

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF CLARK ENERGY	)	CASE NO.
COOPERATIVE, INC. FOR APPROVAL OF A	)	2019-00011
PREPAID METERING TARIFF	)	

ORDER

On January 24, 2019, Clark Energy Cooperative, Inc. (Clark Energy), filed an application for approval of a Prepay Metering Program (Prepay Program) and a Prepay Service Tariff. Clark Energy further requested a deviation from 807 KAR 5:006, Section 15(1)(f)(1), which requires ten days' written notice of intent to terminate service for non-payment, and from 807 KAR 5:006, Section 7, which specifies the information to be included on bills issued periodically by a utility.<sup>1</sup> Commission Staff issued, and Clark Energy responded to, one round of request for information. There are no intervenors in this proceeding, and the matter now stands submitted to the Commission for a decision.

DISCUSSION

The proposed Prepay Program would be voluntary and would be available as an optional rider to Clark Energy's Rate Schedule R – Residential, excluding accounts on budget billing, automatic bank draft, net metered accounts, accounts with lifesaving medical equipment, accounts with greater than 200-amp service, and three-phase accounts within the area served by Clark Energy. Clark Energy estimates that 75 residential members per year for the first six years, amounting to 450 projected

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<sup>1</sup> Application, paragraph 6 and 7.

participants, or 2 percent of its residential members, will elect to participate in the Prepay Program.<sup>2</sup> To enroll in the Prepay Program, a member must complete and sign a Prepay Service Agreement (Agreement), which sets out the terms and conditions of the program. The Agreement will remain in effect until a participating member provides written notice of withdrawal to Clark Energy.<sup>3</sup> The proposed tariff requires that a member be able to receive electronic communications and the participant agrees to responsibly manage his or her own communication devices and to provide written notification to Clark Energy of any change in the member's contact information or update such information in the web portal.

Clark Energy states that it will use Automated Meter Infrastructure (AMI) meters equipped with a disconnect feature for the Prepay Program. The AMI meters will interface with Clark Energy's customer information system and will allow members to make payments to their accounts using most of the methods available to post-paid members.<sup>4</sup>

Clark Energy proposes to charge each participant a monthly program fee of \$5.00, which is calculated to recover the equipment costs, installation costs and program expenses incurred as a result of a member's participation in the Prepay Program.<sup>5</sup> At the time the Prepay Program is activated, Clark Energy recommends an initial purchase of \$100.00. Subsequent purchases may be made in any increment chosen by the member, subject to a \$10.00 minimum.<sup>6</sup> Members with a deposit on their current accounts will

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<sup>2</sup> Application at Exhibit B, Item 10.

<sup>3</sup> Application at Exhibit A, proposed Prepay Service tariff, paragraph 2.

<sup>4</sup> Application at Exhibit B, item 4.

<sup>5</sup> Application at Exhibit B, Attachment 1.

<sup>6</sup> Application at Exhibit A, proposed Prepay Service tariff, paragraph 6.

have the deposit and accumulated interest credited toward any remaining balance on the accounts before any funds are transferred to the Prepay Program account.<sup>7</sup>

Prepay Program accounts will be billed daily to show the remaining funds on the account. Charges such as the program fee, customer charge, fuel adjustment, and environmental surcharge will be prorated daily. When the amount of funds remaining in the Prepay Program account reaches either three days average usage or a dollar amount set by the member, an automated message will be sent to the member. The Prepay Program account will not be subject to deposits, late fees, disconnect fees, or reconnect fees;<sup>8</sup> however, a service fee is applicable in the event of a returned payment.<sup>9</sup>

Clark Energy will utilize a variety of communication methods to promote the Prepay Program to its membership such as Clark Energy's insert in the Kentucky Living magazine, on its website ([www.clarkenergy.com](http://www.clarkenergy.com)), on social media, billing inserts, as well as information posted in its offices and one-on-one discussion with its customer service representatives.<sup>10</sup>

### FINDINGS

Based on the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. Clark Energy's proposed Prepay Program and Prepay Service Tariff is reasonable and should be approved.

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<sup>7</sup> *Id.* at paragraph 5.

<sup>8</sup> Application at Exhibit A, proposed Prepay Service tariff, paragraph 10.

<sup>9</sup> *Id.* at paragraph 15.

<sup>10</sup> Application at Exhibit B, Item 20.

2. Clark Energy's requests for deviations from 807 KAR 5:006, Section 15(1)(f)(1), and 807 KAR 5:006, Section 7, for the Prepay Program are reasonable and should be approved.

3. Clark Energy should track and maintain the following data and file the information in a supplemental report with its Annual Report for the calendar years 2019, 2020, and 2021:

- a. The number of new and total participants;
- b. The number of participants who leave the Prepay Program and the reasons for leaving the Prepay Program, and
- c. The number of participants who allow their accounts to deplete to zero and are disconnected.

4. After submitting the 2021 supplemental report, Clark Energy should continue to maintain records identified in finding paragraph 3 and provide the information upon request.

IT IS THEREFORE ORDERED that:

1. Clark Energy's proposed Prepay Program and Prepay Metering Tariff are approved as of the date of this Order.

2. Clark Energy's requests for deviations from 807 KAR 5:006, Section 15(1)(f)(1), and 807 KAR 5:006, Section 7, for the Prepay Program are approved.

3. Clark Energy shall track data and maintain records as required in finding paragraph 3 and shall submit the information to the Commission in a supplemental report filed at the time it files its Annual Report for 2019, 2020, and 2021. Thereafter, Clark

Energy shall maintain its records so as to be able to provide the same information upon request.

4. Within 20 days of the date of entry of this Order, Clark Energy shall file its Prepay Metering Tariff and Prepay Service Agreement, using the Commission's electronic Tariff Filing System, showing the date issued and that it was issued by authority of this Order.

5. Any documents filed in the future pursuant to ordering paragraph 3 shall reference this case number and shall be retained in the utility's general correspondence file.

6. The Executive Director is delegated authority to grant a reasonable extension of time for the filing of any documents required by ordering paragraph 3 of this Order upon Clark Energy's showing of good cause for such extension.

7. This case is hereby closed and will be removed from the Commission's docket.

By the Commission

ENTERED  
JUL 10 2019  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
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Executive Director

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