

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

Electronic Application Of Kentucky Power Company	)	
For Commission Approval Pursuant to 807 KAR	)	
5:001 and KRS 278.020 For A Certificate of Public	)	Case No. 2024-00344
Convenience and Necessity to Install an Advanced	)	
Metering Infrastructure (AMI) System	)	

MOTION FOR DEVIATION

Kentucky Power Company (“Kentucky Power” or the “Company”) moves the Public Service Commission of Kentucky (“Commission”) to reopen Case No. 2024-00344 for the limited purpose of moving the Commission, pursuant to 807 KAR 5:001, Section 22, for an order granting a deviation from the requirements of 807 KAR 5:041, Sections 15(3) and 16 and 807 KAR 5:006, Section 14(3).

Kentucky Power anticipates it will begin replacing its current automated meter reading (AMR) system with the advanced metering infrastructure (AMI) system on October 12, 2026. Accordingly, the Company respectfully requests that the Commission issue an order granting the requested deviations no later than October 1, 2026.

As described below, good cause exists to grant these deviations.

DISCUSSION

Kentucky Power seeks a deviation from the requirements of 807 KAR 5:041, Sections 15(3) and 16 and 807 KAR 5:006, Section 14(3) to avoid significant, unnecessary meter testing expense during and after the Commission-approved transition from its current AMR system to an AMI system.

1. 807 KAR 5:041, Section 15(3)

Kentucky Power seeks a deviation from the testing requirement in 807 KAR 5:041, Section 15(3) for AMR meters removed from service to be replaced by AMI meters. 807 KAR 5:041, Section 15(3) requires that:

Metering equipment, including instrument transformers and demand meters, shall be tested for accuracy prior to being placed in service, periodically in accordance with the schedule [set forth in 807 KAR 5:041, Section 15(3)], upon complaint, when suspected of being in error, or when removed from service for any cause.

Over the course of the transition from AMR to AMI meters, Kentucky Power will remove approximately 162,000 AMR meters from service. Because of the volume, testing each of these meters when they are removed from service will force the Company to incur considerable costs associated with contractor labor to perform the testing. The Company's AMI meter installation contractor will record the final readings and retain the removed AMR meters for at least three months after the meters are removed from service. Customers may request testing of their meters during that period. Once the transition from AMR to AMI meters is complete, the requested deviation from the requirements of 807 KAR 5:041, Section 15(3) is no longer required.

Good cause exists to grant the Company a temporary deviation from the requirements of 807 KAR 5:041, Section 15(3) during the transition from AMR to AMI meters.

2. 807 KAR 5:041, Section 16

As described during the application process, Kentucky Power will replace its current AMR meters with AMI meters in a phased approach where the meters in each of its three service areas replaced sequentially.¹ Kentucky Power seeks a temporary deviation from the meter testing plan

¹ Kentucky Power plans to replace all of the AMR meters in its Ashland service area first. The Company will then replace approximately 75% of the meters in the Pikeville service areas and then all of the meters in the Hazard service area. Finally, the Company will replace the remaining approximately 25% of the meters in the Pikeville service area. This sequence allows Kentucky Power to best leverage advances in cellular coverage in more remote portions of the Company's service territory.

requirements of 807 KAR 5:041, Section 16 for each service area where the Company is replacing AMR meters with AMI meters until the transition from AMR to AMI meters is complete in that service area. 807 KAR 5:041, Section 16 provides:

A utility desiring to adopt a scientific sample meter testing plan for single phase meters shall submit its application to the commission for approval. Upon approval the sample testing plan may be followed in lieu of the periodic test prescribed in Section 15(3) of this administrative regulation. The plan shall include the following:

- (1) Meters shall be divided into separate groups to recognize differences in operating characteristics due to changes in design, taking into consideration date of manufacture and serial number.
- (2) The sampling procedure shall be based upon accepted statistical principles.
- (3) The sample procedure shall be applied to each group.
- (4) Each utility authorized to test meters by sample meter testing plan shall comply with the following conditions:
 - (a) The number of meters in addition to the sample shall be taken from those meters in each group longest in service since last test unless a particular meter type is known to be increasing the percentage of meters requiring test for the sample group. In such a case where a particular meter type is increasing the percentage of meters requiring test in any group, these meters may be selected first regardless of test date with any additional tests as required for that group coming from those in that group longest in service since last test. Each year the utility shall use the following table to determine the percentage of the total meters in each group to be tested.

