



PPL companies

Mr. Jeff DeRouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40601

RECEIVED

JUN 15 2011

PUBLIC SERVICE
COMMISSION

LG&E and KU Energy LLC
State Regulation and Rates
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Rick E. Lovekamp
Manager Regulatory Affairs
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June 15, 2011

RE: *Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for Review, Modification, and Continuation of Existing, and Addition of New, Demand-Side Management and Energy-Efficiency Programs - Case No. 2011-00134*

Dear Mr. DeRouen:

Please find enclosed and accept for filing the original and ten (10) copies of the response of Louisville Gas and Electric Company and Kentucky Utilities Company to the First Request for Information of the Association of Community Ministries, Inc. dated June 1, 2011, in the above-referenced matter.

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

Sincerely,

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

Rick E. Lovekamp

cc: Parties of Record

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION OF LOUISVILLE GAS AND)
ELECTRIC COMPANY AND KENTUCKY UTILITIES)
COMPANY FOR REVIEW, MODIFICATION, AND)
CONTINUATION OF EXISTING, AND ADDITION OF NEW)
DEMAND-SIDE MANAGEMENT AND ENERGY-)
EFFICIENCY PROGRAMS)

CASE NO.
2011-00134

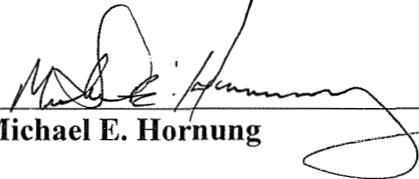
RESPONSE OF
LOUISVILLE GAS AND ELECTRIC COMPANY
AND
KENTUCKY UTILITIES COMPANY
TO THE FIRST REQUEST FOR INFORMATION
OF THE ASSOCIATION OF COMMUNITY MINISTRIES, INC.
DATED JUNE 1, 2011

FILED: June 15, 2011

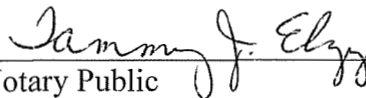
VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Michael E. Hornung**, being duly sworn, deposes and says that he is Manager of Energy Efficiency Planning & Development for LG&E and KU Services Company, and 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.


Michael E. Hornung

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 15th day of June 2011.

 (SEAL)
Notary Public

My Commission Expires:

November 9, 2014

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

**Response to the Association of Community Ministries, Inc.
First Request for Information
Dated June 1, 2011**

Case No. 2011-00134

Question No. 1

Witness: Michael E. Hornung

- Q-1. Please provide a chart with the following projections, and containing the following elements, for the time period to be covered by the instant Application.
- (a) Total residential DSM/EE dollars to be collected in Jefferson County, broken down by zip code;
 - (b) Total residential DSM/EE dollars to be spent in Jefferson County, broken down by zip code; and
 - (c) For each DSM/EE program component targeting residential customers, the total dollars to be spent in Jefferson County on that program component, broken down by zip code.
- A-1. Information for the DSM/EE programs is currently in multiple databases and the Company is unable to provide the breakdown as requested. Information provided will be on a total Company basis. The DSM/EE amounts projected to be collected are only the amounts for program costs (i.e., the amounts to be collected through the DSM cost recovery component DCR). The other components of the overall DSM/EE charge do not relate to funds that could be deployed in any particular geographic area, and therefore are not relevant to the overall data request. Also, the other components of the overall DSM/EE charge cannot be accurately projected due to factors that could affect the charges that cannot reasonably be projected at this time, including possible future base rate cases. The table below is in response to parts a, b and c:

