

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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JUL 26 2010

PUBLIC SERVICE
COMMISSION

In the Matter of:

APPLICATION OF SOUTH KENTUCKY RURAL)	
ELECTRIC COOPERATIVE CORPORATION FOR)	CASE NO.
DEVIATION FROM ITS TESTING OF METERS)	2010-00291
OCCASIONED BY IMPLEMENTATION OF ITS)	
ADVANCED METERING INFRASTRUCTURE)	
SYSTEM)	

APPLICATION

Comes South Kentucky Rural Electric Cooperative Corporation (hereinafter "South Kentucky") and applies for a deviation from the following requirements relating to the testing of meters:

1. That it immediately test meters when removed from service as required by 807 KAR 5:041 Section 15(3).
2. That it follow its sample meter testing plan adopted pursuant to 807 KAR 5:041 Section 16 and approved in PSC Case Number 8536.

South Kentucky was authorized to install an advance metering infrastructure ("AMI") system by the Commission in Case Number 2009-00489. It plans to replace 69,300 meters with AMI meters over a period of three (3) years. Its removal and replacement of meters will be frustrated if each of the 69,300 existing meters are immediately tested as required by 807 KAR 5:041 Section 15(3) and will substantially delay installation of the AMI meters. The same is true if South Kentucky is required to continue its sample meter testing program as required by 807 KAR 5:041 Section 16, as approved in Case No. 8536.

The following relief is requested by this application:

1. Authority to store all removed meters for a period of two (2) years and during this time to compare the kWh usage from the removed meters with the kWh usage as determined from the new AMI meters and to then test only those removed meters for which there is a significant usage variation from the new AMI meters of at least plus (+) or minus (-) two (2%) percent.

2. Suspension of its meter testing program for a period of five (5) years while it installs its AMI system.

807 KAR 5:041 Section 22 provides that "in special cases for good cause shown the commission may permit deviations from these rules" (807 KAR 5:041 Sections 1 – 22). Good cause is established in this instance by the cost savings which will result if South Kentucky's request is approved. It will cost South Kentucky \$3.00 to test each removed meter at a total cost of \$207,900.00. But, if removed meters are stored for a period of two (2) years and tested only if there is a significant usage variation and if South Kentucky's meter testing program is suspended for five (5) years, a cost savings of \$207,900.00 results by 69,300 meters x \$3.00 per meter. Additionally, in house expenses will be saved which have not been computed.

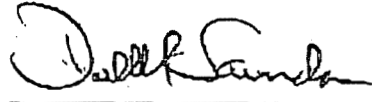
WHEREFORE, South Kentucky requests the following relief:

1. That the Commission find that good cause does exist to grant the requested relief.

2. That the Commission permit South Kentucky, in lieu of immediately testing removed meters, to store the meters removed during installation of its AMI system for a

period of two (2) years with testing of only those meters with a 2% deviation from the AMI meters.

3. That South Kentucky's sample meter testing program be suspended for five (5) years, or until the AMI system is installed.

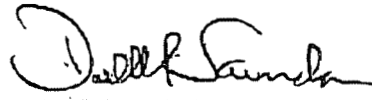


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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the above and foregoing was this 26th day of July, 2010 deposited in the regular United States mail, all postage prepaid and addressed for delivery to Mr. Richard W. Bertelson, III, Public Service Commission, 211 Sower Blvd., P.O. Box 615, Frankfort, KY 40602-0615.

Ten (10) copies to: Mr. Jeff Derouen, Executive Director, Public Service Commission, 211 Sower Blvd., P.O. Box 615, Frankfort, KY 40602-0615.



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FAX TRANSMISSION SHEET

DATE: July 26, 2010

RE: South Kentucky Rural Electric Cooperative Corporation

RECIPIENT: Public Service Commission

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