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March 20, 2013

Mr. Jeffrey Derouen  
Executive Director  
Kentucky Public Service Commission  
P.O. Box 615  
211 Sower Boulevard  
Frankfort, KY 40602

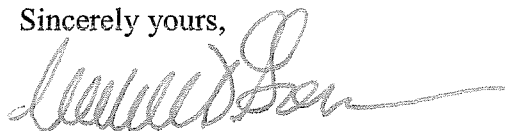
Re: In the Matter of: Consideration of the Implementation of Smartgrid  
and Smart Meter Technologies, Case No. 2012-00428

Dear Mr. Derouen:

Please find enclosed for filing with the Commission in the above-referenced case an original and fourteen (14) copies of the Responses of South Kentucky Rural Electric Cooperative Corporation to the Commission Staff's First Request for Information dated February 27, 2013, and to the Attorney General's Initial Requests for Information, also dated February 27, 2013.

Please let me know should you have any questions.

Sincerely yours,



Mark David Goss

Enclosures

cc: Counsel of Record

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

**In the Matter of:**

**2013 CONSIDERATION OF IMPLEMENTATION ) CASE NO.**  
**OF SMART GRID AND SMART METER TECHNOLOGIES ) 2012-00428**

**RESPONSES TO ATTORNEY GENERALS' FIRST REQUEST FOR  
INFORMATION TO SOUTH KENTUCKY RURAL ELECTRIC  
COOPERATIVE CORPORATION  
DATED FEBRUARY 27, 2013**

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

**In the Matter of:**

**2013 CONSIDERATION OF IMPLEMENTATION ) CASE NO.**  
**OF SMART GRID AND SMART METER TECHNOLOGIES ) 2012-00428**

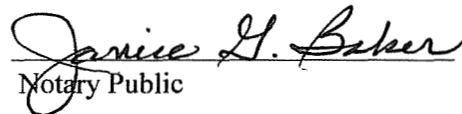
**CERTIFICATE**

**STATE OF KENTUCKY )**  
**COUNTY OF PULASKI )**

Jeff Greer, being duly sworn, states that he has supervised the preparation of the Responses of South Kentucky Rural Electric Cooperative Corporation, to the Attorney General's Initial Requests for Information in the above-referenced case dated February 27, 2013, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

  
\_\_\_\_\_

Subscribed and sworn before me on this 20<sup>th</sup> of March, 2013.

  
\_\_\_\_\_  
Notary Public

My commission expires: 12/12/2013

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

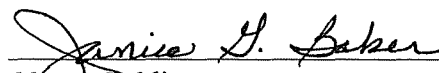
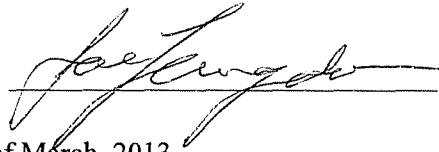
2013 CONSIDERATION OF IMPLEMENTATION ) CASE NO.  
OF SMART GRID AND SMART METER TECHNOLOGIES ) 2012-00428

CERTIFICATE

STATE OF KENTUCKY )  
COUNTY OF PULASKI )

Joe Langdon, being duly sworn, states that he has supervised the preparation of the Responses of South Kentucky Rural Electric Cooperative Corporation, to the Attorney General's Initial Requests for Information in the above-referenced case dated February 27, 2013, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

Subscribed and sworn before me on this 20<sup>th</sup> of March, 2013.



