

## **807 KAR 5:006. General rules.**

RELATES TO: KRS 65.810, 74, 96.934, 220.510, 278, 49 C.F.R. Part 192, 49 U.S.C. 60105

STATUTORY AUTHORITY: KRS 278.230, 278.280(2), 49 C.F.R. 192

NECESSITY, FUNCTION, AND CONFORMITY: KRS 278.230(3) requires every utility to file with the commission reports, schedules, and other information that the commission requires. KRS 278.280(2) requires the commission to promulgate an administrative regulation for the performance of a service or the furnishing of a commodity by a utility. This administrative regulation establishes requirements that apply to electric, gas, water, sewage, and telephone utilities.

### Section 1. Definitions.

- (1) "Built-up community" means urban areas and those areas immediately adjacent.
- (2) "Commission" is defined by KRS 278.010(15).
- (3) "Corporation" is defined by KRS 278.010(1).
- (4) "Customer" means a person, firm, corporation, or body politic applying for or receiving service from a utility.
- (5) "Gross Annual Operating Revenue Reports" means reports that KRS 278.140 requires each utility to file with the commission.
- (6) "Nonrecurring charge" means a charge or fee assessed to a customer to recover the specific cost of an activity, which:
  - (a) Is due to a specific request for a certain type of service activity for which, once the activity is completed, additional charges are not incurred; and
  - (b) Is limited to only recover the specific cost of the specific service.
- (7) "Person" is defined by KRS 278.010(2).
- (8) "Tariff" means a utility's schedule of all its rates, charges, tolls, maps, terms, and conditions of service over which the commission has jurisdiction.
- (9) "Utility" is defined by KRS 278.010(3).
- (10) "Water association" means a non-profit corporation, association, or cooperative corporation having as its purpose the furnishing of a public water supply.
- (11) "Water District" means a special district formed pursuant to KRS 65.810 and KRS Chapter 74.

Section 2. General Provisions. Reference to standards or codes in 807 KAR Chapter 5 shall not prohibit a utility from continuing or initiating experimental work and installations to improve, decrease the cost of, or increase the safety of its service.

### Section 3. Utility Contact Information.

- (1) A utility shall notify the commission in writing of:
  - (a) The address of its main corporate and Kentucky offices, including street address and post office box, city, state, and zip code;
  - (b) The name, telephone number, facsimile number, and mailing address of the person who serves as its primary liaison with the commission regarding its operations; and
  - (c) Its electronic mail address.
- (2) The electronic mail address required in subsection (1) of this section shall be to an electronic mail account that the utility accesses at least once weekly and that is capable of receiving electronic mail from external sources and with attachments up to five (5) megabytes in size. Unless a utility otherwise advises the commission in writing, all electronic mail transmissions from the commission to the utility shall be sent to this address.
- (3) A utility shall notify the commission in writing of a change in the information required in subsection (1) of this section within ten (10) days of the date of the change.

#### Section 4. Reports.

- (1) Gross annual operating revenue reports.
  - (a) Each utility shall file with the commission its gross operating revenue report on or before March 31 of each year.
  - (b) An extension request shall not be permitted for a gross annual operating revenue report.
  - (c) A utility may file an amendment to its report. An amendment shall be filed with the commission on or before May 24 of the same year.
  - (d) The commission shall:
    1. Not certify to the Department of Revenue the amounts of intrastate business established in an amendment filed with the commission after May 24 of that year; and
    2. Report those amounts to the Department of Revenue for informational purposes.
- (2) Financial and statistical reports.
  - (a) Every utility shall file annually using the commission's electronic filing system a financial and statistical report on or before March 31 of each year.
  - (b) This report shall be based upon utility type and the accounts established in conformity with the uniform system of accounts prescribed for that utility type.
  - (c) If documents are required to supplement or complete the report and cannot be submitted through the commission's electronic filing system, the utility shall file these documents in paper form with the commission no later than March 31.
  - (d) The commission shall make the reporting forms available on the commission's Web site at <http://psc.ky.gov/>.
  - (e) For good cause shown, the executive director of the commission shall, upon application in writing, allow an appropriate extension of time for the filing.
- (3) Financial statement audit reports. A utility required to file a report in accordance with subsection (2) of this section shall file with the commission on or before September 30 each year, a copy of the audit report of the Kentucky regulated entity, from the audit performed the previous year, or a statement that no audit was performed of the Kentucky regulated entity the previous year. For good cause shown, the executive director of the commission shall, upon application in writing, allow an appropriate extension of time for the filing.
- (4) Report of meters, customers, and refunds. Each gas, electric, or water utility shall file quarterly either a Quarterly Meter Report-Electric, Quarterly Meter Report, or a Quarterly Meter Report-Electric-Gas-Water, of meter tests, number of customers, and amount of refunds.
- (5) Report of terminations for nonpayment of bills. Each water, electric, or gas utility shall file either the Water Utility Non-Payment Disconnection/Reconnection Report, Electric Utility Non-Payment Disconnection/Reconnection Report, or Gas Utility Non-Payment Disconnection/Reconnection Report, annually to report the number of residential accounts terminated for nonpayment. These reports shall be filed no later than August 15 and shall cover the period ending June 30.
- (6) Record and report retention. All records and reports shall be retained in accordance with the uniform system of accounts unless otherwise specified.
- (7) Transmittal letter. Each report shall be accompanied by a transmittal letter describing the report being furnished.
- (8) Amending reports. Upon discovering a material error in a report filed with the commission, a utility shall file an amended report to correct the error.

#### Section 5. Service Information.

- (1)

- (a) A utility shall, on request, give its customers or prospective customers information that enables the customers to secure safe, efficient, and continuous service.
- (b) A utility shall inform its customers of a change made or proposed in the character of its service that might affect the efficiency, safety, or continuity of operation.
- (2) Prior to making a substantial change in the character of the service furnished that would affect the efficiency, adjustment, speed, or operation of the equipment or appliances of a customer, a utility shall apply for the commission's approval. The application shall show the nature of the change to be made, the number of customers affected, and the manner in which they will be affected.
- (3) The utility shall inform each applicant for service of each type, class, and character of service available at each location.

#### Section 6. Special Rules or Requirements.

- (1) A utility shall not establish a special rule or requirement without first obtaining the approval of the commission.
- (2) Unless specifically authorized by this administrative regulation, a utility shall not deny or refuse service to a customer who has complied with all conditions of service established in the utility's tariff on file with the commission
- (3)
  - (a) Obtaining easements and rights-of-way necessary to extend service shall be the responsibility of the utility.
  - (b) A utility shall not:
    - 1. Require a prospective customer to obtain easements or rights-of-way on property not owned by the prospective customer as a condition for providing service; or
    - 2. Refuse to provide service to a prospective or existing customer on the basis of that customer's refusal to grant an easement for facilities that do not serve the customer.
  - (c) The cost of obtaining easements or rights-of-way shall be included in the total per foot cost of an extension, and shall be apportioned among the utility and customer in accordance with 807 KAR 5:041, 5:061, or 5:066.

