

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF CLARK RURAL ELECTRIC)	
COOPERATIVE CORPORATION FOR A DEVIATION)	CASE NO.
FROM THE CUSTOMER-READ INFORMATION OF)	91-228
807 KAR 5:066, SECTION 6(5))	

O R D E R

Clark Rural Electric Cooperative Corporation ("Clark RECC") has applied for a deviation from Commission Regulation 807 KAR 5:006, Section 6(5),¹ which requires a utility to read all revenue-related meters at least once annually. Contending that its adherence to this regulation is neither cost effective nor protective of its ratepayers and that it adversely affects its cost of service, Clark RECC seeks Commission approval to read its revenue-related meters only once every three years.² Finding that Clark RECC has failed to produce sufficient evidence to support its application, we deny.

The annual meter reading requirement is intended to reach a number of important policy objectives. Such reading ensures that

¹ "Each utility using customer-read meter information shall initiate a program to read each revenue related meter on its system at least once during each calendar year. Records shall be kept by the utility to insure that this information is available to the commission staff and any customer requesting such information."

² Commission Regulation 807 KAR 5:006, Section 25, permits deviations from this rule upon showing of good cause.

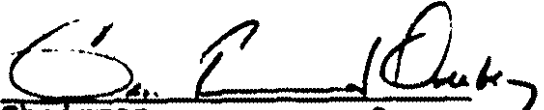
all customer billings are accurate. Discrepancies, customer reading errors, and utility billing errors are more readily discovered. It discourages meter tampering and current diversion. It strengthens customer confidence in the utility billing system by assuring customers that other ratepayers are paying their fair share. It assists in identifying unaccounted-for energy losses. Finally, it permits the utility, while reading meters, to inspect utility lines for clearance and other safety problems, thus reducing the potential for utility-related accidents.

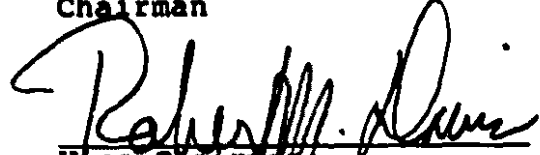
This Commission has previously held that no deviation to Commission Regulation 807 KAR 5:006, Section 6(5), will be granted unless the applicant for such deviation can demonstrate that the objectives identified above will not be achieved by adherence to that regulation or that such adherence will pose a financial hardship on the applicant. Clark RECC has failed to make such a demonstration. It contends that the cost of implementing an annual meter reading program would range from \$15,489.60 to \$26,559.40 annually. Given the total size of Clark RECC's revenues and annual expenses, the Commission does not find this amount to be excessive or to impose a financial hardship on the utility especially in light of the objectives and benefits which will be achieved by annual meter reading.

IT IS THEREFORE ORDERED that Clark RECC's application for a deviation from Commission Regulation 807 KAR 5:006, Section 6(5), is denied.

Done at Frankfort, Kentucky, this 21st day of October, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director