

COMMONWEALTH OF KENTUCKY
ENERGY REGULATORY COMMISSION

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In the Matter of:

INVESTIGATION OF THE)
SERVICE PRACTICES OF)
DELTA NATURAL GAS)
COMPANY)

CASE NO. 8031

ORDER

Background

On November 13, 1980, the Commission ordered Delta Natural Gas Company, Inc. (hereinafter referred to as "Delta") to appear at the Commission's offices in Frankfort, Kentucky, on December 10, 1980, for the purpose of giving testimony regarding certain of Delta's service practices about which the Commission had received complaints. The Commission in the order further stated that any customer of Delta who desires to present a statement or formal testimony regarding Delta's service practices should be present at the hearing. Copies of the November 13, 1980, order were served upon certain of Delta's customers and advertisements giving notice of the hearing were placed in newspapers in Delta's service areas.

The hearing was convened on December 10, 1980, at 10:00 A.M. E.S.T., in the Commission's offices at Frankfort, Kentucky. The motion of the Attorney General's Division of Consumer Intervention to intervene was sustained. There were no other intervenors of record. Testimony was offered by the following Delta customers regarding Delta's service practices: E. Fred White, Earl Burchfield, and Charlie Smith. Harrison D. Peet, President of Delta, Glenn R. Jennings, Treasurer of Delta, and Julia H. Adams, an attorney serving as ombudsman for Delta, testified on behalf of Delta. In

the order of November 13, 1980, the Commission specified four (4) areas of customer complaints received by the Commission regarding Delta's service practices as well as one other service practice which had come to the Commission's attention. In addition, Messrs. White and Smith testified at the hearing that they had experienced difficulty obtaining utility service to rental properties. Mr. Burchfield's testimony at the hearing addressed the matters set forth in the Commission's order of November 13, 1980, and, in addition, customer deposits and the amount of interest payable thereon. At the hearing, Delta responded specifically to each of the matters set forth in the Commission's order of November 13, 1980, and the matters raised by the testimony of Messrs. White, Burchfield and Smith.

Delta's Response

The first customer complaint was that Delta does not provide adequate time for the customer to pay the bill before imposition of a penalty charge. Delta testified that until November 11, 1980, its rules and regulations provided that a delinquent bill was any bill not paid within ten (10) days after the mailing date and that a charge of \$3.00 would be made to collect a delinquent bill. Delta further testified that on November 11, 1980, it mailed to the Commission a revised tariff sheet in which the definition of delinquent bill was changed so that it is now any bill not paid within fifteen (15) days after the mailing date. Delta stated that the time available for a customer to pay the bill before imposition of a penalty charge was thus extended from ten (10) to fifteen (15) days.

The second customer complaint was that the company does not maintain open office hours for a full eight-hour work day, thus making it inconvenient for customers to pay

their bills or discuss a problem with company personnel. Delta testified that prior to December 2, 1980, its branch offices opened to the public at 8:00 A.M., closed from noon to 12:30 P.M. and reopened until 4:00 P.M. Delta testified that on December 2, 1980, it changed its policies so that six (6) of its ten (10) branch offices now remain open continuously from 8:00 A.M. until 4:00 P.M. The remaining four (4) offices have only one (1) cashier and, according to Delta, it is impractical to employ additional personnel for those four offices so as enable Delta to have those offices remain open during the lunch hour. Delta further testified that all of its branch offices now have deposit slots so that customers may pay their bills at times when the offices are not open to the public.

The third customer complaint was that Delta shuts down its computer before the end of the last working day of the week, thus forcing a customer who has otherwise paid his bill on time to not receive credit for such payment until the following Monday. Delta testified that its computer, which began operation in the fall of 1980, is not shut down before the end of any working day. Delta further testified that customers' payments are credited to their accounts as of the day the payments are received in Delta's branch offices.

The fourth customer complaint was that Delta refuses to implement an automatic bank payment plan for those customers who must be absent from their homes or businesses at the time such bills are received through the mail. Delta testified that it was aware of only two requests for the implementation of an automatic bank payment plan during the past year. It further stated that it had conducted a survey among its customers several years ago to determine customer demand for such a plan and concluded that there was a lack of interest

in the availability of such a plan. Delta also stated that it had discussed the feasibility of automatic bank payment plans with eleven (11) banks in its service areas and concluded that it was unfeasible to attempt implementation of such a plan throughout its system. Delta stated that it was its policy to attempt to accommodate those customers who must be absent from their homes at the time such bills are received through the mail.

The Commission, in its order of November 13, 1980, also stated that it has information indicating that Delta may be assessing a meter testing charge to its customers that has not been approved by the Commission. Delta stated that its meter testing charges had been on file with the Commission since 1974, but, until December 5, 1980, such charges had not been part of Delta's rules and regulations in its tariffs. It stated that it had understood that filing its meter testing charges as part of its standard practices complied with the Commission's regulations, but to ensure compliance, it had filed such charges as part of the rules and regulations in its tariffs on December 5, 1980.

With regard to the testimony of Messrs. White and Smith, Delta stated that it is Delta's policy to be flexible in unusual situations and attempt to accommodate customers' problems as long as there is compliance with regulations and no discrimination occurs. With regard to Mr. Burchfield's testimony about customers' deposits and the interest payable thereon, Delta stated that its customer deposit is an amount equal to two-twelfths (2/12) of the estimated annual bill of such customer as set forth in 807 KAR 50:015 §7 and that the interest payable thereon is six percent (6%) annually as required by KRS 278.460.

FINDINGS AND ORDER

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

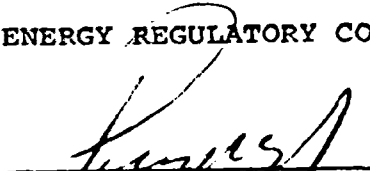
1. That Delta is in compliance with the Commission's regulations applicable to the service practices which were the subject matter of the order of November 13, 1980, and discussed during the course of the hearing in this case.

2. That Delta has adequately responded to complaints from its customers about its service practices which are the subject matter of this case and has made appropriate changes in its service practices.

The Commission, on the basis of the matters hereinbefore set forth and the evidentiary record in this case, hereby ORDERS that this proceeding be, and it hereby is, dismissed.

Done at Frankfort, Kentucky, this 19th day of December, 1980.

ENERGY REGULATORY COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary