



Steven L. Beshear  
Governor

Leonard K. Peters  
Secretary  
Energy and Environment Cabinet

Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

David L. Armstrong  
Chairman

James W. Gardner  
Vice Chairman

Linda Breathitt  
Commissioner

October 31, 2013

## PARTIES OF RECORD

RE: Case No. 2013-00290

REQUEST OF LOUISVILLE GAS AND ELECTRIC COMPANY FOR AN  
EXTENSION OF TIME TO SUBMIT ITS NEXT UPDATE ON ITS EFFORTS TO  
DEVELOP A NEW DYNAMIC PRICING OR SMART METER PROGRAM

and

Case No. 2011-00440 (post case reference file)

REQUEST OF LOUISVILLE GAS AND ELECTRIC COMPANY TO CANCEL  
AND WITHDRAW THE TARIFFS FOR ITS RESPONSIVE PRICING AND SMART  
METERING PILOT PROGRAM

Enclosed please find a memorandum that has been filed in the record of the above referenced case for the Informal Conference held on October 18, 2013. Any comments regarding this memorandum's content should be submitted to the Commission within five days of the receipt of this letter. Questions regarding this memorandum should be directed to Aaron Greenwell at 502-782-2563.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Derouen".

Jeff Derouen  
Executive Director

Attachments

**INTRA-AGENCY MEMORANDUM**

**KENTUCKY PUBLIC SERVICE COMMISSION**

**TO:** Main Case File - Case No. 2013-00290  
REQUEST OF LOUISVILLE GAS AND ELECTRIC COMPANY OR  
AN EXTENSION OF TIME TO SUBMIT ITS NEXT UPDATE ON  
ITS EFFORTS TO DEVELOP A NEW DYNAMIC PRICING OR  
SMART METER PROGRAM

and

Post Case Reference File – Case No. 2011-00440  
REQUEST OF LOUISVILLE GAS AND ELECTRIC COMPANY TO  
CANCEL AND WITHDRAW THE TARIFFS FOR ITS  
RESPONSIVE PRICING AND SMART METERING PILOT  
PROGRAM

**FROM:** Aaron Greenwell, Team Leader

**DATE:** October 31, 2013

**SUBJECT:** Informal Conference, October 18, 2013

Pursuant to Commission order, an informal conference (“IC”) was held on October 18, 2013. A copy of the IC attendance list is attached. The purpose of the IC was to discuss the status of Louisville Gas and Electric Company’s (“LG&E”) comprehensive assessment to identify specific operational areas where the deployment of smart meter and smart grid technologies may provide additional customer value. The assessment arose from the cancellation of LG&E’s residential and general responsive pricing tariffs. LG&E provided a presentation and discussion of its Louisville Downtown Network and planned initiatives. A copy of the presentation is attached. During the discussion, LG&E confirmed that near-term plans for a new residential responsive pricing tariff were uncertain at this time and that it hoped to learn from its Downtown Network initiative. LG&E also advised that its planned comprehensive assessment would be completed and filed with the Commission in the fourth quarter of 2013.

The IC concluded with Commission Staff explaining that a memo summarizing the IC will be issued for comments by all parties. The IC was then adjourned.

Attachments: Sign In Sheets  
LG&E presentation

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

REQUEST OF LOUISVILLE GAS AND )  
ELECTRIC COMPANY TO CANCEL AND ) CASE NO.  
WITHDRAW THE TARIFFS FOR ITS ) 2011-00440  
RESPONSIVE PRICING AND SMART )  
METERING PILOT PROGRAM )

October 25, 2013

Please sign in:

