

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

|  |   |            |
|--|---|------------|
| NORTHERN KENTUCKY COMMUNITY CENTER       | ) |            |
|  | ) |            |
| COMPLAINANT                              | ) |            |
|  | ) |            |
| v.                                       | ) | CASE NO.   |
|  | ) | 2002-00063 |
| THE UNION LIGHT, HEAT AND POWER COMPANY) | ) |            |
|  | ) |            |
| DEFENDANT                                | ) |            |

ORDER TO SATISFY OR ANSWER

The Union Light, Heat and Power Company ( ULH&P ) is hereby notified that it has been named as defendant in a formal complaint filed on February 27, 2002, a copy of which is attached hereto.

Pursuant to 807 KAR 5:001, Section 12, ULH&P is HEREBY ORDERED to satisfy the matters complained of or file a written answer to the complaint within 10 days from the date of service of this Order.

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.

Done at Frankfort, Kentucky, this 26<sup>th</sup> day of March, 2002.

By the Commission

ATTEST:

  
Executive Director

February 22, 2002

RECEIVED

FEB 27 2002

PUBLIC SERVICE  
COMMISSION

To: PUBLIC SERVICE COMMISSION  
ATTN: GINNY SMITH

Fax: 1-502-564-7397

Pages: 5, including cover sheet

RE: William H. Martin Northern Kentucky Community Center

**CONFIDENTIAL & LI77Y NOTTCE**

THE INFORMATION CONTAINED HEREIN MAY BE CONFIDENTIAL AND ATTORNEY PRIVILEGED. THE INFORMATION IS INTENDED ONLY FOR THE USE OF THE PARTY TO WHOM IT IS ADDRESSED. IF YOU ARE NOT THE INTENDED RECIPIENT, OR THE EMPLOYEE, OR AGENT RESPONSIBLE TO DELIVER IT TO THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY SUE, DISSEMINATION, DISTRIBUTION, OR COPYING OF THIS COMMUNICATION IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS FACSIMILE IN ERROR, PLEASE IMMEDIATELY NOTIFY US BY TELEPHONE AND RETURN IT TO US VIA U.S. MAIL. THANK YOU.

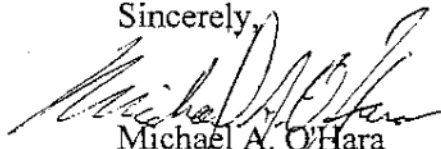
2002-00063

Dear Ginny:

Please be advised that as of this time, the William H. Martin III Northern Kentucky Community Center is filing a formal complaint against Cinergy. The original plus ten copies thereof has been mailed contemporaneously with this.

As always, please feel free to contact me with any questions or suggestions you may have. I would be happy to work with you any way I can.

Sincerely,

  
Michael A. O'Hara  
Attorney at Law

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the matter of:

Community  
Northern Kentucky Center  
(Your Full Name)

COMPLAINANT

VS.

CINERGY/ULH&P  
(Name of Utility)

DEFENDANT

COMPLAINT

The complaint of WMH. Martin III No. Ky. Comm CTR respectfully shows:  
(Your Full Name)

(a) Rollins Desmond Davis Executive Director  
(Your Full Name)

824 GREENUP ST. Cov, Ky 41011  
(Your Address)

(b) CINERGY/ULH&P  
(Name of Utility)

107 Brent Spence Sq Cov, Ky 41011  
(Address of Utility)

(c) That: \_\_\_\_\_  
(Describe here, attaching additional sheets if necessary,

the specific act, fully and clearly, or facts that are the reason

and basis for the complaint.)

- (C) The Northern Kentucky Community Center is a multi-purpose social service organization. The Community Center has been providing services to the African American Community of Covington for over 30 years. The following programs are currently offered. The Day Care has 22 children enrolled, Emergency Assistance provides food to 25 families per day, Homeless Prevention prevents 15 families per month from being evicted, Youth Development provides recreational activities for 200 youth per week, to include tutoring, Girl Scouts open recreation etc. There are also a host of other very significant community events held at the Community Center throughout the year.

The Community Center experienced a highly publicized funding cut from the local United Way in 2001. The Center also experienced problems with the boiler in the Winter of 2000/2001. There was a drastic increase in natural gas prices last year as well. All of these conditions contributed to the utility bill pilling up to in excess of \$80,000.

The leadership of the Community Center began negotiations with Cinergy's collection department in May of 2001 to resolve the outstanding debt.

The negotiations always began with a demand note as oppose to a payment plan being discussed. Mr. Eric Roth was the person assigned to oversee the account. Mr. Roth in our opinion never allowed the agency to agree to a term that was manageable to the cash flow of the organization. We fully acknowledged that it was a good debt and that we were making every effort to pay Cinergy in full as soon as possible. In May we received a demand note or shut off by June first.

The Community Center rallied as many resources available and came up with a large payment. Since May of last year to date the Community Center has paid \$70,000. In August we had a verbal agreement that stated that we would pay 5,000 per month. Mr. Roth had a standing practice of calling the agency demanding all monies or shut off. We are of the opinion that all agreements were made under duress. Further we challenge the validity of any and all agreements. The reason being is that we were not informed as consumer to what our legal rights were.

The Community Center's leadership sought out legal help throughout the state from elected officials to see what our legal rights were. We were unable to receive helpful information to assist us with a reasonable agreement with Cinergy. All negotiations began with pay \$10,000 or \$20,000 or your services will be shut down.

We believe we have operated in good faith to pay this debt in full. We have communicated this position on several occasions . There appears not to be a sympathetic ear at Cinergy. We have communicated that we are in a much better position to pay with the doors of our agency open as opposed to being closed.

We have talked with a number of employees within the Cinergy Company that have communicated that these are not the normal business practices of the company. The norm is to accept reasonable terms, not to force businesses doors closed. The Community Center has demonstrated an exemplary good faith effort to pay with \$70,000 in payments in seven months.

Steve Wolnitzek general counsel for the Community Center has made several offers to Cinergy's Attorney Eric French to resolve this issue.

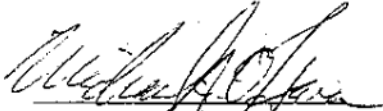
Mr. French expressed disappointment himself with Cinergy's staunch position of not accepting more practical payment offers with more time allowances.

It appears that more variables are being factored into this situation than we are aware of.

The basis of the Community Center's complaint is unfair business practices and coercing the Center to agree to terms of payment under duress. The cash position of the agency never provided true allowances of \$5,000 per month. However, the non profit status of the organization allows for successful fundraising efforts to continue.

Wherefore complainant asks that the Cinergy Corporation allow the Northern Kentucky Community Center a reasonable amount of time to pay the utility bills.  
Up to and including November 31" of 2002.

Respectfully submitted,



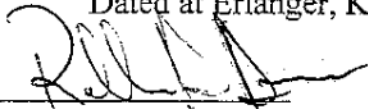
Michael A. O'Hara

Attorney at Law

On behalf of the William H. Martin III

Northern Kentucky Community Center

Dated at Erlanger, Ky. This 22<sup>nd</sup> day of February, 2002.



Rollin D. Davis, Executive Director,

William H. Martin III Northern Kentucky Community Center