

OWEN Electric

A Touchstone Energy Cooperative 
August 31, 2012

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

RE: Revisions to 807 KAR 5:001, KAR 5:006, and 807 KAR 5:011.

Dear Mr. Wuetcher:

Owen Electric Cooperative appreciates the Commission providing an additional opportunity today to discuss the revisions to the above noted regulations. As a result of the meeting, several issues were clarified and revised language was offered which, in some cases, alleviates Owen's concerns with the proposed regulations.

Owen wishes to provide additional comments relating to the above noted regulations and in response to the proposed changes that were offered at today's meeting.

1. KAR 5:006, Sections 7 (5)(c) and Section 26 (4)(e) relating to the requirement to manually verify readings of remote metering technology.

Owen understands that the revised language proposed today would require that the meter registration (including the actual reading from a solid state meter) be recorded at intervals established in Section 26. This would involve writing down the reading at the meter, but not include verifying that reading with the billing system. Owen appreciates the Commission's clarification of its concerns. However, still disagrees with the proposed regulation.

The Commission's stated concern leading to this language is that it has no confidence that the inspections are being done to the point of service, and no method of verifying that the inspection has been done. Commission staff stated that there are safety concerns, as well as concerns relating to meter tampering, that could arise if an inspection is not done to the point of service.

Owen shares the Commission's concern regarding public safety as well as its concerns relating to meter tampering, and agrees that the inspection process should include the metering facilities. The meter is, however, only one of many pieces of equipment that are inspected during the two year line inspection process. Writing down the meter reading does not ensure, in any way that the inspection process is adequate. Owen's inspectors are responsible for a section of its line up to and including the meter base. This includes the lines themselves, the transformer, and other pieces of equipment. Each inspection is noted on a

map and all exceptions are noted on a separate document which is attached. The map and attached documentation are then signed by the employee, attesting to the completion of the inspection. Taking the time to write down the reading of the meter and verify the meter number would add significantly to the time required to conduct the inspection. The addition of this activity would increase Owen's operating costs by approximately \$250,000 on an annual basis.

Owen believes the Commission should remove from the proposed regulations any reference to reading the meter, or recording the registration of the meter, if the utility is utilizing remote metering technology. We believe that there are other, more cost effective, ways of achieving the Commission's goal of improving safety and assuring that proper inspections are being done. A dated inspection sticker program, whereby the utility employee would place a dated sticker on the meter at the time of inspection, might be one option. Owen would be happy to work with Commission staff to establish a process that would be acceptable and would not burden the ratepayers of the Commonwealth with significant increases relating to this activity.

2. KAR 5:001, Section 15 (5) – Extensions in the ordinary course of business.

Owen believes that this language should be clarified.

3. KAR 5:011, Section 6 – Tariff Addition, Revision, or Withdrawal requirements:

Owen is satisfied with the proposed language proffered by Commission staff today that states that notification, in accordance with Section 8, would need to be given when a rate is changed or a significant change in the condition of service occurs.

4. KAR 5:001. Section 8 (3) – Electronic Filing Procedures:

Owen is comfortable with the suggestion offered by the LG&E/KU representative that the requirement to provide an original paper copy of any document submitted in an electronic case be removed, but that language should be added that the Commission has the right to request, on a case by case basis, a paper copy of any document submitted in an electronic case.

5. KAR 5:001, Section 12 (10)(a) – Confidential Material:

Owen is satisfied with the suggestion offered today that would provide that the petitioning party would establish, at the time the request for confidential status is requested, the timeframe for which the material would be held in confidential status.

Again, Owen thanks the Commission for its time and willingness to address the concerns of the parties who are participating in the revision process.

Please feel free to contact me should you have any questions,

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Stallons', with a horizontal line extending to the right.

Mark Stallons
President/CEO
Owen Electric Cooperative, Inc.