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April 3, 2014

PARTIES OF RECORD

Re: Case No. 2013-00186
Application of Farmers Rural Electric Cooperative for Adoption of a Sample
Meter Testing Procedure

Attached is a copy of the memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the informal conference memorandum, please do so within five days of receipt of this letter. If you have any questions, please contact Richard Raff, General Counsel, at 502-564-3940.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Berouen".

Jeff Berouen
Executive Director

RR/kar

Attachments

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File – Case No. 2013-00186

FROM: Eric Bowman, Team Leader

DATE: March 27, 2014

RE: Informal Conference of November 26, 2013

On November 26, 2013, Commission staff conducted an Informal Conference with representatives of Farmers Rural Electric Cooperative Corporation (“Farmers RECC”) at the Commission’s offices in Frankfort, Kentucky. The purpose of the Informal Conference was to discuss various aspects of Farmers RECC’s application filed in this proceeding along with the responses to the Commission data requests. The persons in attendance at the meeting are listed on the attached sign-in sheet.

After introductions, Commission staff commenced by explaining that it was not the intent of the meeting to dissuade Farmers RECC from adopting a sample meter testing plan in accordance with the Commission’s statutes and regulations. Rather, Commission staff wanted to discuss some of the concerns identified with procedures employed by utilities that have adopted sample meter testing as a means to ensure the accuracy of watt-hour meters. Of particular importance were the Commission’s regulations addressing minimum conditions required of all sample meter testing plans and the testing procedures and accuracy requirements prescribed by the Commission for all meters.

Commission staff continued by describing some of the apparent discrepancies that exist between the various sample meter testing programs that have been adopted by electric utilities pursuant to KRS 278.210 and the conflict such programs seem to have introduced in the application of 807 KAR 5:041, Sections 16 and 17.

Commission staff directed attention to several of the data request items that were intended to explore aspects of Farmers RECC’s meter testing procedures under a sampling program. The first item discussed involved the specific methods employed to ensure the randomness of samples selected from groups of meters and, generally, how the sample testing results would be handled. Farmers RECC explained the method of using its billing system records for the selection of sample units and how the process complied with the ANSI Z1.9 - 2008 sample testing standard.

Commission staff next asked about the treatment of “non-registering” meters. Specifically, Commission staff inquired about those meters for which a meter

registration value could not be obtained for a unit under test due to damage, defect or other conditions, and how such test results might affect the inspection sample and ultimately the acceptance of the lot. Farmers RECC stated that it would replace non-registering (damaged/defective) units with units randomly selected from the group and continue with the inspection. Commission staff noted the necessity of ensuring randomness of the samples despite operating condition or quality and specifically referenced section A7.2 of ANSI Z1.9 – 2008 that states:

A7.2 Drawing of Samples. Units of the sample shall be selected at random without regard to their quality.

Commission staff then addressed the inconsistency between the accuracy requirements prescribed by 807 KAR 5:041, Section 17 (+/- 1% for all watt-hour meters) and language in KRS 278.210 that allows a utility to demonstrate through sample testing that no statistically significant number of meters over-register above 2% for the utility to implement meter testing frequency that it determines to be cost-effective. Commission staff explained that manufacturer information for solid-state watt-hour meters typically specify accuracy limits of +/- 0.5% with some classes of meters specifying accuracies of +/- 0.2%. Farmers RECC recognized the apparent discrepancy in accuracy limits and indicated that it routinely tested all meters to the manufacturer's specification and would not object to establishing a tighter accuracy specification limit for its sample testing program. Farmers further indicated that it would provide "exception" reports as needed to fully describe the details of testing procedures and documentation of test results including the handling of non-registering meters.

The informal conference concluded.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF FARMERS RURAL)
ELECTRIC COOPERATIVE FOR ADOPTION OF) CASE NO.
A SAMPLE METER TESTING PROCEDURE) 2013-00186

November 26, 2013

Please sign in:

NAME	REPRESENTING
<u>Jeff Moore</u>	<u>PSC</u>
<u>Kyle Willard</u>	<u>PSC - Engineer</u>
<u>William T. Prather</u>	<u>Farmers RECC</u>
<u>Tony Wells</u>	<u>FARMERS RECC</u>
<u>Matthew Baer</u>	<u>PSC - FA</u>
<u>Eric Bowman</u>	<u>PSC - Eng.</u>
<u>Janet A. Powell</u>	<u>PSC - legal</u>
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