

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

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PUBLIC SERVICE
COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE GAS AND)
ELECTRIC COMPANY FOR AN ORDER)
APPROVING A RESPONSIVE PRICING)
AND SMART METERING PILOT)
PROGRAM)

Case No. 2007-00117

REQUEST FOR INFORMATION POSED BY THE ATTORNEY GENERAL

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits this Request for Information to Louisville Gas and Electric Company, to be answered by the date specified in the Commission's Order of Procedure, and in accord with the following:

(1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.

(2) Please identify the witness who will be prepared to answer questions concerning each request.

(3) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(4) If any request appears confusing, please request clarification directly from the Office of Attorney General.

(5) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(6) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self evident to a person not familiar with the printout.

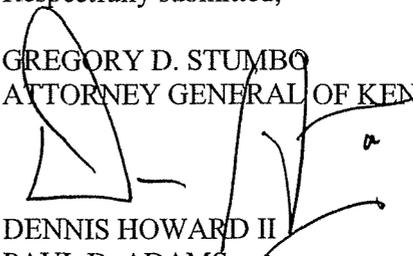
(7) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

(8) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(9) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

Respectfully submitted,

GREGORY D. STUMBO
ATTORNEY GENERAL OF KENTUCKY



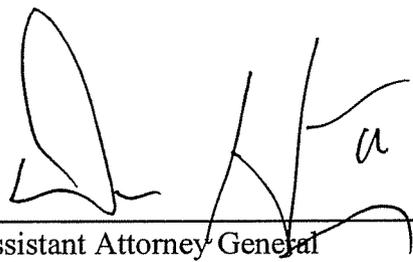
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CERTIFICATE OF SERVICE AND NOTICE OF FILING

I hereby give notice that this the 30th day of March, 2007, I have filed the original and ten copies of the foregoing Attorney General's Request for Information with the Kentucky Public Service Commission at 211 Sower Boulevard, Frankfort, Kentucky, 40601 and certify that this same day I have served the parties by mailing a true copy of same, postage prepaid, to those listed below.

Honorable Allyson K. Sturgeon
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Louisville, Kentucky 40202

Hon Kendrick R. Riggs
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Assistant Attorney General

REQUEST FOR INFORMATION
Case No. 2007-00117

1. Please reference the Application, at page 4 paragraph 8. Provide the following:
 - A. a list of the “other electric utilities real-time pricing programs and pilots” which the company reviewed;
 - B. a summary of each program or pilot, which should include the design of same and if implemented, the overall financial affect on the customers;
 - C. the information which the company reviewed from each other program or pilot in making the decision to propose this pilot;
 - D. the determinants or decision making reasons for determining this pilot; and
 - E. the modeling or analyses conducted in reaching the decision.

2. Please reference the Application, at page 4 paragraph 8. Please explain what the company means when it says “cost effective manner.” Specifically, does the company interpret this as being actual savings or reductions on the customer’s bill in actual dollars?

3. Please reference the Application, at page 4 paragraph 9. Provide a chart or other illustration depicting the company’s assertion that 87% of the “hours in a year (the low- and medium-cost hours) will have rates lower than those currently in LG&E’s Rate RS and Rate GS tariffs.”

4. Please reference the Application, at page 4 paragraph 9. Please describe in detail the type of notice that customers will get before a critical peak pricing period begins. If it is other than direct contact with the customer, such as a telephone call or text message, does the company contemplate that the customer can curtail usage and avoid the increased charges during this period if the customer fails to get notice?

5. Please reference the Application, at page 5 paragraph 10.
 - A. Please explain how the company designed the Pilot’s RRP and GRP rate structures to be revenue neutral for a typical Rate RS or GS customer’s load profile.
 - B. Please describe a typical Rate RS and GS load profile and describe how each is determined.

6. Please reference the Application, at page 5 paragraph 11.
 - A. Is the contemplated “smart meter” failsafe with no possibility of error? If not, what are the precautions undertaken by the company to eliminate any possible errors?
 - B. If the company under bills the consumer, will the company agree to absorb the costs and not bill the consumer?
 - B. Will the company implement any new or additional protocol to monitor the accuracy of the meters?
 - C. Will the company implement any new or additional protocol to monitor the accuracy of the implementation of the pilot?

