

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

**ELECTRONIC APPLICATION OF)
KENTUCKY UTILITIES COMPANY FOR AN) CASE NO. 2018-00294
ADJUSTMENT OF ITS ELECTRIC RATES)**

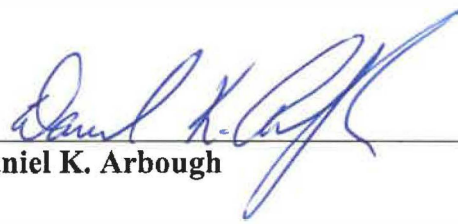
**RESPONSE OF
KENTUCKY UTILITIES COMPANY
TO
COMMISSION STAFF'S POST-HEARING REQUEST FOR INFORMATION
DATED MARCH 11, 2019**

FILED: MARCH 20, 2019

VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **Daniel K. Arbough**, being duly sworn, deposes and says that he is Treasurer for Kentucky Utilities Company and Louisville Gas and Electric Company and an employee of LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.



Daniel K. Arbough

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 20th day of March 2019.



Notary Public

My Commission Expires:
Judy Schooler
Notary Public, ID No. 603967
State at Large, Kentucky

Commission Expires 7/11/2022

VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **Lonnie E. Bellar**, being duly sworn, deposes and says that he is Chief Operating Officer for Louisville Gas and Electric Company and Kentucky Utilities Company and an employee of LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.



Lonnie E. Bellar

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 20th day of March 2019.


Notary Public

My Commission Expires:
Judy Schooler
Notary Public, ID No. 603967
State at Large, Kentucky
Commission Expires 7/11/2022

VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **Robert M. Conroy**, being duly sworn, deposes and says that he is Vice President, State Regulation and Rates, for Kentucky Utilities Company and Louisville Gas and Electric Company and an employee of LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.



Robert M. Conroy

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 20th day of March 2019.



Notary Public

My Commission Expires:
Judy Schooler
Notary Public, ID No. 603967
State at Large, Kentucky
Commission Expires 7/11/2022

VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **Christopher M. Garrett**, being duly sworn, deposes and says that he is Controller for Kentucky Utilities Company and Louisville Gas and Electric Company and an employee of LG&E and KU Services Company, and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.


Christopher M. Garrett

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 20th day of March 2019.


Notary Public

My Commission Expires:
Judy Schooler
Notary Public, ID No. 603967
State at Large, Kentucky
~~**Commission Expires 7/11/2022**~~

VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **Elizabeth J. McFarland**, being duly sworn, deposes and says that she is Vice President, Customer Services for Louisville Gas and Electric Company and Kentucky Utilities Company and an employee of LG&E and KU Services Company, and that she has personal knowledge of the matters set forth in the responses for which she is identified as the witness, and the answers contained therein are true and correct to the best of her information, knowledge and belief.



Elizabeth J. McFarland

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 20th day of March 2019.

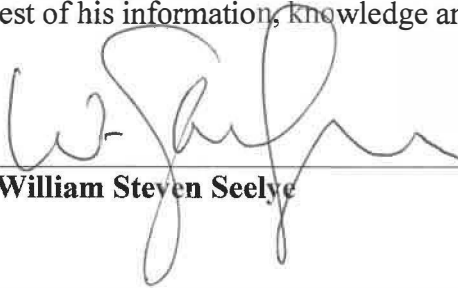

Notary Public

My Commission Expires:
Judy Schooler
Notary Public, ID No. 603967
State at Large, Kentucky
Commission Expires 7/11/2022

VERIFICATION

STATE OF NORTH CAROLINA)
)
COUNTY OF BUNCOMBE)

The undersigned, **William Steven Seelye**, being duly sworn, deposes and states that he is a Principal of The Prime Group, LLC, that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.



William Steven Seelye

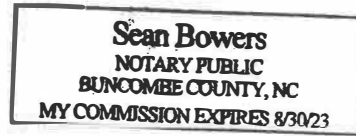
Subscribed and sworn to before me, a Notary Public in and before said County and State, this 15th day of March 2019.



Notary Public (SEAL)

My Commission Expires:

8/30/2023



KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Post-Hearing Request for Information
Dated March 11, 2019**

Case No. 2018-00294

Question No. 1

Responding Witness: Robert M. Conroy

- Q-1. Refer to KU's P.S.C. No. 18, Original Sheet No. 40.2 and proposed P.S.C. No. 19, Original Sheet No. 40.3. The original tariff language includes in the definition of telecommunications carrier "internet service providers, voice over internet protocol service providers, cellular and mobile phone service providers or resellers of such services." The proposed tariff removes this language. Explain why the language at the end of the definition of telecommunications carrier was removed.
- A-1. The Company deleted the language in question to avoid any confusion or conflict that might result should a third party attempt to interpret the term "telecommunication carrier" by drawing incorrect or unintended inferences from the mention of specific examples. The deletion of specific examples from the definition does not narrow the definition of "telecommunication carrier" nor does it limit the availability of attachment services under Rate PSA to any entity that is currently eligible for such service under Rate PSA.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Post-Hearing Request for Information
Dated March 11, 2019**

Case No. 2018-00294

Question No. 2

Responding Witness: Robert M. Conroy

- Q-2. Refer to KU's proposed P.S.C. No. 19, Original Sheet No. 40.4. Under the "Terms and Conditions of Attachment" section, numbered paragraph "1. Contract for Attachment to Company Structures," it states that "No Attachments shall be made to Company's Structures until Attachment Customer has executed a Contract for Attachment to Company Structures, in a form substantially similar to that which is included at the end of this Schedule." There does not appear to be a "Contract for Attachment to Company's Structures"-related form at the end of the Schedules. Provide the location in the Schedules where the subject form can be located. If the form is not currently in the proposed tariff, provide a copy of the form.
- A-2. The Contract for Attachment to Company Structures is not included in the Schedules. The language "in a form substantially similar to that which is included at the end of this Schedule" on Original Sheet No. 40.4 was inadvertently included and should be removed. See Attachment 1 for an updated version of KU PSA tariff Original Sheet No. 40.4 reflecting that correction. See Attachment 2 for the form Contract for Attachments to Company Structures that KU uses for customers taking service under the PSA.

Kentucky Utilities Company

P.S.C. No. 19, Original Sheet No. 40.4

Standard Rate

PSA
Pole and Structure Attachment Charges

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TERM OF SERVICE

An executed Contract shall be for a term of 10 (ten) years and shall thereafter automatically renew for successive one (1) year periods unless Company or Attachment Customer provides the other with written notice of termination at least sixty (60) days prior to the renewal date.

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TERMS AND CONDITIONS OF ATTACHMENT

Attachments to Company's Structures that do not interfere with Company's electric service requirements and the Attachments of existing Customers and joint users shall be permitted in accordance with the terms and conditions of this Schedule. The Terms and Conditions set forth in Section 5 of the Company's Electric Service Tariff shall also be applicable to the extent they are not in conflict with or inconsistent with this Schedule's provisions.

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1. CONTRACT FOR ATTACHMENT TO COMPANY STRUCTURES

No Attachments shall be made to Company's Structures until Attachment Customer has executed a Contract for Attachment to Company Structures. The Contract shall incorporate the terms and conditions set forth in this Schedule.

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Deleted: , in a form substantially similar to that which is included at the end of this Schedule.

2. NO PROPERTY RIGHTS

No use, however extended, of Company Structures shall create or vest in Attachment Customer any right, title or interest in the Structures. A Contract confers only a non-exclusive right to affix and install Attachments to and on Company's Structures. Company is not required to maintain any Structure for a period longer than demanded by its electric service requirements.

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3. USE OF COMPANY'S FACILITIES BY OTHERS

Nothing in this Schedule shall affect the rights or privileges previously conferred by Company to others. The rights granted under this Schedule and the Contract shall at all times be subject to such previously conferred privileges and shall not affect the rights or privileges that may be conferred by Company in the future to others.

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4. TRANSFER OF RIGHTS

Except as provided in this Schedule, Attachment Customer's rights under the Contract are non-delegable, non-transferable and non-assignable. Any delegation, transfer or assignment of any interest created by the Contract or this Schedule without Company's prior written consent is voidable at Company's option. Company shall not unreasonably withhold its consent to Attachment Customer's delegation, transfer or assignment of rights under the Contract upon notice of the delegation, transfer or assignment and if adequate evidence is provided of transferee's compliance with Term 23 (Insurance) and Term 24 (Performance Assurance).

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DATE OF ISSUE: XXXX, 2019

Deleted: September 28, 2018

DATE EFFECTIVE: With Service Rendered
On and After May 1, 2019

Deleted: On and After November 1, 2018

ISSUED BY: /s/ Robert M. Conroy, Vice President
State Regulation and Rates
Lexington, Kentucky

Issued by Authority of an Order of the
Public Service Commission in Case No.
2018-00294 dated _____

Contract for Attachments to Company Structures

This contract made and entered into this _____ day of _____, 20__ by and between Kentucky Utilities Company (“Company”) and [Attachment Customer] (“Attachment Customer”).

Witnesseth:

The Attachment Customer is either a cable television system operator or a telecommunications carrier that is not an incumbent local exchange carrier with a joint use agreement with the Company.

The Attachment Customer desires to affix and install its Attachments to or otherwise use Company’s Structures under the provisions of the Company’s PSA Rate Schedule.

The Company agrees to grant the Attachment Customer the non-exclusive right to affix and install its Attachments on Company Structures in accordance with the provisions of the Company’s PSA Rate Schedule and the Company’s General Terms and Conditions.

Semi-annually the Attachment Customer will pay to the Company for each attachment affixed and installed on a Company Structure in the preceding billing period an amount determined in accordance with the PSA Rate Schedule.

Any notice or request that the PSA Schedule requires the Company to provide to the Attachment Customer shall be sent to:

[Address]

The Attachment Customer may change the designation of its representative to be notified, his address and/or telecopier number at any time by providing the Company notice in accordance with the provisions of the PSA Rate Schedule.

It is mutually agreed that the Company’s General Terms and Conditions and the PSA Rate Schedule, as from time to time approved by and on file with the Public Service Commission of Kentucky (“the Commission”), are incorporated into and made a part of this contract as fully as if written herein. It is further agreed that any changes or amendments to Company’s General Terms and Conditions and the PSA Rate, as permitted or approved by the Commission, shall also be a part of this Contract upon the effective date of such change or amendment.

The Attachment Customer shall provide to the Company or before January 31 of each year a sworn written statement from its highest ranking officer located in Kentucky that the Attachment Customer has complied with all notification requirements of the PSA Schedule. If Attachment Customer does not have an officer located in Kentucky, then the certification shall be provided by the officer with responsibility for Attachment Customer’s operations in Kentucky.

Before deploying any strand-mounted wireless communications devices other than strand-mounted wi-fi access points, Attachment Customer shall at least 60 days prior to planned deployment advise the Company of the proposed deployment and the nature of device to permit the Company to assess the safety and loadbearing implications of the proposed deployment.

In Witness Whereof, the parties hereto have caused this contract to be executed by their duly authorized representatives the day and date shown above.

Kentucky Utilities

[Attachment Customer]

By: _____

By: _____

Name

Name

Title

Title

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Post-Hearing Request for Information
Dated March 11, 2019**

Case No. 2018-00294

Question No. 3

Responding Witness: Robert M. Conroy

- Q-3. Refer to KU's P.S.C. No. 18, Original Sheet No. 57 and proposed P.S.C. No. 19, Original Sheet No. 57. The language of the original tariff under the second paragraph of the "Metering and Billing" section provides: "If Customer takes service under time-of-use or time-of-day rate schedule, Company will apply billing-period credits Customer creates in a particular time-of-day or time-of-use block only to offset net energy consumption in the same time-of-day or time-of-use blocks **in future billing periods.**" (Emphasis added). The proposed tariff removes the phrase "in future billing periods." Explain this change.
- A-3. The relevant portion of the Company's current Original Sheet No. 57 states (emphases added):

If Customer takes service under a time-of-use or time-of-day rate schedule, Company will apply billing-period credits Customer creates in a particular time-of-day or time-of-use block only to offset net energy consumption in the same time-of-day or time-of-use block *in future billing periods*; such credits will not be used to offset net energy consumption in other time-of-day or time-of-use blocks in any billing period. *Any such unused excess billing-period credits will be carried forward and drawn on by Customer as needed.*

The Company believes "in future billing periods" is redundant in view of the sentence that follows (emphasized above). Therefore, the proposed deletion is not substantive, but rather is intended to remove unnecessary words.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Post-Hearing Request for Information
Dated March 11, 2019**

Case No. 2018-00294

Question No. 4

Responding Witness: Robert M. Conroy

- Q-4. Refer to Louisville Gas and Electric Company's (LG&E) P.S.C. Electric No. 11 , First Revision of Original Sheet No. 106.4 and proposed P.S.C. Electric No. 12, Original Sheet No. 106.4. Also, refer to KU's P.S.C. No. 18, First Revision of Original Sheet No. 106.4 and proposed P.S.C. No. 19, Original Sheet No. 106.4. The LG&E tariff deleted certain language contained in numbered paragraphs 3 and 4 under the Medium Density Subdivisions subsection relating to advancements and refunds. Explain why these same deletions were not proposed in KU's tariff.
- A-4. Due to the prospective nature of some Medium Density Subdivisions and since KU, unlike LG&E, does not operate under a Joint Trench agreement (wherein all electric, gas, and telecom equipment are installed by a contractor in a single ditch at the same time), KU retained the language allowing for the collection of the full estimated cost of construction with specified refunds as customers are connected.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Post-Hearing Request for Information
Dated March 11, 2019**

Case No. 2018-00294

Question No. 5

Responding Witness: Robert M. Conroy

- Q-5. Refer to LG&E's P.S.C. Electric No. 11, First Revision of Original Sheet No. 106.4, P.S.C. Electric No. 11, Original Sheet No. 106.5, and proposed P.S.C. Electric No. 12, Original Sheet No. 106.4. Also, refer to KU's P.S.C. No. 18, First Revision of Original Sheet No. 106.4, P.S.C. No. 18, Original Sheet No. 106.5, proposed P.S.C. No. 19, Original Sheet No. 106.4, and proposed P.S.C. No. 19, Original Sheet No. 106.5. The LG&E Tariff deleted certain language contained in numbered paragraphs 2 and 3 under LG&E's High Density Subdivisions subsection relating to advancements for required trenching and backfilling. Explain why these same deletions were not proposed in KU's tariff.
- A-5. Since KU does not operate under a Joint Trench agreement, KU retained the language allowing for customer trenching and backfilling; also, due to the sometimes prospective nature of High Density Subdivisions in KU territory, KU retained the option of the collection of the full estimated cost of construction with specified refunds as permanent service is provided.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Post-Hearing Request for Information
Dated March 11, 2019**

Case No. 2018-00294

Question No. 6

Responding Witness: Robert M. Conroy

- Q-6. Refer to KUs response to Staff's Fourth Request for Information, Item 11 (a), relating to the proposed revisions to KU's overhead line extensions beyond 1,000 feet. If the Commission were to accept KU's proposal to delay line extension refunds until closer to the ten-year expiration date, indicate whether the refunds would include interest, and if so, indicate how the interest component would be calculated.
- A-6. The refunds would not include interest. As KU only performs line extensions beyond 1,000 feet for the benefit of the requesting customer, the Company has no expectation at the time of construction for additional customers to connect service to the extension. The moneys collected by the initial customer are not deposits, but rather cost recovery for the line extension. Thus no interest is calculated should any refunds be offered after the fact for other customer connections.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Post-Hearing Request for Information
Dated March 11, 2019**

Case No. 2018-00294

Question No. 7

Responding Witness: Robert M. Conroy

- Q-7. Refer to KU's response to Staff's Fourth Request for Information, Item 11 (b), relating to proposed revisions to KU's overhead line extensions beyond 1,000 feet.
- a. Indicate how many active electric customer extension contracts in excess of 1,000 feet KU has.
 - b. Of the active extension contracts, indicate how many have required refunds be issued during the last year.
 - c. Indicate the average amount of those refunds.
 - d. Indicate how many employees are involved in the refund process.
 - e. On average, indicate how long it takes to process one such refund.
- A-7.
- a. KU has 43 open Line Extension Agreements for extensions beyond 1,000 feet.
 - b. There were no refunds issued in 2018.
 - c. N/A
 - d. Typically, three to four employees would be involved in the refund process.
 - e. Currently, KU identifies and investigates all Line Extension agreements in the month following their anniversary date. If a refund is warranted, the process would average about two weeks to complete from the initial field investigation to the final refund disbursement.

