

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

BLAIR AND MARILYN HALE, HIS WIFE)	
)	
COMPLAINANTS)	
)	
VS.)	CASE NO. 89-365
)	
SALT RIVER RURAL ELECTRIC)	
COOPERATIVE CORPORATION)	
)	
DEFENDANT)	

O R D E R

On December 15, 1989, Blair Hale and his wife, Marilyn Hale (collectively the "Hales"), filed a complaint against Salt River Rural Electric Cooperative Corporation ("Salt River RECC"). The complaint alleged that Salt River RECC overcharged the Hales for the electricity purchased in March 1989. In its answer filed January 26, 1990 and amended March 27, 1990, Salt River RECC denied the allegation.

FINDINGS OF FACTS

Blair Hale and Marilyn Hale reside in Mackville where they operate a dairy farm. They are members of Salt River RECC from whom they purchase electricity. The farm operations and residence are billed separately and are on separate meters. The Hales have resided at the same residence since June 1981.

In March 1989, the residential meter recorded that the Hales consumed 6,210 kilowatt hours for which they were billed \$329.84.

The bill was the largest the Hales ever received from Salt River RECC. Prior to receiving the March 1989 bill, the largest bill they ever received was for 3,718 kilowatt hours for January 1988. The largest bill they ever received for March was for 2,650 kilowatt hours in 1987.

After receiving the bill, Marilyn Hale notified Salt River RECC by telephone that the March bill was abnormally high. Marilyn Hale first spoke to Lois Glascoe, the manager of billing services for the utility, who, after reviewing the Hales' record, acknowledged that there was "a large deviation from what they had been using." Ms. Glascoe inquired if the Hales had done anything different during the month of March, such as add extra equipment or use a different kind of heating system, which would explain an increased consumption of electricity. When the Hales indicated there had been no change in what they had been doing, Ms. Glascoe referred them to Elmer Bean. Mr. Bean is the manager of member services and public relations for Salt River RECC and one of his duties is to investigate member complaints. Mr. Bean asked the Hales to read their meter on a daily basis and report the readings to him so he could compare their current consumption to their consumption in the past. Based upon the daily readings furnished by the Hales, Mr. Bean concluded that their consumption of electricity had not increased.

On May 8, 1989, the meter was removed from the Hales residence and sent to Frankfort Meter and Electric Company for testing. Frankfort Meter and Electric Company has been certified by the Commission to test meters and does so on a regular basis

for Salt River RECC and other electric utilities. The test results reported that the Hales' meter was recording 99.5 percent of the electricity passing through it. This is within the Commission's standards which require that a meter be accurate to within 2 percent, plus or minus, of the electricity that passes through it. After the meter was tested it was recalibrated to bring it as close to 100 percent as possible and then returned to Salt River RECC. The Hales later requested that the meter be tested for accuracy by the Commission. They were informed that recalibrating the meter had the effect of correcting any difficulty the meter may have had in providing accurate readings and, therefore, any test results would be meaningless.¹

According to the history of the Hales' account furnished by Salt River RECC, the Hales consumption of electricity has gradually increased from when they first began receiving service. The largest increase was in 1988 when they discontinued use of a wood stove as a supplement to their electric heat. However, the 6,210 kilowatt hours charged to the Hales for March 1989 was the highest amount of electricity ever billed to their residence. The next highest usage was reported in December 1989 of 5,178 kilowatt hours and the next highest for March was reported in 1987 of 2,650 kilowatt hours. Although, according to weather data obtained by

¹ Salt River RECC has, since the Hales' complaint, adopted a policy of flagging meters suspected of being inaccurate so that they will not be recalibrated until additional tests are conducted or the accuracy of the meter is resolved.

Salt River RECC, the temperatures in March 1989 were below average for March, it was a milder month than either January or February of 1989, when the Hales used 2,577 kilowatt hours and 2,513 kilowatt hours, respectively.

Salt River RECC does not make monthly readings of its customers meters. Instead, it relies upon its customers to make the readings and report them back to the utility. Salt River RECC does read each meter once every three years, in order to check on the accuracy of the readings that have been submitted by the members. Based upon the three year periodic readings of the Hales' meter, there was no indication that the readings submitted by the Hales were not accurate.

The amount in controversy is approximately \$150. That is the amount the parties agreed to deduct from the March bill until the meter was tested. When the test results indicated that the meter was 99.5 percent accurate, Salt River RECC billed the Hales for the additional amount, which they paid. Thus, the only issue is whether the \$150 should be refunded to the Hales.

CONCLUSIONS OF LAW

807 KAR 5:041, Section 15(3), provides that metering equipment shall be tested upon complaint and when suspected of being in error. 807 KAR 5:041, Section 17(1)(b), requires that when a meter is tested on complaint "additional test runs should be made and care exercised to insure that any trouble with the meter will be detected." Additionally, KRS 278.210 permits a


utility customer to have any meter tested, at his own expense, by the Commission.


Although there was no change in the Hales normal consumption of electricity, as evidenced by subsequent bills and daily meter readings, the amount of electricity recorded by the meter for March 1989 was more than twice the amount normally recorded for that period. Some of the increase is undoubtedly attributable to the colder than normal weather experienced for that March. However, the proceeding January and February were both colder than March and the consumption recorded in those months was much lower. Thus, it is reasonable to suspect that the increased volume of electricity recorded was the result of a malfunction in the meter. In such cases, the regulations contemplate that the meter be tested more than once, until any trouble with the meter is detected or it is established that the meter is functioning properly. However, by recalibrating the meter after it was tested one time, the Hales were precluded from additional testing and the protection that additional testing would have provided. For failing to make the additional tests and eliminating any suspicion concerning the accuracy of the meter, Salt River RECC should refund to the Hales \$150, the amount estimated to be overcharged.

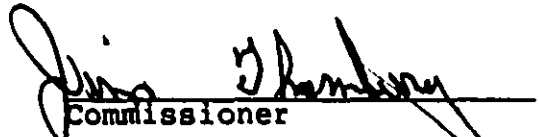
Based upon the foregoing findings of fact and conclusions of law, and upon the entire record, IT IS ORDERED that Salt River RECC shall refund to Blair Hale and Marilyn Hale the sum of \$150, within 30 days from the date of this Order.

Done at Frankfort, Kentucky, this 9th day of July, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director