

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

\* \* \* \* \*

In the Matter of

THE COMPLAINT OF CHARLIE BROWN'S )  
RESTAURANT AGAINST KENTUCKY )  
UTILITIES COMPANY )

CASE NO. 8747

O R D E R

On October 20, 1982, the Commission received a letter from Philip Carlile, Charlie Brown's, (Appendix A) wherein he questions the amount of a security deposit requested by Kentucky Utilities Company (KU). The letter states that Charlie Brown's of Winchester, Kentucky, a restaurant, is indebted to KU in the amount of \$2179.99 and alleges that because of the indebtedness at the Winchester location KU threatened to cut off service to Charlie Brown's of Lexington, Kentucky, unless the restaurant increased its security deposit in the amount of \$1,123.

On November 4, 1982, the Commission received a letter from Kentucky Utilities Company (Appendix B) which states, among other things, that the financial difficulties of the Winchester restaurant merely alerted KU to possible financial difficulties at the Lexington restaurant and that an investigation into the payment history of Charlie Brown's Incorporated of Lexington indicated that during the immediate past nineteen months KU has submitted nineteen electric service statements to Charlie Brown's Incorporated and sixteen disconnect notices have been necessary to secure payment. The letter

further states that during the past twelve months, Charlie Brown's Incorporated of Lexington has incurred a total billing of \$9,695.35, that two-twelfths of this amount equals \$1,615.90 and that a deposit of \$1,600 has been requested in accordance with the provisions of KRS 278.280(2), Section 7. According to KU, Charlie Brown's Incorporated of Lexington has a \$300.00 security deposit which has drawn \$177.00 interest. These amounts (\$477.00) have been subtracted leaving a deposit of \$1,123.00.

Mr. Carlile has requested a hearing to consider this matter.

The Commission, having considered the correspondence, request and being advised, HEREBY ORDERS That this matter be and it hereby is set for hearing on January 31, 1983, at 1:30 p.m., Eastern Standard Time, in the Commission's offices at Frankfort, Kentucky.

IT IS FURTHER ORDERED That Kentucky Utilities Company shall appear at the hearing and present testimony relative to this matter.

Done at Frankfort, Kentucky, this 21st day of December, 1982.

PUBLIC SERVICE COMMISSION

  
For the Commission

ATTEST:

\_\_\_\_\_  
Secretary

# CHARLIE BROWNN'S

Venable Road  
Winchester, Ky. 40391  
phone 606/744-9366

Appendix A

816 Euclid Avenue  
Lexington, Ky. 40502  
phone 606/269-5701

Kentucky Public Service Commission  
Frankfort, Kentucky

10/20/82

Gentlemen:

I am enclosing letters from Kentucky Utilities Company and copies of bills that were incurred by Charlie Brown's of Winchester, Inc, a separate corporation. This property is now in the hands of Central Bank and Trust, Lexington, which is paying the current electric bills.

The thrust of this letter is that until it was determined that Charlie Brown's of Winchester could not pay the \$2179.99 owed to the Winchester branch of K.U., they then threatened to cut off service to the Lexington Corporation and they resort to the following scenarios:

- "Can you pay anything to the Winchester branch of K.U.?" answered Mr. Walton "NO."
- "Well then, you will have to increase your deposit in Lexington. This will amount to \$1,123."

I am certain that they would have the authority to demand the deposit before installing the service. However, after ten years of continuous service many such bills notifying cutoff was imminent a fine that interrupted complete service between April 17 and August, 1974 no attempt was made to increase the deposit. I submit to the Commission their actions now are egregious and retaliatory, which could very easily send other Kentucky small business into bankruptcy.

I request the Commission to restrain Kentucky Utilities from discontinuing service on the 27th as threatened until a full hearing can be held by the Commission, determines that K.U.'s actions are at best a legal form of blackmail.