Notary Public

My commission expires: 12/2/2013

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

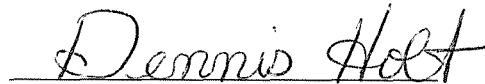
**In the Matter of:**

**2013 CONSIDERATION OF IMPLEMENTATION ) CASE NO.**  
**OF SMART GRID AND SMART METER TECHNOLOGIES ) 2012-00428**

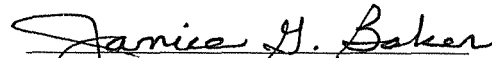
**CERTIFICATE**

**STATE OF KENTUCKY )**  
**COUNTY OF PULASKI )**

Dennis Holt, being duly sworn, states that he has supervised the preparation of the Responses of South Kentucky Rural Electric Cooperative Corporation, to the Attorney General's Initial Requests for Information in the above-referenced case dated February 27, 2013, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

  
\_\_\_\_\_

Subscribed and sworn before me on this 30<sup>th</sup> of March, 2013.

  
\_\_\_\_\_  
Notary Public

My commission expires: 12/2/2013



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE

PSC CASE NO. 2012-00428

CONSIDERATION OF IMPLEMENTATION

OF SMART GRID AND SMART METER TECHNOLOGIES

RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

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

**Witness:** Jeff Greer

**Response:** South Kentucky RECC references the response to AG Request #1 submitted by EKPC and adopts the response as its own.





SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE

PSC CASE NO. 2012-00428

CONSIDERATION OF IMPLEMENTATION

OF SMART GRID AND SMART METER TECHNOLOGIES

RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

2. Are the technologies pertaining to the implementation of Smart Grid definitely known and proven?
  - a. If yes, explain in detail every aspect from the use of each technology from the company to the end-user.
  - b. If not, explain in detail what technologies are already advancing/improving, as well as those that are envisioned on the immediate time horizon.

**Witness:** Joe Langdon

**Response:** Yes. The technology in use at South Kentucky has been in use by other organizations for many years and has been found to be reliable. Servers and software reside on a segmented portion of our corporate network and communicates to our substations via a Wide Area Network (WAN). At each substation there is a special transformer that injects a signal onto the power lines that enables us to communicate with the meters. This enables us to read meters and disconnect or connect meters with a remote connect-disconnect collar. Information collected by servers on our corporate network gives the ability to give information to the member about their electric usage in much greater detail.



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE

PSC CASE NO. 2012-00428

CONSIDERATION OF IMPLEMENTATION

OF SMART GRID AND SMART METER TECHNOLOGIES

RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

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 year? If not, for each and every storm that it affected the utility in excess of two days, please provide the following:

**Witness:** Dennis Holt

**Response:** South Kentucky RECC cannot say that its' system is 100% reliable, but we have not had an outage of greater than two days length in over 10 years.

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

**Response:** N/A

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

**Response:** N/A

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

**Response:** N/A



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE

PSC CASE NO. 2012-00428

CONSIDERATION OF IMPLEMENTATION

OF SMART GRID AND SMART METER TECHNOLOGIES

RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

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?

**Witness:** Jeff Greer

**Response:** South Kentucky RECC references the response to AG Request #4 submitted by EKPC and adopts the response as its own.



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE

PSC CASE NO. 2012-00428

CONSIDERATION OF IMPLEMENTATION

OF SMART GRID AND SMART METER TECHNOLOGIES

RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

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?

**Witness:** Jeff Greer

**Response:** South Kentucky RECC references the response to AG Request #5 submitted by EKPC and adopts the response as its own.

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE

PSC CASE NO. 2012-00428

CONSIDERATION OF IMPLEMENTATION

OF SMART GRID AND SMART METER TECHNOLOGIES

RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

**6.** Please state whether the company is aware of any cybersecurity 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.

**Witness:** Joe Langdon

**Response:** Yes, there have been cyber security breaches affecting both the electric and gas industries. There have been incidences where malicious software was placed on the network either by an infected email or via an infected thumb drive.





SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE

PSC CASE NO. 2012-00428

CONSIDERATION OF IMPLEMENTATION

OF SMART GRID AND SMART METER TECHNOLOGIES

RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

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".

