COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF THE RELIABILITY MEASURES OF KENTUCKY'S JURISDICTIONAL ELECTRIC DISTRIBUTION UTILITIES	)))	ADMINISTRATIVE CASE NO. 2011-00450

February 2, 2012

RECEIVED

FEB 07 2012

PUBLIC SERVICE COMMISSION

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

Dear Mr. Derouen:

In accordance with the Commission's Order in Case No. 2011-000450 dated January 11, 2012,, enclosed are an original and ten (10) copies of Grayson Rural Electric's response to the above referenced order

If you have any questions about this filing, please feel free to contact me.

Very truly yours,

Don M. Combs
Mgr. – Finance & Accounting
Grayson Rural Electric Cooperative Corporation
109 Bagby Park
Grayson, KY 41143

Enclosures

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

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

Response: **Grayson R.E.C.C. currently has 42 feeders we maintain.**

b. Does the utility calculate separate SAIDI, SAIFI and CAIDI indices for each circuit? If no, explain why not and explain the degree to which the utility tracks the following:

(1) SAIDI

(2) SAIFI

(3) CAIDI

Response: **We do currently calculate these indices for each circuit.**

c. Identify any other reliability indicator or mea ire 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?

Response: **We do not have any other reliability indicators.**

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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; Le., manually (Excel spread sheet), or an electronic or mechanized (outage reporting) system.

Response: **We currently manually calculate these indices using an Excel spreadsheet.**

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.

Response: **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.

Response: **We track the outage duration, county number of consumers, cause of the outage substation and feeder the outage occurred. From this data calculate the SAIDI, SAIFI and CAIDI.**

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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.

Response: **To the best of our knowledge, we comply with the IEEE standards when making the indices calculations.**

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

Response: **We make the calculations annually.**

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?

Response: **SAIDI, SAIFI and CAIDI are tracked from January 1st to December 31st each year, not on a rolling twelve months.**

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; Le., calendar year, fiscal year, or some other 12-month method.

Response: ***The calendar year is our preferred reporting time frame.***

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

Response: **We currently do not calculate indices to a level other than system wide.**

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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.

Response: **We do track for each circuit.**

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?

Response: **We believe 10 is enough.**

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

Response: **Identifying the top 10 works for us.**

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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.

Response: **A review of the areas are completed based on the primary causes of the outages. Actions are then taken based on those causes. For example, if right-of-way has been the primary cause we schedule a cutting crew. If deteriorating wire is the cause, we try to adjust the work plan to make the repairs sooner.**

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

Response: **We do not have a defined timeline for the top 10 list. Since each of the areas will have their own unique set of problems, our goal is to correct the problem(s) in a timely and cost effective manner.**