


A Touchstone Energy Cooperative 

April 6, 2007

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RESPONSE TO DATA REQUEST OF
THE KENTUCKY PUBLIC SERVICE COMMISSION
DUE ON OR BEFORE APRIL 13, 2007
CASE NUMBER 2006-00494

Owen Electric Cooperative, Inc., pursuant to the Public Service Commission's (PSC) information request due on or before April 13, 2007, hereby submits the following response dated April 6, 2007, regarding Case No. 2006-00494. Included with the original document are 6 copies.

Dated: April 6, 2007

ATTEST:

A handwritten signature in black ink, appearing to read "Robert A. Hood", is written over a horizontal line.

Robert A. Hood

President & CEO

Cc: Parties of record

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5. Staff Questions

All Utilities

- 1. See Handout No 1 which reflects several types of tree pruning. Regardless of whether or not the Commission sets any tree trimming standards, should Through or V pruning, Side pruning, Under pruning, or Topping be allowed?**

Yes. A utility should be permitted to implement any or all of the four methods of vegetation management illustrated in Handout No 1, in management's discretion, in accordance with the National Electric Safety Code. In addition, the use of tree growth retardants (TGR) should be permitted along with the methods addressed above.

- 2. If the utility does not own the property over which its distribution lines are located, what are the utility's legal rights as far as access to the property, and ability to trim trees?**

Owen Electric Cooperative obtains such rights through provisions in their membership applications.

Owen Electric

- 1. With reference to Owen Electric's response Item No. 1 of Staff's Second Data Request in this case, is Exhibit 1 a sample of the complete reliability report reviewed by Owen Electric? If not, provide a complete report.**

The reliability report reference above actually is many reports that can be generated electronically with our OMS system. There are many reports available and are typically many pages long. Owen Electric only selects electronically the relevant ones for viewing at the meeting to try and determine reliability improvements. These reports are not printed or put into a formal reliability format.

7. Staff guidance for testimony

- **Reliability reporting requirement**
 - **Is it appropriate for the Public Service Commission to require regular reporting of reliability information from all distribution utilities?**

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Electric cooperative utilities are required to regularly report reliability information to the United States Department of Agriculture's Rural Utilities Service via the RUS Form 7. This data is also filed with Public Service Commission.

- **Should the PSC develop standardized criteria for recording and reporting reliability information?**

Electric cooperative utilities are required to regularly report reliability information to the United States Department of Agriculture's Rural Utilities Service via the RUS Form 7. This data is also filed with the Public Service Commission. The adequacy of this information has not been challenged to date. If standardized criteria, different from that already being reported is developed by the PSC it should be done through a joint PSC & Utility personnel team.

- **Is it appropriate for the Commission to require reporting at a level smaller than the entire system (i.e. by substation or circuit)?**

No. The system-wide reliability information reported via the RUS Form 7 has proven to be sufficient.

- **Are there concerns about sharing this information within the industry or with the public?**

No. The reliability information reported via the RUS Form 7 and filed with RUS and the Public Service Commission is public information and subject to public disclosure.

- **Reliability performance standard**

- **Please comment on the appropriateness of a reliability performance standard. An example of a performance standard is found in the RUS requirement of no more than five hours outage for the average customer for any reason, and no more than one hour caused by power supply.**

A performance standard is unreasonable. However, a guideline or benchmark can be helpful. Although RUS has not mandated performance requirements for electric cooperative utilities, RUS has provided electric cooperative utilities with performance guidelines via RUS Bulletin 1730-1.

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- **Is it more appropriate to develop performance standards on a utility by utility basis or a circuit by circuit basis? What is the most appropriate level for applying performance standard requirements?**

As stated above, RUS provides electric cooperative utilities with performance guidelines via RUS Bulletin 1730-1. These performance guidelines are on a system-wide basis. Both RUS and electric cooperative utilities have found the system-wide guidelines to be sufficient.

- **Comment on an appropriate requirement to respond to non-attainment of performance standard, or in the alternative explain why a response to non-attainment is not necessary.**

As stated above, requirements are unreasonable, but guidelines such as those issued by RUS are helpful. Electric cooperative utilities that do not meet the performance guidelines specified by RUS Bulletin 1730-1 are provided with recommendations for correction and improvement by RUS and must respond to RUS regarding same via a "corrective action plan."

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- **Right-of-Way (ROW) management**
 - **Please provide comments regarding the appropriateness of PSC defined ROW management minimum standard.**

Legal rights and obligations with respect to rights of way and easements have been long established between utilities and landowners. The commission has no standing to interfere with same. The commission's concern should be addressed to management activities relating to the maintenance of said rights of way.

- **If such a standard were created, to what level of detail should it be defined?**

See prior response.

- **Does a PSC requirement give the utility any advantage when performing ROW maintenance?**

No.

- **Are there disadvantages?**

Yes. Even though Owen Electric Cooperative has the ROW rights through provision in its member application it always gets member approval before clearing the ROW. That member approval typically comes with restrictions that might not meet the PSC guidelines but are acceptable to OEC. Therefore OEC would find it very difficult to get permission to build or relocate distribution lines driving up the cost and time.