


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 2nd day of January 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 2nd day of January 2019.

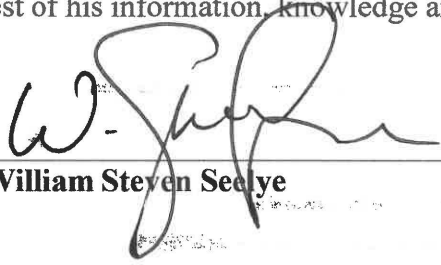

Notary Public

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.



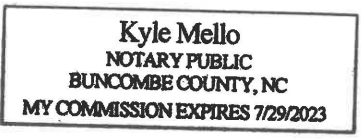
William Steven Seelye

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 28th day of December 2018.



Notary Public (SEAL)

My Commission Expires:
7/29/2023



KENTUCKY UTILITIES COMPANY

January 2, 2019 Corrected Response to Sierra Club's Initial Data Requests
Dated November 19, 2018

Case No. 2018-00294

Question No. 28

Responding Witness: Robert M. Conroy / Elizabeth J. McFarland /
William Steven Seelye

Q-28. Reference William Steven Seelye, p. 14, ll. 2-16.

- a) Given that the Company already prorates a customer's monthly Basic Service Charge when the customer takes only partial service for a given month, explain how the Company arrived at its determination that it would be easier either for customers to understand, or for the Company to implement, a per-day formatted Basic Service Charge, as opposed to a pro-rated per-month Basic Service Charge.
 - i) Without limitation to such explanation, confirm whether the current/historical proration of the monthly charge, when appropriate, is an automated calculation.
 - ii) Without limitation, confirm whether the Company has ever received customer complaints or other input expressing either confusion regarding the per-month Basic Service Charge, or a preference for a per-day format.
 - (1) If it has, discuss the number and context(s) of such customer input, and provide copies of such feedback (if possible, and redacting customer information if necessary and appropriate).
 - (2) If it has not,
 - iii) Without limitation, confirm whether, conversely, the Company has ever received customer input expressing either a preference for the current per-month charge, or a prediction of confusion regarding the idea of a per-day charge.
 - iv) Identify any other empirical basis/bases, not already discussed, on which on which the Company concludes that the per-day format will enhance ease of customer comprehension.

- v) Explain whether any circumstances have changed that are now motivating the Company's per-day proposal, yet which have not historically been present during the time the Company has been implementing a per-month rate.
- vi) Explain, specifically and concretely, why a per-day rate "may be needed" to "create future optionality for new programs such as electric vehicle rates and prepaid metering," and why a prorated per-month rate could not suffice or would be disadvantageous.

A-28. **Original Response:**

- a) It has been Mr. Seelye's experience that customers often have difficulty with the mathematical concept of pro-ration. It is his belief that a daily Basic Service Charge is easier for customers to understand than a mathematical ratio.
 - i) Confirmed. When the number of days billed are between 21 and 36 the customer is charged the full Basic Service Charge amount. When the number of days billed are between 1 and 20 days, or 37+ days the Basic Service Charge is prorated. This is automatically calculated.
 - ii) The Company's customer service personnel recall having communications with customers who have expressed difficulty understanding the concept of prorating Basic Service Charges.
 - (1) The data requested is not readily accessible.
 - iii) The Company does not have any survey data specifically related to the Basic Service Charge.
 - iv) See the response to part a(ii).
 - v) While a daily charge will be easier for customers to understand than the mathematical concept of a pro-rated Basic Service Charge, the only changed circumstances in the electric and gas utility industries that Mr. Seelye is aware of driving the Company to implement daily Basic Service Charges are increased use of pre-paid metering and electric vehicle charging stations.
 - vi) A daily Basic Service Charge will facilitate billing under prepaid metering programs and electric vehicle rates because these two programs are typically utilized for periods of less than a month. For example, under a prepaid metering program, customers can prepay their bills for periods of several days, rather than a full month, making it easier and more understandable to apply a Basic Service Charge that is billed daily.

January 2, 2019 Corrected Response for Question No. 28 (a)(i):

The response to Question No. 28 (a)(i) was found to have an incorrect billing date range for Basic Service Charge proration. See corrected response below:

- a)
 - i) Confirmed. When the number of days billed are between 21 and 41 the customer is charged the full Basic Service Charge amount. When the number of days billed are between 1 and 20 days, or 42+ days the Basic Service Charge is prorated. This is automatically calculated.