## COMMONWEALTH OF KENTUCKY

## BEFORE THE PUBLIC SERVICE COMMISSION

## IN THE MATTER OF:

APPLICATION OF MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORTATION FOR APPROVAL OF APREPAY METERING TARIFF

## )

) CASE NO 2014-00414 )

## APPLICATION

Meade County RECC, Inc ("Meade County") respectfully submits this application seeking approval of a Prepay Metering Tariff. The petition respectfully shows:

1. Meade County is a nonprofit electric cooperative organized under KRS Chapter 279 and is engaged in the business of distributing retail electric power to member customers in the Kentucky counties of Meade, Breckinridge, Ohio, Hancock, Hardin and Grayson. Meade County serves about 28,843 member-customers and has 2,982 miles of distribution lines in its eight county service territory.
2. Meade County's mailing address is 1351 Highway 79 PO Box 489 Brandenburg, KY 40108. Meade County's email address is bmercer@mcrecc.com.
3. The Articles of Incorporation for Meade County are filed in Case No. 2006-00500.
4. This Application is for the purpose of requesting approval of a prepay metering program in accordance with the terms set forth in the proposed tariff attached as Exhibit A of this application.
5. The prepay metering program shall be a completely voluntary program. A copy of the "Agreement" for participation in this prepay program is attached as Exhibit B of this application.
6. Testimony of the Prepay Tariff and Program is filed herewith as "Exhibit C".
7. Meade County's Prepay Administrative Guidelines are filed herewith as "Exhibit D".
8. Meade County's Cost Analysis for the prepay program is filed herewith as "Exhibit E".
9. Meade County further requests a deviation from 807 KAR 5:006, Section 15 (f)1, which requires a written notice of service termination for non-payment, insofar as such notice would apply to their prepay metering program. It is the understanding of Meade County that such a deviation has previously been approved in PSC Case No. 2010-00210, Jackson Energy Cooperative's tariff filing for prepaid electric service, PSC Case No. 20120260, Blue Grass Energy's tariff filing for prepaid electric service, PSC Case No. 201100141, Nolin Rural Electric Cooperative, and PSC Case No. 2012-00437, Farmers Rural Electric Cooperative.
10. Meade County requests a deviation from 807 KAR 5:006, Section 7, which requires a paper bill to be mailed to members, for this prepay metering program only. It is the understanding of Meade County that such a deviation has previously been approved in PSC Case No. 2012-0620 (Jackson Energy Cooperative) and PSC Case No. 2012-00437 (Farmers Rural Electric Cooperative).

WHEREFORE, Meade County RECC requests that the Public Service Commission of the Commonwealth of Kentucky issue an Order authorizing Meade County the approval of this prepay metering program.

Dated at Brandenburg, Kentucky this $19^{\text {th }}$ day of January, 2015.
Thomas C. Brite, Atty
Brite \& Hopkins
PO Box 309, 83 Ballpark Rd.
Hardinsburg, Kentucky 40143
tbrite@bbtel.com
(270) 756-2184


Thomas C. Brite, Attorney
Meade County RECC

## VERIFICATION

The undersigned, Burns Mercer, being first duly sworn states that he is the President and CEO of Meade County RECC; and that he has personal knowledge of the matters set forth in the foregoing application; and that the statements contained therein are true and correct to the best of his knowledge, information, and belief.


## COMMONWEALTH OF KENTUCKY )

Subscribed and sworn to before me by Burns Mercer, President and CEO of Meade County RECC this $/ 9^{\pi}$ day of January, 2015.


## VERIFICATION

The undersigned, Mary E. Purvis, being first duly sworn states that she is a Consultant for Meade County RECC; and that she has personal knowledge of the matters set forth in the foregoing application; and that the statements contained therein are true and correct to the best of her knowledge, information, and belief.


## COMMONWEATLH OF KENTUCKY

COUNTY OF BRANDENBURY )
Subscribed and sworn to before me by Mary E. Purvis, Consultant for Meade County RECC this / $q^{\text {day }}$ of January, 2015.

$\qquad$ All Territory Served $\qquad$

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Meade County Rural Electric Cooperative Corporation
P. O. Box }48
Brandenburg, Kentucky 40108
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PSC KY NO. 45

ORIGINAL SHEET NO. $\qquad$ Original

## CLASSIFICATION OF SERVICE

## PREPAY SERVICE

## STANDARD RIDER:

Meade County Rural Electric Cooperative Corporation's Prepay Service ("Prepay") is an optional rider to Rate Schedule RSP - Residential and Small Power as defined by the Cooperative.

## AVAILABILITY:

All Rate Schedule 1 - Residential, Farm \& Non Farm, Schools and Churches, excluding accounts on Levelized/Fixed Budget, Automatic Bank Draft, Net Metering, and accounts greater than 200 Amp Service within the territory served by Meade County.

## DAILY RATE:

| Consumer Charge no kWh usage | $\$ 0.572$ |
| :--- | :--- | ---: |
| Energy Charge per kWh: | $\$ 0.097665$ |
| Prepay Service Fee: | $\$ 0.3167$ |

## TERMS \& CONDITIONS:

Members who qualify as defined above in "Availability" may choose to voluntarily enroll their electric account(s) in the Prepay service and are subject to the following:

1. Each member electing Prepay will be subject to all other applicable rules and regulations which apply to members using the residential tariff, without the Prepay rider.
2. Members shall have internet access or the ability to receive electronic communications, including texting services to participate in the voluntary Prepay service.
3. Any member choosing to enroll in Prepay shall sign a Prepay Service Agreement ("Agreement"). The Agreement shall remain in effect until the member notifies Meade County RECC, in writing, to cancel the Agreement.
4. Upon written cancellation of the Agreement, the member shall be subject to the conditions of the applicable tariff, without the Prepay rider. In accordance with Meade County's current Rules

DATE OF ISSUE


TITLE $\qquad$
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 2014-00414 DATED
$\qquad$ Original

## PREPAY SERVICE (CONTINUED)

and Regulations, this may require a security deposit to be paid by the member at the time of cancellation of the Prepay service.
5. The Consumer Charge and Energy Charge will be the same as Meade County's applicable residential tariff. The Energy Charge per kWh will be calculated and deducted from the member's account on a daily basis. The Consumer Charge and Prepay Service Fee will also be deducted from the member's account on a daily basis.
6. The Fuel Cost Adjustment and Environmental Surcharge will be charged or credited to the account daily. The Fuel Adjustment and Environmental Surcharge will be the rates in effect for the time of update.
7. The Prepay account will not be subject to deposits, late fees, disconnect fees, and reconnect fees.
8. At the time Prepay is activated for an account, the initial purchase is recommended to be a minimum of $\$ 100.00$. Purchases beyond the point of activation will be at an increment of the member's choosing, with a minimum purchase being $\$ 25.00$. Members may apply funds to their prepay account(s) by most methods as post pay and include the following: credit card, dcbit card, check and cash. Payment can be made via the website, phone and in person at one of Meade County's offices. Payment methods are listed on Meade County's website, www.mcrecc.com.
9. When an existing member selects to participate in Prepay and has a security deposit on file, the deposit and any accumulated interest will not be refunded. The deposit will be converted into a credit on the Prepay account going forward. No crediting of the deposit to the Prepay account shall occur if the deposit is needed to cover a pre-existing indebtedness by the member or the member has another account(s) which does not have a satisfactory credit history, the remaining credit will be transferred as a deposit to the unsecured account(s).
10. If a member who has not participated in Prepay is disconnected for non-payment, the member may request to be reconnected and enrolled in Prepay. If the member is unable to pay the account balance in full for the disconnected account, a payment plan whereby future purchases for Prepay will be split $70 / 30$ until the old debt is retired will be established. Seventy percent ( $70 \%$ ) of the payments will be applied to new purchases and thirty percent ( $30 \%$ ) will be applied towards retirement of the previous balance minus any applicable deposit.

