

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE GAS AND)	
ELECTRIC COMPANY FOR APPROVAL OF AN)	CASE NO. 98-426
ALTERNATIVE METHOD OF REGULATION OF)	
ITS RATES AND SERVICES)	

In the Matter of:

APPLICATION OF KENTUCKY UTILITIES)	
COMPANY FOR APPROVAL OF AN)	CASE NO. 98-474
ALTERNATIVE METHOD OF REGULATION)	
OF ITS RATES AND SERVICES)	

O R D E R

On July 22, 1999, the United Way of Kentucky, Incorporated; United Way of the Bluegrass, Inc.; and Metro United Way, Inc. (collectively "United Way") filed a motion requesting status as a full intervenor to represent its own interests as a charitable entity, as well as the interests of low-income customers served by Louisville Gas and Electric Company and Kentucky Utilities Company (collectively "Applicants"). The motion references the Applicants' proposal to make available \$6 million to qualified organizations to assist low-income customers in paying their energy bills, and states that United Way is "uniquely qualified to receive, distribute, manage and audit the use of the [low-income] funds ." (United Way Motion at 3). United Way further states that it is ready, willing, and able to administer the low-income funds which the Applicants will make available, and that it is seeking to intervene to preserve and protect the disposition of these funds.

The United Way motion is opposed by the Community Action Council for Lexington-Fayette, Bourbon, Harrison, and Nicholas Counties, the Kentucky Association for Community Action, Inc., Metro Human Needs Alliance, Inc., People Organized And Working For Energy Reforms, and the Kentucky Resources Council, Inc. The thrust of the objections is that the interests of low-income energy consumers are already adequately represented by existing intervenors, that the United Way has not shown a special interest in the rate issues to be adjudicated in this case, that its motion contains numerous allegations of facts that are not supported by any evidence of record, and that the existing procedural schedule does not provide an opportunity for the presentation of new factual issues and discovery thereon.

Based on the motion and the objections, and being sufficiently advised, the Commission finds that United Way has not demonstrated a special interest which is not otherwise adequately represented sufficient to justify full intervention. While we do not doubt the legitimacy of United Way's interest in administering and distributing the \$6 million fund to be established by the Applicants, the issue of which entity is to perform that function is not before the Commission.

The Applicants' amended application includes a provision for the establishment of a \$6 million fund to assist low-income energy customers, but neither names the entities who will administer and distribute those funds, nor requests the Commission to decide that issue. In addition, the Applicants have not proposed that the establishment of the low-income fund be embodied in a filed tariff. Rather, the proposal is a voluntary undertaking similar to the charitable contributions frequently made by utilities. These contributions are made from shareholder funds which are considered below the line for

rate-making purposes. Consequently, the administration of such funds is within the sole discretion of the contributors.

IT IS THEREFORE ORDERED that the motion for full intervention by the United Way is denied.

Done at Frankfort, Kentucky, this 11th day of August, 1999.

By the Commission

ATTEST:

Executive Director