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COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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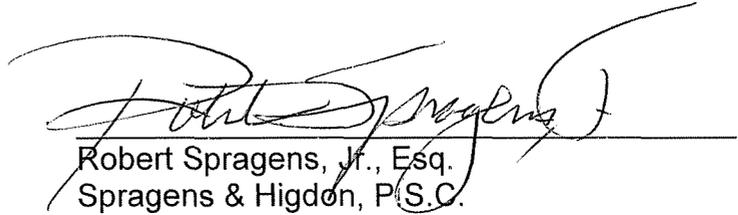
PUBLIC SERVICE  
COMMISSION

In the Matter of:

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

**NOTICE OF FILING BY TAYLOR COUNTY RURAL ELECTRIC  
COOPERATIVE CORPORATION OF RESPONSE TO COMMISSION  
STAFF'S FIRST REQUEST FOR INFORMATION**

Taylor County Rural Electric Cooperative Corporation, acting by counsel, hereby gives notice that it files herewith its Response to the Commission Staff's First Request for Information dated February 27, 2013.

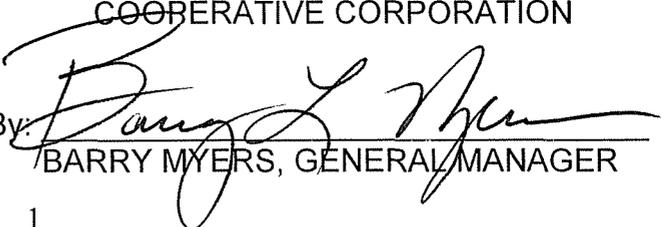


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**Attorney for Taylor County Rural  
Electric Cooperative Corporation**

The undersigned, Barry Myers, as General Manager of Taylor County Rural Electric Cooperative Corporation, being duly sworn, states that the responses herein are true and accurate to the best of my knowledge and belief formed after reasonable inquiry.

Dated: March 19, 2013

TAYLOR COUNTY RURAL ELECTRIC  
COOPERATIVE CORPORATION

By:   
BARRY MYERS, GENERAL MANAGER

COMMONWEALTH OF KENTUCKY

COUNTY OF TAYLOR

Subscribed, sworn to, and acknowledged before me by Barry Myers, as General Manager for Taylor County Rural Electric Cooperative Corporation on behalf of said Corporation this 19<sup>th</sup> day of March, 2013.

My Commission Expires: 5/6/2013

  
\_\_\_\_\_  
Notary Public, Kentucky State At Large  
Notary I.D. 395951

CERTIFICATE OF SERVICE

The undersigned counsel certifies that the foregoing responses have been served upon the following, this 19<sup>th</sup> day of March, 2013:

Original and 14 Copies via Personal Delivery

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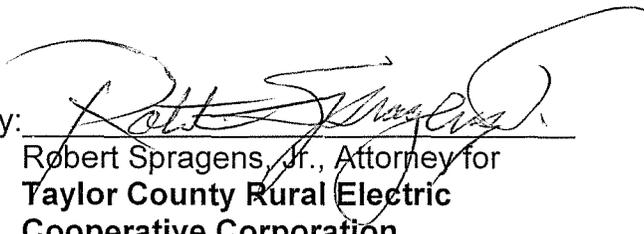
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By: \_\_\_\_\_

  
Robert Spragens, Jr., Attorney for  
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Cooperative Corporation

TAYLOR COUNTY RECC  
RESPONSE TO PSC INFORMATION REQUEST DATED February 27, 2013  
CASE NO 2012-00428

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

**In re the Matter of:**

|  |   |                   |
|--|---|-------------------|
| <b>CONSIDERATION OF THE IMPLEMENTATION</b> | ) |                   |
| <b>OF SMART GRID AND SMART METER</b>       | ) | <b>CASE NO.</b>   |
| <b>TECHNOLOGIES</b>                        | ) | <b>2012-00428</b> |

**RESPONSES TO COMMISSION STAFF'S  
FIRST REQUEST FOR INFORMATION  
DATED FEBRUARY 27, 2013**



TAYLOR COUNTY RECC  
RESPONSE TO PSC INFORMATION REQUEST DATED February 27, 2013  
CASE NO 2012-00428

**Request 98.** With regard to calendar years 2007 through 2012, identify and discuss what Smart Grid and/or Smart Meter initiatives the utility implemented. The discussion should include but not be limited to the reasons why each initiative qualifies as a Smart Grid and/or Smart Metering initiative; the date of installation; the total cost of installation; and any benefits resulting from the initiatives, quantifiable or otherwise, received by both the utility and the customers.

