

1 ENERGY AND ENVIRONMENT CABINET

2 [~~The Kentucky~~] Public Service Commission

3 (Amendment)

4 807 KAR 5:006. General Rules.

5 RELATES TO: KRS Chapter 278, 49 C.F.R. Part 192, 49 USC § 60105

6 STATUTORY AUTHORITY: KRS 278.230, 278.280(2), 49 C.F.R. Part 192

7 NECESSITY, FUNCTION, AND CONFORMITY: KRS 278.230(3) provides that every
8 utility shall file with the commission any reports, schedules or other information that the
9 commission reasonably requires. KRS 278.280(2) provides that the commission [~~Public~~
10 ~~Service Commission~~ (hereinafter referred to as "commission")] shall prescribe rules for
11 the performance of any service or the furnishing of any commodity by any utility. This
12 administrative regulation establishes general rules which apply to electric, gas, water,
13 sewage and telephone utilities. [~~This administrative regulation includes the substance of~~
14 ~~807 KAR 5:008, which it repeals.~~]

15 Section 1. Definitions. (1) "Built up community" means urban areas and those
16 areas immediately adjacent.

17 (2) "Commission" is defined in KRS 278.010(15).

18 (3) "Corporation" is defined in KRS 278.010(1).

19 (4) "Customer" means any person, firm, corporation or body politic applying for or
20 receiving service from any utility.

1 (5) "Gross Annual Operating Reports" means reports that KRS 278.140 requires
2 each utility to file with the commission.

3 (6) "Nonrecurring charge" means a charge or fee assessed to customers to
4 recover the specific cost of an activity, which:

5 (a) Is due to a specific request for a certain type of service activity for which,
6 once the activity is completed, additional charges shall not be incurred; and

7 (b) Is limited to only recover the specific cost of the specific service.

8 (7) "Person" is defined in KRS 278.010(2).

9 (8) "Tariff" means a utility's schedule of all its rates, charges, tolls, maps, terms
10 and conditions of service over which the commission has jurisdiction.

11 (9) "Utility" is defined in KRS 278.010(3).

12 (10) "Water Association" means any non-profit corporation, association or
13 cooperative corporation having as its purpose the furnishing of a public water supply.

14 (11) "Water District" means a special district formed pursuant to KRS 65.810 and
15 KRS Chapter 74.

16 Section 2. General Provisions. Any reference to standards or codes in 807 KAR
17 Chapter 5 commission administrative regulations shall not prohibit a utility from
18 continuing or initiating experimental work and installations to improve, decrease the cost
19 of, or increase the safety of its service.

20 Section 3. Utility Contact Information. (1) A utility shall notify the commission in
21 writing of:

22 (a) The address of its main corporate and Kentucky offices, including street
23 address and post office box, city, state and zip code;

1 (b) The name, telephone number, facsimile number and mailing address of the
2 person who serves as its primary liaison with the commission regarding its operations;
3 and

4 (c) Its electronic mail address.

5 (2) The electronic mail address required in subsection (1) of this section shall be
6 to an electronic mail account that the utility accesses at least once weekly and that is
7 capable of receiving electronic mail from external sources and with attachments up to
8 five (5) megabytes in size. Unless a utility otherwise advises the commission in writing,
9 all electronic mail transmissions from the commission to the utility shall be sent to this
10 address.

11 (3) A utility shall notify the commission in writing of any change in the information
12 required in subsection (1) of this section within ten (10) days of the date of the change.

13 Section 4. Reports. (1) Gross Annual Operating Revenue Reports.

14 (a) Each utility shall file with the commission its gross operating revenue report
15 on or before March 31 of each year.

16 (b) An extension request shall not be permitted for Gross Annual Operating
17 Revenue Reports.

18 (c) A utility may file an amendment to its report with the commission on or before
19 May 24 of the same year.

20 (d) The commission shall:

21 1. Not certify to the Department of Revenue the amounts of intrastate business
22 set forth in any amendment filed with the commission after May 24 of that year; and

1 2. Report those amounts to the Department of Revenue for informational
2 purposes.

3 (2) Financial and statistical reports.

4 (a) Every utility shall file annually using the commission's electronic filing system
5 a financial and statistical report on or before March 31 of each year.

6 (b) This report shall be based upon utility type and the accounts established in
7 conformity with the uniform system of accounts prescribed for that utility type.

8 (c) If documents are required to supplement or complete the report and cannot
9 be submitted through the commission's electronic filing system, the utility shall file these
10 documents in paper form with the commission no later than March 31.

11 (d) The commission shall make the reporting forms available on the
12 commission's Web site at <http://psc.ky.gov/>.

13 (e) For good cause shown, the executive director of the commission may, upon
14 application in writing, allow a reasonable extension of time for the filing.

15 (3) Financial statement audit reports. A utility required to file a report in
16 accordance with section 4(2) of this regulation shall file with the commission on or
17 before September 30 each year, a copy of the audit report of the Kentucky regulated
18 entity, from the audit performed the previous year, or a statement that no audit was
19 performed of the Kentucky regulated entity the previous year. For good cause shown,
20 the executive director of the commission may, upon application in writing, allow a
21 reasonable extension of time for the filing.

22 (4) Report of meters, customers and refunds. Each gas, electric, or water utility
23 shall file quarterly either a Quarterly Meter Report-Electric, Quarterly Meter Report, or a

1 Quarterly Meter Report-Electric-Gas-Water , of meter tests, number of customers, and
2 amount of refunds.

3 (5) Report of terminations for nonpayment of bills. Each water, electric, or gas
4 utility shall file either the Water Utility Non-Payment Disconnection/Reconnection
5 Report, Electric Utility Non-Payment Disconnection/Reconnection Report, or Gas Utility
6 Non-Payment Disconnection/Reconnection Report, annually to report the number of
7 residential accounts terminated for nonpayment. These reports shall be filed no later
8 than August 15 and shall cover the period ending June 30.

9 (6) Record and report retention. All records and reports shall be retained in
10 accordance with the uniform system of accounts unless otherwise specified.

11 (7) Transmittal letter. Each report shall be accompanied by a transmittal letter
12 describing the report being furnished.

13 (8) Amending reports. Upon discovering a material error in any report that it has
14 filed with the commission, a utility shall file an amended report to correct the error.

15 Section 5. Service Information.

16 (1) (a) A utility shall, on request, give its customers or prospective customers
17 information that enables the customers to secure safe, efficient and continuous service.

18 (b) A utility shall inform its customers of any change made or proposed in the
19 character of its service that might affect the efficiency, safety, or continuity of operation.

20 (2) Prior to making any substantial change in the character of the service
21 furnished that would affect the efficiency, adjustment, speed or operation of the
22 equipment or appliances of any customer, a utility shall apply for the commission's

1 approval. The application shall show the nature of the change to be made, the number
2 of customers affected, and the manner in which they will be affected.

3 (3) The utility shall inform each applicant for service of each type, class and
4 character of service available at each location.

5 Section 6. Special Rules or Requirements. (1) A utility shall not establish any
6 special rule or requirement without first obtaining the approval of the commission on
7 proper application.

8 (2) Unless specifically authorized by this administrative regulation, no utility shall
9 deny or refuse service to a customer who has complied with all conditions of service set
10 forth in the utility's tariff on file with the commission

11 (3) (a) Obtaining easements and rights-of-way necessary to extend service
12 shall be the responsibility of the utility.

13 (b) A utility shall not:

14 1. Require a prospective customer to obtain easements or rights-of-way on
15 property not owned by the prospective customer as a condition for providing service; or

16 2. Refuse to provide service to any prospective or existing customer on the basis
17 of that customer's refusal to grant an easement for facilities that do not serve the
18 customer.

19 (c) The cost of obtaining easements or rights-of-way shall be included in the total
20 per foot cost of an extension, and shall be apportioned among the utility and customer
21 in accordance with 807 KAR 5:041, 807 KAR 5:061 or 807 KAR 5:066 .

22 Section 7. Billings, Meter Readings and Information.

23 (1) Information on bills.

1 (a) Each bill for utility service issued periodically by a utility shall clearly show:

2 1. The date the bill was issued;

3 2. Class of service;

4 3. Present and last preceding meter readings;

5 4. Date of the present reading;

6 5. Number of units consumed;

7 6. Meter constant, if any;

8 7. Net amount for service rendered;

9 8. All taxes;

10 9. Any adjustments;

11 10. The gross amount of the bill;

12 11. The date after which a penalty may apply to the gross amount; and

13 12. Whether the bill is estimated or calculated.

14 (b) The rate schedule under which the bill is computed shall be posted on the
15 utility's Web site, if it maintains a Web site, and shall also be furnished under one (1) of
16 the following methods:

17 1. By printing it on the bill;

18 2. By publishing it in a newspaper of general circulation once each year;

19 3. By mailing it to each customer once each year; or

20 4. By providing a place on each bill for a customer to indicate the customer's
21 desire for a copy of the applicable rates. The utility shall mail the customer a copy by
22 return first class mail.

1 (2) Flat rates. Flat rates for unmetered service shall approximate as closely as
2 possible the utility's rates for metered service. The rate schedule shall clearly set out the
3 basis upon which consumption is estimated.

4 (3) Bill format. Each utility shall include the billing form, including any e-bill form,
5 to be used by it, or its contents, in its tariffed rules.

6 (4) Meter readings. Registration of each meter shall read in the same units as
7 used for billing unless a conversion factor is shown on the billing form.

8 (5) Frequency of meter reading.

9 (a) Except as provided in paragraph (b) or (c) of this subsection, each utility,
10 except if prevented by reasons beyond its control, shall read customer meters at least
11 quarterly;

12 (b) Each customer-read meter shall be read manually, at least once during each
13 calendar year.

14 (c) Each customer meter using remote reading technology shall be inspected for
15 proper working condition and readings verified at the intervals established in Section 26
16 of this administrative regulation.

17 (d) Records shall be kept by the utility to insure that the information required by
18 this subsection is available to the commission and any customer requesting this
19 information.

20 (e) If, due to reasons beyond its control, a utility is unable to read a meter in
21 accordance with this subsection, the utility shall record the date and time the attempt
22 was made, if applicable, and the reason the utility was unable to read the meter.

23 Section 8. Deposits.

1 (1) Determination of deposits.

2 (a) A utility may require from any customer a minimum cash deposit or other
3 guaranty to secure payment of bills, except from those customers qualifying for service
4 reconnection under Section 16 of this administrative regulation.

5 (b) A utility shall not require a deposit based solely on the customer being a
6 tenant or renter.

7 (c) The method of determining the amount of a cash deposit may differ between
8 classes of customers, but shall be uniform for all customers within the same class.

9 (d) The amount of a cash deposit shall be determined by one (1) of the methods
10 established in this paragraph.

11 1. Calculated deposits.

12 (a) If actual usage data is available for the customer at the same or similar
13 premises, the deposit amount shall be calculated using the customer's average bill for
14 the most recent twelve (12) month period.

15 (b) If actual usage data is not available, the deposit amount shall be based on the
16 average bills of similar customers and premises in the system.

17 (c) Deposit amounts shall not exceed two-twelfths (2/12) of the customer's actual
18 or estimated annual bill if bills are rendered monthly, three-twelfths (3/12) if bills are
19 rendered bimonthly, or four-twelfths (4/12) if bills are rendered quarterly.

20 2. Equal deposits.

21 (a) A utility may establish an equal deposit amount for each class based on the
22 average bill of customers in that class.

1 (b) Deposit amounts shall not exceed two-twelfths (2/12) of the average bill of
2 customers in the class if bills are rendered monthly, three-twelfths (3/12) if bills are
3 rendered bimonthly, or four-twelfths (4/12) if bills are rendered quarterly.

4 3. Recalculation of deposits.

5 a. If a utility retains either an equal or calculated deposit for more than eighteen
6 (18) months, it shall notify customers in writing that, at the customer's request, the
7 deposit shall be recalculated every eighteen (18) months based on actual usage of the
8 customer.

9 b. The notice of deposit recalculation shall be included:

10 (i) On the customer's application for service;

11 (ii) On the receipt of deposit; or

12 (iii) Annually with or on customer bills.

13 c. The notice of deposit recalculation shall state that if the deposit on account
14 differs by more than ten (10) dollars for residential customers, or by more than ten (10)
15 percent for nonresidential customers, from the deposit calculated on actual usage, the
16 utility shall refund any over-collection and may collect any underpayment.

17 d. Refunds shall be made either by check, electronic funds transfer, or by credit
18 to the customer's bill, except that a utility shall not be required to refund any excess
19 deposit if the customer's bill is delinquent when the deposit is recalculated.

20 (2) Waiver of deposits. Deposits may be waived at the discretion of a utility in
21 accordance with criteria set forth in its tariff.

22 (3) Additional deposit requirement.

1 (a) If a deposit has been waived as allowed in subsection (2) of this section, or
2 has been returned and the customer fails to maintain a satisfactory payment record as
3 defined in the utility's tariff, a utility may require a deposit.

4 (b) If substantial change in the customer's usage has occurred, the utility may
5 require an additional deposit.

6 (c) An additional or subsequent deposit shall not be required of residential
7 customers whose payment record is satisfactory, unless the customer's classification of
8 service changes, except as provided in subsection (1)(d)3 of this section.

9 (4) Receipt of deposit.

10 (a) A utility shall issue to every customer from whom a deposit is collected a
11 receipt of deposit.

12 (b) The receipt shall show the name of the customer, location of the service or
13 customer account number, date, and amount of deposit.

14 (c) If the notice of recalculation described in subsection (1)(d)3 of this section is
15 not included in the utility's application for service or mailed with customer bills, the
16 receipt of deposit shall contain the notification.

17 (d) If deposit amounts change, the utility shall issue a new receipt of deposit to
18 the customer.

19 (5) Deposits as a condition of service. Except as provided by Section 16 of this
20 administrative regulation, a utility may refuse or discontinue service to a customer
21 pursuant to Section 15 of this administrative regulation if payment of requested deposits
22 is not made.

23 (6) Interest on deposits.

1 (a) Interest shall accrue on all deposits at the rate prescribed by law, beginning
2 on the date of deposit.

3 (b) Interest accrued shall be refunded to the customer or credited to the
4 customer's bill on an annual basis.

5 (c) If interest is paid or credited to the customer's bill prior to twelve (12) months
6 from the date of deposit, or the last interest payment date, the payment or credit shall
7 be on a prorated basis.

8 (d) Upon termination of service, the deposit, any principal amounts, and interest
9 earned and owing shall be credited to the final bill with any remainder refunded to the
10 customer.

11 (7) Interest on deposits for water districts and associations.

12 (a) A water district or association that maintains a separate interest-bearing bank
13 account designated as the customer deposit account shall pay interest to its customers
14 on the deposits held at the rate in effect at each customer's anniversary date or at
15 December 31 of the previous year for the customer deposit account.

16 (b) A water district or association that does not maintain a separate interest-
17 bearing bank account designated as the customer deposit account shall pay interest to
18 its customers on the deposits held at a rate that is the weighted average rate of all of its
19 interest bearing accounts as of December 31 of the previous year.

20 (c) If the water district or association does not have any funds in an interest-
21 bearing account, the water district or association shall pay interest to its customers on
22 the deposits held at the rate in effect at each customer's anniversary date or at
23 December 31 of the previous year for a basic savings account at the financial institution

1 where the water district or association maintains its operation and maintenance
2 account.

3 (8) Tariff requirements. A utility that chooses to require deposits shall establish
4 and include in its filed tariff the deposit policy to be utilized. This policy shall include:

5 (a) The method by which deposit amounts will be determined for each customer
6 class;

7 (b) Standard criteria for determining when a deposit will be required or waived;

8 (c) The deposit amount for each customer class if the method in subsection
9 (1)(b) of this section is used;

10 (d) The period of time the utility will retain the deposit, or the conditions under
11 which the utility will refund the deposit, or both if applicable; and

12 (e) The manner in which interest on deposits will be calculated and accrued and
13 refunded or credited to customers' bills.

14 Section 9. Nonrecurring Charges. (1) A utility may make special nonrecurring
15 charges to recover customer-specific costs incurred that would otherwise result in
16 monetary loss to the utility or increased rates to other customers to whom no benefits
17 accrue from the service provided or action taken. Any utility desiring to establish or
18 change any special nonrecurring charge shall apply for commission approval of the
19 charge in accordance with the provisions of 807 KAR 5:011, Section 10.

20 (2) Nonrecurring charges shall be included in a utility's tariff and applied
21 uniformly throughout the area served by the utility. They shall relate directly to the
22 service performed or action taken and shall yield only enough revenue to pay the
23 expenses incurred in rendering the service.

1 (3) Nonrecurring charges shall include the charges listed in this subsection and
2 may include other customer specific costs in accordance with this section and 807 KAR
3 5:011 section 10.

4 (a) Turn-on charge.

5 1. A turn-on charge may be assessed for a new service turn on, seasonal turn on
6 or temporary service.

7 2. A turn-on charge shall not be made for initial installation of service if a tap fee
8 is applicable.

9 (b) Reconnect charge.

10 1. A reconnect charge may be assessed to reconnect a service which has been
11 terminated for nonpayment of bills or violation of the utility's rules or 807 KAR Chapter
12 5.

13 2. Customers qualifying for service reconnection under Section 16 of this
14 administrative regulation shall be exempt from reconnect charges.

15 (c) Termination or field collection charge.

16 1. A charge may be assessed if a utility representative makes a trip to the
17 premises of a customer for the purpose of terminating service.

