


OWEN *Electric*

A Touchstone Energy[®] Cooperative 

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JUN 10 2016

Public Service
Commission

June 9, 2016

Mr. Aaron Greenwell
Deputy Executive Director
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, KY 40602

RE: PSC Case No. 2012-00428

Dear Mr. Greenwell:

Please find enclosed for filing with the Commission in the above-referenced case, an original and three copies of the responses of Owen Electric Cooperative, Inc. to the Commission's final Order dated April 13, 2016.

Please contact me with any questions.

Respectfully yours,



Ann F. Wood
Vice President of Corporate Services

Enclosures

ORDERING PARAGRAPH 4

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Public Service
Commission

INTERNAL PROCEDURES GOVERNING CUSTOMER PRIVACY

MEMBER INFORMATION PRIVACY

I. OBJECTIVE

Owen Electric Cooperative, Inc. (“Owen Electric”) respects the privacy and confidentiality of its members and is committed to operational practices that protect member information. This policy describes the information that Owen Electric, as a utility, collects from its members as a routine part of its operations, and how it uses, protects, and restricts the information that it collects.

II. DEFINITIONS

1. Member. Person, firm, corporation or body politic applying for or receiving service from Owen Electric.
2. Member operational information. Member information that does not identify an individual member but includes detailed data about system operations about utility services or programs provided to a member.
3. Member personally identifiable information (PII). Member information that specifically identifies the person or entity to which it applies, based upon federal and state statutory definitions.
4. Aggregate member information. Information of more than one member combined in such a manner that does not identify a member.
5. Utility. Owen Electric Cooperative, Inc.
6. Associated third-party. Includes contractors, vendors, energy-efficiency program partners, governmental entities or agents and non-profit utility-assistance organizations with which Owen Electric interacts.
7. Privacy. Non-disclosure of member information to an unassociated third-party without member consent.

III. CONTENT

A. Accountability

Owen Electric assumes the following:

1. It is accountable for the member’s PII within the organization’s possession or control.
2. It is responsible for personal information in our control that has been transferred to an associated third-party processing. Owen Electric will use contractual or other means to provide a comparable level of protection.
3. It will not sell or distribute the PII of its members.
4. It will not collect information indiscriminately and will limit collection of information to that which is reasonable and necessary to provide electric service, participation in an energy efficiency program, use of a specific tariff or other program.
5. It will adopt procedures to protect personal information, receive and respond to complaints and inquiries and train employees regarding these policies and procedures.

B. Member Information Collected.

Personal and operational information obtained by Owen Electric for a member and associated persons on the member's account include, but are not limited to the following:

1. The name and address and other contact information, such as telephone numbers, e-mail address;
2. Facts regarding consumption of energy, both historic and current;
3. Data concerning a member's transactions with Owen Electric, such as account numbers, account balances, payment history;
4. Credit and reference information, such as date of birth, social security number, employment information, driver's license, previous addresses, and general financial data;
5. Medical information to be used in case of emergency power outages; and
6. Financial institution information for pre-authorized payments.

C. Purposes of Member Information Collected

Owen Electric obtains personal and/or operational member information for the following purposes to:

1. Personalize, identify, communicate and conduct the business of Owen Electric;
2. Validate identity for purpose of establishing new service or verifying existing service;
3. Assess credit risk, including obtaining credit reports;
4. Communicate with the member and address any service issues or need;
5. Bill accounts, maintain payment records, give notice on current balance;
6. Assemble statistics about how Owen Electric's website is accessed and used;
7. Compile aggregate data that does not identify the member as an individual;
8. Contact members about outages and services offered by Owen and third-party energy-efficiency programs partners;
9. Provide aggregated information to Community Action Council ("CAC") agencies, upon request;
10. Respond to federal, state, local regulatory agencies; and
11. Collect debts owed by a member.

