



a PPL company

Mr. Jeff DeRouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602-0615

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DEC 05 2011

PUBLIC SERVICE
COMMISSION

**Louisville Gas and
Electric Company**
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December 5, 2011

**RE: *BRENDA JOYCE CLAYTON COMPLAINANT V. LOUISVILLE
GAS AND ELECTRIC COMPANY DEFENDANT
Case No. 2011-00211***

Dear Mr. DeRouen:

Enclosed please find an original and ten copies of the Response of Louisville Gas and Electric Company to the Commission Staff's First Request for Information in the Complaint of Brenda Joyce Clayton in the above-referenced docket.

A copy is being mailed to the Complainant.

Please contact me if you have any questions concerning this filing.

Sincerely,

Rick E. Lovekamp

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | | |
|-----------|--|---|-------------------|
| | BRENDA JOYCE CLAYTON |) | |
| | COMPLAINANT |) | CASE NO. |
| | |) | 2011-00211 |
| V. | |) | |
| | LOUISVILLE GAS & ELECTRIC COMPANY |) | |
| | DEFENDANT |) | |

RESPONSE OF
LOUISVILLE GAS & ELECTRIC COMPANY
TO
COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION

DATED NOVEMBER 15, 2011

FILED: December 5, 2011

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated November 15, 2011**

Case No. 2011-00211

Question No. 1

Witness: Cheryl E. Bruner

- Q-1. Refer to page 2 of LG&E's September 12, 2011 Answer ("Answer") to the complaint of Brenda Joyce Clayton ("Ms. Clayton"), beginning at the sixth line from the bottom of the page and continuing through the eighth line on page 3.
- a. The text states that Ms. Clayton's electric service was disconnected on June 3, 2009, that she contacted LG&E on June 11, 2009 about getting that service restored, and that at that time, "She was told someone would contact her with a split quote." Explain why Ms. Clayton was not contacted by an LG&E representative between June 11 and June 22, 2009 to be given the split quote she eventually received after she spoke with a representative on June 22, 2009.
 - b. The text indicates that Ms. Clayton had no electric service from June 3, 2009 until June 26, 2009, a period of 23 days. Eleven *of* the 23 days was the time between when Ms. Clayton "[was told someone would contact her with a split quote" and the time that she contacted LG&E and received a split quote "[after not hearing back from an LG&E representative]" Explain why 11 days were allowed to lapse with no apparent effort on the part of LG&E to contact Ms. Clayton with the split quote she was advised of on June 11, 2009.
 - c. Provide a general description of LG&E's internal record-keeping procedure for tracking a situation such as Ms. Clayton's, in which LG&E indicates that the next step in the process will be for it to contact the customer, to ensure that, in fact, the customer is contacted by LG&E.
- A-1. a. The contact center representative who spoke to Ms. Clayton indicated in her notation of their conversation on June 6, 2009 that she had submitted a request for a split quote. Under the Customer Care System ("CCS") (which had been implemented only two months prior), this type of request is ordinarily submitted by web form and delivered to a shared inbox. It appears the representative failed to submit the form in this case.

- b. Ms. Clayton contacted LG&E on June 6, 2009 requesting a split quote. As indicated above, there exists no record that the form requesting this calculation was duly submitted by the representative. Therefore, the calculation was not made and Ms. Clayton was not contacted by LG&E.

- c. The representative notes the customer's request for a split quote on the account and also submits a form from the Residential Service Center ("RSC") website requesting that the split amount be calculated. These forms are delivered to a shared inbox which is monitored by RSC supervisors. The supervisor calculates the split amount, contacts the customer, and notes the account. The emailed form is then filed in the Split Inbox Folder under the name of the supervisor who completed the calculation.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated November 15, 2011**

Case No. 2011-00211

Question No. 2

Witness: Cheryl E. Bruner

- Q-2. Refer to page 3 of the Answer at which LG&E states that, "On June 26, 2009, Ms. Clayton paid \$107 and a new account, Acct. 7727, was created for her service reflecting that her gas service obligations had been split from her electric service obligation." Confirm that the new account, Acct. 7727, was intended to be an electric-only account for Ms. Clayton. If not, explain the purpose of the new account.
- A-2. The new account was not intended to be an electric-only account. In order to restore Ms. Clayton's electric service, the representative created a new account to transfer the electric balance and noted "SPLIT ACCOUNT" to indicate an outstanding balance still owed on gas service. The new account would have served for both the gas and electric, once Ms. Clayton paid the past due gas amount to restore gas service.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated November 15, 2011**

