

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF WEBSTER)	
COUNTY WATER DISTRICT TO)	
IMPLEMENT A SELF-READ METER)	CASE NO. 2000-00082
READING POLICY FOR A TWELVE-)	
MONTH TRIAL PERIOD)	

O R D E R

On February 21, 2002, Webster County Water District (Webster District) filed with the Commission a proposed tariff that initiates a Self-Read Meter Reading pilot program. On April 3, 2002, the Commission entered an Order establishing this case in order to determine the reasonableness of the proposed tariff. The Attorney General of Kentucky, through his Office of Rate Intervention (AG), moved for and was granted intervention in the case by Order dated May 14, 2002. A telephonic informal conference was held on July 2, 2002, with Commission Staff, Webster District and the AG participating. As a result of the informal conference, on July 24, 2002, Webster District filed an amended tariff clarifying the proposed program.

The pilot program, as proposed, is for a period of one year and is to apply only to those customers on the White Oak Project.¹ Further, only those customers with 5/8-inch x 3/4-inch meters will participate in the pilot program. The program is designed to encourage those affected customers to timely read their own water meters. A meter

¹ The initial application filed by Webster District included the New Hopewell and White Oak Projects, but a subsequent filing by Webster District indicated that the New Hopewell project was inadvertently listed. Therefore, the Commission will consider the application amended to include only the White Oak project.

reading credit is proposed for those customers who timely submit their meter readings to Webster District. Webster District proposes to assess a service charge on those customers who do not submit a monthly reading for three consecutive months

Webster District's proposed self-read meter reading pilot program, as set out in its tariff filed July 24, 2002, is generally acceptable to the Commission as a pilot program. While other water utilities have a self-read meter provision in their tariffs,² Webster District's program differs in that it contains monetary incentives as well as disincentives. Webster District's tariff proposes a credit of \$1.52 for customers who read and report their usage in a timely manner and a \$20 service charge for a customer who does not read his meter and report his usage for three consecutive months. The \$20 service charge reflects Webster District's cost to read the customer's meter.

ISSUES

While the regulations do provide for customer-read meters, Webster District's program as originally proposed did not meet the provisions of Administrative Regulation 807 KAR 5:006, Section 8(3)(d), as it relates to the \$20 charge proposed to be imposed upon those customers who did not read the meter or report the reading timely. The amended tariff filed by Webster District clarifying the proposed program does meet the regulatory requirement and should be approved.

Customer education is of paramount concern to the Commission; its importance to the ultimate success of the program cannot be understated. Webster District has filed and the Commission has reviewed the instructional information that will be sent to

² Green-Taylor Water District, Fleming County Water Association, Inc., Union County Water District.

each affected customer. Individual instruction to customers will also be provided upon request. The Commission is satisfied that Webster District is aware of the necessity of designing and implementing the best customer education program possible.

SUMMARY

Having considered the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. Webster District's proposed self-read meter reading program should be approved for a period of one year from the date of this Order.

2. Webster District should inform the Commission of the benefits of the program and whether or not it wishes to continue the program within 10 months from the date of this Order.

IT IS THEREFORE ORDERED that:

1. Webster District's self-read meter reading program is approved on a pilot basis for one year from the date of this Order.

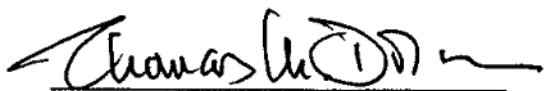
2. Within 10 months from the date of this Order, Webster District shall file with the Commission a report stating the benefits of the program, whether or not it wishes to continue the program and if it wishes to continue, the conditions under which it proposes to do so.

3. The tariff sheets filed by Webster District on July 24, 2002 are approved as filed.

Done at Frankfort, Kentucky, this 9th day of August, 2002.

By the Commission

ATTEST:



Executive Director