18 2. The charge may be assessed if the utility representative actually terminates
19 service or if, in the course of the trip, the utility representative agrees to delay
20 termination based on the customer's payment or agreement to pay the delinquent bill by
21 a specific date.

22 3. The utility shall not make a field collection charge more than once in any billing
23 period.

1 (d) Special meter reading charge. This charge may be assessed if:

2 1. A customer requests that a meter be reread, and the second reading shows
3 the original reading was correct. A charge shall not be assessed if the original reading
4 was incorrect; or

5 2. A customer who reads his or her own meter fails to read the meter for three (3)
6 consecutive months, and it is necessary for a utility representative to make a trip to read
7 the meter.

8 (e) Meter resetting charge. A charge may be assessed for resetting a meter if the
9 meter has been removed at the customer's request.

10 (f) Meter test charge. This charge may be assessed if a customer requests the
11 meter be tested pursuant to Section 19 of this administrative regulation, and the tests
12 show the as found meter accuracy is within the limits allowed by 807 KAR 5:022 Section
13 8(3)(a)(1) and 8(3)(b)(1); 807 KAR 5:041, Section 17(1); or 807 KAR 5:066, Section
14 15(2)(a).

15 (g) Returned payment charge. A returned payment charge may be assessed if
16 any form of accepted payment of a utility bill is not honored by the customer's financial
17 institution.

18 (h) Late payment charge. A late payment charge may be assessed if a customer
19 fails to pay a bill for services by the due date shown on the customer's bill. The late
20 payment charge may be assessed only once on any bill for rendered services. Any
21 payment received shall first be applied to the bill for service rendered. Additional late
22 payment charges shall not be assessed on unpaid late payment charges.

23 Section 10. Customer Complaints to the Utility.

1 (1) Upon complaint to a utility by a customer at the utility's office, by telephone or
2 in writing, the utility shall make a prompt and complete investigation and advise the
3 customer of its findings.

4 (2) The utility shall keep a record of all written complaints concerning its service.
5 This record shall include:

- 6 (a) The customer's name and address;
- 7 (b) The date and nature of the complaint; and
- 8 (c) The disposition of the complaint.

9 (3) Records shall be maintained for two (2) years from the date of resolution of
10 the complaint.

11 (4) If a written complaint or a complaint made in person at the utility's office is not
12 resolved, the utility shall provide written notice to the customer of his or her right to file a
13 complaint with the commission, and shall provide the customer with the mailing
14 address, Web site address and telephone number of the commission.

15 (5) If a telephonic complaint is not resolved, the utility shall provide at least oral
16 notice to the customer of his or right to file a complaint with the commission and the
17 mailing address, Web site address and telephone number of the commission.

18 Section 11. Bill Adjustment for Gas, Electric or Water Utilities.

19 (1) If, upon periodic test, request test, or complaint test, a meter in service is
20 found to be in error in excess of the limits allowed by 807 KAR 5:022, Section 8(3)(a)(2);
21 807 KAR 5:041, Section 17(1); or 807 KAR 5:066, Section 15(4), additional tests shall
22 be made in accordance with those same administrative regulations applicable for the
23 meter type involved to determine the average meter error.

1 (2) (a) If test results on a customer's meter show an average meter error greater
2 than two (2) percent fast or slow, or if a customer has been incorrectly billed for any
3 other reason, except if a utility has filed a verified complaint with the appropriate law
4 enforcement agency alleging fraud or theft by a customer, the utility shall:

- 5 1. Immediately determine the period during which the error has existed;
6 2. Recompute and adjust the customer's bill to either provide a refund to the
7 customer or collect an additional amount of revenue from the underbilled customer; and
8 3. Readjust the account based upon the period during which the error is known to
9 have existed.

10 (b) 1. If the period during which the error existed cannot be determined with
11 reasonable precision, the time period shall be estimated using the data as elapsed time
12 since the last meter test, if applicable, and historical usage data for the customer.

13 2. If that data is not available, the average usage of a similar class of customers
14 shall be used for comparison purposes in calculating the time period.

15 (c) If the customer and the utility are unable to agree on an estimate of the time
16 period during which the error existed, the commission shall determine the issue.

17 (d) In all instances of customer overbilling, the customer's account shall be
18 credited or the overbilled amount refunded at the discretion of the customer within thirty
19 (30) days after the investigation is complete.

20 (e) A utility shall not require customer repayment of any underbilling to be made
21 over a period shorter than a period coextensive with the underbilling.

22 (3) Monitoring usage.

1 (a) A utility shall monitor a customer's usage at least quarterly according to
2 procedures that shall be included in its tariff.

3 (b) The procedures shall be designed to draw the utility's attention to unusual
4 deviations in a customer's usage and shall provide for reasonable means by which the
5 utility can determine the reasons for the unusual deviation.

6 (c) If a customer's usage is unduly high and the deviation is not otherwise
7 explained, the utility shall test the customer's meter to determine whether the meter
8 shows an average meter error greater than two (2) percent fast or slow.

9 (4) Usage investigation.

10 (a) If a utility's procedure for monitoring usage indicates that an investigation of a
11 customer's usage is necessary, the utility shall notify the customer in writing:

12 1. Within ten (10) days of removing the meter from service, that a usage
13 investigation is being conducted and the reasons for the investigation; and

14 2. Within ten (10) days upon completion of the investigation of the findings of the
15 investigation.

16 (b) If knowledge of a serious situation requires more expeditious notice, the utility
17 shall notify the customer by the most expedient means available.

18 (c) If the meter shows an average meter error greater than two (2) percent fast or
19 slow, the utility shall maintain the meter in question at a secure location under the
20 utility's control, for a period of one (1) year from the date the customer is notified of the
21 finding of the investigation or if the customer has filed a formal complaint pursuant to
22 KRS 278.260, the meter shall be maintained until the proceeding is resolved.

1 (5) Customer notification. If a meter is tested and it is found necessary to make a
2 refund or back bill a customer, the customer shall be notified in substantially the
3 following form:

4 On _____, (date) _____, the meter bearing identification No. _____ installed
5 in your building located at _____ (Street and Number) in _____ (city) was tested
6 at _____ (on premises or elsewhere) and found to register _____ (percent fast
7 or slow). The meter was tested on _____ (Periodic, Request, Complaint) test.
8 Based upon these test results the utility will _____ (charge or credit) your account
9 in the sum of \$ _____, which has been noted on your regular bill. If you desire a
10 cash refund, rather than a credit to your account, of any amount overbilled, you shall
11 notify this office in writing within seven (7) days of the date of this notice.

12 (6) A customer account shall be considered to be current while a dispute is
13 pending pursuant to this section, if the customer

14 (a) Continues to make payments for the disputed period in accordance with
15 historic usage, or if that data is not available, the average usage of similar customer
16 loads; and

17 (b) Stays current on subsequent bills.

18 Section 12. Status of Customer Accounts During Billing Dispute. With respect to
19 any billing dispute to which Section 11 of this administrative regulation does not apply, a
20 customer account shall be considered to be current while the dispute is pending if the
21 customer continues to make undisputed payments and stays current on subsequent
22 bills.

23 Section 13. Customer's Request for Termination of Service.

1 (1)(a) Any customer desiring service terminated or changed from one (1) address
2 to another shall give the utility three (3) working days' notice in person, in writing, or by
3 telephone, if the notice does not violate contractual obligations or tariff provisions.

4 (b) The customer shall not be responsible for charges for service beyond the
5 three (3) day notice period if the customer provides access to the meter during the
6 notice period in accordance with section 20 of this administrative regulation.

7 (c) If the customer notifies the utility of his request for termination by telephone,
8 the burden of proof shall be on the customer to prove that service termination was
9 requested if a dispute arises.

10 (2) Upon request that service be reconnected at any premises subsequent to the
11 initial installation or connection to its service lines, the utility may, subject to subsection
12 (3) of this section, charge the applicant a reconnect fee set out in its filed tariff.

13 (3) Any utility desiring to establish a termination or reconnection charge under the
14 provisions of subsection (2) of this section shall apply for commission approval of the
15 charge in accordance with the provisions of 807 KAR 5:011, Section 10.

16 Section 14. Utility Customer Relations.

17 (1) A utility shall post and maintain regular business hours and provide
18 representatives available to assist its customers and to respond to inquiries from the
19 commission regarding customer complaints.

20 (a) Available telephone numbers. Each utility shall:

21 1. Maintain a telephone;

22 2. Publish, shall publish the telephone number in all service areas; and

1 3. Permit all customers to contact the utility's designated representative without
2 charge.

3 (b) Designated representatives. Each utility shall designate at least one (1)
4 representative to be available to answer customer questions, resolve disputes and
5 negotiate partial payment plans at the utility's office. The designated representative shall
6 be knowledgeable of this regulation; 807 KAR 5:001 Section 13; KRS 278.160(2); and
7 KRS 278.225 regarding customer bills and service and shall be authorized to negotiate
8 and accept partial payment plans.

9 1. Each water, sewer, electric, or gas utility having annual operating revenues of
10 \$250,000 or more shall make the designated representative available during the utility's
11 established working hours not fewer than seven (7) hours per day, five (5) days per
12 week, excluding legal holidays.

13 2. Each water, sewer, electric, or gas utility having annual operating revenues of
14 less than \$250,000 shall make the designated representative available during the
15 utility's established working hours not fewer than seven (7) hours per day, one (1) day
16 per week. Additionally, during the months of November through March, each utility
17 providing gas or electric service shall make available the designated representative
18 during the utility's established working hours not fewer than five (5) days per week,
19 excluding legal holidays.

20 (c) Display of customer rights.

21 1. Each utility shall prominently display in each office open to the public for
22 customer service, and shall post on its Web site, if it maintains a Web site, a summary,

1 prepared and provided by the commission of the customer's rights under this section
2 and Section 16 of this administrative regulation.

3 2. If a customer indicates to any utility personnel that he or she is experiencing
4 difficulty in paying a current utility bill, that employee shall refer the customer to the
5 designated representative for an explanation of his or her rights.

6 (d) Utility personnel training.

7 1. The chief operating officer of any utility that provides electric or gas service to
8 residential customers shall certify under oath annually the training of utility personnel
9 assigned to counsel persons presenting themselves for utility service under the
10 provisions of this section.

11 2. If the electric or gas utility is not incorporated in Kentucky and its corporate
12 headquarters is not located in Kentucky, then its highest ranking officer located in
13 Kentucky shall make the required certification.

14 3. Training shall include an annual review of this administrative regulation and
15 policies regarding winter hardship and disconnect administrative regulations, Cabinet for
16 Health and Family Services (or its designee) policy and programs for issuing certificates
17 of need, and the utility's policies regarding collection, arrears repayment plans, budget
18 billing procedures, and weather/health disconnect policies.

19 4. Certification shall include written notice to the commission by no later than
20 October 31 of each year identifying the personnel trained, the date training occurred,
21 and that the training met the requirements of this section.

22 (2) Partial payment plans. Each utility shall negotiate and accept reasonable
23 partial payment plans at the request of residential customers who have received a

1 termination notice for failure to pay as provided in Section 15 of this administrative
2 regulation, except that a utility is not required to negotiate a partial payment plan with a
3 customer who is delinquent under a previous partial payment plan. Partial payment
4 plans shall be mutually agreed upon and subject to the conditions in this section and
5 Section 15 of this administrative regulation. Partial payment plans which extend for a
6 period longer than thirty (30) days shall be in writing, state the date and the amount of
7 payment due, be dated and signed by the utility representative, and shall advise
8 customers that service may be terminated without additional notice if the customer fails
9 to meet the obligations of the plan.

10 (a) Budget payment plans for water, gas and electric utilities. A water, gas and
11 electric utility shall develop and offer to its residential customers a budget payment plan
12 based on historical or estimated usage whereby a customer may elect to pay a fixed
13 amount each month in lieu of monthly billings based on actual usage. Under this plan, a
14 utility shall issue bills which adjust accounts so as to bring each participating customer
15 current once each twelve (12) month period. The customer's account may be adjusted
16 at the end of the twelve (12) month period or through a series of levelized adjustments
17 on a monthly basis if usage indicates that the account will not be current upon payment
18 of the last budget amount. Budget payment plans shall be offered to residential
19 customers and may be offered to other classes of customers. The provisions of the
20 budget plan shall be included in the utility's tariffed rules. The utility shall provide
21 information to its customers regarding the availability of budget payment plans.

22 (b) Partial payment plans for customers with medical certificates or certificates of
23 need. For customers presenting certificates under the provisions of Sections 15(3) and

1 16 of this administrative regulation, gas and electric utilities shall negotiate partial
2 payment plans based upon the customer's ability to pay, requiring accounts to become
3 current not later than the following October 15. The plans may include, but are not
4 limited to, budget payment plans and plans that defer payment of a portion of the
5 arrears until after the end of the heating season through a schedule of unequal
6 payments.

7 (3) Utility inspections of service conditions prior to providing service. Each
8 electric, gas, water and sewer utility shall inspect the condition of its meter and service
9 connections before making service connections to a new customer so that prior or
10 fraudulent use of the facilities will not be attributed to the new customer. The new
11 customer shall be afforded the opportunity to be present at the inspections. The utility
12 shall not be required to render service to any customer until all defects in the customer-
13 owned portion of the service facilities have been corrected.

14 (4) Prompt connection of service. Except as provided in Section 16 of this
15 administrative regulation, the utility shall reconnect existing service within twenty-four
16 (24) hours or close of the next business day, whichever is later, and shall install and
17 connect new service within seventy-two (72) hours or close of the next business day,
18 whichever is later, when the cause for refusal or discontinuance of service has been
19 corrected and the utility's tariffed rules and the commission's administrative regulations
20 have been met.

21 (5) Advance termination notice. When advance termination notice is required, the
22 termination notice shall be mailed or otherwise delivered to the customer's last known
23 address. The termination notice shall be in writing, distinguishable and separate from

1 any bill. The termination notice shall plainly state the reason for termination, that the
2 termination date will not be affected by receipt of any subsequent bill, and that the
3 customer has the right to dispute the reasons for termination. The termination notice
4 shall also comply with the applicable requirements of Section 15 of this administrative
5 regulation.

6 Section 15. Refusal or Termination of Service. (1) A utility may refuse or
7 terminate service to a customer only under the following conditions except as provided
8 in subsections (2) and (3) of this section:

9 (a) For noncompliance with the utility's tariffed rules or the commission's
10 administrative regulations. A utility may terminate service for a customer's failure to
11 comply with applicable tariffed rules or the commission's administrative regulations
12 pertaining to that service. However, no utility shall terminate or refuse service to any
13 customer for noncompliance with its tariffed rules or the commission's administrative
14 regulations without first having made a reasonable effort to obtain customer compliance.
15 After the effort by the utility, service may be terminated or refused only after the
16 customer has been given at least ten (10) days written termination notice pursuant to
17 Section 14(5) of this administrative regulation.

18 (b) For dangerous conditions. If a dangerous condition relating to a utility's
19 service that could subject any person to imminent harm or result in substantial damage
20 to the property of the utility or others is found to exist on the customer's premises, the
21 service shall be refused or terminated without advance notice. The utility shall notify the
22 customer immediately in writing and, if possible, orally of the reasons for the termination
23 or refusal. The notice shall be recorded by the utility and shall include the corrective

1 action to be taken by the customer or utility before service can be restored or provided.
2 However, if the dangerous condition, such as gas piping or a gas-fired appliance, can
3 be effectively isolated or secured from the rest of the system, the utility need
4 discontinue service only to the affected piping or appliance.

5 (c) For refusal of access. When a customer refuses or neglects to provide
6 reasonable access to the premises for installation, operation, meter reading,
7 maintenance or removal of utility property, the utility may terminate or refuse service.
8 The action shall be taken only when corrective action negotiated between the utility and
9 customer has failed to resolve the situation and after the customer has been given at
10 least ten (10) days' written notice of termination pursuant to Section 14(5) of this
11 administrative regulation.

12 (d) For outstanding indebtedness. Except as provided in Section 16 of this
13 administrative regulation, a utility shall not be required to furnish new service to any
14 customer who is indebted to the utility for service furnished or other tariffed charges until
15 that customer has paid his indebtedness.

16 (e) For noncompliance with state, local or other codes. A utility may refuse or
17 terminate service to a customer if the customer does not comply with state, municipal or
18 other codes, rules and administrative regulations applying to the service. A utility may
19 terminate service pursuant to this subsection only after ten (10) days' written notice is
20 provided pursuant to Section 14(5) of this administrative regulation, unless ordered to
21 terminate immediately by a governmental official.

22 (f) For nonpayment of bills. A utility may terminate service at a point of delivery
23 for nonpayment of charges incurred for utility service at that point of delivery; however,

1 no utility shall terminate service to any customer for nonpayment of bills for any tariffed
2 charge without first having mailed or otherwise delivered an advance termination notice
3 which complies with the requirements of Section 14(5) of this administrative regulation.

4 1. Termination notice requirements for electric or gas service. Each electric or
5 gas utility proposing to terminate customer service for nonpayment shall mail or
6 otherwise deliver to that customer ten (10) days' written notice of intent to terminate.
7 Under no circumstances shall service be terminated before twenty-seven (27) days after
8 the mailing date of the original unpaid bill. The termination notice to residential
9 customers shall include written notification to the customer of the existence of local,
10 state and federal programs providing for the payment of utility bills under certain
11 conditions, and of the address and telephone number of the Cabinet for Health and
12 Family Services (or its designee) to contact for possible assistance.

