

OCT 29 1993

PUBLIC SERVICE COMMISSION

BEFORE THE PUBLIC SERVICE COMMISSION

CASE NO. _____

WAGGONER OIL COMPANY, INC.)
P.O. Box 545)
Olive Hill, Kentucky 41164)
COMPLAINANT)

VS.)

CASE NO. 93-405

GRAYSON RURAL ELECTRIC)
COOPERATIVE CORPORATION)
109 Bagby Park)
Grayson, Kentucky 41143-1292)
DEFENDANT)

COMPLAINT

The Complaint of Waggoner Oil Company, Inc. respectfully shows:

1. That Waggoner Oil Company, Inc., operates a Food Mart, at P.O. Box 545, Olive Hill, Kentucky 41164.
2. That Grayson Rural Electric Cooperative Corporation, is an Electrical Co-operative whose address is 109 Bagby Park, Grayson, Kentucky 41143-1292.
3. That the Complainant for its complaint states as follows:
 - A. That the Complainant has received electrical service from the Defendant herein from October 18, 1990, through the present.

B. That on October 1, 1993, the Defendant herein notified the Complainant that it was alleging that the Complainant had been under billed in the amount of \$39,361.22 covering a period from October 18, 1990, through September of 1993. A copy of the alleged underbilling is attached hereto and marked "Exhibit A" for identity.

C. On October 20, 1993, the Defendant wrote to the Complainant herein a letter, which is attached hereto as "Exhibit B" for identity, demanding the repayment of this alleged underbilling and demanding the execution of a contract for the repayment of the underbilling, which contract is attached hereto as "Exhibit C" for identity. The Complainant was informed its electrical service would be terminated unless it signed the contract. The Defendant further notified the Complainant that in the future that the billing of this Complainant would be approximately double the previous billing plus the monthly payment of the alleged arrearage which would bring the total payment of this Complainant to somewhere around \$4,000.00 per month.

D. That the Complainant is unable to pay this amount and that it is inequitable to require it to do so because of the failure of the Defendant to properly monitor its electrical service.

E. That it should be determined whether in fact electrical service as alleged by the Defendant was used by the Complainant. That in connection therewith a period of time should be monitored as to the use of the Complainant to determine what the

average use of the Complainant is and compare the same to the alleged amounts used.

F. That the Defendant should be enjoined and prevented from requiring the Complainant to execute the contract required by the Defendant herein to continue service, until such time as it is determined whether in fact the Complainant does owe any amounts of money and as to what the correct billing should be.

G. That if the Complainant is required to enter into said agreement it will be unable to continue in business and will suffer irreparable harm as a result thereof. If the Defendant is required to delay the enforcement of its demands it will suffer no harm as it will still have available to it all legal remedies for the collections of any owed monies.

WHEREFORE, the Complainant prays that a determination be made as to whether or not the Complainant in fact owes any monies to the Defendant herein and the Defendant be enjoined and prohibited from enforcing the collection of any alleged arrearages or the termination of service to the Complainant until such time as a determination can be made by the Public Service Commission.

STRATTON, MAY & HAYS, PSC
P.O. Box 851
Pikeville, Kentucky 41502
Telephone: (606) 437-7300
FAX: (606) 437-7569

BY: 

Marris Allen May

Attorneys for Complainant

CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing was this
28th day of October, 1993, mailed first class, postage
prepaid, to the following: Grayson Rural Electric Cooperative
Corporation, 109 Bagby Park, Grayson, Kentucky 41143.


Mays Allen May

WAGGONER OIL CO., INC.
 Charles G. Greenhill
 Acct. [REDACTED]

WAGGONER OIL CO., INC.
 11000 Highway 100
 Houston, Texas 77036
 Phone (713) 861-1111

Multiplier = 60
 kWh =
 10/18/90-5/1/91 ----- 0.06273
 5/1/91-5/1/93 ----- 0.06332
 5/1/93-PRESENT ----- 0.06298