DATE OF ISSUE $\qquad$
DATE EFFECTIVE__ February 27, 2015


TITLE $\qquad$
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 2014-00414 DATED
$\qquad$

## PREPAY SERVICE (CONTINUED)

11. A prior member, who previously received service from Meade County and discontinued service without paying his/her final bill, (i.e. an uncollectible account/bad debt) will be required to pay the past due amount prior to establishing prepay service. If the member is unable to pay the account balance in full, a payment plan whereby future purchases for Prepay will be split $70 / 30$ until the old debt is retired will be established. Seventy percent ( $70 \%$ ) of the payments will be applied to new purchases and thirty percent ( $30 \%$ ) will be applied towards retirement of the previous balance.
12. Once an account is enrolled in Prepay, the account will no longer be eligible for additional payment arrangements.
13. Financial assistance from community action or other agencies received for a Prepay account will be credited to the balance of the Prepay account upon receipt of a voucher or other supporting official documents of commitment from the agency providing assistance.
14. When a Prepay account reaches a balance of $\$ 25.00$, an automated message(s) will be processed and sent to the member and no written notice will be sent by mail.
15. If a payment on a Prepay account is returned for any reason, the account is subject to the service fee as provided in Meade County's Rules and Regulations.
16. Members presenting a Winder Hardship Reconnect, Certificate of Need or Medical Certificate as provided in 807 KAR 5:006, Sections 14, 15, and 16 will be removed from Prepay and the account will return to the status of a post-pay account.
17. A monthly paper bill will not be mailed to a member who elects to participate in Prepay. The member may view their Prepay account status on Meade County's website. Based on the Prepay notification system, the account should not be eligible for past-due status, therefore; a delinquent notice will not be processed or mailed.
18. A Prepay account will be disconnected if the balance of the account becomes negative. The account will be disconnected regardless of weather/temperature as the member is responsible for ensuring that the Prepay account is adequately funded. Meade County discourages participation in the Prepay program if the member cannot ensure proper funding.

| DATE OF ISSUE | January 19, 2015 |
| :---: | :---: |
|  | MONTH/DATE/YEAR |
| date effective | February 27, 2015 |
|  | MONTH/DATE TEAR |
| ISSUEDBy tems not |  |
| SIGNATURE OF OFFICER |  |
| TITLE | President/CEO |
| BY AUTHORITY | ORDER OF THE PUBLIC SERVICE |
| COMMISSION IN C | NO. 2014-00414 DATED |

$\qquad$ All Territory Served

PSC KY NO $\qquad$
ORIGINAL SHEET NO._ Original

## PREPAY SERVICE (CONTINUED)

19. If a Prepay account is disconnected due to lack of funds or any other reason, Meade County shall be held harmless for any damages due to loss of energy service. Likewise, if the account is disconnected and the member applied funds to the Prepay account thus causing the account to be reconnected, the member accepts full responsibility for any damages to the location caused by the account being reconnected and holds the Cooperative harmless from any damages arising from such a reconnection.
20. Prepay accounts will be billed daily with a month-end billing being processed to finalize any applicable miscellaneous fees such as billing contracts, WinterCare, etc.
21. If a request is made to disconnect the service at a Prepay account, any remaining balance will be transferred to other active accounts, if applicable, or refunded in form of check.
22. Should damage occur to the equipment as a result of malice or neglect by the member, the member shall be billed for the replacement cost of the equipment.
23. Members may check the status of a Prepay account by utilizing Meade County's website or by calling the office at any time.
24. The member shall pay any fees as applicable by the Cooperative bylaws and the Cooperative Rules and Regulations as approved by the Kentucky Public Service Commission and as may be required for the member to participate in the Prepay electric service program.


TITLE $\qquad$ President/CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE
$\qquad$

## MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION AGREEMENT FOR PREPAY SERVICE

|  |  |  |  |
| :--- | :--- | :--- | :--- |
| Member Name |  | Home Phone |  |
| Account No. |  | Cell Phone |  |
| Service Address |  | Cell Carrier |  |
|  |  | E-mail |  |

The undersigned (hereinafter called the "member") hereby applies for participation in the voluntary Prepay service offered to members of Meade County Rural Electric Cooperative Corporation. (hereinafter called the "Cooperative"), and agrees to the following terms and conditions:

