

COMMONWEALTH OF KENTUCKY
BEFORE THE UTILITY REGULATORY COMMISSION

* * * * *

In the Matter of

THE COMPLAINT OF MR. WILLIAM C. BALLOU,)
LOUISVILLE, KENTUCKY AGAINST FOREST) CASE NO. 7703
HILLS DEVELOPERS, INC.)

O R D E R

On October 16, 1979 the Commission received a letter from Mr. William C. Ballou, Louisville, Kentucky (Appendix "A") wherein he questions the legitimacy of a charge described as a "tap-on fee" imposed by Forest Hills Developers, Inc. (Forest Hills). The controversy relates to a home owned by Mr. Ballou at Cardinal Hill Court, Louisville.

The position of Forest Hills is set forth in a letter dated November 19, 1979 from Attorney Alan T. Slyn to Mr. Ballou (Appendix "B"). Among other things, Mr. Slyn refers to the charge as "construction aid."

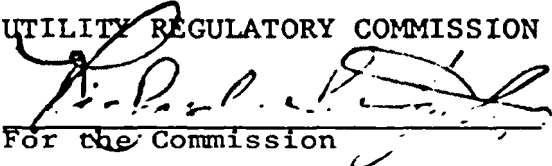
A letter from Mr. Ballou to Mr. Slyn dated November 29, 1979 concerning this matter is attached hereto as Appendix "C."

The Commission, having considered the matter and being advised hereby ORDERS That this matter be and it hereby is set for hearing in the Commission's offices at Frankfort, Kentucky on February 14, 1980 at 2:30 p.m., Eastern Standard Time.

IT IS FURTHER ORDERED That Forest Hills Developers, Inc. appear at the scheduled hearing and present testimony relative to this matter.

Done at Frankfort, Kentucky, this 16th day of January, 1980.

UTILITY REGULATORY COMMISSION


For the Commission

ATTEST:

Secretary

October 15, 1979

Division of Public Service Utilities Commission
P.O. Box 615
Frankfort, Kentucky 40602

Attn: Richard Hemon

SUB: Forest Hills Development, Inc.
7329 St. Andrews Church Road
Louisville, Kentucky 40214

Dear Gentlemen,

I am inquiring to the legitimate and fair charge for a sewer tap-on fee. In March 1978, I was contemplating to purchase a track of land located at Cardinal Hill Court, Louisville, Kentucky. This land was owned by Jack Farley, residing at Cardinal Hill Ct., Louisville, Ky. This track of land was designated as track "O". Mr. Farley, at this time, physically showed me that the sewer lines were already laid to the property line of track "O". I asked him the cost of the sewer tap-on and he replied, "saying \$825.00." Nevertheless, we telephoned the office of Forest Hills Development, Inc. Sewer Treatment Plant and they confirmed the \$825.00.

Afterwards, a few days later, I purchased the property. I finished building my home on the property in March 1979. At the completion of the home I again called the sewer treatment plant and they had changed the fee to \$1000. I protested this increase and they said they would recheck the fee and advise me. Thus, this month, October, 1979 they sent me a letter stating the fee is \$1200 and unless it is paid within 10 days it would go to \$1800.00. This appears as an unscrupulous method of price gouging. Therefore, I am seeking any advice and assisting you can extend me.

Thanking you in advance for your quickest response. It appears any more delay in the resolution of this matter will only result in higher pricing and financial embarrassment to me.

Cordially,



William C. Ballou

CB/jkw

Enclosure

RECEIVED
OCT 16 1979
UTILITY REGULATORY
COMMISSION

FOREST HILLS DEVELOPMENT, INC.
329 St. Andrews Church Road
Louisville, Kentucky 40214

October 12, 1979

Charles Ballow
7811 Cardinal Hill Ct.
Louisville, Kentucky 40214


Dear Sir:

This letter is written in reference to our letter to you dated August 9, 1979 regarding payment of tap-in fee for your residence at discounted amount of \$1,200.00.

This letter is to inform you that payment must be received by our company on or before ten (10) days from the above date.

In the event the payment is not received on or before October 12, 1979, the full amount of \$1,800.00 will be payable, and we shall refer the collection of said amount to our attorney.

