

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

HART COUNTY BANK AND TRUST COMPANY)	
)	
V.)	CASE NO.
)	2014-00331
KENTUCKY UTILITIES COMPANY)	
)	
DEFENDANT)	

ORDER TO SATISFY OR ANSWER

Kentucky Utilities Company (“KU”) is hereby notified that it has been named as defendant in a formal complaint filed on September 15, 2014, a copy of which is attached hereto as the Appendix.

Pursuant to 807 KAR 5:001, Section 19, KU is HEREBY ORDERED to:

- 1. Satisfy the matters complained of or file a written answer to the complaint within ten days of the date of service of this Order.

- 2. Should documents of any kind be filed with the Commission in the course of this proceeding, the documents shall also be served on all parties of record.

By the Commission

ENTERED 14
SEP 24 2014
KENTUCKY PUBLIC SERVICE COMMISSION

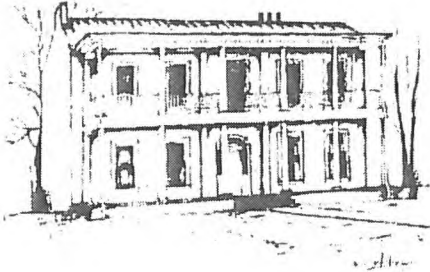
ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2014-00331 DATED **SEP 24 2014**



J. D. CRADDOCK III
ATTORNEY AT LAW
200 CALDWELL STREET
P.O. BOX 335
MUNFORDVILLE, KY 42765

TELEPHONE
270/524-9422
FAX 270/524-5577
jd@craddocklaw.com

August 19, 2014

RECEIVED

Public Service Commission
Attn: Division of Consumer Services
P.O. Box 615
Frankfort, KY 40602-0615

SEP 15 2014
PUBLIC SERVICE
COMMISSION

Re: Hart County Bank and Trust Company v. Kentucky Utilities Company

Dear Sir or Madam:

Enclosed please find the original Complaint against Kentucky Utilities Company filed by Hart County Bank and Trust Company as well as eleven copies of the same.

Your review of this complaint is greatly appreciated.

Should you have any questions regarding this matter, please feel free to contact me.

Sincerely,

J. D. Craddock Iii

JDC/ams
Enclosures

cc: Hart County Bank and Trust Company

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the matter of:

RECEIVED

Hart County Bank and Trust Company)
(Your Full Name))
COMPLAINANT)
VS.)
Kentucky Utilities Company)
(Name of Utility))
DEFENDANT)

SEP 15 2014
PUBLIC SERVICE
COMMISSION

COMPLAINT

The complaint of Hart County Bank and Trust Company respectfully shows:
(Your Full Name)

(a) Hart County Bank and Trust Company
(Your Full Name)

P.O. Box 217, Munfordville, KY 42765
(Your Address)

(b) Kentucky Utilities Company
(Name of Utility)

One Quality Street, Lexington, KY 40507
(Address of Utility)

(c) That: on or about the 6th day of February, 2009, the Defendant allegedly sent notice to the Complainant that informed the Complainant of the General Service plan that was being offered by the Defendant which would lower the Complainant's rate and reduce the Complainant's monthly...

Continued on Next Page

Formal Complaint

Hart County Bank and Trust Company vs. Kentucky Utilities Company

Page 2 of 3

...expense due to the Defendant. This notice was never received by the Complainant and only recently did the Complainant become aware of the offer. Therefore, the Complainant has been subject to and paying an unnecessarily higher rate to the Defendant beginning on February 6, 2009 through May 8, 2014.

The Complainant made a written request for a refund of the difference between the two rates for this time frame. This written request to the Defendant for a refund dated May 30, 2014 is attached hereto as Exhibit A. In response to the Complainant's May 30, 2014 letter, the Complainant was contacted via telephone by Eric Horine, an employee of the Defendant. Mr. Horine informed the Complainant that the utility rates for the Complainant would have been dramatically less had the Complainant taken advantage of the General Service plan when it was originally offered on February 6, 2009. Mr. Horine went on to state that the Defendant would not provide a refund for the difference between the two rates. The Complainant informed the Division of Consumer Services Public Service Commission of this matter via letter on June 24, 2014; a copy of said letter is attached hereto as Exhibit B.

The Defendant is refusing to issue a refund to the Complainant for the difference in the General Service rate and the Power Service rate for the Complainant's usage beginning on February 6, 2009 through May 8, 2014 based on the grounds that the Complainant did not contact the Defendant and request that their service be changed to the General Service rate even though the Complainant was not made aware of the rate change option. If the Complainant had been made aware of the rate change option when it first became available, the Complainant would have certainly taken full advantage of the lower rate. Instead, the Complainant has incurred unnecessary expense for over five years. During this time, the Defendant has made no further efforts to notify the Complainant of the rate change option. When the Defendant wishes to raise their rates it is not an elective for the consumers; it is simply implemented. Therefore, in all fairness, when a lower rate is available to a consumer, it should be automatically implemented.