Reviewing each extension annually, as opposed to a review at the 10-year expiration date, creates a significant amount of work. Using the 43 open agreements noted in response to part a, KU would review multiple systems to

identify any new customers that connected to each line extension in the prior year. This would include retrieving contracts in the document management system, analyzing the mapping system for newly connected customers to the line extensions, and then researching work requests that were in progress or completed for that specific location of the extension. Next, field assessments would be conducted for all 43 active contracts to validate findings. The average time to complete this work is approximately 3 – 5 days per active extension agreement. Although in most cases this work results in no refunds, when a refund is required, another 5 business days is needed to calculate the refund amount (net underground cost) and then process for final refund disbursement.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Post-Hearing Request for Information
Dated March 11, 2019**

Case No. 2018-00294

Question No. 8

Responding Witness: William Steven Seelye

- Q-8. Provide updated versions of the following exhibits in the Direct Testimony of Steven Seelye in Excel format:
- a. WSS-4, Cost Support for LED Fixtures and Underground Poles
 - b. WSS-5, Cost Support for LED Conversion Fee
 - c. WSS-6, Cost Support for Solar Share Capacity Charges
 - d. WSS-7, Cost Support for Electric Vehicle Supply Equipment Rate Rider
 - e. WSS-15, Cost Support for Excess Facilities Rider
 - f. WSS-17, Cost Support for Electric Meter Pulse Charge
- A-8.
- a. See attachment being provided in Excel format.
 - b. See attachment being provided in Excel format.
 - c. See attachment being provided in Excel format.
 - d. See attachment being provided in Excel format.
 - e. See attachment being provided in Excel format.
 - f. See attachment being provided in Excel format.

In addition, Stipulation Exhibit 3 is being provided in Excel format.

The attachments are
being provided in
separate files in Excel
format.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Post-Hearing Request for Information
Dated March 11, 2019**

Case No. 2018-00294

Question No. 9

Responding Witness: Elizabeth J. McFarland

Q-9. Provide a copy of any agreements or memorandum of understanding between KU and low-income agencies setting forth how data relating to eligible customer participants in low-income utility assistance is collected and shared between the low-income agencies and KU.

A-9. KU's commitment to the communities we serve is a long-standing and integral part of the Company's culture. KU is keenly aware of its low-income customers' needs through direct contact with such customers and KU's relationships with a number of organizations engaged in community-assistance programs and efforts. KU meets and communicates with these groups on a regular basis to understand low-income customers' needs, how community organizations are working to meet those needs, and how KU can help.

For all of the low-income assistance programs, customer eligibility is determined by the agencies providing services. Once eligibility for low-income utility assistance is determined, the data collected and shared between the agencies and KU is specifically related to the amount of the pledge to be applied to the customer's account. No client income or other demographic details are provided to KU to protect the privacy of the clients served by the low-income agencies. In addition, all organizations with a need to access utility account information to provide assistance to low-income customers must obtain the consent of their clients and sign a confidentiality agreement to protect the confidential and sensitive nature of utility account information.

KU also provides access to energy usage information to agencies that is used for certain programs. For example, most agencies and ministries who have access to the Company's Low Income Agency portal also have access to usage data for counseling and educating their clients. All KU residential customers receiving 3rd party assistance are identified in the Company's Customer Care System (CCS); therefore, usage information for these customers can be identified.

The following are program-specific details regarding administration, funding and a description of the process involved for each. If KU has a service agreement or

memorandum of understanding (MOU) with an agency, it is noted in details below and attached to this response.

Low Income Home Energy Assistance Program (LIHEAP) – Subsidy

Description: The program provides customers at or below 130% of the federal poverty guidelines with a one-time payment to assist with utility bills and 2018 benefit levels ranged from \$34-\$182 per customer. Eligibility criteria is established by the Kentucky Cabinet for Health and Family Services. Clients are qualified for the program by the local Community Action agencies.

Administrator(s): Community Action Kentucky (CAK) and local Community Action agencies in the KU service territory.

Administrative Fee: KU customers and shareholders do not provide an administrative fee for this program.

Service Agreement/MOU: KU is required to sign a Vendor Agreement with each of the local Community Action agencies each year in order to participate with the LIHEAP-Subsidy and LIHEAP–Crisis programs. Examples of recent agreements that are readily available are attached.

Funding Source: Federal grant to the Kentucky Cabinet for Health and Family Services who coordinates with CAK to distribute the funds. KU customers and shareholders do not contribute funds to this program.

Funding Level: For 2018, \$1,408,181 for LIHEAP-Subsidy assistance was remitted to KU by the local Community Action agencies for customer pledge payments.

Process: CAK allocates funds to the local Community Action agencies. Through an electronic interface between CAK and KU, pledges are entered by the local agencies and automatically applied to customer accounts. The local agencies validate pledges and then send funds by check or electronic payment to KU to pay for the pledges. The batch number created during the validation process is emailed to KU and provides a cross-reference to verify the payment received from each Community Action agency is correct.

Months Available to Customer: November-December

Low Income Home Energy Assistance Program (LIHEAP) – Crisis

Description: Eligible customers at or below 130% of the federal poverty guidelines, must be in crisis and have a past due balance or in danger of having service disconnected for non-payment may receive up to a maximum of \$400 per season. Eligibility criteria is established by the Kentucky Cabinet for Health and Family Services. Clients are qualified for the program by the local Community Action agencies.

Administrator(s): CAK and local Community Action agencies in the KU service territory.

Administrative Fee: KU customers and shareholders do not provide an administrative fee for this program.

Service Agreement/MOU: KU is required to sign a Vendor Agreement with each of the local Community Action agencies each year in order to participate

with the LIHEAP-Subsidy and LIHEAP-Crisis programs. Examples of recent agreements that are readily available are attached.

Funding Source: Federal grant to the Kentucky Cabinet for Health and Family Services who coordinates with CAK to distribute the funds to the local Community Action agencies. KU customers and shareholders do not contribute funds to this program.

Funding Level: For 2018, \$3,303,539 for LIHEAP-Crisis assistance was remitted to KU by the local Community Action agencies for customer pledge payments.

Process: CAK allocates funds to the local Community Action agencies. Through an electronic interface between CAK and KU, pledges are entered by the local agencies and automatically applied to customer accounts. The local agencies validate pledges and then send funds by check or electronic payment to KU to pay for the pledges. The batch number created during the validation process is emailed to KU and provides a cross-reference to verify the payment received from each Community Action agency is correct.

Months Available to Customer: January-March, additional months may be added at the discretion of the Kentucky Cabinet for Health and Family Services.

Home Energy Assistance Program (HEA) - internally referred to as KHEA to distinguish it from the LG&E HEA program

Description: The program assists customers at or below 130% of the federal poverty guidelines with a monthly payment of \$88 which is applied to electric bills during peak heating and cooling months to substantially reduce the yearly costs for electric service. Clients are qualified for the program by the local Community Action agencies. Eligibility criteria was approved by the Commission. Participants must be an active KU customer who received LIHEAP Subsidy or Crisis assistance and apply for and accept weatherization services if available.