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

**Witness:** Joe Langdon

**Response:** Yes



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE

PSC CASE NO. 2012-00428

CONSIDERATION OF IMPLEMENTATION

OF SMART GRID AND SMART METER TECHNOLOGIES

RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

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

(a) the company, and

**Witness:** Joe Langdon

**Response:** We cannot “unequivocally confirm” that our system is completely invulnerable to any current or future cyber-attack methods. The consequence for the company is in the event of a successful cyber-attack we would have to resort to manual methods of reading, connecting, and disconnecting meters, and connecting or disconnecting line sections at the substation.

(b) the company's ratepayers.

**Response:** In the event of a successful cyber-attack the ratepayer could have less information about their electrical usage available to them for a period of time. The number of days between meter readings could also fluctuate until the cyber security incident was completely resolved.



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE

PSC CASE NO. 2012-00428

CONSIDERATION OF IMPLEMENTATION

OF SMART GRID AND SMART METER TECHNOLOGIES

RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

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 cybersecurity threats.

**Witness:** Joe Langdon

**Response:** The following were referred to when developing our cyber security plan:

- Federal information processing Standard (FIPS) 200, Minimum Security Requirements for Federal Information and Information Systems
- FIPS 199, Standards for Security Categorization of Federal Information and Information Systems
- North American Electric Reliability Corporation (NERC) Security Guidelines for the Electricity Sector: Vulnerability and Risk Assessment
- National Infrastructure Protection Plan
- North American Electric Reliability Corporation Critical Infrastructure Protection (NERC/CIP) 002, 003-009
- AMI-SEC System Security Requirements NIST Special Publications 800-53, 800-82, 800-39



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE  
PSC CASE NO. 2012-00428  
CONSIDERATION OF IMPLEMENTATION  
OF SMART GRID AND SMART METER TECHNOLOGIES  
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

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

**Witness:** Joe Langdon

**Response:** The volumes of standards and guidelines listed in Item 9 above were used to assist in developing South Kentucky's cyber security plan. These standards and guidelines are available on the Internet.

The following is a summary of South Kentucky's Cyber Security Plan:

SKRECC advocates and supports an information security approach that leverages industry standard tools and best practices throughout the product lifecycle. We have implemented those systems and practices necessary to protect the confidentiality, integrity, and availability of all the data that is generated as part of our electric services and will continue to use this approach.

Security needs vary by location and installation. Consequently, the information security strategy employed at each location must be customized to address the environmental, risk, and threat factors that are unique to that location.

SKRECC's view of the information security lifecycle is that it begins when a project is conceived, and it continues for the duration of every installation and will be ongoing after a project is completed. When some new change is introduced into the environment or a new threat develops cyber security practices and protections must be reevaluated for effectiveness. The environment will be evaluated on a continual basis for potential threats. When threats are found ways to eliminate or mitigate the threat will be implemented.



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE  
PSC CASE NO. 2012-00428  
CONSIDERATION OF IMPLEMENTATION  
OF SMART GRID AND SMART METER TECHNOLOGIES  
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

SKRECC has established and will continue to maintain internal controls for cyber security including barring employees from installing, copying, or downloading software unless formally authorized.

SKRECC abides by and will continue to abide by best practices recommended by hardware and software vendors and commonly accepted network security best practices (for example, software patching, up to date antivirus, network segmentation, only-as-needed access to resources, etc.). Hardware and software vendors will be used as resources in maintaining security on an ongoing basis. When selecting hardware and software vendors the built in security of their product will be an integral part of the evaluation process.

Communications between resources on the network segment and outside the network segment will take place via secure communications methods.

In addition to various routing, firewall, patching, passwords, and other digital measures physical security measures and monitoring will also be introduced into the environment and maintained as appropriate.



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE  
PSC CASE NO. 2012-00428  
CONSIDERATION OF IMPLEMENTATION  
OF SMART GRID AND SMART METER TECHNOLOGIES  
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

**11.** With regard to cybersecurity 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:

**Witness:** Joe Langdon

(a). the company, and

**Response:** We cannot "unequivocally confirm" that there is no possibility of ratepayers' private data being divulged due to a cyber-attack. Consequences to the company would be expense restoring security, litigation, and increased work volume of customer service representatives answering ratepayers questions and concerns.

