

Shelby Energy Cooperative

®

Your Touchstone Energy® Partner



March 29, 2012

Mr. Jeff Derouen
Executive Director
Public Service Director
211 Sower Blvd.
Frankfort, Ky 40602

RECEIVED

MAR 30 2012

PUBLIC SERVICE
COMMISSION

RE: Administrative Case No. 2011-00450

Dear Mr. Derouen:

Please find enclosed the original and 10 copies of Shelby Energy Cooperative's information requested in the Commission Staff's Second Request for Information To All Electric Distribution Utilities dated March 1, 2012 and Case No. 2011-00450, An Investigation of the Reliability Measures of Kentucky's Jurisdictional Electric Distribution Utilities. Jason Ginn and David Graham will be the witness responsible for responding to any questions related to the information provided.

Should you need additional information concerning this filing, please feel free to contact us.

Sincerely,

Jason Ginn
V. P. of Operations and Engineering

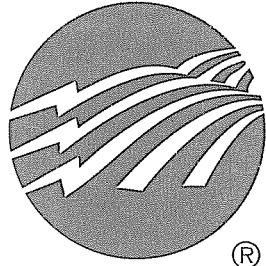
Enclosures

Copied To: Service List Parties

www.shelbyenergy.com

620 Old Finchville Road · Shelbyville, Kentucky 40065-1714

Shelby Co. (502)633-4420 · Trimble Co. (502)255-3260 · Henry Co. (502)845-2845



**Shelby Energy
Cooperative**



Your Touchstone Energy® Partner



ADMINISTRATIVE CASE NO. 2011-00450

In the Matter of:

**An Investigation of the Reliability Measures
Of Kentucky's Jurisdictional Electric
Distribution Utilities**

March 29, 2012

**COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO
ALL ELECTRIC DISTRIBUTION UTILITIES**

1. The following questions relate to the use of a five-year average of System Average Interruption Duration index ("SAIDI"), System Average interruption Frequency Index ("SAIFI), and Customer Average Interruption Duration Index ("CAIDI") on a circuit basis as a benchmark to determine the relative reliability of an individual circuit.

a. In your opinion, is it reasonable for the Commission to require each utility to develop and report a five-year average SAIDI on a circuit-by-circuit basis as a benchmark for comparison purposes? Explain your answer.

Response: No. The SAIDI indices are so easily affected by weather events, vehicular accidents or farm and business/industrial incidents, the number of customers on each circuit and other uncontrollable circumstances that the results are not comparable from circuit to circuit, substation to substation or utility to utility. The results are only applicable for comparisons by the individual utility of the same circuit year to year once the uncontrollable events have been removed.

b. in your opinion, is it reasonable for the Commission to require each utility to explain why a particular circuit has a higher SAIDI than the utility's five-year average SAIDI for that circuit? Explain your answer.

Response: No. Based on the variables that can cause a higher SAIDI as mentioned above, there would be extensive time and cost expended without associated value for the use of resources. If there are questions or concerns regarding a particular circuit, the utility could be asked by the Commission to calculate the indices for the circuit in question.

c. in your opinion, is it reasonable for the Commission to require each utility to explain the planned corrective measures for the circuit with a higher SAIDI than the five-year average? Explain your answer.

Response: No. As stated above, the indices are not comparable due to the weather events, various incidents, the number of customers on each circuit and other uncontrollable circumstances. Any one or more of these circumstances may cause the

indices to change drastically which will result in additional reporting on items over which the utility has no control, ability to prevent and where the utility has no planned corrective measures.

d. In your opinion, is it reasonable for the Commission to require each utility to develop and report a five-year average SAIFI on a circuit-by-circuit basis as a benchmark for comparison purposes? Explain your answer.

Response: No. Refer to the answer given to Question 1.a.

e. In your opinion, is it reasonable for the Commission to require each utility to explain why a particular circuit has a higher SAIFI than the utility's five-year average SAIDI for that circuit? Explain your answer.

Response: No. Refer to the answer given to Question 1.b.

f. In your opinion, is it reasonable for the Commission to require each utility to explain the planned corrective measures for the circuit with a higher SAIFI than the five-year average? Explain your answer.

Response: No. Refer to the answer given to Question 1.c.

g. In your opinion, is it reasonable for the Commission to require each utility to develop and report a five-year average CAIDI on a circuit-by-circuit basis as a benchmark for comparison purposes? Explain your answer.

Response: No. Refer to the answer given to Question 1.a.

h. In your opinion, is it reasonable for the Commission to require each utility to explain why a particular circuit has a higher CAIDI than the utility's five-year average SAIDI for that circuit? Explain your answer.

Response: No. Refer to the answer given to Question 1.b.

i. In your opinion, is it reasonable for the Commission to require each utility to explain the planned corrective measures for the circuit with a higher CAIDI than the five-year average? Explain your answer.

Response: No. Refer to the answer given to Question 1.c.

2. KRS 61.870 through KRS 62.884 address open records of public agencies and 807 KAR 5:001, Section 7, pertains to confidential material submitted to the Commission. Do you anticipate that some information submitted concerning the utility's circuits, whether with regard to SAIDI, SAIFI, CAIDI, or other reporting, could contain confidential, proprietary, or critical infrastructure information for which a petition for confidential information may also be submitted? Explain your answer. In your answer, provide examples of the type of information for which you may seek confidential protection.

Response: No. The utility doesn't anticipate the information being of a confidential nature. However; as previously mentioned the indices are not comparable from utility to utility across the state and could result in harm to a utility if not being considered as a potential service provider when the indices information is not fully understood or used improperly.

3. Please describe your utility's current capacity to compose electronic documents.

a. Is the utility familiar with or currently using Microsoft Office products such as MS Word or Excel? If so, include the name and version(s) of the software currently used.

Response: Yes. Microsoft Office 2003, 2007 and 2010.

b. Describe your utility's current internet connectivity status, including connection speed.

Response: T1 line 1.544 Mbps

c. Is the utility familiar with the Commission's website?

Response: Yes.

d. Has your utility registered on the PSC website and does it have a valid username and password? (This registration would currently be used for Electronic Case Filing, Annual Reports, and Tariff Filings).

Response: Yes.

e. If recommended, would your utility have technical staff available to interface with the PSC Information Services Team to assist in the design and implementation of an automated process for uploading data to the Commission?

Response: Yes. The utility staff is available provided there is a willingness of the PSC Information Services Team to cooperate in regards to current responsibilities, workload and scheduling of the utility staff's time.

4. The following questions relate to the manner by which the utility tracks SAIDI, SAIFI, and CAIDI as stated in response to Items 2. (a) and (b) of the Commission's Order of January 11, 2012.

a. This question applies to Kentucky Power Company ("Kentucky Power"), Big Sandy Rural Electric Cooperative Corporation, Blue Grass Energy Cooperative Corporation, Clark Energy Cooperative, Inc., Duke Energy Kentucky, Inc. ("Duke"), Farmers Rural Electric Cooperative Corporation, Fleming-Mason Energy Cooperative, Inc., Grayson Rural Electric Cooperative Corporation, Inter-County Energy Cooperative Corporation, Jackson Energy Cooperative Corporation, Jackson Purchase Energy Corporation, Kenergy Corp. , Kentucky Utilities Company ("KU"), Louisville Gas and Electric Company ("LG&E"), Meade County Rural Electric Cooperative Corporation, Nolin Rural Electric Cooperative Corporation, Owen Electric Cooperative, Inc., Salt River Electric Cooperative Corporation, Shelby Energy Cooperative, Inc., South Kentucky Rural Electric Cooperative Corporation, and Taylor County Rural Electric Cooperative Corporation all of which reported that they tracked SAIDI, SAIFI, and CAIDI using an outage management system or an outage management system in conjunction with an Excel spreadsheet.

(1) Does your utility have the ability to export (or upload) the data to another data base or data system (including an Excel spreadsheet) maintained by the Commission? If not, explain why.

Response: Yes.

(2) If not identified elsewhere, identify the file formats to which your utility has the ability to export data.

