

Kent W. Blake
Vice President, State Regulation & Rates
E.ON U.S. Services, Inc.
220 West Main Street
Louisville, KY 40202

Honorable Joe F. Childers
Attorney at Law
201 West Short Street
Suite 310
Lexington, KY 40507

Honorable Kendrick R. Riggs
Attorney at Law
Stoll Keenon Ogden, PLLC
2000 PNC Plaza
500 W Jefferson Street
Louisville, KY 40202-2828

Honorable Allyson K. Sturgeon
Attorney at Law
E.ON U.S. Services, Inc.
220 West Main Street
Louisville, KY 40202



RECEIVED

JUL 30 2007

PUBLIC SERVICE
COMMISSION

Elizabeth O'Donnell
Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, Kentucky 40602

E.ON U.S. LLC.
Legal Department
220 West Main Street
P.O. Box 32030
Louisville, Kentucky 40232
www.eon-us.com

July 30, 2007

Allyson K. Sturgeon
Sr. Corporate Attorney
T 502-627-2088
F 502-627-3367
Allyson.Sturgeon@eon-us.com

Re: Joint Application of Kentucky Utilities Company, Kentucky Association for Community Action, Inc., and Community Action Council for Lexington-Fayette, Bourbon, Harrison, and Nicholas Counties, Inc., for the Establishment of a Home Energy Assistance Program

Dear Ms. O'Donnell:

Enclosed please find an original and ten (10) copies of the Application for the Establishment of a Home Energy Assistance Program in the service territory of Kentucky Utilities.

Should you have any questions concerning the enclosed, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Allyson K. Sturgeon". The signature is fluid and cursive, with a long horizontal stroke at the end.

Allyson K. Sturgeon

AKS/kmw

Enclosures

C: Parties of Record

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**JOINT APPLICATION OF KENTUCKY UTILITIES)
COMPANY, KENTUCKY ASSOCIATION FOR)
COMMUNITY ACTION, INC., AND COMMUNITY)
ACTION COUNCIL FOR LEXINGTON-FAYETTE,) CASE NO. 2007-_____
BOURBON, HARRISON, AND NICHOLAS)
COUNTIES, INC., FOR THE ESTABLISHMENT OF)
A HOME ENERGY ASSISTANCE PROGRAM)**

JOINT APPLICATION

Kentucky Utilities Company (“KU”), Kentucky Association for Community Action, Inc. (“KACA”), and Community Action Council for Lexington-Fayette, Bourbon, Harrison, and Nicholas Counties, Inc. (“CAC”) (collectively “Joint Applicants”), by counsel, hereby petition the Kentucky Public Service Commission (“Commission”) for an order approving a modified Home Energy Assistance (“HEA”) Program in KU’s service territory.

In support of this Application, Joint Applicants state as follows:

1. KU’s post office address is P.O. Box 32030, Louisville, Kentucky 40232-2030. A certified copy of KU’s Articles of Incorporation is already on file with the Commission in Case No. 2005-00471, *In the Matter of: Application of Louisville Gas and Electric Company and Kentucky Utilities Company for Authority to Transfer Functional Control of their Transmission System*, and is incorporated by reference herein pursuant to 807 KAR 5:001, Section 8(3).

2. KACA’s post office address is 101 Burch Court, Frankfort, Kentucky 40601. A certified copy of KACA’s Articles of Incorporation is already on file with the Commission in Case No. 2004-00303, *In the Matter of: Joint Application of Kentucky Utilities Company, Kentucky Association for Community Action, Inc., and Community Action Council for Lexington-Fayette, Bourbon, Harrison and Nicholas Counties, Inc. for the Establishment of a Home Energy*

Assistance Program, and is incorporated by reference herein pursuant to 807 KAR 5:001, Section 8(3).