#### Section 7. Billings, Meter Readings, and Information.

- (1) Information on bills.
  - (a) Each bill for utility service issued periodically by a utility shall clearly show:
    - 1. The date the bill was issued;
    - 2. Class of service;
    - 3. Present and last preceding meter readings;
    - 4. Date of the present reading;
    - 5. Number of units consumed;
    - 6. Meter constant, if applicable;
    - 7. Net amount for service rendered;
    - 8. All taxes;
    - 9. Adjustments, if applicable;
    - 10. The gross amount of the bill;
    - 11. The date after which a penalty may apply to the gross amount; and
    - 12. If the bill is estimated or calculated.
  - (b) The rate schedule under which the bill is computed shall be posted on the utility's Web site, if it maintains a Web site, and shall also be furnished under one (1) of the following methods, by:
    - 1. Printing it on the bill;
    - 2. Publishing it in a newspaper of general circulation once each year;
    - 3. Mailing it to each customer once each year; or
    - 4. Providing a place on each bill for a customer to indicate the customer's desire for a copy of the applicable rates. The utility shall mail the customer a copy by return

first class mail.

(2) Flat rates. Flat rates for unmetered service shall approximate as closely as possible the utility's rates for metered service. The rate schedule shall clearly establish the basis upon which consumption is estimated.

(3) Bill format. Each utility shall include the billing form; including an e-bill form, if applicable; to be used by it, or its contents, in its tariffed rules.

(4) Meter readings. Registration of each meter shall read in the same units as used for billing unless a conversion factor is shown on the billing form.

(5) Frequency of meter reading.

(a) Except as provided in paragraph (b) of this subsection, each utility, except if prevented by reasons beyond its control, shall read customer meters at least quarterly;

(b) Each customer-read meter shall be read manually, at least once during each calendar year.

(c) Records shall be kept by the utility to insure that the information required by this subsection is available to the commission and any customer requesting this information.

(d) If, due to reasons beyond its control, a utility is unable to read a meter in accordance with this subsection, the utility shall record the date and time the attempt was made, if applicable, and the reason the utility was unable to read the meter.

## Section 8. Deposits.

(1) Determination of deposits.

(a) A utility may require from a customer a minimum cash deposit or other guaranty to secure payment of bills, except from those customers qualifying for service reconnection pursuant to Section 16 of this administrative regulation.

(b) A utility shall not require a deposit based solely on the customer being a tenant or renter.

(c) The method of determining the amount of a cash deposit may differ between classes of customers, but shall be uniform for all customers within the same class.

(d) The amount of a cash deposit shall be determined by one (1) of the methods established in this paragraph.

1. Calculated deposits.

a. If actual usage data is available for the customer at the same or similar premises, the deposit amount shall be calculated using the customer's average bill for the most recent twelve (12) month period.

b. If actual usage data is not available, the deposit amount shall be based on the average bills of similar customers and premises in the system.

c. Deposit amounts shall not exceed two-twelfths (2/12) of the customer's actual or estimated annual bill if bills are rendered monthly, three-twelfths (3/12) if bills are rendered bimonthly, or four-twelfths (4/12) if bills are rendered quarterly.

2. Equal deposits.

a. A utility may establish an equal deposit amount for each class based on the average bill of customers in that class.

b. Deposit amounts shall not exceed two-twelfths (2/12) of the average bill of customers in the class if bills are rendered monthly, three-twelfths (3/12) if bills are rendered bimonthly, or four-twelfths (4/12) if bills are rendered quarterly.

3. Recalculation of deposits.

a. If a utility retains either an equal or calculated deposit for more than eighteen (18) months, it shall notify customers in writing that, at the customer's request, the deposit shall be recalculated every eighteen (18) months based on actual usage of the customer.

b. The notice of deposit recalculation shall be included:

- (i) On the customer's application for service;
- (ii) On the receipt of deposit; or
- (iii) Annually with or on customer bills.

c. The notice of deposit recalculation shall state that if the deposit on account differs by more than ten (10) dollars for residential customers, or by more than ten (10) percent for nonresidential customers, from the deposit calculated on actual usage, the utility shall refund any over-collection and may collect any underpayment.

d. A refund shall be made either by check, electronic funds transfer, or by credit to the customer's account, except that a utility shall not be required to refund an excess deposit if the customer's account is delinquent upon recalculation of the deposit.

(2) Waiver of deposits. Deposits may be waived in accordance with criteria established in its tariff.

(3) Additional deposit requirement.

(a) If a deposit has been waived as established in subsection (2) of this section or has been returned and the customer fails to maintain a satisfactory payment record as defined in the utility's tariff, a utility may require a deposit.

(b) If substantial change in the customer's usage has occurred, the utility may require an additional deposit.

(c) An additional or subsequent deposit shall not be required of a residential customer whose payment record is satisfactory, unless the customer's classification of service changes, except as established in subsection (1)(d)3 of this section.

(4) Receipt of deposit.

(a) A utility shall issue to every customer from whom a deposit is collected a receipt of deposit.

(b) The receipt shall show the name of the customer, location of the service or customer account number, date, and amount of deposit.

(c) If the notice of recalculation established in subsection (1)(d)3 of this section is not included in the utility's application for service or mailed with customer bills, the receipt of deposit shall contain the notification.

(d) If deposit amounts change, the utility shall issue a new receipt of deposit to the customer.

(5) Deposits as a condition of service. Except as established in Section 16 of this administrative regulation, a utility may refuse or discontinue service to a customer pursuant to Section 15 of this administrative regulation if payment of requested deposits is not made.

(6) Interest on deposits.

(a) Interest shall accrue on all deposits at the rate prescribed by KRS 278.460, beginning on the date of deposit.

(b) Interest accrued shall be refunded to the customer or credited to the customer's bill on an annual basis.

(c) If interest is paid or credited to the customer's bill prior to twelve (12) months from the date of deposit, or the last interest payment date, the payment or credit shall be on a prorated basis.

(d) Upon termination of service, the deposit; any principal amounts, and interest earned and owing shall be credited to the final bill with any remainder refunded to the customer.

(7) Interest on deposits for water districts and associations.

(a) A water district or association that maintains a separate interest-bearing bank account designated as the customer deposit account shall pay interest to its customers

on the deposits held at the rate in effect at each customer's anniversary date or at December 31 of the previous year for the customer deposit account.

(b) A water district or association that does not maintain a separate interest-bearing bank account designated as the customer deposit account shall pay interest to its customers on the deposits held at a rate that is the weighted average rate of all of its interest bearing accounts as of December 31 of the previous year.

(c) If the water district or association does not have funds in an interest-bearing account, the water district or association shall pay interest to its customers on the deposits held at the rate in effect at each customer's anniversary date or at December 31 of the previous year for a basic savings account at the financial institution at which the water district or association maintains its operation and maintenance account.

(8) Tariff requirements. A utility that chooses to require deposits shall establish and include in its filed tariff the deposit policy to be utilized. This policy shall include:

(a) The method by which deposit amounts will be determined for each customer class;

(b) Standard criteria for determining if a deposit will be required or waived;

(c) The deposit amount for each customer class if the method in subsection (1)(d)(2) of this section is used;

(d) The period of time the utility will retain the deposit, or the conditions under which the utility will refund the deposit, or both if applicable; and

(e) The manner in which interest on deposits will be calculated and accrued and refunded or credited to customers' bills.

