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March 19, 2013

Mr. Jack Conway
Attorney General
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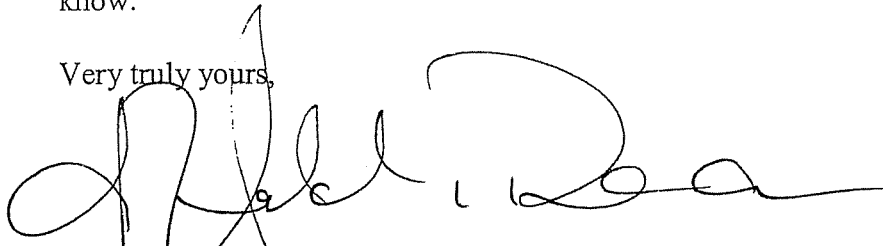
Re: PSC Case No. 2012-00428

Dear Mr. Conway:

Please find enclosed Inter-County Energy Cooperative's responses as requested in Attorney General's Initial Requests For Information To The Companies, Case No. 2012-00428, dated February 27, 2013. David Phelps, Vice-President of Operations will be the witness to answer questions concerning each request.

If there are any questions or if you should need additional information, please let me know.

Very truly yours,




J. HADDEN DEAN, ESQ.
Legal Counsel for Inter-County Energy Cooperative

Enclosure

Copies To: Case No. 2012-00428 Service List
Mr. Jeff Derouen, KY Public Service Commission



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A Touchstone Energy Cooperative 

**Responses to
Attorney General's Initial Requests
For Information to The Companies**

CASE NO. 2012-00428

**In the Matter of
Consideration of the Implementation of
Smart Grid and Smart Meter Technologies**

March 19, 2013

**CONSIDERATION OF THE IMPLEMENTATION OF SMART GRID
AND SMART METER TECHNOLOGIES
CASE NO. 2012-00428**

1. Since the Commission initiated Consideration of *the New Federal Standards of the Energy Independence and Security Act 0/2007*, Administrative Case No. 2008-00408, has the company changed its position regarding Smart Grid? If so, how?

Response: Inter-County Energy references the response to AG request #1 submitted by EKPC and adopts that response as its own.

2. Are the technologies pertaining to the implementation of Smart Grid definitely known and proven?

Response: There are many technologies that are on the market today and are being tried around the country and around the world. Some are proven and some have skepticism. Locally, among electric distribution cooperatives in the state, smart metering, SCADA, and energy efficiency programs are common and proven. Whereas, electric vehicles, wind, solar power, and other programs are less common and less proven.

a. If yes, explain in detail every aspect from the use of each technology from the company to the end-user.

Response: As a relatively small distribution utility, we do not know every technology available nor every aspect of these technologies. However, the most common smart grid technologies that we are familiar with are as follows:

AMI: Our utility has implemented Smart metering which has many positive aspects from reducing meter reading costs, nearly eliminating erroneous meter reads, reduced dispatch and truck roll time, better records, improved load profiling, improved customer satisfaction, faster recognition of electric theft, and many more. However, it comes with a high initial investment and requires additional technical staff to operate and maintain. In addition, it has caused some privacy and health concerns among a very small number of members.

SCADA: Though SCADA is not installed or been evaluated at our utility, it is common among electric distribution cooperatives in the state that have SCADA to recommend the installation of a SCADA system. Their experience is they are better able to monitor and control their electrical system which results in faster response times, improved maintenance planning, and improved member satisfaction. Once again, it has a high initial investment and requires additional technical staff.

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Energy Efficiency Programs: Inter-County Energy works closely with East Kentucky Power in implementing and marketing various energy efficiency programs and to avoid redundancy, our response would be the same as found in their response to this question.

- b. If not, explain in detail what technologies are already advancing/improving as well as those that are envisioned on the immediate time horizon.

Response: Inter-County Energy is continually monitoring new technologies. As to which ones are advancing/improving, we would have to say all of them. However, the question is which technologies are going to prove themselves to be enduring. Our immediate time horizon is we will be evaluating our communications system and the possible installation of a SCADA system.

3. In light of recent catastrophic storms over the past ten years (for example, the various ice storms, tornadoes, and strong winds), which electric companies have experienced, and for which the company may ultimately have sought regulatory assets, can the company affirmatively state that its basic infrastructure, including all of its generation, transmission and distribution facilities, have proven to be reliable 24 hours a day, seven days a week, 365 days a week? If not, for each and every storm that it affected the utility in excess of two days, please provide the following:

Response: No. Inter-County Energy does not believe there is or has ever been a generation, transmission, or distribution utility system that can answer yes to this.

- a. The number of days before the company's last ratepayer's electricity was restored for each storm.

Response: All outage information is available on file at our Headquarters and annual summaries are provided to the PSC. Our most recent storm of catastrophic size was the 2009 Ice Storm in which it was 14 days until the last ratepayer's electricity was restored.

- b. The average number of days, or hours if applicable, that the average ratepayer's outage lasted for each storm.

Response: For the 2009 Ice Storm the consumer average interruption duration index was 1.2 days for the 14-day period.

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c. The average financial loss for the average ratepayer for each storm, if known.

Response: Not known.

4. Does the company agree with the Attorney General that electricity is not considered a luxury service but a necessary commodity of modern life? If not, why not?

Response: Inter-County Energy references the response to AG request #4 submitted by EKPC and adopts that response as its own.

5. Does the company agree that the fundamental reliability of its electric grid - i.e., the delivery of electricity to the end-user 24/7/365 - is paramount to the end-user's ability to monitor and/ or conserve his/her demand or electricity consumption? If not, why not?

Response: Inter-County Energy references the response to AG request #5 submitted by EKPC and adopts that response as its own.

6. Please state whether the company is aware of any cyber security breaches effecting the electric and gas industries that have either occurred in the United States or internationally. If the answer is in the affirmative, please explain the details of the breaches without exposing information that is not already in the public domain.

Response: No.

7. Please confirm that the company is aware that the prior United States Secretary of Defense Leon Panetta, in speaking on the vulnerability of the nation's electric grid with the consequential safety and security concerns that ensue, warned the Senate Appropriations Committee on Defense that the risk to the United States could even be considered the equivalent of a "digital Pearl Harbor"¹¹.

Response: Inter-County Energy is aware of said comments and does not confirm or deny the statements made.

¹¹ Comments by Secretary of Defense, Leon Panetta, U.S. Senate Appropriations Subcommittee on Defense, Hearing on FY 13 DoD Budget, June 13, 2012.
<http://www.appropriations.senate.gov/webcasts.cfm?metfaod=webcasts.view&id=08e51d6c-4a32-4fa4-b09c-a006fa63c976>

a. Is this concern of the vulnerability of the nation's electric grid shared by the company? If not, why not?

