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PUBLIC SERVICE
COMMISSION

Ms. Stephanie L. Stumbo
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

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

October 7, 2008

Lonnie E. Bellar
Vice President
T 502-627-4830
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lonnie.bellar@eon-us.com

RE: *Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Base Rates – Case No. 2008-00252*

Application of Louisville Gas and Electric Company to File Depreciation Study – Case No. 2007-00564

Dear Ms. Stumbo:

Please find enclosed and accept for filing the original and ten (10) copies of the Response of Louisville Gas and Electric Company to the Association of Community Ministries (ACM) and the People Organized and Working for Energy Reform's (POWER) Second Request for Information dated September 24, 2008, in the above-referenced matters.

Should you have any questions regarding the enclosed, please contact me at your convenience.

Sincerely,

Lonnie E. Bellar

cc: Parties of Record

Ms. Stephanie L. Stumbo
October 7, 2008

Counsel of Record

Allyson K. Sturgeon, Senior Corporate Attorney – E.ON U.S. LLC
Kendrick R. Riggs – Stoll Keenon Ogden PLLC (Louisville Gas and Electric)
W. Duncan Crosby – Stoll Keenon Ogden PLLC (Louisville Gas and Electric)
Robert M. Watt – Stoll Keenon Ogden PLLC (Louisville Gas and Electric)
Dennis Howard II – Office of the Attorney General (AG)
Lawrence W. Cook – Office of the Attorney General (AG)
Paul D. Adams – Office of the Attorney General (AG)
Michael L. Kurtz – Boehm, Kurtz & Lowry (KIUC)
Lisa Kilkelly – Legal Aid Society, Inc. (ACM and POWER)
David C. Brown – Stites and Harbison (Kroger)
Joe F. Childers (CAK)

Consultants to the Parties

Steve Seelye – The Prime Group (E.ON U.S. LLC)
William A. Avera – FINCAP, Inc (E.ON U.S. LLC)
John Spanos – Gannett Fleming, Inc. (E.ON U.S. LLC)
Robert Henkes (AG)
Michael Majoros – Snavelly King Majoros O'Connor & Lee (AG)
Glenn Watkins – Technical Associates (AG)
Dr. J. Randall Woolridge – Smeal College of Business (AG)
Lane Kollen – Kennedy and Associates (KIUC)
Kevin C. Higgins – Energy Strategies, LLC (Kroger)

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE GAS)	
AND ELECTRIC COMPANY FOR AN)	CASE NO.
ADJUSTMENT OF ITS ELECTRIC)	2008-00252
AND GAS BASE RATES)	

APPLICATION OF LOUISVILLE GAS)	CASE NO.
AND ELECTRIC COMPANY TO FILE)	2007-00564
DEPRECIATION STUDY)	

RESPONSE OF
LOUISVILLE GAS AND ELECTRIC COMPANY
TO THE
SECOND REQUEST FOR INFORMATION OF
ASSOCIATION OF COMMUNITY MINISTRIES (ACM)
AND
PEOPLE ORGANIZED AND WORKING FOR ENERGY REFORM (POWER)
DATED SEPTEMBER 24, 2008

FILED: OCTOBER 7, 2008

VERIFICATION

STATE OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Butch Cockerill**, being duly sworn, deposes and says that he is Director, Revenue Collection for Louisville Gas and Electric Company, that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.



BUTCH COCKERILL

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 2nd day of October, 2008.

 (SEAL)

Notary Public

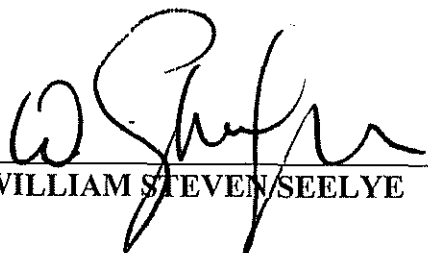
My Commission Expires:

November 9, 2010

VERIFICATION

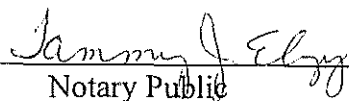
STATE OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **William Steven Seelye**, being duly sworn, deposes and says that he is the Senior Consultant and Principal, for The Prime Group, LLC, that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.



WILLIAM STEVEN SEELYE

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 2nd day of October, 2008.

