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PUBLIC SERVICE
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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

NEEDHAM BETZ THOROUGHBREDS, INC.)	
)	
COMPLAINANT)	
)	
vs.)	CASE NO. 2019-00373
)	
)	
KENTUCKY-AMERICAN WATER COMPANY)	
)	
DEFENDANT)	

ANSWER AND MOTION TO DISMISS

Now comes the Defendant, Kentucky-American Water Company (“KAW”), and for its Answer to the October 1, 2019 Complaint in this matter filed by Needham Betz Thoroughbreds, Inc. (“NBT”), makes the following admissions, denials, statements and defenses. Further pleading, KAW moves for a dismissal with prejudice of the Complaint.

1. The Complaint fails to state a claim upon which relief can be granted.
2. The Complaint’s allegations are set forth wholly on a single page attached to the Public Service Commission’s Formal Complaint form. That single page includes six unnumbered paragraphs. In responding to the Complaint herein, KAW will address each unnumbered paragraph as “First Paragraph,” “Second Paragraph,” etc.
3. In response to the allegation in the First Paragraph, KAW admits that NBT is a KAW customer located at 4001 Mount Horeb Pike in Lexington, Kentucky and that KAW billings to NBT prior to September 2015 reflect actual usage. KAW is without information sufficient to admit or deny the balance of the allegations in the First Paragraph, and, therefore, denies same.

4. In response to the allegations in the Second Paragraph, KAW admits that a well exists at the customer's premises. KAW is without information sufficient to admit or deny the balance of the allegations in the Second Paragraph, and, therefore, denies same.

5. In response to the allegations in the Third Paragraph, KAW states that the invoices KAW sent to NBT speak for themselves and denies any allegation inconsistent with those invoices. KAW further states that the allegations in the Third Paragraph related to measured usage during the later part of 2015 and the early part of 2016 reflect a misreading of the operative date of those invoices. NBT misuses the billing dates of the invoices as the usage dates. One must look at the "billing usage" to see the time period for which usage is being measured. The "billing date" is merely the date the bill was prepared, so it is always after the "billing period" shown on the same bill. Thus, KAW states that for the billing period of July 18, 2015 through December 17, 2015, no usage is reflected on those bills; that for the billing period December 18, 2015 through January 18, 2016, 64,328 gallons were used; and then no usage is reflected from January 19, 2016 until March 2019 when a new meter was installed to replace the prior meter which had been stuck since on or about January 19, 2016. KAW admits that when it back billed NBT for the period during which the meter was stuck,¹ that bill was generated based on usage for the last usage period before the meter became stuck (December 18, 2015 through January 18, 2016) and the first usage period recorded by the replacement meter (March 21, 2019 through April 16, 2019).

6. In response to the "allegations" in the Fourth and Fifth Paragraphs, KAW states they are not factual allegations. Rather, they are argument not requiring a response. In any event, KAW disagrees with NBT's argument.

¹ Although the meter was stuck from on or about January 16, 2016 until a replacement meter was installed on March 21, 2019 (over three years), KAW only seeks payment of the last twelve months of that period in accordance with KAW's tariff. Thus, whatever water NBT used from January 16, 2016 to March 21, 2018, it is not being asked to pay for such water.

7. In response to the “request” in the Sixth Paragraph, KAW states that no such reevaluation of the billings is necessary; that NBT owes the amount reflected on the April 17, 2019 bill; and that NBT’s Complaint be dismissed.

8. KAW denies that the customer is entitled to any relief requested in the Complaint.

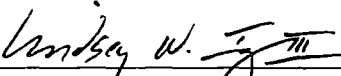
9. KAW denies each and every allegation in the Complaint not specifically admitted to be true herein.

10. As directed by Ordering Paragraph 3 on page 3 of the Commission’s November 27, 2019 Order in this matter, KAW hereby attaches a copy of the April 18, 2019 correspondence to NBT.

WHEREFORE, KAW moves for a dismissal of the Complaint with prejudice.

Respectfully submitted,

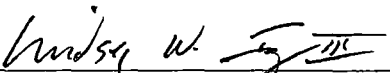
Lindsey W. Ingram III
STOLL KEENON OGDEN PLLC
300 West Vine Street, Suite 2100
Lexington, Kentucky 40507
(859) 231-3000
L.Ingram@skofirm.com

By 
Counsel for Defendant

CERTIFICATE OF SERVICE

This is to certify that the original and 6 copies of the foregoing Answer and Motion to Dismiss have been filed on this 9th day of December, 2019 at the Public Service Commission and that a true and accurate copy of same has been served, via U.S. Mail and e-mail, on the same day.

Michael D. Meuser
Miller Griffin & Marks, P.S.C.
271 West Short Street, Suite 600
Lexington, Kentucky 40507
mmeuser@kentuckylaw.com


Counsel for Defendant

010311.003026/8093810.1



P.O. Box 578 Alton, IL 62002

04/18/2019

Needham Betz Thoroughbreds Inc
4001 Mount Horeb Pike
Lexington, KY 40511-9585

For Service To:
Account Number:

Service Address: 4001 Mount Horeb Pike
Lexington, KY 40511-9585

Dear Needham Betz Thoroughbreds Inc,

Providing reliable, quality water and/or wastewater service to our customers is a top priority. That is why we are contacting you about a very important matter concerning your account. During a routine inspection, we found the water meter at this address was malfunctioning. As a result of our investigation, the water use was not properly recorded for 1,157 days from January 19, 2016 to March 30, 2019. Due to Kentucky American Water Regulations, you will only be back billed for 365 days from March 21, 2018 to March 20, 2019.

Because there was water used that has not been billed, you will soon receive a bill that reflects the estimated amount of water used during the period when the meter was not registering correctly. The additional charge is for 1,253,648 gallons of water in the amount of \$5,864.44. This amount noted represents volumetric charges only and does not include any taxes or surcharges which may be associated with your rates for service. These charges, if applicable, will be itemized on the invoice you receive along with your next billing cycle. The invoice will also include the usage from the new meter from March 21, 2019 to April 16, 2019.

To determine the billing amount, we have taken an average of 1 month usage before and after the meter stopped registering. We then multiplied your daily usage by the number of days the water use was not captured. This number was used to determine the additional water use to be billed, reducing this amount and accounting for any water use that may have been billed during the period specified. This additional water usage was then multiplied by the rates that were in effect during the time frame that the usage did not fully register.

We apologize for this inconvenience and understand this is an unexpected additional bill amount. If you cannot pay the bill by the due date, we will enter into a payment agreement with you up to 12 months. If you wish to discuss payment options, please contact Customer Service at the number listed on the bottom of this letter. Representatives are available to assist you 7 a.m. to 7 p.m., Monday through Friday.

Sincerely,

American Water Customer Service