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Mr. Jeff DeRouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

December 14, 2009

**RE: In the Matter of Mike Williams v. Kentucky Utilities Company
Case No. 2009-00346**

Dear Mr. DeRouen:

Enclosed please find an original and ten (10) copies of the Reply to the Response filed by Mr. Williams on December 2, 2009 in the above-referenced proceeding.

Should you have any questions concerning the enclosed, please do not hesitate to contact me.

Sincerely,

Rick E. Lovekamp

cc: Mike Williams

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**PUBLIC SERVICE
COMMISSION**

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

MIKE WILLIAMS)	
)	
COMPLAINANT)	
)	
v.)	CASE NO. 2009-00346
)	
KENTUCKY UTILITIES)	
COMPANY)	
)	
)	
DEFENDANT)	

* * * * *

REPLY OF KENTUCKY UTILITIES COMPANY
TO RESPONSE OF MIKE WILLIAMS

On November 16, 2009, the Kentucky Public Service Commission (“Commission”) issued an order permitting Mike Williams (“Mr. Williams”) to file a written response (“Response”) to the Answer and Motion to Dismiss (“Answer”) filed by Kentucky Utilities Company (“KU”) on October 30, 2009. The Commission also ordered KU to file its reply within ten days thereafter. KU, therefore, respectfully submits this Reply to the Response filed by Mr. Williams on December 2, 2009.

ARGUMENT

Under the filed rate doctrine, KU is required to bill all of its customers for the amount of electricity they actually consume. K.R.S. § 278.160(2). Mr. Williams assumed responsibility for the four private outdoor lighting fixtures (“Fixtures”) when he requested service be in his name for the property located at 108 East Main Street in Mount Sterling (“Property”), yet failed to advise KU that the service he was requesting was different from the service previously provided to the prior customer of record at that address.

Mr. Williams argues that he should not bear the responsibility of informing KU that the lights were not on his Property, and consequently, should be awarded a refund for the charges stemming from the Fixtures for the past nine-and-a-half years. However, from a practical standpoint, KU cannot check the property records of every customer who calls in for service. Further, KU is not able to independently inspect each subsequent owner’s property to ensure all property is allocated to the right party. KU depends on its customers to accurately inform KU of the services to be provided by the Company. *See* KU’s tariff at Original Sheet No. 97 (“From time to time, Customer should investigate his operating conditions to determine a desirable change from one available rate to another. Company, lacking knowledge of changes that may occur at any time in Customer's operating conditions, does not assume responsibility that Customer will at all times be served under the most beneficial rate.”) KU does not intentionally charge one customer for another customer’s actual usage. This is further demonstrated by KU’s prompt removal of the Fixtures from Mr. Williams’ bill once he informed KU that he did not want that service. When Mr. Williams notified KU that he would be assuming

responsibility of the Property and failed to note that the Property had been divided, KU properly initiated the same service in Mr. Williams' name.

Mr. Williams also notes in his Response that he "doesn't normally review the back of [his] bill," and that presumably, even if he did, the cost of the Fixtures wouldn't be a "glaring red light." KU admits that the cost of the Fixtures represent a small portion of Mr. Williams' monthly bill. However, as stated above, KU is required to charge customers for the amount of electricity they actually consume. Although KU cannot contact each customer directly and personally talk them through the specifics of their monthly charges, customers may contact KU through their call centers or by coming into any local business office to discuss any questions about their bills. The monthly billing statement is the most practical and efficient way to convey necessary consumption information to our customers. Further, the monthly billing statement serves as a notice to our customers of their actual usage.

The assertion that the charge for the Fixtures only appears on the back of the bill is not correct. The charge for the Fixtures appears on both the front and the back of the bill: on the front of the bill under the heading "Unmetered Charges" and on the back of the bill under the heading "Meter and Usage Information." Also, the charge for both the poles and the wires needed to serve the Fixtures were labeled as "ODL Facility Charge" and included on the back of his bill under the heading "Other Charges." Finally, both of these totals were included in the "Billing Summary" on the front of the bill.

Mr. Williams also states that he recently contacted KU about a higher-than-normal bill and was informed that rates had increased. Without more information, such as the date of his call or the time period for the bill in question, KU cannot appropriately

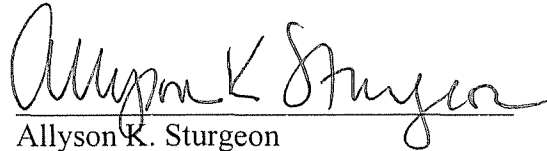
respond to this assertion except to affirmatively state that base rates changed in July, 2009 in accordance with Case No. 2008-00520, which approved the amount of fuel cost that should be transferred (rolled-in) to KU's base rates.

CONCLUSION

For the foregoing reasons, Kentucky Utilities Company respectfully requests that the Complaint herein be dismissed without further action taken by the Commission, that this matter be closed on the Commission's docket and that KU be afforded any and all other relief to which it may be entitled.

Dated: December 14, 2009

Respectfully submitted,



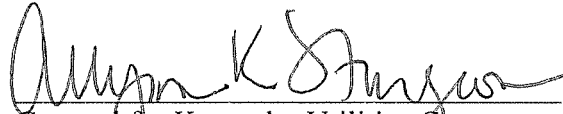
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Counsel for Kentucky Utilities Company

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Answer was served on the following on the 14th day of December, 2009, U.S. mail, postage prepaid:

Mike Williams
Downtown Athletic Club
108 East Main Street
Mt. Sterling, Kentucky 40353


Counsel for Kentucky Utilities Company