



DUKE ENERGY CORPORATION  
139 East Fourth Street  
P. O. Box 960  
Cincinnati, OH 45201-0960  
Telephone: (513) 419-1810  
Facsimile (513) 419-1846

Amy B. Spiller  
Associate General Counsel  
Duke Energy Shared Services, Inc  
E-mail: Amy.Spiller@duke-energy.com

**VIA OVERNIGHT DELIVERY**

June 11, 2008

**RECEIVED**  
JUN 12 2008  
PUBLIC SERVICE  
COMMISSION

Ms. Stephanie Stumbo  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40602-0615

Re: Case No. 2008-00198

Dear Ms. Stumbo:

Enclosed please find an original and twelve copies of the Answer of Duke Energy Kentucky, Inc. to the Complaint filed for the above captioned case.

Please date-stamp the extra two copies and return to me in the enclosed envelope.

Sincerely,

Amy B. Spiller  
Associate General Counsel

cc: Kenneth Gerwe

BEFORE THE PUBLIC SERVICE COMMISSION

In the matter of: )  
)  
KENNETH GERWE ) Case No. 2008-00198  
4859 Saddleridge Ct. )  
Independence, KY 45202 )  
)  
Complainant )  
)  
v. )  
)  
Duke Energy Kentucky, Inc. )  
P.O. Box 960 )  
139 East Fourth Street )  
Rm 2500 AT II )  
Cincinnati, OH 45201 )

**RECEIVED**  
JUN 12 2008  
PUBLIC SERVICE  
COMMISSION

---

ANSWER OF DUKE ENERGY KENTUCKY, INC.

---

Duke Energy Kentucky, Inc. ("DE-Kentucky") for its answer to the complaint in the proceeding, respectfully states:

FIRST DEFENSE

1. DE-Kentucky admits the allegations contained in paragraph 1 of the Complaint. Answering further, DE-Kentucky states that on or about September 25, 2007, Complainant's natural gas meter was upgraded with the installation of a communication module and a new index as part of DE-Kentucky's Advanced Metering Infrastructure (AMI) program. The communication module electronically communicates consumption information to the DE-Kentucky and connects to the index. The index displays the natural gas consumption levels. The two devices work together, but are two separate components of the AMI natural gas meter. The communication device and index initially installed on Complainant's natural gas

meter were incompatible with the type of meter at Complainant's residence. The incompatibility created friction on the index, which caused it to operate slower than designed and not register the actual natural gas consumption. On or about December 20, 2007, DE-Kentucky replaced the communication device and index with models that were compatible with Complainant's meter. At that time, the new index started at zero and began registering Complainant's consumption.

2. In response to paragraph 2 of the Complaint, DE-Kentucky admits that an employee read Complainant's meter. Complainant's meter was read on or about January 22, 2008, and again on February 27, 2008. Answering further, DE-Kentucky states that the December 20, 2007 installation of the new AMI communication module number did not get updated in DE-Kentucky's customer management system ("CMS") until February 27, 2008. DE-Kentucky was unable to obtain electronic readings until that time. Answering further, DE-Kentucky admits the remainder of the allegations contained in paragraph 2.
3. In response to the allegations contained in paragraph 3 of the Complaint, upon information and belief, DE-Kentucky admits that Complainant called to inquire about the bill. DE-Kentucky denies the allegation that Complainant was told he was being billed because he did not use the same amount of gas as last year and that it was up to Complainant to prove it. Complainant was billed because his natural gas meter did not register all of his consumption due to the incompatible AMI communication module installed in September 2007. Answering further, DE-Kentucky is without knowledge or information sufficient to form a belief as to the

truth of the remainder of the allegations in paragraph 3 and, therefore, denies the same.

