

LAW OFFICE OF
JOHN J. SCOTT, PSC

108 EAST POPLAR STREET
P.O. BOX 389
ELIZABETHTOWN, KENTUCKY 42702-0389

JOHN J. SCOTT
ATTORNEY AT LAW

April 15, 2011

TELEPHONE 270-765-2179
FAX 270-765-2180

Mr. Jeff R. Derouen
Executive Director
Public Service Commission
211 Sowers Boulevard
P.O. Box 615
Frankfort, KY 40602-0615

RECEIVED

APR 22 2011

PUBLIC SERVICE
COMMISSION

Re: Application for approval of Prepay
Metering Program

Dear Mr. Derouen:

Please find enclosed an original and ten copies of Nolin RECC's Application to receive approval of a pilot program for prepay metering. Should you need anything further regarding this matter, please let me know.

Sincerely yours,



John J. Scott, Attorney for Nolin Rural
Electric Cooperative Corporation

JJS/rrd

Enclosures

RECEIVED

APR 22 2011

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**APPLICATION OF NOLIN RURAL ELECTRIC
COOPERATIVE CORPORATION FOR APPROVAL
OF A PREPAY METERING PILOT PROGRAM
TARIFF**

APPLICATION

* * * * *

Nolin Rural Electric Cooperative Corporation, hereinafter called the "APPLICANT", respectfully advises the Commission that:

1. APPLICANT is engaged in the sale of electric power over its 2,429.3 miles of line at retail rates to its approximately 32,875 meters in Hardin, LaRue, Green, Taylor, Meade, Breckinridge, Grayson and Hart Counties, Kentucky.
2. The address of APPLICANT is 411 Ring Road, Elizabethtown, Kentucky 42701, and its Articles of Incorporation, as amended, are on file with the Commission in Case No. 93-324, styled "Application for Authorization to Obtain Five Year Line of Credit".
3. This Application is for the purpose of requesting approval of a prepay metering pilot program in accordance with the terms set forth

in the proposed tariff filed herewith as "Exhibit A".

4. The prepay metering pilot program shall be a completely voluntary program available to no more than 300 members of Nolin initially. A copy of the "Agreement" for participation in this prepay program is filed herewith as "Exhibit B".
5. The APPLICANT has received a DEDI grant from the State of Kentucky in the amount of \$100,000.00 for the purpose of partially funding this pilot program. The deadline for complying with certain terms of that grant is approximately June 15, 2011. Therefore, the APPLICANT respectfully states that there is an urgency in requesting the Public Service Commission to address this Application and expedite the approval of this Application as soon as possible.
6. The APPLICANT further requests a deviation from 807 KAR5:006, Section 14, which requires a written notice of service termination for non-payment, insofar as such notice would apply to this prepay metering pilot program. It is the understanding of the APPLICANT that such a deviation has previously been approved in PSC case #2010-00210 involving the tariff filing of Jackson Energy Cooperative to establish prepaid electric service.

WHEREFORE, the APPLICANT now moves the Public Service Commission of the Commonwealth of Kentucky to grant approval to this prepay metering pilot program as outlined in the tariff attached hereto as "Exhibit A".

WITNESS the hand of the duly authorized President of the APPLICANT
this 15th day of April, 2011.

**NOLIN RURAL ELECTRIC
COOPERATIVE CORPORATION**

BY: Michael L. Miller

**MICHAEL L. MILLER,
President**

BY: John J. Scott

**JOHN J. SCOTT
ATTORNEY FOR APPLICANT
JOHN J. SCOTT, P.S.C.
108 E. POPLAR STR., P.O. BOX 389
ELIZABETHTOWN, KY. 42702-0389
(270) 765-2179**

**STATE OF KENTUCKY
COUNTY OF HARDIN**

I, the undersigned, a Notary Public, do hereby certify that on this
15th day of April, 2011, personally appeared before me **MICHAEL L.
MILLER**, who being by me first duly sworn, subscribed to and acknowledged
that he is the **President** of **Nolin Rural Electric Cooperative Corporation**, a
Kentucky corporation, that he signed the foregoing document as **President** of
the corporation, and that the statements therein contained are true.

William J. Coffey
NOTARY PUBLIC, State of Kentucky

At Large

My commission expires August 27, 2012.

PILOT PROGRAM FOR PREPAY METERING

STANDARD RIDER

Voluntary Prepay Electric Service is a rider to Rate Schedule 1 as defined by the Cooperative.

AVAILABILITY OF SERVICE

All Rate Schedule 1 accounts, excluding accounts on Levelized Budget Billing, three phase accounts, and accounts with 400 or greater amp service, within the territory served by the Cooperative.

