

Kentucky Public Service Commission

CONSUMER SERVICES

Ginny Smith, Director
Consumer Services Division

CONSUMER SERVICES

1-800-PSC-INFO

1-800-772-4636

Fax: 502-564-7397

211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602

<http://psc.ky.gov>

psc.consumer.inquiries@mail.state.ky.us

Reports: psc.state.ky.us/consumer_intra/consapp1.htm

Consumer Services

Ginny Smith
Director
502-564-7668 x404

Susan Dunn
Complaint Investigator
502-564-7668 x405

Rosemary Tutt
Complaint Investigator
502-564-7668 x406

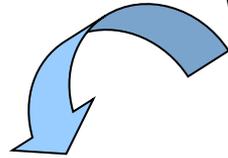
Matt Rhody
Complaint Investigator
502-564-7668 x462

Carol Cummins
Complaint Investigator
502-564-7668 x234

Informal Complaints

- Customer **first talks to the utility** and attempts to resolve the dispute.
- If unresolved, the **utility advises the customer** of the opportunity to contact the PSC for review of the dispute.
- Customer **may contact the PSC** by telephone, fax, e-mail, letter, or in person. Use of the toll-free number or e-mail allows the complaint to be handled with the greatest speed and efficiency. Most complaints are **handled over the telephone**.
- Commission staff **acts as a mediator**, using information from the customer, the utility, tariffs, laws, Orders, etc. when attempting to resolve the dispute.

COMPLAINT PROCESS

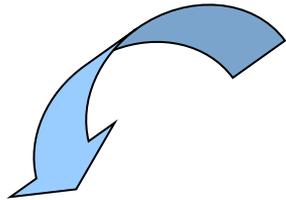


Complaint received by phone,
fax, mail, e-mail, or walk-in

Investigator enters
complaint into CIS system
and identifies problem



Investigator reviews
utility's tariff,
applicable regulations,
and state statutes



Investigator forwards complaint
to utility and requests account
information and documentation



Utility contacts
Complainant, resolves
complaint, and sends
response to PSC



Investigator confirms utility's
response with customer. If customer
is not satisfied, we inform him
that he can file a formal complaint

Consumer Services

- Investigators routinely answer more than **2,500 telephone calls each month**. Most callers are requesting information regarding regulations, tariffs, and utility company practices.
- Refunds, savings, and credits to consumers is tracked. In 2012, we helped consumers receive \$110,344. So far in 2013, we have helped consumers receive \$25,724.

TOOLS

-  Customer's Bill of Rights
-  Utilities' Filed Tariff
-  PSC Rules and Regulations
-  Kentucky State Statutes
-  Past Commission Decisions



Kentucky Public Service Commission

Kentucky.gov

Orders Press Releases

FOLLOW US ON twitter

Register Login

Search All Files Search

- Electronic Filing
- PSC Staff Opinions
- New Regulations
- Interest on Deposits
- Area Code 270/364
- Meet the Commissioners
- Consumer Alert
- Pipeline Safety
- Small Utilities Assistance Division
- Request PSC Records
- Call 811



The Kentucky Public Service Commission Instructional Video Series

Register/Create your e-filer account ([click here](#))

How to File in the Tariff Filing System:

- Prepare your filing – Part 1 ([click here](#))
- Prepare your filing – Part 2 ([click here](#))
- Upload your filing ([click here](#))

Latest Press Releases

- February 28, 2013 - PSC OKs Kentucky-American Water Pipeline to Owenton
- February 19, 2013 - PSC Closes Comprehensive Review of East Kentucky Power

Latest Orders

- *New!* Case: 2013-00085, Kentucky Frontier Gas, LLC - Purchased Gas Adjustment
- *New!* Case: 2013-00074, East Logan Water District, Inc. - Purchased Water Adjustment

- Electronic Filing
- PSC Staff Opinions
- New Regulations
- Interest on Deposits
- Area Code 270/364
- Meet the Commissioners
- Consumer Alert
- Pipeline Safety
- Small Utilities Assistance Division
- Request PSC Records
- Call 811