7. Please reference the Application, at page 5 paragraph 11.
 - A. Please provide a visual description of the information display.
 - B. Please describe exactly what will appear on the information display. Will it be the amount per kWh or will it also indicate a running total?

8. Please reference the Application, at page 6 paragraph 12. Is this paragraph to be read to mean that the programmable thermostat will be interfaced with the metering equipment to automatically go to a certain temperature setpoint during certain “periods” but then return to the temperature previously set? If so, does the consumer have the ability to bypass this function to continue to maintain the previous setpoint? If not, please explain how the programmable thermostat works in greater detail.

9. Please reference the Application, at page 6 paragraph 12. This paragraph appears to mean that there are load controls available for items other than water heaters? If so, please provide a listing. Is it expected that these controls will be interfaced with the metering equipment to automatically disconnect the load during certain “periods”? If so, does the consumer have the ability to bypass this function to continue to utilize the appliance? If not, please explain how these items are anticipated to be used in greater detail.

10. For all load controls which the company can offer, please explain in detail the amount of load projected to be curtailed for each appliance (on average) by way of kWh. Is it anticipated that there are any consumer appliances that may suffer damage (i.e. shorter appliance life, etc.) from the use of such controls? Will the consumer be informed of such information?

11. Please reference the Application, at page 6 paragraph 12. In regard to the statement that “LG&E expects that some Pilot participants will choose to find ways to reduce their overall usage of energy, as well as to shift additional energy uses from peak to off-peak periods,” please explain what precisely the company envisions.

12. Notwithstanding the company’s answer to question 11, please provide as comprehensive listing as possible to describe the means by which a customer can reduce their energy consumption.

13. What steps or efforts will the company utilize to educate or otherwise inform Pilot participants on ways to reduce energy consumption or shift their load? Will these efforts be continuous and on-going in nature or consist of a one-time explanation of the equipment installed?

14. Please reference the Application, at page 9 paragraph 17. Regarding access to usage via the Internet, describe in detail what information will be available to the customer. Specifically, will the customer be able to easily determine his current usage, rate, and energy charges?

15. Please reference the Application, at page 9 paragraph 17. Regarding access to usage via the Internet, will the customer be able to do a comparison to both the previous month as well as

the last year's month in order to determine how, if at all, his usage, rate, and energy charges have changed?

16. Please reference the Blake testimony at page 4. Explain how and where the "four geographically diverse but demographically representative routes" will be determined and by whom. Please describe the anticipated demographics of the expected pilot program participants (i.e. income level, age of home, etc.). Is there any provision to evaluate the condition of the consumer's home and its impact on the data gathered under the program prior to the implementation of the program? (i.e. older homes may be inherently less energy efficient due to construction deficiencies, which may affect the consumer's ability to reduce certain loads).

17. Please reference the Blake testimony at pages 4 and 5.

A. Explain in detail what the company will use in order to determine a "times of very high demand for electricity." In particular, please explain the current definition as well state whether it will change after the implementation of this pilot.

B. Provide a chart or other illustration illustrating when those hours have occurred over the past 10 years.

18. Please reference the Blake testimony at page 6 beginning at line 7. Explain the "facilities charge" and state the amount per unit and as an aggregate.

19. Please reference the Blake testimony at page 9. Mr. Blake states the company will evaluate the performance of the pilot for a number of purposes. However, he does not mention the impact of the pilot on the company's load. Why not?

20. Please reference the Ferguson testimony at page 2 beginning at line 19. Explain in detail the "other pricing tier signals."

21. Please reference the Ferguson testimony at pages 2 and 3. Provide a copy of all the materials which the company relied in reviewing the Gulf Power technology. Also, provide a copy of LG&E's "investigation" which lead the company to the conclusion asserted by Mr. Ferguson that the technology has been successful.

22. Please reference the Ferguson testimony at page 4, "notice will be given by electronic signal to Pilot participants' equipment, allowing the customers to curtail their usage if desired." Please explain this statement.

23. Please reference the Ferguson testimony at page 4, beginning at line 8. Explain who and how the determination is made that "restricted system demand due to either transmission congestion or generation constraints" exists.

24. Please reference the Ferguson testimony at page 4. Is it possible that a participant may experience a significant number of the "80 hours of critical peak pricing" within one billing period? If no, please explain the reason.

