#### COMMONWEALTH OF KENTUCKY

#### BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

SEP 29 2015

PUBLIC SERVICE COMMISSION

Johnny D. Pennington	)
Complainant v.	) ) )
Kentucky Power Company	) ) )
Defendant	)

In the Matter of:

Case No. 2015-00260

#### Affidavit Of John A. Rogness III In Support Of Kentucky Power Company's Motion To Dismiss Complaint Or In The Alternative Motion For Summary Judgment

John A. Rogness III, after being duly sworn, states and deposes as follows:

1. I am of the age of majority and competent to make this affidavit. The statements contained in this affidavit are based on my own personal knowledge, or my review of the records of Kentucky Power Company within my custody and control.

 My position is Director, Regulatory Services for Kentucky Power Company (Kentucky Power, KPCo or Company). My business address is 101 A Enterprise Drive,
 Frankfort, Kentucky 40602. As Director of Kentucky Power's Regulatory Services, I am responsible for the rate and regulatory matters of Kentucky Power, including complaints such as the one filed by Mr. Pennington.

#### A. <u>Background</u>.

3. Electric service to 736 Hager Branch, East Point, Kentucky was maintained in the name of John Wayne Fairchild from May 13, 2014 until December 5, 2014.

4. On December 4, 2014, Mr. Fairchild requested that service in his name for 736 Hager Branch, East Point, Kentucky be terminated effective December 5, 2014. Kentucky Power terminated Mr. Fairchild's account effective December 5, 2014, but as is the Company's practice, Kentucky Power did not physically disconnect service to 736 Hager Branch, East Point, Kentucky at that time.

#### B. December 5, 2014 to February 9, 2015 Unauthorized Use.

5. The Tariff R.S. meter for 736 Hager Branch, East Point, Kentucky was read on January 9, 2015. The meter recorded 4,558 kWh of electrical usage at 736 Hager Branch, East Point, Kentucky subsequent to the December 5, 2014 termination of service to Mr. Fairchild. Electrical service to 736 Hager Branch, East Point, Kentucky was then physically disconnected at the meter on January 9, 2015.

6. On February 9, 2015 the Tariff R.S. meter for 736 Hager Branch, East Point, Kentucky was again read and Company service personnel discovered that service had been reconnected without authorization of Kentucky Power. An additional 3,848 kWh of usage was recorded on the Tariff R.S. meter at 736 Hager Branch, East Point, Kentucky subsequent to the January 9, 2015 reading and physical disconnection. On February 9, 2015 service to 736 Hager Branch, East Point, Kentucky was physically disconnected for a second time at the meter. In addition, the meter base was locked to prevent further tampering and theft.

7. Between December 5, 2014 and February 9, 2015 there were no authorized customers at 736 Hager Branch, East Point, Kentucky.

#### C. <u>Establishment Of Service By Mr. Pennington</u>.

8. On February 9, 2015 – the same day service to 736 Hager Branch, East Point, Kentucky was physically disconnected for a second time and the meter based locked to prevent further tampering – a female caller identifying herself as the spouse of John Wayne Fairchild (the former customer at that location) contacted the Company's customer service center seeking information concerning the re-establishment of electrical service to 736 Hager Branch, East Point, Kentucky. The female caller did not place an order for service.

9. The same day, but subsequent to, the call from the female caller who identified herself as the spouse of Mr. Fairchild, Mr. Pennington called Kentucky Power's customer service center and initiated the process to establish electrical service to 736 Hager Branch, East Point, Kentucky.

10. During the course of Mr. Pennington's phone call the customer service representative inquired about the unauthorized electrical usage at 736 Hager Branch, East Point, Kentucky and indicated the Company needed to resolve the identity of the responsible party prior to establishing service.

11. The inquiry by the customer service representative was consistent with Company practice and reasonable in light of the unauthorized usage, the fact that someone twice illegally re-connected electrical service to 736 Hager Branch, East Point, Kentucky between December 5, 2014 and February 9, 2015, and that the calls from the female who identified herself as the

spouse of Mr. Fairchild, and from Mr. Pennington, were received the same day as the meter base was locked preventing further efforts at "self-help."

12. At no time did the customer service representative or the Company require Mr. Pennington to assume financial responsibility for the unauthorized service as a condition precedent to his receiving electrical service at 736 Hager Branch, East Point, Kentucky. Based on Mr. Pennington's representations that he was the "landlord," Kentucky Power did not require, as its practices would have dictated if Mr. Pennington identified himself as a "tenant," that Mr. Pennington produce a photo id. and a copy of his lease.