TYPE OF SERVICE

Prepaid Electric Service

RATES

In addition to the Customer Charge and kWh charge for Rate Schedule 1, there will be a 17 cents per day program fee.

TERMS & CONDITIONS

Prepay Electric Service is a voluntary program. Members who qualify for this program as defined above in "AVAILABILITY OF SERVICE" may choose to voluntarily enroll their electric account(s) in this program. All members who participate in the Prepay Electric Service are subject to the following:

1. An agreement for Prepay Electric Service must be signed by the member (for joint memberships, only one member is required to sign the agreement) for each account enrolling in the Prepay Electric Service. The term of the agreement is for one year.
2. At the time an account becomes a prepay account, the recommended initial payment for electricity is \$75. Members may apply funds in any amount to their prepay account(s) as they choose and as many times per month as they choose.
3. Members may apply funds to their prepay account(s) by mail, by phone with a Visa or MasterCard, by utilizing Nolin's website for Visa or MasterCard payments, or in person during regular business hours.
4. A member, who received service from Nolin and discontinued service without paying his/her debt, (i.e. an uncollectible account/bad debt) will be required to pay the full amount of the debt prior to establishing prepay service.
5. If a member elects to enroll an account in prepay and has a deposit on the account, the deposit will be applied to the account before the account changes to prepay. Any credit remaining on the account will be applied to the prepay account. However, if the member has another account(s) which does not have a satisfactory credit history, the remaining credit will be transferred as a deposit to the unsecured account(s). The deposit will only be refunded by applying it to the member's account(s) as described.
6. If a member elects to enroll an account in prepay, the total amount of any existing payment arrangements/contracts will be applied to the account so the full unpaid balance will be reflected on the prepay account.
7. Once enrolled in the prepay service, no additional payment arrangements will be made.
8. If a member's postpay account has been disconnected for non-payment and the member chooses the prepay option for the account to be reconnected, the member will be subject to a repayment plan whereas future payments will be split 50/50 until the unpaid debt is retired. Under this

- provision, the member will be applying 50% of any funds paid on the prepay account to the unpaid debt. The remaining 50% of the funds will be applied to daily usage on the account.
9. If an agency submits or has already submitted (but not yet paid) a voucher or other financial assistance to an account, the full amount of the assistance will be applied to the unpaid debt on the prepay account.
 10. Prepay accounts will be billed at least once a day to show the remaining funds on the account. If a meter reading is not available, the account will not be billed until a reading is available. In addition, a month-end billing will be done to “true up” any unbilled charges. Charges such as program fee, customer charge, kWh, fuel adjustment, environmental surcharge, applicable taxes and franchise fees, security lights, and poles will be prorated daily. Charges such as Operation Round-Up, etc. will be charged during the month-end billing. Miscellaneous charges such as green power, surge protection, etc. will be charged during the first prepay billing of each month.
 11. Any account on prepay will be moved to billing cycle 7 which begins the 1st of the month and ends on the last day of the month.
 12. Prepay accounts will not be subject to deposits, late fees, disconnect fees, and reconnect fees.
 13. Members who allow their prepay accounts to be disconnected two or more times in a 12 month period due to lack of funds will be required to pay a deposit if the account is removed from the prepay rider and becomes a postpay account.
 14. If a payment on a prepay account is returned for any reason, the account is subject to the service charge listed in Nolin’s Rules and Regulations, Item 27. In addition if an outstanding balance is transferred from another account, the amount of the transfer will be debited to the prepay account and the account will be disconnected immediately unless there are funds on the account to cover the returned/transferred item.
 15. If a prepay account is disconnected due to lack of funds or any other reason, the Cooperative shall be held harmless for any damages due to loss of energy services. Likewise, if the account is disconnected and the member applies funds to the prepay account thus causing the account to be reconnected, the member accepts full responsibility for any damages to the location caused by the account being reconnected.
 16. A monthly paper bill will not be mailed to members who receive prepay service. However, they may request a copy of their monthly bill or may view it online through Nolin’s website. Due to the prepay status of an account, a delinquent notice will not be mailed on prepay accounts as the account should never be in arrears.
 17. All voluntary prepay accounts will not be eligible for a Winter Hardship Reconnect, Certificate of Need, or Medical Certificate as outlined in 807 KAR 5:006, Sections 13, 14, and 15.
 18. A prepay account will be disconnected if the balance of the account becomes negative. The account will be disconnected regardless of weather/temperatures as the member is responsible for ensuring that the prepay account is adequately funded. If the member can not ensure proper funding, Nolin recommends the member not utilize the prepay service.
 19. A prepay account will be disconnected immediately in cases of theft, tampering, or hazardous code violation.
 20. Remote disconnections will typically occur during business hours after the prepay balance is depleted. No disconnection will take place on weekends or holidays.
 21. Members who voluntarily choose the prepay service are subject to all rules and regulations outlined in the Cooperative’s tariffs and bylaws unless specifically noted above.

