## **INTRA-AGENCY MEMORANDUM**

## KENTUCKY PUBLIC SERVICE COMMISSION

TO: Main Case File - Case No. 2008-00408

FROM: Aaron Greenwell, Team Leader

DATE: November 2, 2009

**SUBJECT:** Informal Conference, October 21, 2009

Pursuant to Commission Staff Notice, an informal conference ("IC") was held in this matter on October 21, 2009 at the Commission's offices. Copies of the IC attendance list and the conference agenda are attached. The purpose of the IC was to discuss the interest of the jurisdictional electrical utilities and the non-utility parties to work collaboratively toward the deployment of Smart Meter technology and time-of-use rates.

The IC began with opening remarks by Vice-Chairman James Gardner and Commission Staff regarding changes in the deployment of Smart Meter technology and time-of-use rates nationally since the Commission issued its final Order in Case No. 2006-00045.<sup>1</sup> The IC continued with general comments by several parties and an update on Smart Meter technology deployment by representatives of the jurisdictional utilities. A hand-out provided by Duke Energy Kentucky is attached. The deployment update was followed by a discussion of the conditions necessary for Smart Meter technology deployment and time-of-use rates.

A discussion was then held concerning the establishment of a collaborative process relating to the Smart Meter technology deployment and time-of-use rates with general agreement to establish one or more working groups. Commission Staff asked the parties to meet collaboratively and to provide recommendations as to how and in what time-frame to pursue Smart Meter technology deployment and time-of-use rates. Several parties recommended that Commission Staff provide guidance to the parties regarding expectations for their recommendations. Commission Staff agreed to this request.

Finally, following Commission Staff's recommendation, it was generally agreed that the parties would provide general comments in response to the IC memo. Following those comments the Commission Staff would provide guidance to the parties regarding the expectations for the parties' recommendations.

<sup>&</sup>lt;sup>1</sup> Case No. 2006-00045, Consideration of the Requirements of the Federal Energy Policy Act of 2005 Regarding Time-based Metering, Demand Response, and Interconnection Service (Ky. PSC December 21, 2006).

Steven L. Beshear Governor

Leonard K. Peters Secretary Energy and Environment Cabinet



Commonwealth of Kentucky Public Service Commission 211 Sower Blvd. P.O. Box 615 Frankfort, Kentucky 40602-0615 Telephone: (502) 564-3940 Fax: (502) 564-3460 psc.ky.gov

November 2, 2009

David L. Armstrong Chairman

James W. Gardner Vice Chairman

Charles R. Borders Commissioner

## RE: <u>Case No. 2008-00408</u> CONSIDERATION OF THE NEW FEDERAL STANDARDS OF THE ENERGY INDEPENDENCE AND SECURITY ACT OF 2007

Enclosed please find a memorandum that has been filed in the record of the above referenced case for the Informal Conference held on October 21, 2009. Any comments regarding this memorandum's content should be submitted to the Commission within 14 days of the receipt of this letter. Questions regarding this memorandum should be directed to Aaron D. Greenwell at 502-564-3940, extension 273.

Sincere

Jeff Derouen Executive Director

Attachments

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## APPENDIX A

## APPENDIX TO THE STAFF NOTICE OF AN INFORMAL CONFERENCE IN CASE NO. 2008-00408 DATED

Consideration of the New Federal Standards of the Energy Independence and Security Act of 2007

Informal Conference, Wednesday, October 21, 2009

## Agenda

- 1. Opening remarks and background discussion Commission Staff
- 2. Comments of participants
  - a. Utilities
  - b. Intervenors
- 3. Brief discussion of the status of Smart Meter technology deployment if status is different from that previously reported Utilities
- 4. Identification of conditions necessary for Smart Meter technology deployment
  - a. Equipment standards
  - b. Software standards
  - c. Financial issues
    - 1. Potential costs
    - 2. Cost recovery
    - 3. Rate design
    - 4. Tariff issues
  - d. Security cyber security issues
- 5. Closing
  - a. General level of utility interest
  - b. General level of interest of Intervenors
  - c. Next step

