ORIGINAL

In the Matter of:

AN INVESTIGATION OF THE RELIABILITY MEASURES OF KENTUCK Y'S JURISDICTIONAL ELECTRIC DISTRIBUTION UTILITIES AND CERTAIN RELIABILITY MAINTENANCE PRACTICES

ADMINISTRATIVE CASE NO 2006-0494

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SECOND DATA REQUEST

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RESPONSE

PUBLIC SERVICE COMMISSION

1. Describe in detail how the company utilizes all of the reliability measures it monitors.

BSRECC analyzes the reliability numbers to determine categories of outages that are responsible for system wide outage trends (e.g. In ROW Trees). This information is used to target areas in need of improvement.

2. Has the company determined an appropriate operating range or performance threshold based on these measures? If yes, identify.

BSRECC does not have a specific operating range for reliability measures.

3. Describe in detail how the company develops formal plans to address its worst performing circuits. If the company does not develop such plans, indicate so in the response.

BSRECC only records system wide reliability numbers. Individual circuits are targeted for improvements if excessive outages or problems have occurred by taking data from individual outage reports.

- 4. Why are momentary outages excluded?
 - At this time, BSRECC does not have the capability to monitor and record momentary outages.
- 5. Why are major event days or major storms excluded?

BSRECC includes Major Storms in its reliability numbers as a separate category.

6. Provide a hard copy citing of the Rural Utilities Service ("RUS") reliability monitoring or reporting requirements or, in the alternative, provide an accessible Internet Site.

Please refer to: www.usda.gov/rus/electric/regs/2006/1730

7. Provide and describe in detail any service restoration or outage response procedure utilized.

BSRECC's Service Restoration Plan lists the following priorities:

- a) Highlands Regional Medical Center
- b) Customers with Medical Life Support. Note: These customers are prioritized if practicable based on the restoration of main line circuits.
- c) Carl Perkins Rehabilitation Center
- d) Other Medical Facilities
- e) Pharmacies
- f) Food Center
- g) Industrial Customers
- h) Three Phase Feeders
- i) Single Phase Feeders
- j) Individual outages
- 8. Refer to the RUS drawing M1.30G "RIGHT-OF-WAY CLEARING GUIDE" ("ROW Guide"), a copy has been provided in Appendix A.

a. Is this type of clearance requirement appropriate for all areas of a distribution system? If not, what types of exclusions or exceptions should be made?

This type of clearance is appropiate for most areas. Some exceptions would be "Yard Trees" which landowners want less trimming. Also out of ROW trees, such as danger trees, often need cut and in some areas with a steep incline, additional cutting may be needed on the upper side of the line.

b. If the distribution utility is not already following this guide, provide an estimate of the cost and time-line to implement.

The estimated cost of a 7-year ROW maintenance cycle would be \$560,000 per year plus the additional cost of trimming yard trees, herbicide treatment and other miscellaneous work, which would add another \$200,000 per year to our operating costs. The estimated time-line would be at least 5-7 years.

9. Refer to North American Electric Reliability corporation ("NERC") standard FAC-003-1 "Transmission Vegetation Management Program" ("NERC Standard"), a copy is attached in Appendix B.

a. Does the company prefer the type of standard described in the NERC Standard over the type of standard described in the ROW Guide? Explain why you prefer one over the other.

BSRECC would prefer the RUS ROW guide as a standard. The NERC Standard would create additional expenses in field and clerical work increasing the cost of ROW maintenance.

b. Refer to section R3 of the NERC Standard and substitute "Distribution" for "transmission". Is the distribution utility capable of meeting the reporting requirements described in the section? If not, why not?

BSRECC could comply with this requirement, however, we would need to further analyze the requirements to determine if additional manpower is needed to meet the requirements.

c. Again referring to section R3 as applied to distribution, how many sustained outages would be reportable for the calendar year 2006?

BSRECC would have 124 outages.

10. Provide and discuss any right-of-way maintenance standard which is preferable to those identified in questions 1 and 2 above.

At this time, BSRECC would prefer the RUS standard, due to its simplicity.

18. Why doesn't Big Sandy exclude any outages from its reliability measures?

BSRECC does exclude extreme storms when analyzing outage trends, however, the data is recorded in our outage information to show the overall system impact by such storms.

WITNESS TO ALL ABOVE RESPONSES:

Jeff Prater, Operations Superintendent