Case No. 2011-00211

Question No. 3

Witness: Cheryl E. Bruner

- Q-3. Refer to page 3 of the Answer at which LG&E states that, "A final bill was mailed for Acct. 1447, with a due date of September 21, 2009, reflecting a \$485.79 balance (after applying a \$240 deposit, \$7.70 in deposit interest, and Ms. Clayton's two payments totaling \$357 made in June 2009)." Provide a breakdown of the deposit between gas and electric service.
- A-3. When Ms. Clayton first set up gas and electric service with LG&E in October 2008, she was charged a deposit in the amount of \$240 (\$120 gas deposit and \$120 electric deposit), in accordance with LG&E's tariffs that were in place at that time. See attached.

Louisville Gas and Electric Company

**Original Sheet No. 87
P.S.C. of Ky. Electric No. 6**

TERMS AND CONDITIONS DEPOSITS

The Company may require a minimum cash deposit or other guaranty to secure payment of bills except for customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection. The Company may offer customers the option of paying all or a portion of their deposits in installments over a period not to exceed the first three normal billing periods. Service may be refused or discontinued for failure to pay the requested deposit.

Generally, deposits will be required from all customers not meeting satisfactory credit and payment criteria. Satisfactory credit for customers will be determined by utilizing independent credit sources (primarily utilized with new customers having no prior history with the Company), as well as historic and ongoing payment and credit history with the Company. Examples of independent credit scoring resources include credit scoring services, public record financial information, financial scoring and modeling services, and information provided by independent credit/financial watch services. Satisfactory payment criteria with the Company may be established by paying all bills rendered, having no disconnections for nonpayment, having no late notices, having no defaulted credit arrangements, having no returned payments, having no meter diversion or theft of service.

If a non-residential customer fails to maintain a satisfactory payment or credit record, or otherwise becomes a new or greater credit risk, as determined by the Company in its sole discretion, the Company may require a new or additional deposit from the customer. A new or additional deposit may also be required if the customer's classification of service changes or if there is a substantial change in usage.

Interest on deposits will be calculated at the rate prescribed by law, from the date of deposit, and will be paid annually either by refund or credit to the customer's bills, except that no refund or credit will be made if the customer's bill is delinquent on the anniversary date of the deposit. If interest is paid or credited to the customer's bill prior to 12 months from the date of deposit, the payment or credit will be on a prorated basis. Upon termination of service, the deposit, any principal amounts, and interest earned and owing will be credited to the final bill, with any remainder refunded to the customer.

Residential deposits will be retained for a period not to exceed 12 months, provided the customer has met satisfactory payment and credit criteria. Non-residential deposits will be maintained as long as the customer remains on service.

If a deposit is held longer than 18 months, the deposit will be recalculated at the customer's request based on the customer's actual usage. If the deposit on account differs from the recalculated amount by more than \$10.00 for a residential customer or 10 percent for a non-residential customer, the Company may collect any underpayment and shall refund any overpayment by check or credit to the customer's bill. No refund will be made if the customer's bill is delinquent at the time of the recalculation.

DEPOSIT AMOUNT

Residential electric customers will pay a deposit in the amount of \$120.00, which is calculated in accordance with 807 KAR5:006 Section 7(1)(b). For combination gas and electric customers, the total deposit will be \$240.00.

Non-residential customers' deposits shall be based upon actual usage of the customer at the same or similar premises for the most recent 12-month period, if such information is available. If usage information is not available, the deposit will be based on the average bills of similar customers and

Date of Issue: July 20, 2004

Issued By

**Date Effective: With Service Rendered
On and After
July 1, 2004**

**Michael S. Beer, Vice President
Louisville, Kentucky**

Issued By Authority of an Order of the KPSC in Case No. 2003-00433 dated June 30, 2004

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated November 15, 2011**

Case No. 2011-00211

Question No. 4

Witness: Cheryl E. Bruner

Q-4. State whether Acct. 1447 was intended to remain as a gas-only account for Ms. Clayton. If not, explain.

A-4. No. See response to Question No. 2 above.

