

## Pilot School Rates

### PSC Case Nos. 2016-00370 and 00371

- June 22, 2017 - PSC Order in Case Nos. 2016-00370 and 00371
  - Approved pilot school rates effective for service July 1, 2017 and required filing by KSBA of Pilot Implementation Plan
  - The pilot rates provided an annual benefit of \$750,000 per company from the otherwise applicable
  - Ordered inclusion of schools not subject to KRS160.325 (Private)
  - Availability of pilot rates limited to the earlier of July 1, 2020 or date of next rate case filing
  - PSC ordered companies to establish regulatory liabilities should next rate case not be filed before July 1, 2020 to record difference between pilot and otherwise applicable rate. (This reserved handling the \$1.5 million windfall occasioned by pilot termination for a future case)
  - LGE/KU required to file reports regarding load characteristics on six-month intervals
  - Load data to be used in future proceeding to determine extending or making rates permanent
- July 6, 2017 email advising of pilot & rate change authorization request

*Superintendent;*

*The Kentucky Public Service Commission on June 22, 2017 in Case No. 2016-00370 approved pilot school rates that will produce \$750,000 annual savings in total for participant public and private schools. Service on the pilot rates will remain in effect until the earlier of KU's next rate case or July 1, 2020. At those dates the tariffs based on data gathered from the pilot may either be continued or not with school participant accounts returning to their otherwise applicable rate. KSBA is to file a plan for implementation with the PSC by July 22, 2017 setting forth the process for selecting schools to participate in the pilot. We are working with the Kentucky Non-Public Schools Commission to develop the implementation plan as it applies to selection of private school participants.*

*Using student enrollment listed in KDE 2016-2017 Kentucky School Directory public and private schools will be allocated \$710,000 and \$40,000 of the \$750,000. Schools served on Rates PS and TODS will comprise the candidate pool*

for the pilot. Schools served on Rates AES and GS will not be pilot candidates as those rates are currently more favorable. Approximately 100 participant schools will be selected from a pool of some 235 school accounts. To identify participant PS and TODS served school accounts KSBA has developed the following criteria:

- 1) At least one school selected from every district (if applicable)
- 2) Additional schools based on relative total district student enrollment listed in the KDE 2016-2017 Kentucky School Directory,
- 3) Supplemental schools based on relative total district student enrollment listed in the KDE 2016-2017 Kentucky School Directory in the event;
  - a) Private schools do not use all of their allocated funds,
  - b) District declines schools selected in 1) and 2) above
- 4) Schools selected in the above steps are those producing the greatest savings as calculated using district supplied information for FY2016 and used in the rate case

Attached is a list of your district's school(s) selected for the pilot.

KSBA is to provide KU a composite list of participant school accounts with account number and address. Switching to the pilot rates constitutes a rate change. **Therefore, please sign and return by July 14 the attached authorizing KSBA to include your district's designated account(s) on the composite list.**

If you have questions please do not hesitate to call either Jon Nipple (502-783-2711) or me.

Thanks,

- July 6 – July 20: emails from districts returning signed authorizations
- July 6, 2017 to KYNPC President

Leisa,

Attached are the forms we will be asking districts to sign to authorize KSBA to request schools be switched to the pilot rates.

- July 17, 2017 - KSBA filed Pilot Implementation Plan
- July 20, 2017 - KSBA provided LGE/KU list of candidate school accounts

Mark,

Attached are the Pilot School Rate Process Implementation Plans for LGE and KU submitted as required to the PSC along with a spreadsheet listing participants for the LGE and KU pilot school rates. There are separate tabs for public and non-

public schools for LGE and KU. Using enrollment data we determined the public/private split of the \$750,000 base rate benefit for each utility as follows:

LGE: public - \$607,000 / non-public - \$143,000.

KU: public - \$714,000 / non-public - \$36,000.

The public lists are divided into preferred and supplemental accounts with the latter for use in the event the preferred accounts do not accumulate to the target amounts and/or the non-public accounts do not use all the non-public allotment. For the public schools we used FY2016 usage data and the initial approved rates of June 22 to compute base rate bill differences between SPS and PS and likewise STOD and TODS in order to develop prioritized lists. In a few cases STODS is better than SPS. (Districts will later be separately submitting requests to switch other accounts from PS to TODS.) Our understanding is that LGE and KU will replicate the rate comparison using current data and then return for our review and signoff.

