

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC JOINT APPLICATION OF)	
LOUISVILLE GAS AND ELECTRIC)	
COMPANY AND KENTUCKY UTILITIES)	
COMPANY FOR CERTIFICATES OF)	CASE NO. 2018-00005
PUBLIC CONVENIENCE AND NECESSITY)	
FOR FULL DEPLOYMENT OF ADVANCED)	
METERING SYSTEMS)	

JOINT APPLICATION

Louisville Gas and Electric Company (“LG&E”) and Kentucky Utilities Company (“KU”) (collectively “the Companies”), pursuant to KRS 278.020(1), 807 KAR 5:001 Sections 14 and 15, and 807 KAR 5:011 Section 6(2)(b) hereby petition the Kentucky Public Service Commission (“Commission”) to issue an Order granting LG&E and KU Certificates of Public Convenience and Necessity (“CPCN”) for the full deployment of Advanced Metering Systems (“AMS”) across their Kentucky service territories, including gas operations for LG&E, and to approve their proposed AMS Opt-Out Special Charges. The Companies respectfully ask the Commission to issue a final order in this proceeding by June 1, 2018.

In support of this Joint Application, the Companies respectfully state:

1. The full name and mailing address of LG&E are: Louisville Gas and Electric Company, 220 West Main Street, Post Office Box 32010, Louisville, Kentucky 40202. The full name and business address of KU are: Kentucky Utilities Company, One Quality Street, Lexington, Kentucky 40507. KU’s mailing address is Kentucky Utilities Company c/o Louisville Gas and Electric Company, 220 West Main Street, Post Office Box 32010, Louisville, Kentucky 40202. The Companies may be reached by electronic mail at the electronic mail addresses of their counsel set forth below.

2. LG&E was incorporated in Kentucky on July 2, 1913, and is in good corporate standing.

3. KU was incorporated in Kentucky on August 17, 1912, and in Virginia on November 26, 1991 (and effective as of December 1, 1991), and is in good standing in both Kentucky and Virginia.

4. LG&E is a public utility, as defined in KRS 278.010(3)(a), engaged in the electric and gas business. LG&E generates and purchases electricity, and distributes and sells electricity at retail in Jefferson County and portions of Bullitt, Hardin, Henry, Meade, Oldham, Shelby, Spencer, and Trimble Counties. LG&E also purchases, stores, and transports natural gas and distributes and sells natural gas at retail in Jefferson County and portions of Barren, Bullitt, Green, Hardin, Hart, Henry, Larue, Marion, Meade, Metcalfe, Nelson, Oldham, Shelby, Spencer, Trimble, and Washington Counties.

5. KU is a public utility, as defined in KRS 278.010(3)(a), engaged in the electric business. KU generates and purchases electricity, and distributes and sells electricity at retail in the following counties in Central, Northern, Southeastern, and Western Kentucky:

Adair	Edmonson	Jessamine	Ohio
Anderson	Estill	Knox	Oldham
Ballard	Fayette	Larue	Owen
Barren	Fleming	Laurel	Pendleton
Bath	Franklin	Lee	Pulaski
Bell	Fulton	Lincoln	Robertson
Bourbon	Gallatin	Livingston	Rockcastle
Boyle	Garrard	Lyon	Rowan
Bracken	Grant	Madison	Russell
Bullitt	Grayson	Marion	Scott
Caldwell	Green	Mason	Shelby
Campbell	Hardin	McCracken	Spencer
Carlisle	Harlan	McCreary	Taylor
Carroll	Harrison	McLean	Trimble
Casey	Hart	Mercer	Union
Christian	Henderson	Montgomery	Washington
Clark	Henry	Muhlenberg	Webster
Clay	Hickman	Nelson	Whitley

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6. Copies of all orders, pleadings and other communications related to this proceeding should be directed to:

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AMS Collaborative Is Complete;
Applying for CPCNs for Full AMS Deployment Is Now Appropriate

7. The Companies first proposed a full AMS deployment in the context of their 2016 Kentucky base-rate cases.¹ In conjunction with the Companies' agreement to withdraw their requests for full deployment of AMS in settling those cases, the Companies agreed to initiate an AMS Collaborative involving the Companies and all interested parties to the rate cases to discuss any concerns about AMS.² Through the AMS Collaborative, the Companies sought to identify and address participants' interests and concerns regarding AMS and to educate participants on the benefits of AMS deployment.

8. The AMS Collaborative consisted of five day-long monthly meetings consuming approximately 40 hours held in Lexington, Louisville, or Frankfort. Participants in at least one of the five AMS Collaborative meetings included representatives from the Office of the Attorney General; Association of Community Ministries, Inc.; BellSouth Telecommunications, LLC d/b/a AT&T Kentucky; the Community Action Council for Lexington-Fayette, Bourbon, Harrison and Nicholas Counties, Inc.; Kentucky School Boards Association; Kentucky Industrial Utility Customers, Inc.; Lexington-Fayette Urban County Government, Louisville/Jefferson County Metro Government; Metropolitan Housing Coalition; and Sierra Club. Over the five meetings, the AMS Collaborative addressed a variety of topics, including the costs and benefits of AMS deployment, data privacy, the potential for an opt-out option, and new tools available to customers.

¹ *In the Matter of: Application of Kentucky Utilities Company for an Adjustment of its Electric Rates and for Certificates of Public Convenience and Necessity*, Case No. 2016-00370, Application and Testimony of John P. Malloy (Ky. PSC Nov. 23, 2016); *In the Matter of: Application of Louisville Gas and Electric Company for an Adjustment of its Electric and Gas Rates and for Certificates of Public Convenience and Necessity*, Case No. 2016-00371, Application and Testimony of John P. Malloy (Ky. PSC Nov. 23, 2016).

² Case No. 2016-00370, Stipulation and Recommendation at 4 [First Stipulation] (Ky. PSC Apr. 19, 2017); Case No. 2016-00371, Stipulation and Recommendation at 4 [First Stipulation] (Ky. PSC Apr. 19, 2017).

9. The AMS Collaborative was a robust process that fulfilled the requirements of the First Stipulation of the Companies' base rate cases and helped shape this filing. (The AMS Collaborative is more fully explained in the testimony of David E. Huff.) Now that the AMS Collaborative has come to an end, it is appropriate for the Companies now to apply again for Commission approval of full AMS deployment.

Certificate of Public Convenience and Necessity for AMS

10. Pursuant to KRS 278.020(1) and 807 KAR 5:001 Section 15(2), the Companies request CPCNs to exchange the existing electric meters and gas indices in its service territory with AMS meters. The Companies first requested a CPCN for the full deployment of AMS across their Kentucky service territories in their 2016 base rate cases.³ As part of the First Stipulation filed in those cases, the Companies agreed to withdraw their requests for the Commission to grant CPCNs and to approve cost recovery for the proposed full deployment of AMS.⁴ But the First Stipulation specifically provided that the Companies' withdrawal of their requests would not preclude the Companies from proposing full AMS deployment in future proceedings.⁵

11. The Companies have determined that now is the appropriate time to invest in full deployment across its territories. The proposed AMS deployment is expected to begin in the third quarter of 2018 with certain information-technology items being deployed, followed by the

³ *In the Matter of: Application of Kentucky Utilities Company for an Adjustment of its Electric Rates and for Certificates of Public Convenience and Necessity*, Case No. 2016-00370, Application (Ky. PSC Nov. 23, 2016); *In the Matter of: Application of Louisville Gas and Electric Company for an Adjustment of its Electric and Gas Rates and for Certificates of Public Convenience and Necessity*, Case No. 2016-00371, Application (Ky. PSC Nov. 23, 2016).

