, Clark Energy does not believe this would be the most reasonable approach. The concept of smart grid and what is included in specific deployments has been evolving and maturing over the past few years and is still in a development stage. The description of a particular smart grid deployment today may be significantly changed within a few years. Accordingly, designating specific smart grid deployments by Commission Order or regulation as requiring a CPCN today may prove to be obsolete or antiquated in just a few years, requiring the Commission to frequently revisit and revise previous Orders or updating regulations. Clark Energy believes the more reasonable approach would be to continue utilizing the requirements of KRS 278.020 and 807 KAR 5:001, Section 15(2) and 15(3) to determine when a CPCN is required because they have historically provided sufficient guidance to utilities for discerning their regulatory requirements in a host of different contexts and situations.

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION DATED 09/18/14

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Question 18

Refer to Appendix B of the Report. For each utility that currently does not offer residential dynamic pricing tariffs, or for those whose only dynamic tariff offerings are Electric Thermal Storage marketing rates, state whether such tariffs are being considered for future implementation subject to Commission approval. If so, state what type(s) of dynamic pricing tariffs are being considered. If not, state what factors caused the utility to decide against proposing to implement such tariffs or cause it to be otherwise unable to implement such tariffs.

Response to question 18

Clark Energy does not currently offer dynamic pricing and does not anticipate filing a tariff in the near future. At this time Clark Energy is not fully AMI deployed and will not be for the next few year therefore we are unable to offer dynamic pricing. Clark Energy will continue to monitor what the electric industry is doing on such pricing and if it is determined to be advantageous to our members we would consider proposing a pricing tariff at that time.

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RESPONSIBLE PARTY: Scott Sidwell

Question 19

In the Distribution Smart-Grid Components chapter of the Report, Owen Electric Cooperative mentions the Green Button initiative. In its direct testimony, Kentucky Power Company ("Kentucky Power") notes its commitment to the Green Button initiative. Indicate whether you participate in the Green Button initiative. If you participate in similar but different information efforts, identify those efforts.

Response to question 19

Clark Energy does not participate in the Green Button initiative or any programs similar to it.