

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

**In the Matter of:**

<b>ELECTRONIC APPLICATION OF</b>	)	
<b>LOUISVILLE GAS AND ELECTRIC</b>	)	<b>CASE NO. 2018-00295</b>
<b>COMPANY FOR AN ADJUSTMENT OF ITS</b>	)	
<b>ELECTRIC AND GAS RATES</b>	)	

**RESPONSE OF**  
**LOUISVILLE GAS AND ELECTRIC 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, **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 20<sup>th</sup> day of March 2019.

  
Notary Public

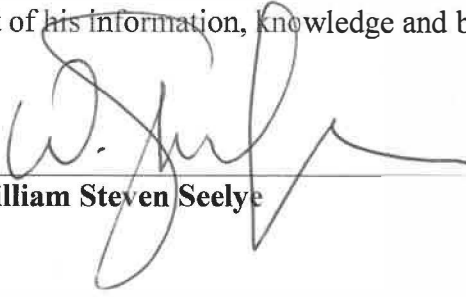
My Commission Expires:  
**Judy Schooler**  
**Notary Public, ID No. 603967**  
**State at Large, Kentucky**  
**Commission Expires 7/11/2022**



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.

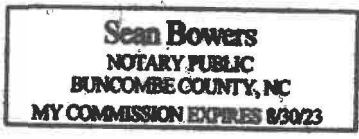
  
\_\_\_\_\_  
**William Steven Seelye**

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

  
\_\_\_\_\_  
Notary Public (SEAL)

My Commission Expires:

8/30/2023



**LOUISVILLE GAS AND ELECTRIC COMPANY**

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

**Case No. 2018-00295**

**Question No. 1**

**Responding Witness: Lonnie E. Bellar**

- Q-1. Refer to the testimony of Lonnie Bellar at the March 5, 2019 hearing at 10:51 :15 a.m. Provide the estimated time frame in which a vendor could develop technology to perform multi-diameter inspections on LG&E's gas transmission pipelines.
- A-1. An inline inspection ("ILI") vendor has indicated that development of an electromagnetic acoustic transducer ("EMAT") ILI tool and a circumferential magnetic flux leakage ("CMFL") tool capable of inspecting pipelines with both 16-inch and 20-inch pipe is expected to take 17 months from project initiation.

**LOUISVILLE GAS AND ELECTRIC COMPANY**

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

**Case No. 2018-00295**

**Question No. 2**

**Responding Witness: Robert M. Conroy**

- Q-2. Refer to LG&E's P.S.C. Electric No. 11, Original Sheet No. 40.2 and proposed P.S.C. Electric No. 12, 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-2. 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.

**LOUISVILLE GAS AND ELECTRIC COMPANY**

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

**Case No. 2018-00295**

**Question No. 3**

**Responding Witness: Robert M. Conroy**

- Q-3. Refer to LG&E's proposed PSC Electric No. 12, 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-3. 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 LG&E PSA tariff Original Sheet No. 40.4 reflecting that correction. See Attachment 2 for the form Contract for Attachments to Company Structures that LG&E uses for customers taking service under the PSA.

## Louisville Gas and Electric Company

P.S.C. Electric No. 12, 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  
Louisville, Kentucky

Issued by Authority of an Order of the  
Public Service Commission in Case No.  
2018-00295 dated \_\_\_\_\_

## Contract for Attachments to Company Structures

This contract made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between Louisville Gas and Electric 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.

**Louisville Gas and Electric Company**

**[Attachment Customer]**

By: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

**LOUISVILLE GAS AND ELECTRIC COMPANY**

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

**Case No. 2018-00295**

**Question No. 4**

**Responding Witness: Robert M. Conroy**

- Q-4. Refer to LG&E's P.S.C. Electric No. 11, Original Sheet No. 57 and proposed P.S.C. Electric No. 12, 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 any billing period.**" (Emphasis added). The proposed tariff removes the phrase "in any billing period." Explain this change.
- A-4. 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 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 any billing period" 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.

**LOUISVILLE GAS AND ELECTRIC COMPANY**

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

**Case No. 2018-00295**

**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 and proposed P.S.C. Electric No. 12, Original Sheet No. 106.4. Refer also to Kentucky Utilities Company's (KU) P.S.C. No. 18, Original Sheet No. 106.3 and proposed P.S.C. No. 19, Original Sheet No. 106.3. Explain why the proposed changes to KU's Individual Premises section were not also made to the second provision of LG&E's Individual Premises section.
- A-5. LG&E customers own and install the electrical service from the point of connection to the meter. Conversely, KU (and not its customers) owns and installs the service from the point of connection to the meter. Therefore, the language in the Individual Premises section of the LG&E and KU tariffs will be different.

