

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

OWEN COUNTY RURAL ELECTRIC)
COOPERATIVE CORPORATION) CASE NO. 8453
REQUEST FOR A DEVIATION)
FROM RULES AND REGULATIONS)

O R D E R

Owen County Rural Electric Cooperative Corporation ("Owen County") filed its request, by letter received January 18, 1982, for a deviation from the requirements of regulation 807 KAR 5:006E, Section 9, paragraph (5), which states: "...if meters are found upon test to register fast and if time for periodic test has overrun to the extent that one-half ($\frac{1}{2}$) of the time elapsed since the last previous test exceeds twelve (12) months, the refund shall be for the twelve (12) months as specified in subsection (2) of this section and in addition thereto, a like refund for those months exceeding the periodic test period; provided, however, that the commission may relieve the utility from this requirement in any particular case in which it is shown that the failure to make the periodic test was due to causes beyond the utility's control." An additional request for a deviation from rules was made under the provisions of 807 KAR 5:006E, Section 24, which states: "In special cases, for good cause shown, the Commission may permit deviations from these rules." Owen County requested that refunds for fast meters be limited to the previous 12 months.

The staff requested additional information and it was received on March 8, 1982. Owen County maintains that to follow the rules in paragraph (5) of the above regulation creates an undue hardship on the cooperative; is not economically feasible because the records must be reviewed individually by hand; involves very few dollars as the earlier rates were at a low level; results in administrative cost which will outweigh the economic benefit; and is not in the best interest of the consumer-members.

The record shows that of a total of 25,145 meters 6,915 have not been tested within the 8-year period as required by Commission regulations. Records of past meter tests indicate that approximately 2.79 percent of the meters tested were over 2 percent fast and consequently required that a refund be made. Therefore, $6915 \times 2.79 \text{ percent} = 193$ meters that will likely require refunds that entail calculations for a period beyond the 12 months. The estimated average refund per customer will be \$20 and the estimated administrative cost to make this refund will be \$50 per refund.

The Commission, having considered the evidence of record and being advised is of the opinion and finds that:

(1) The request for deviation from the requirements of regulation 807 KAR 5:006E, Section 9, paragraph (5), should be denied since the request does not pertain to a particular case but instead pertains to a group of cases. Additionally Owen County has not shown that the failure to make the periodic tests was due to causes beyond its control.

2. The request by Owen County for relief under the provisions of 807 KAR 5:006E, Section 24, should be approved since the Commission recognizes the difficulty and cost in manually researching files and archives for old rate schedules, meter readings, and addresses of customers who may have been using the meter in previous years.

IT IS THEREFORE ORDERED that the request by Owen County for a deviation from the requirements of 807 KAR 5:006E, Section 9, paragraph (5), be denied.

IT IS FURTHER ORDERED that the request by Owen County for a deviation under the provisions of 807 KAR 5:006E, Section 24, be approved and that all refunds to customers for fast meters be limited to 12 months except in those instances where the periodic test period has been exceeded, in which case refunds shall be made for those months exceeding the test period only if the meter was serving the same customer at the same location for the entire refund time period, and the rate schedule to be used shall be one-half of the rates that are used to calculate the refund for the previous 12 months.

IT IS FURTHER ORDERED that the provisions of this order shall remain in effect for a period of 2 years from the date it is issued.

Done at Frankfort, Kentucky, this 26th day of April, 1982.

PUBLIC SERVICE COMMISSION

Maclini M. Voh
Chairman

Katharine Randall
Vice Chairman

Tom Carman
Commissioner

ATTEST:

Secretary