

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JAMES R. AND CHARLENE SMITH)	
)	
COMPLAINANTS)	
v.)	
)	CASE NO. 98-211
LOUISVILLE GAS AND ELECTRIC COMPANY)	
)	
DEFENDANT)	

O R D E R

On April 16, 1998, James and Charlene Smith ("Complainants") filed a formal complaint against the Louisville Gas and Electric Company ("LG&E"). The complaint alleges that LG&E "noticed an extreme increase in usage during the first billing cycle" but did not bill or notify the Complainants at that time. The Complainants claim that because they did not receive a regular bill in December of 1997, they were not aware of an irregularity in usage. Furthermore, they believe that the high usage was the result of wiring problems with their furnace which went undetected until the Complainants were told of the usage irregularity and high bill on January 19, 1998. The Complainants request that there be a \$400 reduction in their bill.

On May 4, 1998, an Order was issued to LG&E to satisfy or answer the complaint. On May 15, 1998, LG&E filed an answer which denied the requested relief based upon its compliance with Commission regulations and its filed tariff. The answer states that LG&E inspected the meter and found it to be 100 percent accurate. The answer further states that based upon the Complainants' detailed description of the

furnace problem, LG&E determined that the furnace was not the cause of the excessive usage. On July 17, 1998, a formal hearing was held at the Commission's offices. Charlene Smith appeared and testified on behalf of the Complainants. Robert White and Robert McGregor appeared and testified on behalf of LG&E.

FINDINGS OF FACT

On November 4, 1997, LG&E estimated the Complainants' usage for the month of October at 1,426 kwh and rendered a bill for \$71.63. A live reading of the Complainants' meter was made on December 5, 1997, and usage of 12,965 kwh was recorded. Because of the abnormally high increase in usage recorded at that reading, LG&E's computer system automatically "kicked out" the Complainants' bill in order for it to be verified before being mailed. According to the customer service policy, the billing was suspended on December 8 and then sent to LG&E's Customer Accounting Department for review.¹

In order to verify the December 5 reading, the meter was reread on December 13, 1997. The reading indicated that the original reading of 12,965 kwh was correct and the information was sent to Customer Accounting. A second reread was requested at that time.² The second reread was attempted on December 26 but was not performed because the meter was inaccessible. An LG&E employee returned to Complainants' home and performed the second reread on December 31, 1997. The second reread

¹ Transcript at 34.

² The transcript is not clear on whether the second reread was requested by Customer Accounting or by the Complainants. See transcript at 36 and 52.

again verified the original reading of December 5, 1997. The meter was not tested for accuracy at any time during the rereads of the Complainants' meter.³

Because the bill for December 1997 was suspended for investigation, the Complainants did not receive their bill as usual. Sometime during the week prior to Christmas, Mrs. Smith contacted LG&E to inquire about the late bill. She was told that the bill should be arriving any day but was not informed of the reasons for the delay.⁴ When the Complainants again failed to receive the December bill, Mrs. Smith called LG&E a second time, on January 19, 1998, to inquire about the delayed bill. She was informed at this time of the excessive usage and that a bill for a period of 64 days (November 4, 1997 through January 7, 1998) in the amount of \$697.67 was to be issued.⁵ A bill was generated by LG&E on January 16 for \$697.67 and rendered after the meter was tested on January 20.⁶ The Complainants received the bill on January 23, 1998.

After the Complainants were informed of the excessive usage and abnormally high bill, Wayne Cambron, a meter reader for LG&E, came to the Complainants' home. He and Mr. Smith, a heating and air conditioning technician, proceeded to test each of the major appliances for malfunctions. At that time, a problem with the furnace wires was discovered. There were three corroded wires on the furnace, two of which were in

³ Transcript at 36.

⁴ Transcript at 16.

⁵ Transcript at 19.

