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JACK B. BATES

IRIS G. SKIDMORE

Via Hand-Delivery

May 19, 2010

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

RECEIVED

MAY 19 2010

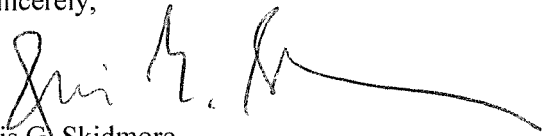
PUBLIC SERVICE
COMMISSION

Re: Application of Kentucky Utilities Company for an Adjustment in Rates
Case No. 2009-00548

Dear Mr. Derouen:

Enclosed for filing in the above styled action is an original and ten copies of Response of the Community Action Council for Lexington-Fayette, Bourbon, Harrison, and Nicholas Counties, Inc. to First Data Request of Commission Staff.

Sincerely,



Iris G. Skidmore

Enclosure

RECEIVED

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

MAY 19 2010

In the Matter of:

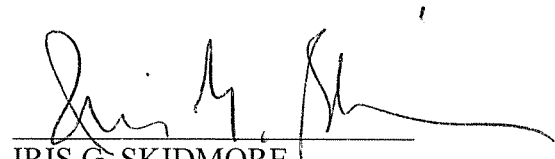
PUBLIC SERVICE
COMMISSION

APPLICATION OF KENTUCKY UTILITIES)
COMPANY FOR A GENERAL ADJUSTMENT) CASE NO: 2009-00548
IN BASE RATES)

**RESPONSE OF COMMUNITY ACTION COUNCIL FOR LEXINGTON-FAYETTE,
BOURBON, HARRISON, AND NICHOLAS COUNTIES, INC. TO FIRST DATA
REQUEST OF COMMISSION STAFF**