#### Section 9. Nonrecurring Charges.

(1) A utility may make special nonrecurring charges to recover customer-specific costs incurred that would otherwise result in monetary loss to the utility or increased rates to other customers to whom no benefits accrue from the service provided or action taken. A utility desiring to establish or change a special nonrecurring charge shall apply for commission approval of the charge in accordance with the provisions of 807 KAR 5:011, Section 10.

(2) A nonrecurring charge shall be included in a utility's tariff and applied uniformly throughout the area served by the utility. A charge shall relate directly to the service performed or action taken and shall yield only enough revenue to pay the expenses incurred in rendering the service.

(3) A nonrecurring charge shall include the charges listed in this subsection and may include other customer specific costs in accordance with this section and 807 KAR 5:011, Section 10.

(a) Turn-on charge.

1. A turn-on charge may be assessed for a new service turn on, seasonal turn on, or temporary service.

2. A turn-on charge shall not be made for initial installation of service if a tap fee is applicable.

(b) Reconnect charge.

1. A reconnect charge may be assessed to reconnect a service that has been terminated for nonpayment of bills or violation of the utility's tariffed rules or 807 KAR Chapter 5.

2. A customer who qualifies for service reconnection pursuant to Section 16 of this administrative regulation shall be exempt from reconnect charges.

(c) Termination or field collection charge.

1. A charge may be assessed if a utility representative makes a trip to the premises of a customer for the purpose of terminating service.

2. The charge may be assessed if the utility representative actually terminates service or if, in the course of the trip, the utility representative agrees to delay termination

based on the customer's payment or agreement to pay the delinquent bill by a specific date.

3. The utility shall not make a field collection charge more than once in a billing period.

(d) Special meter reading charge. This charge may be assessed if:

1. A customer requests that a meter be reread, and the second reading shows the original reading was correct. A charge shall not be assessed if the original reading was incorrect; or

2. A customer who reads his or her own meter fails to read the meter for three (3) consecutive months and it is necessary for a utility representative to make a trip to read the meter.

(e) Meter resetting charge. A charge may be assessed for resetting a meter if the meter has been removed at the customer's request.

(f) Meter test charge. This charge may be assessed if a customer requests the meter be tested pursuant to Section 19 of this administrative regulation and the tests show the as-found meter accuracy is within the limits established by 807 KAR 5:022, Section 8(3)(a)1. and 8(3)(b)1.; 5:041, Section 17(1); or 5:066, Section 15(2)(a).

(g) Returned payment charge. A returned payment charge may be assessed if payment of a utility bill is not honored by the customer's financial institution.

(h) Late payment charge. A late payment charge may be assessed if a customer fails to pay a bill for services by the due date shown on the customer's bill.

1. The late payment charge may be assessed only once on a bill for rendered services.

2. A payment received shall first be applied to the bill for service rendered.

3. Additional late payment charges shall not be assessed on unpaid late payment charges.

#### Section 10. Customer Complaints to the Utility.

(1) Upon complaint to a utility by a customer at the utility's office, by telephone or in writing, the utility shall make a prompt and complete investigation and advise the customer of the utility's findings.

(2) The utility shall keep a record of all written complaints concerning the utility's service. This record shall include:

(a) The customer's name and address;

(b) The date and nature of the complaint; and

(c) The disposition of the complaint.

(3) Records shall be maintained for two (2) years from the date of resolution of the complaint.

(4) If a written complaint or a complaint made in person at the utility's office is not resolved, the utility shall provide written notice to the customer of his or her right to file a complaint with the commission and shall provide the customer with the mailing address, Web site address, and telephone number of the commission.

(5) If a telephonic complaint is not resolved, the utility shall provide at least oral notice to the customer of his or her right to file a complaint with the commission and the mailing address, Web site address, and telephone number of the commission.

#### Section 11. Bill Adjustment for Gas, Electric, or Water Utilities.

(1) If, upon periodic test, request test, or complaint test, a meter in service is found to be in error in excess of the limits established by 807 KAR 5:022, Section 8(3)(a)2.; 5:041, Section 17(1); or 5:066, Section 15(4), additional tests shall be made in accordance with those same administrative regulations applicable for the meter type involved to determine the average meter error.

(2)

(a) If test results on a customer's meter show an average meter error greater than two (2) percent fast or slow, or if a customer has been incorrectly billed for another reason, except if a utility has filed a verified complaint with the appropriate law enforcement agency alleging fraud or theft by a customer, the utility shall:

1. Immediately determine the period during which the error has existed;
2. Recompute and adjust the customer's bill to either provide a refund to the customer or collect an additional amount of revenue from the underbilled customer; and
3. Readjust the account based upon the period during which the error is known to have existed.

(b)

1. If the period during which the error existed cannot be determined with reasonable precision, the time period shall be estimated using the data as elapsed time since the last meter test, if applicable, and historical usage data for the customer.
2. If that data is not available, the average usage of a similar class of customers shall be used for comparison purposes in calculating the time period.

(c) If the customer and the utility are unable to agree on an estimate of the time period during which the error existed, the commission shall determine the issue based on this section.

(d) In an instance of customer overbilling, the customer's account shall be credited or the overbilled amount refunded at the discretion of the customer within thirty (30) days after the investigation is complete.

(e) A utility shall not require customer repayment of an underbilling to be made over a period shorter than a period coextensive with the underbilling.

(3) Monitoring usage.

(a) A utility shall monitor a customer's usage at least quarterly according to procedures that shall be included in its tariff.

(b) The procedures shall be designed to draw the utility's attention to unusual deviations in a customer's usage and shall provide for reasonable means by which the utility can determine the reasons for the unusual deviation.

(c) If a customer's usage is unduly high and the deviation is not otherwise explained, the utility shall test the customer's meter to determine if the meter shows an average meter error greater than two (2) percent fast or slow.

(4) Usage investigation.

(a) If a utility's procedure for monitoring usage indicates that an investigation of a customer's usage is necessary, the utility shall notify the customer in writing:

1. Within ten (10) days of removing the meter from service, that a usage investigation is being conducted and the reasons for the investigation; and
2. Within ten (10) days upon completion of the investigation of the findings of the investigation.

(b) If knowledge of a serious situation requires more expeditious notice, the utility shall notify the customer by the most expedient means available.

(c) If the meter shows an average meter error greater than two (2) percent fast or slow, the utility shall maintain the meter in question at a secure location under the utility's control, for a period of six (6) months from the date the customer is notified of the finding of the investigation and the time frame the meter will be secured by the utility or if the customer has filed a formal complaint pursuant to KRS 278.260, the meter shall be maintained until the proceeding is resolved.

(5) Customer notification. If a meter is tested and it is found necessary to make a refund or back bill a customer, the customer shall be notified in substantially the following form: On \_\_\_\_\_, (date)\_\_\_\_, the meter bearing identification No. \_\_\_\_ installed in your building located at \_\_\_\_\_ (Street and Number) in \_\_\_\_\_ (city) was tested at



\_\_\_\_\_ (on premises or elsewhere) and found to register \_\_\_\_\_ (percent fast or slow). The meter was tested on \_\_\_\_\_ (Periodic, Request, Complaint) test. Based upon these test results the utility will \_\_\_\_\_ (charge or credit) your account in the sum of \$ \_\_\_\_\_, which has been noted on your regular bill. If you desire a cash refund, rather than a credit to your account, of any amount overbilled, you shall notify this office in writing within seven (7) days of the date of this notice.

