



Louisville Gas and Electric Company
220 West Main Street (40202)
P.O. Box 32010
Louisville, Kentucky 40232

October 17, 2005

RECEIVED

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PUBLIC SERVICE
COMMISSION

Elizabeth O'Donnell
Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, Kentucky 40602

Re: *In the Matter of: Enrique Espinosa v. Louisville Gas and Electric Company,*
Case No. 2005-00398

Dear Ms. O'Donnell:

Enclosed please find an original and ten (10) copies of the Answer of Louisville Gas and Electric Company to the Complaint of Mr. Enrique Espinosa in the above-referenced docket.

Should you have any questions concerning the enclosed, please do not hesitate to contact me at 502-627-4110.

Sincerely,

John Wolfram

cc: Mr. Enrique Espinosa

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ENRIQUE ESPINOSA)	
)	
COMPLAINANT)	
)	
v.)	CASE NO. 2005-00398
)	
LOUISVILLE GAS AND ELECTRIC)	
COMPANY)	
)	
DEFENDANT)	

* * * * *

ANSWER OF LOUISVILLE GAS AND ELECTRIC COMPANY

In accordance with the Kentucky Public Service Commission's ("Commission") Order of October 7, 2005 in the above-captioned proceeding, Louisville Gas and Electric Company ("LG&E" or the "Company") respectfully submits this Answer to the Complaint of Enrique Espinosa ("Mr. Espinosa") filed on September 26, 2005. In support of its Answer, and in response to the specific averments contained in said Complaint, LG&E states as follows:

1. LG&E admits the allegations contained in paragraph (a) of the Complaint, on information and belief.

2. With regard to the allegations contained in paragraph (b) of the Complaint, LG&E states that its primary business address is 220 West Main Street, Louisville, Kentucky 40202.

3. With regard to the allegations contained in paragraph (c) of the Complaint, LG&E states as follows:

a. With regard to the averment that “[t]he facts that are the reason and basis for my complaint regard LG&E misrepresentation of the correctness of my 6104 Orion home gas meter actual reading February 15, 2005 (9795) (Encl. 1),” LG&E denies any misrepresentation by the Company.

b. With regard to the averment that “[b]ased upon this misrepresentation LG&E justifies the unduly high single month actual reading (1152) of March 16 (Encl. 2) as due to previous assumed underestimations including the February 15 actual reading,” LG&E again denies any misrepresentation or deception. LG&E further states that, during the months of August, 2004 through January, 2005, LG&E estimated the readings on Mr. Espinosa’s gas meter, because LG&E did not have access to the meter. LG&E obtained access to the meter on February 15, 2005, and recorded the numbers on the gas meter at that time as “9795.” LG&E believes that the meter reader did not accurately read the gas meter at that time. As a result, LG&E believes that the reported February, 2005 meter reading was incorrect and resulted in another low bill. When the next reading was taken in March, 2005, the previous low estimates and what LG&E believes to be a low February reading were corrected.

c. LG&E admits the averment that “[a]s quoted from the Commission letter of April 4, 2005, LG&E declared: ‘On February 15 the meter reader reported that

the glass was painted and the meter reader believed that the reading he recorded was incorrect.””

d. With regard to the averment that “[t]he truthfulness of this assertion, which is crucial to understanding the cause of the high reading March 16 (1152) is negated by the following facts: a) The meter and the glass have not been painted and the glass was and is clear (Encl. 3); b) Clarity of the glass permitted LG&E to read 1152 the month following February 15 (March 16) without questioning the clarity of the glass; c) That paint on the meter glass made the February 15 actual reading incorrect was declared by LG&E to me and the Commission only after my complaint March 30 and not before; d) The LG&E contractor who after my complaint came unannounced to service the meter April 3 acknowledged to me a clear glass, and e) On February 15 when my son Luis and I encountered the meter reader, we all could clearly read 9795 thru a clear glass,” LG&E affirmatively states that the meter glass was reported by the technician as “painted,” however, it is possible that the problem may have resulted from moisture under the meter glass, rather than the presence of any paint. The glass was replaced by the Company on March 31, 2005, and so it is likely that there was clear glass on the meter on April 3, 2005. Readings on March 31, 2005 and April 15, 2005, as “1248” and “1261” respectively, support the accuracy of the March 16, 2005 reading.

e. As to the averment that “I was happy to verify the low gas consumption in my Orion home after keeping the thermostat to the minimum while spending part of last year and this in my second home-farm at 43702 East Rehl Court and keeping my Orion home gates closed,” LG&E states that it is without knowledge or

information sufficient to form a belief as to the truth of this averment, but notes that gas consumption for this period was down some from the previous year.

f. As to the averment that “[n]otice that 9795 was the most recent actual reading from the previous actual reading of 9392 (Encl. 4) on July 16, 2004 and not from the 9368 reading of May 18 indicated in the Commission letter,” LG&E agrees that Mr. Espinosa’s gas meter was actually read on July 16, 2004 as “9392.”

g. As to the averment that “[b]ecause I purposely used less gas last Winter, as verified by the 9795 actual reading, comparisons with previous years consumption as described by LG&E to the Commission are also in error,” LG&E states that Mr. Espinosa’s Customer Usage History speaks for itself, but notes that gas consumption for this period was down some from the previous year.

