

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE GAS AND ELECTRIC	)	CASE NO.
COMPANY FOR AN ADJUSTMENT OF ITS	)	2018-00295
ELECTRIC AND GAS RATES	)	

FIRST SET OF TENDERED DATA REQUESTS OF  
METROPOLITAN HOUSING COALITION  
TO LOUISVILLE GAS & ELECTRIC COMPANY<sup>1</sup>

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Dated: November 13, 2018

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<sup>1</sup> This First Set of Data Requests of Metropolitan Housing Coalition to Louisville Gas & Electric Company is tendered pursuant to the request of LG&E made at today's hearing on MHC's request for restraining order.

## DEFINITIONS

1. "Document" means the original and all copies (regardless of origin and whether or not including additional writing thereon or attached thereto) of any memoranda, reports, books, manuals, instructions, directives, records, forms, notes, letters, or notices, in whatever form, stored or contained in or on whatever medium, including digital media.
2. "Study" means any written, recorded, transcribed, taped, filmed, or graphic matter, however produced or reproduced, either formally or informally, a particular issue or situation, in whatever detail, whether or not the consideration of the issue or situation is in a preliminary stage, and whether or not the consideration was discontinued prior to completion.
3. "Person" means any natural person, corporation, professional corporation, partnership, association, joint venture, proprietorship, firm, or the other business enterprise or legal entity.
4. A request to identify a natural person means to state his or her full name and business address, and last known position and business affiliation at the time in question.
5. A request to identify a document means to state the date or dates, author or originator, subject matter, all addressees and recipients, type of document (e.g., letter, memorandum, telegram, chart, etc.), identifying number, and its present location and custodian. If any such document was, but is no longer in the Company's possession or subject to its control, state what disposition was made of it and why it was so disposed.
6. A request to identify a person other than a natural person means to state its full name, the address of its principal office, and the type of entity.
7. "And" and "or" should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.
8. "Each" and "any" should be considered to be both singular and plural, unless specifically stated otherwise.

9. Words in the past tense should be considered to include the present, and words in the present tense include the past, unless specifically stated otherwise.

10. "You" or "your" means the person whose filed testimony is the subject of these data requests and, to the extent relevant and necessary to provide full and complete answers to any request, "you" or "your" may be deemed to include any other person with information relevant to any interrogatory who is or was employed by or otherwise associated with the witness or who assisted, in any way, in the preparation of the witness' testimony.

11. "Company" or "LG&E" means Louisville Gas & Electric Company and/or any of their officers, directors, employees or agents who may have knowledge of the particular matter addressed, and affiliates including PPL Corporation.

### **INSTRUCTIONS**

1. If any matter is evidenced by, referenced to, reflected by, represented by, or recorded in any document, please identify and produce for discovery and inspection each such document.

2. These requests for information are continuing in nature, and information which the responding party later becomes aware of, or has access to, and which is responsive to any request is to be made available to Metropolitan Housing Coalition. Any studies, documents, or other subject matter not yet completed that will be relied upon during the course of this case should be so identified and provided as soon as they are completed. The Respondent is obliged to change, supplement and correct all answers to interrogatories to conform to available information, including such information as it first becomes available to the Respondent after the answers hereto are served.

3. Unless otherwise expressly provided, each data request should be construed independently and not with reference to any other interrogatory herein for purpose of limitation.

4. The answers provided should first restate the question asked and also identify the person(s) supplying the information.

5. Please answer each designated part of each information request separately. If you do not have complete information with respect to any interrogatory, so state and give as much information as you do have with

respect to the matter inquired about, and identify each person whom you believe may have additional information with respect thereto.

6. In the case of multiple witnesses, each interrogatory should be considered to apply to each witness who will testify to the information requested. Where copies of testimony, transcripts or depositions are requested, each witness should respond individually to the information request.