The non-public schools provided school names and account numbers. In the event they exceed their allotment we will get back with them to finalize participant selection. In any event once you have completed the bill analysis the KYNPSC Chair will get back with individual schools to obtain authorization for submitting the rate switch request.

Suggest after you review the Plans and the participant account lists we conference to answer questions and development a timeline for completion of the switching of accounts.

Look forward to working with you on this project.

Regards,

- July 20 2017 Mark White (LGE/KU) reply

Thanks Ron, I look forward to it as well.

One question, the fiscal year 2016 numbers you used, is that calendar year 2016 with all all calculations using the same usage months for all schools?

- July 20, 2017 follow up email

Mark,

The period is July 2015 – June 2016. Believe the months to be consistent as the energy managers record the bill data (amount and usage) in their trackers in the month the bill is rendered. Our calculations overstate the savings as we used the rates for PS and TODS included in the initial PSC Order. They later reduced the energy charges on those rates but not SPS and STODS.

- July 26, 2017 White email follow up  
*Ron - it will take us at least a couple weeks to analyze the data. I'll be back in touch ASAP. Thx*

- July 26, 2017 email to White

*Mark,*

*In the KU pilot participant list we inadvertently included the KY School for the Blind (KSB) account ( [REDACTED] ) which is in Louisville and should have been included in the LGE list. We are waiting on KSD in Danville for a response of their interest in participating.*

- August 2, 2017 -White email to Willhite

*Ron,*

*We are in the process of completing the analytical review of the accounts you submitted and hope to have that completed within the next week. As you may have suspected, we utilized the 12 month period of July 2016 – June 2017 so the preliminary numbers vary some.*

*In completing our preliminary review, we found the following items and will need your help to resolve:*

- *Accounts [REDACTED] (Augusta), [REDACTED] (PRP Voc), [REDACTED] (McCracken Heath ES), [REDACTED] (Jaeger), [REDACTED] (Tunnel), [REDACTED] (Southpark), and [REDACTED] (Seneca) are all GS accounts and not eligible for either pilot school rate. Do you want us to exclude them?*
- *Accounts [REDACTED] (Pulaski HS) is an AES Three Phase Secondary (TODS) account and [REDACTED] (Barren Hiseville ES) is an AES Three Phase Secondary (PS Sec) account and so we do not have demand data for either account to use for calculation. Are you sure you want to move customers off of the AES rate?*
- *Account [REDACTED] (Shelby HS) appears to be an incorrect CA because it is a residential, non-active account.*
- *Account [REDACTED] (Pulaski SES) does not exist.*
- *Account [REDACTED] (Camden Sta ES) is a gas only account.*
- *Could not find any PS accounts for the KY School for the Deaf that would make them be eligible for either of the school rates. If you can provide a CA# for one that does, we can add it to the analysis.*
- *The data provided contains some duplications. Jtown HS and Jtown # [REDACTED], Byck ES and Byck #2 [REDACTED], Southern HS and Seneca [REDACTED], and Pulaski HS ([REDACTED]). Please clarify.*

*Once the analysis is complete with the final list of public and private schools identified, we would like to meet to discuss the following:*

- 1) *A process for authorizing and executing the rate changes.*
- 2) *Will you represent KSBA schools in authorizing the rate changes and executing the contracts for service? It would be a very laborious process if each individual school is handled as normal, with school board approvals required in some cases.*
- 3) *Who will represent the private school customer group with these same issues?*

*I look forward to your response and direction in completing this project.*

*We will want to have a meeting with all appropriate stakeholders (KSBA and non-public representative(s)) once the analysis is complete to review the analysis and process, please advise of all the attendees so that we can work to get a date scheduled?*

*Thanks,*

- **August 2, 2017 – Nipple email to White**

*Mark,*

*Thanks for catching those errors. I've got a call into Josh Tennon at Jefferson county to verify those corrections with him.*

