



Elizabeth O'Donnell
Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, Kentucky 40602

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PUBLIC SERVICE
COMMISSION

E.ON U.S. LLC

State Regulation and Rates
220 West Main Street
PO Box 32010
Louisville, Kentucky 40232
www.eon-us.com

Kent W. Blake
Director
T 502-627-2573
F 502-217-2442
kent.blake@eon-us.com

October 20, 2006

Re: Application of Louisville Gas and Electric Company and Kentucky Utilities Company for Approval of Revisions Associated with the Customer Responsibilities and Discontinuance of Service Sections of the Terms and Conditions Contained in their Tariffs
Case No. 2006-00009

Dear Ms. O'Donnell:

Enclosed please find an original and four (4) copies of the Response of Louisville Gas and Electric Company and Kentucky Utilities Company to the Commission Staff's First Data Request in the above-referenced docket.

Should you have any questions concerning the enclosed, please do not hesitate to contact me.

Sincerely,

Kent Blake

cc: Dennis Howard
Parties of Record

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE GAS AND)	
ELECTRIC COMPANY AND KENTUCKY)	
UTILITIES COMPANY FOR APPROVAL OF)	CASE NO. 2006-00009
REVISIONS ASSOCIATED WITH THE)	
CUSTOMER RESPONSIBILITIES AND)	
DISCONTINUANCE OF SERVICE SECTIONS)	
OF THE TERMS AND CONDITIONS)	
CONTAINED IN THEIR TARIFFS)	

RESPONSE OF
LOUISVILLE GAS AND ELECTRIC COMPANY
AND KENTUCKY UTILITIES COMPANY
TO COMMISSION STAFF'S 1ST DATA REQUEST
DATED OCTOBER 10, 2006

FILED: OCTOBER 20, 2006

**LOUISVILLE GAS AND ELECTRIC COMPANY
KENTUCKY UTILITIES COMPANY**

**Response to Commission Staff's 1st Data Request
Dated October 10, 2006**

Case No. 2006-00009

Question No. 1

Witness: Charles "Mike" Cooper, Manager, Remittance and Collection

- Q-1. Refer to First Revision of Original Sheet No. 82, P.S.C. No. 13 and First Revision of Original Sheet No. 90, P.S.C. No. 13. Under "Application for Service," LG&E/KU's tariff states that the provision of new service can be disconnected within the first 72 hours without notice as a result of LG&E/KU's discovery that the applicant has not conformed with LG&E/KU's tariffed rules and the Commission's regulations. Sheet No. 90, however, states that LG&E/KU will discontinue service only after it has made a reasonable effort to induce the customer to comply with its rules and then only after the customer has been given at least 10 days' written notice of such intention, mailed to his last known address.
- a. Provide the statutory or regulatory basis for disconnecting an applicant's service without notice.
 - b. Provide in detail the type of infractions against LG&E/KU's tariff and Commission's regulations that would result in terminating an applicant's service without notice.
 - c. If the type of infraction involves an applicant's payment history, how far back will LG&E/KU search its record of payments by the applicant?
 - d. Explain LG&E/KU's research techniques to determine if the applicant is in compliance with its tariffs and Commission regulations.
 - e. Explain LG&E/KU's liability if it wrongfully disconnects a customer.
- A-1. a. 807 KAR 5:006, Section 13(4), provides that a utility has up to 72 hours to install and connect new service, when the cause for refusal or discontinuance of service has been corrected, and the utility's tariffed rules and Commission administrative regulations have been met. With respect to Sheet No. 82, the Companies have elected to connect service conditionally as soon as possible, for the sake of customer convenience. If the Companies find that the applicant has provided inaccurate information that obscures the Companies'

ability to identify indebtedness or that the applicant is merely acting as an agent for a person who is indebted to the Company, within the 72-hour time period, the Companies will exercise their rights per Sheet No. 82 to discontinue the conditional service without further notice. There are three additional instances when service may be disconnected without advance notice: (1) for dangerous conditions; (2) for illegal use or theft of service; or (3) for failure to meet the obligations of a partial payment plan which has been negotiated following receipt of a termination notice for failure to pay. See 807 KAR 5:006, Sections 13(2) and 14(1)(b) and (g).

