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PUBLIC SERVICE  
COMMISSION

Ms. Stephanie L. Stumbo  
Executive Director  
Kentucky Public Service Commission  
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Frankfort, Kentucky 40601

Louisville Gas and  
Electric Company  
State Regulation and Rates  
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Lonnie E. Bellar  
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September 11, 2008

**RE: *Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Base Rates – Case No. 2008-00252***

***Application of Louisville Gas and Electric Company to File Depreciation Study – Case No. 2007-00564***

Dear Ms. Stumbo:

Please find enclosed and accept for filing the original and ten (10) copies of the Response of Louisville Gas and Electric Company to the Association of Community Ministries (ACM) and the People Organized and Working for Energy Reform's (POWER) First Request for Information dated August 27, 2008, in the above-referenced matters.

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

Sincerely,

Lonnie E. Bellar

cc: Parties of Record

Ms. Stephanie L. Stumbo  
September 11, 2008

Counsel of Record

Allyson K. Sturgeon, Senior Corporate Attorney – E.ON U.S. LLC  
Kendrick R. Riggs – Stoll Keenon Ogden PLLC (Louisville Gas and Electric)  
W. Duncan Crosby – Stoll Keenon Ogden PLLC (Louisville Gas and Electric)  
Robert M. Watt – Stoll Keenon Ogden PLLC (Louisville Gas and Electric)  
Dennis Howard II – Office of the Attorney General (AG)  
Lawrence W. Cook – Office of the Attorney General (AG)  
Paul D. Adams – Office of the Attorney General (AG)  
Michael L. Kurtz – Boehm, Kurtz & Lowry (KIUC)  
Lisa Kilkelly – Legal Aid Society, Inc. (ACM and POWER)  
David C. Brown – Stites and Harbison (Kroger)  
Joe F. Childers (CAK)

Consultants to the Parties

Steve Seelye – The Prime Group (E.ON U.S. LLC)  
William A. Avera – FINCAP, Inc (E.ON U.S. LLC)  
John Spanos – Gannett Fleming, Inc. (E.ON U.S. LLC)  
Robert Henkes (AG)  
Michael Majoros – Snavely King Majoros O'Connor & Lee (AG)  
Glenn Watkins – Technical Associates (AG)  
Dr. J. Randall Woolridge – Smeal College of Business (AG)  
Lane Kollen – Kennedy and Associates (KIUC)  
Kevin C. Higgins – Energy Strategies, LLC (Kroger)

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

**In the Matter of:**

<b>APPLICATION OF LOUISVILLE GAS )</b>	
<b>AND ELECTRIC COMPANY FOR AN )</b>	<b>CASE NO.</b>
<b>ADJUSTMENT OF ITS ELECTRIC )</b>	<b>2008-00252</b>
<b>AND GAS BASE RATES )</b>	

<b>APPLICATION OF LOUISVILLE GAS )</b>	<b>CASE NO.</b>
<b>AND ELECTRIC COMPANY TO FILE )</b>	<b>2007-00564</b>
<b>DEPRECIATION STUDY )</b>	

**RESPONSE OF**  
**LOUISVILLE GAS AND ELECTRIC COMPANY**  
**TO THE**  
**FIRST DATA REQUEST OF**  
**ASSOCIATION OF COMMUNITY MINISTRIES (ACM)**  
**AND**  
**PEOPLE ORGANIZED AND WORKING FOR ENERGY REFORM (POWER)**  
**DATED AUGUST 27, 2008**

**FILED: September 11, 2008**





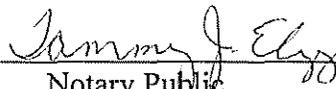
VERIFICATION

STATE OF KENTUCKY    )  
  ) SS:  
COUNTY OF JEFFERSON )

The undersigned, **Paul W. Thompson**, being duly sworn, deposes and says that he is the Senior Vice President, Energy Services for Louisville Gas and Electric Company, 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.

  
\_\_\_\_\_  
**PAUL W. THOMPSON**

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 9<sup>th</sup> day of September, 2008.

 (SEAL)  
\_\_\_\_\_  
Notary Public

My Commission Expires:

November 9, 2010





**LOUISVILLE GAS AND ELECTRIC COMPANY**

**CASE NO. 2008-00252**

**CASE NO. 2007-00564**

**Response to First Data Request of the  
Association of Community Ministries and  
People Organized and Working for Energy Reform  
Dated August 27, 2008**

**Question No. 1**

**Responding Witness: William Steven Seelye**

Q-1. In the Testimony of William Steven Seelye at page 12, Mr. Seelye states the average monthly usage for LG&E customers is 1,066 kWh per month.

- a. Is the average monthly usage of 1,066 KWh referred to by Mr. Seelye for residential customers? If not, please specify the class of customers.
- b. Please provide the supporting calculation for Mr. Seelye's 1,066 kWh figure including the months included, the monthly usages and the monthly numbers of customers.
- c. Using a similar calculation, please provide the average monthly gas usage for LG&E residential gas customers, and provide the supporting calculation as described above in 1(b).

A-1. a. Yes, the average monthly usage of 1,066 kWh is for Rate RS.

b. See below:

<b>Month</b>	<b>kWh</b>	<b>Customers</b>
May-07	289,011,979	353,329
Jun-07	409,173,882	353,401
Jul-07	476,986,362	353,848
Aug-07	536,380,632	354,009
Sep-07	530,748,105	352,926
Oct-07	356,237,245	352,578
Nov-07	266,773,960	352,884
Dec-07	318,973,435	352,637
Jan-08	387,270,391	352,973
Feb-08	347,779,559	352,676
Mar-08	328,868,904	354,271
Apr-08	270,158,359	353,463
	<u>4,518,362,813</u>	<u>4,238,995</u>

The monthly average is equal to 1,066 kWh (4,518,362,813 kWh ÷ 4,238,995 customer-months)

c. See below:

Month	Mcf	Customers
May-07	903,618.8	289,677
Jun-07	469,268.8	288,851
Jul-07	407,037.3	289,511
Aug-07	381,337.3	287,696
Sep-07	387,504.1	287,234
Oct-07	430,165.8	287,537
Nov-07	1,304,552.0	288,238
Dec-07	2,798,079.8	289,485
Jan-08	3,921,076.3	290,794
Feb-08	3,954,664.0	291,013
Mar-08	3,520,451.8	291,312
Apr-08	1,986,268.3	290,759
	<hr/> 20,464,024.3	<hr/> 3,472,107

