

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

DAMON SCOTT)	
)	
COMPLAINANT)	
)	
v.)	CASE NO. 2005-00134
)	
LOUISVILLE GAS AND ELECTRIC COMPANY)	
)	
DEFENDANT)	

O R D E R

On March 29, 2005, Damon Scott filed a complaint against Louisville Gas and Electric Company ("LG&E") alleging that LG&E had inadvertently deleted the electric meter at Complainant's residence on Shelby Street in Louisville, Kentucky ("Shelby Street") from its computer system and, as a result, LG&E had incorrectly calculated Mr. Scott's liability for previously unbilled service.

LG&E admitted that it had inadvertently deleted the meter from its computer system. LG&E, however, asserted that it had correctly calculated Mr. Scott's bill for the unbilled service. LG&E and Mr. Scott negotiated a settlement of the disputed matters and submitted the agreement to the Commission for its approval.¹

¹ Attached hereto as Appendix A.

BACKGROUND

Mr. Scott's meter, although deleted from the computer system, continued to function and Mr. Scott received service through it. LG&E failed to bill Mr. Scott for service from November 20, 2002 until October 6, 2004, when he requested that service be discontinued at his Shelby Street residence. LG&E then discovered that the meter had been deleted from its computer system. However, prior to LG&E discovering this, Mr. Scott had requested and received service at a new residence. LG&E sought to bill Mr. Scott \$2,012.78 for service rendered from November 20, 2002 to October 6, 2004.

LG&E offered several payment plans to Mr. Scott to allow him to pay off the back balance from his Shelby Street account. Mr. Scott acknowledged that he owed the back balance, but claimed that he was unsure whether or not he would be able to pay the installment amounts that LG&E had proposed. Mr. Scott was concerned that if he defaulted on his payment plan, the entire balance would become due and his service at his new residence would be eligible for disconnection. If Mr. Scott did not enter into a partial payment plan, his service would not be eligible for disconnection at his new residence unless he became delinquent for service billed to his new residence. If his service was then disconnected for non-payment at his new residence, he would have to pay that back bill as well as the back bill from the Shelby Street account before service would be restored.

LG&E and Mr. Scott engaged in protracted negotiations. On August 7, 2006, Mr. Scott and LG&E entered into a settlement agreement and on August 9, 2006 submitted it to the Commission for its approval. In the settlement agreement LG&E admits that it inadvertently deleted Mr. Scott's meter from its computer system. It

further notes that Mr. Scott has begun making payments on his Shelby Street bill consistent with his ability to pay. The settlement agreement also contains the following:

1. As of June 28, 2006, the amount owed on the Shelby Street bill was \$1,657.44.
2. LG&E will not assess any late fees, penalties or interest on the Shelby Street bill.
3. Mr. Scott will pay the Shelby Street bill by making payments consistent with his ability to pay.
4. LG&E will not disconnect service at Mr. Scott's current residence due to the balance owed on the Shelby Street bill.
5. If Mr. Scott's service is disconnected at his current residence for failing to comply with the terms and conditions of service contained in LG&E's tariff, LG&E retains the right to refuse reconnection until all outstanding balances, including the Shelby Street bill, are paid.
6. In the event Mr. Scott requests service at a new location, LG&E has the right to require that the entire balance of the Shelby Street bill be paid before service is extended. LG&E, however, agrees to work with Mr. Scott in good faith and, if Mr. Scott's payment history on the Shelby Street bill is satisfactory, LG&E will consider providing service at the new location, subject to a partial payment plan arrangement on the remaining balance from the Shelby Street bill.

Pursuant to 807 KAR 5:001, Section 12(5), after an offer of satisfaction by a defendant, a complainant's acceptance of the offer, and the Commission's approval, no further proceedings are necessary. The settlement agreement submitted to the

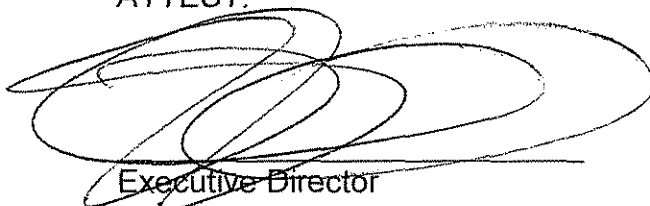
Commission contains LG&E's offer of satisfaction and Complainant's acceptance. The Commission therefore finds that the agreement should be approved and this case dismissed as satisfied.

IT IS THEREFORE ORDERED that this case is dismissed with prejudice and is removed from the Commission's docket.

Done at Frankfort, Kentucky, this 25th day of August, 2006.

By the Commission

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2005-00134 DATED August 25, 2006.

**COMMONWEALTH OF KENTUCKY
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In the Matter of:

RECEIVED

DAMON SCOTT

AUG 9 2006

COMPLAINANT

PUBLIC SERVICE
COMMISSION

v.

CASE NO. 2005-00134

LOUISVILLE GAS & ELECTRIC COMPANY

DEFENDANT

SETTLEMENT AGREEMENT

On this the 7th day of August, 2006, the parties, Damon Scott ("Scott") and Louisville Gas & Electric Co. ("LG&E"), agree to the following terms in settlement of this matter:

Whereas LG&E inadvertently deleted the electric meter servicing Scott's former residence at 1576 S. Shelby Street, Louisville, Kentucky from its Customer Information System, on or about November 19, 2002 and did not discover the error until November 2004, thereafter issuing a bill in the amount of \$2,012.78 on or about December 8, 2004 (hereinafter "the Shelby Street bill");

Whereas Scott has begun making payments to LG&E on the Shelby Street bill consistent with his ability to pay;

THEREFORE, the parties agree as follows:

1. As of June 28, 2006, the amount owed on the Shelby Street bill is \$1,675.44. LG&E will not assess any late fees, penalties or interest on said amount.
2. Scott will pay the Shelby Street bill by making payments to LG&E consistent with his ability to pay.
3. Pursuant to 807 KAR 5:006, Section 14(f), LG&E shall not disconnect Scott's current utility service at 4111 Mannerdale Drive due to the balance owed on the Shelby Street bill and shall not under any circumstances use the Shelby Street bill, in whole or in part as a basis for disconnection of his current service at the Mannerdale address.

4. Should Scott fail to comply with the terms and conditions for his current utility service at Mannerdale, LG&E shall have the right to disconnect his service in accordance with its normal procedures. In such case, LG&E has the right to refuse reconnection of service at Mannerdale until the outstanding balances for both Shelby Street and Mannerdale are paid in full except as provided in 807 KAR. 5:006, Section 15, or corresponding provisions of any later regulation concerning winter hardship reconnection.

5. In the event that Scott requests new service in his name or establishes service through an agent from LG&E prior to the Shelby Street balance being paid off, LG&E has the right to request the entire Shelby Street balance to be paid in full before service would be provided at the new address. However, LG&E agrees to work with Scott in good faith should service be needed at a new address. In such a situation, LG&E agrees to review the payment history on Scott's account and, if Scott has maintained a satisfactory payment history for 12 consecutive months, LG&E will consider providing service at the new address subject to a partial payment arrangement on the remaining balance owed on the Shelby Street bill.

6. The Complaint in this action should be dismissed with prejudice.


Damon Scott


Louisville Gas & Electric Co.