



Mr. Jeff DeRouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40601

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MAY 11 2012

PUBLIC SERVICE  
COMMISSION

**LG&E and KU Energy LLC**  
State Regulation and Rates  
220 West Main Street  
PO Box 32010  
Louisville, Kentucky 40232  
www.lge-ku.com

Rick E. Lovekamp  
Manager - Regulatory Affairs  
T 502-627-3780  
F 502-627-3213  
rick.lovekamp@lge-ku.com

May 11, 2012

**Re: An Investigation of the Reliability Measures of Kentucky's  
Jurisdictional Electric Distribution Utilities;  
Case No. 2011-00450**

Dear Mr. DeRouen:

Enclosed please find an original and ten copies of Louisville Gas and Electric Company and Kentucky Utilities Company Testimony of Paul Gregory ("Greg") Thomas, in the above-referenced proceeding.

Should you have any questions please contact me at your convenience.

Sincerely,

A handwritten signature in black ink that reads "Rick E. Lovekamp". The signature is written in a cursive style.

Rick E. Lovekamp

cc: Parties of Record

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

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

**TESTIMONY OF**  
**PAUL GREGORY "GREG" THOMAS**  
**VICE PRESIDENT, ENERGY DELIVERY - DISTRIBUTION OPERATIONS**  
**LOUISVILLE GAS AND ELECTRIC COMPANY**  
**AND KENTUCKY UTILITIES COMPANY**

**Filed: May 11, 2012**

1 **Q. Please state your name and business address.**

2 A. My name is Paul Gregory “Greg” Thomas. I am currently employed as Vice President,  
3 Energy Delivery – Distribution Operations for LG&E and KU Services Company, which  
4 provides services to Louisville Gas and Electric Company (“LG&E”) and Kentucky  
5 Utilities Company (“KU”) (collectively, the “Companies”). My business address is 220  
6 West Main Street, Louisville, Kentucky 40202. A complete statement of my education  
7 and work experience is attached to this testimony as Appendix A.

8 **Q. Have you previously testified before this Commission?**

9 A. Yes, I testified in Case No. 2006-00494, *In the Matter of: An Investigation of the*  
10 *Reliability Measures of Kentucky’s Jurisdictional Electric Distribution Utilities and*  
11 *Certain Reliability Maintenance Practices.*

12 **Q. What is the purpose of your testimony in these proceedings?**

13 A. The purpose of my testimony is to provide the Companies’ recommendations concerning  
14 proposed changes to the Commission’s current reporting practices and procedures.

15 **Q. Do the Companies support developing an online report completion and submission**  
16 **system?**

17 A. Yes. The Companies believe all jurisdictional utilities would benefit from the  
18 development of an online distribution system reliability report completion and  
19 submission system. Such a system would reduce paperwork and decrease the lag  
20 between the time utilities generate data and supply it to the Commission.

21 If the Commission determines to develop such a system, the Companies believe  
22 automatically populating five prior years of comparable data will increase the usefulness  
23 of the reports by providing the Commission with relevant system history. Rather than

1 comparing a given year's performance to a possibly unrelated benchmark, the  
2 Commission would be able to tell at a glance whether a utility's metrics are trending in a  
3 positive or negative direction, and would be able to discern quickly years that are clear  
4 outliers. Such an approach would also be superior to using a five-year average as a  
5 benchmark because it mitigates the impact of weather-related and other abnormal events  
6 that can skew averages, even multi-year averages.

7 **Q. In light of the Companies' support for an online report completion and filing**  
8 **process, do the Companies see any value in posting the reported information online?**

9 A. No. We believe posting any System Average Interruption Frequency Index ("SAIFI"),  
10 System Average Interruption Duration Index ("SAIDI"), Customer Average Interruption  
11 Duration Index ("CAIDI"), or comparable data will serve only to confuse, not to inform,  
12 customers. Customers are unlikely to understand such posted information or the  
13 methods used to compute it, and posting circuit-level data may give rise to more  
14 customer confusion and inquiries than would be justified by the few customers who  
15 might find the information genuinely useful.

16 Moreover, the Companies' experience is that customers are less interested in  
17 system performance than in ensuring their own service interruptions are resolved quickly  
18 and that they receive timely, relevant information concerning any interruptions they  
19 experience. For these reasons, the Companies have posted online outage maps and  
20 created an outage application for mobile devices. These information sources help  
21 customers understand the severity and scope of outages that may be affecting them, as  
22 well as expected restoration times.

23 For customers who are interested in reliability-related information, the Companies

1 provide online resources for customers to obtain basic vegetation management  
2 information, storm response information, and power quality and reliability information.  
3 Also, the Companies respond to discrete customer inquiries pertaining to their own  
4 outage history.