D. Member Access to Information

Members shall have access to their individual information, including but not limited to, historical data regarding electric usage, respective billing units and the current applicable tariff by the following methods:

1. The internet member portal may be accessed by all Owen Electric members by using a personal User ID and Password through Owen Electric's website at: www.owenelectric.com. If a personal security code has not been established, the member may contact Owen Electric by telephone and assistance will be provided on how to set up the code.

2. Members may contact Owen Electric and the requested information will be mailed directly to the member or may be picked up by the member, with proper identification, at one of Owen Electric's offices during regular business hours.

E. Disclosure of Member List

A member list may be disclosed to a member of Owen Electric for proper purposes, such as in connection with election activities. Members' names and address may be provided to a candidate(s) certified eligible for election to the Board of Directors of Owen Electric Cooperative, Inc.

F. Security

1. Owen Electric maintains member information with reasonable and appropriate technical, administrative, physical and cyber safeguards to protect against loss, unauthorized access, destruction, misuse, modification, and improper disclosure of member information.
2. A summary of this Member Information Privacy Policy is posted on the Owen Electric website.

G. How to Contact Owen Electric

This policy is maintained by Owen Electric at the headquarters office located below. Questions regarding this policy may be directed to this office.

Owen Electric Cooperative
8205 Hwy 127 N
Owenton, KY 40359
E-mail at: info@owenelectric.com
Telephone: (800) 372-7612

ORDERING PARAGRAPH 4

INTERNAL PROCEDURES GOVERNING CUSTOMER EDUCATION

Owen Electric Cooperative

Member Communications & Education Plan

Statement of Mission, Message, and Markets

A key sector of Owen Electric's Customer Service and Marketing Department is Communications. It is the goal of the Communications sector to educate, build trust and loyalty, and increase satisfaction by effectively conveying important Cooperative information to members in a timely and efficient manner.

In delivering this message, Owen Electric wishes to use selected content from a variety of sources including the Kentucky Touchstone Energy Cooperatives marketing schedule, Together We Save Campaigns, NRECA's Straight Talk campaign, and information and tools catering to member feedback and the climate of our local Cooperative. It is essential that our message and the methods used to convey our message to our targeted markets be consistent with Owen Electric Cooperative's stated values of integrity, innovation, stewardship, and commitment to members, employees, and community. It is our intent to educate and build positive relationships, trust, and goodwill in our communication efforts.

The markets or audiences we are targeting include our residential members, commercial & industrial accounts, employees, local communities, Greater Northern Kentucky region, county legislators, state legislators, federal legislators, media, Kentucky Public Service Commission, state and federal governmental agencies, and local community service groups.

Print, internet, radio media, and personal appearances are all venues to be used to communicate and interface with our members, in an effort to utilize as many different forms of media to affect the broadest strata.

With the advent of smart grid technologies, Owen Electric recognizes the importance of member education. Owen Electric will use a host of communication channels to engage and educate its membership, including the Cooperative's member newsletter, billing inserts, door hangers, social media, website, and direct conversations with individual members. Additionally, Owen Electric will engage in informational presentations to area officials, chambers of commerce and civic and community groups. These efforts will be undertaken to improve member acceptance as well as increase the realized benefits of utilizing smart grid technologies.

Methods

In an effort to reach all members, media, legislators, governmental agencies and regulators, Owen Electric utilizes a broad array of media to communicate its messages, including printed media; the Internet; radio advertising; and through local speaking engagements and opportunities.

Print:

Kentucky Living Magazine
Press Releases
Print Advertising
Member Bill Inserts
Drive Thru/Lobby Displays

Internet:

Owen Electric Web Site
Social Networking
-Twitter
-Facebook
-Instagram
-Pinterest
-Flickr

Radio:

Seasonal Radio Messages

Speaking Engagements/Opportunities:

School Groups
Civic Clubs
Community Action Groups
Legislative and Governmental Agency Opportunities:
Serving on Task Forces
Congressional Meetings—Frankfort, D.C.