The monthly average is equal to 5.89 Mcf (20,464,024.3 ÷ 3,472,107 customer-months)



**LOUISVILLE GAS AND ELECTRIC COMPANY**

**CASE NO. 2008-00252**

**CASE NO. 2007-00564**

**Response to First Data Request of the  
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Dated August 27, 2008**

**Question No. 2**

**Responding Witness: William Steven Seelye**

- Q-2. At page 12 of Mr. Seelye's Testimony, he states "the average monthly usage for LG&E's low income customers is 1,084 kWh per year."
- a. At page 12 of his Testimony, Mr. Seelye implies that the average monthly usage of 1,084 kWh for LG&E's low income customers is derived from data about customers who meet the state standards for participating in low income energy assistance programs ("LIHEAP"). Please confirm that this understanding is correct. If not correct, please explain the source of his statement.
  - b. Please describe how LG&E obtained the data about customers who meet state standards for participating in low income energy assistance programs ("LIHEAP") referred to by Mr. Seelye.
  - c. How did LG&E determine that these customers met the state standards for participating in low income energy assistance programs ("LIHEAP")?
  - d. Please list all low income energy assistance programs LG&E used in determining this pool of customers as referred to by Mr. Seelye at page 12 of his Testimony.
  - e. In the sentence quoted above in 2, is the "1,084 kWh per year" accurate, or did Mr. Seelye intend to say "1,084 kWh per month?"
  - f. Please provide the supporting calculation for Mr. Seelye's 1,084 kWh figure including the months included, the monthly usages and the monthly numbers of customers used in the calculation.
  - g. Using a similar calculation to the one requested in 2(f), please provide the average monthly gas usage for LG&E residential gas customers who meet the state standards for participating in low income energy assistance programs ("LIHEAP"), and provide the supporting calculation as described above in 2(f).

- A-2.
- a. No. LG&E has no way of determining whether customers meet the state standards for participating in LIHEAP. When LG&E receives assistance payments on behalf of customers from community action councils or community action agencies, documentation provided with the payments specifically identifies the customer and the source of payment. The billing system is designed to flag billing records of customers for whom LG&E has received payments on their behalf. The data that Mr. Seelye relied on to calculate the average usage for customers receiving LIHEAP assistance was therefore derived from these billing records containing information provided by community action councils or community action agencies.
  - b. The Company obtained the data by querying its customer information system. See response to Q-2(a).
  - c. The Company did not independently verify the eligibility of any particular customer for LIHEAP assistance. The information was provided by community action councils and community action agencies. See response to Q-2(a).
  - d. The list includes customers identified by community action councils and community action agencies that receive low income energy assistance program ("LIHEAP") funds, including Subsidy and Crisis funds.
  - e. No. Mr. Seelye meant to say "1,084 kWh per month."
  - f. See attached.
  - g. LIHEAP customers use a monthly average of 6.6 Mcf compared to a monthly average of 5.9 Mcf for all residential natural gas customers.

**Louisville Gas and Electric Company  
LIHEAP Gas and Electric Consumption**

Month	Electric Usage kWh	Electric Customers	Average per Kwh	Gas Usage Mcf	Gas Customers	Average per Mcf
May	8,734,060	10,606	824	38,575	8,890	4.3
June	12,530,408	10,951	1,144	19,354	9,108	2.1
July	15,396,821	11,337	1,358	16,320	9,388	1.7
August	17,598,442	11,779	1,494	16,139	9,730	1.7
September	19,518,945	12,199	1,600	16,543	10,062	1.6
October	13,443,285	12,663	1,062	18,683	10,479	1.8
November	10,308,336	13,035	791	48,336	10,836	4.5
December	12,154,393	13,328	912	109,476	11,134	9.8
January	14,730,305	13,512	1,090	156,128	11,329	13.8
February	13,876,040	13,586	1,021	162,925	11,420	14.3
March	12,956,945	13,592	953	148,383	11,461	12.9
April	8,024,511	10,317	778	52,652	8,694	6.1
<b>Total</b>	<b>159,272,491</b>	<b>146,905</b>	<b>1,084</b>	<b>803,513</b>	<b>122,531</b>	<b>6.6</b>



**LOUISVILLE GAS AND ELECTRIC COMPANY**

**CASE NO. 2008-00252**

**CASE NO. 2007-00564**

**Response to First Data Request of the  
Association of Community Ministries and  
People Organized and Working for Energy Reform  
Dated August 27, 2008**

**Question No. 3**

**Responding Witness: William Steven Seelye**

- Q-3. a. Please describe the sales data that LG&E collected on the customers who meet state standards for participating in low income energy assistance programs (“LIHEAP”) customers referred to on page 12 of Mr. Seelye’s testimony.
- b. In addition to the sales data, did LG&E collect any other type of data on these customers? If so, please provide such data.
- c. Please describe what other data LG&E has the ability to collect regarding this pool of customers.
- A-3. a. The sales data corresponds to the monthly kWh usage for customers identified by community action counsels or community action agencies as described in the response to Q-2(a).
- b. LG&E does not independently verify the eligibility of customers for LIHEAP assistance. The only data utilized by Mr. Seelye to perform his analysis were monthly kWh sales and the number of customers identified by community action counsels or community action agencies as described in the response to Q-2(a).
- c. For these customers, LG&E has the ability to collect the standard customer information that it maintains for non-LIHEAP customers, such as customer name, premise address, billing address, meter readings, meter reading dates, billing dates, monthly electric kWh sales, monthly natural gas Ccf sales, payment history, and arrearages. LG&E does not maintain personal information such as age, race, sex, income, religious affiliation, etc.



**LOUISVILLE GAS AND ELECTRIC COMPANY**

**CASE NO. 2008-00252**

**CASE NO. 2007-00564**

**Response to First Data Request of the  
Association of Community Ministries and  
People Organized and Working for Energy Reform  
Dated August 27, 2008**

**Question No. 4**

**Responding Witness: Butch Cockerill**

Q-4. State the monthly number of residential electric customers from January 1, 2005 to June 30, 2008.

A-4. See attached.

**Louisville Gas and Electric Company – Electric Customers**  
**Case No. 2008-00252**  
**Summary of Average Number of Residential Customers**  
**For the Calendar Years January 1, 2005 through June 30, 2008**

Period	Jan	Feb	March	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Average
2008	352,973	352,676	354,271	353,463	354,401	355,828							353,935
2007	351,023	351,384	352,294	352,079	353,329	353,401	353,848	354,009	352,926	352,578	352,884	352,637	352,699
2006	347,902	348,065	348,888	349,142	350,087	350,032	350,857	351,299	349,824	351,200	350,210	350,348	349,821
2005	343,024	344,997	345,007	344,441	346,149	347,003	347,118	347,662	347,609	347,098	347,412	346,446	346,164



**LOUISVILLE GAS AND ELECTRIC COMPANY**

**CASE NO. 2008-00252**

**CASE NO. 2007-00564**

**Response to First Data Request of the  
Association of Community Ministries and  
People Organized and Working for Energy Reform  
Dated August 27, 2008**

**Question No. 5**

**Responding Witness: Butch Cockerill**

- Q-5. State the monthly number of residential electric customers who met the state standards for participating in low income energy assistance programs ("LIHEAP") from January 1, 2005 to June 30, 2008.
- A-5. LG&E has no way of knowing the number of its residential electric customers who met the state standards for participating in low income energy assistance programs ("LIHEAP"). LIHEAP is administered at the federal level by the U.S. Department of Health and Human Services and at the state level by the Department of Community Based Services under the Division of Family Support. For further assistance with state related information, please contact the Kentucky LIHEAP State Grantee at:

Ms. Karla Thompson  
Policy Analyst  
Department for Community Based Services  
Division of Family Support  
Human Resources Building  
275 East Main Street, 3E-1  
Frankfort, **Kentucky** 40621  
TEL: (502) 564-3440 or 564-7514  
FAX: (502) 564-9810  
E-MAIL: [karla.thompson@ky.gov](mailto:karla.thompson@ky.gov)  
WEB SITE: <http://chfs.ky.gov/dcbs/dfs/liheap.htm>  
PUBLIC INQUIRIES: 1-800-456-3452



**LOUISVILLE GAS AND ELECTRIC COMPANY**

**CASE NO. 2008-00252**

**CASE NO. 2007-00564**

**Response to First Data Request of the  
Association of Community Ministries and  
People Organized and Working for Energy Reform  
Dated August 27, 2008**

**Question No. 6**

**Responding Witness: Butch Cockerill**

Q-6. State the monthly number of residential gas customers from January 1, 2005 to June 30, 2008.

A-6. See attached.

<p style="text-align: center;"><b>Louisville Gas and Electric Company – Gas Customers</b>  <b>Case No. 2008-00252</b>  <b>Summary of Average Number of Residential Customers</b>  <b>For the Calendar Years January 1, 2005 through June 30, 2008</b></p>													
Period	Jan	Feb	March	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Average
2008	300,275	300,043	301,037	300,433	300,652	301,166							300,601
2007	298,818	299,492	302,247	299,846	300,345	300,147	300,052	299,804	299,040	299,089	299,801	299,958	299,887
2006	296,879	297,273	297,806	297,521	297,997	297,968	297,845	297,747	296,719	297,799	298,044	298,392	297,666
2005	293,120	294,616	294,796	294,561	295,521	295,509	295,267	295,259	295,073	295,088	295,865	295,803	295,040



**LOUISVILLE GAS AND ELECTRIC COMPANY**

**CASE NO. 2008-00252**

**CASE NO. 2007-00564**

**Response to First Data Request of the  
Association of Community Ministries and  
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Dated August 27, 2008**

**Question No. 7**

**Responding Witness: Butch Cockerill**

- Q-7. State the monthly number of residential gas customers who met the state standards for participating in low income energy assistance programs ("LIHEAP") from January 1, 2005 to June 30, 2008.
- A-7. LG&E has no way of knowing the number of its residential gas customers who met the state standards for participating in low income energy assistance programs ("LIHEAP"). LIHEAP is administered at the federal level by the U.S. Department of Health and Human Services and at the state level by the Department of Community Based Services under the Division of Family Support. For further assistance with state related information, please contact the Kentucky LIHEAP State Grantee at:

Ms. Karla Thompson  
Policy Analyst  
Department for Community Based Services  
Division of Family Support  
Human Resources Building  
275 East Main Street, 3E-I  
Frankfort, Kentucky 40621  
TEL: (502) 564-3440 or 564-7514  
FAX: (502) 564-9810  
E-MAIL: [karla.thompson@ky.gov](mailto:karla.thompson@ky.gov)  
WEB SITE: <http://chfs.ky.gov/dcbs/dfs/liheap.htm>  
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**LOUISVILLE GAS AND ELECTRIC COMPANY**

**CASE NO. 2008-00252**

**CASE NO. 2007-00564**

**Response to First Data Request of the  
Association of Community Ministries and  
People Organized and Working for Energy Reform  
Dated August 27, 2008**

**Question No. 8**

**Responding Witness: Butch Cockerill**

Q-8. Please provide the monthly number of disconnections for nonpayment for the electric residential class from January 1, 2005 to June 30, 2008.

A-8. Please see the schedule below.

