

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF NOLIN R.E.C.C.)	CASE NO.
TO REVISE ITS TARIFF TO ESTABLISH A)	2025-00123
METER READING INCENTIVE PROVISION)	

ORDER

On April 1, 2025, Nolin Rural Electric Cooperative Corporation (Nolin RECC) filed a tariff, through the Commission's electronic Tariff Filing System, to establish a meter reading incentive for instances in which Nolin RECC is unable to obtain a meter reading for a given period. Nolin RECC proposed an effective date of May 1, 2025. Pursuant to KRS 278.190(2), the Commission suspended the tariff for five months to investigate the reasonableness of the proposed tariff and established a procedural schedule.¹

PROCEDURAL HISTORY

By Order dated April 24, 2025, the Commission suspended Nolin RECC's proposed tariff up to and including September 30, 2025. Nolin RECC responded to two requests for information from Commission Staff.² There were no intervenors in the case.

¹ Order (Ky. PSC Apr. 24, 2025).

² Nolin RECC's Response to Commission Staff's First Request for Information (Staff's First Request) (filed June 3, 2025); Nolin RECC's Response to Commission Staff's Second Request for Information (Staff's Second Request) (filed June 20, 2025).

LEGAL STANDARD

The Commission has broad plenary authority to regulate rates and services of utilities pursuant to KRS 278.040.³ KRS 278.190 empowers the Commission to investigate any schedule of new rates for reasonability and places the burden on the utility to “show that the increased rate or charge is just and reasonable.”⁴ In addition, KRS 278.030 requires the Commission to ensure:

- (1) Every utility may demand, collect and receive fair, just and reasonable rates for the services rendered or to be rendered by it to any person.
- (2) Every utility shall furnish adequate, efficient, and reasonable service, and may establish reasonable rules governing the conduct of its business and the conditions under which it shall be required to render service.
- (3) Every utility may employ in the conduct of its business suitable and reasonable classification of its service, patrons and rates. The classifications may, in proper case, take into account the nature of the use, the quality used, the quantity used, the time when used, the purpose for which used, and any other reasonable consideration.

³ *Kentucky Public Service Com’n v. Com. ex. Rel Conway*, 324 S.W. 3d 373 (Ky. 2010) at 377–378.

⁴ KRS 278.190.

In applying KRS 278.160,⁵ the Commission has stated “[t]he filed rate doctrine is the bedrock of utility rate regulation” and “the basic bulwark against rate discrimination and arbitrary utility action.”⁶

DISCUSSION AND FINDINGS

Under the proposed tariff, for any meter that does not communicate a usable reading in a given billing period, members who submit a photo of their electric meter with a current reading to Nolin RECC will receive a \$5 bill credit.⁷ The photo must be sent to Nolin RECC within two days of Nolin RECC requesting the meter reading from the customer.⁸ In regard to requesting the meter reading from customers, Nolin RECC indicated that it would do so by email.⁹ If Nolin RECC does not have an email from a member whose meter is not properly communicating, it will contact them via phone or letter to inquire if the member wants to participate and provide an email address.¹⁰

⁵ KRS 278.160 states, “(1) Under rules prescribed by the commission, each utility shall file with the commission, within such time and in such form as the commission designates, schedules showing all rates and conditions for service established by it and collected or enforced. The utility shall keep copies of its schedules open to public inspection under such rules as the commission prescribes. (2) No utility shall charge, demand, collect, or receive from any person a greater or less compensation for any service rendered or to be rendered than that prescribed in its filed schedules, and no person shall receive any service from any utility for a compensation greater or less than that prescribed in such schedules. (3) The provisions of this section do not require disclosure or publication of a provision of a special contract that contains rates and conditions of service not filed in a utility’s general schedule if such provision would otherwise be entitled to be excluded from the application of KRS 61.870 to 61.884 under the provisions of KRS 61.878(1)(c)(1).”

⁶ Case No. 1995-00107, *In the Matter of North Marshall Water District Alleged Violation of KRS 278.160 and KRS 278.170* (Ky. PSC Oct. 13, 1995), Order at 3.

⁷ Proposed PSC KY No. 10, 9th Revised Sheet No. 9.

