

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF FARMERS RURAL ELECTRIC )	CASE NO.
COOPERATIVE FOR ADOPTION OF A SAMPLE )	2013-00186
METER TESTING PROCEDURE )	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION  
TO FARMERS RURAL ELECTRIC COOPERATIVE CORPORATION

Farmers Rural Electric Cooperative Corporation ("Farmers"), pursuant to 807 KAR 5:001, is to file with the Commission the original and six copies of the following information, with a copy to all parties of record. The information requested herein is due no later than 14 days from the date of issuance of this request. Responses to requests for information shall be appropriately bound, tabbed, and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath, or for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Farmers shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which

Farmers fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. Documents should contain appropriate page numbers.

1. Confirm that the changes in Farmers' "revised" application, filed July 12, 2013 from Farmers' application filed May 13, 2013 consist of:

a. Changing the word "group" to "lot" or "lots" throughout the revised application;

b. Adding "Light Load" test results under "Procedures" at the fourth unnumbered page so that the second sentence of the second paragraph reads: "Full Load and Light Load test results will be evaluated."

2. Identify and explain all other changes in Farmers' "revised" application, filed July 12, 2013 from its application filed May 13, 2013.

3. In its response to Item 1 of Commission Staff's First Request for Information dated June 18, 2013 ("Staff's First Request"), Farmers provided an explanation of how its billing computer selects meters to be tested randomly. Farmers explains that the sample lot is generated using a skip factor, based upon the lot size and number of meters to be tested, and a randomized start point. Beginning at the randomized start point, each subsequent meter to be tested is based upon the skip factor for the given meter lot. In its application, Farmers states that "[e]ach test group

will be randomly sampled by a computerized process.”<sup>1</sup> Does Farmers believe that each test group will be randomly sampled, or that only the start point of the sample lot is randomly sampled, based upon its description?

4. In its response to Items 2(a), (b) and (c) of the Staff’s First Request, Farmers provided responses indicating how its proposed plan complies with 807 KAR 5:041, Section 16(4)(a). In response to Item 2(a), Farmers states that “if the sample lot fails, then the entire must be tested thereby exceeding the requirement of 16(4)(a).” Farmers reiterates in response to Item 2(b) that “a failing lot will be tested in its entirety...thereby exceeding the requirement of 16(4)(a).”

a. Explain how Farmers intends to meet the requirements of 807 KAR 5:041, Section 16(4)(a) in the event the sample lot does not fail.

b. Describe how Farmers will select additional meters to be tested the following test year based upon the meter test results from the previous test year in the event the sample lot does not fail.

5. In response to Item 4 of the Staff’s First Request, Farmers states that as part of an approved sample meter testing plan, it will supply detailed test data to the Commission for review “as requested by the Commission.” Does Farmers intend to include this information as part of the Quarterly Meter Reports required by the Commission, or will the data only be supplied in response to a Commission request for the data as indicated?

6. In its response to Item 5(a) of the Staff’s First Request, Farmers defines a “non-registering” meter as “[a] meter that no longer generates optical pulses on its test

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<sup>1</sup> Case No. 2013-00186, *Application of Farmers Rural Electric Cooperative for Adoption of a Sample Meter Testing Procedure*, filed May 13, 2013.

port and cannot be tested.” In the event a meter is determined to have a failed or inaccurate meter display, or register, would Farmers classify that meter as “non-registering” as well?

7. In its response to Items 5(b) and (c) of the Staff’s First Request, Farmers describes its rationale for removing non-registering meters from the sample lot and replacing them with another random selection.

a. Provide a description of the “random selection” process to determine which meter will be selected to replace the removed non-registering meter.

b. Farmers indicates that it is not applying the ANSI/ASQC (American National Standards Institute/American Society of Quality Control) standard to meters it determines to be non-registering. Identify what process is used to determine whether the presence of a non-registering meter in a sample lot is indicative of a larger issue, or the existence of a larger number of non-registering meters, within that particular group.

c. In its response to Item 5(c), Farmers states that “[o]ther methods are used to locate non-registering meters in the field.” Provide further description of the referenced methods utilized, along with the number of non-registering meters that have been identified to date utilizing those methods.

