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NEWS RELEASE

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PSC To Take Public Comments in Smart Grid Case *Sessions in Frankfort on Dec. 16 & 17*

FRANKFORT, Ky. (Dec. 5, 2014) – The Kentucky Public Service Commission (PSC) will hold two meetings in order to receive comments from the public on whether Kentucky should implement “Smart Grid” technologies - including smart meters - and electric prices that are tied to the time of usage.

Both meetings will be held at the PSC offices, at 211 Sower Boulevard in Frankfort. The first will begin at 6 p.m. EST on Tuesday, Dec. 16. The second session will begin at 10 a.m. EST on Wednesday, Dec. 17.

The public meetings are being held as part of an administrative proceeding the PSC opened in October 2012. Both will begin with a brief presentation by PSC staff about the matters under consideration in the case.

In an order initiating the case, the PSC said the proceeding would examine all aspects of smart grid technologies, including implementation costs, technical issues and societal impacts.

Smart grid technology uses advanced information tools to improve the efficiency, reliability and safety of electric distribution and transmission networks. It includes meters and other devices that are capable of receiving and transmitting data about usage, pricing and grid status in real time. (Smart meters should not be confused with automated reading meters, which simply transmit a meter reading at a specific point in time.)

Smart grid technologies are central to the implementation of what is known as “dynamic pricing,” which bases the cost of electricity on the time of usage and overall electric demand. Pricing can be based on predetermined schedules or can vary with demand in real time.

The proceeding also is exploring whether the use of smart grid technologies can be combined with various dynamic pricing rate structures to encourage greater energy conservation and efficiency.

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All of Kentucky's jurisdictional electric utilities and the five largest natural gas utilities are parties to the case and have submitted a joint report setting out their views to the PSC.

Other parties to the case include the Kentucky Office of Attorney General and Community Action Council for Lexington-Fayette, Bourbon, Harrison, and Nicholas Counties, Inc., which represent the interests of low-income ratepayers.

PSC Chairman David Armstrong noted that the PSC has received a number of written public comments in the case.

"These meetings are an opportunity for members of the public to express their views directly to the commissioners," he said.

Specific issues under consideration in the case include:

- Preserving customer privacy;
- Smart meter opt-out provisions and allocation of any resulting costs;
- Customer education, including education about health issues;
- Use of dynamic pricing;
- Use of automated or advanced metering technologies that allow prepayment, remote disconnection or other functions;
- Cyber security implications;
- Cost recovery for smart grid technology deployments and for equipment rendered obsolete by such deployments;
- Participation of natural gas companies in a smart electric grid;
- Whether the PSC should adopt national Smart Grid Investment and Information Standards proposed in the federal Energy Independence and Security Act of 2007

The report made by the utilities, which includes comments by the other parties, and all other records in the case are available on the PSC website, psc.ky.gov. The case number is 2012-00428.

Written public comments in the case will be accepted through Friday, Feb. 27, 2015. They may be mailed to the PSC at P.O. Box 615, Frankfort, KY 40602, faxed to 502-564-9625, e-mailed from the PSC website or submitted in person at the PSC offices.

The PSC is an independent agency attached for administrative purposes to the Energy and Environment Cabinet. It regulates more than 1,500 gas, water, sewer, electric and telecommunication utilities operating in Kentucky and has approximately 85 employees.

UTILITIES INCLUDED IN THE SMART GRID STUDY

Investor-owned Electric Utilities

- Duke Energy Kentucky
- Kentucky Power Co. (American Electric Power)
- Kentucky Utilities Co.
- Louisville Gas & Electric Co.

Electric generation and transmission cooperatives

- Big Rivers Electric Corp.
- East Kentucky Power Cooperative

Electric distribution cooperatives

- Big Sandy Rural Electric Cooperative Corp.
- Blue Grass Energy Cooperative Corp.
- Clark Energy Cooperative
- Cumberland Valley Electric
- Farmers Rural Electric Cooperative Corp.
- Fleming-Mason Energy Cooperative
- Grayson Rural Electric Cooperative Corp.
- Inter-County Energy Cooperative
- Jackson Energy Cooperative
- Jackson Purchase Energy Corp.
- Kenergy Corp.
- Licking Valley Rural Electric Cooperative Corp.
- Meade County Rural Electric Cooperative Corp.
- Nolin Rural Electric Cooperative Corp.
- Owen Electric Cooperative
- Salt River Electric Cooperative Corp.
- Shelby Energy Cooperative
- South Kentucky Rural Electric Cooperative Corp.
- Taylor County Rural Electric Cooperative Corp.

Major natural gas distribution companies (can choose to opt out)

- Atmos Energy Corp.
- Columbia Gas of Kentucky
- Delta Natural Gas Co.
- Duke Energy Kentucky
- Louisville Gas & Electric Co.