

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF GREEN RIVER ELECTRIC)
CORPORATION FOR A DEVIATION FROM THE) CASE NO. 91-077
CUSTOMER-READ INFORMATION OF 807 KAR)
5:066, SECTION 6(5))

O R D E R

Green River Electric Corporation ("GREC") has applied for a deviation from Commission Regulation 807 KAR 5:006, Section 6(5),¹ which requires a utility to read all revenue-related meters at least once annually. Contending that its adherence to this regulation is neither cost effective nor protective of its ratepayers, GREC seeks Commission approval to read its revenue-related meters once every 3 years.² Finding that GREC has failed to produce sufficient evidence to support its application, we deny.

GREC is currently required to read its customers' meters on an annual basis. Customers read their meters monthly and report

¹ "Each utility using customer-read meter information shall initiate a program to read each revenue related meter on its system at least once during each calendar year. Records shall be kept by the utility to insure that this information is available to the Commission staff and any customer requesting such information."

² Commission Regulation 807 KAR 5:006, Section 25, permits deviations from this rule upon a showing of good cause.

the reading to GREC. GREC determines the billing amount based upon the submitted reading. The utility's annual reading ensures that customers have performed their duty accurately and further allows an opportunity to inspect meter installations for tampering and illegal current diversion.

GREC contends that it should be permitted to deviate from strict compliance with Commission Regulation 807 KAR 5:006, Section 6(5), for three reasons. First, a substantial number of meters, approximately 23,620 in 1990, are read annually. Second, due to its existing meter reading programs, the annual reading requirement would not significantly impact the already low incidence of tampering, current diversion and meter registration problems. Third, strict compliance with the regulation will not increase revenues or reduce energy losses and custom disputes but will increase GREC's annual operation costs by \$34,000.

The evidence does not support these contentions. GREC must presently read 24,854 single-phase meters annually to comply with Commission Regulation 807 KAR 5:006. It contends that 23,620 meters were read in 1990.³ To read an additional 1200 meters, therefore, will cost \$34,000 - the expense of hiring an additional meter reader and acquiring a truck devoted solely to meter reading. The additional costs for such a small number of meters appear excessive.

³ This figure is found in Exhibit 1 of GREC's application. It contains some duplicate readings. GREC is unable to determine the exact number of duplicate readings contained in this figure.

GREC's claims as to the need of an additional employee are not supported by the evidence in the record. During the June 1986 - June 1988 period in which it read all meters annually, GREC used 12 employees (1 meter reader, 8 service men, and 3 meter men) to read meters. Since then, when it read meters only once every three years, it employs 13 persons (9 service men, 3 meter men, and 1 part-time meter reader) to perform this same task. GREC has not offered any explanation as to why the number of employees reading meters has increased when the number of meters read has decreased, nor has it explained why further employees are needed to read meters.

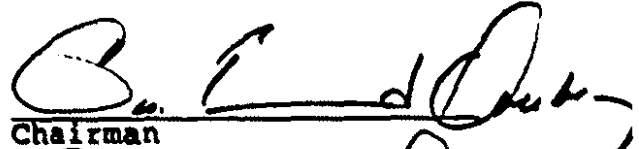
GREC also ignores several intangible benefits produced by annual meter reading. Such reading ensures that all customer billings are accurate. Discrepancies, customer reading errors, and utility billing errors are more easily discovered. It discourages meter tampering and current diversion. It strengthens customer confidence in the utility billing system. Customers are assured that other ratepayers are paying their fair share. It assists in spotting unaccounted-for energy losses. Finally, it permits the utility, while reading meters, to inspect utility lines for clearance and other safety problems, thus reducing the potential for utility-related accidents.

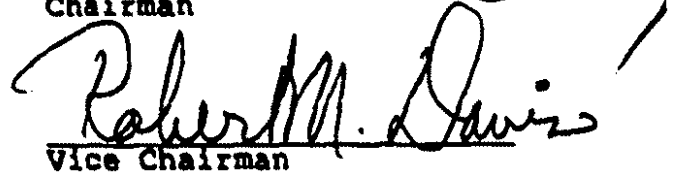
Based upon the foregoing, the Commission finds that good cause for GREC's requested deviation from Commission Regulation 807 KAR 5:006, Section 6(5), has not been shown.

IT IS THEREFORE ORDERED that GREC's application is denied.

Done at Frankfort, Kentucky, this 9th day of July, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director