



Meade County RECC

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June 7, 2016

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PUBLIC SERVICE
COMMISSION

AARON GREENWELL
ACTING EXECUTIVE DIRECTOR
PUBLIC SERVICE COMMISSION
PO BOX 615
211 SOWER BLVD
FRANKFORT KY 40602

RE: Case No. 2012-00428
Consideration Of The Implementation
Of Smart Grid and Smart Meter
Technologies

Dear Aaron Greenwell:

In accordance to the Commission's Order dated April 13, 2016, I have enclosed responses to items 4, 5 and 10. Please find an original and three (3) copies of this filing.

If additional information is needed, do not hesitate to contact me at 270-422-2911, extension 3133.

Respectfully submitted,

Martin W. Littrel
President/CEO

Enclosure

Meade County Rural Electric Cooperative Corporation
Case No. 2012-00428
Order dated April 13, 2016

Question 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: Attached as **Exhibit A** is our Member-Owner Privacy Policy, which is posted to our website and available to any member-owner upon request.

Exhibit B is Meade County RECC's current methods of educating our member-owners (customers).

MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION

POLICY NO. 532

SUBJECT: Member-Owner Privacy
Effective Date: May 18, 2016

I. PURPOSE

At Meade County Rural Electric Cooperative Corporation (Meade County RECC), confidentiality is very important to the organization. Meade County RECC will make every effort to protect and maintain member-owners' account information and will not share specific and/or private information to third parties, without written authorization or unless required to do so by court order, subpoena or other compulsory process, or by operation of law. As Meade County RECC continues to improve and expand services and delivery channels, the cooperative recognizes members-owners needs and desires to preserve privacy and confidentiality. Meade County RECC recognizes the trust member-owners have placed in the cooperative and are committed to safeguarding the privacy of member-owners' information. The following policy confirms the continued dedication and commitment to preserving member-owners confidentiality.

II. POLICY

Information Collected

Meade County RECC receives and safeguards information about member-owners through many sources.

- Information received on applications or other forms;
- Information about transactions with Meade County RECC, affiliates or others;
- Information received from consumer-reporting agency; and
- Information received from usage data gathered by metering systems.

Use of Information

Member-owner account information may be used in the following representative ways:

- To verify the existence of a member-owner's energy service;
- To communicate with a member-owner and handle consumer requests;

- To compile information about how Meade County RECC's website is reached and used;
- To compile research that does not identify the member-owner as an individual, group or entity other than age group and gender;
- To contact member-owners about other products or services offered by alliance partners; and
- To collect debts owed by a member-owner.

Meade County RECC limits the use and collection of nonpublic personal information to that which is necessary to preserve and administer financial services. Meade County RECC does not share this information with outside parties unless:

- Information is provided to help complete a member-owner initiated transaction (such as credit reporting agencies, document processing companies, etc.);
- Member-owner has requested it;
- Disclosure is required by law (e.g., subpoena, investigation of fraudulent activity, etc.); or
- Disclosure is required by banking regulation (e.g., Fair Lending Reporting Act, Home Mortgage Disclosure Act).

When member-owner information is provided to any of the third parties mentioned above, that third party must agree to adhere to privacy principles that provide for keeping such information confidential.

Limiting Employee Access to Information

Meade County RECC limits employee access to member-owner information to those with a business reason for knowing such information. All employees are educated on the importance of confidentiality and member-owner privacy. This policy is maintained and supervised by the Cooperative. Any employee that violates the financial privacy of member-owners will be subject to appropriate disciplinary measures and possible termination.

Protection on Information via Established Security Procedures

To prevent unauthorized access, maintain data accuracy, and ensure the correct use of information, Meade County RECC has appropriate physical, electronic, and managerial procedures to safeguard and secure member-owner information.

Maintaining Accurate Information

Procedures have been established so that member-owners' financial information is accurate, current and complete in accordance with reasonable commercial standards. Meade County RECC will respond to requests to correct inaccurate information in a timely manner.

III. RESPONSIBILITY FOR ENFORCEMENT

The President/CEO, or duly authorized personnel delegated by the President/CEO, shall be responsible for the communication and enforcement of this policy.

5/18/2016
Date

Martin W. Littrel
Martin W. Littrel, President/CEO

Member Education

Meade County RECC ("Meade") strives to educate its member-owners on new smart grid technology by providing quick and easy access to up-to-date information through a variety of communication channels. Meade has developed a diverse communication system in an effort to reach the entire base of member-owners.

