



Cumberland Valley Electric

A Touchstone Energy Cooperative

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PUBLIC SERVICE
COMMISSION

October 2, 2014

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

Re: PSC Case No. 2012-00428

Dear Mr. Derouen:

Enclosed please find for the proper filing thereof the original and fourteen (14) copies of Cumberland Valley Electric's response to the Commission Staff's Second Request for Information in Case No. 2012-00428. Each response includes the name of the witness. A signed certification of the person supervising the preparation is included.

Thank you for your assistance in this matter.

Sincerely,

Mark Abner
Engineering Manager

Enclosures

Ted Hampton • President & CEO

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CERTIFICATION

Comes now Mark Abner, Engineering Manager for Cumberland Valley Electric, Inc., and being duly sworn states as follows with regard to those Responses filed by Cumberland Valley Electric, Inc. in Case No. 2012-00428, now pending before the Public Service Commission of the Commonwealth of Kentucky:

1. I am the person supervising the preparation of the Responses on behalf of Cumberland Valley Electric, Inc.
2. The Responses are true and accurate to the best of my personal knowledge, information and belief formed after a reasonable inquiry.

Witness my hand as of this the 2nd day of October, 2014.



Mark Abner

COMMONWEALTH OF KENTUCKY

COUNTY OF KNOX

The foregoing Certification was subscribed, sworn to and acknowledged before me by Mark Abner, Engineering Manager for Cumberland Valley Electric, Inc., this the 2nd day of October 1, 2014.



NOTARY PUBLIC, STATE AT LARGE, KY

MY COMMISSION EXPIRES: Oct 5th 2014

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Q6: In the Report, the Joint Utilities state that no opt-outs should be permitted from AMR deployments. Explain why the Joint Utilities believe that there should be no opt-outs for AMR meters (that only provide for one-way communication).

RESPONSE:

CVE deployed AMR equipped meters in the mid 1990's. This technology was deployed as a means to enhance service to its members who had previously been required to read the cooperative's meters themselves and report readings to CVE along with remittance of payment for the previous month's bill. No opt-outs were allowed. The cooperative benefited from this technology in that it streamlined the billing process and provided timely and accurate billing. Insofar as this case is concerned, AMR meters may not be considered "smart", but they do represent a technology that applies to language in Section III of the Opt-Out Provisions of the Report at page 17 which states, "... technology deployment creates the greatest benefits relative to its costs if it is ubiquitous". In CVE's case, with the elimination of its member meter reading practice, an opt-out provision would have resulted in the creation or utilization of alternate methods of obtaining meter readings for its opt-out members, thereby increasing cost.

Furthermore, the second paragraph of Section III defines the basis of customer concerns regarding smart meters as health and privacy issues. Neither issue has merit as there is no supporting evidence for either insofar as CVE is aware. This writer doubts that the average consumer knows the difference between AMR and AMI meters and will likely consider them both to be "smart".

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Q7: The Report includes the following statements: "This section does not address opt-outs from AMR metering. The Joint Utilities believe no opt-outs should be permitted from AMR deployments, and a number of utilities have already deployed AMR system-wide" and "...[t]he Joint Utilities oppose any across-the-board, one-size-fits-all opt-out requirement for smart-meter deployments, but support each utility's ability to propose opt-outs appropriate for their customers and systems." Do you agree that opt-outs should not be permitted for AMR meters (that only provide for one-way communication)? If not, explain why.

RESPONSE:

CVE agrees.

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Q8: Do you believe that opt-outs should be allowed for AMI or smart meters? Has your response changed from your original position which may have been set forth in your testimony or in response to earlier data requests? If so, explain.

RESPONSE:

CVE does not believe opt-out provisions should be made available for either AMR or AMI type meters. CVE's position on the matter has not changed.

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Q9: If opt-outs are granted, should the customer electing to opt out be required to bear the cost of the opt-out? Explain your response.

RESPONSE:

Yes. Technologies are deployed to provide a service that wasn't previously available or to streamline and/or reduce the cost of current practices and/or procedures. CVE's deployment of AMR meters provided a new level of service to the member in that it relieved them of reading their meters but it also benefited them through better overall operational efficiency at the utility. Any opt-out consumers would require higher cost options that would serve to diminish the value of the program for all members unless those that opt-out bear the additional expense themselves.

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Q10: Describe and estimate the costs that would be incurred to provide customer opt-out.

