

LEBOEUF, LAMB, GREENE & MACRAE LLP

200 NORTH THIRD STREET, SUITE 300  
P.O. Box 12105  
HARRISBURG, PA 17108-2105  
(717) 232-8199  
FACSIMILE: (717) 232-8720

RECEIVED

JUN 15 2006

PUBLIC SERVICE  
COMMISSION

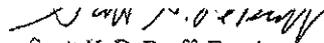
FAX TRANSMISSION

FROM: Scott DeBroff	ID#:5849	DATE: June 15, 2006
TEL: 717-232-8199	PAGES: 1 of 12	CLIENT/MATTER NO.: 12027/00001

TO:	COMPANY:	FAX NO.:	CONFIRMING TELEPHONE NO.:
Filings Division	Kentucky Public Service Commission	502-564-3460	502-564-3940

Comments/Message:

THIS FACSIMILE TRANSMISSION CONTAINS CONFIDENTIAL AND/OR LEGALLY PRIVILEGED INFORMATION INTENDED ONLY FOR THE USE OF THE INDIVIDUAL(S) NAMED ON THE TRANSMISSION SHEET. IF YOU ARE NOT THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISCLOSURE, COPYING, DISTRIBUTION OR THE TAKING OF ANY ACTION IN RELIANCE ON THE CONTENTS OF THIS FACSIMILE TRANSMISSION IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, PLEASE CALL US COLLECT IMMEDIATELY SO THAT WE CAN ARRANGE FOR RETURN OF THE DOCUMENTS TO US AT NO COST TO YOU. THANK YOU.

  
Scott H. DeBroff, Esquire  
LeBoeuf, Lamb, Greene & MacRae  
Counsel for Hunt Technologies, Inc. &  
Cellnet Technology, Inc.

SHD/bia

Co: Certificate of Service

**BEFORE THE  
KENTUCKY PUBLIC SERVICE COMMISSION**

**IN THE MATTER OF:  
CONSIDERATION OF THE REQUIREMENTS  
OF THE FEDERAL ENERGY POLICY ACT  
OF 2005 REGARDING TIME-BASED  
METERING, DEMAND RESPONSE, AND  
INTERCONNECTION SERVICE**

**CASE NO. 2006-00045**

---

**INTERVENOR TESTIMONY  
ON BEHALF OF  
HUNT TECHNOLOGIES, INC. & CELLNET TECHNOLOGY, INC.**

---

AND NOW COMES **Scott H. DeBroff, Esquire** of **LeBoeuf, Lamb, Greene & MacRae LLP**, on behalf of his clients, **Cellnet Technology, Inc. ("Cellnet")** and **Hunt Technologies, Inc. ("Hunt")**, also known as the **Companies'**, for the purpose of this "Intervenor Testimony" with respect to the proceedings of the Kentucky Public Service Commission ("KPSC" or the "Commission") to permit the Commission to consider the requirement of the Federal Energy Policy Act of 2005 regarding time-based metering, demand response and interconnection service. The Companies offer the following statement onto the record as their "Testimony" in this proceeding:

1. Hunt and Cellnet are parties interested in the above-captioned docket as meter technology providers to utilities in the State of Kentucky and across the country.
2. The above-captioned proceeding was docketed by the Commission and an Order entered for a proceeding to permit the Commission to consider the requirements of the federal Energy

Policy Act of 2005 regarding time-based metering, demand response, and interconnection service on February 24, 2006.

3. **Hunt Technologies, Inc.** ("Hunt") delivers industry-leading advanced metering infrastructure (AMI) solutions to the electric, water and natural gas utilities markets. With world headquarters in Poquos Lakes, Minnesota, Hunt develops and supports hardware and software for more than 480 customers worldwide. Hunt has been involved in EFACT 2005 smart metering proceedings in more than ten (10) states and has a significant interest in the outcome of this proceeding.

4. **Cellnet Technology, Inc.** ("Cellnet") is the leading provider of real-time automated meter reading (AMR) and automation solutions to the utility industry. Based in Atlanta, Georgia, Cellnet supplies gas, water, and electric utilities with highly reliable, field-proven products that enable them to communicate with residential and commercial and industrial (C&I) meters using wireless and IP network communications. The Cellnet system combines fixed network AMR technology with wireless mesh technology to bring the most comprehensive offering—merging scalability, flexibility, and cost-effectiveness—available in the market today. Cellnet is dedicated to combining its leading technology and proven industry experience to continue to provide the industry with the most reliable and proven AMR solutions available.

5. The Federal Energy Policy Act of 2005 requires each state public utility commission to consider and make a determination regarding four "standards," unless the state already has a comparable standard in effect, or the state commission has already conducted a proceeding considering implementation of a comparable standard, or the state legislature has already voted on the implementation of a comparable standard.

6. Of particular importance to Cellnet and Hunt in this proceeding is the fourth standard, found in Section 1252 of the Energy Policy Act of 2005, which says that each electric utility shall offer each of its customer classes, and provide individual customers upon customer request, a time-based rate schedule under which the rate charged by the electric utility varies during different time periods and reflects the variance, if any, in the utility's costs of generating and purchasing electricity at the wholesale level. The time-based rate schedule shall enable the electric consumer to manage energy use and cost through advanced metering and communications technology. Each electric utility shall provide each customer requesting a time-based rate with a time-based meter capable of enabling the utility and customer to offer and receive such rate, respectively.

7. The Kentucky Public Service Commission launched an EPACT 2005 proceeding via its Order of February 24, 2006, making all jurisdictional electric utilities parties to the proceeding, and collected responses to the Commission's informational requests from them.

8. On May 10, 2006, the Commission held an "Informal Conference" amongst the parties, and there was a very interactive discussion on the EPACT 2005 law and the interests of the utilities in relation to advanced metering and time-based rate issues in Kentucky.

9. On or about May 18, 2006, the jurisdictional electric utilities filed their Direct Testimony in the above-captioned rulemaking. This is Hunt and Cellnet's position statement in lieu of testimony.

10. The Companies are primarily supportive of the direct testimony as filed by the jurisdictional utilities and offers these comments. The Companies agree with Duke Energy Kentucky's testimony of Bruce L. Sailors where he discusses the point that smart metering

will require a cost-benefit analysis before a utility would want to invest in building out such an infrastructure. There will certainly have to be advantages to both utility and customer for investment in an advanced metering infrastructure, and efforts in other states such as California and Oregon bear that out.

11. The Companies also support some of the testimony provided by EON, or Louisville Gas & Electric Company/Kentucky Utilities Company. In the testimony of Kent Blake, we understand that certain kinds of smart metering, time-based rates, and demand response programs will likely function better or worse in certain areas of Kentucky than others depending on logistical challenges, consumption patterns, and other issues that vary from area to area and utility to utility.

12. The Companies support similar proposals in the testimony of East Kentucky Power Cooperative ("EKPC"). We would support the EKPC and its member systems in their continued offer of time-of-day price signals to large commercial and industrial customers in order to foster informed decisions about the advantages of shifting load to the off-peak time period. They believe that the Commission should authorize a survey of customers to see if there is interest in Kentucky to warrant the program. We would be supportive of that if there was sufficient customer education either prior to or concurrent with such a survey. If enacted, they recommended a statewide program where various utilities could demonstrate and utilize selected technologies. We would also support that process, but with all of the technology companies in the market, there may have to be some working rules in place in order to make sure that viable technologies would be readily available to those utilities who wanted to test their capabilities. Finally, EKPC recommended that they be allowed to have a limited pilot program for Blue Grass

Energy and Nolin RECC, as those systems already have advanced meter reading technology in place and can implement a pilot with limited cost. Without drilling down to specific utilities that have installations with specific technology providers, we would certainly support the implementation of pilot programs for all utilities that had made investments in AMI technology in order to test their system capabilities, provided the costs of such programs are borne by the benefiting entities.

13. Finally, the Companies also support very similar thoughts around smart metering issues as expressed by Big Rivers Electric Corporation and its three distribution member cooperatives: Jackson Purchase Energy Cooperative ("JPEC"), Kenergy Corp. ("Kenergy"), and Meade County Rural Electric Cooperative Corporation ("Meade County RECC"). We support the discussion of Mr. Pogue regarding his concern about their ability to recover the costs of an advanced metering infrastructure and assurance of no cross-subsidization of those costs. Finally, they have specific concerns in regards to Meade County RECC, as they are currently installing a Hunt AMI system. We are cognizant that there are many technology providers deploying their systems in Kentucky and in other states at the present time. We are certainly supportive when a utility is investing in a new technology and there are regulatory processes that could result in some adverse financial impact for the utility during such activity. We believe that utilities need to be comfortable in the knowledge that when they seek to invest in an advanced technology to provide operational efficiencies for the utility and customer facing benefits to the end users, they must be protected when making such investments.

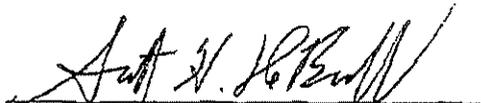
14. The Companies look forward to working with the Commission, the utilities, and the other parties to this proceeding, in having a full and fair discussion around the issue of smart metering,

and allowing all of the relevant information regarding smart metering and time-based rate options to be presented.

Respectfully submitted,

Dated: June 15, 2006

By:



**Scott H. DeBroff, Esquire**  
LeBoeuf, Lamb, Greene & MacRae, L.L.P.  
200 North Third Street, Suite 300  
P.O. Box 12105  
Harrisburg, PA 17108-2105

Tel: (717) 232-6453

Fax: (717) 232-8720

eMail: [sdebroff@llgm.com](mailto:sdebroff@llgm.com)

**Counsel for**  
**Hunt Technologies, Inc. &**  
**Cellnet Technology, Inc.**

**BEFORE THE  
KENTUCKY PUBLIC SERVICE COMMISSION**

**IN THE MATTER OF:  
CONSIDERATION OF THE REQUIREMENTS  
OF THE FEDERAL ENERGY POLICY ACT  
OF 2005 REGARDING TIME-BASED  
METERING, DEMAND RESPONSE, AND  
INTERCONNECTION SERVICE**

**CASE No. 2006-00045**

---

**CERTIFICATE OF SERVICE**

---

I hereby certify that a copy of the foregoing has been sent by U.S. First Class mail, facsimile, electronically or hand delivery, to all parties of record in this proceeding:

Allen Anderson  
South Kentucky R.E.C.C.  
P. O. Box 910  
925-929 N. Main Street  
Somerset, KY 42502-0910

Mark A. Binley  
Kenegy Corp.  
3111 Fairview Drive  
P. O. Box 1389  
Owensboro, KY 42302

Michael S. Beer  
VP - Rates & Regulatory  
Kentucky Utilities Company  
c/o Louisville Gas & Electric Co.  
P. O. Box 32010  
Louisville, KY 40232-2010

Honorable Jason R. Bentley  
Attorney at Law  
McBayer, McGinnis, Leslie  
& Kirkland PLLC  
305 Ann Street  
Suite 308  
Frankfort, KY 40601

Kens Blake  
Director- State Regulation and Rates  
Louisville Gas and Electric Company  
220 W. Main Street  
P. O. Box 32010  
Louisville, KY 40232-2010

Honorable David F. Boehm  
Attorney at Law  
Boehm, Kurtz & Lowry  
36 East Seventh Street  
2110 CBLD Building  
Cincinnati, OH 45202  
dboehm@bklawfirm.com

Dudley Bottom, Jr.  
Shelby Energy Cooperative, Inc.  
620 Old Finchville Road  
Shelbyville, KY 40065

Daniel W. Brower  
Blue Grass Energy Cooperative Corp.  
P. O. Box 990  
1201 Lexington Road  
Nicholasville, KY 40340-0990

Inclie B. Browning  
Farmers R.E.C.C.  
504 South Broadway  
P. O. Box 1298  
Glasgow, KY 42141-1298

Sharon K. Carson  
Finance & Accounting Manager  
Jackson Energy Cooperative  
P. O. Box 307  
U. S. Highway 4218  
McKee, KY 40447

Honorable Elizabeth L. Cocanougher  
Senior Corporate Attorney  
Kentucky Utilities Company  
c/o Louisville Gas & Electric Co.  
P. O. Box 32010  
Louisville, KY 40232-2010

Lawrence Cook  
Assistant Attorney General  
Office of the Attorney General  
Utility & Rate Intervention Division  
1024 Capital Center Drive  
Suite 200  
Frankfort, KY 40601-8204  
Larry.Cook@ag.ky.gov

Michael I. Coro  
Big Rivers Electric Corporation  
201 Third Street  
P. O. Box 24  
Henderson, KY 42420

Honorable Scott R. DeBross  
Attorney at Law  
LeBoeuf, Lamb, Greene & MacKaye LLP  
200 North Third Street, Suite 300  
P.O. Box 12105  
Harrisburg, PA 17108-2105  
sdebross@lbgm.com

Paul G. Limbs  
Clark Energy Cooperative, Inc.  
P. O. Box 748  
2640 Ironworks Road  
Winchester, KY 40392-0748

Carol H. Fraley  
President and CEO  
Grayson R.E.C.C.  
109 Hagby Park  
Grayson, KY 41143

James B. Gainer  
Legal Division  
The Union Light, Heat and Power  
Company  
139 East Fourth Street  
Cincinnati, OH 45202

Ted Hampton  
Cumberland Valley Electric, Inc.  
Highway 25E, P. O. Box 440  
Gray, KY 40734

Larry Hicks  
Salt River Electric Cooperative  
Corp.  
111 West Brashers Avenue  
P. O. Box 609  
Hardstawn, KY 40004

Kerry K. Howard  
Licking Valley R.E.C.C.  
P. O. Box 605  
271 Main Street  
West Liberty, KY 41472

James L. Jacobus  
Inter-County Energy Cooperative  
Corporation  
1000 Hustonville Road  
P. O. Box 87  
Danville, KY 40423-0087

Honorable Tyson A. Kamuf  
Attorney at Law  
Sullivan, Mountjoy, Stainback  
& Miller, PSC  
100 St. Ann Street  
P.O. Box 727  
Owensboro, KY 42302-0727

Honorable Lian Kilkelly  
Attorney at Law  
Legal Aid Society  
425 West Muhammad Ali Boulevard  
Louisville, KY 40202  
lkilkelly@laslon.org

Robert M. Marshall  
Owen Electric Cooperative, Inc.  
8205 Highway 127 North  
P. O. Box 400  
Owenton, KY 40359

Burns E. Mercer  
Meade County R.E.C.C.  
P. O. Box 489  
Brandenburg, KY 40108-0489

Michael L. Miller  
President & CEO  
Nolin R.E.C.C.  
411 Ring Road  
Elizabethtown, KY 42701-8701

Honorable James M. Miller  
Attorney at Law  
Sullivan, Mountjoy, Sminback  
& Miller, PSC  
100 St. Ann Street  
P.O. Box 727  
Owensboro, KY 42302-0727  
jmillier@smsinlaw.com

Timothy C. Mosher  
American Electric Power  
101A Enterprise Drive  
P. O. Box 5190  
Frankfort, KY 40602

Barry L. Myers  
Manager  
Taylor County R.E.C.C.  
100 West Main Street  
P. O. Box 100  
Campbellsville, KY 42710

G. Kelly Nuckols  
Jackson Purchase Energy Corporation  
2900 Irvin Cobb Drive  
P. O. Box 4030  
Paducah, KY 42002-4030

Anthony P. Overhey  
Fleming-Mason Energy Cooperative  
P. O. Box 328  
Flamingoburg, KY 41041

Honorable Mark R. Overstreet  
Attorney at Law  
Stites & Harbison  
421 West Main Street  
P. O. Box 634  
Frankfort, KY 40602-0634  
moverstreet@stites.com

Roy M. Palk  
East Kentucky Power Cooperative,  
Inc.  
4775 Lexington Road  
P. O. Box 707  
Winchester, KY 40392-0707

Honorable Kendrick R. Riggs  
Attorney at Law  
Stull Keenan Ogden PLLC  
1700 PNC Plaza  
500 West Jefferson Street  
Louisville, KY 40202  
kendrick.riggs@skofire.com

Bobby D. Sexton  
President/General Manager  
Big Sandy R.E.C.C.  
504 11th Street  
Paintsville, KY 41240-1422

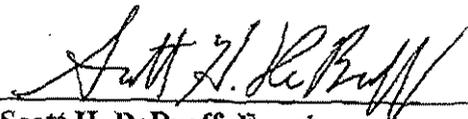
David A. Spainhowerd  
Vice President  
Big Rivers Electric Corporation  
201 Third Street  
P. O. Box 24  
Henderson, KY 42420  
dspainhowerd@bigrivers.com

This is the Service List for Case 2006-00045

Respectfully submitted,

Dated: **June 15, 2006**

By:



**Scott H. DeBroff, Esquire**  
LeBoeuf, Lamb, Greene & MacRae, L.L.P.  
200 North Third Street, Suite 300  
P.O. Box 12105  
Harrisburg, PA 17108-2105

Tel: (717) 232-6453  
Fax: (717) 232-8720  
eMail: [sdebross@llgm.com](mailto:sdebross@llgm.com)

**Counsel for**  
**Cellnet Technology, Inc. &**  
**Hunt Technologies, Inc.**