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

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APR 22 2010

PUBLIC SERVICE
COMMISSION

**Louisville Gas and Electric
Company**
State Regulation and Rates
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April 22, 2010

RE: *NORMAN D. VERNON COMPLAINANT V. LOUISVILLE GAS AND
ELECTRIC COMPANY DEFENDANT*
CASE NO. 2010-00130

Dear Mr. DeRouen:

Enclosed please find an original and ten (10) copies of Louisville Gas and Electric Company's Answer to Complainant's Complaint.

A copy is being mailed to the Complainant.

Please contact me if you have any questions concerning this filing.

Sincerely,

A handwritten signature in black ink that reads 'Rick E. Lovekamp'. The signature is written in a cursive, flowing style.

Rick E. Lovekamp

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NORMAN D. VERNON)	
)	
COMPLAINANT)	
)	
v.)	CASE NO.
)	2010-00130
LOUISVILLE GAS AND ELECTRIC)	
COMPANY)	
)	
)	
DEFENDANT)	

* * * * *

ANSWER OF
LOUISVILLE GAS AND ELECTRIC COMPANY

In accordance with the Kentucky Public Service Commission’s (“Commission”) Order of April 12, 2010 in the above-captioned proceeding, Louisville Gas and Electric Company (“LG&E” or the “Company”) respectfully submits this Answer to the Complaint of Norman D. Vernon (“Mr. Vernon”) filed on March 22, 2010. In support of its Answer, and in response to the specific averments contained in said Complaint, LG&E states as follows:

1. LG&E admits the allegations contained in paragraph (a) of the Complaint, on information and belief.

2. With regard to the allegations contained in paragraph (b) of the Complaint, LG&E states that its primary business address is 220 West Main Street, Louisville, Kentucky 40202.

3. With regard to the allegations contained in paragraph (c) of the Complaint, LG&E states as follows:

a. With regard to the averments that “During our ongoing communication with LG&E, LG&E never agreed to test or change our meter. Finally, after 14 years, the meter was changed. Unfortunately, LG&E failed to inform us the original meter had been tested and found to be functioning properly. Having no knowledge the meter had been tested, we did not pursue additional action until we noticed the significant change in our gas usage. We have no way of knowing if the meter was tested properly. Possibly, the technician could have made an error. What we know for sure is our gas usage decreased significantly after the meter was changed. The accompanying data demonstrates this very clearly,” LG&E affirmatively states that Mr. Vernon’s meter was tested on February 10, 2009 as part of the Company’s sample meter test program. The meter was shown to be operating within acceptable limits. A copy of the meter test results is attached hereto as Exhibit A. LG&E’s policy is to retire the meters that have been removed from service. The meters are either disposed of or sent off to be remanufactured.

b. With regard to the averment that “Prior to moving into our current home, we were LGE customers for thirty years and never experienced any concerns about our gas usage. Soon after moving into our present home, which has a high efficiency furnace and extra insulation as part of the building specifications, we became concerned

about high gas usage. We then began to ask some of our neighbors with homes similar in size to our home about their gas usage. Realizing that our gas usage was significantly more than our neighbors with similar sized homes, we began to express this concern with LGE customer service. LGE was notified about our ongoing concerns on a yearly basis, however, there was never any resolution. In 2004 we were informed of an audit program that we participated in. We then followed the program recommendations to add insulation to our crawl space, to wrap hot water pipes with insulation, and taping the joints of duct works. This resulted in no significant change in our gas usage. Finally, in early 2009, LGE agreed to replace our old meter with a new digital meter. Soon after having the new meter, we began to see a significant change in our gas usage. In January 2010, it came to our attention that we paid \$311 less than January 2009 for that month's gas. Investigating this further, we noticed that the gas usage for January 2010 was 30% less and the average temperature was 20% colder than January 2009. Taking all this data into consideration, we decided to initiate a complaint to LGE. That process began with calling customer service which led to discussions with Diez Crawford, a customer service supervisor. She then advised us to write this letter. We have included a detailed chart listing our gas usage, along with the usage of two neighboring homes for the last two years. This chart very clearly supports our claim of excessive charges (usage). It also shows that when our meter was changed our gas usage was then clearly in line with neighbors usage. This comparison of neighboring homes was made to homes similar in size. Using a conservative estimate, based on the attached chart, we feel that we have been over charged approximately 50% per year since we have been in this house. Furthermore, we have made no changes to our home or changes to our daily thermostat settings that could

