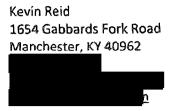
FROM :BIGE HENSLEY FAX NO. :606 598 4459 Jun. 17 2013 08:22AM P1

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JUN 17 2013

PUBLIC SERVICE COMMISSION



June 15, 2013

Regarding case 2013-00004

I believe I am the person that Jackson Energy is referring to where they claim the additional expense of obtaining a one million dollar liability policy was about \$50 per year. Actually, it was \$65; however, please take into consideration my wife and I were already carrying \$500,000 in liability coverage. We have been with the same insurance company for over a decade, have multiple discounts, and we each have credit scores over 800. Most people do not fall into our category as the state insurance minimum is 100k for liability. For most people, they would be going from 100,000 to 1,000,000 in coverage.

My wife and I completed our solar installation back in October of 2012. Our 7.05 KW system met all UL1741 requirements for Net Metering. I installed our system. This system was approved, inspected, and accepted by Jackson Energy Cooperative, which is my electric provider. Jackson Energy was great during this process. Everyone was very helpful, courteous, and extremely prompt in helping me. The person I worked with most was Rick Caudill. He was extremely professional. He answered all my questions in a timely matter to which I was truly impressed with his honest and understanding nature.

Our only disagreement was on the insurance. I had and still have a hard time understanding why we were being asked to carry such a large liability policy. I honestly believe Jackson Energy has good intentions; however, I do believe their judgment on this issue is misplaced due to their limited experience with solar. They even state that they know of no such case where a claim has occurred as listed in their own words below:

b. Regarding the potential for property damage caused by a net metering system, did Jackson Energy conduct any research to quantify the level of risk (i.e., probability of occurrence and amount of damages caused by an occurrence) associated with a net metering system? If yes, provide the details and results of such research.

Response by: Clayton Oswald

JACKSON ENERGY COOPERATIVE

RESPONSE TO COMMISSION STAFF'S SECOND DATA REQUEST CASE NO. 2013-00004

Given the relatively limited use of net metering, Jackson Energy does not believe there is sufficient information available to perform this type of analysis. The levels of risk were determined simply by the engineering expertise of Jackson Energy's personnel who have reviewed this matter and who have discussed such installations with members and have viewed such installations after their completion.

Response by: Ricky C Caudill

Jackson Energy has not had an insurance claim involving net metering.

7. Is Jackson Energy aware of any electric utility in Kentucky that currently requires a set level of insurance coverage for net metering? If yes, provide the name of the electric utility and the amount of coverage required by that utility.

Response by: Clayton Q Qswald

Jackson Energy is not aware of any electric utility in Kentucky that currently requires a set level of insurance coverage for net metering. Jackson Energy was a party to PSC Case 2008-00169 when the net metering guidelines were formed. Jackson Energy's current net metering tariff is the same as the guidelines. Those guidelines did not set a specific requirement for liability insurance, and to Jackson Energy's knowledge, no Kentucky utility has yet to modify the net metering tariff beyond the parameters of the guidelines.

8. How many net metering customers does Jackson energy currently have?

Response by: Ricky C. Caudill

Jackson Energy has three net metered consumers.

So, in summary, from Jackson Energy's own point of view they have stated the following:

Jackson Energy has three net metered customers

<u>Jackson Energy states there is insufficient data to provide a proper level of risk assessment.</u>

Jackson Energy has never had a claim filed from a net metered system.

Jackson Energy is not aware of any electric utility in Kentucky that requires a set level of insurance coverage for net metering.

I believe Jackson Energy has good intentions but have failed to understand just how safe and reliable a net metered system is because of their limited experience with solar in a grid tie system. There is a good reason why there is insufficient data from a risk perspective...there is virtually no risk. As of 2009, there were over 50,000 solar installs with not a single incident according to the IREC Interstate Renewable Energy Council.

FROM :BIGE HENSLEY FAX NO. :606 598 4459 Jun. 17 2013 08:25AM P1

I would like to take a moment to explain how my Enphase M215 inverters work and why they are UL 1741/IEEE1547 Certified Compliant. Any UL (Utility Interactive) certified system must meet UL requirements set by the NEC (National Electric Code). Inverters cannot export power until they have recognized a stable connection from the grid (Jackson Energy in my case) for 300 seconds (5 minutes). The inverters constantly monitor the grid for out of spec conditions. If a grid becomes unstable for any reason, the inverters shut down in 0.16 seconds (yes, that is correct, almost instant) and must wait until they recognize the grid is back up and within specs for five full minutes before they will start exporting power again. And the process starts over each time there is any type of problem with the electric grid. Long story short, inverters cannot export electricity unless they are receiving a stable grid connection and the electric grid is up and running like it should be. It is not possible for the inverters to export power, unless the electric grid is functioning properly as it should.

The bottom line is this. A UL certified net metered system is extremely safe and should not require any additional insurance above the state minimum. I suggest to not allow Jackson Energy's limited experience with solar set the precedent for which other electric companies follow by allowing a large liability policy to be required or require any additional burden on a system installed by a non-licensed person such as myself. Such requirements would only burden future and current net metered systems with additional costs that are not necessary or needed.

Thank you,

Kevin Reid

FROM : BIGE HENSLEY

Levin Reid Fax

Case

00004

3 pages faxed

1 at a had to fax then

time.

Please make sure they are together.

Thanks