13. Electrical service was re-established to 736 Hager Branch, East Point, Kentucky on February 19, 2015 at Mr. Pennington's request and with the payment of the required \$586 deposit.

#### D. Electric Service To 736 Hager Branch, East Point, Kentucky From February 19, 2015 To July 27, 2015.

14. Billing statements were timely rendered to Mr. Pennington for service to 736 Hager Branch, East Point, Kentucky prior to the termination of service and delivery of a final bill.

15. A written payment plan for the amounts due for service to 736 Hager Branch, East Point, Kentucky was established at Mr. Pennington's request on April 23, 2015. A copy of the written payment plan agreed to by Mr. Pennington is attached to this affidavit as <u>EXHIBIT 1</u>. The payment plan was in the total amount of \$1,490.11 and required six monthly payments. The payment plan included charges for service rendered to 736 Hager Branch, East Point, Kentucky

for the period December 5, 2014 through April 23, 2015 and hence included the amounts he now disputes.

16. In establishing the payment plan, Mr. Pennington did not dispute his liability for charges for electrical service to 736 Hager Branch, East Point, Kentucky during the period December 5, 2014 through April 14, 2015.

17. Mr. Pennington on May 5, 2015 made his only payment under the payment plan. The payment plan terminated by its terms on May 22, 2015 when Mr. Pennington failed to make the second required payment under the plan.

18. Charges for the unauthorized electrical service to 736 Hager Branch, East Point, Kentucky between December 5, 2014 and February 5, 2015 totaled \$761.13. This is the amount for which Mr. Pennington now disputes legal responsibility.

19. Mr. Pennington does not dispute legal responsibility for electrical service and associated charges for the period between February 19, 2015 (when the account was established in his name and service commenced) and July 27, 2015 (when service was terminated for non-payment). Undisputed charges associated with that period were:

Billing Cycle	Type of Charge	Amount
February 5, 2015 through March 6, 2015	Electrical Service	\$463.91
March 6, 2015 through April 6, 2015	Electrical Service	\$233.11
March 6, 2015 through April 6, 2015	Late Payment Charge	\$31.96
April 6, 2015 through May 5,	Electrical Service	\$117.78

Billing Cycle	Type of Charge	Amount
2015		
May 5, 2015	Electrical Service	\$85.49
through June 5,		
2015		
May 5, 2015	Late Payment	\$5.89
through June 5,	Charge	
2015		
June 5, 2015	Electrical Service	\$148.87
through July 6, 2015		
June 5, 2015	Late Payment	\$4.28
through July 6, 2015	Charge	
July 6, 2015 through	Electrical Service	\$99.40
July 27, 2015		
July 6, 2015 through	On-Premises	\$13.00
July 27, 2015	(Disconnect) Charge	
Total		\$1203.69

20. During the period February 5, 2015 through July 27, 2015 the following payments and other credits were posted to Mr. Pennington's account:

Date	Type of Credit	Amount
May 05, 2015	Payment	\$250.00
July 14, 2015	Payment	\$117.78
August 19, 2015	Deposit applied to account	\$586.00
August 19, 2015	Interest on deposit credited to account	\$0.32
Total		\$954.10

21. The undisputed amount still owed by Mr. Pennington for electrical service to 736 Hager Branch, East Point, Kentucky, after netting all payments and other credits due, is \$249.59 (\$1203.69 - \$954.10). The Company's normal business practice, and upon information and belief, the practice of most businesses, is to apply all credits to the oldest outstanding charges.

For purposes of this motion only, all payments and charges have been applied to the undisputed amounts due for service from February 19, 2015 through July 27, 2015 and not the oldest charges. The total amount owed by Mr. Pennington for electrical service to 736 Hager Branch, East Point, Kentucky, including the \$761.13 he disputes, is \$1010.72.

22. After due notice, Kentucky Power terminated electrical service to 736 Hager Branch, East Point, Kentucky on July 27, 2015 and subsequently rendered a final bill. A copy of Mr. Pennington's final bill for service at 736 Hager Branch, East Point, Kentucky is attached as <u>EXHIBIT 2</u> to this affidavit. The termination was in accordance with the Company's tariffs and the Commission's regulations.

23. Beginning on or about February 28, 2011 through the date of this filing, Mr. Pennington maintained residential electrical service in his name for a residence located at 875 Buffalo Road, Meally, Kentucky. As of September 25, 2015 Mr. Pennington's 875 Buffalo Road, Meally, Kentucky account was approximately 30 days delinquent.