⁴ *In the Matter of: Application of Kentucky Utilities Company for an Adjustment of its Electric Rates and for Certificates of Public Convenience and Necessity*, Case No. 2016-00370, Stipulation and Recommendation at 4 [First Stipulation] (Ky. PSC Apr. 19, 2017); *In the Matter of: Application of Louisville Gas and Electric Company for an Adjustment of its Electric and Gas Rates and for Certificates of Public Convenience and Necessity*, Case No. 2016-00371, Stipulation and Recommendation at 4 [First Stipulation] (Ky. PSC Apr. 19, 2017).

⁵ *Id.*

first meters being deployed in the second quarter of 2019. The total AMS deployment is scheduled to be completed in the Companies' Kentucky service territories by the end of January 2021. Assuming a 0.8% opt-out rate, a total of about 413,000 electric meters will be replaced and about 334,000 AMS gas indices will be added in LG&E's service territory. In KU's Kentucky service territory, a total of about 531,000 electric meters will be replaced (again assuming a 0.8% opt-out rate). The AMS meters that the Companies propose to deploy will have two-way communication capabilities that will communicate usage and other relevant data to the Companies at regular intervals and have the ability to receive information from the Companies, such as software upgrades and requests to provide meter reads in real time. Almost 900,000 of the AMS electric meters will also have remote service switching capabilities. AMS equipment planned for gas service will not have remote service switching capabilities. The estimated capital cost of the proposed AMS deployment (i.e., during the deployment phase) for LG&E is \$103.7 million for LG&E electric and \$61.5 million for LG&E gas. For KU in its Kentucky service territory, the estimated capital cost of the proposed deployment (during the deployment phase) is \$146.7 million. The full AMS deployment will also result in incremental O&M cost during the deployment phase of \$10.6 million for LG&E electric, \$2.7 million for LG&E gas, and \$15.2 million for KU in Kentucky.

12. The Companies support their requests for CPCNs, including the information required by 807 KAR 5:001 Section 15(2), through the testimony of Mr. Malloy and the exhibits thereto.

13. Statement of Public Convenience and Necessity (807 KAR 5:001 Section 15(2)(a)): The proposed AMS deployment will achieve several operational efficiencies as well as enhance the present quality of service and provide additional benefits to and options for

LG&E and KU customers. As shown in the table below, the Companies estimate that the full deployment and operation of AMS across their Kentucky and Virginia service territories from 2018 through 2040 will provide net benefits of almost \$483 million nominal (\$28.5 million net present value to 2018):⁶

AMS Cost-Benefit Summary (2018-2040)		
\$M	Nominal Values	Net Present Values
(Costs)		
Total Project Costs (Capital)	(320.0)	(357.1)
Total Project Costs (O&M)	(29.8)	(26.0)
Total Project Costs	\$ (349.8)	\$ (383.1)
Total Recurring Costs (Capital)	(43.8)	(22.3)
Total Recurring Costs (O&M)	(108.8)	(47.9)
Total Recurring Costs	\$ (152.6)	\$ (70.2)
Total Lifecycle Costs	\$ (502.4)	\$ (453.3)
Benefits		
Operational Savings	425.1	208.3
ePortal Benefit	158.0	76.7
Recovery of Non-Technical Losses	402.3	196.8
Total Lifecycle Benefits	\$ 985.4	\$ 481.8
Net Benefits vs (Costs)	\$ 483.0	\$ 28.5
Discount Rate: 6.32%		

Notably, these projected savings account for removing the Companies’ existing electric meters from service prior to the end of their useful lives (the Companies do not intend to seek

⁶ The Companies’ cost-benefit analysis is in Section 7 of, and related attachments to, the Electric and Gas Advanced Metering Systems Business Case for Louisville Gas & Electric Company and Kentucky Utilities Company (“AMS Business Case”) attached to Mr. Malloy’s testimony as Exhibit JPM-1. Please note that these values were calculated prior to the recent revision in the federal corporate income tax rate. The Companies are currently working to revise these calculations to account for the new tax rate and will file them in this proceeding as soon as reasonably possible, and no later than January 31, 2018. Preliminary calculations indicate the effect of the new tax rate will be to slightly increase the proposed deployment’s net benefits on a net-present-value basis.

