

**OWEN** Electric

A Touchstone Energy Cooperative 

RECEIVED

OCT 03 2014

PUBLIC SERVICE  
COMMISSION

**Case No.  
2012-00428**

**COMMISSION STAFF'S SECOND REQUEST FOR  
INFORMATION**

**OWEN ELECTRIC COOPERATIVE INC**

**8205 Hwy 127 N**

**PO Box 400**

**Owenton, KY 40359**

**502-484-3471**



# CRAWFORD & BAXTER, P.S.C.

ATTORNEYS AT LAW  
523 Highland Avenue  
P.O. Box 353  
Carrollton, Kentucky 41008

October 3, 2014

James M. Crawford  
Ruth H. Baxter

Phone: (502) 732-6688  
1-800-442-8680  
Fax: (502) 732-6920  
Email: CBJ523@AOL.COM

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

RE: Owen Electric Cooperative, Inc.  
PSC Case No. 2012-00428

Dear Mr. Derouen:

Please find enclosed for filing with the Commission in the above-referenced case, an original and fourteen copies of the responses of Owen Electric Cooperative, Inc. to the Commission Staff's Second Request for Information dated September 18, 2014.

Please contact me with any questions regarding this filing.

Respectfully yours,

CRAWFORD & BAXTER, P.S.C.

  
James M. Crawford  
Attorney for Owen Electric Cooperative, Inc.

cc: Parties of Record

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

**In the Matter of:**

<b>CONSIDERATION OF THE IMPLEMENTATION</b>	)	
<b>OF SMART GRID AND SMART METER</b>	)	<b>CASE NO. 2012-00428</b>
<b>TECHNOLOGIES</b>	)	

**CERTIFICATE**

<b>STATE OF KENTUCKY</b>	)
	)
<b>COUNTY OF OWEN</b>	)

Michael L. Cobb, being duly sworn, states that he has supervised the preparation of the response of Owen Electric Cooperative, Inc. to the Public Service Commission Staff's Second Request for Information to Owen Electric Cooperative, Inc. in the above-referenced case dated September 18, 2014, 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 2<sup>nd</sup> day of October, 2014.

  
Notary Public

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

In the Matter of:

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

**CERTIFICATE**

STATE OF KENTUCKY    )  
                                      )  
COUNTY OF OWEN     )

Ann F. Wood, being duly sworn, states that she has supervised the preparation of the response of Owen Electric Cooperative, Inc. to the Public Service Commission Staff's Second Request for Information to Owen Electric Cooperative, Inc. in the above-referenced case dated September 18, 2014, and that the matters and things set forth therein are true and accurate to the best of her knowledge, information and belief, formed after reasonable inquiry.

Ann F Wood

Subscribed and sworn before me on this 2nd day of October, 2014.

Shannon Kaye Chappell  
Notary Public

**OWEN ELECTRIC COOPERATIVE**  
**PSC CASE NO. 2012-00428**  
**CONSIDERATION OF THE IMPLEMENTATION OF SMART GRID AND**  
**SMART METER TECHNOLOGIES**  
**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO**  
**OWEN ELECTRIC COOPERATIVE, INC. DATED 09/18/14**

**REQUEST 6**

**RESPONSIBLE PARTY: Michael L. Cobb**

**Request 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).

**Response 6:** AMR deployments improve billing accuracy and provide a cost effective means to read and bill the member. Allowing members to opt out of AMR metering would require a utility to maintain two distinct meter reading and billing processes and diminishes the benefits of AMR deployments and creates additional costs for the utility and its members.

**OWEN ELECTRIC COOPERATIVE**  
**PSC CASE NO. 2012-00428**  
**CONSIDERATION OF THE IMPLEMENTATION OF SMART GRID AND**  
**SMART METER TECHNOLOGIES**  
**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO**  
**OWEN ELECTRIC COOPERATIVE, INC. DATED 09/18/14**

**REQUEST 7**

**RESPONSIBLE PARTY: Michael L. Cobb**

**Request 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.

**Response 7:** Owen Electric agrees that opt-outs should not be permitted for AMR meters (that only provide for one-way communication).

**OWEN ELECTRIC COOPERATIVE**  
**PSC CASE NO. 2012-00428**  
**CONSIDERATION OF THE IMPLEMENTATION OF SMART GRID AND**  
**SMART METER TECHNOLOGIES**  
**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO**  
**OWEN ELECTRIC COOPERATIVE, INC. DATED 09/18/14**

**REQUEST 8**

**RESPONSIBLE PARTY: Michael L. Cobb**

**Request 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 8:** Owen Electric continues to support the position that opt-outs should not be allowed for AMI or smart meters because of the adverse impact opt-outs have on a utility's operational efficiency and costs.

