

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

\* \* \* \* \*

In the Matter of

PAUL ISAACS AND HELEN ISAACS )  
ROUTE 1, )  
HUSTONVILLE, KENTUCKY 40437 )  
Complainant )

VS. )

CASE NO. 8633

MCKINNEY WATER ASSOCIATION, )  
INC., et al. )  
POST OFFICE BOX 188 )  
MCKINNEY, KENTUCKY 40448 )  
Defendant )

ORDER TO SATISFY OR ANSWER

To McKinney Water Association, Inc.:

You are hereby notified that a Complaint has been filed in the action entitled as above against you as Defendant, and you are hereby ordered to satisfy the matters therein complained of or to answer said Complaint in writing within 10 days of said Complaint which is hereunto attached.

Done at Frankfort, Kentucky, this 27th day of August, 1982.

PUBLIC SERVICE COMMISSION

  
For the Commission

ATTEST:

BEFORE THE PUBLIC SERVICE COMMISSION

**FILED**

AUG 20 1987

PUBLIC SERVICE  
COMMISSION

PAUL ISAACS and HELEN ISAACS  
Route 1,  
Hustonville, Kentucky 40437

Complainants

VS.

MC KINNEY WATER  
ASSOCIATION, INC.  
Post Office Box 188,  
McKinney, Kentucky 40448

HARRISON REYNOLDS, President  
Route 3  
Stanford, Kentucky 40484

ROBERT CASTLE, Vice-President  
Route 1  
Stanford, Kentucky 40484

JOE HOWELL, Commissioner  
Route 1  
Stanford, Kentucky 40484

WAYNE SEATES, Commissioner  
Route 1  
Hustonville, Kentucky 40437

MIKE BASTIN, Commissioner  
Route 1, Box 215  
Hustonville, Kentucky 40437

EARL DEAN MC WHORTER,  
Commissioner  
Route 1  
Hustonville, Kentucky 40437

Defendants

NO.: **8633**

COMPLAINT

The complaint of Paul Isaacs and Helen Isaacs, Hustonville,  
Kentucky, respectfully shows as follows:

(a). Complainant, Paul Isaacs, is the owner and operator of a dairy farm, Castlewood Farms, in Lincoln County, Kentucky, and his post office box address is: Castlewood Farms, Hustonville, Kentucky 40437. Complainant, Helen Isaacs, is the wife of complainant, Paul Isaacs, is a housewife, and her post office box address is: Castlewood Farms, Hustonville, Kentucky 40437.

(b) The Defendant, McKinney Water Association, Inc., is a non-energy utility, furnishing water to residents of Lincoln County, Kentucky, for compensation within the definition of KRS 278.010 (50(a)). The post office box address of McKinney Water Association, Inc. is Post Office Box 188, McKinney, Kentucky, 40488.

Defendant, Harrison Reynolds, is the president of McKinney Water Association, Inc., and his post office address is Route 3, Stanford, Kentucky, 40484.

Defendant, Robert Castle, is vice-president of McKinney Water Association, Inc., and his post office address is Route 1, Stanford, Kentucky, 40484.

Defendant, Joe Howell, is a Commissioner of McKinney Water Association, Inc., and his post office address is Route 1, Stanford, Kentucky 40484.

Defendant, Wayne Seates, is a Commissioner of McKinney Water Association, Inc., and his post office address is Route 1, Hustonville, Kentucky, 40437.

Defendant, Mike Bastin, is a Commissioner of McKinney Water Association, Inc., and his post office address is Route 1, Box 215, Hustonville, Kentucky 40437.

Earl Dean McWhorter is a Commissioner of McKinney Water Association, Inc., and his post office address is Route 1, Hustonville, Kentucky 40437.

Each defendant is subject to the jurisdiction of the Public Service Commission under KRS 278.012.

(c) The facts surrounding the circumstances of this complaint and specific acts complained of in violation of law and regulations are as follows:

1. Paul Isaacs and Helen Isaacs, first became a utility customer of Defendant, McKinney Water Association, Inc., on or about November, 1980, wherein they were authorized to receive and used metered water services at their residence in the Hustonville area of Lincoln County, Kentucky.

2. That at all times, since the beginning of water service to the residence of complainants, they have been willing and able and have in fact paid for all water service that has been supplied to their residence.

3. That on or about April 17, 1982, a water line broke which was maintained by Defendant, McKinney Water Association, Inc., which interrupted and terminated water service to the residence of Mr. and Mrs. Isaacs. As a result the tank for storage of water was completely depleted and was required to be refilled in order to restore water pressure throughout the lines and to the residence of the complainants.

4. On or about June 15, 1982, water service was restored to Mr. and Mrs. Isaacs, and they paid a bill issued August 1, 1982, in the amount of \$22.75 for restored service.

5. Mr. and Mrs. Isaacs received a bill from Defendant, McKinney Water Association, Inc., for \$25.95 for the time period when the residence of Mr. and Mrs. Isaacs did not have water service. Mr. and Mrs. Isaacs informed the defendant of the fact that a bill was received for a time period in which water service was interrupted and nonexistent.

6. Mrs. Helen Isaacs by handwritten note, notified the Defendant, McKinney Water Association, Inc., that the complainants could not honor the bill because water was not delivered through the lines to their residence. Complainants further notified said defendant that any registered reading from the meter was caused by air passing through the meter rather than water.

