

Grayson Rural Electric Cooperative Corporation

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JUN 13 2016

Public Service
Commission

June 10, 2016

Mr. Aaron Greenwell
Acting Executive Director
Public Service Commission
PO Box 615
211 Sower Boulevard
Frankfort, KY 40602

RE: PSC Case No. 2012-00428

Dear Mr. Greenwell:

Please find enclosed an original and three copies of the response to the Public Service Commission Order dated April 13, 2016.

Please let me know if additional information is needed.

Respectfully,



Bradley Cherry
Manager of Finance & Accounting

Enclosures

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JUN 13 2016

Public Service
Commission

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In The Matter of:

CONSIDERATION OF THE IMPLEMENTATION)
OF SMART GRID AND SMART METER)
TECHNOLOGIES)

CASE NO.
2012-00428

CERTIFICATE

STATE OF KENTUCKY

COUNTY OF CARTER

Bradley Cherry, being duly sworn, states that he has supervised the preparation of the Responses of Grayson Rural Electric to the Public Service Commission's Order dated April 13, 2016 and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

Bradley Cherry
Bradley Cherry, Manager of Finance & Accounting

Subscribed and sworn before me on the 10 day of June, 2016

Rebecca L. Boden
Notary Public ID# 548748

My commission expires: Jan 15 2020

4. Within 60 days of the date of this Order, the Joint Utilities shall file with the Commission their internal procedures governing customer privacy and customer education.

Customer privacy is governed by board policy and administrative guidelines. Our Information and Cyber Security/Identity Theft Prevention policy governs our board as well as our employees and members in regards to privacy. Also adopted by the board was the Appropriate Use of Email and Internet System policy which is part of our governing of customer privacy.

Our member service representatives are trained to answer any questions regarding our dynamic pricing tariffs and will recommend appropriate tariffs if the criteria met would be beneficial to the member. Educational handouts and flyers are available in our member system department for our members to educate themselves on the programs and their benefits.

Promotional advertisement and education on our tariffs are periodically displayed in the monthly Kentucky Living Magazine mailed to each of our members. Our President & CEO will occasionally address these issues and programs in her monthly column, providing educational information and benefits these programs can achieve. Sample copies of these correspondences are included.

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

BOARD POLICY NO. 528

SUBJECT: IDENTITY THEFT PREVENTION POLICY

I. OBJECTIVE

The goal of this policy is to protect the privacy of our members and employees by safeguarding cooperative records and personal information. Grayson RECC recognizes its responsibility to protect personal information within the workplace.

II. POLICY

A. An Identity Theft Committee (ITC) will be established to provide constant scrutiny and oversight. The committee will include one Director, appointed by the Board Chairman, the Manager of Technical Services, the General Accounting Supervisor, the Manager of Marketing & Member Services and the Technical Services Supervisor. The committee shall keep vigilant watch on current practices and procedures, and shall assess the Company's need for new and updated policies and procedures. Cooperative Legal Counsel shall serve as advisor to this Committee.


The Manager of Technical Services shall serve as the Privacy Officer and shall report to the President and CEO and the Board of Directors regarding the needs and outcomes of the identity theft prevention program.

- B. The goal of the cooperative, under the guidance of the ITC shall be to:
- a. Prevent identity theft by cooperative employees or others
 - b. Limit exposure of secured information
 - c. Implement a 'need to know' standard with all confidential information
 - d. Train employees to recognize signs of identity theft
 - e. Create an Administrative Guideline outlining the procedures for:
 - i. Retention and disposal of information and documents
 - ii. Medical confidentiality for employees
 - iii. Mitigating breaches in security
 - iv. Responding to notices of address discrepancies
 - v. Handling reports of suspected identity theft
 - vi. Conducting IT audits to monitor risk for identity theft
 - vii. Procedures for handling customer information
 - f. Coordinate with our billing software vendor and others who have cooperative data, to insure their confidentiality compliance

III. RESPONSIBILITY

It shall be the responsibility of the President and CEO to see that the committee adheres to the responsibilities of this policy and the Administrative Guidelines. The ITC shall report to the Board of Directors annually, and shall be represented by the Director appointed to that committee and the Manager of Technical Services.


