

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matters of:

ELECTRONIC APPLICATION OF JACKSON	)	
PURCHASE ENERGY CORPORATION FOR A	)	CASE NO.
DEVIATION FROM THE REQUIREMENT TO	)	2021-00351
MANUALLY READ THE CUSTOMER METERS	)	

ORDER

On September 2, 2021, Jackson Purchase Energy Corporation (Jackson Purchase) filed an application pursuant to 807 KAR 5:001, Section 22 requesting a deviation from the requirement in 807 KAR 5:006 Section 7(5)(b) for meters read using its Advanced Metering Infrastructure (AMI) system. Jackson Purchase responded to a request for information from Commission Staff on November 2, 2021. This matter is now before the Commission for a decision on the merits.

BACKGROUND

Jackson Purchase is a not-for-profit, member-owned, rural electric distribution cooperative organized under KRS Chapter 279 with approximately 30,000 members in the Kentucky counties of Ballard, Carlisle, Graves, Livingston, Marshall, and McCracken.<sup>1</sup> As of August 2021, Jackson Purchase had 30,407 active meters, which were all AMI meters.<sup>2</sup>

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<sup>1</sup> Application at 1.

<sup>2</sup> Jackson Purchases Response to Staff's First Request for Information (Staff's First Request) (filed Nov. 2, 2021), Item 1.

Jackson Purchase's tariff states that bills for electric service will be sent to customers on a monthly basis a few days after the meter is read.<sup>3</sup> Jackson Purchase generally uses AMI readings to bill customers and is able to read almost every customer meter several times per day using its AMI system.<sup>4</sup> Jackson Purchase indicated that if a meter fails to send a read through its AMI system that it reads the meter manually in each month that it fails to send a read.<sup>5</sup>

Jackson Purchase requested a deviation from 807 KAR 5:006 Section 7(5)(b) for meters it reads using its AMI system. Jackson Purchase noted that it is not requesting a deviation in circumstances in which it reads the meter manually because the AMI meter failed to send a read.<sup>6</sup> Jackson Purchase asserted that it costs approximately \$100,000 a year for it to manually read its AMI read meters at least once annually.<sup>7</sup> Jackson Purchase indicated that cost is unnecessary because its AMI system is capable of producing accurate readings.<sup>8</sup>

Jackson Purchase argued that good cause exists for granting a deviation from 807 KAR 5:006, Section 7(5)(b) for AMI read meters because manually reading those meters once a year is impractical and wasteful.<sup>9</sup> Jackson Purchase noted that even if it were

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<sup>3</sup> Jackson Purchase, P.S.C. KY No. 20, Sheet No. 141.

<sup>4</sup> See Application at 2–3.

<sup>5</sup> Jackson Purchases Response to Staff's First Request, Item 3; Application at 3.

<sup>6</sup> Application at 3.

<sup>7</sup> Application at 3–4; Jackson Purchase Responses to Staff's First Request, Items 8 and 9.

<sup>8</sup> Jackson Purchase Responses to Staff's First Request, Item 9; see *also* Application at 3.

<sup>9</sup> Application at 3.

granted a deviation that it would still check meters once every two years in accordance with the Commission's guidelines.<sup>10</sup>

### DISCUSSION

In 807 KAR 5:006, Section 7(5), the Commission prescribed certain requirements regarding the frequency with which utilities must read customer meters. Section 7(5)(a) of that regulation states “[e]xcept as provided in paragraph (b) of this subsection, each utility . . . shall read customer meters at least quarterly.” Section 7(5)(b) states that “[e]ach customer-read meter shall be read manually, at least once during each calendar year.” Section 28 allows deviations from 807 KAR 5:006, Section 7(5) for good cause shown.

Jackson Purchase requested a deviation from the requirement in 807 KAR 5:006, Section 7(5)(b) for meters read using its AMI system. However, that requirement applies only to “customer-read meters.” While “customer-read meters” are not defined in the regulation, Section 7(5)(b) is mentioned as an exception to the general requirement in Section 7(5)(a) that the utility read each customer meter at least once each quarter. This indicates that a “customer-read meter” is a meter in which the utility is relying on the customer to make at least some of the quarterly readings required by Section 7(5)(a), and in those cases, it would require the utility to manually read the meter at least once annually.

Jackson Purchase is not relying on customer readings to satisfy the requirements of Section 7(5)(a) for its AMI read meters. Rather, as indicated above, Jackson Purchase obtains an AMI reading or, if the AMI system fails to read the meter, a manual reading on a monthly basis. Thus, Section 7(5)(b) would not apply to Jackson Purchase's AMI read

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<sup>10</sup> Jackson Purchase Responses to Staff's First Request, Item 5.

meters,<sup>11</sup> and therefore, the Commission finds that Jackson Purchase's application for a deviation should be denied as moot.

While it is denying Jackson Purchase's application, the Commission does observe that Jackson Purchase indicated that it would still check meters once every two years in accordance with the Commission's guidelines. Jackson Purchase did not indicate whether or not it would take manually readings of the meters on those occasions, but many utilities do take such readings as part of their biannual system inspections. While this Order is not intended to impose any additional inspection requirement on Jackson Purchase, the Commission would encourage Jackson Purchase and other utilities to take such manual readings as part of the system inspections, because the incremental cost of doing so should be low.

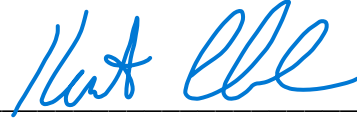
IT IS THEREFORE ORDERED that:

1. Jackson Purchase's application for a deviation from 807 KAR 5:006, Section 7(5)(b) for its AMI read meters is denied as moot.
2. This matter is closed and removed from the Commission's docket.

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<sup>11</sup> See Case No. 2016-00152, *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* (Ky. PSC Mar. 25, 2017), Order at 12–13 (holding that 807 KAR 5:006, Section 7(5)(b) did not apply to Duke Energy Kentucky, Inc.'s AMI meters, because they are not customer-read meters, but rather, are read remotely by the utility using AMI technology on a monthly basis).

PUBLIC SERVICE COMMISSION



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ATTEST:



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