

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

DERRICK STINSON, KAYLA STINSON, AND)	
STINSON FITNESS, LLC D/B/A WORKOUT)	
ANYTIME)	
)	CASE NO.
COMPLAINANT)	2024-00303
)	
V.)	
)	
KENTUCKY-AMERICAN WATER COMPANY)	
)	
DEFENDANT)	

ORDER

This matter arises from the formal complaint filed by Derrick Stinson, Kayla Stinson, and Stinson Fitness, LLC d/b/a Workout Anytime (Complainants) on September 16, 2024, by and through counsel, against Kentucky-American Water Company (Kentucky-American). On May 12, 2025, the Commission entered an Order finding that the complaint conformed to the requirements of 807 KAR 5:001, Section 20(4(b), and, with respect to Stinson Fitness, LLC d/b/a Workout Anytime (Workout Anytime), established a *prima facie* case. The Commission ordered Kentucky-American to satisfy or answer the complaint of Workout Anytime within ten days of the service of the Order.

The Commission also found that the complaint did not state a *prima facie* case by Derick and Kayla Stinson because it did not show that the Stinsons, in their individual capacities, were customers of Kentucky-American. The Order granted the Stinsons ten days from the date of service of the order to amend the complaint and show cause why

their claims should not be dismissed. The Stinsons did not file anything in response to the Order.

On May 22, 2025, Kentucky-American filed an answer and motion to dismiss the complaint, which included a copy a report of meter test results indicating that the customer meter at issue met regulatory accuracy requirements. On June 4, 2025, Complainants filed a response to the motion to dismiss.

On August 14, 2025, the Commission entered an Order that deferred ruling on the motion to dismiss and directed Kentucky-American to make the Workout Anytime water meter available to Commission Staff for testing. Kentucky-American subsequently contacted Commission Staff and informed Commission Staff that the meter had been discarded. On February 5, 2026, Kentucky American filed notice that the subject meter was disposed of on December 18, 2024, which was one year after the meter was tested and approximately three months after Complainants filed the formal complaint against it.

BACKGROUND

The Complainants alleged that Kentucky-American provides water service to their business and that beginning in August 2022, their water bills showed much higher usage than prior periods.¹ Complainants claimed that prior to this time, their bills averaged usage readings between roughly 6,000 gallons per month to 7,500 gallons per month.² Complainants claimed that the usage readings went up to a high usage reading for the September 2023 billing period of 243,100 gallons.³ Complainants stated that the usage

¹ Complaint (filed Sept. 16, 2024) at 1-2.

² Complaint at 2.

³ Complaint at 2.

dropped 100,000 gallons for two months in a row and was only 5,600 gallons by the January 2024 billing period.⁴ Complainants asserted the property was checked for leaks, and that there were no changes in circumstances that would cause usage to go up as high as it did and fluctuate so much.⁵

In its answer, Kentucky-American stated that it worked to address the customer's concern by providing detailed data logs demonstrating the daily and hourly water usage in question and by providing meter test results for the meter in question.⁶ Kentucky-American provided with its answer a copy of a report of meter test results dated December 18, 2023.⁷ Kentucky-American asserted that the water meter readings in question were accurate and that the indicated amount of water did pass through the meter.⁸ Citing Commission precedent, Kentucky-American argued that the customer is liable for all charges based on the water usage shown by the meter.

In response, Workout Anytime alleged that usage during the period in question showed the largest water usage ever for the property.⁹ Workout Anytime also alleged that it has never discovered any leak or other problem that could have led to the increased usage.¹⁰ Workout Anytime argued that it must be presumed, therefore, that the increased

⁴ Complaint at 2.

⁵ Complaint at 2-3.

⁶ Answer (filed May 22, 2025) at 2.

⁷ Answer, Attachment.

⁸ Answer at 3.

⁹ Response to Motion to Dismiss (filed June 4, 2025) at 1.

¹⁰ Response to Motion to Dismiss at 1.

usage resulted must be the result of a problem with Kentucky-American's system notwithstanding the meter test results.¹¹

LEGAL STANDARD

The Commission has original jurisdiction over complaints as to rates or service of any utility pursuant to KRS 278.260. The statute provides that the Commission shall not enter an order affecting the rates or service complained without a formal public hearing. The Commission, however, may enter an order dismissing a complaint without a hearing if it finds that "a hearing is not necessary in the public interest or for the protection of substantial rights."¹²

The Commission's regulations provide that all water sold by a utility shall be upon the basis of metered volume sales. (807 KAR 5:066, Section 13(1)). Pursuant to KRS 278.160(2), no person shall receive service from a utility for compensation greater or less than that prescribed within the utility's filed schedules. KRS 278.160(2) codifies the "filed rate doctrine," which requires strict application of tariffed rates and bars equitable defenses against a utility billing its filed rates for services provided.¹³ The Commission has consistently applied this requirement in holding that customers are responsible for paying for all water that passes through a meter that is reading accurately.¹⁴

¹¹ Response to Motion to Dismiss at 2.

¹² KRS 278.260(2).

