

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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**PUBLIC SERVICE
COMMISSION**

In the Matter of:

PAMELA EMILYROSE SUE SAMUEL)

COMPLAINT)

v.)

KENTUCKY POWER COMPANY)

DEFENDANT)

Case No. 2008-00486

Answer of Kentucky Power Company

Kentucky Power Company for its Answer to Ms. Samuel's complaint states:

1. Kentucky Power denies the allegations in Ms. Samuel's complaint. Specifically, Kentucky Power denies that service has been terminated to 140 McKnight Street, Ashland, Kentucky 41102; that Kentucky Power refused an offer by Ms. Samuel to pay \$400.00 on the account; or that Kentucky Power refused to enter into a reasonable payment plan.

2. Ms. Samuel's complaint fails to state a claim for which relief may be granted. Her complaint nowhere identifies any statute, regulation or Commission Order that Kentucky Power has violated and none is evident upon the face of the Complaint.

To provide the Commission with a complete and accurate understanding of Kentucky Power's efforts to resolve this matter, Kentucky Power states:

Customer's Usage and Payment History

3. The account for service to 140 McKnight Street, Ashland, Kentucky 41102 was established by Michael Samuel in his name in May, 2008.

4. Through November 10, 2008, the Customer consumed \$1,157.99 in electricity at the service address. In addition, the Customer incurred late payment service charges in the amount of \$31.73.

5. To date, the Customer has made payments totaling only \$452.78. This total includes the \$220.00 deposit received at the time service was established. In addition to the deposit, the Customer has made two payments on the account during the six months Kentucky Power has provided service. The first was a payment on August 13, 2008 of \$40.00 (against an outstanding balance of \$484.04.) A second payment, in the amount of \$192.78 (against an account balance of \$720.08) was received September 5, 2008. As of November 10, 2008, the Customer's unpaid balance, prior to the application of the deposit and interest, totaled \$956.94.

Kentucky Power's Efforts to Negotiate A Reasonable Payment Plan

6. The Customer failed to make any payments for service rendered in May, June and July, 2008. Thereafter, customer was notified that service would be terminated on August 13, 2008.

7. Customer or his agent contacted Kentucky Power on August 11, 2008. At that time, Customer or his agent entered in a payment plan in which Customer agreed to pay \$445.58 on or before September 4, 2008 and to pay in a timely fashion all current charges.

8. Customer failed to make the \$445.58 payment called for under the payment. On September 4, 2008, Kentucky Power entered into a second payment plan with Customer. Under that payment plan, Customer agreed to pay current amounts in a timely fashion and to pay \$192.78 immediately to be credited against the past due amount. The balance of the past due amount was to be paid in three equal monthly payments of \$175.77.

9. The Customer paid the \$192.78 on September 5, 2008. This is the last payment received by Kentucky Power from the customer.

10. The first payment under the second payment plan, in the amount of \$377.19 (\$201.42 for current service plus \$175.77 toward arrears), was due September 24, 2008. The Customer failed to make this payment or to contact Kentucky Power. Thus, in the space of approximately two months, Kentucky Power entered into two payments plans with the Customer. The Customer breached both.

11. The second payment plan was terminated on October 14, 2008 because of the Customer's failure to comply with its terms. The Customer was notified that service would be terminated on November 11, 2008.

Termination of Service By Mr. Samuel and Efforts By
Ms. Samuel and Ms. Millhouse To Obtain Service

12. On November 5, 2008, a male identifying himself as Mr. Samuel telephoned Kentucky Power and asked that service to 140 McKnight Street Ashland, Kentucky be terminated and final bill mailed to his attention at 418 21st Street, Ashland, Kentucky 41101. The Company agreed to Mr. Samuel's request and closed out his account. Applying the \$220.00 deposit and \$6.94 of accrued interest to the account left an outstanding balance of \$730.00.

13. Five days later, on November 10, 2008, Kentucky Power received a phone call from a female identifying herself as Charlotte Millhouse. Upon information and belief, Kentucky Power states that Ms. Millhouse is the sister of the Complainant, Ms. Samuel, and lives at 140 McKnight Street, Ashland, Kentucky 41102 with Mr. and Ms. Samuel. Ms. Millhouse requested service in her name at the McKnight Street address. Kentucky Power informed Ms. Millhouse that new service could only be obtained by her payment of a deposit and providing a copy of her lease agreement for the service location, along with identification. (At that time Kentucky Power was unaware of Ms. Millhouse's relationship to Mr. and Ms. Samuel.) The requested deposit and information were not provided.

14. Ms. Millhouse's call requesting service at the McKnight Street location strongly corroborates the fact that Mr. Samuel, or someone acting in his stead or on his behalf, terminated service on November 5, 2008.

