

CRAWFORD & BAXTER, P.S.C.

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December 4, 2012

Mr. Jeff R. Derouen, Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

RECEIVED

DEC 5 2012

PUBLIC SERVICE
COMMISSION

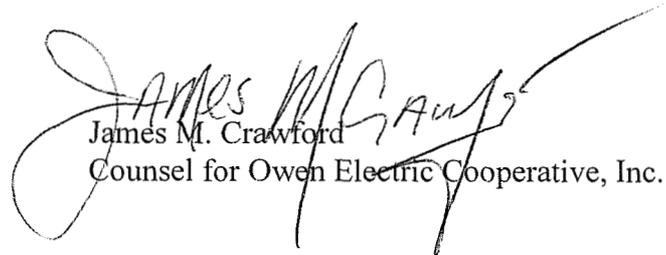
RE: **Owen Electric Cooperative, Inc.**
Case No. 2012-00472

Dear Mr. Derouen:

Please find enclosed an original and ten copies of the Certificate of Service of Owen Electric Cooperative, Inc., in the above-captioned case.

Respectfully yours,

CRAWFORD & BAXTER, P.S.C.


James M. Crawford
Counsel for Owen Electric Cooperative, Inc.

JMC/mns

Enclosures

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

DEC 5 2012

PUBLIC SERVICE
COMMISSION

In the Matter of:

TIM AND TERESA HARRIS)
)
COMPLAINANTS)
)
V.)
)
OWEN ELECTRIC COOPERATIVE, INC.)
)
DEFENDANT)

CASE NO. 2012-00472

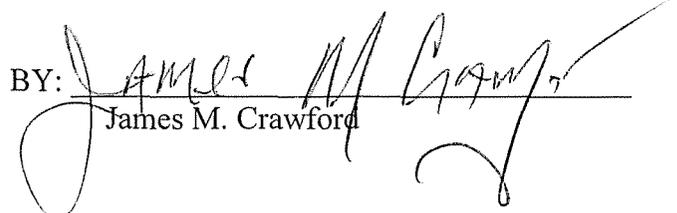
CERTIFICATE OF SERVICE

*** **

Comes now the Defendant, Owen Electric Cooperative, Inc., by counsel, and certifies that a true and correct copy of the Answer that it filed with the PSC on November 1, 2012, is attached hereto and incorporated herein marked Exhibit "A".

CRAWFORD & BAXTER, P.S.C.
ATTORNEYS AT LAW
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E-Mail: CBJ523@aol.com

Attorney for Defendant
Owen Electric Cooperative, Inc.

BY: 
James M. Crawford

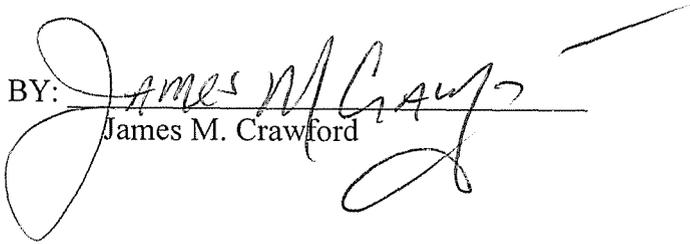
CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the foregoing Certificate of Service and Answer was mailed postage pre-paid on this the 4th day of December, 2012, to:

Mr. Jeff Derouen, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

Mr. and Mrs. Tim Harris
P.O. Box 55
Verona, Kentucky 41092

BY:


James M. Crawford

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the matter of the application of:

Tim and Teresa Harris,)	
Complainant)	
)	
V.)	CASE NO. 2012-00472
)	
Owen Electric Cooperative, Inc.,)	
Defendant)	
)	

**ANSWER OF DEFENDANT,
OWEN ELECTRIC COOPERATIVE, INC.**

Defendant, Owen Electric Cooperative, Inc. ("Owen Electric"), acting by counsel, makes the following Answer to the formal Complaint filed herein by Tim and Teresa Harris ("Harris").

1. Owen Electric acknowledges receipt of the Complaint of Harris, having been duly notified of its filing by the Commission's notice dated October 22, 2012 and received by Owen Electric on October 24, 2012.