1. The member shall purchase electric energy from the Cooperative in accordance with the present and any future rate schedule of the Cooperative on a Prepay basis for the above referenced account.
2. The member understands that the terms and conditions set forth in the member's Application for Membership continue to apply in addition to the terms and conditions of this Agreement for Prepay Service, subject, however, to any changes set forth in this agreement.
3. The member shall pay any fees as applicable by the Cooperative bylaws and the Cooperative Rules and Regulations as approved by the Kentucky Public Service Commission and as may be required for the member to participate in the Prepay electric service program.
4. Any deposit on the above referenced account will be applied to the final billing for the post-pay account before the account changes to Prepay service. Any credit remaining on the account will be applied to the Prepay account. However, if the member has another account( $s$ ) which does not have a satisfactory credit history, the remaining credit will be transferred as a deposit to the unsecured account(s). The deposit will only be refunded by applying it to the member's account(s) as described above.
5. Those members participating in Prepay service will not be mailed a monthly paper bill for electric usage or other applicable fees or charges. Account information may be obtained from the web portal or by contacting the office.
6. The member shall pay a daily program fee and a daily consumer customer charge. This amount will be in addition to the charges included for the fuel cost adjustment and environmental surcharge rates which will be charged or credited to the account based upon the effective rates. The effective rates of the fuel adjustment and environmental surcharge will be the rates in effect when kWh's are used.
7. During any interruption, outage and/or disconnections, the customer charge, Prepay fee and any security light charges will continue to accrue.
8. If a member changes any of the contact information (i.e. e-mail address, phone number, etc.) provided on this agreement, it is the responsibility of the member to notify the Cooperative of any such changes immediately. It is the member's responsibility to manage their own communication devices.
9. When the amount of funds remaining on a Prepay account reaches the established threshold of $\$ 25.00$, an automated message will be sent to the member rather than a traditional, written notice sent by U.S. Mail. The Cooperative shall not be responsible for any failure of the member to receive the automated message for any reason(s).
10. The member shall be responsible for regularly monitoring the balance on the Prepay account and understands that the electric service will be subject to disconnection without any written, verbal or other method of notification from the Cooperative to the member once the balance of the account reaches a negative balance. If the member cannot ensure proper funding, the Cooperative recommends the member not utilize the Prepay service.
11. Budget billing, automatic draft, net metering, and three-phase accounts are not eligible for Prepay service.
12. Should the member have a payment returned for any reason, the returned payment will be charged to the Prepay account. The member's account shall also be charged a return payment fee as referenced in the Cooperative's PSC approved Rules and Regulations in addition to the returned payment amount. If there are not sufficient funds to cover the returned item and fee, the account will be disconnected immediately.
13. If a Prepay account is disconnected due to lack of funds or any other reason, the Cooperative shall be held harmless for any damages due to loss of energy service. Likewise, if the account is disconnected and the member applied funds to the Prepay account thus causing the account to be reconnected, the member accepts full responsibility for
any damages to the location caused by the account being reconnected and holds the Cooperative harmless from any damages arising from such a reconnection.
14. By signing this agreement, the member affirms there are no residents in the home that currently have medical conditions that will be impacted by loss of service. Should this status change, the member shall contact the Cooperative in writing, at which time the account will be removed from Prepay service. It is the responsibility of the member to confirm the Cooperative is in receipt of the written request for removal from Prepay service.
15. A Prepay account will be disconnected if the balance of the account becomes negative. The account will be disconnected regardless of weather or temperature as the member is responsible for ensuring that the Prepay account is adequately funded.
16. Financial assistance from community action or other agencies received for a Prepay account will be credited to the balance of the Prepay account upon receipt of a voucher or other supporting official documents of commitment from the agency providing assistance.
17. If a member on a Prepay account presents a Certificate of Need, a Medical Certificate or qualifies for a Winter Hardship Reconnect, the member shall be required to transfer to a post-pay service account.
18. The member authorizes the Cooperative to transfer the unpaid balance of $\$$ $\qquad$ from the member's post-pay account to the Prepay service account. The member also authorizes the kWh used since the last bill date until the meter is changed to Prepay service to be calculated and transferred to the Prepay account. The member further agrees that thirty percent ( $30 \%$ ) of any future purchases for funding the Prepay account shall be applied to the balance until said balance is paid in full. Any fees/penalties (returned payment, meter tampering, etc.) shall be paid before any purchases for funding is applied to the member's Prepay account.
19. For a prior member who previously received service from the Cooperative and discontinued service without paying his/her final bill, (i.e. an uncollectable account/bad debt), the member agrees that if the uncollectable account/bad debt is not paid in full upon enrolling in the Prepay Program, thirty ( $30 \%$ ) of any payments made on this account in the future shall be applied to the balance until said uncollectable account/bad debt is paid in full. The member authorizes the Cooperative to transfer the uncollectable account/bad debt balance of $\$$ $\qquad$ to the Prepay Account.
20. A Prepay account shall not be eligible for future payment plan arrangements.
21. If a member wishes to disconnect service, the member shall be refunded any balance on the Prepay account. Any refund will be processed in the same manner as a post-pay account refund.
22. The member, by signing this agreement, confirms the ability to receive electronic communications which is required to be eligible for the Prepay service.
23. The Prepay agreement shall be in effect for (1) year. After one year, the member may elect to opt out of the Prepay program by submitting a request for cancelation to the Cooperative in writing. If Prepay service is ended, the member must meet the requirements of a post-pay account for continued service.
24. Members may apply funds to a Prepay account by most payment methods available for post-pay service and provided on the Cooperative's website at: www.mcrecc.com
25. The undersigned agrees that Cooperative personnel has comprehensively explained this Prepay program and have fully informed the member of all aspects of the program.

| Member Signature: | SSN: | Date: |
| :---: | :---: | :---: |
| Member Signature: | SSN: | Date: |

CSR Signature: $\qquad$ Date: $\qquad$
Preferred Method of notification is (please check one): $\square$ E-Mail $\square$ Text

## OFFICE USE ONLY

SO Number
Customer NO. $\qquad$
Date Installed
Initials
Comments

## COMMONWEALTH OF KENTUCKY

## BEFORE THE PUBLIC SERVICE COMMISSION

# IN THE MATTER OF: <br> THE APPLICATION OF MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION FOR APPROVAL OF A PREPAY METERING PROGRAM TARIFF PSC CASE NO 2014-000414 

PREPARED TESTIMONY OF MARY ELIZABETH PURVIS

Q1: State your name and business address.
A1: I am Mary Elizabeth Purvis and my business address is 4004 Port Royal Drive Richmond, KY 40475

Q2: What has been your role in this tariff?
A2: My role in this application has been to develop the tariff and the rates proposed in the tariff and to advise in the overall development of this filing and the overall program.

Q3: What is your professional experience in the area of electric utility rate making?
A3: I am employed by Jim Adkins Consulting (JAC) to assist in utility rate cost of service studies, rate design, revenue requirement determination, financial forecasting, regulatory affairs and other matters pertaining to electric cooperatives. I am also an Instructor of Economics and Mathematics.

Q4: What is your educational background?
A4: I received two Bachelor's Degrees in Economics and Mathematics from Centre College. I also possess a Master's Degree in Economics from the University of Georgia and a Master's Degree in Business Administration from Morehead State University.

Q5: Have you ever appeared as a witness before this Commission?
A5: Yes, I have appeared as a witness before this Commission.

Q6: What is the basis for the rates contained in the proposed tariff?
A6: The basis for the rates found in this tariff is an estimate of the annual expenses for this program. They were calculated similarly to how the rates were calculated for previous prepay filings, specifically in PSC Case No. 2012-00260 for Bluegrass Energy and PSC Case No. 2014-00256 for Licking Valley Electric.

Q7: How many members did Meade County Rural Electric Cooperative Corporation (MCRECC) use to estimate participation in developing the rates contained in the proposed tariff?

A7: MCRECC is estimating that 865 members will use the program. This number was calculated similarly to how Licking Valley calculated theirs in that 865 represents approximately three percent of its members. The timeframe for obtaining this number of participants cannot be determined at the present time.

Q8: Please explain how the Prepay Tariff Program works.
A8: MCRECC customer information system (CIS) and automated metering infrastructure (AMI) software are multi-speak compliant and interface seamlessly. The interface allows the member to make a payment to their electric account through most methods used by post pay members as listed on MCRECC's website. The amount deposited is then available for viewing on the web portal. Prepay accounts will be billed electronically at least once a day to show the remaining funds on the account. This daily balance is available for the member to view on the web portal. When the amount of funds remaining on a prepay account reaches the established threshold of $\$ 25$, an automated message will be sent to the member through texting and/or email alerting the member. The member then deposits more into the account. If the account balance becomes negative, service will be disconnected. Once a payment is made, service will be reconnected. Service disconnection and reconnection will be automatic with the installation of an AMI meter equipped with a disconnect feature. This meter interfaces with the AMI system and is remotely activated with a reconnect if an amount is applied to the account or disconnected when the account balance becomes negative.

