COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

WILLIAM WALLACE RICHARDSON II COMPLAINANT v. COLUMBIA GAS OF KENTUCKY, INC. DEFENDANT	)))))))))	CASE NO. 2004-00057

O R D E R

On February 6, 2004, William Wallace Richardson II ("Complainant") filed a formal complaint against Columbia Gas of Kentucky, Inc. ("Columbia") alleging that Columbia's $815 fee for a service extension violated its tariff provisions regarding extensions of service. Complainant requests that the Commission order Columbia to refund the $815 and that the Commission review Columbia's extension-of-service tariff provisions.

Columbia asserts that by requiring Complainant to pay the full $815 fee, it was and is in compliance with its tariff provisions addressing extension-of-service lines.

BACKGROUND

Complainant contacted Columbia, requesting an extension of service to his premises at 1299 Standish Way in Lexington, Kentucky. According to the pleadings, Complainant informed Columbia that he would not be using natural gas as his primary energy source and that the extension would be less than 100 feet in length. Columbia informed Complainant that the cost of the extension line would be $815. On December 2, 2003, Mary Richardson[1] signed Columbia's Service Line Installation Agreement, which listed $815 as the cost of the installation of the service line. As of the date of Columbia's March 12, 2004 Answer, the service line had been extended, but the Complainant had not requested that the meter be set.

DISCUSSION

Complainant requests relief on two issues: (1) that the Commission review the "invasion of privacy" issues surrounding the defendant's right to inspect new customers' installed appliances; and (2) that the Commission order Columbia to refund a portion of the $815 paid for the extension of service to reflect Complainant's installed gas appliances. The Commission finds that Complainant's issues do not state a claim upon which relief may be granted.

Pursuant to 807 KAR 5:022, Section 17(a)(3), a gas utility is obligated to inspect a customer's appliances prior to starting service on a new service line. The overriding purpose of this requirement is to protect the premises by ensuring that no appliances are turned on and that there are no leaks on the customer's side of the meter. In the instant case, Commission regulations compelled Columbia to inspect Complainant's appliances, and had Columbia done otherwise, it may have been subject to the sanctions of KRS 278.990. Accordingly, as Columbia's inspection of customers' appliances is required by law, the Commission declines to review the issue further and denies Complainant's request on this count.

[1] Presumably this is Complainant's wife or one properly authorized to sign the agreement.

Complainant's argument that Columbia is violating its tariff by not reducing the cost of the service line is similarly without merit. Sheet 62 of Columbia's tariff states that the amount charged to a customer who is not using natural gas as his primary source of energy "will vary depending upon the installed appliances but will not exceed the Company's annual average cost of a service line." The ability for Columbia to adjust the cost of the line extension is clear from the language of the tariff. The sole issue is whether Columbia is applying the tariff provision in a non-discriminatory manner for similarly situated customers.

In response to a Commission Staff Data Request, Columbia claimed that a customer who uses natural gas as a primary energy source[2] will, on average, consume 70 MCF annually for heating. According to Columbia, on an annual average, water heaters consume 30 MCF, gas logs consume 12 MCF, cooking consumes 4 MCF and outdoor grills consume 2 MCF.[3] Columbia also noted that, as opposed to water heaters and gas furnaces, the use of gas logs, gas cooktops, and gas grills is much more at the customer's discretion. Because the natural gas consumption for a gas water heater is not discretionary, it is the only appliance for which Columbia will adjust the cost of the service extension.

Between March 2003 and April 2004, Columbia has adjusted the cost of the service extension for only two customers, both of whom used natural gas water heaters. Columbia reduced their contribution to $407.50. Columbia has offered no adjustments to any other customer based upon installed appliances.

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[2] This means that natural gas is used as the primary source of heat.

[3] Columbia's Response to First Data Request of Commission Staff.

Columbia's argument that it does not adjust the cost of a service extension for appliances whose use is more discretionary than furnaces and water heaters is convincing. While Complainant argues that use of his gas logs, cooking appliances, and gas grill will consume at least 110,000 BTUs annually,[4] he also states that he merely has the "potential" to do so.[5] Because of the discretionary nature of the use of these appliances, Complainant cannot guarantee his total consumption. If Complainant's consumption is less than he predicts, Columbia will have to absorb the expense of the reduced cost of the extension and pass it on to all customers within its system.

Moreover, Columbia is applying this tariff provision in a fair and non-discriminatory matter. Customers similarly situated to Complainant are required to pay the same amount for the service line. Customers with water heaters heated by natural gas are not similarly situated to Complainant, and, therefore, may be entitled to a reduction in cost of the service extension without violating the requirements of KRS 278.170.

Based on the foregoing, and being otherwise sufficiently advised, the Commission HEREBY ORDERS that this case is dismissed with prejudice and is removed from the Commission's docket.

[4] Complaint, Exhibit A.

[5] Id.

Done at Frankfort, Kentucky, this 23rd day of July, 2004.

By the Commission

ATTEST:

Executive Director