LG&E Residential Budgeted Program Expenses

Program	2011	2012	2013	2014	2015	2016	2017	TOTAL
Residential High Efficiency Lighting	\$1,708,023	\$1,723,574	\$1,744,838	\$1,771,741	-	-	-	\$6,948,176
Residential New Construction	\$551,318	\$602,235	\$640,570	\$700,842	-	-	-	\$2,494,965
Residential HVAC Tune Up	\$243,666	\$241,497	\$246,046	\$268,821	-	-	-	\$1,000,030
Customer Education & Public Information	\$1,496,490	\$1,563,944	\$1,648,607	\$1,755,008	-	-	-	\$6,464,048
Dealer Referral Network	\$69,024	\$70,690	\$72,398	\$74,149	-	-	-	\$286,263
Residential Responsive Pricing (RRP)	\$107,500	-	-	-	-	-	-	\$107,500
Program Development & Administration	\$315,114	\$324,235	\$333,630	\$343,310	\$355,326	\$367,763	\$380,538	\$2,419,915
Residential Conservation (HEPP)	\$730,413	\$921,458	\$1,103,608	\$1,127,546	\$1,125,214	\$1,144,372	\$1,180,627	\$7,333,238
Residential Load Management	\$4,323,845	\$5,998,053	\$5,911,541	\$6,910,635	\$6,800,570	\$7,020,087	\$7,272,485	\$44,237,215
Residential Low Income Weatherization	\$1,184,231	\$1,500,294	\$1,978,423	\$2,473,388	\$2,943,664	\$3,430,936	\$3,921,490	\$17,432,427
Smart Energy Profile	\$650,657	\$1,053,908	\$1,037,699	\$1,501,352	\$1,516,500	\$1,556,715	\$1,572,460	\$8,889,290
Residential Refrigerator Removal	\$407,900	\$792,787	\$977,914	\$1,018,363	\$1,034,114	\$1,075,175	\$1,105,462	\$6,411,716
Residential Incentives	\$739,926	\$865,463	\$1,244,115	\$1,262,887	\$1,251,784	\$1,255,808	\$1,274,965	\$7,894,947
TOTAL \$s	\$12,528,107	\$15,658,138	\$16,939,390	\$19,208,043	\$15,027,171	\$15,850,855	\$16,708,027	\$111,919,731

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

**Response to the Association of Community Ministries, Inc.
First Request for Information
Dated June 1, 2011**

Case No. 2011-00134

Question No. 2

Witness: Michael E. Hornung

- Q-2. Please provide a chart with the following data, and containing the following elements, for the time frame commencing with the Commission's March 31, 2008 Order in Case No. 2007-00319 and continuing to date.
- (a) Total residential DSM/EE dollars collected in Jefferson County, broken down by zip code;
 - (b) Total residential DSM/EE dollars spent in Jefferson County, broken down by zip code; and
 - (e) For each DSM/EE program component targeting residential customers, the total dollars spent in Jefferson County on that program component, broken down by zip code.
- A-2. The DSM/EE collected amounts are only the amounts for program costs (i.e., the amounts collected through the DSM cost recovery component DCR). The other components of the overall DSM/EE charge do not relate to funds that were or could be deployed in any particular geographic area, and therefore are not relevant to the overall data request. The table below is in response to parts a, b and c:

LG&E Residential Program Expenses

Program	2008	2009	2010	TOTAL
Residential High Efficiency Lighting	\$31,539	\$847,070	\$1,262,235	\$2,140,843
Residential New Construction	\$19,375	\$363,522	\$572,075	\$954,972
Residential HVAC Tune Up	-	\$145,512	\$78,622	\$224,134
Customer Education & Public Information	\$447,800	\$1,800,131	\$1,626,254	\$3,874,185
Dealer Referral Network	-	\$28,496	\$39,246	\$67,742
Residential Responsive Pricing (RRP)	\$896,248	\$575,793	\$430,925	\$1,902,966
Program Development & Administration	\$237,033	\$418,640	\$516,285	\$1,171,958
Residential Conservation	\$273,085	\$322,135	\$369,454	\$964,674
Residential Load Management	\$2,801,315	\$5,182,726	\$3,946,550	\$11,930,592
Residential Low Income Weatherization	\$873,357	\$872,578	\$931,623	\$2,677,558
TOTAL \$s	\$5,579,751	\$10,556,602	\$9,773,269	\$25,909,623

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

**Response to the Association of Community Ministries, Inc.
First Request for Information
Dated June 1, 2011**

Case No. 2011-00134

Question No. 3

Witness: Michael E. Hornung

- Q-3. Please provide the total dollar amount paid in DSM/EE charges by LG&E customers in Jefferson County who have had at least one bill paid by a third-party assistance provider for the time frame commencing with the Commission's March 31, 2008 Order in Case No. 2007-00319 and continuing to date.
- A-3. This information is not readily available and would require significant time and effort not permitted in the schedule.