Q9: Please discuss the computation of the proposed rates.
A9: Below provides the basis and the computation of the proposed rates followed by an explanation:

- Table A: The Investment per Member (assuming 865 participants)

This calculates the cost of the prepay metering.

- The equipment cost is the cost of the software and hardware divided by the number of estimated participants.
- An amount of $\$ 190.22$ represents the additional cost associated with the prepay meter.
- Installation costs are the labor costs of setting up and installing the prepay metering and disconnect device or collar.
- Total investment per member or direct investment is $\$ 238.72$.

TABLE A

| Equipment Costs |  | Per Member |
| :---: | :---: | :---: |
| Software (*) |  |  |
| Prepay Software | $\$ 18,700.00$ | $\$ 21.62$ |
| Hardware | $\$ 238.25$ | $\$ 238.25$ |
| New Disconnect AMI Meter | $\$ 48.03$ | $\$ 48.03$ |
| Less Old Meter Cost |  | $\$ 190.22$ |
| Cost of Disconnect Meter |  |  |
|  |  |  |
| Installation Costs | $\$ 20.18 / \mathrm{hour}$ | $\$ 5.05$ |
| CSR Set Up | $54.0 \%$ | $\$ 2.72$ |
| Labor - 15 min | $\$ 22.62$ | $\$ 11.31$ |
| Benefits | $69.0 \%$ | $\$ 7.80$ |
| Field Service Representative |  |  |
| Labor - 30 min |  | $\mathbf{\$ 2 3 8 . 7 2}$ |
| Benefits |  |  |
| Investment Per Member |  |  |

- Table B: Annual Expenses

Annual expenses are calculated off the investment per member in Exhibit A.

- Depreciation of AMR meters at 15 yrs
- Interest expense of 4.52 percent based on the current CFRC 15 year rate
- Operations and Maintenance (O\&M) expenses are 20 percent for the software and 10 percent for the hardware. These O\&M expenses are based on the Licking Valley, Jackson Energy, and Blue Grass Energy filings.

TABLE B

| Annual Expenses |  | Internet Only <br> Per Customer |
| :--- | :---: | :---: |
| Depreciation | 15 year life | $\$ 15.91$ |
| Interest \& Margins | $2.26 \%{ }^{*} 2$ | $\$ 10.79$ |
| O \& M |  |  |
| Software | $20 \%$ | 4.32 |
| Hardware | $10 \%$ | $\$ 19.02$ |
|  |  |  |
| Total Annual Expenses |  | $\mathbf{\$ 5 0 . 0 5}$ |
| Total Monthly Expenses |  | $\$ 4.17$ |

- Table C: Monthly Expense per member
- The monthly expenses are calculated to be 4.17 per member.
- Software support is a monthly fee of $\$ 580.00$ or $\$ 0.67$ per member.
- Communication fees via text or email are calculated at $\$ 0.04$ each. There is an average of four notices per month for a total of \$0.16.
- For the Cooperatives that have implemented prepay programs, their experience indicates that a typical participant makes four payment transactions per month. Instead of separate transaction fees, the cost will be imbedded in the prepay costs with one transaction being complementary. Other prepay programs such as Owen Electric in PSC Case No. 2013-00403 and Blue Grass Energy in PSC Case No. 201200260 also have transaction fees bundled in the monthly costs. MCRECC is charging $\$ 1.50$ per transaction, for a total of $\$ 4.50$.
- Total monthly rate per participant is proposed to be $\$ 9.50$, which is less than the estimated cost per month which is $\$ 9.50$.

TABLE C

| Monthly Expenses |  | Internet Only <br> Per Customer |
| :--- | :--- | :---: |
| Expenses Per Member |  | $\$ 4.17$ |
| Monthly Software Support | $\$ 580 /$ month | $\$ 0.67$ |
| Communication Fees | 4 notices at $\$ 0.04$ each | $\$ 0.16$ |
| Transaction Fees | $4 \mathrm{w} /$ one free @ $\$ 1.50$ | $\$ 4.50$ |
|  |  |  |
| Monthly Expenses per Member |  | $\$ 9.50$ |
|  |  | $\$ \mathbf{\$ 9 . 5 0}$ |
| Recommendation |  |  |

Q10: Is there a separate transaction fee proposed in this tariff?
A10: No, the transaction fee is embedded in the proposed monthly fee as reflected in Table C. The proposed transaction fee is for each time a participant makes a deposit into their account. The proposed rate on these transactions is $\$ 1.50$ per transaction as illustrated in Table D. The purpose of this transaction fee is to assist in the recovery of the costs of processing these transactions and to also encourage consumers to make as large a prepayment as feasible. The development of the costs estimate is based on PSC Case No. 2012-00260 for Blue Grass Energy and PSC Case No. 2013-00403 for Owen Electric. It is calculated by finding the average cost for one CSR to make a transaction that on average lasts three minutes.

TABLE D

| Transaction Fee Expenses |  |  |
| :--- | :---: | :---: |
| One CSR will average 3 <br> minutes per transaction |  |  |
| Labor - | $\$ 20.18 /$ hour | $\$ 20.18$ |
| Benefits | $54.0 \%$ | $\$ 10.90$ |
|  |  | $\$ 31.08$ |
| Number of Transactions per Hour |  | 20 |
| Cost per Transaction |  | $\$ 1.55$ |
| Recommended Cost per Transaction |  | $\$ 1.50$ |

Q11: Does MCRECC's software offer a separate transaction fee feature?
A11: Yes, SEDC does offer this option, but MCRECC prefers to keep the fee simple and not unbundle this fee.

Q12: Please discuss the proposed AMI meter equipped with the disconnect feature and how it differs from a disconnect collar coupled with a meter used in other prepay programs.

A12: Individual disconnect collars are not available and are only sold embedded in the meter. MCRECC will install a new meter that has a disconnect device embedded within the meter. MCRECC's incremental cost of the AMI meter with the disconnect device is $\$ 190.22$. Please see the table below for these calculations. Please see Exhibit C-1 for meter information.

|  | Meter equipped with <br> internal disconnect device |  |
| :---: | :---: | :---: |
|  | Post Pay | Prepay |
| AMI meter (regular) | $\$ 48.03$ |  |
| AMI meter w/ disconnect feature |  | $\$ 238.25$ |
| Incremental Cost |  | $\$ 190.22$ |

Q13: Who is eligible?
A13: Rate Schedule 1 - Residential, Farm \& Non Farm Schools and Churches accounts within the territory serviced by the Cooperative are eligible except the following:

- Accounts on Levelized/Fixed Budget Billing
- Accounts on Automatic Bank Draft
- Accounts on Net Metering
- Accounts with Ancillary Services
- Three phase accounts
- Medical Certificate

Q14: Please explain in more detail the balance monitoring and balance alerts for the Prepay Program.