13 2 Termination notice requirements for water, sewer, or telephone service. Each
14 water, sewer, or telephone utility proposing to terminate customer service for
15 nonpayment shall mail or otherwise deliver to that customer five (5) days' written notice
16 of intent to terminate. Under no circumstances shall service be terminated before twenty
17 (20) days after the mailing date of the original unpaid bill.

18 3. The termination notice requirements of this subsection shall not apply if
19 termination notice requirements to a particular customer or customers are otherwise
20 dictated by the terms of a special contract between the utility and customer which has
21 been approved by the commission.

22 4. This subsection shall not prevent or restrict a utility from discontinuing service
23 when a sewer service provider requests discontinuance of a customer's water service

1 pursuant to KRS 74.408, KRS 96.934 or KRS 220.510, nor shall it restrict a water
2 district from discontinuing water service to a customer who has failed to pay his bill for
3 sewer service that the water district has provided.

4 _____ (g) For illegal use or theft of service. A utility may terminate service to a customer
5 without advance notice if it has evidence that a customer has obtained unauthorized
6 service by illegal use or theft. Within twenty-four (24) hours after termination, the utility
7 shall send written notification to the customer of the reasons for termination or refusal of
8 service upon which the utility relies, and of the customer's right to challenge the
9 termination by filing a formal complaint with the commission. This right of termination is
10 separate from and in addition to any other legal remedies which the utility may pursue
11 for illegal use or theft of service. The utility shall not be required to restore service until
12 the customer has complied with all tariffed rules of the utility and laws and
13 administrative regulations of the commission.

14 _____ (2) A utility shall not terminate service to a customer if:

15 _____ (a) Payment for services is made. If, following receipt of a termination notice for
16 nonpayment but prior to the actual termination of service payment of the amount in
17 arrears is received by the utility, service shall not be terminated.

18 _____ (b) A payment agreement is in effect. Service shall not be terminated for
19 nonpayment if the customer and the utility have entered into a partial payment plan in
20 accordance with Section 14 of this administrative regulation and the customer is
21 meeting the requirements of the plan.

22 _____ (c) A medical certificate is presented. Service shall not be terminated for thirty
23 (30) days beyond the termination date if a physician, registered nurse or public health

1 officer certifies in writing that termination of service will aggravate a debilitating illness or
2 infirmity currently suffered by a resident living at the affected premises. A utility may
3 refuse to grant consecutive extensions for medical certificates past the original thirty
4 (30) days unless the certificate is accompanied by an agreed partial payment plan in
5 accordance with Section 14 of this administrative regulation. A utility shall not require a
6 new deposit from a customer to avoid termination of service for a thirty (30) day period
7 who presents to the utility a medical certificate certified in writing by a physician,
8 registered nurse or public health officer.

9 (3) A gas or electric utility shall not terminate service for thirty (30) days beyond
10 the termination date if the Kentucky Cabinet for Health and Family Services (or its
11 designee) certifies in writing that the customer is eligible for the cabinet's energy
12 assistance program or household income is at or below 130 percent of the poverty level,
13 and the customer presents the certificate to the utility. Customers eligible for certification
14 from the Cabinet for Health and Family Services shall have been issued a termination
15 notice between November 1 and March 31. Certificates shall be presented to the utility
16 during the initial ten (10) day termination notice period. As a condition of the thirty (30)
17 day extension, the customer shall exhibit good faith in paying his indebtedness by
18 making a present payment in accordance with his ability to do so. In addition, the
19 customer shall agree to a repayment plan in accordance with Section 14 of this
20 administrative regulation which will permit the customer to become current in the
21 payment of his bill as soon as possible but not later than October 15. A utility shall not
22 require a new deposit from a customer to avoid termination of service for a thirty (30)
23 day period who presents a certificate to the utility certified by the Cabinet for Health and

1 Family Services (or its designee) that the customer is eligible for the cabinet's Energy
2 Assistance Program or whose household income is at or below 130 percent of the
3 poverty level.

4 Section 16. Winter Hardship Reconnection. (1) Notwithstanding the provisions of
5 Section 14(4) of this administrative regulation to the contrary, an electric or gas utility
6 shall reconnect service to a residential customer who has been disconnected for
7 nonpayment of bills pursuant to Section 15(1)(f) of this administrative regulation prior to
8 application for reconnection, and who applies for reconnection during the months from
9 November 1 through March 31 if the customer or his agent:

10 (a) Presents a certificate of need from the Cabinet for Health and Family
11 Services (or its designee), including a certification that a referral for weatherization
12 services has been made in accordance with subsection (3) of this section;

13 (b) Pays one-third (1/3) of his outstanding bill or \$200, whichever is less; and

14 (c) Agrees to a repayment schedule which would permit the customer to become
15 current in the payment of his electric or gas bill as soon as possible but no later than
16 October 15. However, if the customer applies for reconnection and the customer has an
17 outstanding bill in excess of \$600 and agrees to a repayment plan that would pay
18 current charges and makes a good faith reduction in the outstanding bill consistent with
19 his ability to pay, then the plan shall be accepted. In addition to payment of current
20 charges, repayment schedules shall provide an option to the customer to select either
21 one (1) payment of arrearages per month or more than one (1) payment of arrearages
22 per month.

1 (d) A utility shall not require a new deposit from a customer whose service is
2 reconnected due to paragraphs (a), (b) or (c) of this subsection.

3 (2) Certificate of need for reconnection. A customer who is eligible for energy
4 assistance under the Cabinet for Health and Family Services' guidelines or is certified
5 as being in genuine financial need, which is defined as any household with gross
6 income at or below 130 percent of the poverty level, may obtain a certificate of need
7 from the cabinet (or its designee) to be used in obtaining a service reconnection from
8 the utility.

9 (3) Weatherization program. Customers obtaining a certificate of need under this
10 administrative regulation shall agree to accept referral to and utilize weatherization
11 services which are administered by the Cabinet for Health and Family Services. The
12 provision and acceptance of weatherization services is contingent on the availability of
13 funds and other program guidelines. Weatherization services include, but are not limited
14 to, weather stripping, insulation and caulking.

15 (4) Customers who are current in their payment plans under subsection 1(c) of
16 this section shall not be disconnected.

17 Section 17. Meter Testing. (1) All electric, gas and water utilities furnishing
18 metered service shall provide meter standards and test facilities, as more specifically
19 set out under 807 KAR 5:022, 807 KAR 5:041 and 807 KAR 5:066. Before being
20 installed for use by any customer, an electric, gas and water meter shall be tested and
21 in good working order and shall be adjusted as close to the optimum operating
22 tolerance as possible, as more specifically set out in 807 KAR 5:022, Section 8(3)(a),
23 807 KAR 5:041, Section 17(1)(a)-(c) and 807 KAR 5:066, Section 15(2)(a)-(b).

1 (2) A utility may have all or part of its testing of meters performed by another
2 utility or agency approved by the commission for that purpose. Each utility having tests
3 made by another agency or utility shall notify the commission of those arrangements in
4 detail to include make, type and serial number of standards used to make the tests.

5 (3) No utility shall place in service any basic measurement standard required by
6 these rules unless the calibration has been approved by the commission. All utilities or
7 agencies making tests or checks for utility purposes shall notify the commission
8 promptly of the adoption or deletion of any basic standards requiring commission
9 approval of the calibration.

10 (4) An electric, gas and water utility or agency doing meter testing for a utility
11 shall have in its employ meter testers certified by the commission. These certified meter
12 testers shall perform tests as necessary to determine the accuracy of the utility's meters
13 and to adjust the utility's meters to the degree of accuracy required by commission
14 administrative regulations.

15 (5) A utility or agency desiring to have an employee certified as meter tester shall
16 submit the name of each applicant on an "Application for Appointment of Meter Tester."
17 The applicant shall pass a written test administered by commission staff and have his
18 competency in the testing of meters verified by commission staff, at which time the
19 applicant may be certified as a meter tester and furnished with a card authorizing him to
20 perform meter tests.

21 (6) A utility or agency may employ apprentices in training for certification as
22 meter testers. The apprentice period shall be a minimum of six (6) months, after which
23 the meter tester apprentice shall comply with subsection (5) of this section. All tests

1 performed during this period by an apprentice shall be witnessed by a certified meter
2 tester.

3 Section 18. Meter Test Records. (1)(a) A complete record of all meter tests and
4 adjustments and data sufficient to allow checking of test calculations shall be recorded
5 by the meter tester. The record shall include:

6 1. Information to identify the unit and its location;

7 2. Date of tests;

8 3. Reason for the tests;

9 4. Readings before and after test;

10 5. Statement of "as found" and "as left" accuracies sufficiently complete to permit
11 checking of calculations employed;

12 6. Notations showing that all required checks have been made;

13 7. Statement of repairs made, if any;

14 8. Identifying number of the meter;

15 9. Type and capacity of the meter; and

16 10. The meter constant.

17 (b) The complete record of tests of each meter shall be continuous for at least
18 two (2) periodic test periods and shall in no case be less than two (2) years.

19 (2) Historical records. (a) A utility shall keep numerically arranged and properly
20 classified records for each meter that it owns, uses and inventories.

21 (b) These records shall include:

22 1. Identification number,

23 2. Date of purchase,

- 1 3. Name of manufacturer,
2 4. Serial number,
3 5. Type,
4 6. Rating, and
5 7. Name and address of each customer on whose premises the meter has been
6 in service with date of installation and removal.

7 (c) These records shall also contain condensed information concerning all tests
8 and adjustments including dates and general results of the adjustments. The records
9 shall reflect the date of the last test and indicate the proper date for the next periodic
10 test required by the applicable commission administrative regulation.

11 (3) Sealing of meters. Upon completion of adjustment and test of any meter
12 pursuant to the commission's administrative regulations, a utility shall affix to the meter
13 a suitable seal in a manner that adjustments or registration of the meter cannot be
14 altered without breaking the seal.

15 (4) A utility may store any or all of the meter test and historical data described or
16 required in subsections (1) and (2) of this section in a computer storage and retrieval
17 system upon notification to the commission. If a utility elects to use a computer storage
18 and retrieval system, a back-up copy of the identical information shall be retained.

19 Section 19. Request Tests. (1) A utility shall make a test of any meter upon
20 written request of any customer if the request is not made more frequently than once
21 each twelve (12) months. The customer shall be given the opportunity to be present at
22 the request tests. If the tests show the as found meter accuracy is within the limits
23 allowed by 807 KAR 5:022 Section 8(3)(a)(1), 807 KAR 5:022 Section 8(3)(b)(1), 807

1 KAR 5:041 Section 17(1) or 807 KAR 5:066 Section 15(4), the utility may make a
2 reasonable charge for the test. The amount of the charge shall be approved by the
3 commission and set out in the utility's filed tariff. The utility shall maintain any meter
4 removed from service for testing, in a secure location under the utility's control, for a
5 period of one year from the date the customer is notified of the finding of the
6 investigation or if the customer has filed a formal complaint pursuant to KRS 278.260,
7 the meter shall be maintained until the proceeding is resolved, or the meter is picked up
8 for testing by personnel from the commission's Meter Standards Laboratory.

9 _____ (2) After having first obtained a test from the utility, any customer of the utility
10 may request a meter test by the commission upon written application. The request shall
11 not be made more frequently on one (1) meter than once each twelve (12) months.
12 Upon request, personnel from the commission's Meter Standards Laboratory shall pick
13 up the meter from the utility and maintain the meter for a minimum of one year from the
14 date the customer is notified of the finding of the investigation or if the customer has
15 filed a formal complaint pursuant to KRS 278.260, the meter shall be maintained until
16 the proceeding is resolved.

17 _____ Section 20. Access to Property. The utility shall at all reasonable hours have
18 access to meters, service connections and other property owned by it and located on
19 customer's premises for purposes of installation, maintenance, meter reading,
20 operation, replacement or removal of its property when service is to be terminated. Any
21 employee of the utility whose duties require him to enter the customer's premises shall
22 wear a distinguishing uniform or other insignia, identifying him as an employee of the

1 utility, or show a badge or other identification which will identify him as an employee of
2 the utility.

3 Section 21. Pole Identification. (1) Each utility owning poles or other structures
4 supporting its wires shall mark every pole or structure located within a built-up
5 community with the initials or other distinguishing mark by which the owner of every
6 structure can be readily determined.

7 (2) Identification marks may be of any type but shall be of a permanent material
8 and shall be easily read from the ground at a distance of six (6) feet from the structure.

9 (3) If utilities' structures are located outside of a built-up community, at least
10 every tenth structure shall be marked as set forth in subsection (2) of this section.

11 (4) All junction structures shall bear the identification mark and structure number
12 of the owner.

13 (5) Poles need not be marked if they are clearly and unmistakably identifiable as
14 the property of the utility.

15 (6) A utility shall either number its structures and maintain a numbering system or
16 use some other method of identification so that each structure in the system can be
17 easily identified.

18 Section 22. Cable Television Pole Attachments and Conduit Use. (1) Each utility
19 owning poles or other facilities supporting its wires shall permit cable television system
20 operators who have all necessary licenses and permits to attach cables to poles and to
21 use facilities, as customers, for transmission of signals to their patrons.

22 (2) The tariffs of the utility shall set forth the rates, terms and conditions under
23 which the utility's facilities may be used.

1 (3) With respect to a complaint before the commission in any individual matter
2 concerning cable television pole attachments final action shall be taken on the matter
3 within a reasonable time, but no later than 360 days after filing of the complaint.

4 Section 23. System Maps and Records. (1) Each utility shall have on file at its
5 principal office located within the state and shall file upon request with the commission a
6 map or maps of suitable scale of the general territory it serves or holds itself ready to
7 serve. If the maps are available in electronic format, they shall be filed as a PDF file or
8 as a commission readable geographic information system (GIS) file. Maps generated
9 on and after the effective date of this regulation shall be filed as a PDF file and as a
10 commission readable geographic information system (GIS) file. The following data shall
11 be available on the map or maps:

12 (a) Operating districts.

13 (b) Rate districts.

14 (c) Communities served.

15 (d) Location and size of transmission lines, distribution lines and service
16 connections.

17 (e) Location and layout of all principal items of plant.

18 (f) Date of construction of all items of plant by year and month.

19 (2) In each division or district office there shall be available information relative to
20 the utility's system that will enable the local representative to furnish necessary
21 information regarding the rendering of service to existing and prospective customers.

22 (3) In lieu of showing the above construction information in (1)(f) on maps, a card
23 record or suitable means may be used. The construction data about a plant feature,

1 such as a pipeline, may be stored in a table and linked to the geographic plant feature
2 by a unique identifier that is present in both the table and the geographic database. For
3 all construction the records shall also show the date of construction by month and year.

4 Section 24. Location of Records. All records required by the commission's
5 administrative regulations shall be kept in the office of the utility and shall be made
6 available to representatives, agents or staff of the commission upon reasonable notice
7 at all reasonable hours.

8 Section 25. Safety Program. Each utility shall adopt and execute a safety
9 program, appropriate to the size and type of its operations. At a minimum, the safety
10 program shall:

11 (1) Establish a safety manual with written guidelines for safe working practices
12 and procedures to be followed by utility employees.

13 (2) Instruct employees in safe methods of performing their work. For electric
14 utilities, this is to include the acceptable standards listed in 807 KAR 5:041 Section 3.

15 (3) Instruct employees who, in the course of their work, are subject to the hazard
16 of electrical shock, asphyxiation or drowning, in accepted methods of artificial
17 respiration.

18 Section 26. Inspection of Systems. (1) A utility shall adopt inspection procedures
19 to assure safe and adequate operation of its facilities and compliance with the
20 commission's rules and administrative regulations and shall file these procedures with
21 the commission for review.

1 (2) Upon receipt of a report of a potentially hazardous condition at any utility
2 facility, the utility shall inspect all portions of the system which are the subject of the
3 report.

4 (3) Appropriate records shall be kept by a utility to identify the inspection made,
5 deficiencies found and action taken to correct the deficiencies.

6 (4) Electric utility inspection. An electric utility shall make systematic inspections
7 of its system in the manner set out below to insure that the commission's safety
8 requirements are being met. These inspections shall be made as often as necessary
9 but not less frequently than is set forth below for various classes of facilities and types
10 of inspection.

11 (a) As a part of operating procedure, each utility shall continuously monitor and
12 inspect all production facilities regularly operated and manned.

13 (b) At intervals not to exceed six (6) months, the utility shall inspect:

14 1. Unmanned production facilities, including peaking units not on standby status,
15 and all monitoring devices, for any evidence of abnormality.

16 2. Transmission switching stations where the primary voltage is sixty-nine (69)
17 KV or greater, for damage to or deterioration of components including structures,
18 fences, gauges monitoring devices.

19 3. Underground network transformers and network protectors in vaults located in
20 buildings or under sidewalks, for leaks, condition of case, connections, temperature and
21 overloading.

1 4. Electric lines operating at sixty-nine (69) KV or greater, including insulators,
2 conductors, and supporting facilities, for damage, or deterioration and vegetation
3 management consistent with the utility's vegetation management practices.

4 (c) In addition to the requirements set out in subsection 4(b) of this section, all
5 electric lines operating at sixty-nine (69) KV or greater, including insulators, conductors
6 and supporting facilities shall be inspected from the ground for damage, deterioration
7 and vegetation management consistent with the utility's vegetation management
8 practices at intervals not to exceed:

9 1. Six (6) years for each electric line supported by a wood pole or other wood
10 support structure or

11 2. Twelve (12) years for each electric line supported by a pole or other support
12 structure constructed of steel or other non-wood material.