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

**Response to the Association of Community Ministries, Inc.
First Request for Information
Dated June 1, 2011**

Case No. 2011-00134

Question No. 4

Witness: Michael E. Hornung

- Q-4. Please provide the following information concerning the Residential Load Management/Demand Conservation Program:
- (a) A breakdown, by zip code, showing how many load control switches have been installed in Jefferson County under the program to date;
 - (b) A breakdown, by zip code, showing how many programmable thermostats have been installed in Jefferson County under the program to date;
 - (c) The total number of LG&E customers receiving load control switches or programmable thermostats who have had at least one LG&E bill paid by a third-party assistance provider during the period 2008 through 2010; and
 - (d) The cost per installation of load control switches and programmable thermostats, respectively.
- A-4. (a) As of December 31, 2010, there are 73,351 load control switches in the LG&E service territory.
- (b) Due to potential safety concerns, LG&E has initiated an effort to remove all the controllable programmable thermostats associated with the Residential Load Management/Demand Conservation Program. At the time of this filing there are only 125 remaining within the LG&E service territory. Efforts are ongoing to remove these remaining devices. Please see the response to KPSC Question No. 1-11.
 - (c) The total number of LG&E residential customers receiving load control switches who have had at least one LG&E bill paid by a third-party assistance provider during the period 2008 through 2010 is 5,665.
 - (d) The cost per installation of load control switches and programmable thermostats, respectively, is approximately \$130 and \$250. This is based on current installation costs.

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

**Response to the Association of Community Ministries, Inc.
First Request for Information
Dated June 1, 2011**

Case No. 2011-00134

Question No. 5

Witness: Michael E. Hornung

- Q-5. Are renters eligible to participate in the Residential Load Management/Demand Conservation Program? If not, please explain the rationale for their exclusion.
- A-5. Yes, renters are eligible to participate in the Residential Load Management/Demand Conservation Program. Landlord consent is required and the incentives are shared.

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

**Response to the Association of Community Ministries, Inc.
First Request for Information
Dated June 1, 2011**

Case No. 2011-00134

Question No. 6

Witness: Michael E. Hornung

- Q-6. Please provide the following information concerning the Residential Conservation/Home Energy Performance Program:
- (a) A breakdown, by zip code, showing how many on-line energy audits have been completed to date by LG&E customers in Jefferson County;
 - (b) A breakdown, by zip code, of how many free compact fluorescent light bulbs have been distributed to LG&E customers in Jefferson County in connection with the online energy audit component to date;
 - (c) The total number of LG&E customers in Jefferson County completing on-line energy audits who have had at least one LG&E bill paid by a third-party assistance provider during the period 2008 through 2010;
 - (d) The current bill impact of the on-line energy audit component;
 - (e) A breakdown, by zip code, showing how many LG&E customers in Jefferson County have participated in the on-site energy audit program to date;
 - (f) The total number of LG&E customers participating in the on-site energy audit program in Jefferson County who have had at least one LG&E bill paid by a third-party assistance provider during the period 2008 through 2010; and
 - (g) The current bill impact of the on-site energy audit program.
- A-6. (a) As of December 31, 2010, there have been 1,294 online audits completed by LG&E customers.
- (b) As of December 31, 2010, there have been 5,176 CFL bulbs distributed to LG&E customers who have completed an online audit.

- (c) This information is not readily available and would require significant time and effort not permitted in the schedule.
- (d) The program budget for year one (2011) of the Residential Conservation / Home Energy Performance Program is approximately \$1.461 million. The bill impact of the online component is not calculated separately. The estimated average residential LG&E electric bill impact for the total program is \$0.07. The estimated average residential LG&E gas bill impact for the total program is \$0.06.
- (e) As of December 31, 2010, there have been 2,252 on-site audits completed by LG&E customers.
- (f) The total number of LG&E residential customers participating in the on-site energy audit program who have had at least one LG&E bill paid by a third-party assistance provider during the period 2008 through 2010 is 287.
- (g) Please refer to the response to part (d) above.