(b). the company's ratepayers.

**Response:** The amount of ratepayer private information available to be divulged via a smart grid related security breach would be mostly limited to information pertaining to their electric account.



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE  
PSC CASE NO. 2012-00428  
CONSIDERATION OF IMPLEMENTATION  
OF SMART GRID AND SMART METER TECHNOLOGIES  
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

**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?

**Witness:** Joe Langdon

**Response:** The consequences of violating the nondisclosure agreement would be an added incentive to maintain the privacy of ratepayers' information.



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE  
PSC CASE NO. 2012-00428  
CONSIDERATION OF IMPLEMENTATION  
OF SMART GRID AND SMART METER TECHNOLOGIES  
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

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

**Witness:** Joe Langdon

**Response:** Both the Federal Trade Commission's Red Flags Rule and the response to Item 9 also apply here.





SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE

PSC CASE NO. 2012-00428

CONSIDERATION OF IMPLEMENTATION

OF SMART GRID AND SMART METER TECHNOLOGIES

RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

**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 cybersecurity threats.

**Witness:** Joe Langdon

**Response:** Both the Federal Trade Commission's Red Flags Rule and the response to Item 10.



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE  
PSC CASE NO. 2012-00428  
CONSIDERATION OF IMPLEMENTATION  
OF SMART GRID AND SMART METER TECHNOLOGIES  
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

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

**Witness:** Joe Langdon

**Response:** In the event of a cyber-attack via digital means the digital automated communications' parts of South Kentucky RECC's infrastructure can be isolated. These components would then be operated by manual means.



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE  
PSC CASE NO. 2012-00428  
CONSIDERATION OF IMPLEMENTATION  
OF SMART GRID AND SMART METER TECHNOLOGIES  
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

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

**Witness:** Jeff Greer

**Response:** South Kentucky RECC references to AG Request #16 submitted by EKPC and adopts the 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 (EMP's, 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.

**Witness:** Jeff Greer

**Response:** South Kentucky RECC references to AG Request #16 submitted by EKPC and adopts the response as its own.



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE  
PSC CASE NO. 2012-00428  
CONSIDERATION OF IMPLEMENTATION  
OF SMART GRID AND SMART METER TECHNOLOGIES  
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

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

**Witness:** Jeff Greer

**Response:** South Kentucky RECC references to AG Request #17 submitted by EKPC and adopts the response as its own.





SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE

PSC CASE NO. 2012-00428

CONSIDERATION OF IMPLEMENTATION

OF SMART GRID AND SMART METER TECHNOLOGIES

RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

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

**Witness:** Jeff Greer

**Response:** South Kentucky RECC references to AG Request #18 submitted by EKPC and adopts the response as its own.



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE  
PSC CASE NO. 2012-00428  
CONSIDERATION OF IMPLEMENTATION  
OF SMART GRID AND SMART METER TECHNOLOGIES  
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

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

**Witness:** Jeff Greer

**Response:** South Kentucky RECC references to AG Request #19 submitted by EKPC and adopts the response as its own.



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE

PSC CASE NO. 2012-00428

CONSIDERATION OF IMPLEMENTATION

OF SMART GRID AND SMART METER TECHNOLOGIES

RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

- 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?

**Witness:** Jeff Greer

**Response:** South Kentucky RECC references to AG Request #20 submitted by EKPC and adopts the response as its own.



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE  
PSC CASE NO. 2012-00428  
CONSIDERATION OF IMPLEMENTATION  
OF SMART GRID AND SMART METER TECHNOLOGIES  
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

- 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.