5 If the Commission does determine to post utilities' distribution system reliability  
6 report online, the Companies strongly recommend that any such information be  
7 accompanied by explanatory information and any other information necessary to place  
8 the reported information in context. Such information may help to minimize customer  
9 confusion (e.g., five-year averages or five years of annual history).

10 **Q. Do the Companies support reporting on circuit-level data other than the ten worst-**  
11 **performing circuits for each utility?**

12 A. No, the Companies do not support reporting on the circuit level for anything other than  
13 the ten worst-performing circuits (e.g., for circuits performing worse than system average  
14 or for what actions are to be taken for each such circuit) due to the administrative burden  
15 such reporting would impose on the Companies and the Commission. As I noted above,  
16 the Companies maintain data on, and calculate reliability metrics for, over 1,700  
17 Kentucky-jurisdictional circuits. Every year, over 850 circuits statistically could perform  
18 better than the average for each kind of statistic measured, and over 850 circuits  
19 statistically may not perform as well as the average for that year. Such information does  
20 not necessarily communicate much, if anything, about the overall reliability of any given  
21 circuit or the system as a whole. And particularly at the circuit level, reliability statistics  
22 can be dramatically skewed by discrete events. Therefore, the Companies do not believe  
23 there would be any value in reporting at the circuit level beyond what is already required,

1 and posting any such data could lead to a high level of customer confusion.

2 Concerning the currently required ten-worst-performing-circuits report, the  
3 Companies recommend excluding uncontrollable events (e.g., fires, vehicles, public  
4 interference, and dig-ins) from the determination of the reported metrics. We believe this  
5 would improve the quality of the reporting by helping to identify truly difficult circuits  
6 rather than circuits that may simply have had an unusually bad year due to discrete  
7 uncontrollable events.

8 **Q. What is your overall recommendation to the Commission?**

9 A. I recommend that the Commission keep the current reporting requirements in place while  
10 enhancing the ease and speed of reporting by implementing an online report completion  
11 and submission system, which the Companies would be glad to assist the Commission to  
12 develop. I further recommend that the Commission improve the quality and usefulness of  
13 the ten-worst-performing-circuits report by excluding uncontrollable events from the  
14 calculation of the reliability statistics. These small changes to the Commission's already  
15 adequate distribution reliability reporting requirements should help to enhance the value  
16 of the reports to the Commission while helping to reduce the administrative burden of  
17 such reporting on the electric distribution utilities.

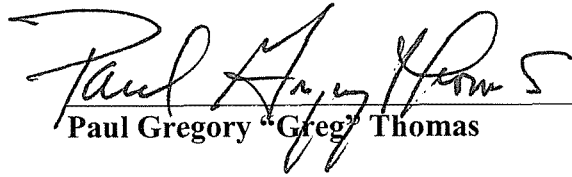
18 **Q. Does this conclude your testimony?**

19 A. Yes.

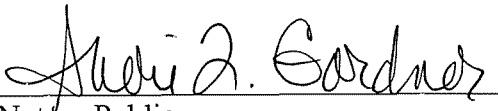
VERIFICATION

COMMONWEALTH OF KENTUCKY )  
 ) SS:  
COUNTY OF JEFFERSON )

The undersigned, **Paul Gregory “Greg” Thomas**, being duly sworn, deposes and says that he is Vice President, Energy Delivery – Distribution Operations for Kentucky Utilities Company and Louisville Gas and Electric Company and an employee of LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the foregoing testimony, and that the answers contained therein are true and correct to the best of his information, knowledge and belief.

  
Paul Gregory “Greg” Thomas

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 17<sup>th</sup> day of May 2012.

 (SEAL)  
Notary Public

My Commission Expires:

**SHERI L. GARDNER**  
Notary Public, State at Large, KY  
My commission expires Dec. 24, 2013

## **APPENDIX A**

### **Paul Gregory (Greg) Thomas**

Vice President Energy Delivery-Distribution Operations  
LG&E and KU Services Company  
820 West Broadway  
Louisville, KY 40202  
(502) 627-4743

### **Education**

University of Tennessee, B.A. in Mechanical Engineering, 1979

### **Previous Positions**

LG&E Energy Services Inc. 2003 - 2007 - Director Energy Delivery  
Kentucky Utilities 2000-2003 - Director Distribution Operations  
Kentucky Utilities 1997-2000 - Regional General Manager  
Kentucky Utilities 1994-1997 - Division Vice President  
Kentucky Utilities 1992-1994 - Lexington District Manager  
Kentucky Utilities 1992 - Division Engineer  
Kentucky Utilities 1990 - 1992 Field Operations Coordinator  
Kentucky Utilities 1989 - 1990 Local Manager  
Kentucky Utilities 1986 - 1989 Customer Service Engineer  
Kentucky Utilities 1980 - 1986 Technical Engineer Substations