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

**Response to the Association of Community Ministries, Inc.
First Request for Information
Dated June 1, 2011**

Case No. 2011-00134

Question No. 7

Witness: Michael E. Hornung

- Q-7. Please refer to page 35 of Exhibit MEH-1 to the Direct Testimony of Michael E. Hornung, wherein levels of customer investment and corresponding financial incentives under the Home Energy Performance Program are discussed. Would LG&E be willing to consider adding provisions to the program design, such as tiered income qualifications, to ensure that low income customers are able to participate at a level comparable to their contribution to the DSM/EE fund?
- A-7. The Home Energy Performance Program has been designed for all residential customers. The tier structure allows for energy savings at all levels. For a customer charge of \$25, the first tier audit provides the customer approximately 10% energy saving generated from the energy efficiency measures and air sealing deployed at the time of the audit. The program budget is designed for 75% of the program participants stopping at the tier one level. At the same time the online audit tool is accessible to all customers on the Company's website www.lge-ku.com.

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

**Response to the Association of Community Ministries, Inc.
First Request for Information
Dated June 1, 2011**

Case No. 2011-00134

Question No. 8

Witness: Michael E. Hornung

- Q-8. Please provide the following information concerning the Residential and Commercial HVAC Diagnostic and Tune Up Program:
- (a) A breakdown, by zip code, showing how many residential diagnostic performance checks have been performed to date in Jefferson County;
 - (b) The number of residential customers in Jefferson County receiving diagnostic performance checks who had at least one LG&E bill paid by a third-party assistance provider during the period 2008 through 2010;
 - (c) A breakdown, by zip code, of how many residential customers in Jefferson County have taken corrective action under the program following a performance check in (a), above;
 - (d) The total number of customers who have taken corrective action as per (c), above, who have had at least one LG&E bill paid by a third-party assistance provider during the period 2008 through 2010; and
 - (e) The current residential bill impact of the HVAC Diagnostic and Tune Up Program.
- A-8. (a) As of December 31, 2010, there have been 988 diagnostics completed by LG&E residential customers.
- (b) This information is not readily available and would require significant time and effort not permitted in the schedule.
- (c) As of December 31, 2010, there have been 413 tune-ups completed by LG&E residential customers.

- (d) This information is not readily available and would require significant time and effort not permitted in the schedule.

- (e) The program budget for year one (2011) of the Residential HVAC Program is approximately \$0.533 million. The estimated average residential LG&E electric bill impact for the total program is \$0.04. No gas bill impacts are associated with the HVAC Diagnostic and Tune-up Program.

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

**Response to the Association of Community Ministries, Inc.
First Request for Information
Dated June 1, 2011**

Case No. 2011-00134

Question No. 9

Witness: Michael E. Hornung

- Q-9. Please refer to page 63 of Exhibit MEH-1 to the Direct Testimony of Michael E. Hornung, wherein the Residential High Efficiency Lighting Program is described.
- (a) Please confirm that compact fluorescent light ("CFL") bulbs provided through direct mail delivery and at customer walk-in centers are provided to customers free of charge.
 - (b) Please explain how the Company chooses which LG&E customers will be notified of the opportunity to receive CFL bulbs through direct mail delivery, and how said customers are notified.
 - (c) Please provide a breakdown by zip code of the number of postcards or other notifications, respectively, sent to LG&E customers informing them of the opportunity to receive CFL bulbs for free by direct mail.
 - (d) Please provide the locations of the customer walk-in centers at which CFL bulbs are distributed.
 - (e) Please state the per-bulb purchase cost of the CFL bulbs distributed to LG&E customers in Jefferson County to date.
 - (f) Please state the average shipping cost for CFL bulbs provided to LG&E customers in Jefferson County by direct mail.
- A-9. (a) All costs associated with the Residential High Efficiency Lighting Program are funded through the Electric DSM charge on customer bills; therefore, CFL bulbs provided through direct mail delivery and at customer walk-in centers are provided to customers free of any additional charge.
- (b) All residential LG&E customers are eligible and provided an opportunity to take advantage of the Residential High Efficiency Lighting Program. Customers are sent

a direct mail piece with a business reply card notifying them of the opportunity to receive CFL bulbs. The historical customer response rate for the CFL program is 34%.

