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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)	CASE NO.
TECHNOLOGIES)	2012-00428

**EAST KENTUCKY POWER COOPERATIVE, INC.
INFORMATION REQUESTS TO COMMUNITY ACTION COUNCIL
FOR LEXINGTON-FAYETTE, BOURBON, HARRISON AND
NICHOLAS COUNTIES, INC.**

The Community Action Council for Lexington-Fayette, Bourbon, Harrison and Nicholas Counties, Inc. ("CAC"), pursuant to the Procedural Schedule in the case dated October 1, 2012, is requested to file responses to the following requests for information by March 20, 2013, with copies to the Commission and to all parties of record, and in accordance with the following:

1. Please provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response.
2. If any request appears confusing, please request clarification directly from EKPC.
3. The responses provided should first restate the question asked and also identify the person(s) supplying the information.
4. Please answer each designated part of each information request separately. If you do not have complete information with respect to any interrogatory, so state and give as much information as you do have with respect to the matter inquired about, and identify each person whom you believe may have additional information with respect thereto.
5. To the extent that the specific document, workpaper or information does not exist as requested, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

6. To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self-evident to a person not familiar with the printout.

7. If the Respondent objects to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify EKPC as soon as possible.

8. For any document withheld on the basis of privilege, state the following: date; author; addressee; indicted or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

9. "Document" means the original and all copies (regardless of origin and whether or not including additional writing thereon or attached thereto) of memoranda, reports, books, manuals, instructions, directives, records, forms, notes, letters, notices, confirmations, telegrams, pamphlets, notations of any sort concerning conversations, telephone calls, meetings or other communications, bulletins, transcripts, diaries, analyses, summaries, correspondence investigations, questionnaires, surveys, worksheets, and all drafts, preliminary versions, alterations, modifications, revisions, changes, amendments and written comments concerning the foregoing, in whatever form, stored or contained in or on whatever medium, including computerized memory or magnetic media. A request to identify a document means to state the date or dates, author or originator, subject matter, all addressees and recipients, type of document (e.g., letter, memorandum, telegram, chart, etc.), code number thereof, or other means of identifying it and its present location and custodian. If any such document was, but is no longer in the Respondent's possession or subject to its control, state what disposition was made of it, including the date of such disposition.

10. "Study" means any written, recorded, transcribed, taped, filmed, or graphic matter, however produced or reproduced, either formally or informally, considering or evaluating a particular issue or situation, in whatever detail, whether or not the study of the issue or situation is in a preliminary stage, and whether or not the study discontinued prior to completion.

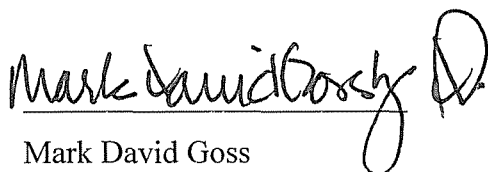
11. "Person" means any natural person, corporation, professional corporation, partnership, association, joint venture, proprietorship, firm, or the other business enterprise or legal entity. A request to identify a natural person means to state his or her full name and residence address, his or her present last known position and business affiliation at the time in

question. A request to identify a person other than a natural person means to state its full name, the address of its principal office, and the type of entity.

12. “And” and “or” should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise. “Each” and “any” should be considered to be both singular and plural, unless specifically stated otherwise. Words in the past tense should be considered to include the present, and words in the present tense include the past, unless specifically stated otherwise. “You” or “your” means the person whose filed testimony is the subject of these interrogatories and, to the extent relevant and necessary to provide full and complete answers to any request, “you” or “your” may be deemed to include any person with information relevant to any interrogatory who is or was employed by or otherwise associated with the witness or who assisted, in any way, in the preparation of the witness’ testimony.

13. Respondent means CAC and/or any of their officers, directors, employees, or agents who may have knowledge of the particular matter addressed.

Respectfully submitted,

A handwritten signature in black ink that reads "Mark David Goss" with a stylized initial "D" at the end.

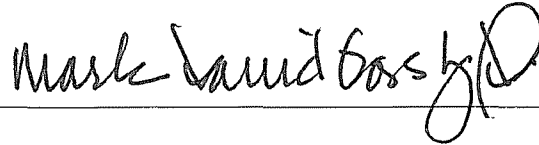
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Counsel for East Kentucky Power Cooperative, Inc.