A14: The member shall be responsible for regularly monitoring the balance on the Prepay account. The account will be adjusted daily and will be available for viewing on the internet usage webpage or by calling the automated customer service. Updates will occur once daily. When the amount of funds remaining on the Prepay account reaches the established threshold of $\$ 25$, an automated message will be sent to the member. An established threshold amount was chosen because it is a uniformed amount across the program for all users. The amount of $\$ 25$ was determined to be the cost of an average of four days' estimated usage. A monthly paper bill will not be mailed to members who receive prepay service nor will a delinquent notice be mailed on prepay accounts.

Q15: Please provide a screen print of all screens available on the computers of participants in the prepay program.

A15: Please see Exhibit C-2 for an example.

Q16: Please provide an example of an automated text and e-mail.
A16: A sample automated text is as follows:

> PLEASE NOTE YOUR CREDIT BALANCE IS $\$ 25.00$ FOR YOUR MEADE COUNTY RECC PREPAID SERVICE ON ACCOUNT NUMBER 123-4567.

Q17: Please provide a summary of the meter utilized.
Q17: Please see Exhibit C-3.

Q18: When do disconnects occur?
A18: A prepay account will be disconnected if the balance of the account reaches a negative balance. The account will be disconnected regardless of weather/temperature as the member is responsible for ensuring that the prepay account is adequately funded. Service the weekend. If the balance becomes negative over a weekend, service will continue until the following Monday. If the following Monday is a holiday, the service will be disconnected at the following normal work day. If the account balance becomes negative on a holiday, service will continue until the following normal work day.

Q19: How will communication be impacted during major outage situations?
A19: The two-way communication will not be available during power outages. This means that the automatic reconnect or disconnect function will not operate without power. During major outage situations, the automatic disconnect function of prepay program will be suspended until MCRECC has restored power to all customers.

Q20: In special circumstances in which the tariff is not working for the member, will exceptions be made so that the member can return to the standard residential tariff?

A20: Yes based on individual circumstances. No charge will be assessed however a deposit may be required based on MCRECC's Rules and Regulations.

Q21: Who is not eligible for the prepay program?
A21: All voluntary prepay accounts will not be eligible for a Winter Hardship Reconnect, Certificate of Need, or Medical Certificate as outlined in 807 KAR 5:006, Sections 14, 15 and 16. If a member on a prepay account presents a Certificate of Need, a Medical Certificate or qualifies for a Winter Hardship Reconnect, the member will be required to transfer to a post pay account.

Q22: Can an in-home display (IHD) be part of this program?
A22: At this time, MCRECC is not utilizing an IHD. If MCRECC sees a demand for the IHD, MCRECC will investigate the IHD alternative.

Q22: Are there any exceptions to the rule of disconnecting service if the account balance becomes negative during periods of extreme temperatures?

A22: Weather extremes will be considered on a case by case basis. MCRECC is very proactive in assisting its members during times of financial needs. Prepay members will be directed to hardship programs and worked with like other residential tariffs. However, those who have frequent hardships will be encouraged not to participate in the prepay program.

Q23: What are the benefits of the Prepay program?

A23: There are several benefits associated with the prepay program. The first is that members will have an additional choice which leads to a higher satisfaction level. Another benefit is that prepay is an option that does not require a deposit, which also leads to greater satisfaction with the cooperative. In addition, there is a conservation benefit. This helps to reduce the carbon footprint and supports the demand side management initiatives of MCRECC. Finally the program will allow MCRECC to lower expenses by reducing operating costs associated with connect/disconnect trips, write-offs and delinquent debt. The exact savings associated with these benefits cannot be determined at this time due to the uncertainty of the timeframe of obtaining 865 members on the prepay program.

Q24: How will prepay be promoted?
A24: MCRECC will utilize a variety of communication mediums to promote the prepay program to its membership. The prepay program will be promoted via the Cooperative's newsletter and other print advertising, website (www.mcrecc.com), social media, a phone application, promotional banners used in its offices and drive-thru windows, and via one-on-one member consultations with customer service representatives. MCRECC's member education plan will focus on the expanded benefits the voluntary prepay program affords it members. These benefits include:

- Expanded member choice for personal budgeting (gives members expanded options in when they pay and how much they pay)
- Avoid potential deposits
- Avoid potential late payment, disconnect and reconnect fees
- DSM conservation (as members become more aware of their usage they have the opportunity to adjust accordingly)

Q25: Is there any grant money used for this Prepay Program?
A25: No.

Q26: Does this conclude your testimony?
A26: Yes, this concludes my testimony.

Exhibit C-2
Page 1 of 5


Exhibit C-2
Page 3 of 5

Exhibit C-2
Page 4 of 5



## The FOCUS family of meters featuring advanced residential metering and light commercial applications.

## E330 FOCUS Ax ESSO FOCUS AX-SD Single Phase E330 FOCUS Ax Polyphase

The FOCUS ${ }^{\oplus}$ AX platform features a single circuit board design, mounted at the front of the meter, allows room for modular advanced metering communications or a KYZ option output board. Fewer parts and connectors throughout the board design increase reliability and contribute to better overall end point performance. Highly accurate load performance and the use of a field-proven Digital Multiplication Measurement Technique ensure reliability and dependability during the entire life of the FOCUS AX meter.

## The Next Generation of Advanced Residential Metering

The FOCUS AX-SD is an advanced meter platform with features that rival any meter in its class. With available service disconnect integrated into the meter base, utilities can take advantage of the 200 Amp relay to disconnect power or limit service remotely using an advanced metering technology or manually at the meter. The combinations of FOCUS Service Disconnect base module and powerful $A X$ register provides a flexible system that supports a variety of connect/disconnect and service-limiting applications.

## Economical and Reliable Option for Light Commercial Applications

The FOCUSAX Polyphase meter provides a cost-efficient alternative for light commercial metering applications that do not require all of the functionally of the S4e meter. The FOCUS AX Polyphase meter contains a 120 V to 277 V auto-ranging power supply suitable for both 277/480V, 4W, WYE and 240/480V 4-wire Delta Services. As an addition to the FOCUS family of meters, the AX Polyphase brings the same proven solid-state performance utilities have come to expect from FOCUS meters, in an economical and AMI-ready platform for commercial and industrial applications.


- Digita Muliplication Ncesurement Tectingue
- Non-velatile memory
- Designed for a $20+$ year life
- Meets or exceeds industry and ANSI standards
- Uses ANSI protccal (between meter and commenication device)
- 6 digit LCD and 3 Apha ID
- Selectable meter multiplier up to $240(1200.5 \mathrm{CT})$


## Landis <br> Gyr ${ }^{+}$

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## Specifications

| General Specifications | Active Energy "kWh-kW" meter |  |
| :---: | :---: | :---: |
|  | Digital Multiplication Measurement Technique |  |
|  | Non-Volatile Memory |  |
|  | Designed for $20+$ years life |  |
|  | Meets ANSI standards for performance |  |
|  | Utilizes ANSI protocol (between meter and AMI device) |  |
|  | 9 digit LCD |  |
|  | Display scroll sequence programmable (factory or end user) |  |
|  | Configuration port - cover does not have to be removed or optional ANSI C12.18 optical port available |  |
| Operating Temperature | -40 C to +85 C under cover |  |
| Operating Voltage | $80 \%$ to $115 \%$ of Vn |  |
| Frequency | $60 \mathrm{~Hz}+/-5 \%$ |  |
| Humidity | $5 \%$ to $95 \%$ relative humidity, non condensing |  |
| Voltage Burden | $\leq 1.9 \mathrm{~W}$ Max |  |
| Load Performance Accuracy | Accuracy Class 0.5\%-typical accuracy 0.2\% |  |
|  | Exception: Form 36S 0.5\% |  |
| Display Options | Energy Metrics: + $\mathrm{kWh},-\mathrm{kWh}$, Net kWh , and added kWh (Security) |  |
|  | Metric Energy Display Format - $4 \times 1,4 \times 10,5 \times 1,5 \times 10,6 \times 1$ or $6 \times 10$ |  |
|  | Time of Use and Demand Billing |  |
| AMI Platform | Modular or Integrated |  |
| Selectable Meter Multiplier | Up to 4096 as result of PT ratio * CT ratio |  |
| Applicable Standards | ANSI C12.1 for electric meters |  |
|  | ANSI C12.10 for physical aspects of watt hour meters |  |
|  | ANSI C12.18 Protocol specifications for ANSI Type 2 Optical Port |  |
|  | ANSI C12.19 Utility Industry End Device Data Tables |  |
|  | ANSI C12.20 for electricity meters, 0.2 and 0.5 accuracy classes |  |
|  | CAN3-C17-M84 Canadian specifications for approval of type of electricity meters |  |
| Service Disconnect | 10,000 operations at full rated current (disconnect/connect) |  |
| Landis+Gyr Communication | FOCUS AX Single Phase | 2 Way Gridstream RF |
|  |  | 2 Way Gridstream PLC |
|  | FOCUS AX-SD | 2 Way Gridstream RF |
|  |  | 2 Way Gridstream PLC |
|  | FOCUS AX Polyphase | 2 Way Gridstream RF |
| Third Party Communication | FOCUS AX Single Phase | Aclara STAR Network - RF |
|  |  | Aclara TWACS Technology - PLC |
|  |  | Sensus 2 Way RF Flex Net |
|  |  | Silver Spring 2 Way RF Mesh |
|  |  | Trilliant 2 Way SecureMesh |
|  | FOCUS AX-SD | Aclara STAR Network - RF |
|  |  | Aciara TWACS Technology - PLC |
|  |  | Sensus Flex Net |
|  |  | Silver Spring Network 2 Way RF Mesh |
|  |  | Trilliant 2 Way SecureMesh |
|  | FOCUS AX Polyphase | Aclara STAR Network - RF |
|  |  | Aclara TWACS Technology - PLC |
|  |  | Metrum CDMA/1xRTT and GSM/GPRS under glass |
|  |  | Sensus Flex Net |
|  |  | Silver Spring 2 Way RF Mesh |
|  |  | Trilliant 2 Way SecureMesh |

The FOCUS AX Single-phase meter is available in the following forms:

| Form | Nominal Voltage | Current Class | Test Amps | Starting Load | Kh |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 15 | 120 V | CL 100 | 15.0 | $0.030 \mathrm{Amp}(3.6 \mathrm{~W})$ | 1.8 |
| 15 | 240 V | CL 200 | 30.0 | $0.050 \mathrm{Amp}(12 \mathrm{~W})$ | 7.2 |
| 2 S | 240 V | CL 200 | $30.0 / 50.0$ | $0.050 \mathrm{Amp}(12 \mathrm{~W})$ | 7.2 |
| 2 SE | 240 V | CL 320 | $30.0 / 50.0$ | $0.080 \mathrm{Amp}(19.2 \mathrm{~W})$ | 12.0 |
| 2 K | 240 V | CL 480 | $30.0 / 50.0$ | $0.120 \mathrm{Amp}(28.8 \mathrm{~W})$ | 14.4 |
| 3 S | 120 V | CL 10 or 20 | 20.5 | $0.005 \mathrm{Amp}(0.6 \mathrm{~W})$ | 0.3 |
| 3 S | 240 V | CL 10 or 20 | 2.5 | $0.005 \mathrm{Amp}(0.6 \mathrm{~W})$ | 0.6 |
| 4 S | 240 V | CL 10 or 20 | 2.5 | $0.005 \mathrm{Amp}(0.6 \mathrm{~W})$ | 0.6 |

The FOCUS AX Service Disconnect meter is available in the following forms:

| Form | Nominal Voltage | Current Class | Test Amps | Starting Load | Kh |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 1 S | 120 V | CL 100 | 15.0 | $0.030 \mathrm{Amp}(3.6 \mathrm{~W})$ | 1.8 |
| 2 S | 240 V | CL 200 | $30.0 / 50.0$ | $0.050 \mathrm{Amp}(12 \mathrm{~W})$ | 7.2 |
| 12 S | 120 V | CL 200 | $30.0 / 50.0$ | $0.050 \mathrm{Amp}(12 \mathrm{~W})$ | 14.4 |
| 25 S | 120 V | CL 200 | $30.0 / 50.0$ | $0.050 \mathrm{Amp}(12 \mathrm{~W})$ | 14.4 |

The FOCUS AX Polyphase meter is available in the following forms:

| Form | Nominal Voltage | Current Class | Test Amps | Starting Load | Kh |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 9S/8S | 120V-277V | CL 20 | 2.5 | 0.005 Amp (0.6W) | 1.8 |
| 12 S | $120 \mathrm{~V}-277 \mathrm{~V}$ | CL 200 | 30.0/50.0 | 0.050 Amp (12W) | 14.4 |
| 12SE | 120V-277V | CL 320 | 50.0 | 0.080 Amp (19.2W) | 14.4 |
| 16 S | 120V-277V | CL 200 | 30.0/50.0 | 0.050 Amp (12W) | 21.6 |
| 16SE | $120 \mathrm{~V}-277 \mathrm{~V}$ | CL 320 | 50.0 | 0.080 Amp (19.2W) | 21.6 |
| 255 | 120V-277V | CL200 | 30.0/50.0 | 0.050 Amp (12W) | 14.4 |
| 25SE | $120 \mathrm{~V}-277 \mathrm{~V}$ | CL 320 | 50.0 | 0.080 Amp (19.2W) | 14.4 |
| 365 (6S) | 120V-277V | CL 20 | 2.5 | 0.005 Amp (0.6W) | 1.8 |
| 45S (5S) | 120V-277V | CL 20 | 2.5 | 0.005 Amp (0.6W) | 1.2 |