- (c) Since 2008, approximately 1.3 million direct mail pieces have been provided to LG&E customers informing them of the opportunity to receive CFL bulbs at no additional cost to the customer.
- (d) No CFL bulbs associated with LG&E's Residential High Efficiency Lighting Program have been distributed at its customer center. The program is designed to ensure all residential customers have an equal opportunity to participate. The Company has distributed CFL bulbs on a few occasions at customer service events, but the bulbs the Company distributed at such events were not funded or supported by this DSM program.
- (e) The average per-bulb purchase cost is \$1.14 for the CFL bulbs distributed to LG&E customers.
- (f) The average shipping cost for CFL bulbs provided to LG&E customers by direct mail is \$1.51 per package. Campaigns to customers have included either a package of two or four CFLs per customer.

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

**Response to the Association of Community Ministries, Inc.
First Request for Information
Dated June 1, 2011**

Case No. 2011-00134

Question No. 10

Witness: Michael E. Hornung

- Q-10. Please continue to refer to page 63 of Exhibit MEH-1 to the Direct Testimony of Michael E. Hornung. Please provide the following:
- (a) A breakdown by zip code of the number of CFL bulbs distributed by direct mail to LG&E customers in Jefferson County to date;
 - (b) The number of Jefferson County customers who received CFL bulbs by direct mail who had an LG&E bill paid by third-party assistance provider during the period 2008 through 2010; and
 - (c) A breakdown of how many CFL bulbs have been distributed at each customer walk-in center.
- A-10. (a) This information is not readily available and would require significant time and effort not permitted in the schedule. However, the total number of CFL bulbs distributed by direct mail to LG&E residential customers is approximately 654,000.
- (b) This information is not readily available and would require significant time and effort not permitted in the schedule.
 - (c) As stated in response to Question No. 9 (d), no CFL bulbs associated with the Residential High Efficiency Lighting Program have been distributed at the customer walk-in centers.

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

**Response to the Association of Community Ministries, Inc.
First Request for Information
Dated June 1, 2011**

Case No. 2011-00134

Question No. 11

Witness: Michael E. Hornung

Q-11. What specific measures has LG&E incorporated into program design and implementation plans to ensure that low income households in Jefferson County receive an equitable share of DSM/EE dollars spent during the period covered by the instant Application?

A-11. Over 85% of all DSM funds in the proposed 2011 DSM/EE portfolio (including existing, enhanced, and new programs) are for the benefit of residential customers. Concerning the WeCare program that is provided to LIHEAP eligible customers, LG&E has not only increased the number of allowed participants, but also increased the value of measures available for weatherization. The combined LG&E and KU WeCare budget has increased from \$1.9 million annually under the existing structure to \$2.3 million - \$7.8 million annually under the proposed enhancements, and the proposed WeCare seven-year budget now represents 13% of the total portfolio of program budget as compared to 7% under the existing programs. All residential customers in LG&E's and KU's service territories benefit from the efforts associated with the entire DSM portfolio, as the reduction in both energy and demand delay the construction of electric generation, which is demonstrated by the California Standards Practice Manual benefit-cost tests.

Finally, LG&E's DSM/EE programs are voluntary. The Company attempts to make all customers aware of the programs via a number of marketing and advertising efforts, but it is ultimately up to the customers whether they will participate. Therefore, the customers' voluntary responses determine where most DSM/EE funds are spent.

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

**Response to the Association of Community Ministries, Inc.
First Request for Information
Dated June 1, 2011**

Case No. 2011-00134

Question No. 12

Witness: Michael E. Hornung

- Q-12. What specific measures has LG&E incorporated into program design and implementation plans to ensure that renters of single-family homes and units in multi-family buildings, respectively, receive, or benefit from, an equitable share of DSM/EE dollars spent during the period covered by the instant Application regardless of whether they pay their own utility bills or these charges are included in the rent?
- A-12. LG&E has marketed directly to all residential customers the various energy efficiency programs that are available. Also, LG&E has performed additional specific marketing targeted towards landlords and those residents in multi-family buildings. For the Demand Conservation program, this is especially useful for the ease of scheduling a significant number of load control switches within close proximity. The WeCare Program, renters of single-family homes and units in multi-family buildings are also eligible. Here, a landlord agreement is required to proceed.