*Here's what I found out on the other accounts.*

*The account number for Augusta should be corrected to [REDACTED]*

*The account for Barren Hiseville Elementary should be eliminated as it is AES.*

*The account number for McCracken Heath ES should be corrected to [REDACTED]*

*The Pulaski HS account number [REDACTED] should be eliminated as it is AES.*

*The Pulaski SES account should be corrected to [REDACTED]*

*The Shelby County HS account number should be corrected to [REDACTED]*

*Go ahead and eliminate KSD.*

*The Oldham Camden Station ES should be corrected to [REDACTED]*

- **August 3, 2017 – Willhite follow up email to White**

*Supplementing Jon's email below with the following JCPS account clarifications:*

- 1) *Byck - Eliminate the second account on line 67*
- 2) *Jtown #2 - Acct # on line 25 should be [REDACTED]*
- 3) *Southern - Acct # on line 86 should be [REDACTED]*
- 4) *Southern - Eliminate Acct on line 63*
- 5) *Concur that any GS accounts should be removed*

*Please let me know if there are any other items that need clarification.*

*Attached is a copy of one of the authorizations we have from districts for switching to the pilot rates.*

*Look forward to meeting next week to finalize.*

*Thanks,*

*Ron*

- August 3, 2017 – Willhite email to White

*My concern is that the rates were effective July 1 and each day that passes decreases the district saving unless adjustments are made to reflect the rate change effective on bills on and after July 1.*

- August 3, 20 email to White

*Mark,*

*Leisa Schulz, KyNPS Commission Chair, is available to meet on Tuesday. If that works please let us know a place and time.*

*Ron – it's doubtful we will be ready to meet this coming Tuesday. The following Tuesday may work. I'll get back to you ASAP.*

- August 8, 2017 – Meeting in Louisville with Weiss, White, Schultz, Nipple and Willhite
- August 8, 2017 – Nipple email series to White forwarding district authorization forms
- August 8, 2017 Schultz follow up mail

*Good afternoon! Many thanks to all of you for your assistance with the Pilot School Rate and including private schools in this process!*

*Attached please find the letter we discussed at our meeting earlier today. The letter, on Kentucky Non-Public Schools Commission (KyNPSC) letterhead requests that the non-allocated pilot school funds for private schools be directed to public schools to ensure as many Kentucky schools that qualify are able to benefit from this funding.*

*If you have any questions or if you need anything else, please let me know.*

*I have also sent out emails to all the non-public qualifying schools this afternoon. I have asked them to sign off on the agreement form so that their rates on qualifying accounts can be changed to the pilot school rate. I have also asked them to sign off giving me permission to access your excel lists with the approximate amount of savings their schools may realize from the switch.*

*Paul—Will you send me that information as I forward their agreements to me?*

*Again many thanks!*

***Leisa***

*Leisa Schulz  
Superintendent of Schools  
Archdiocese of Louisville*

- August 9, 2017 – Email sample to districts advising of opportunity for more participants due to unused money by privates

\_\_\_\_\_ recently signed an Authorization allowing KSBA to act on your behalf to request placement of at least one of your school electric accounts on the Kentucky Utilities Pilot School Rate.

The directive of The Kentucky Public Service Commission on June 22, 2017 in Case No. 2016-00370 approved pilot school rates that will produce \$750,000 annual savings in total for participant public and private schools. KSBA is to provide KU a composite list of participant school accounts with account number and address.

In a meeting on August 8, 2017 with Kentucky Utilities, KSBA was advised that an approximate additional \$100,000 of annual savings would be available for public schools as private schools will not use their entire dollar allotment. Therefore, additional public school accounts can be added to the potential participant list.

In order to supplement the initial list provided KU would appreciate your immediate attention to signing and returning the attached supplemental Authorization for KSBA to include the listed account(s).

If you have questions please do not hesitate to call either Jon Nipple (502-783-2711) or me.

- August 9-11 – Additional alternative participant authorizations received
- August 14 email from White

Ron and Jon,

Please see below list of KU schools missing authorizations. If I missed these in Jon's emails I apologize.

Also, we're missing KY School for the Deaf but I was thinking you wanted them taken off the primary list because they hadn't contacted you? Am I correct about this?

Thanks,

Mark

- August 15, 2017 – Nipple multiple emails to White forwarding Round 2 additional authorization lists from private unused funds
- KSBA Email to KSB

Principal Williams,

LGE has advised in the below email the savings KSB will experience by switching Account [REDACTED] to the Pilot School Rate.