13 (d) At intervals not to exceed one (1) year, the utility shall inspect:

14 1. Production facilities maintained on a standby status. Except for remotely
15 controlled facilities, all production facilities shall also be thoroughly inspected.

16 2. Distribution Substations with primary voltage of fifteen (15) to sixty-nine (69)
17 KV.

18 (e) At intervals not to exceed two (2) years, the utility shall inspect all electric
19 facilities operating at voltages of less than sixty-nine (69) KV, to the point of service
20 including insulators, conductors and supporting facilities from the ground for damage,
21 deterioration and vegetation management consistent with the utility's vegetation
22 management practices.

23 (f) The utility shall inspect other facilities as follows.

1 1. Utility buildings shall be inspected for compliance with safety codes at least
2 annually.

3 2. Construction equipment shall be inspected for defects, wear and operational
4 hazards at least quarterly.

5 (g) Aerial inspections shall not be used as the sole basis for evidence of
6 compliance with the commission's administrative regulations.

7 (5) Gas utility inspection. A gas utility shall make systematic inspections of its
8 system to insure that the commission's safety requirements are being met. These
9 inspections shall be made as often as necessary but not less frequently than is
10 prescribed or recommended by the Department of Transportation, 49 CFR Part 192
11 Transportation of Natural and Other Gas by Pipeline: Minimum Federal Safety
12 Standards, for the various classes of facilities.

13 (a) The following maximum time intervals are prescribed for certain inspections
14 provided for in 49 CFR Part 192 Transportation of Natural and Other Gas by Pipeline:
15 Minimum Federal Safety Standards, with respect to which intervals are not specified,
16 and for certain additional inspections not provided for in the code.

17 1. At intervals not to exceed every fifteen (15) months but at least once each
18 calendar year, the utility shall inspect and visually examine:

19 a. Production wells, storage wells, and well equipment, including their exterior
20 components.

21 b. Pressure limiting stations, relief devices, pressure regulating stations, and
22 vaults.

23 c. Accessibility of the curb box and valve on a service line.

1 2. At intervals not to exceed three (3) years, meters using remote reading
2 technology shall be manually inspected and visually examined for proper working
3 condition and readings verified.

4 3. The utility shall inspect other facilities as follows:

5 a. Utility buildings shall be inspected for compliance with safety codes at least
6 annually.

7 b. Construction equipment under the control of the utility shall be inspected for
8 defects, wear and operational hazards at least quarterly.

9 (b) At intervals not to exceed the periodic meter test intervals, individual
10 residential customer service regulators, vents and relief valve vents shall be checked for
11 satisfactory operation.

12 (c) At intervals not to exceed the periodic meter test intervals, the curb box and
13 valve on the service line shall be inspected for operable condition.

14 (d) Aerial inspections shall not be used as the sole basis for evidence of
15 compliance with the commission's administrative regulations.

16 (6) Water utility inspections. Each water utility shall make systematic inspections
17 of its system in the manner set out below to insure that the commission's safety
18 requirements are being met. These inspections shall be made as often as necessary
19 but not less frequently than is set forth below for various classes of facilities and types
20 of inspection.

21 (a) The utility shall annually inspect all structures pertaining to source of supply
22 for their safety and physical and structural integrity, including dams, intakes, and

1 traveling screens. The utility shall semiannually inspect supply wells, their motors and
2 structures, including electric power wiring and controls for proper and safe operation.

3 (b) The utility shall annually inspect all structures pertaining to purification for
4 their safety, physical and structural integrity and for leaks, including sedimentation
5 basins, filters, and clear wells; chemical feed equipment; pumping equipment and water
6 storage facilities, including electric power wiring and controls; hydrants, mains, meters,
7 meter settings and valves.

8 (c) The utility shall monthly inspect construction equipment and vehicles for
9 defects, wear, operational hazards, lubrication, and safety features.

10 (7) Telephone utility inspection. Each telephone utility shall make systematic
11 inspections of its system in the manner set out below to insure that the commission's
12 safety requirements are being met. The inspections shall be made as often as
13 necessary but not less frequently than is set forth below for various classes of facilities
14 and types of inspection.

15 (a) The utility shall inspect aerial plant for electrical hazards, proper clearance for
16 electric clearances of facilities, vegetation management consistent with the utility's
17 vegetation management practices and climbing safety every two (2) years.

18 (b) The utility shall inspect underground plant for presence of gas, proper
19 clearance from electric facilities and safe working conditions at least annually.

20 (c) The utility shall inspect utility-provided station equipment and connections for
21 external electrical hazards, damaged instruments or wiring, appropriate protection from
22 lightning and safe location of equipment and wiring when on a customer's premises.

1 (d) The utility shall inspect utility buildings for compliance with safety codes at
2 least annually.

3 (e) The utility shall inspect construction equipment for defects, wear and
4 operational hazards at least quarterly.

5 (f) Aerial inspections shall not be used as the sole basis for evidence of
6 compliance with commission administrative regulations.

7 (8) Sewage utility inspection. Each sewage utility shall make systematic
8 inspections of its system in the manner set out in 807 KAR 5:071 to ensure that the
9 commission's safety requirements are being met. The inspections shall be made as
10 often as necessary but not less frequently than is set out in 807 KAR 5:071.

11 Section 27. Reporting of Accidents, Property Damage or Loss of Service. (1)
12 Within two (2) hours following discovery each utility, other than a natural gas utility, shall
13 notify the commission by telephone or electronic mail of any utility related accident
14 which results in:

15 (a) Death; or shock or burn requiring medical treatment at a hospital or similar
16 medical facility, or any accident requiring inpatient overnight hospitalization;

17 (b) Actual or potential property damage of \$25,000 or more; or

18 (c) Loss of service for four (4) or more hours to ten (10) percent or 500 or more of
19 the utility's customers, whichever is less.

20 (2) A summary written report shall be submitted by the utility to the commission
21 within seven (7) calendar days of the utility related accident. For good cause shown, the
22 executive director of the commission, may, upon application in writing, allow a
23 reasonable extension of time for submission of this report.

1 (3) Natural gas utilities shall report utility related accidents in accordance with the
2 provisions of 807 KAR 5:027.

3 Section 28. Deviations from Administrative Regulation. In special cases, for good
4 cause shown, the commission may permit deviations from this administrative regulation.

5 Section 29. Incorporation by Reference. (1) The following material is incorporated
6 by reference:

7 (a) Annual Financial and Statistical Reports:

8 1. FERC Form 1 – Annual Report of Major Electric Utilities, Licensees and
9 Others; March 2007;

10 2. Annual Reporting Form for Rural Electric Cooperative Corporations; July 2012;

11 3. FERC Form 2 – Annual Report of Major Natural Gas Companies; December
12 2007;

13 4. Annual Reporting Form for Class C and D Gas Utilities; August 2005;

14 5. Annual Reporting Form for Local Exchange Carriers; August 2005;

15 6. Annual Reporting Form for Local Exchange Carriers – Kentucky Operations
16 Only; August 2004;

17 7. Annual Reporting Form for Water Company – Class A & B; July 2012;

18 8. Annual Reporting Form for Water Company – Class C; July 2012;

19 9. Annual Reporting Form for Water Districts/Water Associations – Class A & B;
20 July 2012;

21 10. Annual Reporting Form for Water Districts/Water Associations – Class C;
22 July 2012;

23 11. Annual Reporting Form for Sewer Utilities; September 2005;

1 (b) Quarterly Meter Reports:

2 1. Quarterly Meter Report-Electric; August 2011;

3 2. Quarterly Meter Report-Water; July 2012;

4 3. Quarterly Meter Report-Gas; July 2007;

5 (c) Non-payment Disconnection/Reconnection Reports:

6 1. Water Utility-Non-Payment Disconnection/Reconnection Report; February
7 2012;

8 2. Electric Utility-Non-Payment Disconnection/Reconnection Report; September
9 2000;

10 3. Gas Utility Non-Payment Disconnection/Reconnection Report; September
11 2000;

12 (d) Application for Appointment of Meter Tester

13 (2) This material may be inspected, copied, or obtained, subject to applicable
14 copyright law at the commission's offices at 211 Sower Boulevard, Frankfort, Kentucky
15 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the commission's
16 Web site at <http://psc.ky.gov/>.

17 ~~[Section 1. Definitions. (1) "Utility" means a utility as defined in KRS 278.010(3).~~

18 ~~——(2) "Customer" means any person, firm, corporation or body politic applying for or~~
19 ~~receiving service from any utility.——~~

20 ~~——Section 2. General Provisions. (1) The adoption of administrative regulations by~~
21 ~~the commission shall not preclude the commission from altering or amending the same~~
22 ~~in whole or in part, or from requiring any other or additional service, equipment, facility,~~
23 ~~or standards, either upon request, or upon its own motion, or upon the application of the~~

1 utility. No administrative regulation of the commission shall in any way relieve a utility
2 from any of its duties under the laws of Kentucky.

3 ~~—— (2) Any reference to standards or codes in commission administrative regulations
4 shall not prohibit utilities employing competent engineers from continuing or initiating
5 experimental work and installations which tend to improve, decrease the cost of, or
6 increase the safety of their service.~~

7 ~~—— Section 3. Reports. (1) Financial and statistical reports. Every utility shall file
8 annually a financial and statistical report upon forms to be furnished by the commission.
9 This report shall be based upon the accounts set up in conformity with the uniform
10 system of accounts for utilities. This report shall be filed on or before March 31, each
11 year, for the preceding calendar year. The forms for this report are hereby incorporated
12 by reference, and may be obtained at the commission's offices at 211 Sower Boulevard,
13 P.O. Box 615, Frankfort, Kentucky, 40602, Monday through Friday between the hours of
14 8 a.m. and 4:30 p.m. local time. For good cause shown, the executive director of the
15 commission may, upon application in writing, allow a reasonable extension of time for
16 such filing.~~

17 ~~—— (2) Report of meters, customers and refunds. Every gas, electric and water utility
18 shall make periodic reports on forms prescribed by the commission, of meter tests,
19 number of customers and amount of refunds. These forms are hereby incorporated by
20 reference, and may be obtained at the commission's offices at 211 Sower Boulevard,
21 P.O. Box 615, Frankfort, Kentucky, 40602, Monday through Friday between the hours of
22 8 a.m. and 4:30 p.m. local time.~~

1 ~~—— (3) Report of terminations for nonpayment of bills. Each electric and gas utility~~
2 ~~shall, report annually the number of residential accounts terminated for nonpayment.~~
3 ~~These reports shall be filed no later than August 15 and shall cover the period ending~~
4 ~~June 30.~~

5 ~~—— (4) Other reports. Every utility shall make such other reports as the commission~~
6 ~~may at its discretion from time to time require.~~

7 ~~—— (5) Record and report retention. All records and reports shall be retained in~~
8 ~~accordance with the uniform system of accounts unless otherwise specified.~~

9 ~~—— (6) Transmittal letter. All reports shall be accompanied by two (2) copies of a~~
10 ~~transmittal letter describing the report being furnished.~~

11 ~~—— Section 4. Service Information. (1) The utility shall, on request, give its customers~~
12 ~~or prospective customers such information as is reasonably possible in order that they~~
13 ~~may secure safe, efficient and continuous service. The utility shall inform its customers~~
14 ~~of any change made or proposed in the character of its service which might affect the~~
15 ~~efficiency, safety, or continuity of operation.~~

16 ~~—— (2) Prior to making any substantial change in the character of the service~~
17 ~~furnished, which would affect the efficiency, adjustment, speed or operation of the~~
18 ~~equipment or appliances of any customer, the utility shall obtain the approval of the~~
19 ~~commission. The application shall show the nature of the change to be made, the~~
20 ~~number of customers affected, and the manner in which they will be affected.~~

21 ~~—— (3) The utility shall inform each applicant for service of each type, class and~~
22 ~~character of service available at his location.~~

1 ~~Section 5. Special Rules or Requirements. (1) No utility shall establish any~~
2 ~~special rule or requirement without first obtaining the approval of the commission on~~
3 ~~proper application.~~

4 ~~(2) A customer who has complied with commission administrative regulations~~
5 ~~shall not be denied service for failure to comply with the utility's rules which have not~~
6 ~~been made effective in the manner prescribed by the commission.~~

7 ~~(3) Obtaining easements and rights-of-way necessary to extend service shall be~~
8 ~~the responsibility of the utility. No utility shall require a prospective customer to obtain~~
9 ~~easements or rights-of-way on property not owned by the prospective customer as a~~
10 ~~condition for providing service. The cost of obtaining easements or rights-of-way shall~~
11 ~~be included in the total per foot cost of an extension, and shall be apportioned among~~
12 ~~the utility and customer in accordance with the applicable extension administrative~~
13 ~~regulation.~~

14 ~~Section 6. Billings, Meter Readings and Information. (1) Information on bills.~~
15 ~~Each bill for utility service issued periodically by a utility shall clearly show the following,~~
16 ~~if applicable: class of service; present and last preceding meter readings; date of the~~
17 ~~present reading; number of units consumed; meter constant, if any; net amount for~~
18 ~~service rendered; all taxes; any adjustments; and the gross amount of the bill. The date~~
19 ~~after which a penalty may apply to the gross amount shall be indicated. Estimated or~~
20 ~~calculated bills shall be distinctly marked as such. The rate schedule under which the~~
21 ~~bill is computed shall be furnished under one (1) of the following methods:~~

22 ~~(a) By printing it on the bill.~~

23 ~~(b) By publishing it in a newspaper of general circulation once each year.~~

1 ~~—— (c) By mailing it to each customer once each year.~~

2 ~~—— (d) By providing a place on each bill where a customer may indicate his desire for~~
3 ~~a copy of the applicable rates. The utility shall mail the customer a copy by return first~~
4 ~~class mail.——~~

5 ~~—— (2) Flat rates. Flat rates for unmetered service shall approximate as closely as~~
6 ~~possible the utility's rates for metered service. The rate schedule shall clearly set out the~~
7 ~~basis upon which consumption is estimated.~~

8 ~~—— (3) Bill format. Each utility shall include the billing form to be used by it, or its~~
9 ~~contents, in its tariffed rules.~~

10 ~~—— (4) Meter readings. Registration of each meter shall read in the same units as~~
11 ~~used for billing unless a conversion factor is shown on the billing form.~~

12 ~~—— (5) Frequency of meter reading. Each utility, except if prevented by reasons~~
13 ~~beyond its control, shall read customer meters at least quarterly, except that each utility~~
14 ~~using customer-read meter information shall read each revenue related meter on its~~
15 ~~system at least once during each calendar year. Records shall be kept by the utility to~~
16 ~~insure that this information is available to commission staff and any customer requesting~~
17 ~~this information. If, due to reasons beyond its control, a utility is unable to read a meter~~
18 ~~in accordance with this subsection, the utility shall record the date and time the attempt~~
19 ~~was made, if applicable, and the reason the utility was unable to read the meter.~~

20 ~~—— Section 7. Deposits. (1) Determination of deposits. A utility may require from any~~
21 ~~customer a minimum cash deposit or other guaranty to secure payment of bills, except~~
22 ~~from those customers qualifying for service reconnection under Section 15 of this~~
23 ~~administrative regulation. The method of determining the amount of a cash deposit may~~

1 ~~differ between classes of customers, but shall be uniform for all customers within the~~
2 ~~same class. The amount of a cash deposit shall be determined by one (1) of the~~
3 ~~following methods:~~

4 ~~—— (a) Calculated deposits. If actual usage data is available for the customer at the~~
5 ~~same or similar premises, the deposit amount shall be calculated using the customer's~~
6 ~~average bill for the most recent twelve (12) month period. If actual usage data is not~~
7 ~~available, the deposit amount shall be based on the average bills of similar customers~~
8 ~~and premises in the system. Deposit amounts shall not exceed two-twelfths (2/12) of the~~
9 ~~customer's actual or estimated annual bill where bills are rendered monthly, three-~~
10 ~~twelfths (3/12) where bills are rendered bimonthly, or four-twelfths (4/12) where bills are~~
11 ~~rendered quarterly.~~

12 ~~—— (b) Equal deposits. The utility may establish an equal deposit amount for each~~
13 ~~class based on the average bill of customers in that class. Deposit amounts shall not~~
14 ~~exceed two-twelfths (2/12) of the average bill of customers in the class where bills are~~
15 ~~rendered monthly, three-twelfths (3/12) where bills are rendered bimonthly, or four-~~
16 ~~twelfths (4/12) where bills are rendered quarterly.~~

17 ~~—— (c) Recalculation of deposits. If the utility will or may retain either an equal or~~
18 ~~calculated deposit for more than eighteen (18) months, it shall notify customers in~~
19 ~~writing that, at the customer's request, the deposit will be recalculated every eighteen~~
20 ~~(18) months based on actual usage of the customer. The notice of deposit recalculation~~
21 ~~shall be included either on the customer's application for service or on the receipt of~~
22 ~~deposit, or may be included annually with or on customer bills. The notice of deposit~~
23 ~~recalculation shall state that if the deposit on account differs by more than ten (10)~~

1 dollars for residential customers, or by more than ten (10) percent for nonresidential
2 customers, from the deposit calculated on actual usage, then the utility shall refund any
3 over collection and may collect any underpayment. Refunds shall be made either by
4 check or by credit to the customer's bill, except that a utility shall not be required to
5 refund any excess deposit if the customer's bill is delinquent at the time of recalculation.

