

RE: Case No. 2005-00118

June 27, 2006

Jill M. Wade
1404 Horseshoe Bend Rd.
Sonora, KY 42776

RECEIVED

JUN 28 2006

PUBLIC SERVICE
COMMISSION

Closing Argument

Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, KY 40602-0615

Page 1 of 7



This is my house. I own it. I use it in my business which is to provide rental housing. I collect a deposit to cover damages which may occur and rent that might be owed. Occasionally, I do not receive rent from my customers, and the damage deposit does not cover my repair expenses after they have gone. If it makes economic sense to do so, I use the court system to recover money that is owed me. In any case, I repair the house and rent it again. That is my business.



This is the electric meter outside my house. It is owned by KU. They use it in their business which is to provide electricity. I confess to complete ignorance about electric meters. I am completely unable to identify a meter that has been tampered with from a meter that has not been tampered with. The testimony I heard at the May 30th hearing made it clear that KU has extensive knowledge

about electric meters and problems with tampering. This makes sense; it is their business. They collect a deposit from their customers to cover damages to their property and bill monthly for the valuable service they provide. They believe that if they are unable to collect for use or damage by one of their customers, they should be able to charge someone else- the property owner. I believe this imposes an unfair burden upon an innocent bystander.

When I filed my original complaint, I failed to understand that KU's current tariff expressly allowed them to impose this burden by providing that "[u]pon the absence of an active account, the property owner assumes responsibility for any consumption and the Company's property and service." I think it very important for the Public Service Commission to understand how this tariff impacts upon individual property owners, and I offer my story.

On February 14, 2005, my husband and I arrived at a house we suspected had been abandoned by a tenant who had not been paying rent. Indeed, the house had been abandoned, and a technician from KU was there disconnecting the electricity. We asked to simply transfer it directly to our name. The technician said that wasn't KU's policy. It had to be disconnected. We could then call and have it re-connected in our name. We asked for the phone number from the technician, and at the exact moment the electricity was being disconnected in one customer's name, we were on the phone requesting that electricity be provided to the house in our name.

On February 15, 2005, we sent an employee to the house to begin "de-trashing". The electricity was on. He turned on his radio and went to work. Moments later, the radio went off, and a notice was hanging on the door stating that the electric service had been disconnected due to unauthorized use of service. As stated in the original complaint, our employee reported "there was a green tag on the meter at that time and he didn't notice anything unusual about the meter."

I was asked at the hearing on May 30, 2006 if I disputed KU's version of events. Quite frankly, I don't know KU's version. KU has never provided me with even the most cursory of explanations. Apparently, they are not required to do so. This is what my husband heard from KU when he went immediately to their office to ask about the problem. *"Meter tampering occurred. You are responsible. The charge is \$75.50. Pay it or you can't have electricity."* He tried to explain that we had called as soon as it was disconnected in order to assume responsibility for this meter. *"Meter tampering occurred. You are responsible. The charge is \$75.50. Pay it or you can't have electricity."* He tried to explain that it was unlikely anyone would tamper with the meter. *"Meter tampering occurred. You are responsible. The charge is \$75.50. Pay it or you can't have electricity."* We paid the fee.

ACCOUNT NO	<u>237440-031</u>	CASH <input checked="" type="checkbox"/>	PAID
NAME	<u>Robert Wade</u>	CHECK <input type="checkbox"/>	FEB 15 2005
SERVICE AMT	_____	KENTUCKY UTILITIES	
RECONNECT AMT	_____	BY: _____	
DEPOSIT AMT	_____	CERT NO	_____
MISC AMT	<u>75.50</u>	TICKET NO	<u>tampering fee</u>
WINTERCARE CONTRIBUTION	_____		
TOTAL PAYMENT	<u>75.50</u>		
		THANK YOU	
3-10	REV 1/91	KENTUCKY UTILITIES COMPANY	

What could have happened to this meter? This is an isolated farmhouse. It is surrounded on three sides by farmland in the rural community of Sonora, KY with a small Amish community on the North side. Did a passerby get a sudden impulse to break into an electric meter and steal electricity in the middle of the night? If so, that is not reflected in the meter reading which stood at 29452 when it was turned off on February 14, 2005 and at 29452 when service began in my name on February 15, 2006. Did KU get its wires crossed, as it were, and send two technicians to do the same job? We will never know and KU is not required to “partner” with us in finding out. *“Meter tampering occurred. You are responsible. The charge is \$75.50. Pay it or you can’t have electricity.”*

I would like the Public Service Commission to consider this experience as they evaluate KU’s current and revised tariff language. I was charged \$75.50 by KU under their current tariff. I contacted the Public Service Commission originally because I believed that charge was blatantly abusive to a good, paying customer. I still believe that, and am requesting relief from this Commission. The revised tariff under the same heading states that if I am notified by KU of tampering with the electricity by a tenant, I have seven business days to “take corrective action acceptable to the Company in its sole discretion, and, if applicable, have the responsible party apply for service with the company and/or reimburse the Company for all costs associated with the incident” This tariff language

leaves me, as a property owner, responsible for tenant's behavior- over which I have no authority or control and for the Company's property- over which I also have no authority or control.