CERTIFICATE OF SERVICE

This is to certify that an original and 10 copies of the foregoing East Kentucky Power Cooperative, Inc. Information Requests to CAC in the above-styled case were hand-delivered to the Office of Jeffrey Derouen, Executive Director of the Kentucky Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601 on February 27, 2013.

A handwritten signature in black ink, reading "Mark David Bossy", written over a horizontal line. The signature is cursive and includes a large, stylized initial "D" at the end.

Counsel for East Kentucky Power Cooperative, Inc.

Data request to Charles D. Lanter

1. Please describe Mr. Lanter's professional training and experience in the following areas:
 - a. Familiarity with established rate-making practices and procedures applied by the Kentucky Public Service Commission ("Commission").
 - b. Preparation of cost-of-service studies and application of results to the development of utility rate design.

2. Please refer to page 2 of Mr. Lanter's direct testimony, lines 7 through 10. Mr. Lanter states that he has personally provided the research, analysis, program design, and all other necessary support for CAC in more than a dozen cases before the Commission.
 - a. Please specifically list each such case by case name, case number, and provide a brief summary of all the activities which he performed in the case, including the final result of the case as it relates to CAC.
 - b. Please specifically list any other cases in which Mr. Lanter provided similar support in any other jurisdiction for any other individual or organization, by case name, case number, and provide a brief summary of all the activities which he performed in the case, including the final result of the case as it relates to such individual or organization.

3. Please refer to page 5 of Mr. Lanter's direct testimony, lines 1 through 4. Mr. Lanter implies that potential Smart Grid investments are essentially capital improvements in utility infrastructure which have been deferred for decades on both regulatory and profit motive basis.
 - a. Please explain in detail how Mr. Lanter reached the conclusion that potential Smart Grid investments are the result of utility decisions to defer infrastructure improvements.
 - b. Please provide copies of or Internet website links to independent third-party studies or analyses Mr. Lanter relied upon in preparing his direct testimony to reach the conclusion that potential Smart Grid investments were the result of utility deferrals of needed infrastructure improvements.

4. Please refer to page 5 of Mr. Lanter's direct testimony, lines 6 and 7. Mr. Lanter states that regulated utilities are guaranteed and receive a reasonable return on their book of business.

Was Mr. Lanter aware that the Commission authorizes, but does not guarantee, a reasonable rate of return on rate base or capitalization?

5. Please refer to page 5 of Mr. Lanter's direct testimony, lines 14 through 16. Mr. Lanter states, "The Commissioners should insist that every dollar saved by the implementation of Smart Grid devices and systems is returned to the ratepayers after the utilities have recovered reasonable capital expenses."

a. When Mr. Lanter references "reasonable capital expenses" does he mean only the return on the capital investment authorized by the Commission or does he also include the recovery of operation and maintenance expenses associated with the capital investment? Please explain the response.

b. Would Mr. Lanter agree that generally when savings result from the implementation of capital investments by a regulated utility those savings are not specifically identified nor are they directly returned to ratepayers?

c. Would Mr. Lanter agree that generally when savings result from the implementation of capital investments by a regulated utility those savings are used to offset increases in operating expenses and possibly delay the filing of the next base rate case?

d. Please explain in detail why Mr. Lanter believes the implementation of Smart Grid devices and systems warrants different regulatory treatment than is usually followed for other utility investments where savings in expenses are achieved.

6. Please refer to page 5 of Mr. Lanter's direct testimony, lines 36 and 37. Mr. Lanter states, "And, since Smart Grid investments rely in part on Time of Use rate structures to recoup investment costs, limiting TOU raises broader questions about the benefits of the Smart Grid."

a. Does Mr. Lanter contend that every utility that has deployed Smart Grid and specifically Smart Meter investments has also implemented Time of Use rate structures? Please explain the response in detail.

b. Please explain in detail how Mr. Lanter concluded that Smart Grid investments rely in part on Time of Use rate structures to recoup investment costs. Please provide copies of or Internet website links to independent third-party studies or analyses Mr. Lanter relied upon in preparing his direct testimony to reach this conclusion.