accelerated cost recovery for the removed meters, but rather to depreciate them over their projected remaining useful lives). The proposed deployment will enable customers to access, through a web portal, information about their usage at any time of day or night, download consumption patterns to better understand how they use energy, and explore different products and programs that may align to their needs. It will further enable the Companies to develop time-of-day or more dynamic rate structures that may assist customers to reduce their bills. By providing access to real-time energy data, AMS deployment will enable the Companies' customer service representatives to address customers' questions and concerns regarding individual customer outages, power quality, and energy usage. It will enhance the Companies' ability to localize and resolve power outages, and thus reduce customer outage times. AMS will also afford customers access to their electric usage data in 15-minute increments within 24 to 48 hours of usage, which data customers can use to analyze their usage patterns and possibly implement energy-efficiency measures or behaviors.

14. Permits or Franchises (807 KAR 5:001 Section 15(2)(b)): The Companies are not aware of any permits or franchises they must seek for the meter deployment.

15. Description of Proposed Location for Construction (807 KAR 5:001 Section 15(2)(c)): AMS will be deployed throughout the Companies' Kentucky service territories. The deployment will not compete with the facilities of any other utility, but is intended to improve the quality and reliability of the service that the Companies provide in their service territories. Section 8 of the AMS Business Case (Mr. Malloy's Exhibit JPM-1) provides the AMS deployment plan, which includes a map and deployment schedules that further describe the location and planned timing of the proposed AMS deployment.

16. Area Maps (807 KAR 5:001 Section 15(2)(d)(1)): The meter program will be implemented throughout LG&E's and KU's service areas. The required maps showing the service territory where the Companies propose to implement the meter program are in Section 8 of the AMS Business Case (Mr. Malloy's Exhibit JPM-1), which provides the AMS deployment plan, including a map and deployment schedules that further describe the location and planned timing of the proposed AMS deployment. The Companies believe the map satisfies 807 KAR 5:001 Section 15(2)(d)(1), but if the Commission believes it does not, the Companies request a deviation from the same.

17. Plans and Specifications (807 KAR 5:001 Section 15(2)(d)(2)): Plans, specifications, and drawings of the proposed equipment are in AMS Business Case (Mr. Malloy's Exhibit JPM-1) attachments A-2 through A-3.8, which contain a diagram of the overall AMS system architecture and information sheets on the AMS system components. The Companies believe this information satisfies 807 KAR 5:001 Section 15(2)(d)(1), but if the Commission believes it does not, the Companies request a deviation from the same.

18. Financing Plans (807 KAR 5:001 Section 15(2)(e)): The total projected capital cost for the full AMS deployment is \$103.7 million for LG&E electric, \$61.5 for LG&E gas, and \$146.7 million for KU's Kentucky service territory. The Companies expect to finance the costs of the full AMS deployment with a combination of new debt and equity. The mix of debt and equity used to finance the project will be determined so as to allow LG&E and KU to maintain their strong investment-grade credit ratings. The cost details of the full AMS deployment are contained in AMS Business Case (Mr. Malloy's Exhibit JPM-1) section 7.2 and attachments A-6.1 through A-6.7.

19. Estimated Cost of Operations (807 KAR 5:001 Section 15(2)(f)): The estimated annual operating costs of the full AMS deployment are in AMS Business Case (Mr. Malloy's Exhibit JPM-1) section 7.2.

AMS Opt-Out Special Charges

20. Based on information received during the Companies' 2016 base-rate case AMS proposal and through the AMS Collaborative process, the Companies are now proposing to permit customers to opt out of the AMS deployment, though subject to operational and safety requirements as described in Mr. Huff's testimony.