FOCUS Single Phase/Polyphase:

|  | Net | Single Pack | Single Pack | Four Pack | Four Pack | Pallet | Pallet |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Form | Lbs. | Weight | Dimensions | Weight | Dimensions | Weight | Dimensions |
| 1S | 1.8 | 2.7 lbs . | $83 / 4^{\prime \prime} \times 83 / 4^{\prime \prime} \times 9$ " | 9.5 lbs . | $151 / 2^{\prime \prime} \times 7$ "1 $\times 151 / 2^{11}$ | 350 lbs. | $31^{1 \prime} \times 46^{\prime \prime} \times 37^{\prime \prime}$ |
| 2S(E) | 1.9 | 2.8 lbs. | $83 / 4^{\prime \prime} \times 83 / 4^{\prime \prime} \times 9^{\prime \prime}$ | 9.6 lbs . | $151 / 2^{\prime \prime} \times 7^{\prime \prime} \times 151 / 2^{\text {a }}$ | 350 lbs. | $31^{\prime \prime} \times 46^{\prime \prime} \times 37^{\prime \prime}$ |
| 2K | 3.35 | 5.5 lbs . | $129 / 16^{\prime \prime} \times 129 / 16^{\prime \prime} \times 9^{\prime \prime}$ | N/A | $151 / 2^{\prime \prime} \times 7$ " $\times 151 / 2^{\prime \prime}$ | 195 lbs.* | $31^{\prime \prime} \times 46^{\prime \prime} \times 37^{\prime \prime}$ |
| 3 S | 1.8 | 2.7 lbs . | $83 / 4^{\prime \prime} \times 83 / 4^{\prime \prime} \times 9^{\prime \prime}$ | 9.5 lbs . | $151 / 2^{\prime \prime} \times 7^{\prime \prime} \times 151 / 2^{\prime \prime}$ | 350 lbs . | $31^{\prime \prime} \times 46^{\prime \prime} \times 37^{\prime \prime}$ |
| 4 S | 1.9 | 2.8 lbs. | $83 / 4^{\prime \prime} \times 83 / 4^{\prime \prime} \times 9^{\prime \prime}$ | 9.6 lbs . | $151 / 2^{\prime \prime} \times 7$ " $\times 151 / 2^{\prime \prime}$ | 350 lbs . | $31^{\prime \prime} \times 46^{\prime \prime} \times 37^{\prime \prime}$ |
| 5S/45S | 1.8 | 2.7 lbs . | $83 / 4^{\prime \prime} \times 83 / 4^{\prime \prime} \times 9^{\prime \prime}$ | 9.5 lbs, | $151 / 2^{\prime \prime} \times 7^{\prime \prime} \times 151 / 2^{\prime \prime}$ | 350 lbs . | $31^{\prime \prime} \times 46^{\prime \prime} \times 37^{\prime \prime}$ |
| 6S/36S | 1.8 | 2.7 lbs. | $83 / 4^{\prime \prime} \times 83 / 4^{\prime \prime} \times 9^{\prime \prime}$ | 9.5 lbs. | $151 / 2^{\prime \prime} \times 7^{\prime \prime} \times 151 / 2^{\prime \prime}$ | 350 lbs . | $31^{\prime \prime} \times 46^{\prime \prime} \times 37^{\prime \prime}$ |
| 8S/9S | 1.8 | 2.7 lbs . | $83 / 4^{\prime \prime} \times 83 / 4^{\prime \prime} \times 9^{\prime \prime}$ | 9.5 lbs . | $151 / 2^{\prime \prime} \times 7^{\prime \prime} \times 151 / 2^{\prime \prime}$ | 350 lbs . | $31^{\prime \prime} \times 46^{\prime \prime} \times 37^{\prime \prime}$ |
| 12S(E) | 2.0 | 2.9 lbs . | $83 / 4^{\prime \prime} \times 83 / 4^{\prime \prime} \times 9^{\prime \prime}$ | 10.3 lbs . | $151 / 2^{\prime \prime} \times 7^{\prime \prime} \times 151 / 2^{\prime \prime}$ | 350 lbs . | $31^{\prime \prime} \times 46^{\prime \prime} \times 37^{\prime \prime}$ |
| 16S(E) | 1.9 | 2.8 lbs . | $83 / 4^{\prime \prime} \times 83 / 4^{\prime \prime} \times 9^{\prime \prime}$ | 9.6 lbs. | $151 / 2^{\prime \prime} \times 7^{\prime \prime} \times 151 / 2^{\prime \prime}$ | 350 lbs . | $31^{\prime \prime} \times 46^{\prime \prime} \times 37^{\prime \prime}$ |
| 25S(E) | 2.0 | 2.9 lbs . | $83 / 4^{\prime \prime} \times 83 / 4^{\prime \prime} \times 9^{\prime \prime}$ | 10.3 lbs . | $151 / 2^{\prime \prime} \times 7^{\prime \prime} \times 151 / 2^{\prime \prime}$ | 350 lbs.* | $31^{\prime \prime} \times 46^{\prime \prime} \times 37^{\prime \prime}$ |

Standard pallet size of 96 meters

* Denotes alternate pallet size of 30 meters

FOCUS AX-SD:

|  | Net | Single Pack | Single Pack | Four Pack | Four Pack | Pallet | Pallet |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Form | Lbs. | Weight | Dimensions | Weight | Dimensions | Weight | Dimensions |
| 1 S | 2.04 | 2.94 lbs. | $83 / 4^{\prime \prime} \times 83 / 4^{\prime \prime} \times 9^{\prime \prime}$ | 10.31 lbs. | $151 / 2^{\prime \prime} \times 7^{\prime \prime} \times 151 / 2^{\prime \prime}$ | 370 lbs. | $31^{\prime \prime} \times 46^{\prime \prime} \times 37^{\prime \prime}$ |
| 2 S | 2.04 | 2.94 lbs | $83 / 4^{\prime \prime} \times 83 / 4^{\prime \prime} \times 9^{\prime \prime}$ | 10.31 lbs. | $151 / 2^{\prime \prime} \times 7^{\prime \prime} \times 151 / 2^{\prime \prime}$ | 370 lbs. | $31^{\prime \prime} \times 46^{\prime \prime} \times 37^{\prime \prime} \times 1$ |
| 12 S | 2.04 | 2.94 lbs. | $83 / 4^{\prime \prime} \times 83 / 4^{\prime \prime} \times 9^{\prime \prime}$ | 10.31 lbs | $151 / 2^{\prime \prime} \times 7^{\prime \prime} \times 151 / 2^{\prime \prime}$ | 370 lbs. | $31^{\prime \prime} \times 46^{\prime \prime} \times 37^{\prime \prime}$ |
| 25 S | 2.04 | 2.94 lbs. | $83 / 4^{\prime \prime} \times 83 / 4^{\prime \prime} \times 9^{\prime \prime}$ | 10.31 lbs. | $151 / 2^{\prime \prime} \times 7^{\prime \prime} \times 151 / 2^{\prime \prime}$ | 370 lbs. | $31^{\prime \prime} \times 46^{\prime \prime} \times 37^{\prime \prime}$ |

## FOCUS AX S-Base



FOCUS AXK-Base


## Cover Options



Optical Port/Reconnect Only


Optical Port/Reset (No Options)


Optical Port/Reset/Reconnect Switch


Configuration Port Only


Configuration Port/Reconnect Only


With focus on customer satisfaction, we are committed to providing the best metering solution in terms of capability, technology and affordability. By utilizing our experience and technology with that of our strategic allies and development partners, we provide metering solutions that cover the range of utilities' residential and light commercial metering needs.


