



115 Jackson Energy Lane
Mckee, Kentucky 40447
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JUN 13 2016

Public Service
Commission

June 9, 2016

Mr. Aaron Greenwell
Acting Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602-0615

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JUN 13 2016

Public Service
Commission

RE: Case No. 2012-00428

Dear Mr. Greenwell:

Enclosed are an original and three (3) copies of Jackson Energy's response to the items that were in the Commission's Order dated April 13, 2016. Enclosed you will find the following:

- Member Information Privacy Policy
- Member Education and Communication Policy
- Letter certifying Jackson Energy has developed and implemented Cybersecurity policies
- Smart Grid Investment Procedure

In reference to the above mentioned Member Information Privacy Policy, a summary of our privacy policy is posted on our website.

If you have any questions and/or require additional information, please don't hesitate to give me a call.

Best regards,

Carol Wright
President & CEO

Enclosures

JACKSON ENERGY COOPERATIVE

ADMINISTRATIVE POLICY NO. A630

SUBJECT: MEMBER INFORMATION PRIVACY

I. OBJECTIVES:

- A. To provide guidelines for safeguarding privacy of members' personal information.
- B. To describe the types of information that Jackson Energy collects from members and how the information is used, shared and protected.

II. POLICY:

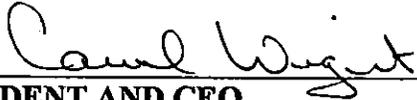
- A. Jackson Energy collects the following types of personal information from members and other persons listed on their account. Other information may be collected as needed to perform Jackson Energy business functions:
 - 1. Information requested on the membership application, such as: name, service and mailing addresses, telephone numbers, social security number, email address
 - 2. Information collected from member's picture identification, such as: date of birth, driver's license number
 - 3. Information contained in credit report, such as debts owed, bankruptcy filings, previous addresses, other names used
 - 4. Information regarding member's electric usage, both historical and current
 - 5. Financial information used to process payments; payment history with Jackson Energy
 - 6. Medical information qualifying member for outage restoration priority
- B. Jackson Energy uses personal member information for business functions. These functions include, but are not limited to:

1. Verifying identity
 2. Collecting debts owed to Jackson Energy
 3. Assessing creditworthiness
 4. Compiling information about how Jackson Energy's web site is used and accessed
 5. Communicating with members
 6. Compiling aggregate data that does not personally identify an individual member
 7. Load forecasting and outage statistics
- C. Jackson Energy may share information with third parties in certain circumstances in order to perform Jackson Energy business functions. These circumstances and situations include, but are not limited to:
1. With member's consent
 2. Credit reporting agencies
 3. Collection agencies, to collect a debt owed to Jackson Energy
 4. Law enforcement, with a subpoena or court order
 5. Information provided to East Kentucky Power for Demand Side Management (DSM) and energy efficiency research and other research as deemed appropriate by Jackson Energy
- D. Access to members' personal information is limited to employees or approved third parties who have a professional need to know the information. Employees are trained and educated on the importance of safeguarding members' personal information. Any employee violating the letter or spirit of this policy will be subject to appropriate discipline.
- E. When member information is shared with a third party that party is expected to abide by privacy principles that keep the information confidential. A confidentiality agreement is required.
- F. Jackson Energy maintains appropriate physical, electronic and administrative procedures intended to safeguard members' personal information.

G. Jackson Energy reserves the right to refuse disclosure of any personal member information unless required by Kentucky law.

III. RESPONSIBILITY:

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



PRESIDENT AND CEO

ADOPTED: June 7, 2016

JACKSON ENERGY COOPERATIVE

ADMINISTRATIVE POLICY NO. A625

SUBJECT: MEMBER EDUCATION AND COMMUNICATION

I. OBJECTIVES:

To establish guidelines for education of members and the public, especially in areas of safety, energy efficiency and new technology, such as Smart Grid technology.

II. POLICY:

Jackson Energy is committed to sharing information with our members and the general public in order to inform, educate and enhance the quality of life of our members. The following types of information will be shared:

A. Organizational Data

Basic information about Jackson Energy, such as service territory, office locations and bylaws.

