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PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:)
)
APPLICATION OF LOUISVILLE GAS AND) CASE NO. 2009-00549
ELECTRIC COMPANY FOR AN ADJUSTMENT)
OF ELECTRIC AND GAS BASE RATES)

MOVANT FOR INTERVENTION AARP'S TENDERED SUPPLEMENTAL
REQUESTS TO LOUISVILLE GAS AND ELECTRIC COMPANY FOR
INFORMATION

Pursuant to the scheduling order adopted by the Commission in this case, Movant for Intervention AARP tenders these requests for information and, if intervention is granted by the Commission, requests that Louisville Gas & Electric Company file with the Commission the following information, with a copy to all parties of record, within the time specified in the Commission's Order. For each response to request for information,

(1) Please identify the individual responsible for answering each request;

(2) These requests shall be deemed continuing so as to require further and supplemental responses if Louisville Gas and Electric Company ("LG&E") receives or generates additional information within the scope of these requests between the time of the response and the time of the hearing;

(3) A request to identify a document means to state the date or dates, author or originator, the subject matter, all addressees and recipients, type of document (e.g., letter, memorandum, telegram, chart, etc.), number or code number thereof or other means of identifying it, and its present location and custodian;

(4) To the extent that the specific document, study or information requested does not exist, but a similar document, study or information does exist, please provide the similar document, study or information;

(5) 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;

(6) If LG&E objects to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify AARP's Attorney of Record as soon as possible;

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

(8) 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; 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; and

(9) Where the information requested is the same as has been provided to another party in response to a request for information, it is sufficient to identify that response rather than duplicating the information requested.

Request For Information 1

With regard to the direct testimony of Mr. Seelye, please provide in electronic format where available any testimonies of Mr. Seelye in the last five years in which he addressed the issues of (a) straight-fixed-variable rate design, (b) customer or minimum charges, (c) residential customer elasticities, (d) impact of rate design on usage, and/or (e) usage of low-income customers.

Request For Information 2

With request to the direct testimony of Mr. Seelye, at p. 5, lines 7 to 25, please state what would have been the relative percentage increase and dollar increase to each class had the contribution of each class to the overall return been equalized.

Request For Information 3

With respect to the direct testimony of Mr. Seelye at p. 6, line 7, please explain why the normalization of peaks for weather is a "difficult and controversial endeavor."

Request For Information 4

(a) With respect to Mr. Seelye's direct testimony at p. 6, please explain why a backwards-looking estimation of future hourly loads is appropriate, including all evidence supporting the (implicit) determination that weather patterns in the future will be more like patterns over the past several years as opposed to like patterns in the year on the basis of which the COSS was developed.

(b) Is there any particular reason to expect that future weather patterns will be different from those in the COSS year? If so, please explain.

Request For Information 5

(a) Please provide the most recent bill frequency analyses for LG&E electric and gas residential customers respectively, including monthly and annual frequency data, in an executable electronic format.

(b) Please provide the most recent bill frequency analyses for LG&E low-income gas and electric residential customers.

Request For Information 6

With respect to Mr. Seelye's direct testimony at pp. 7 - 8, please clarify whether the term "subsidy" as used in his testimony refers to the relationship between rate components and historic or average costs as estimated and allocated in the COSS.

Request For Information 7

Does Mr. Seelye agree that "capitalized energy" costs exist or can be identified for electricity utilities? If not, why not?

Request For Information 8

With respect to Mr. Seelye's direct testimony at p. 10, please define what is meant by the use of the terms "low usage" and "high usage" with reference to some measurable standard, such as average kWh per month, percent of average usage, or some similar quantifiable definition.

Request For Information 9

With respect to Mr. Seelye's direct testimony at p. 10, beginning at line 1, please provide all documentation for the statement that for "utilities such as LG&E, operating in an urban service territory, low usage customers tend to be loads like garages, workshops, outbuildings, and unusual service connections."

Request For Information 10

With respect to Mr. Seelye's direct testimony at p. 10, lines 16 and following, please clarify the significance of Mr. Seelye's statement that recovering fixed costs and margins through variable rates "sends a signal that it is relatively inexpensive to provide the physical equipment necessary to provide service to customers." Is it Mr. Seelye's opinion that such a rate design will induce uneconomic hook-ups to the electric utility, or uneconomic extensions of service? If so, please provide all documentation for such an opinion. If not, please explain.