⁸ Proposed PSC KY No. 10, 9th Revised Sheet No. 9.

⁹ Nolin RECC’s Response to Staff’s First Request, Item 1(a).

¹⁰ Nolin RECC’s Response to Staff’s First Request, Item 1(a).

The \$5 bill credit will only be offered once per month, only for the months that a reading is requested by Nolin RECC, and the credit does not apply to prepay service which bills daily.¹¹ Nolin RECC will manually read such customer-read meters at least once during each calendar year, if at least one automated meter reading has not been reported during that year.¹²

Nolin RECC indicated that, while the overwhelming majority of its meters report readings each month, there is a subset of meters that do not communicate at all or often enough to obtain readings for billing.¹³ Many of these meters are installed in remote areas with poor communication coverage due to the geography and are difficult and time consuming to access.¹⁴ For non-prepay customers, Nolin RECC stated that the number of meters that have to be read each month has averaged 64 over the past 12 months, with the amount getting as high as 165 meters during the summer when foliage reduces communications coverage.¹⁵ Nolin RECC estimated that the proposed tariff would save it approximately \$2,400 per month by reducing the number of trips by Nolin RECC personnel required to obtain meter readings.¹⁶

The Commission finds that the proposed tariff should be approved, as modified below. The meter reading incentive provision will provide Nolin RECC the opportunity to receive actual meter readings for meters that are not communication while reducing

¹¹ Proposed PSC KY No. 10, 9th Revised Sheet No. 9.

¹² Proposed PSC KY No. 10, 9th Revised Sheet No. 9.

¹³ April 1, 2025 Letter to Ms. Linda Bridwell.

¹⁴ April 1, 2025 Letter to Ms. Linda Bridwell.

¹⁵ April 1, 2025 Letter to Ms. Linda Bridwell.

¹⁶ Nolin RECC's Response to Staff's First Request, Item 4.

operation costs by reducing the number of trips by Nolin RECC personnel must make to obtain meter readings. The proposed tariff is silent on some aspects of the procedures Nolin RECC will follow when requesting the meter readings from members as well as what happens if there is a discrepancy between the automated or manual meter reads obtained by Nolin RECC and the meter readings submitted by the member. Therefore, the Commission finds that the proposed tariff should be modified as follows (revised language in bold) to provide as much clarity as possible:

For any meter for which the Cooperative has not obtained a usable **meter** reading for a given billing period, the Cooperative may provide a \$5 bill credit on the next bill to members that **respond to the Cooperative's request to submit a photo of their electric meter with current reading to the Cooperative subject to the requirements herein. When the Cooperative needs to request a member submit a meter reading, the Cooperative will notify the affected member via email (if an email address has been provided by the member), phone call, or letter to determine if the customer wants to participate by providing a clearly legible photo of the current reading of the Cooperative's unread meter.** The photo and meter reading must be collected and submitted within two **business** days of the Cooperative notifying participating members of the need to collect and submit a meter reading for that billing period. **Customers should maintain a copy of the photo for at least one year for dispute resolution purposes.** The bill credit incentive is offered only one per month, only for the months that a reading is requested by the Cooperative, and does not apply to prepay service which bills daily.

The incentive is offered for meters that fail to read due to limitation in meter communications, and members should not intentionally alter meters in any way in an effort to prevent meter communications. In accordance with the requirements of 807 KAR 5:006, the Cooperative shall manually read such customer-read meters at least once during each calendar year if at least one automated meter reading has not been reported during that year. **Once an automated or manual meter reading is obtained by the Cooperative, the member will be responsible for all usage if there is a**

discrepancy between the automated or manual meter read obtained by the Cooperative and the meter reading(s) submitted by the member.

IT IS THEREFORE ORDERED that:

1. Nolin RECC's proposed tariff is approved, as modified herein, for service rendered on and after the date of this Order.
2. Within 20 days of the date of service of this Order, Nolin RECC shall file revised tariff sheets setting forth the proposed policy and modifications approved or as required in this Order and reflecting their effective date and that they were authorized by this Order.
3. This case is closed and removed from the Commission's docket.

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PUBLIC SERVICE COMMISSION


Chairman


Commissioner


Commissioner

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ATTEST:


Executive Director



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