Steven L. Beshear Governor

Leonard K. Peters Secretary Energy and Environment Cabinet



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 David L. Armstrong Chairman

James W. Gardner Vice Chairman

Charles R. Borders Commissioner

June 2, 2010

TO: DIVISION OF FILINGS

RE: Case No. 2010-00188 Jackson Energy Cooperative v. London Country Club, Inc.

Please file in the administrative record of the above-referenced case the enclosed letter from counsel for London Country Club, Inc. to Commission Staff received on June 1, 2010; a letter from me to counsel for Jackson Energy Cooperative dated June 2, 2010; and a letter from me to counsel for London Country Club, Inc. dated June 2, 2010.

Sinceretv e Director

Enclosures

cc: Hon. Clayton O. Oswald Taylor, Keller, Dunaway & Tooms, PLLC P.O. Box 905 1306 W. 5th St. London, KY 40743-0905

> Hon. Teresa J. Hill Brown & Hill, PLLC 1005 S. Main St., Ste. 1.01 Corbin, KY 40701

> > Kentucky

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June 2, 2010

Hon. Clayton O. Oswald Taylor, Keller, Dunaway & Tooms, PLLC P.O. Box 905 1306 W. 5th St. London, KY 40743-0905

Re: Case No. 2010-00188, Jackson Energy Cooperative v. London Country Club, Inc.

Dear Mr. Oswald:

Please find enclosed a copy of a letter sent to Commission Staff by Hon. Teresa J. Hill, counsel for London Country Club, Inc. A copy of the letter is being filed in the record of the above-referenced case.

On May 25, 2010, Ms. Hill spoke to Commission Staff by telephone regarding the Order issued by the Commission in the above-referenced case on May 18, 2010. Ms. Hill pointed out that London Country Club was not served with a copy of Jackson Energy's complaint in the case and, thus, had not been made a party to the case. She expressed her concern that London Country Club had not been afforded the opportunity to dispute certain facts asserted by Jackson Energy in its complaint.

At the suggestion of Commission Staff, Ms. Hill followed the May 25 telephone conversation with the enclosed letter, which was received on June 1, 2010. In the letter, Ms. Hill asks the Commission, on behalf of London Country Club, to "vacate and amend any and all portions of the May 18, 2010 Order, beyond its finding that the PSC is without jurisdiction to hear the matter pursuant to KRS 278.260(1), and that the Order finally dismiss the Complaint."

Commission Staff would like to discuss the issues raised by Ms. Hill in a telephonic informal conference with you and Ms. Hill on Monday, June 7, 2010, at 1:00 p.m., Eastern Daylight Time. The conference call will be attended by General Counsel, Helen Helton; Assistant General Counsel, Richard Raff; and Staff Attorney, Rick Bertelson. Please call 502-564-9110 at that time and input the code 5463940 to access our teleconference line.

Director

cc: Hon. Teresa J. Hill Case File - Case No. 2010-00188 David L. Armstrong Chairman

James W. Gardner Vice Chairman

Charles R. Borders Commissioner Steven L. Beshear Governor

Leonard K. Peters Secretary **Energy and Environment Cabinet**



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June 2, 2010

Hon. Teresa J. Hill Brown & Hill, PLLC 1005 S. Main St., Ste. 1.01 Corbin, KY 40701

Re: Case No. 2010-00188 Jackson Energy Cooperative v. London Country Club, Inc.

Dear Ms. Hill:

Please find enclosed a copy of a letter sent to Hon. Clayton O. Oswald, counsel for Jackson Energy Cooperative. A copy of the letter is being filed in the record of the abovereferenced case.

Commission Staff would like to discuss with you and Mr. Oswald the issues raised by you in your telephone conversation with Commission Staff on May 25, 2010 and in your letter which was received on June 1, 2010.

Commission Staff requests your attendance by telephone at a conference call to be held on Monday, June 7, 2010, at 1:00 p.m., Eastern Daylight Time. The conference call will be attended by General Counsel, Helen Helton; Assistant General Counsel, Richard Raff; and Staff Attorney, Rick Bertelson, Please call 502-564-9110 at that time and input the code 5463940 to access our teleconference line.

ncerel tive Director

Hon. Clayton O. Oswald CC: Case File - Case No. 2010-00188

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David L. Armstrong Chairman

James W. Gardner Vice Chairman

Charles R. Borders Commissioner

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May 27, 2010

Kentucky Public Service Commission 211 Sower Boulevard Frankfort, KY 40602 Attn: Helen Helton; Rick Bertelson

RECEIVED

JUN 01 2010

PUBLIC SERVICE COMMISSION

VIA EMAIL AND U.S. MAIL

In the matter of:

Case No. 2010-00188 Jackson Energy Cooperative v. London Country Club

Dear Ms. Helton and Mr. Bertelson:

Please be advised that I represent London County Club ("LCC") as it relates to a billing dispute with Jackson Energy Cooperative ("Jackson Energy"). Late afternoon, May 25, 2010, my client called and asked why I had not informed him that the dispute between LLC and Jackson Energy had been filed and adjudicated by the Kentucky Public Service Commission. I had no idea what he was talking about. He then emailed me a copy of a PSC Order, entered on May 18, 2010 (see attached Order). There is no certificate of service so I do not know who mailed the Order to LCC.