h. As to the averment that “[i]n view that the February 15 actual reading was indeed correct and ended previous estimations, the reading of March 16 (1152) indicated an unprecedented and unduly gas usage in a single month,” LG&E disagrees that the February 15, 2005 reading was accurate. Due to the Company’s inability to access the meter from August, 2004 through January, 2005, and the believed inaccurate reading on February 15, 2005, LG&E believes that the reading of March 16, 2005 was the first accurate reading since July 16, 2004. As a result, LG&E believes that it is likely that 1357 ccf’s were not consumed during the period from February 16, 2005 through March 16, 2005, but rather that this amount was recorded following six months of estimates and one inaccurate reading.

i. As to the averment that “[t]his unduly usage had never happened before in this home as shown in the LG&E Customer Usage History attached to the

Commission letter,” LG&E agrees that gas consumption in the amount of 1,357 ccf’s during a single month would be unusual for this customer.

j. As to the averment that “I called LG&E to investigate this high reading after I received the high bill of March 16,” LG&E admits that its records confirm that Mr. Espinosa first contacted LG&E about his March, 2005 bill on March 19, 2005.

k. LG&E denies the averment that “instead of testing for this unduly high usage in a single month, as mandated in Section 10(3) of the Regulations, LG&E chose to misrepresent the March 16 actual reading as the most recent actual reading and also misrepresent the February 15 actual reading as incorrect.” LG&E affirmatively states that it offered to have the meter tested for accuracy. However, Mr. Espinosa declined the offer, noting that the gas meter was now functioning properly.

l. As to the averments that “[i]n the absence of high gas usage in the month ending March 16, the high meter reading is consistent with the meter jump-turning from 9999 ccf (end of scale) to 1000 ccf instead of 0000 ccf (beginning of scale). Such meter failure would explain the March 16 overbilling for 1000 ccf gas (\$877.69),” LG&E states that, in order for this to occur, the index on the meter must be damaged in some way. When the glass on a meter is changed, it is standard procedure for the technician to check the index on the meter for any damage. The field personnel reported no evidence in this case of any damage to the meter or to the index itself.

m. As to the averment that Mr. Espinosa is “extremely concerned that LG&E officials, as further documented in the attached note (Encl. 5), have falsely construed that the February 15 actual reading was incorrect and underestimated to thus misrepresent the unduly elevated March 16 reading as caused by previous assumed

underestimations including the February 15 actual reading,” LG&E denies any misrepresentation by the Company.

n. As to Mr. Espinosa’s statement that “[i]n view of the false basis of the overbilling (\$877.69), I desire as a relief nullification of such overbilling, corresponding late charges collected (\$62.38) and currently billed, plus applicable penalties and punitive damages for such deceit,” LG&E again denies any misconduct or deceit and further states that the Commission “possesses no power to adjudicate claims for damages.” *In the Matter of: Tiffany Blunk v. South Central Bell Telephone Company*, Case No. 93-032, Order of March 8, 1994 (citing Carr v. Cincinnati Bell, Inc., Ky. App., 651 S.W.2d 126 (1983)).

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

FIRST AFFIRMATIVE DEFENSE

Mr. Espinosa’s meter was estimated for six months, because his gate was locked and LG&E did not have access to his meter. On the third estimate, a notice was printed on his bill requesting access to his meters. On January 21, 2005, a letter was mailed requesting access to the meter and advising that service may be interrupted if access was not given. Mr. Espinosa contacted LG&E’s meter reading department on January 25, 2005, and indicated that he would leave the gate open for the February 15, 2005 reading, which occurred.

Mr. Espinosa’s gas meter was in fact read on February 15, 2005, but subsequent readings have lead LG&E to conclude that the meter was under-read at that time.

LG&E believes that Mr. Espinosa's gas meter was accurately read on March 16, 2005, as "1152," which resulted in a large bill. Meters register cumulative usage, therefore, the March reading corrected for the previous estimates and what LG&E believes to be an incorrect February reading. An LG&E representative replaced the glass on the meter on March 31, 2005. On that day, the gas meter was read as "1248." Mr. Espinosa's gas consumption for the period from March 18, 2004 through March 16, 2005 was less than the previous year, but still consistent with his consumption from earlier years. The glass on Mr. Espinosa's gas meter was changed out again on September 30, 2005, due to the presence of moisture under the glass.

Mr. Espinosa contends that when his gas meter turned over from "9999," it jumped to "1000" instead of "0000." Based upon the Company's experience, in order for this to occur, the index on the meter must be damaged in some way. When the glass on a meter is changed, it is standard procedure for the technician to check the index on the meter for any damage. The field personnel reported no evidence in this case of any damage to the meter or to the index itself.

When Mr. Espinosa contacted LG&E, an LG&E representative offered to have the meter tested for accuracy. Mr. Espinosa declined the offer, noting that the meter was functioning properly now. LG&E remains willing to perform a meter test, if requested. In addition, LG&E is willing to make payment arrangements with Mr. Espinosa to allocate the payments over a period of time.

SECOND AFFIRMATIVE DEFENSE

The Complaint, or parts of it, fails to set forth any claim upon which relief may be granted by this Commission and, therefore, should be dismissed.

THIRD AFFIRMATIVE DEFENSE

Complainant has failed to set forth a *prima facie* case that LG&E has violated its tariff or any statute or Commission 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; and
- (3) that LG&E be afforded any and all other relief to which it may be entitled.

Dated: October 17, 2005

Respectfully submitted,



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Counsel for Louisville Gas and Electric
Company

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Answer was served on the following on the 17th day of October, 2005, U.S. mail, postage prepaid:

Enrique Espinosa
6104 Orion Road
Louisville, Kentucky 40222



Counsel for Louisville Gas and Electric
Company