

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of

THE COMPLAINT OF MS. WANDA	)	
CORNELISON, LEXINGTON	)	CASE NO. 7989
KENTUCKY AGAINST COLUMBIA	)	
GAS OF KENTUCKY	)	

ORDER

By letter of August 20, 1980 the Commission received an informal complaint from counsel for Ms. Wanda Cornelison, "concerning the practices" of Columbia Gas of Kentucky, Inc. ("Columbia"). Ms. Cornelison's counsel made assertions in her letter of September 26, 1980 that Commission regulation 807 KAR 50:015 (9) "exceeds statutory authority and standards set forth in KRS 278.210(3)." The Commission attempted to satisfy the questions raised by use of the informal complaint procedures of 807 KAR 50:005(12), but the parties were unable to agree.

Waiving the requirements of 807 KAR 50:005(11) and (14) as to the form and procedure for formal complaints, the Commission held a hearing on October 30, 1980. The Complainant and Columbia were both represented by counsel. The parties stipulated to the following facts: "During the winter of 1979-80, Ms. Wanda Cornelison resided at 1311 Nancy Hanks Road, Apt. 2, Lexington, Kentucky, and was a customer of Columbia Gas of Kentucky. On or about April 23, 1980 Columbia Gas conducted a test of Ms. Cornelison's gas meter. Their conclusions stated

that her meter was registering slow. An investigation of this matter indicated that the meter was defective and had been registering slow since December 13, 1979, and had stopped registering sometime before or on April 23, 1980.

"During this period, Ms. Cornelison had been billed for a total of 7 MCF. Columbia Gas rebilled the account on May 5, 1980 based upon an estimate formula of historical usage and weather at the amount of 49 MCF resulting in a debit adjustment in the amount of \$132.15. A copy of that bill and notice is attached hereto as Appendix A.

"Ms. Cornelison did not pay this amount prior to the date designated as the due date. Ms. Cornelison received a notice of termination. In order to maintain her gas service and under protest, Ms. Cornelison agreed to pay said amount over time. This payment period was negotiated by Mr. Barnott, Credit Supervisor for Columbia Gas and Ms. Karen Myers, attorney for Ms. Cornelison. The amount due has been paid in full."

Witnesses for both Columbia and Ms. Cornelison gave direct testimony and were subjected to cross-examination. Wherefore, the Commission, having reviewed the record made by the parties, and being advised, finds:

#### FINDINGS OF FACT

1. That during the winter of 1979-80 Columbia's meter serving the premises occupied by Wanda Cornelison at 1311 Nancy Hanks Road, Apt. #2, Lexington, Kentucky malfunctioned;

that the meter readings taken by Columbia employees on December 13, 1979 and February 13, 1980 were unusually small, and that said meter had stopped registering any usage at all by April 23, 1980 when it was examined by another Columbia employee.

2. That prior to April 23, 1980, neither Columbia nor Ms. Cornelison made inquiry or advised the other that they considered the extremely low gas billings for the months ending December 13, 1979, January 15, 1980, February 13, 1980, and March 14, 1980, as unusual.

4. That Columbia's computer analysis of the billing of the gas service to Ms. Cornelison put Columbia on notice on or after March 14, 1980 that consumption of gas at this service was unusually low for the winter weather conditions.

5. That on April 23, 1980, a Columbia Gas employee found the Cornelison meter to be passing gas but not registering any gas usage. Columbia concluded that the meter had been registering slow at least since December 13, 1979, because the meter readings were significantly lower than the comparable period for the same apartment and the same customer the year before.

6. Columbia attempted to telephone Ms. Cornelison to inform her of the situation but was unable to reach her. Columbia witnesses testified that if they had talked to her and she offered any explanation for the reduced usage of gas the Company would have been willing to negotiate a reduction of the bill to a mutually agreed amount.