explain the changes in usage. We then concluded the reduction in age usage can only be related to having a new meter. We are willing to participate in an arbitration process to resolve this issue. A copy of this letter has also been sent to the Attorney General of Kentucky and the Public Service Commission,” LG&E affirmatively states that, based upon a review of the Company’s records, LG&E determined that Mr. Vernon’s gas meter (No. 517508) was changed out in January 2009 as part of the Company’s sample meter test program. A new meter (No. 630843) was installed at the Vernon home. The old meter (No. 517508) was tested on February 10, 2009, and was found to be operating within limits as required by 807 KAR 5: 041, Section 17, as noted above. LG&E charges its customers rates based upon the amount of gas they use. Gas is delivered to customers through individual meters which are typically read every month. Only customers whose meters are found to be more than two percent fast or slow are entitled to a refund or subject to back billing. Pursuant to KRS 278.160, LG&E is required to charge customers its filed rates for all gas used by its customers. In the absence of any evidence that the meter was not operating properly, LG&E must charge Mr. Vernon in accordance with its tariffs on file with the Kentucky Public Service Commission.

c. As to the relief requested for “fifty percent of the total charges for the past fourteen years,” LG&E affirmatively states that it is required to charge customers for the amount of gas consumed. Because the meter was tested and determined to be accurate, LG&E is required to charge Mr. Vernon for the gas consumed based upon LG&E’s filed rates contained in its tariff. See *In the Matter of: James R. and Charlene Smith v. Louisville Gas and Electric Company*, Case No. 1998-00211, Order of September 25, 1998. LG&E further states that the information contained above provides

detailed information demonstrating that Mr. Vernon's bills were correct and therefore believes the Complaint should be dismissed.

4. LG&E denies all allegations contained in the Complaint which are not expressly admitted in the foregoing paragraphs of this Answer.

FIRST AFFIRMATIVE DEFENSE

The Complaint, or parts of it, fails to set forth any claim upon which relief can be granted by this Commission and, therefore should be dismissed.

SECOND AFFIRMATIVE DEFENSE


The Complainant has failed to set forth a *prima facie* case that LG&E has violated its tariff or any statute or Commission regulation, and the Complaint should be dismissed for that reason.

WHEREFORE, for all of the reasons set forth above, Louisville Gas and Electric Company respectfully requests:

- (1) that the Complaint herein be dismissed without further action taken by the Commission;
- (2) that this matter be closed on the Commission's docket; and
- (3) that LG&E be afforded any and all other relief to which it may be entitled.

Dated: April 22, 2010

Respectfully submitted,


Allyson K. Sturgeon
Senior Corporate Attorney
E.ON U.S. LLC
220 West Main Street
Louisville, Kentucky 40202
(502) 627-2088

Counsel for Louisville Gas and Electric
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 22nd day of April, 2010, U.S. mail, postage prepaid:

Norman D. Vernon
116 Cherry Hills Lane
Louisville, Kentucky 40245

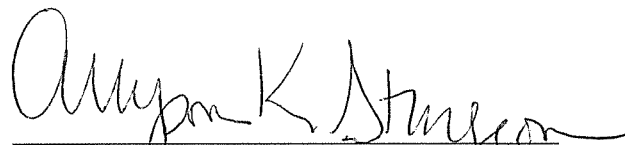

Counsel for Louisville Gas and Electric
Company

Exhibit A

CIS Archive - [LGE Meter History]

