

**BEFORE THE**  
**KENTUCKY PUBLIC SERVICE COMMISSION**

In The Matter Of:

The Kentucky Public Service Commission's  
Revision of Administrative Regulations

---

**DUKE ENERGY KENTUCKY, INC.'S COMMENTS TO THE**  
**KENTUCKY PUBLIC SERVICE COMMISSION'S REVISION OF**  
**ADMINISTRATIVE REGULATIONS**

---

**I. INTRODUCTION**

In October 2011, the Kentucky Public Service Commission (Commission) initiated a review of several administrative regulations. Specifically revisions to 807 KAR 5:001, 807 KAR 5:006, 807 KAR 5:011 and 807 KAR 5:076 are now under this Commission's consideration. The proposed amendments have been included in the August 2012 Administrative Register of Kentucky published by the Legislative Research Commission. Duke Energy Kentucky, Inc. (Duke Energy Kentucky) appreciates the opportunity to provide comments to the proposed amendments.

**II. DISCUSSION OF REVIEW OF ADMINISTRATIVE REGULATIONS**

**A. Recommendation 807 KAR 5:001(13)(10)(a)**

The proposed revision to 807 KAR 5:001(13)(10)(a) would impose a two year limitation on the Commission's treatment of information as confidential and place the burden upon a utility to request continuation of the confidential information. Duke Energy Kentucky appreciates the Commission's desire to maintain an open and transparent process to the public. However, Duke Energy Kentucky respectfully submits that the confidential nature of information does not expire

with the passage of time in all instances. Also, the appropriate time to determine whether information is deserving of confidential protection is at the outset, rather than at an arbitrary future date. In fact, some information, such as trade secrets, customer account information, utility tax returns, and customer social security numbers necessitate indefinite protection from public release. Duke Energy Kentucky recommends the Commission amend its proposed regulation such that information deemed as confidential will remain protected until such time as the confidential nature is challenged. At that time, upon proper notice of the challenge, the burden of maintaining the confidential treatment should be on the utility or other party who requested the information be protected.

In the alternative, Duke Energy Kentucky would agree to a process whereby the party requesting confidential treatment proposes a reasonable time for its protection, including indefinite protection, as part of its original motion for confidential treatment. Upon ruling upon the utility's request, the Commission could incorporate that time period of protection as part of its opinion granting the confidential protection. Upon expiration of said period, the information would automatically become public unless prior to expiration, the party requesting confidential treatment is able to demonstrate good cause why the confidential protection period should be extended.

**B. Recommendation: 807 KAR 5:006 Sections 7(5)(c) and 26(5)(a)(2)**

The proposed revision to 807 KAR 5:006 Section 7(5)(c) would require a utility to inspect each customer meter using remote reading technology for proper working condition and readings verified at intervals established in Section 26 of the administrative regulation. Section 26(5)(a)(2) further provides that at intervals not to exceed three (3) years, meters using remote

reading technology shall be manually inspected and visually examined for proper working condition and readings verified.

Duke Energy Kentucky has several concerns with this proposed regulation. First, the additional inspection requirement for reading verification is redundant, unnecessary, and will likely erode benefits of employing this technology. If the Commission's concern is the reliability of the technology, Duke Energy Kentucky, like many utilities currently using the technology, has existing processes in place that ensure automated reads are accurate and the meter is functioning properly through the current meter reading/billing operations data exchange. Requiring utilities to perform an additional manual inspection and reading verification is redundant and only serves to increase costs. A primary benefit of the remote reading technology is the savings that can be achieved by the reduction of costs associated with field readings. Duke Energy Kentucky recommends the Commission remove this requirement from its proposed amendments. In the alternative, the Commission should consider waivers of this inspection and reading verification requirement for utilities upon a showing of good cause.

Second, as written, the proposed rule amendment is confusing in its application. Section 7(5)(c) addresses billings, meter readings, and information applicable to all jurisdictional utilities. The proposed revision in this section broadly pertains to the inspection of devices using remote meter reading technology and thus applicable to both gas and electric utilities. However, the cross reference to intervals contained Section 26(5)(a) creates confusion as that provision explicitly applies only to natural gas utilities. Therefore, the proposed regulations, when read together create ambiguity. It is particularly confusing for combination gas and electric utilities like Duke Energy Kentucky that could employ the remote reading technology for both services. Duke Energy Kentucky respectfully submits that if the Commission does not withdraw the field reading

requirement that the Commission should at a minimum clarify whether this cross reference to a three year inspection interval indeed applies to all utilities employing said technology or just natural gas utilities.

Finally, if the Commission determines it should keep the field verification requirement, Duke Energy Kentucky recommends that the Commission consider granting waiver of this requirement upon a utility's ability to demonstrate good cause and that it has adequate protections in place to demonstrate the reliability of the technology including the meter's data exchange.

**C. Recommendation: 807 KAR 5:006 Section 11 (4)(c)**

This particular rule requires the utility to maintain meters in question at a secure location pending an inaccuracy investigation. The proposed regulation is unnecessarily broad and creates a burdensome situation for utilities. Duke Energy Kentucky recommends that the proposed revision requiring the retention of meters be amended slightly to exclude meters that do not function at all, except in instances of fraud or tampering.

In the last twelve months, Duke Energy Kentucky had approximately 400 electric meters that had an average meter error greater than two (2) percent fast or slow. Of those meters, approximately 350 of the meters were not functioning at all. Holding this quantity of "dead meters" is unnecessary and burdensome. The complete failure of a meter is easy to detect during a usage investigation, and is less likely to be disputed by the customer.

**III. CONCLUSION**

Duke Energy Kentucky appreciates the Commission's efforts and diligence in conducting a hearing relative to these issues. The Company also thanks the Commission for the opportunity to submit comments to these revisions.

Respectfully submitted,

DUKE ENERGY KENTUCKY, INC.

By: 

Rocco D'Ascenzo

Associate General Counsel

Duke Energy Kentucky, Inc.

139 East Fourth Street

1303-Main

Cincinnati Ohio 45202

513-287-4320 (telephone)

513-287-4385 (facsimile)

Rocco.d'ascenzo@duke-energy.com(e-mail)

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing filing was served on the following via facsimile or overnight mail this 31 day of August 2012:

Mr. Gerald Wuetcher  
Kentucky Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602-0615

Dennis G. Howard II.  
Assistant Attorney General  
Office of the Attorney General Utility & Rate  
1024 Capital Center Drive  
Suite 200  
Frankfort, Kentucky 40601-8204



Rocco O. D'Ascenzo