Roger L. Trent, Chairman


Billy E. (Eddie Martin), Secretary/Treasurer

Date Adopted: 10/23/08
Minute Book Page: 4142-4154
Date Revised: 08/26/11
Minute Book Page: 4472-4473

BOARD POLICY 531

APPROPRIATE USE OF EMAIL AND INTERNET SYSTEM

OBJECTIVE: To establish the proper guidelines for use of E-mail and the Internet by Grayson R.E.C.C. Employees . To prevent the Company and/or its employees from illegal or damaging actions by individuals, either knowingly or unknowingly.

POLICY: This policy will detail the rules of conduct for email sent from a Grayson R.E.C.C. Email address or for Internet activity through the Cooperative's servers, and applies to all employees, contractors, consultants, temporary and other workers, including all personnel affiliated with third parties. For Internal Procedures, refer to Administrative Guidelines. This policy is made part of the Cooperative's work rules and violation is subject to disciplinary action.

SCOPE: Grayson R.E.C.C. provides internet and email access to facilitate the conduct of company business. Occassional and incidental personal internet or email use is permitted if it does not interfere with the work of personnel, the Company's ability to perform it's mission, does not directly interfere with Grayson R.E.C.C.'s business operations, IT facilities or electronic mail services, and meet s the conditions outline in official company directives. For internal procedures, all employees should reference Administrative Guidelines, Appropriate Use of Email and Internet systems.


Responsibility: It shall be the responsibility of the Manager of Technical Services to assure compliance with this policy. All contractors, consultants, temporary and other workers at Grayson R.E.C.C. shall be given a copy of pertinent information from this policy, reviewed with them by the Manager of Technical Services or his designee. It shall be the responsibility of the President and CEO to see that the Information and Cyber Security/Identity Theft Protection Committee adheres to the responsibilities of this policy and the Administrative Guidelines.

Harold Dupuy, Chairman

Billy E. "Eddie" Martin, Secretary



Co-op News

A Touchstone Energy Cooperative 



Carol Hall Fraley
President/CEO

Straight Talk from the CEO

WHAT IS A TS2 METER?

Do you remember when you had to read your own electric meter? Once a month, summer and winter, rain or shine, you had to trudge out to the meter and write down your reading. Although it was supposed to be read on the 1st of the month, sometimes you forgot to read it until the 15th. Sometimes you completely forgot and just added on a few hundred kWh. Some people even used their readings to make their own budgets. They would add a few kWh each month in warm weather to help them through the winter months.

In today's technology, your cooperative faces a whole different ball game. Each of our members fit a different classification. A class 14 is residential, all-electric. Class 16 is a barn. Class 25 is a small commercial account, and there are several other classifications. For rate making purposes and for load forecasting purposes, we need to know exactly how many kWh each classification uses per month and year, compared to how much power we buy.

To help us become as accurate as possible, and to avoid hiring meter readers, we started installing meters that send readings over the power lines (Power Line Carriers, or PLC) to our office in 2000. These meters provide one-way communication and report your meter reading approximately every 27 hours. If you need a final bill, we can predict how much it would be within that time frame. If a member moves from one property to another, we can use the reading that called into the office to settle their bills without having to send a serviceman. This is a savings to the cooperative and a big help to our members. No one has to read their meter anymore. The meter reports to the office and goes straight to the billing system. It eliminates the need to "key in" all those readings by hand.

Starting in 2010, the decision was made to advance to the newer meter technology that provides us with two-way communications over the power lines. The new meter will now allow us to disconnect or re-connect an account by remote control from the office. It also offers opportunities in tamper detection, outage detection, and restoration notification as we move toward an automated outage system and mapping system integration. We install Landis & Gyr TS2 meters on all new accounts and on accounts that have meters that are due to be tested. The entire system will gradually be changed. This will help us spread labor and costs over a longer period of time.

