

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE COMPLAINT OF HENRY C. WILLIAMS,)
OWNER, SHADY ACRES MOBILE HOME PARK,)
FRANKLIN COUNTY, KENTUCKY AND DONALD) CASE NO. 8089
STANSBURY, OWNER, STANSBURY'S MOBILE)
HOME PARK, FRANKLIN COUNTY, KENTUCKY)
AGAINST FARMDALE WATER DISTRICT)

O R D E R

Preface

On January 20, 1981, Mr. Henry C. Williams, owner, Shady Acres Mobile Home Park and Mr. Donald Stansbury, owner, Stansbury Mobile Home Park ("Complainants") filed with this Commission a formal complaint against Farmdale Water District ("Utility") challenging the reasonableness of the rates charged trailer court customers which were higher than those charged its other large customers.

This matter was set for public hearing at the Commission's offices in Frankfort, Kentucky on December 23, 1980. The hearing was held as scheduled. Due to the fact that certain pertinent documents were not furnished by the complainant to the defendant prior to the hearing, the hearing officer rescheduled the hearing for February 24, 1981. All parties of interest were notified and no protests were entered. At the hearing certain requests for additional information were made by the Commission staff. This information has been submitted for a final determination by the Commission.

COMMENTARY

The Utility's existing tariff governing the method and rates to be charged to trailer court customers was filed approximately ten years ago when the Utility was in its infancy. It was considered desirable at that time in order to provide stability to the young system to establish a monthly minimum charge at a high enough level to provide a major portion of its monthly operating expenses and debt service, and to avoid large fluctuations in monthly revenues.

OPINION AND ORDER

The Commission after a review of the record and being advised is of the opinion and finds that:

1. The Utility incurs no operating expenses to serve complainants' parks in excess of those incurred by serving any other customer of this size.
2. Trailer courts are the only customers in the District who are billed on a different rate schedule for the size meter they utilize.
3. No utility shall, as to rates or service, give any unreasonable preference or advantage to any person or subject any person to any unreasonable prejudice or disadvantages, or establish or maintain any unreasonable difference between localities or between classes of service for doing a like and contemporaneous service under the same or substantially the same conditions as stated in KRS 278.170, is applicable to the instant case.
4. The Utility has charged a higher rate to the complainants than those approved in its existing tariff from June of 1979 through December 1980.

5. The method and rates charged the trailer courts are unfair, unjust and discriminatory.

6. The tariff of the Utility as it relates to trailer courts should be set aside and held invalid.

7. The Utility should file a new tariff providing water service to complainants on the same basis as other commercial or industrial customers within its service area.

8. The Utility should submit a plan to refund the amount billed for the overcharges in excess of those prescribed rates subject to approval of this Commission, \$122.83 to Shady Acres Mobile Home Park and \$163.61 to Stansbury Mobile Home Park, Inc.

ORDERS IN THIS MATTER

The Commission on the basis of the matters hereinbefore set forth and the evidentiary record in this case:

HEREBY ORDERS that no utility shall, as to rates or service, give any unreasonable preference or advantage to any person or subject any person to any unreasonable prejudice or disadvantage, or establish or maintain any unreasonable difference between localities or between classes of service for doing a like and contemporaneous service under the same or substantially the same conditions as stated in KRS 278.170.

IT IS FURTHER ORDERED that the tariff of the Farmdale Water District, as it relates to trailer courts, is hereby set aside and held invalid.


IT IS FURTHER ORDERED that the Utility shall file a new tariff providing water service to the complainants on the same basis as other commercial or industrial customers within its service area.

IT IS FURTHER ORDERED that the Utility shall submit a plan to refund the amount billed for the overcharges in excess of those prescribed rates subject to the approval of the Commission, \$122.83 to Shady Acres Mobile Home Park and \$163.61 to Stansbury Mobile Home Park, Inc.

IT IS FURTHER ORDERED that all provisions not specifically mentioned herein shall remain in full force and effect.

Done at Frankfort, Kentucky, this 23rd day of June, 1981.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary