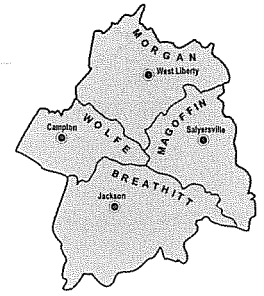


LICKING VALLEY
RURAL ELECTRIC COOPERATIVE CORPORATION
P. O. Box 605 • 271 Main Street
West Liberty, KY 41472-0605
(606) 743-3179



March 29, 2012

Mr. Jeff Derouen
Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, KY 40602

RECEIVED
APR - 3 2012
PUBLIC SERVICE
COMMISSION

RE: Administrative Case No. 2011-00450

Dear Mr. Derouen:

Please find enclosed the original and ten copies of Licking Valley Rural Electric Cooperative Corporation's response to the Commission Staff's Second Request For Information To All Electric Distribution Utilities.

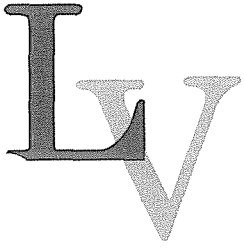
Please let me know if additional information is needed.

Sincerely,

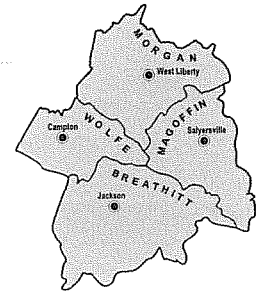
Kerry K Howard
President/CEO

Enclosures

Copy To: Service List Parties



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**AN INVESTIGATION OF THE RELIABILITY MEASURES OF
KENTUCKY'S JURISDICTIONAL ELECTRIC DISTRIBUTION UTILITIES**

ADMINISTRATIVE CASE NO. 2011-00450

MARCH 29, 2012



Licking Valley RECC
Response to Second Request for Information

1. The following questions relate to the use of a five-year average of System Average Interruption Duration Index ("SAIDI"), System Average Interruption Frequency Index ("SAIFI"), and Customer Average Interruption Duration Index ("CAIDI") on a circuit basis as a benchmark to determine the relative reliability of an individual circuit.
 - a. In your opinion, is it reasonable for the Commission to require each utility to develop and report a five-year average SAIDI on a circuit-by-circuit basis as a benchmark for comparison purposes? Explain your answer.

Response: Tommy Conley

NO. In our honest opinion the circuit-by-circuit SAIDI 5 year average calculations would not be beneficial to our utility for the extra work it would create. Due to not having an outage tracking system in place and having to hand figure each of these is very time consuming and costly for the co-op with no outcome of benefit.

- b. In your opinion, is it reasonable for the Commission to require each utility to explain why a particular circuit has a higher SAIDI than the utility's five-year average SAIDI for that circuit? Explain your answer.

Response: Tommy Conley

NO. In our honest opinion, as explained in answer 1a, the cost in calculating a 5 year average would far out weight the benefits of knowing these indices. Due to our co-op not having an outage tracking system, this would not be very cost efficient for no outcome of benefits.

- c. In your opinion, is it reasonable for the Commission to require each utility to explain the planned corrective measures for the circuit with a higher SAIDI than the five-year average? Explain your answer.

Response: Tommy Conley

NO. In our honest opinion, a five year average for each circuit would place a costly, time consuming task on our utility, due to not have an outage tracking system. Due to being a small co-op it affords us the opportunity to have a meeting each morning with the superintendent, maintenance personnel and the outage dispatch personnel to discuss outages and problems from the day and night before. If we have more than two outage trouble reports on one circuit, maintenance is sent to that circuit to find and correct the problem. We do not wait for a monthly or yearly report to tell us we have a problem and then make plans to fix it, we identify problems daily and are fixed as soon as possible when reported.

Licking Valley RECC
Response to Second Request for Information

- d. In your opinion, is it reasonable for the Commission to require each utility to develop and report a five-year average SAIFI on a circuit-by-circuit basis as a benchmark for comparison purposes? Explain your answer.