(6) A customer account shall be considered to be current while a dispute is pending pursuant to this section, if the customer:

- (a) Continues to make payments for the disputed period in accordance with historic usage, or if that data is not available, the average usage of similar customer loads; and
- (b) Stays current on subsequent bills.

Section 12. Status of Customer Accounts During Billing Dispute. With respect to a billing dispute to which Section 11 of this administrative regulation does not apply, a customer account shall be considered to be current while the dispute is pending if the customer continues to make undisputed payments and stays current on subsequent bills.

Section 13. Customer's Request for Termination of Service.

(1)

(a) A customer who requests that service be terminated or changed from one (1) address to another shall give the utility three (3) working days' notice in person, in writing, or by telephone, if the notice does not violate contractual obligations or tariff provisions.

(b) The customer shall not be responsible for charges for service beyond the three (3) day notice period if the customer provides access to the meter during the notice period in accordance with section 20 of this administrative regulation.

(c) If the customer notifies the utility of his request for termination by telephone, the burden of proof shall be on the customer to prove that service termination was requested if a dispute arises.

(2) Upon request that service be reconnected at a premises subsequent to the initial installation or connection to its service lines, the utility may, subject to subsection (3) of this section, charge the applicant a reconnect fee established in its filed tariff.

(3) A utility desiring to establish a termination or reconnection charge pursuant to subsection (2) of this section shall apply for commission approval of the charge in accordance with the provisions of 807 KAR 5:011, Section 10.

Section 14. Utility Customer Relations.

(1) A utility shall post and maintain regular business hours and provide representatives available to assist its customers and to respond to inquiries from the commission regarding customer complaints.

(a) Available telephone numbers. Each utility shall:

1. Maintain a telephone;
2. Publish the telephone number in all service areas; and
3. Permit all customers to contact the utility's designated representative without charge.

(b) Designated representatives. Each utility shall designate at least one (1) representative to be available to answer customer questions, resolve disputes, and negotiate partial payment plans at the utility's office. The designated representative shall be knowledgeable of this administrative regulation; 807 KAR 5:001, Section 20; KRS 278.160(2); and KRS 278.225 regarding customer bills and service and shall be authorized to negotiate and accept partial payment plans.

1. Each water, sewer, electric, or gas utility having annual operating revenues of \$250,000 or more shall make the designated representative available during the

utility's established working hours not fewer than seven (7) hours per day, five (5) days per week, excluding legal holidays.

2. Each water, sewer, electric, or gas utility having annual operating revenues of less than \$250,000 shall make the designated representative available during the utility's established working hours not fewer than seven (7) hours per day, one (1) day per week. Additionally, during the months of November through March, each utility providing gas or electric service shall make available the designated representative during the utility's established working hours not fewer than five (5) days per week, excluding legal holidays.

(c) Display of customer rights.

1. Each utility shall prominently display in each office open to the public for customer service, and shall post on its Web site, if it maintains a Web site, a summary, prepared and provided by the commission, of the customer's rights pursuant to this section and Section 16 of this administrative regulation.

2. If a customer indicates to any utility personnel that he or she is experiencing difficulty in paying a current utility bill, that employee shall refer the customer to the designated representative for an explanation of his or her rights.

(d) Utility personnel training.

1. The chief operating officer of a utility that provides electric or gas service to residential customers shall certify under oath annually the training of utility personnel assigned to counsel persons presenting themselves for utility service pursuant to this section.

2. If the electric or gas utility is not incorporated in Kentucky and if the utility's corporate headquarters is not located in Kentucky, then the utility's highest ranking officer located in Kentucky shall make the required certification.

3. Training shall include an annual review of this administrative regulation and policies regarding winter hardship and disconnect, Cabinet for Health and Family Services (or its designee) policy and programs for issuing certificates of need, and the utility's policies regarding collection, arrears repayment plans, budget billing procedures, and weather or health disconnect policies.

4. Certification shall include written notice to the commission by no later than October 31 of each year identifying the personnel trained, the date training occurred, and that the training met the requirements of this section.

(2) Partial payment plans. Each utility shall negotiate and accept reasonable partial payment plans at the request of residential customers who have received a termination notice for failure to pay as provided in Section 15 of this administrative regulation, except that a utility is not required to negotiate a partial payment plan with a customer who is delinquent under a previous partial payment plan. Partial payment plans shall be mutually agreed upon and subject to the conditions in this section and Section 15 of this administrative regulation. Partial payment plans that extend for a period longer than thirty (30) days shall be in writing or electronically recorded, state the date and the amount of payment due. Written partial payment plans shall be dated and signed by both parties, and shall advise customers that service may be terminated without additional notice if the customer fails to meet the obligations of the plan.

(a) Budget payment plans for water, gas, and electric utilities. A water, gas, and electric utility shall develop and offer to the utility's residential customers a budget payment plan based on historical or estimated usage whereby a customer may elect to pay a fixed amount each month in lieu of monthly billings based on actual usage.

1. Pursuant to this plan, a utility shall issue bills that adjust accounts so as to bring each participating customer current once each twelve (12) month period. The customer's account may be adjusted at the end of the twelve (12) month period or

through a series of levelized adjustments on a monthly basis if usage indicates that the account will not be current upon payment of the last budget amount.

2. Budget payment plans shall be offered to residential customers and may be offered to other classes of customers.

3. The provisions of the budget plan shall be included in the utility's tariffed rules.

4. The utility shall provide information to its customers regarding the availability of budget payment plans.

(b) Partial payment plans for customers with medical certificates or certificates of need. For customers presenting certificates pursuant to the provisions of Sections 15(3) and 16 of this administrative regulation, gas and electric utilities shall negotiate partial payment plans based upon the customer's ability to pay, requiring accounts to become current not later than the following October 15. The plans include, for example, budget payment plans and plans that defer payment of a portion of the arrearage until after the end of the heating season through a schedule of unequal payments.

(3) Utility inspections of service conditions prior to providing service. Each electric, gas, water, and sewer utility shall inspect the condition of its meter and service connections before making service connections to a new customer so that prior or fraudulent use of the facilities shall not be attributed to the new customer.

(a) The new customer shall be afforded the opportunity to be present at the inspections.

(b) The utility shall not be required to render service to a customer until all defects in the customer-owned portion of the service facilities have been corrected.

(4) Prompt connection of service. Except as provided in Section 16 of this administrative regulation, the utility shall reconnect existing service within twenty-four (24) hours or close of the next business day, whichever is later, and shall install and connect new service within seventy-two (72) hours or close of the next business day, whichever is later, if the cause for refusal or discontinuance of service has been corrected and the utility's tariffed rules and 807 KAR Chapter 5 have been met.

(5) Advance termination notice. If advance termination notice is required, the termination notice shall be mailed or otherwise delivered to the customer's last known address. The termination notice shall be in writing, distinguishable and separate from a bill.