The above-named defendant, for answer to the complaint in the proceeding, respectfully states:

- a) Owen Electric acknowledges that the Complainant's account (Harris account) was charged a security deposit in the amount of \$320 on May 18, 2012.
- b) Owen Electric disagrees with the Complainant's claims that their account payment history has been satisfactory and does not warrant a security deposit. The attached schedule (see Exhibit "A") provides a detailed payment history. Owen Electric monitors the payment history of all its members to ensure that those members who do not pay in



accordance with the Cooperative's payment terms are secured with adequate deposits. Multiple late notices and non-payment disconnect tickets have been produced on the Harris account as a result of the delinquent payment history, despite accommodating the Complainant's request to change the billing due date to coincide with their payment ability. A 'deposit warning' letter was sent on 4/17/2012 informing the Complainant that the account would continue under review and if the account status did not become current and future payments were not made by the due date, a deposit would be required. On May 18, 2012 since the account remained in a delinquent status, a security deposit of \$320 was assessed.

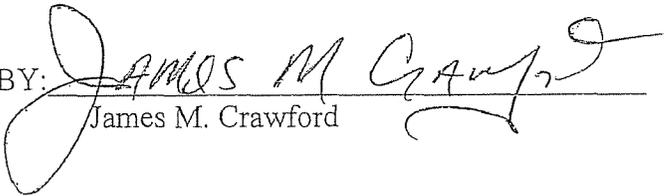
- c) In the handling of the Complainant's account, Owen Electric has followed the Kentucky Public Service Commission's General Rules and Regulations(807 KAR 5:006, Section 7 Deposits) which states that a utility may require from any customer a cash deposit to secure payment of bills.
- d) In the handling of the Complainant's account, Owen Electric has also followed its "DEPOSIT" tariff as approved by the Kentucky Public Service Commission (see Exhibit "B"). Per Owen Electric's "DEPOSIT" tariff, interest will accrue on the Complainant's deposit and will be credited on the Complainant's bill on an annual basis. Furthermore, the Complainant's account will be monitored and the deposit will be returned after eighteen (18) months if the Complainant has established a satisfactory payment record for that period.
- e) Owen Electric maintains that it has acted properly in the matter of assessing a security deposit on the Complainant's account and has followed all applicable regulations and

tariffs in doing same. Therefore, the Defendant, Owen Electric Cooperative, respectfully requests that the Complaint of Tim and Teresa Harris be dismissed.

Respectfully submitted,

CRAWFORD & BAXTER, PSC.
Attorneys at Law
523 Highland Avenue
P.O. Box 353
Carrollton, KY 41008

Attorney for Owen Electric Cooperative, Inc.

BY: 
James M. Crawford

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the foregoing Answer was mailed postage pre-paid on this the 31st day of October, 2012, to:

Mr. Jeff Derouen, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

Mr. and Mrs. Tim Harris
3090 Verona Mt. Zion Road
Crittenden, Kentucky 41030

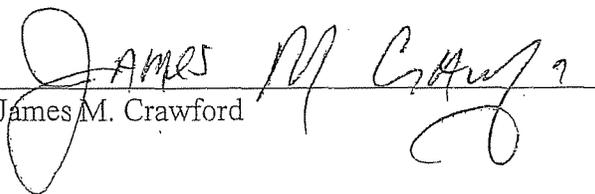
BY: 
James M. Crawford

Exhibit A

Theresa and Timothy Harris - Account History

Bill Date	Acct.	Current Bill Amount	Arrears	Total Bill Amount	Collection/Cutoff Charges	Forfeited prompt payment discount	Due Date for Current Bill	Paid Amount	Paid Date	Balance after pymt	Collection Date	Delinquent Notice Produced	Cutoff Ticket Produced
10/11/2012	1851	\$ 187.70	\$ 178.93	\$ 366.63	\$ 60.00	\$ 5.42	10/29/2012	\$ 238.93	10/19/2012	\$ 187.70	11/15/2012	Yes	Yes
9/11/2012	1680	\$ 173.51	\$ 328.85	\$ 502.36	\$ 60.00		9/28/2012	\$ 253.83	9/21/2012	\$ 378.93	10/16/2012	Yes	Yes
8/10/2012	1952	\$ 193.83	\$ 335.68	\$ 529.51		\$ 0.95	8/30/2012	\$ 200.66	8/21/2012	\$ 328.85	9/17/2012	Yes	Yes
7/11/2012	1836	\$ 480.26	\$ (48.58)	\$ 431.68			7/29/2012	\$ 126.00	7/25/2012	\$ 335.68	8/15/2012	Yes	Yes
6/11/2012	1979	\$ 145.78	\$ 36.14	\$ 181.92			6/29/2012	\$ 200.00	6/21/2012	\$ (18.59)	7/16/2012	Yes	Yes
5/10/2012	1359	\$ 146.48	\$ 89.66	\$ 236.14		\$ 1.52	5/28/2012	\$ 200.00	5/25/2012	\$ 36.14	6/14/2012	Yes	Yes
4/11/2012	1584	\$ 167.24	\$ 122.42	\$ 289.66		\$ 4.04	4/29/2012	\$ 200.00	4/26/2012	\$ 89.66	5/16/2012	Yes	Yes
3/12/2012	1620	\$ 173.43	\$ 148.99	\$ 322.42		\$ 5.59	3/30/2012	\$ 200.00	3/19/2012	\$ 122.42	4/16/2012	Yes	Yes
2/10/2012	1735	\$ 189.61	\$ (40.02)	\$ 149.59		\$ 6.84	3/1/2012	No payment		\$ 148.99	3/16/2012	Yes	Yes
1/11/2012	1469	\$ 166.46	\$ (9.08)	\$ 157.38		\$ 7.36	1/29/2012	\$ 200.00	2/3/2012	\$ (40.62)	2/14/2012	Yes	Yes
12/9/2011	1210	\$ 113.01	\$ (122.09)	\$ (9.08)			12/29/2011	No payment		\$ (9.08)	1/16/2012	Yes	Yes
11/9/2011	1191	\$ 131.15	\$ (62.24)	\$ 77.91		\$ 3.59	11/27/2011	\$ 200.00	12/9/2011	\$ (122.09)	12/14/2011	Yes	Yes
10/11/2011	1731	\$ 103.74	\$ (35.98)	\$ 146.76		\$ 6.74	10/29/2011	\$ 200.00	11/6/2011	\$ (53.24)	11/15/2011	Yes	Yes
9/9/2011	1959	\$ 203.87	\$ 160.15	\$ 364.02			9/29/2011	\$ 200.00	9/19/2011	\$ (35.98)	10/11/2011	Yes	Yes
8/10/2011	1784	\$ 200.70	\$ (40.53)	\$ 160.15		\$ 7.34	8/28/2011	No payment		\$ 160.15	9/14/2011	Yes	Yes
7/12/2011	1615	\$ 152.80	\$ (93.23)	\$ 59.45		\$ 2.62	7/30/2011	\$ 100.00	8/6/2011	\$ (40.53)	8/16/2011	Yes	Yes
6/10/2011	1236	\$ 127.41	\$ 79.36	\$ 206.77			6/30/2011	\$ 200.00	6/15/2011	\$ (93.23)	7/18/2011	Yes	Yes
5/11/2011	1216	\$ 132.84	\$ (52.28)	\$ 79.36		\$ 3.60	5/29/2011	No payment		\$ 79.36	6/15/2011	Yes	Yes
4/11/2011	1334	\$ 136.66	\$ (89.94)	\$ 46.72			4/29/2011	\$ 100.00	5/2/2011	\$ (59.28)	5/16/2011	Yes	Yes
3/10/2011	1811	\$ 103.43	\$ (72.87)	\$ 110.05			3/28/2011	\$ 200.00	3/21/2011	\$ (89.94)	4/14/2011	Yes	Yes
2/9/2011	1878	\$ 202.04	\$ (74.41)	\$ 127.63			2/27/2011	\$ 200.00	2/21/2011	\$ (72.87)	3/16/2011	Yes	Yes
1/11/2011	1308	\$ 130.41	\$ (4.82)	\$ 125.59			1/29/2011	\$ 200.00	1/25/2011	\$ (74.41)	2/15/2011	Yes	Yes
12/10/2010	1062	\$ 66.20	\$ (21.02)	\$ 45.18			12/30/2010	\$ 50.00	12/16/2010	\$ (4.82)	1/17/2011	Yes	Yes
11/10/2010	1309	\$ 130.13	\$ 140.95	\$ 270.98			11/30/2010	\$ 300.00	11/23/2010	\$ (21.02)	12/15/2010	Yes	Yes
10/19/2010	1512	\$ 156.37	\$ (11.12)	\$ 145.25		\$ 6.89	10/31/2010	No payment		\$ 148.65	11/15/2010	Yes	Yes

*10/19/12-Disconnect order produced and service was disconnected due to non payment.

*9/21/12-Disconnect order produced and service was disconnected due to non payment.

*5/30/10 assessed deposit included in this bill.

*5/10/10 assessed deposit letter sent.

**4/17 Assessed deposit warning letter sent.

FOR Entire Territory Served
Community, Town or City
P.S.C. KY. NO. 6
Ist Revised SHEET NO. 36
CANCELLING P.S.C. KY NO. 6
Original SHEET NO. 36

Owen Electric Cooperative, Inc.