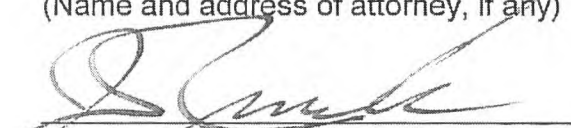
WHEREFORE, the Complainant asks that the General Service plan be implemented on their account effective as of February 6, 2009 and that a

cash refund and itemized calculation report be issued directly to the Complainant.

Dated at Munfordville, Kentucky, this 19th day of August, 2014.

Robert L. Craddock III
(Your Signature) *EMR/RRM/AD*

J.D. CRADDOCK III
P.O. BOX 335
MUNFORDVILLE, KY 42745
(Name and address of attorney, if any)


Attorney's Signature

Date: 19th Aug 2014

(2) **Signature.** The complaint shall be signed by the complainant or his attorney, if any, and if signed by such attorney, shall show his post office address. **Complaints by corporations or associations, or any other organization having the right to file a complaint, must be signed by its attorney and show his post office address.** No oral or unsigned complaints will be entertained or acted upon by the commission.

HART COUNTY BANK AND TRUST COMPANY

ESTABLISHED 1890

Post Office Box 217
MUNFORDVILLE, KENTUCKY 42765-0217



May 30, 2014

Eric Horine
Specialist, Business Service Center
LG&E and KU Energy LLC
One Quality Street
Lexington, KY 40507

RE: Request for Refund

Dear Eric:

We have researched our records in great detail and find nothing regarding a rate change that would be beneficial to us which occurred several years ago. I am surprised that a rate increase that would benefit the consumer would not go into effect automatically, and it seems like requiring the customer to request a more favorable rate change is interesting at best. I don't think anybody turns down opportunities to save money. I appreciate your working with us and we would like to request a re-computation of all of our bills from the date of the rate decrease up to date and receive a refund.

Thank you for your attention to this request.

Yours very truly,

A handwritten signature in cursive script, appearing to read "Bob", which is the first name of the signatory.

Robert L. Chambless, Jr.
Chairman of the Board

RLC:njs

Exhibit A

HART COUNTY BANK AND TRUST COMPANY

ESTABLISHED 1890

Post Office Box 217
MUNFORDVILLE, KENTUCKY 42765-0217

June 24, 2014



Matt Rhody
Division of Consumer Services
Public Service Commission
211 Sower Blvd.
PO Box 615
Frankfort KY 40602-0615

Dear Matt:

I recently received a telephone call from Eric Horine with KU telling me that the utility rates for the bank have been dramatically less than what we have been paying, and we should have received a letter telling us about the new rate structure but that we had to notify KU that we wanted the new lower rate. We searched our records in great detail and can find nothing in regard to a rate change that would benefit us that also required us to request the lower rate (See my May 30th letter enclosed). I asked for a refund since the new rate went in effect on February 6, 2009 up to date. Eric and I spoke by telephone on June 9, 2014, and they said that KU would not provide a refund. I know that at times it appears that I am not very smart, but you can rest assured that if there is a chance to save any money, I will pursue it at great lengths.

I don't understand why if the rate change would be favorable to a customer why the customer would have to write the company requesting the change instead of the company going ahead and lowering the customer's rate. They have never written me asking for permission to increase our rates, but it looks like the only time we would need to take this extra step of communicating with them is when it's to their advantage. In this case we are talking about a big sum of money for which KU has had benefit, and I feel that we should be the beneficiary of a more favorable rate. I understand that there are a few other users who did not ask for their rate to be changed, and I can only assume they are in the same boat we are and didn't receive a letter. I will say that we receive bills from KU religiously.

Rhody Letter

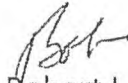
Exhibit B

Rhody Letter
June 24, 2014
Page 2

Anything you can do would be greatly appreciated. We have researched our records in great detail and find nothing regarding a rate change that would be beneficial to us which occurred several years ago. I am surprised that a rate increase that would benefit the consumer would not go into effect automatically, and it seems like requiring the customer to request a more favorable rate change is interesting at best. I don't think anybody turns down opportunities to save money. I appreciate your working with us and we would like to request a re-computation of all of our bills from the date of the rate decrease up to date and receive a refund.

Thank you for your attention to this request.

Yours very truly,



Robert L. Chambless, Jr.
Chairman of the Board

RLC:njs.
Enclosure

P.S. I asked for and received a copy of the 2009 letter and rate schedule, and have enclosed copies for you.