- Consumer Information**
- Frequently Asked Questions
- Problems With Your Service?
- Outage Information
- Fuel Adjustment Clause
- Purchased Gas Adjustment
- Purchased Water Adjustment

Kentucky Public Service Commission

Personal Video Series

Create your e-filer account ([click here](#))

on the Tariff Filing System:

- Part 1 ([click here](#))
- Part 2 ([click here](#))
- ([click here](#))

Latest Press Releases

- February 28, 2013 - PSC OKs Kentucky-American Water Pipeline to Owenton
- February 19, 2013 - PSC Closes Comprehensive Review of East Kentucky Power

Latest Orders

- *New!*** Case: 2013-00085, Kentucky Frontier Gas, LLC - Purchased Gas Adjustment
- *New!*** Case: 2013-00074, East Logan Water District, Inc. - Purchased Water Adjustment

Customer Bill of Rights

- **Purpose:**

To educate customers of their rights and of the utility's basic service obligations under Kentucky law and Commission's Administrative Regulations.

Customer Bill of Rights

- Residential customers in Kentucky are guaranteed rights subject to Kentucky Revised Statutes and the provisions of the Kentucky Public Service Commission Administrative Regulations.
- The Customer Bill of Rights is referenced in 807 KAR 5:006 Section 14.

Customer Bill of Rights

- You have the right to service provided you (or a member of your household whose debt was accumulated at your address) are not indebted to the utility. 807 KAR 5:006, Section 6 (2)
- You have the right to inspect and review the utility's rates and tariffed operating procedures during the utility's normal office hours.
807 KAR 5:011, Section 12
- You have the right to be present at any routine utility inspection of your service conditions. 807 KAR 5:006, Section 14 (3)
- You must be provided a separate, distinct disconnect notice alerting you to a possible disconnection of your service if payment is not received. 807 KAR 5:006, Section 14 (5)
- You have the right to dispute the reasons for any announced termination of your service. 807 KAR 5:006, Section 14 (5)

Customer Bill of Rights

- You have the right to negotiate a partial payment plan when your service is threatened by disconnection for non-payment. 807 KAR 5:006, Section 14 (2)
- You have the right to maintain your utility service for up to thirty (30) days upon presentation of a medical certificate issued by a health official. 807 KAR 5:006, Section 15 (2)(c)
- You have the right to prompt (within 24 hours) restoration of your service when the cause for discontinuance of the service has been corrected. 807 KAR 5:006, Section 14 (4)
- You have the right to contact the Public Service Commission regarding any dispute that you have been unable to resolve with your utility. Call toll free 1-800-772-4636. 807 KAR 5:006, Section 10

TARIFF RELATED ISSUES



TARIFFS – WHAT IS A TARIFF?

Schedule(s) showing all rates and conditions of service established by a utility and collected or enforced by the utility plus any additional attachments utilized.

TARIFFS — RELATED LAW

- **KRS 278.160 (1) and (2)**
- **807 KAR 5:006 - General Rules**
- **807 KAR 5:011 - Tariffs**

TARIFFS — KRS 278.160 (1)

- Each utility shall file with the Commission schedules showing all rates and conditions for service established, collected and/or enforced.
- Each utility shall keep copies of these schedules open to public inspection.

TARIFFS — KRS 278.160 (2)

- No utility shall charge, demand, collect or receive an amount that differs from the tariff for any service.
- No person shall receive any service from any utility that differs from the tariff.

TARIFFS — 807 KAR 5:006 Sec 6

- No utility shall establish any requirement or special rule without first obtaining approval from the PSC.
- A customer who has complied with PSC regulations shall not be denied service for failure to comply with any utility rules which have not been accepted by the PSC.

TARIFFS — PURPOSE

1. Ensures PSC review of a utility's rates, rules, conditions of service, and any other policies.
2. Prevents discrimination by mandating uniform treatment to similarly situated customers.

TARIFFS — EFFECT

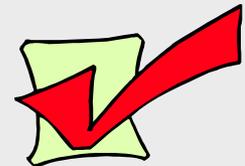
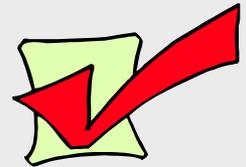
1. Utility's tariff has the status of law.
2. Utility may file new tariffs to change its rates, but the utility lacks the legal authority to deviate from its filed tariff without PSC approval.