21. The Companies are proposing a cost-based opt-out charge structure that will allow customers who desire to opt out to do so while keeping other customers whole with respect to costs opt-outs create. More specifically, the Companies propose an opt-out charge structure consisting of an opt-out set-up charge and a recurring monthly fee based on the ongoing costs created by opt-outs, particularly meter-reading and billing costs caused by retaining in service a small number of meters the Companies cannot read remotely. The Companies will bill the opt-out set-up fee and the recurring monthly fee per each meter opted out.⁷ Also, because the Companies plan to replace an opted-out meter with an AMS meter when the customer who requested the opt-out ceases to take service for that meter (e.g., when a renter who has opted out a meter leaves that premise), each new customer that opts out a meter will be charged the opt-out set-up fee (i.e., if the next renter chooses to opt out, that customer will also pay the opt-out set-up fee). Relatedly, if a residential customer opts out the meter at the customer's residence and pays

⁷ The only exception to applying opt-out charges on a per-meter basis concerns the small number of situations in which the Companies currently bill multiple meters on a combined basis for operating convenience. *See* Kentucky Utilities Company, P.S.C. No. 18, Original Sheet No. 101.1; Louisville Gas and Electric Company, P.S.C. Electric No. 11, Original Sheet No. 101.1; Louisville Gas and Electric Company, P.S.C. Gas No. 11, Original Sheet No. 101.1. The Companies will apply only one opt-out set-up charge and one monthly charge in each such situation. For expediency and overall clarity, the Companies refer to the opt-out charge as a per-meter charge throughout their application and testimony in this proceeding.

the opt-out set-up charge, the customer will have to pay the charge again if the customer moves and seeks to opt out at the new residence. The proposed charges are:

Utility Service	Opt-Out Set-Up Fee	Recurring Monthly Opt-Out Fee
KU	\$72.71	\$32.45
LG&E electric	\$57.86	\$22.70
LG&E gas	\$57.86	\$21.80

Customers who request to opt out on or before the start of AMS meter deployment in their area will not have to pay the set-up charge for the meters then opted out. All opt-outs requested in a particular deployment area after deployment has started in that area, irrespective of prior opt-outs, moving premises, or other circumstances, will incur set-up fees. Monthly recurring opt-out fees will begin to be billed for opted-out meters within a particular deployment area following the deployment of AMS in that particular deployment area and validation of the meter-data-management and related systems in that area. Tariff sheets and cost support for the AMS Opt-Out Special Charges the Companies propose are attached to the testimony of Rick E. Lovekamp at Exhibits REL-1 (KU), REL-2 (LG&E electric), and REL-3 (LG&E gas).

22. The proposed AMS Opt-Out Special Charges tariff sheets provide a 30-day notice through a proposed effective date of February 9, 2018. The Companies request that the Commission enter an order by June 1, 2018, approving all of the relief requested in this Application, including the AMS Opt-Out Special Charges, to allow the Companies to deploy AMS on their proposed schedule, which includes beginning deployment activities by July 1, 2018.

**Request for Deviations from Certain Commission Regulations
Regarding Meter Inspection and Testing**

23. The advanced technology contained in the AMS metering equipment that LG&E and KU propose to deploy throughout their territories achieve the safety and reliability objectives that certain Commission regulations pertaining to meter inspection and testing were intended to ensure and eliminates the need for continued compliance with those regulations. To avoid the requirements that will no longer significantly enhance safety or service reliability and to eliminate the costs associated with these requirements, the Companies request that the Commission authorize a deviation from those regulations.