7. Columbia recomputed the billing by substituting, from their records, the gas usage recorded for the same period during the previous winter, and adjusted the usage by reference to a "degree-day" chart reflecting the difference in daily temperatures for the periods being compared.

8. Columbia rendered a new bill to Cornelison on May 5, 1980 showing \$116.54 still owing after crediting Cornelison with \$45.87 previously paid on the erroneous billings for the period. The bill stated under "Description of Charges" that it was an "Adjustment due to stopped meter for the following periods" (naming them). Ms. Cornelison did not pay the balance due, or any part thereof, on the due date.

9. Three months later, on or about August 14, 1980, after having received repeated rebillings of the balance due, Ms. Cornelison received notice of termination from Columbia, which she took to Ms. Karen Myers, Attorney at Law, 201 West Short Street, Suite 800, Lexington, Kentucky and asked for legal assistance.

Columbia's witness testified that at no time prior to August 14, 1980, had Ms. Cornelison, or anyone acting on her behalf, questioned the amount of the rebilling or its computation. Cornelison's witnesses did not contradict this testimony.

10. Ms. Myers, as counsel for Ms. Cornelison, called Columbia's credit supervisor and negotiated a payment plan for Ms. Cornelison to pay the outstanding balance in installments without termination. Ms. Myers testified that she did not waive

any objections to the amount of rebilling or its computation and advised Ms. Cornelison to pay the bill under protest. Ms. Cornelison went to the office of Columbia and executed an extended payment agreement on August 14, 1980. She has subsequently paid the entire amount of the bill.

Wherefore, the Commission concludes:

CONCLUSIONS OF LAW

1. There are no specific provisions in KRS Chapter 278 or the Commission's regulations which control the procedures to be followed in this case. KRS 278.210 merely provides a method for establishing standards and testing meters upon request of a patron of a utility, and the payment of fees therefor. No request for testing of a meter was made in this case.

807 KAR 50:015(9) provides only a procedure for adjustment of bills and a form of notice to customers "upon periodic request or complaint" where a customer's meter is tested and found to be more than 2% fast or slow. This case did not involve the situation contemplated, as neither a "periodic request" or "complaint" initiated Columbia's investigation or rebilling.

2. However, KRS 278.160 provides that "no person shall receive any service from any utility for a compensation greater or less than prescribed" in its tariff.

Absent a specific provision controlling the procedures to be followed in cases of this character, it was incumbent upon

Columbia to establish and follow a reasonable procedure to assure itself, Ms. Cornelison, and the utility's other customers that she should not have received gas service "for a compensation...less than prescribed" in its tariff.

3. The method of computation followed by Columbia was reasonable. When no other reason is advanced for a marked decrease in meter readings, and where the meter has been shown to be defective, the use of records for the same period in the previous year, adjusted for temperature differences by a degree-day chart, is an acceptable method for estimating the amount of gas that would have been recorded by an accurate meter. Columbia properly ignored readings for the first month (ending December 13, 1979) which may have been incorrect, because there is no way to determine when, during the month, the meter started registering inaccurately.

The period from December 13, 1979, when Columbia first was put on notice as to the possibility that Cornelison's meter was defective, until May 5, 1980, when she was first informed that she owed an additional sum for gas service, was unreasonably long. However, Ms. Cornelison was not irreparably damaged since in this case Columbia offered her an extended payment plan, which she has paid. Based on the record before us, the Commission is not prepared to say whether Columbia's computer analysis warning system is programmed incorrectly, or whether Columbia should revise its office and field procedures to assure earlier warning and discussion with the affected

customers, but further evaluation of these procedures should be made.

Based upon the above-stated findings, the Commission hereby ORDERS that this case be, and it hereby is, dismissed.

Done this 9th day of April, 1981, at Frankfort, Kentucky.

PUBLIC SERVICE COMMISSION

*Maclain M. Vohs*  
Chairman

*Katherine Randall*  
Vice Chairman

*Don Larrigan*  
Commissioner

ATTEST:

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Secretary