**OWEN ELECTRIC COOPERATIVE**  
**PSC CASE NO. 2012-00428**  
**CONSIDERATION OF THE IMPLEMENTATION OF SMART GRID AND**  
**SMART METER TECHNOLOGIES**  
**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO**  
**OWEN ELECTRIC COOPERATIVE, INC. DATED 09/18/14**

**REQUEST 9**

**RESPONSIBLE PARTY: Michael L. Cobb**

**Request 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 9:** Yes, if opt-outs are granted, Owen Electric believes that those members who voluntarily elect to opt-out should bear the additional associated costs. It is Owen Electric's contention that these additional costs should not be borne by its other members and should be borne by those members who caused the cost to be incurred.



**OWEN ELECTRIC COOPERATIVE**  
**PSC CASE NO. 2012-00428**  
**CONSIDERATION OF THE IMPLEMENTATION OF SMART GRID AND**  
**SMART METER TECHNOLOGIES**  
**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO**  
**OWEN ELECTRIC COOPERATIVE, INC. DATED 09/18/14**

**REQUEST 10**

**RESPONSIBLE PARTY:     Ann F. Wood**

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

**Response 10:** On October 15, 2012, Owen Electric filed Case No. 2012-00468, *Application of Owen Electric Cooperative Corporation for Revisions to Its Meter Reading Tariff To Accommodate Manual Meter Reading Charges in Instances Where Its Advanced Metering Infrastructure is Prohibited from Being Utilized for Its Intended Purpose*. Application Exhibit C provided an estimated average cost for a manual meter read of approximately \$30 per meter. Owen Electric estimates that its 2014 cost would be approximately \$32 per meter. This cost is comprised of labor, overhead, and vehicle charges. Please note that on July 22, 2013, Owen Electric filed a motion requesting to withdraw its Application in Case No. 2012-00468, without prejudice, until resolution of opt-out is decided either in Case No. 2012-00428 or in another proceeding before the Commission, and retained the right to submit a future Application. The Commission approved Owen Electric's motion in its Order dated August 2, 2013.

**OWEN ELECTRIC COOPERATIVE**  
**PSC CASE NO. 2012-00428**  
**CONSIDERATION OF THE IMPLEMENTATION OF SMART GRID AND**  
**SMART METER TECHNOLOGIES**  
**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO**  
**OWEN ELECTRIC COOPERATIVE, INC. DATED 09/18/14**

**REQUEST 11**

**RESPONSIBLE PARTY: Michael L. Cobb**

**Request 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 11:** Yes, with the most obvious circumstances being related to safety, meter tampering, and accessibility. Additionally, Owen Electric strives to make prudent business decisions with the ultimate goal of providing safe, reliable and affordable electric service to its members. This encompasses a wide array of decisions that apply globally to the Cooperative, such as what materials to utilize in construction and what transformers and metering to deploy. As a member owned Cooperative these decisions are made by management with the appropriate oversight by a board of directors elected from the membership. To allow individual members the ability to pick and choose and dictate the type of metering equipment used would be imprudent at best.

**OWEN ELECTRIC COOPERATIVE**  
**PSC CASE NO. 2012-00428**  
**CONSIDERATION OF THE IMPLEMENTATION OF SMART GRID AND**  
**SMART METER TECHNOLOGIES**  
**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO**  
**OWEN ELECTRIC COOPERATIVE, INC. DATED 09/18/14**

**REQUEST 12**

**RESPONSIBLE PARTY: Michael L. Cobb**

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

**Response 12:** Depending on how often a meter is polled (or automatically sends information in), a utility can monitor and interrogate the meter location and check its functionality. Any response or message sent back from the meter that is “out of the norm” can be addressed individually. A meter that fails to respond or returns an abnormal reading triggers an immediate investigation.

**OWEN ELECTRIC COOPERATIVE**  
**PSC CASE NO. 2012-00428**  
**CONSIDERATION OF THE IMPLEMENTATION OF SMART GRID AND**  
**SMART METER TECHNOLOGIES**  
**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO**  
**OWEN ELECTRIC COOPERATIVE, INC. DATED 09/18/14**

**REQUEST 13**

**RESPONSIBLE PARTY: Michael L. Cobb**

**Request 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 13:** Typically, utilities have the ability to retrieve meter readings each day; however, this is configurable for each AMR/AMI system. Owen Electric reads each meter five (5) times per month (once each week and once on the scheduled meter reading date).



**OWEN ELECTRIC COOPERATIVE**  
**PSC CASE NO. 2012-00428**  
**CONSIDERATION OF THE IMPLEMENTATION OF SMART GRID AND**  
**SMART METER TECHNOLOGIES**  
**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO**  
**OWEN ELECTRIC COOPERATIVE, INC. DATED 09/18/14**

**REQUEST 14**

**RESPONSIBLE PARTY: Michael L. Cobb**

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

**Response 14:** Yes, Owen Electric's AMI meters are capable of measuring residential demand. The interval of the recording period can be adjusted from 1 minute to 1 hour.

**OWEN ELECTRIC COOPERATIVE**  
**PSC CASE NO. 2012-00428**  
**CONSIDERATION OF THE IMPLEMENTATION OF SMART GRID AND**  
**SMART METER TECHNOLOGIES**  
**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO**  
**OWEN ELECTRIC COOPERATIVE, INC. DATED 09/18/14**

**REQUEST 15**

**RESPONSIBLE PARTY: Michael L. Cobb**

**Request 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 15:** The ability to remotely disconnect or reconnect is a cost benefit to both the utility and all customers in that the utility does not have to incur the cost to dispatch an employee to the customer's location to physically disconnect or reconnect the meter. There is an added benefit to the customer with remote reconnections in that the customer does not have to wait until the employee can arrive at the customer's location to perform the reconnection. Although rare, there have been situations where utility employees have been unwittingly placed in a dangerous situation when a customer responds adversely to the utility's effort to physically disconnect service. Allowing service to be disconnected remotely will reduce the potential danger to utility personnel associated with disconnections.

**OWEN ELECTRIC COOPERATIVE**  
**PSC CASE NO. 2012-00428**  
**CONSIDERATION OF THE IMPLEMENTATION OF SMART GRID AND**  
**SMART METER TECHNOLOGIES**  
**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO**  
**OWEN ELECTRIC COOPERATIVE, INC. DATED 09/18/14**

**REQUEST 16**

**RESPONSIBLE PARTY: Ann F. Wood**

**Request 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 16:** No, Owen Electric does not anticipate submitting an application for a CPCN for most smart grid or smart meter deployments; it would include any smart grid or smart meter deployments in its Construction Work Plan ("CWP") or amendments thereto. Owen Electric would submit a letter request for a Kentucky Public Service Commission Staff Opinion that, pursuant to KRS 278.020(1) and 807 KAR 5:001, Section 15(3), its CWP does not require the issuance of a CPCN by the Commission. Owen Electric would request this Staff Opinion based on the new process implemented by the Commission in 2012 with respect to the CWP. In most instances, projects included in the CWP do not create wasteful duplication of plant, do not involve sufficient capital outlay to materially affect Owen Electric's financial condition, and do not result in increased charges to Owen Electric's members. However, as stated in its response to Request 17, Owen Electric understands that a CPCN may be required in some cases.

**OWEN ELECTRIC COOPERATIVE**  
**PSC CASE NO. 2012-00428**  
**CONSIDERATION OF THE IMPLEMENTATION OF SMART GRID AND**  
**SMART METER TECHNOLOGIES**  
**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO**  
**OWEN ELECTRIC COOPERATIVE, INC. DATED 09/18/14**

**REQUEST 17**

**RESPONSIBLE PARTY: Ann F. Wood**

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

**Response 17:** Yes, Owen Electric believes the Commission should continue to utilize the requirements of KRS 278.020 and 807 KAR 5:001, Sections 15(2) and 15(3) in determining whether or not a CPCN is required for a particular smart grid deployment.



**OWEN ELECTRIC COOPERATIVE**  
**PSC CASE NO. 2012-00428**  
**CONSIDERATION OF THE IMPLEMENTATION OF SMART GRID AND**  
**SMART METER TECHNOLOGIES**  
**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO**  
**OWEN ELECTRIC COOPERATIVE, INC. DATED 09/18/14**

**REQUEST 18**

**RESPONSIBLE PARTY: Michael L. Cobb**

**Request 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 18:** This request is not applicable to Owen Electric as it offers a full suite of residential dynamic pricing tariffs as provided in Appendix B of the Report.

**OWEN ELECTRIC COOPERATIVE**  
**PSC CASE NO. 2012-00428**  
**CONSIDERATION OF THE IMPLEMENTATION OF SMART GRID AND**  
**SMART METER TECHNOLOGIES**  
**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO**  
**OWEN ELECTRIC COOPERATIVE, INC. DATED 09/18/14**

**REQUEST 19**

**RESPONSIBLE PARTY: Michael L. Cobb**

**Request 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 19:** Owen Electric does not participate in the "Green Button" initiative; however, Owen Electric provides a similar service via the Customer Portal from its customer information system vendor. Each member that uses the on-line billing account service has access to view his or her energy usage data as recorded by Owen Electric's AMI and meter data management systems. The member can identify date ranges for viewing daily usage, as well as, export that data to a comma separated values (CSV) file for his or her own use in a variety of software programs.