

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION

The jurisdictional electric utilities,¹ the jurisdictional gas utilities² (collectively the "Jurisdictional Utilities" or "Joint Utilities") which have been made parties to this case, the Attorney General of the Commonwealth of Kentucky by and through his Office of Rate Intervention ("AG"), and the Community Action Council for Lexington-Fayette, Bourbon, Harrison, and Nicholas Counties, Inc., ("CAC"), which has been granted intervention, pursuant to 807 KAR 5:001, are requested to file with the Commission the original and 14 copies of the following information, with a copy to all parties of record. The information requested herein is due on or before October 3, 2014. Responses to

¹ The jurisdictional electric utilities which have been made parties to this case are: Big Rivers Electric Corporation; Big Sandy Rural Electric Cooperative Corporation; Bluegrass Energy Cooperative Corporation; Clark Energy Cooperative Inc.; Cumberland Valley Electric, Inc.; Duke Energy Kentucky, Inc.; East Kentucky Power Cooperative, Inc.; Farmers Rural Electric Cooperative Corporation; Fleming-Mason Energy Cooperative, Inc.; Grayson Rural Electric Cooperative Corporation; Inter-County Energy Cooperative Corporation; Jackson Energy Cooperative Corporation; Jackson Purchase Energy Corporation; Kenergy Corp.; Kentucky Power Company; Kentucky Utilities Company; Licking Valley Rural Electric Cooperative Corporation; Louisville Gas and Electric Company; Meade County Rural Electric Cooperative; Nolin Rural Electric Cooperative Corporation; Owen Electric Cooperative, Inc.; Salt River Electric Cooperative Corporation; Shelby Energy Cooperative Inc.; South Kentucky Rural Electric Cooperative Corporation; and Taylor County Rural Electric Cooperative Corporation.

² The jurisdictional gas utilities which have been made parties to this case are: Atmos Energy Corporation ("Atmos Energy"); Columbia Gas of Kentucky, Inc.; Delta Natural Gas Company, Inc.; Duke Energy Kentucky, Inc.; and Louisville Gas and Electric Company.

requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

The parties shall make timely amendment to any prior response if they obtain information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which the parties fail or refuse to furnish all or part of the requested information, they shall provide a written explanation of the specific grounds for their failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

The CAC shall respond to the following questions:

1. The Report of the Joint Utilities, Conclusion and Recommendations (“Report”) states that the Joint Utilities believe that no opt-outs should be permitted from Automatic Meter Reading (“AMR”) deployments.³ Does CAC believe that customers should be allowed to opt out from AMR meters (that only provide for one-way communication) in addition to Advanced Metering Infrastructure (“AMI”) meters? If not, explain why.

2. Refer to the CAC’s comments on page 28 of the Report wherein CAC states, “Customers should not be penalized for opting out.” By this statement, does CAC believe that customers should not be required to bear the cost of any opt-out from AMR or AMI meters?

The AG shall respond to the following questions:

3. In comments on page 28 of the Report, the AG states, “The Attorney General strongly believes that opt-outs should be permitted.” Does the AG believe that customers should be allowed to opt out from AMR meters (that only provide for one-way communication) in addition to AMI meters? If not, explain why.

4. Does the AG believe that customers should be required to bear the cost of any opt-out from AMR or AMI meters? Explain your answer.

5. With reference to the AG’s comments on page 80 of the Report, if the Commission does not require the adoption of the EISA 2007 Smart Grid Investment Standard or a derivative thereof, are there any smart grid deployments for which the

³ Administrative Case No. 2012-00428, *Report of the Joint Utilities, Conclusion and Recommendations*, filed June 30, 2014 at 17.

Commission should require the submission of a request for a Certificate of Public Convenience and Necessity (“CPCN”)? Explain your answer.

Each of the Joint Utilities shall respond to the following questions:

6. In the Report, the Joint Utilities state that no opt-outs should be permitted from AMR deployments.⁴ Explain why the Joint Utilities believe that there should be no opt-outs for AMR meters (that only provide for one-way communication).