3. CAC's post office address is P.O. Box 11610, Lexington, Kentucky 40576. A certified copy of CAC's Articles of Incorporation is already on file with the Commission in Case No. 2004-00303, *In the Matter of: Joint Application of Kentucky Utilities Company, Kentucky Association for Community Action, Inc., and Community Action Council for Lexington-Fayette, Bourbon, Harrison and Nicholas Counties, Inc. for the Establishment of a Home Energy Assistance Program*, and is incorporated by reference herein pursuant to 807 KAR 5:001, Section 8(3).

4. This Application is filed pursuant to KRS 278.285(4).

5. Communications regarding this Application should be addressed to:

For KU:

Allyson K. Sturgeon
Corporate Counsel
E.ON U.S. Services, Inc.
220 West Main Street
Louisville, Kentucky 40202
Telephone: (502) 627-2088

Kent W. Blake
Vice President, State Regulation & Rates
E.ON U.S. Services, Inc.
220 West Main Street
Louisville, Kentucky 40202
Telephone: (502) 627-2573

Kendrick R. Riggs
W. Duncan Crosby III
Stoll Keenon Ogden PLLC
2000 PNC Plaza
500 West Jefferson Street
Louisville, Kentucky 40202-2828
Telephone: (502) 333-6000

For KACA and CAC:

Joe F. Childers
201 W. Short Street, Suite 310
Lexington, Kentucky 40507
Telephone: (606) 253-9824

6. The Joint Applicants propose a five-year HEA substantially similar to the existing HEA currently operating in KU's service territory, which is in its third year of a three-year pilot. KU proposes essentially to continue its existing HEA because it has proven to be successful in achieving its primary goals for HEA participants: (1) a 19% reduction in Low Income Home Energy Assistance Program ("LIHEAP") Crisis assistance; (2) lower arrearages; (3) lower rates of service disconnection for non-payment; and (4) higher percentages of weatherization.¹ Benefits have proven to be long-term, with those actively enrolled in the current program averaging one year and nine months of participation.² Given the success of KU's program for its service territory and that of Louisville Gas and Electric Company ("LG&E"), and the relatively high costs of attempting to unify the two Companies' HEA programs (particularly software costs),³ KU proposes to maintain its HEA program essentially without change.

7. The existing HEA program was filed with the Commission as the result of the Commission's approval of certain unanimous provisions of a Partial Settlement Agreement, Stipulation and Recommendation in Case No. 2003-00434, *An Adjustment of the Electric Rates, Terms and Conditions of Kentucky Utilities Company*. Further programmatic details of the current HEA program were filed with and approved by the Commission by Order dated November 24, 2004, in Case No. 2004-00303, *In the Matter of: Joint Application of Kentucky Utilities Company, Kentucky Association for Community Action, Inc., and Community Action*

¹ See Kentucky Utilities Company Home Energy Assistance (HEA) Program Evaluation Final Report, Case No. 2004-00303 (March 30, 2007).

² *Id.*

³ See *id.* at 29.

Council for Lexington-Fayette, Bourbon, Harrison and Nicholas Counties, Inc. for the Establishment of a Home Energy Assistance Program. Upon request of the parties and the Attorney General's Office of Rate Intervention, the Commission approved changes in the way the HEA benefit is calculated for the third year of the program, by Order dated December 20, 2006.

8. In its first two years of operation, the HEA program helped approximately 1300 low income residential customers with their KU bills each year. Currently, approximately 1500 low-income KU customers from seventy-one counties are participating in the third year of the HEA program. Over the full three-year course of the current HEA program, KU will have paid out nearly \$1.2 million in subsidy benefits.

9. Collection of funds for the existing HEA will end September 30, 2007. This Joint Application seeks Commission approval of a new, five-year HEA program to become effective at the conclusion of the existing program.

10. During the second quarter of 2007, representatives of KU, KACA, and CAC met to discuss the continuation of the HEA program. Each party participated in the development of this Application, made recommendations for the program, and agreed with the details as set forth in this Joint Application. This proposal was also provided to the Office of the Attorney General for review and comment.