Response: Tommy Conley

NO. Refer to answer given in Question 1a.

- e. In your opinion, is it reasonable for the Commission to require each utility to explain why a particular circuit has a higher SAIFI than the utility's five-year average SAIDI for that circuit? Explain your answer.

Response: Tommy Conley

NO. Refer to answer given in Question 1b.

- f. In your opinion, is it reasonable for the Commission to require each utility to explain the planned corrective measures for the circuit with a higher SAIFI than the five-year average? Explain your answer.

Response: Tommy Conley

NO. Refer to answer given in Question 1c.

- g. In your opinion, is it reasonable for the Commission to require each utility to develop and report a five-year average CAIDI on a circuit-by-circuit basis as a benchmark for comparison purposes? Explain your answer.

Response: Tommy Conley

NO. Refer to answer given in Question 1a.

- h. In your opinion, is it reasonable for the Commission to require each utility to explain why a particular circuit has a higher CAIDI than the utility's five-year average SAIDI for that circuit? Explain your answer.

Response: Tommy Conley

NO. Refer to answer given in Question 1b.

- i. In your opinion, is it reasonable for the Commission to require each utility to explain the planned corrective measures for the circuit with a higher CAIDI than the five-year average? Explain your answer.

Licking Valley RECC
Response to Second Request for Information

Response: Tommy Conley

NO. Refer to answer given in Question 1c.

2. KRS 61.870 through KRS 62.884 address open records of public agencies and 807 KAR 5:001, Section 7, pertains to confidential material submitted to the Commission. Do you anticipate that some information submitted concerning the utility's circuits, whether with regard to SAIDI, SAIFI, CAIDI, or other reporting, could contain confidential, proprietary, or critical infrastructure information for which a petition for confidential information may also be submitted? Explain your answer. In your answer, provide examples of the type of information for which you may seek confidential protection.

Response: Tommy Conley

NO. We do not have a concern with regard to SAIDI, SAIFI, and CAIDI indices that would require confidentiality; however depending on what "other reporting," would consist of may require a petition for confidentiality.

3. Please describe your utility's current capacity to compose electronic documents.
 - a. Is the utility familiar with or currently using Microsoft Office products such as MS Word or Excel? If so, include the name and version(s) of the software currently used.

Response: Tommy Conley

We have available Word and Excel 2010.

- b. Describe your utility's current internet connectivity status, including connection speed.

Response: Tommy Conley

We have DSL and download speed is 1.4 MBPS.

- c. Is the utility familiar with the Commission's website?

Response: Tommy Conley

Somewhat, we have used it for outage and accident reporting.

Licking Valley RECC

Response to Second Request for Information

- d. Has your utility registered on the PSC website and does it have a valid username and password? (This registration would currently be used for Electronic Case Filing, Annual Reports, and Tariff Filings).

Response: Tommy Conley

Yes.

- e. If recommended, would your utility have technical staff available to interface with the PSC Information Services Team to assist in the design and implementation of an automated process for uploading data to the Commission?

Response: Tommy Conley

NO. Our co-op does not have an IT person on staff.

4. The following questions relate to the manner by which the utility tracks SAIDI, SAIFI, and CAIDI as stated in response to Items 2. (a) and (b) of the Commission's Order of January 11, 2012.
- a. This question applies to Kentucky Power Company ("Kentucky Power"), Big Sandy Rural Electric Cooperative Corporation, Blue Grass Energy Cooperative Corporation, Clark Energy Cooperative, Inc., Duke Energy Kentucky, Inc. ("Duke"), 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 Utilities Company ("KU"), Louisville Gas and Electric Company ("LG&E"), Meade County Rural Electric Cooperative Corporation, 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 all of which reported that they tracked SAIDI, SAIFI, and CAIDI using an outage management system or an outage management system in conjunction with an Excel spreadsheet.
- (1) Does your utility have the ability to export (or upload) the data to another data base or data system (including an Excel spreadsheet) maintained by the Commission? If not, explain why.
- (2) If not identified elsewhere, identify the file formats to which your utility has the ability to export data.