 (SEAL)

Notary Public

My Commission Expires:

November 9, 2010

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2008-00252

CASE NO. 2007-00564

**Response to Second Request For Information of the
Association of Community Ministries and
People Organized and Working for Energy Reform
Dated September 27, 2008**

Question No. 1

Responding Witness: Butch Cockerill

Q-1. Please refer to LG&E's Response to the Association of Community Ministries ("ACM") and People Organized and Working for Energy Reform's ("POWER") First Request for Information dated August 27, 2008 (hereafter referred to as "Response to ACM and POWER") A-2.

- a) Please list the agencies from whom LG&E received assistance payments on behalf of the customers described in A-2a and used by Mr. Seelye to calculate the average gas and electric usages for customers receiving LIHEAP assistance as stated in attachment to response A-2(f).
- b) In part A-2(d), LG&E states that the list "includes" customers identified by community action councils and community action agencies that receive LIHEAP funds. Does the list entirely consist of these customers or does it include customers other than those identified in the response? If other customers are included, please describe such other customers.

A-1. a) The agencies from whom LG&E received assistance payments and used by Mr. Seelye to calculate the average gas and electric usages were:

- Louisville Metro Community Action Partnership
- Multi-purpose Community Action Agency
- Central Kentucky Community Action Council

b) The list entirely consists of customers identified by community action agencies that received LIHEAP funds and includes agencies listed in response to Question No. 13(c).

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2008-00252

CASE NO. 2007-00564

**Response to Second Request For Information of the
Association of Community Ministries and
People Organized and Working for Energy Reform
Dated September 27, 2008**

Question No. 2

Responding Witness: Butch Cockerill

- Q-2. Please refer to Response to ACM and POWER A-3.
- a. Please provide the monthly number of residential electric and gas customers with arrearages and the average amount of arrearages for months from January 1, 2005 to June 30, 2008.
 - b. Please provide the monthly number of residential electric and gas customers for whom LG&E received assistance payments from community action councils or community action agencies as described in LG&E Response to ACM and POWER A-2(a) with arrearages and the average amount of arrearages for months from January 1, 2005 to June 30 2008.
- A-2. a. This chart shows by month the average arrearage per account for residential utility accounts only.

	2005		2006		2007		2008	
	# (000)	Avg \$	# (000)	Avg \$	# (000)	Avg \$	# (000)	Avg \$
Jan	198	\$31	179	\$45	185	\$31	202	\$34
Feb	196	\$45	185	\$56	194	\$33	211	\$47
Mar	199	\$44	180	\$50	187	\$42	199	\$53
Apr	214	\$40	187	\$50	191	\$39	208	\$50
May	207	\$31	181	\$39	185	\$30	206	\$38
Jun	206	\$22	191	\$27	185	\$24	195	\$27
Jul	208	\$22	185	\$26	185	\$26		
Aug	208	\$25	184	\$28	196	\$27		
Sep	207	\$30	195	\$30	205	\$29		
Oct	207	\$32	182	\$27	212	\$31		
Nov	188	\$25	191	\$22	211	\$27		
Dec	202	\$24	192	\$25	217	\$25		

- b. LG&E is unable to provide this information. LG&E does not maintain historical arrears data that could be matched on an account by account basis, as this response would require.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2008-00252

CASE NO. 2007-00564

**Response to Second Request For Information of the
Association of Community Ministries and
People Organized and Working for Energy Reform
Dated September 27, 2008**

Question No. 3

Responding Witness: Butch Cockerill

- Q-3. Please refer to Response to ACM and POWER A-5.
- a. State the monthly number of residential electric customers for whom LG&E received assistance payments from community action councils or community action agencies as described in response to ACM and POWER A-2(a) from January 1, 2005 to June 30, 2008.
- A-3. a. This list contains the monthly number of electric-only customer accounts or combination (electric and gas) customer accounts that received pledge payments from community action councils, community action agencies, and other organizations. If a customer's account received multiple pledge payments in the same month, it is counted as one customer account.