...
 - (b) Provided, however, that no meter shall remain in service without periodic test for a period longer than twenty-five (25) years.
- (5) Whenever a meter is found to be more than two (2) percent fast or slow, refunds or back billing shall be made for the period during which the meter error is known to have existed or if not known for one-half (1/2) the elapsed time since the last test but in no case to exceed three (3) years. This provision shall apply only when sample testing of single phase meters has been approved by the commission and utilized by the utility.

Because Kentucky Power proposes to replace all existing AMR meters within a service area in an approximately one-year period with new AMI equipment, continued testing of AMR

meters during the transition period is unnecessary and should be suspended. Kentucky Power will continue testing under 807 KAR 5:041, Section 16 in service areas where the Company has not yet begun the transition from AMRs to AMI meters and will resume testing in accordance with 807 KAR 5:041, Section 16 in those service areas where AMI deployment is complete. The Commission has permitted other electric utilities to suspend testing for similar deployments.²

3. 807 KAR 5:006, Section 14(3)

Kentucky Power also seeks a permanent deviation from the mandatory new customer meter testing requirement in 807 KAR 5:006, Section 14(3). 807 KAR 5:006, Section 14(3) requires that:

Each electronic, gas, water, and sewer utility shall inspect the condition of its meter and service connections before making service connections to a new customer so that prior or fraudulent use of the facilities shall not be attributed to the new customer.

(a) The new customer shall be afforded the opportunity to be present at the inspections.

(b) The utility shall not be required to render service to a customer until all defects in the customer-owned portion of the service facilities have been corrected.

The AMI meters that the Company will install are capable of sensing meter tampering and other defects and transmitting such information to Kentucky Power. This capability renders physical inspections of meter and service connections for tampering unnecessary. Accordingly, Kentucky

² Order, *In the Matter of: The Application Of Big Sandy Rural Electric Cooperative Corporation For Deviation From The Provisions Of 807 KAR 5:006, Section 6(5) and 807 KAR 5:041, Section 15(3)*, Case No. 2005-00048 (Ky. P.S.C. Apr. 21, 2005) (approving a suspension of meter testing for four years while the AMR program was deployed); Order, *In the Matter of: The Application Of Owen Electric Cooperative, Inc. For A Deviation From Approved Meter Testing Program*, Case No. 2006-00468 (Ky. P.S.C. Dec. 13, 2006) (approving a deviation from its Sample Meter Testing Plan for a period of three years during the installation of solid-state meters); Order, *In the Matter of: Request of Shelby Energy Cooperative, Inc. For A Temporary Deviation From Its Sample Meter Testing Plan*, Case No. 2010-00331 (Ky. P.S.C. Aug. 3, 2011) (approving deviation from sample meter testing plan for two years during the installation of an AMI system).

Power requests a permanent deviation from Section 14(3) for its AMI meters that allow for remote data communication. The Commission has previously granted a similar waiver.³

WHEREFORE, Kentucky Power Company respectfully requests that the Commission enter an Order no later than October 1, 2026:

1. Granting Kentucky Power a deviation from the requirements of 807 KAR 5:041, Sections 15(3) and 16 and 807 KAR 5:006, Section 14(3); and
2. Granting Kentucky Power all further relief to which it may be entitled.

Respectfully submitted,



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³ The Commission granted a similar waiver to Duke Energy Kentucky in its AMI proceeding. See Order at 13–14, *In the Matter of: Application Of Duke Energy Kentucky, Inc. For (1) A Certificate Of Public Convenience And Necessity Authorizing The Construction Of An Advanced Metering Infrastructure; (2) Request For Accounting Treatment; And (3) All Other Necessary Waivers, Approvals, And Relief*, Case No. 2016-00152 (Ky. P.S.C. May 25, 2017).