TARIFFS – SUMMARY

1. If a fee is not in your tariff, you cannot charge it.
2. If a requirement is not in your tariff, you cannot impose it.
3. If a rule is not in your tariff, you cannot enforce it.
4. If it is in your tariff, you must do it.

TARIFFS — REMINDERS

- Every Commissioner and Employee should review the Tariff at a minimum of each and every year.
- Check with all staff to make sure that every rate, rule, policy, and condition of service is included in your tariff.



DEPOSIT POLICY



DEPOSITS — TARIFF REQUIREMENTS

- Method of deposit -- Flat or Calculated
- Criteria for when a deposit will be required or waived
- Deposit amount for each customer class if it is flat
- Policy on refunding the deposit; when and what conditions
- Policy on interest; accrued and refunded or credit to bill

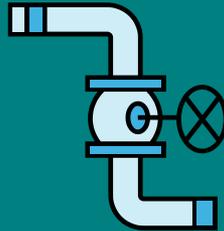
DEPOSITS — MAXIMUM AMOUNTS

- **Monthly** **2/12**
- **Bimonthly** **3/12**
- **Quarterly** **4/12**



Of the Customer's Actual or Estimated Average Annual Bill

DISCONNECT POLICY



Termination of Utility Service

Utility service may be terminated under some conditions.

- Non-Payment of Bill
 - Disconnect cannot occur for **water or sewer** service **before 20 days after** the original mailing date of the unpaid bill.
 - The disconnect notice **5 days prior to** **disconnection of water or sewer service.**
 - **Payment plans may be negotiated** to keep service from termination.

Termination of Utility Service

- **Violation of Rules**
 - Disconnection is permitted only **after written notice** of problem and after a grace period to correct situation.
- **Dangerous Situation**
 - **Immediate disconnection** is permitted with a follow-up of a written explanation. Action is required by customer before reconnection.

DISCONNECT POLICY

807 KAR 5:006 Sec 15

FOR NON-PAYMENT

- Utility must give five days written notice of intent to terminate for nonpayment
- Service cannot be terminated before twenty (20) days after the mailing date of the original bill

DISCONNECT POLICY

807 KAR 5:006 Sec 13

CUSTOMER REQUESTED

- Any customer desiring termination of service or changed from one address to another must give the utility three (3) working days' notice in person, in writing, or by telephone, provided such notice does not violate contractual obligations or tariff provisions.
- The customer is not responsible for charges for service beyond the three (3) day notice period if the customer provides reasonable access to the meter during the notice period.

LEAK ADJUSTMENT POLICY



LEAK ADJUSTMENTS

- A utility may choose to offer a leak adjustment.
- Leak Adjustments are not required by the PSC.
- Absolutely no leak adjustment may be made without a written policy in the tariff.
- Everyone must be treated equally in accordance to the tariffed policy?

LEAK ADJUSTMENTS

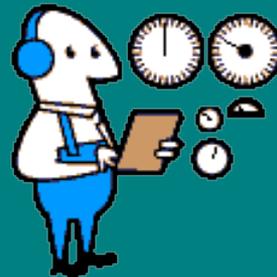
- For Line Loss considerations, the amount of gallons flowing through the meter should never be adjusted.
- Instead, adjustments should be done on the monetary side.
- The adjustment must cover the cost of the water.

LEAK ADJUSTMENTS

SUGGESTED INCLUSIONS

- The customer should make the request in writing.
- The bill should be the average monthly bill plus the additional water that flowed thru the meter charged at a reduced rate.
- The number of adjustments over a period of time should be limited.

MONITORING CUSTOMER USAGE



MONITORING USAGE

807 KAR 5:006 Sec 11(3)

- Each utility must include procedure in its tariff for monitoring customers usage at least annually
- The procedures must be designed to draw the utility's attention to unusual deviations in a customer's usage and provide for reasonable means by which the utility can determine the reasons for the unusual deviation.

