



Ernie Fletcher  
Governor

LaJuana S. Wilcher, Secretary  
Environmental and Public  
Protection Cabinet

Christopher L. Lilly  
Commissioner  
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Kent W. Blake  
Director State Regulations and Rates  
Louisville Gas and Electric Company  
220 W. Main Street  
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Commonwealth of Kentucky  
**Public Service Commission**  
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Telephone: (502) 564-3940  
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psc.ky.gov

March 31, 2006

Mark David Goss  
Chairman

Teresa J. Hill  
Vice Chairman

Gregory Coker  
Commissioner

CERTIFICATE OF SERVICE

RE: Case No. 2005-00010  
Louisville Gas and Electric Company

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on March 31, 2006.

Executive Director

BOD/sh  
Enclosure



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Honorable Dennis G. Howard II  
Assistant Attorney General  
Office of the Attorney General Utility & Rate Intervention Division  
1024 Capital Center Drive  
Suite 200  
Frankfort, KY 40601-8204

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Regina Ann Morris  
4906 Red Fern Road  
Louisville, KY 40218-4142

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COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

REGINA ANN MORRIS	)	
	)	
COMPLAINANT	)	
	)	
v.	)	CASE NO. 2005-00010
	)	
LOUISVILLE GAS AND ELECTRIC COMPANY	)	
	)	
DEFENDANT	)	

ORDER

Regina Ann Morris ("Complainant") has filed a formal complaint against the Louisville Gas and Electric Company ("LG&E") in which she alleges that LG&E has unreasonably demanded an increase in the amount of her deposit for electric and gas service. At issue is whether LG&E's demand for an additional deposit after Complainant failed to timely pay for her electric service is lawful and reasonable. Finding that the demand is consistent with the provisions of LG&E's filed rate schedules, we deny the complaint.

LG&E provides electric and natural gas service to the Complainant's residence at 4906 Fern Road, Louisville, Kentucky. On November 16, 2004, it discontinued electric service to that residence because of Complainant's failure to pay her bill. It restored electric service to the residence after Complainant paid the arrearage and late fees. It also demanded that Complainant increase her deposit with the electric utility from \$160 to \$240. Complainant refused to make the additional deposit and instead filed a formal

complaint with the Commission in which she alleged that the electric utility's demand was unreasonable.

LG&E's filed rate schedules provide:

Generally, deposits will be required from all customers not meeting satisfactory credit and payment criteria. Satisfactory payment criteria with the Company may be established by paying all bills rendered, having no disconnections for nonpayment, having no late notices, having no defaulted credit arrangements, having no returned payments, having no meter diversion or theft of service.<sup>1</sup>

On June 30, 2004, the Commission authorized an increase in its security deposit for combined gas and electric customers from \$180 to \$240.<sup>2</sup> LG&E applied this increase prospectively. It required from persons who applied for service after June 30, 2004 a deposit of \$240. Similarly, it required persons who were customers after June 30, 2004, but whose service was subsequently disconnected for non-payment or who otherwise failed to meet satisfactory credit and payment credit criteria, to deposit or increase their deposit to \$240.<sup>3</sup>

Complainant does not contest that she failed to pay her bill for electric service in a timely manner, that LG&E discontinued her electric service for non-payment, and that this discontinuance was proper or lawful. As Complainant's electric service was

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<sup>1</sup> Louisville Gas and Electric Company, Rates, Terms and Conditions for Furnishing Electric Service, Tariff Original Sheet 87, P.S.C. No. 6; Louisville Gas and Electric Company, Rates, Terms and Conditions for Furnishing Gas Service, Tariff Original Sheet 86, P.S.C. No. 6.

<sup>2</sup> Case No. 2003-00433, An Adjustment of the Electric Rates, Terms and Conditions of Louisville Gas and Electric Company (Ky.P.S.C. June 30, 2004).

<sup>3</sup> To reestablish satisfactory payment history, an LG&E customer must maintain 36 continuous months without delinquent payments, late notices, or disconnections for non-payment.



discontinued for non-payment after June 30, 2004, she could not be considered a customer "meeting satisfactory credit and payment criteria" and was required under the provisions of LG&E's filed rate schedule to deposit \$240 to guarantee payment of her bills.

LG&E is required to enforce and follow the provisions of its filed rate schedules. See KRS 278.160(2).<sup>4</sup> Moreover, to treat the Complainant in a different manner by not requiring the full deposit amount when it required such amount from other customers who failed to meet satisfactory credit and payment credit criteria would have constituted a violation of KRS 278.170(1).<sup>5</sup>

Having carefully reviewed the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. Complainant has failed to show that LG&E's demand for an additional deposit of \$80, or a total deposit of \$240, after Complainant failed to timely pay for her electric service is unreasonable or unlawful.
2. The complaint should be dismissed.

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<sup>4</sup> No utility shall charge, demand, collect, or receive from any person a greater or less compensation for any service rendered or to be rendered than that prescribed in its filed schedules, and no person shall receive any service from any utility for a compensation greater or less than that prescribed in such schedules.

<sup>5</sup> No utility shall, as to rates or service, give any unreasonable preference or advantage to any person or subject any person to any unreasonable prejudice or disadvantage, or establish or maintain any unreasonable difference between localities or between classes of service for doing a like and contemporaneous service under the same or substantially the same conditions.

3. A hearing on the complaint is not necessary in the public interest or for the protection of substantial rights.

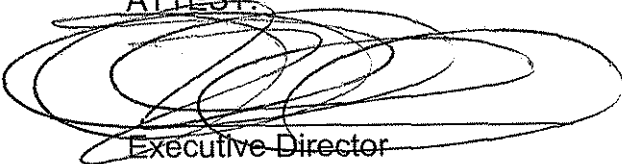
IT IS THEREFORE ORDERED that:

1. Complainant's complaint is dismissed with prejudice.
2. This case shall be removed from the Commission's docket.

Done at Frankfort, Kentucky, this 31st day of March, 2006.

By the Commission

ATTEST:



Executive Director