	KWh READING	CALC KWh USAGE	KWh CHARGE	FUEL UNDER- CHARGE	BOHOOL TAX 3%	SALES TAX 6%	TOTAL UNDER- CHARGE
OCT 18 '90	0	6400	\$401.47	\$3.88	\$12.16	\$25.05	\$442.56
NOV	60	8800	\$552.02	\$2.34	\$16.63	\$34.26	\$605.25
DEC	160	8840	\$418.53	(\$1.12)	\$12.46	\$25.67	\$453.54
JAN '91	273	14320	\$898.29	(\$1.17)	\$26.91	\$55.44	\$978.47
FEB	452	12640	\$792.91	(\$2.24)	\$23.72	\$48.88	\$863.25
MAR	610	12880	\$807.99	(\$3.40)	\$24.14	\$49.72	\$878.42
APR	771	14320	\$898.29	(\$1.92)	\$26.89	\$55.40	\$978.66
MAY	950	16240	\$1,026.32	(\$11.42)	\$30.51	\$62.84	\$1,110.25
JUN	1153	14000	\$866.46	(\$6.22)	\$26.35	\$54.28	\$866.89
JUL	1328	18000	\$1,013.12	(\$7.71)	\$30.16	\$62.13	\$1,097.70
AUG	1528	18800	\$1,190.42	(\$6.35)	\$35.52	\$73.18	\$1,292.77
SEP	1783	15520	\$982.73	(\$9.67)	\$29.19	\$60.14	\$1,062.39
OCT	1957	17040	\$1,078.97	(\$16.68)	\$31.67	\$65.65	\$1,159.61
NOV	2170	19760	\$1,251.20	(\$20.22)	\$36.75	\$75.70	\$1,337.43
DEC	2417	18640	\$1,180.28	(\$7.57)	\$35.18	\$72.47	\$1,280.38
JAN '92	2850	22480	\$1,423.43	(\$24.01)	\$41.88	\$88.48	\$1,527.88
FEB	2931	15760	\$997.92	(\$20.91)	\$29.31	\$60.36	\$1,066.70
MAR	3128	20580	\$1,301.86	(\$28.17)	\$38.21	\$78.71	\$1,390.61
APR	3385	16100	\$1,038.45	(\$23.62)	\$30.44	\$62.72	\$1,107.99
MAY	3590	20960	\$1,327.19	(\$37.37)	\$38.69	\$79.71	\$1,408.22
JUN	3852	14640	\$927.00	(\$15.24)	\$27.35	\$56.95	\$965.46
JUL	4035	19120	\$1,210.66	(\$20.59)	\$35.70	\$73.55	\$1,299.34
AUG	4274	17440	\$1,104.30	(\$13.17)	\$32.73	\$67.43	\$1,191.29
SEP	4492	16560	\$1,048.59	(\$23.40)	\$30.78	\$63.36	\$1,119.30
OCT	4699	16960	\$1,200.55	(\$28.10)	\$35.17	\$72.48	\$1,280.08
NOV	4938	17280	\$1,094.17	(\$16.97)	\$32.32	\$68.57	\$1,178.09
DEC	5152	16480	\$1,170.15	(\$25.63)	\$34.34	\$70.73	\$1,249.59
JAN '93	5383	18640	\$1,180.28	(\$23.23)	\$34.71	\$71.51	\$1,263.27
FEB	5618	16640	\$1,053.64	(\$24.38)	\$30.88	\$63.61	\$1,123.74
MAR	5824	18560	\$1,175.22	(\$28.69)	\$34.48	\$70.98	\$1,253.97
APR	6058	17840	\$1,129.63	(\$20.67)	\$33.28	\$68.52	\$1,210.54
MAY	6279	17680	\$1,113.49	(\$22.01)	\$32.74	\$67.45	\$1,191.67
JUN	6500	18080	\$1,136.69	(\$10.07)	\$33.88	\$69.75	\$1,232.22
JUL	6726	20320	\$1,279.75	(\$15.93)	\$37.91	\$76.10	\$1,379.83
AUG	6980	20580	\$1,294.87	(\$19.28)	\$38.27	\$78.63	\$1,362.68
SEP	7237						
			\$35,588.63	(\$537.13)	\$1,081.53	\$2,227.99	\$39,361.22
				TOTAL UNDERCHARGE			\$39,361.22