MONITORING USAGE

807 KAR 5:006 Sec 11(3)

- If the usage is unduly high and cannot be explained, the utility must test the meter to determine whether the meter shows an average error greater than two (2) percent fast or slow

BILL ADJUSTMENTS

807 KAR 5:006 General Rules Section 11

Bill Adjustment for Water Utilities

- (1) If upon periodic test, request test, or complaint test a meter in service is found to be more than two (2) percent fast, additional tests shall be made to determine the average error of the meter. Said tests shall be made in accordance with commission administrative regulations applicable to the type of meter involved.
- (2) If test results on a customer's meter show an average error greater than two (2) percent fast or slow, or if a customer has been incorrectly billed for any other reason, except in an instance where a utility has filed a verified complaint with the appropriate law enforcement agency alleging fraud or theft by a customer, the utility shall immediately determine the period during which the error has existed, and shall 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.

807 KAR 5:006 General Rules Section 11

Bill Adjustment for Water Utilities

(2) continued

- The utility shall readjust the account based upon the period during which the error is known to have existed. If the period during which the error existed cannot be determined with reasonable precision, the time period shall be estimated using such data as elapsed time since the last meter test, if applicable, and historical usage data for the customer. If that data is not available, the average usage of similar customer loads shall be used for comparison purposes in calculating the time period. 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. In all instances 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 final meter test results. A utility shall not require customer repayment of any underbilling to be made over a period shorter than a period coextensive with the underbilling.

807 KAR 5:006 General Rules Section 11

Bill Adjustment for Water Utilities

- (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 _____, 19____, 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 this we herewith _____ (charge or credit) with the sum of \$_____, which amount 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 must notify this office in writing within seven (7) days of the date of this notice.

- (6) Customer accounts shall be considered to be current while a dispute is pending pursuant to this section, as long as a customer 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 stays current on subsequent bills.

807 KAR 5:006 General Rules Section 19

Request Tests

- (1) Each utility shall make a test of any meter upon written request of any customer if the request is not made more frequently than once each twelve (12) months. The customer shall be given the opportunity to be present at the request tests. If the tests show that the meter was not more than two (2) percent fast, the utility may make a reasonable charge for the test. The amount of the charge shall be approved by the commission and set out in the utility's filed tariff.
- (2) After having first obtained a test from the utility, any customer of the utility may request a meter test by the commission upon written application. Such request shall not be made more frequently on one (1) meter than once each twelve (12) months.

KRS 278.210

278.210 Examination and testing of meters and meter-testing devices.

- (1) The commission may provide instruments for, and carry on, the examination and testing of any meter or appliance used to measure the product or service of any utility, and the examination and testing of any instrument used by a utility to test the accuracy of any meter or appliance used to measure its products or services.
- (2) Any patron of a utility may, upon request and payment of the fees fixed by the commission, have a test made of the meter or appliance by which his use of the products or services of the utility is measured.
- (3) The commission may establish reasonable fees for testing such meters and appliances at the request of a patron of a utility. If the appliance is found to be commercially defective or inaccurate to the extent of more than two percent (2%) to the disadvantage of the patron, the fees shall be repaid to the patron and paid by the utility.
- (4) If a utility demonstrates through sample testing that no statistically significant number of its meters over-register above the limits set out in subsection (3) of this section, the meter testing frequency shall be that which is determined by the utility to be cost effective. This determination by the utility shall be based on established scientific, engineering, and economic methods and shall be documented in an application properly filed with the commission.

Effective: July 15, 1998

History: Amended 1998 Ky. Acts ch. 218, sec. 1, effective July 15, 1998. -- Amended 1982 Ky. Acts ch. 82, sec. 26, effective July 15, 1982. -- Amended 1978 Ky. Acts ch. 379, sec. 28, effective April 1, 1979. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 3952-26.

CONSUMER RELATIONS

Tips For Handling Difficult Customers

- Customer Service Representatives are the first contact (and sometimes the only contact) the customer has with the utility. Therefore, Customer Service Representatives must always:
 1. Listen attentively.
 2. Maintain a positive attitude.
 3. Speak clearly.
 4. Avoid technical terms or fancy words.
 5. Make every customer feel important.