<u>Year/Month</u>	<u>Electric Only Customers</u>	<u>Electric/Gas Combination Customers</u>
2005/01	274	2132
2005/02	355	2946
2005/03	400	2642
2005/04	173	1051
2005/05	0	1
2005/06	0	2
2005/11	939	5357
2005/12	3158	13564
2006/01	387	3841
2006/02	440	4554
2006/03	396	2897
2006/04	2	12
2006/05	0	2
2006/09	0	3
2006/10	0	4

<u>Year/Month</u>	<u>Electric Only Customers</u>	<u>Electric/Gas Combination Customers</u>
2006/11	470	2938
2006/12	451	2744
2007/01	394	3003
2007/02	434	3122
2007/03	579	3586
2007/04	166	957
2007/05	3	12
2007/06	1	10
2007/07	1	2
2007/08	128	867
2007/09	224	1693
2007/10	0	5
2007/11	685	4407
2007/12	480	2542
2008/01	487	3533
2008/02	464	3308
2008/03	3	17
2008/05	1	1
2008/06	0	2

LOUISVILLE GAS AND ELECTRIC COMPANY

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**Response to Second Request For Information of the
Association of Community Ministries and
People Organized and Working for Energy Reform
Dated September 27, 2008**

Question No. 4

Responding Witness: William Steven Seelye

- Q-4. Please refer to Responses to ACM and POWER A-1, A-4 and A-6.
- a. In Response to ACM and POWER A-1(b), Mr. Seelye provides monthly numbers of electric customers from May 2007 to April 2008 used in the requested calculation. These monthly numbers of customers agree with the monthly numbers of electric customers listed in Response A-4. Please confirm that these are the actual numbers of customers for the months listed. If not, please describe what these figures represent.
 - b. In Response to ACM and POWER A-1(c) Mr. Seelye provides the monthly numbers of gas customers from May 2007 to April 2008 used in the requested calculation. These monthly numbers of customers do not agree with the monthly numbers of gas customers listed in Response A-6. Please explain why the monthly numbers of gas customers listed in A-1(c) does not agree with the monthly number of gas customers in A- 6 and specifically explain what the figures in A-1(c) in the "Customers" column are and what the figures in attachment to A-6 are.
 - c. If not already provided in response A-1(c) or A-6, please provide the actual monthly number of gas customers for each question.
- A-4.
- a. These are the actual numbers of customers for the months listed.
 - b. The gas customers listed in A-1(c) have been fully reconciled to the customer charge revenue recorded in the Company's general ledger. The number of gas customers listed in response to A-6 is the raw data that has not been reconciled to customer revenues. Therefore, they do not match. For ratemaking purposes, the customers listed in A-1(c) should be considered more accurate and should thus be considered to be more representative of the actual monthly number of gas customers during the test year.
 - c. See response to (b).

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**Response to Second Request For Information of the
Association of Community Ministries and
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Question No. 5

Responding Witness: Butch Cockerill

Q-5. Please refer to Response to ACM and POWER A-7

a. State the monthly number of residential gas customers for whom LG&E received assistance payments from community action councils or community action agencies as described in response to ACM and POWER A-2(a) from January 1, 2005 to June 30, 2008.

A-5. a. This list contains the monthly number of gas-only customer accounts or combination (electric and gas) customer accounts that received pledge payments from community action councils, community action agencies, and other organizations. If a customer's account received multiple pledge payments in the same month, it is counted as one customer account.

<u>Year/Month</u>	<u>Gas Only Customers</u>	<u>Electric/Gas Combination Customers</u>
2005/01	19	2132
2005/02	21	2946
2005/03	14	2642
2005/04	7	1051
2005/05	0	1
2005/06	0	2
2005/11	16	5357
2005/12	443	13564
2006/01	7	3841
2006/02	17	4554
2006/03	11	2897
2006/04	1	12
2006/05	0	2
2006/09	0	3

<u>Year/Month</u>	<u>Gas Only Customers</u>	<u>Electric/Gas Combination Customers</u>
2006/10	0	4
2006/11	14	2938
2006/12	15	2744
2007/01	6	3003
2007/02	11	3122
2007/03	14	3586
2007/04	3	957
2007/05	0	12
2007/06	0	10
2007/07	0	2
2007/08	1	867
2007/09	10	1693
2007/10	0	5
2007/11	9	4407
2007/12	8	2542
2008/01	10	3533
2008/02	15	3308
2008/03	0	17
2008/05	0	1
2008/06	0	2

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**Response to Second Request For Information of the
Association of Community Ministries and
People Organized and Working for Energy Reform
Dated September 27, 2008**

Question No. 6

Responding Witness: Butch Cockerill

- Q-6. Please refer to Response to ACM and POWER A-9.
- a. Please provide the monthly number of disconnections for nonpayment for electric customers for whom LG&E received assistance payments from community action councils or community action agencies as described in response to ACM and POWER A-2(a) from January 1, 2005 to June 30, 2008.
- A-6. a. This list includes the monthly number of disconnections for electric-only, gas-only, and combination customer accounts that received pledge payments from community action councils, community action agencies, and other organizations. Disconnections may have occurred during the month that the pledge payment was received or the following month.

