

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY UTILITIES)	CASE NO.
COMPANY FOR AN ADJUSTMENT OF)	2012-00221
ITS ELECTRIC RATES)	

RESPONSE OF
KENTUCKY UTILITIES COMPANY
TO THE
COMMUNITY ACTION COUNCIL'S
SUPPLEMENTAL REQUEST FOR INFORMATION
DATED AUGUST 27, 2012

FILED: September 12, 2012

KENTUCKY UTILITIES COMPANY

CASE NO. 2012-00221

**Response to Community Action Council's
Supplemental Request for Information
Dated August 27, 2012**

Question No. 1

Responding Witness: Sidney L. "Butch" Cockerill

Q-1. Please refer to your response to CAC's Initial Request for Information Question 3: The Council is aware that KU did not begin assessing late payment fees until April 2009. Is it the Company's assertion that it does not know how many of its customers paid their bills late prior to April 2009? If so, how was the Company able to shut off customers for non-payment prior to April 2009? If the Company has misunderstood the original question then please provide the originally requested data.

A-1. KU implemented a new customer information system (CCS) on April 1, 2009. The requested archived data from the previous legacy system (CIS) for the period prior to April 1, 2009 does not exist in the format requested. Prior to April 1, 2009, KU customer bills were due ten (10) calendar days from the date of the bill. Customers paying their bills on the eleventh (11th) day would be considered late. If the full payment was not received within three (3) calendar days from the due date of the bill, a Disconnect Notice or Budget Reminder would be sent to the customer and reflected on their account. Customers paying late prior to April 1, 2009, but before the third calendar day following the due date, were not tracked in CIS. The following data was provided in response to CAC 1-6, in KU's last rate case (Case No. 2009-00548). This data represents the number of KU residential customers who received a disconnect notice or budget reminder, and would be indicative of the number of residential customers who did not pay by the due date, but not all inclusive:

- April, 2008 – December, 2008 = 1,300,808
- January, 2009 – March, 2009 = 329,052

As stated above, on the third calendar day following the due date, an account not paid in full would be sent a Disconnect Notice or Budget Reminder and reflected on the account. If the Customer failed to pay the outstanding balance by at least 27 days from the date of the bill, they would be subject to disconnection.

However, not all Customers who are assessed a late payment fee are subject to disconnection for non-payment.

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Question No. 2

Responding Witness: Sidney L. "Butch" Cockerill

- Q-2. Please refer to your response to CAC's Initial Request for Information Question 4: In your response you stated that data is unavailable for 2007 and 2008 regarding the total number of accounts disconnected more than once. Please explain why this data is unavailable.
- A-2. On April 1, 2009, KU implemented a new customer information system (CCS) that included enhanced reporting capabilities making it possible to retrieve data after that date. The requested information prior to that time is not available.

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Question No. 3

Responding Witness: Sidney L. "Butch" Cockerill

- Q-3. Please refer to your response to CAC's Initial Request for Information Question 4: Please explain the substantial data anomaly in 2009 in which shut offs fell by half and then increased back to more average levels the following year. Is the Company aware of any circumstance which would have caused this anomaly or is it a reporting/data collection issue?
- A-3. Several events contributed to the decreased number of disconnections for non-payment in 2009. First, disconnection orders were suspended in some areas due to an extensive ice storm and subsequent restoration effort in late January through mid-February 2009. Second, the Company transitioned to a new customer information system (CCS) on April 1, 2009. In order to help facilitate a more smooth transition, residential non-payment disconnection activities were suspended in March and April 2009. During these two months, the Company only disconnected accounts related to theft of service or for safety concerns.

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Question No. 4

Responding Witness: Sidney L. "Butch" Cockerill

- Q-4. Please refer to your response to CAC's Initial Request for Information Question 6: If feasible, provide the responses with the average monthly KU invoice normalized for weather.
- A-4. KU does not have the data in the form requested in the data request and completing the calculation would require the Company to perform significant original work.

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Question No. 5

Responding Witness: Sidney L. "Butch" Cockerill

Q-5. Please refer to CAC's Initial Request for Information Question 8: Please provide the average residential Kentucky Utilities bill amount (in dollars, not usage) broken down by month for the years 2007, 2008, 2009, 2010, and through July 2011.

A-5. Below is the average residential Kentucky Utilities bill amount (in dollars) broken down by month for the years 2007 through July 2011 using the customer count at August 25, 2012. As shown below, the number of accounts for each zip code is the same for each month. This is because the customer information system does not historically retain certain data fields such as the number of accounts. As such, when this information is requested, the system provides the results as of the point in time of the request. Thus, when the request is created to identify the number of customers by zip code, the system could only provide the number of accounts for customers in each zip code as of the date of the request. If the same information is requested on a later date, it is possible that some of the number of accounts by zip code could be different.

2007 Average Invoice		2008 Average Invoice		2009 Average Invoice		2010 Average Invoice		2011 thru July Average Invoice	
Jan-07	\$84.29	Jan-08	\$125.03	Jan-09	\$126.93	Jan-10	\$141.30	Jan-11	\$157.45
Feb-07	\$101.98	Feb-08	\$106.62	Feb-09	\$119.50	Feb-10	\$133.54	Feb-11	\$125.59
Mar-07	\$83.10	Mar-08	\$91.61	Mar-09	\$88.63	Mar-10	\$121.05	Mar-11	\$98.17
Apr-07	\$63.80	Apr-08	\$75.30	Apr-09	\$85.55	Apr-10	\$68.43	Apr-11	\$84.23
May-07	\$58.81	May-08	\$56.79	May-09	\$62.79	May-10	\$61.07	May-11	\$70.60
Jun-07	\$76.89	Jun-08	\$70.63	Jun-09	\$76.71	Jun-10	\$90.66	Jun-11	\$92.68
Jul-07	\$83.51	Jul-08	\$87.53	Jul-09	\$87.76	Jul-10	\$111.34	Jul-11	\$103.18
Aug-07	\$86.74	Aug-08	\$99.16	Aug-09	\$87.51	Aug-10	\$122.94		
Sep-07	\$92.77	Sep-08	\$91.51	Sep-09	\$83.05	Sep-10	\$108.30		
Oct-07	\$72.18	Oct-08	\$67.74	Oct-09	\$68.27	Oct-10	\$74.73		
Nov-07	\$61.75	Nov-08	\$72.11	Nov-09	\$67.40	Nov-10	\$72.91		
Dec-07	\$89.03	Dec-08	\$108.93	Dec-09	\$100.46	Dec-10	\$116.65		