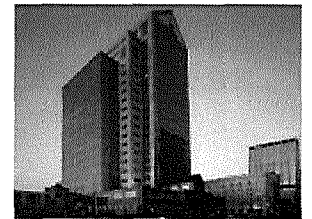
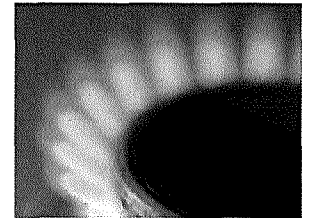
NAME	REPRESENTING
<u>Quang Nguyen</u>	<u>PSC</u>
<u>Dery / Nowlan</u>	<u>PSC</u>
<u>Arnon Greenman</u>	<u>PSC</u>
<u>David Hall</u>	<u>LGE/KU</u>
<u>Allison Sturgeon</u>	<u>LGE/KU</u>
<u>RICK LOVEKAMP</u>	<u>LGE/KU</u>
<u>Jeff Myers</u>	<u>LGE-KU</u>



**PPL companies**

# **PSC Case No. 2011-00440**

*Informal Conference  
Kentucky Public Service Commission  
October 25, 2013*



# Agenda

---

- *SMART Meter – Louisville "Downtown Network"*
- *Third party report*
- *Smart meter costs*



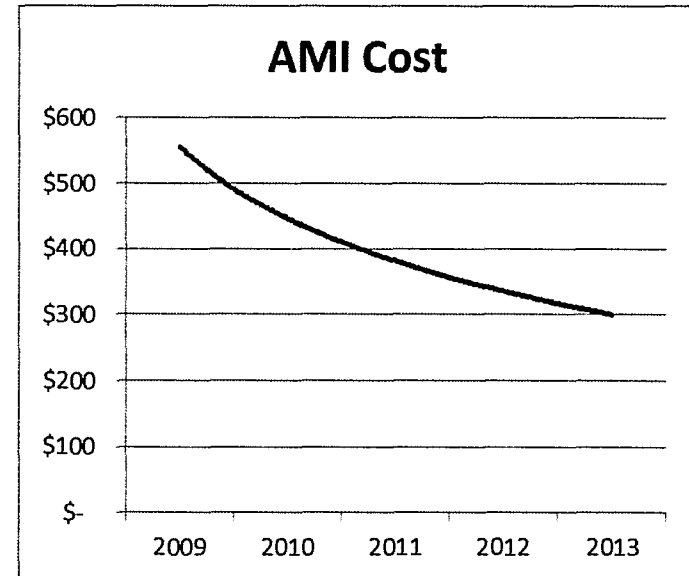
# Louisville Downtown Network

---

- *Five networks fed from three substations*
- *Underground cable*
  - *3 of the 5 networks were installed in the 1920's*
  - *2 of the 5 networks were installed in the 1970's*
  - *Many of the cables have been repaired or replaced*
- *Precise load data enables better modeling and management of the network*
- *Engineering data is needed to analyze network condition and plan cable maintenance or replacement.*
- *RFP's are being evaluated and expect to start installation before year-end; Cost expected to be approximately \$1 million.*
- *We are moving forward on this deployment to get the data needed for modeling and reliability. Smart meters meet this primary need while providing for future customer capabilities.*
- *Installation of 1500 AMI meters uses current technology which can provide the following in the future:*
  - *Customer presentment of interval consumption*
  - *Building company knowledge and skills with AMI systems*
  - *Use the system for customers beyond the downtown network*
  - *Integrating automated meter reading into existing IT systems*

# Smart Meter Costs

- *2009 – Cost to deploy estimated at \$555 per customer (Capex, Opex NPV over 20 years)*
- *2013 – AMI cost is \$200 - \$400 per customer (Capex, Opex NPV over 20 years)*
- *Smart Grid Consumer Collaborative October 8<sup>th</sup> report states for 24 U.S. DOE projects the average is \$291.54 per customer.*
- *Cost reductions of 25 – 60% over the past 3 years, resulting in at least \$150 million to \$350 million of avoided expense for our customers*





# KEMA Report Themes

---

- *Meter Communication Technology continues to emerge providing for cellular and radio frequency devices to operate within the same system.*
- *Prices for meters and infrastructure are coming down*
- *Economic benefits to customers do not justify full deployment throughout the whole service territory*
- *Deployments in high density and high use customer areas may provide benefits for customers and the utility*