¹³ See *Boone County Sand and Gravel v. Owen County Rural Electric Coop. Corp.*, 779 S.W.2d 224, 226 (Ky. App. 1989)

¹⁴ See Case No. 2008-00513, *Rogers v. Northeast Woodford County Water Association* (Ky. PSC Feb. 26, 2010); Case No. 2005-00035, *Lewis v. Southeastern Water Association* (Ky. PSC Mar. 13, 2007).

Although the rates may not vary from the tariff, a customer may be entitled to a refund if that customer can establish an overage due to meter inaccuracy to the degree set forth in Commission regulations. Under 807 KAR 5:006, Section 11(2)(a), a bill adjustment is required “[i]f test results on a customer's meter show an average meter error greater than two (2) percent fast or slow, or if a customer has been incorrectly billed for another reason.” For the purposes of a billing adjustment, the average error should be determined by testing the meter at 75, 50, and 25 percent of its maximum rated capacity and taking the algebraic average of those results.¹⁵

If a meter is tested by a utility and by the Commission and the testing reflects that the meter is within accuracy parameters established by Commission regulations based on industry standards, and there is no evidence that the meter was misread, then a rebuttable presumption exists that the stated usage went through the meter.¹⁶

Commission regulation 807 KAR 5:006, Section 19(1) provides that a utility shall test a meter upon written request of a customer provided the request is not made more frequently than once a year. Section 19(1)(d) of the regulation requires the utility to maintain a meter removed from service for testing in a secure location for a period of six months from the date the customer is notified of the results of the test or, if the customer has filed a formal complaint, the meter shall be maintained until the proceeding is resolved or the meter is picked up for testing by Commission Staff.

¹⁵ Section 15(4) of 807 KAR 5:066.

¹⁶ Case No. 2023-00115, *Richard Hall Jouett vs. Kentucky-American Water Company* (Ky. PSC Dec. 20. 2023), at 2.

DISCUSSION

The report of meter test results dated December 18, 2023, that Kentucky-American provided with its answer and motion to dismiss indicate that the meter was tested at the minimum flow rate of ¼ gallon per minute (gpm), the intermediate flow rate of 2 gpm, and the high flow rate of 15 gpm as prescribed in 807 KAR 5:066, Section 15(3). The accuracy results of this meter test were 98 percent at the minimum flow rate of 1/4 gpm, 100 percent at the intermediate flow rate of 2 gpm, and 99.8 percent at the maximum flow rate of 15 gpm. These results are within the accuracy requirements of 807 KAR 5:066, Section 15. Kentucky-American, however, disposed of the meter after Workout Anytime filed its formal complaint, preventing Commission Staff from confirming that the results in the report it filed were accurate.

In recent cases in which the Commission has found that if the testing of a meter confirms that the meter's accuracy is within regulatory standards, a presumption exists that the usage billed is accurate, the meter has been tested by both the utility and Commission Staff.¹⁷ Kentucky-American's disposal of the meter after the complaint was filed in this matter, however, deprived Workout Anytime of the opportunity to have the accuracy of the meter independently tested. In these circumstances, the Commission finds that the presumption that normally attaches to an accurate test result should not be

¹⁷ See Case No. 2023-00115, *In the Matter of: Richard Hall Jouett Complainant* (Ky. PSC Dec. 20, 2023) at 3 (holding "[i]f a meter is tested by a utility and by the Commission and the testing reflects that the meter is within accuracy parameters . . . , then a rebuttable presumption exists that the stated usage went through the meter.")

applied.¹⁸ The Commission further finds that the procedural schedule attached as Appendix A to this Order should be established to allow the parties to exchange requests for information and to either request that a hearing be held in this matter or that the case be decided on the written record.

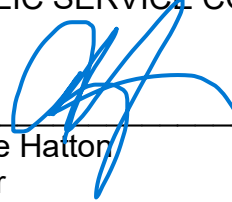
IT IS THEREFORE ORDERED that:

1. The procedural schedule set forth in Appendix A to this Order shall be followed.
2. Parties shall respond to all requests for information propounded by Commission Staff, whether identified on the procedural schedule or otherwise, as provided in those requests.
3. Witnesses who sponsor schedules, testimony, or responses to requests for information shall participate in person at any hearing, if any, scheduled in this matter.
4. The Commission does not look favorably upon motions for continuance. Accordingly, motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

¹⁸ The Commission also notes that if Kentucky-American tested the meter at the written request of Workout Anytime, disposal of the meter during the pendency of this proceeding would be in violation of 807 KAR 5:006, Section 19(1)(a). It is not clear from the record in this case if the test was made at the written request of the customer.

Entered on this 19th day of May, 2026.

PUBLIC SERVICE COMMISSION



Angie Hatton
Chair



Mary Pat Regan
Commissioner



Andrew W. Wood
Commissioner

ATTEST:



Linda C. Bridwell, PE
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2024-00303 DATED MAY 19 2026

All requests for information to the parties
shall be filed no later than 06/05/2026

Responses to requests for information
shall be filed no later than 06/19/2026

Requests for a public hearing or to submit
the matter for decision based upon the written record 06/26/2026

Service List for 2024-00303

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Lexington, KY 40509

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* Kentucky-American Water Company
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* Rhett B. Ramsey
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