

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY UTILITIES)
COMPANY FOR AN ADJUSTMENT OF ITS) CASE NO: 2014-00371
ELECTRIC RATES)

**COMMUNITY ACTION COUNCIL FOR LEXINGTON-FAYETTE, BOURBON,
HARRISON, AND NICHOLAS COUNTIES, INC.'S RESPONSES TO DATA
REQUESTS PROPOUNDED BY KENTUCKY UTILITIES COMPANY**

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Comes the Community Action Council for Lexington-Fayette, Bourbon, Harrison and
Nicholas Counties, Inc. (CAC), by counsel, and submits its Responses to Data Requests
Propounded by Kentucky Utilities Company.

Respectfully submitted,



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COUNSEL FOR CAC

1. What is the average monthly electric consumption of CAC's clients who are KU customers?

Witness: Malcolm J. Ratchford

Answer:

Based on the 12 month usage data CAC received from KU on March 19, 2015, the average monthly household usage was 1,236.30 kWh. This calculation only includes households with usage in each of the 12 prior months. Each week CAC requests 12 months of usage from KU for customers who have received some type of utility assistance, are enrolled in the KU Home Energy Assistance Program, or have applied for assistance through one of the housing programs such as Weatherization or WeCare. Since HEA and WeCare are available to all KU customers, the usage data contains households outside CAC's core service area.

2. Mr. Ratchford states, “And because the proposed basic service charge increase is so great, there is far less incentive for customers to conserve energy.”

a. Does CAC acknowledge that KU’s proposed Rate RS energy rate, \$0.08057 per KWh, is higher than KU’s current Rate RS energy rate, \$0.007744 per kWh?

Witness: Malcolm J. Ratchford

Answer: Yes

b. Does CAC therefore acknowledge that KU’s proposed Rate RS energy rate will provide residential electric customers a greater, not a lesser, incentive to conserve energy than does KU’s current Rate RS energy rate.

Witness: Malcolm J. Ratchford

Answer: KU has proposed the increase in the energy rate **and** an increase in the basic service charge from \$10.75 per month to \$18.00 per month, a 67% increase. The incentive to conserve energy must be put in the context of both of these proposed rate hikes. With such a large increase in the basic service charge, there is a smaller portion of the bill that can vary with the customer’s electricity use. When customers cannot avoid less of their bill through energy conservation, their incentive to do so is substantially reduced. Further, the large service charge signals to customers that using less electricity is not going to make much difference.

c. Does CAC acknowledge that an energy-saving measure or approach that reduced a residential customer’s electric usage by an average of 250 kWh per month would represent an energy savings of over 20% per month for an average KU residential customer? Does CAC agree such an energy savings would be significant?

Witness: Malcolm J. Ratchford

Answer: CAC acknowledges that 250 kWh reduction would equal a 20% reduction based on what KU states is an average residential customer usage of 1200 kWh per month. A 20% reduction is significant.

d. Does CAC acknowledge that an energy-saving measure or approach that reduced a residential customer’s electric usage by an average of 250 kWh per month would produce bill savings under KU’s current Rate RS energy rate of \$19.36 per month, and that the same measure or approach would produce bill savings under KU’s proposed Rate RS energy rate of \$20.14 per month.

Witness: Malcolm J. Ratchford

Answer: This question must be considered in the context of the large service charge increase requested by KU. With a service charge increase of 67 %, it is not realistic for KU to hypothesize about producing bill savings by cutting electric usage by 20%. This would be highly unlikely for multiple reasons, not the least of which is that many low-income customers and seniors have bare-bones usage now.

e. Does CAC acknowledge that KU's proposed Rate RS energy rate would have to increase by \$0.00604 per kWh if KU's Rate RS basic service charge remained at its current level of \$10.75 per month? Does CAC further acknowledge that \$0.0000604 per kWh equals \$1.51?

Witness: Malcolm J. Ratchford

Answer: From reviewing the testimony of the intervenors' expert economists in this case, it would appear that the revenue requirement sought by KU is not reasonable, and that some of the allocations to the proposed basic service charge are not appropriate.

f. Is CAC aware of any of its clients that would implement an energy-saving measure or practice to save \$21.65 per month but would not implement the same energy-saving measure or practice to save \$20.14 per month?

Witness: Malcolm J. Ratchford

Answer: See answer to b.

CERTIFICATE OF SERVICE

I hereby certify that CAC's April 3, 2015, electronic filing, **COMMUNITY ACTION COUNCIL FOR LEXINGTON-FAYETTE, BOURBON, HARRISON, AND NICHOLAS COUNTIES, INC.'S RESPOSES TO DATA REQUESTS PROPOUNDED BY KENTUCKY UTILITIES COMPANY** is a true and accurate copy of the document being filed in paper medium; that the electronic filing has been transmitted to the Commission on April 3, 2015; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; that an original and one copy of the filing is being filed at the Commission on April 3, 2015, and that on April 3, 2015, electronic mail notification of the electronic filing will be provided to the following:

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