Rec'd
6/10/14

Dear Valued Customer:

Your electric service associated with the enclosed account currently is billed under our PS (Power Service) rate plan. We are writing to ensure you are aware of another rate plan option available to you – our GS (General Service) rate – that very likely may reduce the amount you pay each month for the energy you use.

If your future energy needs are consistent with your previous 12 months' usage for this account, you could benefit from changing to the GS rate. If, however, you anticipate your monthly energy usage pattern will change, it may be best for you to remain on the PS rate. You should be certain about your decision to move from PS to GS since customers with loads under 50 kW will not be eligible for the PS rate again.

You can access your previous 12 months' usage online when registering (or logging in to) your account at www.my.eon-us.com.

The decision to remain on the PS rate or move to the GS rate plan is yours to make. To switch to the GS rate plan, please contact us by e-mail at bsc.gsrate@eon-us.com or by telephone at 859-367-1215 or toll free at 1-800-383-5582. Our representatives are available Monday through Friday from 7 a.m. until 6 p.m., and they will be happy to talk with you about the proposed rate or address any questions you have.

Sincerely,

KU Business Service Center

Information Pertaining to Recent Rate Changes Impacting Your LG&E or KU Electric Account

Q. Why did I receive this letter?

A. You currently are being billed under our PS (Power Service Secondary) rate. If you use about the same amount of energy over the next twelve months as you used during the last 12 months, you will benefit from switching to another rate – the GS (General Services) rate.

Q. Was there a recent change to rates?

A. Yes. On July 30, 2010, the Kentucky Public Service Commission issued an Order approving certain rate changes effective August 1, 2010. Those changes included a change to the PS rate. The PS rate includes an “energy charge” for the number of kilowatt hours (“kWh”) consumed during the monthly billing period, as well as a “demand charge,” which is now billed at a minimum of 50 kilowatts (“kW”). This change in the monthly demand charge minimum has resulted in an increase, sometimes significant, for some of our customers.

Q. Why is my account on the PS rate that now has a 50 kW minimum?

A. In the previous rate case (February 2009), accounts using less than a 50 kW average per month were “grandfathered” on the PS rate as most of those accounts were still better off on the PS rate. Then with the change to the PS minimum on August, 1, 2010, the advantages of remaining on PS may no longer exist for some customers.

Q. How do I know if the GS rate would be better for my account?

A. Generally, an LG&E account averaging less than 15,750 kWhs per month or a KU account averaging less than 14,500 kWhs per month would be better off on the GS rate. (Kilowatt hour information can be found in the “Meter and Usage Information” section of your monthly billing statement.)

Q. What if I have plans to increase the amount of energy I use each month?

A. If you have plans to expand your operations and/or increase the amount of energy you use each month, then it may be better for you to remain on the PS rate.

Q. How much money can I expect to save each month if I change rate plans?

A. The amount of money you may save each month will depend on a number of variables, including your actual kWh usage and your kW demand. However, if your monthly bills prior to August 1st were lower than your bills since the new rates took effect, that difference can provide you with information to help evaluate your potential savings.

Q. How can I obtain information about my past energy usage and bills?

A. You can access your account on-line through our *Customer Self-Service* website located at www.my.eon-us.com. There you will find your account history, including energy usage, bill amounts and payment amounts.

- Q. How do I notify LG&E/KU if I want to switch to the GS rate?**
- A. You can e-mail our Business Service Center any time day or night at bsc.gsrate@eon-us.com to let us know you want to change the rate plan for your account to the GS rate.
- Q. What information should I include in my e-mail if I want to change rate plans?**
- A. Please include the customer name on your LG&E or KU bill, the account number, the physical address of the premise being served and state that you want to move the account from the PS rate to the GS rate.
- Q. When will the change become effective?**
- A. Following receipt of your e-mail, we will make the change effective with your most recently issued bill. A new bill will be issued; however, due to timing, you should plan to pay your current billed amount by the due date on your bill. We will issue a credit for any overpayment resulting from the change in rate.
- Q. If I make the decision to switch to the GS rate, can I later decide to return to the PS rate?**
- A. No. Once having made the decision to leave the PS rate, customers with loads under 50 kW per month will not be eligible for that rate again.
- Q. What if I have questions about the rate plans available to me?**
- A. Our Business Service Center representatives are available Monday through Friday from 7 a.m. to 6 p.m. Eastern Time. LG&E customers can call 502-627-3313 (outside Louisville 1-800-981-0600). KU customers can reach the Business Service Center at **859-367-1200 in the Lexington area or toll-free at 1-800-383-5582** Our representatives will be happy to talk with you about the rates available to your business.

J.D. Craddock III
Attorney At Law
200 Caldwell Street
P.O. Box 325
Munfordville, KENTUCKY 42765

Ed Staton
VP - State Regulation and Rates
Kentucky Utilities Company
220 W. Main Street
P. O. Box 32010
Louisville, KY 40232-2010