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October 15, 2012

RECEIVED

OCT 15 2012

PUBLIC SERVICE  
COMMISSION

Mr. Jeff Derouen, Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P. O. Box 615  
Frankfort, KY 40602-0615

RE: Application of Owen Electric Cooperative for revisions to its meter reading tariff

Dear Mr. Derouen:

Please find enclosed the original and ten (10) copies of the application of Owen Electric Cooperative for revisions to its meter reading tariff to accommodate manual meter reading charges in instances where its advanced metering infrastructure is prohibited from being utilized for its intended purpose.

Please contact me with any questions.

Respectfully submitted,

CRAWFORD & BAXTER, P.S.C.  
ATTORNEY'S AT LAW  
523 Highland Avenue  
P.O.Box 353  
Carrollton, Kentucky 41008

Attorney for Applicant  
Owen Electric Cooperative, Inc.

BY:   
James M. Crawford

Enclosures

Cc: Attorney General  
Utility Intervention and Rate Division  
1024 Capital Center Drive, Suite 200  
Frankfort, KY. 40601-8204

**COMMONWEALTH OF KENTUCKY**

**BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

**APPLICATION OF OWEN ELECTRIC COOPERATIVE CORPORATION FOR REVISIONS TO ITS METER READING TARIFF TO ACCOMMODATE MANUAL METER READING CHARGES IN INSTANCES WHERE ITS ADVANCED METERING INFRASTRUCTURE IS PROHIBITED FROM BEING UTILIZED FOR ITS INTENDED PURPOSE**

**APPLICATION**

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Owen Electric Cooperative Corporation, hereinafter called the "APPLICANT", respectfully advises the Commission that:

1. APPLICANT is engaged in the sale of electric power over its approximately 4,500 miles of line at retail rates to its approximately 57,500 meters in Boone, Campbell, Carroll, Gallatin, Grant, Kenton, Owen, Pendleton and Scott Counties, Kentucky.
2. The address of APPLICANT is 8205 Hwy 127 N., P O Box 400, Owen, Kentucky 40359-0400 and its Articles of Consolidation are on file with the Commission in Case No. 2008-00154, styled "ADJUSTMENT OF RATES OF OWEN ELECTRIC COOPERATIVE CORPORATION".
3. This Application is for the purpose of requesting approval of revisions to its Meter Reading Tariff in accordance with the terms set forth in the proposed tariff filed herewith as "Exhibit A".
4. The purpose of this proposed tariff is to provide reimbursement to Owen in those situations where it is prohibited from using meters associated with its advanced metering infrastructure to remotely read the meters for monthly billing purposes. A detailed discussion is contained in "Exhibit B".

5. Exhibit C provides a justification for the proposed rate that Owen is seeking.
6. Exhibit A contains the proposed tariff that Owen is requesting in this application.

WHEREFORE, the APPLICANT now moves the Public Service Commission of the Commonwealth of Kentucky to grant approval for this proposed revision to its meter reading tariff applicable to Applicant's members as outlined in the tariff attached hereto as "Exhibit A".

Witness the hand of the duly authorized President & CEO of the APPLICANT this 15<sup>th</sup> day of October, 2012.

**OWEN ELECTRIC**

**COOPERATIVE CORPORATION**

BY: 

**MARK A. STALLONS**

**PRESIDENT AND CEO**

BY: 

**JAMES M. CRAWFORD**

**ATTORNEY FOR APPLICANT**

**BOX 353**

**CARROLLTON, KY 41008**

STATE OF KENTUCKY

COUNTY OF OWEN

I the undersigned, a Notary Public, do hereby certify that on this 15<sup>th</sup> day of October, 2012, personally appeared before me **MARK A. STALLONS**, who being by me first duly sworn, subscribed to and acknowledged that he is the **President and CEO of Owen Electric Cooperative Corporation**, a Kentucky corporation, that he signed the foregoing document as President and CEO of the corporation, and that the statements therein contained are true.

Melissa K. Moore

NOTARY PUBLIC, State of Kentucky

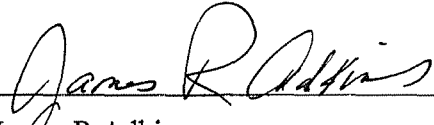
At Large

My commission expires April 14, 2015.

## **EXHIBITS**

- 1. Exhibit A – Proposed Manual Meter Reading Tariff**
- 2. Exhibit B – Testimony of James R. Adkins for the Proposed Tariff**
- 3. Exhibit C – Cost Justification for Proposed Rate in Tariff**

Affiant, James R Adkins, states that the answers given by him to the foregoing questions are true and correct to the best of his knowledge and belief.

  
\_\_\_\_\_  
James R Adkins

Subscribed and sworn to before me by the affiant, James R Adkins, this  
15<sup>th</sup> day of October, 2012.