*Service on the pilot rates will remain in effect until the earlier of LGE's next rate case or July 1, 2020. At those dates the tariffs based on data gathered from the pilot may either be continued or not with school participant accounts returning to their original rate.*

*If KSB chooses to participate you will need to authorize LGE to make the switch from your current rate to the Pilot School rate by communicating directly with Mark White of LGE.*

*Please do not hesitate to call if you have questions.*

- August 16, 2017 white email

*Jon - please see below Paul's list of schools needing authorizations and a current spreadsheet. This should help in getting us to the revenue savings target*

Mark,

*Here are the remaining missing the authorizations for the following KU public schools (round 1).*

*Attached is the list of the schools and the savings they would have realized for the past year under the new pilot rate that you can share with Ron and Jon.*

*Paul*

School Name	Utility	Type	Missing Authorization	Contract Account #
Danville HS #2	KU	Public	Yes	
Hopkins Hanson ES	KU	Public	Yes	
Madison Bellevue	KU	Public	Yes	
Mapleton Elem	KU	Public	Yes	
Marion Calgary ES	KU	Public	Yes	
Montgomery Camargo ES	KU	Public	Yes	
Muhlenberg Bremen Elem	KU	Public	Yes	
Sublimity School 2	KU	Public	Yes	
Webster Sebree ES	KU	Public	Yes	

- August 17, 2017- Nipple email to White



Mark,  
I've updated your file and am sending the Madison Bellevue authorization.

I have one remaining authorization to get (Danville HS#2). I've contacted them again this morning.

I have highlighted Hart County HS in yellow on your file. I would like to understand from Paul why this is a money loser in changing to a Pilot Rate. Curious.

Other than that, we'll be ready by tomorrow.  
Thanks,  
Jon

- August 17, 2017 – Nipple email to White

Mark,  
I have saved a copy with my initials and will update and send as needed. Right now, the only filters I need to apply are Public and KU. From what I understand, **LGE is complete from the Public School Standpoint** and I am not doing anything to the Private Schools.

**What is missing in this file is the additional KU Schools that we have added to get to \$750,000.**

My assumption is that this is the file where Friday August 18, 2017 would be the "effective date" of the change AND that the other schools to make up the difference to \$750,000 savings would have a second effective date. Am I correct?

Though I don't like to maintain two sets of data, I will maintain the file you sent plus our original file until we complete the process.

Thanks,  
Jon

- August 17, 2017

Jon,

Please note that the effective dates for any customer change from PS to STOD will vary because new meters may have to be installed since it is a demand based rate.

Paul

- August 17, 2017 email to Weis/White

All,

Here is the last authorization on the Primary list of schools for KU.

I want to make sure of a couple of things:

*We are removing Hart County HS because of the lack of data while the school has been under construction.*

*LGE has accounted for KSB in the Pilot. (KSBA advised them to go directly to you.)*

*Effective Date: the effective date will be August 18 for all schools with the exception of those who need to undergo a meter change due to a switch from PS to STOD. Please inform us as to what this means for customers. I.e. the change will occur on the first billing cycle after August 18?*

*Here is our order of schools to add to the bottom of the supplemental list. Go as deep as you need to fulfill the savings.*

*Bate*

*North Laurel HS*

*Bath MS*

*Clark Strode ES*

*Hopkins Earlington ES*

*Mark and Paul, we sure appreciate your help on doing this. Thanks,*

*Jon*

- August 18, 2017 White Response

*Yes that's correct Jon.*

- August 18, 2017 – White email requesting conference call

*> Ron & Jon,*

*> Paul has asked for a conference call on Monday afternoon to discuss issues we're encountering on the rates changes. Can you guys be available for a WebEx around 3:00?*

*> Thanks,*

*> Mark*

- August 18, 2017 – Nipple to Willhite

*Ron,*

*We now have 100% of all the additional authorizations we requested. I'm embarrassed by how few of these round two approvals we will ultimately use. My impression when we left the meeting in Louisville was that we would have a hard time getting enough accounts on the pilot. Now it is a much shorter list.*

*I do plan on informing each district of which schools made the cut and how much the KU/LGE calculated savings were.*

*Jon*

- August 21, 2017

Mark,

Below are the emails of 8/2 and 8/3 where we responded to your August 2<sup>nd</sup> email requesting some items be resolved. Highlighted with notes the accounts that Paul's email is wanting to address.