24. On or about September 17, 2015 Mr. Pennington applied for residential service at a third location: 875 Buffalo Road, Building 1, Meally, Kentucky. Mr. Pennington indicated the new service location would be occupied intermittently.

25. As of the date of this filing, Mr. Pennington has not presented to Kentucky Power the medical certificate required by 807 KAR 5:006, Sections 15 and 16.

#### FURTHER THE AFFIANT SAYETH NAUGHT.

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### COMMONWEALTH OF KENTUCKY

#### COUNTY OF FRANKLIN

The foregoing was signed and sworn to before me this 29<sup>th</sup> day of September, 2015 by John A. Rogness III.

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My commission expires: april 7, 2019.

Ander a. Smith Notary Public



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# EXHIBIT 1

1000	KENTUCKY
	POWER

A unit of American Electric Power

1 AEP Way Humicano, WV 25525-1231

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HOSEPADI

6069-1 590006069 01 AB 0.403 IIIa[J]maani[man][man][man][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma][J][ma]

April 24, 2015 Account Number:

Dear Johnny D Pennington:

This letter confirms the arrangements you made for the balance of \$1,490.11. We have listed a summary of the payment agreement below:

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Agreement Amount Due	Due Date	•
\$250.00	May 3, 2015	
\$248.02	May 22, 2015	
\$248.02	June 23, 2015	
\$248.02	July 23, 2015	
\$248. <b>02</b>	August 21, 2015	
\$248.03	September 21, 2015	

These amounts will appear on your monthly electric service bill in addition to your current bill amount. Please remember that when you receive your regular monthly service bills in the future, you still must pay your past due amounts as stated in this letter.

If you do not comply with any of these terms, AEP may disconnect your electric service. If we disconnect service, the entire remaining past due balance plus a reconnection charge must be paid to have service restored. You also may be required to pay a security deposit before service is reconnected.

If you have any questions, contact AEP at 1-800-572-1113.

#### KENTUCKY POWER IS AVAILABLE 24 HOURS A DAY 7 DAYS A WEEK

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## EXHIBIT 2

AUTRI CALL AUTRICAL	Power CY 05	<b>\$1,010.72</b> Total Amount Due	\$ Amount Enclosed
<ul> <li>Send Inquiries To:</li> <li>PO BOX 24401</li> <li>CANTON, OH 44701-4401</li> <li>R-03-533779069 Final Bil</li> </ul>	9940	Current Char	jes Due Aug 19
4091-1 030004091 01 AT     0.413			
אין	плания ке fon PC 6-8770	ke Check Payable and Send To: ENTUCKY POWER COMPAN DOX 24410 NTON OH 44701-4410 I[1][1][1][1][1][1]]	

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Please tear on dotted line	FINALBILL	Return top portic	an with your pa	yment
Service Address:	Rate Tariff: Multi Metered-0	22		Page 1 of 2
JOHNNY D PENNINGTON	Account Number	Due		
736 HAGER BR	Account Number Total Amount Due		Aug 19, 2015	
EAST POINT, KY 41216-8770	Meter Number Cycle-Route		, Bill I	
		05-07		,2015
	Previous Charges:			
	Amount Due After Paymer	it Aareement	\$	1,602.42
Questions About Bill or Service, Call:	Payment 07/14/15 - Thank		Ŷ	-117.78
1-800-572-1113	On Premise Charge			13.00
Pay By Phone: 1-800-611-0964	Previous Balance D	10	\$	1,497.64
14	Final Bill Charges:	ue	φ	1,497.04
KPCO Messages	Tariff 022 - Residential Sa	rvice 07/27/15		
IMPORTANT NOTICE: This is a FINAL BILL. I	f Rate Billing		\$	96.08
you learthis is an error, please call IMMESIATELY.	Fuel Adj @ 0.0111488- Pe	r KWH	Ψ	-11.06
	DSM Adj @ 0.0003830 Pe			
Easy pickers of your old refrigerator - You can	Residential HEAP @ \$0.15			.38
earn easy money from the comfort of your	Kentucky Economic Development Surcharge			.11
easy chair. Receive a \$50 rebate when you	Capacity Charge @ 0.0011850 Per KWH			.11
recycle your old, working refrigerator or freezer. To schedule your easy pickup today,	Big Sandy 1 Operation Rider @ 0.0033000 Per KWH			1.18
call 844.685.7459 or visit	Asset Transfer Rider 4.3584600%			3.28
KentuckyPower.com/recycle .				3.93
Make your life easter. You can write one	Big Sandy Retirement Rider 3.0071000% Environmental Adj 5.9182000-%			2.71
check for multiple electric accountsi			. —	<u>-5.33</u>
	Current Electric Cha	\$	91.39	
	Tariff 097 - Outdoor Light			
	Rate Billing 43 KWH Used		\$	8.27
	Fuel Adj @ 0.0111488- Per KWH			48
	Capacity Charge @ 0.0011850 Per KWH			.05
	Big Sandy 1 Operation Rider @ 0.0014700 Per KWH			.06
	Asset Transfer Rider 4.3584600%			.34
	Big Sandy Retirement Rider 3.0071000%			.24
		Environmental Adj 5.9182000-%		
	Current Electric Cha	Current Electric Charges Due		8.01
	Deposit Applied		\$	-586.00
	Deposit Interest Applied		\$	32
Visit us at www.KentuckyPower.com Rates available on request	Total Amount Due			<b>44</b> 040 <b>50</b>
See other side for important information				\$1,010.72
•	Current Charges Due Au	មិន		
	Deposit Summary: Total Deposit Amount		*	
ATT KENTUCKY	Total Deposit Returned		\$	586.00
A unit of American Electric Power	Total Remaining Deposit		\$	586.00
n macornitontal Decars FOUGI	rotantionanting Depusit	·	\$	.00