(Name of Utility)

RULES AND REGULATIONS

13. DEPOSITS

The Cooperative may require a minimum cash deposit or other guaranty to secure payment of bills except for members qualifying for service reconnection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection. Service may be refused or discontinued for failure to pay the requested deposit. Interest will accrue on all deposits at the rate prescribed by law beginning on the date of the deposit. Interest accrued will be refunded to the customer or credited to the customer's bill on an annual basis. If interest is paid or credited to the customer's bill prior to twelve (12) months from the date of deposit or the last interest payment date, the payment or credit shall be on a prorated basis.

The deposit may be waived upon a member's showing of a satisfactory credit or payment history with another electric utility. Deposits on residential accounts will be returned after eighteen (18) months if the customer has established a satisfactory payment record for that period. Deposits on non-residential accounts will be returned after five (5) years if the member has established a satisfactory payment record for that period. If a deposit has been waived or returned and the member fails to maintain a satisfactory payment record, a deposit may then be required. The Cooperative may require a deposit in addition to the initial deposit if the member's classification of service changes or if there is a substantial change in usage. Upon termination of service, the deposit and any interest earned and owed will be credited to the final bill with any remainder refunded to the member. An appropriate amount of the deposit may be retained and transferred to another existing account of the same member if the credit history is not satisfactory.

In determining whether a deposit will be required or waived the following criteria will be considered:

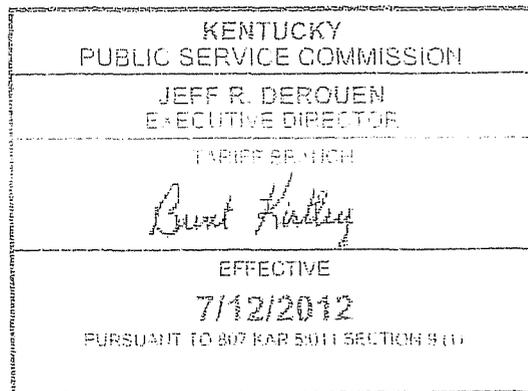
A. Previous payment history with the Cooperative. If the member has no previous history with the Cooperative, residential members may have their immediate past provider of electric service complete the Cooperative's Letter of Referral for approval. Letters must indicate a satisfactory payment history for a minimum of twelve (12) consecutive months with the previous provider.

Non-residential members may complete a credit application with the Cooperative listing several sources/lines of established credit and banking history. Sources/lines of credit must have been established for a satisfactory period of time and must be of comparable quality and amount to waive a deposit.

B. Whether the member has filed bankruptcy proceedings within the last seven (7) years.

C. Whether another member with a good payment history is willing to sign as a guarantor for payment of the account.

DATE OF ISSUE June 8, 2012
Month / Date / Year
DATE EFFECTIVE July 12, 2012
Month / Date / Year
ISSUED BY [Signature]
(Signature of Officer)
TITLE President/CEO
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____



FOR Entire Territory Served
Community, Town or City
P.S.C. KY. NO. 6
1st Revised SHEET NO. 37
CANCELLING P.S.C. KY NO. 6
Original SHEET NO. 37

Owen Electric Cooperative, Inc.

(Name of Utility)

RULES AND REGULATIONS

13. DEPOSITS (continued)

- D. Whether the member has a satisfactory credit record and rating as reported by credit bureaus/agencies.
- E. Whether the member has been suspected of previous diversion or tampering of service.

(T)

If the deposit is held longer than eighteen (18) months, the deposit will be recalculated at the member's request, based on the member's actual usage. If the deposit on account differs from the recalculated amount by more than \$10.00 for a residential member or ten percent (10%) for a non-residential member, the Cooperative may collect any underpayment and shall refund any overpayment by check or credit to the member's bill. No refund will be made if the member's bill is delinquent at the time of the recalculation.

CALCULATED DEPOSITS

All member deposits shall be based upon actual usage of the member at the same or similar premises for the most recent twelve (12) - month period, if such information is available. If information is not available, the deposit will be based on the average bills of similar members and premises in the system. The deposit amount shall not exceed 2/12ths of the member's actual or estimated annual bill.

DATE OF ISSUE June 8, 2012
Month / Date / Year
DATE EFFECTIVE July 12, 2012
Month / Date / Year
ISSUED BY [Signature]
(Signature of Officer)
TITLE President/CEO
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

KENTUCKY PUBLIC SERVICE COMMISSION JEFF R. DEROUEN EXECUTIVE DIRECTOR TAMM BRANCH <i>Brent Kinley</i> EFFECTIVE 7/12/2012 PURSUANT TO 387 KAR 5.011 SECTION 5(1)
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