(a) The termination notice shall plainly state the reason for termination, that the termination date shall not be affected by receipt of a subsequent bill, and that the customer has the right to dispute the reasons for termination.

(b) The termination notice shall also comply with the applicable requirements of Section 15 of this administrative regulation.

#### Section 15. Refusal or Termination of Service.

(1) A utility may refuse or terminate service to a customer only pursuant to the following conditions, except as provided in subsections (2) and (3) of this section:

(a) For noncompliance with the utility's tariffed rules or the commission's administrative regulations.

1. A utility may terminate service for a customer's failure to comply with applicable tariffed rules or 807 KAR Chapter 5 pertaining to that service.

2. A utility shall not terminate or refuse service to a customer for noncompliance with the utility's tariffed rules or 807 KAR Chapter 5 without first having made a reasonable effort to obtain customer compliance.

3. After the effort by the utility, service may be terminated or refused only after the customer has been given at least ten (10) days written termination notice pursuant to Section 14(5) of this administrative regulation.

(b) For dangerous conditions. If a dangerous condition relating to a utility's service that could subject a person to imminent harm or result in substantial damage to the property

of the utility or others is found to exist on the customer's premises, the service shall be refused or terminated without advance notice.

1. The utility shall notify the customer immediately in writing and, if possible, orally of the reasons for the termination or refusal.

2. The notice shall be recorded by the utility and shall include the corrective action to be taken by the customer or utility before service can be restored or provided.

3. If the dangerous condition, such as gas piping or a gas-fired appliance, can be effectively isolated or secured from the rest of the system, the utility need discontinue service only to the affected piping or appliance.

(c) For refusal of access. If a customer refuses or neglects to provide reasonable access to the premises for installation, operation, meter reading, maintenance, or removal of utility property, the utility may terminate or refuse service. The action shall be taken only if corrective action negotiated between the utility and customer has failed to resolve the situation and after the customer has been given at least ten (10) days' written notice of termination pursuant to Section 14(5) of this administrative regulation.

(d) For outstanding indebtedness. Except as provided in Section 16 of this administrative regulation, a utility shall not be required to furnish new service to a person contracting for service who is indebted to the utility for service furnished or other tariffed charges until that person contracting for service has paid his indebtedness.

(e) For noncompliance with state, local, or other codes. A utility may refuse or terminate service to a customer if the customer does not comply with state, municipal, or other codes. A utility may terminate service pursuant to this subsection only after ten (10) days' written notice is provided pursuant to Section 14(5) of this administrative regulation, unless ordered to terminate immediately by a governmental official.

(f) For nonpayment of bills. A utility may terminate service at a point of delivery for nonpayment of charges incurred for utility service at that point of delivery. A utility shall not terminate service to any person contracting for service for nonpayment of bills for any tariffed charge without first having mailed or otherwise delivered an advance termination notice which complies with the requirements of Section 14(5) of this administrative regulation.

1. Termination notice requirements for electric or gas service.

- a. Each electric or gas utility proposing to terminate customer service for nonpayment shall mail or otherwise deliver to that customer ten (10) days' written notice of intent to terminate.

- b. Service shall not, for any reason, be terminated before twenty-seven (27) days after the mailing date of the original unpaid bill.

- c. The termination notice to residential customers shall include written notification to the customer of the existence of local, state, and federal programs providing for the payment of utility bills under certain conditions, and of the address and telephone number of the Cabinet for Health and Family Services (or its designee) to contact for possible assistance.

2. Termination notice requirements for water, sewer, or telephone service.

- a. Each water, sewer, or telephone utility proposing to terminate customer service for nonpayment shall mail or otherwise deliver to that customer five (5) days' written notice of intent to terminate.

- b. Service shall not, for any reason, be terminated before twenty (20) days after the mailing date of the original unpaid bill.

3. The termination notice requirements of this subsection shall not apply if termination notice requirements to a particular customer or customers are otherwise

dictated by the terms of a special contract between the utility and customer, which has been approved by the commission.

4. This subsection shall not prevent or restrict a utility from discontinuing service if a sewer service provider requests discontinuance of a customer's water service pursuant to KRS 74.408, 96.934, or 220.510, nor shall it restrict a water district from discontinuing water service to a customer who has failed to pay his bill for sewer service that the water district has provided.

(g) For illegal use or theft of service. A utility may terminate service to a customer without advance notice if it has evidence that a customer has obtained unauthorized service by illegal use or theft.

1.

a. Within twenty-four (24) hours after termination, the utility shall send written notification to the customer of the reasons for termination or refusal of service upon which the utility relies, and of the customer's right to challenge the termination by filing a formal complaint with the commission.

b. This right of termination is separate from and in addition to any other legal remedies that the utility may pursue for illegal use or theft of service.

2. The utility shall not be required to restore service until the customer has complied with all tariffed rules of the utility, KRS Chapter 278, and 807 KAR Chapter 5.

(2) A utility shall not terminate service to a customer if:

(a) Payment for services is made. If, following receipt of a termination notice for nonpayment but prior to the actual termination of service payment of the amount in arrears is received by the utility, service shall not be terminated;

(b) A payment agreement is in effect. Service shall not be terminated for nonpayment if the customer and the utility have entered into a partial payment plan in accordance with Section 14 of this administrative regulation and the customer is meeting the requirements of the plan; or

(c) A medical certificate is presented. Service shall not be terminated for thirty (30) days beyond the termination date if a physician, registered nurse, or public health officer certifies in writing that termination of service will aggravate a debilitating illness or infirmity currently suffered by a resident living at the affected premises.

1. A utility may refuse to grant consecutive extensions for medical certificates past the original thirty (30) days unless the certificate is accompanied by an agreed partial payment plan in accordance with Section 14 of this administrative regulation.

2. A utility shall not require a new deposit from a customer to avoid termination of service for a thirty (30) day period who presents to the utility a medical certificate certified in writing by a physician, registered nurse, or public health officer.

(3) A gas or electric utility shall not terminate service for thirty (30) days beyond the termination date if the Kentucky Cabinet for Health and Family Services (or its designee) certifies in writing that the customer is eligible for the cabinet's energy assistance program or household income is at or below 130 percent of the poverty level, and the customer presents the certificate to the utility.

(a) A customer eligible for certification from the Cabinet for Health and Family Services shall have been issued a termination notice between November 1 and March 31.

(b) Each certificate shall be presented to the utility during the initial ten (10) day termination notice period.

(c)

1. As a condition of the thirty (30) day extension, the customer shall exhibit good faith in paying his indebtedness by making a present payment in accordance with his ability to do so.

2. In addition, the customer shall agree to a repayment plan in accordance with Section 14 of this administrative regulation, which shall permit the customer to become current in the payment of his bill as soon as possible but not later than October 15.

(d) A utility shall not require a new deposit from a customer to avoid termination of service for a thirty (30) day period who presents a certificate to the utility certified by the Cabinet for Health and Family Services (or its designee) that the customer is eligible for the cabinet's Energy Assistance Program or whose household income is at or below 130 percent of the poverty level.