7. The interrogatories are to be answered under oath by the witness(es) responsible for the answer.

**FIRST SET OF DATA REQUESTS PROPOUNDED TO LOUISVILLE GAS AND ELECTRIC COMPANY BY METROPOLITAN HOUSING COALITION**

**Question 1-1** LG&E proposes an increase in the fixed meter charge for electricity and natural gas residential customers and an increase in aggregate cost of the CCF, kWh and distribution cost rates for residential customers. With respect to these proposals:

- a. Please identify and provide, to the extent that it is not part of the filing, the justification for the increase in the fixed customer charges for electric and gas users. If part of the filing, please identify the location of the information.
- b. The reason for breaking the per meter charge into each day according to the testimony of William Seelye (on page 18 of 439 Number 12 Testimony and Exhibit 3 of the filing of the application on 9/28/2018 at 8:40 a.m.) is that it was easier for a proration of bills at move out. Is it not harder for a ratepayer to have to figure out each month the number of days to be able to budget than to do the occasional move out?
- c. Please identify the rationale for the belief that customer service would be enhanced or improved by breaking what is now one number for a kWh into two numbers.
- d. Please provide any survey or questionnaire of residential ratepayers conducted to determine the level of understanding of the three components of the gas bill. If no such survey or questionnaire has been conducted, so state.
- e. In the absence of such information, what is the basis for the conclusion in the Seelye Testimony at p. 20 that the change would improve the average customers understanding.
- f. Please provide an illustrative example of how the information will be presented if approved by the Commission.

- g. Please explain what adjustments will be made in the future and whether some part of it would be subject to increases when other parts are not?

**Question 1-2** Testimony of Paul Thompson (Page 13 of 10 - Testimony and Exhibits of LG&E 1 filed as part of the application on 9/28/2018) talks about commitment to low-income ratepayers.

- a. Please explain whether the WeCare program is funded by the ratepayers or by shareholders, and if by both, the percentage of funding. Please explain further the source(s) of the ratepayer funding, and whether LG&E receives compensation (and at what amount) for management of the WeCare program.
- b. Please identify and describe any and all shareholder money, employee compensated time and employee volunteer time allocated to low-income ratepayer assistance (Thompson, pages 11-13).
- c. Is this type of contribution of money and time also given to Walmart or Kroger?
- d. If not, please explain the basis for working with low-income ratepayers, and explain whether LG&E agrees that as a subgroup of the residential ratepaying class, low-income ratepayers have unique needs and challenges regarding maintenance of utility service.

**Question 1-3** In the testimony of Kent Blake (Page 28 of 10- Testimony and Exhibits of LG&E 1 filed as part of the application on 9/28/2018) He refers to the about increase in market interest.

- a. What part of debt is not under PPL, LG&E or other entities that are part of the companies?
- b. What part of the cost of proposed work will be financed by an arms-length transaction with a bank or other financial institution?
- c. What part of the cost will be financed through internal mechanisms, including bonds?
- d. Will the earned higher interest rates of self-financed debt factor into reducing costs to ratepayers?

**Question 1-4** Please provide the percentage of increase in cost of utility service under the proposed rates and rate design, for a homebound person who has one 5,000 BTU window air conditioner that is five years old, running continuously to cool 200 square feet in August, with the temperature of the day ranging from 75 degrees as a low to 97 degrees as a high for a thirty-one day period. Please include the meter charge for a 31-day month.

**Question 1-5** Please provide the dollar increase in cost in utility service under the proposed rates and rate design, for a homebound person who has one 5,000 BTU window air conditioner that is five years old, running continuously to cool 200 square feet in August with the temperature of the day ranging from 75 degrees as a low to 97 degrees as a high for a thirty-one day period. Please include the meter charge for a 31-day month.

**Question 1-6** Please provide the increase in monthly customer charges in dollar amounts (and by percentage) for each category of user identified in Question 1-2b, if the Commission were to approve the requested increase in the monthly customer charge for being a gas or electric customer of LG&E.

**Question 1-7** Please provide the increase in monthly customer charges in dollar amounts (and by percentage) for each category of user identified in Question 1-2b, if the amount sought in increased customer charge were instead reflected in a change in the volumetric rate.

**Question 1-8** Has LG&E evaluated, either internally or through a consultant report, the anticipated impact of the new proposed rate design on investments by customers in distributed solar or other forms of distributed generation? Will the new proposed rate design create more or less incentive for such investments?

**Question 1-9** Has LG&E evaluated, either internally or through a consultant report, the anticipated impact of the new proposed rate design on investments by customers in energy efficiency measures such as insulation, heating and cooling systems, and major appliances? Will the new proposed rate design create more or less incentive for such investments.

**Question 1-10:** Please identify any study or report justifying the proposed increase in service charge, and explain whether there are any costs formerly recovered as a component of the volumetric charges that have been shifted to the fixed service charge under the new tariffs?