Response: Inter-County Energy is aware of the vulnerability.

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8. With regard to cyber security in general, can the company unequivocally confirm that its system reliability is not vulnerable to a cyber security attack? If not, what could be the consequences? Please explain in detail as much as possible for the following:

a. the company, and

Response: No, a shutdown of automated or remotely controlled systems is a remote possibility.

b. the company's ratepayers.

Response: No, the ratepayer would be at a remote risk of privacy issues.

9. Please provide the names of the standards, protocols or policies which the company observes and/or implements in its maintaining its system reliability from cyber security threats.

Response: Inter-County Energy has worked with industry professionals to create internal cyber security standards, including policies that deal with Identity Theft Red Flag Prevention, Use of Cooperative Communications Systems and Equipment, as well as Code of Ethics and Whistleblower Policies.

10. Please provide copies of the standards, protocols or policies which the company observes and/or implements in its maintaining its system reliability from cyber security threats.

Response: See Exhibits 1, 2, 3 and 4

11. With regard to cyber security in general, can the company unequivocally confirm that its ratepayers' privacy of data cannot be compromised or otherwise divulged to any individual or entity not associated with the company, or a qualified third-party which has issues a non-disclosure statement or the ratepayers? If not, what could be the consequences? Please explain in detail as much as possible for the following:

a. the company, and

Response: No, a shutdown of automated or remotely controlled systems is a remote possibility.

b. the company's ratepayers.

Response: No, the ratepayer would be at a remote risk of privacy issues.

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12. If a qualified third-party that has agreed to a non-disclosure statement and obtains ratepayers' private information, what guarantees exist that the information will not be disclosed, whether intentionally or unintentionally?

Response: There are no guarantees. There is only the accountability and liability of the third-party.

13. Please provide the names of the standards, protocols or policies which the company observes and/or implements in its maintaining its ratepayers' privacy data from cyber security threats.

Response: Inter-County Energy has worked with industry professionals to create internal cyber security standards, including policies that deal with Identity Theft Red Flag Prevention, Use of Cooperative Communications Systems and Equipment, as well as Code of Ethics and Whistleblower Policies.

14. Please provide copies of the standards, protocols or policies which the company observes and/or implements in its maintaining its ratepayers' privacy data from cyber security threats.

Response: See Exhibits 1, 2, 3 and 4

15. Given the vulnerability of the electric grid to cyber attacks, describe what analog (non-digital) means the company will have in place to insure reliability, including but not limited to the maintenance of legacy systems.

Response: Inter-County Energy feels that its electrical system is very resistant to cyber attacks. Without SCADA the electrical distribution system is controlled by independent components that if altered, must be physically done. As for the billing and other "digital" systems, backups and redundant systems will be relied upon for quick recovery.

16. What are the company's estimated costs to invest in order to fully implement Smart Grid?

Response: Inter-County Energy references the response to AG request #16 submitted by EKPC and adopts that response as its own.

- a. Do any cost estimates include results of any modeling that may show the degree of exposure to the following risks: (a) hacking; (b) electronic magnetic pulses (EMPs, whether related to solar flares or otherwise); and/or (c) weather events? If so, provide a list of the modeling software used to produce any estimates, the scenarios and sensitivities examined, and any and all such results.

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Response: Inter-County Energy references the response to AG request #16a submitted by EKPC and adopts that response as its own.

17. Please explain in detail what benefits, if any, the company expects its ratepayers to realize because of Smart Grid?

Response: Inter-County Energy references the response to AG request #17 submitted by EKPC and adopts that response as its own.

a. Does the company believe that societal benefits are to be considered in evaluating benefits? If so, detail those societal benefits and how they may be used in evaluations? If not, why not?

Response: Inter-County Energy references the response to AG request #17a submitted by EKPC and adopts that response as its own.

18. Would the company agree to strict limits and/or caps on ratepayer costs? If not, why not?

Response: Inter-County Energy references the response to AG request #18 submitted by EKPC and adopts that response as its own.

19. Would the company agree to allow ratepayers to opt-out of smart meter deployment? If not, why not?

Response: Inter-County Energy references the response to AG request #19 submitted by EKPC and adopts that response as its own.

20. Can the company quantify measureable and significant benefits that the ratepayers will realize, including a monetary quantification of net savings (if any) to ratepayers?

Response: Inter-County Energy references the response to AG request #20 submitted by EKPC and adopts that response as its own.

21. Please explain in detail what detriments, if any, the company expects its ratepayers to realize because of Smart Grid? Include in the explanation both new costs as well as stranded costs.

Response: Inter-County Energy references the response to AG request #21 submitted by EKPC and adopts that response as its own.

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22. What are the company's estimated costs which the company expects the ratepayers to realize?

Response: Inter-County Energy references the response to AG request #22 submitted by EKPC and adopts that response as its own.

23. What are the company's estimated costs which the company expects its shareholders, if any, to realize? Include in the explanation both new costs as well as stranded costs.

Response: Inter-County Energy references the response to AG request #23 submitted by EKPC and adopts that response as its own.

24. Does the company agree that its costs to invest and implement Smart Grid will be different than other utility companies? If not, why not?

Response: Inter-County Energy references the response to AG request #24 submitted by EKPC and adopts that response as its own.

25. Does the company agree that its ratepayers' benefits, whether financial or otherwise, may differ from one utility to another upon implementation of any Smart Grid technology? If not, why not?

Response: Inter-County Energy references the response to AG request #25 submitted by EKPC and adopts that response as its own.

26. Can the company guarantee that the deployment of Smart Grid will not interfere with the regulatory compact whereby the ratepayers will receive safe, adequate and reliable service at fair, just and reasonable costs? If not, why not? Explain in detail.

Response: Inter-County Energy references the response to AG request #26 submitted by EKPC and adopts that response as its own.

27. Answer the above question with the definition of "fair, just and reasonable costs" as being economically feasible for the end-user.

Response: Inter-County Energy references the response to AG request #27 submitted by EKPC and adopts that response as its own.

a. Provide any cost-benefit analysis that the company has run or will run to make the determination of economically feasible to the end-user.

Response: Inter-County Energy references the response to AG request #27a submitted by EKPC and adopts that response as its own.

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28. Regarding time of use (TOU) rates, can the company confirm that low-income ratepayers will not be disproportionately affected more than non-low-income customers? If not, why not? (Provide in the answers in any studies, reports, analyses and relevant data.)

Response: No, Low-income ratepayers from our experience will be more likely to see an increase in their bill. Even with a very good educational program, TOU rates are more complicated than current rates, thus creating more confusion and lower customer satisfaction.