Legislative Rally – Washington, D.C.

Public Service Commission:

Informal conferences

Educational seminars

Formal hearings

Kentucky Living

Owen Electric's member newsletter is sent to nearly 60,000 members within the *Kentucky Living* magazine.

Frequency: 12 months/year

Content: Follows communications calendar produced by National Rural Electric Association (NRECA); East Kentucky Power Cooperative (EKPC); Kentucky Statewide Assoc.; and relevant Cooperative/industry news as pertinent and timely.

Focus: Coop/industry news; climate legislation; energy efficiency; safety; smart grid education. Timely or particularly important Cooperative news will take precedent over scheduled communications calendar content.

Press Releases

To announce important Cooperative news—including, but not limited to, outage updates, capital credits, smart grid investments, Public Service Commission actions or notices—press releases will be utilized. Press releases will be distributed through regularly updated e-mail contact lists for the sake of timeliness to appropriate social media.

Frequency: As needed.

Audience: Membership or affected sectors according to groups/counties via local media outlets, including newspaper, television and radio.

Content: Pertinent information to be released to public.

Print Advertisements

Printed advertisements for newspapers will be approved or denied according to the content/area they include. Discretion will be used in regard to the size and cost of the message in order to ensure all counties and service areas are reached as equally as possible.

Discretion will also be used to determine if the message of the advertisement, as well as any special promotion it might be printed in, furthers the mission and maintains the image of the Cooperative.

- Frequency:** As needed or as opportunities arise
- Audience:** Whole membership/regional membership
- Focus/Content:** School, community support touting commitment community; energy efficiency and educations; smart grid information; and safety. Advertisements will include Cooperative '800' number and Web site.

Member Bill Inserts

Printed bill inserts will appear accompanying mailed Owen Electric member bills on a semi-regular basis to promote new efficiency/education programs or as otherwise needed.

- Frequency:** Quarterly or as needed
- Audience:** Entire membership
- Focus/Content:** Energy efficiency tips, technology/programs that encourage and promote energy efficiency and thus lower utility bills for members
Smart Grid communications to engage and educate its membership to increase member awareness and acceptance of the benefits of smart grid technologies

Drive-Thru/Lobby Displays

Printed drive-thru posters and banner-ups for the lobby display matching, colorful promotional messages each month to Headquarters and branch office visitors.

- Frequency:** Displays year-round; message changes monthly
- Audience:** Membership, visitors
- Focus/Content:** Based on Kentucky Touchstone Energy Cooperatives marketing calendar for the current year. Promotes various Cooperative programs, efficiency, CFLs, etc.

Web Site

The Owen Electric Web site, while designed to function as a '24/7 Virtual Office,' also features a news section designed to include timely news updates including, but not limited to, outage updates; community/school involvement by the Cooperative and/or employees; and other information of interest including rates, payment options, smart grid information, etc.

- Frequency:** Updated immediately as needed for emergency updates; Updated within 24 hours of community/school/cooperative events, other ‘soft’ news.
- Audience:** Membership—especially those with Internet access from home, office, or otherwise (iPhone, Android, tablet)
- Focus:** Outage or safety updates; energy efficiency and education; smart grid information; Cooperative/community news features; industry news (i.e. climate legislation, emerging technology).

Social Networking

Social networking is the Communications’ sectors most recent endeavor to broaden its reach even further. The sites currently being utilized—Twitter, Facebook, Instagram, Pinterest, and Flickr—allow much flexibility in posting articles of interest, video, photos, important Cooperative announcements and updates, and solicit feedback and casual, friendly interaction from members.

Twitter and Facebook also work to reference Web traffic back to the Owen Electric home page, as textual constraints leave the administrator with posting a photo, teaser and link back to the news scroller or appropriate page hosting the article or information.

