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MAR 31 2014

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the matter of:

Kurt and Layne Netherton
COMPLAINANT

VS.

Kentucky American Water Company
DEFENDANT

COMPLAINT

The complaint of Kurt and Layne Netherton respectfully shows:

- (a) Kurt and Layne Netherton
3649 Winding Wood Lane
Lexington, KY 40515
- (b) Kentucky American Water Company
PO Box 371880
Pittsburgh, PA 15250-7880
- (c) That: Complainant received two excessively high and clearly incorrect water bills for the following time frames and usage quantities:
 - 1. 11/6/13-12/5/13 for 145,860 reported gallons of water usage for a bill totaling \$836.79
 - 2. 12/6/13-01/7/14 for 103,972 reported gallons of water usage for a bill totaling \$607.40

--this is a grand total of 249,832 gallons of water reportedly used by two people in 63 days.

--this is clearly impossible and obviously incorrect and the subsequent facts will attempt to prove this

Prior to these two bills, our average water bill usage was approximately 6,170 gallons per month, with exception of the August and September bills. The August and September bills brought our average usage to approximately 8,353 gallons per month. The additional water usage for August and September related to us watering our lawn, which is an event that is atypical of a normal usage month.

We just received our latest water bill for the time frame of 1/8/14 to 3/6/14 and the usage for 58 days was 9,724 gallons, or approximately 168 gallons per day. This average daily usage is in line with the usage of the other normal months.

We have two people in our household, and a child that stays with us every other weekend. We have verified that there are no leaks on the property, internal or external. We firmly assess that there is absolutely no way that we could have consumed anywhere close to the amount of water that has been reported by Kentucky American Water Company.

We are including two exhibits—exhibit A shows the water usage per the KAWC invoices since we moved into our home in May of 2013.

EXHIBIT A

*Kentucky American Water Company
Invoice and Water Usage Recap*

<u>Bill Date</u>	<u>Beginning Billing Period</u>	<u>Ending Billing Period</u>	<u>No of Days</u>	<u>Beginning Meter Reading</u>	<u>Ending Meter Reading</u>	<u>Water Usage</u>	<u>Water Usage in Gallons</u>	<u>Bill Amount</u>	<u>Gallons Used Per Day</u>
3/7/2014	1/8/2014	3/6/2014	58	684	690	97.24	9,724	\$ 80.80	168
1/13/2014	12/6/2013	1/7/2014	33	545	684	1,039.72	103,972	\$ 607.40	3,151
1/8/2014	11/6/2013	12/5/2013	30	350	545	1,458.60	145,860	\$ 836.79	4,862
11/7/2013	10/8/2013	11/5/2013	29	341	350	67.32	6,732	\$ 53.25	232
10/9/2013	9/7/2013	10/7/2013	31	321	341	149.60	14,960	\$ 102.64	483
9/11/2013	8/8/2013	9/6/2013	30	307	321	104.72	10,472	\$ 78.68	349
8/9/2013	7/10/2013	8/7/2013	29	299	307	59.84	5,984	\$ 73.53	206
7/11/2013	6/7/2013	7/9/2013	33	292	299	52.36	5,236	\$ 65.36	159
6/12/2013	5/4/2013	6/6/2013	34	283	292	67.32	6,732	\$ 73.90	198

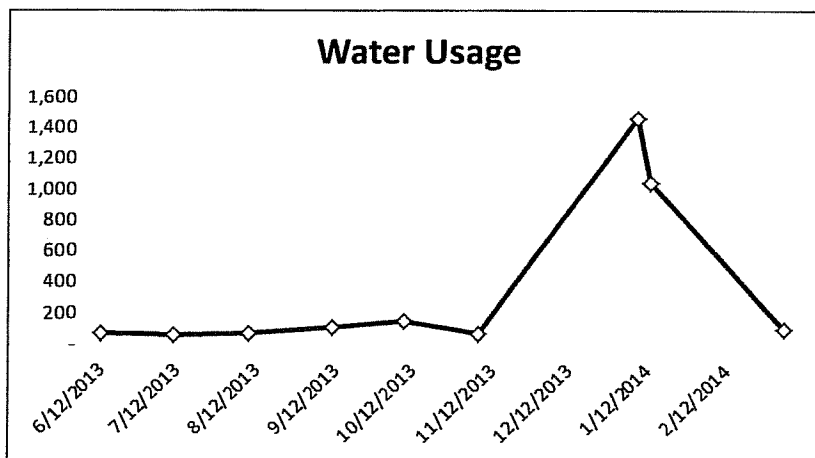


EXHIBIT B

Kentucky American Water Company
Daily Water Usage Analysis
3649 Winding Wood Lane, Lexington, KY 40515

