



Farmers Rural Electric Cooperative Corporation

504 S. Broadway, Glasgow, KY 42141 • P.O. Box 1298, Glasgow, KY 42142 • (270) 651-2191 • Fax (270) 651-7332

June 6, 2016

RECEIVED

JUN 7 2016

PUBLIC SERVICE  
COMMISSION

Executive Director  
Kentucky Public Service Commission  
P O Box 615  
211 Sower Blvd.  
Frankfort, KY 40602-0615

Dear Sir or Madam:

Please find an original version and three copies of Farmers Rural Electric's response to the April 13, 2016 Order pertaining to Administrative Case No. 2012-00428.

If there are any questions or any further information needed Please contact me.

Sincerely,

A handwritten signature in blue ink that reads 'Tony Wells'.

Tony Wells  
VP Technical Services  
504 S Broadway St  
Glasgow KY, 42141  
Phone 270-651-2191 Ext 8200  
Mobile 270-670-5299  
Email [twells@farmersrecc.com](mailto:twells@farmersrecc.com)

*Farmers RECC is an equal opportunity provider and employer.*

[www.farmersrecc.com](http://www.farmersrecc.com)

A Touchstone Energy™ Cooperative The logo for Touchstone Energy, featuring a stylized figure with arms raised in a circle, colored in red, blue, and orange.



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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In The Matter Of:

IMPLEMENTATION OF SMART GRID AND SMART METER) CASE NO.
TECHNOLOGIES ) 2012-00428

CERTIFICATE

Tony Wells, being duly sworn, states that he has prepared the response of Farmers Rural Electric Cooperative Corporation to the Public Service Commission's Order for Information in the above-referenced case, 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.

[Handwritten signature of Tony Wells]
Tony Wells, VP Technical Services

COMMONWEALTH OF KENTUCKY )
)
COUNTY OF BARREN )

Subscribed and sworn to before me by Tony Wells, Vice President of Technical Services of Farmers Rural Electric Cooperative Corporation this 6th day of June, 2016.

[Handwritten signature of Linda Sue Forsman]
Notary Public
ID: 446566

My Commission Expires: 07-30-2019

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www.farmersrecc.com

**FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION  
PSC CASE NO. 2012-00428  
RESPONSE TO COMMISSION'S ORDER**

**Request 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.

**Response 4.**

**Privacy Statement**

Farmers RECC has a board approved *CUSTOMER INFORMATION & RECORDS CONFIDENTIALITY & PRIVACY STATEMENT*, which states how customer information is disclosed (Attachment A). The statement is displayed in the lobbies of the cooperative and copies are available upon request. The privacy statement is available on the cooperative website and a digital copy can be downloaded.

**Customer Education**

Farmers RECC's provides customer education using various methods. For items where time is not critical, Farmers RECC uses print and physical mediums. Farmers RECC has a customized section of the Kentucky Living magazine which is used each month for items of interest or education. The magazine is mailed to every member. Flyers and pamphlets are placed in the cooperative lobbies for pertinent topics and any on-going educational themes. Pamphlets can also be included with the member's bill statement. Banners in the lobbies are larger more visual method for targeted information. Banners, flyers and pamphlets are set up for community events including Farmers RECC's annual meeting.

For items which timeliness is a concern, electronic methods and newspapers are used. Radio spots are used for immediate release items and reaches large audiences. Newspapers are still a timely method, widely read and reach a broad range of members. Farmers RECC's website contains most of the cooperative available information and can be quickly updated. Member Service representatives are also a valuable asset to customer education when the member contacts the cooperative for routine business. Farmers RECC has started using social media (e.g. Facebook, Twitter) for alerts and information to the members, as well.

**Witness: Tony Wells**

**FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION  
PSC CASE NO. 2012-00428  
RESPONSE TO COMMISSION'S ORDER**

**Request 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.

**Response 5.**

See Attachment B

Witness: Tony Wells

**FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION  
PSC CASE NO. 2012-00428  
RESPONSE TO COMMISSION'S ORDER**

**Request 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.

**Response 10.**

**Smart Grid Investments**

This document addresses aspects of smart grid investments.

**System Description**

Farmers RECC is a rural electric cooperative headquartered in Glasgow in Barren County, Kentucky. Farmers RECC primarily serves three counties in South Central Kentucky via 3,632 miles of electric distribution lines. The distribution lines operate at 7,200/12,470 and 14,400/24,900 volts.

At the end of 2015 the number of consumers served was 25,045. The consumer base is over 92% residential and less than 8% commercial and industrial.

The service area is typically rolling hills with two U.S. Army Corps of Engineers' lakes.

Farmers RECC began installation of an AMI system in 2006 and completed the installation in 2008. The AMI system is now known as the Aclara TWACS system.

In response to a need for alternative payment methods for our consumers, Farmers RECC began investigating prepay metering. Prepay metering was a technology that became available through the Aclara TWACS system. A tariff for prepay metering was approved by the PSC in March, 2013 in case number 2013-00437. As of June 2016 there are 919 active prepay metering accounts.