Request For Information 11

With respect to Mr. Seelye's direct testimony at p. 11, lines 1-3, please provide all reports, analyses, responses to data requests, testimonies and other written material on which Mr. Seelye bases his "experience that low-income customers tend to use more electricity than the average."

Request For Information 12

With respect to Mr. Seelye's direct testimony at p. 11, lines 6-9, please provide the LG&E LIHEAP usage study and all workpapers in executable electronic form.

Request For Information 13

With respect to Mr. Seelye's direct testimony at p. 11, lines 4-5, please provide all documentation supporting Mr. Seelye's opinion that the "housing stock in which many low income customers are living is relatively inefficient from an energy usage standpoint, so their energy usage is frequently above the class average." Does this opinion refer to all low-income customers, or only to those who use electricity to heat or cool their homes?

Request For Information 14

Please provide a copy of any appliance saturation survey or similar study performed by or for LG&E with respect to its electricity customers in the last 5 years.

Request For Information 15

Please provide a copy of any appliance saturation survey or similar study performed by or for LG&E with respect to its gas customers in the last 5 years.

Request For Information 16

Please provide, in executable electronic form, the Cost of Service Studies used by Mr. Seelye in his electric and gas cost allocation and rate design testimonies.

Request For Information 17

With respect to Mr. Seelye's testimony, at p. 11, lines 21-23, please provide quantitative support in the form of such metrics as kWh and kW saved, dollars spent per class, numbers of residential customers receiving assistance in implementing DSM, and the like, for the assertion that "LG&E and KU are currently doing more in the area of demand-side management, energy efficiency, and energy conservation than any of the other utilities in Kentucky."

Request For Information 18

With respect to Mr. Seelye's direct testimony, at p. 11, lines 21-23, please state whether LG&E's electric demand-side management, energy efficiency and energy conservation efforts have produced the maximum technically feasible and cost-effective usage and/or peak load reductions possible in its service area.

Request For Information 19

With respect to Mr. Seelye's testimony, at p. 11, lines 18-21, is it Mr. Seelye's opinion that moving to a \$15 per month basic service charge and lowering the usage based portion of the residential rate accordingly aligns the interests of electricity customers and the utility? If so, please explain how.

Request For Information 20

With respect to Mr. Seelye's direct testimony at p. 11, is it Mr. Seelye's testimony that if the Commission approves the rate redesign of per-customer and per-usage charges he proposes in this docket, the utility will significantly increase its efforts to induce customers to conserve electric energy? Gas commodity usage? If so, please describe in detail the specific incremental steps and investments the Company proposes to make, and the associated benefits to residential customers it expects from such efforts. If not, why not?

Request For Information 21

Please provide Seelye Exhibits 2, and 5 through 10, in executable electronic form, together with any workpapers.

Request For Information 22

With respect to Mr. Seelye's direct testimony at pp. 38-39, does Mr. Seelye agree that the greater opportunities for IGS customers to switch to alternative fuels than for residential customers means that the utility faces a higher risk of lost revenues from IGS customers than from residential customers, all else being equal? If not, why not?

Request For Information 23

With respect to the proposed increase of the electric customer charge from \$5 to \$15 per month, did Mr. Seelye or the Company consider any smaller increases in the charge? If so, what alternatives were considered, and why were they rejected? If not, why not?

Request For Information 24

With respect to Mr. Seelye's testimony regarding the proposed elimination of the Distribution Cost Component of the gas rates, and the proposed increase in the basic service charge from \$9.50 per month to \$26.53 per month, did Mr. Seelye or the Company consider any smaller increases in the basic service charge? If so, what alternatives were considered and why were they rejected? If not, why not?

Request For Information 25

Would Mr. Seelye agree that gas storage and distribution costs will vary over the long term in conjunction with levels of usage? If not, why not?

Request For Information 26

With respect to Mr. Seelye's direct testimony at p. 11, lines 21-23, please provide quantitative support in the form of such metrics as therms or MCF saved, dollars spent per class, numbers of residential customers receiving assistance in implementing DSM, and the like, for the assertion that "LG&E and KU are currently doing more in the area of demand-side management, energy efficiency, and energy conservation than any of the other utilities in Kentucky."