15. On November 12, 2008, the Complainant contacted Kentucky Power and requested a payment plan for the \$730 due on the final bill. Kentucky Power offered a payment plan for the final bill amount of six monthly payments of \$121.67. This was the third payment plan offered by Kentucky Power. Ms. Samuel was informed that this plan was applicable only to the \$730 due on the final bill. Kentucky Power also informed Ms. Samuel that if she wished to establish service in her name at the McKnight Street location, she also would be required to pay the \$220.00 deposit in addition to entering into the six-month payment plan for the final bill.

16. On November 20, 2008, following contact by Commission staff, Kentucky Power attempted to contact Complainant by phone. The Kentucky Power representative left a voice mail message stating that the Company was willing to open an account in her name upon the following conditions: (a) the immediate payment of \$400. Two hundred and twenty dollars of the \$400.00 was to be applied to the required deposit. The balance \$180.00 was to be applied to reduce the outstanding account balance of \$730.00 to \$550.00. The remaining \$550.00 was to be paid in six monthly payments of \$91.67. Upon information and belief, Kentucky Power states that Ms. Samuel offered to make a payment of \$400 in at least one conversation with Commission staff; (b) Ms. Samuels would furnish Kentucky Power with her Social Security Number and proof of her identity (required of all new customers); and (c) Ms. Samuels would furnish Kentucky Power with proof of her legal right to act on behalf of Mr. Samuel. This was the fourth payment plan offered by Kentucky Power in approximately 4 months (August, 2008 through November, 2008). The Kentucky Power representative left a toll-free number for Ms. Samuel to return the call.

17. On November 21, 2008, Ms. Samuel filed the complaint giving rise to this proceeding.

18. On November 25, 2008, Ms. Samuel contacted Kentucky Power. She agreed to fax the information requested by Kentucky Power in the November 2008 phone message and to pay \$400 by December 1, 2008. Kentucky Power indicated that it was unsure whether the delayed payment of \$400.00 would satisfy the November 20, 2008 proposed payment plan or whether another plan could be extended. To date, Ms. Samuel has done neither.

19. Neither Mr. nor Ms. Samuel have provided Kentucky Power with a Certificate of Need from the Cabinet for Health and Family Services.

Kentucky Power's Position

20. Kentucky Power can not reinstate service in Mr. Samuel's name unless (a) (i) he requests that service be reinstated; (ii) a new deposit of \$220.00 is paid at the time the account is reinstated; and (iii) the \$730 in arrears is paid in accordance with the terms set out in paragraph 22. Because of the confusion regarding Mr. Samuel's identity and competency, satisfactory evidence will be required of both; or (b) (i) Ms. Samuel requests that service be reinstated; (ii) satisfactory proof is provided that Ms. Samuel possesses legal authority to contract in Mr. Samuel's name; (iii) a new deposit of \$220.00 is paid at the time the account is reinstated; and (iv) the \$730 in arrears is paid in accordance with the terms set out in paragraph 22.

21. Alternatively, Kentucky Power will provide service in Ms. Samuel's name upon the following terms: (a) a deposit of \$220.00 is paid at the time the account is established; (b) the \$730 in arrears is paid in accordance with the terms set out in paragraph 22; (c) Ms. Samuel completes Kentucky Power's application process and provides all requested information.

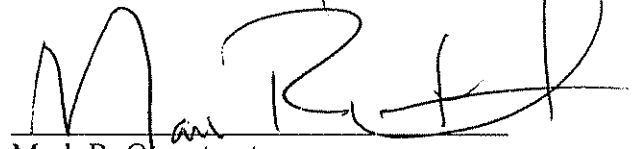
22. Kentucky Power offers to enter into the following payment plan with either Mr. or Ms. Samuel: (a) \$400.00 to be paid by December 11, 2008. Two hundred and twenty dollars of

the payment will serve to fund the required \$220.00 deposit. The balance of \$180.00 will be applied to reduce the outstanding amount to \$550.00; (b) the balance of \$550.00 is to be paid in six monthly installments of \$91.67 each. Each \$91.67 monthly payment toward the amount in arrears is to be paid at the same time, and in addition to, the payment in full of the then current month's bill; (c) all current charges (including those from November 10, 2008, which will be billed with the first current bill) must be timely paid; and (d) the Customer must enter into a written payment plan. Failure to comply with any of these terms will result in Kentucky Power exercising all options available to it under the law.

23. Kentucky Power has worked diligently and in good faith with the Samuels since at least August of this year. Any assumptions to the contrary are unfounded. Further, Kentucky Power actions have fully comported with the requirements of Kentucky law.

Wherefore, Kentucky Power respectfully requests that the complaint be dismissed with prejudice.

Respectfully submitted,



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COUNSEL FOR KENTUCKY POWER
COMPANY

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served by United States First Class Mail, postage prepaid, on this 4th day of December, 2008 upon:

Pamela Emilyrose Sue Samuel
140 McKnight Street
Ashland, Kentucky 41102

A handwritten signature in black ink, appearing to read 'M R Overstreet', written over a horizontal line.

Mark R. Overstreet