

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE
COMMISSION

In the Matter of:

CONSIDERATION OF THE IMPLEMENTATION) Case No.
OF SMART GRID AND SMART METER) 2012-00428
TECHNOLOGIES)

ATTORNEY GENERAL'S RESPONSE TO COMMISSION STAFF'S SECOND
REQUEST FOR INFORMATION

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits this Response to Commission Staff's Second Request for Information.

By a filing dated 18 September 2014 Commission Staff requested that the Attorney General of the Commonwealth of Kentucky by and through his Office of Rate Intervention ("AG") respond to Requests for Information pertaining to the Joint Parties Report filed 30 June 2014. The AG objects to providing a response to Commission Staff's Requests for Information, as the AG has not sponsored a witness to provide testimony in this matter. Any response by the AG's counsel requires testimony. Kentucky Rule of Professional Conduct 3.7 prohibits attorneys from providing testimony. Further, any response would subject counsel for the AG to cross-examination, which would or could also require disclosure of information which is or may be subject to the attorney-client privilege.

Without waiving this objection, the AG provides the following response to Commission Staff's Requests for Information. The information herein is presented as supplemental explanation to the AG's comments in the 30 June 2014 Joint Parties Report.

Respectfully submitted,

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Certificate of Service and Filing

Counsel certifies that an original and fourteen photocopies of the foregoing were served and filed by hand delivery to Jeff Derouen, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; counsel further states that true and accurate copies of the foregoing were mailed via First Class U.S. Mail, postage pre-paid, to:

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this 3rd day of October, 2014


Assistant Attorney General

Question 1.

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.

Response:

It is the understanding of the Attorney General that AMR technology is significantly different than AMI technology. The Attorney General does not oppose AMR technology of the type currently utilized by Columbia gas and other utilities; whereby the meter is read by specially equipped service vehicles that drive through the neighborhoods reading meters via wireless signal. This technology reduces injury and danger to meter readers, and theoretically saves costs.

Question 2

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.

Response:

There are many variables in assessing the costs and benefits of opt-outs. The Commission should consider the type of opt-out, the technology in use, the technology being opted-out of, the socio-economic makeup of the customer class, the socio-economic makeup of the service territory, the number of opt-outs per utility, etc. These variables and the costs/benefits associated with them are best examined via a rate case. Therefore, until the Commission, the Attorney General, the Joint Utilities, and the public has an opportunity to thoroughly assess the variables, any cost allocation should be decided within the framework of a base rate case.

Question 3

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

Response:

Yes. The Attorney General believes the PSC's use of the CPCN process to determine whether AMI deployment is worthwhile, has been successful, and should be continued.