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PUBLIC SERVICE
COMMISSION



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Kent A. Chandler
Acting Executive Director
Kentucky Public Service Commission
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Frankfort, Kentucky 40602

**Louisville Gas and
Electric Company**
State Regulation and Rates
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July 20, 2020

Re: William Fox v. Louisville Gas and Electric Company
Case No. 2020-00116

Dear Mr. Chandler:

Enclosed please find the response from Louisville Gas and Electric Company to the Commission staff's initial request for information relating to Case No. 2020-00116.

In addition, please find Louisville Gas and Electric Company's motion to schedule an informal conference in this proceeding between the parties and Commission staff.

Please contact me if you have any questions concerning either of these enclosures.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mike E. Hornung', written over a horizontal line.

Michael E. Hornung

Enclosures

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

WILLIAM FOX)	
)	
COMPLAINANT)	
V.)	CASE NO. 2020-00116
LOUISVILLE GAS AND ELECTRIC COMPANY)	
)	
DEFENDANT)	

RESPONSE OF
LOUISVILLE GAS AND ELECTRIC COMPANY TO
COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION
DATED JULY 10, 2020

FILED: JULY 20, 2020

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to the Commission Staff's Initial Request for Information
Dated July 10, 2020**

Case No. 2020-00116

Question No. 1

Witness: Timothy Melton

- Q-1. Refer to Mr. Fox's Response to the Commission's June 8, 2020 Order, which states that five businesses owned entirely or in part by Mr. Fox receive service from the account that is the subject of this proceeding at the service address of 138 Buchanan Street. Explain how LG&E addresses its customer's classification when multiple businesses receive electric or gas service, or both, from LG&E under a single customer account.
- A-1. When a customer calls in to request an existing service to be placed in their name, the LG&E representative gathers the necessary customer information including name, address, date requested, mailing address, and phone number. The representative discusses the security deposit requirement with the Customer, including amount, time held, and offers an installment plan if needed. In addition, the representative previews the Company's programs and online offerings through My Account (such as Auto Pay and Solar Share) regarding the billing rates, representatives will ask about the Customer's type of business. If the Customer's business is similar to the previous customer's business, the initial rates/classification should be consistent with the previous customer's rate, absent a grandfathering situation. If the business type is significantly changing, the representative will determine the appropriate initial rate and classification, consulting with others in the Company as appropriate. If there were a significant change in the business type regarding load or demand, the Company would expect to receive a load data sheet from the Customer through Operations. Under the Company's tariffs, the Customer will be considered industrial if their primary purpose is industrial under the requirements of the tariff.

LOUISVILLE GAS AND ELECTRIC COMPANY

**Response to the Commission Staff's Initial Request for Information
Dated July 10, 2020**

Case No. 2020-00116

Question No. 2

Witness: Timothy Melton

Q-2. Explain whether and how receiving gas service for multiple businesses with different business activities under one account would impact the customer classification for Mr. Fox's account on a prospective basis.

A-2. The Company's BSC Specialists routinely run rate validation reports to identify accounts that may be on an incorrect rate. Accounts appearing to be on an incorrect rate are reviewed to determine if a rate change is required and if so, moved to the appropriate rate and request contracts if applicable. Customer meetings and/or site visits are made as needed to verify the rate and classification. Rate and classification determination are based on type of business and/or process, space allocation, equipment, and load requirements.

Mr. Fox began taking service from LG&E in February of 2012. At that time, the electric account was initially classified as General Service ("GS") and the gas account was initially classified as Commercial Gas Service ("CGS"). Immediately prior to the transfer of service in February of 2012, the prior occupant of the premises at 138 Buchanan Street was also served by the Company under its GS and CGS rate schedules; and consistent with Company policy, the new occupant began taking under the same rate schedules, as Mr. Fox did not offer any evidence that his business's usage would be substantially different from the prior occupant's or that the infrastructure had changed.

Consistent with the Customer Rate Assignment provision on Original Sheet 101.1 of LG&E's electric tariff, the Company conducted a rate validation review in 2013. After receiving twelve months of data regarding Mr. Fox's actual electric usage, the Company determined that his usage exceeded the maximum usage allowable under the GS electric rate schedule. Instead, his electric usage met the Time of Day Secondary ("TODS") rate schedule requirements. Therefore, on June 8, 2013, Mr. Fox's electric account was transferred to the TODS rate. Applicability of the Company's electric rate schedules is not based on whether the customer is classified as commercial or industrial; rather they are volumetric-based. As a result, the customer's actual usage dictates which electric rate applies to the customer.

