




A Touchstone Energy Cooperative 

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October 3, 2014

RECEIVED

OCT 03 2014

PUBLIC SERVICE  
COMMISSION

Mr. Jeff Derouen  
Executive Director  
Public Service Commission Kentucky  
211 Sower Boulevard  
Frankfort, KY 40602


**Subject: Administrative Case No. 2012-00428**

Dear Mr. Derouen:

Please find enclosed the original and 14 copies of the information requested by the PSC in the Appendix of Case No. 2012-00428, Consideration of the Implementation of Smart Grid and Smart Meter Technologies dated October 3, 2014.

Should you need additional information concerning this filing, please let me know.

Sincerely,



Chris Brewer

*VP of Power Delivery  
Blue Grass Energy*

Enclosures

Copied To: Service List Parties

## CERTIFICATION

Robert Chris Brewer, state that I am the Vice President of Power Delivery at Blue Grass Energy Cooperative Corp., and I have personal knowledge of the prepared responses to the questions from the Commission Staff and the Attorney General in Case No. 2012-00428 dated October 3, 2014, and that the responses are true and correct, to the best of my knowledge, after a reasonable inquiry.

Robert C. Brewer

Robert C. Brewer, VP of Power Delivery  
Blue Grass Energy Cooperative Corp.

Subscribed and sworn to before me by Robert Chris Brewer, this 3 day of October, 2014.

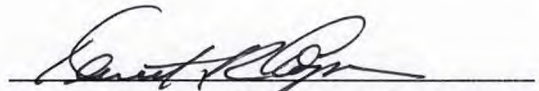
Crystal Barnes 515651

Notary Public  
State of Kentucky  
County of Jessamine

My Commission Expires: July 21, 2018

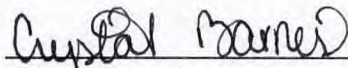
## CERTIFICATION

Kenneth R. Cooper, state that I am the IT Manager at Blue Grass Energy Cooperative Corp., and I have personal knowledge of the prepared responses to the questions from the Commission Staff and the Attorney General in Case No. 2012-00428 dated October 3, 2014, and that the responses are true and correct, to the best of my knowledge, after a reasonable inquiry.



Kenneth R. Cooper, IT Manager  
Blue Grass Energy Cooperative Corp.

Subscribed and sworn to before me by Kenneth R. Cooper, this 3 day of October, 2014.


 515651  
Notary Public  
State of Kentucky  
County of Jessamine



My Commission Expires: July 21, 2018



# Blue Grass Energy

A Touchstone Energy Cooperative 

## **Administrative Case No. 2012-00428 Second Data Request by PSC**

IN THE MATTER OF:  
CONSIDERATION OF THE IMPLEMENTATION OF SMART GRID  
AND SMART METER TECHNOLOGIES

October 3, 2014

P.O. Box 990 • Nicholasville, KY 40340-0990 • (859) 885-2114

**Blue Grass Energy**

6. In the Report, the Joint Utilities state that no opt-outs should be permitted from ARM 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: Increased cost related to manually reading the meters and inventory of meters with and without AMR capabilities along with the operational benefits being lost are the primary reasons for not permitting an across the board opt-out. Although the AMR (one-way communication) meters only report information, the information is still beneficial and helpful to both the utility and the customer; therefore, Blue Grass Energy believes that there should be no opt-outs for AMR deployment.**

**Witness: Ken Cooper**

**Blue Grass Energy**

7. The Report includes the following statements: "This section does not address opt-outs from ARM metering. The Joint Utilities believe no opt-outs should be permitted from ARM 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 customer 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: Blue Grass Energy agrees with the statement in the question that opt-outs should not be required across-the-board, but that they should be handled on a case by case basis by each individual utility. Blue Grass Energy agrees that opt-outs should not be permitted for AMR meters as noted in our response to Request #6.**

**Witness: Chris Brewer**

**Blue Grass Energy**

8. 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: Blue Grass Energy references the Blue Grass Energy response to AG DR #1 request #19 and adopts that response to this request.**

**Witness: Chris Brewer**

**Blue Grass Energy**

9. 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: Blue Grass Energy references the Blue Grass Energy response to AG DR #1 request #19 and adopts that response to this request.**

**Witness: Chris Brewer**



**Blue Grass Energy**

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

**Response: The following tangible costs are listed:**

**Manually read the meter: \$25.00/month**

**Data entry and manage process: \$10.00/month**

**The following are non-tangible costs:**

**Inability to offer prepay service**

**Lose ability for outage notification by the meter**

**Customer loses access to updated usage information that can be used  
managing energy efficiency efforts.**

**The utility loses the ability to use updated usage information in  
engineering studies.**

**Witness: Chris Brewer**

**Blue Grass Energy**

11. 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: There could be any number of circumstances where opt-outs should not be permitted and can vary depending on each circumstance and the technology in use at that time. Examples of such circumstances could be safety, access, and meter tampering. Blue Grass Energy believes that customer requests to opt-out should be handled on a case by case basis. Our experience has been that customers have not had major problems with AMI meters.**

**Witness: Chris Brewer**

**Blue Grass Energy**

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

**Response:** AMI meters report readings at least daily. Alarms are reported—such as tampering, along with a diagnostic alarm—when the meter conducts self-tests and communicates if there are any failures. Meters that quit reporting readings are investigated soon after communications fail.

**Witness:** Ken Cooper

**Blue Grass Energy**

13. 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: Daily reading is usually the default.**

**Witness: Ken Cooper**

**Blue Grass Energy**

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

**Response: Smart meters can measure and report daily demand but this is a programmable option in BGE's meters and some do not report demand.**

**Witness: Ken Cooper**

**Blue Grass Energy**

15. 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 term instantaneous disconnect is not correct. Remote disconnects can take a minute or so to complete due to communications and the type of system used. Both remote disconnect and reconnect are beneficial to both the utility and customers for safety and privacy. The ability to remotely disconnect may not have an advantage for the non-payment customer when disconnected, but the reconnect does due to this being done within a few minutes of payment without the customer waiting on dispatched utility personnel. This remote disconnect also lowers the exposure of potential danger for dispatched utility personnel. Also, remote disconnect gives the customer the ability to use services like prepay, which will disconnect the location once credit has run out. This disconnection of service keeps the customer from continuing service which would result in a larger bill being owed by the customer.

**Witness: Ken Cooper**

**Blue Grass Energy**

16. 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: Blue Grass Energy may submit an application for a CPCN for smart grid efforts in the future. A determination will be made at the time of implementing a smart grid effort to see if a CPCN is required based on the applicable requirements of obtaining a CPCN.**

**Witness: Chris Brewer**

**Blue Grass Energy**

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

**Response:** Blue Grass Energy believes that the constantly changing technological environment would make it impractical to designate that certain smart-grid deployments require a CPCN. This is an area that is constantly changing and implementing a regulation or Commission Order that specific types of smart-grid deployments require a CPCN could prove to be time consuming, and outdated in a short amount of time. Blue Grass Energy believes that applying the current regulations for CPCN should continue to be used and that they would be adequate to address any present and future smart-grid deployments.

**Witness:** Chris Brewer



**Blue Grass Energy**

18. 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: Blue Grass Energy offers a residential dynamic pricing tariff as noted in Appendix B of the Report.**

**Witness: Chris Brewer**

**Blue Grass Energy**

19. 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: Blue Grass Energy references the Blue Grass Energy response to PSC DR#1 request #111 and adopts that response to this request.**

**Witness: Chris Brewer**

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