#### Section 16. Winter Hardship Reconnection.

(1) Notwithstanding the provisions of Section 14(4) of this administrative regulation to the contrary, an electric or gas utility shall reconnect service to a residential customer who has been disconnected for nonpayment of bills pursuant to Section 15(1)(f) of this administrative regulation prior to application for reconnection, and who applies for reconnection during the months from November 1 through March 31 if the customer or his agent:

(a) Presents a certificate of need from the Cabinet for Health and Family Services (or its designee), including a certification that a referral for weatherization services has been made in accordance with subsection (3) of this section;

(b) Pays one-third (1/3) of his outstanding bill or \$200, whichever is less; and

(c) Agrees to a repayment schedule that would permit the customer to become current in the payment of his electric or gas bill as soon as possible but no later than October 15.

1. If the customer applies for reconnection and the customer has an outstanding bill in excess of \$600 and agrees to a repayment plan that would pay current charges and makes a good faith reduction in the outstanding bill consistent with his ability to pay, then the plan shall be accepted.

2. In addition to payment of current charges, repayment schedules shall provide an option to the customer to select either one (1) payment of arrearages per month or more than one (1) payment of arrearages per month.

(d) A utility shall not require a new deposit from a customer whose service is reconnected due to paragraphs (a), (b), or (c) of this subsection.

(2) Certificate of need for reconnection. A customer who is eligible for energy assistance under the Cabinet for Health and Family Services' guidelines or is certified as being in genuine financial need, which is defined as a household with gross income at or below 130 percent of the poverty level, may obtain a certificate of need from the cabinet (or its designee) to be used in obtaining a service reconnection from the utility.

(3) Weatherization program. Customers obtaining a certificate of need pursuant to this administrative regulation shall agree to accept referral to and utilize weatherization services administered by the Cabinet for Health and Family Services. The provision and acceptance of weatherization services shall be contingent on the availability of funds and other program guidelines. Weatherization services include, for example, weather stripping, insulation, and caulking. A customer current with his or her payment plan pursuant to subsection 1(c) of this section shall not be disconnected.

#### Section 17. Meter Testing.

(1) All electric, gas, and water utilities furnishing metered service shall provide meter standards and test facilities, as more specifically established in 807 KAR 5:022, 5:041, and 5:066. Before being installed for use by a customer, an electric, gas, and water meter shall be tested and in good working order and shall be adjusted as close to the optimum operating tolerance as possible, as more specifically established in 807 KAR 5:022, Section 8(3)(a), 5:041, Section 17(1)(a)-(c), and 5:066, Section 15(2)(a)-(b).

(2) A utility may have all or part of its testing of meters performed by another utility or agency approved by the commission for that purpose. Each utility having tests made by another agency or utility shall notify the commission of those arrangements in detail to include make, type, and serial number of standards used to make the tests.

(3) A utility shall not place in service a basic measurement standard required by 807 KAR Chapter 5 unless the calibration has been approved by the commission. All utilities or agencies making tests or checks for utility purposes shall notify the commission promptly of the adoption or deletion of a basic standard requiring commission approval of the calibration.

(4) An electric, gas, and water utility or agency doing meter testing for a utility shall have in its employ meter testers certified by the commission. These certified meter testers shall perform tests as necessary to determine the accuracy of the utility's meters and to adjust the utility's meters to the degree of accuracy required by 807 KAR Chapter 5.

(5) A utility or agency desiring to have an employee certified as meter tester shall submit the name of each applicant on an "Application for Appointment of Meter Tester." The applicant shall pass a written test administered by commission staff and have his competency in the testing of meters verified by commission staff, at which time the applicant shall be certified as a meter tester and furnished with a card authorizing him to perform meter tests.

(6) A utility or agency may employ apprentices in training for certification as meter testers.

(a) The apprentice period shall be a minimum of six (6) months, after which the meter tester apprentice shall comply with subsection (5) of this section.

(b) All tests performed during this period by an apprentice shall be witnessed by a certified meter tester.

#### Section 18. Meter Test Records.

(1)

(a) A complete record of all meter tests and adjustments and data sufficient to allow checking of test calculations shall be recorded by the meter tester. The record shall include:

1. Information to identify the unit and its location;
2. Date of tests;
3. Reason for the tests;
4. Readings before and after test;
5. Statement of "as found" and "as left" accuracies sufficiently complete to permit checking of calculations employed;
6. Notations showing that all required checks have been made;
7. Statement of repairs made, if any;
8. Identifying number of the meter;
9. Type and capacity of the meter; and
10. The meter constant.

(b) The complete record of tests of each meter shall be continuous for at least two (2) periodic test periods and shall in no case be less than two (2) years.

(2) Historical records.

(a) A utility shall keep numerically arranged and properly classified records for each meter that it owns, uses, and inventories.

(b) These records shall include:

1. Identification number;
2. Date of purchase;
3. Name of manufacturer;
4. Serial number;

5. Type;
6. Rating; and
7. Name and address of each customer on whose premises the meter has been in service with date of installation and removal.

(c) These records shall also contain condensed information concerning all tests and adjustments including dates and general results of the adjustments. The records shall reflect the date of the last test and indicate the proper date for the next periodic test required by the applicable commission administrative regulation in 807 KAR Chapter 5.

(3) Sealing of meters. Upon completion of adjustment and test of a meter pursuant to 807 KAR Chapter 5, a utility shall affix to the meter a suitable seal in a manner that adjustments or registration of the meter cannot be altered without breaking the seal.

(4) A utility may store the meter test and historical data described or required in subsections (1) and (2) of this section in a computer storage and retrieval system upon notification to the commission. If a utility elects to use a computer storage and retrieval system, a back-up copy of the identical information shall be retained.

#### Section 19. Request Tests.

(1) A utility shall make a test of a meter upon written request of a customer if the request is not made more frequently than once each twelve (12) months.

(a) The customer shall be given the opportunity to be present at the requested test.

(b) If the tests show the as-found meter accuracy is within the limits allowed by 807 KAR 5:022, Section 8(3)(a)1., 5:022, Section 8(3)(b)1., 5:041, Section 17(1), or 5:066, Section 15(4), the utility may make a reasonable charge for the test.

(c) The commission-approved amount of the charge shall be established in the utility's filed tariff.

(d) The utility shall maintain a meter removed from service for testing, in a secure location under the utility's control, for a period of six (6) months from the date the customer is notified of the finding of the investigation and the time frame the meter will be secured by the utility or if the customer has filed a formal complaint pursuant to KRS 278.260, the meter shall be maintained until the proceeding is resolved, or the meter is picked up for testing by personnel from the commission's Meter Standards Laboratory.

(2) After having first obtained a test from the utility, a customer of the utility may request a meter test by the commission upon written application.

(a) The request shall not be made more frequently on one (1) meter than once each twelve (12) months.

(b) Upon request, personnel from the commission's Meter Standards Laboratory shall pick up the meter from the utility and maintain the meter for a minimum of six (6) months from the date the customer is notified of the finding of the investigation and the time frame the meter will be secured by the commission's Meter Standards Laboratory or if the customer has filed a formal complaint pursuant to KRS 278.260, the meter shall be maintained until the proceeding is resolved.