The most recent development at Meade includes an electronic display in the front lobbies, breakrooms and various office locations to provide the latest energy information to its visiting member-owners and employees. Also, lobby displays, handouts, and brochures are utilized to effectively communicate assorted energy-related information about the Cooperative including smart grid technology.

Meade submits articles to the Kentucky Living Magazine to educate its member-owners on the variety of programs that are made available through the Cooperative. The Kentucky Living Magazine assists Meade with publishing its tariff rates, announcing upcoming events such as the Annual Meeting, marketing new programs, and communicating miscellaneous key information to its member-owners.

Meade has the ability to include a short message on the monthly electric bills to assist in educating its member-owners on upcoming changes or new technology. For more detailed messages, Meade can opt for a bill stuffer to be printed and included in the envelope with the monthly electric bills. Additionally, Meade utilizes separate mailings for information that requires specific attention from its member-owners.

Meade employees are held responsible for communicating essential information to its member-owners. The Cooperative teaches employees regarding the services and programs provided by the organization to further assist participating member-owners. Employees are trained to educate member-owners on how to save energy, reduce costs and learn more about beneficial programs offered by the Cooperative.

Meade appeals to its tech-savvy member-owners by collaborating with its software vendor to customize a mobile app and a web portal which enables users to monitor their energy usage, set up alerts, view bills, report outages, and make payments. Through Meade's use of AMI, graphical representations of daily energy usage are made available through the mobile app and web portal so that users may monitor and analyze the trends in their usage history. From the mobile app, users can select to enable alerts and reminders pertaining to their accounts to be sent via text message or electronic mail. Meade utilizes its Facebook and Twitter pages to transmit frequently updated information to its member-owners and to the general public. Meade also has the ability to send information to its member-owners via a bulk email service. Meade has recently enhanced its website, www.mcrecc.com, to host general information about the Cooperative, to advertise programs that are available to member-owners, to provide a link to access the web portal, to publish educational material and tariff rates, and much more.

Meade encourages its member-owners to take advantage of the information resources that are available through the Cooperative and to contact our office personnel with any questions related to our member assisted programs.

Meade County Rural Electric Cooperative Corporation
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***Question 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: Meade County RECC has implemented an internal cybersecurity committee to begin implementing the KAEC IT Security Framework which is based off of the 21 points found in the Guernsey report. We actively participate in the KAEC IT Association including having representation on the cybersecurity subcommittee. Meade County RECC has passed 12 policies out of 25 found within this KAEC IT Security Framework. We have implemented an employee cybersecurity training program. This program includes online training, monthly internal newsletter articles, internal memos regarding high risk alerts, and internal electronic message boards. Every 2 years, we hire an external consultant to do a cybersecurity vulnerability assessment. We also perform routine internal vulnerability scanning.

Meade County Rural Electric Cooperative Corporation
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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: Attached as **Exhibit C** addresses smart grid investments.

Smart Grid Investments

This document addresses aspects of smart grid investments.

System Description

Meade County Rural Electric Cooperative Corporation (Meade County RECC) is a rural electric cooperative headquartered on Highway 79 in Brandenburg, Kentucky. Meade County RECC primarily serves six counties in North Central, Kentucky via 3,216 miles of electric distribution lines. The distribution lines operate at 7,200/12,470 volts.

At the end of 2015 the number of consumers served was 29,261. The consumer base is over 90% residential and less than 10% commercial and industrial.

Meade County RECC began installation of an AMI system in 2003 and completed the installation in 2007. The AMI system is now known as the Landis + Gyr TS2 system. Some meters can be remotely connected or disconnected using this system.

Meade County 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 daily basis, instead of once a month, the member has more timely information about their usage.

Meade County RECC has an Outage Management System (OMS) for tracking outage information. Crews can see this information real time in the field to more precisely understand the nature of the outages and route themselves more efficiently.

Meade County RECC has access to substation level SCADA. Voltages and load levels can be monitored at each substation within the service area. Protective devices and voltage regulators can be remotely operated 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.

Meade County RECC continues 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.

How Smart Grid Investments Will Be Considered

Investment in new smart grid technology will be made when it makes prudent economic sense for Meade County RECC 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.”

Meade County RECC concurs with this statement by the Commission.

In addition to the CWP process Meade County 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.