RECEIVED

**NOLIN RURAL ELECTRIC COOPERATIVE CORPORATION
AGREEMENT FOR PARTICIPATION IN PREPAY PROGRAM**

APR 22 2011

PUBLIC SERVICE
COMMISSION

Member Name _____	Home Phone _____
Account No. _____	Cell Phone _____
Service Address _____	E-mail _____
_____	_____

The undersigned (hereinafter called the "member") hereby applies for participation in the voluntary Prepay Electric Service Program offered to members of Nolin Rural Electric Cooperative Corporation (hereinafter called the "Cooperative"), and agrees to the following terms and conditions:

1. The member shall purchase electric energy from the Cooperative in accordance with the present and any future rate schedule of the Cooperative on a prepay basis for the above referenced account.
2. The member understands that the terms and conditions set forth in the member's Application for Membership continue to apply in addition to the terms and conditions of this Agreement for Prepay Electric Service, subject, however, to any changes set forth in this Agreement.
3. The member shall pay any membership and connect fees as applicable by the Cooperative bylaws and the Cooperative Rules and Regulations as approved by the Kentucky Public Service Commission as may be required for the member to participate in the Prepay Electric Service Program.
4. Any deposit on the above referenced account will be applied to the account before the account changes to prepay. Any credit remaining on the account will be applied to the prepay account. However, if the member has another account(s) which does not have a satisfactory credit history, the remaining credit will be transferred as a deposit to the unsecured account(s). The deposit will only be refunded by applying it to the member's account(s) as described.
5. As a result of participation in the Prepay Program, the member will not be mailed a monthly paper bill for electric usage or other applicable fees or charges. However, the member may request a copy of their monthly bill or view the bill online through Nolin's website.
6. The member shall pay an additional daily program fee. This amount will be in addition to the charges included in the Cooperative's rate schedule.
7. If a member changes any of the contact information (i.e. e-mail address, phone number, etc.) provided on this agreement, it is the responsibility of the member to notify the Cooperative of any such changes immediately. It is the member's responsibility to manage their own communication devices.
8. The member shall be responsible for regularly monitoring the balance on the prepay account and understands that the electric service will be subject to disconnection without any written notification from the Cooperative to the member once the balance of the account reaches zero (\$0.00).
9. Should the member have a payment returned for any reason, the returned payment will be charged to the prepay account. The member's account shall also be charged a return payment fee in addition to the returned

payment amount. If there are not sufficient funds to cover the returned item and fee, the account will be disconnected immediately.

10. By signing this agreement, the member affirms there are no residents in the home currently that have medical conditions that will be impacted by loss of service. Should this status change, the member shall contact the Cooperative in writing, upon which the account will be removed from the prepay program. It is the responsibility of the member to confirm the Cooperative is in receipt of the written contact. Weather conditions will not postpone disconnection of electric service.

11. Prepay accounts shall not be eligible for payment arrangements with the Cooperative and energy assistance shall not be applied until received as payment on the member's prepay account.

12. Prepay accounts shall not be eligible for a Certificate of Need, Winter Hardship Reconnect, or Medical Certificate.

13. The member authorizes the Cooperative to transfer the unpaid balance of \$_____ from the member's postpay account to the prepay account, and further agrees that fifty percent (50%) of any payments made on this account in the future shall be applied to the balance until said balance is paid in full. Any fees/penalties (returned payment, meter tampering, etc.) shall be paid before any payments are applied to the member's prepay account.

14. If a member wishes to disconnect service, the member shall be refunded any balance on the prepay account. Any refund will be processed in the same manner as postpay account refunds.

15. The term of this agreement shall be for one (1) year. After one year, the member may elect to opt out of the prepay program at any time. If discontinuing after one year, the member will have to meet the requirements of a non-prepaid member for continued service.

Member Signature: _____ SSN: _____ Date: _____

Member Signature: _____ SSN: _____ Date: _____

CSR Signature: _____ Date: _____

OFFICE USE ONLY	
SO Number _____	IHD No. _____
Customer No. _____	Date Installed _____
Initials _____	
Comments _____	