I have been charged a disciplinary fee of \$75.50 by KU. Mr. Cockerill asserted in his testimony of May 2, 2006, page 3, in response to the question, "Why did the Companies propose adding this language to its tariffs?" that the purpose was to try to discourage meter tampering. I am unable to understand how assessing a disciplinary fee upon a property owner will discourage meter tampering by a tenant. There are two ways to discourage meter tampering. One is to make it very difficult to tamper with a meter. Mr. Cockerill brought an impressive array of possible locks and methods for preventing unauthorized use of electricity to the hearing on May 30th. KU currently has the sole authority for deciding how difficult it is to get into a meter to steal electricity. (I must assume that if KU is allowed to hold property owners responsible for meter tampering, the Public Service Commission will also allow us, as property owners, to tell KU the appropriate level of security to have in place at each of our rental properties.)

I would suggest that KU's security deposit and fees need to accurately reflect the costs of providing adequate security for their meters. Certainly, KU is able to work with the Public Service Commission to set rates and collect damage deposits that adequately reflect their business risk and costs. Property owners are not a part of that process and should not be required to bear the consequences. In my case, the only possible way I could have prevented whatever happened at my meter would have been to have posted a security guard at the location until power was started in my name. I obviously do not consider this a realistic option.

The second way to prevent meter tampering is to make it costly to the person who has tampered with the meter. If KU has a customer who has stopped paying for electricity, I believe I can guarantee that that individual has stopped paying me rent. From the time I realize there is a problem, send an eviction notice and work through the court system, I will be lucky to regain possession of the house in forty five days. I am confused about

the means KU believes I have at my disposal to “have the responsible party apply for service with the company and/or reimburse the Company.” It can’t be done, and that leaves me responsible for any and all unauthorized use of electricity on the properties I rent.

I must also address Mr. Cockerill’s blanket assurance that a property owner receives “benefit-of-service” from electricity provided to a house where a tenant has stopped paying their bills. I imagine most landlords, me included, could provide an extensive set of stories where the opposite was true. I will spare you that litany. I do, however, need to understand. Why is it possible for KU to unilaterally decide that I am receiving “benefit-of-service” and charge me? If I am notified by KU that they are having a problem with their current customer and will be disconnecting the electric service at one of my properties, I believe I should be able to decide for myself whether I care to receive “benefit-of-service” by applying for service in my own name. Why did I lose that right? And why does KU have the privilege of essentially signing me up for a service I may not want?

Finally, I must state that I am deeply concerned by the precedent that is set when KU is given the right to declare a property owner financially responsible for another person’s criminal behavior. Currently, KU is not even responsible for providing a reasonable process to determine if criminal behavior actually occurred. There is a court system that allows service providers to settle claims when their property is damaged or their service illegally obtained. If anyone tampers with a meter or illegally obtains services, we can all agree, that is wrong. We do have a court system to determine guilt and assess penalties. Will I also be held responsible if a tenant steals services from a trash collection company, an internet service provider, the phone company, the local Schwann delivery truck? In my case, I do not even understand the nature of the meter tampering that is supposed to have occurred at my property. I only know KU was given the right to say, “*Meter tampering occurred. You are responsible. The charge is \$75.50. Pay it or you can’t have electricity*”. I still believe this is an abuse of monopoly power.

In my original complaint, I requested that KU return my \$75. It was actually \$75.50 and I would still like it back. I also assumed that the blatant abuse of a paying customer was an aberration. I didn't understand that it was actually behavior codified by KU tariff language. I request that the Public Service Commission disallow any tariff language which holds property owners responsible for property or services over which they have no authority or control and the behavior of tenants over which, again, they have no authority or control. That is the only way that I, or any landlord, can be protected from abusive and unfair charges by KU.

I thank you for your time and the opportunity to present my case to this Commission.

DOMESTIC USE ONLY

ENVELOPE

VTBF

CALL 1-800-222-1811 FOR PICKUP OR TRACKING OF ALL YOUR PARCELS



USPS
JUN 27 2006
SONORBA
0000012948
US POSTAGE
1440
POSTALIA2919000
CUSTOMER USE ONLY

HOW TO USE



The efficient Express



E0755790934US

ORIGINATOR USE ONLY

For ZIP Code: _____

Date Accepted: _____

Time Accepted: AM PM

Post Date: or Weight: _____ lbs _____ ozs

Day of Delivery: _____

Specialized Date of Delivery: _____

Standard Time of Delivery: _____

Rate: _____

Postage: _____

Return Receipt Fee: _____

Insurance Fee: _____

Total Postage & Fees: _____

Acceptance Stamp: _____

FROM: PLEASE PRINT PHONE: _____

FOR PICKUP OR TRACKING

Visit: www.usps.com

Call: 1-800-222-1811

EXPRESS MAIL

Addresssee Copy 2 8 2006

Label 11-B, MAIL PERMIT NO. 10000, WASHINGTON, DC 20540

RECEIVED

POST OFFICE TO ADDRESSABLE SERVICE COMMISSION

DELIVERY ATTEMPT

Time: _____

Day: _____

Address: _____

City: _____

State: _____

Zip: _____

Signature: _____

CUSTOMER USE ONLY

Additional recipient address (add only)

Additional recipient name (add only)

Additional recipient phone (add only)

Additional recipient address (add only)

Additional recipient name (add only)

Additional recipient phone (add only)

Additional recipient address (add only)

Additional recipient name (add only)

Additional recipient phone (add only)

EP-13F February 2002

© USPS 1995