Twitter

- Frequency:** Updates as available during an outage; daily, but limited to no more than three (3) updates with articles or energy efficiency tips throughout the day.
- Audience:** Twitter followers, including members and local media.
- Content:** Outage updates; energy efficiency and education; safety; smart grid announcements.

Facebook

- Frequency:** Updates as available during an outage; daily, but limited to no more than three (3) updates with articles or energy efficiency tips throughout the day.
- Audience:** Facebook ‘fans,’ including local media.
- Content:** Outage updates; energy efficiency videos, articles and tips; safety; smart grid announcements; community involvement and other ‘soft’ news.

Instagram

Frequency: Updates as applicable.
Audience: Instagram users, industry and fellow utilities that use the application.
Content: Photos from events that lend themselves to photos, such as school/community events, outage photos (crews working, damage, etc.).

Pinterest

Frequency: Updates as relevant content is developed.
Audience: Pinterest users, which consist heavily of ‘DIY’-oriented people (do it yourself).
Content: How-to, safety, energy efficiency graphics and instructions. Visual items that can be ‘pinned’ and saved or retrieved easily for reference.

Flickr

Frequency: Photos uploaded from special events, items of interest in relation to the Cooperative or events it has some interest/involvement in.
Audience: Members, etc. (Public account available to anyone).
Content: Photos from events, etc.

Radio

Radio advertisements—due to cost—are used sparingly and only when necessary or a reasonable opportunity/sponsorship arises.

Frequency: One to two weeks prior to Annual Membership Meeting according to price of air time and budget constraints; Message during Holiday season two weeks prior to Christmas
Audience: Membership
Content: Information concerning the date, time, and location of the Annual Membership Meeting with features; Holiday message touting non-denominational family-centric safety message.

Speaking Engagements/Opportunities

Opportunities and invitations to speak to school groups, civic clubs, community action groups, state and federal governmental agencies, regulators, and/or to participate on task forces and legislative groups will be graciously accepted in order to further Owen Electric’s reputation for quality service and its interest in promoting energy education and efficiency. Through its involvement on task forces and in interfacing with state and federal

governmental agencies and regulators, efforts will be made to bring awareness to the need for energy innovation, smart grid announcements, cost of service rates, and public policy that is fair and affordable.

- Frequency:** As opportunities arise and are sought
- Audience:** Members, youth, community leaders, regulators, legislators
- Content:** Owen Electric's mission of education in regard to energy innovation and smart grid technology, safety, cost of service rates, and fair and affordable legislation.

Emergency Communications

Each January, a comprehensive media contact list is updated. This list is used throughout the year to make necessary communications and marketing contact with local newspaper, television and radio media located in Cincinnati, Lexington and Louisville.

Media contacts are notified each year via letter that they can elect to receive emergency outage updates via e-mail. A comprehensive media e-mail list exists much in the fashion of the physical contact list, divided by type of media and including one master list.

Emergency response groups may also elect to become a part of the e-mail distribution list.

- Frequency:** Immediately as updates/changes develop in the outage/emergency situation; at least every four hours otherwise, between the hours of 6 a.m. and 11 p.m.
- Audience:** Local media and emergency response groups
- Content:** Number of members remaining without power; any concrete details pertaining to members and the outage status; safety information in reference to generators, etc; locations of local shelters as the Cooperative is notified.

Key Accounts Communications

Communication with key account takes place with emails, phone calls, and personal visits by the Key Account Manager. These take place at different frequency to communicate important developments with Owen Electric that will affect key accounts or industry issues. During an outage, key accounts are communicated with through telephone calls by the Key Account Manager or system operators.

ORDERING PARAGRAPH 5

CERTIFICATION REGARDING THE DEVELOPMENT OF INTERNAL CYBERSECURITY PROCEDURES

AFFIDAVIT

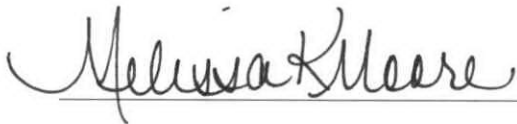
The Affiant, Mark A. Stallons, President and CEO of Owen Electric Cooperative, Inc. ("Owen Electric"), 8205 Highway 127 North, P.O. Box 400, Owenton, Kentucky 40359, hereby certifies that Owen Electric has developed internal cybersecurity policies, and is in the process of finalizing supporting procedures. All policies have been approved by its Board of Directors.