ADMINISTRATIVE CASE NO. 2008-00408 CONSIDERATION OF THE NEW FEDERAL STANDARDS OF THE ENERGY INDEPENDENCE AND SECURITY ACT OF 2007 **INFORMAL CONFERENCE – OCTOBER 21, 2009** REPRESENTING NAME JON DUSION DUKE ENERGY Rocco D'Ascenzo Dike Energy Rike Enersy DON Watter Jeanne Kingery Dulle Energy JIM ZIOLKOWSKI NILE ENER BIG Rivers Electric Bill Blackburg Kuss Polute BIC RIVERS ELECTRIC G. KELLY NUCKOLS JPEC ISAAC S. SCOTT EAST KENTUCKY POWER CODPERATIVE Bos Amato KY DEDI Albert Yockey Bis Rivers Electric Parid Sparahoward Kenergy bhy Newland Charles Canter Community Action Council Kenergy Jackson Energy Sackson Energy Steve Thompson Sharin Carson Carol Waght

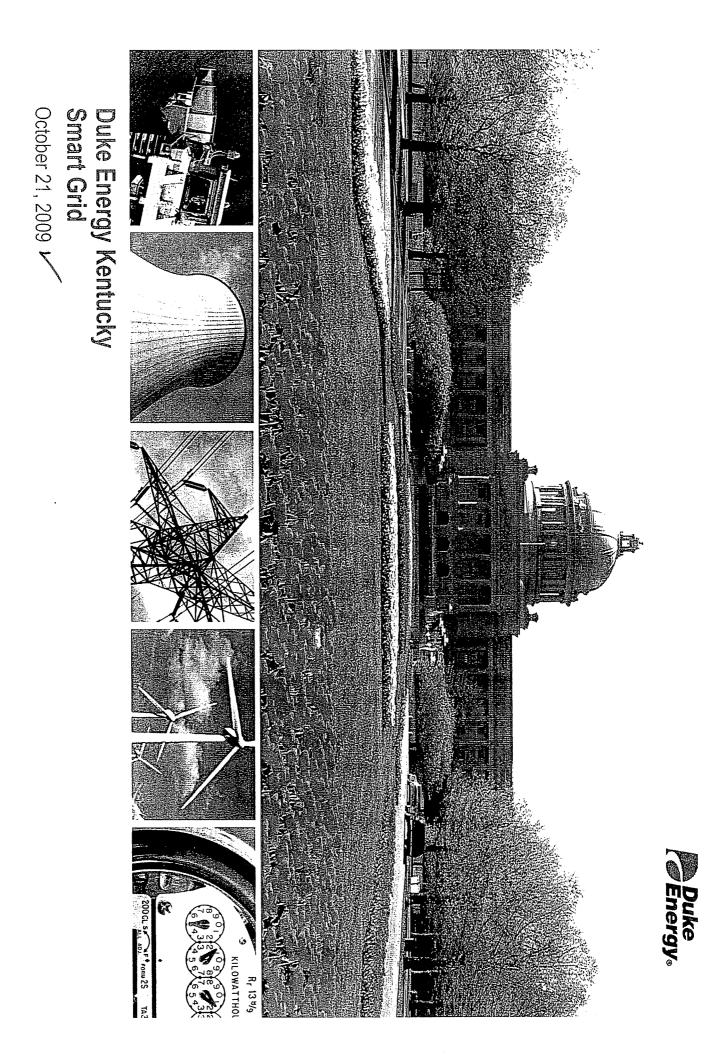
ADMINISTRATIVE CASE NO. 2008-00408 CONSIDERATION OF THE NEW FEDERAL STANDARDS OF THE ENERGY INDEPENDENCE AND SECURITY ACT OF 2007 **INFORMAL CONFERENCE – OCTOBER 21, 2009** REPRESENTING NAME Blue Grass Energy Pau Break DAVID ESTERA Big Sandy RECC Kin R & Havan Licking Valley RECC Ana Chana Lick im Valley 8200 Farmers RECC William I Pratting FARMERS RECC on Wells EKPC Tyson Kannt Big Rivers Ken Coopen Blue GLASS Energy Allisa KAmsey Blue Grass Energy Ann WOOD East Kentucky Power JIM JACOBUS INTER- COUNTY ENERGY David Phelps 4 MARVIN GRAHAM GREG HEARENKATON NOLIN RECC SHEZBY ÉNERLY DAVID GRAHAM Todd PeyTor CLARK ENERGY

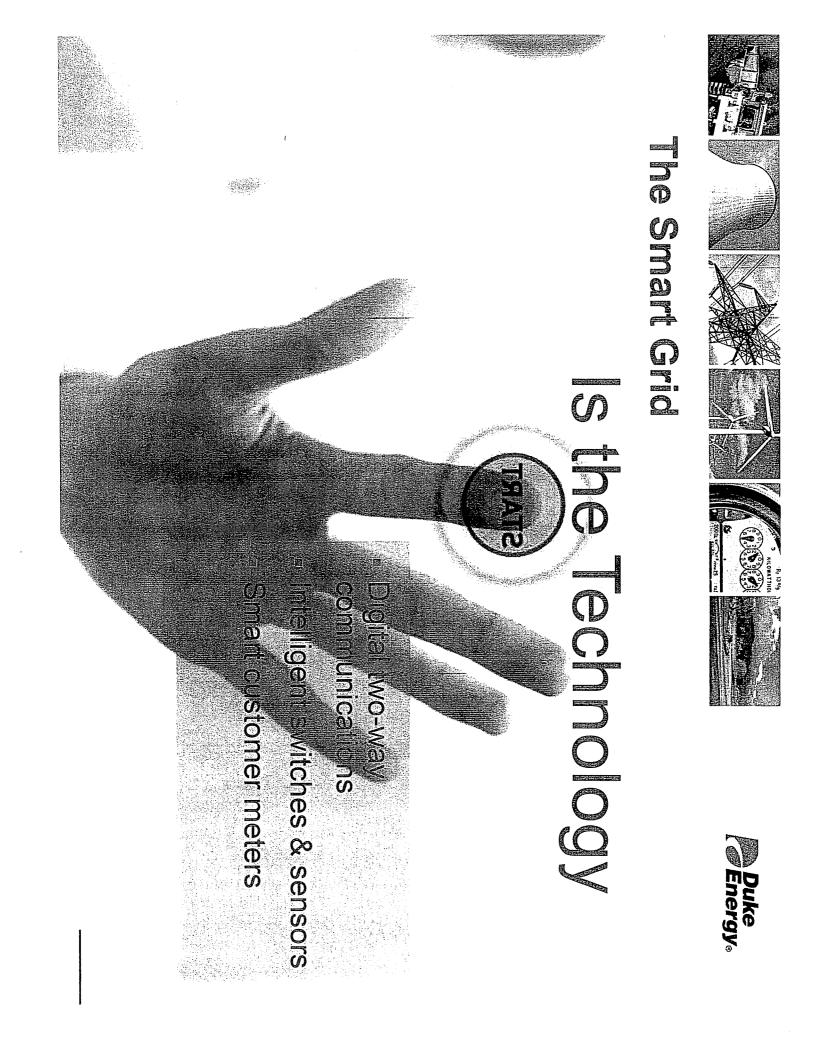
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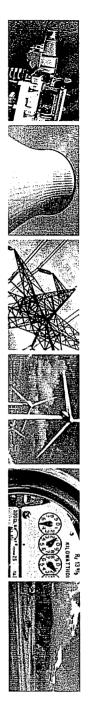
CLARK ENERGY Sort River Elect KENNER POWER G. /1 AEP AEP OWEN EC-Owen E.C. CAC Mende County RECC Kurthe & Boves / States + Helps South Fig RECC South Ky RECC KV/LGE Delta Natural C-as

ADMINISTRATIVE CASE NO. 2008-00408 CONSIDERATION OF THE NEW FEDERAL STANDARDS OF THE ENERGY INDEPENDENCE AND SECURITY ACT OF 2007 **INFORMAL CONFERENCE – OCTOBER 21, 2009** NAME REPRESENTING SOUTH KY RECC. DENNIS HOLT LARK D. Goss EKPC Chur Ken Kobert Triling Cumberland VAIKX Mark Abar Cumberland Valley Eled. EDN U.S Chery Brunes Onnie Bella 1 alupon Sturyon 11 1 1 JOHN P. Mall 11 TONY RULKRIEGEL 11 Both Cockerdl KECK LOVERAMP 11 Salt River Electric Tim Sharp Fereydoon Gorsian P.S.C.S KY PSC AARON GREENWELL PSC