Regulatory Filings: On September 14, 2007, the Commission approved the Joint Application of KU, CAK, and the Community Action Council for Lexington-Fayette, Bourbon, Harrison and Nicholas Counties, Inc. ("Lexington CAC"), collectively (Joint Applicants) for a five year Home Energy Assistance (HEA) program. The term of the HEA program has been extended several times in various cases. However, pursuant to the Settlement Terms and the Commission's Order in Case No. 2014-00371, effective June 30, 2015, the HEA program was established as a permanent program. Additionally, pursuant to Ordering Paragraph No. 4 of the Commission's Order in Case No. 2007-00338, KU files with the Commission the annual financial audit, prepared by a third-party independent auditor, and HEA program information including total funds collected, customer enrollment by county, number of brown bill notices issued, and number of disconnections for each calendar year.

Administrator(s): CAK with Lexington CAC and other local Community Action agencies in the KU service territory.

Administrative Fee: Up to 10 percent of the total contributions. Since the inception of the program, CAK has not requested or received administrative fees at the full 10 percent level.

Service Agreement/MOU: See attached. The last signed service agreement expired in 2012. KU and CAK have continued to operate under the terms of their most recent service agreement. KU will work with CAK to execute an updated agreement as soon as reasonably practicable.

Funding Source: \$0.30 per meter per month for residential customers and an annual Company shareholder contribution of \$470,000. Current shareholder commitments are effective through June 30, 2021.

Funding Level: For 2018, \$1,582,874 from the residential customer meter fees and \$470,000 in Company shareholder contributions. KU maintains the funds for the program.

Process: During each of the seven (7) designated program months, Lexington CAC, on behalf of all local Community Action agencies, sends a file to KU with the list of customer accounts to receive the monthly benefit payments. KU then applies the benefits to the appropriate customer accounts.

On a monthly basis, CAK submits a report of all administrative expenses to KU for reimbursement. KU reviews the report for reasonableness and confirms the administrative expenses are at or below the 10 percent cap before sending the reimbursement amount to CAK for distribution to the appropriate local Community Action agencies.

Months Available to Customer: December-March (peak heating) and July-September (peak cooling).

WinterCare Energy Fund

Description: A utility bill assistance program that helps eligible clients at or below 150% of the federal poverty guidelines with a maximum benefit of \$300 per assistance period. The WinterCare board determines eligibility criteria. KU plays no part in determining eligibility.

Administrator(s): Lexington CAC and local Community Action agencies in the KU service territory.

Administrative Fee: Up to 10 percent of total program funds.

Service Agreement/MOU: See attached. The current MOU was executed in January 2015 and continues until terminated by either KU or the WinterCare program agent with a 30 day notice.

Funding Source: Voluntary customer contribution matched with company shareholder contributions. The current shareholder commitment is to provide a minimum of \$100,000 annually. Should voluntary customer contributions exceed that amount, company shareholders will continue to match over the minimum amount. Current shareholder commitments are effective through June 30, 2021. Use of the funds is limited to KU utility bill assistance. On a monthly basis KU sends all voluntary contributions and shareholder matching funds to Lexington CAC who then distributes the funds to the local Community Action agencies.

Funding Level: In 2018, customers donated \$59,549 and company shareholders contributed \$100,000.

Process: Lexington CAC and the local Community Action agencies qualify eligible customers and Lexington CAC electronically pledges up to a \$300 on the eligible customer's account. Lexington CAC validates the electronic pledges for accuracy and confirms the pledges on a batch basis. The batch number created during the validation process is emailed to KU and provides a cross-reference to verify the payment received from Lexington CAC is correct.

Months Available to Customer: October-May

10-16-18
Mailed. dl

Low Income Home Energy Assistance Program (LIHEAP) Vendor Agreement

This Agreement entered into by and between Kentucky Utilities between (CAA) and Local CAA (Vendor) is effective as of August 23, 2017.

WHEREAS, Title XXVI of the Low Income Home Energy Assistance Act of 1981 (P.L. 97-52) provides for Home Energy Assistance to eligible households; and

WHEREAS, parties hereto desire to establish an arrangement to carry out the provisions of this Act and to assure that funds available under this Act are used in accordance therewith.

The Vendor shall:

1. Charge the Eligible Household, in the normal billing process, the difference between the actual cost of the Home Energy and the amount of the payment made through this program;
2. Not treat a Household receiving assistance under the program adversely because of such assistance; and shall agree to charge eligible LIHEAP recipients the price normally charged to a non-eligible household;
3. Not discriminate against any certified household in any manner, including terms and conditions of sale, credit, delivery or price whether in the cost of the goods supplied or the services provided because of such households' participation in LIHEAP;
4. Provide services under LIHEAP in compliance with Title VI of the Civil Rights Act of 1964, and not discriminate based on the basis of race, color, sex, sexual orientation, gender identity, national origin, physical or mental handicap. Also the requirement of any other nondiscrimination federal and state statutes, regulations and executive orders which may apply to the services provided via this agreement;
5. Comply with all applicable Federal and State law and regulations, including confidentiality of all records, termination and restoration of Home Energy service and discrimination in accordance with the Privacy Act of 1974;
6. Reconnect utilities and/or deliver fuel upon certification of payment;
7. Not increase the household's rent on the basis of receipt of the payment;
8. Establish such fiscal control and fund accounting procedures as may be necessary to assure the proper use and accounting of funds under this Agreement. All records maintained by the Vendor relating to this Agreement shall be available on reasonable notice, for inspection, audit or other examination and copying, by the Cabinet for Health and Family Services (Cabinet) and Community Action Kentucky (CAK) representatives or their delegates. Such records shall show the amount of home energy delivered to each eligible Household, the amount of payments made for home energy by such eligible Households, the dollar value of credit received on behalf of each eligible household. All records shall be maintained for a period of 3 years following the termination of this Agreement. The Cabinet, CAK and the CAA reserve the right to monitor the implementation of this Agreement by the Vendor.
9. Provide information to the agency on any instances where they may be aware that a household has been approved for benefits by misrepresentation of the household's situation; and report any situations that threatens life, health and safety;
10. Comply with the Equal Employment Opportunity standards;
11. Comply with the billing procedures established by the CAAs;
12. Provide fuel in the Crisis component within 18 or 48 hours as requested by the CAA;
13. Provide fuel at the price quoted in this agreement as Attachment B;
14. Obtain the client's signature for the delivery of fuel on the voucher or provide a delivery ticket to certify date, quality and quantity of bulk fuel deliveries in accordance with local CAA instructions; and
15. Submit all vouchers and/or delivery tickets, to the local CAA within 60 days of issuance or May 15, whichever comes first to receive payment. Any vouchers or bills that do not have the required delivery information and vouchers/bills that are not submitted within this time frame shall not be paid.
16. Upon request, bulk fuel vendors shall provide a report to the CAA to demonstrate that LIHEAP recipient customers are charged the same as non LIHEAP customers.
17. Return to the CAA any/all credits on account from the LIHEAP program, not used by the client for any reason, within 10 days from the end of the program.
18. Charge LIHEAP customers only for fees that they would normally charge any/all customers.
19. Provide at no cost to the Cabinet, Community Action Kentucky, or the Community Action Agency, written information on each applicant's energy costs for a twelve (12) month consecutive billing period. The Cabinet or its designee may use these data for the purposes of client outreach and referral, LIHEAP performance management, and meeting state and federal reporting requirements.

Whereby a vendor cannot or will not deliver fuel within the required time period for either the Subsidy or Crisis component, the vendor agrees to notify the local CAA office immediately. If for any reason the fuel is not delivered in the timeframe, the CAA may declare the voucher null and void and will not be responsible for payment.