On July 23, 2013, Mr. Fox's rate classification for his gas service was changed from CGS to Industrial Gas Service ("IGS"). LG&E's gas tariff, at Original Sheet No. 15, defines "industrial customers" to "include customers involved in activities using gas primarily in a process or processes which either involve the extraction of raw materials from the earth, or a change of raw

or unfinished materials into another form or product through the application of heat or heat treating, steam agitation, evaporation, baking, extraction, drying, distilling, asphalt production, vehicular fueling of internal combustion engines, and for other similar uses.” In reviewing Mr. Fox’s account and the activities at Complainant’s premise, the Company determined that Complainant’s business met the tariff definition of industrial, as the business changes raw products into another form through the application of heat. Mr. Fox’s business is a large, wholesale food producer that makes food in a plant setting to be sold in restaurants. The Company conducted two additional rate checks – in 2015 and 2019 – and confirmed that his business continued to meet the definition of industrial under LG&E’s gas tariff.

When Mr. Fox moved service into Soup Coop LLC’s name in 4th quarter of 2019, he provided the attached load data sheet when establishing service, which indicated simply described the nature of the work at the location as “cooking”. At that time, there was no indication of more than one business operating at the location. Further, when Mr. Fox recently raised a concern, representatives of LG&E conducted a site visit on November 8, 2019 and concluded the primary operation of the business continued to be “cooking”.



LOUISVILLE GAS & ELECTRIC
GAS LOAD DATA SHEET
Revision (1.27.15)

Motor cap

3

150,000
1,255,000 199,000

Boilers/W/H
above 199,000
Cert

Please fax your completed load sheet to (502)217-3000 and the appropriate locator/designer will contact you.

Facility Name: Soup Coop LLC rec'd 10-16-19
 Responsible Party/Developer Name: Billy Fox Appl. Date 11-8-19 Site visit TB
 Address: 1057 E Washington St Phone# 502-217-0094
 City & Zip: Louisville KY 40206
 E-Mail: billy.f@jgumbos.com

Preliminary Construction Bid Use Final Construction Construction Revision
 Note: All preliminary submissions must be resubmitted as final when the customer applies for service. All plan revisions that affect total loading must be resubmitted.

Service Request Type: New Construction Existing Construction

Estimated Length of Service Line: 25 (feet)
 LG&E will provide standard delivery pressure of .4 oz./7" W.C. unless otherwise listed below. If requesting higher than standard delivery pressure, explain need for requested pressure:

Total Gas Connected Loads (TCL) on Property

	Building 1	Building 2	Building 3	Building 4
Requested House Line Delivery Pressure Please Circle Units.	(oz / psig)	(oz / psig)	(oz / psig)	(oz / psig)
Gas Load Type	(BTUH)	(BTUH)	(BTUH)	(BTUH)
Space Heating, Comfort Conditioning, & Make Up Air	42,000 x 84,000			
Water Heaters	199,000			
Boilers	1,255,000			
Cooking Equipment				
Production/Manufacturing Process Equipment				
(Other)				
Emergency/ Standby Electricity Generators				
Full Time Electricity Generators				
TOTAL CONNECTED METER LOAD (TCL)				

How Many Hours A Day Will the Production Equipment Run? 4 8 12 16 24

Description of work to be done: Cooking

Submitted By: Name: Joseph Montgomery Sr

Company: Soup Coop LLC E-Mail: Josephm@JGumbos.com

Address: 1057 E Washington St

Phone: (502) 915-1692 Fax: () Cell Phone: ()

Please reference LG&E Customer Gas Piping Handbook, latest edition, for more information.

<http://lge-ku.com/bsc/lge/customer/handbooks.asp>

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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WILLIAM FOX)	
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COMPLAINANT)	
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v.)	CASE NO.
)	2020-00116
LOUISVILLE GAS AND ELECTRIC COMPANY)	
)	
)	
DEFENDANT)	

**LOUISVILLE GAS AND ELECTRIC COMPANY’S
MOTION TO SCHEDULE INFORMAL CONFERENCE**

Louisville Gas and Electric Company (“LG&E) respectfully moves the Commission to schedule an informal conference in this proceeding between the parties and Commission Staff.

LG&E believes that an informal conference to discuss the case further in person or via videoconference may help to further an understanding of the issues and lead to potential resolution of some or all of the issues involved in this case.

WHEREFORE, Louisville Gas and Electric Company respectfully requests that the Commission grant its motion.

Dated: July 20, 2020

Respectfully submitted,




Allyson K. Sturgeon
Managing Senior Counsel - Regulatory and
Transactions
Sara V. Judd
Senior Corporate Counsel
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Counsel for Louisville Gas and Electric Company

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Motion for Informal Conference was served on the following on the 20th day of July, 2020, U.S. mail, postage prepaid:

William I Fox
1057 Washington Street
Louisville, Kentucky 40206



Counsel for Louisville Gas and Electric Company