29. With regard to TOU rates, does the company have any history with any such programs? If so, explain in detail with particular facts as to:

a. the number of customers who participated;

Response: Inter-County Energy currently has 84 members utilizing the Schedule 1-A Farm & Home Marketing (Electric Thermal Storage) Rate.

b. whether they remained on the program;

Response: Yes

c. whether they saved money on their bills; and

Response: Unable to answer definitively. ETS units are usually installed as a supplement to an existing heating system, replacement of an existing fossil fuel or resistance type system or as the heating source for additional living space such as a basement or other type of renovated space.

d. whether the customers ultimately reduced their usage.

Response: Same as previous answer c.

30. What proposals will the company present to deal with technological impediments to the broad use of Smart Grid, including but not limited to the following:

a. low and fixed-income individuals who do not have Internet resources at their home;

Response: Unknown

b. multiple forms of telecommunications technology used to access information (i.e., analog, cellular, VOIP); and

Response: Unknown

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- c. multiple and proprietary technology and software options in the market that may lead to issues of compatibility?

Response: Unknown

31. Assume: Full deployment of Smart Grid at the residential ratepayer level consisting of a household with only Energy Star appliances, an HVAC system with at least a 15 SEERS rating, etc. and any smart grid apparatuses/equipment for interconnectivity with the electricity provider (including generation, transmission and distribution).

- a. Does the company agree that if full deployment of the magnitude described in the above question occurs, the average residential ratepayer could experience a significant capital outlay?

Response: Inter-County Energy references the response to AG request 31a submitted by EKPC and adopts that response as its own.

- b. If so, what are the projected costs?

Response: Inter-County Energy references the response to AG request 31b submitted by EKPC and adopts that response as its own.

- c. If no costs are anticipated by the electric provider, why not?

Response: Inter-County Energy references the response to AG request 31c submitted by EKPC and adopts that response as its own.

32. In regard to appliances, such as refrigerators or lighting, does the company agree that in the long run, it is cheaper for the end-user himself/herself to make that capital outlay for the purchase of the appliance or lighting than have the company provide the appliance(s) and build the costs into the company's rate base which would then include a profit component for the company on an-going basis?

Response: Inter-County Energy references the response to AG request 32 submitted by EKPC and adopts that response as its own.

33. Confirm that the Smart Grid depends, at least in part, if not exclusively, on telephony (whether landline, fiber optic, wireless or VOIP) at the end-user level for the end-user to participate in his/her altering his/her electricity usage patterns or behavior.

Response: Smart Grid is dependent upon some form of communication media from generation to the end user encompassing all facets associated with its components.

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34. If the answer to the above question is in the affirmative, confirm that limited access or even complete absence of access to telephony will interfere with, if not prevent, the deployment of the Smart Grid at the end-user level.

Response: Again there has to be some form of communication media from generation to the end user encompassing all facets associated with its components.

35. If the company intends to install infrastructure / software allowing for the transmission of Smart Grid / Smart Meter data over its distribution / transmission conductors and networks, provide estimates, or actual numbers, for the costs of doing so.

Response: Inter-County Energy has implemented an AMI system with limited capabilities. The cost for doing so was approximately \$4.5 million dollars.

36. Is there a standard communications' protocol that the company will deploy in its Smart Grid that will be interoperable regardless of the communications provider?

Response: No

a. If not, explain how the company plans on addressing any problems that might arise.

Response: Inter-County Energy has not found a single communication protocol that is able to provide interoperable capabilities between systems and is of the opinion it will take multiple protocols to move forward with any new systems.

37. If improved reliability is the goal of Smart Grid / Smart Meter, would it not be more cost-effective to invest in infrastructure hardening (for example, utilizing protocols and standards developed and implemented by many utilities in hurricane-prone regions)?

Response: Inter-County Energy references the response to AG request #37 submitted by EKPC and adopts that response as its own.

38. Describe the company's plans to avoid obsolescence of Smart Grid / Smart Meter infrastructure (both hardware and software) and any resulting stranded costs. (This question and the subparts should be construed to relate to both the Smart Grid Investment Standard as well as the Smart Grid Information Standard.)

Response: Inter-County Energy references the response to AG request #38 submitted by EKPC and adopts that response as its own.

a. Describe who would pay for stranded costs resulting from obsolescence.

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Response: Inter-County Energy references the response to AG request #38a submitted by EKPC and adopts that response as its own.

- b. With regard to the recovery of any obsolete investment, explain the financial accounting that should be used (as in account entry, consideration of depreciation, time period involved, etc.).

Response: Inter-County Energy references the response to AG request #38b submitted by EKPC and adopts that response as its own.

39. With regard to interoperability standards, does the company agree that Smart Grid equipment and technologies as they currently exist, and are certain to evolve in the future, are not a one size fits all approach to the Commonwealth?

Response: Inter-County Energy references the response to AG request #39 submitted by EKPC and adopts that response as its own.

40. Is dynamic pricing strictly defined as TOU?

Response: Inter-County Energy references the response to AG request #40 submitted by EKPC and adopts that response as its own.

- a. If not, explain why not.

Response: Inter-County Energy references the response to AG request #40a submitted by EKPC and adopts that response as its own.

- b. Is the company requesting that dynamic pricing be voluntary or involuntary, if at all?

Response: Inter-County Energy references the response to AG request #40b submitted by EKPC and adopts that response as its own.

41. Please explain in detail whether the company has any dynamic programs in place in Kentucky.

Response: No

- a. For each program; provide the number of participants.

Response: NA

- b. For each program, state "whether those participants on aggregate have saved costs on their bills.

Response: NA

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- c. For each program, state whether those participants on aggregate have saved costs on their bills.

Response: NA

- d. For each program, state whether each participant has saved costs on his/her/its bills. (The question is not intended to request any private identifier information.)

Response: NA

42. Does the company recommend the Commission to formally adopt the EISA 2007 Smart Grid Investment Standard? If not, why not?

Response: Inter-County Energy references the response to AG request #42 submitted by EKPC and adopts that response as its own.

43. Does the company recommend the Commission to formally adopt the EISA 2007 Smart Grid Information Standard? If not, why not?

Response: Inter-County Energy references the response to AG request #43 submitted by EKPC and adopts that response as its own.

44. Does the company recommend issuing an IRP Standard?

Response: Inter-County Energy references the response to AG request #44 submitted by EKPC and adopts that response as its own.

- a. If so, what concerns does the company have with a standard, including "priority resource," especially as it relates to cost-effectiveness?

Response: Not Applicable

- b. What concerns would the company have with a standard as it affects CPCN and rate applications?

Response: Not Applicable

45. Does the company agree that any investment in grid modernization infrastructure should be done before deploying TOU rates or dynamic pricing? If not, why not?