Section 20. Access to Property. The utility shall at all reasonable hours have access to meters, service connections, and other property owned by it and located on customer's premises for purposes of installation, maintenance, meter reading, operation, replacement, or removal of its property. An employee of the utility whose duties require him to enter the customer's premises shall wear a distinguishing uniform or other insignia, identifying him as an employee of the utility, and show a badge or other identification that shall identify him as an employee of the utility.

#### Section 21. Pole Identification.



- (1) Each utility owning poles or other structures supporting its wires shall mark every pole or structure located within a built-up community with the initials or other distinguishing mark by which the owner of every structure can be readily determined.
- (2) Identification marks may be of any type but shall be of a permanent material and shall be easily read from the ground at a distance of six (6) feet from the structure.
- (3) If a utility's structures are located outside of a built-up community, at least every tenth structure shall be marked as established in subsection (2) of this section.
- (4) All junction structures shall bear the identification mark and structure number of the owner.
- (5) Poles need not be marked if they are clearly and unmistakably identifiable as the property of the utility.
- (6) A utility shall either number its structures and maintain a numbering system or use some other method of identification so that each structure in the system can be easily identified.

#### Section 22. Cable Television Pole Attachments and Conduit Use.

- (1) Each utility owning poles or other facilities supporting its wires shall permit cable television system operators who have all necessary licenses and permits to attach cables to poles and to use facilities, as customers, for transmission of signals to their patrons.
- (2) The tariffs of the utility shall establish the rates, terms, and conditions under which the utility's facilities may be used.
- (3) With respect to a complaint before the commission in an individual matter concerning cable television pole attachments, final action shall be taken on the matter within a reasonable time, but no later than 360 days after filing of the complaint.

#### Section 23. System Maps and Records.

- (1) Each utility shall have on file at its principal office located within the state and shall file upon request with the commission a map or maps of suitable scale of the general territory it serves or holds itself ready to serve. The map or maps should be available preferably in electronic format as a PDF file or as a digital geographic database. The following data shall be available on the map or maps:
  - (a) Operating districts;
  - (b) Rate districts;
  - (c) Communities served;
  - (d) Location and size of transmission lines, distribution lines and service connections;
  - (e) Location and layout of all principal items of plant; and
  - (f) Date of construction of all items of plant by year and month.
- (2) In each division or district office there shall be available information relative to the utility's system that will enable the local representative to furnish necessary information regarding the rendering of service to existing and prospective customers.
- (3) In lieu of showing the above construction information in (1)(f) on maps, a card record or suitable digital data may be used.
  - (a) The construction data about a plant feature, such as a pipeline, may be stored in a table and linked to the geographic plant feature by a unique identifier that is present in both the table and the geographic database.
  - (b) For all prospective construction the records shall also show the date of construction by month and year.

Section 24. Location of Records. All records required by 807 KAR Chapter 5 shall be kept in the office of the utility and shall be made available to representatives, agents, or staff of the commission upon reasonable notice at all reasonable hours.

Section 25. Safety Program. Each utility shall adopt and execute a safety program, appropriate to the size and type of its operations. At a minimum, the safety program shall:

- (1) Establish a safety manual with written guidelines for safe working practices and procedures to be followed by utility employees;
- (2) Instruct employees in safe methods of performing their work. For electric utilities, this is to include the standards established in 807 KAR 5:041, Section 3; and
- (3) Instruct employees who, in the course of their work, are subject to the hazard of electrical shock, asphyxiation, or drowning, in accepted methods of artificial respiration.

#### Section 26. Inspection of Systems.

- (1) A utility shall adopt inspection procedures to assure safe and adequate operation of the utility's facilities and compliance with KRS Chapter 278 and 807 KAR Chapter 5 and shall file these procedures with the commission for review.
- (2) Upon receipt of a report of a potentially hazardous condition at a utility facility, the utility shall inspect all portions of the system that are the subject of the report.
- (3) Appropriate records shall be kept by a utility to identify the inspection made, the date and time of inspection, the person conducting the inspection, deficiencies found, and action taken to correct the deficiencies.
- (4) Electric utility inspection. An electric utility shall make systematic inspections of its system in the manner established in this subsection to insure that the commission's safety requirements are being met. These inspections shall be made as often as necessary but not less frequently than established in this subsection for various classes of facilities and types of inspection.
  - (a) As a part of operating procedure, each utility shall continuously monitor and inspect all production facilities regularly operated and manned.
  - (b) At intervals not to exceed six (6) months, the utility shall inspect:
    1. Unmanned production facilities, including peaking units not on standby status, and all monitoring devices, for evidence of abnormality;
    2. Transmission switching stations if the primary voltage is sixty-nine (69) KV or greater, for damage to or deterioration of components including structures, fences, gauges, and monitoring devices;
    3. Underground network transformers and network protectors in vaults located in buildings or under sidewalks, for leaks, condition of case, connections, temperature, and overloading; and
    4. Electric lines operating at sixty-nine (69) KV or greater, including insulators, conductors, and supporting facilities, for damage, deterioration and vegetation management consistent with the utility's vegetation management practices.
  - (c) In addition to the requirements established in paragraph (b) of this subsection, all electric lines operating at sixty-nine (69) KV or greater, including insulators, conductors, and supporting facilities shall be inspected from the ground for damage, deterioration, and vegetation management consistent with the utility's vegetation management practices at intervals not to exceed:
    1. Six (6) years for each electric line supported by a wood pole or other wood support structure; or
    2. Twelve (12) years for each electric line supported by a pole or other support structure constructed of steel or other nonwood material.
  - (d) At intervals not to exceed one (1) year, the utility shall inspect:
    1. Production facilities maintained on a standby status. Except for remotely controlled facilities, all production facilities shall also be thoroughly inspected; and
    2. Distribution substations with primary voltage of fifteen (15) to sixty-nine (69) KV.
  - (e) At intervals not to exceed two (2) years, the utility shall inspect all electric facilities operating at voltages of less than sixty-nine (69) KV, to the point of service including insulators, conductors, meters, and supporting facilities from the ground for damage,

deterioration, and vegetation management consistent with the utility's vegetation management practices.

(f) The utility shall inspect other facilities as follows:

1. Utility buildings shall be inspected for compliance with safety codes at least annually; and
2. Construction equipment shall be inspected for defects, wear, and operational hazards at least quarterly.

(g) Aerial inspections shall not be used as the basis for compliance with paragraphs (b)1. through 3., support facilities provisions in (b)4., (d)1., and (f) of this subsection.

(5) Gas utility inspection. A gas utility shall make systematic inspections of its system to insure that the commission's safety requirements are being met. These inspections shall be made as often as necessary but not less frequently than is prescribed or recommended by the Department of Transportation, 49 C.F.R. Part 192 Transportation of Natural and Other Gas by Pipeline: Minimum Federal Safety Standards, for the various classes of facilities.

(a) The following maximum time intervals shall be established for certain inspections provided for in 49 C.F.R. Part 192 Transportation of Natural and Other Gas by Pipeline: Minimum Federal Safety Standards, with respect to which intervals are not specified, and for certain additional inspections not provided for in the code.

