



Ernie Fletcher
Governor

LaJuana S. Wilcher, Secretary
Environmental and Public
Protection Cabinet

Christopher L. Lilly
Commissioner
Department of Public Protection

Honorable J. Gregory Cornett
Attorney at Law
Stoll Keenon Ogden PLLC
1700 PNC Plaza
500 West Jefferson Street
Louisville, KY 40202

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

Mark David Goss
Chairman

Teresa J. Hill
Vice Chairman

Gregory Coker
Commissioner

June 27, 2006

CERTIFICATE OF SERVICE

RE: Case No. 2005-00171
Kentucky Utilities 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 June 27, 2006.

A handwritten signature in black ink, appearing to read "Beth O'Donnell", written over a horizontal line.

Executive Director

BOD/jc
Enclosure

Honorable J. Gregory Cornett
Attorney at Law
Stoll Keenon Ogden PLLC
1700 PNC Plaza
500 West Jefferson Street
Louisville, KY 40202

Jim Dimas
Senior Corporate Attorney
Louisville Gas and Electric Company
220 W. Main Street
P. O. Box 32010
Louisville, KY 40232-2010

Harry Tramel
234 Jacks Way
Eddyville, KY 42038

John Wolfram
Manager, Regulatory Affairs
Kentucky Utilities Company
c/o Louisville Gas & Electric Co.
P. O. Box 32010
Louisville, KY 40232-2010

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

HARRY TRAMEL)	
)	
COMPLAINANT)	
)	
v.)	CASE NO. 2005-00171
)	
KENTUCKY UTILITIES COMPANY)	
)	
DEFENDANT)	

ORDER

On May 9, 2005, Harry Tramel ("Complainant") filed with the Commission a formal complaint against Kentucky Utilities Company ("KU") alleging that KU incorrectly informed him that a separate meter must be installed at Complainant's detached garage and that, as a result, Complainant must pay a \$10 minimum monthly charge. Complainant requests that he not be required to pay the \$10 minimum monthly service charge and that he be charged for only actual electrical usage at the garage, which would be less than \$10 a month.

KU asserts that it is charging Complainant pursuant to its properly filed rates. KU also states that it has no record that it ever advised Complainant that a separate meter must be installed on his garage in order for service to be extended.

BACKGROUND

Complainant began construction of his new home and detached garage in Eddyville, Kentucky during 2001 and completed the garage first. Complainant sought

service at the construction site and, because the garage was already completed, he called KU to have service extended there. Complainant alleges that when he contacted the KU office in Eddyville he was informed that separate electric meters would be required for the garage and the home. KU has no record of, nor do any employees at the Eddyville office remember, advising Complainant that separate meters were required. Upon completion of the construction of the home, a separate meter was installed at the residence.

Complainant was charged KU's residential service ("RS") rate for his residence, whereas the service for the garage was billed at KU's general service ("GS") rate.¹ The GS rate is a non-residential rate that applies to general lighting and small power loads for secondary service. In Case No. 2003-00434,² the Commission approved an increase from \$4 to \$10 in the monthly GS rate. As a result of the increase, after June 30, 2004, Complainant's minimum monthly bill for the service to the garage increased by \$6.

KU does not contest that service to the garage was requested first, but it asserts that it has no record that it or any of its employees ever advised Complainant, Complainant's wife, or the contractor that a separate meter must be installed on the garage. KU further asserts that while Complainant's usage may be minimal, he is still properly charged the GS service rate.

¹ The GS rate is designed for "general lighting and small power loads." Tariff of Kentucky Utilities Company, Sheet No. 10, P.S.C. No. 13.

² Case No. 2003-00434, An Adjustment of the Electric Rates, Terms, and Conditions of Kentucky Utilities Company (final Order dated June 30, 2004.)

KU asserts that the garage could be billed under the RS schedule if Complainant removed the meter at the garage and then connected his garage to his residence. Complainant states that this solution is unacceptable because the land between the garage and the residence has been landscaped and there is also a retaining wall between the two structures.

DISCUSSION

The gravamen of the complaint is that he “should be charged only for what is just payment for electrical usage”³ and not the \$10 minimum monthly charge under the GS rate. Complainant claims that the Commission, in approving the increase of the minimum monthly bill from \$4 to \$10, had not “realized the full impact it created by the approval of this increase.”⁴

It appears from the pleadings that Complainant is arguing that he should not be charged the minimum service charge of the GS rate because he believes it to be unreasonable. He does not assert that his garage is a residence and therefore eligible for the RS rate.

The Commission approved the minimum charge for the GS rate in Case No. 2003-00434 in June 2004. KU issued the proper notice of the hearing and the public was given an opportunity to participate and object. At that time Complainant did not object to the increase in rates. Complainant has raised no issues nor presented sufficient evidence to prove that the minimum monthly charge of the GS rate, or how the GS rate as applied, is unreasonable or unlawful.

³ Complaint, Exhibit A.

⁴ Id.

Pursuant to KRS 278.160, a utility must charge its filed rates to all customers. If a utility does not have a certain charge or rate on file, and no other Commission regulation or statute is applicable, the utility cannot charge the rate. Kentucky courts have found that, even in the presence of a tort committed by a utility, the utility must collect its filed rates and charges. The Kentucky Court of Appeals has also upheld this statute in Boone County Sand and Gravel v. Owen County Rural Electric Cooperative Corporation, 779 S.W.2d 224 (Ky. App. 1989).

The GS rate is the current rate on file with the Commission and, therefore, the RS rate does not apply to the garage if a separate meter is installed there. KU must charge Complainant the GS rate, including the minimum monthly charge. Allowing KU to waive Complainant's minimum monthly charge would violate both KRS 278.160 and KRS 278.170. The Commission cannot grant the relief requested.

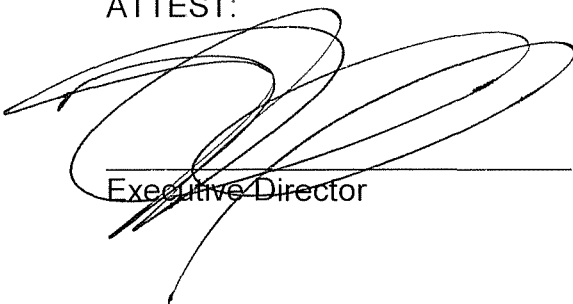
Complainant refuses to remedy the situation by running a service line from his house to the garage, thus removing the need for the separate meter at the garage. Regardless of the reasons given by Complainant for not connecting service between the garage and the residence, that option appears to be a reasonable and lawful solution to the complaint. Based on the foregoing, the Commission finds that the complaint fails to state a claim upon which relief may be granted.

IT IS THEREFORE ORDERED that this case is dismissed with prejudice and is removed from the Commission's docket.

Done at Frankfort, Kentucky, this 27th day of June, 2006.

By the Commission

ATTEST:



Executive Director

Case No. 2005-00171