




SALT RIVER ELECTRIC

A Touchstone Energy Cooperative 

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June 9, 2016

Aaron Greenwell
Acting Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, KY 40602

RECEIVED

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Public Service
Commission

RE: Case No. 2012-00428

Dear Acting Executive Director Greenwell:

I am writing you in regard to Salt River Electric Cooperative Corporation's response in Case No. 2012-00428. The enclosed documents are Salt River Electric's response to Case No. 2012-00428 concerning Smart Grid – Smart Meter.

Included in these documents are a copy of the Salt River Electric's customer privacy policy, our smart grid investments, our cybersecurity plan, and our procedures for educating customers concerning the smart grid.

We are sending this original along with three copies for the Commission, plus a copy to be date stamped and returned to us.

Please let us know if we need to provide any further information.

THANKS!

Nicky Rapier

Vice President of Community and Economic Development

Enclosures

Salt River Electric

Customer/Member Privacy Policy

OBJECTIVE:

Salt River Electric respects the privacy and confidentiality of member information and is committed to operational practices that protect member information. This policy describes the information that Salt River Electric collects from its members and a routine part of its operations while demonstrating how it uses, protects and shares information that is collected.

DEFINITION:

Member – Person, firm, corporation or body politic applying for or receiving service from Salt River Electric.

Member Operational Information – Member information that does not identify an individual member but includes detailed data about system operations, utility services, or programs provided to a member.

Member Personally Identifiable Information (PII) – Member information that consists of social security numbers and account numbers only.

Anonymous Member Information – A subset of member information that may be disclosed to parties, other than the member, that will protect the identity of the member.

Aggregate Member Information – Information of more than one member combined in a manner that does not identify a member.

Utility – Salt River Electric and third-party contractors, vendors or other agents with whom it is necessary to share member information to provide energy service and energy efficiency programs provided by Salt River Electric. For direct payments or rebates made to the member by an associated third-party, a controlled set of the member's PII is provided to the vendor.

Associated Third-Party – Includes contractors, vendors, energy-efficiency program partners, governmental entities or agents and non-profit utility assistance organizations with which Salt River Electric interacts.

Unassociated Third-Party – Any person or entity not directly involved with the routine operations of the utility.

Privacy – Non-disclosure of member information to an unassociated third-party without member consent.

CONTENT:

Accountability – Salt River 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 for processing. Salt River 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.

Member Information Collected –

Personal and operational information obtained by Salt River Electric for a member and associated persons on the member's account include, but aren't limited, to the following:

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

Purposes of Member Information Collected –

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

1. Personalize, identify, communicate and conduct the business of Salt River Electric.
2. Verify or establish the existence of a member's energy service.
3. Assess credit risk, including obtaining credit reports.
4. Communicate with the member and address any service issues or needs.
5. Bill accounts, maintain payment records, give notice on current balances.
6. Assemble statistics about how Salt River 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 Salt River Electric and third-party energy-efficiency program partners.
9. Provide aggregated information to community action agencies upon request.
10. Respond to federal, state, and local regulatory agencies.
11. Collect debts owed by a member.

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 residential Salt River Electric members by using a personal user ID and password through Salt River Electric's website at srelectric.com. If a personal security code has not been established the member may contact Salt River Electric by telephone and assistance will be provided on how to set up the code.
2. Members may contact Salt River 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 Salt River Electric's offices during regular business hours.

Disclosure of Member List –

A member list may be disclosed to a member of Salt River Electric for proper purposes, such as in connection with election activities. The list will include only those members for the applicable district in which the member, who wishes to be elected, resides.

Security –

1. Salt River 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/customer information.
2. A summary of this member/customer privacy policy will be posted on the Salt River Electric website.

How to Contact Salt River Electric –

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

Salt River Electric
Attn: Member/Customer Privacy
111 West Brashear Avenue
P.O. Box 609
Bardstown, KY 40004
E-mail at srelectric.com
Telephone at 502-349-3931

Responsibility –

The President and CEO is responsible for the administration of this policy.

Smart Grid Investments

This document addresses aspects of smart grid investments.

System Description

Salt River Electric Cooperative Corporation is a rural electric cooperative headquartered at 111 W. Brashear Ave, Bardstown in Nelson County, Kentucky. Salt River Electric Cooperative Corporation primarily serves ten counties in Central Kentucky via 4,157 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 49,666. The consumer base is approximately 94% residential and 6% commercial and industrial.

The service area is a combination ranging from suburban to rolling hills to rural agricultural lands.

Salt River Electric Cooperative began installation of an AMI system in 2007 and completed the installation in 2008. The AMI system is a Landis & Gyr product.

In response to a need for alternative payment methods for our consumers, Salt River Electric began investigating prepay metering in 2012. Prepay metering was a technology that became available through technological advances with our AMI system & billing software. A tariff for prepay metering was submitted to the PSC in May, 2012. Upon approval of the tariff, Salt River Electric began offering prepay metering to its consumers in July 2012 under a pilot program & continued in January 2015 under a permanent tariff. As of May 2016 there are 1082 active prepaying metered accounts.

Salt River Electric 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.

Salt River Electric has an Outage Management System (OMS) for tracking outage information. The AMI system works in conjunction with the OMS to allow dispatchers to verify restoration of power.

Salt River Electric dispatchers have access to substation level SCADA. This allows them to monitor the voltage and 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.

Additionally, Salt River Electric installed 28 S&C intellirupters in conjunction with a Department of Energy grant. This program was started in 2010 & completed in 2012. These devices automatically attempt to switch the system maintain service to as many customers as possible. They are also able to be remotely operated by our system dispatchers.

Planning Goals

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

Salt River Electric 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.

Salt River Electric 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 Salt River Electric Cooperative'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.”

Salt River Electric Cooperative concurs with this statement by the Commission.

In addition to the CWP process Salt River Electric 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.

SALT RIVER ELECTRIC CYBER POLICY

Salt River Electric understands the importance of Cybersecurity within the cooperative. As a result, Salt River is diligently working toward developing, maintaining, and enforcing a management approved written cybersecurity policy that addresses known and reasonably foreseeable cybersecurity risks. The cybersecurity plan will be ever changing and evolving to address current industry concerns.

Smart Grid Education Procedure

Salt River Electric's education procedure on smart grid and all other programs and policies is via presentation of information through a combination of sources, including *Kentucky Living* magazine, bill inserts, the co-op website, and media advertising.