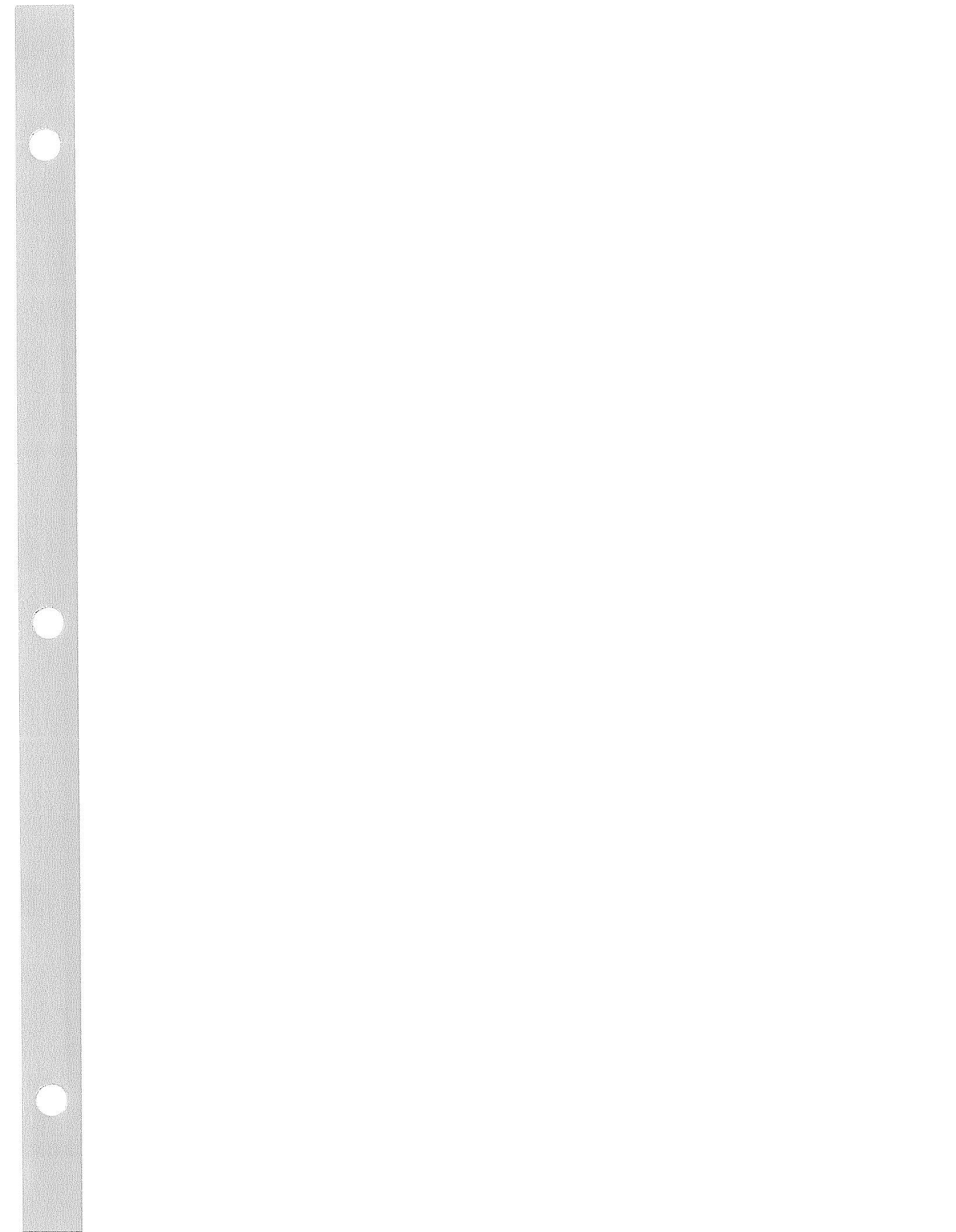
* * * * *

Comes now the Community Action Council for Lexington-Fayette, Bourbon, Harrison and Nicholas Counties, Inc. (CAC), by counsel, and hereby submits its Response to the First Data Request of Commission Staff.



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COUNSEL FOR CAC



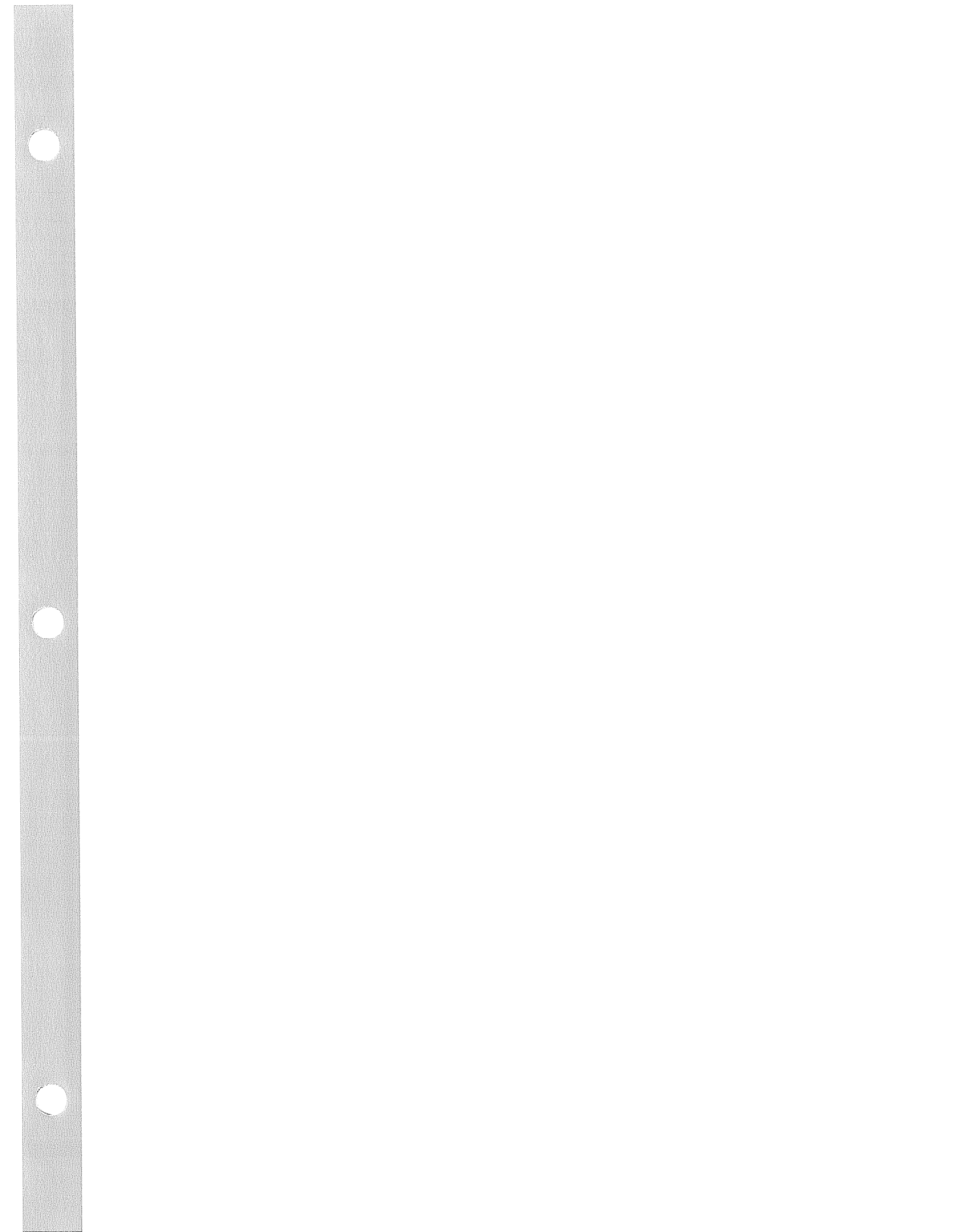
DATA REQUEST 1:

Refer to page 11 of the Direct Testimony of Jack E. Burch (“Burch Testimony”), line 21. Mr. Burch states KU’s late payment charge as 10 percent. Explain whether Mr. Burch intended to state it as 5 percent.