6 ——— (2) Waiver of deposits. Deposits may be waived at the discretion of the utility in
7 accordance with its currently effective tariff based upon a customer's showing of
8 satisfactory credit and payment history.

9 ——— (3) Additional deposit requirement. If a deposit has been waived, as allowed in
10 subsection (2) of this section, or has been returned and the customer fails to maintain a
11 satisfactory payment record as defined in the utility's currently effective tariff, the utility
12 may require that a deposit be made. If substantial change in usage has occurred, the
13 utility may require that an additional deposit be made. No additional or subsequent
14 deposit shall be required of residential customers whose payment record is satisfactory,
15 unless the customer's classification of service changes, except as provided in
16 subsection (1)(c) of this section.

17 ——— (4) Receipt of deposit. The utility shall issue to every customer from whom a
18 deposit is collected a receipt of deposit. The receipt shall show the name of the
19 customer, location of the service or customer account number, date, and amount of
20 deposit. If the notice of recalculation described in subsection (1)(c) of this section is not
21 included in the utility's application for service or mailed with customer bills, the receipt of
22 deposit shall contain the notification. If deposit amounts change, the utility shall issue a
23 new receipt of deposit to the customer.

1 ~~—— (5) Deposits as a condition of service. Except as otherwise provided by Section~~
2 ~~15 of this administrative regulation, customer service may be refused or discontinued~~
3 ~~pursuant to Section 14 of this administrative regulation if payment of requested deposits~~
4 ~~is not made.~~

5 ~~—— (6) Interest on deposits. Interest shall accrue on all deposits at the rate~~
6 ~~prescribed by law, beginning on the date of deposit. Interest accrued shall be refunded~~
7 ~~to the customer or credited to the customer's bill on an annual basis, except that a utility~~
8 ~~shall not be required to refund or credit interest on deposits if the customer's bill is~~
9 ~~delinquent on the anniversary of the deposit date. All interest that has accrued as of the~~
10 ~~effective date of this administrative regulation shall be refunded or credited to the~~
11 ~~customer's bill on the first anniversary of the deposit date after the effective date of this~~
12 ~~administrative regulation. If interest is paid or credited to the customer's bill prior to~~
13 ~~twelve (12) months from the date of deposit, the payment or credit shall be on a~~
14 ~~prorated basis. Upon termination of service, the deposit, any principal amounts, and~~
15 ~~interest earned and owing shall be credited to the final bill with any remainder refunded~~
16 ~~to the customer.~~

17 ~~—— (7) Tariff requirements. Each utility which chooses to require deposits shall~~
18 ~~establish and include in its filed tariff the deposit policy to be utilized. This policy shall~~
19 ~~include:~~

20 ~~—— (a) The method by which deposit amounts will be determined for each customer~~
21 ~~class;~~

22 ~~—— (b) Standard criteria for determining when a deposit will be required or waived;~~

1 ~~—— (c) The deposit amount for each customer class if the method in subsection~~
2 ~~(1)(b) of this section is used;~~

3 ~~—— (d) The period of time the utility will retain the deposit, or the conditions under~~
4 ~~which the utility will refund the deposit, or both if applicable;~~

5 ~~—— (e) The manner in which interest on deposits will be calculated and accrued and~~
6 ~~refunded or credited to customers' bills.~~

7 ~~—— Section 8. Special Charges. (1) A utility may make special nonrecurring charges~~
8 ~~to recover customer specific costs incurred which would otherwise result in monetary~~
9 ~~loss to the utility or increased rates to other customers to whom no benefits accrue from~~
10 ~~the service provided or action taken. Any utility desiring to establish or change any~~
11 ~~special nonrecurring charge shall apply for commission approval of such charge in~~
12 ~~accordance with the provisions of 807 KAR 5:011, Section 10.~~

13 ~~—— (2) Special charges shall be included in the utility's tariff and applied uniformly~~
14 ~~throughout the area served by the utility. They shall relate directly to the service~~
15 ~~performed or action taken and shall yield only enough revenue to pay the expenses~~
16 ~~incurred in rendering the service.~~

17 ~~—— (3) Special charges may include, but are not limited to:~~

18 ~~—— (a) Turn-on charge. A turn-on charge may be assessed for a new service turn-on,~~
19 ~~seasonal turn-on or temporary service. A turn-on charge shall not be made for initial~~
20 ~~installation of service where a tap fee is applicable.~~

21 ~~—— (b) Reconnect charge. A reconnect charge may be assessed to reconnect a~~
22 ~~service which has been terminated for nonpayment of bills or violation of the utility's~~
23 ~~rules or commission administrative regulations. Customers qualifying for service~~

1 ~~reconnection under Section 15 of this administrative regulation shall be exempt from~~
2 ~~reconnect charges.~~

3 ~~—— (c) Termination or field collection charge. A charge may be assessed when a~~
4 ~~utility representative makes a trip to the premises of a customer for the purpose of~~
5 ~~terminating service. The charge may be assessed if the utility representative actually~~
6 ~~terminates service or if, in the course of the trip, the customer pays the delinquent bill to~~
7 ~~avoid termination. The charge may also be made if the utility representative agrees to~~
8 ~~delay termination based on the customer's agreement to pay the delinquent bill by a~~
9 ~~specific date. The utility may make a field collection charge only once in any billing~~
10 ~~period.~~

11 ~~—— (d) Special meter reading charge. This charge may be assessed when a~~
12 ~~customer requests that a meter be reread, and the second reading shows the original~~
13 ~~reading was correct. No charge shall be assessed if the original reading was incorrect.~~
14 ~~This charge may also be assessed when a customer who reads his own meter fails to~~
15 ~~read the meter for three (3) consecutive months, and it is necessary for a utility~~
16 ~~representative to make a trip to read the meter.~~

17 ~~—— (e) Meter resetting charge. A charge may be assessed for resetting a meter if the~~
18 ~~meter has been removed at the customer's request.~~

19 ~~—— (f) Meter test charge. This charge may be assessed if a customer requests the~~
20 ~~meter be tested pursuant to Section 18 of this administrative regulation, and the tests~~
21 ~~show the meter is not more than two (2) percent fast. No charge shall be made if the~~
22 ~~test shows the meter is more than two (2) percent fast.~~

1 ~~—— (g) Returned check charge. A returned check charge may be assessed if a check~~
2 ~~accepted for payment of a utility bill is not honored by the customer's financial~~
3 ~~institution.~~

4 ~~—— (h) Late payment penalty. A penalty may be assessed if a customer fails to pay a~~
5 ~~bill for services by the due date shown on the customer's bill. The penalty may be~~
6 ~~assessed only once on any bill for rendered services. Any payment received shall first~~
7 ~~be applied to the bill for service rendered. Additional penalty charges shall not be~~
8 ~~assessed on unpaid penalty charges.~~

9 ~~—— Section 9. Customer Complaints to the Utility. Upon complaint to the utility by a~~
10 ~~customer at the utility's office, by telephone or in writing, the utility shall make a prompt~~
11 ~~and complete investigation and advise the complainant of its findings. The utility shall~~
12 ~~keep a record of all written complaints concerning its service. This record shall show the~~
13 ~~name and address of the complainant, the date and nature of the complaint, and the~~
14 ~~adjustment or disposition of the complaint. Records shall be maintained for two (2)~~
15 ~~years from the date of resolution of the complaint. If a written complaint or a complaint~~
16 ~~made in person at the utility's office is not resolved, the utility shall provide written notice~~
17 ~~to the complainant of his right to file a complaint with the commission, and shall provide~~
18 ~~him with the address and telephone number of the commission. If a telephonic~~
19 ~~complaint is not resolved, the utility shall provide at least oral notice to the complainant~~
20 ~~of his right to file a complaint with the commission and the address and telephone~~
21 ~~number of the commission.~~

22 ~~—— Section 10. Bill Adjustment for Gas, Electric and Water Utilities. (1) If upon~~
23 ~~periodic test, request test, or complaint test a meter in service is found to be more than~~

1 ~~two (2) percent fast, additional tests shall be made to determine the average error of the~~
2 ~~meter. Said tests shall be made in accordance with commission administrative~~
3 ~~regulations applicable to the type of meter involved.~~

4 ~~—— (2) If test results on a customer's meter show an average error greater than two~~
5 ~~(2) percent fast or slow, or if a customer has been incorrectly billed for any other reason,~~
6 ~~except in an instance where a utility has filed a verified complaint with the appropriate~~
7 ~~law enforcement agency alleging fraud or theft by a customer, the utility shall~~
8 ~~immediately determine the period during which the error has existed, and shall~~
9 ~~recomputed and adjust the customer's bill to either provide a refund to the customer or~~
10 ~~collect an additional amount of revenue from the underbilled customer. The utility shall~~
11 ~~readjust the account based upon the period during which the error is known to have~~
12 ~~existed. If the period during which the error existed cannot be determined with~~
13 ~~reasonable precision, the time period shall be estimated using such data as elapsed~~
14 ~~time since the last meter test, if applicable, and historical usage data for the customer. If~~
15 ~~that data is not available, the average usage of similar customer loads shall be used for~~
16 ~~comparison purposes in calculating the time period. If the customer and the utility are~~
17 ~~unable to agree on an estimate of the time period during which the error existed, the~~
18 ~~commission shall determine the issue. In all instances of customer overbilling, the~~
19 ~~customer's account shall be credited or the overbilled amount refunded at the discretion~~
20 ~~of the customer within thirty (30) days after final meter test results. A utility shall not~~
21 ~~require customer repayment of any underbilling to be made over a period shorter than a~~
22 ~~period coextensive with the underbilling.~~

1 ~~—— (3) Monitoring usage. Each utility shall monitor customer's' usage at least~~
2 ~~annually according to procedures which shall be included in its tariff on file with the~~
3 ~~commission. The procedures shall be designed to draw the utility's attention to unusual~~
4 ~~deviations in a customer's usage and shall provide for reasonable means by which the~~
5 ~~utility can determine the reasons for the unusual deviation. If a customer's usage is~~
6 ~~unduly high and the deviation is not otherwise explained, the utility shall test the~~
7 ~~customer's meter to determine whether the meter shows an average error greater than~~
8 ~~two (2) percent fast or slow.~~

9 ~~—— (4) Usage investigation. If the utility's procedure for monitoring usage indicates~~
10 ~~that an investigation of a customer's usage is necessary, the utility shall notify the~~
11 ~~customer in writing either during or immediately after the investigation of the reasons for~~
12 ~~the investigation, and of the findings of the investigation. If knowledge of a serious~~
13 ~~situation requires more expeditious notice, the utility shall notify the customer by the~~
14 ~~most expedient means available.~~

15 ~~—— (5) Customer notification. If a meter is tested and it is found necessary to make a~~
16 ~~refund or back bill a customer, the customer shall be notified in substantially the~~
17 ~~following form:~~

18 ~~—— On _____, 19____, the meter bearing identification No. _____ installed in~~
19 ~~your building located at _____ (Street and Number) in _____ (city) was tested at~~
20 ~~_____ (on premises or elsewhere) and found to register _____ (percent fast or~~
21 ~~slow). The meter was tested on _____ (Periodic, Request, Complaint) test.~~
22 ~~Based upon this we herewith _____ (charge or credit) with the sum of~~
23 ~~\$_____, which amount has been noted on your regular bill. If you desire a cash~~

1 refund, rather than a credit to your account, of any amount overbilled, you must notify
2 this office in writing within seven (7) days of the date of this notice.

3 ~~—— (6) Customer accounts shall be considered to be current while a dispute is
4 pending pursuant to this section, as long as a customer continues to make payments for
5 the disputed period in accordance with historic usage, or if that data is not available, the
6 average usage of similar customer loads, and stays current on subsequent bills.~~

7 ~~—— Section 11. Status of Customer Accounts During Billing Dispute. With respect to
8 any billing dispute to which Section 10 of this administrative regulation does not apply,
9 customer accounts shall be considered to be current while the dispute is pending as
10 long as a customer continues to make undisputed payments and stays current on
11 subsequent bills.~~

12 ~~—— Section 12. Customer's Request for Termination of Service.~~

13 ~~(1) Any customer desiring service terminated or changed from one address to
14 another shall give the utility three (3) working days' notice in person, in writing, or by
15 telephone, provided such notice does not violate contractual obligations or tariff
16 provisions. The customer shall not be responsible for charges for service beyond the
17 three (3) day notice period if the customer provides reasonable access to the meter
18 during the notice period. If the customer notifies the utility of his request for termination
19 by telephone, the burden of proof is on the customer to prove that service termination
20 was requested if a dispute arises.~~

21 ~~—— (2) Upon request that service be reconnected at any premises subsequent to the
22 initial installation or connection to its service lines, the utility may, subject to subsection
23 (3) of this section, charge the applicant a reconnect fee set out in its filed tariff.~~

1 ~~—— (3) Any utility desiring to establish a termination or reconnection charge under the~~
2 ~~provisions of subsection (2) of this section, shall apply for commission approval of such~~
3 ~~charge in accordance with the provisions of 807 KAR 5:011, Section 10.~~

4 ~~—— Section 13. Utility Customer Relations.~~

5 ~~(1) A utility shall post and maintain regular business hours and provide~~
6 ~~representatives available to assist its customers.~~

7 ~~—— (a) Available telephone numbers. Each utility shall maintain a telephone, shall~~
8 ~~publish the telephone number in all service areas, and shall permit all customers to~~
9 ~~contact the utility's designated representative without charge.~~

10 ~~—— (b) Designated representatives. Each utility shall designate at least one (1)~~
11 ~~representative to be available to answer customer questions, resolve disputes and~~
12 ~~negotiate partial payment plans at the utility's office. The designated representative shall~~
13 ~~be knowledgeable of the commission's administrative regulations regarding customer~~
14 ~~bills and service and shall be authorized to negotiate and accept partial payment plans.~~

15 ~~—— 1. Each major gas or electric utility (as defined by the Uniform System of~~
16 ~~Accounts) and each water and sewer utility having annual operating revenues of~~
17 ~~\$250,000 or more shall make the designated representative available during the utility's~~
18 ~~established working hours not fewer than seven (7) hours per day, five (5) days per~~
19 ~~week, excluding holidays.~~

20 ~~—— 2. Each nonmajor gas or electric utility (as defined by the Uniform System of~~
21 ~~Accounts) and each water or sewer utility having annual operating revenues of less than~~
22 ~~\$250,000 shall make the designated representative available during the utility's~~
23 ~~established working hours not fewer than seven (7) hours per day, one (1) day per~~

1 week. Additionally, during the months of November through March, each previously
2 defined nonmajor utility providing gas or electric service shall make available the
3 designated representative during the utility's established working hours not fewer than
4 five (5) days per week.

5 ——— (c) Display of customer rights. Each utility shall prominently display in each office
6 in which payment is received a summary, to be prepared and provided by the
7 commission, of the customer's rights under this section and Section 15 of this
8 administrative regulation. If a customer indicates to any utility personnel that he is
9 experiencing difficulty in paying a current utility bill, that employee shall refer the
10 customer to the designated representative for explanation of the customer's rights.

11 ——— (d) Utility personnel training. The chief operating officer of each electric and gas
12 utility providing service to residential customers shall be required to certify each year the
13 training of utility personnel assigned to counsel persons presenting themselves for utility
14 service under the provisions of this section. Training is hereby defined as an annual
15 review of commission administrative regulations and policies regarding winter hardship
16 and disconnect administrative regulations, Cabinet for Health and Family Services
17 policy and programs for issuing certificates of need, and the utility's policies regarding
18 collection, arrears repayment plans, budget billing procedures, and weather/health
19 disconnect policies. Certification is defined as written notice to the commission by no
20 later than October 31 of each year identifying the personnel trained, the date training
21 occurred, and that the training met the requirements of this section.

