



a PPL company

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

RECEIVED

JAN 20 2012

PUBLIC SERVICE
COMMISSION

**Louisville Gas and
Electric Company**
State Regulation and Rates
220 West Main Street
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Louisville, Kentucky 40232
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January 20, 2012

**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 six copies of the Response of Louisville Gas and Electric Company to the Commission Staff's Second Request for Information dated January 6, 2012, in the above-referenced docket.

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

Sincerely,

Rick E. Lovekamp

cc: Brenda Joyce Clayton, Complainant

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

RESPONSE OF
LOUISVILLE GAS AND ELECTRIC COMPANY
TO
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION

DATED JANUARY 6, 2012

FILED: January 20, 2012

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF JEFFERSON)

The undersigned, **Sidney L. "Butch" Cockerill**, being duly sworn, deposes and says that he is Director – Revenue Collections 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.

Sidney L. "Butch" Cockerill
Sidney L. "Butch" Cockerill

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 19th day of January 2012.

Kimberly C Brunk (SEAL)
Notary Public

My Commission Expires:

October 16, 2012

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's Second Request for Information
Dated January 6, 2012**

Case No. 2011-00211

Question No. 1

Witness: Sidney L. "Butch" Cockerill

- Q-1. Refer to the response to Item 5 of Commission Staff's First Information Request to LG&E ("Staff's First Request").
- a. Refer to the attachment to the response to Item 5.a. and the response to Item 5.b. The table at the bottom of the attachment to Item 5.a. provides a breakdown of the \$601.19 credited to Ms. Clayton's bill that was due October 13, 2009. The table shows that the \$601.19 consists of a \$485.79 outstanding balance from account 1447, \$75.37 for electric service, \$21.20 for natural gas, a \$4.83 late payment penalty, a \$135.00 electric deposit, a \$29.00 electric reconnection fee, and a credit for a \$150.00 payment. The response to 5.b. states that the \$601.19 credit "represents the split of Ms. Clayton's gas service obligations from her account."
 - (1) Explain why \$75.37 of electric service, a \$135.00 electric deposit, and a \$29.00 electric reconnection fee were included in the credit that was meant to split gas service obligations from electric service.
 - (2) The response to Item 5.b. states that "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." Confirm that the amount of gas usage that was incurred prior to June 2009 was \$485.79 and not \$601.19. If this cannot be confirmed, explain.
 - b. Refer to the response to Item 5.d. LG&E was asked to explain why the \$485.79 outstanding gas balance was transferred to Account 7727. An explanation was not provided. Although it appears that the \$485.79 outstanding balance was credited to Ms. Clayton as part of the \$601.19 credit to her bill in the same month, explain why it was necessary to transfer the \$485.79 to the new account that was set up to split the electric service from the natural gas service and then immediately remove it.
- A-1.a.(1). The split amount of \$601.19 does not include any electric charges. See attachment, which provide a running total of both the gas and electric amounts

beginning at the time of the split quote and illustrates the charges and credits to each.

- A-1.a.(2). The amount of gas charges incurred prior to June 2009 was \$727.40. Please see attachment to Question No. A-1.a.(1) for detail of calculation.

- A-1.b. See LG&E's response to Question No. A-1.a.(1). Gas and electric services are typically listed on the same account to ensure that all services at a premise location are tracked together. In order to link the split gas amount to Ms. Clayton's new customer account, it was necessary to transfer to it the final billed amount from the old account. To complete the split transaction, the gas amount was then credited to the new account and debited to a holding account for payment when Ms. Clayton desired reconnection of her gas services.

CIS Account Information								
Due Date	EL	LPC EL	NG	LPC NG	Other	Payment	Balance	Comment
10/16/2008						(150.00)		
10/21/2008	17.75		29.39				(102.86)	
11/19/2008	17.79		118.00	2.36	-	-	35.29	
12/10/2008						(160.00)	(124.71)	
12/19/2008	23.12		267.35	6.79	240.00		412.55	\$240 deposit
1/14/2009						(428.00)	(15.45)	
1/22/2009	29.24		387.95	14.53			416.27	
2/19/2009	25.61		378.10		(2.01)		817.97	interest on deposit
3/19/2009	18.25		205.98	20.19			1,062.39	Converted Account balance from CIS
Account Number *****1447								
4/13/2009	21.11	0.91	150.45	10.30			1,245.16	
4/13/2009						(140.33)	1,104.83	
5/18/2009	19.63	1.06	92.47	7.52			1,225.51	
5/28/2009						(200.00)	1,025.51	
6/3/2009								Service Disconnected
6/12/2009						(250.00)	775.51	
6/15/2009	25.77	0.98	22.81	4.62			829.69	
6/18/2012		1.29		1.14			832.12	
6/22/2009								Split Quote
						(107.00)	725.12	Customer payment to reconnect electric service under "split account"
								(2.28) 727.40
6/23/2009					(7.70)		717.42	interest on deposit
9/21/2009	1.85		6.52				725.79	Final bill
9/21/2009					(240.00)		485.79	Deposit refund (\$120 EL/\$120 NG)
								(124.28) 610.07
Total	200.12	4.24	1,659.02	67.45	(9.71)	(1,435.33)	485.79	Amount transferred to new account
Account Number *****7727								
9/21/2009					485.79		485.79	
9/21/2009	75.37		21.20		29.00		611.36	Electric Reconnect Fee
9/21/2009					135.00		746.36	Electric Deposit
9/24/2009		3.77		1.06			751.19	Late Fees
9/28/2009						(150.00)	601.19	Payment first applied to electric charges
Totals	75.37	3.77	21.20	1.06	649.79	(150.00)	601.19	

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's Second Request for Information
Dated January 6, 2012**

Case No. 2011-00211

Question No. 2

Witness: Sidney L. "Butch" Cockerill

- Q-2. Refer to the response to Item 10 of Staff's First Request. The response states that "the lock that had been placed on Ms. Clayton's account pending her informal complaint was allowed to lapse on April 15, 2011." Explain why the lock was set to lapse on April 15, 2011 (i.e., how was the date chosen). Include in your response LG&E's current practice when setting lapse dates for accounts that are locked pending a complaint.
- A-2. The date for a lock to expire is set at the discretion of the customer relations specialist handling the complaint. The expiration date is then monitored by the specialist, who determines if the lock should be further extended or removed pending the status of the specific complaint. As stated in LG&E's response to Question Nos. 7 and 10 to Commission Staff's First Request for Information, the lock on Ms. Clayton's account lapsed on April 15, 2011. The specialist failed to monitor when the lapse was set to expire, so it lapsed automatically without her having reviewed the account. Because Ms. Clayton was past due on her current bill when the lock expired, a disconnect order was automatically generated. When the specialist realized the lock had lapsed and a disconnect order completed, she immediately ordered the reconnect and placed a new lock on the account. LG&E has the right to disconnect any customer pursuant to 807 KAR 5:006, Section 11, which states "customer accounts shall be considered to be current while the dispute is pending as long as a customer continues to make undisputed payments and stays current on subsequent bills."

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to Commission Staff's Second Request for Information
Dated January 6, 2012**

Case No. 2011-00211

Question No. 3

Witness: Sidney L. "Butch" Cockerill

- Q-3. Refer to the copies of Ms. Clayton's bills attached to LG&E's Answer filed on September 12, 2011. The "Other Charges" section of the bills for January through April 2010 service, as well as the bill for February 2011 service, include charges and credits that net to zero and which are identified as being related to an installment plan. Explain the purpose of each of these charges and credits and how they were calculated.
- A-3. During each of the billing months identified in Question No. 3, the customer failed to pay her bill by the due date. The installment plan amounts stated on each of these bills is a reflection of an installment plan created at the request of Ms. Clayton. By way of example, please refer to the bill due on 2/15/10 in the amount of \$225.08. On 2/1/10, Ms. Clayton came into LG&E's offices and paid \$100. She received an extension on the remaining \$92.12 until 2/15/10. The installment plan amount totaled \$192.12 (which is for the prior month's services). The entries on the 2/15/10 bill represent the movement of the money from the outstanding balance due on the account into an installment plan (Transfer to an Installment Plan) and the corresponding installment plan obligation debit (Bi-Weekly/Daily Installment Plan). This same process was repeated in all of the other months identified in Question No. 3. In this particular example, the \$192.12 was calculated as follows:
- \$186.25 due by 1/18/10.
 - Late fee of \$8.62 was charged to the account bringing total due to \$194.87.
 - Disconnection Notice for \$194.87 issued and due 2/1/10.
 - Customer received a credit of \$2.75 on interest on her deposit making her total due for January 2010 \$192.12.