ADMINISTRATIVE CASE NO. 2008-00408 CONSIDERATION OF THE NEW FEDERAL STANDARDS OF THE ENERGY INDEPENDENCE AND SECURITY ACT OF 2007 INFORMAL CONFERENCE – OCTOBER 21, 2009	
NAME	REPRESENTING
JEFF SHAW	PSC - FIN. AMALYSTS
Quare D. Nguye	PSC
Hay / Marly	PSC
Richard 2. Roll	PSC-LEGAL
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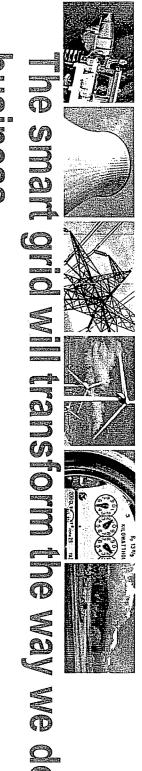
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 Emhanced customer service and product offerings Distributed Generation / Renewable Energy / PHEVs Future Customer Offerings

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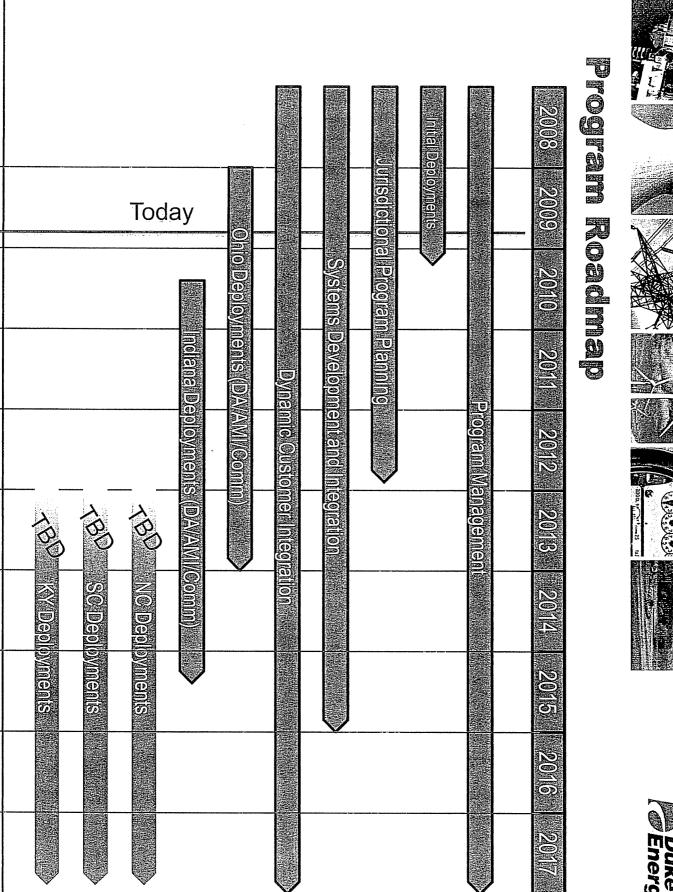
The smart grid will transform the way we do

