

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF INTER-	)	
COUNTY ENERGY COOPERATIVE	)	CASE NO.
CORPORATION TO IMPLEMENT AN ADVANCED	)	2025-00112
METERING SYSTEM OPT-OUT TARIFF FOR	)	
RESIDENTIAL CUSTOMERS	)	

ORDER

On April 1, 2025, Inter-County Energy Cooperative Corporation (Inter-County Energy) filed a tariff, through the Commission's electronic Tariff Filing System, to implement an Advanced Metering System Opt-Out Tariff (Rider AMI) for residential customers. Inter-County Energy 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.<sup>1</sup>

PROCEDURAL HISTORY

By Order dated April 24, 2025, the Commission suspended Inter-County Energy's proposed Rider AMI up to and including September 30, 2025. Inter-County Energy responded to two requests for information from Commission Staff.<sup>2</sup> There were no intervenors. On August 8, 2025, Inter-County Energy filed a motion to submit this matter for decision on the record and without a hearing.

---

<sup>1</sup> Order (Ky. PSC Apr.24, 2025).

<sup>2</sup> Inter-County Energy's Response to Commission Staff's First Request for Information (Staff's First Request) (filed June 2, 2025); Inter-County Energy's Response to Commission Staff's Second Request for Information (Staff's Second Request) (filed June 27, 2025).

## LEGAL STANDARD

The Commission has broad plenary authority to regulate rates and services of utilities pursuant to KRS 278.040.<sup>3</sup> 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.”<sup>4</sup> 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.

---

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

<sup>4</sup> KRS 278.190.

In applying KRS 278.160,<sup>5</sup> 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.”<sup>6</sup>

### DISCUSSION AND FINDINGS

Inter-County Energy received approval from the Commission to install an Advanced Metering Infrastructure System in Case No. 2022-00350.<sup>7</sup> However, Inter-County Energy did not propose an Opt-Out Tariff as part of Case No. 2022-00350. As of May 20, 2025, Inter-County Energy had replaced approximately 24,000 of its 28,000 meters and expects to complete the installation by the end of September 2025.<sup>8</sup>

Under the proposed tariff, residential customers served under Rate Schedule 1 (Farm and Home Service) and Rate Schedule 2 (Farm and Home Marketing ETS) can request that Inter-County Energy replace their communicating meter with a non-communicating meter.<sup>9</sup> If a residential customer is accepted into Rider AMI, the customer

---

<sup>5</sup> 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.”

<sup>6</sup> 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.

<sup>7</sup> Case No. 2022-00350, *Electronic Application of Inter-County Energy Cooperative Corporation for a Certificate of Public Convenience and Necessity Authorizing the Installation of a New Advanced Metering Infrastructure (AMI) System* (Ky. PSC Feb. 17, 2023).

<sup>8</sup> Inter-County Energy’s Response to Staff’s First Request, Item 4.

<sup>9</sup> Proposed P.S.C. KY. NO. 8, Original Sheet No. 71.1.

would be assessed an initial set-up fee of \$45 to cover the cost of employees involved in processing the meter change<sup>10</sup> and a recurring monthly fee of \$40 to cover the cost of Inter-County Energy to read the meter.<sup>11</sup> Once a member chooses to participate in Rider AMI, the member will remain on Rider AMI for no less than 12 months.<sup>12</sup> After the initial 12 months, the member may elect to be removed from Rider AMI by completing a Communicating Meter Acceptance Form and submitting it to Inter-County Energy.<sup>13</sup> The proposed tariff sets out the circumstances under which Inter-County Energy may refuse to provide, or continue to provide, service under Rider AMI to a member, including safety issues, poor credit history, and if the member had previously signed a Communicating Meter Acceptance form.<sup>14</sup> Inter-County Energy indicated that it had received requests from 10 of its members to opt out of a communicating meter, with five being “adamant about refusing the installation of a new meter”.<sup>15</sup>

The Commission addressed the issue of AMI opt out provisions in 2012 as part of an administrative case involving the smart grid and accompanying technologies.<sup>16</sup> The Commission stated that “any opt-out provision should require those customers that opt out to bear the cost related to that decision through a one-time fee and/or a monthly

---

<sup>10</sup> Inter-County Energy’s Response to Staff’s First Request, Item 6.

<sup>11</sup> Inter-County Energy’s Response to Staff’s First Request, Item 7.

<sup>12</sup> Proposed P.S.C. KY. NO. 8, Original Sheet No. 71.2.

<sup>13</sup> Proposed P.S.C. KY. NO. 8, Original Sheet No. 71.2.

<sup>14</sup> Proposed P.S.C. KY. NO. 8, Original Sheet No. 71.2.

<sup>15</sup> Inter-County Energy’s Response to Staff’s First Request, Item 2.

<sup>16</sup> Case No. 2012-00428, *Consideration of the Implementation of Smart Grid and Smart Meter Technologies* (Ky, PSC Apr. 13, 2016), Order.

charge, as appropriate.”<sup>17</sup> The Commission stopped short of determining a universal policy but instead held that “provisions allowing customers to opt out of smart meter deployments shall be considered as they are proposed by individual utilities”.<sup>18</sup>

The Commission finds that Inter-County Energy’s proposed Rider AMI should be approved. Inter-County Energy modeled its proposed Rider AMI after opt-out tariffs previously approved by the Commission for Owen Electric Cooperative, Inc.<sup>19</sup> (Owen Electric) and Salt River Electric Cooperative Corporation (Salt River Electric).<sup>20</sup> Outside of the fees, Inter-County Energy’s proposed Rider AMI is virtually identical to the tariffs approved for Owen Electric and Salt River Electric. As required by the Commission in Case No. 2012-00428, Inter-County Energy’s proposed fees ensure that the member opting out bears the costs related to that decision.

IT IS THEREFORE ORDERED that:

1. Inter-County Energy’s proposed Rider AMI is approved for service rendered on and after the date of this Order.
2. Within 20 days of the date of service of this Order, Inter-County Energy shall, using the Commission’s Electronic Tariff Filing System, file its revised tariff sheets setting out its proposed Rider AMI and reflecting that it was approved pursuant to this Order.

---

<sup>17</sup> Case No. 2012-00428, Apr. 13, 2016 Order at 7.

<sup>18</sup> Case No. 2012-00428, Apr. 13, 2016 Order at 35, ordering paragraph 8.

<sup>19</sup> Case No. 2018-00354, *Filing of Owen Electric Cooperative, Inc. to Implement an Advanced Metering System (AMS) Opt-Out Tariff* (Ky. PSC Apr. 12, 2019).

<sup>20</sup> Case No. 2022-00357, *Electronic Tariff Filing of Salt River Electric Cooperative Corp. to Implement an Advanced Metering System (AMS) Opt-Out Tariff for Residential Customers* (Ky. PSC Mar. 7, 2023).


3. This case is closed and removed from the Commission's docket.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

PUBLIC SERVICE COMMISSION

  
Chairman

  
Commissioner

  
Commissioner

ATTEST:

  
Executive Director



\*L. Allyson Honaker  
Honaker Law Office, PLLC  
1795 Alysheba Way  
Suite 1203  
Lexington, KY 40509

\*Heather Temple  
Honaker Law Office, PLLC  
1795 Alysheba Way  
Suite 1203  
Lexington, KY 40509

\*Meredith L. Cave  
Honaker Law Office, PLLC  
1795 Alysheba Way  
Suite 1203  
Lexington, KY 40509

\*Inter-County Energy Cooperative Corporation  
1009 Hustonville Road  
P. O. Box 87  
Danville, KY 40423-0087