

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG RIVERS ELECTRIC	)	
CORPORATION FOR AN ORDER PERMITTING	)	
DEVIATION FROM THE REGULATION	)	
REQUIRING TARIFF INCLUSION OF	)	CASE NO. 92-287
PROCEDURES FOR MONITORING CUSTOMER	)	
USAGE	)	

O R D E R

On July 8, 1992, Big Rivers Electric Corporation ("Big Rivers") filed an application requesting authority to deviate from 807 KAR 5:006, Section 10(3), which requires a utility to include in its tariff its procedures for monitoring customers' usage at least annually. As grounds for its request, Big Rivers cites its status as a wholesale electric supplier with a small number of customers and claims that neither the spirit nor purpose of the regulation would be served by requiring compliance by Big Rivers.

Based on the evidence of record and being advised, the Commission finds that Big Rivers is an electric supplier that furnishes only wholesale electric energy to other electric suppliers for resale. The information provided by Big Rivers clearly indicates that the usage of its customers has been monitored in the past and will continue to be monitored.

The Commission promulgated 807 KAR 5:006, Section 10(3), in an attempt to minimize the number of billing disputes that arise

from malfunctioning meters not being discovered in a timely manner. The financial problems that can result from an undetected malfunctioning meter can be as serious for wholesale customers as for retail customers. Thus, while the regulation requires a utility to include in its tariffs procedures to monitor its customers' usage, the regulation does not differentiate between wholesale suppliers and retail suppliers nor between customers purchasing for resale and customers purchasing for ultimate consumption.

The procedures being utilized by Big Rivers to monitor its customers' usage satisfy the requirements of 807 KAR 5:006, Section 10(3). Big Rivers has not demonstrated good cause to justify its request for a deviation from the requirement to include in its tariff the procedures for monitoring its customers' usage at least annually.

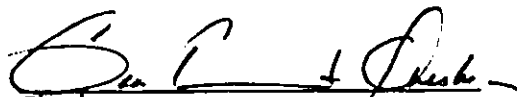
IT IS THEREFORE ORDERED that:

1. Big Rivers' request for deviation from the tariff filing required by 807 KAR 5:006, Section 10(3), be and it hereby is denied.

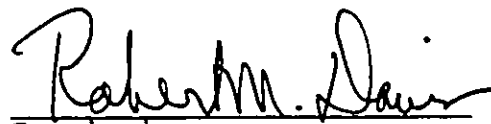
2. Within 20 days of the date of this Order, Big Rivers shall file a tariff setting forth its procedures for monitoring customers' usage at least annually pursuant to 807 KAR 5:006, Section 10(3).

Done at Frankfort, Kentucky, this 28th day of September, 1992.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director

4. Define the market in which Personal Secretary<sup>sm</sup> and ContraNet<sup>r</sup> Voice Messaging and Message Manager<sup>sm</sup> operates (i.e. perfect competition, monopolistic competition, oligopoly, or some variant):

- a. for the residential market;
- b. for the business market;

5. For the residential and business markets in which Personal Secretary<sup>sm</sup> and ContraNet<sup>r</sup> Voice Messaging and Message Manager<sup>sm</sup> compete, are there functionally equivalent services which may be considered poor substitutes because of the service option capabilities inherent in Personal Secretary<sup>sm</sup> and ContraNet<sup>r</sup> Voice Messaging and Message Manager<sup>sm</sup>? If so, what are these services?

6. In oligopolistic markets it is possible for firms to collectively exercise market power in a variety of ways to the detriment of consumers. Explain why this would or would not happen in Kentucky in the business market and in the residential market.

7. For services that competitors must purchase from GTE Kentucky, are the prices of these services identical to the prices residential and business customers must pay? For example, is GTE Kentucky imputing the cost of these services? Explain.

Done at Frankfort, Kentucky, this 28th day of September, 1992.

ATTEST:

Don Mills  
Executive Director

PUBLIC SERVICE COMMISSION

G. P. J. [Signature]  
For the Commission