22 ——— (2) Partial payment plans. Each utility shall negotiate and accept reasonable
23 partial payment plans at the request of residential customers who have received a

1 ~~termination notice for failure to pay as provided in Section 14 of this administrative~~
2 ~~regulation, except that a utility is not required to negotiate a partial payment plan with a~~
3 ~~customer who is delinquent under a previous partial payment plan. Partial payment~~
4 ~~plans shall be mutually agreed upon and subject to the conditions in this section and~~
5 ~~Section 14 of this administrative regulation. Partial payment plans which extend for a~~
6 ~~period longer than thirty (30) days shall be in writing and shall advise customers that~~
7 ~~service may be terminated without additional notice if the customer fails to meet the~~
8 ~~obligations of the plan.~~

9 ~~—— (a) Budget payment plans for gas and electric utilities. Each gas and electric~~
10 ~~utility shall develop and offer to its residential customers a budget payment plan based~~
11 ~~on historical or estimated usage whereby a customer may elect to pay a fixed amount~~
12 ~~each month in lieu of monthly billings based on actual usage. Under such plans, utilities~~
13 ~~shall issue bills which adjust accounts so as to bring each participating customer current~~
14 ~~once each twelve (12) month period. The customer's account may be adjusted at the~~
15 ~~end of the twelve (12) month period or through a series of levelized adjustments on a~~
16 ~~monthly basis if usage indicates that the account will not be current upon payment of~~
17 ~~the last budget amount. Budget payment plans shall be offered to residential customers~~
18 ~~but may be extended to other classes of customers. The provisions of the budget plan~~
19 ~~shall be included in the utility's tariffed rules. The utility shall provide information to its~~
20 ~~customers regarding the availability of such budget payment plans.~~

21 ~~—— (b) Partial payment plans for customers with medical certificates or certificates of~~
22 ~~need. For customers presenting certificates under the provisions of Sections 14(3) and~~
23 ~~15 of this administrative regulation, gas and electric utilities shall negotiate partial~~

1 ~~payment plans based upon the customer's ability to pay, requiring accounts to become~~
2 ~~current not later than the following October 15. Such plans may include, but are not~~
3 ~~limited to, budget payment plans and plans that defer payment of a portion of the~~
4 ~~arrears until after the end of the heating season through a schedule of unequal~~
5 ~~payments.~~

6 ~~—— (3) Utility inspections of service conditions prior to providing service. Each~~
7 ~~electric, gas, water and sewer utility shall inspect the condition of the meter and service~~
8 ~~connections before making service connections to a new customer so that prior or~~
9 ~~fraudulent use of the facilities will not be attributed to the new customer. The new~~
10 ~~customer shall be afforded the opportunity to be present at such inspections. The utility~~
11 ~~shall not be required to render service to any customer until any defects in the~~
12 ~~customer-owned portion of the service facilities have been corrected.~~

13 ~~—— (4) Prompt connection of service. Except as provided in Section 15 of this~~
14 ~~administrative regulation, the utility shall reconnect existing service within twenty-four~~
15 ~~(24) hours, and shall install and connect new service within seventy-two (72) hours,~~
16 ~~when the cause for refusal or discontinuance of service has been corrected and the~~
17 ~~utility's tariffed rules and commission administrative regulations have been met.~~

18 ~~—— (5) Advance termination notice. When advance termination notice is required, the~~
19 ~~termination notice shall be mailed or otherwise delivered to the last known address of~~
20 ~~the customer. The termination notice shall be in writing, distinguishable and separate~~
21 ~~from any bill. The termination notice shall plainly state the reason for termination, that~~
22 ~~the termination date will not be affected by receipt of any subsequent bill, and that the~~
23 ~~customer has the right to dispute the reasons for termination. The termination notice~~

1 shall also comply with the applicable requirements of Section 14 of this administrative
2 regulation.

3 ~~Section 14. Refusal or Termination of Service. (1) A utility may refuse or~~
4 ~~terminate service to a customer only under the following conditions except as provided~~
5 ~~in subsections (2) and (3) of this section:~~

6 ~~(a) For noncompliance with the utility's tariffed rules or commission administrative~~
7 ~~regulations. A utility may terminate service for failure to comply with applicable tariffed~~
8 ~~rules or commission administrative regulations pertaining to that service. However, no~~
9 ~~utility shall terminate or refuse service to any customer for noncompliance with its~~
10 ~~tariffed rules or commission administrative regulations without first having made a~~
11 ~~reasonable effort to obtain customer compliance. After such effort by the utility, service~~
12 ~~may be terminated or refused only after the customer has been given at least ten (10)~~
13 ~~days written termination notice pursuant to Section 13(5) of this administrative~~
14 ~~regulation.~~

15 ~~(b) For dangerous conditions. If a dangerous condition relating to the utility's~~
16 ~~service which could subject any person to imminent harm or result in substantial~~
17 ~~damage to the property of the utility or others is found to exist on the customer's~~
18 ~~premises, the service shall be refused or terminated without advance notice. The utility~~
19 ~~shall notify the customer immediately in writing and, if possible, orally of the reasons for~~
20 ~~the termination or refusal. Such notice shall be recorded by the utility and shall include~~
21 ~~the corrective action to be taken by the customer or utility before service can be~~
22 ~~restored or provided. However, if the dangerous condition, such as gas piping or a gas-~~

1 ~~fired appliance, can be effectively isolated or secured from the rest of the system, the~~
2 ~~utility need discontinue service only to the affected piping or appliance.~~

3 ~~—— (c) For refusal of access. When a customer refuses or neglects to provide~~
4 ~~reasonable access to the premises for installation, operation, meter reading,~~
5 ~~maintenance or removal of utility property, the utility may terminate or refuse service.~~
6 ~~Such action shall be taken only when corrective action negotiated between the utility~~
7 ~~and customer has failed to resolve the situation and after the customer has been given~~
8 ~~at least ten (10) days' written notice of termination pursuant to Section 13(5) of this~~
9 ~~administrative regulation.~~

10 ~~—— (d) For outstanding indebtedness. Except as provided in Section 15 of this~~
11 ~~administrative regulation, a utility shall not be required to furnish new service to any~~
12 ~~customer who is indebted to the utility for service furnished or other tariffed charges until~~
13 ~~that customer has paid his indebtedness.~~

14 ~~—— (e) For noncompliance with state, local or other codes. A utility may refuse or~~
15 ~~terminate service to a customer if the customer does not comply with state, municipal or~~
16 ~~other codes, rules and administrative regulations applying to such service. A utility may~~
17 ~~terminate service pursuant to this subsection only after ten (10) days' written notice is~~
18 ~~provided pursuant to Section 13(5) of this administrative regulation, unless ordered to~~
19 ~~terminate immediately by a governmental official.~~

20 ~~—— (f) For nonpayment of bills. A utility may terminate service at a point of delivery~~
21 ~~for nonpayment of charges incurred for utility service at that point of delivery; however,~~
22 ~~no utility shall terminate service to any customer for nonpayment of bills for any tariffed~~

1 ~~charge without first having mailed or otherwise delivered an advance termination notice~~
2 ~~which complies with the requirements of Section 13(5) of this administrative regulation.~~

3 ~~—— 1. Termination notice requirements for electric or gas service. Each electric or~~
4 ~~gas utility proposing to terminate customer service for nonpayment shall mail or~~
5 ~~otherwise deliver to that customer ten (10) days' written notice of intent to terminate.~~
6 ~~Under no circumstances shall service be terminated before twenty-seven (27) days after~~
7 ~~the mailing date of the original unpaid bill. The termination notice to residential~~
8 ~~customers shall include written notification to the customer of the existence of local,~~
9 ~~state and federal programs providing for the payment of utility bills under certain~~
10 ~~conditions, and of the address and telephone number of the Department for Social~~
11 ~~Insurance of the Cabinet for Health and Family Services to contact for possible~~
12 ~~assistance.~~

13 ~~—— 2. Termination notice requirements for water, sewer, or telephone service. Each~~
14 ~~water, sewer, or telephone utility proposing to terminate customer service for~~
15 ~~nonpayment shall mail or otherwise deliver to that customer five (5) days' written notice~~
16 ~~of intent to terminate. Under no circumstances shall service be terminated before twenty~~
17 ~~(20) days after the mailing date of the original unpaid bill.~~

18 ~~—— 3. The termination notice requirements of this subsection shall not apply if~~
19 ~~termination notice requirements to a particular customer or customers are otherwise~~
20 ~~dictated by the terms of a special contract between the utility and customer which has~~
21 ~~been approved by the commission.~~

22 ~~—— (g) For illegal use or theft of service. A utility may terminate service to a customer~~
23 ~~without advance notice if it has evidence that a customer has obtained unauthorized~~

1 ~~service by illegal use or theft. Within twenty-four (24) hours after such termination, the~~
2 ~~utility shall send written notification to the customer of the reasons for termination or~~
3 ~~refusal of service upon which the utility relies, and of the customer's right to challenge~~
4 ~~the termination by filing a formal complaint with the commission. This right of~~
5 ~~termination is separate from and in addition to any other legal remedies which the utility~~
6 ~~may pursue for illegal use or theft of service. The utility shall not be required to restore~~
7 ~~service until the customer has complied with all tariffed rules of the utility and laws and~~
8 ~~administrative regulations of the commission.~~

9 ~~—— (2) A utility shall not terminate service to a customer if the following conditions~~
10 ~~exist:~~

11 ~~—— (a) If payment for services is made. If, following receipt of a termination notice for~~
12 ~~nonpayment but prior to the actual termination of service, there is delivered to the utility~~
13 ~~office payment of the amount in arrears, service shall not be terminated.~~

14 ~~—— (b) If a payment agreement is in effect. Service shall not be terminated for~~
15 ~~nonpayment if the customer and the utility have entered into a partial payment plan in~~
16 ~~accordance with Section 13 of this administrative regulation and the customer is~~
17 ~~meeting the requirements of the plan.~~

18 ~~—— (c) If a medical certificate is presented. Service shall not be terminated for thirty~~
19 ~~(30) days beyond the termination date if a physician, registered nurse or public health~~
20 ~~officer certifies in writing that termination of service will aggravate a debilitating illness or~~
21 ~~infirmity on the affected premises. A utility may refuse to grant consecutive extensions~~
22 ~~for medical certificates past the original thirty (30) days unless the certificate is~~
23 ~~accompanied by an agreed partial payment plan in accordance with Section 13 of this~~

1 ~~administrative regulation. A utility shall not require a new deposit from a customer to~~
2 ~~avoid termination of service for a thirty (30) day period who presents to the utility a~~
3 ~~medical certificate certified in writing by a physician, registered nurse or public health~~
4 ~~officer.~~

5 ~~———(3) A gas or electric utility shall not terminate service for thirty (30) days beyond~~
6 ~~the termination date if the Kentucky Cabinet for Human Resources (or its designee)~~
7 ~~certifies in writing that the customer is eligible for the cabinet's energy assistance~~
8 ~~program or household income is at or below 130 percent of the poverty level, and the~~
9 ~~customer presents such certificate to the utility. Customers eligible for such certification~~
10 ~~from the Cabinet for Human Resources shall have been issued a termination notice~~
11 ~~between November 1 and March 31. Certificates shall be presented to the utility during~~
12 ~~the initial ten (10) day termination notice period. As a condition of the thirty (30) day~~
13 ~~extension, the customer shall exhibit good faith in paying his indebtedness by making a~~
14 ~~present payment in accordance with his ability to do so. In addition, the customer shall~~
15 ~~agree to a repayment plan in accordance with Section 13 of this administrative~~
16 ~~regulation which will permit the customer to become current in the payment of his bill as~~
17 ~~soon as possible but not later than October 15. A utility shall not require a new deposit~~
18 ~~from a customer to avoid termination of service for a thirty (30) day period who presents~~
19 ~~a certificate to the utility certified by the Kentucky Cabinet for Health and Family~~
20 ~~Services (or its designee) that the customer is eligible for the cabinet's Energy~~
21 ~~Assistance Program or whose household income is at or below 130 percent of the~~
22 ~~poverty level.~~

1 ~~Section 15. Winter Hardship Reconnection. (1) Notwithstanding the provisions of~~
2 ~~Section 13(4) of this administrative regulation to the contrary, an electric or gas utility~~
3 ~~shall reconnect service to a residential customer who has been disconnected for~~
4 ~~nonpayment of bills pursuant to Section 14(1)(f) of this administrative regulation prior to~~
5 ~~application for reconnection, and who applies for such reconnection during the months~~
6 ~~from November through March if the customer or his agent:~~

7 ~~(a) Presents a certificate of need from the Cabinet for Health and Family~~
8 ~~Services, Department for Social Insurance, including a certification that a referral for~~
9 ~~weatherization services has been made in accordance with subsection (3) of this~~
10 ~~section;~~

11 ~~(b) Pays one-third (1/3) of his outstanding bill or \$200, whichever is less; and~~

12 ~~(c) Agrees to a repayment schedule which would permit the customer to become~~
13 ~~current in the payment of his electric or gas bill as soon as possible but no later than~~
14 ~~October 15. However, if, at the time of application for reconnection, the customer has an~~
15 ~~outstanding bill in excess of \$600 and agrees to a repayment plan that would pay~~
16 ~~current charges and makes a good faith reduction in the outstanding bill consistent with~~
17 ~~his ability to pay, then such plan shall be accepted. In addition to payment of current~~
18 ~~charges, repayment schedules shall provide an option to the customer to select either~~
19 ~~one (1) payment of arrearages per month or more than one (1) payment of arrearages~~
20 ~~per month.~~

21 ~~(d) A utility shall not require a new deposit from a customer whose service is~~
22 ~~reconnected due to paragraphs (a), (b) or (c) of this subsection.~~

1 ~~—— (2) Certificate of need for reconnection. Federal and statewide energy assistance~~
2 ~~programs are administered by the Kentucky Cabinet for Health and Family Services,~~
3 ~~Department for Social Insurance. A customer who is eligible for energy assistance~~
4 ~~under the department's guidelines or is certified as being in genuine financial need,~~
5 ~~which is defined as any household with gross income at or below 130 percent of the~~
6 ~~poverty level, may obtain a certificate of need from the department to be used in~~
7 ~~obtaining a service reconnection from the utility.~~

8 ~~—— (3) Weatherization program. Customers obtaining a certificate of need under this~~
9 ~~administrative regulation shall agree to accept referral to and utilize weatherization~~
10 ~~services which are administered by the Cabinet for Health and Family Services. The~~
11 ~~provision and acceptance of weatherization services is contingent on the availability of~~
12 ~~funds and other program guidelines. Weatherization services include, but are not limited~~
13 ~~to, weather stripping, insulation and caulking.~~

14 ~~—— (4) Customers who are current in their payment plans under subsection 1(c) of~~
15 ~~this section shall not be disconnected.~~

16 ~~—— Section 16. Meter Testing. (1) All electric, gas and water utilities furnishing~~
17 ~~metered service shall provide meter standards and test facilities, as more specifically~~
18 ~~set out under 807 KAR 5:022, 807 KAR 5:041 and 807 KAR 5:066. Before being~~
19 ~~installed for use by any customer, all electric, gas and water meters shall be tested and~~
20 ~~in good working order and shall be adjusted as close to the optimum operating~~
21 ~~tolerance as possible, as more specifically set out in 807 KAR 5:022, Section 8(3)(a),~~
22 ~~807 KAR 5:041, Section 17(1)(a)-(c) and 807 KAR 5:066, Section 15(2)(a)-(b).~~

1 ~~—— (2) A utility may have all or part of its testing of meters performed by another~~
2 ~~utility or agency approved by the commission for that purpose. Each utility having tests~~
3 ~~made by another agency or utility shall notify the commission of those arrangements in~~
4 ~~detail to include make, type and serial number of standards used to make the checks or~~
5 ~~tests.~~

6 ~~—— (3) No utility shall place in service any basic measurement standard required by~~
7 ~~these rules unless the calibration has been approved by the commission. All utilities or~~
8 ~~agencies making tests or checks for utility purposes shall notify the commission~~
9 ~~promptly of the adoption or deletion of any basic standards requiring commission~~
10 ~~approval of the calibration.~~

11 ~~—— (4) Each electric, gas and water utility or agency doing meter testing for a utility~~
12 ~~shall have in its employ meter testers certified by the commission. These certified meter~~
13 ~~testers shall perform tests as necessary to determine the accuracy of the utility's meters~~
14 ~~and to adjust the utility's meters to the degree of accuracy required by commission~~
15 ~~administrative regulations.~~

16 ~~—— (5) A utility or agency desiring to have its employees certified as meter testers~~
17 ~~shall submit the names of applicants on the commission's form entitled "Application for~~
18 ~~Appointment of Meter Testers", and after compliance with the requirements noted in this~~
19 ~~form, the applicant may be certified as a meter tester and furnished with a card~~
20 ~~authorizing him to perform meter tests. This form is hereby incorporated by reference,~~
21 ~~and may be obtained at the commission's offices at 211 Sower Boulevard, Frankfort,~~
22 ~~Kentucky, on Monday through Friday between the hours of 8 a.m. and 4:30 p.m. local~~
23 ~~time.~~

1 ~~—— (6) A utility or agency may employ apprentices in training for certification as~~
2 ~~meter testers. The apprentice period shall be a minimum of six (6) months, after which~~
3 ~~the meter tester apprentice shall comply with subsection (5) of this section. All tests~~
4 ~~performed during this period by an apprentice shall be witnessed by a certified meter~~
5 ~~tester.~~

6 ~~—— Section 17. Meter Test Records. (1)(a) A complete record of all meter tests and~~
7 ~~adjustments and data sufficient to allow checking of test calculations shall be recorded~~
8 ~~by the meter tester. Such record shall include: Information to identify the unit and its~~
9 ~~location; date of tests; reason for such tests; readings before and after test; statement of~~
10 ~~"as found" and "as left" accuracies sufficiently complete to permit checking of~~
11 ~~calculations employed; notations showing that all required checks have been made;~~
12 ~~statement of repairs made, if any; identifying number of the meter; type and capacity of~~
13 ~~the meter; and the meter constant.~~

14 ~~—— (b) The complete record of tests of each meter shall be continuous for at least~~
15 ~~two (2) periodic test periods and shall in no case be less than two (2) years.~~

16 ~~—— (2) Historical records. Each utility shall keep numerically arranged and properly~~
17 ~~classified records for each meter owned, used and inventoried by the utility. The~~
18 ~~identification number, —— date of purchase, name of manufacturer, serial number,~~
19 ~~type, rating, and name and address of each customer on whose premises the meter has~~
20 ~~been in service with date of installation and removal shall be included in the records.~~
21 ~~These records shall also contain condensed information concerning all tests and~~
22 ~~adjustments including dates and general results of such adjustments. The records shall~~

1 ~~reflect the date of the last test and indicate the proper date for the next periodic test~~
2 ~~required by the applicable commission administrative regulation.~~

3 ~~—— (3) Sealing of meters. Upon completion of adjustment and test of any meter~~
4 ~~pursuant to commission administrative regulations, the utility shall affix to the meter a~~
5 ~~suitable seal in such a manner that adjustments or registration of the meter cannot be~~
6 ~~altered without breaking the seal.~~

