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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

Case No. 2009-00483

JTB Real Estate, LLC d/b/a Tarleton
Crossing Apartments

COMPLAINANT

v.

Kentucky-American Water Company

RESPONDENT

ANSWER

NOW COMES the Respondent, Kentucky-American Water Company (KAW), and files the following Answer to the Complaint in this docket:

1. KAW admits the allegations of the first numbered paragraph of the Complaint. KAW further states that Complainant has the following four accounts with KAW:

Account: 522872

Name: JTB Real Estate LLC

Service Address: 3640 Bold Bidder Drive, Lexington, KY 40517

Meter: 060515279N 1 1/2 inch

Account: 522874

Name: JTB Real Estate LLC

Service Address: 3640 Bold Bidder Drive, Lexington, KY 40517

Meter: 060468570N 2 Inch

Account: 522877

Name: JTB Real Estate LLC

Service Address: 3640 Bold Bidder Drive, Lexington, KY 40517

Meter: 060271637N 2 Inch

Account: 530652

Name: JTB Real Estate LLC

Service Address: Scottish Links, Lexington, KY 40507

Hydrants: 3 Private Fire Hydrants

2. KAW denies the allegations of the second numbered paragraph of the Complaint. On January 17, 2008, KAW changed the meter on account 522872 to a radio read meter. This was a regularly-scheduled, periodic meter change.

On February 8, 2008, KAW personnel showed Jeff Bradshaw the meter when we verified the reading. The dial of the meter was turning at that time. On June 6, 2008, we fixed a leak on the outlet side coupling. This was a steel coupling that had deteriorated, and the leak was not the result of faulty installation of the meter. KAW explicitly denies the meter was incorrectly installed at any time.

3. KAW denies the allegations of the third numbered paragraph of the Complaint. The total usage billed for account 522872 was 262 CCF. KAW used a six month historical average of usage, which equaled 150 CCF. This left an overage of 112 units. For the water credit, 112 units were priced out at a rate of \$2.13802 per unit totaling \$239.46. For the sewer credit, 112 units were priced out at a rate of \$3.20 per unit totaling \$358.40. The KRA Withdrawal Fee credit was \$7.00. The School Tax credit was \$7.18. The Franchise Fee - LFUCG credit was \$7.18. The Sales Tax credit was \$15.23. The total credit was \$634.45.

The water, franchise fee and tax credits were billed on a miscellaneous bill dated July 17, 2008. The sewer and KRA withdrawal fee credits were billed on a regular monthly bill dated July 9, 2008.

Because these adjustments appeared on separate bills, the customer received two letters explaining the adjustments. The total of the adjustments addressed in those letters equals \$604.86. Neither letter discussed a credit for the School Tax, Sales Tax or the Franchise Fee, but they were credited as well. Thus the total credit was \$634.45.

4. KAW denies the allegations of the fourth numbered paragraph of the Complaint. On August 5, 2009, the meter for account 522872 was pulled for testing. The meter passed the test and was reinstalled on August 27, 2009. Usage after the meter test was in line with historic levels. On August 27, 2009, KAW created an emergency order (EMERG #1021591) from customer, who stated KAW had changed a meter and water was gushing from the vault where the new meter was installed. Approximately one hour later a KAW supervisor verified the water was coming from the customer's side of the meter. On August 28, 2009, KAW created a second emergency order (EMERG # 1022064), where the customer stated it was aware of the leak on its line and had already made arrangements for a plumber to repair it.

5. KAW denies the allegations of the fifth numbered paragraph of the Complaint. On May 14, 2009, KAW changed the meter on account 522874 to a radio read meter. This was a regularly-scheduled, periodic meter change. KAW pulled the meter for testing on August 27, 2009, and the meter was tested on September 1, 2009. It passed all flows. KAW specifically denies that the replacement meter has been read inaccurately.

6. KAW denies the allegations of the sixth numbered paragraph of the Complaint and specifically denies that it caused damage when replacing the meter. Usage on the account after the meter was replaced is consistent with prior usage levels.

7. KAW admits Complainant has given notice that it disputes bills for its accounts. Upon filing of this complaint, KAW has placed a hold on all accounts to prevent disconnection of service.

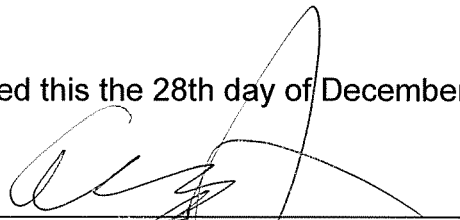
8. KAW denies the allegations of the eighth numbered paragraph of the Complaint. The credit referenced in these allegations is a result of the repair of a two inch line located outside of the laundry meter vault made by Disponette Service Company, Inc. on August 31, 2009. Their invoice states they 'Dug up 2" water main outside of vault. Found 2" PVC pipe broken out of female adapter. Cut out and replaced bad part of pipe.'

The total usage billed was 479 CCF. KAW used a 12 month historical average of usage, less the highest and lowest months, which equaled 163 CCF. That left an overage of 316 units. The 316 units were priced out at a 25% rate or \$0.65375 per unit. The meter charge of \$43.00 plus the average usage of \$426.24 (163 CCF @ \$2.615) plus the overage of \$206.58 (316 CCF @ \$0.65375) calculates to a total revised bill of \$675.82. The customer was originally billed \$1,295.59, leaving a credit of \$619.77 for water. The sewer credit was calculated by taking off 75% of usage or 237 CCF and was priced out at \$1,023.84 (237 CCF @ \$4.32). The KRA Withdrawal Fee credit was \$18.79. The School Tax credit was \$19.15. The Franchise Fee - LFUCG credit was \$19.15. The Sales Tax credit was \$40.61. All credits were applied to the account on the October 27, 2009 bill. The total credit was \$1,741.31.

9. KAW admits that the fire protection meter has shown no usage but otherwise denies the allegations of the ninth numbered paragraph of the Complaint. Usage data for the fourth meter, account 522877, is not above historical usage. In fact, the most recent twelve month usage history is less than the previous year.

THEREFORE, KAW requests that this Complaint be dismissed and that the stay on disconnection be lifted.

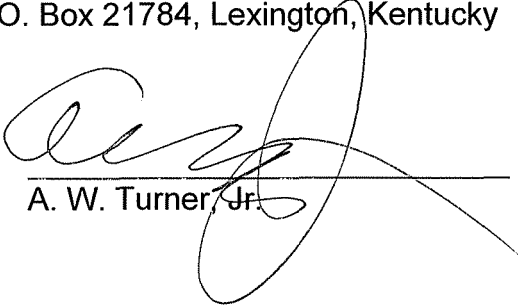
Respectfully submitted this the 28th day of December, 2009.



A. W. Turner, Jr., In-house Counsel
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CERTIFICATE OF SERVICE

I certify that on the 28th day of December, 2009, a true and correct copy of the foregoing was mailed first-class, postage prepaid, to Katherine K. Yunker and John B. Park, Yunker & Associates, P.O. Box 21784, Lexington, Kentucky 40522-1784.



A. W. Turner, Jr.