Yours truly,


A. S. Schlatter, President

ABS:l

ALAN T. SLYN
ATTORNEY AT LAW

310 WEST LIBERTY STREET-SUITE 510
LOUISVILLE, KENTUCKY 40202
(AC 502) 583-7661

November 19, 1979

Mr. William C. Ballou
7811 Cardinal Hill Court
Louisville, Kentucky 40214

Dear Sir:

I represent Forest Hills Developers, Inc., and I write this letter to resolve the current controversy arising as a result of your unauthorized connection to the sewer lines of my client.

Let us put the matter into perspective. Your residence at 7811 Cardinal Hill Court is outside the area which my client is obligated to serve. You connected to sewer lines without prior permission. Therefore, you are a trespasser.

As a trespasser, there are three alternatives. The first alternative is this. Since you have already connected, my client would be willing to allow your residence to remain on service if you will pay the construction aid charge which was in effect at the time you connected in March, 1979, plus interest on the charge from the time of connection. In March, 1979, the charge was \$1,200.00, and according to my calculations, accrued interest presently amounts to \$54.00. Therefore, your first alternative is to send me a certified check or bank cashier's check for \$1,254.00.

The second alternative is that you immediately disconnect from the sewer line of Forest Hills.

If you wish to pursue either the first or second alternative, this should be completed by one week from date of this letter. If you do not pursue either the first or the second alternative, then we will assume that you desire to pursue the third alternative, which we will take as your invitation to Forest Hills Developers, Inc. to come out and disconnect your property from their line.

In view of all the time, effort and expense which you have already put my client to, and in view of the fact that you are a trespasser who is using the service of my client without any legal right or basis, I submit that a week is a generous amount of time in which

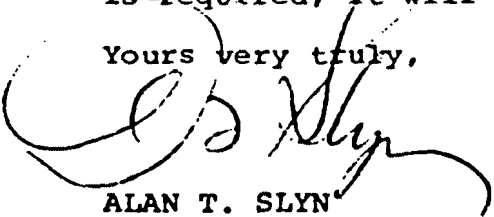
ALAN T. SLYN
ATTORNEY AT LAW

Mr. William C. Ballou
November 19, 1979
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to resolve the situation. I am sure you understand that by making this unauthorized connection, you have taken the property of my client and have rendered yourself liable to punitive damages if my client were inclined to take the matter into court. However, at this point the situation is a very simple one where you can either pay the charge which is fair and reasonable, or you can discontinue the service.

I trust that nothing further will be required beyond the writing of this letter. I see no necessity for any further action on my part, and I think it only fair to tell you that if further action is required, it will be taken without any further notice to you.

Yours very truly,



ALAN T. SLYN

ATS/pjt

cc: Forest Hills Developers, Inc.

chuck ballou

November 29, 1979

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UTILITY REGULATORY
COMMISSION

Alan T. Slyn
310 West Liberty Street, Suite 510
Louisville, Kentucky 40202

Dear Mr. Slyn,

As you are aware we have contacted the Utility Regulatory Commission regarding the \$1200.00 tap on fee your client Forest Hills Developers claim we owe.

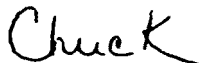
In April of 1978 we purchased property at 7811 Cardinal Hill Court from Jack Farley. In our contract it reads "sewer tap on fee to be paid to Forest Hills Developer by buyer." Mr. Farley informed us the fee would be \$825.00. This cost based on the running of lines to Mr. Fred Schlatter house of \$2475. to be divided among three hook-ups at 7805, 7815, and 7811 Cardinal Hill, of \$825.00 each.

I personally phoned Forest Hills and was told this was correct, \$825.00. In April, 1979 construction was completed and the hook-up made. I phoned Forest Hills at that time to learn the fee was now \$1200.00 of which I would be billed. In October, 1979 I received a letter stating \$1200.00 must be paid in ten days or \$1800.00 would be the new charge. I have enclosed a copy of this letter. I phoned the company to question the increase and was told it was interest. This was so out of reason I phoned the Utility Commission and was asked to write a letter concerning this matter of which I did.

Due to the fact that the Louisville Water Company is collecting the monthly sewer charge for your client from us I feel it erroneous for your client to claim we are outside his area.

I am enclosing a certified check for \$825.00 plus interest at 9% for six months or \$862.13 of which I feel is fair. However, in the event the Utility Commission rules in your clients favor we will be happy to pay the additional cost.

Cordially,



Chuck Ballou

CB/jkw