Regarding the Ballard and Waggener accounts where each has two meters: is the metered usage summed and then billed?

- August 22, 2017

Mark,

Didn't realize until your note that you were looking for an Authorization from Augusta. You remember that our early authorization form had the incorrect account number. This should take care of that.

Thanks,

Jon

- August 22, 2017 – WebX Meeting

- August 24, 2017 email from White

Ron & Jon,

The saga continues. The following schools are not eligible for the TOD rate as their usage does not meet the 12 month avg of 250 kW. Do you want them changed to SPS?

Thx,

Mark

CA	GCC	School Name	Authorization	Current Rate	New Rate	12 Month KW Avg
[REDACTED]	KU	Bourbon Central	Yes	PS	STOD	240.73
[REDACTED]	KU	Burgin	Yes	PS	STOD	216.07
[REDACTED]	KU	JLA Elementary	Yes	PS	STOD	247.28
[REDACTED]	KU	Lansdowne Elementary	Yes	PS	STOD	[REDACTED] - 253.63
[REDACTED]	KU	Madison White Hall Elem	Yes	PS	STOD	136.63
[REDACTED]	KU	Montgomery HS	Yes	PS	STOD	185.78

300007819331	KU	Pendleton NES	Yes	PS	STOD	248.97
300010436396	LG&E	Jtown HS	Yes	PS	STOD	222.33
300010072316	LG&E	Shawnee	Yes	PS	STOD	- 61.17

- August 25, 2017 – Nipple to White

Mark,

Ron and I just spoke.

On the KU Accounts...

1. The Montgomery HS Account Number we wanted to switch to STOD is [REDACTED]. This account number has the high demand charges.
2. All other KU accounts are fine to change from PS to SPS. All of these accounts are on the border with average demands near 250KW. Our time period had averages over 250KW and your time period is under 250KW. So no problem on changing to SPS instead of STOD.

On the LGE Accounts...

1. We are still confused as to why you are asking about Jtown and Shawnee. Yes, LGE has a nomenclature system that allows multiple meters on one account number which we don't like. But when you look at the data on the separate installations it is clear (to us at least) that the larger demand installations should be on STOD and not PS.
2. Also the second installation at Jtown (smaller demand numbers) should be on SPS.

I guess what we're questioning is if this is a LGE system issue or something else?

Both of us are working from home today but would be glad to take a call on our cells.

Thanks for pressing forward on this. We want this to happen as soon as possible because "time is money". By our calculations, each month that passes is \$125,000 lost annually to schools.

Jon

On Aug 25, 2017, at 2:46 PM, Nipple, Jon - KSBA <[jon.nipple@ksba.org](mailto:jon.nipple@ksba.org)> wrote:

Just talked to Mark.

As they have progressed thru the account numbers and doing the billings, they've found a few more issues.

*According to their figures there are schools which because of the 100% ratchet clause would actually lose money in a change from PS to STOD. I told him we didn't want any account to come out with a negative savings so he should leave these accounts as PS going to SPS.*

*1. Their thinking right now is that schools would lose their grandfathering on a rate change from PS to STOD or on a change from TODS to SPS. Their rationale is that the 250KW threshold would determine the rate they went back to. I told him that we had discussed this as well and the concept of "returning to their original rate" was the issue in the order.*

*I gave Mark the general guidance that we didn't want to make any switch that would negatively impact an account.*

*Mark assured me that they are actively working through this and want to get this over as much as we do. We agreed that he would have to provide us a "clean list" list of accounts for both KU and LGE which showed their final billing information and the rate switch they made.*

*Jon*

- August 28, 2017 email from White

*Ron & Jon,*

*Attached is the latest version of the financial impact analysis that includes the corrected rate analysis for the PS to STOD rates and the changes for the schools ineligible for the STOD rate. There were multiple spreadsheets that I had to merge and compile.*

*The following is an update of this project and acknowledgment or guidance is needed for certain items.*