RESPONSE:

For CVE, the only readily available alternative option for obtaining meter readings is the dispatch of company service technicians. CVE currently charges fees of \$25.00 for manual disconnect service calls and \$25.00 for manual reconnect service calls. Therefore, the value of a service call for meter reading should be similar. Once readings are obtained they must be manually keyed which is a clerical expense. This expense will be minimal relative to the service charge. Since opt-out meter reads would be a manual human effort, errors will occur, either in the meter reading collection or data entry, which will likely necessitate re-reads.

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Q11: Are there any circumstances under which utilities should have the right to refuse to honor a customer's request to opt-out of AMI meters? Explain your response.

RESPONSE:

If the utility must send personnel to the member's premise to collect meter readings, the utility should have the right to refuse opt-out requests if the member harbors dangerous animals that they will not adequately control or if the member is known to be dangerous himself. Furthermore, the utility should have the right to refuse opt-out requests from members who would require special communication and scheduling for access to meters that are behind locked entrances to member's property or in the case of the meter being inside the member's premise.

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Q12: Refer to page 21 of the Report, paragraph 10. Describe how smart meters identify their malfunctioning early.

RESPONSE:

AMR and AMI meters, in CVE's case, generally transmit meter readings on daily basis. The cooperative has the ability to monitor this activity and be alerted to any meter that fails to communicate. Non-communicating meters can represent a variety of metering issues that may be investigated promptly instead of after the return of manually collected meter readings on monthly or other billing cycles.

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Q13: Refer to page 24 of the Report which gives the example of a customer's finding that daily meter reading is a privacy problem. State whether daily meter reading is the default or the normal occurrence.

RESPONSE:

For CVE's AMI system, daily meter reading is the norm.

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Q14: Refer to page 26, paragraph 5. Confirm whether smart meters measure demand for residential customers.

RESPONSE:

Confirmed.

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Q15: Refer to CAC's comments on page 28 of the Report regarding the instantaneous remote disconnects. Do you believe that the ability to instantaneously and remotely disconnect a customer for non-payment is an advantage only to the utility, or does it also benefit other customers? Explain your response.

RESPONSE:

The ability to perform functions remotely, such as remote disconnects and reconnects, is beneficial to all members, including those being disconnected, because it reduces the cost of such operations, tends to reduce delinquency and write-offs and lowers disconnect and reconnect fees.

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Q16: If the Commission does not require the adoption of the EISA 2007 Smart Grid Investment Standard or a derivative thereof, do you anticipate submitting an application for a CPCN for any smart grid or smart meter deployment? Explain your answer.

RESPONSE:

CVE anticipates that it would submit an inquiry to the Commission as to whether it would require the submission of a CPCN request for any particular smart grid or smart meter deployment under consideration at the cooperative if it is in doubt as to the necessity of a CPCN. Any work plan that includes a smart grid or smart meter project would be submitted to the Commission with a request for a CPCN.

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Q17: Are there any smart-grid deployments for which the Commission should require the submission of a request for a CPCN?

RESPONSE:

See response of Isaac S. Scott on behalf of East Kentucky Power Cooperative. CVE adopts that response as its own.

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Q18: Refer to Appendix B of the Report. For each utility that currently does not offer residential dynamic pricing tariffs, or for those whose only dynamic tariff offerings are Electric Thermal Storage marketing rates, state whether such tariffs are being considered for future implementation subject to Commission approval. If so, state what type(s) of dynamic pricing tariffs are being considered. If not, state what factors caused the utility to decide against proposing to implement such tariffs or cause it to be otherwise unable to implement such tariffs.

RESPONSE:

CVE is not currently considering adoption of any dynamic pricing tariffs aside from the Electric Thermal Storage marketing tariff already in place. CVE has not, and is not, currently considering dynamic pricing tariffs because it does not believe such tariffs have proven to be particularly effective, nor has it received any requests from its membership for such tariffs.

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Q19: In the Distribution Smart-Grid Components chapter of the Report, Owen Electric Cooperative mentions the Green Button initiative. In its direct testimony, Kentucky Power Company ("Kentucky Power") notes its commitment to the Green Button initiative. Indicate whether you participate in the Green Button initiative. If you participate in similar but different information efforts, identify those efforts.

RESPONSE:

CVE does not participate in the Green Button initiative or any similar efforts.