24. 807 KAR 5:006 Section 14(3). This regulation requires a utility to “inspect the condition of its meter and service connections before making service connections to a new customer so that prior or fraudulent use of the facilities shall not be attributed to the new customer.” The proposed AMS meters are capable of sensing meter tampering and other defects and transmitting such information to the Companies. This capability renders physical inspections of meter and service connections unnecessary. Accordingly, the Companies request a permanent deviation from 807 KAR 5:006 Section 14(3) for its AMS meters that allow for remote data communication. The Commission approved a similar deviation for Duke Energy Kentucky concerning its advanced metering deployment.⁸

25. 807 KAR 5:006 Sections 26(4)(e) and 26(5)(a)(2). Section 26(4)(e) requires an electric utility to inspect its meters at least every two years. Section 26(5)(a)(2) requires a gas utility to inspect its meters at least every three years. An AMS meter provides information on its

⁸ *In the Matter of: Application of Duke Energy Kentucky, Inc. for (1) a Certificate of Public Convenience and Necessity Authorizing the Construction of an Advanced Metering Infrastructure; (2) Request for Accounting Treatment; and (3) All Other Necessary Waivers, Approvals, and Relief*, Case No. 2016-00152, Order (May 25, 2017).

condition on a daily basis and has systems to promptly alert the utility of tampering or of malfunctions. Once receiving this information, the utility can conduct a physical inspection. An AMS gas index provides similar data concerning the gas meter in which it is installed. This capability eliminates the need for biennial or triennial physical inspections. The Companies estimate that the elimination of this requirement will result in annual savings to the Companies of \$1.2 million, which are in addition to the savings the Companies have projected as resulting from the full AMS deployment. Accordingly, the Companies request a permanent deviation from the inspection requirements of 807 KAR 5:006 Sections 26(4)(e) and 26(5)(a)(2).

26. 807 KAR 5:041 Sections 15(3) and 16; 807 KAR 5:006 Section 19. 807 KAR 5:041 Sections 15(3) and 16 require that single-phase electric meters must be tested every eight years or in accordance with a Commission-approved sample-meter testing plan; the Companies have such a testing plan, which the Commission approved in Case No. 2005-00276.⁹ Because the Companies propose to replace all of its existing non-AMS single-phase meters within a two-year period with new AMS equipment, continued testing during this period appears unnecessary. The Companies therefore request a deviation from this regulation to suspend testing immediately and to resume testing in accordance with their existing Commission-approved testing plans after completion of AMS deployment. The Commission has permitted other electric utilities to suspend testing for similar deployments.¹⁰

⁹ *In the Matter of: The Joint Amended Application of the Utilities: Inter-County Energy Cooperative Corp., Kentucky Power Company, Kentucky Utilities Company, Louisville Gas and Electric Company, Owen Electric Cooperative, Inc., Shelby Energy Cooperative, Inc., and the Union Light, Heat and Power Company for Approval of a Pilot Meter Testing Plan pursuant to 807 KAR 5:041, Sections 13, 15, 16, 17, and 22, Case No. 2005-00276, Order (Nov. 10, 2005).*

¹⁰ *The Application of Big Sandy Rural Electric Cooperative Corporation for Deviation from the Provisions of 807 KAR 5:006, Section 6(5) and 807 KAR 5:041, Section 15(3), Case No. 2005-00048 (Ky. PSC Apr. 21, 2005) (approving a suspension of meter testing for four years while the AMR program was deployed); The Application of Owen Electric Cooperative, Inc. for a Deviation from Approved Meter Testing Program, Case No. 2006-00468 (Ky. PSC Dec. 13, 2006) (approving a deviation from its Sample Meter Testing Plan for a period of 3 years during the*

27. Similarly, Section 15(3) requires electric utilities to test metering equipment when removed from service. The Companies intend during their AMS deployments to remove all of their existing non-AMS meters and immediately to dispose of the vast majority of the removed meters without testing them. Warehousing and testing all of the removed meters would cost approximately \$4.5 million and would likely serve little or no purpose, particularly because over the last five years more than 99% of the Companies' electric meters tested have been within +/- 2%, and of the <1% that were fast or slow, 88% were slow and 12% were fast, meaning that only 0.08% of electric meters tested were fast. Granting this requested waiver would result in saving most or all of the \$4.5 million that would be necessary to test and warehouse all the removed meters, which savings are in addition to the savings the Companies have projected as resulting from the full AMS deployment.¹¹ Therefore, the Companies request a deviation from Section 15(3) to permit the Companies' proposed meter-testing approach concerning the removed non-AMS meters, with the resumption of full compliance with Section 15(3) after the proposed AMS deployment has been completed.