Response: Inter-County Energy references the response to AG request #45 submitted by EKPC and adopts that response as its own.

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46. Regarding the Kentucky Smart Grid Roadmap Initiative (KSGRI), does the company believe that it provides the fundamental basis for the Commonwealth as a whole to proceed with Smart Grid given its lack of incorporating all electric utilities such as municipalities and the TV A, along with its distribution companies? If yes, please explain why. If not, please explain why not.

Response: Inter-County Energy references the response to AG request #46 submitted by EKPC and adopts that response as its own.

47. Does the company believe that the Commonwealth's electric industry is, or will become, so interconnected that all electric entities in any way involved or associated with the generation, transmission and / or distribution of electricity should be included and participate to some degree with Smart Grid if it is to come to fruition? If yes, please explain why. If not, please explain why not.

Response: Inter-County Energy references the response to AG request #47 submitted by EKPC and adopts that response as its own.

48. Does the company believe that any Smart Grid Investment will trigger a CPCN case? If not, why not?

Response: Inter-County Energy references the response to AG request #48 submitted by EKPC and adopts that response as its own.

49. Does the company believe that Dynamic Pricing should be economically feasible for the end-user and be supported by a cost-benefit analysis?

Response: Inter-County Energy references the response to AG request #49 submitted by EKPC and adopts that response as its own.

50. If additional education is contemplated with the deployment of the Smart Grid, please explain in detail if known or contemplated.

Response: Inter-County Energy references the response to AG request #50 submitted by EKPC and adopts that response as its own.

POLICY NO. 303

IDENTITY THEFT RED FLAG PREVENTION

I. OBJECTIVE

It shall be the policy of Inter-County Energy Cooperative Corporation to take all reasonable steps to identify, detect and prevent the theft of its members' personal information – commonly known as Identity Theft. In order to carry out that policy, Inter-County Energy Cooperative Corporation hereby adopts the following policy for identifying and detecting Red Flags that should raise concerns for Inter-County Energy Cooperative Corporation that a member's information is potentially being misused or stolen.

II. DEFINITIONS

The term "Red Flag" means a pattern, practice or specific activity that indicates the possible existence of Identity Theft.

The term "Identity Theft" means a fraud committed or attempted using the identifying information of another person without authority.

The term "identifying information" means any name or number that may be used, alone or in conjunction with any other information, to identify a specific person, including name, Social Security Number, date of birth, official state or government issued driver's license or identification number, alien registration number, government passport number, employer or Taxpayer Identification Number or address.

III. POLICY RATIONALE

Under federal law and regulations, Inter-County Energy Cooperative Corporation is required to adopt and implement an Identity Theft Red Flag Prevention Policy no later than the compliance deadline of November 1, 2008. This is required under the Federal Trade Commission ("FTC") regulations at 16 C.F.R. § 681.2 *et seq.*

IV. IDENTIFICATION OF ACCOUNTS SUBJECT TO RED FLAG POLICY

Inter-County Energy Cooperative Corporation maintains accounts for its members that allows the members to pay for service after it has been rendered. Bills are sent and payments are due on a monthly basis. These accounts are covered by this Red Flag policy.

V. IDENTIFICATION OF POTENTIAL RED FLAGS

A. Risk Factors

In identifying potential Red Flags associated with the accounts that Inter-County Energy Cooperative Corporation maintains, Inter-County Energy Cooperative Corporation's Board of Directors and Management have considered the following Identity Theft risk factors:

1. Types of Covered Accounts - Inter-County Energy Cooperative Corporation is an electric cooperative serving rural and small towns in Kentucky, providing its members with electric utility service. Inter-County Energy Cooperative Corporation serves approximately 25,000 members. Payments from members for services rendered are due within fifteen (15) days of billing. Inter-County Energy Cooperative Corporation does not provide credit to its members beyond this revolving, monthly account for utility service. Such service is rendered at a fixed physical location known to Inter-County Energy Cooperative Corporation.
2. Methods for Opening Accounts - Inter-County Energy Cooperative Corporation requires that prospective members who wish to receive utility service submit a membership application with the following information:
 - (a) name and date of birth of adult household members on the account;
 - (b) address location where service shall be provided;
 - (c) contact and billing information; and
 - (d) Social Security Number or tax identification number.

The applicant must also present to the Customer Service Representative a valid Government issued photo identification as proof of identity.

3. Methods for Accessing Accounts - Inter-County Energy Cooperative Corporation allows members to access information related to their accounts using the following methods, or plans to allow such access in the near future:
 - (a) in person at Inter-County Energy Cooperative Corporation's offices with a picture identification;
 - (b) over the telephone after providing Inter-County Energy Cooperative Corporation's Customer Service Representative with certain identifying information, such as the caller's date of birth and/or the address and telephone number of the service location and the last four digits of the member's Social Security Number or Tax Identification Number; or
 - (c) over the Internet using a secure password.

4. Previous Experience with Identity Theft - Inter-County Energy Cooperative Corporation is not aware of any security breach of or unauthorized access to its systems that are used to store members' personal identifying information. Given the limited amount and types of services and credit provided to its members, the small size of the population it serves, and the relatively low rate of change in membership, coupled with the utility's policies for securing members' personal information, Inter-County Energy Cooperative Corporation believes the risk of its members being the subject of Identity Theft through the information collected by Inter-County Energy Cooperative to be low.

B. Sources of Red Flags

In identifying potential Red Flags associated with the accounts that Inter-County Energy Cooperative Corporation maintains, Inter-County Energy Cooperative Corporation's Board of Directors and Management have considered the following sources of Red Flags for Identity Theft:

1. Past Incidents of Identity Theft - Inter-County Energy Cooperative Corporation is not aware of any security breach of or unauthorized access to its systems that are used to store members' personal identifying information collected by the utility. In the event of incidents of Identity Theft in the future, such incidents shall be used to identify additional Red Flags and added to this policy.
2. Identified Changes in Identity Theft Risk - As provided in Section VIII below, Inter-County Energy Cooperative Corporation will at least annually review this policy, the utility's operations and the utility's experience with Identity Theft for changes in Identity Theft risk.
3. Applicable Supervisory Guidance - In addition to considering the guidelines initially published with the FTC's Red Flag regulations, as a part of its annual review, Inter-County Energy Cooperative Corporation will review additional regulatory guidance from the FTC and other consumer protection authorities.

