

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

FILING OF FARMERS RURAL ELECTRIC)	
COOPERATIVE CORPORATION TO)	Case No.
ESTABLISH CERTAIN NONRECURRING)	2010-00059
CHARGES)	

O R D E R

On February 12, 2010, Farmers Rural Electric Cooperative Corporation ("Farmers") filed a petition with the Commission for approval of a revised tariff to recover costs associated with automatic meter reading remote disconnection. This charge is for the service rendered when a remote disconnect collar is used to disconnect or reconnect a customer's electric service for nonpayment. The application proposed that the tariff become effective on March 15, 2010. However, the Commission found that an investigation was necessary to determine the reasonableness of the proposed charge and suspended the proposed tariff for a period of five months up to and including August 14, 2010. Commission Staff issued a request for information on March 18, 2010 and Farmers responded on April 2, 2010. Commission Staff issued a follow-up request for information on April 16, 2010, to which Farmers responded on April 26, 2010.

Farmers has invested in automatic meter reading equipment. This equipment, when supplemented with a disconnect collar installed on a customer's meter, allows the customer's service to be remotely disconnected and reconnected. The cost for the remote collar is \$190. Under Farmers' current tariff, customers are charged \$30 for each trip made to the customer's premises during regular working hours and \$70 for

each trip made after regular working hours. Therefore, customers are charged a total of \$60 for a manual disconnection and reconnection of service made during regular working hours. Under the proposed tariff, if a remote disconnect collar is used, a fee of \$30 would be charged for the disconnection and an additional \$30 would be charged for the subsequent reconnection, for the same total of \$60. No overtime charges would apply when using the remote disconnect collar.

Because the charges proposed for remote disconnection and reconnection are the same as those for manual disconnection and reconnection, Farmers was asked to explain the benefit of the proposal, given that it requires additional capital expenditures. In its April 26, 2010 response, Farmers stated that the use of the remote disconnect collar will result in an increase in safety for its employees, faster reconnection of service, and the elimination of access problems to meters. Furthermore, Farmers states that the use of the disconnect collar will reduce the fees charged to customers who are reconnected after regular working hours.

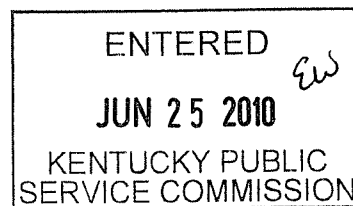
Farmers has not yet decided on the number of disconnect collars it will purchase. In determining which meters will be equipped with the disconnect collars, Farmers states that consideration will be given to the customer's historical pattern of disconnections and reconnections, the pattern of subsequent disconnections and reconnections, and the length of time between disconnections and reconnections.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that Farmers' proposed nonrecurring charges of \$30.00 to remotely disconnect and remotely reconnect service are equal to the expenses incurred to provide that service and should be approved.

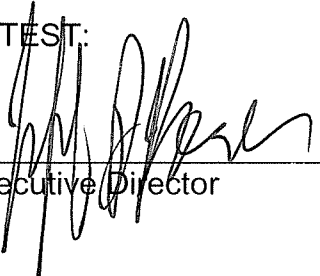
IT IS THEREFORE ORDERED that:

1. Farmers' proposed nonrecurring charges of \$30.00 to remotely disconnect or reconnect are approved.
2. Farmers shall file, within 20 days of the date of this Order, its revised tariff sheets setting out the charges approved herein and showing their date of issue and that they were issued by authority of this Order.

By the Commission



ATTEST:



Executive Director

Bill Prather
President & CEO
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