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

**Response to the Association of Community Ministries, Inc.
First Request for Information
Dated June 1, 2011**

Case No. 2011-00134

Question No. 13

Witness: Michael E. Hornung

- Q-13. Please refer to section 4.3 on page 38 of Exhibit MEH-1 to the Direct Testimony of Michael E. Hornung, where it is stated that "[e]ligible WeCare households will include but not be limited to those residential customers who qualify for Federal Low-Income Weatherization Assistance Program (WAP) or Low Income Home Energy Assistance Program (LIHEAP) services."
- (a) Please describe the criteria that will be employed to determine which residential customers other than those eligible for WAP or LIHEAP will be eligible for WeCare.
 - (b) Please explain how the criteria in (a) differ from those currently employed.
- A-13. (a) Customers must receive assistance through LIHEAP or meet the same income qualifications and have 12 months of usage history.
- (b) There have been no changes made to the criteria used in determining eligibility for WeCare within this filing.

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

**Response to the Association of Community Ministries, Inc.
First Request for Information
Dated June 1, 2011**

Case No. 2011-00134

Question No. 14

Witness: Michael E. Hornung

Q-14. In determining WeCare eligibility based upon LIHEAP eligibility, does LG&E use the KY ceiling for financial eligibility or the federal ceiling for financial eligibility? If the latter, do the companies use the percentage of poverty guideline or the percentage of state median income guideline?

A-14. LG&E uses the federal ceiling to determine financial eligibility. For the federal ceiling, LG&E uses the percentage of poverty guidelines.

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

**Response to the Association of Community Ministries, Inc.
First Request for Information
Dated June 1, 2011**

Case No. 2011-00134

Question No. 15

Witness: Michael E. Hornung

- Q-15. Please provide a step-by-step description of the various processes by which LG&E customers may enter and qualify for the WeCare program, from the point of outreach/recruitment or other point of entry through the point at which an appointment for a home energy audit is scheduled, or a determination is made that the customer is not eligible for the program.
- A-15. LG&E provides to a third-party contractor a list of LIHEAP recipients to contact. The specified contractor then calls the eligible customers on the list and explains the benefits of the WeCare program. If the customer is interested in participating in the program, the contractor then schedules an appointment. Any customer who independently inquires through an agency or call-center will be referred to the respective contractor to determine eligibility and to schedule the energy audit and weatherization.

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

**Response to the Association of Community Ministries, Inc.
First Request for Information
Dated June 1, 2011**

Case No. 2011-00134

Question No. 16

Witness: Michael E. Hornung

- Q-16. Please provide copies of all policies, procedures, criteria, protocols and manuals the Joint Applicants and/or their vendors use in recruiting, screening and selecting LG&E customers and providing weatherization services to them under the WeCare program in Jefferson County, including any policies, procedures, protocols or manuals revised in anticipation of approval of the changes to WeCare that are the subject of this proceeding.
- A-16. Due to the nature of this program, and the finite funding level of the program's budget, there are no marketing materials or allocated funds for such materials, for this purpose. As described in Case No. 2011-00134, Volume I, Section 4.3, our program partners collaborate with various community agencies, churches, and associations to identify potential customers. Also, consolidated services, when possible and practical, with the local Weatherization Assistance Program (WAP), are provided by close coordination of the various stakeholders.

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

**Response to the Association of Community Ministries, Inc.
First Request for Information
Dated June 1, 2011**

Case No. 2011-00134

Question No. 17

Witness: Michael E. Hornung

Q-17. Please refer to pages 14-15 of the Direct Testimony of Michael Hornung. Note that on line 15-16 of page 14, and on lines 3 — 5 of page 15, it is stated that the monthly bill impact of the new DSM/EE programs and program enhancements will be \$2.06 for LG&E residential electric customers, and \$1.68 for LG&E residential gas customers, respectively, based on certain monthly levels of energy usage. Assuming the same monthly energy usage, please provide a breakdown of the monthly bill impact of each respective new DSM/EE program and program enhancement.

A-17. Please refer to the following tables outlining bill impact by program.