File LGE Meter History Window Help

Device Type: Device Number:

Gas Meter History

Meter Nbr	Serial Nbr	Stix Code	Premise	Purchase Date	Orig Inst Date	Curr Inst Date	Curr Test Date	Ert Number
517508	517508	JUNKED	7000520180	03/12/1996	04/23/1996	04/23/1996	02/10/2009	0

Meter Service History Data

Install Date	Six Code	Premise	Location Code	Trans Code	Removal Date	Removal Reading	Install Reading	House Nbr
02/10/2009	JUNKED		XXX					
01/22/2009	REMOVED	7000520180	L		01/22/2009	004396	0001	116 C
04/23/1996	INSTALLED	7000520180	L				0001	116 C
04/11/1996	STOCK		XXX					

Meter Test History Data

Date Tested	Reas Cd	Location	Repair Code	As Found Average	As Found Open Proof	As Found Check Proof	As Left Average	As Left Open Proof
02/10/2009		ST SHOP	XXX	-0.75	-1.10	-0.40	0	0
01/01/1900		NMT	A	0	0	0	-0.15	-0.30

Ready Powered by E.ON U.S. IT

Device Type: Device Number:

Print

Gas Meter History

Meter Data	Meter Nbr	Serial Nbr	Stix Code	Premise	Purchase Date	Orig Inst Date	Curr Inst Date	Curr Test Date	Ert Number
	517508	517508	JUNKED	7000520180	03/12/1996	04/23/1996	04/23/1996	02/10/2009	0
Meter Service History Data									
	Install Date	Stix Code	Premise	Location Code	Trans Code	Removal Date	Removal Reading	Install Reading	House Nbr
	02/10/2009	JUNKED		XXX					
	01/22/2009	REMOVED	7000520180	L		01/22/2009	004396	0001	116 C
	04/23/1996	INSTALLED	7000520180	L				0001	116 C
	04/11/1996	STOCK		XXX					
Meter Test History Data									
	Date Tested	Reas Cd	Test Y	Location	Repair Code	As Found Average	As Found Check Proof	As Left Average	As Left Open Proof
	02/10/2009			ST SHOP	XXX	-0.40	-0.40	0 0	0 0
	01/01/1900			NIMT	A	0 0	0	-0.15	-0.30

Results Edit Goto Extras Settings Environment System Help

Display Results: Characteristic Overview

Insp. method: Control chart Histogram Run values (run chart) Results history Valuation parameter... Inspection Points

Material: D078_AC250 Residential Gas Meter 250 C
 Insp. Lot: 80000265590
 Oper./Act: 0010 PInt: 1000

Insp. unit: 630843

General Summarized Unit to be inspected Indicators Further details...

S	Short text for the ins	Specifications	Inspect	Inspected	Result	Original Val	Va	Defect cl	Insp. descriptn	Additional Info.	Ad	Tes
1	Test Location	Test Location	1	0								
2	Prover	Prover	1	1	01 Enter Pt				12			
1	Leak Test	Leak Test	1	0								
2	Tester/Technician ID	Test ID/Technician ID	1	1	01 Enter Te				1231			
2	Test date	Test Date	1	1	01 Enter Te				09/09/2008			
1	Hi-Low Test	Hi - Low Test	1	0								
2	Test Reason For Gas	Test Reason For Gas	1	1	NIT New Net							
1	As Found Reading	0.0 .. 10000.0	1	0								
2	As Found Open Proof	-2.0 .. 2.0	1	1	-0.1 -0.10							
2	As Found Check Proof	-2.0 .. 2.0	1	1	-0.1 -0.10							
2	As Found Average Gas	-2.0 .. 2.0	1	1	-0.1 -0.10							
2	As Found Comments	As Found Comments	1	1	01 Enter cc							
1	As Left Reading	0.0 .. 10000.0	1	0								
1	As Left Open Proof	-0.5 .. 0.5	1	0								