<b>Month</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Jan</b>	1,974	5,887	3,287	1,845
<b>Feb</b>	3,088	3,478	2,760	2,198
<b>Mar</b>	5,027	6,922	5,362	5,139
<b>Apr</b>	6,918	5,320	5,455	5,388
<b>May</b>	5,859	6,584	5,120	4,386
<b>Jun</b>	6,493	5,248	4,384	4,286
<b>Jul</b>	4,055	2,740	4,065	
<b>Aug</b>	6,428	5,501	3,320	
<b>Sep</b>	6,428	5,258	4,849	
<b>Oct</b>	5,839	4,654	4,979	
<b>Nov</b>	4,379	3,212	3,577	
<b>Dec</b>	2,508	1,750	2,707	



**LOUISVILLE GAS AND ELECTRIC COMPANY**

**CASE NO. 2008-00252**

**CASE NO. 2007-00564**

**Response to First Data Request of the  
Association of Community Ministries and  
People Organized and Working for Energy Reform  
Dated August 27, 2008**

**Question No. 9**

**Responding Witness: Butch Cockerill**

- Q-9. Please provide the monthly number of disconnections for nonpayment for electric customers who met the state standards for participating in low income energy assistance programs ("LIHEAP") from January 1, 2005 to June 30, 2008.
- A-9. LG&E has no way of knowing the number of its residential electric customers who met the state standards for participating in low income energy assistance programs ("LIHEAP"). LIHEAP is administered at the Federal Level by the U.S. Department of Health and Human Services and at the state level by the Department of Community Based Services under the Division of Family Support. For further assistance with state related information, please contact the Kentucky LIHEAP State Grantee at:

Ms. Karla Thompson  
Policy Analyst  
Department for Community Based Services  
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**LOUISVILLE GAS AND ELECTRIC COMPANY**

**CASE NO. 2008-00252**

**CASE NO. 2007-00564**

**Response to First Data Request of the  
Association of Community Ministries and  
People Organized and Working for Energy Reform  
Dated August 27, 2008**

**Question No. 10**

**Responding Witness: Butch Cockerill**

Q-10. Please provide the monthly number of disconnections for nonpayment for the gas residential class from January 1, 2005 to June 30, 2008.

A-10. Please see the schedule below.

<b>Month</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Jan</b>	177	589	346	188
<b>Feb</b>	335	608	300	212
<b>Mar</b>	617	1,027	786	724
<b>Apr</b>	1,276	839	1,028	1,057
<b>May</b>	1,210	1,254	1,004	1,012
<b>Jun</b>	1,035	864	750	929
<b>Jul</b>	607	525	531	
<b>Aug</b>	546	410	355	
<b>Sep</b>	599	554	399	
<b>Oct</b>	554	486	484	
<b>Nov</b>	445	385	428	
<b>Dec</b>	220	171	282	



**LOUISVILLE GAS AND ELECTRIC COMPANY**

**CASE NO. 2008-00252**

**CASE NO. 2007-00564**

**Response to First Data Request of the  
Association of Community Ministries and  
People Organized and Working for Energy Reform  
Dated August 27, 2008**

**Question No. 11**

**Responding Witness: Butch Cockerill**

- Q-11. Please provide the monthly number of disconnections for nonpayment for gas customers who met the state standards for participating in low income energy assistance programs ("LIHEAP") from January 1, 2005 to June 30, 2008.
- A-11. LG&E has no way of knowing the number of its residential gas customers who met the state standards for participating in low income energy assistance programs ("LIHEAP"). LIHEAP is administered at the federal level by the U.S. Department of Health and Human Services and at the state level by the Department of Community Based Services under the Division of Family Support. For further assistance with state related information, please contact the Kentucky LIHEAP State Grantee at:

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## LOUISVILLE GAS AND ELECTRIC COMPANY

CASE NO. 2008-00252

CASE NO. 2007-00564

**Response to First Data Request of the  
Association of Community Ministries and  
People Organized and Working for Energy Reform  
Dated August 27, 2008**

## Question No. 12

## Responding Witness: Butch Cockerill

- Q-12. Please provide the annual number of disconnections for nonpayment of electric residential customers broken down by zip code for the test year and three preceding years.
- A-12. Please see the schedule below.

Customer Type	Zip Code	Calendar Year 2005	Calendar Year 2006	Calendar Year 2007	Test Year
Electric	40010	13	6	11	7
Electric	40014	596	497	445	345
Electric	40018	1	1	1	
Electric	40023	22	34	24	20
Electric	40025	4	0	0	0
Electric	40026	79	103	71	46
Electric	40027	4	3	7	5
Electric	40031	120	98	79	59
Electric	40041	3	2	3	4
Electric	40047	272	319	267	241
Electric	40055	6	11	9	7
Electric	40056	132	123	120	89
Electric	40059	197	228	170	125
Electric	40077	22	29	17	11
Electric	40108	126	121	147	132
Electric	40109	0	2	1	1
Electric	40118	853	872	721	654
Electric	40155	155	116	124	112
Electric	40165	607	539	461	465
Electric	40175	1	0	1	1
Electric	40177	166	152	124	107

Customer Type	Zip Code	Calendar Year 2005	Calendar Year 2006	Calendar Year 2007	Test Year
Electric	40202	117	111	137	109
Electric	40203	2579	2660	2230	1824
Electric	40204	1308	1416	1131	892
Electric	40205	768	683	532	384
Electric	40206	1433	1341	1130	941
Electric	40207	1009	1033	847	770
Electric	40208	1805	1584	1386	1238
Electric	40209	65	73	63	52
Electric	40210	2376	2232	2087	1692
Electric	40211	4597	4215	3473	2950
Electric	40212	3134	3038	2517	2027
Electric	40213	1387	1319	1271	1066
Electric	40214	3535	3664	3380	2996
Electric	40215	2860	2989	2489	2107
Electric	40216	3505	3755	3110	2705
Electric	40217	1138	1017	882	728
Electric	40218	3261	2885	2765	2438
Electric	40219	2884	3166	2696	2240
Electric	40220	1871	1669	1582	1416
Electric	40222	1115	942	847	667
Electric	40223	732	827	723	598
Electric	40228	707	677	615	479
Electric	40229	2498	2115	1932	1824
Electric	40241	1153	1033	910	794
Electric	40242	524	487	461	358
Electric	40243	344	333	325	291
Electric	40245	737	663	657	532
Electric	40258	1981	1949	1630	1515
Electric	40272	2917	2706	2406	1984
Electric	40291	1905	1698	1611	1452
Electric	40299	1513	1206	1346	1211



**LOUISVILLE GAS AND ELECTRIC COMPANY****CASE NO. 2008-00252****CASE NO. 2007-00564****Response to First Data Request of the  
Association of Community Ministries and  
People Organized and Working for Energy Reform  
Dated August 27, 2008****Question No. 13****Responding Witness: Butch Cockerill**

Q-13. Please provide the annual number of disconnections for nonpayment of gas residential customers broken down by zip code for the test year and three preceding years.

A-13. Please see the schedule below.