Assumptions:

- 2 people living in home on a daily basis
- 1 additional person living in home every other weekend; or 5 visits in 63 days
- daily/weekly water consuming activities are as follows:
 - showering
 - brushing teeth
 - shaving
 - using the toilet
 - washing hands
 - doing laundry
 - running dishwasher

Showering

- Assume 2 adults shower every day, twice a day
- Assume 1 child showers every day for 5 visits of 3 days each
- Assume 10 minute shower
- Assume 4 gallons used per minute

126 No. of Adult 1 showers taken in 63 days
126 No. of Adult 2 showers taken in 63 days
15 No. of Child showers taken in 63 days
267 Total Showers taken by household members in 63 days
40 Gallons of water used per shower
10,680.00 No. of gallons of water used for showers by household members in 63 days

Brushing Teeth

2 No of people brushing teeth per day
2 No of teeth brushings per person per day
4 No of teeth brushings per day
63 No of days in question
252 Total no of teeth brushings by household members in 63 days
1 No. of gallons of water used per teeth brushing
252.00 No. of gallons of water used for brushing teeth by household members in 63 days

Shaving

1 No of shavings per day
63 No. of days in question
63 Total Shavings by household members in 63 days
10 No of gallons of water used per shaving
630.00 No. of gallons of water used for brushing teeth by household members in 63 days

Toilet Usage

4 No. of flushes per day
63 No of days in question
252 Total no of toilet flushings in 63 days
5 No. of gallons of water used per toilet flushing
1,260.00 No. of gallons of water used for toilet flushings by household members in 63 days

Washing Hands

5 No. of hand washings per day
63 No of days in question
315 Total no. of hand washings in 63 days
2 No. of gallons of water used per toilet flushing
630.00 No. of gallons of water used for washing hands by household members in 63 days

Doing Laundry

2 No. of loads washed per week
8 No. of weeks in question
16 No. of loads of laundry washed in 63 days
50 No. of gallons of water used per load
800.00 No. of gallons of water used for doing laundry in 63 days

Running Dishwasher

5 No. of dishwasher runs per week
8 No. of weeks in question
40 No. of dishwasher runs in 63 days
10 No. of gallons of water used per dishwasher run
400.00 No. of gallons of water used for dishwashing in 63 days

14,652.00 Total No. of gallons of water used for all water activities in 63 days
233 Average daily gallons of water used

As you can see from this analysis, even on this “worst case scenario”, only accounts for 14,652 gallons of water used in 63 days, which is the time frame that the water company is incorrectly reporting usage of 249,832 gallons consumed. There is simply no way the usage billed could be correct.

The difference in the gallons used and the estimated gallons used per this analysis during that time frame is approximately 235,180 gallons. That is a substantial amount of water usage. To illustrate how much water usage that actually is, please see the examples below:

1. Filling up an entire swimming pool uses approximately 19,000 gallons of water. The amount of water in question is the equivalent to filling up over 12 swimming pools. We don't own a swimming pool, and we certainly did not fill up 12 swimming pools, especially in November and December.
2. An average shower uses 40 gallons of water. To account for the 235,180 gallons of overbilled water, we would have had to have taken 5,880 additional showers in the 63 days in question. That equates to over 93 additional showers per day.
3. Let's assume all five toilets in our home leaked all day long for 63 days. At a rate of 200 gallons per day, that would only account for 63,000 gallons of water. As mentioned before, we have verified that not one of our toilets was leaking at any time during that period but if all were leaking the entire time, it still would be far short of the 235,180 gallons of overbilled water.
4. Let's assume we turned on one faucet in our home and allowed it to run 24 hours a day for 63 days. Assuming a running faucet uses 1.375 gallons of water per minute and there are 1,440 minutes in a day; that would account for only 124,740 gallons of water. I can assure you this

would never happen in our home but even if it did, the usage would be far short of the 235,180 gallons of overbilled water.