RESPONSE:

Witness Jack E. Burch

Mr. Burch intended to state the KU late payment charge as 5 percent. The previous statement was in error.



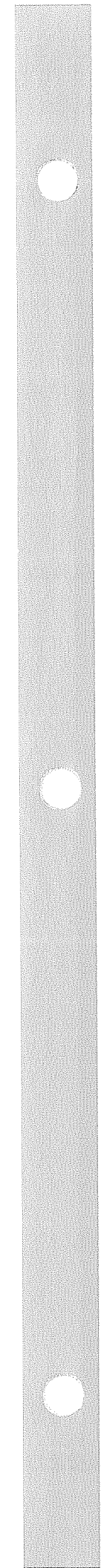
DATA REQUEST 2:

Refer to pages 12 and 13 of the Burch Testimony where he discusses the change in the bill due date from 10 days to 12 days. Mr. Burch states that this change has resulted in customers having less time to pay their bills. Is it Mr. Burch's testimony that, under the former 10-day bill due date, all calendar days are counted? If yes, is it Mr. Burch's testimony that this results in less time for customers to pay their bills? If no, explain why adding two extra days for customers to pay their bills results in less time.

RESPONSE:

Witness Jack E. Burch

No, it is Mr. Burch's testimony that, under the former 10-day bill due date, that only business days were counted, thus resulting in a longer period of time for many customers to pay their bills because Saturdays, Sundays and holidays were not counted toward the time before the bill was due. It is for this reason that 10 business days is preferable to the current system of 12 calendar days. Please refer to the example provided on pages 12 and 13 of Mr. Burch's testimony. Just two additional days makes a substantial difference for low-income customers.



DATA REQUEST 3:

Refer to page 13 of the Burch Testimony where he discusses the FLEX Option program. Mr. Burch states that, “simply allowing customers to choose their due date to accommodate a fixed income while helpful, does not serve to extend the billing cycle in any way,” Explain what is meant by “billing cycle” in this context, and given the FLEX Option, explain why the billing cycle needs to be extended.

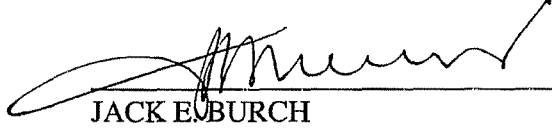
RESPONSE:**Witness Jack E. Burch**

What is meant by “billing cycle” in this context is the length of time between bill issue date and bill due date. Mr. Burch acknowledges that the phrase “billing cycle” may have been confusing in this context.

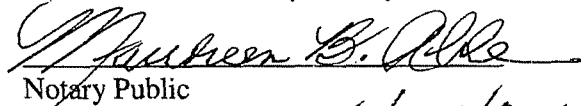
The billing cycle needs to be extended because the FLEX Option, while helpful to customers on a fixed income who receive income on or about the same date monthly, does not give people more time from the date of bill issuance to the due date. It also helps only a portion of the low-income population – those on a fixed income. Low-income customers need as much time as possible to pay their bills because of their limited resources. They need time to secure those resources needed to pay the bill, whether through employment income, third party assistance or other means. A shortened time period between bill issuance and bill due date will simply facilitate unnecessary late payment charges and shutoffs, further exacerbating the sensitive financial condition of many low-income customers.

VERIFICATION

I have read the foregoing Responses and they are true and correct to the best of my knowledge and belief.


JACK E. BURCH

Subscribed and sworn to before me by Jack E. Burch on the 19th day of May, 2010


Notary Public

My commission expires: 6/25/2013

CERTIFICATE OF SERVICE

I hereby certify that on May 19, 2010, a true and accurate copy of the foregoing Response of Community Action Council for Lexington-Fayette, Bourbon, Harrison, and Nicholas Counties, Inc. to First Data Request of Commission Staff was served by United States mail, postage prepaid, to the following:

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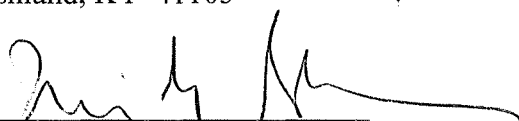
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