EXHIBIT A

<u>DATE DUE</u>	<u>AMOUNT</u>	<u>DATE PAID</u>
November 15, 1993	\$1,125.00	_____
December 15, 1993	\$1,125.00	_____
January 15, 1994	\$1,125.00	_____
February 15, 1994	\$1,125.00	_____
March 15, 1994	\$1,125.00	_____
April 15, 1994	\$1,125.00	_____
May 15, 1994	\$1,125.00	_____
June 15, 1994	\$1,125.00	_____
July 15, 1994	\$1,125.00	_____
August 15, 1994	\$1,125.00	_____
September 15, 1994	\$1,125.00	_____
October 15, 1994	\$1,125.00	_____
November 15, 1994	\$1,125.00	_____
December 15, 1994	\$1,125.00	_____
January 15, 1995	\$1,125.00	_____
February 15, 1995	\$1,125.00	_____
March 15, 1995	\$1,125.00	_____
April 15, 1995	\$1,125.00	_____
May 15, 1995	\$1,125.00	_____
June 15, 1995	\$1,125.00	_____
July 15, 1995	\$1,125.00	_____
August 15, 1995	\$1,125.00	_____
September 15, 1995	\$1,125.00	_____
October 15, 1995	\$1,125.00	_____
November 15, 1995	\$1,125.00	_____
December 15, 1995	\$1,125.00	_____
January 15, 1996	\$1,125.00	_____
February 15, 1996	\$1,125.00	_____
March 15, 1996	\$1,125.00	_____
April 15, 1996	\$1,125.00	_____
May 15, 1996	\$1,125.00	_____
June 15, 1996	\$1,125.00	_____
July 15, 1996	\$1,125.00	_____
August 15, 1996	\$1,125.00	_____
September 15, 1996	\$1,111.22	_____



Grayson Rural Electric Cooperative Corporation

109 Bagby Park ♦ Grayson, Kentucky 41143-1292
Telephone: 606-474-5136 ♦ 1-800-562-3532 ♦ Fax: 606-474-5862

October 20, 1993

Mr. Charles G. Greenhill
Waggoner Oil Company, Inc.
P. O. Box 700
Olive Hill, KY 41164

Re: Waggoner Oil Company
A/C [REDACTED]

Dear Mr. Greenhill:

As of this date, we have not heard from you regarding the underbilling situation at Waggoner Oil Company which was brought to your attention at our meeting on October 1, 1993.

The problem occurred from October 18, 1990 through September 28, 1993, and was caused by a broken potential wire going to the meter resulting in the meter registering one-half of the actual usage. We have calculated the underbilling amount to be \$39,361.22, as shown on the enclosed worksheet.

807 KAR 5:006, Section 10 (2) of the Public Service Commission Rules & Regulations states that a utility shall not require customer repayment of any underbilling to be made over a period shorter than a period ccoxxtensive with the underbilling. Since the underbilling of \$39,361.22 is for a period of 35 months, we have divided the amount due into thirty-four (34) equal payments of \$1,125.00 with the final payment of \$1,111.22 due in the thirty-fifth month.

Unless we hear from you or your attorney by Wednesday, October 27, the first adjustment in the amount of \$1,125.00 will appear on the billing card you receive around November 1, 1993. If this amount is not paid, in addition to your current usage, you will receive a ten (10) days' written notice of intent to terminate as per 807 KAR 5:006, Section 14 (f) (1).

You will find enclosed the following documents for your reference and response:

- (1) Worksheet showing undercharges for the period of October 18, 1990 through September, 1993
- (2) Contract for the repayment of the underbilling
- (3) Contract payment schedule

Owned by those we serve.

EXHIBIT B

Charles G. Greenhill
Waggoner Oil Company, Inc.
October 20, 1993
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Due to the increased KW demand, Waggoner Oil is now classified as a large power customer as per Schedule 4 of our Tariff filed with the Public Service Commission. Enclosed is a contract, "Agreement for Electric Service", which you need to sign and return as soon as possible.

I look forward to hearing from you as soon as possible so that we may get this matter resolved.

Sincerely,

CRAYSON HIRAL ELECTRIC
COOPERATIVE CORPORATION


Wayne D. Carmony
General Manager

bjl

Enclosures

GRAYSON RURAL ELECTRIC COOPERATIVE CORPORATION

**109 BAGBY PARK
GRAYSON KY 41143**

Phone 474-5136 or 1-800-562-3632

I, Waggoner Oil Company, Inc. & Charles G. Greenhill, Po Box 700 Olive Hill, KY 41164, account number 1500045504, agree to pay over the following months the past due amount of \$39,361.22. This will be paid at \$1,125.00 for thirty-four (34) months and one (1) month at \$1,111.22, to be paid in addition to my current monthly bill. (See attached payment schedule)

I further agree that if I do not meet the obligations of this contract, my electric service can be terminated without further notice. It is further understood that this agreement in no way impairs or prejudices the Cooperative's right to pursue legal recourse to collect this debt.