Tips For Handling Difficult Customers

- Utility representatives should receive the complaint with care and courtesy, research the complaint with diligence, and resolve the complaint with efficient customer service skills.
- Benefits of a complaint to the utility are:
 1. The opportunity to gain the customer's trust and loyalty.
 2. The opportunity to turn an angry customer into a loyal customer.

Tips For Handling Difficult Customers

- Issues to address upon receipt of a customer's call:
 1. Who is calling?
 2. Why are they calling?
 3. What do they expect the utility to do?
 4. When will customer be contacted?
- High bill complaints require more research, documentation, and explanation to the customer and the PSC. The utility personnel should provide the necessary information to the customer so the customer (as well as the utility personnel) can understand and calculate the bill.

Tips For Handling Difficult Customers

- Customer should be provided with a billing and payment history that is very simple. (See example.) If the customer is of the opinion the high bill is due to a meter change, customer should be provided with the meter history.
- If the utility representative has provided the customer with all the appropriate information and the customer is still not satisfied, give them the PSC's toll-free number, 1-800-772-4636. Call Consumer Services or me and give a "heads up" on the possible complaint. This provides all of our staff the opportunity to ask the correct questions.

Tips For Handling Difficult Customers

- If the customer does contact the PSC, the utility will already have all the necessary information available for the PSC Staff. On high bill complaints, Consumer Services will request the billing, payment, and meter history along with information about any premise visits that have been made to the customer's location.

Utility Obligations to the Customer

- Utility **must offer service** to customers within its service territory.
- Utility must allow customers to **review utility's rates** and current approved **tariff** during normal office hours.
- Utility must allow customers to be **present when utility is inspecting** service conditions.
- Utility must provide a **separate, distinct notice** prior to disconnection.
- Utility must allow customers **to dispute** disconnection announcements.

Utility Obligations to the Customer

- Utilities must **negotiate partial payment plans** when disconnection for nonpayment is threatened.
- Utilities must offer **budget payment** plans.
- Utilities must accept **medical certificates of need** provided by health care professionals.
- Utilities must **reconnect service within 24 hours** when the cause of disconnection has been corrected.

Formal Complaints

- Customers have the right to file a formal complaint. This does not necessarily mean that the complaint was not resolved at the informal process. It may mean that the consumer refused to accept the mediation results.

Formal Complaints

- Customer request for a formal investigation of a complaint must be made in writing. If a business is filing the formal complaint, their attorney must sign the documents.
- The complaint is assigned a case number and made part of the Commission's docket of cases.
- Commission issues an Order to the utility to satisfy the complainant's request or to file an answer to the complaint.

Formal Complaints

- Utility and customer may negotiate a settlement to resolve the dispute.
- Settlement Proposal must be submitted to the Commission for review and approval.

