COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF LOUISVILLE GAS AND ELECTRIC COMPANY FOR THE INSTALLATION AND MAINTENANCE OF CUSTOMER SERVICE LINES)	CASE NO. 92-019

O R D E R

IT IS ORDERED that Louisville Gas and Electric Company ("LG&E") shall file an original and 12 copies of the following information with this Commission, with a copy to all parties of record. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information requested herein has been provided along with the original application, in the format requested herein, reference may be made to the specific location of said information in responding to this information request. When applicable, the information requested herein should be provided for total company operations and jurisdictional operations, separately. The information requested herein is due no later than April 3, 1992. If the information cannot be provided by this date, you should submit a motion for an extension of time stating the reason a delay is necessary and include a date by which it will be furnished. Such motion will be considered by the Commission.

1. If LG&E's proposed deviation to 807 KAR 5:022, Section 9(17)(a)(2), is granted, provide a copy of the agreement that will be made between LG&E and any customer who chooses the option of allowing LG&E to own and maintain their service line.

2. If LG&E provides only gas service to a customer who elects the option of allowing LG&E to own and maintain the service line, how will LG&E recover its investment if that customer decides to terminate gas service during the 35-year contract recovery period?

3. If a customer who receives both gas and electric service from LG&E chooses the option of allowing LG&E to own and maintain the service line and then later, but prior to the end of the 35-year contract period, decides to terminate gas service, explain what procedures LG&E plans to use in order to recover the remainder of the investment it made but has not recovered through the monthly fees paid by the terminating customer.

4. What is the impact of the proposed deviation on:

a. LG&E's liability insurance;

b. The type of easement that LG&E will request from its customers?

5. Provide an analysis showing the impact of the deviation on LG&E's financial statements for the next five years (from the date of implementation). Provide detailed workpapers and explanations supporting the forecasted amount.

6. Provide the journal entries and descriptions for the following:

a. Installation of a new line (including any related accounts where entries will be made and/or adjusting entries for each year).

b. Replacement of an existing line (include any related accounts where entries will be made and/or adjusting entries for each year).

7. Provide the above journal entries for a line that exceeds 100 feet, if different from the aforementioned question.

8. Provide a detailed analysis of the methodology that will be employed to determine the contribution necessary for extensions in excess of 100 feet. State how payment for these amounts is to be made. Provide all supporting workpapers and assumptions.

9. If LG&E plans to perform the service line installations and repairs with "in-house" labor at some point, explain when this would occur and how this determination will be made.

10. Provide all analyses and supporting workpapers relied on by LG&E to support the use of outside contractors to perform the installation and repair work as proposed by LG&E. Include with this an estimate of the percentage of the 6,500 new and replacement service lines expected to be installed per year that LG&E anticipates will be performed by outside contractors.

11. On page 3 of LG&E's application, LG&E stated that it planned to schedule a general information meeting in early January with outside contractors who can perform service installations and repairs. Did this meeting take place? If a meeting did take

place, provide copies of any agreements or documents presented during or as a result of such a meeting.

12. If a customer elects the option of allowing LG&E to own and maintain a service line and then later sells the property, will the new owner be required to continue paying the $4.91 per month maintenance costs?

a. If so, how will LG&E enforce payment of this bill?

b. Will LG&E hold any type of lien on the property?

13. Provide the total number of new service connections by rate class for each of the past ten years.

14. Provide the total number of replacement services by rate class that LG&E is aware of for each of the past ten years.

15. Provide the total number of inside meter relocations by rate class that LG&E is aware of over the past ten years.

16. Provide an analysis that shows how LG&E determined that it would be required to relocate 1,100 inside meters each year.

17. Provide all supporting workpapers, calculations, and any other documentation for the 6,500 customer number used in Exhibit A-1, page 1 of 1, to generate the monthly charge per customer.

18. Provide all supporting workpapers, calculations, and other documentation for each of the estimates shown on Exhibit A-2, page 2 of 4.

19. Concerning Exhibit A-2, page 3 of 4, provide all supporting workpapers, calculations, and documentation for the following:

a. Materials charge of $175 per service.

b. Equipment charge of $15 per hour per service.

c. Miscellaneous materials charge of $50.

d. The 100 figure used in the computation of the miscellaneous charge.

e. The number of hours used in determining the labor, equipment and miscellaneous charges.

20. What would be the cost over the next 20 - 30 years for LG&E to install, maintain, and assume ownership of all of the service lines of customers receiving service under rate schedules G-1, G-6, AND G-7. Include all supporting documentation for this determination including details of all underlying calculations and assumptions.

21. Provide an analysis of the impact on retail rates if LG&E assumed ownership of all service lines of customers of rates G-1, G-6, and G-7 in all territory served. This analysis should include the impact broken down on a per customer per month and a per customer per year basis.

22. Explain why LG&E feels it is more beneficial to customers to implement its proposed deviation versus assuming ownership of customer service lines without implementing a surcharge. Provide a comparative analysis.

23. Provide a sample copy of any promotional or educational material which will be used by LG&E to inform customers of the options they have with regard to installation, replacement, or repair of gas service lines under the proposed deviation.

24. Explain how often LG&E will redetermine the cost of installation of customer service lines and modify the surcharge.

25. Describe the process LG&E will use to identify cost and revenues associated with this deviation and their expected rate-making treatment in future rate cases.

26. Explain how LG&E plans to market the replacement line program to its existing customers and provide examples of all messages, advertisements, etc.

27. Under the heading "Availability" the proposed tariff reads as follows: "Available when LG&E installs, owns, and maintains the service line from the customer's property line to the meter." Clarify the following issues:

a. Does the customer choose the program at the time he/she has need for the line replacement or will the customer be expected to choose the program in advance of the time when the line repalcement is needed?

b. Based on the response to part (a) above, at what point in time will the existing customer begin incurring the proposed monthly charge?

Done at Frankfort, Kentucky, this 20th day of March, 1992.

PUBLIC SERVICE COMMISSION

For the Commission

ATTEST:

Executive Director