**LOUISVILLE GAS AND ELECTRIC COMPANY**

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

**Case No. 2018-00295**

**Question No. 6**

**Responding Witness: Robert M. Conroy**

- Q-6. Refer to LG&E's 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.
- a. Provide an explanation for the deletion of the language contained in numbered paragraphs 3 and 4 under the Medium Density Subdivisions subsection relating to advancements and refunds.
  - b. 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. Explain why these same deletions were not proposed in KU's tariff.
- A-6.
- a. LG&E engages in Joint Trenching construction methods, wherein all electric, gas, and telecom conduits and equipment are installed by a contractor in a single ditch at the same time, and does not offer the option of customer-provided trenching and backfilling. LG&E charges the developer / customer at the front footage cost (\$6.94) which is filed with the PSC annually.
  - b. Due to the prospective nature of some Medium Density Subdivisions and since KU does not operate under a Joint Trench agreement, KU retained the language allowing for the collection of the full estimated cost of construction with specified refunds as customers are connected.

**LOUISVILLE GAS AND ELECTRIC COMPANY**

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

**Case No. 2018-00295**

**Question No. 7**

**Responding Witness: Robert M. Conroy**

- Q-7. 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.
- a. Provide an explanation for the deletion of the language contained in numbered paragraphs 2 and 3 under LG&E's High Density Subdivisions subsection relating to advancements for required trenching and backfilling.
  - b. 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. Explain why these same deletions were not proposed in KU's tariff.
- A-7.
- a. LG&E does not allow the customer to trench and backfill since the Company utilizes Joint Trenching construction.
  - b. 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.

**LOUISVILLE GAS AND ELECTRIC COMPANY**

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

**Case No. 2018-00295**

**Question No. 8**

**Responding Witness: Robert M. Conroy**

- Q-8. Refer to LG&E's response to Staff's Fourth Request for Information, Item 15(a), relating to the proposed revisions to LG&E's overhead line extensions beyond 1,000 feet. If the Commission were to accept LG&E'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-8. The refunds would not include interest. As LG&E 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 the cost recovery for the line extension. Thus no interest is calculated should any refunds be offered after the fact for other customer connections.

**LOUISVILLE GAS AND ELECTRIC COMPANY**

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

**Case No. 2018-00295**

**Question No. 9**

**Responding Witness: Robert M. Conroy**

- Q-9. Refer to LG&E's response to Staff's Fourth Request for Information, Item 15(b), relating to proposed revisions to LG&E's overhead line extensions beyond 1,000 feet.
- a. Indicate how many active electric customer extension contracts in excess of 1,000 feet LG&E 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-9.
- a. LG&E has 27 open Line Extension agreements for extension beyond 1,000 feet.
  - b. There are three active refunds associated with the open Line Extension agreements.
  - c. Average refund is \$3,100.
  - d. Typically, three to four employees would be involved in the refund process.
  - e. Currently, LG&E 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 27 open



agreements noted in response to part a, LG&E 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 27 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.

**LOUISVILLE GAS AND ELECTRIC COMPANY**

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

**Case No. 2018-00295**

**Question No. 10**

**Responding Witness: Robert M. Conroy**

- Q-10. Refer to the Settlement Tariff, LG&E's P.S.C. Gas No. 12, Original Sheet Nos. 30.6 (Rate FT) and 36.8 (Rate LGDS). Also, refer to LG&E's current tariff, P.S.C. Gas No. 11, Fourth Revision of Original Sheet No. 30.6 and 36.8. Also, refer to LG&E's Application, Tab 6, Exhibit C, pages 48-49 and 51 -52 of LG&E's full notice to its customers.
- a. For the daily demand charge on Sheet Nos. 30.6 and 36.8 of the Settlement Tariff both of which shows \$0.1657 per Mcf, explain why the amounts for this charge do not match the amounts in LG&E's current tariff which shows \$0.1648 per Mcf, given that the current tariff was updated effective November 1, 2018, and no change was initially proposed in this case.
  - b. For the daily storage charge on Sheet Nos. 30.6 and 36.8, explain why the amount in the settlement reverted back to the amount in LG&E's current tariff given that the customer notice indicated that this charge was increasing.
- A-10.
- a. The Daily Demand Charge of \$0.1657 per Mcf found in the Settlement Tariff was an inadvertent carryover from LG&E's initially proposed tariff. The correct value should be \$0.1648 per Mcf, as represented in the Company's current tariff. The current value was approved by the Commission effective November 1, 2018, in Case No. 2018-00302. The attached document reflects the corrected settlement tariff sheets 30.6 and 36.8.
  - b. The Daily Storage Charge of \$0.2785 per Mcf found in the Settlement Tariff was an inadvertent carryover from LG&E's current tariff. The correct value is \$0.3797 per Mcf as represented in the Company's initially proposed tariff. The attached document reflects the corrected settlement tariff sheets 30.6 and 36.8.