business

## Envision..

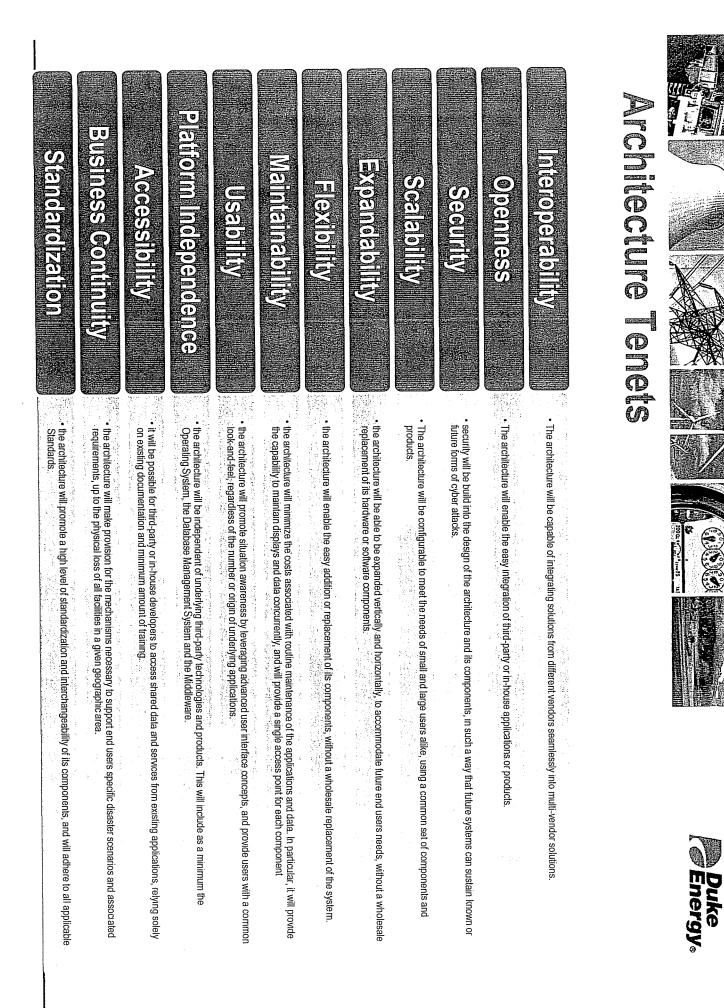
- Increased system reliability and fewer outages
- Your electric meter reporting your power outage
- Having the tools to conserve energy
- Saving money on your monthly energy bills
- Helping reduce the need for new generatior
- Improving the environment