C. Categories of Red Flags

In identifying potential Red Flags associated with the accounts that Inter-County Energy Cooperative Corporation maintains, Inter-County Energy Cooperative Corporation's Board of Directors and Management have considered the following categories of Red Flags for Identity Theft:

1. Alerts, Notifications, and Warnings - Alerts, notifications or other warnings received from consumer reporting agencies or service providers, such as fraud detection services, can be Red Flags for Identity Theft. Such alerts, notifications and warnings include:

- (a) A fraud or active duty alert is included in a consumer report.
- (b) A consumer reporting agency provides a notice of credit freeze in response to a request for a consumer report.
- (c) A consumer reporting agency provides a notice of address discrepancy.
- (d) A consumer report indicates a pattern of activity that is inconsistent with the history and usual pattern of activity of an applicant or member, such as:
 - 1) A recent and significant increase in the volume of inquiries;
 - 2) An unusual number of recently established credit relationships;
 - 3) A material change in the use of credit, especially with respect to recently established credit relationships; or
 - 4) An account that was closed for cause or identified for abuse of account privileges.

Required Response:

Inter-County Energy Cooperative Corporation will receive and utilize reports related to its members from a consumer reporting agency. For the purpose of this policy, alerts, notifications and warnings received from such reports shall be considered to be a Red Flag.

- 2. Suspicious Documents - The presentation of suspicious documents can be a Red Flag for Identity Theft. Suspicious documents include:
 - (a) Documents provided for identification that appears to have been altered or forged.
 - (b) The photograph or physical description on the identification is not consistent with the appearance of the applicant or member presenting the identification.
 - (c) Other information on the identification is not consistent with information provided by the person opening a new account or member presenting the identification.
 - (d) Other information on the identification is not consistent with readily accessible information that is on file with Inter-County Energy Cooperative Corporation, such as a membership application form.
 - (e) An application appears to have been altered or forged, or gives the appearance of having been destroyed and reassembled.

Required Response:

Customer Service Representatives and other personnel of Inter-County Energy Cooperative Corporation shall report to Management when it appears that account documents have been altered or forged when compared to other documents in a member's file. It shall also be brought to Management's attention immediately if any member presents an invalid identification, or identification that appears forged for the purpose of obtaining access to account information.

3. Suspicious Personal Identifying Information - The presentation of suspicious personal identifying information, such as a suspicious address change, can be a Red Flag for Identity Theft. Presentation of suspicious information occurs when:
 - (a) Personal identifying information provided is inconsistent when compared against external information sources used by Inter-County Energy Cooperative Corporation. For example:
 - 1) The address does not match any address in the consumer report; or
 - 2) The Social Security Number has not been issued, or there is an indication that the Social Security Number belongs to a deceased person.
 - (b) Personal identifying information provided by the member is not consistent with other personal identifying information provided by the member. For example, there is a lack of correlation between the Social Security Number range and date of birth.
 - (c) Personal identifying information provided is associated with known fraudulent activity as indicated by internal or third-party sources used by Inter-County Energy Cooperative Corporation, for example:
 - 1) The address on an application is the same as the address provided on a fraudulent application; or
 - 2) The phone number on an application is the same as the number provided on a fraudulent application.
 - (d) Personal identifying information provided is of a type commonly associated with fraudulent activity as indicated by internal or third-party sources used by Inter-County Energy Cooperative Corporation. For example:

- 1) The address on an application is fictitious, a mail drop, or a prison; or
 - 2) The phone number is invalid, or is associated with a pager or answering service.
- (e) The Social Security Number provided is the same as that submitted by other persons opening an account or other members.
- (f) The address or telephone number provided is the same as or similar to the account number or telephone number submitted by an unusually large number of other persons opening accounts or other members.
- (g) The person opening the covered account or the member fails to provide all required personal identifying information on an application or in response to notification that the application is incomplete.
- (h) Personal identifying information provided is not consistent with personal identifying information that is on file with Inter-County Energy Cooperative Corporation.
- (i) If Inter-County Energy Cooperative Corporation uses challenge questions, the person opening the account or the member cannot provide authenticating information beyond that which generally would be available from a wallet.

Required Response:

Inter-County Energy Cooperative Corporation shall provide members access to their account information in person at the utility's offices only after verifying the member's identity through photo identification. Access to member account information via telephone or internet shall require the member to verify his or her identity using information that would only be known to the member as reflected in the member's account.

Customer Service Representatives shall be trained to make note in a member's file when there is a lack of correlation between information provided by a member and information contained in a file for the purposes of gaining access to account information. Inter-County Energy Cooperative Corporation is not to provide account information without first clearing any discrepancies in the information provided.

4. Suspicious Activity - The unusual use of, or other suspicious activity related to, a member account is also a Red Flag for potential Identity Theft. Suspicious activities include:

- (a) Shortly following the notice of a change of address for a member account, Inter-County Energy Cooperative Corporation receives a request for the addition of authorized users on the account.
- (b) Mail sent to the member is returned repeatedly as undeliverable although transactions continue to be conducted in connection with the member's covered account.
- (c) Inter-County Energy Cooperative Corporation is notified that the member is not receiving paper account statements.
- (d) Inter-County Energy Cooperative Corporation is notified of unauthorized charges or transactions in connection with the member's account.

Required Response:

Customer Service Representatives shall be trained to note unusual use of accounts, or suspicious activities related to accounts. It shall further be the policy of Inter-County Energy Cooperative Corporation to never provide Social Security Numbers or Tax Identification Numbers to members, either verbally or in writing, even where a member is asking for their own information. Customer Service Representatives shall immediately notify Management, who will conduct further reasonable inquiry, when a member requests such information.

It shall be the policy of Inter-County Energy Cooperative Corporation to train its Customer Service Representatives to look for unusual activity when reviewing member accounts for service. Customer Service Representatives shall also notify Management when there are an unusually high number of inquiries on an account, coupled with a lack of correlation in the information provided by the member.

- 5. Notices - Notice from members, victims of Identity Theft, law enforcement authorities, or other persons regarding possible Identity Theft in connection with member accounts can also be a Red Flag for Identity Theft.

Required Response:

Upon notice from a member, law enforcement authority, or other persons that one of its members may be a victim of Identity Theft, Inter-County Energy Cooperative Corporation shall contact the member directly in order to determine what steps may be necessary to protect any member information in the possession of Inter-County Energy Cooperative Corporation. Such steps may include, but not be limited to, setting up a new account for the member with additional identifying information that may be identified only by the member, in order to protect the integrity of the member's account.

VI. DETECTING RED FLAGS

- A. It shall be the policy of Inter-County Energy Cooperative Corporation to obtain identifying information about, and verify the identity of, a person opening an account. Inter-County Energy Cooperative Corporation will obtain the member's name, date of birth, address for service location and Social Security Number or Tax Identification Number to open a new account.

It shall be the policy of Inter-County Energy Cooperative Corporation to never provide Social Security Numbers or Tax Identification Numbers to members, either verbally or in writing, even where a member is asking for their own information.