Customer Type	Zip Code	Calendar Year 2005	Calendar Year 2006	Calendar Year 2007	Test Year
Gas	40004	243	266	250	244
Gas	40006	33	41	36	30
Gas	40010	2	2	0	1
Gas	40011	42	27	24	21
Gas	40013	1	0	0	1
Gas	40014	43	26	32	32
Gas	40017	0	1	0	0
Gas	40019	100	86	68	86
Gas	40023	1	6	2	1
Gas	40026	5	9	4	2
Gas	40027	4	2	1	0
Gas	40031	244	298	168	141
Gas	40033	0	1	0	1
Gas	40037	17	16	16	13
Gas	40047	256	322	270	250
Gas	40050	45	40	25	22
Gas	40056	5	5	2	3
Gas	40057	57	62	40	58
Gas	40059	59	46	38	32
Gas	40067	47	44	45	38
Gas	40068	20	15	14	13
Gas	40069	1	1	0	0

Customer Type	Zip Code	Calendar Year 2005	Calendar Year 2006	Calendar Year 2007	Test Year
Gas	40071	15	14	13	8
Gas	40108	24	21	14	15
Gas	40109	40	33	29	29
Gas	40118	35	53	45	42
Gas	40150	30	29	24	23
Gas	40155	16	13	13	13
Gas	40160	340	388	281	284
Gas	40162	6	6	6	3
Gas	40165	458	519	440	464
Gas	40175	91	95	73	69
Gas	40177	15	16	18	18
Gas	40202	8	2	6	4
Gas	40203	420	350	342	313
Gas	40204	126	133	101	94
Gas	40205	51	55	55	41
Gas	40206	135	109	92	75
Gas	40207	42	60	42	33
Gas	40208	219	213	181	161
Gas	40209	5	13	10	12
Gas	40210	389	327	325	318
Gas	40211	731	585	523	559
Gas	40212	557	517	421	398
Gas	40213	102	119	86	70
Gas	40214	232	329	331	346
Gas	40215	319	374	337	296
Gas	40216	274	326	290	280
Gas	40217	120	119	105	103
Gas	40218	205	238	203	177
Gas	40219	208	211	168	154
Gas	40220	76	73	69	66
Gas	40222	43	36	24	26
Gas	40223	25	24	44	37
Gas	40228	25	28	29	23
Gas	40229	263	249	234	235
Gas	40241	47	46	49	47
Gas	40242	55	44	35	28
Gas	40243	13	15	11	10
Gas	40245	45	43	32	33
Gas	40258	129	123	107	112
Gas	40272	231	191	182	192
Gas	40291	78	79	95	75
Gas	40299	38	44	78	80

Customer Type	Zip Code	Calendar Year 2005	Calendar Year 2006	Calendar Year 2007	Test Year
Gas	42214	2	2	3	1
Gas	42701	18	19	12	10
Gas	42716	25	26	19	18
Gas	42722	1	0	1	0
Gas	42748	80	105	70	62
Gas	42757	14	15	17	12
Gas	42764	1	2	2	1



**LOUISVILLE GAS AND ELECTRIC COMPANY**

**CASE NO. 2008-00252**

**CASE NO. 2007-00564**

**Response to First Data Request of the  
Association of Community Ministries and  
People Organized and Working for Energy Reform  
Dated August 27, 2008**

**Question No. 14**

**Responding Witness: Paul W. Thompson**

Q-14. In the Testimony of Paul W. Thompson at page 5, Mr. Thompson describes the Trimble County Unit No. 2 ("TC2") and states that of the 563MW generation capacity that the Companies will own, LG&E will be entitled to 19% and KU will be entitled to 81%. Will the Companies' costs associated with this construction be allocated according to similar percentages, that is, with LG&E paying 19% and KU paying 81% of costs? If not, please explain the percentages that each Company will pay and explain the rationale for this difference.

A-14. Yes, the costs will be allocated in the same percentages as the ownership.



**LOUISVILLE GAS AND ELECTRIC COMPANY**

**CASE NO. 2008-00252**

**CASE NO. 2007-00564**

**Response to First Data Request of the  
Association of Community Ministries and  
People Organized and Working for Energy Reform  
Dated August 27, 2008**

**Question No. 15**

**Responding Witness: Chris Hermann**

Q-15. What is the expected date of implementation of the new Customer Care Solution system ("CCS") referenced by Chris Hermann in his Testimony at page 12?

A-15. The anticipated implementation date for the CCS project is April 1, 2009.



**LOUISVILLE GAS AND ELECTRIC COMPANY**

**CASE NO. 2008-00252**

**CASE NO. 2007-00564**

**Response to First Data Request of the  
Association of Community Ministries and  
People Organized and Working for Energy Reform  
Dated August 27, 2008**

**Question No. 16**

**Responding Witness: Butch Cockerill**

- Q-16. In the Testimony of Sidney L. "Butch" Cockerill at page 2, Mr. Cockerill describes the elimination of a policy that the Companies pay for customers' meter bases and that the Companies will no longer supply single phase meter bases of the kinds used in residential applications.
- a. State the approximate cost of a meter base.
  - b. State the amounts that LG&E spent annually for calendar years 2005, 2006 and 2007 on:
    - i. paying for customers' meter bases; and
    - ii. supplying single phase meter bases of the kinds used in residential applications.
  - c. Does LG&E require residential customers to replace meter bases? If so, under what types of circumstances?
- A-16. a. 125 Amp Residential Base - \$17.00  
200 Amp Residential base - \$24.00  
320 Amp Residential Base - \$105.00
- b.
    - i. 2005 - \$135,000  
2006 - \$140,000  
2007 - \$150,000
    - ii. 2005 - \$120,000  
2006 - \$125,000  
2007 - \$115,000

- c. Yes. Based on National Electrical Code requirements, should a customer's meter base be unsafe or in poor condition, LG&E will require replacement of a residential meter base at the customer's expense.



