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January 26, 2012

Jeff Derouen, Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
PO Box 615
Frankfort, KY 40602-0615

Re: Case No. 2011-00450
First Information Request

Mr. Derouen:

Jackson Energy Cooperative respectfully submits the information requested regarding Case No. 2011-00450.

Please inform me if any further information is required.

Sincerely,

Clayton Oswald
Attorney for Jackson Energy Cooperative

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PUBLIC SERVICE
COMMISSION

STATE OF KENTUCKY)

COUNTY OF JACKSON)

I, Ricky Caudill, state that I am the Planning Engineer at Jackson Energy Cooperative, that I have personal knowledge of the matters set forth in this application and attached exhibits, and that the statements and calculations contained in each are true as I verily believe.

This 26 day of January 2012.

Ricky Caudill
Ricky Caudill

SUBSCRIBED AND SWORN to before me by Ricky Caudill this
26th day of January, 2012.

Connie Reid
Notary Public, KY State at Large

My Commission Expires: 7-30-12

JACKSON ENERGY COOPERATIVE
CASE NO. 2011-00450
RESPONSE TO COMMISSION STAFF'S INITIAL DATA REQUEST

1. The following questions relate to the data maintained by each utility.

Response by: Ricky Caudill

- a. Identify the number of circuits currently maintained by the electric utility.**

111 circuits

- b. Does the utility calculate separate SAIDI, SAIFI, and CAIDI indices for each circuit? If no, explain why not and explain the degree to which the utility tracks the following:**

- (1) SAIDI
(2) SAIFI; and
(3) CAIDI**

Jackson Energy Cooperative calculates a separate SAIDI, SAIFI, and CAIDI for each circuit.

- c. Identify any other reliability indicator or measure the utility uses to assess reliability. Explain the significance of each indicator or measure used. Does the utility maintain these indicators or measures for each circuit?**

Jackson Energy Cooperative only uses the SAIDI, SAIFI, and CAIDI indices.

2. The following questions refer to the manner in which each utility calculates and tracks the SAIDI, SAIFI and CAIDI indices.

Response by: Ricky Caudill

- a. Identify the manner in which the indices are calculated and tracked; i.e., manually (Excel spread sheet), or an electronic or mechanized (outage reporting) system.**

The data for the indices is tracked and calculated by an electronic Outage Management System (OMS). The data is also exported and analyzed using Excel spreadsheets.

- b. If the response to Item 2.a. above is electronic or mechanized, provide a description of the system and explain whether it was developed internally or purchased from a third-party vendor. If purchased from a third-party**

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vendor, provide the name of the vendor and an estimate of the original cost of the system.

The Outage Management System (OMS) was purchased from Milsoft. The original cost of the system to Jackson Energy is proprietary information.

- c. If the response in Item 2.a. above is manually, provide a description of the elements tracked. Discuss in detail any inquiry made into the internal development of an electronic or mechanized system or any consideration of the purchase of a system from a third-party vendor.**

N/A

- 3. Concerning SAIDI, SAIFI, and CAIDI reporting: the Commission directed that the reporting be based on the criteria and definitions set forth in the IEEE Standard.**

Response by: Ricky Caudill

- a. If the utility does not follow the IEEE standard, explain why not. Explain what standard(s) the utility does follow in its calculation of SAIDI, SAIFI, and CAIDI?**

Jackson Energy Cooperative uses the IEEE standard.

- b. Does the utility track and review SAIDI, SAIFI, and CAIDI, monthly, quarterly, or annually?**

The outage indices are generated on a monthly basis and reviewed.

- c. Are SAIDI, SAIFI, and CAIDI tracked on a rolling 12-month period or for a more discrete period of time; i.e., monthly, quarterly, or annually?**

Calendar year

- d. Currently, in each annual report submitted pursuant to the Final Order in Case No. 2006-00494, each utility provides system-wide SAIDI, SAIFI, and CAIDI calculated for a calendar year. Identify any other 12 month reporting parameter, i.e., calendar year, fiscal year, or some other 12-month method.**

Prefer existing method of calendar year.

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- e. **Does the utility review SAIDI, SAIFI, and CAIDI by any discrete fashion such as by division, district, region, or some other method?**

The 10 worst performing circuits are identified and then analyzed.

4. **The following questions relate to the requirement that each utility report the ten worst-performing circuits for each index in the annual report submitted pursuant to the Final Order in Case No. 2006-00494.**

Response by: Ricky Caudill

- a. **If the utility does not track SAIDI, SAIFI, and CAIDI for each circuit, explain how the ten worst-performing circuits are identified.**

Jackson Energy Cooperative uses the SAIDI, SAIFI, and CAIDI indices.

- b. **Does the utility see benefit in expanding the reporting of the worst-performing circuits to the 15 or 20 worst-performing circuits for each index?**

No.

- c. **Identify any alternative to reporting the ten worst-performing circuits that the utility utilizes to determine system reliability.**

Jackson Energy Cooperative uses the ten worst performing circuits.

5. **The following questions relate to the identification of the ten worst-performing circuits for each index.**

Response by: Ricky Caudill

- a. **Provide an explanation of the actions taken by the utility once the ten worst-performing circuits for each index have been identified. Include the typical steps taken to correct the reliability issues relating to the ten worst-performing circuits for each index.**

Jackson Energy Cooperative tracks tree related outages as either within the Right of Way or outside the Right of Way. For the past three years, the predominate outage cause for Jackson Energy Cooperative has been trees from outside the Right of Way. Jackson Energy used this information to create a Hazard Tree Mitigation Program which targets circuits with a high

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number of out of Right of Way tree outages. The program identifies and removes out of Right of Way trees that may cause a future outage.

The second priority outage cause has been storm related outages. Jackson Energy excludes Major Event Days from the calculation of the indices as per the IEEE standard.

Outages due to other causes such as equipment or animals are investigated to determine what improvements can be made.

b. Provide a timeline for the typical steps taken to correct reliability issues relating to the ten worst-performing circuits for each index.

Members of the Jackson Energy staff review outage reports on a daily basis. Any major issue is addressed within days of an outage if possible. If the solution is a major expense item, then it is added to the list of possible work plan projects for the next work plan. Then interim steps are analyzed to determine what can be done within the existing expense budget until the next work plan. Some outage causes may take weeks or months for a pattern to develop, for example problems with a particular type of equipment. As soon as a pattern is recognized, then an analysis is performed to determine what corrective measures can be taken.

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