- B. It shall be the policy of Inter-County Energy Cooperative Corporation to authenticate members and customers, monitor transactions and verify the validity of change of address requests, in the case of existing accounts.

VII. PREVENTING AND MITIGATING IDENTITY THEFT

- A. If Inter-County Energy Cooperative Corporation discovers that any of its members have become a victim of Identity Theft through personal information used by the utility in opening or maintaining a member's account, Management shall take appropriate steps that it deems necessary to mitigate the impacts of such Identity Theft. These steps may include, but are not limited to:
1. Monitoring an account for evidence of Identity Theft;
 2. Contacting the member;
 3. Changing any passwords, security codes or other security devices that permit access to an account;
 4. Reopening an account with a new account number;
 5. Closing an existing account;
 6. Not attempting to collect on an account;
 7. Notifying the member;
 8. Notifying law enforcement; or
 9. Determining that no response is warranted under the particular circumstances.

- B. Inter-County Energy Cooperative Corporation has a business relationship with Cooperative Response Center, Inc. for taking payments and Tru-Check, Inc. for meter reading. Under this business relationship, the third party contractor has access to member information covered under this Policy. The President/CEO shall ensure that the third party contractors' work for the utility is consistent with this policy by:
1. Amending the contract to incorporate these requirements; or
 2. By determining that the third party contractor has reasonable alternative safeguards that provide the same or a greater level of protection for member information as provided by the utility.

VIII. UPDATING AND ADMINISTERING THE POLICY

- A. Inter-County Energy Cooperative Corporation shall consider updates at least annually to determine whether it has experienced any Identity Theft of its members' accounts, whether changes in the methods of Identity Theft require updating to this Policy, or whether changes are necessary to detect, prevent, and mitigate Identity Theft. Inter-County Energy Cooperative Corporation's management will continue to monitor changes in methods of Identity Theft, and re-evaluate this policy in light of those changes. Management believes that review of such changes on no more than an annual basis is necessary.
- B. Administration of the Policy shall be as follows:
1. The Board of Directors has adopted this Policy and will have ultimate oversight of this Policy, but the Policy shall be managed by the President/CEO of Inter-County Energy Cooperative Corporation. The President/CEO shall establish a Privacy Committee to create, drive and monitor the program. The President/CEO shall appoint a Privacy Officer who will function as the head of the committee. He/she shall be from Senior Management and shall report directly to the President/CEO regarding the outcomes and needs of the Identity Theft Prevention Program. The President/CEO shall be responsible for reviewing Privacy Committee and Management reports regarding compliance with the utility's Policy.
 2. Potential changes to the Policy shall be reviewed at least annually at a meeting of the utility's Privacy Committee. The purpose of this meeting will be to evaluate incidents involving Identity Theft and Management's response and recommendations for changes in the program. Material changes to the Policy that may be needed prior to the meeting described herein shall be brought to the attention of the Privacy Officer and the President/CEO, and reviewed by Management and the Board of Directors if deemed necessary by the President/CEO.

3. Reports

- (a) Management reports shall be prepared at least annually by the Privacy Committee regarding the implementation and progress of the utility's Policy for review by the President/CEO. The President/CEO may, at his or her discretion, bring any issues related to the Policy to the attention of the Board of Directors for review.
- (b) The above-described report prepared by the Privacy Committee personnel designated with supervising the Policy shall include a discussion of: the progress of implementing and the effectiveness of the Policy; ongoing risk level of Identity Theft of member information; potential changes to the Policy and other operation practices of the utility to further the goal of protecting member's personal information; and, identification and discussion of instances of Identity Theft of the utility's members.
- (c) The President/CEO shall keep records of meetings regarding this Policy showing the dates and topics discussed. The President/CEO shall also cause to be maintained a file with copies of the five (5) most recent annual reports prepared under the policy.

Effective: October 17, 2008
Revised: October 8, 2010
Reviewed: October 21, 2011
Reviewed: October 19, 2012

POLICY NO. 320

USE OF COOPERATIVE COMMUNICATIONS SYSTEMS AND EQUIPMENT
(LIMITATIONS ON E-MAIL AND INTERNET USE)

I. OBJECTIVE

- A. To ensure that the Cooperative's business equipment and electronic communications systems, including telephone, voice mail, e-mail, intranet and Internet, are used only for job-related purposes, with only minimal personal use during non-working time.
- B. To ensure that persons utilizing the Cooperative's business equipment and electronic communications systems understand that confidentiality and privacy are not available to individual users of the Cooperative's communications systems, including voice-mail, e-mail, etc.

II. POLICY CONTENT

All business equipment and electronic and telephone communications systems are Cooperative property and are to be used for conducting Cooperative business with minimal personal use permitted during non-working time, provided such use does not violate the provisions of this policy.

III. PROVISIONS

- A. The Cooperative maintains electronic communications systems including voice-mail, e-mail, intranet and Internet access for use in conducting Cooperative business. The voice-mail, e-mail, intranet and Internet systems and equipment are Cooperative property and are not the private property of any employee.
- B. All communications and information (including voice-mail, e-mail, computer files, etc.) transmitted, stored or received over or in the Cooperative's business equipment and electronic communications systems are Cooperative properties. As policy, the Cooperative will not routinely read electronic message content; however, the Cooperative reserves the right to do so at any time without any prior notification. Consistent with other Cooperative policies and applicable law, the Cooperative additionally reserves the right to monitor any voice-mail, e-mail, and intranet or Internet communications passing through Cooperative facilities. The Cooperative may electronically scan e-mail messages for the presence of specific content such as viruses or passwords. The Cooperative will also respond to legal process and fulfill its obligations to third parties. Unauthorized monitoring of Cooperative e-mail or its contents is a violation of Cooperative policy. The Cooperative will take such steps as are necessary to guard against viruses that may arrive through attachments to e-mail.

- C. By accepting employment, or continued employment, with the Cooperative, employees consent to (1) the monitoring, printing, copying, and/or deleting of any voice-mail, e-mail message or other electronic data prepared by the employee, and (2) the Cooperative's use of such voice-mail, e-mail, or other electronic data as the Cooperative deems appropriate. Employees acknowledge that the Cooperative's ability and freedom to monitor, delete, and otherwise take action with respect to employee voice-mails, e-mails, Internet usage, and other electronic data stored on Cooperative systems and equipment is necessary in order for the Cooperative to protect itself, its business, and its employees.
- D. Passwords do not guarantee privacy. Passwords are designed to maintain the confidentiality of the Cooperative's business-related information and to give employees access to all or part of the Cooperative's electronic communications systems as part of their work functions. Passwords are not designed to provide confidentiality with the respect to personal messages and documents stored on, or the employees' use of, the Cooperative's electronic communications systems. No employee should have any expectation of privacy with respect to the electronic communications systems.