**LOUISVILLE GAS AND ELECTRIC COMPANY**

**CASE NO. 2008-00252**

**CASE NO. 2007-00564**

**Response to First Data Request of the  
Association of Community Ministries and  
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Dated August 27, 2008**

**Question No. 17**

**Responding Witness: Butch Cockerill**

- Q-17. Regarding the proposed increase from \$20 to \$29 in the disconnect/reconnect charge for electric and gas:
- a. In Mr. Cockerill's SLC Exhibit 3 to his testimony, please provide a breakdown of the \$14.50 cost for disconnect service by labor, transportation, supplies and equipment and a similar breakdown for the reconnect service.
  - b. State the monthly number of disconnect/reconnect charges imposed on residential electric customers beginning January 1, 2005 through June 30, 2008.
  - c. State the monthly number of disconnect/reconnect charges imposed on residential electric customers who met the state standards for participating in low income energy assistance programs ("LIHEAP") beginning January 1, 2005 through June 30, 2008.
  - d. State the monthly number of disconnect/reconnect charges imposed on residential gas customers beginning January 1, 2005 through June 30, 2008.
  - e. State the monthly number of disconnect/reconnect charges imposed on residential gas customers who met the state standards for participating in low income energy assistance programs ("LIHEAP") each month beginning January 1, 2005 through June 30, 2008.
- A-17. a. The cost for disconnecting and reconnecting a service is based on the average cost of completing all service orders during the test period. The breakdown is as follows:

	<u>Disconnect</u>	<u>Reconnect</u>	<u>Total</u>
Company Labor	\$ 8.43	\$ 8.43	\$ 16.85
Transportation	1.20	1.20	2.40
Outside Services	4.66	4.66	9.33
Supplies and Materials	0.21	0.21	0.41
Total Costs	<u>\$ 14.50</u>	<u>\$ 14.50</u>	<u>\$ 29.00</u>

- b. Listed below are the number of disconnect/reconnect charges imposed on residential electric customers beginning January 1, 2005 through June 30, 2008:

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
JAN	1,702	4,794	2,651	1,536
FEB	2,542	2,903	2,255	1,732
MAR	4,082	5,688	4,421	4,010
APR	5,625	4,376	4,462	4,348
MAY	4,858	5,338	4,202	3,550
JUN	5,135	4,083	3,420	3,444
JUL	3,431	2,218	3,311	
AUG	5,475	4,446	2,757	
SEP	5,453	4,350	4,014	
OCT	5,010	3,867	4,194	
NOV	3,778	2,683	2,979	
DEC	2,144	1,431	2,247	

- c. LG&E has no way of knowing the number of its residential electric customers who met the state standards for participating in low income energy assistance programs ("LIHEAP"). LIHEAP is administered at the federal level by the U.S. Department of Health and Human Services and at the state level by the Department of Community Based Services under the Division of Family Support. For further assistance with state related information, please contact the Kentucky LIHEAP State Grantee at:

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- d. Listed below are the number of disconnect/reconnect charges imposed on residential gas customers beginning January 1, 2005 through June 30, 2008:

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
JAN	86	303	173	102
FEB	189	266	142	97
MAR	255	411	356	355
APR	490	275	392	290
MAY	358	401	290	306
JUN	305	240	193	254
JUL	195	179	163	
AUG	223	147	109	
SEP	232	193	158	
OCT	222	179	178	
NOV	196	146	150	
DEC	98	77	113	

- e. LG&E has no way of knowing the number of its residential gas customers who met the state standards for participating in low income energy assistance programs ("LIHEAP"). LIHEAP is administered at the federal level by the U.S. Department of Health and Human Services and at the state level by the Department of Community Based Services under the Division of Family Support. For further assistance with state related information, please contact the Kentucky LIHEAP State Grantee at:

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**LOUISVILLE GAS AND ELECTRIC COMPANY**

**CASE NO. 2008-00252**

**CASE NO. 2007-00564**

**Response to First Data Request of the  
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Dated August 27, 2008**

**Question No. 18**

**Responding Witness: Butch Cockerill**

Q-18. Regarding the proposed meter test charges:

- a. When a customer requests a meter test, what kind of notice does LG&E give the customer regarding the potential meter test charge?
- b. State the number of meter test charges imposed on residential electric customers for the test year and three preceding calendar years.
- c. State the number of meter test charges imposed on residential electric customers who met the state standards for participating in low income energy assistance programs ("LIHEAP") for the test year and three preceding calendar years.
- d. State the number of meter test charges imposed on residential gas customers for the test year and three preceding calendar years.
- e. State the number of meter test charges imposed on residential gas customers who met the state standards for participating in low income energy assistance programs ("LIHEAP") for the test year and three preceding calendar years.

A-18. a. Customers are advised at the time they request a meter test that if the results of the meter tests indicate the meter is operating within the acceptable limits as defined by regulation that they will be charged the appropriate meter test charge.

- b. Listed below are the number of meter test charges imposed on residential electric customers for the test year and three preceding calendar years.

<u>Period</u>	<u>Number of electric meter test charges</u>
Test year ending April 2008	102
2007	94
2006	61
2005	84

- c. LG&E has no way of knowing the number of its residential electric customers who met the state standards for participating in low income energy assistance programs (“LIHEAP”). LIHEAP is administered at the federal level by the U.S. Department of Health and Human Services and at the state level by the Department of Community Based Services under the Division of Family Support. For further assistance with the state related information, please contact the Kentucky LIHEAP State Grantee at:

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- d. Listed below are the numbers of meter test charges imposed on residential gas customers for the test year and three preceding calendar years.

<u>Period</u>	<u>Number of gas meter test charges</u>
Test year ending April 2008	40
2007	28
2006	56
2005	38

- e. LG&E has no way of knowing the number of its residential gas customers who met the state standards for participating in low income energy assistance programs (“LIHEAP”). LIHEAP is administered at the federal level by the U.S. Department of Health and Human Services and at the state level by the Department of Community Based Services under the Division of Family Support. For further assistance with state related information, please contact the Kentucky LIHEAP State Grantee at:

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**LOUISVILLE GAS AND ELECTRIC COMPANY**

**CASE NO. 2008-00252**

**CASE NO. 2007-00564**

**Response to First Data Request of the  
Association of Community Ministries and  
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Dated August 27, 2008**