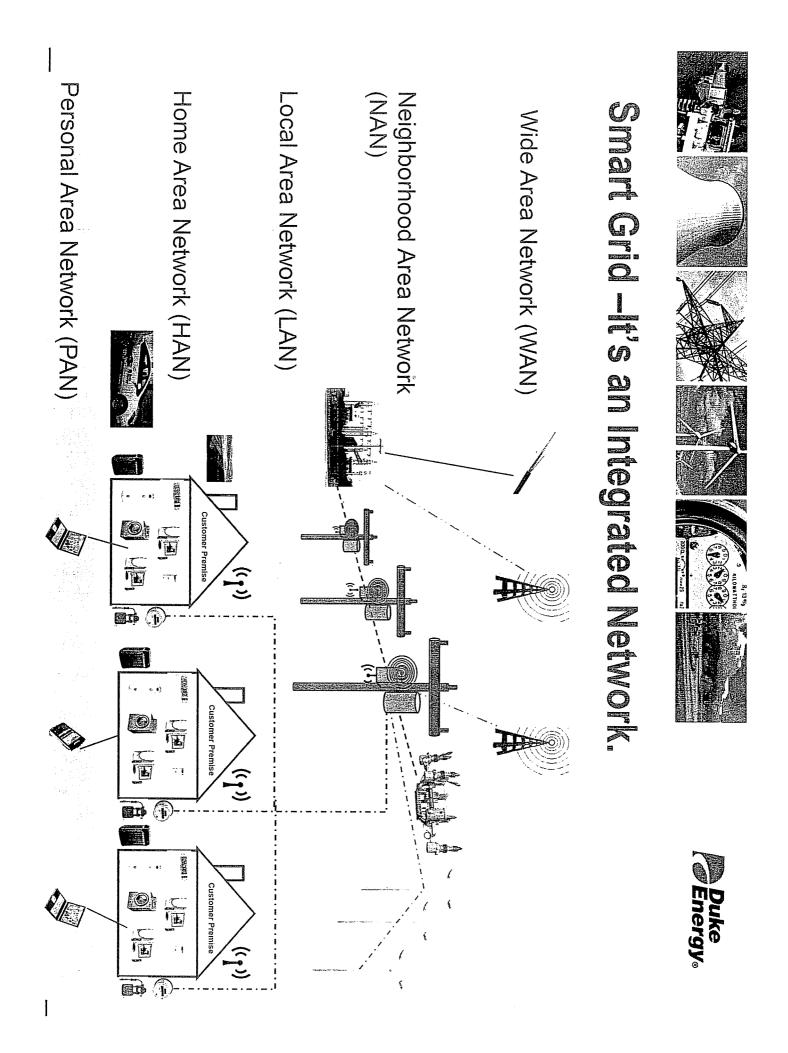


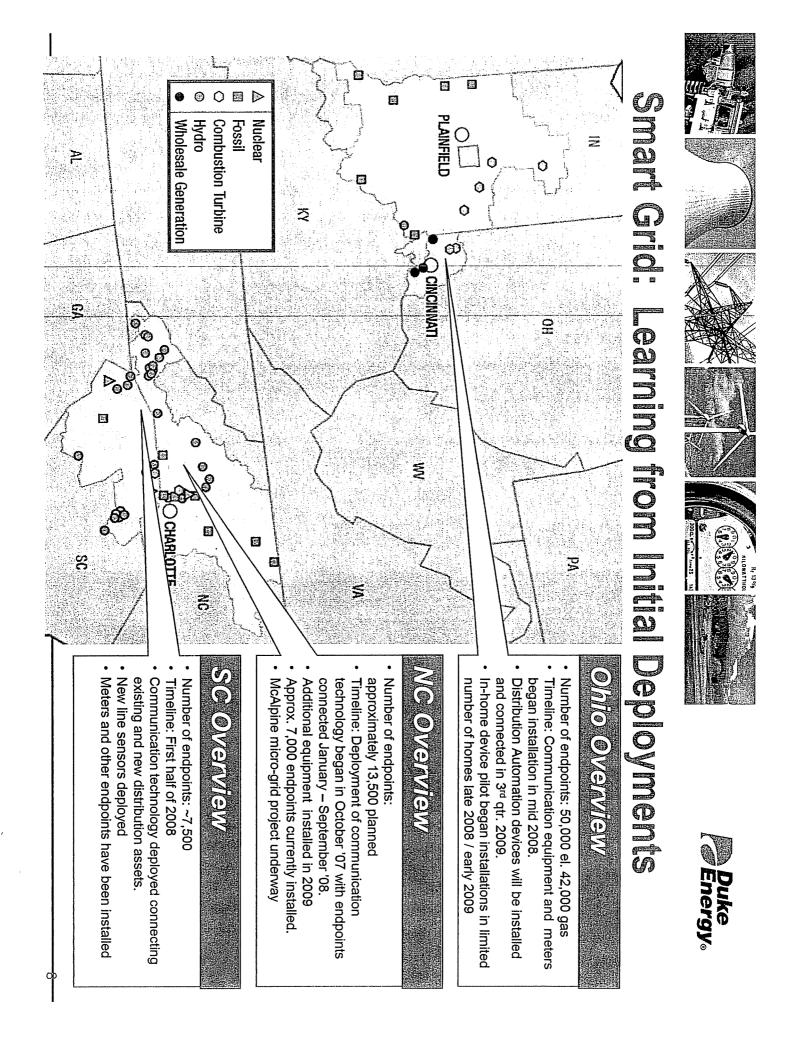


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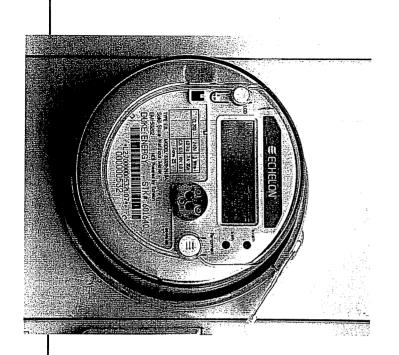


