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October 18, 2012

David Estep
President & General Manager
Big Sandy Rural Electric Cooperative
504 11th Street
Paintsville, KY 41240-1422

PSC STAFF OPINION 2012-026

RE: Electronic Billing for Big Sandy Rural Electric Cooperative

Dear Mr. Estep:

Commission Staff acknowledges receipt of your request of August 28, 2012 for an opinion regarding guidance on Electronic Billing. This letter responds to your request. It represents Commission Staff's interpretation of the law as applied to the facts presented. This Opinion is advisory in nature and not binding upon the Commission should the issues presented herein be formally presented for Commission resolution.

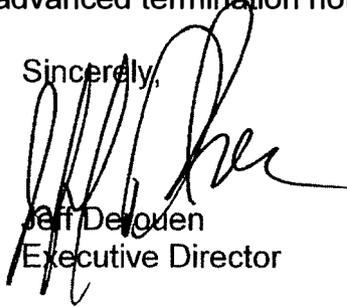
Commission Staff understands that Big Sandy has the capability to offer electronic billing to those customers who are interested in this service option. Your letter states that this service option reduces paper work and costs for printing and postage. You also state that the U.S. postal system has downsized in your area, thereby slowing mail delivery. You further state that not all customers will participate in electronic billing.

Commission regulation 807 KAR 5:006 sets out the requirements for billing and information to be in the bills. It does not, however, refer to any specific manner in which bills must be sent to customers. Thus, it appears that electronic billing is permissible. A review of Big Sandy's tariff, Revised Sheet No. 10, Paragraph #19, provides: "Billing schedule -1st of month-bills are mailed to members" This language needs to be revised to include electronic billing for customers who choose electronic billing. In addition, 807 KAR 5:006, Section 14(1) (f) provides the manner of disconnection for non-payment of bills and prohibits disconnection "without having mailed or otherwise delivered an advance termination notice" The term "otherwise delivered" implies

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other means than mailing is acceptable. However, advanced termination notice is still required to be delivered to the customer whether by mail or other means. Big Sandy's Tariff, Revised Sheet No. 12, Paragraph #22-2(d) sets out the process for disconnection for nonpayment. The tariff refers to mailing a delinquent notice only. Commission staff concludes that 807 KAR 5:006 permits electronic billing but that Big Sandy's applicable tariff provisions be revised to reflect the electronic billing service option and the method by which electronic customers receive advanced termination notice for nonpayment.

Sincerely,



Jeff DeLoe
Executive Director

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