**Question No. 19**

**Responding Witness: Butch Cockerill**

- Q-19. Regarding the proposed increase in the returned payment charge, on Mr. Cockerill's SLC Exhibit 5, please clarify and explain the line describing the labor cost including the meaning of the .88735 figure and how the \$33.48 relates to the \$5.58 figure.
- a. State the number of returned payment charges imposed upon residential electric customers for the test year and the three preceding calendar years.
  - b. State the number of returned payment charges imposed upon electric residential customers who met the state standards for participating in low income energy assistance programs ("LIHEAP") for the test year and the three preceding calendar years.
  - c. State the number of returned payment charges imposed upon residential gas customers for the test year and the three preceding calendar years.
  - d. State the number of returned payment charges imposed upon gas residential customers who met the state standards for participating in low income energy assistance programs ("LIHEAP") for the test year and the three preceding calendar years.
- A-19. Processing a returned payment takes, on average, 10 minutes of an LG&E employee's time. The average hourly unburdened wage rate of such employee is \$17.87. The burden rate, also known as overhead percentage, for an LG&E employee doing this type of work is approximately 89% (.87335). Therefore, the fully loaded average hourly wage is \$33.48, or  $(\$17.87 \times .87335) + \$17.87$ . Multiplying the average time needed (10 minutes), by the average burdened wage rate equals the proposed employee cost of \$5.58.

- a. The numbers below are returned checks for both residential electric and gas customers:

2005	2006	2007	Test Year
7,061	7,423	7,386	8,270

Return checks are not tracked by gas or electric due to combined billing.

- b. LG&E has no way of knowing the number of its residential electric customers who met the state standards for participating in low income energy assistance programs ("LIHEAP"). LIHEAP is administered at the Federal Level by the U.S. Department of Health and Human Services and at the state level by the Department of Community Based Services under the Division of Family Support. For further assistance with state related information, please contact the Kentucky LIHEAP State Grantee at:

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- c. See response to a. above.
- d. LG&E has no way of knowing the number of its residential gas customers who met the state standards for participating in low income energy assistance programs ("LIHEAP"). LIHEAP is administered at the Federal Level by the U.S. Department of Health and Human Services and at the state level by the Department of Community Based Services under the Division of Family Support. For further assistance with state related information, please contact the Kentucky LIHEAP State Grantee at:

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**LOUISVILLE GAS AND ELECTRIC COMPANY**

**CASE NO. 2008-00252**

**CASE NO. 2007-00564**

**Response to First Data Request of the  
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People Organized and Working for Energy Reform  
Dated August 27, 2008**

**Question No. 20**

**Responding Witness: Butch Cockerill**

Q-20. Regarding the proposed increase in deposits:

- a. State the number of residential electric customers required to pay a deposit for the test year and the three preceding calendar years. State the average amount of deposit required.
  - b. State the number of residential electric customers who met the state standards for participating in low income energy assistance programs ("LIHEAP") who were required to pay a deposit for the test year and the three preceding calendar years. State the average amount of deposit required.
  - c. State the number of residential gas customers required to pay a deposit for the test year and the three preceding calendar years. State the average amount of deposit required.
  - d. State the number of residential gas customers who met the state standards for participating in low income energy assistance programs ("LIHEAP") who were required to pay a deposit for the test year and the three preceding calendar years. State the average amount of deposit required.
  - e. If the Commission approves LG&E's requested higher deposit amounts, would LG&E consider allowing customers to spread the deposit over more than the currently allowed three months?
- A-20. a. LG&E maintains deposits in total. Per LG&E's file tariffs, the deposit amount for gas or electric only customers is \$120, and for combination customers is \$240.

<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>Test Year</b>
37,696	31,271	28,642	28,276

- b. LG&E has no way of knowing the number of its residential electric customers who met the state standards for participating in low income energy assistance programs (“LIHEAP”). LIHEAP is administered at the federal level by the U.S. Department of Health and Human Services and at the state level by the Department of Community Based Services under the Division of Family Support. For further assistance with state related information, please contact the Kentucky LIHEAP State Grantee at:

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- c. See response to “a.” above.

- d. LG&E has no way of knowing the number of its residential gas customers who met the state standards for participating in low income energy assistance programs (“LIHEAP”). LIHEAP is administered at the federal level by the U.S. Department of Health and Human Services and at the state level by the Department of Community Based Services under the Division of Family Support. For further assistance with state related information, please contact the Kentucky LIHEAP State Grantee at:

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- e. No.



**LOUISVILLE GAS AND ELECTRIC COMPANY**

**CASE NO. 2008-00252**

**CASE NO. 2007-00564**

**Response to First Data Request of the  
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**Question No. 21**

**Responding Witness: Butch Cockerill**

Q-21. At page 5 of his testimony Mr. Cockerill describes proposed changes to LG&E's collection cycle and late payment policy.

- a. Please describe any impact on LG&E's revenue or expenses if the Commission approves this change.
- b. Please describe in detail the behavioral scoring systems referenced by Mr. Cockerill at page 5 of his Testimony and how late payment would affect such score.
- c. Pursuant to LG&E's proposed ten day collection cycle, does LG&E consider a payment postmarked within the ten day period timely, or must payment actually be received within the ten day period?
- d. Describe the impact of a customer's late payment or payments on his/her relationship with LG&E such as in the area of LG&E requirements pertaining to customer deposits and issuance of brown bills.

A-21. a. LG&E is unable to predict customers' behavior regarding payment of their utility bills, and therefore cannot determine the impact on LG&E's revenue or expenses. As previously stated in case 2007-00410, there were two significant drivers for changing LG&E's collection cycle and late payment policy. The first driver was to more closely align LG&E's billing process to KU, thus simplifying our operational processes which would allow some business processes to run more smoothly. The second driver was to avoid unnecessary customer confusion that may result when more than one bill is issued prior to the time a customer may be disconnected for nonpayment.

- b. LG&E's behavioral scoring model was introduced in September, 2005. The purpose of this model is fourfold:
  - To objectively measure individual customer behavior, based solely on the customer's internal payment habits with LG&E.

- To improve customer satisfaction by sending disconnect notices to fewer customers.
- To delay the beginning of the collection process for medium risk customers, and
- To keep low risk customers out of the credit cycle entirely.

Specific customer benefits are as follows:

- Low risk customers do not receive a disconnect notice until two months in arrears.
- Medium risk customers do not receive a disconnect notice until one month in arrears.
- High risk customers receive a disconnect notice when current bill is past due (this was the practice for all customers prior to September, 2005).
- A customer's risk category can change over time, based on his/her payment behavior. In essence, a customer can be rewarded by improving his/her payment habits.

