

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

INITIAL DATA REQUEST OF COMMISSION STAFF
TO METRO HUMAN NEEDS ALLIANCE

Metro Human Needs Alliance (MHNA), 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 November 19, 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. Careful attention should be given to copied material to ensure that it is legible. 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 pages 13-19 of the testimony of David H. Brown Kinloch (Kinloch Testimony) where he discusses the costs of Louisville Gas and Electric Company s (LG&E) pre-pay meter program. Mr. Kinloch states, on pages 13, 18, and 19, that traditional credit customers end up heavily subsidizing the pre-pay pilot program.

a. Explain whether, by subsidization, Mr. Kinloch means that costs incurred for the pre-pay program have not been assigned or charged to the program or whether he means that LG&E's traditional credit customers have been charged more than they would have otherwise been charged, due to the pre-pay pilot program.

b. Would Mr. Kinloch object to continuing the pre-pay program as a customer service offering, experimentally, at the same rates as those of traditional credit customers, if programs costs in excess of the costs to serve traditional credit customers were not borne by traditional credit customers? Explain the response.

2. Refer to page 27 of the Kinloch Testimony, which refers to other pre-pay experiments conducted around the country by other utilities. Mr. Kinloch states that the results of LG&E's pre-pay pilot program are consistent with the results of most of these other programs in that they are rarely cost effective.

a. Identify the other programs to which Mr. Kinloch refers, including the name of the utility, the state(s) in which its program operated, and the years in which the program was in effect.

b. For each pre-pay program that was discontinued due to its lack of cost-effectiveness, provide the commission order or utility document announcing the decision to discontinue the program.

3. Refer to page 27 of the Kinloch Testimony regarding disconnections by pre-pay customers. Mr. Kinloch states that disconnections were 42 times higher for pre-pay customers compared to credit customers and, on page 22, line 8, he refers to this as a disconnect crisis.

a. Explain whether Mr. Kinloch has reviewed the duration of customer disconnections under the pre-pay program in addition to the number of customer disconnections under the program.

b. If Mr. Kinloch did not review the duration of customer disconnections under the pre-pay program, explain why.

c. On page 20, Mr. Kinloch refers to disconnections causing food to spoil, heating and cooling systems to not work, and children not having light by which to do homework. Does Mr. Kinloch have any empirical evidence from the pilot phase of LG&E s program to indicate that pre-pay customers experienced more inconvenience or hardship due to the multiple, short-term service outages they experienced compared to the less frequent but lengthier service outages that credit customers experienced? Explain the response.

4. Refer to the testimony of Susan Fridenstine. Provide a resume for Ms. Fridenstine which includes her educational background and work history.

5. Provide the following information regarding Phoenix Hill Townhouses:

a. How many residential units are in the complex?

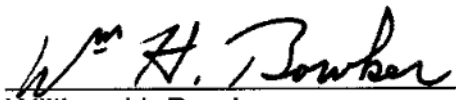
b. What utility services, if any, are provided by the landlord?

c. What utility services are the tenants required to obtain directly from the utility suppliers?

d. How many of the residential units currently participate in LG&E s pre-pay meter program?

e. How many residential units formerly participated in LG&E s pre-pay meter program but no longer participate?

- f. What is the typical monthly or annual electric bill for a resident?
- g. What is the typical monthly or annual gas bill for a resident?



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DATED: 11/06/2002

cc: All parties