Description of the Program

11. As with the existing HEA, the goal of the HEA program is to impact positively the affordability of electric service for low-income customers by providing a subsidy during peak heating and cooling months. The proposed HEA program should make energy more affordable and reduce the incidence of disconnects; the current HEA program has clearly reduced program clients' incidence of disconnects. Current clients of the HEA program had only a 16% incidence of disconnects in 2006, whereas former clients of the HEA program had a 40% incidence of disconnects in 2006.

12. The parties to this Joint Application propose to continue many of the features of the current HEA program, including: (1) funding through a ten cent per month residential meter charge; (2) operation of the program by KACA and CAC, which shall be entitled to recover actual operating expenses not to exceed ten percent (10%) of the total HEA funds collected (such an operating expense cap encourages efficient program administration); and (3) an annual independent audit of the HEA program.

13. The proposed HEA program will continue to be a seven-month utility subsidy program designed to help the poorest families afford and maintain utility service with KU. Initially, the current HEA program provided each HEA participant a total subsidy of \$294 through seven monthly installments of \$42 applied to the participant's bill. Each participant's total subsidy amount was increased to \$439 prior to the 2006-2007 heating season to ensure all benefit revenue was spent. In this application, it is proposed that for years 1-3 each HEA participant will receive a total subsidy of \$294 through seven monthly installments of \$42 applied to the participant's bill. During years 4 & 5 each HEA participant will receive a total subsidy of \$308 through seven monthly installments of \$44 applied to the participant's bill.

14. The program plans to serve approximately 1,600 low-income clients each year. The number of clients will vary each year depending on energy cost factors and the amounts of assistance needed for each client.

15. Program participants will be active KU customers who are enrolled in the Federal LIHEAP Subsidy Program and the ratepayer of record for their household. Eligible households will be those at or below the then-effective LIHEAP Federal Poverty guidelines adopted by the Commonwealth of Kentucky for its LIHEAP program. When participants drop out or no longer need the assistance, additional customers will be enrolled. Eligible customers will be those who have KU electric as their primary heat source.

16. As with KU's current HEA program, intake staff at the contracting community action agency will conduct screenings and assessments. When a potential participant presents at the community action agency, staff will explain the program and inquire about their level of interest. The potential participant's most recent KU bill will be assessed for program eligibility, including whether they are a high energy user. The community action agency will also verify that KU electric is the potential participant's primary heat source. Income will be verified and filed at the community action agency at the time of enrollment and annually thereafter. Verification will be made using income records (e.g., check stubs, employer verification, IRS W-2 forms). Re-verification will be required annually in order to remain enrolled. Failure to re-verify will result in dismissal from the program. Re-verification of income will also be required to re-enroll in the program should a program default occur.

17. The subsidy benefit will be a direct subsidy of a set dollar amount during peak cooling and heating months. The monthly benefit will initially be set at approximately \$42 per applicable month (not to exceed \$294 during years 1-3) and \$44 per applicable month (not to

exceed \$308 during years 4 & 5) and will be posted to the customer's account prior to the due date. However, the dollar amount may vary each year based upon the available funds in the program pool. Peak cooling months will be defined as July, August and September. Peak heating months will be defined as December, January, February and March. Up to 5% of the total HEA funds collected may be used to provide discretionary energy assistance to program participants for paying down arrearages or to provide energy assistance to low income KU customers in a time of crisis.

18. Joint Applicants will file annual HEA progress reports with the Commission, detailing, among other items, the number of clients served by the program and total amounts collected under the program. Each annual report will also include an audit of CAC. To the extent that the program produces actual net savings, KU will address such savings in its next general rate proceeding.

Responsibilities of the Parties

19. KACA represents Kentucky's twenty-three Community Action Agencies. KACA operates the LIHEAP in all 120 Kentucky counties and provides assistance to 150,000 low-income households in the state each year. KACA also provides technical assistance on an ongoing basis to the state's Demand Side Management ("DSM") programs operated by KU, Louisville Gas and Electric Company, American Electric Power, Union Light Heat and Power, and Western Kentucky Gas. These programs provide a variety of conservation services for low-income households. KACA will act as liaison to KU and the Commission. KACA will monitor both the implementation and ongoing operations of the program, and report such to KU and the Commission. KACA will monitor the data collected and make it available for purposes of program evaluation. KACA will provide an ongoing evaluation of the program available for

review by the Commission, KU, CAC, and partner agencies, as specified by the Commission. KACA will track program expenditures against budget through monthly financial reports made by the CAC, monitor financial activity, and ensure that an annual OMB A-133 audit is performed by a third-party independent auditor that will be evaluated against pre-determined auditing criteria as agreed by all parties.