**RESPONSE:** Taylor County completed installation of AMI metering in April 2009 at a total cost of \$4,109,528. The AMI metering was installed to replace mechanical meters and provide meter reading to bill consumers. Voltage may be checked by using certain AMI meters. The AMI meter is used to communicate with Direct Load Control Devices on water heaters and Air Conditioners.

Witness: John F. Patterson or Mike Skaggs

TAYLOR COUNTY RECC  
RESPONSE TO PSC INFORMATION REQUEST DATED February 27, 2013  
CASE NO 2012-00428

**Request 99.** With regard to calendar years 2013 through 2018, identify and discuss what additional Smart Grid and/or Smart Meter initiatives the utility has forecasted to be implemented. The discussion should include but not be limited to why each forecasted initiative qualifies as a Smart Grid and/or Smart Metering initiative; the forecasted date of installation; the forecasted total cost of installation; and any forecasted benefits to result from the initiatives, quantifiable or otherwise, received by both the utility and the customers.

**RESPONSE:** None

Witness: Mike Skaggs

TAYLOR COUNTY RECC  
RESPONSE TO PSC INFORMATION REQUEST DATED February 27, 2013  
CASE NO 2012-00428

**Request 100.**

With regard to DA Smart Grid Initiatives provide the following:

- a. the number of DA systems installed as of December 31, 2012, along with the associated benefits realized.
- b. the number of DA systems to be installed in the next five years.
- c. the total number of DA systems to be installed when the DA system is completely deployed.

**RESPONSE:** a. None; b. None planned; c. Unknown

Witness: Mike Skaggs



TAYLOR COUNTY RECC  
RESPONSE TO PSC INFORMATION REQUEST DATED February 27, 2013  
CASE NO 2012-00428

**Request 101.**

With regard to Volt/VAR Optimization, provide the following:

- a. the number of Volt/VAR Optimization systems installed as of December 31, 2012, along with the associated benefits realized.
- b. the number of Volt/VAR Optimization systems to be installed in the next five years, along with the forecasted in-service date.
- c. the total number of Volt/VAR Optimization systems to be installed when the Volt/VAR Optimization system is completely deployed.

**RESPONSE:** a. None; b. None planned; c. Unknown

Witness: Mike Skaggs



TAYLOR COUNTY REC  
RESPONSE TO PSC INFORMATION REQUEST DATED February 27, 2013  
CASE NO 2012-00428

**Request 102.** With regard to Supervisory Control and Data Acquisition ("SCADA") Smart Grid Initiatives, provide the following:

- a. the number of SCADA systems installed as of December 31, 2012, along with the associated benefits realized.
- b. the number of SCADA systems to be installed in the next five years, along with the forecasted in service date.
- c. the total number of SCADA systems to be installed when the SCADA system is completely deployed.

**RESPONSE:** a. None; b. None planned; c. Unknown

Witness: Mike Skaggs



**Request 103.** As it relates to Dynamic Pricing (where rates are established hourly throughout the day) Tariffs or TOU Tariffs, provide the following:

- a. the number of customers the utility has or had on these types of tariffs, identified separately by specific tariff.
- b. whether these customers shifted load from high-price times periods to lower-priced time periods.
- c. whether these customers consumed more, less or the same number of kWh.
- d. whether the utility reached any findings or conclusions based on its experience with customers on Dynamic Pricing and/or TOU Tariffs.

**RESPONSE:**

Taylor County has no customers on these types of tariffs.