4. In response to the allegations contained in paragraph DE-Kentucky admits that Complainant requested a copy of the work order for the module replacement. DE-Kentucky further admits that Complainant requested the names of other customers who also had complaints about the communication modules and that DE-Kentucky did not provide Complainant with customer names. For privacy and identity protection reasons, DE-Kentucky does not share customer specific information, including but not limited to, names, addresses, and account numbers with other customers. DE-Kentucky denies the remainder of the allegations contained in paragraph 4 of the Complaint. Answering further, DE-Kentucky states that the letter dated April 29, 2008 (attached to the Complaint) was a correction to the calculation of the un-metered consumption. The back billing amount contained in the March 25, 2008 letter (attached to the Complaint) was incorrect because it did not include all of Complainant's previous payments. Upon information and belief, DE-Kentucky has now learned that the proper period for the recovery of un-metered consumption is September 25, 2007 through December 19, 2007. DE-Kentucky is only seeking recovery of the un-metered consumption for that period.
5. In response to the allegations contained in paragraph 5 of the Complaint, DE-Kentucky admits that it sent Complainant a copy of the work order showing the replacement of the communication module, and that the work order did not contain the communication module's serial number. Answering further, DE-Kentucky admits that it sent Complainant a copy of a spreadsheet showing a calculation for

the billing adjustment. DE-Kentucky also admits that the serial number for the communication module is necessary to receive electronic readings. DE-Kentucky is without knowledge or information sufficient to form a belief as to the truth of the remainder of the allegations in paragraph 5 and, therefore, denies the same.

6. In response to the allegations contained in paragraph 6 of the Complaint, DE-Kentucky denies the allegation that the module was not replaced. DE-Kentucky replaced the communication module on December 20, 2007. The meter and index were functioning properly upon replacement of the communication module and index in December 20, 2007, and, Complainant's actual consumption was read and billed from that point forward. DE-Kentucky's system was updated on or about February 27, 2008 and the Company began receiving electronic consumption information at that time. There is a serial number on the communication module that was replaced. It just was not listed on the work order. DE-Kentucky admits that the sequential numbers of Complainant's index were not reset in February 2008. There was no need to reset them or to replace the index in February since the device was functioning as of December 20, 2007. Answering further, DE-Kentucky is without knowledge or information sufficient to form a belief as to the truth of the remainder of the allegations in paragraph 6 and, therefore, denies the same.

7. In response to the allegations contained in paragraph 7 of the Complaint, DE-Kentucky denies Complainant's allegation that he does not owe for the un-metered consumption. Complainant is responsible for paying for the un-metered natural gas consumption for the period of September 25, 2007 through December 19, 2007.

DE-Kentucky is without knowledge or information sufficient to form a belief as to the truth of the remainder of the allegations in paragraph 7 and, therefore, denies the same.

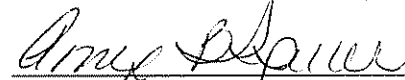
AFFIRMATIVE DEFENSES

1. The Complaint fails to state a cause of action upon which relief can be granted.
2. At all relevant times, DE-Kentucky has billed Complainant and has otherwise acted in accordance with rules and regulations of the Kentucky Public Service Commission, DE-Kentucky' filed tariffs, and Kentucky law, including but not limited Kentucky Revised Statutes (KRS) 278.160(2).
3. DE-Kentucky has the right and authority under Kentucky law to bill Complainant for un-metered natural gas consumption due to a malfunctioning meter.
4. DE-Kentucky respectfully reserves the right to plead any and all additional defenses that discovery may reveal.

WHEREFORE, DE-Kentucky prays that the complaint be dismissed and that the Commission award DE-Kentucky any and all other relief which it may appear entitled.

Respectfully submitted,

DUKE ENERGY KENTUCKY, INC.



---

Amy B. Spiller (85309)  
Associate General Counsel  
Duke Energy Kentucky, Inc.  
139 East Fourth Street, Rm 25 AT II  
Cincinnati, Ohio 45201-0960  
Phone: (513) 419-1810  
Fax: (513) 419-1846  
e-mail: amy.spiller@duke-energy.com

**CERTIFICATE OF SERVICE**

This is to certify that a copy of the foregoing Answer has been served via  
overnight mail to the following party on this 11<sup>th</sup> day of June, 2008:

Kenneth Gerwe  
4859 Saddleridge Ct.  
Independence, KY 41051

  
\_\_\_\_\_  
Amy B. Spiller