Name of Member

Date Contract Signed

Authorized Cooperative Representative

Date Contract Signed

AGREEMENT FOR ELECTRIC SERVICE

THIS AGREEMENT entered into this 1st day of October, 1955 by and between the GRAYSON HUNAL ELECTRIC COOPERATIVE CORPORATION, hereinafter called the SELLER and WAGGONER, J. L. COMPANY, INC., 1920 SHALINE RD. GREENHILL, or his heirs, successors, or assigns, hereinafter called the CUSTOMER.

WITNESSETH:

For and in consideration of the mutual covenants and agreements hereinafter contained, the parties hereto mutually agree as follows:

The Seller agrees to furnish and the Customer agrees to take electric energy under the terms of this Agreement for a period of years from the time such service is commenced, and thereafter in successive periods of not less than year each until either party shall give the other not less than days notice in writing of his or its election to discontinue the service at the expiration of any said period, except as set out in the Seller's rules and regulations regarding discontinuance of service for nonpayment of bills, illegal or fraudulent use of service or hazardous conditions of use. The date that service shall be deemed to have commenced under this Agreement shall be 1st of October, 1955.

The electric energy delivered hereunder shall be alternating current at approximately 120/240 volts, three wire single phase, and it shall be delivered at Happy, West, TRUCK RD. Pleasant Valley, WYOMING, 82431, which shall constitute the point of delivery under this agreement.

The Seller shall use reasonable diligence to provide a constant and uninterrupted supply of electric power and energy hereunder, if the supply of electric power and energy shall fail or be interrupted, or become defective through act of God, governmental authority, action of the elements, public enemy, accident, strikes, labor trouble, required maintenance work, inability to secure right-of-way, or any other cause beyond the reasonable control of seller, the Seller shall not be liable therefor or for damages caused thereby.

The electric power and energy delivered under this Agreement shall be measured by a meter or meters owned and installed by the seller and located at The Point of Delivery.

The reservation of capacity contracted for by Customer under the rate schedule named herein is hereby fixed at KW.

The Customer hereby agrees to pay the Seller monthly for electric power and energy delivered hereunder at the rate and under the provisions of Seller's rate schedule as regularly filed with the Public Service Commission of Kentucky during the period said rate schedule is in effect; and in the event said rate schedule is replaced by a new or revised rate schedule incorporating higher or lower rates than those stipulated in the aforementioned rate schedule, the Seller shall continue to furnish service as stipulated in the Agreement and the Customer shall pay for such service at the higher or lower rates from and after the date when such rates are made effective, to include any appropriate adjustment to the below stated minimum monthly charge. The Customer further agrees to comply with all rules and regulations of the seller as have been and shall be adopted by the seller's Board of Directors and approved by the Public Service Commission of Kentucky.

Notwithstanding any provision of the Rate Schedule herein above mentioned, and irrespective of the Customer's requirements for or use of electric power and energy, the Customer shall pay to the Seller not less than per month for having electric service available.

The Customer shall install only electrical equipment that is suitable for operation with the character of the service provided by the Seller. The Customer shall install at his expense motor controls and protective equipment as required to start, operate and protect all electrical equipment of the customer, and shall prevent conditions causing fluctuations or disturbances in the Seller's distribution system. The seller shall be the sole judge as to whether the operation of the customer's electrical equipment is detrimental to the seller's distribution system. In case of violations of these stipulations, service may at any time be discontinued by the seller until such time as the Customer's use of the electric energy furnished hereunder shall not cause detrimental voltage fluctuations or disturbances. The Customer also specifically agrees to protect its own motors or equipment from voltage sags, dips, spikes, or opening of a single

There are no unwritten understandings or agreements relating to the service herein above provided.

This Agreement cancels and supersedes all previous Agreements relating to the purchase by Customer and Sale by Seller of electric energy at Customer's premises as referred above.

This Agreement shall be in full force effect when signed by authorized representatives of the parties hereto.

DRAYSON RURAL ELECTRIC
COOPERATIVE CORPORATION
(seller)

Wagoner Gas Company
(Customer)

By: _____

By: _____

Title: _____

Title: _____