The CAA reserves the right to terminate this Vendor Agreement should the terms of this agreement not be met.

The CAA reserves the right to reject any price quotes from Vendors that did not perform satisfactorily during previous LIHEAP programs.

This agreement will terminate effective immediately upon determination by the CAA that the Vendor is not in compliance with the terms of this agreement. The Vendor will be notified within 10 days of termination.

This contract supersedes all previous Vendor Agreements signed by both parties.

In Witness Whereof, Vendor and CAA, by their duly authorized representative, have caused this Agreement to be executed the dates shown below.

VENDOR:

| | | |
|---------------------------------------|--------------------------|---------------------|
| <u>Kentucky Utilities</u> | <u>502-627-2557</u> | <u>502-627-2794</u> |
| <i>Business Name</i> | <i>Telephone Number</i> | <i>Fax Number</i> |
| <u>820 W. Broadway</u> | <u>61-0247570</u> | |
| <i>Business Address</i> | <i>Federal ID Number</i> | |
| <u>Louisville, KY 40202</u> | <u>Debbie Law</u> | |
| <i>Mailing Address</i> | <i>Contact Name</i> | |
| <u>Customer.Commitment@jgc-KU.Com</u> | | |
| <i>Email Address</i> | | |

I further understand that giving wrong information on purpose is FRAUD and may result in legal action against me.

| | |
|-------------------------|-------------------|
| <u>Debbie Law</u> | <u>10-16-2018</u> |
| <i>Vendor Signature</i> | <i>Date</i> |

CAA:

Date Received: _____ Agency Representative: _____

Revised 8/23/2017

Harlan County CAA, Inc.

VENDOR REIMBURSEMENT AGREEMENT

By signing below, I Debbie Law / KU on behalf of _____, do fully understand that there is a strong possibility of delay of payment of Harlan County CAA LIHEAP vouchers and this delay may be as long as March 1, 2019. Therefore I am willing to wait until the above date to receive reimbursement from Harlan County CAA for LIHEAP vouchers and will not take any action before the above date to collect such amounts.

Executed this 16th day of October, 2018

At Harlan County, Kentucky.

Debbie Law

Vendor Signature

Harlan County CAA Signature

State of Kentucky

County of _____

On _____ before me, _____, a notary public for the State-At-Large of Kentucky, personally appeared the above signed parties, known to me or proved to me to be the person whose names are subscribed to within this document, and acknowledged to me that they executed the same.

(seal)

Notary Public for the State-AT-Large of Kentucky

My commission expires the _____ day of _____

Harlan County CAA, Inc.

Vendor Information Verification

By signing below, I Sebbie Law, on behalf of _____, do hereby affirm requirements as pertaining to be a LIHEAP bulk fuel vendor for the 2018-2019 LIHEAP program. I do hereby acknowledge, that to the extent of my knowledge, all information supplied to Harlan County CAA, Inc., is current and accurate. I do hereby certify that all bulk fuels delivered will conform to the bid specifications enclosed in this bid packet. I do hereby acknowledge and understand the reason(s) why I may or may not be denied as a bulk fuel vendor for the 2018-2019 LIHEAP program. I do hereby acknowledge that I may be immediately withdrawn as a bulk fuel vendor if it is discovered that I or anyone signing any documents on my behalf has supplied false or misleading information. I do hereby acknowledge that I have been notified of my rights and the procedures for filing a complaint pertaining to the LIHEAP program. I further agree that to become a vendor in the LIHEAP program, I will attend any Vendors meeting scheduled in my county. If I do not attend any meetings, I may be withdrawn as a vendor for the LIHEAP program.

Executed this 16th day of October, 2018 at Harlan County, Kentucky.

Sebbie Law

Vendor Signature

Harlan County CAA Signature

Low Income Home Energy Assistance Program (LIHEAP) Vendor Agreement

This Agreement entered into by and between Lake Cumberland Community Action Agency, Inc.
(CAA) and Kentucky Utilities (Vendor) is effective as of August 23, 2017.

WHEREAS, Title XXVI of the Low Income Home Energy Assistance Act of 1981 (P.L. 97-52) provides for Home Energy Assistance to eligible households; and

WHEREAS, parties hereto desire to establish an arrangement to carry out the provisions of this Act and to assure that funds available under this Act are used in accordance therewith.

The Vendor shall:

1. Charge the Eligible Household, in the normal billing process, the difference between the actual cost of the Home Energy and the amount of the payment made by the State;
2. Not treat a Household receiving assistance under the program adversely because of such assistance; and shall agree to charge eligible LIHEAP recipients the price normally charged to a non-eligible household;
3. Not discriminate against any certified household in any manner, including terms and conditions of sale, credit, delivery or price whether in the cost of the goods supplied or the services provided because of such households' participation in LIHEAP;
4. Provide services under LIHEAP in compliance with Title VI of the Civil Rights Act of 1964, and not discriminate based on the basis of race, color, sex, sexual orientation, gender identity, national origin, physical or mental handicap. Also the requirement of any other nondiscrimination federal and state statutes, regulations and executive orders which may apply to the services provided via this agreement;
5. Comply with all applicable Federal and State law and regulations, including confidentiality of all records, termination and restoration of Home Energy service and discrimination in accordance with the Privacy Act of 1974;
6. Reconnect utilities and/or deliver fuel upon certification of payment;
7. Not increase the household's rent on the basis of receipt of the payment;
8. Establish such fiscal control and fund accounting procedures as may be necessary to assure the proper use and accounting of funds under this Agreement. All records maintained by the Vendor relating to this Agreement shall be available on reasonable notice, for inspection, audit or other examination and copying, by the Cabinet for Health and Family Services (Cabinet) and Community Action Kentucky (CAK) representatives or their delegates. Such records shall show the amount of home energy delivered to each eligible Household, the amount of payments made for home energy by such eligible Households, the dollar value of credit received on behalf of each eligible household. All records shall be maintained for a period of 3 years following the termination of this Agreement. The Cabinet, CAK and the CAA reserve the right to monitor the implementation of this Agreement by the Vendor.
9. Provide information to the agency on any instances where they may be aware that a household has been approved for benefits by misrepresentation of the household's situation; and report any situations that threatens life, health and safety;
10. Comply with the Equal Employment Opportunity standards;
11. Comply with the billing procedures established by the CAAs;
12. Provide fuel in the Crisis component within 12 or 48 hours as requested by the CAA;
13. Provide fuel at the price quoted in this agreement as Attachment B;
14. Obtain the client's signature for the delivery of fuel on the voucher or provide a delivery ticket to certify date, quality and quantity of bulk fuel deliveries in accordance with local CAA instructions; and
15. Submit all vouchers and/or delivery tickets, to the local CAA within 60 days of issuance or May 15, whichever comes first to receive payment. Any vouchers or bills that do not have the required delivery information and vouchers/bills that are not submitted within this time frame shall not be paid.
16. Upon request, bulk fuel vendors shall provide a report to the CAA to demonstrate that LIHEAP recipient customers are charged the same as non-LIHEAP customers.
17. Return to the CAA any/all credits on account from the LIHEAP program, not used by the client for any reason, within 10 days from the end of the program.

Revised 8/23/2017

mailed
09-13-18
dl

Form **W-9**
(Rev. November 2017)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Give Form to the
requester. Do not
send to the IRS.

Go to www.irs.gov/FormW9 for instructions and the latest information.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.
KENTUCKY UTILITIES COMPANY

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.

Individual/sole proprietor or single-member LLC C Corporation S Corporation Partnership Trust/estate

Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____
Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

Other (see instructions) ▶ _____

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):
Exempt payee code (if any) _____
Exemption from FATCA reporting code (if any) _____
(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) See instructions.
820 WEST BROADWAY

6 City, state, and ZIP code
LOUISVILLE, KENTUCKY 40202

7 List account number(s) here (optional)

8 Requester's name and address (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

| | | | | | | | | |
|------------------------|--|--|---|--|--|--|--|--|
| Social security number | | | | | | | | |
| | | | - | | | | | |

OR

| | | | | | | | | | |
|--------------------------------|---|---|---|---|---|---|---|---|---|
| Employer identification number | | | | | | | | | |
| 6 | 1 | - | 0 | 2 | 4 | 7 | 5 | 7 | 0 |

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here Signature of U.S. person ▶ *Scott Waldman* Date ▶ *6/18/18*

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding*, later.