8. In Items 6(c) and (d) of the Staff’s First Request, Farmers was asked to explain why its proposed sampling plan was not being held to the +/-1 percent accuracy requirement as set forth in 807 KAR, Section 17(1). In its response to Item 6(c),

Farmers states that an “AQL of 2.5 is consistent with the value used by Sample Testing Plans currently on file and approved with the Commission.”<sup>2</sup>

a. In its application, Farmers states that “[d]ue to the +/-2 percent limits, the sample groups shall be tested using an AQL of 2.5.”

(1) Explain how the +/-2 percent limits, as cited by Farmers, determine the AQL value of 2.5 to be utilized.

(2) Does Farmers agree that the +/-2 percent requirement listed in 807 KAR 5:041, Section 16(5) is to be used for refunds and back billing purposes, as stated in the regulation? If so, explain why this same requirement is being utilized to determine meter accuracy under the proposed sample plan.

b. As identified in its response, Farmers notes that ANSI/ASQC Z1.9-2008 states in the introduction that “[t]he variables sampling plans apply to a single quality characteristic which can be measured on a continuous scale, and for which quality is expressed in terms of percent nonconforming.” Does Farmers believe that an AQL of 2.5, identified by Farmers in its response, represents the “percent nonconforming” of a given lot of meters tested under the proposed sample plan?

(1) If so, identify the “single quality characteristic” utilized by Farmers under its proposed sample plan to determine what percentage of units could be classified as nonconforming.

(2) If not, explain how Farmers defines the AQL value and how it is to be applied to a proposed sample plan.

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<sup>2</sup> It should be noted that while Farmers’ application defines the AQL as the Acceptable Quality Level, ANSI/ASQ Z1.9-2008, A2.1 defines AQL as the Acceptable Quality Limit and recommends the definition no longer be utilized which is used in Farmers’ application.

(3) Would Farmers classify the AQL value as a measurement of the accuracy of a meter under the proposed sample plan, or as a percentage of the sample lot that would be tolerated as defective?

c. If the “single quality characteristic” utilized by Farmers is the percent accuracy of the meter, indicate whether Farmers applies the requirements set forth 807 KAR 5:041, Section 16(5) regarding refunds and back billing, or the requirements of 807 KAR 5:041, Section 17(1) regarding meter accuracy.

d. Does Farmers believe that the Commission should approve each proposed sample plan filed for review based upon approvals given for previously filed sample plans?

9. In its response to Item 6(f) of the Staff’s First Request, Farmers provides detailed meter testing procedures which are utilized by the utility.

a. The third bullet point under the procedures states “[t]he test is run for 10 revolutions for the full, light and power factor loads.” Indicate what type of test is being referenced in this specific step of Farmers’ meter testing procedures.

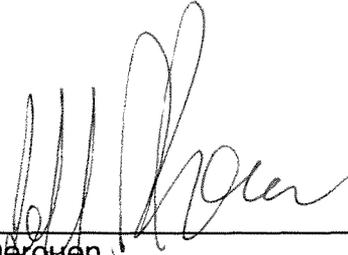
b. The fourth bullet point states that “[t]he as found results are recorded and dated.” Provide a description of how Farmers defines an “as found” test.

10. In its response to Item 8(a) of the Staff’s First Request, Farmers explains that the \$30 cost to test was derived by utilizing a “Current Contractor price quote for field testing.”

a. Provide the number of quotes submitted to Farmers prior to the selection of the “Current Contractor price quote.”

b. Provide a list of the bids submitted.

c. Identify the process utilized by Farmers to determine the final bid selected.



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Jeff Derouen  
Executive Director  
Public Service Commission  
P. O. Box 615  
Frankfort, Kentucky 40602

DATED SEP 13 2013

cc: Parties of Record

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William T Prather  
President & CEO  
Farmers R.E.C.C.  
504 South Broadway  
P. O. Box 1298  
Glasgow, KY 42141-1298