Response: Excel, ESRI shape files, PDF's, JPEG and Access.

b. This question applies to Cumberland Valley Electric, Inc. and Licking Valley Rural Electric Cooperative Corporation, who reported that they tracked SAIDI, SAIFI, and CAIDI manually. Does your utility have the ability to export (or upload) the data to another data base or

data system (including an Excel spreadsheet) maintained by the Commission? If not, explain why.

Response: N/A

8. Explain how the SAIDI, SAIFI, and CAIDI indices influence the allocation of capital for system improvement projects within the utility. For the Investor-Owned Utilities Kentucky Power, Duke, KU, and LG&E, explain the manner in which the parent company influences the amount and allocation of capital for system reliability improvements.

Response: The above indices are reviewed when completing 4 year work plans. They are also looked at for supporting data when completing amendments to the 4 year work plans.

9. Does the utility currently share other types of data with entities outside your organization? If yes, describe those other sharing systems and data, and with whom your utility shares the information.

Response: No.

10. Identify any disadvantages to making the reliability index numbers available on the Commission's website.

Response: The indices are not comparable from utility to utility; therefore providing the indices on the Commission's website would not provide an assessment of comparable data among Kentucky's utilities which in turn would result in misconceptions by the members/customers of the utilities and the general public.

11. Identify any advantages to making the reliability index numbers available on the Commission's website.

Response: We are not aware of any.

12. In your opinion, what information would the utility's customers be most interested in having easily accessible? In your opinion, is it more appropriate to have this information available by circuit or system averages? How does your utility relay reliability information to your customers? Explain your answers.

Response: The indices would be difficult for customers to understand based on the information discussed in prior answers. When we are contacted by a customer with a concern regarding outages or the quality of service we discuss events on the line and supply information for future system improvements planned in that area. This is of more interest and better understood by the customers when they know a direct cause of the reliability problems in their area.

13. If not identified elsewhere, describe the reliability information available for public review on your utility's website.

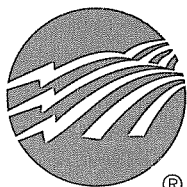
Response: The utility does not have any reliability numbers on the website.

14. If the utility's customer requests information from the utility on reliability measures, do you provide it? Explain your answer.


Response: Yes, but we have never been asked for these numbers by any customer.

15. Does the utility have a suggestion for a better or more efficient method or manner for reporting or providing reliability information to the public?

Response: No.



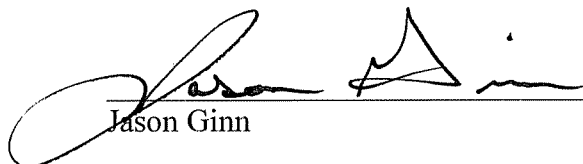
Shelby Energy
Cooperative

® Your Touchstone Energy® Partner 

CERTIFICATION

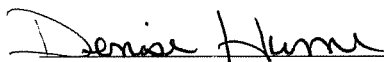
I, Jason Ginn, Vice President of Operations and Engineering at Shelby Energy Cooperative Corporation, state that I have personal knowledge of the matters set forth in this application and attached exhibits, and that the statements and calculations contained in each are true as I verily believe.

This 29th day of March, 2012.



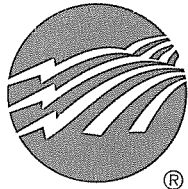
Jason Ginn

SUBSCRIBED AND SWORN on before me by Jason Ginn this _____ day of March, 2012.




Notary Public, KY State at Large

My Commission Expires: 7/13/2013
ID# 446577



Shelby Energy
Cooperative

® Your Touchstone Energy® Partner 

CERTIFICATION

I, David Graham, System Technical Engineer, at Shelby Energy Cooperative Corporation, state that I have personal knowledge of the matters set forth in this application and attached exhibits, and that the statements and calculations contained in each are true as I verily believe.

This 29th day of March, 2012.

David Graham

SUBSCRIBED AND SWORN on before me by David Graham this _____ day of March, 2012.

Notary Public, KY State at Large

My Commission Expires: 2/13/2015

ID # 446577