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August 30, 2012

Mr. Gerald Wuetcher
PSC Regulations
Kentucky Public Service Commission
Post Office Box 615
Frankfort, KY 40602-0615

RECEIVED

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PUBLIC SERVICE
COMMISSION

RE: Comments Relative to Proposed Regulations
Dear Mr. Wuetcher:

Jackson Purchase Energy Corporation submits the following comments and notes on the proposed PSC regulations.

807 KAR 5:006 – General Rules:

Section 11: Item 4(c) – Relating to the secure storage of a meter that has an error greater than (2) percent fast or slow. What is the Commission’s definition of a secure storage location? What is meant by “under the utility’s control”? Are the meters in question controlled by a single person and are they located in a shared or dedicated space? What if the utility is using an outside agency for their testing? This requirement seems excessive to require dedicated storage space which some utilities may not have and there is a potential to tie up inventory with a storage time of up to a year.

Section 8: Item 3 – Relating to Electronic Filing Procedures. JPEC understands the revised regulations to still require that electronic filings be accompanied by one original paper version of the filing, which is required to be submitted no later than the second business day following the electronic filing. JPEC believes that this is an unnecessary duplication of effort and is not needed given the Commission’s ability to accept electronic documents. Providing a paper copy of an already filed electronic document would add to the administrative burden of the case filing and would reduce the efficiency gained by filing electronically in the first place.

JPEC suggests that this provision be stricken from the proposed regulations and that paper copies not be required at all in an electronically filed case.

Section 13: Item (10)(a) relating to Confidential Material. The proposed regulations state that confidential treatment shall be afforded to material for no more than two (2)



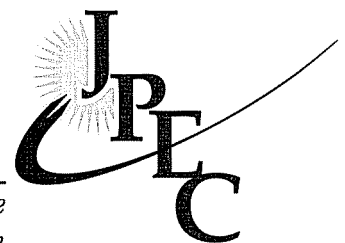
years, and that at the end of this period, the burden for proving that continued confidential treatment as needed falls upon the person who sought the confidential treatment. JPEC believes that this is not appropriate and requests that this proposed language be revised.

Confidential treatment can very easily be needed in excess of two years, and some information needs to be treated as confidential in perpetuity. To require a utility or intervenor to come back every two (2) years and petition for continued confidential treatment is extremely burdensome. Many utilities do not have staff designated to monitor this type of activity and in the absence of adequate tracking, confidential material might be released when it should not have, potentially harming the utility, intervenor, or member of the public.

JPEC would suggest that material, once determined to be treated under the confidential provisions, be always treated as confidential material until such time as another person or entity requests that the information be released. At that point, the person or entity that had requested confidential treatment would be given an opportunity to re-petition for confidential treatment of the material.

Section 14: Item 3(b)1, P21 - Addition of levelized billing to budget payment section. Many utilities offer levelized billing in lieu of traditional budget billing. Item 3 makes no allowance for the plans which are numerous under PSC approved tariffs. Under a typical levelized plan, an initial payment is calculated using the previous twelve months usage multiplied by the current rate, the sum of which is adjusted for any applicable taxes or recurring fees. In many cases this figure is rounded to a near dollar amount. Upon subsequent billing of an account the actual amount due is calculated and compared to the initial levelized amount. This over/under amount is typically divided by twelve and added to a newly calculated payment amount using the actual billing amounts for the then most recent twelve months. These calculations allow the customer/member to avoid the potential shock of receiving a large unexpected catch-up amount or for them to receive a large refund such that they think their money has been held improperly. There are several slight variations of these plans which is why we have listed a typical plan.

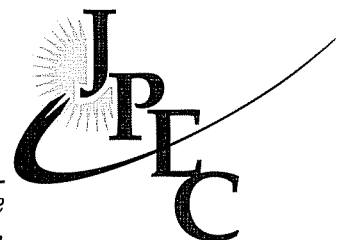
Section 15: Item 1, P27: Relating to disconnect notices. The proposed rules (as do the existing rules) state that that termination notices are to give the name and address of the Cabinet for Health and Family Services. This department has demanded that we remove mention of them in our disconnect notices. We have done so and PSC staff is aware that we have done this. The Rules just need to reflect the current situation.



Section 23: Item (1) - Filing GIS data with the Commission. The purpose of mapping data is to have a system schematic that shows the location of all of the distribution assets of a utility and depending on the utility interfaces links this data to CIS, OMS, AMR and other software packages. This "smart" map now has customer and business sensitive information that allows different departments (Engineering, Dispatch, etc) in the utility to function more efficiently. Utilities limit access to the data to only qualified personnel to perform their necessary job tasks. Consumer data is stored in the GIS data which introduces issues with confidentiality of private load information that could be used by competitors to gain an unfair business advantage. The concern is by giving this information to the Commission to what extent has the utility opened themselves on a system level to potential security and confidentiality breaches. Will the Commission accept the security accountability when accepting the GIS data from a utility if the data is compromised by an outside party while in the Commission's possession? Another concern is how often will the Commission require this data to be updated? Utility maps change daily as new or retirement jobs are updated to the map. Data provided by the utility would be instantly old in the normal course of business so having this snapshot in time would be of a limited value to the Commission. Generating this GIS data will cause an undue burden on the utility and its members to produce this data in time, manpower and data storage that would have to be diverted from the normal course of business.

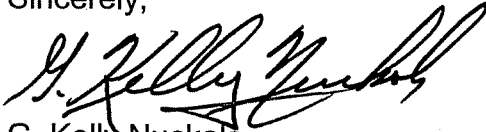
Section 26 Item 5 (a2) - The three (3) year requirement of verifying AMI meter reads does not fall under the electric part of this section and needs clarification to whether electric utilities are affected by this requirement. The idea of an electronic meter is that there are no moving parts and the reading shown on the faceplate of the meter is the measured usage and the same reading that is sent back through the AMI system. So these numbers would naturally match. Utilities have numerous checks and balances already in place that field verify meter reads. For example; high/low reports; missing AMI data reads, customer requested meter checks, and a meter testing program. All of which would provide a large enough sample to catch any potential meter errors. This new requirement would add additional staff for utilities to collect this field audit and be an added cost burden to the utility and its members.

807 KAR 5:011 – Tariffs: Relating to Section 6: Strict reading of this rules section would require notification to the public of minor tariff changes, including spelling or grammar corrections. Notification to the public can be a time consuming and expensive process and seems unnecessary for minor changes. JPEC asks that the Commission consider the cost in time and advertising expense, bourn by the member/customers, to fix minor items and continue its current practices.



Thank you for your careful consideration of these comments. Should you need additional information please contact Mr. G. Kelly Nuckols at 270.442.7321 or kelly.nuckols@jpenergy.com

Sincerely,



G. Kelly Nuckols
President & CEO
Jackson Purchase Energy Corporation

