

COMMONWEALTH OF KENTUCKY
BEFORE THE ENERGY REGULATORY COMMISSION

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In the Matter of

THE COMPLAINT OF STANLEY J. RAAKER,)
BELLEVUE, KENTUCKY AGAINST UNION) CASE NO. 7697
LIGHT, HEAT AND POWER COMPANY)

O R D E R

On April 6, 1979 the Commission received a letter from Stanley J. Raaker, Bellevue, Kentucky on behalf of his parents, Mr. and Mrs. Stanley M. Raaker, Bellevue (Appendix "A"). The letter stated that Mr. Raaker's parents owned a grocery store at 443 Washington Avenue, Bellevue and were billed a commercial rate by Union Light, Heat and Power Company (Company). They later went out of business in 1970, remodeled the grocery into an apartment and moved there from above the former grocery. The Company was not notified and billing was continued at the commercial rate.

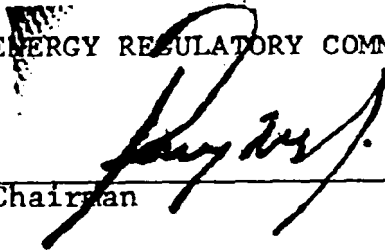
By letter received May 1, 1979 (Appendix "B") the Company advised the Commission that, in its opinion, some burden remained with the customer to notify the Company or inquire at the time a change occurs in the use of service. The Company offered to compromise and rebill the account for twelve months prior to December 1, 1978 and refund for that time period.

The Commission, having considered the matter and being advised, on its own Motion, ORDERS that this matter be and it hereby is set for hearing on February 15, 1980 at 10:00 a.m., Eastern Standard Time, in the Commission's Offices at Frankfort, Kentucky.

IT IS FURTHER ORDERED That Union Light, Heat and Power Company shall appear at the scheduled hearing and present testimony relative to this matter.

Done at Frankfort, Kentucky this 14th day of January, 1980.

ENERGY REGULATORY COMMISSION



Chairman

Vice Chairman

Commissioner

ATTEST: :

Secretary

1979
FEDERAL BUREAU OF INVESTIGATION
April 2, 1979

P.S.C.K.
730 Schenkel Lane - P.O. Box 615
Frankfort, Kentucky 40601

Dear Commissioner:

I am writing this letter to seek your aid in solving a problem on behalf of my mother and father, Mr. & Mrs. Stanley M. Raaker, and the Cincinnati Gas & Electric Company (C.G.&E.), DBA Union Light, Heat and Power Company of Kentucky (U.L.H.&P.).

This letter is not to protest rates or service of this utility, but to seek aid in a very large overbilling of electric rates for the past nine years. If you would give your attention to the following details, I would be most appreciative.

My parents owned a small grocery store at 443 Washington Avenue, Bellevue, Kentucky. They received their gas and electric service from Union Light, Heat and Power. While they were in business they were charged, appropriately, commercial rates for their electric service.

Forced by larger supermarkets, they went out of business in 1970. At that time, they continued to live in the small apartment located above the former grocery. Approximately 1973, they remodeled the grocery into an apartment and moved downstairs. They lived there until their retirement in November, 1978.

The problem I am getting to is the fact that Union Light, Heat and Power continued to bill them for commercial rates from the time they closed the grocery until November, 1978. This particular problem did not surface until I bought the building from them and called to have the name changed. At that time, the service representative informed me that the electric for the first floor was being billed commercial rates.

I immediately petitioned C.G.&E. to have this situation looked into. After about a month, they called me and informed me that a refund would not be forthcoming because my parents did not call them and advise them of the change from a grocery to a residence.

I, personally, do not understand why that burden should be placed on the customer. My parents did not have the slightest idea that they were responsible for this situation. I further do not understand why the meter readers are not equipped with the proper data to know if an account should be billed for residential or commercial rates. After all, they visit each building either monthly or semi-monthly. It is

for that reason that I feel C.G.&E. and U.L.H.&P. should share some of the blame if not all of the blame.

I would also appreciate knowing where in the P.S.C.K. or P.U.C.O. tariffs does it specifically state that the customer is responsible. I feel it a great injustice to all customers if our public officials allow an item like this to appear in a government document.

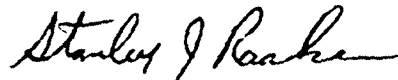
The burden of proof should not be placed on the customer unless the utility company tells the customer of their obligations to notify them of these type changes. How many other people might be in this same situation and not know it? If my parents had not been forced south because of health reasons, this might have gone on for twenty even thirty years.

I have recently done some computations on the difference between residence rates and commercial rates. I have used my last monthly bill for these computations (see attachment). My parents were not home during the day, as is my case, and I figure my monthly usage to be pretty close if not less than their usage because I do try to conserve.

As you can see the difference in the two rates presently is \$13.61 per month. I realize that the difference over the nine year period is probably not that high. Maybe a \$9.00 - \$10.00 average is closer to the difference over a period of years. Still, this would amount to a \$1,000.00 - \$1,100.00 over charge.

Please help! Skyrocketing utility rates are bad enough, without having some unsuspecting customers paying rates they shouldn't be paying. Your co-operation in this matter would be very helpful. Thank you

Sincerely,



Stanley J. Raaker
443 Washington Avenue
Bellevue, Kentucky 41073
(606) 292-0469 - Home
(513) 397-2640 - Office

SJR/mjl

Attachment

cc: Public Utilities Commission of Ohio
W. H. Dickhoner, President, C.G.&E.

Residence rates

1st 100	Killowatt hours	-	\$.06152	per KWH
next 100	"	"	-.03758	per KWH
next 300	"	"	-.03354	per KWH
next 500	"	"	-.03104	per KWH
over 1,000	"	"	-.02824	per KWH

Commercial rates

1st 500	"	"	-	\$.06858	per KWH
next 1,500	"	"	-	.04858	per KWH

Fuel adjust for both residence and commercial rates \$.003469 per KWH

Based on 480 KWH usage of my last bill the rates are as follows:

residence	-	1st 100 hours @ .06152/KWH	=	6.15
		2nd 100 hours @ .03758/KWH	=	3.76
		next 280 hours @ .03354/KWH	=	9.39

Total	19.30
fuel adj.	1.67

Total bill 20.97

business	-	1st 480 hours @ .06858	=	32.91
		fuel adj.	=	1.67

Total bill 34.58

Difference on 480 KWH in February 1979 is \$13.61

The Union Light, Heat and Power Company

107 Brent Spence Square
COVINGTON, KENTUCKY 41011

April 30, 1979

RECEIVED

MAY 1 1979

Mr. Richard D. Heman, Jr., Secretary
Energy Regulatory Commission of Kentucky
730 Schenkel Lane
Frankfort, Kentucky 40602

ENERGY REGULATORY

RE: Commission Inquiry
Stanley J. Raaker

Dear Mr. Heman:

Until Mr. Raaker called to have the account changed from his father's, we had not been notified and we were unaware of the change in the character of this account from non-residential to residential. He had been informed that it is the customer's responsibility to inform us when a change occurs, and at that time we will assist in the selection of rate schedule most favorable to the customer consistent with rate schedule applicability provisions. Mr. Raaker was correctly informed that it was not our procedure in these cases to rebill an account for a period prior to notification by the customer.

Mr. Raaker contends that our meter readers should be equipped with sufficient data to know if an account should be billed on residential or commercial rates. It would be impractical and costly to slow down the meter reading process by requiring meter readers to routinely ascertain if the appropriate rate has been applied to the account.

We do, in fact, take reasonable steps to assure that customers are billed properly. Our monthly bills state that rates are available on request, and while handling billing inquiries we make every effort to detect any account errors and to make appropriate adjustments or corrections.

However, some burden must remain with the customer to notify us, or to inquire, at the time a change occurs in the use of the service. An inquiry at any time would have resulted in an explanation of the applicable rates, as well as account changes if appropriate.

With respect to rate change rebilling for prior periods, we would generally be at the mercy of customer claims as to when the change in class of service occurred. A review of an account usage history would only reveal that perhaps a change in consumption did occur. However, a change in consumption is not necessarily indicative of a change in class of service. Therefore, for the concern and protection of all our rate payers it has been our procedure in these cases to make rate changes effective as of the date the matter is brought to our attention.

However, as a means of reasonable compromise, we offered to rebill the account for twelve months prior to December 1, 1978, and refund to Mr. Raaker's father. Mr. Raaker indicated he wanted to hear the opinion of the Commission, therefore, we have postponed any rebilling action. A twelve month rebilling is a reasonable compromise, considering it is the customer's responsibility to inform us when a change occurs.

In the future, would you please direct any Commission inquiries to my attention.

If you have any questions, please do not hesitate to call.

Very truly yours,

Jack H. Randolph / Dim

Jack H. Randolph
Manager
Rate & Economic Research Dept.

JWM:ga