

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

RICHARD A. GENTNER)	
)	
COMPLAINANT)	
)	
V.)	CASE NO.
)	2010-00438
)	
KENTUCKY UTILITIES COMPANY)	
)	
DEFENDANT)	

ORDER

On November 4, 2010, Richard A. Gentner (“Complainant”) filed a complaint against Kentucky Utilities Company (“KU”) alleging that, as a result of KU’s failure to remove him from budget billing in February, 2010, he incurred late fees and charges that should be refunded to him.

The Complainant alleged that on or about February 8, 2010, he went to KU and asked to be removed from budget billing. The Complainant further alleged that he was informed that the request would be noted in the computer system as February was his budget settlement month, but he was not removed from budget billing until June 2010.

On November 18, 2010, the Commission issued an Order to Satisfy or Answer to KU, and on November 29, 2010, KU filed its Answer. In its Answer, KU states that the notes on Complainant’s account do not reflect a request to be removed from budget billing in February 2010.

“According to the Company’s records, Mr. Gentner visited a KU business office on May 6, 2010, and requested to be

removed from the budget billing program. Mr. Gentner's account was removed from the budget billing program on that day."¹

On December 16, 2010, the Commission issued an Order directing Complainant to file his response, if any, to KU's Answer. On December 28, 2010, Complainant filed his response.

The record indicates that Complainant was billed as follows:

February 15, 2010 Bill

Complainant's bill with the due date February 15, 2010 shows a total amount due of \$137.58. As of February 3, 2010, his bill showed a balance brought forward of \$7.40 from his January 18, 2010 bill. Electric charges for the billing period are \$111.31 with taxes and fees of \$5.49. Other charges listed include a budget settlement adjustment amount of \$19.91, a late payment charge of \$.37, and a credit of \$6.90 for interest on his cash security deposit.

\$ 7.40	Balance brought forward from 1-18 bill
\$111.31	Electric charges
\$ 5.49	Taxes and fees
\$ 19.91	Budget settlement amount
\$.37	Late payment charge
<u>\$ (6.90)</u>	Credit for interest on security deposit
<u>\$137.58</u>	TOTAL

March 15, 2010 Bill

Complainant's bill with the due date March 15, 2010 shows a credit of \$10.42. As of March 2, 2010, a payment of \$100.00 had been made on the previous \$137.58 balance. A \$37.58 balance was brought forward to the March bill from the February bill. Electric charges for the period are \$114.18 plus taxes and fees in the amount of \$5.63.

¹ Answer of Kentucky Utilities Company filed November 29, 2010, paragraph 3.a.

Other charges listed include a credit of \$115.00 representing a return of his security deposit. Complainant was charged the \$67.00 budget billing amount.

With Budget Billing

\$ 37.58	Balance brought forward from 2-15 bill
<u>\$(115.00)</u>	Credit for return of security deposit
\$(77.42)	Credit before budget billing amount charged
<u>\$ 67.00</u>	Budget billing amount
<u>\$(10.42)</u>	TOTAL

Had Complainant been removed from budget billing for the billing cycle with the March due date, his March bill would have been \$42.39. That amount would have included the \$37.58 brought forward from his February bill in addition to the utility charges of \$119.81 for the period.

Actual Amount Owed Absent Budget Billing

\$ 37.58	Balance brought forward from 2-15 bill
\$ 114.18	Electric charges
\$ 5.63	Taxes and fees
<u>\$(115.00)</u>	Credit for return of security deposit
<u>\$ 42.39</u>	TOTAL

April 19, 2010 Bill

Complainant's bill with the due date of April 19, 2010 shows an amount due of \$56.01. As of April 5, 2010, a credit in the amount of \$10.42 remained on his account. Electric charges for the billing period are \$62.74 plus taxes and fees of \$3.09. Other charges listed in this bill include a credit of \$.57 for interest on his security deposit. The \$10.42 credit brought forward from the March bill plus the credit of \$.57 for interest on his security deposit resulted in a total credit of \$10.99. The \$10.99 credit applied to the budget billing amount of \$67.00 resulted in an amount due of \$56.01.