1. At intervals not to exceed every fifteen (15) months but at least once each calendar year, the utility shall inspect and visually examine:
  - a. Production wells, storage wells, and well equipment, including their exterior components;
  - b. Pressure limiting stations, relief devices, pressure regulating stations, and vaults; and
  - c. Accessibility of the curb box and valve on a service line.
2. At intervals not to exceed three (3) years, gas meters shall be manually inspected and visually examined for proper working condition.
3. The utility shall inspect other facilities as follows:
  - a. Utility buildings shall be inspected for compliance with safety codes at least annually; and
  - b. Construction equipment under the control of the utility shall be inspected for defects, wear, and operational hazards at least quarterly.

(b) At intervals not to exceed the periodic meter test intervals, individual residential customer service regulators, vents, and relief valve vents shall be checked for operable condition.

(c) At intervals not to exceed the periodic meter test intervals, the curb box and valve on the service line shall be inspected for operable condition.

(d) Aerial inspections shall not be used as the basis for compliance with paragraphs (a) through (c) of this subsection.

(6) Water utility inspections. Each water utility shall make systematic inspections of its system as established in paragraphs (a) through (c) of this subsection to insure that the commission's safety requirements are being met. These inspections shall be made as often as necessary but not less frequently than as established in paragraphs (a) through (c) of this subsection for various classes of facilities and types of inspection.

(a) The utility shall annually inspect all structures pertaining to source of supply for their safety and physical and structural integrity, including dams, intakes, and traveling screens. The utility shall semiannually inspect supply wells, their motors and structures, including electric power wiring and controls for proper and safe operation;

(b) The utility shall annually inspect all structures pertaining to purification for their safety, physical and structural integrity, and for leaks, including sedimentation basins, filters, and clear wells; chemical feed equipment; pumping equipment and water

storage facilities, including electric power wiring and controls; and hydrants, mains, meters, meter settings and valves; and

(c) The utility shall monthly inspect construction equipment and vehicles for defects, wear, operational hazards, lubrication, and safety features.

(7) Telephone utility inspection. Each telephone utility shall make systematic inspections of its system as established in paragraphs (a) through (f) of this subsection to insure that the commission's safety requirements are being met. The inspections shall be made as often as necessary but not less frequently than as established in paragraphs (a) through (f) of this subsection for various classes of facilities and types of inspection.

(a) The utility shall inspect aerial plant for electrical hazards, proper clearance for electric clearances of facilities, vegetation management consistent with the utility's vegetation management practices, and climbing safety every two (2) years;

(b) The utility shall inspect underground plant for presence of gas, proper clearance from electric facilities, and safe working conditions at least annually;

(c) The utility shall inspect utility-provided station equipment and connections for external electrical hazards, damaged instruments or wiring, and appropriate protection from lightning and safe location of equipment and wiring when on a customer's premises;

(d) The utility shall inspect utility buildings for compliance with safety codes at least annually;

(e) The utility shall inspect construction equipment for defects, wear, and operational hazards at least quarterly; and

(f) Aerial inspections shall not be used as the basis for compliance with this subsection.

(8) Sewage utility inspection. Each sewage utility shall make systematic inspections of its system in the manner established in 807 KAR 5:071 to ensure that the commission's safety requirements are being met. The inspections shall be made as often as necessary but not less frequently than established in 807 KAR 5:071.

#### Section 27. Reporting of Accidents, Property Damage, or Loss of Service.

(1) Within two (2) hours following discovery each utility, other than a natural gas utility, shall notify the commission by telephone or electronic mail of a utility related accident that results in:

(a) Death or shock or burn requiring medical treatment at a hospital or similar medical facility, or any accident requiring inpatient overnight hospitalization;

(b) Actual or potential property damage of \$25,000 or more; or

(c) Loss of service for four (4) or more hours to ten (10) percent or 500 or more of the utility's customers, whichever is less.

(2) A summary written report shall be submitted by the utility to the commission within seven (7) calendar days of the utility related accident. For good cause shown, the executive director of the commission, shall, upon application in writing, allow a reasonable extension of time for submission of this report.

(3) Natural gas utilities shall report utility related accidents in accordance with the provisions of 807 KAR 5:027.

#### Section 28. Deviations from Administrative Regulation. In special cases, for good cause shown, the commission shall permit deviations from this administrative regulation.

#### Section 29. Incorporation by Reference.

(1) The following material is incorporated by reference:

(a) Annual Financial and Statistical Reports:

1. "FERC Form 1 – Annual Report of Major Electric Utilities, Licensees and Others", March 2007;

2. "Annual Reporting Form for Rural Electric Cooperative Corporations", July 2012;

3. "FERC Form 2 – Annual Report of Major Natural Gas Companies", December 2007;
4. "Annual Reporting Form for Class C and D Gas Utilities", August 2005;
5. "Annual Reporting Form for Local Exchange Carriers", August 2005;
6. "Annual Reporting Form for Local Exchange Carriers – Kentucky Operations Only", August 2004;
7. "Annual Reporting Form for Water Company – Class A & B", July 2012;
8. "Annual Reporting Form for Water Company – Class C", July 2012;
9. "Annual Reporting Form for Water Districts/Water Associations – Class A & B", July 2012;
10. "Annual Reporting Form for Water Districts/Water Associations – Class C", July 2012; and
11. "Annual Reporting Form for Sewer Utilities", September 2005;

(b) Quarterly Meter Reports:

1. "Quarterly Meter Report-Electric", August 2011;
2. "Quarterly Meter Report-Water", July 2012; and
3. "Quarterly Meter Report-Gas", July 2007;

(c) Non-payment Disconnection/Reconnection Reports:

1. "Water Utility-Non-Payment Disconnection/Reconnection Report", February 2012;
2. "Electric Utility-Non-Payment Disconnection/Reconnection Report", September 2000; and
3. "Gas Utility Non-Payment Disconnection/Reconnection Report" September 2000;

(d) "Application for Appointment of Meter Testers", August 2012; and

(e) Gross Annual Operating Revenue Reports:

1. "Report of Gross Operating Revenues Derived from Intra-Kentucky Business", December 2010;
2. "Report of Gross Operating Revenues Derived from Intra-Kentucky Business Electric Utilities", October 2012;
3. "Report of Gross Operating Revenues Derived from Intra-Kentucky Business Long Distance Carriers and Operator Services", September 2010;
4. "Report of Gross Operating Revenues Derived from Intra-Kentucky Business Paging and Cellular", September 2010; and
5. "Report of Gross Operating Revenues Derived from Intra-Kentucky Business Local Exchange Carriers and Competitive Local Exchange Carriers", September 2010.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law at the commission's offices at 211 Sower Boulevard, Frankfort, Kentucky 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m. This material may also be obtained at the commission's Web site at <http://psc.ky.gov>.

(8 Ky.R. 791; 961; 1137; eff. 4-7-1982; 9 Ky.R. 217; 473; eff. 8-25-1982; 11 Ky.R. 790; 1048; eff. 1-7-1985; 12 Ky.R. 967; 1343; 1510; eff. 2-4-1986; 18 Ky.R. 1953; 2554; eff. 2-26-1992; TAm eff. 8-9-2007; 39 Ky.R. 295; 1015; 1136; eff. 1-4-2013; TAm eff. 1-30-2013; Crt eff. 3-27-2019.)