**Witness:** Jeff Greer

**Response:** South Kentucky RECC references to AG Request #21 submitted by EKPC and adopts the response as its own.

SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE

PSC CASE NO. 2012-00428

CONSIDERATION OF IMPLEMENTATION

OF SMART GRID AND SMART METER TECHNOLOGIES

RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

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

**Witness:** Jeff Greer

**Response:** South Kentucky RECC references to AG Request #22 submitted by EKPC and adopts the response as its own.





SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE  
PSC CASE NO. 2012-00428  
CONSIDERATION OF IMPLEMENTATION  
OF SMART GRID AND SMART METER TECHNOLOGIES  
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

**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.

**Witness:** Jeff Greer

**Response:** South Kentucky RECC references to AG Request #23 submitted by EKPC and adopts the response as its own.



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE  
PSC CASE NO. 2012-00428  
CONSIDERATION OF IMPLEMENTATION  
OF SMART GRID AND SMART METER TECHNOLOGIES  
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

**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?

**Witness:** Jeff Greer

**Response:** South Kentucky RECC references to AG Request #24 submitted by EKPC and adopts the response as its own.



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE  
PSC CASE NO. 2012-00428  
CONSIDERATION OF IMPLEMENTATION  
OF SMART GRID AND SMART METER TECHNOLOGIES  
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

**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?

**Witness:** Jeff Greer

**Response:** South Kentucky RECC references to AG Request #25 submitted by EKPC and adopts the response as its own.



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE

PSC CASE NO. 2012-00428

CONSIDERATION OF IMPLEMENTATION

OF SMART GRID AND SMART METER TECHNOLOGIES

RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

**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.

**Witness:** Jeff Greer

**Response:** South Kentucky RECC references to AG Request #26 submitted by EKPC and adopts the response as its own.





SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE  
PSC CASE NO. 2012-00428  
CONSIDERATION OF IMPLEMENTATION  
OF SMART GRID AND SMART METER TECHNOLOGIES  
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

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

**Witness:** Jeff Greer

**Response:** South Kentucky RECC references to AG Request #27 submitted by EKPC and adopts the 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:** South Kentucky RECC references to AG Request #27 submitted by EKPC and adopts the response as its own.



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE  
PSC CASE NO. 2012-00428  
CONSIDERATION OF IMPLEMENTATION  
OF SMART GRID AND SMART METER TECHNOLOGIES  
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

**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 answers in any studies, reports analyses and relevant data.)

**Witness:** Jeff Greer

**Response:** It is South Kentucky RECC's intent to design Time of Use Rates ("TOU") in the future that are revenue neutral if the member does not change his/her usage pattern. All time of use rates will be optional rates for members and will be based on the concept that the member will save money if usage is switched to the off season or off hours.



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE  
PSC CASE NO. 2012-00428  
CONSIDERATION OF IMPLEMENTATION  
OF SMART GRID AND SMART METER TECHNOLOGIES  
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

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:

**Witness:** Jeff Greer

**Response:** South Kentucky does not currently have any TOU rates in place.

(a). the number of customers who participated;

**Response:** N/A

(b). whether they remained on the program;

**Response:** N/A

(c). whether they saved money on their bills; and

**Response:** N/A

(d). whether the customers ultimately reduced their usage.

**Response:** N/A



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE  
PSC CASE NO. 2012-00428  
CONSIDERATION OF IMPLEMENTATION  
OF SMART GRID AND SMART METER TECHNOLOGIES  
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

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;

**Witness:** Joe Langdon

**Response:** Where technology exists we plan to provide interaction via telephone Interactive Voice Response.

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

**Response:** Our intent is to support as many forms of current telecommunications technologies as possible such as traditional POTS phone service, cellular, smart phone apps, and Internet.

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

**Response:** We do strive to provide new technologies within defined standards in order to promote compatibility with as many marketplace options as possible.





SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE  
PSC CASE NO. 2012-00428  
CONSIDERATION OF IMPLEMENTATION  
OF SMART GRID AND SMART METER TECHNOLOGIES  
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

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?

**Witness:** Jeff Greer

**Response:** South Kentucky RECC references to AG Request #31 submitted by EKPC and adopts the response as its own.

(b). If so, what are the projected costs?