28. Finally, the Companies request a deviation from 807 KAR 5:006 Section 19 to the extent it applies to the meters the Companies will remove from service as part of its full AMS deployment. The regulation states, "A utility shall make a test of a meter upon written request of a customer if the request is not made more frequently than once each twelve (12) months." On its face, this requirement would appear to apply only to meters still in service, not to meters already removed from service. But out of an abundance of caution, the Companies ask the

installation of solid-state meters); *Request of Shelby Energy Cooperative, Inc. for a Temporary Deviation from its Sample Meter Testing Plan*, Case No. 2010-00331 (Ky. PSC Aug. 3, 2011) (approving deviation from sample meter testing plan for two years during the installation of an AMI system).

¹¹ Some minimal warehousing cost may be necessary even if the Commission grants the requested waiver due to the possibility of needing to temporarily warehouse removed meters prior to disposal.

Commission to grant the Companies a deviation from the entirety of 807 KAR 5:006 Section 19 with regard to all meters the Companies remove—and only with regard to the meters they remove—as part of the full AMS deployment; the reasons for the deviation are the same as those given above for the Companies’ requested deviation from 807 KAR 5:041 Section 15(3) concerning testing of meters removed from service.

Testimony Supporting Application

29. The Companies are supporting this application with the following testimony:

- John P. Malloy, Vice President, Gas Distribution, describes the current state of advanced metering deployments nationally and in Kentucky, and provides support for the Companies’ proposed full deployment of AMS, including providing cost-benefit and technical information necessary to support the Companies’ CPCN requests.
- David E. Huff, Director of Customer Energy Efficiency and Emerging Technologies, describes the Companies’ participation in, and the results of, the AMS Collaborative, and supports the Companies’ AMS opt-out proposal.
- Rick E. Lovekamp, Manager of Regulatory Strategy/Policy, describes the origins of the AMS Collaborative and addresses the Companies’ existing policies concerning customer disconnections for non-payment and subsequent reconnections. Also, Mr. Lovekamp explains the mechanics of the AMS Opt-Out Special Charges.

WHEREFORE, Louisville Gas and Electric Company and Kentucky Utilities Company respectfully request the Kentucky Public Service Commission to enter an order by June 1, 2018:

1. Granting a CPCN to each of the Companies for the full deployment of AMS across LG&E's electric and gas operations and KU's Kentucky service territory;

2. Authorizing LG&E and KU to:

a. Permanently deviate from 807 KAR 5:006 Section 14(3) for its AMS meters that allow for remote data communication;

b. Permanently deviate from the inspection requirements of 807 KAR 5:006 Sections 26(4)(e) and 26(5)(a)(2);

c. Suspend the testing of electric meters as required by 807 KAR 5:041 Sections 15(3) and 16 until after the proposed AMS deployment has been completed;

e. Deviate from 807 KAR 5:041 Section 15(3), as it relates to the testing of electric meters removed from service as part of the AMS deployment

f. Deviate from 807 KAR 5:006 Section 19 in its entirety concerning meters the Companies remove as part of the AMS deployment; and

3. Approving the proposed AMS Opt-Out Special Charges for service rendered on and after June 1, 2018;

4. Granting all other relief to which LG&E and KU may be entitled.

Dated: January 10, 2018

Respectfully submitted,



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CERTIFICATE OF COMPLIANCE

In accordance with 807 KAR 5:001 Section 8(7), this is to certify that Louisville Gas and Electric Company and Kentucky Utilities Company's January 10, 2018 electronic filing is a true and accurate copy of the documents being filed in paper medium; that the electronic filing was transmitted to the Commission on January 10, 2018; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; that an original and six copies of the filing will be filed with the Commission within two business days from the date of the electronic filing; and that on January 10, 2018, electronic mail notification of the electronic filing will be provided to the following:

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