

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of

PAUL AND HELEN ISAACS VERSUS)	CASE NO.
MCKINNEY WATER ASSOCIATION)	8633

O R D E R

On August 26, 1982, Paul and Helen Isaacs ("the Issacses") filed a complaint with the Commission against the McKinney Water Association ("McKinney"). The complaint alleged that McKinney had improperly terminated the Issacses' water service as a result of their failure to pay a disputed bill. Based upon an investigation, the Commission directed its staff to instruct McKinney to reconnect the Isaacses' water service. This was done by a letter from our director of engineering on September 27, 1982. On October 1, 1982, the Commission ordered that a public hearing be held in this matter and ordered McKinney not to terminate water service to the Isaacses until a final order is issued by the PSC in this case.

The PSC conducted an evidentiary matter on October 11, 1982. At the hearing the following persons testified: Paul and Helen Isaacs, the complainants herein; Mrs. Wanda Bower, their daughter; Mrs. Niki Bastin, the secretary/treasurer of McKinney; and Mr. Larry Updike of the PSC's engineering staff. Mr. Issacs established

that water service to his residence was disrupted on April 17, 1982. While the exact duration of the interruption of service is not known, it was established that the Isaacses' service was restored to normal sometime in May, 1982.

Mrs. Bastin testified that the Isaacses refused to pay the April water bill (which was issued on June 1) in the amount of \$25.95, but paid the May bill. She then stated that McKinney followed its normal procedure of issuing a past due bill on June 15. Mr. Isaacs then informed McKinney that he would not pay a bill for a period when he was without water service. This matter was discussed at McKinney's July 13 board meeting. It was decided that the meter reading for April was correct and that the Isaacses should be sent a 10-day termination notice for failure to pay. McKinney held a special meeting on July 29, 1982, to discuss the matter. The board then voted to terminate the Isaacses' service for failure to pay the April bill.

Mr. Updike testified that he made field investigations of the Isaacses' service line and the main distribution line on April 30 and May 7, 1982. Mr. Updike noted pressure problems on the Isaacses' service line and made recommendations for the improvement of the quality of service to the Isaacses' residence in his written reports. On August 8, 1982, Mr. Updike tested a water meter in the PSC's laboratory to determine if air pressure could cause a similar reading on the meter as water pressure. Mr. Updike concluded that the water meter tested in the

laboratory could register the flow of air under pressure in a manner similar to the flow of water.

Based upon the above-recited evidence, the Commission hereby finds that:

1. The only water bill in dispute is for April, 1982, in the amount of \$25.95.

2. The procedures utilized by McKinney prior to terminating the water service to the Isaacses were in conformity with the PSC's regulations governing termination of service for nonpayment as set forth in 807 KAR 5:006, Section 11(3)(a).

3. The Isaacses concede that they had water service from April 1 through April 16. Accordingly, they should be required to pay a pro rata bill for April, 1982, covering the first 16 days of that month.

4. The Isaacses did not have water service from April 17 through April 30. Accordingly, they should not be required to pay a bill for this period. Any meter reading after April 17, 1982, could have been caused by the flow of air through the meter.

5. The appropriate bill for April 1 through April 16, 1982, should be calculated by taking the water usage of the Isaacses for the six months preceding April 1, 1982, and determining the average monthly usage, as follows:

11,800 gallons	October '81
10,900 gallons	November '81
17,300 gallons	December '81
7,300 gallons	January '82
6,900 gallons	February '82
<u>7,000</u> gallons	March '82

61,200 TOTAL GALLONS FOR SIX MONTHS

$61,200 \div 6 = 10,200$ gallon average monthly usage.

Applying this 10,200 gallon average monthly usage of the Isaacses to McKinney's current schedule of rates produces the following average monthly bill:

First 1,000 gallons	\$ 8.75	
Next 2,000 gallons	5.00	\$2.50/1,000
Next 7,000 gallons	14.00	2.00/1,000
Over 10,000 gallons	<u>00.30</u>	1.50/1,000

\$28.05 average monthly water bill

We then determine the average daily water bill experienced by the Isaacses:

$\$28.04 \times 12 \text{ months} \div 365 \text{ days} = \0.922 daily

To determine the Isaacses' proper charge for the 16 days in April that they had water, we multiply this \$0.922 per day average charge by 16 days:

$\$0.922 \times 16 = \underline{\$14.75}$

Thus, the Isaacses owe McKinney \$14.75 for April service rather than the \$25.95 previously billed.

Based upon the above-stated findings, the Commission HEREBY ORDERS that the McKinney Water Association shall send the Isaacses a revised bill for the month of April, 1982, in the amount of \$14.75 as computed in finding number four herein. If the Isaacses

refuse to pay this revised bill, the McKinney Water Association may lawfully terminate their water service under the procedures set forth in 807 KAR 5:006, Section 11(3)(a).

Done at Frankfort, Kentucky, this 11th day of October, 1982.

PUBLIC SERVICE COMMISSION

Marlin M. Voth
Chairman

Katherine Randall
Vice Chairman

Don Clavie
Commissioner

ATTEST:

Secretary