

electric service. On January 4, 2005, KU copied the Commission on a letter that it sent to Continental. In the letter KU informed Continental that service would be disconnected on January 7, 2005 for failure to pay billings timely. As of the date of this Order, the Commission does not know the status of Continental's account with KU.

Continental neither disputes KU's right to request a deposit nor the amount of the deposit. Continental merely asserts that it is unreasonable to require that the deposit be paid in a lump sum instead of installments. KU, however, is under no legal obligation to allow a non-residential customer to pay its deposit in installments. Neither KU's tariff¹ nor 807 KAR 5:007, Section 7, the administrative regulation governing deposits, requires KU to accept installment payments for deposits. Judging from Continental's payment history, KU is within its rights to require a deposit and, furthermore, is within its rights to require that the deposit be made in one payment. The Commission therefore finds that KU's actions are reasonable in this case. KU, however, not having an obligation to do so, has offered to allow the deposit to be paid in three monthly payments of \$5,862.67 each.

The Commission finds that the complaint should be dismissed for failing to state a claim upon which relief may be based. The Commission also finds that KU has made an offer of satisfaction, and that it would be unreasonable to allow KU to withdraw this offer. This dismissal, therefore, is based on the understanding that KU continues to offer Continental the option of paying the deposit in three equal payments.

¹ KU Tariff Original Sheet 87, P.S.C. No. 13.

IT IS THEREFORE ORDERED that:

1. This case is dismissed for failing to state a claim upon which relief may be based.

2. This dismissal is contingent upon KU offering to Continental the opportunity to pay the deposit in three equal payments.

Done at Frankfort, Kentucky, this 27th day of July, 2005.

By the Commission

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and flourishes, positioned above a horizontal line.

Executive Director

Case No. 2004-00458