These digital meters use a low-power frequency generator to send read-

(continued on page 26B)

Grayson Rural Electric is introducing

An Optional

Time of Use

Rate

*Being Smart about
your Electric Usage
can Save You
\$\$\$\$\$\$\$*




*By shifting your
Electric Usage from
Peak Times to Off
Peak Times can save
you \$\$\$\$\$\$.*

8 Peak Hours each Week Day

16 Off Peak Hours each Week Day

All Weekends and Holidays are Off Peak

**Grayson
Rural Electric**

A Touchstone Energy® Cooperative 
The power of human connections

It's time to save!


Grayson RECC's Time-Of-Use Rate

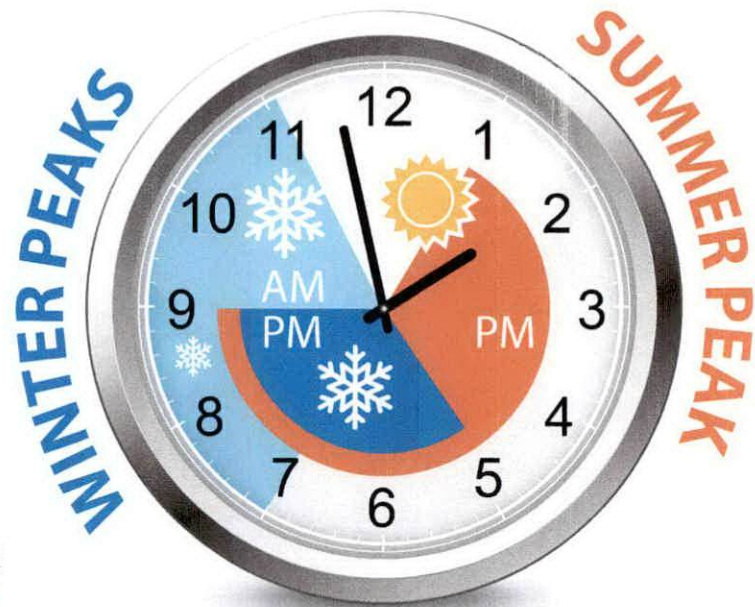
Be smart about your electric usage. By shifting use of major appliances from peak times to off-peak times, you can save big bucks on your electric bill.

Sign up for our Time-Of-Use Rate at graysonrecc.com or visit your local Grayson RECC office to find out more.

It's time to save.

Grayson Rural Electric

A Touchstone Energy Cooperative 



5. Within 60 days of the date of this Order, the Joint Utilities shall certify to the Commission that they have developed internal cybersecurity procedures.

Grayson RECC certifies that it is taking an active approach in preparing and protecting itself and its' members from cybersecurity concerns.

We have initially adopted an Information and Cybersecurity/Identity Theft Prevention policy for our board members, as well as for our employees developed through the collaboration of our statewide IT association. We are also reviewing other preliminary policies that address additional areas of cybersecurity concerns as they become prevalent and administrative guidelines are updated as necessary in regards to cybersecurity threats and concerns.

10. Within 60 days of the date of this Order, the jurisdictional electric utilities shall file with the Commission their internal procedures regarding Smart Grid investments.

Grayson RECC is an electrical distribution cooperative with approximately 15,000 meters and approximately 2,500 miles of line. Grayson's metering technologies currently utilize 1-way and 2-way power line carrier (PLC) technology from Landis & Gyr. Around thirty-five percent of the total meters utilize 2-way communication. Six percent of Grayson's total meters are equipped with a service disconnect switch technology for integration purposes with prepaid metering.

In addition to Prepaid Metering, Grayson RECC offers the following dynamic pricing tariffs to its' members: Residential Time of Day, Small Commercial Time of Day, Residential Demand, Small Commercial Demand, and Residential Inclining Block. A vast collection of DSM programs are also offered by Grayson RECC.

Grayson is currently only deploying meters with 2-way PLC technology. There is no asserted effort to change all meters from 1-way communication to the 2-way communication because of changing technologies. Grayson will be evaluating newer technologies over the next couple of years to make a decision on how best to utilize its Smart Grid investments wisely for the long-term. RF and PLX are technologies that our current AMI provider has available as possible successors to our current metering system. We will be evaluating these technologies through our construction work plan.

Grayson does not have any future proposed tariffs at this time, however, we do stand committed on adapting to the needs of our members and will develop relevant tariffs as needed based on changing ideals and technology that would benefit our membership.