20. CAC is a community action agency and special district of the Commonwealth of Kentucky in accordance with KRS 273.405 *et seq.* and is a Kentucky non-profit, 501(c)(3) public interest corporation established to represent and serve the interests of low-income persons. CAC operates LIHEAP, the Weatherization Assistance Program (“WAP”), and a variety of smaller energy assistance programs funded by its local governments and private donors in its four county core services area. Additionally, CAC administers the energy assistance programs of WinterCare Energy Fund, Inc., a supporting corporation of CAC, serving all 120 Kentucky counties. CAC will make contracts with other energy assistance providers throughout the KU service territory. CAC will centralize all program data in the Intake Reporting and Information System (“IRIS”). The IRIS database is available to all contracting community action agencies and KACA via a secure Internet site. CAC will provide the following data support and services for the program: data management, software training for contracting community action agencies, technical assistance to contracting community action agencies, data transfers to KU for benefits distribution, and all required reporting to KU and the Commission. CAC’s program management staff will provide specific programmatic training and technical assistance to contracting community action agencies’ staff.

21. Each contracting community action agency will be responsible for the following activities in their service area: (1) program recruitment and outreach; (2) intake; (3) income

verification; (4) income re-verification; (5) client follow-up and communications; and (6) recording data real-time in IRIS.

22. KU will include on each residential customer's monthly bill a ten-cent HEA charge for each residential electric meter to fund the HEA program. KU will respond to general billing questions related to whether a participant's account has been credited with an HEA subsidy payment. KU will also work with KACA and CAC to evaluate and report on HEA program results, and will provide regular reports to KACA and CAC to assist in the production of quality data in order to determine relevant statistics on the HEA program. KU agrees to provide to KACA, by no later than the 20th day of the month prior to service provision, one-twelfth of ten percent of the annual proposed budget for administrative costs for eleven months. The actual administrative costs will be trued up each January based upon actuals of the prior calendar year. KU will be responsible for providing information to KACA and CAC so that actual HEA funds collected can be balanced with HEA funds distributed to participants for each program year. KU will also work with KACA and CAC to provide a "customer balancing" mechanism at least twice a year for the program year.

23. Pursuant to prior Commission orders, KU has again considered the issue of whether its shareholders would contribute financially to the HEA program. For many years, KU has provided substantial support for several community initiatives. This support includes financial support for the Wintercare program, but also includes other activities like staffing the Community Action Council Winter Blitz with KU employee volunteers, providing energy-saving education materials, donating weatherization kits, and assisting community action agencies with seasonal client interaction. KU expects to continue to contribute in the future, primarily through charitable contributions by the E.ON U.S. Foundation, but also through these other significant

voluntary means, and thus has elected to forego shareholder contributions to the HEA program at this time.

24. Each KU customer that participates in the HEA must be at or below the then-effective LIHEAP Federal Poverty guidelines established by the Commonwealth of Kentucky and must verify their gross monthly income at the time of application and annually thereafter. Participants must apply for LIHEAP subsidy and direct payment thereof to KU. Participants must also apply for available weatherization programs including KU's WeCare program, and accept services if eligible and available. Participants must sign a written agreement for the exchange of pertinent information between CAC and KU, and must sign a release from liability form that will be provided by KU. Participants must allow KU access to their electric meters for regularly scheduled meter reading. Participants must not live in a multi-unit single meter dwelling. Participants must accept any program change resulting from approved modification made by the Joint Applicants, the Commission, or any other governing agency. Participants must understand that no refunds will be issued unless a credit balance exists on a final bill, then the amount refunded will only be the portion of the credit balance in excess of the subsidy assistance in the current program year.