**Louisville Gas and Electric Company**

P.S.C. Gas No. 12, Original Sheet No. 30.6

Standard Rate FT  
**Firm Transportation Service (Transportation Only)**

**UTILIZATION CHARGE FOR DAILY IMBALANCES (continued)**

Daily Demand Charge: \$0.1648 per Mcf  
 Daily Storage Charge: \$0.3797  
 Utilization Charge for Daily Imbalances: \$0.5445 per Mcf

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Note: The Daily Demand Charge may change with each filing of the GSCC.

These charges are in addition to any other charges set forth herein. The Utilization Charge for Daily Imbalances will not be applied to daily imbalances which do not exceed ±5% of the delivered volume unless an OFO has been issued. If an OFO has been issued, the Utilization Charge for Daily Imbalances shall apply to daily imbalances which exceed 0% for customers in violation of the OFO directive, either "condition (1)" or "condition (2)" as applicable and further described below under "Operational Flow Orders." Customers not in violation of the OFO directive, either "condition (1)" or "condition (2)" as applicable, will continue to be assessed the Utilization Charge for Daily Imbalances on volumes which exceed the 5% daily tolerance. Company shall not have an obligation to provide balancing service for any volumes of gas hereunder.

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**OPERATIONAL FLOW ORDERS**

Company shall have the right to issue an Operational Flow Order ("OFO") which will require actions by Customer to alleviate conditions that, in the sole judgment of Company, jeopardize the operational integrity of Company's system. Customer shall be responsible for complying with the directives contained in the OFO.

Notice of an OFO shall be provided to Customer at least twenty-four (24) hours prior to the beginning of the gas day for which the OFO is in effect and shall include information related to the OFO. Customer shall respond to an OFO by adjusting its deliveries to Company's system as directed in the OFO within the specified timeframe. If Customer is a member of an FT Pool, it is the responsibility of the FT Pool Manager, not Company, to convey OFOs to Customers in its FT Pool.

Upon issuance of an OFO, Company will direct Customer to comply with one of the following conditions: (1) Customer must take delivery of an amount of natural gas from Company that is no more than the daily amount being delivered by the Pipeline Transporter to Company for Customer; or (2) Customer must take delivery of an amount of natural gas from Company that

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**DATE OF ISSUE:** XXXX, 2019

Deleted: September 28, 2018

**DATE EFFECTIVE:** Effective with Service Rendered  
 On And After May 1, 2019

Deleted: November 1, 2018

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

**Issued by Authority of an Order of the  
 Public Service Commission in Case No.  
 2018-00295 dated \_\_\_\_\_**



**LOUISVILLE GAS AND ELECTRIC COMPANY**

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

**Case No. 2018-00295**

**Question No. 11**

**Responding Witness: Robert M. Conroy**

Q-11. Refer to the Settlement Tariff, LG&E's P.S.C. Gas No. 12, Original Sheet No. 52.1. Also, refer to LG&E's Application, Tab 6, Exhibit C, page 54 of LG&E's full notice to its customers. Explain why there was a change to the Gas Meter Pulse Service Rates in the Settlement Tariff when the original application did not contain a change to these rates. If the Gas Meter Pulse Service Rates are being changed, provide cost support for these charges.

A-11. The Gas Meter Pulse Service Rates in the Settlement Tariff should not have changed from the Proposed Tariff. The correct charges are below:

For Customers Served Under Rate Schedule FT or Rider TS-2:

Monthly Charge: \$7.17

For Customers Not Served Under Rate Schedule FT or Rider TS-2:

Monthly Charge: \$24.34

**LOUISVILLE GAS AND ELECTRIC COMPANY**

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

**Case No. 2018-00295**

**Question No. 12**

**Responding Witness: William Steven Seelye**

- Q-12. 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-12.
- 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 attachments being provided in Excel format.
  - f. See attachment being provided in Excel format.