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Commission Staff's First Request for Information
Dated November 15, 2011

Case No. 2011-00211

Question No. 5

Witness: Cheryl E. Bruner

- Q-5. Refer to page 4 of the Answer which states that LG&E posted a credit of \$601.19 to Ms. Clayton's bill due October 13, 2009, and transferred a balance of \$485.79 from Acct. 1447.
- a. Provide a detailed breakdown of the \$601.19 credit which shows the amounts for gas and electric service, as well as a breakdown of each of those amounts into the following categories: amounts for service; late payment penalties; and other miscellaneous charges or credits (identifying the miscellaneous charges and credits).
 - b. Explain why the \$601.19 was credited to Ms. Clayton's bill.
 - c. Provide a breakdown of the \$485.79 transferred into the accounts representing gas and electric service.
 - d. Explain why the entire balance was transferred to the electric only account, Acct. 7727.
 - e. Explain the relationship, if any, between the \$485.79 and the \$601.19.
- A-5. a. See attached.
- b. As explained in LG&E's September 12, 2011 Answer No. 3(b) to the Complaint, the credit of \$601.19 is not a reflection of a payment made by Ms. Clayton. The \$601.19 on this bill represents the split of Ms. Clayton's gas service obligations from her account. The amount owed on gas was effectively removed from Ms. Clayton's account and placed in a holding account so that Ms. Clayton could continue to receive electric service without facing disconnection for the (older) gas portion. Ms. Clayton's gas usage that comprises the \$601.19 was incurred prior to June 2009 when she requested the shut off and split account.

- c. See attached.
- d. Account 7727 was not intended to be an electric only account. See response to A-5.b.
- e. The \$485.79 is the transferred, gas only balance owed from Account 1447 (which was used as the base amount for calculating the split). See the attachment provided in response to A-5.a. for an illustration of how the \$601.19 calculation was made, using the \$485.79 balance.

*****1447

| Due Date | EL | NG | LPC1 | Other | Payment | Comment |
|-------------------|---------------|----------------|--------------|--------------|-----------------|---------------------|
| 10/16/2008 | | | | | -150 | |
| 10/21/2008 | 17.75 | 29.39 | | | | |
| 11/19/2008 | 17.79 | 118 | 2.36 | | | |
| 12/10/2008 | | | | | -160 | |
| 12/19/2008 | 23.12 | 267.35 | 6.79 | 240 | | deposit |
| 1/14/2009 | | | | | -428 | |
| 1/22/2009 | 29.24 | 387.95 | 14.53 | | | |
| 2/19/2009 | 25.61 | 378.1 | | -2.01 | | Interest on deposit |
| 3/19/2009 | 18.25 | 205.98 | 20.19 | | | |
| 4/13/2009 | 21.11 | 150.45 | 11.21 | | | |
| 4/13/2009 | | | | | -140.33 | |
| 5/18/2009 | 19.63 | 92.47 | 8.58 | | | |
| 5/28/2009 | | | | | -200 | |
| 6/12/2009 | | | | | -250 | |
| 6/15/2001 | 25.77 | 22.81 | 5.6 | -7.7 | | Interest on deposit |
| 6/26/2009 | | | | | -107 | |
| 9/21/2009 | 1.85 | 6.52 | 2.43 | -240 | | return of deposit |
| Total | 200.12 | 1659.02 | 71.69 | -9.71 | -1435.33 | 485.79 |

*****7727

| Due Date | EL | NG | LPC1 | Other | Payment | Comment |
|------------------|--------------|-------------|-------------|---------------|-------------|---------------------|
| 9/21/2011 | | | | 485.79 | | Transferred Balance |
| 9/21/2009 | 75.37 | 21.2 | | 29 | | reconnect of EL |
| 9/21/2009 | | | | 135 | | EL Deposit |
| 9/24/2009 | | | 4.83 | | | |
| 9/28/2009 | | | | | -150 | |
| Totals | 75.37 | 21.2 | 4.83 | 649.79 | -150 | 601.19 |

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated November 15, 2011**

Case No. 2011-00211

Question No. 6

Witness: Cheryl E. Bruner

- Q-6. Refer to page 5 of the Answer at which LG&E states that, "In March 2011, LG&E determined Ms. Clayton had been erroneously charged Customer Charges on her gas service while the gas service was disconnected. As a result, LG&E placed a credit of \$84.36 on Acct. 7727 for all service charges incurred for the period June 2009 to March 2010 while Ms. Clayton's gas service was disconnected." Provide a breakdown of the \$84.36 by the month and amount it was meant to credit.
- A-6. See attached.

| Billing Period | Credit \$ |
|---------------------------|-----------------|
| 6/26/2009-7/2/2009 | (\$1.69) |
| 7/3/2009-7/31/2009 | (\$9.65) |
| 8/1/2009-8/31/2009 | (\$9.65) |
| 9/1/2009-9/30/2009 | (\$9.65) |
| 10/1/2009-10/29/2009 | (\$9.65) |
| 10/30/2009-12/1/2009 | (\$9.65) |
| 12/2/2009-1/4/2010 | (\$9.65) |
| 1/5/2010-2/2/2010 | (\$9.65) |
| 2/3/2010-3/3/2010 | (\$9.65) |
| <u>3/4/2010-3/17/2010</u> | <u>(\$5.47)</u> |
| Total Credit | (\$84.36) |

