

COMMONWEALTH OF KENTUCKY
BEFORE THE ENERGY REGULATORY COMMISSION

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In the Matter of

THE COMPLAINT OF TERRY W. HOWARD,)	
LOUISVILLE, KENTUCKY AGAINST)	
TRI-COUNTY ELECTRIC MEMBER-)	CASE NO. 7961
SHIP CORPORATION)	

ORDER

On June 26, 1980, the Commission received a letter from Mr. Terry W. Howard, Louisville, Kentucky concerning the reasonableness of charges required by Tri-County Electric Membership Corporation (Tri-County) for extensions to serve Mr. Howard's real estate development at Barren River Reservoir.

On July 30, 1980, the Commission received Tri-County's response which included an explanation of Tri-County's extension policies and information concerning a \$100 charge for a customer's meter pole.

On September 16, 1980, the Commission held a hearing to determine whether the extension policies and meter pole charges of Tri-County are in accordance with the Commission's rules and regulations and the filed tariffs of Tri-County.

Mr. Howard testified that two different sections were involved in his real estate development. In the first section, lots were sold without restriction as to building requirements. Since mobile homes could be placed in the lots, Tri-County applied its General Policy No. 1 which pertains to service to mobile homes. On August 14, 1979, Mr. Howard and Tri-County executed a contract whereby Tri-County would build the extension to serve the development and Mr. Howard would advance the cost of construction in excess of the cost of constructing 1,000 feet. Accordingly, for a line approximately of 3,000 feet, Mr. Howard advanced \$2,290.00 to Tri-County, the cost of roughly 2,000 feet. Tri-County further agreed to refund to

Mr. Howard, the cost of 1,000 feet for every additional permanent customer added in the development within the next 10 (10) years.

The recent dispute involves the second section of the lake subdivision to be developed. Under the terms of a newly adopted General Policy No. 1, Tri-County would require Mr. Howard to advance the entire cost of construction for the second extension of 1,760 feet. In addition, the new policy does not provide for a refund to a developer as additional permanent customers subscribe for electric service along the extension. However, General Policy No. 1, adopted by Tri-County in June, 1980, has never been filed in Tri-County's tariff with the Commission and lacks Commission approval. This policy is not only unauthorized, but is in direct conflict with the Commission's regulations governing extensions contained in 807 KAR 50:065 Sections 10 and 11.

Mr. Paul Lee, General Manager of Tri-County, testified that under the circumstances, the appropriate policy to apply to Mr. Howard's second development is General Policy No. 20 which governs resort developments. According to this policy, Mr. Howard would have to advance the entire cost of constructing the 1,760 feet extension to Tri-County. Then, for each permanent, additional customer who connects to the extension over the ensuing ten years after the line is built, Tri-County will refund the cost of 1,000 feet of line to Mr. Howard. (Tri-County defines a "permanent additional customer" as one whose building is situated on a permanent foundation and is connected to sanitary sewer and water facilities or has a well. Tri-County would include a mobile home within this definition if it were taken off its wheels.) The amount refunded is not to exceed the cost of constructing the extension.

Under General Policy No. 21, Tri-County may charge a customer \$75.00 for a meter pole. Tri-County intends to increase this charge to \$100.00, but had not filed a tariff to that

effect at the time of the hearings.

FINDINGS

The Commission, after consideration of all the evidence of record and being advised, is of the opinion and FINDS:

1. That the second section of Mr. Howard's subdivision at Barren River Reservoir is to be developed in a manner similar to the first section in that the lots will be sold without deed restrictions requiring permanent structures be built upon the lots.
2. That the appropriate extension policy which Tri-County should apply to this development requiring an extension of 1,760 feet is General Policy No. 20 which pertains to resort developments.
3. That Mr. Howard should be refunded the cost of 1,000 feet of line for each permanent customer who connects to the extension over the next ten (10) years, said refund not to exceed the total original cost of construction.
4. That Tri-County is currently authorized to charge \$75.00 to install a customer's meter pole under General Policy No. 21.
5. That Tri-County is currently authorized to require a customer advance for those costs of constructing extensions which exceed 1,000 feet in order to serve mobile homes under General Policy No. 1 and that the cost of constructing 1,000 feet, not to exceed the total originally advanced, is to be refunded to that customer if an additional permanent customer connects to the extension within ten (10) years.

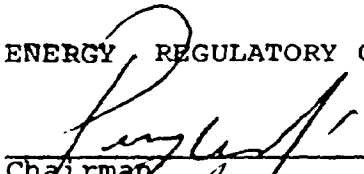
IT IS THEREFORE ORDERED that Tri-County provide service to Mr. Howard's development at Barren River Reservoir under the terms contained in General Policy No. 20 pertaining to resort developments which is contained in Tri-County's tariff on file with the Commission.


IT IS FURTHER ORDERED that Tri-County shall charge customers \$75.00 for installing a meter pole in accordance with General Policy No. 21 and other Tri-County policies providing for an additional charge for a meter pole.

IT IS FURTHER ORDERED that Tri-County shall continue to apply General Policy No. 1 as revised November 7, 1975 which pertains to service to mobile homes where appropriate and shall not apply General Policy No. 1 as revised June, 1980 unless and until it is filed and accepted by this Commission as part of Tri-County's tariff.

Done at Frankfort, Kentucky, this the 20th day of October, 1980.

ENERGY REGULATORY COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary