

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF KENTUCKY UTILITIES)	
COMPANY TO DEVIATE FROM 807 KAR 5:041,)	CASE NO.
SECTION 15(3) REGARDING SAMPLE TESTING)	91-461
OF SINGLE PHASE METERS)	

O R D E R

KU has applied for a deviation from 807 KAR 5:041, Section 15(3), which requires metering equipment to be tested for accuracy prior to being placed into service. In lieu of testing all single phase electric meters, KU proposes to randomly select and test at least 4 percent of each shipment of meters received from its meter manufacturers. If the overall average accuracy of the tested meters varies by more than 1 percent, an additional 2 percent of the shipment would be tested. If the overall average accuracy still varies by more than 1 percent, KU would then test the entire shipment.

KU currently purchases its single phase electric meters from four manufacturers. None will provide individual meter test results without assessing an additional charge. The extra charge varies according to manufacturer and is estimated to cost between \$17,000 and \$56,000 annually. As a result, KU tests approximately 11,300 new meters annually in its testing laboratories. KU estimates that the proposed deviation would produce an annual savings of approximately \$27,120.

The Commission is not convinced that the limited cost savings warrants the proposed deviation. The regulation is designed to protect customers from inaccurate meters and to ensure customer confidence in metering equipment and customer billings. If the deviation is granted, the public is more susceptible to inaccurate meter readings and inaccurate billings. Eliminating the testing requirement could lead to the erosion of customer confidence.

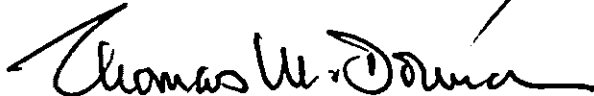
Based upon the evidence of record and being otherwise sufficiently advised, the Commission finds that good cause does not exist to grant the requested deviation.


IT IS THEREFORE ORDERED that KU's application for a deviation from Commission Regulation 807 KAR 5:041, Section 15(3), is denied.

Done at Frankfort, Kentucky, this 8th day of May, 1992.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director, Acting