



LG&E Energy LLC
220 West Main Street (40202)
P. O. Box 32030
Louisville, Kentucky 40232

January 24, 2005

Ms. Elizabeth O'Donnell
Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40601

RE: Michael Hunter D/B/A M. H. Rehab (Case No. 2005-00012) v. KU

Dear Ms. O'Donnell:

In accordance with the Commission's Order dated January 12, 2005, in the above-captioned proceeding, enclosed please find an original and ten (10) copies of the response of Kentucky Utilities Company.

If you have any questions regarding this filing, please contact me at (502) 627-4110.

Sincerely,

A handwritten signature in black ink, appearing to read "John Wolfram".

John Wolfram
Manager, Regulatory Affairs

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matters of:)	
)	
MICHAEL HUNTER D/B/A)	
M.H. REHAB)	
)	
COMPLAINANT)	CASE NO. 2005-00012
v.)	
)	
KENTUCKY UTILITIES COMPANY)	
)	
DEFENDANT)	

ANSWER OF KENTUCKY UTILITIES COMPANY

In accordance with the Commission’s order dated January 12, 2005 in the above-captioned proceeding, Kentucky Utilities Company (“KU”) respectfully submits this Answer to the above referenced Complaint filed by Michael Hunter D/B/A M.H. Rehab (“MH Rehab) on December 29, 2004. With respect to the allegations contained in paragraph (a) and (b) of the Complaint, KU admits the factual information set forth in those paragraphs while clarifying that KU’s address in Lexington is One Quality Street.

With respect to the allegations contained in paragraph (c) of MH Rehab’s Complaint that (1) “[MH Rehab] was placed on the wrong rate” and (2) that “[MH Rehab] was not given a choice,” KU denies that KU placed MH Rehab on the wrong rate and denies that another choice was not available. While hindsight shows MH Rehab was not on the most advantageous rate, Original Sheet No. 82 “Optional Rates” of KU’s electric tariff provides that “If two or more rate schedules are available for the same class of service, it is the customer’s responsibility to determine the options available and to

designate the schedule under which he desires to receive service.” The tariff further states that “The Company will, at any time, upon request, advise any Customer as to the most advantageous rate for existing or anticipated service requirements as defined by the Customer, but the Company does not assume responsibility for the selection of such rate or for the continuance of the lowest annual cost under the rate selected.” MH Rehab does not assert in its Complaint that any such request for assistance was made.

With respect to the statement contained in paragraph (c) of MH Rehab’s Complaint, “... note the increase in July and the decrease, after I called in November...,” KU admits that MH Rehab experienced a decrease in the electric bill due to the change from rate LP to rate GS which was effective with the December 2004 bill. KU states that Original Sheet No. 82 “Optional Rates” of KU’s electric tariff provides that the “Customer should investigate his operating conditions to determine a desirable change from one available rate to another. The Company, lacking knowledge of changes that may occur at any time in the Customer’s operating conditions, does not assume responsibility that Customers will at all times be served under the most beneficial rate.”

KU’s Business Service Center actually went several steps further to provide MH Rehab with the opportunity to examine its rate in that three letters (see attached) were mailed to MH Rehab denoting the numerous services available to MH Rehab at no charge. Specifically noted in each letter is the opportunity offered to review MH Rehab’s electric rate.

LG&E denies all allegations in the Complaint which are not expressly admitted in the foregoing paragraphs of this Answer.

FIRST AFFIRMATIVE DEFENSE

The Complainant fails to set forth any claim upon which relief can be granted by this Commission and, therefore, should be dismissed.

SECOND AFFIRMATIVE DEFENSE

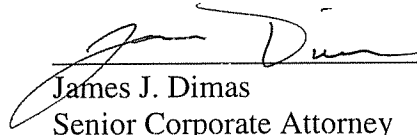
The Complainant has failed to set forth a *prima facie* case that LG&E has violated its tariff or any Commission statute or regulation, and the Complaint should be dismissed for that reason.

WHEREFORE, for all of the reasons set forth above, Louisville Gas and Electric Company respectfully requests:

- (1) that the Complaint herein be dismissed without further action being taken by the Commission
- (2) that this matter be closed on the Commission's docket
- (3) that LG&E be afforded any and all other relief to which it may be entitled.

Dated: January 24, 2005

Respectfully submitted,



James J. Dimas

Senior Corporate Attorney
Kentucky Utilities Company and
Louisville Gas and Electric Company
220 West Main Street
Louisville, Kentucky 40202

Letter 1 – June

XYZ Corporation
1234 Louisville Drive
Louisville, KY 40202

The KU Business Service Center Hears You

Dear Valued Business Client:

As a result of a recent survey among KU business clients, we gained great insight and ideas. We appreciate your honesty because it helps us to improve in areas that are important to you.