In addition, passwords are made by the employee, but they are not private. The Computer System Administrator and the immediate supervisor must be notified of the existence of the passwords and of any change. The employee should not disclose his/her password, or if the password is inadvertently disclosed, it should be changed immediately with appropriate notification to the supervisor. The employee must exercise all caution in protecting the password and the employee is responsible for its safe-keeping. Finally, the employee should exercise extreme care in making certain that his/her terminal is not accessible for unauthorized use.

- E. Telephone, Internet and E-Mail Use
1. **Employee use of the Cooperative's electronic communications systems is a privilege, not a right**, and places responsibility on all users of the systems. Minimal personal use of the Internet, e-mail, telephone and voice mail systems is permitted during non-working time at the discretion of the Cooperative. However, the Cooperative may revoke the privilege, with or without cause or reason, either temporarily or permanently.
 2. Internet use must be consistent with Cooperative policies, ethics and values. In that respect, certain Internet websites are off-limits. Access to pornographic, "hate", and other sites that are simply inappropriate in a work or any other setting is strictly prohibited. If a supervisor believes that an employee is accessing inappropriate websites, the supervisor may request monitoring assistance from the Vice President of Customer Services and the Computer System Administrator. The Cooperative will maintain software programs that enable it to isolate and determine the Internet usage of its business equipment.

3. Listed below are prohibited activities in which voice-mail, e-mail, intranet and Internet users may not engage. The specific activities listed herein are not intended to be an all inclusive list of all possible activities that would be prohibited by the Cooperative. When considering the propriety of engaging in a particular act, the employee should be guided by both the specific prohibitions provided below and the general objectives and guidelines expressed in this Policy. Prohibited activities include, but are not limited to:
 - a. Using any words, images, or references that could be viewed as obscene, derogatory, discriminatory, defamatory, or racially, sexually, ethnically, or otherwise offensive to the Cooperative, colleagues, customers, members, suppliers, or competitors;
 - b. Creating, accessing, downloading, or transmitting messages or images that might be considered inappropriate in the workplace, including, but not limited to, messages or images that are rude, obscene or pornographic, and messages or images that might be considered offensive or harassing due to their reference to race, color, religion, sex, national origin, age, physical or mental disability, or any other protected status recognized under federal or state law;
 - c. Using voice-mail, e-mail, intranet or the Internet to harass, intimidate, or annoy other persons including co-workers;
 - d. Using voice-mail, e-mail, intranet or the Internet to make defamatory statements directed towards the Cooperative;
 - e. Spreading "chain mail" and other frivolous communications;
 - f. Making unauthorized communications to co-workers that disrupt the system;
 - g. Using the Internet for "day trading" (i.e. buying, selling, or otherwise trading stocks or making other investments over the Internet) with the exception of the NRECA SelectRE Pension Plan program.
 - h. Downloading, copying, or transmitting software and/or documents protected by copyrights, or infringing on intellectual property rights. Any employee with a question concerning a copyright or intellectual property rights issue should contact the Computer System Administrator.

- i. Downloading any other software or materials (such as on-line publications) unless the Cooperative's Vice President of Customer Services and Computer System Administrator have approved such download and has taken appropriate anti-virus measures;
 - j. Using encryption devices and software that have not been expressly authorized by the Cooperative; or
 - k. Opening e-mail messages from unknown or unidentified external sources. Such messages may contain viruses capable of causing substantial damage to the Cooperative's systems. Employees who receive messages from unrecognized external sources should contact the Computer System Administrator immediately.
 4. "Confidential" information must be appropriately encrypted before being transmitted using the Internet.
 5. Employees should avoid entering into any contractual agreements or making statements that might be interpreted as contractual unless they are authorized to do so and such practices are validated under applicable law. Providing access to a "Web page" on the Cooperative network by the outside world is strictly prohibited.
- F. The License (or Usage) Agreement for all software obtained from the Internet and used on Cooperative resources will be strictly followed. Software, data, and information integrity should be considered questionable when obtained from the Internet.
- G. Screen Savers
 1. All business equipment is Cooperative property and is to be used for Cooperative business only. Screen savers are an extension of the software programs pre-installed on the Cooperative's computers, and as such, management reserves exclusive control over access to and use of screen savers.
 2. Personal screen savers are prohibited. Employees found in violation of this policy may be disciplined, up to and including discharge.
 3. The Cooperative has provided or will provide pre-programmed screen savers to be installed by the Computer System Administrator for employees to run on their computer workstations as they see fit. Only these pre-approved screen saver programs provided by the Cooperative are to be run on employee computers. Employees are not required to run these screen saver programs on their computers.

- H. Employees utilizing the Cooperative's communications systems and equipment as authorized under this policy must exercise restraint and avoid abuse. Any use of the Cooperative's communications systems and equipment for the purpose of moonlighting is strictly prohibited. Furthermore, any use of the Cooperative's communications systems and equipment to make tortious or unlawful statements or to engage in tortious or unlawful activity is strictly prohibited.
- I. Employees should keep in mind that voice-mail and e-mail messages are permanent. They are often more permanent than written communications on paper. "Deleted" files can be retrieved, read, printed, and forwarded. It is extremely important that employees not create documents that they would be embarrassed to leave in printed form on their desks. The "erase" or "delete" keys simply move the file material into another cyber storage space. If you are embarrassed or concerned about a document that exists and you would not want it in printed form, then you should not have it in electronic form either. Consult with the Vice President of Customer Services.
- J. **Non-Working Time Defined**
- For the purposes of this policy, non-working time is defined as follows:
1. Before 8 A.M. and after 5 P.M.;
 2. During the standard lunch hour; and
 3. During authorized break periods.
- K. This policy applies to all employees and contractors using the Cooperative's electronic communications systems, irrespective of the time of day or location of the employee. Employees violating the letter or spirit of this policy are subject to losing their electronic communications privileges and may also be disciplined, up to and including discharge. Contractors violating the letter or spirit of this policy may jeopardize the status of their contract(s) with the Cooperative.
- L. Any failure by the Cooperative to discipline employees for prior violations of this policy shall not constitute a waiver of its right to impose discipline for subsequent violations.

IV. RESPONSIBILITY

The President/CEO, the Vice Presidents, immediate supervisors and all employees are responsible for the administration of this policy.

EFFECTIVE DATE: 2/13/04
REVISED EFFECTIVE DATE: 2/13/04

POLICY NO. 321

CODE OF ETHICS

I. OBJECTIVE

The purpose of this policy is to reaffirm the Cooperative's commitment to the highest standards of legal and ethical conduct in its business practices and to ensure that all employees adhere to those standards.