With Budget Billing

\$ (10.42)	Credit brought forward from 3-15 bill
\$ (.57)	Credit for interest on security deposit
<u>\$ 67.00</u>	Budget billing amount
<u>\$ 56.01</u>	TOTAL

Had Complainant not been on budget billing for the billing cycle with the April due date, his April bill would have reflected \$65.26 in utility charges plus any amounts brought forward from the prior month. This amount represents \$65.83 in utility charges minus a credit of \$.57 interest on his security deposit.

May 17, 2010 Bill

Complainant's bill with the due date of May 17, 2010 shows an amount due of \$67.00. Electric charges for the billing period are \$38.24 plus taxes and fees in the amount of \$1.88 totaling \$40.12. The budget billing amount of \$67.00 was the amount due under the bill.

Had Complainant not been on budget billing for the billing cycle with the May due date, his May bill would have reflected \$40.12 in utility charges plus any amounts brought forward from the prior month.

June 15, 2010 Bill

Complainant's bill with the due date of June 15, 2010 shows an amount due of \$93.83. As of June 3, 2010, a payment of \$40.12 had been made on the previous \$67.00 balance. The balance brought forward to the June bill from the May bill was \$26.88. Electric charges for the billing period are \$37.01 plus taxes and fees of \$1.83. Other charges listed include a late payment charge of \$3.35 plus a budget true-up charge of \$24.76.

Actual Amounts Owed

\$26.88	Balance brought forward from 5-17 bill
\$37.01	Electric charges
\$ 1.83	Taxes and fees
\$ 3.35	Late payment charge
<u>\$24.76</u>	Budget true-up amount
<u>\$93.83</u>	TOTAL

When a customer is removed from budget billing, a true-up of amounts owed occurs. This true-up is reflected on Mr. Gentner's June 15 bill. KU's Answer further states:

"Because February was Mr. Gentner's settlement month, he was billed for his actual consumption (\$116.80, including taxes and fees, plus \$13.38 for the true-up). At that time, his monthly budget payment amount was adjusted to \$67.00. Further, Mr. Gentner was billed less on budget billing during the time period from March through May than he would have been billed had he actually been removed from budget billing in February 2010.

<u>Bill Due Date</u>	<u>Budget Amount Due</u>	<u>Actual Utility Charges</u>
03-15-2010	\$67.00	\$119.81
04-19-2010	\$67.00	\$ 65.83
05-17-2010	\$67.00	\$ 40.12

To further demonstrate this fact, after his account was removed from budget billing in May, he was charged \$24.76 to true up the difference between the amount he was billed while on budget billing and the amount he actually owed."²

KU's Answer states that, according to its records, Complainant visited a KU business office on May 6, 2010 and requested to be removed from the budget billing. Had Complainant been removed from budget billing for the period commencing with the bill due date of March 15 and continuing until the May 17 bill due date, Complainant's

² Id., at paragraph 3.b.

bills would have totaled \$147.77 plus any late fees. Complainant paid \$133.43 for that same period.

Complainant alleges he should have been taken off budget billing when he made a request on or about February 8, 2010. Yet it appears that, absent budget billing, Complainant would have owed \$42.39 on his March 15 bill instead of having a credit of \$10.42. Complainant did not pay the \$42.39 that would have been due had he not been on budget billing.

With regard to Complainant's April 19 bill, he paid \$56.01, the amount of actual usage, less a \$.57 interest credit, which was less than the budget billing amount of \$67.00. With regard to his May 17 bill, Complainant paid total utility charges of \$40.12, instead of the \$67.00 budget billing amount.


On June 16, 2010, Complainant paid \$38.84, the amount reflected on his June 15 bill. Complainant failed to timely pay the remaining \$54.99 from the June bill as that amount is reflected on his July 19, 2010 bill as his balance of July 7.

Based on the evidence in the record, the Commission finds that KU's billing accurately reflects the amounts owed by Complainant, and the late fees he was charged were properly assessed under KU's tariff.

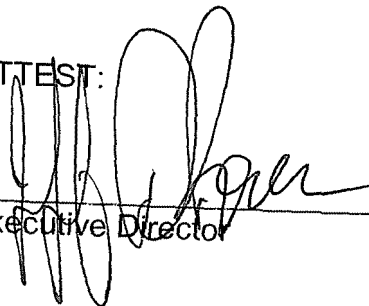
Based on the foregoing, the Commission HEREBY ORDERS:

This case is DISMISSED and hereby removed from the Commission docket.

By the Commission

ENTERED 
JUN 10 2011
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



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