LG&E Monthly Residential Electric Bill Impact	DCR	DRLS	DSMI	DRR	DBA	Total
Residential High Efficiency Lighting	\$0.54	\$1.09	\$0.03	-	-	\$1.65
Residential New Construction	\$0.11	\$0.03	\$0.00	-	-	\$0.14
Residential HVAC Tune Up	\$0.06	\$0.01	\$0.00	-	-	\$0.08
Customer Education & Public Information	\$0.20	-	\$0.01	-	-	\$0.21
Dealer Referral Network	\$0.01	-	\$0.00	-	-	\$0.01
Residential Responsive Pricing	\$0.03	-	-	-	-	\$0.03
Program Development & Administration	\$0.07	-	-	-	-	\$0.07
Residential Conservation (HEPP)	\$0.10	\$0.03	\$0.00	-	-	\$0.14
Residential Load Management	-	\$0.05	-	\$0.48	-	\$0.53
Residential Low Income Weatherization	\$0.11	\$0.05	\$0.01	-	-	\$0.16
Smart Energy Profile	\$0.12	\$0.17	\$0.01	-	-	\$0.29
Residential Refrigerator Removal	\$0.10	\$0.02	\$0.00	-	-	\$0.12
Residential Incentives	\$0.18	\$0.06	\$0.01	-	-	\$0.25
Total LG&E Monthly Electric Bill Impact	\$1.64	\$1.50	\$0.07	\$0.48	(\$1.63)	\$2.06

LG&E Monthly Residential Gas Bill Impact	DCR	DRLS	DSMI	DRR	DBA	Total
Residential High Efficiency Lighting	-	-	-	-	-	-
Residential New Construction	\$0.07	\$0.01	\$0.01	-	-	\$0.09
Residential HVAC Tune Up	-	-	-	-	-	-
Customer Education & Public Information	\$0.26	-	\$0.01	-	-	\$0.27
Dealer Referral Network	\$0.02	-	\$0.00	-	-	\$0.02
Residential Responsive Pricing	\$0.00	-	-	-	-	\$0.00
Program Development & Administration	\$0.09	-	-	-	-	\$0.09
Residential Conservation (HEPP)	\$0.11	\$0.02	\$0.00	-	-	\$0.13
Residential Load Management	-	\$0.02	-	\$0.39	-	\$0.41
Residential Low Income Weatherization	\$0.25	\$0.03	\$0.01	-	-	\$0.30
Smart Energy Profile	\$0.07	\$0.04	\$0.00	-	-	\$0.11
Residential Refrigerator Removal	-	-	-	-	-	-
Residential Incentives	-	-	-	-	-	-
Total LG&E Monthly Gas Bill Impact	\$0.87	\$0.12	\$0.04	\$0.39	\$0.27	\$1.68

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

**Response to the Association of Community Ministries, Inc.
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Question No. 18

Witness: Michael E. Hornung

Q-18. Please continue to refer to the above-referenced testimony concerning monthly bill impacts, and refer as well to page 4, line 1, through page 7, line 16 of the Direct Testimony of Lonnie E. Bellar, discussing the Companies' proposal to record the costs of new load control switches and programmable thermostats as capital costs. What would the monthly bill impacts be if these costs were expensed instead?

A-18. The monthly LG&E bill impact would be \$2.09 per residential electric customer and \$1.71 per residential gas customer if Residential Load Management were expensed rather than capitalized.

LG&E Monthly Residential Electric Bill Impact	DCR	DRLS	DSMI	DRR	DBA	Total
Residential High Efficiency Lighting	\$0.54	\$1.09	\$0.03	-		\$1.65
Residential New Construction	\$0.11	\$0.03	\$0.00	-		\$0.14
Residential HVAC Tune Up	\$0.06	\$0.01	\$0.00	-		\$0.08
Customer Education & Public Information	\$0.20	-	\$0.01	-		\$0.21
Dealer Referral Network	\$0.01	-	\$0.00	-		\$0.01
Residential Responsive Pricing	\$0.03	-	-	-		\$0.03
Program Development & Administration	\$0.07	-	-	-		\$0.07
Residential Conservation (HEPP)	\$0.10	\$0.03	\$0.00	-		\$0.14
Residential Load Management	\$0.47	\$0.05	\$0.04	-		\$0.56
Residential Low Income Weatherization	\$0.11	\$0.05	\$0.01	-		\$0.16
Smart Energy Profile	\$0.12	\$0.17	\$0.01	-		\$0.29
Residential Refrigerator Removal	\$0.10	\$0.02	\$0.00	-		\$0.12
Residential Incentives	\$0.18	\$0.06	\$0.01	-		\$0.25
Total LG&E Monthly Electric Bill Impact	\$2.11	\$1.50	\$0.11	-	(\$1.63)	\$2.09