Implementation and Administration of the Program

25. As with the current HEA program, potential program participants will be recruited through a data search at the CAC and its partner agencies. Participants will be recruited based upon their history of high energy bills and repeat requests for energy assistance including LIHEAP Crisis. CAC has developed fliers to use as a method to educate potential program participants about the program. Fliers will also be available at KU customer service points. KU

will also promote the program through inserts to customers' bills or messages on customers' bills.

26. CAC, under contract with KACA, will be responsible for service delivery through contracts with its sister community action agencies throughout the KU service territory. Each energy assistance provider will have the opportunity to enroll a pro rata share of participants to the number of KU customers in their area. At the beginning of the current HEA program, CAC used this pro rata method to make available 1,301 HEA program "slots" in seventy-four of the seventy-seven counties KU serves. As of March 2007, there were 1,468 HEA participants in seventy-one counties, indicating a wide availability of the HEA program, and a genuine availability in all of KU's service territory.

27. Eligibility, enrollments, initial income verification, re-verification will be tracked in IRIS, and contracting community action agencies will process activity real-time in IRIS over a secure Internet connection.

28. The contracting community action agencies are the front line contact with program participants and are generally the ones who have in-person contact with participants before they enter into the program, and each year as they re-verify.

29. Participants will be responsible for portions of the bill not paid by the subsidy. Participants will receive a credit on their bill during the designated months. If the credit exceeds the balance due at billing, the credit will carry forward to the next month's bill. If a participant moves residences, they may remain on the program provided they remain a KU customer and that they notify their enrollment agency of the change of address. If they move and do not continue, any remaining subsidy dollars will be placed back in the program pool. Participants may also elect to participate in the budget plan. Budget participants will go through the normal

annual budget review. The budget review will take into consideration all eligible subsidy credits the participant is to receive when calculating the budget amount.

30. Any LIHEAP subsidy assistance received by the participant will be directed to KU and credited to their bill. Participants will still be eligible for other types of assistance such as LIHEAP Crisis, WinterCare, and other local resources. Should a participant not pay their bill by the due date, a termination of service notice will be issued. If a disconnect order is issued by KU, the participant will not be removed automatically from the program if they pay the past due bill and other required charges within five working days after the disconnection. Should the participant go beyond the five-day period, a default would result and the participant would be removed from the HEA program. If the final bill results in a credit balance, a refund will only include the portion of the credit balance in excess of the subsidy assistance provided in the current program year.

31. Removal from the HEA program may result if a participant defaults to KU and is disconnected from service. A participant is eligible to be removed from the program once they default on the “disconnect notice” payment terms. Participants do not have to be physically disconnected to be removed from the program. Participants may also be removed upon request.

32. Once a participant is enrolled, CAC will electronically transmit the enrollment file to KU for processing and, as requested, send a copy to KACA for ongoing monitoring. The annual re-verification of income will be updated via an electronic file as well. CAC will notify participants annually by mail that it is time for them to re-verify. Failure to re-verify income by the date indicated in the notification will result in removal from the HEA program.

33. CAC’s IRIS will be the keystone for participant processing, data collection, and reporting for the HEA program. The system has the capacity to share files with KU over a

secure FTP Internet site so that program enrollment can be shared and uploaded into the other's system, KU to IRIS, or IRIS to KU. File sharing will take place each business day in order to keep records up-to-date. A true-up and verification file share will take place monthly.

34. The HEA program will be regularly reviewed by the staff responsible for the program, as well as KU's DSM Advisory Board, in order to evaluate the HEA Program's ongoing success in achieving its goals of:

- Reducing the number of "brown bill" disconnection notices for HEA clients
- Reducing the number of non-payment disconnections for HEA clients
- Assisting in reducing arrearages for HEA clients
- Increasing energy efficiency in homes through weatherization improvements
- Providing energy conservation education to clients
- Improving payment histories for clients
- Improving quality of life as homes are weatherized and energy financial burdens are reduced

To evaluate and help ensure the HEA Program's success, KU will maintain open communication with KACA and CAC, as well as respond to any customer inquiries.