7. The Report includes the following statements: “This section does not address opt-outs from AMR metering. The Joint Utilities believe no opt-outs should be permitted from AMR deployments, and a number of utilities have already deployed AMR system-wide”⁵ and “...[t]he Joint Utilities oppose any across-the-board, one-size-fits-all opt-out requirement for smart-meter deployments, but support each utility’s ability to propose opt-outs appropriate for their customers and systems.”⁶ Do you agree that opt-outs should not be permitted for AMR meters (that only provide for one-way communication)? If not, explain why.

8. Do you believe that opt-outs should be allowed for AMI or smart meters? Has your response changed from your original position which may have been set forth in your testimony or in response to earlier data requests? If so, explain.

9. If opt-outs are granted, should the customer electing to opt out be required to bear the cost of the opt-out? Explain your response.

⁴ *Id.* at 17.

⁵ *Id.*

⁶ *Id.* at 27.

10. Describe and estimate the costs that would be incurred to provide customer opt-out.

11. Are there any circumstances under which utilities should have the right to refuse to honor a customer's request to opt-out of AMI meters? Explain your response.

12. Refer to page 21 of the Report, paragraph 10. Describe how smart meters identify their malfunctioning early.

13. Refer to page 24 of the Report which gives the example of a customer's finding that daily meter reading is a privacy problem. State whether daily meter reading is the default or the normal occurrence.

14. Refer to page 26, paragraph 5. Confirm whether smart meters measure demand for residential customers.

15. Refer to CAC's comments on page 28 of the Report regarding the instantaneous remote disconnects. Do you believe that the ability to instantaneously and remotely disconnect a customer for non-payment is an advantage only to the utility, or does it also benefit other customers? Explain your response.

16. If the Commission does not require the adoption of the EISA 2007 Smart Grid Investment Standard or a derivative thereof, do you anticipate submitting an application for a CPCN for any smart grid or smart meter deployment? Explain your answer.

17. Are there any smart-grid deployments for which the Commission should require the submission of a request for a CPCN?

18. Refer to Appendix B of the Report. For each utility that currently does not offer residential dynamic pricing tariffs, or for those whose only dynamic tariff offerings

are Electric Thermal Storage marketing rates, state whether such tariffs are being considered for future implementation subject to Commission approval. If so, state what type(s) of dynamic pricing tariffs are being considered. If not, state what factors caused the utility to decide against proposing to implement such tariffs or cause it to be otherwise unable to implement such tariffs.

19. In the Distribution Smart-Grid Components chapter of the Report, Owen Electric Cooperative mentions the Green Button initiative.⁷ In its direct testimony, Kentucky Power Company (“Kentucky Power”) notes its commitment to the Green Button initiative.⁸ Indicate whether you participate in the Green Button initiative. If you participate in similar but different information efforts, identify those efforts.

Duke Energy Kentucky (“Duke”) shall respond to the following questions:

20. In the Distribution Smart-Grid Components chapter of the Report, Duke states that a pilot of a two-way AMI automatic communications system was installed eight years ago, but was not pursued.⁹ Later, Duke states that it considers AMI meters to be integral to the smart grid.¹⁰ Explain the apparent disparity between these statements.

Duke and Kentucky Power shall respond to the following question:

21. Refer to page 19 of the Report. The second paragraph references advanced meter opt-out tariffs to be filed on or before June 28, 2014, with the Public

⁷ *Id.* at 50.

⁸ Direct testimony of Lila P. Munsey filed January 28, 2013 at 10.

⁹ *Id.* at 48.

¹⁰ *Id.* at 53.

Utility Commission of Ohio. Provide the tariffs filed pursuant to this requirement by AEP and Duke in Ohio.

Big Rivers Electric Corporation, Duke, East Kentucky Power Cooperative, and Kentucky Power shall respond to the following question:

22. Refer to page 23 of the Report, paragraph 14. Explain how a customer opt-out feature may impact the ability of utilities to optimize Regional Transmission Organization power purchases or sales.

Atmos Energy shall respond to the following question:

23. Refer to page 71 of the Report. Provide details of the Atmos Energy program in which 112,000 AMI meters were installed for residential and commercial customers. The explanation should include the benefits realized by customers and the utility due to the implementation of AMI meters versus other types of meters traditionally used for customers of natural gas local distribution companies.



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DATED SEP 18 2014

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