Amounts include Basic Service Charge and Home Energy Assistance Program.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated November 15, 2011**

Case No. 2011-00211

Question No. 7

Witness: Cheryl E. Bruner

- Q-7. Refer to page 7 of the Answer at which LG&E states that Ms. Clayton was "mistakenly disconnected" while the informal complaint was pending. Explain how this disconnection occurred and describe the steps LG&E has taken to ensure that such disconnections are not repeated in the future.
- A-7. A Customer Care Representative put a lock on Ms. Clayton's account until March 31, 2011, while the account was in dispute. The complaint was still pending on March 31, 2011, so the lock was extended until April 15, 2011. At that time, the lock lapsed, which resulted in the service being disconnected for nonpayment of \$567.58 (which included amounts that were not in dispute) on April 29, 2011 at 11:30 a.m. A high priority order was issued and electric service was restored at 1:39 p.m., that same day. A Customer Care Representative was in contact with Ms. Clayton during the reconnection process and apologized. A lock has been placed on Ms. Clayton's account set to expire at a future date that will ensure disconnection will not occur for amounts that are subject to Ms. Clayton's formal complaint.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated November 15, 2011**

Case No. 2011-00211

Question No. 8

Witness: Cheryl E. Bruner

- Q-8. Refer to page 6 of the Answer, beginning at the fifth line from the bottom of the page and continuing through the fifth line on page 7. This text indicates that, in response to Ms. Clayton's question regarding how much she needed to pay to have her gas service restored, an LG&E representative, after checking only her electric account, mistakenly told her that the total amount of her bill was \$32.06.
- a. Provide a general description of the type of account information an LG&E customer representative has ready access to when the representative is on the phone speaking with a customer.
 - b. Explain, in the case of the October 15, 2009 phone call in which Ms. Clayton was told that the total amount of her bill was \$32.06, whether LG&E is able to determine if the representative speaking with Ms. Clayton was, or was not, able to access all of Ms. Clayton's account information, including the amounts due on both her electric and gas accounts.
- A-8.
- a. Customer Service Representatives have access to all customer account information available through CCS.
 - b. The Customer Service Representative who spoke with Ms. Clayton on October 15, 2009 had access to all of Ms. Clayton's account information, including the split account, but overlooked it.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated November 15, 2011**

Case No. 2011-00211

Question No. 9

Witness: Cheryl E. Bruner

Q-9. Refer to page 7 of the Answer at which LG&E states that, "On March 3, 2011, Ms. Clayton called for a one-day extension to pay her bill. At that time, it was discovered that Ms. Clayton's gas service was mistakenly reconnected in March 2010, apparently without noting the outstanding balance." Explain how LG&E could have been unaware that gas service had been restored to Ms. Clayton's residence from March 2010 to March 2011 when it had charged her for gas usage during that period.

A-9. When Ms. Clayton visited the Business Office on March 18, 2010, the representative failed to note the split on the account, and therefore gas service was restored without requiring payment of the past due amount.

LG&E was aware that the gas service had been restored, but we did not discover the error regarding the split amount owed for the previous gas usage until March 2011, when Mr. Clayton contacted us regarding a payment arrangement. We were billing monthly and Ms. Clayton was making payments on the current balances.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's First Request for Information
Dated November 15, 2011**

Case No. 2011-00211

Question No. 10

Witness: Cheryl E. Bruner

- Q-10. Refer to page 7 of the Answer, specifically, the three lines immediately preceding paragraph 4, which state that Ms. Clayton's service was disconnected during the pendency of her informal complaint. Provide, in chronological order, the listing of the actions that led to Ms. Clayton's service being disconnected.
- A-10. As stated in LG&E's response to Question No. 7, the lock that had been placed on Ms. Clayton's account pending her informal complaint was allowed to lapse on April 15, 2011. Ms. Clayton's account was past due in the amount of \$567.68 and a brown bill was automatically generated from CCS, resulting in the termination of her electric service on April 29, 2011. LG&E affirmatively states that pursuant to 807 KAR 5:006, Section 11., LG&E has the right to disconnect Ms. Clayton for nonpayment of bills that are not in dispute.