



LG&E Energy LLC  
220 West Main Street (40202)  
P.O. Box 32030  
Louisville, Kentucky 40232

February 21, 2005

Elizabeth O'Donnell  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602-0615

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FEB 21 2005

PUBLIC SERVICE  
COMMISSION

RE: *Case No. 2005-00062*

Dear Ms. O'Donnell:

Enclosed please find an original and ten (10) copies of Kentucky Utilities Company's ("KU") answer to the complaint of Shawn and Katherine Gillen ("the Gillens") filed on February 2, 2005.

Should you have any questions concerning the enclosed, please do not hesitate to contact me at 502-627-4110.

Sincerely,

John Wolfram  
Manager, Regulatory Affairs

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**RECEIVED**

**In the Matter of:**

**FEB 21 2005**

**SHAWN AND KATHERINE GILLEN )**

)

**COMPLAINANTS )**

)

**vs. )**

**CASE NO. 2005-00062**

)

**KENTUCKY UTILITIES COMPANY )**

)

**DEFENDANT )**

**PUBLIC SERVICE  
COMMISSION**

**ANSWER OF KENTUCKY UTILITIES COMPANY**

In accordance with the Kentucky Public Service Commission's ("Commission") Order of February 10, 2005 in the above-captioned proceeding, Kentucky Utilities Company ("KU") respectfully submits this Answer to the Complaint of Shawn and Katherine Gillen ("the Gillens") filed on February 2, 2005 ("the Complaint"). For its Answer to the Complaint, KU states as follows:

1. KU admits the allegations contained in paragraphs (a) and (b) of the Complaint.
2. KU responds to the unnumbered paragraphs attached to the Complaint, and referred to in paragraph (c) of the Complaint, as follows:
  - i. With respect to the first unnumbered paragraph, KU: admits that it sent the Gillens a bill for service on or about January 7, 2005 in the amount of \$912.23, which bill covered the charges for the Gillens' consumption from December 3, 2004 to January 5, 2005 (in the amount of \$305.37) plus approximately one-half of the charges remaining due for the Gillens' consumption from January 7, 2004 to December 2, 2004 (in the amount of \$606.86); admits that the Gillens' previous

bills for service at the same address were at times under \$100 per month; denies all allegations contained therein which are inconsistent with the admissions made here; and states that it is without information or knowledge sufficient to form a belief as to the truth of the remaining allegations contained therein.

ii. With respect to the second unnumbered paragraph, KU: admits that its representatives discussed the January 7, 2005 bill with the Gillens; admits that KU's customer account representatives adjusted the Gillens' February 5, 2004, June 4, 2004, September 3, 2004 and November 3, 2004 bills by lowering the amount to be billed based on the belief that the metered usage reported for the Gillens' account was inaccurate because it was significantly higher than historical usage for that account; admits that the Gillens were not made aware of the account adjustments until in or about December 2004 when the issue was discussed with the Gillens by a KU representative; admits that the meter at the Gillens' residence was replaced on or about December 14, 2004; admits that KU subsequently determined that the Gillens' metered usage was accurate and that, therefore, the Gillens' bills should not have been adjusted lower; denies all allegations contained therein which are inconsistent with the admissions made here; and states that it is without information or knowledge sufficient to form a belief as to the truth of the remaining allegations contained therein.

iii. With respect to the third unnumbered paragraph, KU: admits that the Gillens' January 7, 2005 bill included only approximately one-half of the charges remaining due for the Gillens' consumption from January 7, 2004 to December 2, 2004; admits that approximately one-half of the charges remaining due for past

consumption were included on the January 7, 2005 bill because those amounts had incorrectly been credited to the Gillens' account in previous months; denies that it has any "responsibility" for charges assessed for the Gillens' actual metered energy consumption; denies that it failed to do its "job" appropriately; denies all allegations contained therein which are inconsistent with the admissions made here; and states that it is without information or knowledge sufficient to form a belief as to the truth of the remaining allegations contained therein.

iv. With respect to the fourth unnumbered paragraph, KU states that it is without information or knowledge sufficient to form a belief as to the truth of the allegations contained therein.

v. With respect to the fifth and final unnumbered paragraph, KU: admits that the Gillens had an energy audit performed in or about January 2005; admits that the Gillens' account had been in good standing with KU before the present dispute; denies that it "failed to do its job"; denies that it acted with "neglect"; denies that it made an "inefficient mistake"; denies that it has any "responsibility" for any of the charges assessed for the Gillens' actual metered energy consumption; denies all allegations contained therein which are inconsistent with the admissions made here; and states that it is without information or knowledge sufficient to form a belief as to the truth of the remaining allegations contained therein.

3. KU denies all other allegations set forth in the Gillens' Complaint.

4. KU affirmatively states that on or about January 5, 2005, the Gillens' meter was tested and found to be 100.1% accurate, and that the meter readings were verified.

5. KU affirmatively states that the Gillens' January 7, 2005 bill only included approximately one-half of the charges remaining due for past consumption because a customer service representative mistakenly believed that KU had the legal authority to reduce the Gillens' bill in these circumstances.

6. KU affirmatively states that the Gillens presently owe \$1097.37 in charges for consumption from January 7, 2004 to December 2, 2004, that those charges are at Commission-approved rates for actual metered consumption, and that KU has an obligation, pursuant to KRS 278.160, to bill those charges to, and demand those charges be paid by, the Gillens.

7. KU affirmatively states that it has calculated the Gillens' arrearage with two different methodologies in order to provide the Gillens with an arrearage amount that is most favorable to the Gillens, while also accurately reflecting the amount owed. The first method placed all previously unbilled consumption on the December bill. That cumulative amount was reflected on the Gillens' December 2004 utility bill in the amount of \$1208.27. The second method involved evaluating the meter reading history on the account since inception. This second method enabled KU to bill consumption on a month-by-month basis rather than cumulatively. Using this second method, the Gillens' corrected bill is \$1097.37, which reflects actual metered consumption on a month-by-month basis and is \$110.90 less than the amount shown on the Gillens' December 2004 bill.

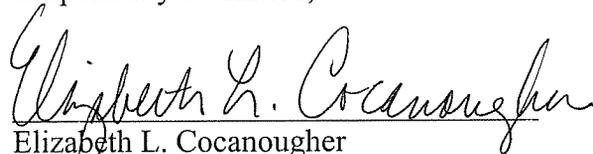
8. Without waving any of its defenses, KU also affirmatively states that it is willing to meet and work with the Gillens to establish a liberal payment plan to allow the Gillens to become current on their account in a manner which is less disruptive to, or difficult for, the Gillens than making a one-time, lump-sum payment.

**WHEREFORE**, for all of the reasons set forth above, Kentucky Utilities Company respectfully requests:

- (1) that the Commission acknowledge KU's obligation to charge for, and the Gillens' obligation to pay for, actual metered usage pursuant to KRS 278.160;
- (2) that the Gillens' Complaint be dismissed with prejudice and this matter closed on the Commission's docket; and
- (3) that KU be afforded any and all other relief to which it may be entitled.

Dated: February 21, 2005

Respectfully submitted,



Elizabeth L. Cocanougher  
Senior Regulatory Counsel  
Kentucky Utilities Company  
220 West Main Street  
Post Office Box 32010  
Louisville, Kentucky 40232  
Telephone: (502) 627-4850

Counsel for Kentucky Utilities Company

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the foregoing Answer was served on the following persons on the 21st day of February 2005, U.S. mail, postage prepaid:

Shawn and Katherine Gillen  
1701 Knoxville Court  
Lexington, KY 40505

  
Counsel for Kentucky Utilities Company