

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 petitioned for rehearing of the Commission's Order of July 9, 1991 in which its application for deviation from Commission regulation 807 KAR 5:006, Section 6(5), was denied. GREC contends that the Commission erred in finding that the utility needed only to read an additional 1,200 meters annually to comply with the regulation and that the benefits of compliance outweighed the cost of compliance. For reasons stated below, we deny GREC's petition.

GREC's petition ignores the basic premise of the Commission's prior Order. Since the promulgation of Commission Regulation 807 KAR 5:006, Section 6(5), GREC has maintained that its existing meter reading programs already achieved the regulation's objective and negated the need for annual meter reading. See, e.g., Letter from Dean Stanley to Forest M. Skaggs (April 1, 1986) (requesting deviation from Commission Regulation 807 KAR 5:006, Section 6) at 2 (noting GREC's position that "most meters on the system are presently being read on an annual basis"). In its application, it noted that a majority of GREC's meters were read on an annual

basis. Accepting GREC's position and its statistical proof, the Commission essentially found that GREC could achieve total compliance with the regulation without much additional expenditure.

The data and arguments marshalled in GREC's petition, far from demonstrating an error in the Commission's conclusion, undermine the statistical proof previously presented by GREC. In its application, GREC stated that approximately 23,620 meters were read in 1990. It conceded that "some" of these readings were duplicate meter readings. In its petition for rehearing, it now insists that one-third of these readings were duplicate readings.¹ In light of this drastic turnabout, the Commission can give little weight to any of the statistical data used to support GREC's contentions.

Assuming arguendo that GREC's statistical proof were reliable, the Commission's position would remain unchanged. We cannot accept GREC's position that because the quantifiable benefits of compliance do not exceed the costs of compliance, a deviation from Commission Regulation 807 KAR 5:006, Section 6(5), is warranted. The intangible and difficult-to-quantify benefits of annual meter reading, such as the deterrence of metering

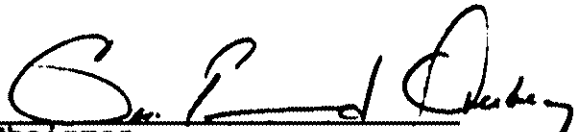
¹ The appropriateness of using data gathered from July 25, 1990 to July 24, 1991 is also questionable. The bulk of all PSC readings for the last 3 year period was performed in the summer of 1990 by a part-time employee. Use of the data from the year ending July 24, 1991 would exclude a large share of these meter readings. The utility has failed to state the number of meters which went unread in calendar year 1990.

tampering and current diversion and the strengthening of customer confidence in utility billing systems, must be considered. GREC has failed to demonstrate that these benefits will not be achieved by its adherence to Commission Regulation 807 KAR 5:006, Section 6(5), or that such adherence will pose a financial hardship.

IT IS THEREFORE ORDERED that GREC's petition for rehearing is denied.

Done at Frankfort, Kentucky, this 15th day of August, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director