

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELIZABETH CRONEY AND JAMES CLARK)	
)	
COMPLAINANTS)	
)	
v.)	CASE NO. 94-254
)	
HARRISON COUNTY RURAL ELECTRIC)	
COOPERATIVE CORPORATION)	
)	
DEFENDANT)	

O R D E R

On June 30, 1994, Elizabeth Croney and James Clark filed a complaint against Harrison County Rural Electric Cooperative Corporation ("Harrison RECC") alleging they were billed for an amount in excess of the electricity they had used from August 1993 through October 1993. By Order of October 13, 1994, the Commission directed Harrison RECC to either satisfy the matter presented in the complaint or file a written answer within 10 days of the date of the Order. Harrison RECC responded to the complaint by letter dated October 20, 1994 stating that the Complainants had been properly billed for their electric usage.

By Order of January 25, 1995, the Commission directed the Complainants and Harrison RECC to file comments within 20 days regarding an attached report of a meter complaint investigation performed by Commission Staff prior to the filing of the formal complaint. Such comments were also to state whether a public hearing was requested or whether the matter could be submitted to

the Commission without a public hearing. Harrison RECC responded February 1, 1995 stating it wished the matter to be resolved without a public hearing. The Complainants responded February 13, 1995 also stating that they were willing to forgo a public hearing.

FINDINGS OF FACT

Harrison RECC is a rural electric cooperative that owns, controls, and operates facilities used in the distribution of electricity to the public for compensation. Its principal offices are in Cynthiana, Kentucky. The Complainants reside at 1681 Georgetown Road, Paris, Kentucky, and are customers of Harrison RECC.

The Complainants received a bill from Harrison RECC in August 1993 for \$471.36. According to the Complainants, this was "an extreme and drastic increase which totally breaks the pattern of previous years." An investigation into the matter by Harrison RECC, including removal and testing of the meter, found no problems. The Complainants then requested that the Commission "evaluate the functioning of [their] electric meter." Commission Staff subsequently oversaw additional testing in accordance with 807 KAR 5:006, Section 18(2), and 807 KAR 5:041, Section 17, on April 26, 1994.

Commission Staff found the overall accuracy of the meter to be 99.6 percent. The meter's accuracy was thus within the Commission's accuracy guidelines of ± 2 percent as required by KRS 278.210. This finding confirmed Harrison RECC's earlier test

results. Additional checks of the meter by Commission Staff found there to be no defects of any kind.

Harrison RECC relies on its customers to read their own meters and to submit their readings by the 25th of each month. If a customer's reading is not received, the utility uses an estimated reading for that month's billing. Harrison RECC is required to make an actual field reading at least once a year.

It appears from the record that a "bad field reading" was made by Harrison RECC on June 9, 1993, resulting in an erroneous adjustment. In June 1993, the Complainants were sent a bill with an estimated reading of 46870. The field reading taken in June was 44860, which resulted in a 2,110 kWh adjustment and a \$141.38 refund to the Complainants. In July, Harrison RECC used an estimated reading of 46061, based on the June field reading, for its billing. In August, the Complainants sent in a reading of 53076, an apparent usage of 7,015 kWh. After investigating this unusually high bill, Harrison RECC concluded that the field reading in June should have been 48460 rather than 44860. Harrison RECC therefore contends that the August billing based on a reading submitted by the Complainants represented a "catch-up" bill due to the erroneous field reading and estimated billings. Harrison RECC states that the August bill accurately reflected the kWh actually used by the Complainants from May through August 1993.

The Complainants continue to be of the opinion that there was a problem with the meter. They do not believe that they used the amount of electricity that would account for the "drastic" change

in their bill, stating that their electricity usage has been consistent and regular since becoming customers of Harrison RECC.

According to Harrison RECC, the Complainants averaged 939 kWh per month from September 1991 through August 1992, 1458 kWh per month from September 1992 through August 1993, and 1648 kWh per month from September 1993 through August 1994. Harrison RECC reports that during the September 1992 through August 1993 period, the Complainants had central air-conditioning installed and had a baby.

For the period of August 1993 through October 1993, Harrison RECC demands payment of \$763.27 for service provided to the Complainants. The Complainants contend that this amount is excessive.

CONCLUSIONS OF LAW

Harrison RECC is a utility subject to the regulation of this Commission. KRS 278.160(2) states that:

No utility shall charge, demand, collect or receive from any person a greater or less compensation for any service rendered or to be rendered than that prescribed in its filed schedules, and no person shall receive any service from any utility for a compensation greater or less than that prescribed in such schedules.

Also, KRS 278.170(1) requires that no utility give an unreasonable preference to any person.

From the facts of this case, it does not appear that Harrison RECC is demanding greater compensation than it deserves for service rendered. The meter in question has been thoroughly tested and examined by Harrison RECC, with additional testing overseen by Commission Staff. It met the Commission's minimum accuracy

requirements and no defects were found. It is therefore highly unlikely that the meter was not functioning correctly during the period of time in question. While the August reading standing alone may seem peculiar, the averaged kWh used by the Complainants from May 1993 through August 1993 is not irregular.

Unless the Complainants pay the amount in dispute, they will have received service from Harrison RECC for less compensation than prescribed in the utility's schedules contrary to KRS 278.160(2). If Harrison RECC does not require the Complainants to pay in full for the service they received, the utility would violate KRS 278.170(1).

According to 807 KAR 5:006, Section 10(2), if a customer has been incorrectly billed, "the utility shall immediately determine the period during which the error existed, and shall recompute and adjust the customer's bill to either provide a refund to the customer or collect an additional amount of revenue from the underbilled customer." The utility is required to readjust the account based upon the period during which the error is known to have existed. Customers who were underbilled cannot be required to repay over a shorter period of time than the period during which the underbilling took place.

IT IS THEREFORE ORDERED that:


1. The complaint of Elizabeth Croney and James Clark against Harrison RECC be and is hereby dismissed.
2. Within 20 days of the date of this Order, Harrison RECC shall establish and file with the Commission a payment plan in

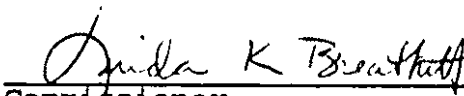
accordance with the Commission's regulations and its published tariff which will allow the Complainants to pay the account.

Done at Frankfort, Kentucky, this 28th day of March, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director