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

**LOUISVILLE GAS AND ELECTRIC COMPANY**

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

**Case No. 2018-00295**

**Question No. 13**

**Responding Witness: William Steven Seelye**

- Q-13. Provide a copy in Excel format of Exhibits 3, 4, and 5 to the Settlement LG&E gas and electric operations based on the proposed revenue allocation.
- A-13. See attachments being provided in Excel format.



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

**LOUISVILLE GAS AND ELECTRIC COMPANY**

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

**Case No. 2018-00295**

**Question No. 14**

**Responding Witness: Elizabeth J. McFarland**

Q-14. Provide a copy of any agreements or memorandum of understanding between LG&E 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 LG&E.

A-14. LG&E's commitment to the communities we serve is a long-standing and integral part of the Company's culture. LG&E is keenly aware of its low-income customers' needs through direct contact with such customers and LG&E's relationships with a number of organizations engaged in community-assistance programs and efforts. LG&E 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 LG&E 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 LG&E 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 LG&E 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.

LG&E also provides access to energy usage information to agencies that is used for certain programs. For example, Affordable Energy Corporation (AEC) utilizes energy usage on approved clients as a component in the benefit amount calculation and 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 LG&E residential customers receiving 3<sup>rd</sup> 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 LG&E 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 (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 LG&E service territory with the majority of the funds distributed by the Louisville Community Action Partnership.

**Administrative Fee:** LG&E customers and shareholders do not provide an administrative fee for this program.

**Service Agreement/MOU:** LG&E 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. LG&E customers and shareholders do not contribute funds to this program.

**Funding Level:** For 2018, \$1,205,013 for LIHEAP-Subsidy assistance was remitted to LG&E by the local Community Action agencies for customer pledge payments.

**Process:** CAK allocated funds to local Community Action agencies. Through an electronic interface between CAK and LG&E, 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 LG&E to pay for the pledges. The batch number created during the validation process is emailed to LG&E 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 (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 LG&E service territory.

**Administrative Fee:** LG&E customers and shareholders do not provide an administrative fee for this program.

**Service Agreement/MOU:** LG&E 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. LG&E customers and shareholders do not contribute funds to this program.

**Funding Level:** For 2018, \$2,635,138 for LIHEAP-Crisis assistance was remitted to LG&E 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 LG&E, 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 LG&E to pay for the pledges. The batch number created during the validation process is emailed to LG&E 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)**

**Description:** The program assists customers at or below 130% of the federal poverty guidelines with an annual tier benefit (\$400-\$1,000) which is applied to utility bills on a monthly basis to substantially reduce the yearly costs for utility service. The tier benefit provides for a higher amount in the peak months and a lesser amount in the shoulder months. Clients are qualified for the program by the AEC. Participants must be an active LG&E 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 LG&E, ACM, People Organized and Working for Energy Reform (POWER), and the Kentucky Association for Community Action, Inc., 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. 2014-00372, 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. 2007-00337, LG&E 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):** AEC

**Administration Fee:** Up to 10 percent of the total contributions. Since the inception of the program, AEC 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. LG&E and AEC have continued to operate under the terms of their most recent service agreement. LG&E will work with AEC to execute an updated agreement as soon as reasonably practicable.

**Funding Source:** \$0.25 per electric and gas meter per month for residential customers and an annual Company shareholder contribution of \$180,000. Current shareholder commitments are effective through June 30, 2021.

**Funding Level:** For 2018, \$2,006,040 from the residential customer meter fees and \$180,000 Company shareholder contributions. LG&E maintains the funds for this program.

**Process:** AEC sends a monthly file to LG&E with the list of customer accounts and the amount of benefit to apply to each account. LG&E then applies the benefits to the appropriate accounts.

On a monthly basis, AEC submits a report of all administrative expenses to LG&E for reimbursement. LG&E reviews the report for reasonableness and confirms the administrative expenses are at or below the 10 percent cap before sending the reimbursement amount to AEC.

