COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF LOUISVILLE GAS	)	
AND ELECTRIC COMPANY S PREPAID	)	CASE NO. 2002-00232
GAS AND ELECTRIC SERVICE	)	

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

Louisville Gas and Electric Company (LG&E), pursuant to Administrative Regulation 807 KAR 5:001, is requested to file with the Commission the original and 8 copies of the following information, with a copy to all parties of record. The information requested herein is due no later than August 22, 2002. 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. Where information herein has been previously provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request.

1. Refer to the second paragraph under Results and Future Operations on page 4 of LG&E s application of May 31, 2002. The final sentence refers to expansion of the Pay As You Go (PAYG) program to the entire LG&E service territory as well as the urban portions of Kentucky Utilities Company s (KU) service territory. Provide clarification concerning possible expansion to KU s service territory and whether such expansion is intended to be addressed in this proceeding.

2. Refer to page 2 of the Direct Testimony of Susan Sanchez (Sanchez Testimony). Provide the current status of the paystation planned for installation in July

2002. Identify whether it is operational or is intended to become operational prior to the conclusion of this proceeding.

3. Refer to page 5 of the Sanchez Testimony. Provide the Notice of Estimated Arrears and documentation showing its approval by the Executive Director of the Kentucky Association for Community Action.

4. Refer to page 6 of the Sanchez Testimony. Explain the choice of April 2003 as when LG&E will launch campaigns of general public awareness and localized awareness. Explain how LG&E plans to market the PAYG program prior to that time.

5. Refer to SS Exhibit C, page 13 of 14, which indicates that, through March 2002, PAYG customers had realized approximate savings of $51,000 via reduced gas and electric usage and had incurred nearly $23,000 in service fees and late fees during the 12 months prior to being on the program. Identify and describe any tests or analysis that have been performed to show whether these results can be relied upon in evaluating the monetary benefits of the PAYG program to program participants.

6. Refer to page 5 of the Direct Testimony of F. Howard Bush, Jr. (Bush Testimony) and the proposal for annual filings to reflect changes in LG&E s automatic adjustment factors.

a. How far in advance of their implementation would LG&E expect to file the calculation of the February adjustment factors?

b. FHB Exhibit C shows the various adjustment factors in columns headed Original Rate and Current Rate. Is the Original Rate currently included in the calculation of the total rate charged PAYG customers? If no, what rate is included and when was the Original Rate discontinued?

c. Explain how LG&E plans to address any over- or under-recoveries per its automatic adjustment factors incurred during the PAYG program s pilot phase.

7. Refer to page 5 of the Bush Testimony, specifically the reference to the non-seasonal disconnect period.

a. Explain whether the non-seasonal disconnect period refers to the period from November 1^{st} through March 31^{st} when the PAYG meters are programmed to operate in credit mode.

b. Clarify whether it is LG&E s intent to continue, on a permanent basis, for the meters of PAYG customers to operate in a credit mode during the five months from November through March.

8. Refer to FHB Exhibit B that shows the monthly cost of pre-pay metering, specifically Line 9, Reduction in Bad Debt Write-Offs.

a. Provide the calculation which results in the amount of ($37.17) identified as the Reduction in Bad Debt Write-Offs.

b. Explain why an initial $90,000 in arrearages for 445 customers was selected for this calculation when SS Exhibit C, page 8 of 14, reflects a larger number of customers with a larger total arrearage balance.

c. Provide the basis for the assumed 25 percent in write-offs.

Thomas M. Dorman
Executive Director
Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40602

DATED August 8, 2002

cc: All Parties