*1) All grandfathered accounts that move from PS to STOD will not be eligible to return to the PS rate should the pilot program be eliminated or cease to exist. Upon conclusion of the pilot rate program, if applicable, schools will move to the appropriate published tariff. Please acknowledge the KSBA's understanding.*

*2) All accounts moving to the STOD rate will have their contract capacity set at the maximum measure demand for the prior 12 months. Please acknowledge.*

*3) There is a \$100,656 remaining for LG&E to be allocated to Supplemental schools. Please advise which schools you have selected.*

*4) There is a \$44,237 remaining for KU to be allocated to Supplemental schools. Please advise which schools you have selected. Note: with the CA change for Montgomery HS we are re-calculating the amount of monies available.  
Project Information Update*

*• All LGE PS to SPS accounts have been updated to reflect the correct rate change.*

- All LGE TODS to STOD accounts have been updated to reflect the correct rate change.
- All LGE PS to STOD accounts are in the process of having [the meters](#) changed out but the rates will not be changed until the grandfathered acknowledgment is received.
- All KU PS-SPS and TODS-STOD rate changes have been submitted for change.

Thanks,

Mark

- August 29-31, 2017

- Emails correcting Ohio Western ES from TODS to PS

Paul,

*I had to look to see where this was at and I had to do some digging with the district. This is in Ohio County. It appears they have given us incorrect information by calling this a TODS installation.*

*Please correct to PS to SPS and if there is a cost savings we will want to include this account since we only have a few from Ohio County.*

Thanks again,

Jon

*There is a \$4188 cost savings for this account moving from PS to SPS.*

Paul

- Emails re Hart HS not being on service

Ron and Jon,

*The TOD service for this Hart HS is currently off. They are rebuilding the school and service was removed 1/4/17. Please advise if you want me to remove this from the list. We may have already discussed this but wanted to verify.*

*We did discuss this earlier and understand why this would not be a candidate since you have no billing history to create a savings calculation.*

Thanks,

Jon

- August 29,2017 Conference call
- September 1, 2017 –

- LGE/KU (Weis) provided KSBA with final list of pilot school accounts

Ron and Jon,

Attached is the now final KBSA pilot school list with all of our rate changes from the review earlier this week. All KU and LGE Primary schools have been submitted for the noted New Rate changes (column K). The rate changes will occur when the appropriate meter has been placed into service or closest to the most recent start of the billing period for accounts not requiring a new meter.

With the updated financial impact analysis completed, there is \$16,803 available for KU schools to select a school from the Supplemental list. **Please advise of which KU Supplemental school(s) you want to have participate.**

Once all of our rate changes have been made, we will review these rate changes in CCS to make sure we did not miss anything.

Paul

**Non-Public & Public School Financial Impact Summary**

Row Labels	Private	Public	Grand Total
<b>KU</b>	<b>\$22,983</b>	<b>\$833,848</b>	<b>\$856,831</b>
Primary	\$22,983	\$710,214	\$733,197
Supplemental		\$123,633	\$123,633
<b>LG&amp;E</b>	<b>\$83,945</b>	<b>\$798,122</b>	<b>\$882,067</b>
Primary	\$83,945	\$665,990	\$749,935
Supplemental		\$132,132	\$132,132
<b>Grand Total</b>	<b>\$106,928</b>	<b>\$1,631,969</b>	<b>\$1,738,898</b>

**LGE Remaining For Supplemental Selection**

**\$65**

**KU Remaining for Supplement Selection**

**\$16,803**

- Weis advising Laurel Sublimity on GS
- Weis advised following accounts to be included;
  - [REDACTED] leaving \$1,422 remaining

Paul,

*If I am reading this correctly, I believe you should start on line 142 and progress down until you exhaust the savings total. By taking a quick glance at the authorization column, I think you will have all the authorization forms if we go in this order as well.*

*There was a method for how we selected districts to participate and how many pilot rates would be awarded per district. So we want to remain consistent in our method.*

*Thanks for the work done by you and your team to get us here.*

Jon

- September 11, 2017- Nipple to superintendents transmitting list of participant accounts