B. Electrical Safety

1. Outage information
2. Storm safety
3. Basic electrical safety for children, first responders, members and the public
4. Right of way practices
5. Call before you dig information

C. Member Services

1. Billing and payment information, such as Smart Hub, bank draft, office locations, pay station locations, payment arrangements
2. Billing options such as prepaid service, budget billing
3. Co-op Connections Card
4. Kid's Energy Zone
5. Scholarships and Youth Tour
6. Net Metering
7. Capital Credits
8. Operation RoundUp
9. Rates, tariffs and fees
10. Rebate programs
11. Energy efficiency

12. Simple Saver

13. Document Center which includes average usage data for appliances, enrollment and rebate forms, wiring diagrams and specifications, and other documents

D. Electrical Usage information

Detailed usage information specific to a particular member will be shared via Smart Hub.

E. Smart Grid

Jackson Energy will make concerted efforts to educate members regarding new technology, specifically Smart Grid technology, as it is made available and put in use by Jackson Energy.

F. Outage Information

Information about outage locations will be shared via the Outage Map on Jackson Energy's web site.

G. Education Methods

Educational material will be shared through face to face meeting with members and the public whenever possible. Other methods that will be used include:

1. Jackson Energy's web site
2. *Kentucky Living* magazine
3. Jackson Energy's Facebook account
4. Jackson Energy's Twitter account
5. Bill inserts
6. Bill messages

III. RESPONSIBILITY:

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



PRESIDENT AND CEO

ADOPTED: June 7, 2016



JACKSON ENERGY COOPERATIVE

A Touchstone Energy Cooperative 

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McKee, Kentucky 40447
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June 9, 2016

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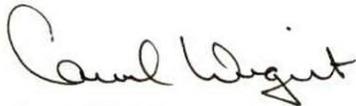
Dear Mr. Greenwell:

Please accept this letter as confirmation that Jackson Energy Cooperative certifies that we have created and implemented cybersecurity policies.

My staff and I would be willing to provide a presentation at the convenience of the Commission and/or would be willing to participate in a joint presentation with all of Kentucky's cooperatives.

If you have any questions and/or require additional information on this key topic, please don't hesitate to give me a call.

Best regards,



Carol Wright
President & CEO

Smart Grid Investments

This document addresses aspects of smart grid investments.

System Description

Jackson Energy Cooperative is a rural electric cooperative headquartered on HWY 290 in Jackson County, Kentucky. Jackson Energy Cooperative primarily serves seven counties in Southeastern, Kentucky via 5,688 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 51,386. The consumer base is over 90% residential and less than 10% commercial and industrial.

The service area is typically rolling hills to mountainous terrain.

Jackson Energy Cooperative began installation of an AMI system in 2002 and completed the installation in 2007. The AMI system is now known as the Aclara TWACS system.

In response to a need for alternative payment methods for our consumers, Jackson Energy began investigating prepay metering. Prepay metering was a technology that became available through the Aclara TWACS system. A tariff for prepay metering was submitted to the PSC in May, 2010 in case number 2010-0210. Upon approval of the tariff Jackson Energy Cooperative began offering prepay metering to its consumers in June 2011. As of April 2016 there are 4,299 active prepay metering accounts.

Jackson Energy 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.

Jackson Energy has an Outage Management System (OMS) for tracking outage information. The AMI system works with the OMS allowing the dispatcher to ping a meter to determine if it is on or off. In addition, some meters can be remotely connected or disconnected using this link.

Jackson Energy 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.

Planning Goals

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

Jackson Energy 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.

At the time of this writing, Jackson Energy does not have any 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 Jackson Energy 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."

Jackson Energy Cooperative concurs with this statement by the Commission.

The Construction Work Plan is also reviewed by the Rural Utilities Service (RUS) of the United States Department of Agriculture (USDA).

In addition to the CWP process, Jackson Energy also develops a Long Range Plan (LRP). The LRP takes a longer range look, than the CWP, at issues that may arise in the future.