Witness John F. Patterson



TAYLOR COUNTY RECC  
RESPONSE TO PSC INFORMATION REQUEST DATED February 27, 2013  
CASE NO 2012-00428

**Request 104.** Describe precautions taken and/or standards developed by the utility to address concerns regarding cybersecurity and privacy issues.

**RESPONSE:** Taylor County has a firewall installed and updates its anti virus programs it uses.

Witness: John F. Patterson

TAYLOR COUNTY RECC  
RESPONSE TO PSC INFORMATION REQUEST DATED February 27, 2013  
CASE NO 2012-00428

**Request 105.** Provide a discussion and details of progress made regarding the concern raised by the utilities as it relates to the interoperability standards for Smart Grid equipment and software.

**RESPONSE:** Pertinent issues are still present.

Witness: Mike Skaggs

TAYLOR COUNTY RECC  
RESPONSE TO PSC INFORMATION REQUEST DATED February 27, 2013  
CASE NO 2012-00428

**Request 106.** Provide a discussion concerning how the costs (investment and operating and maintenance costs) associated with the installation of Smart Grid facilities should be recovered from the ratepayers.

**RESPONSE Taylor County references the response to PSC Request 106 submitted by EKPC and adopts that response as its own.**

Witness John Patterson

TAYLOR COUNTY RECC  
RESPONSE TO PSC INFORMATION REQUEST DATED February 27, 2013  
CASE NO 2012-00428

**Request 107.** State whether the utility would favor a requirement that it report to the Commission so that the Commission is aware of the jurisdictional Smart Grid and/or Smart Meter activities within the Commonwealth. As a specific example, the requirement could order that a report be provided each September regarding the Smart Grid and/or Smart Meter activities the utility is planning to perform during the upcoming calendar year, followed by an April report of the Smart Grid and/or Smart Meter activities the utility completed the preceding calendar year.

**RESPONSE: Taylor County references the response to PSC Request 107 submitted by EKPC and adopts that response as its own.**

Witness John Patterson

TAYLOR COUNTY RECC  
RESPONSE TO PSC INFORMATION REQUEST DATED February 27, 2013  
CASE NO 2012-00428

**Request 108.** State whether the utility believes KRS 278.285 is an appropriate approach to recovering the costs (investment and operation and maintenance) associated with Smart Grid investments.

**RESPONSE: Taylor County references the response to PSC Request 108 submitted by EKPC and adopts that response as its own.**

Witness John Patterson

TAYLOR COUNTY RECC  
RESPONSE TO PSC INFORMATION REQUEST DATED February 27, 2013  
CASE NO 2012-00428

**Request 109.** State whether the utility believes a tracking mechanism as described beginning on page 3 of the Wathen Testimony on behalf of Duke Kentucky is an appropriate approach to recovering the costs associated with Smart Grid investments.

**RESPONSE: Taylor County references the response to PSC Request 109 submitted by EKPC and adopts that response as its own.**

Witness John Patterson

TAYLOR COUNTY RECC  
RESPONSE TO PSC INFORMATION REQUEST DATED February 27, 2013  
CASE NO 2012-00428

**Request 110.** State whether the utility has commissioned a thorough DSM and Energy Efficiency ("DSM-EE") potential study for its service territory. If the response is yes, provide the results of the study. If no, explain why not.

**RESPONSE: Taylor County references the response to PSC Request 110 submitted by EKPC and adopts that response as its own.**

Witness John Patterson

TAYLOR COUNTY RECC  
RESPONSE TO PSC INFORMATION REQUEST DATED February 27, 2013  
CASE NO 2012-00428

**Request 111.** Refer to the Munsey Testimony on behalf of Kentucky Power, page 10, lines 11-19 regarding the Green Button initiative. Describe the extent of your utility's participation in this industry-led effort.

RESPONSE None

Witness Mike Skaggs

TAYLOR COUNTY RECC  
RESPONSE TO PSC INFORMATION REQUEST DATED February 27, 2013  
CASE NO 2012-00428

**Request 112.** Refer to the Roush Testimony on behalf of Kentucky Power, DMR Exhibit 1. Provide a similar exhibit containing a list of time-differentiated rates available to your customers.