*We have been working with LGE/KU for the past several weeks on the implementation of Pilot School Rates approved in PSC Case Nos. 2016-00370 and 2016-00371. Attached is a list of public school accounts which have been chosen to participate in the Pilot Program. These accounts will be switched to the pilot rates effective with their upcoming billings. This file also shows the annual expected savings as calculated by KU/LG&E. Service on the pilot rates will remain in effect until the earlier of KU/LGE's next rate case or July 1, 2020. At that time we are hopeful that data collected during the pilot supports the pilot rates being permanently approved by the PSC to be available for all qualifying schools.*

*You should recall that KSBA was able to negotiate lower overall rate increases, continued energy manager funding, and these pilot rates in PSC Case Numbers 2016-00370 and 2016-00371. KSBA negotiated these pilot rates using the data provided by your districts which showed that schools have a different electrical demand profile than other customers served on current rates.*

*The pilot rates were available to accounts presently served on Power Service (PS) Secondary or Time of Day Secondary (TODS) Rates. The number of pilot rate candidates within a district was based on KDE reported enrollment of the schools within the KU or LG&E service territory. At least one pilot rate participant was selected from each district unless their school(s) are currently being served on the already beneficial General Service (GS) or All Electric School (AES) Rates.*

*Within the Kentucky Utilities service territory, 142 public schools representing 66 public school districts will achieve annual cost savings of approximately \$725,000 on the pilot rates.*

*Within the Louisville Gas and Electric service territory, 68 public schools representing 5 public school districts will achieve annual cost savings of approximately \$666,000 on the pilot rates.*

Regards,



Jon

- Time required for account verification and processing by LGE/KU to switch accounts denied schools benefit with effective date of pilot rates of approximately \$250,000 in total
- Transition from existing rates began on September 1 and concluded in September and October 2017
  - Accounts not requiring a meter change began receiving benefit at start of pending metering/billing period in effect on September 1, 2017
  - Accounts requiring meter change began receiving benefit on date of changeout
  - 149 KU school accounts – 144 public and 5 non-public
  - 76 LGE school accounts – 68 public and 8 non-public
  - **Effective date of 8/18/17 for most accounts as September bills with read dates prior September 18 were prorated– arbitrary date**
- December 21, 2017 - First load data report filed stated only very limited 24-hour usage data was collected and subsequent reports will address load characteristics as companies had to install appropriate meters on some accounts
  - With announced September filing date makes its unlikely complete load characteristic data will be collected and available for analysis for July and August for inclusion in rate case
  - Companies Probability of Dispatch Allocation Method dependent on summer hourly loads
  - Without complete load characteristic data cost of service study for schools would be inconclusive
- June 22, 2018 – Complete 24-hourly load data available from December 2017 through March 2018
  - Provided tables comparing average coincidence factors and CP and NCP load factors
  - Concluded:

***KU**-As can be seen from the above table, the average coincidence factor for the customers taking service under the Pilot Rates for Schools is about the same as the coincidence factor for the random sample of non-school customers taking service under KU's standard rate schedule. The average CP and NCP load factors for the customers taking service under the Pilot Rates for Schools are also approximately the same as for KU's non-school customers.*

***LGE**-As can be seen from the above table, the average coincidence factor for the customers taking service under the Pilot Rates for Schools is about the same as the coincidence factor for the random sample of non-school customers taking service under LG&E's standard rate schedule. The average CP and NCP load factors for the customers taking service under the Pilot Rates for Schools are somewhat lower than LG&E's non-school customers*

*Based on this preliminary data, there is not a significant difference between the coincidence factors and NCP load factors of customers taking service under the Pilot Rates for Schools and*

*non-school customers taking service under Rates PS, TODS, and TODP. The NCP and CP load factors for the schools are lower than for the non-school customers. These results suggest that the schools have not likely modified their load patterns in response to taking service under the Pilot Rates.*

- In Case PSC No. 2017-0005 LGE/KU (Federal Jobs and Tax Act) advised of its intent to file rate cases by September 28, 2018

- **May 16, 2018 White email**

- Lisa and Ron,

We would like to meet or have a conference call to discuss issues regarding the LGE-KU Schools Pilot rate. Can you please provide a few dates that work and I will schedule the meeting.

Thanks,

**Mark A. White, CEM, BEP, CEA**

- June 1, 2018 - LGE/KU representatives conferenced with KSBA and KYNPC representatives to confirm rate case filing and their plan to notify districts in writing of switching accounts back to prior rate