

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

HARRISON COUNTY RURAL ELECTRIC)
COOPERATIVE CORPORATION)

_____)
ALLEGED FAILURE TO COMPLY WITH)
807 KAR 5:006, SECTION 6(5) AND)
COMMISSION ORDER DATED AUGUST 2,)
1995 IN CASE NO. 95-126)

)CASE NO. 97-492

O R D E R

Harrison County Rural Electric Cooperative Corporation ("Harrison RECC") is an electric cooperative corporation incorporated in Kentucky and engaged in the distribution of electricity to the public for compensation for lights, heat, power, and other uses and is a utility subject to Commission jurisdiction. KRS 278.010, 279.210.

KRS 278.280(2) directs the Commission to prescribe rules and regulations for the performance of services by utilities. Pursuant to this statutory directive, the Commission promulgated 807 KAR 5:006, Section 6(5), which requires each utility using customer-read meter information to read each revenue related meter on its system at least once during each calendar year.

Commission Staff submitted to the Commission a Utility Inspection Report dated May 19, 1997, attached hereto as Appendix A, which alleges that during calendar year 1996 Harrison RECC only read approximately one-third of its electric meters. The Utility Inspection Report identifies this as a probable violation of 807 KAR 5:006, Section 6(5). The Commission notes that Harrison RECC was previously the respondent in a similar

show cause proceeding, Case No. 95-126.¹ By Order dated August 2, 1995 in that case, the Commission found that Harrison RECC had violated 807 KAR 5:006, Section 6(5), by failing to read all customer-read meters once each calendar year and directed Harrison RECC to "file status reports every 30 days on measures taken to correct the problems." Over two years have passed since the entry of that Order and Harrison RECC has filed none of the required monthly status reports in Case No. 95-126.

The Commission, on its own motion, HEREBY ORDERS that:

1. Harrison RECC shall submit to the Commission within 20 days of the date of this Order a written response to the allegations contained in the Utility Inspection Report regarding yearly meter reading and the findings set forth herein regarding the alleged failure to file monthly status reports as required by the August 2, 1995 Order in Case No. 95-126.

2. Harrison RECC shall appear on January 14, 1998 at 9:00 a.m., Eastern Standard Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky for the purpose of presenting evidence concerning the alleged violations of Commission Regulation 807 KAR 5:006, Section 6(5), and the August 2, 1995 Order in Case No. 95-126, and showing cause, if any it can, why it should not be subjected to the penalties of KRS 278.990 for its alleged failure to comply with the aforementioned Commission regulation and Order.

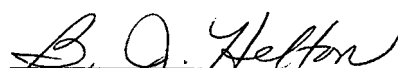
¹ Case No. 95-126, Harrison County Rural Electric Cooperative Corporation - Investigation Into the Alleged Violation of 807 KAR 5:006, Section 6(5), and 807 KAR 5:006, Section 10(3).


3. The Utility Inspection Report dated May 19, 1997 and the Commission's August 2, 1995 Order in Case No. 95-126 are hereby made a part of the record of this case.

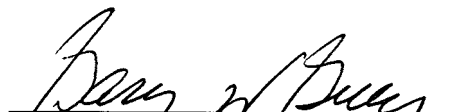
4. Any request for an informal conference with Commission Staff shall be set forth in writing and filed with the Commission within 20 days of the date of this Order.

Done at Frankfort, Kentucky, this 12th day of December, 1997.

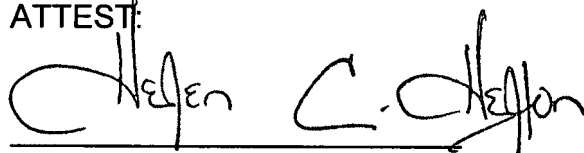
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 97- 492 DATED DECEMBER 12, 1997

Commonwealth of Kentucky
Public Service Commission

UTILITY INSPECTION REPORT

HARRISON COUNTY RECC

Cynthiana, Kentucky

May 19, 1997

BRIEF

An annual service inspection was conducted during the period of December 20, 26-27, 1996 and January 3, 7, 16-17 & 22-24, 1997. The attachments to this report provide the details of this inspection. During the annual service inspection, it was not possible to review every record relating to all Commission Requirements. Therefore, in some instances the results contained in this report are indicative of those items inspected and reviewed on a sample basis.

DEFICIENCIES

Deficiencies that were noted during this service and field inspection are as follows:

1. There is a voltage variation noted in Attachment C of this report. Reference: 807 KAR 5:041, Section 6(2)(a). PSC Recorder 3340 (Mary Lou Straub).
2. The utility is in violation of Yearly Meter Read Records Required by General 807 KAR 5:006, Section 6(5). The utility read approximately one-third of their meters in 1996.
3. The meter test schedule was out of test date for 1996. There were 1020 single phase meters that were not tested in 1996. Reference: 807 KAR 5:041, Section

15(3). It was also noted that the utility is approximately 147 meters behind test schedule for the first quarter in 1997. See Attachment F.

RECOMMENDATIONS

It is recommended that the utility take corrective action on the aforementioned deficiencies and provide the necessary documentation that the deficiencies have been corrected by June 27, 1997. It is further recommended that a copy of this report be made available to the utility for its study and comments.

Submitted by,



Robert Ueltschi
Utility Investigator
Electric Branch

Reviewed by,



Martha M. Morton, Manager
Electric Branch

- ATTACHMENTS:
- A. Service Inspection Report
 - B. Field Voltage Charts
 - C. Field Voltage Survey Summary
 - D. Field Inspection/Consumer Survey
 - E. Harrison County RECC Substation
 - F. Quarterly Meter Report
 - G. Plan for Making Meter Test Schedule Current