Witness my hand this 1st day of June, 2016



Mark A. Stallons, President and CEO

Subscribed and sworn before me this 1st day of June, 2016



Melissa K. Moore, Notary Public

State-at-Large

My Commission expires 4/15/19



ORDERING PARAGRAPH 10

INTERNAL PROCEDURES REGARDING SMART GRID INVESTMENTS

Smart Grid Investments

System Description

Owen Electric Cooperative, Inc. (“Owen Electric”) is a member-owned cooperative that provides electric service to approximately 60,000 residential, commercial, and industrial meters in nine northern Kentucky counties. A summary of Owen Electric’s smart grid investments is provided below.

In 2006, Owen Electric deployed an Advanced Metering Infrastructure (“AMI”) system of residential meters and polyphase meters. The data collected from the AMI meters is used, not only for billing, but also for engineering planning studies. This AMI system is a power line carrier based system.

Owen Electric has three self-healing installations in its system. Self-healing pertains to automated distribution control whereby intelligent electronic devices are automatically operated based on a set of logic criteria being met. These self-heal installations are able to restore power to critical load areas within minutes of an outage on the main feed. The components that make up a self-heal system include mainline reclosers with communication capability, logic controls, plus a central master control located at Owen Electric headquarters. This intelligent scheme allows for switching between feeders in fewer than 5 minutes. The system can be reset manually or through remote control.

Owen Electric participated in a Smart Home pilot project that provided demand response and energy management solutions to 173 residential members in its service territory. The purpose of the pilot was to determine if home energy management solutions would yield positive benefits to the member and Owen Electric. While the pilot demonstrated a reduction of on-peak demand, Owen Electric’s software partner, in the end, was unable to calculate and provide the data and analysis needed to evaluate the overall effectiveness of the program.

Owen Electric installed a Meter Data Management software system that safely and securely stores our members’ kWh readings. This system allowed us to offer the prepay metering option.

Owen Electric was one of the first electric cooperatives to have a SCADA system in 1988; the SCADA system is vital in the daily operation of Owen Electric’s system. The SCADA system was upgraded in 2012 as part of the Department of Energy Smart Grid grant program. Beyond monitoring currents, voltages, system demands, and device statuses, Owen Electric also monitors and records weather information such as wind speed and temperatures, and substation transformer health indicators.

Planning Goals

Owen Electric is evaluating newer AMI technologies to provide more data to the member as well as power quality data to us for system improvements. This data includes, but is not limited to, voltage (on demand and interval), blink and outage data.

Owen Electric is evaluating the participation in a pilot Demand Voltage Reduction/Conservation Voltage Reduction program with East Kentucky Power Cooperative, Inc. ("EKPC"). EKPC is partnering with Open Access Technology International ("OATI") using the web to centralize the existing demand response programs with their participating cooperatives. EKPC will perform the economic analysis to determine the benefits, if any, in voltage reduction on one substation in Owen Electric's service territory.

Owen Electric will continue to evaluate new smart grid technologies.

How Smart Grid Investments Will Be Considered

Investment in new smart grid technology will be made when it makes prudent economic sense for Owen Electric's members.

Page 11 of the Commission's final Order in this proceeding states: "In support of our decision, the Commission notes the steps the distribution cooperatives take in developing their Construction Work Plans ("CWPs"). The CWPs set forth straightforward design criteria and explain the basis for each project included therein."

Owen Electric concurs with this statement by the Commission and will continue to use the CWP mechanism to make the Commission aware of upcoming smart grid projects.