- b. If an applicant or customer is in violation of the Commission's regulations or the Companies' tariffs as described in 1(a) above, service will be terminated without advance notice. In addition, if inaccurate information has been provided in the application process that prevents the Companies from immediately identifying debt owed to the Companies and such information is discovered within the first 72 hours after application is made, the conditional service provided to the applicant or customer will be terminated without advance notice.
- c. Payment history records will be researched for as long as the information is available within the respective Customer Information Systems (CIS) of LG&E and KU, which is generally three years.
- d. At the time of application for service, an applicant will be asked to provide the Social Security Numbers (SSN) and full legal names of all adult occupants of the household. The SSN's will be verified through a third-party service provider. Additionally, based on the SSN's and names provided, the respective CIS will be researched to determine if a debt is owed by any of the parties. If an applicant refuses to provide a SSN, he/she will be required to visit a business office to provide some other form of positive identification.
- e. The Companies will promptly reconnect service, and will diligently work with the customer to address any remaining issues. If the Companies are unable to resolve remaining issues with the Customer, LG&E/KU will advise the customer of his/her right to file a complaint with the Commission and provide the address and telephone number of the Commission.

**LOUISVILLE GAS AND ELECTRIC COMPANY
KENTUCKY UTILITIES COMPANY**

**Response to Commission Staff's 1st Data Request
Dated October 10, 2006**

Case No. 2006-00009

Question No. 2

Witness: Kent W. Blake, Director, State Regulation and Rates

Q-2. Provide a redline version of the proposed tariff.

A-2. A copy of the redline version is attached hereto.

Redline Changes to Original Sheet No. 82:

APPLICATION FOR SERVICE

A written application or contract, properly executed, may be required before the Company is obligated to render gas service. The Company shall have the right to reject for valid reasons any such application or contract. The provision of new service to an applicant shall be conditional and may be disconnected without advance notice for seventy-two (72) hours from the time of application in order for the Company to confirm that its tariffed rules and Commission administrative regulations have been met.

All applications for service shall be made in the legal name of the party desiring the service.

Where an unusual expenditure for construction or equipment is necessary or where the proposed manner of using gas service is clearly outside the scope of Company's standard rate schedules, Company may establish special terms and require special contracts giving effect to such unusual circumstances.

Redline Changes to Original Sheet Nos. 89 (LG&E – gas) and 90 (LG&E – electric and KU):

G. Service will not be supplied to any premises if the applicant or customer is indebted to the Company for service previously supplied at the same or any other premises until payment of such indebtedness shall have been made. Service will not be continued to any premises if the applicant or customer is indebted to the Company for service previously supplied at the same premises in accordance with 807 KAR 5:006, Section 14(1)(f). Unpaid balances of previously rendered Final Bills may be transferred to any account for which the customer has responsibility and may be included on initial or subsequent bills for the account to which the transfer was made. Such transferred Final Bills, if unpaid, will be a part of the past due balance of the account to which they are transferred. When there is no lapse in service, such transferred final bills, will be subject to the Company's collection and disconnection procedures in accordance with 807 KAR 5:006, Section 14(1)(f). Final Bills transferred following a lapse in service will not be subject to disconnection unless: (1) such service was provided pursuant to a fraudulent application submitted by the customer; (2) the customer and the Company have entered into a contractual agreement which allows for such a disconnection; or (3) the current account is subsequently disconnected for service supplied at that point of delivery, at which time, all unpaid and past due balances must be paid prior to reconnect. The Company shall have the right to transfer Final Bills between residential and commercial with residential characteristics (e.g., service supplying common use facilities of any apartment building) revenue classifications.

Deleted: or continued

Deleted: and

Deleted: may be

Deleted: regardless of whether they are for combination gas and electric or gas only or electric only charges.

Service will not be supplied or continued to any premises if at the time of application for service the applicant is merely acting as an agent of a person or former customer who is indebted to the Company for service previously supplied at the same or other premises until payment of such indebtedness shall have been made. Service will not be supplied where the applicant is a partnership or corporation whose general partner

or controlling stockholder is a present or former customer who is indebted to the Company for service previously supplied at the same premises until payment of such indebtedness shall have been made.

**LOUISVILLE GAS AND ELECTRIC COMPANY
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Question No. 3

Witness: Charles "Mike" Cooper, Manager, Remittance and Collection

Q-3. Refer to First Revision of Original Sheet No. 90. Under Paragraph G, the tariff states that any unpaid balances of previously rendered bills may be transferred to any account for which the customer has responsibility. The tariff further states that such balances will be subject to LG&E/KU's collections and disconnect policies and will not be subject to disconnect unless there is fraud, a mutual agreement for disconnect, or the current account is subsequently disconnected for service supplied at that point of delivery. Explain how disconnection under Sheet No. 82 is consistent with this section of the tariff.