Low Income Home Energy Assistance Program (LIHEAP) Vendor Agreement

18. Charge LIHEAP customers only for fees that they would normally charge any/all customers.
19. Provide at no cost to the Cabinet, Community Action Kentucky, or the Community Action Agency, written information on each applicant's energy costs for a twelve (12) month consecutive billing period. The Cabinet or its designee may use these data for the purposes of client outreach and referral, LIHEAP performance management, and meeting state and federal reporting requirements.

Whereby a vendor cannot or will not deliver fuel within the required time period for either the Subsidy or Crisis component, the vendor agrees to notify the local CAA office immediately. If for any reason the fuel is not delivered in the timeframe, the CAA may declare the voucher null and void and will not be responsible for payment.

The CAA reserves the right to terminate this Vendor Agreement should the terms of this agreement not be met.

The CAA reserves the right to reject any price quotes from Vendors that did not perform satisfactorily during previous LIHEAP programs.

This agreement will terminate effective immediately upon determination by the CAA that the Vendor is not in compliance with the terms of this agreement. The Vendor will be notified within 10 days of termination.

This contract supersedes all previous Vendor Agreements signed by both parties.

In Witness Whereof, Vendor and CAA, by their duly authorized representative, have caused this Agreement to be executed the dates shown below.

VENDOR:

| | | |
|---|--|--|
| <u>Kentucky Utilities</u> <small>Business Name</small> | <u>502-627-2557</u> <small>Telephone Number</small> | <u>502-627-2794</u> <small>Fax Number</small> |
| <u>820 W. Broadway</u> <small>Business Address</small> | <u>61-0249570</u> <small>Federal ID Number</small> | |
| <u>Louisville, KY 40202</u> <small>Mailing Address</small> | <u>Debbie Law</u> <small>Contact Name</small> | |
| <u>Customer.Commitment@lge-ku.com</u> <small>Email Address</small> | | |

I further understand that giving wrong information on purpose is FRAUD and may result in legal action against me

| | |
|--|--|
| <u>Debbie Law</u> <small>Vendor Signature</small> | <u>09-17-2018</u> <small>Date</small> |
|--|--|

CAA:

Date Received: _____ **Agency Representative:** _____



Community Action Agency

**Lake Cumberland
Community Action Agency**

P.O. Box 830
23 Industry Drive
Jamestown, KY 42629-0830
Phone: 270-343-4500
Fax: 270-343-2800
www.lc-caa.org

HONORABLE RANDY DIAL, Chair

ALICIA K. POLSTON, CPA, Executive Director

CONFIDENTIALITY AGREEMENT

I understand that all information regarding consumers, or persons having received services of LAKE CUMBERLAND COMMUNITY ACTION (LCCAA) must be kept confidential under the provisions of KRS 210.235. I understand that the information which I receive may only be utilized for programmatic purposes within LCCAA to carry out the prescribed services for the consumer unless the consumer or legal guardian shall acknowledge consent to release of the information. I am aware that violation of the requirement of confidentiality is punishable by a fine of up to five thousand dollars or imprisonment for a term not to exceed five years, or both, pursuant to KRS 210.991.

I understand that this confidentiality agreement is in addition to the "Non-Disclosure of Confidential Information" policy of the LCCAA Personnel Policies and Procedures Manual.

By my signature below, I hereby agree to assure the confidentiality of information I receive from others or obtain from my own observations regarding consumers, former consumers, or persons who have sought services at LAKE CUMBERLAND COMMUNITY ACTION, INC.

Alicia K. Polston

SIGNATURE

09-13-2018

DATE

WITNESS

DATE

AN EQUAL OPPORTUNITY EMPLOYER

AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into as of _____
2009, by and between **KENTUCKY UTILITIES COMPANY ("KU")**, a corporation organized
and existing under the laws of Kentucky, the **COMMUNITY ACTION KENTUCKY,
INC. ("CAK")**, a nonprofit corporation organized and existing under the laws of
Kentucky, and the **COMMUNITY ACTION COUNCIL FOR LEXINGTON-
FAYETTE, BOURBON, HARRISON AND NICHOLAS COUNTIES, INC. ("CAC")**, a
nonprofit corporation and community action agency organized and existing under the laws of
Kentucky.

WITNESSETH:

WHEREAS, in conjunction with various local relief agencies including CAK, CAC and
a representative of the Attorney General of Kentucky, KU has developed a low-income home
energy assistance program (the "HEA Program") to assist low-income households in the KU
service territory;

WHEREAS, KU's HEA Program will help low-income families afford and maintain
utility service with KU during peak heating and cooling months;

WHEREAS, CAK and CAC desire to act as administrative agents and to operate KU's
HEA Program for eligible residential customers of KU; and

NOW, THEREFORE, in consideration of the mutual obligations of the parties hereto,
each of them does hereby covenant and agree:

I. LENGTH OF AGREEMENT

The length of this agreement shall be for a period to begin December 1, 2007
retroactively and terminate September 30, 2012.

II. ADMINISTRATIVE EXPENSES

CAK and CAC will be entitled to recover actual operating expenses not to exceed in total ten percent of the total HEA funds collected from customers over the length of the program, which is coterminous with the length of the contract. It is acknowledged and agreed that the total reimbursement of all expenses of CAK, CAC, and the community action agencies contracted by CAC shall, combined, not exceed ten percent of the total HEA funds collected from customers. The parties acknowledge that the ten percent limitation on operating expenses is based upon total HEA funds collected from customer over the length of the Program, and that funds available for operations, as well as assistance funds, if unused, will "roll-over" to subsequent periods of the Program.

III. AUDITS/QUARTERLY MEETINGS

An outside independent audit of CAK's and CAC's financial records will be performed annually by an independent certified public accountant, in accordance with existing audit requirements. The audit will include a detailed accounting of all expenses associated with administration of the program, which shall be filed annually with the KPSC. The parties also agree to meet quarterly, or more often if needed, to review program status and financial reports for actual expenditures compared to budget. This report should be made in line item detail. CAK and CAC shall provide KU with an explanation of any variance in program expenses which is plus or minus 10% from the budget.

IV. KU RESPONSIBILITIES

A. KU will include on each residential customer's monthly bill a fifteen-cent HEA charge for each electric meter to fund KU's HEA Program beginning February 6, 2009.

B. KU agrees to respond to general billing questions related to whether or not a participant's account has been credited with the appropriate HEA subsidy amount.

C. KU agrees to work with CAK and CAC to evaluate and report on HEA Program results, and to provide regular reports to CAK and CAC to assist in the production of quality data in order to determine relevant statistics on the HEA Program.

D. KU agrees to provide to CAK and CAC, by no later than the 20th day of the month prior to service provision, one-twelfth of ten percent of the annual proposed program budget, for administrative costs for eleven months. The actual administrative costs will be trued up for the twelfth month of the program year within 90 days of the close of the program's fiscal year. As set out in Article II, unused funds for administrative costs will "roll-over" for subsequent periods during the HEA Program.

E. KU agrees to provide information to CAK and CAC so that actual HEA funds collected can be balanced with HEA funds distributed to customers for each program year.

F. KU agrees to work with CAK and CAC to provide a "customer balancing" mechanism at least twice a year for the program year. KU will provide its list of customers enrolled in the HEA Program for CAK and CAC to compare with their records.

V. CAK RESPONSIBILITIES

A. CAK will act as liaison to KU and to the KPSC.

B. CAK will monitor both the implementation and ongoing operation of the HEA Program, monitor the data collected and report to KU, CAC and the KPSC. CAK will also provide data reports ongoing and for the final evaluation of the Program as required by the KPSC.

C. CAK will track Program expenditures against budget through monthly financial reports and ensure that the annual OMB A-133 audit is performed by a third party.

D. CAK will provide oversight for the HEA Program, including on-site monitoring as well as review and analysis of monthly program reports.

E. CAK and its employees and agents shall manage all monies processed under this Agreement in a diligent manner that reflects sound business practices.

F. CAK agrees to maintain, during the term of this Agreement and for two years following its termination, complete and accurate records of all receipts and disbursements that are funded by this Agreement and to provide KU with monthly financial statements in the form of Exhibit A attached hereto. CAK will also provide KU with monthly program updates including number of clients served, attrition, new clients entering the program, and county distribution.

G. KU shall have the right, at any reasonable time, to inspect and audit the records maintained by CAK either through its own authorized representatives or through any public accounting firm selected by KU.

H. CAK agrees to provide KU with any and all information necessary to meet KPSC requirements.

I. CAK agrees to cooperate with any evaluation and to provide the data needed by KU or a third party consultant to conduct the evaluation.

VI. CAC RESPONSIBILITIES

A. CAC will, either directly or through contracts with other energy assistance providers operating in KU's service territory, operate the HEA Program and will be responsible for the following: HEA Program general policy as approved by the KPSC, staffing, monitoring of program implementation, financial oversight of the HEA Program, programmatic oversight, contracts associated with intake and recertification, regular reporting and communication to KU, and financial audits.

B. CAC will reimburse contracting community action agencies on a **fee-for-service** basis.

C. CAC will also centralize all program data in the Intake Reporting and Information System ("IRIS"), provide data support and service including data management, software training for contracting community action agencies, technical assistance to contracting community action agencies, data transfers to KU for benefits, distribute all required reporting to KU, CAK and the KPSC, and provide specific programmatic training and technical assistance to contracting community action agencies' staff.

D. CAC will ensure that the contracts with the community action agencies provide that those agencies are responsible for the following activities in their respective service areas (1) program recruitment and outreach; (2) intake; (3) income verification; (4) income re-verification; (5) client follow-up and communications; and (6) recording data real-time in IRIS. CAC will exercise such supervision and oversight as necessary to monitor compliance with the preceding and will maintain, and require the community action agencies to maintain, appropriate records documenting such compliance. It is anticipated that CAC will comply with its oversight responsibilities by ensuring that the community action agencies are aware of the program requirements, have adopted appropriate procedures for following those requirements, and are documenting their compliance.

E. CAC and its employees and agents shall manage all monies processed under this Agreement in a diligent manner that reflects sound business practices.

F. CAC will provide KU with all requests for payment arrangements and enrollment data as well as budget questions or requests, usage report requests and similar communications electronically, to CAK and KU as specified by KU. Any requests and similar communications not provided electronically as directed by KU from time to time will be addressed under KU's routine business rules and procedures.

G. CAC agrees that it or the community action agencies will select persons served by funding from the HEA Program based upon guidelines to further the goals of the Program as approved by the KPSC. Said guidelines shall comply with all non-discrimination provisions of any federal, state or local law, ordinance or statute that applies within the KU service area. CAC further agrees to allocate and document participation pro rata over the counties in KU's service area based on the number of KU customers in each county.

H. KU shall have the right, at any reasonable time, to inspect and audit the records maintained by CAC either through its own authorized representatives or through any public accounting firm selected by KU the costs of which shall be borne by KU.

I. CAC agrees to provide KU with any and all information necessary to meet KPSC requirements.

VII. REGULATORY APPROVAL

Approval of this Program, as well as its programmatic details, by the KPSC is required. As a result, the parties' rights and obligations are expressly contingent upon obtaining and maintaining such approval and CAK and CAC will cooperate fully with KU in this regard. Furthermore, to the extent that there may be, or later arise, a conflict between this Agreement and KPSC requirements, the latter shall be controlling.

VIII. DEFAULT AND REMEDIES

A. Each of the following events or occurrences shall constitute an event of default under the Agreement:

- 1. Declaration of Bankruptcy of CAK or CAC; or**
- 2. Failure to administer and implement the HEA Program in conformity with this Agreement; or**
- 3. Failure to file in a timely manner any financial and progress reports required by this Agreement; or**
- 4. Failure to disclose or to explain to KU's satisfaction any variance in program expenses that must be reported pursuant to Article III; or**
- 5. Disclosure or discovery that the covenants and representations made by CAK or CAC regarding the fulfillment of any requirement covered under this Agreement or any other document submitted in support of this Agreement is, was, or shall be false or misleading in any material respect.**

B. Except as otherwise provided in this Agreement, in the event of any default in or breach of this Agreement, or any of its terms or conditions by CAK or CAC, CAK or CAC shall, upon written notice from KU, proceed immediately to cure or remedy such default or breach. Until such default or breach is cured, and without limiting KU's rights under Article XI, KU shall have the option of

suspending its performance under this Agreement.

IX. CONFIDENTIALITY

A. The parties acknowledge that each will have access to Confidential Information, obtained, developed or provided by the other parties with respect to HEA Program applicants and participants, or clients or customers of the other parties (the "Confidential Information") and each party providing such information is relying upon the representations contained in the Article in making such disclosure.

B. Each of the parties agrees to protect and maintain as confidential all such Confidential Information obtained from another party, and to use such Confidential Information received from another party only in connection with the implementation, operation, evaluation and oversight of the HEA Program, and not to further disseminate such Confidential Information, internally or externally or to use it for any other purpose.

C. It is understood and agreed that, to the extent that Confidential Information must be used or reflected in KU's billing or accounting systems for purposes of the HEA Program or KU's routine operations, then KU's usual precautions on dissemination and availability of customer information shall be sufficient for purposes of this Article.

D. All anecdotal reports of Confidential Information shall use fictitious names, addresses, employers, and other identifiers.

E. No individual, firm, partnership, corporation or agency shall be given, sold

or otherwise allowed access to Confidential Information.

F. Nothing herein shall limit use of the Confidential Information as necessary to implement, document, evaluate or monitor the HEA Program or to comply with any court or regulatory agency proceeding or filing to which they may be subject. However, in any such proceeding or filing, they shall make reasonable efforts to protect the confidentiality of such information.

X. GOVERNING LAW

The rights and obligations of KU, CAK and CAC and the validity and construction of this Agreement shall be interpreted and enforced in accordance with the laws of the Commonwealth of Kentucky. This Agreement was drafted by KU for convenience purposes only but has been negotiated by both parties and shall not be interpreted or construed against KU, CAK or CAC.

X I . R E N E W A L

This contract may be renewed upon agreement of the parties. Should either party elect to discontinue the program, notification in writing shall be given thirty (30) days prior to the ending date of this agreement. In the event that such notice is not timely given, this contract shall remain in effect for an additional thirty (30) days.

X I I . T E R M I N A T I O N

Either party may terminate this Agreement with or without cause upon giving thirty (30) days prior notice.

X I I I . E N T I R E A G R E E M E N T


This Agreement contains all the terms, conditions, and promises of the parties hereto. No modification or waiver of this Agreement, or of any provision thereof, shall be valid or binding, unless in writing and executed by both of the parties hereto. No waiver by either party or any breach of any term or provision of this Agreement shall be construed as a waiver of any succeeding breach of the same or any other term or provision.


X I V . NO OTHER BENEFICIARIES

This Agreement is solely between the parties, and nothing in this Agreement or in the HEA Program shall be construed as creating any rights or claims in any third party, whether a natural person or otherwise.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Day and year first above written.

BY: _____
Kentucky Utilities Company

BY:  _____
Community Action Kentucky, Inc.

BY:  _____
Community Action Council for Lexington, Fayette, Bourbon,
Harrison and Nicholas Counties, Inc.

