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January 24, 2012

JAN **2 6** 2012 PUBLIC SERVICE COMMISSION

Mr. Jeff Derouen Executive Director Public Service Commission of Kentucky 211 Sower Boulevard Frankfort, KY 40602

Subject: Administrative Case No. 2011-00450

Dear Mr. Derouen:

Please find enclosed the original and 10 copies of the information requested in the Appendix of Case No. 2011-00450, An Investigation of the Reliability Measures of Kentucky's Jurisdictional Electric Distribution Utilities dated January 11, 2012. David L. Phelps, System Engineer, will be the witness responsible for responding to questions related to the information provided.

Should you need additional information concerning this filing, please let me know.

Sincerely,

James L. Jacobus President/CEO

Enclosures

Copied To: Service List Parties



A Touchstone Energy Cooperative

ADMINISTRATIVE CASE NO. 2011-00450

In the Matter of:

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

January 24, 2012

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN ADMINISTRATIVE CASE NO. 2011-00450 DATED JANUARY 11, 2012

- 1. The following questions relate to the data maintained by each utility.
 - a. Identify the number of circuits currently maintained by the electric utility.

Response: 41

- b. Does the utility calculate separate SAIDI, SAIFI and CAIDI indices for each circuit? If no, explain why not and explain the degree to which the utility tracks the following:
 - (1) SAIDI;
 - (2) SAIFI; and
 - (3) CAIDI.

Response: Yes

c. Identify any other reliability indicator or measure the utility uses to assess reliability. Explain the significance of each indicator or measure used. Does the utility maintain these indicators or measures for each circuit?

Response: Customer complaints. No, we do not maintain these indicators for each circuit.

- 2. The following questions refer to the manner in which each utility calculates and tracks the SAIDI, SAIFI and CAIDI indices.
 - a. Identify the manner in which the indices are calculated and tracked; i.e., manually (Excel spreadsheet), or an electronic or mechanized (outage reporting) system.

Response: Manually, with an Excel spreadsheet.

b. If the response to Item 2.a. above is electronic or mechanized, provide a description of the system and explain whether it was developed internally or purchased from a third-party vendor. If purchased from a third-party vendor, provide the name of the vendor and an estimate of the original cost of the system.

Response: N/A

c. If the response in Item 2.a. above is manually, provide a description of the elements tracked. Discuss in detail any inquiry made into the internal development of an electronic or mechanized system or any consideration of the purchase of a system from a third-party vendor.

Response: SAIDI, SAIFI and CAIDI are calculated per month, year-to-date and annually. No formal inquiries have been made into the development or purchase of an electronic or mechanized system.

- 3. Concerning SAIDI, SAIFI and CAIDI reporting: the Commission directed that the reporting be based on the criteria and definitions set forth in the IEEE Standard.
 - a. If the utility does not follow the IEEE Standard, explain why not. Explain what standard(s) the utility does follow in its calculation of SAIDI, SAIFI and CAIDI.

Response: Inter-County Energy follows the IEEE Standard.

b. Does the utility track and review SAIDI, SAIFI and CAIDI monthly, quarterly or annually?

Response: SAIDI, SAIFI and CAIDI are tracked and reviewed monthly, year-to-date and annually.

c. Are SAIDI, SAIFI and CAIDI tracked on a rolling 12-month period or for a more discrete period of time; i.e., monthly, quarterly or annually?

Response: SAIDI, SAIFI and CAIDI are tracked monthly, year-to-date and annually.

d. Currently, in each annual report submitted pursuant to the Final Order in Case No. 2006-00494, each utility provides system-wide SAIDI, SAIFI and CAIDI calculated for a calendar year. Identify any other preferred 12-month reporting parameter; i.e., calendar year, fiscal year, or some other 12-month method.

Response: Inter-County Energy is in agreement with the current calendar year method and does not have another preference.

e. Does the utility review SAIDI, SAIFI and CAIDI by any discrete fashion such as by division, district, region or some other method?

Response: No.

- 4. The following questions relate to the requirement that each utility report the ten worst-performing circuits for each index in the annual report submitted pursuant to the Final Oder in Case No. 2006-00494.
 - a. If the utility does not track SAIDI, SAIFI and CAIDI for each circuit, explain how the ten worst-performing circuits are identified.

Response: Inter-County Energy does track the indices for each circuit.

b. Does the utility see benefit in expanding the reporting of the worst-performing circuits to the 15 or 20 worst-performing circuits for each index?

Response: No.

c. Identify any alternative to reporting the ten worst-performing circuits that the utility utilizes to determine system reliability.

Response: No other alternative is used to report the ten worst-performing circuits.

- 5. The following questions relate to the identification of the ten worst-performing circuits for each index.
 - a. Provide an explanation of the actions taken by the utility once the ten worst-performing circuits for each index have been identified. Include the typical steps taken to correct the reliability issues relating to the ten worst-performing circuits for each index.

Response: Typically outage causes are corrected within a short time of the incidence, thus eliminating future occurrences for the same cause.

b. Provide a timeline of the typical steps taken to correct reliability issues relating to the ten worst-performing circuits for each index.

Response: A precise timeline cannot be defined for correcting reliability issues. Typically each outage cause that is corrected is done within a relatively short period.

CERTIFICATION

David L. Phelps, being duly sworn, states that he has prepared the responses to the questions from the Commission Staff to Inter-County Energy Cooperative in Case No. 2011-00450 dated January 11, 2012, and that the responses are true and accurate to the best of his knowledge, information and belief formed after a reasonable inquiry.

David L. Phelps, System Engineer

Inter-County Energy Cooperative Corporation

Subscribed and sworn to before me by David L. Phelps as System Engineer of Inter-County Energy Cooperative Corporation this 24th day of January 2012.

NOTARY PUBLIC STATE OF KENTUCKY

COUNTY OF BOYLE

My Commission Expires $\frac{7/15/2013}{}$

SERVICE LIST FOR CASE NO. 2011-00450

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