

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE GAS)	
AND ELECTRIC COMPANY FOR)	CASE NO. 2007-00410
APPROVAL OF A REVISED COLLECTION)	
CYCLE FOR PAYMENT OF BILLS)	

O R D E R

On December 18, 2007, the Commission issued an Order denying Louisville Gas and Electric Company's ("LG&E") request to revise its gas and electric tariffs to reduce the time allowed for bill payment from 15 days to 10 days from the date the bill is rendered. In that Order, the Commission stated that LG&E should have that taken into consideration the additional mailing time required for customers to send their payments to Atlanta, Georgia¹ and required LG&E and its sister company, Kentucky Utilities Company ("KU"), to file a new plan for a fully unified customer care system ("CCS") within 90 days of the date of the Order.

On January 10, 2008, LG&E filed motions to reconsider and modify the December 18, 2007 Order and to schedule an informal conference. An informal conference was held on January 15, 2008 with all parties in attendance.

In support of its motion to reconsider, LG&E provided a study performed by Phoenix-Hecht which shows that the average mailing time for a letter from Louisville to Louisville was 1.96 days, while for a letter from Louisville to Atlanta was 2.79 days.

¹ LG&E and Kentucky Utilities Company have outsourced payment processing to an Atlanta, Georgia company.

LG&E also provided additional information regarding the operation of the payment processing center in Atlanta.

In addition, it is apparent from LG&E's January 10, 2008 motions that it interprets the requirement to file a plan for a "fully unified CCS" to mean that it must synchronize "all of the Companies' tariff-related policies and processes, rates, terms, and conditions."² LG&E states that it would be impossible to achieve such synchronization outside of a general rate case because many of the policies and processes impact revenues, which impact revenue requirements.

After reviewing the evidence and being otherwise sufficiently advised, the Commission finds that the use of the term "fully unified CCS" in its December 18, 2007 Order was intended to mean that LG&E and KU should have the same collection cycle and late payment policy, not that the two utilities should have the same policies, processes, and rates. Due to the apparent ambiguity in the December 18, 2007 Order, LG&E's motion for reconsideration should be granted.

IT IS THEREFORE ORDERED that:

1. LG&E's motion for reconsideration is granted.
2. Any party who wishes to file a proposed procedural schedule shall do so within 7 days of the date of this Order.

² LG&E's Motion to Reconsider, filed January 10, 2008, at 7.

Done at Frankfort, Kentucky, this 30th day of January, 2008.

By the Commission

Commissioner Clark Abstains

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the end, positioned above a solid horizontal line.

Executive Director