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jfinnigan@cinergy.com

JOHN J. FINNIGAN, JR.
Senior Counsel

VIA OVERNIGHT MAIL

December 15, 2004



Ms. Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

RECEIVED

DEC 16 2004

PUBLIC SERVICE
COMMISSION

Re: In the Matter of Deborah B. Schmidt and John R. Schmidt v. The Union Light,
Heat and Power Company Case No. 2004 - 00454

Dear Ms. O'Donnell:

Enclosed please find an original and 12 copies of The Union Light, Heat and Power Company's Answer in the above captioned case.

Please return two filed-stamped copies in the enclosed overnight envelope.

If you have any questions, please feel free to contact me at (513) 287-3601.

Sincerely,

A handwritten signature in cursive script that reads "John J. Finnigan, Jr.".

John J. Finnigan, Jr.

JJF/sew
Enclosures

cc: John R. Schmidt, M.S. (w/enclosure)
Deborah Schmidt

RECEIVED

DEC 16 2004

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:)	
)	
DEBORAH B. SCHMIDT AND)	
JOHN R. SCHMIDT)	
)	CASE NO. 2004-00454
COMPLAINANTS)	
)	
v.)	
)	
THE UNION LIGHT, HEAT AND)	ANSWER OF DEFENDANT, THE
POWER COMPANY)	UNION LIGHT, HEAT AND
)	POWER COMPANY
DEFENDANT)	

For its answer to the complaint filed herein and pursuant to 807 KAR 5:001, Section 12, defendant The Union Light, Heat and Power Company respectfully states as follows:

FIRST DEFENSE

1. ULH&P denies the allegations contained in paragraph 1 of the complaint.
2. In response to paragraph 2 of the complaint, ULH&P states that the August 25 billing statement contained a disconnection notice in the amount of \$412.70, as noted on the printed statement on the bill. The disconnection amount was not shown as \$177.12. ULH&P denies the remaining allegations in paragraph 2 of the complaint.
3. In response to paragraph 3 of the complaint, ULH&P states that, on September 14, 2004, Mrs. Schmidt spoke with a Cinergy credit representative LaToya. Mrs. Schmidt was informed that the least amount to pay to avoid disconnection was \$177.12 by close of business on August 16, 2004. She was also notified that if not paid by that

date, the entire disconnection amount of \$412.70 would have to be paid. ULH&P further states that the customer owed a payment of \$177.12, which was due under the customer's payment agreement by August 20, 2004. When this payment was missed, the agreement was in default. This payment would have only cancelled the agreement until September 16, 2004, which was the due date of the August 25, 2004 bill. This figure was not shown on the bill or the enclosed disconnection notice as the amount to avoid disconnection. ULH&P denies the remaining allegations in paragraph 3 of the complaint.

4. In response to paragraph 4 of the complaint, ULH&P admits that a \$177.12 payment was posted to the account on September 17, 2004. ULH&P is without knowledge or information sufficient to form a belief as to the truth of the allegation that a disconnection notice was enclosed with payment. ULH&P further states that a notice was posted at the downtown Cincinnati night box location stating that all payments made after 2:00 p.m. would be posted to the customer's account on the next business day. ULH&P denies the remaining allegations in paragraph 4 of the complaint.

5. In response to paragraph 5 of the complaint, ULH&P states that payments posted on September 17, 2004 were delivered to the bank on September 17, 2004. ULH&P denies the remaining allegations in paragraph 5 of the complaint.

6. In response to paragraph 6 of the complaint, ULH&P states that payment of \$375.00 was made on July 20, 2004, to reset a previous payment agreement that was in default effective June 25, 2004. ULH&P denies the remaining allegations in paragraph 6 of the complaint.

7. In response to paragraph 7 of the complaint, ULH&P states that the September 24, 2004 bill contained the following message: IMPORTANT: If your service has not yet

been disconnected, please pay \$274.70 immediately to avoid disconnection. ULH&P further states that a final ten-day disconnection notice was sent to the premises on September 10, 2004, and that this notice was not cancelled. ULH&P also states that an order to disconnect service was issued on September 22, 2004. ULH&P denies the remaining allegations in paragraph 7 of the complaint.

8. In response to paragraph 8 of the complaint, ULH&P states that the curb-box at the customer's residence had been referred to ULH&P's Construction & Maintenance group in August to re-align. On October 4, 2004, an order was sent to the Construction & Maintenance group to re-align the curb-box and turn it off at the curb for non-payment. The service had been eligible for disconnection due to non-payment since September 22, 2004. At this time, ULH&P is unable to admit or deny the allegation that "employees of Cinergy appeared at subject property and indicated to Deborah Schmidt that they were 'clearing the line.'" ULH&P denies the remaining allegations in paragraph 8 of the complaint.

9. In response to paragraph 9 of the complaint, ULH&P states that gas service was terminated on October 4, 2004. ULH&P denies the remaining allegations in paragraph 9 of the complaint.

10. ULH&P denies the allegations contained in paragraph 10 of the complaint.

11. ULH&P denies the allegations contained in paragraph 11 of the complaint.

12. ULH&P denies the allegations contained in paragraph 12 of the complaint.

13. In response to paragraph 13 of the complaint, ULH&P states that service to the premises was disconnected on October 4, 2004. ULH&P denies the remaining allegations in paragraph 13 of the complaint.

14. In response to paragraph 14 of the complaint, ULH&P states that Mr. Schmidt paid \$373.00 to restore service in Mrs. Schmidt's name. He then requested service be transferred to his name. Service was placed in the name of John Schmidt effective November 20, 2004. ULH&P denies the remaining allegations in paragraph 14 of the complaint.

15. In response to paragraph 15 of the complaint, ULH&P states that payment was received on November 20, 2002 on account in the name of John Schmidt. Service ended in the customer's name on October 30, 2002. ULH&P denies the remaining allegations in paragraph 15 of the complaint.

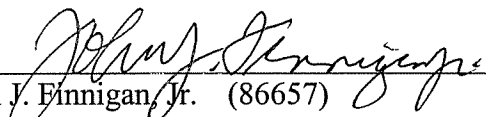
SECOND DEFENSE

ULH&P provided service to the premises at 3126 Hulbert Avenue, Erlanger, Kentucky in accordance with all requirements under Kentucky statutes, regulations and ULH&P's tariffs.

THIRD DEFENSE

The complaint fails to state a claim upon which relief can be granted.

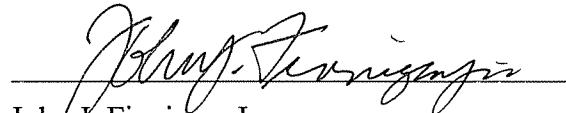
THE UNION LIGHT, HEAT AND
POWER COMPANY



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CERTIFICATE OF SERVICE

I hereby give notice that on this 15th day of December, 2004, a copy of the foregoing Answer of The Union Light, Heat and Power Company was served on the following party by regular U.S. mail, postage prepaid.


John J. Finnigan, Jr.

Deborah B. Schmidt
John R. Schmidt, M.S.
463 Erlanger Road
Erlanger, Kentucky 41018-1427