**Question 1-11:** Please explain:

**a.** Whether LG&E has evaluated or studied the impact of a shift of more fixed costs to the service charge on low-income and fixed-income gas and electric customers. If so, please provide that study or evaluation and the conclusions.

**b.** Whether LG&E has evaluated or studied the impact of such a shift on new development of distributed renewable electricity. If so, please provide the study or evaluation and the conclusions reached.

**c.** Whether LG&E has evaluated or studied the impact of such a shift on the ability of customers that have incorporated solar and other renewable distributed technology, to recover the costs associated with such investments. If so, please provide the study or evaluation and the conclusions reached.

**d.** Please explain how the shift of additional revenue recovery to fixed from volumetric charges will impact new and current energy efficiency investments by low, average, and high residential electric and gas users.

**Question 1-12.**

**a.** Please explain how the proposed rate structure satisfies the Commission's recommendation in Case No. 2014-00003 that LG&E "shall continue encouraging participation in programs to help low-income customers reduce energy consumption, thereby reducing monthly energy bills," when it appears that the monthly service charges will increase for electricity and gas, respectively, and the return on energy efficiency and energy conservation in lowering bills will correlatively decrease.

**b.** Please explain whether the movement of fixed costs from volumetric rates to meter charges is likely to encourage or discourage ratepayer efforts at energy conservation and energy efficiency.

**c.** Please provide a comparison of electricity demand projections from the last LG&E IRP proceeding, and compare projected with actual demand by customer class.

**d.** Please explain whether and to what extent the change in rate structure between volumetric and fixed charges incentivizes more electricity consumption while disincentivizing energy efficiency.

**e.** Please provide any analysis or study conducted on the public health and environmental impacts (including but not limited to impacts on GHG emissions) of the proposed change in rate structure and design.

**Question 1-13:** Please provide any report, analysis, or other documentation on the anticipated effect of the proposed change in rates and fixed charges on low-income and fixed-income customers.

**Question 1-14:** Please provide the average cost for each foot of maintenance and repair for natural gas distribution lines, and for electric distribution lines.

**Question 1-15:** Please provide the number of electric, and of gas, meters in each census tract in the LG&E service area.

**Question 1-16:** Please explain how the costs provided in response to Question 1-9 are allocated among the residential customer base, and explain whether LG&E agrees that those areas that are higher density and with higher percentage of minority customers are subsidizing the costs of repair and maintenance of gas and electric lines for areas of lower density.

**Question 1-17:** Please explain whether LG&E is contemplating a pre-paid meter program and provide any analysis or study that has been conducted on adoption of such a program.

**Question 1-18:** Regarding an bill insert sent to LG&E customers regarding the proposed rate case:

- a. Please provide a copy of the insert(s) and highlight the areas that explain the new per meter charge.
- b. Please highlight the areas that explain how much more simple the two-part per KWH will be for the customer to understand.
- c. Please explain who paid for the production (writing and copying) of this insert, and will the cost of this insert be paid for by ratepayers?

**Question 1-19:** The Metropolitan Housing Coalition represents non-profit developers who wish to incorporate distributed solar power into developments. Does LG&E allow credits generated for net-metered electricity produced on one site to be credited towards bill payment of another site they own and operate?

**Question 1-20:** Please compare the average monthly bill for the average WE CARE recipient during 2018, with what the bill would be for that average customer if the proposed rate structure is approved by the Commission.



**Question 1-21:** Please identify any amount for which LG&E is seeking cost recovery in this rate case for monies expended for lobbying or advertising activity associated with the effort to pass HB 227 (net metering bill) during the 2018 General Assembly Regular Session.

**Question 1-22:** Please provide a detailed accounting of those amount expended identified in Question 1-21 and provide the recipients of those amounts.

Respectfully submitted,



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### **CERTIFICATE OF SERVICE**

This is to certify that electronic version of the First Set of Data Requests of Metropolitan Housing Coalition to Louisville Gas and Electric Company is a true and accurate copy of the same document being filed in paper medium; that the electronic filing has been transmitted to the Commission on November 13, 2018; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that an original and one copy in paper medium of the First Set of Data Requests of Metropolitan Housing Coalition to Louisville Gas and Electric Company will be filed with the Commission within two days of November 13, 2018.



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Tom FitzGerald