II. POLICY CONTENT

It has been the longstanding policy of the Cooperative to maintain the highest ethical standards in the conduct of Cooperative affairs and in its relationships with consumers, suppliers, employees, advisors, and the communities that we serve.

III. PROVISIONS

- A. As integral members of the Cooperative's team, employees are expected to accept certain responsibilities, adhere to acceptable business principles in matters of personal conduct, and exhibit a high degree of personal integrity at all times. This not only involves sincere respect for the rights and feelings of others, but also demands that in both your business and personal life, you refrain from any behavior that might be harmful to you, your co-workers, or the Cooperative, or that might be viewed unfavorably by current or potential consumers or by the public at large. Whether you are on duty or off, your conduct reflects on the Cooperative. You are, consequently, encouraged to observe the highest standards of professionalism at all times.
- B. It would be virtually impossible to cite examples of every type of activity which might give rise to a question of unethical conduct. Therefore, it is important that each of us rely on our own good judgment in the performance of our duties and responsibilities. When those situations occur where the proper course of action is unclear, request advice and counsel from your department head. The reputation and good name of the Cooperative depends entirely upon the honesty and integrity of each one of us.
- C. All employees must conform to ethical and legal standards to abide by the law and to preserve the Cooperative's integrity and reputation. Failure to adhere to this policy may result in disciplinary action, up to and including discharge from employment.

IV. RESPONSIBILITY

The President/CEO shall be responsible for the administration of this policy.

EFFECTIVE DATE: AUGUST 13, 2004

POLICY NO. 323

WHISTLEBLOWER POLICY

I. OBJECTIVE

- A. To provide a specific procedure for employees to file complaints or concerns regarding accounting, internal accounting controls, or auditing matters; and
- B. To protect employees engaged in whistleblower activities from retaliation and/or discrimination.

II. POLICY CONTENT

- A. Employees shall submit genuine concerns regarding accounting, internal accounting controls, or auditing matters to the Audit Committee of the Company's Board of Directors utilizing the procedures set out in this policy.
- B. The Cooperative prohibits retaliation and discrimination against employees who file complaints in good faith as set out in this policy.

III. PROVISIONS

- A. The Cooperative's Board of Directors has formed an Audit Committee which has established and will maintain procedures for:
 - 1. the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - 2. the confidential, anonymous submission by Cooperative employees of concerns regarding questionable accounting or auditing matters.
- B. The Cooperative shall promptly forward all complaints and concerns regarding accounting, internal accounting controls, or auditing matters it receives to the Audit Committee for investigation.
- C. Complaints or concerns must be submitted using one of the procedures set out below, and may be submitted anonymously. The confidentiality and anonymity of the complainant will be maintained to the extent possible.

1. **Concerns Not Involving the President/CEO** - Employees shall submit their concerns in writing to the President/CEO, who will then forward the complaint to the Chair of the Audit Committee. Complaints filed in this manner should be submitted to the President/CEO in a sealed envelope labeled, "To be opened by the Audit Committee only."
 2. **Concerns Involving the President/CEO** - If the President/CEO is the subject of concern, employees shall submit their concerns in writing to the Cooperative's General Counsel in a sealed envelope labeled "To Be Opened By The Audit Committee Only". The Cooperative's General Counsel will forward the complaint to the Chair of the Audit Committee.
- D. Upon receipt of a complaint made in good faith, the Audit Committee shall investigate the matter and take appropriate corrective action, if necessary. The Audit Committee shall make reasonable efforts to protect the confidentiality and anonymity of the complainant. The Audit Committee shall retain all such complaints and concerns for a minimum of seven (7) years.
- E. The Whistleblower will be informed of the progress and/or the outcome of the investigation unless: (1) the Whistleblower indicates his or her preference not to be informed, (2) this would be detrimental to the Whistleblower, Cooperative or the investigation, or (3) there are other, sound reasons not to inform the Whistleblower. The Audit Committee is also responsible for determining whether follow-up with the Whistleblower would be detrimental or whether reasons exist not to inform the Whistleblower. The Audit Committee is also responsible for informing the Whistleblower if the Concern has been settled or closed.
- F. All employees are required to cooperate in the investigation of Concerns, which may include steps such as personal interviews and requests for and review of documents. Employees must not discuss the investigation, including any interviews or document requests, with anyone unless specifically instructed that they may do so.
- G. The Cooperative prohibits retaliation and discrimination against any employee who provides information he/she reasonably believes constitutes mail fraud, fraud by wire, radio or television, bank fraud, or securities fraud, or who files a complaint or concern in good faith pursuant to this policy. Furthermore, no employee shall be adversely affected because he/she refuses or fails to carry out a directive that constitutes corporate fraud, or is a violation of state or federal law.
- H. Employees of the Cooperative who knowingly make false and malicious allegations may, if discovered, be subject to disciplinary action, up to, and including, termination.

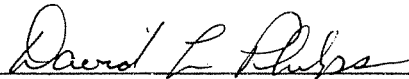
IV. RESPONSIBILITY

- A. All employees are responsible for reporting any conduct they in good faith believe violates this policy.
- B. The Audit Committee and the President/CEO are responsible for the administration of this policy.

Effective: November 16, 2007
Revised: November 21, 2008
Revised: March 15, 2013

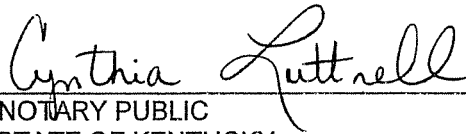
CERTIFICATION

David Phelps, Vice-President of Operations, being duly sworn, states that he has prepared the responses to the Attorney General's Initial Requests For Information To The Companies in Case No. 2012-00428 dated February 27, 2013, and that the responses are true and accurate to the best of his knowledge, information and belief formed after a reasonable inquiry.



David Phelps, Vice-President of Operations
Inter-County Energy Cooperative Corporation

Subscribed and sworn to before me by David Phelps as Vice-President of Operations of Inter-County Energy Cooperative Corporation this 19th day of March 2013.



NOTARY PUBLIC
STATE OF KENTUCKY
COUNTY OF BOYLE

My Commission Expires: July 15, 2013

Certificate of Service and Filing

An original of Inter-County Energy Cooperative's responses to Case No. 2012-00428, Attorney General's Initial Requests For Information To The Companies, was respectfully filed and sent via FedEx Next Day Delivery to Mr. Jack Conway, Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, KY 40601-8204 on March 19, 2013. Also, a copy of the same was mailed via First Class U.S. Mail on March 19, 2013 to the following:

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Certificate of Service and Filing

A copy of Inter-County Energy's responses to Case No. 2012-00428, Attorney General's Initial Requests For Information To The Companies, was emailed March 19, 2013 to the following:

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