Annual Reports

35. On an annual basis, KU will file reports with the Commission documenting various features of the HEA program. KACA will report to KU on a quarterly basis on program results including clients served, administrative expenditures, etc. At the conclusion of each year, KACA will generate an annual report for KU that will include information on the clients served, county distribution, brown bills, and disconnections. The annual report will be generated from

program information and will not require the expense of hiring an independent evaluator for the program.

Duration of Program

36. KU requests that the Commission approve the proposed HEA program for a five-year term. No later than six months prior to the end of the five-year term, KU will apply to the Commission proposing appropriate changes to the program or seeking the termination thereof. If the Commission does not have the opportunity to act on KU's application before the five-year term ends, KU proposes to continue in effect the HEA program proposed herein after the end of the five-year term until such time as the Commission issues an order instructing KU to do otherwise.

Timeline

37. Joint Applicants respectfully request that the Commission consider and approve the proposed HEA Program application by September 14, 2007, in order to ensure continual service to current and future HEA Program participants.

Annual Budget

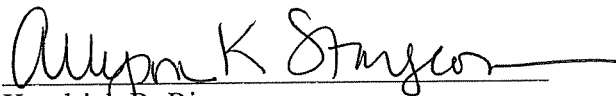
38. A proposed operating budget for the HEA program is attached hereto as Exhibit A.

WHEREFORE, the Joint Applicants respectfully request that the Commission issue an Order by September 14, 2007:

1. Approving this Application for a new Home Energy Assistance Program in the KU service territory;
2. Approving the attached five-year budget to which the Joint Applicants have agreed; and
3. Approving the proposed tariff for the HEA charge attached hereto as Exhibit B.

Dated: July 30, 2007

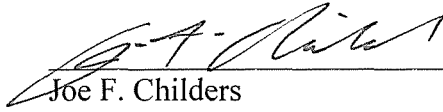
Respectfully submitted,



Kendrick R. Riggs
W. Duncan Crosby III
Stoll Keenon Ogden PLLC
2000 PNC Plaza
500 West Jefferson Street
Louisville, Kentucky 40202-2828
Telephone: (502) 333-6000

Allyson K. Sturgeon
Corporate Attorney
E.ON U.S. LLC
220 West Main Street
Louisville, Kentucky 40202
Telephone: (502) 627-2088

Kentucky Association for Community Action

A handwritten signature in black ink, appearing to read "Joe F. Childers", is written over a horizontal line.

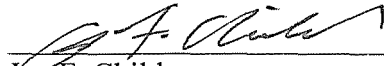
Joe F. Childers

201 W. Short Street, Suite 310

Lexington, Kentucky 40507

Telephone: (606) 253-9824

Community Action Council for Lexington-
Fayette, Bourbon, Harrison, and Nicholas
Counties, Inc.



Joe F. Childers

201 W. Short Street, Suite 310
Lexington, Kentucky 40507
Telephone: (606) 253-9824

CERTIFICATE OF SERVICE

It is certified that a true and correct copy of the foregoing was served via U. S. Mail, postage prepaid, this ~~30th~~ day of July, 2007 to the following:

Dennis Howard
Office of the Attorney General
1024 Capital Center Drive
Suite 200
Frankfort, Kentucky 40601



Counsel for Kentucky Utilities Company

VERIFICATION

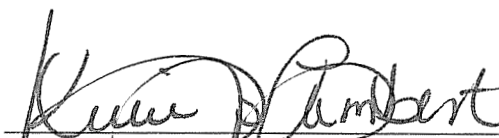
COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF Fayette)

The undersigned, Joe F. Childers, being duly sworn, deposes and says he is Counsel for of Kentucky Association for Community Action, Inc., that he has personal knowledge of the matters set forth in the foregoing Joint Application, and the facts contained therein are true and correct to the best of his information, knowledge and belief.



JOE F. CHILDERS

Subscribed and sworn to before me, a Notary Public in and before said County and State,
this 18th day of July 2007.