Phil Carlisle, President

KENTUCKY UTILITIES COMPANY

ONE QUALITY STREET  
LEXINGTON, KENTUCKY 40507

Appendix B

OFFICE OF VICE PRESIDENT

October 29, 1982

RECEIVED

Mr. Claude G. Rhorer, Jr., Director  
Division of Utility Engineering and Services  
730 Schenkel Lane  
Frankfort, Kentucky 40602

NOV 4 1982

DIVISION OF UTILITY  
ENGINEERING & SERVICES

Dear Mr. Rhorer:

This is in response to your letter dated October 22, 1982 wherein Mr. Philip Carlile on behalf of Charlie Brown's Restaurant, 818 Euclid Avenue, Lexington, Kentucky submitted a complaint to your attention.

Mr. Carlile questioned the Company's actions with respect to requiring a larger customer deposit at his Lexington restaurant and his belief that the Company's actions were necessitated by the financial difficulties of Charlie Brown's of Winchester.

The financial difficulties of the Winchester restaurant merely alerted the Company to possible financial difficulties in Lexington. An investigation into the Charlie Brown's Incorporated of Lexington's payment history was performed and the following was discovered. During the immediate past nineteen months Kentucky Utilities has submitted nineteen electric service statements to Charlie Brown's Incorporated, where upon, sixteen disconnect notices have been necessary to secure payment.

KRS 278, 280(2) Section 7 states that "a utility may require from any customer or applicant for service a minimum cash deposit or other guarantee to secure payment of bills of an amount not to exceed two-twelfths of the estimated annual bill of such customer." Therefore, based on the credit history of the customer at this location, a deposit reflecting his monthly billing amounts was required.

During the past twelve months, Charlie Brown's Inc. of Lexington has incurred a total billing of \$9,695.35. Two-twelfths of this equals \$1,615.90. Thus a deposit of \$1,600.00 has been requested. At the present time Charlie Brown's Inc. of Lexington has a \$300.00 Security deposit that has drawn interest in the amount of \$177.00 for a total of \$477.00. Subtracting the \$477.00 presently on deposit with Kentucky Utilities, the deposit amount required is \$1,123.00. This was communicated by letter to Mr. Carlile of Charlie Brown's Inc. of Lexington on October 12, 1982. It was explained that installment payments would be accepted should a lump sum payment create a hardship. Mr. Carlile declined this offer.

The Company believes it has acted in a responsible and businesslike manner in working with Charlie Brown's Incorporated. The \$1,600.00 deposit requested by the Company is in compliance with Commission Rules and Regulations and accordingly is still required of Mr. Carlile.

We believe this provides you with the necessary information to respond to Mr. Carlile's inquiry. If we may be of further assistance, please let us know.

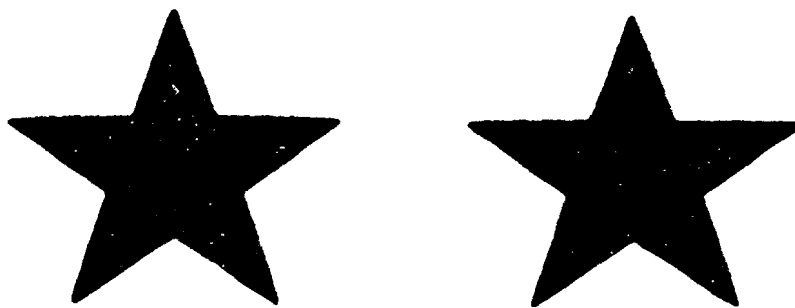
Sincerely,

*Robert M. Hewett*

Robert M. Hewett  
Vice President  
Rate Department

RMH:lrp

# **CORRECTION**



***PRECEDING IMAGE HAS BEEN  
REFILMED  
TO ASSURE LEGIBILITY OR TO  
CORRECT A POSSIBLE ERROR***

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- A. "Can you pay anything to the Winchester branch of K.U.?"  
answered Mr. Walton "NO."  
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