7. By letter dated July 17, 1982, Defendant, McKinney Water Association

notified complainants, that unless payment was received by July 27, 1982, for the June bill of \$25.95 the water meter would be removed. A copy of said letter is attached hereto as complainants' Exhibit No. 1.

8. On or about August 6, 1982, Defendant, McKinney Water Association, Inc., acting by and through its officers and commissioners, named in Paragraph (b), removed the water meter of complainants and wrongfully terminated their water service.

9. Defendants terminated the water service of complainants before the 27 day period after the mailing of the original bill in violation of 807 KAR 50: 015 Sec. 11(2) (a) .

10. The written notice of discontinuance for residential water service to complainants did not advise complainants of their rights under Section (a) and Section (b), of Section 11 of 807 KAR 505: 015 in violation of 807 KAR 50: 015 Section 11(2) (a) .

11. The Defendant, McKinney Water Association, Inc., acting by and through its officers and commissioners, failed to re-establish water service to complainants within the shortest possible delay after service was interrupted on or about April 17, 1982, in violation of 807 KAR 5: 066 E Section 5(1) .

12. Defendant, McKinney Water Association, Inc., acting by and through its own officers and commissioners wrongfully permitted pressure to fall below 30 PSIG in the water lines of its water service to complainants between April 17, and June 15, 1982, in violation of 807 KAR 5: 066 E Section 6(1) .

13. After being notified verbally and in writing that the complainants were contending they did not receive water service for which they were being charged the \$25.95, Defendant, McKinney Water Association, Inc., and each individual defendant officer and commissioner failed to make a prompt and complete investigation of the complaint and advise the complainants thereof, in violation of 807 KAR 50: 015 Section 8.

14. Defendant, McKinney Water Association, Inc., after being advised by complainants that the reading on the water meter for the time period in question, resulted from air passing through the meter as opposed to water, failed to make a reasonable attempt to determine if the amount of consumption for the current billing period was unduly excessive in violation of 807 KAR 50:015 Section 9(6).

15. The Defendant, McKinney Water Association, Inc, acting by and through its officers and commissioners failed to make a "reasonable effort" to induce complainants to pay the disputed bill in the amount of \$25.95 in violation of 807 KAR 50:015 Section 11(2)(a).

16. Defendant, McKinney Water Association, Inc., did not render water services to complainants for the time period between April 17, and June 15, 1982, and therefore is not entitled to receive or collect money for services not rendered in violation of KRS 278.030 (1).

17. Defendant, McKinney Water Association, Inc., did not furnish adequate, efficient and reasonable service to complainants for the time period between April 17, and June 15, 1982, in violation of KRS 278.030(2).

18. Complainants, Paul and Helen Isaacs, were denied property within the meaning of the due process clause of the Fourteenth Amendment to the Constitution of the United States by the termination of their water service and were not informed by Defendant, McKinney Water Association, Inc., or by any officer or commissioner of the existence of a procedure for challenging the disputed bill and established procedures for resolution of disputes pertaining to the existence of liability for water services.

19. The termination of water service to complainants by Defendant, McKinney Water Association, Inc., acting by and through its officers and commissioners, when a dispute existed whether or not service was actually rendered, constituted

Arbitrary power over the property of complainants in violation of Section 2 of the Constitution of the Commonwealth of Kentucky.

20. The letter dated July 19, 1982, attached hereto as Complainants' Exhibit No. 1, from Defendant, McKinney Water Association, Inc., does not state the date of the bill, which was supposedly unpaid, in violation of 807 KAR 50: 015 Section 11(2) (a).

WHEREFORE, Complainants, Paul Isaacs and Helen Isaacs, respectfully ask the Public Service Commission for the following relief:

1. Order the immediate reconnection of water service to the residence of complainants under Chapter 278 of the Kentucky Revised Statutes pending the resolution of this complaint.
2. Conduct an expedited investigation, and if necessary, a hearing in order to resolve this complaint and order defendant to restore water service to complainants.
3. Conduct a thorough investigation of the practices and procedures of Defendant, McKinney Water Association, Inc., in terminating the water service of complainants without the establishment of a procedure or notification to complainants of a procedure for challenging the disputed bill over the existence of liability and determine if the actions of defendant violated the rules and regulations of the Public Service Commission, Section 2, of the Constitution of the Commonwealth of Kentucky, and the procedural due process clause of the Fourteenth Amendment to the Constitution of the United States of America.

Dated at Danville, Kentucky, this 20th day of August, 1982.

ROGAN AND HIBBERD, P.S.C.  
ATTORNEYS FOR COMPLAINANTS  
345 South Fourth Street  
Danville, Kentucky 40422  
606-236-8121

BY: \_\_\_\_\_

J. JAMES ROGAN

\_\_\_\_\_  
COMPLAINANT, Paul Isaacs

\_\_\_\_\_  
COMPLAINANT, Helen Isaacs

July 17, 1982

McKinney Water Association  
P.O. Box 188  
McKinney, Ky. 40448

Mrs. Isaacs

The Board of Directors of the McKinney Water Association discussed your situation at their July 13, 1982 meeting. They have decided, since you were billed for water your meter reflected had actually been used and the meter was examined by a representative of the Public Service Commission, that the bill in question is correct.

Therefore the bill is due and payable 10 days from the date of this letter. If payment is not received by July 27, 1982 we will be forced to remove your meter.

The bill in question was your June bill which was \$25.95. Please pay as soon as possible.

Sincerely

McKinney Water Association

\$24.58  
July 28

Sumner

Encl. 4/7

10.