 (SEAL)

Notary Public

My Commission Expires:

11/30/10


VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF Fayette)

The undersigned, Joe F. Childers, being duly sworn, deposes and says he is Counsel for of Community Action Council for Lexington-Fayette, Bourbon, Harrison, and Nicholas Counties, Inc., that he has personal knowledge of the matters set forth in the foregoing Joint Application, and the facts contained therein are true and correct to the best of his information, knowledge and belief.


_____)
JOE F. CHILDERS

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 18th day of July 2007.


_____) (SEAL)
Notary Public

My Commission Expires:
11/30/10

**Kentucky Utilities Company
Kentucky Association for Community Action, Inc.
HEA Program
Five Year Budget**

	2007	2008	2009	2010	2011	2012	Total
	Oct. - Dec.					Jan. - Sep.	
Net HEA Collected (as projected by KU in 6/2007)	\$ 124,078.00	\$ 499,301.00	\$ 504,116.00	\$ 508,977.00	\$ 513,885.00	\$ 388,662.00	\$ 2,539,019.00
Electric							
Administrative Funds (10% of Net HEA Collected)	12,407.80	49,930.10	50,411.60	50,897.70	51,388.50	38,866.20	253,901.90
Discretionary Energy Assistance Funds (up to 5% of Net HEA Collected may be spent each year)	6,203.90	24,965.05	25,205.80	25,448.85	25,694.25	19,433.10	126,950.95
Net HEA Funding	<u>\$ 105,466.30</u>	<u>\$ 424,405.85</u>	<u>\$ 428,498.60</u>	<u>\$ 432,630.45</u>	<u>\$ 436,802.25</u>	<u>\$ 330,362.70</u>	<u>\$ 2,158,166.15</u>
ADMINISTRATIVE EXPENSES							
Personnel	3,226.03	12,981.83	13,107.02	13,233.40	13,361.01	10,105.21	66,014.49
Includes program staff, fringe benefits, health insurance, mileage, etc.							
Contracts	8,685.46	34,951.07	35,288.12	35,628.39	35,971.95	27,206.34	177,731.33
Payroll service, clerical support, technology support, legal, enrollment training, accommodations, data purchase, etc.							
General Office	496.31	1,997.20	2,016.46	2,035.91	2,055.54	1,554.65	10,156.08
Insurance, postage, rent, supplies, telephone, printing, advertising, etc							
Total Administrative Expenses	<u>12,407.80</u>	<u>49,930.10</u>	<u>50,411.60</u>	<u>50,897.70</u>	<u>51,388.50</u>	<u>38,866.20</u>	<u>253,901.90</u>

STANDARD RIDER

HEA

Home Energy Assistance Program

APPLICABLE

In all territory served.

AVAILABILITY

To all residential customers.

RATE

10¢ per meter per month.

BILLING

The HEA charge shall be shown as a separate item on customer bills.

SERVICE PERIOD

The Home Energy Assistance charge will be applied to all residential electric bills rendered during the billing cycles commencing October 1, 2007 through September 30, 2012, or as otherwise directed by the Public Service Commission. Proceeds from this charge will be used to fund residential low-income demand-side management Home Energy Assistance programs which have been designed through a collaborative advisory process and then filed with, and approved by, the Commission.

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**Date of Issue: July 30, 2007
Cancelling Original Sheet No. 78
Issued October 7, 2004**

Issued By

Date Effective: October 1, 2007

**Kent W. Blake, Vice President
State Regulation and Rates
Louisville, Kentucky**

STANDARD RIDER

HEA

Home Energy Assistance Program

APPLICABLE

In all territory served.

AVAILABILITY

To all residential customers.

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Issued By Authority of an Order of the KPSC in Case No. 2004-00304 dated September 30, 2004¶

Date of Issue: ~~July 30, 2007~~
Cancelling Original Sheet No. 78
Issued October 7, 2004

Issued By

Date Effective: October 1, 2007

Kent W. Blake, Vice President
State Regulation and Rates
Louisville, Kentucky,