7 ~~—— (4) A utility may store any or all of the meter test and historical data described or~~
8 ~~required in subsections (1) and (2) of this section in a computer storage and retrieval~~
9 ~~system upon notification to the commission. If a utility elects to use a computer storage~~
10 ~~and retrieval system, a back-up copy of the identical information shall be retained.~~

11 ~~—— Section 18. Request Tests. (1) Each utility shall make a test of any meter upon~~
12 ~~written request of any customer if the request is not made more frequently than once~~
13 ~~each twelve (12) months. The customer shall be given the opportunity to be present at~~
14 ~~the request tests. If the tests show that the meter was not more than two (2) percent~~
15 ~~fast, the utility may make a reasonable charge for the test. The amount of the charge~~
16 ~~shall be approved by the commission and set out in the utility's filed tariff.~~

17 ~~—— (2) After having first obtained a test from the utility, any customer of the utility~~
18 ~~may request a meter test by the commission upon written application. Such request~~
19 ~~shall not be made more frequently on one (1) meter than once each twelve (12) months.~~

20 ~~—— Section 19. Access to Property. The utility shall at all reasonable hours have~~
21 ~~access to meters, service connections and other property owned by it and located on~~
22 ~~customer's premises for purposes of installation, maintenance, meter reading,~~
23 ~~operation, replacement or removal of its property at the time service is to be terminated.~~

1 ~~Any employee of the utility whose duties require him to enter the customer's premises~~
2 ~~shall wear a distinguishing uniform or other insignia, identifying him as an employee of~~
3 ~~the utility, or show a badge or other identification which will identify him as an employee~~
4 ~~of the utility.~~

5 ~~Section 20. Pole Identification. (1) Each utility owning poles or other structures~~
6 ~~supporting its wires, shall mark every pole or structure located within a built-up~~
7 ~~community with the initials or other distinguishing mark by which the owner of every~~
8 ~~such structure can be readily determined. For the purpose of this rule the term "built-up~~
9 ~~community" shall mean urban areas and those areas immediately adjacent thereto.~~

10 ~~(2) Identification marks may be of any type but shall be of a permanent material~~
11 ~~and shall be easily read from the ground at a distance of six (6) feet from the structure.~~

12 ~~(3) If utilities' structures are located outside of a built-up community, at least~~
13 ~~every tenth structure shall be marked as set forth in subsection (2) of this section.~~

14 ~~(4) All junction structures shall bear the identification mark and structure number~~
15 ~~of the owner.~~

16 ~~(5) Poles need not be marked if they are clearly and unmistakably identifiable as~~
17 ~~the property of the utility.~~

18 ~~(6) Each utility shall either number its structures and maintain a numbering~~
19 ~~system or use some other method of identification so that each structure in the system~~
20 ~~can be easily identified.~~

21 ~~Section 21. Cable Television Pole Attachments and Conduit Use. (1) Each utility~~
22 ~~owning poles or other facilities supporting its wires shall permit cable television system~~

1 operators who have all necessary licenses and permits to attach cables to poles and to
2 use facilities, as customers, for transmission of signals to their patrons.

3 ~~—— (2) The tariffs of the utility shall set forth the rates, terms and conditions under
4 which the utility's facilities may be used.~~

5 ~~—— (3) With respect to a complaint before the commission in any individual matter
6 concerning cable television pole attachments final action shall be taken on the matter
7 within a reasonable time, but no later than 360 days after filing of the complaint.~~

8 ~~—— Section 22. System Maps and Records. (1) Each utility shall have on file at its
9 principal office located within the state and shall file upon request with the commission a
10 map or maps of suitable scale of the general territory it serves or holds itself ready to
11 serve showing the following:~~

12 ~~—— (a) Operating districts.~~

13 ~~—— (b) Rate districts.~~

14 ~~—— (c) Communities served.~~

15 ~~—— (d) Location and size of transmission lines, distribution lines and service
16 connections.~~

17 ~~—— (e) Location and layout of all principal items of plant.~~

18 ~~—— (f) Date of construction of all items of plant by year and month.~~

19 ~~—— (2) In each division or district office there shall be available information relative to
20 the utility's system that will enable the local representative to furnish necessary
21 information regarding the rendering of service to existing and prospective customers.~~

1 ~~—— (3) In lieu of showing the above information on maps, a card record or other~~
2 ~~suitable means may be used. For all construction the records shall also show the date~~
3 ~~of construction by month and year.~~

4 ~~—— Section 23. Location of Records. All records required by commission~~
5 ~~administrative regulations shall be kept in the office of the utility and shall be made~~
6 ~~available to representatives, agents or staff of the commission upon reasonable notice~~
7 ~~at all reasonable hours.~~

8 ~~—— Section 24. Safety Program. Each utility shall adopt and execute a safety~~
9 ~~program, appropriate to the size and type of its operations. At a minimum, the safety~~
10 ~~program shall:~~

11 ~~—— (1) Establish a safety manual with written guidelines for safe working practices~~
12 ~~and procedures to be followed by utility employees.~~

13 ~~—— (2) Instruct employees in safe methods of performing their work~~

14 ~~—— (3) Instruct employees who, in the course of their work, are subject to the hazard~~
15 ~~of electrical shock, asphyxiation or drowning, in accepted methods of artificial~~
16 ~~respiration.~~

17 ~~—— Section 25. Inspection of Systems. (1) Each utility shall adopt inspection~~
18 ~~procedures to assure safe and adequate operation of its facilities and compliance with~~
19 ~~commission rules and administrative regulations. These procedures shall be filed with~~
20 ~~the commission for review.~~

21 ~~—— (2) Upon receipt of a report of a potentially hazardous condition at any utility~~
22 ~~facility made by a qualified employee, public official, or customer, the utility shall inspect~~
23 ~~all portions of the system which are the subject of the report.~~

1 ~~—— (3) Appropriate records shall be kept by each utility to identify the inspection~~
2 ~~made, deficiencies found and action taken to correct the deficiencies.~~

3 ~~—— (4) Electric utility inspection. Each electric utility shall make systematic~~
4 ~~inspections of its system in the manner set out below to insure that the commission's~~
5 ~~safety requirements are being met. These inspections shall be made as often as~~
6 ~~necessary but not less frequently than is set forth below for various classes of facilities~~
7 ~~and types of inspection.~~

8 ~~—— (a) As a part of operating procedure, each utility shall continuously monitor and~~
9 ~~inspect all production facilities regularly operated and manned.~~

10 ~~—— (b) At intervals not to exceed six (6) months, the utility shall inspect:~~

11 ~~—— 1. Unmanned production facilities, including peaking units not on standby status,~~
12 ~~and all monitoring devices, for any evidence of abnormality.~~

13 ~~—— 2. Substations where the primary voltage is sixty-nine (69) KV or greater, for~~
14 ~~damage to or deterioration of components including structures, fences, gauges~~
15 ~~monitoring devices.~~

16 ~~—— 3. Underground network transformers and network protectors in vaults located in~~
17 ~~buildings or under sidewalks, for leaks, condition of case, connections, temperature and~~
18 ~~overloading.~~

19 ~~—— 4. Electric lines operating at sixty-nine (69) KV or greater, including insulators,~~
20 ~~conductors, and supporting facilities, for damage or deterioration~~

21 ~~—— (c) At intervals not to exceed one (1) year, the utility shall inspect:~~

22 ~~—— 1. Production facilities maintained on a standby status. Except for remotely~~
23 ~~controlled facilities, all production facilities shall also be thoroughly inspected.~~

1 ~~2. Substations with primary voltage of fifteen (15) to sixty-eight (68) KV.~~

2 ~~(d) At intervals not to exceed two (2) years, the utility shall inspect electric lines~~

3 ~~operating at voltages of less than sixty-nine (69) KV, including insulators, conductors~~

4 ~~and supporting facilities.~~

5 ~~(e) The utility shall inspect other facilities as follows.~~

6 ~~1. Utility buildings shall be inspected for compliance with safety codes at least~~

7 ~~annually.~~

8 ~~2. Construction equipment shall be inspected for defects, wear and operational~~

9 ~~hazards at least quarterly.~~

10 ~~(f) Aerial inspections shall not be used as the sole basis for evidence of~~

11 ~~compliance with commission administrative regulations.~~

12 ~~(5) Gas utility inspection. Each gas utility shall make systematic inspections of its~~

13 ~~system to insure that the commission's safety requirements are being met. These~~

14 ~~inspections shall be made as often as necessary but not less frequently than is~~

15 ~~prescribed or recommended by the Department of Transportation, 49 CFR Part 192~~

16 ~~Transportation of Natural and Other Gas by Pipeline: Minimum Federal Safety~~

17 ~~Standards, for the various classes of facilities.~~

18 ~~(a) The following maximum time intervals are prescribed for certain inspections~~

19 ~~provided for in 49 CFR Part 192 Transportation of Natural and Other Gas by Pipeline:~~

20 ~~Minimum Federal Safety Standards, with respect to which intervals are not specified,~~

21 ~~and for certain additional inspections not provided for in such code.~~

22 ~~1. At intervals not to exceed every fifteen (15) months but at least once each~~

23 ~~calendar year, the utility shall inspect and visually examine:~~

1 ~~—— a. Production wells, storage wells, and well equipment, including their exterior~~
2 ~~components.~~

3 ~~—— b. Pressure limiting stations, relief devices, pressure regulating stations, and~~
4 ~~vaults.~~

5 ~~—— c. Accessibility of the curb box and valve on a service line.~~

6 ~~—— 2. The utility shall inspect other facilities as follows:~~

7 ~~—— a. Utility buildings shall be inspected for compliance with safety codes at least~~
8 ~~annually.~~

9 ~~—— b. Construction equipment under the control of the utility shall be inspected for~~
10 ~~defects, wear and operational hazards at least quarterly.~~

11 ~~—— (b) At intervals not to exceed the periodic meter test intervals, individual~~
12 ~~residential customer service regulators, vents and relief valve vents shall be checked for~~
13 ~~satisfactory operation.~~

14 ~~—— (c) At intervals not to exceed the periodic meter test intervals, the curb box and~~
15 ~~valve on the service line shall be inspected for operable condition.~~

16 ~~—— (d) Aerial inspections shall not be used as the sole basis for evidence of~~
17 ~~compliance with commission administrative regulations.~~

18 ~~—— (6) Water utility inspections. Each water utility shall make systematic inspections~~
19 ~~of its system in the manner set out below to insure that the commission's safety~~
20 ~~requirements are being met. These inspections shall be made as often as necessary~~
21 ~~but not less frequently than is set forth below for various classes of facilities and types~~
22 ~~of inspection.~~

1 ~~—— (a) The utility shall annually inspect all structures pertaining to source of supply~~
2 ~~for their safety and physical and structural integrity, including dams, intakes, and~~
3 ~~traveling screens. The utility shall semiannually inspect supply wells, their motors and~~
4 ~~structures, including electric power wiring and controls for proper and safe operation.~~

5 ~~—— (b) The utility shall annually inspect all structures pertaining to purification for~~
6 ~~their safety, physical and structural integrity and for leaks, including sedimentation~~
7 ~~basins, filters, and clear wells; chemical feed equipment; pumping equipment and water~~
8 ~~storage facilities, including electric power wiring and controls; hydrants, mains, and~~
9 ~~valves.~~

10 ~~—— (c) The utility shall monthly inspect construction equipment and vehicles for~~
11 ~~defects, wear, operational hazards, lubrication, and safety features.~~

12 ~~—— (7) Telephone utility inspection. Each telephone utility shall make systematic~~
13 ~~inspections of its system in the manner set out below to insure that the commission's~~
14 ~~safety requirements are being met. Such inspections shall be made as often as~~
15 ~~necessary but not less frequently than is set forth below for various classes of facilities~~
16 ~~and types of inspection.~~

17 ~~—— (a) The utility shall inspect aerial plant for electrical hazards, proper clearance for~~
18 ~~electric facilities, and climbing safety every two (2) years.~~

19 ~~—— (b) The utility shall inspect underground plant for presence of gas, proper~~
20 ~~clearance from electric facilities and safe working conditions at least annually.~~

21 ~~—— (c) The utility shall inspect utility-provided station equipment and connections for~~
22 ~~external electrical hazards, damaged instruments or wiring, appropriate protection from~~
23 ~~lightning and safe location of equipment and wiring when on a customer's premises.~~

1 ~~—— (d) The utility shall inspect utility buildings for compliance with safety codes at~~
2 ~~least annually.~~

3 ~~—— (e) The utility shall inspect construction equipment for defects, wear and~~
4 ~~operational hazards at least quarterly.~~

5 ~~—— (f) Aerial inspections shall not be used as the sole basis for evidence of~~
6 ~~compliance with commission administrative regulations.~~

7 ~~—— (8) Sewage utility inspection. Each sewage utility shall make systematic~~
8 ~~inspections of its system in the manner set out below to insure that the commission's~~
9 ~~safety requirements are being met. Such inspections shall be made as often as~~
10 ~~necessary but not less frequently than is set out below for the various types of~~
11 ~~inspections, or as otherwise required in 807 KAR 5:071.~~

12 ~~—— (a) The utility shall annually inspect collecting sewers and manholes on a~~
13 ~~scheduled basis unless conditions warrant more frequent inspections.~~

14 ~~—— (b) The utility shall weekly inspect all mechanical equipment unless otherwise~~
15 ~~authorized by the commission.~~

16 ~~—— Section 26. Reporting of Accidents, Property Damage or Loss of Service. (1)~~
17 ~~Within two (2) hours following discovery each utility, other than a natural gas utility, shall~~
18 ~~notify the commission by telephone or electronic mail of any utility related accident~~
19 ~~which results in:~~

20 ~~—— (a) Death; or shock or burn requiring medical treatment at a hospital or similar~~
21 ~~medical facility, or any accident requiring inpatient overnight hospitalization;~~

22 ~~—— (b) Actual or potential property damage of \$25,000 or more; or~~

1 ~~—— (c) Loss of service for four (4) or more hours to ten (10) percent or 500 or more of~~
2 ~~the utility's customers, whichever is less.~~

3 ~~—— (2) A summary written report shall be submitted by the utility to the commission~~
4 ~~within seven (7) calendar days of the utility related accident.—~~

5 ~~—— (3) Natural gas utilities shall report utility related accidents in accordance with the~~
6 ~~provisions of 807 KAR 5:027.~~

7 ~~—— Section 27. Deviations from Administrative Regulation. In special cases, for good~~
8 ~~cause shown, the commission may permit deviations from this administrative~~
9 ~~regulation.]~~

David L. Armstrong 7/12/12
David L. Armstrong, Chairman
Public Service Commission

DATE: _____

PUBLIC HEARING: A public hearing on this administrative regulation shall be held on August 27, 2012, at 9:00 a.m., Eastern Daylight Time, at the Public Service Commission's office, 211 Sower Boulevard, Frankfort, Kentucky. Individuals interested in attending this hearing shall notify this agency in writing by August 20, 2012, five working days prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be cancelled.

This hearing is open to the public. Any person who attends will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made.

If you do not wish to attend the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted until August 31, 2012.

Send written notification of intent to attend the public hearing or written comments on the proposed administrative regulation to:

Gerald E. Wuetchers
Executive Advisor/Attorney
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602
Tel: (502) 564-3940
Fax: (502) 564-7279

REGULATORY IMPACT ANALYSIS

Administrative Regulation #: 807 KAR 5:006

Contact Person: Gerald E. Wuetcher, Executive Advisor

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes general rules related to the provision of service and furnishing of commodities by electric, gas, water, sewage and telephone utilities.

(b) The necessity of this administrative regulation: This administrative regulation establishes general rules related to the delivery of service and furnishing of commodities by electric, gas, water, sewage and telephone utilities.

(c) How this administrative regulation conforms to the content of the authorizing statutes: Pursuant to KRS 278.280(2), the commission is required to prescribe rules for the performance of any service or the furnishing of any commodity of the character furnished or supplied by a utility.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation currently provides guidance as to the general rules of the commission. The amendments to the administrative regulation will clarify issues with the general rules of the commission. The amendments will assist in the effective implementation of the statutes by ensuring that electric utilities undertake regularly scheduled, ground-line inspections of their electrical lines operating at or above 69 kilovolts (KV) and their support structures, including poles, H-frame supports, and lattice tower structures.

During the commission's regular inspections it has become aware that not all electric utilities inspect all of their electrical lines and support structures from the ground on a regular inspection cycle. In reliance on the language found in 807 KAR 5:006, Section 25(4)(f), that "aerial inspections shall not be used as the *sole basis* for evidence of compliance with commission administrative regulations," some utilities have not been doing ground inspections of some of the electrical line circuits on their systems. Instead, those utilities have been performing only aerial inspections of those portions of their systems. Since they are doing ground inspections on the other portions of their systems, they believe that practice conforms to the language of the regulation.