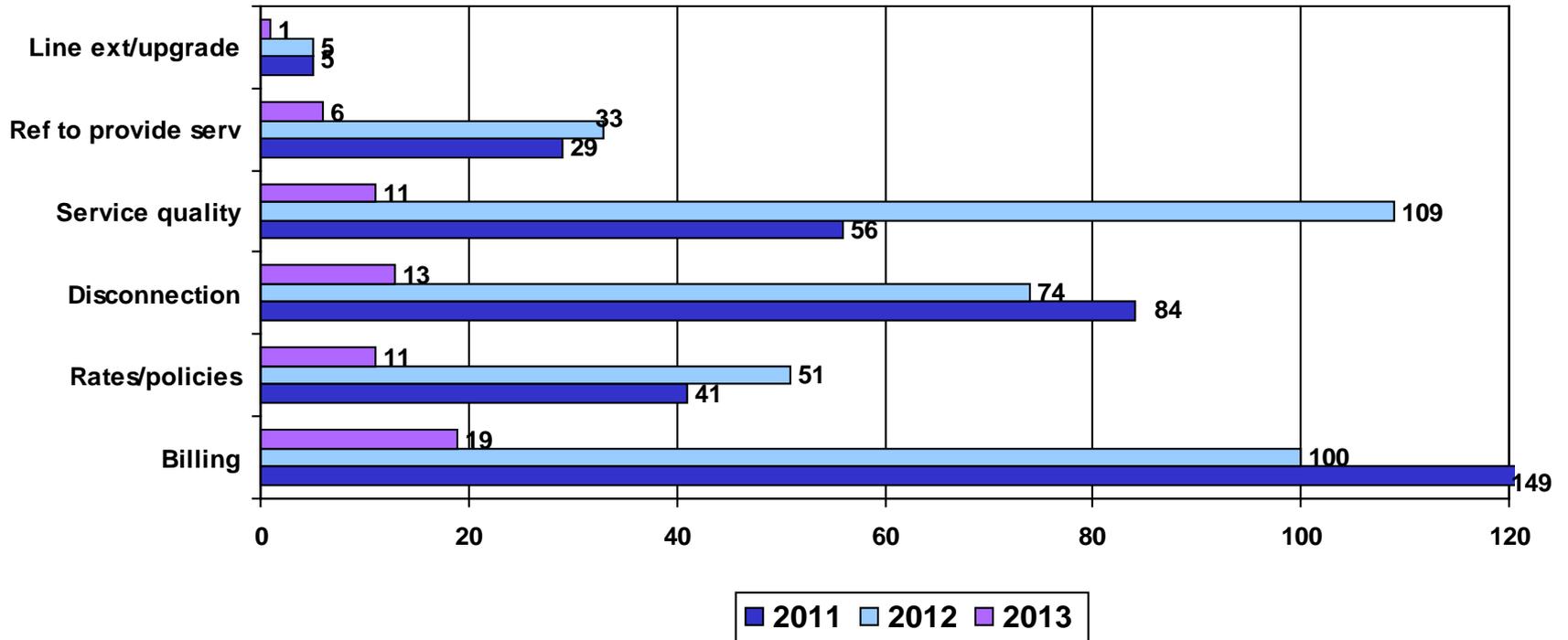
Formal Complaints

- Without a Commission-approved Settlement, the commission holds a hearing at which the utility and complainant present their positions.
- Commission issues an Order with its decision on the case.