Request For Information 27

With respect to Mr. Seelye's direct testimony at p. 11, lines 21-23, please state whether LG&E's gas demand-side management, energy efficiency and energy conservation efforts

have produced the maximum technically feasible and cost-effective gas usage reductions possible in its service area.

Request For Information 28

With respect to Mr. Seelye's direct testimony at p. 44, please provide the dollar expenditure on demand-side management by LG&E for every year from 1994 to 2009, and the forecast expenditures for each of the next five years.

Request For Information 29

With respect to Mr. Seelye's direct testimony at p. 42, please identify all efforts undertaken by the Company within the last 10 years to increase the amount of gas sold within the residential class.

Request For Information 30

With respect Mr. Seelye's direct testimony at p. 46, please provide a copy of "every empirical study that [he has] seen for both natural gas and electric utility customers in the region" regarding the relative energy usage of low-income customers and average residential customers.

Request For Information 31

With respect to Mr. Seelye's direct testimony at p. 43, please quantify to the extent possible the "prospects for even more reductions in natural gas usage by residential customers."

Request For Information 32

Please provide the Graph 1 data, p. 48 of Mr. Seelye's testimony, in an executable electronic format.

Request For Information 33

With respect to Mr. Seelye's direct testimony at p. 49, lines 16 - 19, please provide Mr. Seelye's best estimate of the likely numbers of, average usage of and total margins of customers with decorative fireplace logs, decorative lighting, and outdoor grills who will disconnect as a result of the increase in basic service gas charges.

Request For Information 34

With respect to Mr. Seelye's direct testimony at p. 49, please provide Mr. Seelye's best estimate of the annual gas usage per residential customer for each of the next ten years, and the percent differences from year to year using the same method as Graph 1.

Request For Information 35

With respect to Mr. Seelye's direct testimony at p. 50, please provide the marginal costs of each component of distribution service to residential customers, for the next year, five years and ten years, in nominal dollars and in levelized 2010 dollars assuming a rate of return equal to the WACC sought by the company in this case.

Request For Information 36

With respect to Mr. Seelye's direct testimony at p. 49, lines 3-5, please identify each non-commodity rate increase request sought by LG&E from 1977 to the present, by the date the new rates went into effect, the total revenue requirement as determined by the Commission in the docket, the allowed return on equity, and the percentage increase or decrease in average residential rates.

Request For Information 37

With respect to Mr. Seelye's direct testimony at p. 49, lines 3-5, please state the Company's best estimate of the frequency and magnitude of rate increase requests it would expect over the next five years (a) if the Commission were to reject the proposed

change in rate design to Straight-Fixed Variable and (b) if the Commission were to allow the Company to move 1/3 of the way to its proposed SFV design?

Request For Information 38

With respect to Mr. Seelye's direct testimony at pp. 46-47, please provide a breakdown of the usage of residential customers by numbers of persons per household.

Request For Information 39

With respect to Mr. Seelye's direct testimony at p. 47, please provide the Company's estimate of the maximum percentage difference between highest and lowest average price per MCF for the summer and winter periods, respectively, for each of the last five years, assuming that the Company's SFV rate design had been in place.

Request For Information 40

Please provide Seelye Exhibit 14 and associated workpapers in executable electronic format.

Request For Information 41

With respect to Mr. Wolfram's direct testimony at p. 5, lines 3-8, please provide any study, analyses, data or other information that support the Company's proposal to restrict the collection of deposits by installment to customers who are not required to make such deposit as a condition of reconnection following disconnection for non-payment.

Request For Information 42

Please explain what change, if any, the Company expects in its bad debt as a result of the proposal described at p. 5, lines 3-8 of Mr. Wolfram's testimony to restrict the collection of deposits by installment to customers who are not required to make such deposit as a

condition of reconnection following disconnection for non-payment? What is the basis for any such estimate?

Request For Information 43

For each of the past 24 months, please state the numbers of residential customers who (a) have been sent notices of proposed disconnection for non-payment, (b) have been terminated for non-payment, (c) have been restored after termination upon entering into an agreement to pay a deposit in installments, and (d) have defaulted on payment of one or more installment payments of a deposit after disconnection for non-payment. Please also state the average dollar amount of deposits payable by installments per customer paying a deposit as a result of disconnection for non-payment.

