

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE TARIFF FILING OF LOUISVILLE GAS AND	)	
ELECTRIC COMPANY TO ESTABLISH	)	
PREPAID GAS AND ELECTRIC SERVICE	)	CASE NO. 2000-548
AN EXPERIMENTAL PERFORMANCE-	)	
BASED RATEMAKING MECHANISM	)	

FIRST DATA REQUEST OF COMMISSION STAFF  
TO LOUISVILLE GAS AND ELECTRIC COMPANY

Louisville Gas and Electric Company ("LG&E") is requested, pursuant to 807 KAR 5:001, to file with the Commission the original and ten copies of the following information, with a copy to all parties of record. The information requested herein is due on or before June 4, 2001. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the person who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information requested herein has been provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request.

1. Provide copies of all marketing materials used to promote the prepaid meter program to eligible customers.

2. The prepaid metering pilot program went into effect January 4, 2001.

Provide the following information regarding the program to date:

- a. The date the first customer signed up for the program.
- b. The total number of customers that have signed up for the program as of the most recent date for which LG&E has such information available.
- c. The number of customers, if any, that signed up for the program and have since discontinued as participants in the program.
- d. For customers that decided to discontinue the program, provide any reasons given for those decisions.
- e. The current (most recent) number of customers in the program, reported as combination gas and electric customers and all-electric customers.
- f. Of the customers currently in the program, provide the number of customers who fall into the following categories:
  - (1) LG&E employees who voluntarily signed up for the program.
  - (2) Customers, other than LG&E employees, who inquired about the program after receiving information regarding the program from LG&E.
  - (3) Customers who signed up in as a means of addressing a pre-existing bill payment problem.
  - (4) Other (specify).

3. Refer to the Direct Testimony of Janet K. Regner (“the Regner Testimony”) at page 6, lines 14 through 20. The testimony includes the following statements: “Experience shows that even in households with adequate or more than adequate incomes, some have behavioral problems which lead to late or non-payment of utility bills. Timely bill payment is not only a resource issue; it can also be a behavioral issue.”

a. Explain whether the experience referenced by Ms. Regner is LG&E-specific experience, experience of the Arizona utilities with which she worked in her previous position, experience of other utilities based on research, studies, surveys, etc., or some other experience(s).

b. Provide all materials relied upon by Ms. Regner in making these statements along with a narrative description of the materials and an index that will direct the reader to the pertinent sections of any documents provided.

4. Refer to the Regner Testimony at page 7, lines 3 through 5, which indicates that the Salt River Project (“SRP”) waived the monthly service charge for the prepay meter and also offered a \$9 per month discount for low-income customers. The LG&E program includes a monthly charge for the meter and does not provide for any discounts. Explain how Ms. Regner expects these differences to impact the success of the LG&E program.

5. The LG&E program is available to customers in arrears on their payments to LG&E. Such customers’ arrearages may be paid down as 30 cents for every dollar placed on their prepayment cards.

a. Explain whether the SRP program included customers with arrearages and, if so, explain whether their arrearages were treated in a similar manner. If the arrearages were treated differently, describe the treatment.

b. Explain how 30 percent of each prepaid purchase was determined to be the ideal factor to be included in order to recover customers’ arrearages.

c. Explain why it is considered appropriate to charge the same amount to each customer regardless of the total amount of arrearage.

d. The tariff describes the prior arrearage recovery as an option to the utility. Identify the criteria that will be used in determining whether a customer's indebtedness will be recovered through the charges for each prepaid purchase.

6. Refer to the Direct Testimony of Ronald L. Wilhite, page 9, lines 5 through 10. This answer refers to the "smart" cards being programmed to inform the meter to go into credit mode from November 1 through March 31.

a. Explain whether the time period for which the "smart" cards can be programmed in this manner is limited to November through March, or whether the cards can be programmed in this manner for a different calendar period or for a period of time shorter or longer than 5 months.

b. Describe how implementing such a provision would be expected to impact the evaluation of the program's effectiveness.

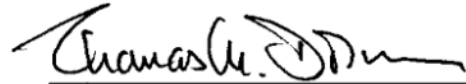
c. Ms. Regner referred to instances of heat-related deaths in Arizona during summer conditions in years past. Explain whether the SRP program included a period during the summer when service would not be suspended, similar to what has been referenced by Mr. Wilhite. If the program did include a period when service would not be suspended, describe how that provision impacted the program.

7. In reference to the SRP program implemented in Arizona, provide the following information:

a. The monthly number of customers that experienced loss of service due to inadequate prepayments.

b. The average amount of time, per month, in which service was not available for each of these customers.

8. Was the SRP program made permanent at the end of the pilot? If yes, explain any adjustments that were made in the permanent program and why those changes were necessary. If no, explain why not.



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DATED 5/21/01

cc: All Parties