25. Please reference the Ferguson testimony at page 4. Is it possible that a participant may experience significant number of the “80 hours of critical peak pricing” during the summer when the customer’s demand is the highest?
26. Please reference the Ferguson testimony at page 5, beginning at line 7. Does the company plan on placing the DSM equipment in or at homes of its customers who neither wish to participate in the project nor have the additional equipment at their homes?
27. Please reference the Ferguson testimony at page 5, beginning at line 11. Summarize the “various different possible real-time pricing pilot configurations” and explain why the company chose the proposed pilot.
28. Please reference the Ferguson testimony at page 7, beginning at line 6. Explain in detail how, and provide the underlying data for, the company’s claim that this responsive pricing rate structure sends a pricing signal to customers that will likely result in a reduction in overall electric usage and in usage being shifted from higher-demand and –cost periods to lower-demand and –cost periods.”
29. Please reference the Ferguson testimony at page 7, beginning at line 9. Explain what the company means when it states “this tariff does not require the customer to make **extreme** lifestyle changes.” (Emphasis added.)
30. Please reference the Ferguson testimony at page 7, beginning at line 11. Provide a list and summary of the other “TOU programs” referenced by the company.
31. Please reference the Ferguson testimony at pages 7 and 8. Did the company consider not using the P4 rate in its pilot?
32. Please reference the Ferguson testimony at page 9, beginning at line 1. Did the company consider splitting the cost of the remainder of the \$1.9 million Pilot program cost between ratepayers and shareholders?
33. Please reference the Cockerill testimony at page 3, beginning at line 3. Provide a physical description of the “collection points” and state where they will be located.
34. Please reference the Cockerill testimony at page 3, beginning at line 3.
 - A. Is the communication technology deployed by the pilot failsafe with no possibility of error?
 - B. If not, what are the precautions undertaken by the company to eliminate any possible errors?
35. Please reference exhibit SLC-2. Under the column “Description” at the entry “Communications cards, area collectors, thermostats, load control switches, energy use displays, software, vendor training and program management,” provide a detailed listing of each unit as well as the number and price for same.

37. Please reference exhibit SLC-2. Under the column “Marketing Cost- Responsive Pricing Participants”, provide a detailed explanation as to what this includes.
38. Please reference exhibit SLC-2. Under the column “Marketing Materials”, provide a detailed explanation as to what this includes.
39. Please reference exhibit SLC-2. Under the column “Program Evaluation Costs”, provide a detailed explanation as to what this includes.
40. Please reference exhibit SLC-2. Under the column “IT CIS Modification Cost,” provide a detailed explanation as to what this includes.
41. Please reference exhibit SLC-2. Under the column “IT labor for LG&E/ vendor interface,” provide a detailed explanation as to what this includes.
42. Please reference exhibit SLC-2. Under the column “Annual Communications Cost,” provide a detailed explanation as to what this includes.
43. Please reference exhibit SLC-2. Under the column “Troubleshooting,” provide a detailed explanation as to what this includes.
44. Please provide a graph, for each month of the year, demonstrating the average residentially daily usage on the hour for all 24 hours. (This should be interpreted to mean that each graph will depict the average for all days of that month and normalized over a 30 year period.)
45. Please provide a graph, for each month of the year, demonstrating the projected change in the average residentially daily usage on the hour for all 24 hours.
46. Given the fact that many of LG&E’s customers rely on natural gas for heating in the winter, and not just electricity, and whereas in the summer their electricity demand goes up significantly, would it not be better to begin the pilot in the summer when their usage will be higher and thus their monitoring their usage would be more likely?
 - A. If the response is no, please refer to Exhibit KWB-3 and explain why there is no entry for “critical cost hours” during the winter season.
47. Are there any provisions for participants to “opt out” of the program prior to its completion? What are the terms of those provisions? Will the consumer pay any penalty for opting out of the program prior to its completion? Will the consumer be required to pay any other charges when opting out of the program prior to its completion?
48. From the Application, the program will charge participants 2x-5x the normal rate during high demand hours. How much of this demand does LG&E expect that consumers will actually be able to shift to lower demand hours and in what areas (i.e. appliance usage, heating/cooling, etc.)?

49. What type of demand reduction does LG&E hope to obtain from this program? (i.e. reductions in peak demand, base demand, both?) Which type of reduction is more important to LG&E and why?

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