**RESPONSE:**

| Tariff/Rider              | Description of Service     | Currently<br>in Effect | Commission<br>Case | Order<br>Date |
|---------------------------|----------------------------|------------------------|--------------------|---------------|
| RESIDENTIAL               |                            |                        |                    |               |
| R-1                       | Residential Marketing Rate | X                      | 2010-00511         | 5/31/2011     |
| DLC                       | Direct Load Control        | X                      |                    | 1/1/2013      |
| COMMERCIAL AND INDUSTRIAL |                            |                        |                    |               |
| B1-B2-B3                  | Large Industrial           | X                      | 2010-00511         | 5/31/2011     |
| C1-C2-C3                  | Large Industrial           | X                      | 2010-00511         | 5/31/2011     |
| Interruptible Service     | Interruptible              | X                      | 2008-00425         | 03/31/2009    |

Witness John F. Patterson

TAYLOR COUNTY RECC  
RESPONSE TO PSC INFORMATION REQUEST DATED February 27, 2013  
CASE NO 2012-00428

**Request 113.** Provide a description of the type of meters (mechanical, electro-mechanical, AMR [one-way communication], AMI [two-way communication]) currently used by the utility. Include in the description the reasons the current meters were chosen and any plans to move to a different type of metering configuration.

**RESPONSE:** Electronic, AMI meters, chosen on basis of cost and operation. No plans to move to a different type of metering configuration.

Witness: Mike Skaggs

TAYLOR COUNTY RECC  
RESPONSE TO PSC INFORMATION REQUEST DATED February 27, 2013  
CASE NO 2012-00428

**Request 114.** If either AMR or AMI metering is in use, state whether the utility has received any customer complaints concerning those meters. If the response is yes, provide the following:

- a. the number of complaints, separated by gas and electric if a combination utility, along with the total number of customers served.
- b. how the complaints were addressed by the utility.
- c. a detailed explanation as to whether customers should have the ability to opt out of using either AMR or AMI metering.
- d. If customers were to be given the opportunity to opt out of using either AMR or AMI metering, provide:
  - i. an explanation as to whether the utility should establish a monthly manual metering reading tariff or charge applied to the opt-out customers to recover the costs associated with manually reading the non-AMR or -AMI accounts.
  - ii. an explanation as to whether these opt-out customers could still receive benefit from the utility using either AMR or AMI metering.
  - iii. an explanation addressing the point at which opt-out customers, either in terms of number of customers or a percent of customers, affect the benefits of the utility using either the AMR or AMI metering.

**RESPONSE:** a. Taylor County is aware of 3 complaints about the AMI meter with 25,756 consumers.

b. Taylor County resolved the complaints and the consumers still have AMI meters.

c. See response to No. 116 of this filing.

d. Taylor County does not feel customers should be allowed to opt-out.

Witness: John Patterson

TAYLOR COUNTY RECC  
RESPONSE TO PSC INFORMATION REQUEST DATED February 27, 2013  
CASE NO 2012-00428

**Request 115.** In testimony, each utility cited cybersecurity as an area of concern related to the implementation of Smart Grid technologies. Provide and describe your company's policy regarding cybersecurity or the standard your company has adopted governing cybersecurity. If your company has not adopted any policy or standard, identify and describe any industry or nationally recognized standards or guidelines that you may be aware of that the Commission should consider relating to cybersecurity issues and concerns.

**RESPONSE**

Taylor County has not adopted a cybersecurity policy, it is looking at a cybersecurity plan developed by NRECA.

Witness John F. Patterson

TAYLOR COUNTY RECC  
RESPONSE TO PSC INFORMATION REQUEST DATED February 27, 2013  
CASE NO 2012-00428

**Request 116.** If not previously addressed, provide a detailed discussion of whether deployment of smart meters should allow for an opt-out provision.

**RESPONSE:** All metering inventory is AMI type and approved by all accepted industry testing standard organizations. Therefore, an opt-out is not necessary.

Witness: Mike Skaggs