

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF MEADE COUNTY RURAL	)	
ELECTRIC COOPERATIVE CORPORATION FOR A	)	
CERTIFICATE OF PUBLIC CONVENIENCE AND	)	CASE NO.
NECESSITY PURSUANT TO KRS 278.020(1) AND	)	2009-00496
807 KAR 5:001, SECTION 9, AND RELATED	)	
SECTIONS, AUTHORIZING CERTAIN PROPOSED	)	
CONSTRUCTION	)	

ORDER

Meade County Rural Electric Cooperative Corporation ("Meade County") filed its 2010-2012 Work Plan ("Work Plan") on December 14, 2009, requesting a Certificate of Public Convenience and Necessity ("CPCN") for certain proposed construction improvements and additions to its existing plant at an estimated cost of \$18,562,538. In support of the application, Meade County states that the proposed improvements and additions to its facilities are required over the next three-year period to serve its load.

Meade County seeks authorization to construct extensions and additions to its plant as follows:

1. Distribution Lines to serve 1,425 New Customers	\$ 2,478,243
2. Distribution Line Conversions and Replacements	\$ 889,880
3. Substation Upgrades	\$ 460,115
4. Miscellaneous Distribution Equipment and Poles	\$13,897,045
5. Security Lights and SCADA	<u>\$ 837,255</u>
TOTAL	\$18,562,538

Meade County states that the Work Plan would be financed through loans to be provided by the United States Rural Utilities Service.

Meade County's Work Plan includes \$13,897,045 for Miscellaneous Equipment and Poles, \$1,227,921 of which is for new meters and meter-reading equipment.<sup>1</sup> The cost of each meter is significantly higher than in previous Meade County work plans due to the fact that, in order to meet any future smart meter requirements, any new meters purchased by Meade County will be solid-state digital meters with Automated Metering Infrastructure ("AMI") modules installed.<sup>2</sup> Meade County initiated an automated meter reading ("AMR") program in 2002 pursuant to Commission approval of its 2002-2004 work plan.<sup>3</sup> Additional funds were authorized for the completion of the program in 2006.<sup>4</sup> Meade County stated that it has installed AMI modules on all of its single-phase meters.<sup>5</sup> While it has approved Meade County's AMR program, the Commission, however, has never addressed a request from Meade County for AMI equipment and technology. Meade County clarified this issue by explaining that, in the beginning of its installation, its vendors utilized the AMR terminology, but the vendors have since

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<sup>1</sup> Meade County Rural Electric Cooperative Corporation, 2010-2012 Construction Work Plan, October 2009, at I-C, pages 1-3.

<sup>2</sup> Response to Staff's First Data Request, Item 1a.

<sup>3</sup> Case No. 2002-00124, Application of Meade County Rural Electric Cooperative Corporation for a Certificate of Convenience and Necessity Pursuant to KRS 278.020(1) and 807 KAR 5:001, Section 9 and Related Sections, Authorizing Certain Proposed Construction (Ky. PSC Jul. 12, 2002).

<sup>4</sup> Case No. 2005-00522, Application of Meade County Rural Electric Cooperative Corporation for a Certificate of Convenience and Necessity Pursuant to KRS 278.020(1) and 807 KAR 5:001, Section 9 and Related Sections, Authorizing Certain Proposed Construction (Ky. PSC Feb. 22, 2006).

<sup>5</sup> Response to Staff's First Data Request, Item 1a.

changed to the AMI terminology; therefore, the terms AMR and AMI are interchangeable in Meade County's current work plan.<sup>6</sup>

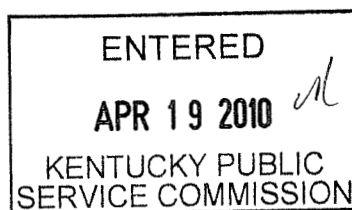
### CONCLUSIONS

The Commission, having considered the evidence of record and being otherwise advised, finds that the improvements and additions proposed by Meade County are necessary to provide adequate, reliable electric service to existing customers and anticipated new customers.

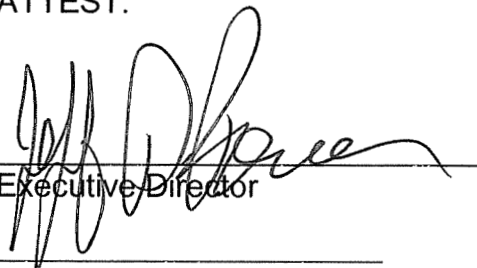
The proposed construction will enable Meade County to continue to provide adequate and dependable electric service to its customers. The system improvements that are recommended in this Work Plan will not duplicate existing facilities and are needed to correct voltage problems, improve phase balance, reduce system energy losses, and provide for improved service reliability.

IT IS HEREBY ORDERED that Meade County is granted a Certificate of Public Convenience and Necessity to construct the facilities described in its 2010-2012 Work Plan.

By the Commission



ATTEST:

  
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Executive Director

<sup>6</sup> Response to Staff's Second Data Request, Item 1a.

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