

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

TARIFF FILING OF JACKSON ENERGY	)	CASE NO.
COOPERATIVE CORPORATION TO REVISE	)	2013-00004
ITS NET METERING TARIFF	)	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION  
TO JACKSON ENERGY COOPERATIVE CORPORATION

Jackson Energy Cooperative Corporation ("Jackson Energy"), pursuant to 807 KAR 5:001, is requested to file with the Commission the original and five copies of the following information, with a copy to all parties of record. The information requested herein is due on or before May 24, 2013. Responses to requests for information 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 the 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.

Jackson Energy shall make timely amendment to any prior responses 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

Jackson Energy 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 shall 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 applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Refer to Jackson Energy's response to Commission Staff's First Request for Information ("Staff's First Request"), Item Nos. 3 and 4.

a. Jackson Energy states that the proposed \$500,000/\$1,000,000 level of insurance coverage was determined because it balanced "the desire of the Member to not incur undue costs with the interests of other Members who may suffer damages to their property in the event of a problem with a Members' installation." Jackson Energy further states that the proposed minimum liability coverage does not result in any direct benefits to the company, but provides protection to the net metering customer and that customer's neighbors.

i. Confirm that the imposition of the proposed minimum insurance coverage would not provide any benefits to Jackson Energy, either directly or indirectly.

ii. If Jackson Energy does claim any indirect benefits derived from requiring a set level of insurance coverage, provide a discussion of what those indirect benefits would be.

iii. If there are no direct or indirect benefits to Jackson Energy, explain why it is reasonable for Jackson Energy to impose an additional requirement to potential net metering customers.

b. Regarding the potential for property damage caused by a net metering system, did Jackson Energy conduct any research to quantify the level of risk (i.e., probability of occurrence and amount of damages caused by an occurrence) associated with a net metering system? If yes, provide the details and results of such research.

c. Did Jackson Energy perform any research to quantify whether the proposed level of insurance coverage is reasonable and appropriate to protect against “risks for this type of installation?” If yes, provide the details and results of such research.

d. Provide support for the statement that it is Jackson Energy’s general belief that additional liability insurance is not cost prohibitive.

e. Other than the one experience with a customer, has Jackson Energy conducted any research to determine the cost of requiring additional liability coverage? If yes, provide the details and results of such research.

f. Why do you think a customer might elect to have a net metering system be installed by a non-licensed installer, given the risks detailed in Jackson Energy’s response to Item No. 4?

g. Provide support for the statement that there is a greater likelihood of a Level 1 system failing when installed by a non-licensed installer versus a licensed installer.

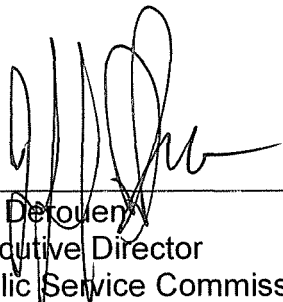
h. In the response to Item No. 3, Jackson Energy states that the proposed level of coverage for a Level 1 system installed by a licensed installer is less than the proposed level of coverage for a system installed by a non-licensed installer in part due to the fact that a licensed installer would be insured. Is it Jackson Energy's position that licensed installers typically carry insurance coverage of at least \$500,000? If yes, provide the support for this position. If no, then explain how Jackson Energy arrived at the \$500,000 proposed coverage differential for a Level 1 system installed by a licensed installer and one installed by a non-licensed installer.

i. The terms and conditions of a Level 1 Interconnection and Net Metering agreement provide that the participant, among other things: (1) shall bear full responsibility for the installation, maintenance and safe operation of the generating facility; (2) at Jackson Energy's request, shall demonstrate generating facility compliance; (3) shall represent that the generating facility shall comply with any applicable safety and power quality standards established by IEEE and accredited testing laboratories such as Underwriters Laboratories and Jackson Energy's rules and regulations; and (4) shall allow Jackson Energy the right to examine and/or witness commissioning tests as well as on-site examinations to verify that the installation, maintenance and operation of the generating facility comply with the requirements of the Net Metering tariff. Would these provisions mitigate the risk that the proposed level of insurance coverage is designed to do, particularly the risk associated with the systems installed by non-licensed installers?

2. Refer to Jackson Energy's response to Staff's First Request, Item No. 5. Provide support for Jackson Energy's belief that "the \$1,000,000 liability insurance requirement was sufficient for most possible losses that may occur."

3. Refer to Jackson Energy's response to Staff's First Request, Item No. 10. Reconcile Jackson Energy's response regarding whether Jackson Energy has required a set level of insurance coverage as part of its past Net Metering Tariff and the tariff sheets attached in the Appendix hereto.

4. Provide the costs of the generating systems on Jackson Energy's Net Metering program. Also, if known, provide the average cost of a photovoltaic residential generating system.



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DATED           MAY 10 2013          

cc: Parties of Record

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