

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

WILLIAM WALKER)	
)	
COMPLAINANT)	
v.)	CASE NO. 95-117
)	
JACKSON PURCHASE ELECTRIC COOPERATIVE CORPORATION)	
)	
DEFENDANT)	

O R D E R

On May 4, 1995, William Walker filed a complaint against Jackson Purchase Electric Cooperative Corporation ("Jackson Purchase") alleging that: 1) he had a bad meter; 2) he properly read his meter; 3) he did not owe an additional \$600; 4) Jackson Purchase failed to notify him when his meter was tested; and 5) he was not informed in 1993 of any problem with his meter. Jackson Purchase filed its answer on May 31, 1995, denying that there was any problem with the complainant's meter but alleging that there were discrepancies between the monthly meter reading submitted by complainant and those recorded by its employees.

This case was first set for hearing on July 26, 1995. At the complainant's request, an informal conference was held instead with the parties and Commission Staff participating by telephone. The billing dispute was not resolved during the conference but the parties agreed that Staff would check the accuracy of complainant's meter. This case was subsequently rescheduled for hearing three times and cancelled three times at the

request of the complainant. Pursuant to the Commission's Order dated April 29, 1996, this case was submitted for a decision on the existing evidence of record.

Based on the evidence of record and being otherwise sufficiently advised, the Commission finds that Jackson Purchase relies upon its customers/members to read their meters monthly and submit the readings with the return portion of their bills. See Jackson Purchase Tariff Sheet 14.0, Rules and Regulations, Meter Reading, Billing and Collecting. Customer meters are read once each calendar year by Jackson Purchase in conformity with 807 KAR 5:006, Section 6(5).

On March 16, 1992, Jackson Purchase initiated electric service to the complainant at 3815 Old Highway 45, Paducah, Kentucky. The meter installed at his residence read 91051 and had previously been checked for accuracy on March 31, 1989. It was found to be 100.05 percent accurate and then adjusted to be 100.0 percent accurate.

For billing purposes Jackson Purchase used the meter readings submitted by the complainant through 1994 even though his readings became progressively and significantly less than the annual readings taken by Jackson Purchase. The aggregated annual billings by Jackson Purchase to the complainant were as follows:

<u>YEAR</u>	<u>No. MONTHS BILLED</u>	<u>TOTAL KWH BILLED</u>	<u>AVERAGE MONTHLY KWH</u>
1992	8	5253	657
1993	12	4355	363
1994	12	2835	236

The complainant also recorded meter readings of 03986 on December 27, 1994 and 04180 on February 14, 1995. This reflects a consumption of 194 KWH over 1.57 months for an average monthly KWH of 124.

Although Jackson Purchase did accumulate actual annual readings of the complainant's meter, the actual readings were not used for billing purposes. The actual readings reflect the complainant's consumption to be as follows:

<u>METER READ DATE</u>	<u>METER READING</u>	<u>MONTHS SINCE PRIOR ACTUAL READ</u>	<u>KWH CONSUMED</u>	<u>AVERAGE MONTHLY KWH</u>
March 16, 1992	91051	0	0	0
December 10, 1992	97251	8.8	6200	705
October 20, 1993	05091	10.33	7840	759
December 24, 1994	14613	14.13	9522	674

The meter reading submitted by the complainant in February 1995 was lower than the reading used the prior month by Jackson Purchase for billing purposes. This prompted Jackson Purchase to request the complainant to reread his meter. A few days later, the complainant confirmed his prior meter reading and requested a downward adjustment in his bill based on the lower consumption.

Jackson Purchase then took an actual meter reading on February 17, 1995 and it was over 11,500 KWH greater than that submitted by the complainant. In March 1995, the complainant was billed for 11,649 KWH. He then requested Jackson Purchase to test his meter and indicated in writing that he did not want to attend the test. See Jackson Purchase's answer, Exhibit 3. That test, performed on March 8, 1995, showed his meter to be 100.01 percent accurate. See Jackson Purchase's answer, Exhibit 4.

Pursuant to discussions during the July 16, 1995 telephone conference, Staff performed an independent test of the complainant's meter. Although given the opportunity to attend the test, the complainant declined. The test was performed on August 23, 1995 in Paducah, Kentucky, and showed an accuracy of 99.97 percent.

The meter tests demonstrate conclusively that the meter installed at complainant's residence was highly accurate and properly recorded the quantity of electricity consumed. There is not a scintilla of evidence to support the complainant's allegations that he had a "bad" meter or that there was ever any type of problem with his meter. Rather, the meter readings he submitted to Jackson Purchase indicate that he engaged in a continuing pattern of underreading his meter for over two years. The substantial reduction in his average monthly consumption from 1992 through 1994 will support no other finding.

Jackson Purchase, however, is not merely an innocent victim in this case. Despite taking actual readings of the complainant's meter in 1992, 1993 and 1994, Jackson Purchase failed to use these actual readings for billing purposes. Instead, for billing purposes it relied exclusively upon the progressively lower readings submitted by the complainant, effectively negating the regulatory requirement to read each meter once a calendar year.

No customer is liable for any utility service not billed within two years from the date of the service. KRS 278.225. Excepted from this two year limitation is any situation where the customer obtained the service through fraud, theft or deception. Due to Jackson Purchase having actual knowledge of the correct readings of complainant's meter, the Commission is unable to find that the complainant's conduct falls within any of the excepted situations.

Thus, the March 1995 bill rendered by Jackson Purchase can legally include only unbilled service for the prior 24 months. Consequently, Jackson Purchase should use its historic actual meter readings to recalculate, and pro rate where necessary, the complainant's March 1995 billing of 11,649 KWH to eliminate billing for any service

rendered more than two years prior to the March 1995 billing. Since this arrearage arose over a two year period, the complainant should be afforded the opportunity to participate in a budget payment plan extending over a maximum of two years.

IT IS THEREFORE ORDERED that:

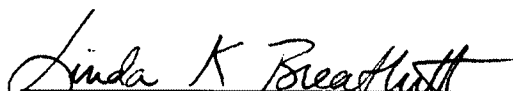
1. The relief requested by the complainant is denied except to the extent that Jackson Purchase included in its March 1995 billing amounts attributable to service rendered more than two years prior thereto.


2. Within 10 days of the date of this Order, Jackson Purchase shall file with the Commission and serve upon the complainant detailed workpapers showing the recalculation of complainant's March 1995 bill to exclude any service rendered more than two years prior thereto.


3. Jackson Purchase shall allow the complainant the option to utilize a budget payment plan not exceeding 24 months to pay the arrearage.

Done at Frankfort, Kentucky, this 23rd day of May, 1996.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director