**Response:** South Kentucky RECC references to AG Request #31 submitted by EKPC and adopts the response as its own.

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

**Response:** South Kentucky RECC references to AG Request #31 submitted by EKPC and adopts the response as its own.



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE

PSC CASE NO. 2012-00428

CONSIDERATION OF IMPLEMENTATION

OF SMART GRID AND SMART METER TECHNOLOGIES

RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

**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?

**Witness:** Jeff Greer

**Response:** South Kentucky RECC references to AG Request #32 submitted by EKPC and adopts the response as its own.



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE

PSC CASE NO. 2012-00428

CONSIDERATION OF IMPLEMENTATION

OF SMART GRID AND SMART METER TECHNOLOGIES

RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

**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.

**Witness:** Dennis Holt

**Response:** The above statement is correct in that the end user would need some type of telephony to monitor their usage. The customer can always record their own readings directly off the meter display.



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE

PSC CASE NO. 2012-00428

CONSIDERATION OF IMPLEMENTATION

OF SMART GRID AND SMART METER TECHNOLOGIES

RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

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.

**Witness:** Dennis Holt

**Response:** It would not prevent deployment, but it might affect the interaction with the member and limit the rate options available to the member.





SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE

PSC CASE NO. 2012-00428

CONSIDERATION OF IMPLEMENTATION

OF SMART GRID AND SMART METER TECHNOLOGIES

RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

**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.

**Witness:** Dennis Holt

**Response:** We have already completed the installation of an AMI system. The cost, less a DOE smart grid initiative grant of \$9.5 million, was approximately \$10 million.



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE  
PSC CASE NO. 2012-00428  
CONSIDERATION OF IMPLEMENTATION  
OF SMART GRID AND SMART METER TECHNOLOGIES  
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

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

**Witness:** Joe Langdon

**Response:** Yes. The standard communications between our servers and our substations is via TCP/IP. This is a very common standard supported by almost any communications provider.

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

**Response:** N/A



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE  
PSC CASE NO. 2012-00428  
CONSIDERATION OF IMPLEMENTATION  
OF SMART GRID AND SMART METER TECHNOLOGIES  
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

**37.** If improved reliability is the goal to 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)?

**Witness:** Jeff Greer

**Response:** South Kentucky RECC references to AG Request #37 submitted by EKPC and adopts the response as its own.



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE  
PSC CASE NO. 2012-00428  
CONSIDERATION OF IMPLEMENTATION  
OF SMART GRID AND SMART METER TECHNOLOGIES  
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

**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.)

**Witness:** Jeff Greer

**Response:** South Kentucky RECC references to AG Request #38 submitted by EKPC and adopts the response as its own.

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

**Response:** South Kentucky RECC references to AG Request #38 submitted by EKPC and adopts the response as its own.

(b). With regard to 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:** South Kentucky RECC references to AG Request #38 submitted by EKPC and adopts the response as its own.





SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE  
PSC CASE NO. 2012-00428  
CONSIDERATION OF IMPLEMENTATION  
OF SMART GRID AND SMART METER TECHNOLOGIES  
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

**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?

**Witness:** Jeff Greer

**Response:** South Kentucky RECC references to AG Request #39 submitted by EKPC and adopts the response as its own.



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE  
PSC CASE NO. 2012-00428  
CONSIDERATION OF IMPLEMENTATION  
OF SMART GRID AND SMART METER TECHNOLOGIES  
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

**40.** Is dynamic pricing strictly defined as TOU?

**Witness:** Jeff Greer

**Response:** South Kentucky RECC references to AG Request #40 submitted by EKPC and adopts the response as its own.

(a). If not, explain why not?

