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February 1, 2012

Mr. Jeff R. Derouen, Executive Director  
Kentucky Public Service Commission  
311 Sower Boulevard  
P. O. Box 615  
Frankfort, KY 40602

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PUBLIC SERVICE  
COMMISSION

RE: PSC Case No. 2011-00450

Dear Mr. Derouen:

Please find enclosed for filing with the Commission an original and ten copies of the responses to order "Investigation of the Reliability of Electric Distribution Utilities" dated January 11, 2012.

If you have any questions, please contact me at your convenience.

Sincerely,

A handwritten signature in black ink that reads "Stephen Johnson".

Stephen Johnson  
Vice President of Finance

SJ:jb



South Kentucky Rural Electric Cooperative

Case No. 2011-00450

Investigation of the Reliability of Electric Distribution Utilities

1. The following questions relate to the data maintained by each utility.

a. Identify the number of circuits currently maintained by the electric utility.

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b. Does the utility calculate separate SAIDI, SAIFI and CAIDI indices for each circuit?

Yes

If no, explain why not and explain the degree to which the utility tracks the following:

- (1) SAIDI;
- (2) SAIFI; and
- (3) CAIDI.

c. Identify any other reliability indicator or measure the utility uses to assess reliability. Explain the significance of each indicator or measure used. Does the utility maintain these indicators or measures for each circuit?

There are no other calculated measures for each circuit. We rely primarily on information provided by field service personnel. This information has proved to be very dependable in identifying repeat outage situations.



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2. The following questions refer to the manner in which each utility calculates and tracks the SAIDI, SAIFI and CAIDI indices.

- a. Identify the manner in which the indices are calculated and tracked; ie., manually (Excel spread sheet), or an electronic or mechanized (outage reporting) system.

We use an in house excel spreadsheet to calculate the feeder indices each year for the reliability report.

- b. If the response to Item 2.a. above is electronic or mechanized, provide a description of the system and explain whether it was developed internally or purchased from a third-party vendor. If purchased from a third-party vendor, provide the name of the vendor and an estimate of the original cost of the system.

N/A

- c. If the response in Item 2.a. above is manually, provide a description of the elements tracked. Discuss in detail any inquiry made into the internal development of an electronic or mechanized system or any consideration of the purchase of a system from a third-party vendor.

Our outage data is gathered in the OMS system and imported into excel, where the indices are calculated by feeder. We have not examined any other system.



South Kentucky Rural Electric Cooperative

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3. Concerning SAIDI, SAIFI and CAIDI reporting: the Commission directed that the reporting be based on the criteria and definitions set forth in the IEEE Standard.

a. If the utility does not follow the IEEE standard, explain why not. Explain what standard(s) the utility does follow in its calculation of SAIDI, SAIFI and CAIDI.

South Kentucky RECC does follow the IEEE standard for outage reporting.

b. Does the utility track and review SAIDI, SAIFI and CAIDI monthly, quarterly or annually?

The indices are tracked monthly and reviewed monthly.

c. Are SAIDI, SAIFI and CAIDI tracked on a rolling 12-month period or for a more discrete period of time; i.e., monthly, quarterly, or annually?

All indices are tracked on a calendar year basis

d. Currently, in each annual report submitted pursuant to the Final Order in Case No. 2006-00494, each utility provides system-wide SAIDI, SAIFI and CAIDI calculated for a calendar year. Identify any other preferred 12-month reporting parameter; i.e., calendar year, fiscal year, or some other 12-month method.

None

e. Does the utility review SAIDI, SAIFI, and CAIDI by any discrete fashion such as by division, district, region or some other method?

No





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4. The following questions relate to the requirement that each utility report the ten worst-performing circuits for each index in the annual report submitted pursuant to the Final Order in Case No. 2006-00494.

- a. If the utility does not track SAIDI, SAIFI and CAIDI for each circuit, explain how the ten worst-performing circuits are identified.

N/A

- b. Does the utility see benefit in expanding the reporting of the worst performing circuits to the 15 or 20 worst-performing circuits for each index?

No

- c. Identify any alternative to reporting the ten worst-performing circuits that the utility utilizes to determine system reliability.

None Currently



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5. The following questions relate to the identification of the ten worst performing circuits for each index.
- a. Provide an explanation of the actions taken by the utility once the ten worst-performing circuits for each index have been identified. Include the typical steps taken to correct the reliability issues relating to the ten worst-performing circuits for each index.

The 10 worst performing circuits are analyzed and if any issues are within the utility's control, we will address the issue by adding or removing the necessary equipment and/or making changes to our ROW trimming rotation if necessary.

- b. Provide a timeline of the typical steps taken to correct reliability issues relating to the ten worst-performing circuits for each index.

This process typically happens within a month of the reliability report being completed.