Each residential customer account is scored monthly, two days past the current bill due date. Six attributes are reviewed monthly, and a risk category (low, medium and high) is assigned to each customer, based on the score. The six attributes are:

- The number of times delinquent in the past eight months;
- The number of months since the customer was last eligible to be disconnected;
- The number of accounts receivable aging buckets (30, 60, 90, 90+) with a balance greater than \$0;
- The total delinquent balance;
- The number of months since becoming a customer;
- The number of months since the customer's last payment.

Prior to the implementation of this model, all customers who were delinquent on their current bill received a disconnect notice. There were no distinguishing factors, other than this. Since behavioral modeling was implemented, fewer disconnect notices have been sent to customers. Therefore, a customer who pays late will not necessarily be categorized as a medium- or high -risk customer. If the customer is late each month, but pays his/her bill in full each month, it is unlikely he/she will receive a disconnect notice.

- c. LG&E's proposal is to assess any applicable late payment fee at 15 days. Therefore, customers will not be negatively impacted in terms of late payment charges, unless payment is received on or after the 15<sup>th</sup> day.
- d. LG&E only assesses residential deposits under two conditions. First, a deposit may be assessed at the time of application for service, assuming the

customer's external credit score warrants a deposit. A deposit will be assessed at the time of reconnection following a disconnection for nonpayment, if no prior deposit existed, or if the deposit was insufficient. Therefore, late payments or the issuance of a disconnect notice does not result in the assessment of a deposit. Late payments can impact the issuance of brown bills, in accordance with the procedures outlined in sub-part b. above.



**LOUISVILLE GAS AND ELECTRIC COMPANY**

**CASE NO. 2008-00252**

**CASE NO. 2007-00564**

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**Question No. 22**

**Responding Witness: Butch Cockerill**

- Q-22. Please state the monthly number of customers in Jefferson County for whom LG&E has received assistance funds from non-LIHEAP energy assistance providers for each month beginning January 1, 2005 through June 30, 2008. Please indicate the monthly amount of such funds.
- A-22. The numbers below reflect only pledge payments that had a pledge identification number.

Month/Year	Pledge Count	Pledge Amount
06/2008	881	90,429.77
05/2008	906	97,797.34
04/2008	1566	201,146.18
03/2008	1576	215,831.44
02/2008	820	111,185.92
01/2008	978	134,018.63
12/2007	601	58,008.13
11/2007	669	64,168.57
10/2007	1147	114,800.59
09/2007	698	73,304.38
08/2007	926	96,728.02
07/2007	820	82,211.83
06/2007	900	94,238.04
05/2007	1168	126,903.32
04/2007	1436	167,274.19
03/2007	1134	159,660.52
02/2007	706	107,907.12
01/2007	611	81,133.27
12/2006	515	47,478.89
11/2006	427	41,730.53
10/2006	870	83,851.11
09/2006	992	109,865.96
08/2006	990	109,379.86
07/2006	782	84,502.72
06/2006	909	107,238.03
05/2006	1342	181,332.19
04/2006	1657	246,958.78
03/2006	1790	313,921.58
02/2006	1218	200,438.84
01/2006	1186	166,801.81
12/2005	553	52,649.71
11/2005	533	44,068.03
10/2005	770	71,933.60
09/2005	834	79,658.22
08/2005	880	87,427.05
07/2005	717	67,482.97
06/2005	921	94,985.57
05/2005	1180	127,081.31
04/2005	1078	114,786.22
03/2005	1250	134,397.58
02/2005	1043	142,192.56
01/2005	735	91,981.51



**LOUISVILLE GAS AND ELECTRIC COMPANY**

**CASE NO. 2008-00252**

**CASE NO. 2007-00564**

**Response to First Data Request of the  
Association of Community Ministries and  
People Organized and Working for Energy Reform  
Dated August 27, 2008**

**Question No. 23**

**Responding Witness: Butch Cockerill**

Q-23. Please state the monthly number of customers in the LG&E service territory for whom LG&E has received assistance funds from non-LIHEAP energy assistance providers for each month beginning January 1, 2005 through June 30, 2008. Please indicate the monthly amount of such funds.

A-23. The numbers below reflect only pledge payments that had a pledge identification number.

Response to ACM-POWER-1 Question No. 23

Page 2 of 2

Cockerill

Month/Year	Pledge Count	Pledge Amount
06/2008	907	\$94,388.97
05/2008	945	\$103,255.02
04/2008	1616	\$207,962.52
03/2008	1630	\$224,511.33
02/2008	928	\$125,287.77
01/2008	1143	\$155,173.01
12/2007	631	\$61,932.28
11/2007	690	\$66,408.45
10/2007	1175	\$117,722.04
09/2007	719	\$75,802.17
08/2007	968	\$101,217.02
07/2007	859	\$85,582.70
06/2007	936	\$98,381.12
05/2007	1218	\$133,074.72
04/2007	1486	\$173,857.75
03/2007	1290	\$181,064.41
02/2007	812	\$121,027.20
01/2007	685	\$90,880.33
12/2006	528	\$48,712.97
11/2006	443	\$43,192.90
10/2006	904	\$87,129.16
09/2006	1015	\$111,987.80
08/2006	1015	\$112,889.39
07/2006	801	\$87,425.24
06/2006	946	\$111,237.18
05/2006	1384	\$185,581.33
04/2006	1688	\$251,730.50
03/2006	1880	\$328,011.37
02/2006	1267	\$207,065.39
01/2006	1232	\$172,229.86
12/2005	564	\$53,529.99
11/2005	545	\$45,405.57
10/2005	801	\$74,486.31
09/2005	866	\$82,852.75
08/2005	907	\$89,856.34
07/2005	739	\$69,911.84
06/2005	946	\$97,397.33
05/2005	1210	\$131,004.10
04/2005	1111	\$119,688.59
03/2005	1278	\$137,916.30
02/2005	1062	\$144,087.03
01/2005	753	\$93,543.95



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**Question No. 24**

**Responding Witness: Butch Cockerill**

Q-24. Would LG&E be willing to extend the period of time in which it allows reconnection pursuant to the Winter hardship reconnection provisions of 807 KAR 5:006 Section 15 from the currently required Winter months to throughout the year?

A-24. No.