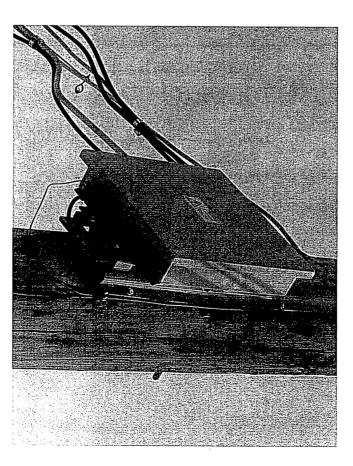




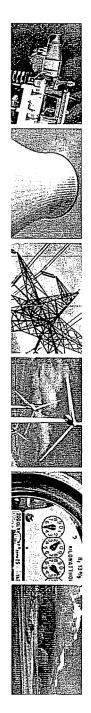
# Customer Benefits - Delivering Results Today

- Automation of meter reads
- Remote connect/disconnect
- Reduce single call dispatches





Reduce power theft
Reduced estimated bills

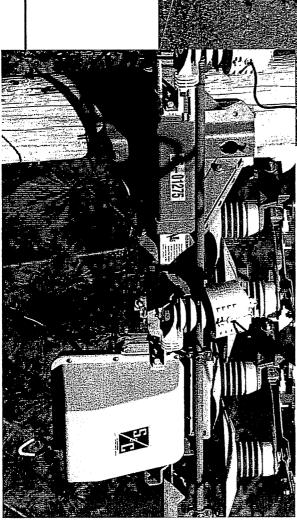




## Distribution Automation / Self Healing



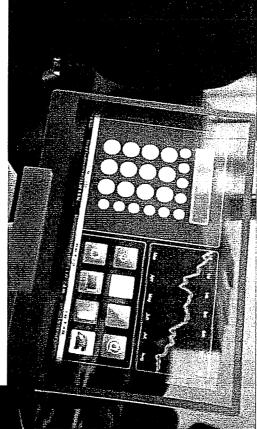
Installed digital line sensors and other equipment to create a "self-healing" network in Hendersonville, N.C.; brought online additional self-healing systems in Cincinnati Sept. 1





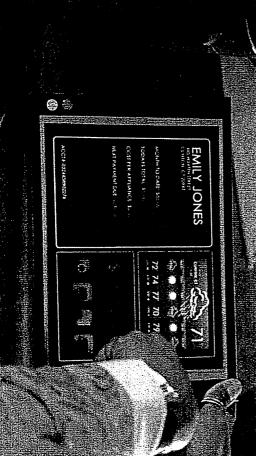


## Service Options What's Next - Residential Energy Management & Customer



Piloting smart grid-enabled customer service options in Ohio (Pick-A-Date, Weekly / Bi-Weekly billing and Proactive Messaging)

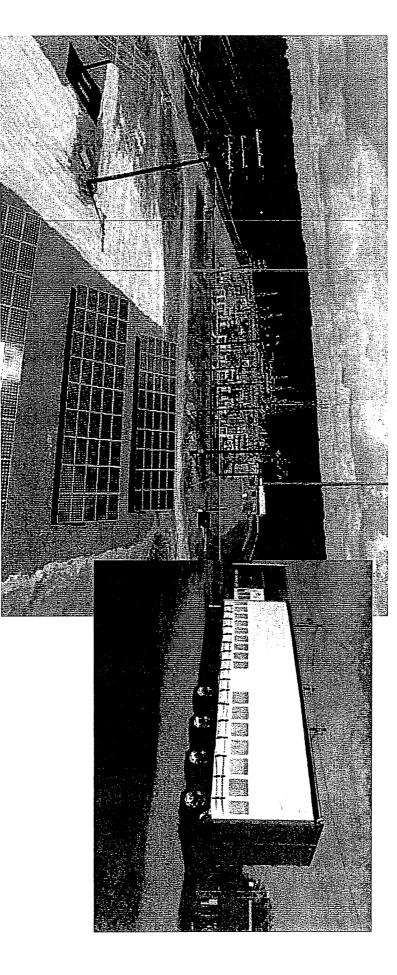
> Piloting residential energy management programs with 100 customers in North Carolina (Smart Energy Program) as part of the McAlpine Grid Optimization Project







# What's Next - Distributed Generation Resources



substation in Charlotte, N.C. that will operate like a virtual power plant. Installed solar panels and a large 500 kV battery at the McAlpine Creek

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