Farmers RECC has implemented a Meter Data Management System (MDMS) that enables members to view their electric usage via a member portal. The data from the AMI system makes the MDMS system work in a timely manner. By updating the consumer usage data on a hourly basis, instead of once a month, the member has more timely information about their usage.

Farmers RECC has an Outage Management System (OMS) for tracking outage information. The AMI system works with the OMS allowing the dispatcher to ping a meter to determine if it is on or off. In addition, some meters can be remotely connected or disconnected using this link.

Farmers RECC dispatchers have access to substation level SCADA. This allows them to monitor load levels at each substation within the service area. They can also remotely operate the protective devices and voltage regulators within the substation as needed.

### **Planning Goals**

Investments in smart grid technology must be consistent with the cooperative's goal of providing reliable electric service at a reasonable price.

Farmers RECC will continue to evaluate new technologies as they become available. A part of that consideration will be to what degree the new technology will work with other smart grid technologies that may be in place at the time of evaluation.

At the time of this writing Farmers RECC has no immediate plans for new investments in smart grid technology.

### **How Smart Grid Investments Will Be Considered**

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

In the April 13, 2016 order from the Commission relating to PSC Case No. 2012-00428, on page 11 is the following statement.

“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 of each project.”

Farmers RECC concurs with this statement by the Commission.

In addition to the CWP Farmers RECC also develops a Long Range Plan (LRP). The Long Range Plan is reviewed by the Rural Utilities Service (RUS) of the United States Department of Agriculture (USDA). RUS reviews and approves both CWPs and LRPs.

Witness:        Tony Wells

**Attachment A**

# FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION

## POLICY NO. 300

### CUSTOMER INFORMATION & RECORDS

### CONFIDENTIALITY & PRIVACY STATEMENT

#### I. POLICY

Farmers Rural Electric Cooperative Corporation recognizes that its members have and deserve a reasonable expectation of privacy and confidentiality regarding the member information and records the Cooperative collects and maintains. The Cooperative will treat this information as confidential and recognizes the importance of safeguarding it from unauthorized access. The member information and records collected and maintained by the Cooperative will not be disclosed to anyone other than:

- A. The member or the joint account holder (if the account is a joint membership), or a person or organization who is seeking the information as a legally authorized agent of the member;
- B. An affiliate, employee, director, officer, agent, or contractor of the Cooperative engaged to assist it in carrying out any and all business related activities, such as service, construction, maintenance, accounting, billing, marketing, and management functions including legal, audit, and commercial and consumer credit reporting and collection services;
- C. A duly nominated and eligible candidate seeking election to the Cooperative's board of directors with access limited to the inspection, but not the reproduction, of the Cooperative's membership roll;
- D. Government regulators and other government agencies when authorized or required by law;
- E. Law enforcement agencies and other third parties when required by law, such as in response to a search warrant, subpoena, or court order; or
- F. A public authority or agent of a public authority, if in the reasonable judgment of the Cooperative it appears there is imminent danger to life or property which could be avoided or minimized by disclosure of the information.

Date Policy Approved by Board of Directors: 05-20-2004; 01-16-2008; 11-23-2010; 12-15-2011; 02-28-2013; 02-19-2015

Reviewed by FRECC staff: 10-28-2010; 11-23-2011; 02-04-2015

Reaffirmed by Board of Directors: 11-23-2010; 02-28-2013

New



# **FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION**

**POLICY NO. 300**

## **CUSTOMER INFORMATION & RECORDS**

### **CONFIDENTIALITY & PRIVACY STATEMENT**

#### **II. RESPONSIBILITY**

Any questions, comments or complaints regarding the Cooperative's collection, maintenance or disclosure of customer information and records are to be directed to:

Mr. William T. Prather, President & CEO  
Farmers Rural Electric Cooperative Corporation  
504 South Broadway  
Glasgow, Kentucky 42141  
Telephone No. 270.651.2191 or 800.253.2191

Date Policy Approved by Board of Directors: 05-20-2004; 01-16-2008; 11-23-2010; 12-15-2011; 02-28-2013; 02-19-2015

Reviewed by FRECC staff: 10-28-2010; 11-23-2011; 02-04-2015

Reaffirmed by Board or Directors: 11-23-2010; 02-28-2013

New

**Attachment B**



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CERTIFICATE

Tony Wells, being duly sworn, states that he has supervised the development of internal cybersecurity procedures at Farmers Rural Electric Cooperative Corporation.

Handwritten signature of Tony Wells

Tony Wells, VP Technical Services

COMMONWEALTH OF KENTUCKY )
)
COUNTY OF BARREN )

Subscribed and sworn to before me by Tony Wells, Vice President of Technical Services of Farmers Rural Electric Cooperative Corporation this 6th day of June, 2016.

Handwritten signature of Linda Sue Hawshee

Notary Public

ID: 446566

My Commission Expires: 07-30-2019

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