From the survey, we learned that some of you would like to see us improve our billing and communication. I am sending you this letter to let you know that we are concentrating on improving those areas, especially to improve service to business customers. The following are some of the ways we can help with your energy-related needs so you can concentrate on the growth of your business.

- **Dial Direct** - Avoid delays by using designated direct phone numbers to reach a Business Service Center (BSC) representative quickly.
- **Check your Rate** – Call the BSC to find out if you can save money by switching to a different rate.
- **Summary Billing**- Consolidate your accounts for easy, efficient management of energy bills.
- **FREE Energy Audits** – Find out how to make your operation more energy efficient. The service is FREE to our commercial customers (on KU's GS rate) and will provide you with an in-depth analysis of your energy savings opportunities.

The KU BSC is dedicated to meeting the specialized needs of our small business customers, with special representatives whose sole purpose is to help you manage the energy-related needs of your business. And, if you've experienced problems with billing, communication or any other service we provide, you can call us and we'll work with you to find a solution.

We're open from 7 a.m. to 6 p.m. EST Monday through Friday. You can reach us at **(859) 367-1200**, **(800) 383-5582** or email us at bsc@lgeenergy.com. You can also go to www.lgeenergy.com/bsc to learn about different ways we can help your business, or even view and pay your bills online.

We look forward to working with you.

Sincerely,

David A. Daniel
Manager
Business Service Center

P.S. I've enclosed a magnet with our contact information for your convenience. Plus, a listing of our services is also available in the enclosed brochure.

Letter 2 – August

XYZ Corporation
1234 Louisville Drive
Louisville, KY 40202

We want to help you keep your bills as low as possible.

Dear Valued Business Client:

We recognize the challenges that face our business clients. With the winter heating season only a few months away, we realize you may have questions as to how to better manage your utility bills.

Along with continuing to give friendly support, advice and quick service to business owners and managers, the Business Service Center (BSC) is working to provide services that will help our customers with their energy needs. Here are a few services we recommend to save you time and money:

- **Rate Check-** Are you on the best rate? So far this year, at least 10% of customers requesting rate checks found they would pay less on another rate. Contact a BSC representative to see if another rate would save you money.
- **FREE Energy Audit** – This service is available to our commercial customers (on KU's GS and LP rate). Call the BSC to find out more!
- **Dial Direct** - Avoid delays by using designated direct phone numbers to reach a BSC representative.

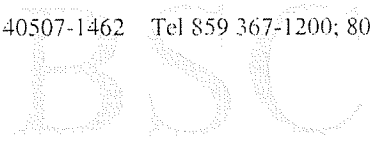
You can reach us directly at **(859) 367-1200, (800) 383-5582** or email us at bsc@lgeenergy.com. We're available from 7 a.m. to 6 p.m. EST Monday through Friday. You can also go to www.lgeenergy.com/bsc to learn how we can help your business, including time saving tools like viewing and paying your bills online.

We look forward to hearing from you, and serving you better in the future.

Sincerely,

David A. Daniel
Manager
Business Service Center

P.S. Save time and money by using online tools to conduct most, if not all, of your energy utility business. Go to www.lgeenergy.com/bsc to find out more.



Let us help you plan for 2005!

The Business Service Center is here to help! We offer a wide variety of services that will add ease and convenience to managing your monthly energy bills.

Questions about billing issues? Need to stop or start service?

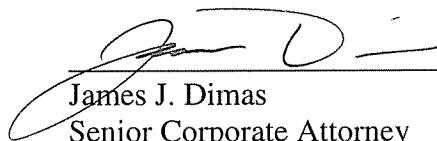
The BSC is the one stop shop for all your business energy needs. We can even review your account to recommend a better billing method, or see if another rate would save you money.

- **Dial Direct** — Avoid delays by using designated direct phone numbers to reach a BSC representative.
- **On-line Services** — Save time and money by using online tools to conduct most, if not all, of your energy utility business. Services include:
 - View and pay your bill online
 - Stop, Start, and Transfer Service
 - Specialized billing and account management tools. For example, Automatic Bank Club (ABC) lets you have your payments deducted electronically on their due date.
- **FREE Energy Audits** — This service is FREE to our commercial customers (on KU's GS rate). An energy efficiency specialist will provide an in-depth analysis of your energy savings opportunities.

Call us today at **(859) 367-1200**, **(800) 383-5582** or email us at bsc@lgeenergy.com. We're available from 7 a.m. to 6 p.m. EST Monday through Friday. You can also go to www.lgeenergy.com/bsc, and learn how we can help your business, or even view and pay your bills online.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Application was served on the Parties of Record on the 24th day of January, 2005, U.S. mail, postage prepaid:



James J. Dimas
Senior Corporate Attorney
Louisville Gas & Electric Company
220 West Main Street
Louisville, Kentucky 40202
Respectfully submitted,