

COMMONWEALTH OF KENTUCKY
BEFORE THE ENERGY REGULATORY COMMISSION

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In the Matter of

NOTICE AND APPLICATION FOR ADJUSTMENT)
OF RATES FOR JACKSON PURCHASE ELECTRIC)
COOPERATIVE CORPORATION, INCLUDING AN)
EMERGENCY INCREASE; AND SUPPLEMENT) CASE NO. 7676
APPLICANT'S PROPOSED RETAIL RATES TO)
UTILIZE A PILOT RATE PROGRAM (TIME OF)
DAY RATES))

O R D E R

On December 3, 1979, Jackson Purchase Electric Cooperative Corporation (Applicant) filed with this Commission its request, seeking, among other things, authority to place into effect a pilot program to test the feasibility of a design for time of day rates. The test program proposed, and the method of testing for reliability and coverage and development of the program, was presented to the Commission at the hearing held January 11, 1980.

All parties of interest, including the Consumer Protection Division of the Attorney General's Office, were present and heard the testimony of Dr. Muril Robertson with respect to the proposed pilot program.

Dr. Robertson explained that the consumption analysis would include February, 1978 consumption and a twelve-month combined 1978 period. He recommended the most current twelve-month usage detailed data be used to select a sample for the actual test. The cum \sqrt{uf} of rule of Dalenias and Hodges and the Neyman allocations were used in Dr. Robertson's example. The explanation of his example and his sampling method are within the requirements of the final regulations of the Federal Energy Regulatory Commission that appear in the Federal Register of October 11, 1979. The accuracy of that sample is also within the guidelines.

After the stratified random sample is designed, approximately five usage level ranges of about eleven consumers per usage range for each of the rate groups and a control group will be randomly selected, together with approximately twenty alternates for each

level. The example would consist of 110 primes and 200 alternates. One of the considerations in selecting a participant would be the following items:

1. The consumer should be willing to participate.
2. The consumer should not be a chronic complainant.
3. The consumer should have a good payment record.
4. The consumer should plan to reside in that house for the duration of the test.

The purpose of the pilot Time of Day Test is to obtain the information to design a more meaningful and dependable rate for a prospective time of day rate to be offered to those customers so desiring on the Jackson Purchase system.

FINDINGS OF FACT

1. The program proposed by Jackson Purchase Electric Cooperative Corporation is sufficient with respect to sampling and allocation in order to obtain definitive information.
2. The method in which the testing is to be done and the number of meters and the number of consumers in the rate group and control group are sufficient under the evidence presented.
3. The Applicant, Jackson Purchase Electric Cooperative Corporation, should be allowed to immediately implement its pilot program for time of day rates in order to develop the information to design a rate subject to this Commission's supervision and approval in conformity with the conservation philosophy of this Commission.

CONCLUSIONS OF LAW

IT IS THEREFORE ORDERED, that the proposed Time of Day Pilot Program is just and reasonable and promotes the national energy policy, as well as the policy of this Commission with respect to conservation by efficient energy usage, and should be approved.

IT IS FURTHER ORDERED, that the time of day tariffs filed herein may be implemented by the Applicant.

Done at Frankfort, Kentucky, this 25th day of January, 1980.

ENERGY REGULATORY COMMISSION



Chairman



Vice Chairman



Commissioner

ATTEST:

Secretary