



PPL companies

Mr. Jeff DeRouen
Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, Kentucky 40602

March 3, 2015

Re: Joint Application of Louisville Gas and Electric Company, Association for Community Ministries, Inc., People Organized and Working for Energy Reform, and Kentucky Association for Community Action, Inc. for the Establishment of a Home Energy Assistance Program (Case No. 2007-00337)

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 (Case No. 2007-00338)

Dear Mr. DeRouen:

The purpose of this letter is to describe to the Kentucky Public Service Commission ("Commission") the plans of Louisville Gas and Electric Company and Kentucky Utilities Company (collectively "Companies") concerning their Home Energy Assistance ("HEA") programs, which plans the Companies believe are consistent with the Commission's applicable orders.

The Commission's final orders in Case Nos. 2007-00337 and 2007-00338 approved the Companies' HEA programs for a five-year term ending September 30, 2012, with an HEA charge for both Companies of \$0.10 per

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meter to fund the programs.¹ The orders further required the Companies to file with the Commission by March 15, 2012, comprehensive reports concerning the programs' performance, and required the Companies to file applications with the Commission by the same date either to terminate or continue the programs.²

On September 30, 2010, the Commission issued a final order in Case No. 2010-00204 approving PPL Corporation's acquisition of the Companies, which included approving a settlement agreement in which the Companies committed to continue their HEA programs through September 30, 2015, with an HEA charge for both Companies of \$0.15 per meter.³ The Companies have interpreted the Commission's three-year extension of their HEA programs to apply also to the reporting and application-filing deadlines established in Case Nos. 2007-00337 and 2007-00338.

Negotiated settlements approved by the Commission in other recent cases have continued to increase the Companies' HEA charges to assist customers in need. In Case Nos. 2011-00161 and 2011-00162, the Commission approved settlements increasing the Companies' HEA charges to \$0.16 per meter through the effective date of new base rates.⁴ In the Companies' 2012 base-rate cases, the Commission approved a settlement that increased the Companies' HEA

¹ *In the Matter of: Joint Application of Louisville Gas and Electric Company, Association of Community Ministries, Inc., People Organized and Working For Energy Reform, and Kentucky Association for Community Action, Inc. for the Establishment of a Home Energy Assistance Program*, Case No. 2007-00337, Order (Sept. 14, 2007); *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*, Case No. 2007-00338, Order (Sept. 14, 2007).

² Case No. 2007-00337, Order at 11; Case No. 2007-00338, Order at 10.

³ *In the Matter of: Joint Application of PPL Corporation, E.ON AG, E.ON US Investments Corp., E.ON U.S. LLC, Louisville Gas and Electric Company, and Kentucky Utilities Company for Approval of an Acquisition of Ownership and Control of Utilities*, Case No. 2010-00204, Order (Sept. 30, 2010).

⁴ *In the Matter of: The Application of Kentucky Utilities Company for Certificates of Public Convenience and Necessity and Approval of Its 2011 Compliance Plan for Recovery by Environmental Surcharge*, Case No. 2011-00161, Order (Dec. 15, 2011); *In the Matter of: The Application of Louisville Gas and Electric Company for Certificates of Public Convenience and Necessity and Approval of Its 2011 Compliance Plan for Recovery by Environmental Surcharge*, Case No. 2011-00162, Order (Dec. 15, 2011).

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charges to their current \$0.25 per-meter level, at which level they will remain until new base rates go into effect for the Companies.⁵

In accordance with the Commission's orders in Case Nos. 2007-00337, 2007-00338, and 2010-00204, the Companies will file a comprehensive report on the performance of their HEA programs by March 15, 2015. The Companies plan to file applications concerning their HEA programs no later than July 31, 2015, if their future HEA programs and charges are not addressed in settlements or stipulations in the Companies' currently pending base-rate cases.

Please do not hesitate to contact me if you would like to discuss this matter.

Sincerely,



Rick E. Lovekamp

⁵ *In the Matter of: Application of Kentucky Utilities Company for an Adjustment of Its Electric Rates*, Case No. 2012-00221, Order (Dec. 20, 2012); *In the Matter of: Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Rates, a Certificate of Public Convenience and Necessity, Approval of Ownership of Gas Service Lines and Risers, and a Gas Line Surcharge*, Case No. 2012-00222, Order (Dec. 20, 2012).