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Send Inquiries To; PO BOX 24401 CANTON, OH 44701-4401 CANTON, OH 44701-4401

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4091-1 Service Address: JOHNNY D PENNINGTON 736 HAGER BR EAST POINT, KY 41216-8770

Ra	ate 1	ariff:	Multi	Metered-022	

Rate Tariff: Multi Metered-022		Page 2 of 2
Account Number	Total Amount Due	Due Date
	\$1,010.72	Aug 19, 2015
Meter Number	Cycle-Route	Bill Date
	05-07	Aug 3, 2015

Meter	Service Period		Meter Reading Detail			
Number	From	To	Previous	Code	Current	Code
	07/06	07/27	75492	Actual	76484	Actual
Multiplier	1.0000		Metered Usage 992 KWH			
	07/27	07/27	76484	Actual	76484	Actual
Multiplier	1.0000		Metered Usage 0 KWH			

13 Month Usage History

Total KWH for Past 12 Months is

17,479

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KWH	Jan16	Fab	Mar	2 <sup>kl</sup>	∜ May	eĝ₀ □□□ nut	2 	
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	Month	Total KWH	Days	KWH Per Day	Cost Per Day	Average Temperature	
	Current	2,662	52	51	\$4.40	73°F	
	Previous	636	31	21	\$2.30	69°F	
	One Year Ago	0	0	0	\$0.00	0°F	
Your Average Monthly Usage: 2,913 KWH							

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Additional Messages



aranı)	A unit of American Electric Power	Account Number CY_05	<b>\$1,010.72</b> Total Amount Due	\$ Amount Enclosed
inen	Send Inquiries Tò: PO BOX 24401 CANTON, OH 44701-4401 R-03-UNMETERED F1	0	Current (	Charges Due
	5217-1 030005217 01 SP 0.485			
	İmmillifi Johnny D Pennington 736 Hager Br East Point, ky 41216-8770	PO E CAN	Check Payable and Send To: TUCKY POWER COMPAN 30X 24410 TON OH 44701-4410 •[1]]1]1]1]1]1]1]1]1]1]1]1]1]1]1]1]1]1]1	-
۵	007070300070707030	100000000034	0824	08005700004
	ease tear on dotted line		Return top	portion with your payment
<u>P(</u>		Rate Tariff: Residential - Water Heater-022		
	rvice Address;	Rate Tariff: Residential - W	ater Heater-022	ر
Sei JO	rvice Address; DHNNY D PENNINGTON 6 HAGER BR	Rete Terriff: Residential - W Account Number	ater Heater-022 Total Amount Due \$1,010.72	Due Date **Immediately**

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Bill Date

Aug 24, 2015

IMPORTANT NOTICE

**Cycle-Route** 

05-07

Meter Number

Unmetered

A final bill was recently issued for the account at the above service address.

Our records indicate that the final balance remains unpaid as of August 24, 2015. It may have been overlooked. So here is another copy.

Please make your payment immediately to clear the past due balance or let us know when payment will be made.

If payment has been made, please accept our thanks and disregard this notice.



736 HAGER BR EAST POINT, KY 41216-8770