<u>Year/Month</u>	<u>Number of Customers Disconnected</u>
2005/01	232
2005/02	631
2005/03	865
2005/04	362
2005/05	1
2005/06	1
2005/11	668
2005/12	622
2006/01	976
2006/02	927
2006/03	816
2006/04	5
2006/05	0
2006/09	0

<u>Year/Month</u>	<u>Number of Customers Disconnected</u>
2006/10	3
2006/11	334
2006/12	225
2007/01	530
2007/02	553
2007/03	824
2007/04	142
2007/05	2
2007/06	6
2007/07	0
2007/08	89
2007/09	137
2007/10	0
2007/11	587
2007/12	211
2008/01	365
2008/02	438
2008/03	5
2008/05	1
2008/06	1

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**Response to Second Request For Information of the
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Question No. 7

Responding Witness: Butch Cockerill

- Q-7. Please refer to Response to ACM and POWER A-11
- a. Please provide the monthly number of disconnections for nonpayment for gas customers for whom LG&E received assistance payments from community action councils or community action agencies as described in response to ACM and POWER A-2(a) from January 1, 2005 to June 30, 2008.
- A-7. See response to Question No. 6.

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**Response to Second Request For Information of the
Association of Community Ministries and
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Question No. 8

Responding Witness: Butch Cockerill

- Q-8. Please refer to Response to ACM and POWER A-17
- a. State the monthly number of disconnect/reconnect charges imposed on residential electric customers for whom LG&E received assistance payments from community action councils or community action agencies as described in response to ACM and POWER A-2(a) from January 1, 2005 to June 30, 2008.
 - b. State the monthly number of disconnect/reconnect charges imposed on residential gas customers for whom LG&E received assistance payments from community action councils or community action agencies as described in response to ACM and POWER A-2(a) from January 1, 2005 to June 30, 2008.
- A-8. a. This list includes the monthly number of disconnect/reconnect charges for electric-only, gas-only, and combination customer accounts that received pledge payments from community action councils, community action agencies, and other organizations. Disconnections/reconnections may have occurred during the month that the pledge payment was received or the following month.

<u>Year/Month</u>	<u>Number of All Customers Charged Reconnection Charge</u>
2005/01	136
2005/02	305
2005/03	445
2005/04	279
2005/05	1
2005/06	1
2005/11	394

<u>Year/Month</u>	<u>Number of All Customers Charged Reconnection Charge</u>
2005/12	505
2006/01	437
2006/02	477
2006/03	467
2006/04	2
2006/05	1
2006/09	1
2006/10	1
2006/11	196
2006/12	165
2007/01	318
2007/02	291
2007/03	519
2007/04	93
2007/05	1
2007/06	2
2007/07	1
2007/08	86
2007/09	118
2007/10	0
2007/11	342
2007/12	135
2008/01	252
2008/02	220
2008/03	4
2008/05	1
2008/06	1

b. See response to Question No. 8(a).

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2008-00252

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**Response to Second Request For Information of the
Association of Community Ministries and
People Organized and Working for Energy Reform
Dated September 27, 2008**

Question No. 9

Responding Witness: Butch Cockerill

- Q-9. Please refer to Response to ACM and POWER A-18
- a. State the number of meter test charges imposed on residential electric customers for whom LG&E received assistance payments from community action councils or community action agencies as described in response to ACM and POWER A-2(a) for the test year and three preceding calendar years.
 - b. State the number of meter test charges imposed on residential gas customers for whom LG&E received assistance payments from community action councils or community action agencies as described in response to ACM and POWER A-2(a) for the test year and three preceding calendar years.
- A-9. a. This list includes the monthly number of meter test charges for electric-only, gas-only, and combination customer accounts that received pledge payments from community action councils, community action agencies, and other organizations. Meter test charges may have occurred during the month that the pledge payment was received or the following month.

<u>Year/Month</u>	<u>Number of All Customers Charged Meter Test Charge</u>
2005/01	1
2005/04	1
2005/11	1
2005/12	5
2006/02	1
2007/02	1
2008/01	1
2008/02	1

b. See response to Question No. 9(a).

LOUISVILLE GAS AND ELECTRIC COMPANY

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**Response to Second Request For Information of the
Association of Community Ministries and
People Organized and Working for Energy Reform
Dated September 27, 2008**

Question No. 10

Responding Witness: Butch Cockerill

Q-10. Please refer to Response to ACM and POWER A-19

- a. State the number of returned payment charges imposed upon electric and gas residential customers for whom LG&E received assistance payments from community action councils or community action agencies as described in response to ACM and POWER A-2(a) for the test year and the three preceding calendar years.

A-10. a. This list includes the monthly number of returned payment charges for electric-only, gas-only, and combination customer accounts that received pledge payments from community action councils, community action agencies, and other organizations. Return payment charges may have occurred during the month that the pledge payment was received or the following month.

<u>Year/Month</u>	<u>Number of All Customers Charged Return Check Charge</u>
2005/01	24
2005/02	41
2005/03	46
2005/04	34
2005/11	132
2005/12	105
2006/01	83
2006/02	79
2006/03	57
2006/04	1
2006/11	62
2006/12	37
2007/01	48

<u>Year/Month</u>	<u>Number of All Customers Charged Return Check Charge</u>
2007/02	48
2007/03	55
2007/04	13
2007/05	2
2007/08	26
2007/09	39
2007/11	133
2007/12	41
2008/01	77
2008/02	52
2008/03	2

LOUISVILLE GAS AND ELECTRIC COMPANY

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**Response to Second Request For Information of the
Association of Community Ministries and
People Organized and Working for Energy Reform
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Question No. 11

Responding Witness: Butch Cockerill

- Q-11. Please refer to Response to ACM and POWER A-20
- a. Please describe what is meant by the statement in A-20(a) "LG&E maintains deposits in total." Does this mean that the figures listed A-20(a) are the number of customers assessed a deposit, including gas only, electric only and combined customers? If not, please explain what the figures listed represent.
 - b. In a format similar to that provided in response to A-20(a), state the number of residential customers for whom LG&E received assistance payments from community action councils or community action agencies as described in response to ACM and POWER A-2(a) who were required to pay a deposit for the test year and the three preceding calendar years.
 - c. In reference to LG&E's response to A-20(e) please explain why LG&E would not allow customers to spread deposits over more than the currently allowed three months.
- A-11.
- a. Over the past three years, many customers from whom LG&E originally requested a deposit will have either had their deposit refunded or applied to their accounts. As a result, LG&E is only able to provide the total number of customers from whom LG&E had collected a deposit at a particular point in time, based on historical reports.
 - b. LG&E is unable to provide this information, based on the response contained in part (a), above.
 - c. The purpose of collecting a deposit is to protect the Company and rate payers in the event a customer fails to pay their bill. Presently the Company only requires a deposit from customers who do not meet a satisfactory credit and payment criteria and thus the potential risk of payment. There is a significant number of customers who leave service within three to four months after obtaining service. Thus the longer we extend the period of time to collect a deposit, the less chance

we have a having a deposit sufficient to cover the customer's outstanding balance.

LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2008-00252

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**Response to Second Request For Information of the
Association of Community Ministries and
People Organized and Working for Energy Reform
Dated September 27, 2008**

Question No. 12

Responding Witness: Butch Cockerill

Q-12. Please refer to Response to ACM and POWER A-21

- a. In A-21(b) which describes six attributes reviewed monthly, will payments received by LG&E after ten days but before fifteen days count toward the “number of times delinquent in the past eight months?”
- b. Under LG&E’s proposed ten day collection cycle, if a customer regularly pays after the ten day due date, but before fifteen days, will this behavior impact the customer’s account in any way, behavioral scoring or otherwise? If so, please describe how.

A-12. a. No.

b. No.

LOUISVILLE GAS AND ELECTRIC COMPANY

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**Response to Second Request For Information of the
Association of Community Ministries and
People Organized and Working for Energy Reform
Dated September 27, 2008**

Question No. 13

Responding Witness: Butch Cockerill

Q-13. Please refer to Response to ACM and POWER A-22 and A-23

- a. Please explain more clearly the meaning of the statement “the numbers below reflect only pledge payments that had a pledge identification number.” Does this mean that there may be other pledges made or received that do not have a pledge identification number? Or does it mean that the amounts were only pledged but not necessarily received?
- b. Please identify the agencies which pledged funds that are included in the response to A-22.
- c. Please identify the agencies which pledged funds that are included in the response to A-23.

A-13. a. LG&E has churches and other organizations that make payments by mail or walk-in on customer accounts and since they do not have a specific pledge identification number then the payment is recorded only as a customer payment.

- b. Jefferson County agencies and organization pledging Non LIHEAP funds:

Agency/Organization (Jefferson County)

Baptist Fellowship Center
Louisville Metro Community Action Partnership
Cabbage Patch Settlement House
Jefferson Co Department of Human Services
Eastern Area Community Ministries
Eastern Customer Assistance Program
East Louisville Community Ministries
Fairdale Area Community Ministries
Fern Creek Highview United Ministries
Highland Community Ministries

Help Ministries of Central Louisville
J-Town Area Ministries
Ministries United South Central Louisville
Barrett Neighborhood Place
Bridges of Hope Neighborhood Place
Greater Cane Run Neighborhood Place
Northwest Shawnee Neighborhood Place
South Central Neighborhood Place
South Jefferson Fairdale Neighborhood Place
South Jefferson Valley Neighborhood Place
Thomas Jefferson Neighborhood Place
Ujima-Duvalle Education Center Neighborhood Place
Presbyterian Community Center
Salvation Army
Shivley Area Ministries
South East Associated Ministries
South Louisville Community Ministries
St. Matthews Area Ministries
Sister Visitor Center
Southwest Community Ministries
United Crescent Hills Ministries
Walnut Street Baptist Church Community Ministries
West Louisville Community Ministries
Various Churches

- c. Agencies and organizations pledging Non LIHEAP funds to LG&E.

Agency/Organization (LG&E)

Baptist Fellowship Center
Louisville Metro Community Action Partnership
Cabbage Patch Settlement House
Jefferson Co Department of Human Services
Eastern Area Community Ministries
Eastern Customer Assistance Program
East Louisville Community Ministries
Fairdale Area Community Ministries
Fern Creek Highview United Ministries
Highland Community Ministries
Help Ministries of Central Louisville
J-Town Area Ministries
Larue County Community Action Agency
Multipurpose Community Action Council
Agency (Bullitt, Shelby, Spencer)
Ministries United South Central Louisville
Barrett Neighborhood Place
Bridges of Hope Neighborhood Place
Greater Cane Run Neighborhood Place
Northwest Shawnee Neighborhood Place
South Central Neighborhood Place
South Jefferson Fairdale Neighborhood Place
South Jefferson Valley Neighborhood Place
Thomas Jefferson Neighborhood Place
Ujima-Duvalle Education Center Neighborhood Place

Presbyterian Community Center
Salvation Army
Shivley Area Ministries
South East Associated Ministries
South Louisville Community Ministries
St. Matthews Area Ministries
Sister Visitor Center
Southwest Community Ministries
Tri County Community Action Agency (Henry, Oldham)
United Crescent Hills Ministries
Walnut Street Baptist Church Community Ministries
West Louisville Community Ministries
Various Churches

LOUISVILLE GAS AND ELECTRIC COMPANY

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**Response to Second Request For Information of the
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People Organized and Working for Energy Reform
Dated September 27, 2008**

Question No. 14

Responding Witness: Butch Cockerill

Q-14. Please refer to Response to ACM and POWER A-24

a. Please explain why LG&E would not be willing to extend the period of time in which it allows reconnection pursuant to the Winter hardship reconnection provisions of 807 KAR 5:006 Section 15 from the currently required Winter months to throughout the year?

A-14. a. While LG&E is empathetic to the financial hardships some of our customers experience, the Company does not believe extending the current Winter Hardship provisions of 807 KAR 5:006 Section 15 to a year round program is the solution to their financial troubles. LG&E feels the current administration regulations governing Winter Hardship Reconnects is favorable to its customers. The current regulations allows qualifying customers to reestablish their service with minimum repayment of current past due balance, provides for flexible monthly payment plans on remaining past due balances, and prohibits the utility from requiring a new deposit. These are significant benefits not afforded to other rate payers.

Because customers qualifying under the Winter Hardship provision have already been disconnected for non-payment of their utility bills they undoubtedly face financial hardship. However, extending the period of time from the current winter months to throughout the year would likely increase the amount of outstanding balances of these customers adding to their financial difficulties. The higher outstanding balances will make it even more difficult to fulfill conditions of their payment arrangement for their outstanding balance while remaining current in the future utility bills. Failure to do so would result in being disconnected again with the likelihood of the customer having an even higher outstanding balance. Therefore, the Company is not willing to extend the period of time for Winter Hardship Reconnections.