



Mr. Jeff DeRouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602-0615

**RECEIVED**

**OCT 18 2010**

**PUBLIC SERVICE  
COMMISSION**

**Kentucky Utilities Company**  
State Regulation and Rates  
220 West Main Street  
PO Box 32010  
Louisville, Kentucky 40232  
www.eon-us.com

Rick E. Lovekamp  
Manager – Regulatory Affairs  
T 502-627-3780  
F 502-627-3213  
rick.lovekamp@eon-us.com

October 18, 2010

RE: *MILLER & WOODWARD / RUSSELL C. PATTIE COMPLAINANTS V.  
KENTUCKY UTILITIES COMPANY DEFENDANT*  
CASE NO. 2010-00380

Dear Mr. DeRouen:

Enclosed please find an original and ten (10) copies of Kentucky Utilities Company's Answer to Complainant's Complaint.

A copy is being mailed to the Complainant.

Please contact me if you have any questions concerning this filing.

Sincerely,

Rick E. Lovekamp

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>MILLER &amp; WOODWARD/ RUSSELL C. PATTIE</b>	)	
	)	
<b>COMPLAINANT</b>	)	
	)	
<b>v.</b>	)	<b>CASE NO.</b>
	)	<b>2010-00380</b>
<b>KENTUCKY UTILITIES COMPANY</b>	)	
	)	
<b>DEFENDANT</b>	)	

\* \* \* \* \*

**ANSWER OF**  
**KENTUCKY UTILITIES COMPANY**

In accordance with the Kentucky Public Service Commission’s (“Commission”) Order of October 7, 2010 in the above-captioned proceeding, Kentucky Utilities Company (“KU” or the “Company”) respectfully submits this Answer to the Complaint of Miller & Woodward/ Russell C. Pattie (“Mr. Pattie”) filed on September 27, 2010. In support of its Answer, and in response to the specific averments contained in said Complaint, KU states as follows:

1. KU admits the allegations contained in paragraph (a) of the Complaint, on information and belief.

2. With regard to the allegations contained in paragraph (b) of the Complaint, KU states that its primary business address is 220 West Main Street, Louisville, Kentucky 40202.

3. With regard to the allegations contained in paragraph (c) of the Complaint, KU states as follows:

a. With regard to the averments that Mr. Pattie “[r]eceived bill dated 8/16/10 for \$717.56, paid 8/19/10. Noticed large increase over previous month, assumed the hot weather and rate increase was the reason,” KU admits it mailed a bill in the amount of \$717.56 to Mr. Pattie on August 16, 2010 and payment in that amount was subsequently received and posted to the account.

b. With regard to the averments that Mr. Pattie “[r]eceived bill dated 9/14/10 for \$1024.10. Called KU and spoke with “Carmen.” She stated that we had been assigned the wrong rate along with approximately 5000 other customers. We should not pay this bill, wait for the October bill and it would be corrected effective 8/1/10,” KU affirmatively states the bill with a mail date of September 14, 2010 was for \$1,024.40. KU admits a Customer Service Representative named Carmon took a telephone call from Mr. Pattie on September 15, 2010. KU is without knowledge or information sufficient to form a belief as to the truth of the remainder of these statements as there is no recording of this telephone call due to problems with the recording process. However, on September 15, 2010, Carmon initiated the process to convert this account to service under Rate GS, and the rate for this account was in fact changed on the next business day to Rate GS. KU affirmatively states that Mr. Pattie was eligible to be served on the Rate PS reflected on the bills mailed August 16, 2010 and September 14, 2010 and that KU did

not assign the wrong rate. When two or more rates may apply, it is the customer's responsibility to designate the rate under which he chooses to be served.

c. With regard to the averments that Mr. Pattie "[r]eceived bill dated 9/17/10 for \$404.24, paid 9/21/10. Called KU and spoke with "Brenda". She stated no credit would be given for the bill dated 8/16/10, only for the bill dated 9/14/10. I asked to speak with a supervisor who returned my call later that day. "David Combs" also stated no credit would be given. Later that day "Lisa Craft" called with the same information," KU admits it mailed a bill to Mr. Pattie on September 17, 2010 in the amount of \$404.24 and payment for the referenced bill was subsequently received and posted to the account. KU admits Mr. Pattie had telephone conversations with representatives of KU who told Mr. Pattie that only the "bill in hand" dated September 14, 2010 would be recalculated. The bill with a mail date of September 17, 2010 reflects the change in rate from Rate PS to Rate GS.

d. With regard to the averment that "9/23/10 received sheet of 'Terms and Conditions' from KU. I do not understand electric rates and I do not understand why anyone would want to be on a higher rate. I have enclosed copies of four bills from 7/26/10 (due date, no bill mailed date listed) through 9/17/10. Also enclosed 'Terms and Conditions' from KU. The last highlighted line states 'Company shall not be required to make a change in schedule more often than once in twelve (12) months.' If the change had been made effective 8/1/10 that is only once. If 5000 customers have been put on the wrong rate how many are paying too much and don't know the difference?," KU affirmatively states the Terms and Conditions describing Customer Responsibilities can be found in KU's tariff at Original Sheet No. 97. When new rates went into effect on

August 1, 2010, pursuant to the Commission's Order of July 30, 2010 in Case No. 2009-00548, the minimum charge for the PS rate was changed to include both the customer charge and the monthly billing demand. As a result, some customers who were not meeting the monthly billing demand of 50 KW under this rate are experiencing a significant increase in their monthly bill. However, some customers with monthly demands of less than 50 KW will continue to have lower electric bills on a year-round basis by remaining on the PS rate, rather than choosing to receive service under a different rate schedule. Mr. Pattie had the option of receiving service under either the PS rate or under electric rate schedule General Service (GS). As noted in the Terms and Conditions received by Mr. Pattie, "[i]f two or more rate schedules are available for the same class of service, it is Customer's responsibility to determine the options available and to designate the schedule under which customer desires to receive service. Company will, at any time, upon request, advise any customer as to the most advantageous rate for existing or anticipated service requirements as defined by the customer, but Company does not assume responsibility for the selection of such rate or for the continuance of the lowest annual cost under the rate selected."

e. With regard to the averment requesting that KU "adjust our rate to our best advantage effective 8/1/10," KU affirmatively states that Original Sheet No. 97.1 of its tariff provides that: "[i]n no event will Company make refunds covering the difference between the charges under the rate in effect and those under any other rate applicable to the same class of service." As a result, KU is prohibited by its Commission-approved tariff from issuing refunds to cover the difference between the charges incurred under Rate PS and those that would have been charged under Rate GS.

4. KU denies all allegations contained in the Complaint which are not expressly admitted in the foregoing paragraphs of this Answer.

**FIRST AFFIRMATIVE DEFENSE**

The Complaint, or parts of it, fails to set forth any claim upon which relief can be granted by this Commission and, therefore should be dismissed.

**SECOND AFFIRMATIVE DEFENSE**

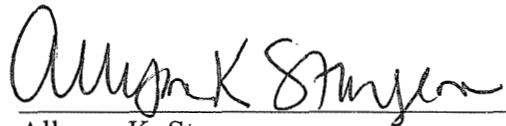
The Complainant has failed to set forth a *prima facie* case that KU has violated its tariff or any statute or Commission regulation, and the Complaint should be dismissed for that reason.

**WHEREFORE**, for all of the reasons set forth above, Kentucky Utilities Company respectfully requests:

- (1) that the Complaint herein be dismissed without further action taken by the Commission;
- (2) that this matter be closed on the Commission's docket; and
- (3) that KU be afforded any and all other relief to which it may be entitled.

Dated: October 18, 2010

Respectfully submitted,



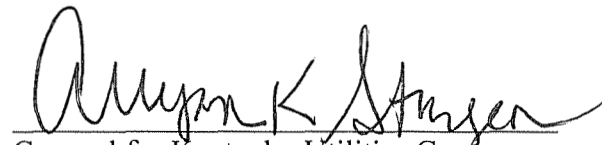
Allyson K. Sturgeon  
Senior Corporate Attorney  
E.ON U.S. LLC  
220 West Main Street  
Louisville, Kentucky 40202  
(502) 627-2088

Counsel for Kentucky Utilities Company

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the foregoing Answer was served on the following on the 18<sup>th</sup> day of October, 2010, U.S. mail, postage prepaid:

Miller and Woodward/ Russell C. Pattie  
2220 Nicholasville Road, Suite 152  
Lexington, Kentucky 40503



Counsel for Kentucky Utilities Company