The commission believes that the language of the regulation, as written, is somewhat ambiguous as to how often an electric utility must inspect its electric lines and support structures from the ground. However, the commission does not believe the intent of the regulation is to allow utilities to inspect some portions of their systems using areal inspections only, so long as they do ground inspections of other portions of their systems. The commission's electrical inspectors have demonstrable evidence that a failure to inspect all electrical facilities from the ground on a regular inspection schedule

can lead to unsafe conditions in which very large transmission line support structures can be in danger of collapsing from unmanaged vegetation undergrowth. Therefore, the commission is proposing this amendment to 807 KAR 5:006, in order to clarify that all electric lines must be inspected from the ground on a regular schedule.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation:

The amendments to 807 KAR 5:006 will clarify the documents required to be filed by the utilities with the commission. The amendments will also clarify the accuracy requirements for all types of meters, and clarify the inspection process and when facilities need to be inspected. The amendments also provides that all electric lines operating at 69 KV and above must be inspected from the ground on a regular schedule of: 6 years for those lines supported by wood structures and 12 years for those lines supported by structures made of steel or other materials. Language is also added to include in the inspection process the requirement to review the vegetation management of the system.

The amendments also clarify that telephone utilities must inspect their poles and wire attachments for proper clearances of all facilities in general—not just electric facilities as currently worded—and adding review of vegetation management as a specific item to inspect on aerial facilities.

(b) The necessity of the amendment to this administrative regulation:

Without adding language to clarify that regular ground inspections must be performed on all electric lines, some electric utilities may continue to utilize only aerial inspections on some portions of their systems. That practice may result in unsafe conditions due to problem issues at the ground level that cannot be properly observed from an airplane or helicopter.

The amendments to the telephone utility inspection regulations will provide clarity to the utilities regarding the scope of a proper aerial plant inspection and will ensure that vegetation management practices are properly reviewed during routine inspections.

(c) How the amendment conforms to the content of the authorizing statutes:

Pursuant to KRS 278.040(3) the commission is authorized to adopt reasonable regulations to implement the provisions of KRS Chapter 278. Pursuant to KRS 278.280(2), the commission is required to prescribe rules for the performance of any service or the furnishing of any commodity of the character furnished or supplied by the utility. Pursuant to KRS 278.042 the commission is required to ensure that all electric utilities construct and maintain their facilities in accordance with the most recent edition of the NESC. The amended regulation will help ensure that electric utilities are inspecting all of their electric lines and support facilities properly and regularly, which will help ensure that they are providing reliable service to their customers. The amended regulation will also ensure that telephone utilities are properly inspecting their aerial facilities.

(d) How the amendment will assist in the effective administration of the statutes: This administrative regulation amendment will assist in the effective implementation of the statutes by ensuring that electric utilities undertake regular ground inspection of their electrical lines and their support structures, including poles, H-frame supports, and lattice tower structures and by ensuring that telephone utilities inspect their facilities for proper clearances and proper vegetation management practices.

During the commission's regular inspections it has become aware that not all electric utilities inspect all of their electrical lines and support structures from the ground on a regular inspection cycle. Depending on the language found in 807 KAR 5:006, Section 25(4)(f), that "aerial inspections shall not be used as the *sole basis* for evidence of compliance with commission administrative regulations," some utilities have avoided doing ground inspections of some of the electrical line circuits on their systems. Instead, those utilities have been performing only aerial inspections of those portions of their systems. Since they are doing ground inspections on the other portions of their systems, they believe that conforms to the language of the regulation.

The commission believes that the language of the regulation, as written, is somewhat ambiguous as to how often an electric utility must inspect its electric lines and support structures from the ground. However, the commission does not believe the intent of the regulation is to allow utilities to inspect some portions of their systems using areal inspections only, so long as they do ground inspections of other portions of their systems. The commission's electrical inspectors have demonstrable evidence that a failure to inspect all electrical facilities from the ground on a regular inspection schedule can lead to unsafe conditions in which very large transmission line support structures can be in danger of collapsing from unmanaged vegetation undergrowth. Therefore, the commission is proposing this amendment to 807 KAR 5:006, in order to clarify that all electric lines must be inspected from the ground on a regular schedule.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: This administrative regulation affects all electric utilities and telephone utilities under the commission's jurisdiction.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment:

The proposed administrative regulation amendment will impact two electric utility companies, which do not currently inspect all of their electric lines operating at or above 69 KV and their support facilities from the ground. Those utilities will have to undertake additional ground-line inspections of their electric lines and support facilities pursuant to the schedule provided in the proposed amendment. All other electric utilities already undertake ground-line inspection of all of their electric lines and support structures using an inspection schedule at least as stringent as the proposed amendment language.

Some utilities utilize a more frequent inspection schedule, and it is expected that those utilities will continue to use an inspection schedule that best fits the needs of their systems.

The proposed amendment to the regulation will affect all telephone utilities, but the impact is expected to be minimal. Most telephone utilities already look for proper vegetation management and proper clearances of both electrical and non-electrical facilities during their inspections. The amendment will help the commission in its efforts to get the few utilities which do not yet include these items in their inspection practices to do so, in order to improve reliability.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): It is expected that the two electric utilities that do not currently inspect all of their electric lines and support structures from the ground will have to expend some money to add in those ground inspections. However, under the current regulation the commission believes the utilities should already be conducting the ground inspections and the amendment is only clarifying that requirement. Also, the utilities are currently required to inspect their facilities down to the meters. The amendment requiring the utilities to verify the readings on meters using remote read technology is tied to the inspection intervals in which the utilities are already supposed to be inspecting to the meters, therefore it should not add a significant cost to verify the reading is correct or that the display is actually working. It is not expected that the amendments will not have any but a de minimis impact on affected telephone utilities.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): The utilities will have certainty with regard to what documents to file, accuracy requirements and how they should conduct their system inspections and will be more likely to discover improper meters or unsafe conditions and correct them before they cause injury or outages.

(5) Provide an estimate of how much it will cost to implement this administrative regulation:

(a) Initially: Implementation of the administrative regulation does not involve costs in addition to those already implicated by statutory requirements.

(b) On a continuing basis: No additional costs are expected.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation? No additional funding is required.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: No funding increase is necessary.

(8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: This administrative regulation amendment does not establish any fees or directly or indirectly increase any fees.

(9) TIERING: Is tiering applied? (Explain why tiering was or was not used.) Tiering is not used in this proposed amendment. This amendment applies equally to all electric utilities and telephone utilities, because there is no rational need to provide for different schedules of electrical system inspections for the owner/operators of electric transmission systems and no need for different requirements for the inspection of telephone aerial facilities. The need to conduct ground-line inspections of electric lines and their support facilities and telephone facilities is due to the effects of time, weather, and the environment on those materials, and every utility is required to provide reliable service to its customers. Without conducting regularly scheduled inspections of their electric lines and poles—both from the air and from the ground—electric utilities will not be able to identify potential trouble spots and correct them before they cause outages or injury. Similarly, without inspecting all relevant facility clearances and vegetation management practices on their utility poles, telephone utilities will not be able to identify potential trouble spots and outage causes. Therefore, tiering principles do not apply.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Regulation No.: 807 KAR 5:006

Contact Person: Gerald E. Wuetcher, Executive Advisor
Phone Number: (502) 564-3940 x259

1. What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? **Public Service Commission; Office of Attorney General (Utility Rate and Intervention Division); water districts**

2. Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. **49 USC § 60105; KRS 278.040; KRS 278.042; KRS 278.140; KRS 278.160; KRS 278.190; KRS 278.210; KRS 278.220; KRS 278.230; KRS 278.250; KRS 278.255; KRS 278.495; KRS 278.542**

3. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? **No direct increase in revenue will result from the adoption of the proposed amendment for any governmental agency. The proposed amendment does not provide for the Public Service Commission to assess any fee or charge.**

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? **No direct increase in revenue will result from the adoption of the proposed amendment for any governmental agency. The proposed amendment does not provide for the Public Service Commission to assess any fee or charge.**

(c) How much will it cost to administer this program for the first year? **No increase in the Public Service Commission's costs. The Public Service Commission will be performing the same level of review and require the same number of employees to conduct the review.**

(d) How much will it cost to administer this program for subsequent years? **No increase in the Public Service Commission's costs. The Public Service Commission will be performing the same level of review and require the same number of employees.**

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-):

Expenditures (+/-):

Other Explanation:

SUMMARY OF INCORPORATED MATERIAL

Annual Financial and Statistical Reports

(1) “FERC Form-1” - Annual Report of Major Electric Utilities, Licensees and Others (Mar. 2007). 18 C.F.R. § 141.1 requires all major electric utilities, licensees and others to file a FERC Form-1 annually with the Federal Energy Regulatory Commission (“FERC”). A major electric utility is an electric utility that has in each of the three previous calendar years, sales or transmission service that exceeds one million megawatt hours of total annual sales, or 100 megawatt hours of annual sales for resale, or 500 megawatt hours of annual power exchanges delivered, or 500 megawatt hours of annual wheeling for others (deliveries plus losses). This report is designed to collect financial and operational information from electric utilities, licensees and others subject to FERC jurisdiction. It is 134 pages in length. All investor-owned utilities subject to the regulation of the Public Service Commission must file this report with the FERC. KRS 278.230(3), which supports the use of this form, provides: “Every utility, when required by the commission, shall file with it any reports, schedules, classifications or other information that the commission reasonably requires.”

(2) Annual Reporting Form for Rural Electric Cooperative Corporations (July 2012) is a thirty-eight (38) page form that each rural electric cooperative corporation subject to Public Service Commission must file annually with the Commission. It is designed to collect financial and operational information about the rural electric cooperative corporation. KRS 278.230(3), which supports the use of this form, provides: “Every utility, when required by the commission, shall file with it any reports, schedules, classifications or other information that the commission reasonably requires. The commission shall prepare and distribute to the utilities blank forms for any information required under this chapter.”

(3) “FERC Form-2” - Annual Report of Major Natural Gas Companies (Dec. 2007). 18 C.F.R. §§ 260.1 and 260.2 requires each major natural gas company, that is a natural gas company whose combined gas transported or stored for a fee exceed 50 million dekatherms in each of the previous three years to submit a FERC Form-2 annually with the Federal Energy Regulatory Commission (“FERC”). This report is designed to collect financial and operational information from natural gas companies subject to FERC jurisdiction. It is 143 pages in length. The six largest natural gas local distribution utilities that are subject to the Public Service Commission’s jurisdiction are required to file this report with the FERC. KRS 278.230(3), which supports the use of this form, provides: “Every utility, when required by the commission, shall file with it any reports, schedules, classifications or other information that the commission reasonably requires.”

(4) Annual Reporting Form for Class C and D Gas Utilities (Aug. 2005) is a twenty-four (24) page form that a natural gas utility that has less than one million dollars in annual gas operating revenues must file annually with the Public Service Commission. The form is designed to collect financial and operational information about the natural

gas utility. KRS 278.230(3), which supports the use of this form, provides: “Every utility, when required by the commission, shall file with it any reports, schedules, classifications or other information that the commission reasonably requires. The commission shall prepare and distribute to the utilities blank forms for any information required under this chapter.”

(5) Annual Reporting Form for Local Exchange Carriers (Aug. 2005) is a thirty-two (32) page form that all local exchange carriers that have not opted out of Public Service Commission jurisdiction must file annually. It is designed to collect financial and operational information about the local exchange carrier. KRS 278.230(3), which supports the use of this form, provides: “Every utility, when required by the commission, shall file with it any reports, schedules, classifications or other information that the commission reasonably requires. The commission shall prepare and distribute to the utilities blank forms for any information required under this chapter.”

(6) Annual Reporting Form for Local Exchange Carriers – Kentucky Operations Only (Aug. 2004) is a twelve (12) page form that all local exchange carriers that have not opted out of Public Service Commission jurisdiction must file annually. It is designed to collect Kentucky specific financial and operational information about the local exchange carrier. KRS 278.230(3), which supports the use of this form, provides: “Every utility, when required by the commission, shall file with it any reports, schedules, classifications or other information that the commission reasonably requires. The commission shall prepare and distribute to the utilities blank forms for any information required under this chapter.”

(7) Annual Reporting Form for Water Company – Class A & B (July 2012) – is a forty-four (44) page form that all privately owned water companies that have \$250,000 or more of annual water operating revenues and 400 or more customers must file annually. It is designed to collect financial and operational information about the water utility. KRS 278.230(3), which supports the use of this form, provides: “Every utility, when required by the commission, shall file with it any reports, schedules, classifications or other information that the commission reasonably requires. The commission shall prepare and distribute to the utilities blank forms for any information required under this chapter.”

(8) Annual Reporting Form for Water Company – Class C (July 2012) is a thirty-six (36) page form that all privately owned water companies that have less than \$250,000 of annual water operating revenues or less than 400 customers must file annually. It is designed to collect financial and operational information about the water utility. KRS 278.230(3), which supports the use of this form, provides: “Every utility, when required by the commission, shall file with it any reports, schedules, classifications or other information that the commission reasonably requires. The commission shall prepare and distribute to the utilities blank forms for any information required under this chapter.”

(9) Annual Reporting Form for Water Districts/Water Associations – Class A & B (July 2012) is a forty (40) page form that all water districts and water associations that

have \$250,000 or more of annual water operating revenues and 400 or more customers must file annually. It is designed to collect financial and operational information about the water utility. KRS 278.230(3), which supports the use of this form, provides: “Every utility, when required by the commission, shall file with it any reports, schedules, classifications or other information that the commission reasonably requires. The commission shall prepare and distribute to the utilities blank forms for any information required under this chapter.”

(10) Annual Reporting Form for Water Districts/Water Associations – Class C (July 2012) is a thirty-four (34) page form that all water districts and water associations that have less than \$250,000 of annual water operating revenues or less than 400 customers must file annually. It is designed to collect financial and operational information about the water utility. KRS 278.230(3), which supports the use of this form, provides: “Every utility, when required by the commission, shall file with it any reports, schedules, classifications or other information that the commission reasonably requires. The commission shall prepare and distribute to the utilities blank forms for any information required under this chapter.”

(11) Annual Reporting Form for Sewer Utilities (Sep. 2005) is a twenty-four (24) page form that all sewer utilities must file annually. It is designed to collect financial and operational information about the sewer utility. KRS 278.230(3), which supports the use of this form, provides: “Every utility, when required by the commission, shall file with it any reports, schedules, classifications or other information that the commission reasonably requires. The commission shall prepare and distribute to the utilities blank forms for any information required under this chapter.”

Quarterly Meter Repots

(1) Quarterly Meter Report-Electric (Aug. 2011) is a one (1) page report that all electric utilities must file quarterly. It is designed to collect information on the number of meters, the number of meters tested, the types of tests requested, and the results of those tests. Information regarding the amount of refunds and billing information is also collected. KRS 278.230(3), which supports the use of this form, provides: “Every utility, when required by the commission, shall file with it any reports, schedules, classifications or other information that the commission reasonably requires. The commission shall prepare and distribute to the utilities blank forms for any information required under this chapter.”

(2) Quarterly Meter Report–Water (July 2012) is a one (1) page report that all water utilities must file quarterly. It is designed to collect information on the number of meters, the number of meters tested, the types of tests requested, and the results of those tests. Information regarding the amount of refunds and billing information is also collected. KRS 278.230(3), which supports the use of this form, provides: “Every utility, when required by the commission, shall file with it any reports, schedules, classifications or other information that the commission reasonably requires. The commission shall

prepare and distribute to the utilities blank forms for any information required under this chapter.”

(3) Quarterly Meter Report – Gas (July 2012) is a one (1) page report that all gas utilities must file quarterly. It is designed to collect information on the number of meters, the number of meters tested, the types of tests requested, and the results of those tests. Information regarding the amount of refunds and billing information is also collected. KRS 278.230(3), which supports the use of this form, provides: “Every utility, when required by the commission, shall file with it any reports, schedules, classifications or other information that the commission reasonably requires. The commission shall prepare and distribute to the utilities blank forms for any information required under this chapter.”

Non-payment Disconnection/Reconnection Reports

(1) Water Utility- Non-Payment Disconnection/Reconnection Report (Feb. 2012) is a one (1) page report that each water utility must file annually. The form is designed to gather information of the number of accounts terminated. The form also collects information on the highest dollar amount owed that was terminated, the lowest amount owed and the number of accounts that were reinstated. KRS 278.230(3), which supports the use of this form, provides: “Every utility, when required by the commission, shall file with it any reports, schedules, classifications or other information that the commission reasonably requires. The commission shall prepare and distribute to the utilities blank forms for any information required under this chapter.”

(2) Electric Utility- Non-Payment Disconnection/Reconnection Report (Sep. 2000) is a one (1) page report that each electric utility must file annually. The form is designed to gather information of the number of accounts terminated. The form also collects information on the highest dollar amount owed that was terminated, the lowest amount owed and the number of accounts that were reinstated. KRS 278.230(3), which supports the use of this form, provides: “Every utility, when required by the commission, shall file with it any reports, schedules, classifications or other information that the commission reasonably requires. The commission shall prepare and distribute to the utilities blank forms for any information required under this chapter.”

(3) Gas Utility- Non-Payment Disconnection/Reconnection Report (Sep. 2000) is a one (1) page report that each gas utility must file annually. The form is designed to gather information of the number of accounts terminated. The form also collects information on the highest dollar amount owed that was terminated, the lowest amount owed and the number of accounts that were reinstated. KRS 278.230(3), which supports the use of this form, provides: “Every utility, when required by the commission, shall file with it any reports, schedules, classifications or other information that the commission reasonably requires. The commission shall prepare and distribute to the utilities blank forms for any information required under this chapter.”

Meter Testing

(1) Application for Appointment of Meter Tester (July 2012) is a two (2) page report that a utility, firm, or individual must complete for certification of an individual or employee as a meter tester. The form collects information regarding the utility or firm seeking the certification and the competency of the person to be certified. KRS 278.210 authorizes the Public Service Commission provide for the examination and testing of meters and meter testing devices and personnel.