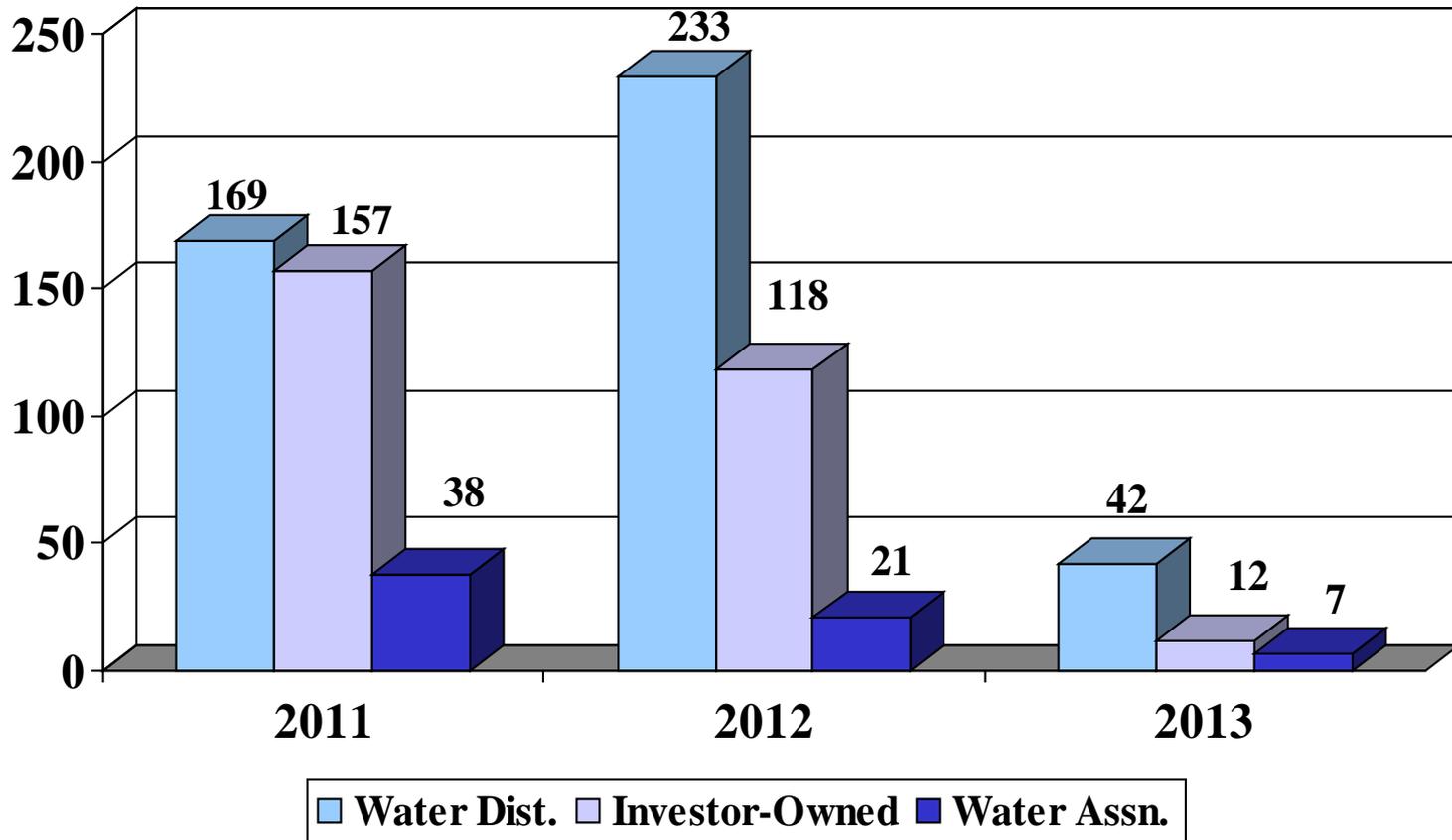
Complaint Activity

- Reports are created in-house on a monthly basis. If you are interested in monthly complaint activity, you can contact Consumer Services.
- Utilities can view quarterly reports related to complaint activity by visiting the following web site:
http://psc.state.ky.us/consumer_intra/consapp1.htm.

**Water Utility Complaints
January through December
2011 to 2013
(As of March 21, 2013)**



**Complaints By Utility Type
January through December
2011 to 2013
(As of March 21, 2013)**



TOP 5 COMPLAINT REASONS as of March 21, 2013

- ☹ Billing (19)
- ☹ Disconnection (13)
- ☹ Service Quality/Outage (11)
- ☹ Rates/Policies (9)
- ☹ Refusal to provide service (6)

Educational Materials

- Utility's Annual Reports
- Brochures
- Bill Inserts
- Past Orders
- Future School-Related Efforts

Public Service Announcements

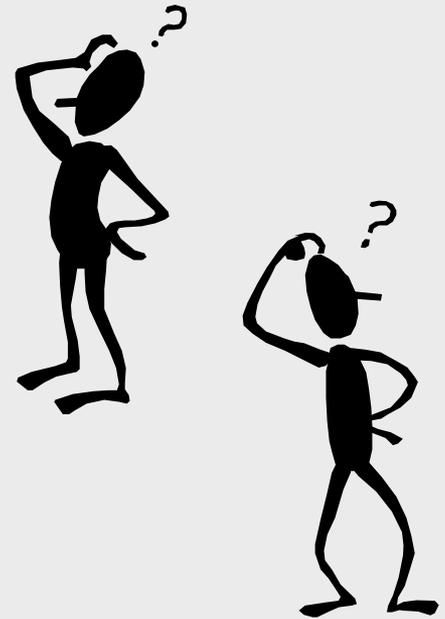
- Television
- Radio
- Newspapers

Topics for Discussion

- Tenant/Landlord responsibilities
- Customer being disconnected/requesting service in someone else's name at same location.
- Customer education-rate increases

FINAL POINTS

Questions?



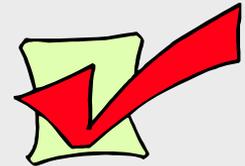
FINAL POINTS

The best advice to take from these seminars is to always call the PSC when you have questions.



FINAL POINTS

- If it isn't in your tariff,
you can't do it



- If it is in your tariff,
you must do it.