Request For Information 44

With respect to Mr. Wolfram's testimony at p. 5, lines 3-8, please provide the Company's estimate of the numbers of customers who will be unable to restore service after disconnection for non-payment as a result of the proposed restriction on payment of deposits by installments. Please provide the basis for that estimate.

Request For Information 45

With respect to Mr. Wolfram's testimony at p. 5, please provide the number of energy audits performed in the last 24 months, the average energy usage of savings identified in the audits, and the average energy usage reductions per audit accomplished as a result of the audit.

Request For Information 46

Please provide a copy of any evaluation performed by or on behalf of LG&E of DSM/EE programs offered to residential customers in the last two years, including the Responsive Pricing pilot.

Request For Information 47

With respect to Mr. Wolfram's direct testimony at pp. 6 and 10, please provide a detailed description of all "programs aimed at helping customers with billing and payments, including the Budget Payment Plan, Automatic Bank Club, E-Bill (electronic billing and payment), installment plans, and Home Energy Assistance Program,"

Winterhelp/Wintercare pledges, and establishment of payment arrangements. Please include any relevant terms and conditions, the numbers of customers using each such program in the most recent program year, and all reports, analyses or other documentation that such programs have helped customers with billing and payments. Please include LG&E's definition of the phrase "helping customers with billing and payments." Please separate such information between gas and electric service.

Request For Information 48

With respect to Mr. Wolfram's direct testimony at p. 6, please provide a detailed description of the actions taken by LG&E in the last year to collaborate with "community action agencies and local ministries to assist their clients with their energy bills." Please include the numbers of clients assisted with their energy bills by community action agencies and local ministries, respectively, as a result of the actions taken by LG&E, the average dollar amount of assistance provided by LG&E as a result of its actions taken to collaborate with community action agencies and local ministries, and the numbers of customers whose service was restored or maintained as a result of such actions. Please separate such information between gas and electric service.

Request For Information 49

With respect to Mr. Wolfram's direct testimony at p. 6, please detail the ways in which "LG&E's customer service team works diligently to address and resolve individual customer situations and concerns," and provide all analyses, data or reports prepared by or on behalf of LG&E that describe or document how LG&E's customer service team works diligently to address and resolve such customer situations and concerns. Please include any analysis, data or reports that identify the categories of individual situations and concerns, or that describe the causal relationship between such work of the customer service team and the ability of customers to maintain service or prevent disconnection of service. Please separate such information between gas and electric service.

Request For Information 50

With respect to Mr. Wolfram's direct testimony at p. 11, lines 10-12, please provide a copy of all manuals or other written instructions to customer service representatives defining the responses they should take on behalf of the Company in response to issues pertaining to a customer's particular utility service. Please include all instructions concerning initiation of service, deposits, late payments, inability to pay in full or on time, and termination of service for nonpayment. Please include all computer screens used by customer service requests when responding to such issues, showing required data, and any scripts for use in specific situations. Please include any customized online portals for particular customer segments (e.g. low-income assistance agencies) involving payment-troubled households. Please separate such information between gas and electric service.

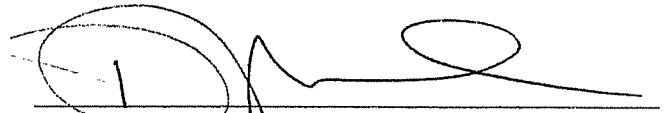
Request For Information 51

Please provide the numbers of residential customers by zip code for each month of the last 38 months, and the average annual number of residential customers for the last 4 years. Please separate such information between gas and electric service.

Request For Information 52

Please provide the numbers of notices of termination of residential service issued by the Company in each of the last 48 months. Please separate such information between gas and electric service.

Respectfully submitted,



Hon. Tom FitzGerald
On behalf of AARP

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Counsel for Movant for Intervention
AARP

CERTIFICATE OF SERVICE

I hereby certify that the original and 10 copies have been tendered this day for filing by hand delivery to the Commission and have been served by first-class mail upon all parties of record this 26th day of March, 2010:

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A handwritten signature in black ink, appearing to read "Tom FitzGerald", written over a horizontal line.

Hon. Tom FitzGerald
On behalf of AARP