

Rural Electric Cooperative Corporation

A Touchstone Energy® Cooperative 

October 1, 2014

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PUBLIC SERVICE
COMMISSION

MR JEFF DEROUEN
EXECUTIVE DIRECTOR
PUBLIC SERVICE COMMISSION
PO BOX 615
FRANKFORT KY 40602

RE: PSC CASE NO. 2012-00428

Dear Mr. Derouen:

Please find enclosed an original and fourteen (14) copies of the responses to questions 6 through 19 of Nolin RECC as requested in the above referenced case dated September 18, 2014.

If you have any questions, please let me know.

Sincerely,

A handwritten signature in cursive script that reads "Michael L. Miller".

Michael L. Miller
President & CEO

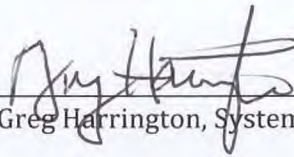
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Enclosures

Commonwealth of Kentucky
Before the Public Service Commission
Case No. 2012-00428

VERIFICATION

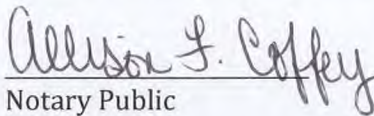
I verify, state and affirm that the testimony filed with this verification and for which I am listed as a witness is true and correct to the best of my knowledge, information and belief formed after a reasonable inquiry.


Greg Harrington, System Engineer

State of Kentucky

County of Hardin

The foregoing was signed, acknowledged and sworn to before me by Greg Harrington, this 30th day of September, 2014.


Notary Public

My Commission Expires:

August 27, 2016

Nolin Rural Electric Cooperative Corporation

First Request for Information – Case No. 2012-00428

Public Service Commission Staff Request Dated September 18, 2014

Question 6:

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).

Answer:

This section from the Joint Utilities Report 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.

Responding Witness: Greg Harrington, System Engineer
Nolin Rural Electric Cooperative Corporation

Nolin Rural Electric Cooperative Corporation

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Question 7:

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.

Answer:

Yes, Nolin RECC agrees opt-outs should not be permitted. Nolin opposes any across-the-board, one-size-fits-all opt-out requirement for smart-meter deployments, but supports each utility’s ability to propose opt-outs appropriate for their customers and systems.

Responding Witness: Greg Harrington, System Engineer
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Question 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.

Answer:

No, Nolin's response has not changed from our original position. Nolin opposes any across-the-board, one-size-fits-all opt-out requirement for smart-meter deployments but supports each utility's ability to propose opt-outs appropriate for their customers and systems.

Responding Witness: Greg Harrington, System Engineer
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Question 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.

Answer:

An “opt-out” option will require Nolin to maintain software, hardware, labor, and equipment for the management and maintenance of dual business processes supporting both the standard and non-standard (opt-out) metering applications. Nolin will be required to maintain dual information programs, dual outage messaging, and different customer-member rate structures in support of customer-members choosing to “opt-out” of an AMI meter installation.

Nolin believes customers who are given the option to “opt-out” of the installation of smart meters on their homes should bear the extra costs associated with such customer choice.

Responding Witness: Greg Harrington, System Engineer
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Question 10:

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

Answer:

With any level of “opt-out” participation, Nolin’s benefits of AMI will be reduced and will continue to be diminished as opt-out participation levels increase. Erosion of AMI benefits attributable to “opt-out” include, but are not limited to the following:

- Reduction of the operational savings (i.e. meter reading labor, truck rolls for system maintenance activities, maintenance of equipment, maintenance of vehicles and fuel costs).
- Potential reduction in the supply-side savings due to less participation in the Demand Response Programs, leading to the potential for reduced energy and demand savings, which leads to lower capacity and price mitigation benefit.
- Potential higher project costs attributable to greater customer-member communication needs (e.g., development of additional educational materials for opt-out communications).
- Reduction in the opportunity for Nolin to fully realize improved, outage and power quality monitoring benefits.
- Reduction in opportunity for Nolin to optimize benefits associated with more effective theft of service monitoring.

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Question 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.

Answer:

Refusal in all circumstances.

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Question 12:

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

Answer:

Smart meters are able to communicate with an AMI Head End system and share information about their current status, as well as inform the head end system about events that have occurred (such as an outage or a meter malfunction). Selected events are forwarded from the head end to the Meter Data Management System, where the event data is analyzed and follow-up actions (alarms) are created.

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Question 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.

Answer:

Daily meter reading is the default or the normal occurrence for Nolin's AMR system.
Hourly meter reading is the default or the normal occurrence for Nolin's proposed AMI system.

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Question 14:

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

Answer:

Nolin's proposed AMI system does have the capability to measure demand for residential customers.

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Question 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.

Answer:

An AMI system allows a call center or back office to remotely disconnect/reconnect a customer-member's smart meter instantaneously. This does benefit Nolin because it will eliminate the time-consuming and expensive step of sending a service technician to a customer-member's house to disconnect or reconnect a meter. The benefit for the customer-member is that their power can be reconnected instantaneously after they pay a delinquent bill.

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Question 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.

Answer:

Yes, it is Nolin's opinion that any smart grid or smart meter deployment does not fall within the "ordinary course of business" exemption from the CPCN requirement. Therefore, an application for a CPCN would be required.

Yes, Nolin does anticipate the future application for a CPCN for a smart grid AMI deployment to replace Nolin's aging AMR system.

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Question 17:

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

Answer:

Based on response from question 16 all smart-grid deployments should require the submission of a request for a CPCN.

Responding Witness: Greg Harrington, System Engineer
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Question 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.

Answer:

No tariffs are being considered for future implementation subject to Commission approval. Nolin previously offered a residential dynamic pricing tariff. No customer-member ever took advantage of the tariff and Nolin requested the Commission remove the tariff.

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Question 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.

Answer:

Nolin does not participate in the Green Button initiative, nor do we participate in similar or different information efforts.

Responding Witness: Greg Harrington, System Engineer
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