A-3. 807 KAR 5:006, Section 13(4), provides that a utility has up to 72 hours to install and connect new service, when the cause for refusal or discontinuance of service has been corrected, and the utility's tariffed rules and Commission administrative regulations have been met. With respect to Sheet No. 82, the Companies have elected to connect service conditionally as soon as possible, for the sake of customer convenience. When the Companies find that the applicant has provided inaccurate information that obscures the Companies' ability to identify indebtedness or that the applicant is merely acting as an agent for a person who is indebted to the Company, within the 72-hour time period, the Companies will exercise their rights per Sheet No. 82 to discontinue the conditional service without further notice.

When the Companies find that the applicant has provided inaccurate, but not fraudulent, information, after the 72-hour time period, the Companies will transfer the debt, per Sheet No. 90, and the premise will only be subject to disconnection per the conditions stated in Sheet No. 90, paragraph G.

**LOUISVILLE GAS AND ELECTRIC COMPANY
KENTUCKY UTILITIES COMPANY**

**Response to Commission Staff's 1st Data Request
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Question No. 4

Witness: Charles "Mike" Cooper, Manager, Remittance and Collection

- Q-4. Refer to First Revision of Original Sheet No. 90. LG&E/KU state that where there is no lapse in service, any final bills rendered will be subject to LG&E/KU's collection and disconnection procedures.
- a. Explain the situations in which no lapse in service would occur.
 - b. Explain what kind of notice, if any, is given to the customer of this potential liability.
 - c. Explain whether or not a customer must consent to the final bill being transferred.
- A-4. a. LG&E and KU anticipate three possible scenarios in which no lapse in service would occur:
- (1) When a customer requests service to be turned off at location A and turned on a location B, there is no lapse in service. For the sake of customer convenience, the Companies provide service at location B with the understanding that the customer will pay the final bill from location A. When the final bill for location A is issued, the balance is transferred to location B.
 - (2) When a customer requests a turn on at location B, with a future turn off at location A (wants location A to remain on for a period of time), there is also no lapse in service. For the sake of customer convenience, the Companies provide service at location B with the understanding that the customer will pay the final bill from location A, at such time as location A is turned off. When the final bill for location A is issued, the balance is transferred to location B.
 - (3) When a customer requests service to be turned off at location A, and does not request new service, a final bill is issued with a stated final payment

date. In this scenario, if the customer subsequently requests new service on or prior to the final payment date of the aforementioned final bill, there will be no lapse in service. In such case, the Company will transfer the final bill to the new service and have the ability to disconnect for the transferred balance.

- b. The customer will be advised of this potential liability at the time of the service request. Additionally, in each of the three scenarios listed above, the Companies will render a proper 10-day notice of termination, if the final bill transferred to the new location is not paid, in accordance with 807 KAR 5:006, Section 14(1)(f)(1).
- c. Yes. If the customer does not consent, service will be denied at the location for which the customer is requesting service until the final bill from the prior location is rendered and paid.

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**Response to Commission Staff's 1st Data Request
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Question No. 5

Witness: Charles "Mike" Cooper, Manager, Remittance and Collection

Q-5. Refer to First Revision of Original Sheet No. 90. Assume that a customer requests service at a new location while still maintaining service at the old location.

- a. Explain what the customer must do to receive service at the new location.
- b. Is a special agreement required? If so, explain what the agreement provides.

A-5.

- a. At the time the customer calls in his/her request, the LG&E/KU representative inquires whether the customer has existing accounts, and if so, whether those accounts will remain active. When a customer requests service at a new location, with a future turn off at the old location (but wants the old location to remain on service for a period of time), there is also no lapse in service. For the sake of customer convenience, the Companies provide service at the new location with the understanding that the customer will pay the final bill from old location, at such time as the old location is turned off. When the request is made, an entry is made into CIS which then links the two accounts. When the final bill for the old location is issued, the balance is transferred to the new location. Should the customer fail to pay the transferred balance, he/she will be subject to disconnection for the transferred balance, after having been given a 10-day notice of termination.

If, on the other hand, the customer is requesting service at a new location and intends to continue to maintain service at an old location indefinitely, the two accounts will be treated separately and nonpayment of one account will not lead to termination of service at the other account.

- b. No.