**Months Available to Customer:** Year Round

### **Community Winterhelp**

**Description:** Winterhelp is a utility bill assistance program of up to \$250 per season on a customer's account. Services are provided through 19 service partners that include 16 Community Ministries serving residents in Jefferson County and three Community Action Agencies with offices in the outlying counties for residents in those areas. Eligibility guidelines are established by the Winterhelp Board which is comprised of community partners and private representatives. Eligibility is determined by dire financial situation and lack of resources, leaving a family with no heat or the immediate prospect of no heat; and by a family with members who are elderly, very young, seriously ill or disabled. Families applying for assistance are interviewed by Winterhelp service partners. LG&E plays no part in determining eligibility.

**Administrator(s):** Louisville Urban League administers the funds on behalf of the Community Winterhelp Board of Directors with services provided through its 19 service partners.

**Administrative Fee:** \$12,000 or 5% of revenues (from voluntary customer contributions and company contributions) whichever is greater.

**Service Agreement/MOU:** See attached. The current MOU was executed in November 2018 for a period of one year and from year to year thereafter, for a total contract period not to exceed five (5) years.

**Funding Source:** Voluntary customer donations matched with company shareholder contributions. On a monthly basis, LG&E sends all voluntary contributions and shareholder matching funds to the Louisville Urban League

who, with the Community Winterhelp Board, then allocates and distributes the funds to its 19 service partners.

**Funding Level:** In 2018, customers donated \$120,269 and company shareholders contributed \$150,750.

**Process:** The service partners qualify eligible customers and contact LG&E to pledge up to \$250 on a customer's account. LG&E applies the pledges to the customer accounts. Each service partner sends payment to LG&E for pledges submitted by that service partner. To ensure pledges can be reconciled to payments received from the service partners, a unique pledge ID is assigned to each pledge and is provided with the initial pledge and the payment.

**Months Available to Customer:** January-April, can be extended with Community Winterhelp Board approval.

### **Association of Community Ministries (ACM) Grant**

**Description:** Eligible customers at or below 250% of the federal poverty guidelines and in danger of disconnection of service or removal from budget billing due to non-payment may receive a benefit of up to \$300 per assistance period. If eligible for Winterhelp, such benefits must be utilized prior to utilizing ACM Grant funds and the pledge must secure 30 days of service from disconnection of service due date on LG&E bill. Eligibility criteria is established by ACM. Clients are qualified for assistance by the individual community ministries.

**Administrator(s):** Association of Community Ministries is the fiscal agent with services provided by 15 individual community ministries and Sister Visitor, an agency of Catholic Charities.

**Administration Fee:** 10 percent of the annual funding.

**Service Agreement/MOU:** LG&E has not placed restrictions on the use of shareholder contributions to ACM for this program. However, ACM operates this program under the guidelines set forth in the attached procedural manual.

**Funding Source:** Annual company shareholder contribution of \$700,000. Current shareholder commitments are effective through June 30, 2021. During the first quarter of each year, LG&E provides the annual amount to ACM to apportion to participating ministries.

**Funding Level:** For 2018, company shareholder contribution was \$700,000.

**Process:** ACM allocates funding to each participating ministry and sends on an incremental basis to ensure initial allocations are spent before additional allocations are provided to each ministry. Participating ministry representatives will qualify clients and contact LG&E with the pledge amount. LG&E applies the pledges to the customer accounts. Each participating ministry sends payment to LG&E for pledges submitted by that ministry. To ensure pledges can be reconciled to payments received from the community ministries, a unique pledge ID is assigned to each pledge and is provided with the initial pledge and the payment. Monthly, ACM provides LG&E with a detailed report with number of customers assisted and current program spend.

**Months Available to Customer:** April - December

## Attachment 1 to Response to PSC Post Hearing Question No. 14

Low Income Home Energy Assistance Program (LIHEAP) Vendor Agreement

Page 1 of 7

McFarland

*Emailed & mailed  
original - 11-01-18*

This Agreement entered into by and between Low. Metro Office of Resilience & Community Serv. (CAA) and Louisville Gas & Electric (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 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

Attachment 1 to Response to PSC Post Hearing Question No. 14

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:**

Louisville Gas & Electric                      502-627-2557                      502-627-2794  
*Business Name*                                      *Telephone Number*                                      *Fax Number*

820 W. Broadway                                      61-0264150  
*Business Address*                                      *Federal ID Number*

Louisville, KY 40202                                      Debbie Law  
*Mailing Address*                                      *Contact Name*