We can continue to illustrate the impossibility of the billing scenario that we've been presented, but we believe the point is evident—it's simply not possible that the billing is correct.


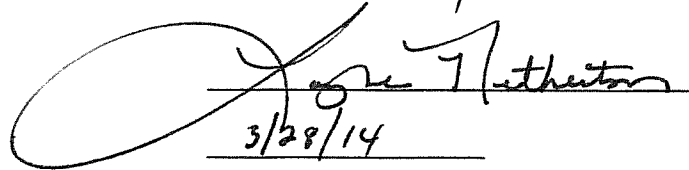
We realize that the meter was tested and the results show that the meter was correctly measuring water flow at the time of the test. However, there is no test that can prove any of the following critical issues:

1. The meter was measuring correctly at the time the usage was recorded in November and December
2. The meter did not incur other mechanical malfunctions such as, but not limited to, the gauge working improperly at the time of the incorrect readings
3. The meter was not manually tampered with by any number of outside factors
4. The meter was not misread, possibly more than once
5. The equipment used to read the meter was either not the correct equipment or that equipment was not functioning correctly

These are just a few examples of circumstances that could have occurred to cause an incorrect reading.

Wherefore, complainant asks Kentucky American Water Company to rebill our account, based on the average usage for other months and report to LexServ City Services that there has been an error in the reading, such that LexServ will also adjust their billing to reflect the average usage of the other months as well. Specifically, we request the two bills listed in item (c) be adjusted from \$607.40 and \$836.79 to no more than \$75 and \$75 respectively.

Dated at Lexington, Kentucky, this 28th day of March, 2014.



3/28/14



Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
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David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

Linda Breathitt
Commissioner

March 12, 2014

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MAR 31 2014

PUBLIC SERVICE
COMMISSION

Mr. Layne Netherton
3649 Winding Wood Lane
Lexington, KY 40515

Dear Mr. Netherton:

The Consumer Services Branch has completed its review of your recent complaint brought against Kentucky American Water. Based upon our review, it is the staff's opinion that Kentucky American Water has properly billed your account.

As requested in your correspondence with the Commission, a meter test was performed by the Commission's Meter Standards Laboratory staff. The result of that test (copy enclosed) indicates that the meter is functioning within the Commission's established guidelines. In the absence of a malfunctioning meter, the staff must rely upon the accuracy of the mechanical metering equipment in evaluating high usage complaints, and the meter is judged to have accurately measured the utility services billed to your account.

The staff's conclusion in this matter is based in part on a review of the utility's filed tariff, the Kentucky Public Service Commission's Administrative Regulations, and the Kentucky Revised Statutes.

KRS 278.160(2) states that no utility shall charge, demand, collect or receive from any person a greater or less compensation for any service 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. In the absence of a dispute regarding the accuracy of the metering device, Kentucky American Water would be required to bill your account for the service registered by the meter.

The opinions of the staff are not binding upon the Commission, and you may file a formal complaint with the Commission through the provisions of 807 KAR 5:001, Sections 12 through 15 (copy enclosed). The Commission may or may not elect to establish a formal case based upon the merits of the petition.

I regret that we are unable to assist you further in this matter.

