

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF OWEN ELECTRIC)	
COOPERATIVE, INC. FOR AN ORDER)	CASE NO.
ISSUING A CERTIFICATE OF PUBLIC)	2006-00314
CONVENIENCE AND NECESSITY)	

O R D E R

Owen Electric Cooperative, Inc. (“Owen”) filed its application on June 22, 2006 for a Certificate of Public Convenience and Necessity (“CPCN”) for the installation of an Automated Meter Reading System (“AMRS”) at an estimated cost of \$7,715,713.¹ Approximately 54,000 mechanical meters will be replaced by AMRS meters over a three-year period with completion of the installation projected to be no later than December 2009.

The proposed AMRS installation will enable Owen to continue to provide adequate and dependable electric service to its customers. AMRS meters have numerous advantages over mechanical meters. In addition to making meter reading faster and more accurate, AMRS meters can identify outages with specificity when integrated with Owen’s outage management system, detect voltage-related problems, alert Owen of unusual meter readings, and allow it to offer customers load management programs in the future. Once fully implemented, the AMRS is projected to eliminate

¹ Application, Exhibit 5.

over \$830,000² in annual costs for meter reading, meter turn-ons and turn-offs, and meter disconnects and reconnects. Owen expects the accumulated benefits of the AMRS to exceed the accumulated costs by the eighth year of implementation,³ and it does not expect to increase its electric rates due to the AMRS program.

Based on the application and being otherwise sufficiently advised, the Commission finds that Owen's installation of its proposed AMRS is reasonable, cost-effective, and will improve the quality of service provided to its customers.

IT IS THEREFORE ORDERED that Owen is granted a CPCN to install the AMRS described in its application.

Done at Frankfort, Kentucky, this 31st day of October, 2006.

By the Commission

ATTEST:



Executive Director

² Owen's Response to Initial Data Request of Commission Staff, Exhibit 7.

³ Id., Exhibit 4.