Licking Valley RECC

Response to Second Request for Information

- b. This question applies to Cumberland Valley Electric, Inc. and Licking Valley Rural Electric Cooperative Corporation, who reported that they tracked SAIDI, SAIFI, and CAIDI manually. Does your utility have the ability to export (or Upload) the data to another data base or data system (including and Excel spreadsheet) maintained by the Commission? If not, explain why.

Response: Tommy Conley

No. We can export data to an MS Excel spreadsheet or an MS Access database. If the Commission required us to send information to their data system we would have to evaluate it to determine whether or not data can be transferred.

8. Explain how the SAIDI, SAIFI, and CAIDI indices influence the allocation of capital for system improvement projects within the utility. For the Investor-Owned Utilities Kentucky Power, Duke, KU, and LG&E, explain the manner in which the parent company influences the amount and allocation of capital for system reliability improvements.

Response: Tommy Conley

We do not use the indices for the allocation of system improvement projects. The primary influence of allocation of capital for system improvement projects are determined by RUS guidelines.

9. Does the utility currently share other types of data with entities outside your organization? If yes, describe those other sharing systems and data, and with whom your utility shares the information.

Response: Tommy Conley

NO.

10. Identify any disadvantages to making the reliability index numbers available on the Commission's website.

Response: Tommy Conley

We feel this could create confusion among consumers, being as some consumers don't even know what utility serves them, much less their substation and circuit. Also most of our consumers and the general public are not aware of what the numbers represent and what influences the values.

Licking Valley RECC
Response to Second Request for Information

11. Identify any advantages to making the reliability index numbers available on the Commission's website.

Response: Tommy Conley

We are not aware of any advantages to the utility for it to be posted; however there are several disadvantages to the utility and its consumers.

12. In your opinion, what information would the utility's customers be most interested in having easily accessible? In your opinion, is it more appropriate to have this information available by circuit or system averages? How does your utility relay reliability information to your customers? Explain your answers.

Response: Tommy Conley

In our opinion, we feel it would not be in the best interest of the co-op or its consumers to have these indices posted, because the majority of our consumers have no idea what these indices are or what influences the numbers. This would cause much confusion to our consumers and cause interruption in the work flow to answer numerous phone calls to explain what indices are and how it affects them. Most of our consumers can't tell you what Substation services them, much less what circuit they are on. If a consumer should call in about a problem in their area with outages, we would then explain to them what the cause of the problem was and what we did to correct it.

13. If not identified elsewhere, describe the reliability information available for public review on your utility's website.

Response: Tommy Conley

We do not post reliability information on our website.

14. If the utility's customer requests information from the utility on reliability measures, do you provide it? Explain your answer.

Response: Tommy Conley

Yes. The information would be provided if a consumer requested it; however I have been with the co-op for 26 years and have yet to be asked for such information.

15. Does the utility have a suggestion for a better or more efficient method or manner for reporting or providing reliability information to the public?

Response: Tommy Conley

NO, not at this time.

CERTIFICATION

I, Tommy Conley, being duly sworn, states that I have prepared Licking Valley RECC's responses to the questions from the Commission Staff's Second Request For Information To All Electric Distribution Utilities in Administrative Case No. 2011-00450 dated March 29, 2012, and that the responses are true and accurate to the best of my ability and knowledge.

Tommy Conley
Tommy Conley
Superintendent of Operations
Licking Valley RECC

Subscribed and sworn to before me by Tommy Conley, Superintendent of Operations this 29th day of March 2012.

Denise B. Reed 03/30/2012
NOTARY PUBLIC
STATE OF KENTUCKY
COUNTY OF MORGAN

My commission Expires 02-12-2013