**Response:** South Kentucky RECC references to AG Request #40 submitted by EKPC and adopts the response as its own.

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

**Response:** South Kentucky RECC references to AG Request #40 submitted by EKPC and adopts the response as its own.



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE  
PSC CASE NO. 2012-00428  
CONSIDERATION OF IMPLEMENTATION  
OF SMART GRID AND SMART METER TECHNOLOGIES  
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

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

**Witness:** Dennis Holt

**Response:** South Kentucky RECC does not currently have any dynamic programs in place in Kentucky.

(a). For each program, provide the number of participants.

**Response:** N/A

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

**Response:** N/A

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

**Response:** N/A

(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:** N/A



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE  
PSC CASE NO. 2012-00428  
CONSIDERATION OF IMPLEMENTATION  
OF SMART GRID AND SMART METER TECHNOLOGIES  
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

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

**Witness:** Jeff Greer

**Response:** South Kentucky RECC references to AG Request #42 submitted by EKPC and adopts the response as its own.



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE  
PSC CASE NO. 2012-00428  
CONSIDERATION OF IMPLEMENTATION  
OF SMART GRID AND SMART METER TECHNOLOGIES  
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

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

**Witness:** Jeff Greer

**Response:** South Kentucky RECC references to AG Request #43 submitted by EKPC and adopts the response as its own.



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE  
PSC CASE NO. 2012-00428  
CONSIDERATION OF IMPLEMENTATION  
OF SMART GRID AND SMART METER TECHNOLOGIES  
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

44. Does the company recommend issuing an IRP Standard?

**Witness:** Jeff Greer

**Response:** South Kentucky RECC references to AG Request #44 submitted by EKPC and adopts the 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:** South Kentucky RECC references to AG Request #44 submitted by EKPC and adopts the response as its own.

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

**Response:** South Kentucky RECC references to AG Request #44 submitted by EKPC and adopts the response as its own.



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE

PSC CASE NO. 2012-00428

CONSIDERATION OF IMPLEMENTATION

OF SMART GRID AND SMART METER TECHNOLOGIES

RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

**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?

**Witness:** Jeff Greer

**Response:** South Kentucky RECC references to AG Request #45 submitted by EKPC and adopts the response as its own.



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE

PSC CASE NO. 2012-00428

CONSIDERATION OF IMPLEMENTATION

OF SMART GRID AND SMART METER TECHNOLOGIES

RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

**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 TVA, along with its distribution companies? If yes, please explain why. If not, please explain why not.

**Witness:** Jeff Greer

**Response:** South Kentucky RECC references to AG Request #46 submitted by EKPC and adopts the response as its own.





SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE

PSC CASE NO. 2012-00428

CONSIDERATION OF IMPLEMENTATION

OF SMART GRID AND SMART METER TECHNOLOGIES

RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

**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.

**Witness:** Jeff Greer

**Response:** South Kentucky RECC references to AG Request #47 submitted by EKPC and adopts the response as its own.



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE  
PSC CASE NO. 2012-00428  
CONSIDERATION OF IMPLEMENTATION  
OF SMART GRID AND SMART METER TECHNOLOGIES  
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

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

**Witness:** Jeff Greer

**Response:** South Kentucky RECC references to AG Request #48 submitted by EKPC and adopts the response as its own.



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE  
PSC CASE NO. 2012-00428  
CONSIDERATION OF IMPLEMENTATION  
OF SMART GRID AND SMART METER TECHNOLOGIES  
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

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

**Witness:** Jeff Greer

**Response:** South Kentucky RECC references to AG Request #49 submitted by EKPC and adopts the response as its own.



SOUTH KENTUCKY RURAL ELECTRIC COOPERATIVE  
PSC CASE NO. 2012-00428  
CONSIDERATION OF IMPLEMENTATION  
OF SMART GRID AND SMART METER TECHNOLOGIES  
RESPONSE TO ATTORNEY GENERAL'S FIRST REQUEST FOR INFORMATION

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

**Witness:** Jeff Greer

**Response:** South Kentucky RECC references to AG Request #50 submitted by EKPC and adopts the response as its own.