7. Please refer to page 6 of Mr. Lanter's direct testimony, lines 1 through 16.
 - a. Would Mr. Lanter agree that the utility's ability to terminate service due to non-payment is governed by 807 KAR 5:006, Sections 14 through 16?
 - b. Please provide copies of or Internet website links to any studies or analyses reviewed by Mr. Lanter in the preparation of his direct testimony that examined if there was a correlation between the deployment of Smart Meters with the capacity to remotely disconnect a customer for non-payment and the number of shutoffs in that same service area.
 - c. Is the "human element" that Mr. Lanter contends would be removed from the disconnect process when Smart Meters with remote disconnect capability are utilized the dispatch of an actual person to disconnect the utility service?
 - i. If yes, please indicate on average how many additional days are normally added to the disconnect process when a person actually has to go out and perform the disconnection.
 - ii. If no, please explain in detail what Mr. Lanter means by the "human element."
 - d. Is Mr. Lanter aware of any utility deploying Smart Grid or Smart Meter technologies that was also required to change customer accounts to prepaid metering or to alter its customer billing cycles? If yes, please explain in detail the situation and circumstances of each such deployment.
8. Please refer to page 6 of Mr. Lanter's direct testimony, lines 29 through 37.
 - a. Was Mr. Lanter aware that since the early 1980s the Commission has supported the use of cost-of-service studies as a basis for the design of rates, consistently taken the position that rates should be cost-based, and supported the position that rates charged to each class should be designed to reflect the cost to serve each class?
 - b. Would Mr. Lanter agree that utility rates should be designed so that the utility will recover its fixed costs through fixed rates like the customer charge and recover variable costs through variable rates like the energy charge? Please explain the response.
 - c. Mr. Lanter contends that lower energy charges produce a disincentive for customers to participate in conservation programs. Would Mr. Lanter agree that if utilities are required to shift more of their fixed cost recovery to the energy charge, there is a disincentive for

the utilities to promote conservation programs because lower energy sales will result in an under-recovery of the fixed costs? Please explain the response.

d. Based on Mr. Lanter's experience, when considering their monthly electric bill are low income customers more concerned about the energy they use each month (kWh used), the energy charge rate, or the total amount of the bill?

e. Would Mr. Lanter agree that low income electric customers generally have higher kWh usage than the residential class average kWh usage due to reasons like the condition of their housing, age and type of heating and/or cooling systems, and the efficiency of any appliances they may have?

f. Assume a utility has adjusted its rate structure to increase its customer charge and lowered the energy charge, with no increase in the total revenues generated by the residential class. Based on this assumption, would Mr. Lanter agree that customers with higher kWh usage than the residential class average kWh generally will see a reduction in their total monthly electric bill when the new rate structure is utilized? Please explain the response.

9. Assume for purposes of this question the following facts. A utility has a current customer charge of \$10.00 and energy charge of \$0.08645 per kWh. The utility requests and is approved to raise the customer charge to \$16.00 and lower the energy charge to \$0.08068 per kWh. A customer of the utility has an average monthly kWh usage of 1,400 kWh. The customer decides to participate in several DSM and energy efficiency programs offered by the utility and lowers his average monthly kWh usage to 1,200 kWh. For purposes of this question, assume the total bill is composed of only the customer charge and the energy charge.

a. Would Mr. Lanter agree that under the current rates, the total bill for a monthly usage of 1,400 kWh would be \$131.03 and for a monthly usage of 1,200 kWh would be \$113.74?

b. Would Mr. Lanter agree that the difference in the total bill at current rates reflecting the reduction in usage is \$17.29 or a 13.20 percent reduction?

c. Would Mr. Lanter agree that under the new rates, the total bill for a monthly usage of 1,400 kWh would be \$128.95 and for a monthly usage of 1,200 kWh would be \$112.82?

d. Would Mr. Lanter agree that the difference in the total bill at new rates reflecting the reduction in usage is \$16.13 or a 12.51 percent reduction?

e. Would Mr. Lanter agree that the difference between the total bill at current rates for 1,400 kWh usage of \$131.03 and the total bill at new rates for 1,200 kWh usage of \$112.82 is \$18.21 or a reduction of 13.90 percent?

f. Given the results of this scenario, please explain Mr. Lanter's contention that "By shifting a greater percentage of the bill into the customer charge, customers lose their incentive to conserve and customers with low-income lose their ability to control the size of their bill."