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# Meade county Rural Electric Cooperative Corporation Administrative Guidelines Prepay Metering Program December, 2014 

## Objectives:

The objectives of Meade County Rural Electric Cooperative Corporations (Meade County) Prepay Service Program ("Prepay") are:

1. To create a member-friendly, voluntary and alternative option for the purchase of electric energy
2. To have a tariff option which allows members, by choice, to have technology available to assist in managing energy and energy purchased
3. To promote a tariff that will improve the over-all financial stability of Meade County
4. To make the program available to the general residential membership
5. To promote energy efficiency

## The Tariff Document:

The tariff will be written as a rider to be attached to any approved Meade County's Rate Schedule 1 (Residential, Farm \& Non Farm, Schools \& Churches) designed for the purpose of purchasing electric energy. The tariff rider may include in addition to the customer charge and energy charge, a monthly program fee.

## Contracts/Agreements:

Each member selecting the Prepay option will be subject to all other applicable rules and regulations which apply to members selecting the post-pay service option. Each member will be required to pay a membership fee and be entitled to all available benefits with the exceptions of the specifically stated payment options.

Each member selecting the Prepay service option must sign a Prepay Service Agreement ("Agreement").

The Agreement will be for a minimum length of 12 months. However, at any time after the 12 month minimum has passed a member may request to revert back to a traditional post pay account, at which time the member may be subject to a deposit based on their credit history. Any request for changes must be made in writing.

## Charges and Assessments:

Non-energy charges such as a customer charge will be billed daily. The current Prepay service fee will be billed at a daily rate of $\$ 0.1667$. Each day at a specific time, these daily amounts and the energy used in the past twenty-four hours will be deducted from the total balance of the account.

The fuel adjustment, environmental surcharge, and taxes will be pro-rated daily and credited or debited, as applicable to the Prepay account.

When the Prepay account is activated, an initial purchase of $\$ 100.00$ is recommended. Subsequent purchases may be made in increments chosen by the member, with a minimum purchase being $\$ 20.00$.

If a member converts from a post-pay account to Prepay service and a deposit has been collected previously for the post-pay account, that deposit will be applied to the outstanding balance on any postpay account in the member's name. Also if the member has any account(s) which does not have a satisfactory credit history any remaining credit will be transferred as a deposit to the unsecured account(s). If none of these exceptions are applicable to the member the excess funds will be placed as a credit on the Prepay account.

If a member enrolls in Prepay service, the total amount of an existing payment arrangement will transfer to the Prepay account and existing payment arrangement will default to a payment arrangement where seventy percent (70\%) of any payment will be placed on future purchases while thirty percent (30\%) will be applied towards retirement of the outstanding balance

If a member has been disconnected for non-pay and chooses the Prepay service option for reconnect, the member will be offered a debt management plan for the outstanding balance. Seventy percent (70\%) of any payment will be placed on future purchases while thirty percent (30\%) will be applied towards retirement of the outstanding balance.

A prior member, who previously received service from Meade County and discontinued service without paying his/her final bill, (i.e. an uncollectible account/bad debt) will be required to pay the past due amount prior to establishing prepay service. If the member is unable to pay the account balance in full, a debt management plan will be considered for the outstanding balance. Seventy percent (70\%) of any payment will be placed on future purchases while thirty percent (30\%) will be applied towards retirement of the outstanding balance.

## Member Education Plan:

A. Meade County's voluntary Prepay service will be promoted to the general membership by the following venues:

1. Flyers
2. Banner-Ups
3. Phone Application
4. Meade County's Website at: www.mcrecc.com
5. Radio
6. Various other print advertising
7. Customer Service Representative (CSR) promotion in-office
8. Community events by marketing team
B. Promotion of the program will include options and member benefits including but not limited to:
9. No deposit
a. Because money is collected upfront, there is no need to charge a deposit
10. No reconnect/disconnect fees
a. Because disconnects and reconnects are performed automatically, there is no need to charge a fee
11. No late fees
12. Convenient payments available 24/7
13. Member choice
a. This program will give members choice in when they pay and how much they pay
14. Demand Side Management (DSM) conservation.
C. Once a member decides to enroll in the Prepay service, the member will be educated via a one-onone consultation. The following details will be covered:
15. Explanation of Prepay service and above referenced benefits
16. Individual demonstration of accessing Meade County's website to review usage information
17. Explanation of text and e-mail and/or text alerts the member will receive with information on the member's usage information
18. How to purchase additional kWhs
a. Via website
b. Via telephone
i. Automated
ii. With CSR
19. How to reconnect power if disconnected
20. How LIHEAP or other energy assistance is incorporated with Prepay service

## Miscellaneous:

If a member decides to leave the Prepay service and a credit is on the account, the credit can be refunded or applied to any other active account in the member's name. The member must inform Meade County in writing when the member wishes to terminate Prepay service.

## MEADE COUNTY RURAL ELECTRIC COOPERATIVE CORPORATION PREPAY COSTS ANALYSIS

## Monthly Charge

Equipment Costs:

1. Software for program
(*)
Prepay Software
2. Hardware
(*)
New Disconnect AMI Meter
Less Old Meter Cost
Cost of Disconnect Meter
Installation Cost:
3. CSR set up per member:

| labor | 15 min. | $\$$ | 20.18 | $\$$ |
| :--- | :--- | :--- | :--- | :--- |
| Benefits |  | $54.0 \%$ | $\$$ | 5.05 |
|  |  |  | 2.72 |  |

4. Field Servce Representative charge per member:

| Labor 30 min. | $\$$ | 22.62 | $\$$ | 11.31 |
| :--- | ---: | ---: | ---: | ---: |
| Benefits |  | $69.0 \%$ | $\$$ | 7.80 |
| tment per Member |  |  | $\$ 8$ | 238.72 |

Annual Expenses based on 15 year life

1. Depreciation
\$ $\quad 15.91$
2. Interest \& Margins $(2.26 \% \times 2) \quad \$ 10.79$
3. O \& M

Software - 20\%

|  | $\$$ | 4.32 |  |
| :---: | ---: | ---: | ---: |
|  | $\$$ | 19.02 |  |
|  | $\$$ | 50.05 |  |
| $\$$ | $\$ 80.00$ | $\$$ | 4.17 |
|  | $\$$ | 0.67 |  |
|  | $\$ 1.50$ each | $\$$ | 0.16 |
|  | $\$$ | 5.00 |  |
|  | $\$$ | 4.50 |  |
|  | $\$$ | 9.50 |  |
|  | $\$$ | 9.50 |  |

(*) Based on 865 participating Members
Transaction Fee Processing
One CSR will avg approximatley three minutes per transaction

| Labor | $\$ 20.18$ | $\$ 20.18$ |
| :--- | ---: | ---: |
| Benefits | $54.0 \%$ | $\underline{\$ 10.90}$ |
|  |  | $\$ 31.08$ |
| Number of transactions per hour | 20 |  |
| Cost per Transaction |  | $\$ 1.55$ |

(*) Based on 865 participating Members