MEMORANDUM OF AGREEMENT

BETWEEN

WINTERCARE ENERGY FUND, INC.

AND

KENTUCKY UTILITIES COMPANY, INC.


This agreement describes the entire agreement between WinterCare Energy Fund, Inc., a nonprofit Kentucky corporation, ("WinterCare") Lexington, KY, and Kentucky Utilities Company ("KU"), One Quality Street, Lexington, Kentucky 40507, concerning KU's participation in Winter Care's program ("the Program") to provide energy assistance to low-income households in counties served by KU.

1. KU will, in manner and to such extent it may deem appropriate, notify its residential customers of the opportunity to contribute to the Program, and collect and submit to WinterCare all contributions received from its residential customers. KU also may contribute such other amounts to WinterCare as it may from time to time elect to provide.
2. Net of the administrative expense described below, WinterCare will administer, distribute and apply all funds received from KU for the payment of electric bills of low-income families in the Kentucky counties in which KU provides service. WinterCare will conduct the Program as follows:
 - a. Contract with Community Action Agencies or other appropriate organizations to administer the assistance program in each county.
 - b. Establish minimum eligibility guidelines for the provision of assistance; and review and approve such other eligibility guidelines as may be proposed by the local administering agencies to ensure that the limited funds will assist those with the greatest need;
 - c. Distribute funds to the local administering agencies by pro-rating the funds that it receives from KU based upon each county's relative percentage of customers served by KU;
 - d. Review and monitor assistance payments made by the local administering agencies to ensure compliance with this agreement and the eligibility and such other guidelines as WinterCare may establish;
 - e. Use up to ten percent (10%) of each KU remittance for administrative expenses in accordance with the following priorities:
 - i. For the payment for independent audits which it shall cause to be made at least annually to provide a public accounting of its activities;
 - ii. For payment of the administrative costs associated with its activities;
 - f. Report at least annually to KU and makes available to the general public on its activities;


- g. Conduct its affairs in compliance with all applicable Federal, State and Local laws and regulations, and those of the Internal Revenue Service governing charitable nonprofit organizations;
- h. Bond its officers, employees or agents responsible for the receipt and disbursement of all funds received.
3. WinterCare will use all reasonable efforts to assist KU in satisfying all regulatory or other legal discovery or reporting requirements applicable to KU that concern or implicate KU's participation in the Program. Upon request by KU, WinterCare will also use reasonable efforts to cooperate with KU in providing information to other parties concerning KU's participation in the Program. Similarly, upon request by WinterCare, KU will use reasonable efforts to cooperate with WinterCare in providing information to other parties concerning KU's participation in the Program; however, WinterCare and KU understands the other party's ability to provide information to WinterCare will be circumscribed by each party's customer-confidentiality obligations.
4. WinterCare shall not have any responsibility for the collection of any contributions from KU customers.
5. KU shall be responsible only for receiving and remitting to WinterCare, such contributions as may be made to it by its customers. KU shall not have any responsibility for the administration of the Program by WinterCare or any local agency, or for the handling, use or application of any of the funds under the Program after remitting the funds to WinterCare. (Collectively, the activities described in the immediately preceding sentence are "Program Administration"). WinterCare shall indemnify and hold harmless KU concerning any claim, liability, or damages arising from, or in any way related to, Program Administration. WinterCare's indemnification of KU shall include paying KU the full amount of any legal or other expenses KU incurs related to any claim, liability, or damages arising from, or in any way related to, Program Administration.
6. Either party may at any time, on written notice to the other, terminate this agreement, effective thirty (30) days after the date of such notice. Any contributions received by KU after the date of termination will be, at KU's option, submitted to WinterCare or refunded to the contributing customers.

Signed at Lexington, Kentucky, this 12 day of January, 2015.

WinterCare Energy Fund, Inc.

By: 

Kentucky Utilities Company

By: 
Mgt. Customer Commitment

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Post-Hearing Request for Information
Dated March 11, 2019**

Case No. 2018-00294

Question No. 10

Responding Witness: Daniel K. Arbough

- Q-10. Provide a revised Exhibit J in support of the stipulation.
- A-10. The updated attachment is being provided in Excel format and reflects only the May 2019 debt issuance interest rate change and the change in ROE.

The attachment is being provided in a separate file in Excel format.

KENTUCKY UTILITIES COMPANY

**Response to Commission Staff's Post-Hearing Request for Information
Dated March 11, 2019**

Case No. 2018-00294

Question No. 11

**Responding Witness: Daniel K. Arbough / Lonnie E. Bellar / Christopher M.
Garrett**

- Q-11. Refer to KU's February 25, 2019 Supplemental Response to Staff's Fourth Request for Information, Item 2.
- a. Explain the bases for the increase in total operating expense for line locations from 2015 to the base period, including the extent to which and why each basis resulted in an increase in cost.
 - b. Explain any change in the cost of contractors from 2017 to the base period, including the amount by which the change in contractors increased the cost of each line location, when the change occurred, and any difference in contractor costs between KU and LG&E.
 - c. Provide the amount of the operating expense shown in KU's February 25, 2019 Supplemental Response that KU attributes to work identifying lines to permit MetroNet to construct its network in 2017 and 2018 (if amounts or any portions thereof were projected, include any amounts that were projected as a result of anticipated costs related to MetroNet's network).
 - d. Provide the amount of the operating expense shown in KU's February 25, 2019 Supplemental Response that KU attributes to work identifying lines to permit other major infrastructure projects to proceed in 2017 and 2018 (if amounts or any portions thereof were projected, include any amounts that were projected).
 - e. If KU contends that any increase in operating expense was the result of a backlog in requests for line locations, state whether that backlog has been cleared and, if not, when KU expects it to be cleared; and explain why KU contends that operating expenses arising from clearing a backlog in line location requests should be included in the revenue requirement when setting base rates.
 - f. If the operating expenses for line locations in the base period are projected, provide the actual expenses.

- g. Explain how KU projected its operating expenses for line locations from the base period to the test period.

A-11.

- a. The basis for the increase in operating expenses was the increase in the total number of locates called in per year and the annual increase in hourly wages for contractors and company employees.

| | Total Locate Requests | Incremental Increase % |
|------|-----------------------|------------------------|
| 2015 | 59,148 | - |
| 2016 | 71,006 | 20.0% |
| 2017 | 78,035 | 9.9% |
| 2018 | 87,476 | 12.1% |

- b. KU did not change contractors in 2017 or 2018. The contractor is paid on a per-locate basis, and the price per locate increased 2.9% in 2018 vs. 2017 due to normal annual contract increases. There are differences in contractor costs between KU and LG&E because KU uses a different contractor than LG&E, KU pays their contractor on a per-locate basis rather than an hourly basis, and KU only locates electric while LG&E locates gas and electric. Additionally, USIC, KU's locate contractor, also locates for Metronet, ATT, Comcast and Time Warner/Spectrum creating efficiencies for that contractor. As previously discussed a similar arrangement for LG&E was not successful in meeting locate deadlines.
- c. The total number of locates and associated operational expenses attributed to MetroNet in 2017 and 2018 are:

| | Total Locate Requests | Total Locate Associated \$ |
|------|-----------------------|----------------------------|
| 2017 | 0 | 0 |
| 2018 | 10,449 | 108,115 |

- d. The only other significant infrastructure project in 2017 and 2018 was the Kentucky Wired project; the total number of locates and the associated operational expenses attributed to Kentucky Wired are:

| | Total Locate Requests | Total Locate Associated \$ |
|------|-----------------------|----------------------------|
| 2017 | 908 | 9,269 |
| 2018 | 671 | 6,752 |

- e. KU does not contend that any increase was the result of a backlog.
- f. The operating expenses for line locations in the base period provided in response to PSC 4-2 are actual 2018 expenses.
- g. KU projected its operating expenses for line locations for the test period by reviewing historical averages and adjusting for major infrastructure projects.