⁶ A field test was performed on the Complainants' meter on January 20, 1998. That test indicated that the meter was 100 percent accurate. The meter has remained in place during the period of this dispute.

place and one of which had fallen off. On January 24, 1998, Mr. Smith replaced the damaged wires.⁷ According to Mrs. Smith, the furnace has functioned properly since the wires were replaced and electricity usage has returned to normal.⁸

DISCUSSION

The Complainants claim that because they were not billed as usual in December of 1997 and were not informed of the abnormally high usage, the problem with their furnace went undetected until January 23, 1998. They assert that the furnace has been functioning properly since the wires were replaced and that if they had known of the problem earlier they could have prevented the excess usage of 12,965 kwh.

Commission Regulation 807 KAR 5:006, Section 10(3) and (4) requires each utility to include in its filed tariff procedures for monitoring customer usage. The utility is required to have procedures "designed to draw the utility's attention to unusual deviations in a customer's usage and shall provide for reasonable means by which the utility can determine the reasons for the unusual deviation." In the event that the customer's usage is unusually high and the deviation is not otherwise explained, the utility is required to test the meter to determine whether it shows an average error greater than 2 percent fast or slow. Id. In compliance with this tariff requirement, LG&E has a customer monitoring policy in its filed tariff.

Based upon the evidence of record, the Commission finds that LG&E has complied with the requirements of the regulation and its tariff in handling the abnormally high usage recorded by the Complainants' meter. LG&E investigated the possible

⁷ Transcript at 13.

⁸ Id.

cause of the excess usage, verified the December 5 reading on two occasions, and confirmed the accuracy of the meter at 100 percent. Furthermore, because the reading taken on January 7, 1998, indicates a December usage of 3,121 kwh, a figure within normal range, there is reason to conclude that the excess usage took place prior to the December 5 reading. Under those circumstances, the bill for service between November 4 and December 5 would have been the same even if the Complainants had been notified immediately after the December 5 reading. The Complainants, therefore, were not damaged as a result of LG&E's failure to bill or notify them of the extreme usage.

The record also indicates that the corroded wires on the furnace were not the cause of the excessive usage. LG&E's expert witness, Robert McGregor, testified that, in his opinion, a furnace with one operative and two inoperative coils would use the same amount of electricity to produce heat as a furnace with three operating coils.⁹ He stated that each heat level requires a fixed amount of electricity to be reached and that the number of coils merely determines how quickly a certain level of heating can be attained.¹⁰ Moreover, the return to normal usage after the December 5 reading and prior to the repair of the furnace on January 24 supports the position that the corroded wires on the furnace did not cause the excessive usage recorded on December 5, 1997.

Finally, LG&E is required by statute to charge each of its customers for the amount of service consumed. KRS 278.160(2) states:

⁹ Testimony at 57.

¹⁰ Id.

No utility shall charge, demand, collect or receive from any person a greater or less compensation for any service rendered or to be rendered than that prescribed by its filed schedules, and no person shall receive any service from any utility for a compensation greater or less than that prescribed in such schedules.

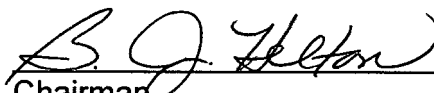
Because the meter was tested and determined to be accurate, LG&E is required to charge the Complainants the filed rate for the total amount of electricity consumed. LG&E must, therefore, charge the Complainants for the 12,965 kwh of service used between November 4, 1997 and January 7, 1998 and recorded by the meter. The Complainants' request for a \$400 reduction of their bill is therefore denied.


Based upon the evidence of record and being otherwise sufficiently advised, the Commission HEREBY ORDERS that:

1. Complainants' requested relief is denied.
2. LG&E shall offer the Complainants an extended payment plan for repayment of any outstanding amounts for service over a period of twelve months.
3. LG&E shall submit to the Commission a signed copy of any extended payment plan within 20 days from the date of this Order.

Done at Frankfort, Kentucky, this 25th day of September, 1998.

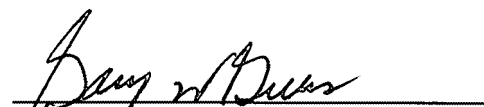
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ATTEST:


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