LG&E Monthly Residential Gas Bill Impact	DCR	DRLS	DSMI	DRR	DBA	Total
Residential High Efficiency Lighting	-	-	-	-	-	-
Residential New Construction	\$0.07	\$0.01	\$0.01	-	-	\$0.09
Residential HVAC Tune Up	-	-	-	-	-	-
Customer Education & Public Information	\$0.26	-	\$0.01	-	-	\$0.27
Dealer Referral Network	\$0.02	-	\$0.00	-	-	\$0.02
Residential Responsive Pricing	\$0.00	-	-	-	-	\$0.00
Program Development & Administration	\$0.09	-	-	-	-	\$0.09
Residential Conservation (HEPP)	\$0.11	\$0.02	\$0.00	-	-	\$0.13
Residential Load Management	\$0.38	\$0.02	\$0.03	-	-	\$0.43
Residential Low Income Weatherization	\$0.25	\$0.03	\$0.01	-	-	\$0.30
Smart Energy Profile	\$0.07	\$0.04	\$0.00	-	-	\$0.11
Residential Refrigerator Removal	-	-	-	-	-	-
Residential Incentives	-	-	-	-	-	-
Total LG&E Monthly Gas Bill Impact	\$1.25	\$0.12	\$0.07	-	\$0.27	\$1.71

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

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Question No. 19

Witness: Michael E. Hornung

Q-19. Please provide a breakdown by zip code of the average monthly electric usage and average monthly gas usage of LG&E customers in Jefferson County for each of the years 2008, 2009 and 2010.

A-19. Usage data in the form requested is not readily available, and generating such data would require more time than the procedural schedule allows to respond to these requests. Therefore, the following table provides actual and weather normalized average monthly electric and gas usage for all LG&E residential customers for 2009 and 2010:

Average Monthly Usage	Actuals		Weather Normalized Actuals	
	For 2009	For 2010	For 2009	For 2010
LG&E Electric Residential Customer (kWh)	982	1,089	1,001	987
LG&E Gas Residential Customer (CCF)	56	59	58	55

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Question No. 20

Witness: Michael E. Hornung

- Q20. Please provide the average monthly electric usage and average monthly gas usage of LG&E customers for whom at least one bill was paid by a third-party assistance provider for each of the years 2008, 2009 and 2010.
- A-20. Please refer to the chart below for the average monthly usage of an LG&E customer that received assistance from a third-party provider.

	kWh	CCF
2008	820	56
2009	1,077	58
2010	1,063	48

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Question No. 21

Witness: Michael E. Hornung

Q-21. Is LG&E able to identify which of its residential customers use gas for heating and/or hot water?

A-21. No, LG&E is not able to identify which residential customers use natural gas for heating or hot water.

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Question No. 22

Witness: Michael E. Hornung

- Q-22. Please refer to pages 52 - 55 of Exhibit MEH-1 to the Direct Testimony of Michael E. Hornung, wherein the Residential Incentives Program is discussed. Please provide the data documenting the assumptions regarding the number of customers who will make purchases as a result of the availability of incentives, versus those who would have made such purchases regardless.
- A-22. Those customers who would purchase a qualifying item regardless of an available incentive are defined as free riders. A free-rider as it relates to energy efficiency programs is defined to be someone who would install an energy efficient measure without any incentive, but receives an incentive because it is available. The free-rider assumptions used for the various incentives are provided below and are based on research of other utility programming.

Qualifying Item	Free-Ridership Rate
Appliances	20%
A/C or Heat Pump	10%
Window Film	5%