Sincerely,

GINNY SMITH
GINNY SMITH, Director
Consumer Services

Enclosure

- (1) **Contents of complaint.** Each complaint shall be headed "Before the Public Service Commission," shall establish the names of the complainant and the name of the defendant, and shall state:
 - (a) The full name and post office address of the complainant;
 - (b) The full name and post office address of the defendant; and
 - (c) Fully, clearly, and with reasonable certainty, the act or thing done or omitted to be done, of which complaint is made, with a reference, if practicable, to the law, order, or administrative regulation section and subsection, of which a violation is claimed, and other matters, or facts, if any, as necessary to acquaint the commission fully with the details of the alleged violation. The complainant shall specifically establish the relief desired.
- (2) **Signature.** The complaint shall be signed by the complainant or his or her attorney, if applicable, and if signed by an attorney, shall show the attorney's post office address. **A complaint by a corporation, association, or another organization with the right to file a complaint, shall be signed by the entity's attorney.**
- (3) **Number of copies required.** When the complainant files his or her original complaint, the complainant shall also file two (2) more copies than the number of persons or corporations to be served.
- (4) **Procedure on filing of complaint.**
 - (a) Upon the filing of a complaint, the commission shall immediately examine the same to ascertain if it establishes a prima facie case and conforms to this administrative regulation.
 1. If the commission is of the opinion that the complaint does not establish a prima facie case or does not conform to this administrative regulation, the commission shall notify the complainant or his or her attorney to that effect, and opportunity shall be given to amend the complaint within a specified time.
 2. If the complaint is not amended within the time or the extension as the commission, for good cause shown, shall grant, the complaint shall be dismissed.
 - (b) If the complaint, either as originally filed or as amended, establishes a prima facie case and conforms to this administrative regulation, the commission shall serve an order upon the person complained of, accompanied by a copy of the complaint, directed to the person complained of and requiring that the matter complained of be satisfied, or that the complaint be answered in writing within ten (10) days from the date of service of the order, provided that the commission may, in particular cases, require the answer to be filed within a shorter or longer period.
- (5) **Satisfaction of the complaint.** If the defendant desires to satisfy the complaint, he or she shall submit to the commission, within the time allowed for satisfaction or answer, a statement of the relief which the defendant is willing to give. Upon the acceptance of this offer by the complainant and with the approval of the commission, further proceedings shall not be taken.
- (6) **Answer to complaint.** If the complainant is not satisfied with the relief offered, the person complained of shall file an answer to the complaint, with certificate of service on other endorsed parties, within the time specified in the order or the extension as the commission, for good cause shown, shall grant.
 - (a) The answer shall contain a specific denial of the material allegations of the complaint as controverted by the defendant and also a statement of new matter constituting a defense.
 - (b) If the answering party does not have information sufficient to enable him or her to answer an allegation of the complaint, the answering party may so state in the answer and place the denial upon that ground.

**PUBLIC SERVICE COMMISSION
METER STANDARDS LABORATORY
METER TEST RESULTS**

Customer: Kurt and Layne Netherton

Date: 03/07/14

Utility: Kentucky American Water

Tester: Brian Rice

Complaint Meter

Type: Neptune 5/8 x 3/4 cubic feet

Serial # 90537102

1/4 GPM	End	<u>69062.18</u>		
	Start	<u>69061.22</u>		
	Accuracy	<u>96.0%</u>	Pass	
1/4 GPM	End	<u>69074.06</u>		
	Start	<u>69073.10</u>		
	Accuracy	<u>96.0%</u>	Pass	
1/4 GPM	End	<u>69085.97</u>		
	Start	<u>69085.00</u>		
	Accuracy	<u>97.0%</u>	Pass	
Average of 3 test runs		<u>96.3%</u>	Pass	

2 GPM	End	<u>69063.18</u>		
	Start	<u>69062.18</u>		
	Accuracy	<u>100.0%</u>	Pass	
2 GPM	End	<u>69075.07</u>		
	Start	<u>69074.06</u>		
	Accuracy	<u>101.0%</u>	Pass	
2 GPM	End	<u>69086.98</u>		
	Start	<u>69085.97</u>		
	Accuracy	<u>101.0%</u>	Pass	
Average of 3 test runs		<u>100.7%</u>	Pass	

15 GPM	End	<u>69073.10</u>		
	Start	<u>69063.18</u>		
	Accuracy	<u>99.2%</u>	Pass	
15 GPM	End	<u>69085.00</u>		
	Start	<u>69075.07</u>		
	Accuracy	<u>99.3%</u>	Pass	
15 GPM	End	<u>69096.91</u>		
	Start	<u>69086.98</u>		
	Accuracy	<u>99.3%</u>	Pass	
Average of 3 test runs		<u>99.3%</u>	Pass	

SUMMARY OF METER TEST ACCURACY RESULTS

LOW FLOW 1/4 GPM	<u>96.3%</u>	Pass	Accuracy Limits <u>≥ 90% and ≤ 101%</u>
MED. FLOW 2 GPM	<u>100.7%</u>	Pass	Accuracy Limits <u>≥ 98.5% and ≤ 101.5%</u>
HIGH FLOW 15 GPM	<u>99.3%</u>	Pass	Accuracy Limits <u>≥ 98.5% and ≤ 101.5%</u>