Needless to say, I was very surprised to see an Order with my client listed as a defendant with a case number and referencing a complaint I had never seen. A quick review of the first part of the Order, which states that "the Commission is without authority to accept Jackson Energy's complaint against London Country Club" made me think the case had been dismissed due to lack of jurisdiction which is why neither LCC, nor me as its attorney, were ever notified of the case, either by the PSC, or by Clayton Oswald, attorney for Jackson Energy.

However, instead of stopping with its proclaimed lack of jurisdiction, which would have been proper, the Order went on to cite "facts" from the Complaint (which again, LCC has never been served nor even provided a courtesy copy), and then, the Order continues and issues opinions as to the underlying dispute between Jackson Energy and LCC, totally ignoring its own finding that the PSC does not have jurisdiction and ignoring the fact that the "defendant" was never given due process nor an opportunity to respond to the facts alleged in the Complaint by Jackson Energy. In a sentence which could prove to be potentially and extremely damaging to LCC's on-

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going business, the Order actually encourages and/or authorizes the utility to terminate a customer's service and file a court action against the customer. The impropriety of the Order and its prejudicial effect on my client, LCC, should be redressed immediately by the Commission.

An outline of the improprieties contained in this Order and related to the Complaint filed by Jackson Energy are set forth below, but may not be limited to the matters listed:

- LCC to this date has never received a copy of the Complaint, either from Clayton Oswald, attorney of record for Jackson Energy, or from the Kentucky Public Service Commission.
 - This is in spite of both Jackson Energy and Clayton Oswald having received and responded to correspondence from the undersigned directly related to the billing dispute
 - This is in spite of the PSC issuing an ORDER which renders opinions on the Complaint filed by Jackson Energy.
- LCC was never notified or served with the Complaint, thus it obviously could not respond to the allegations in the Complaint, and was denied due process. This would have been inconsequential had the PSC limited its Order to dismissing the Complaint due to lack of jurisdiction; instead, the Commission does not dismiss the Complaint, and advises the Utility in a public Order on remedies, and issues opinions as to the underlying dispute alleged in the Complaint.
- LCC is not a party to the case, thus, LCC is without standing to request a "rehearing" under KRS 278.400. Likewise, the fact that there was no hearing (despite fact finding and opinions being issued in the Order) makes KRS 278.400 inapplicable as a remedy.
- As LCC is not a party to the case, LCC would appear to have no standing under KRS 278.410 to ask the circuit court to set aside the portions of the order on the grounds that certain portions of the Order are "unlawful or unreasonable."
- The Order as issued is prejudicial to LCC, as it:
 - Gives an opinion on the underlying dispute between Jackson Energy and LCC on a matter which is a "fact" dispute, and despite the fact that the Order correctly finds the Commission does NOT have jurisdiction.

KY PSC May 27, 2010 Page Three

- The Order states "facts" which are incorrect (such as the London Country Club has made no payments on the underbilled amount).
- States that Jackson Energy has the "authority" to terminate the customer's service for nonpayment pursuant to 807 KAR 5:006, Section 14(1)(f). Reference to that particular cite ignores the factual dispute between Jackson Energy and LCC and makes the presumption (again incorrectly) that the allegations in Jackson Energy's complaint are undisputed and to be taken as true.
- The Order as issued can be used by Jackson Energy as justification for shutting off service to LCC, thus possibly irreparably harming an on-going business, or to prejudice a decision by a circuit court on this issue as it gives "opinions" from the recognized regulator and assumed expert on utility law, the Kentucky Public Service Commission.
- The Order correctly states that the PSC has no jurisdiction over a complaint by a utility against a customer. KRS 278.260(1) does allow the PSC to hear complaints initiated by a customer against a utility. Should LCC have sought its statutory remedy by seeking redress from the PSC, the Order as issued evidences a prejudice against LCC in that a determination on the issue has already been made by the PSC; thus the Order has prevented LCC from seeking relief via the PSC.

Based the foregoing, LCC respectfully requests that the PSC immediately and on its own volition, vacate and amend any and all portions of the May 18, 2010 Order, beyond its finding that the PSC is without jurisdiction to hear the matter pursuant to KRS 278.260(1), and that the Order finally dismiss the Complaint. I request an immediate response in writing from the PSC as to how it will remedy this situation.

By this letter and the requests herein, the London Country Club does not submit to jurisdiction of the PSC, nor does it waive in any way its available defenses or statutory and/or administrative rights as a Kentucky utility customer, or any other rights or defenses as it relates to the billing dispute between it and Jackson Energy. KY PSC May 27, 2010 Page Four

Should you have questions or comments, please do not hesitate to contact me.

Sincerely

Teresa J. Hill, Counsel for London Country Club ("LCC")

Attachment: Order, dated May 18, 2010, Case No. 2010-00188

c: Anthony Combs, LCC