Notary Melissa K. Moore  
\_\_\_\_\_  
State-at-Large

My Commission expires April 14, 2015.

FOR Entire Territory Served  
Community, Town or City  
P.S.C. KY. NO. 6  
~~Original~~ 1st Revised SHEET NO. 56

Owen Electric Cooperative, Inc.

CANCELLING P.S.C. KY NO. 56  
3<sup>rd</sup> Revised Original SHEET NO. 1656

(Name of Utility)

RULES AND REGULATIONS

28. METER READING

(T)

The Cooperative utilizes solid state meters and its advanced metering infrastructure (AMI) to accurately and efficiently read meters. The Cooperative shall read each member's meter each month for the purpose of determining each account's usage of electricity in calculation the monthly bill. Exceptions to the monthly reading will be allowed only for those meters which may be estimated due to technical issues that do not allow for reliable communications to the meter without materially affecting the accuracy of recorded usage. Actual readings will be taken on estimated accounts at least quarterly. Members who prohibit the Cooperative from obtaining remote meter readings by refusing the use of the Cooperative's solid state meters and AMI system will be assessed a \$30.00 manual meter reading fee per occurrence.

DATE OF ISSUE July 15, 1997 October 15, 2012  
Month / Date / Year

DATE EFFECTIVE August 15, 1997 December 1, 2012  
Month / Date / Year

ISSUED BY \_\_\_\_\_  
(Signature of Officer)

TITLE President/CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

Owen Electric Cooperative, Inc.  
\_\_\_\_\_  
(Name of Utility)

FOR Entire Territory Served  
Community, Town or City  
P.S.C. KY. NO. 6  
1st Revised SHEET NO. 56  
CANCELLING P.S.C. KY NO. 6  
Original SHEET NO. 56

**RULES AND REGULATIONS**

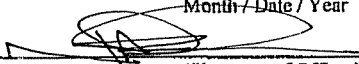
**28. METER READING**

(T)

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DATE OF ISSUE October 15, 2012  
Month / Date / Year

DATE EFFECTIVE December 1, 2012  
Month / Date / Year

ISSUED BY   
(Signature of Officer)

TITLE President/CEO

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_



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

**PREPARED TESTIMONY OF JAMES R. ADKINS**

- 1Q. Please state your name and business address.
- 1R I am James R. Adkins and business address is 1041 Chasewood Way, Lexington, KY 40513-1731.
- 2Q. Have you ever appeared as witness before this Commission?
- 2R. I have appeared as witness before this Commission many times since 1978.
- 3Q. What has been your role in the preparation of this application?
- 3R I provided assistance to Owen in the development of the proposed rate and the tariff.
- 4Q. What is the purpose of this tariff?
- 4R. Several members of Owen Electric have stated that they do not wish to be metered for electric service using Owen Electric's advanced metering infrastructure. Because of this fact, these members will have to have their electric meters manually read by a service employee. This Owen Electric service employee will need to make a trip to the member premises and take a manual reading from their meter.

- 5Q. Why do some members not want Owen Electric to meter their monthly usage through its advance metering infrastructure?
- 5R. Some members have a fear of these types of meters because of medical, privacy, or personal reasons.
- 6Q. Why does Owen Electric feel that a tariff is needed in this situation and what is the basis for the proposed rates contained in this tariff?
- 6R. Owen Electric feels that a tariff is needed in this situation for the purpose of billing these members for the additional costs that will be incurred to manually read their meters. Owen Electric feels that this additional cost should not be borne by its other members and should be borne by those members who cause the cost to be incurred. The proposed rate is based on the current wage rate for the type of employee who will perform this service. In addition to the wage rate, we have factored in the employee average cost of benefits and the average hourly rate for the use of a vehicle that will be utilized to read these meters. Finally, Owen Electric estimates that most of these manual reading of these meters will take approximately one half hour. Exhibit C provides the details on this rate development.
- 7Q. Does this conclude your testimony?
- 7R. Yes, this concludes my testimony.

**OWEN ELECTRIC COOPERATIVE CORPORATION**  
**COST JUSTIFICATION FOR MANUAL METER READING TARIFF**

**COSTS ASSOCIATED WITH THE MANUAL READING OF METERS**

	Rate	Amount
a. Labor rate for one employee for manual reading of meters	1 hour	\$ 24.03
b. Labor overhead rate	73.1%	17.56
c. Service truck hourly rate	1 hour	<u>19.00</u>
d. Total hourly rate for service employee		\$ 60.59
e. Estimate of time associate for an average manual meter read - 30 minutes or one half hour - multiply by		<u>0.5</u>
f. Estimate of an average cost for the manual meter read		<u>\$ 30.30</u>
g. Rate that is being proposed		<u>\$ 30.00</u>