Customer.Commitment@lge-ku.com  
*Email Address*

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

Debbie Law                                      10-01-2018  
*Vendor Signature*                                      *Date*

**CAA:**

Date Received: \_\_\_\_\_ Agency Representative: \_\_\_\_\_



Attachment B
Louisville Metro Government Office of Resilience and Community Services
LIHEAP VENDOR PRICE QUOTE

Landlord/Company Name: Louisville Gas + Electric
Address: 820 W. Broadway
City: Louisville State: KY Zip Code: 40202
Telephone: 502 627-2557 Cell Phone:
Email: Customer.Commitment@lgc-ku.com

Landlord/Heat included with Rent:

Each client applying for this type of assistance must have a written lease agreement and/or an eviction notice stating that utilities are included in the rent.

Landlord may need to provide proof of property ownership

Source of Heat in the home: ELECTRIC GAS PROPANE FUEL OIL WOOD

Propane Gas

Propane will be delivered by the appropriate Owner/Vendor of the propane tank in accordance with Federal regulations.

Price per gallon (delivered)

Size of Load: Are you able to deliver within 48 hours?

Seasoned Hardwood

Per 1 Cord = 4 x 4 x 8, Stacked

Price quoted per Cord, Delivered to client and stacked

Fuel Oil/#1 Kerosene

Customers listed on the voucher must pick up no less than five (5) gallons per visit and sign for each purchase and initial by the attendant.

Price per gallon (delivered) Price per gallon (picked up)

Coal

Price per ton (delivered)

Vendor Signature: [Signature] Date: 10-01-2018

**Attachment A**  
**Louisville Metro Government Office of Resilience and Community Services**  
**LIHEAP Subsidy/Crisis Billing Procedures**  
**2017-2018**

1. All customers approved for LIHEAP Subsidy or Crisis benefits will receive a copy of application stating the amount of benefit approved, the vendor to whom the benefit is paid and an account number (if applicable).
2. A voucher will be faxed to bulk fuel vendors upon application approval. Once the bulk fuel is delivered, the vendor is required to fax back the voucher with their portion completed.
3. A report of approved customers will be run every Monday. The approved list will include: vendor, customer name, date approved, LIHEAP component (Subsidy or Crisis), and the benefit amount to be paid on behalf of the customer.
4. Community Action will then submit a Purchase Request to Louisville Metro Finance Department for payment to the vendor.
5. Checks will be made to the vendor totaling the amount of the listing within 4-6 weeks from the date payment was requested.

If you have any questions concerning the amount of the check, the customer's account or amount of the benefit, please call (502) 574-6122 for assistance.

In order to receive payment, you must sign all documentation in this packet.

Please keep a copy of this form for your records and mail the original form to:

Louisville Metro Government  
Office of Resilience and Community Services  
Attn: Janet Moncada  
701 West Ormsby, Suite 201  
Louisville, KY 40203

Or fax to (502) 574-6912

Should you have a complaint about the program, payments or any other issues concerning LIHEAP, you may contact the following:

Louisville Metro Office of Resilience and Community Services  
Community Action Kentucky

502-574-1157  
800-456-3452

Vendor Signature: \_\_\_\_\_



Date: \_\_\_\_\_

10-01-2018



This Agreement entered into by and between Community Action of Southern Kentucky (CAA) and Louisville Gas & Electric (Vendor) is effective as of October 1, 2018.

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 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 the 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.

Mailed  
09-11-18  
AD

Low Income Home Energy Assistance Program (LIHEAP) Vendor Agreement

- 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 or designee for the purpose of research, evaluation and analysis information on household energy costs and energy usage for LIHEAP households.
- 20. Provide, at no cost to the Cabinet, Community Action Kentucky, or the Community Action Agency, written information on an applicant household's home energy costs, bill payment history, arrearage history for a twelve (12) consecutive month billing period.

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:

Louisville Gas & Electric      502-627-2557      502-627-2794  
 Business Name      Telephone Number      Fax Number

820 W. Broadway      61-0264150  
 Business Address      Federal ID Number or Social Security Number

Louisville, KY 40202      Debbie Law  
 Mailing Address      Contact Name

Customer.Commitment@lge-ku.com  
 Email Address

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

Debbie Law

Vendor Signature

09-11-18

Date

CAA:

Date Received: \_\_\_\_\_ Agency Representative: \_\_\_\_\_

**CERTIFICATION STATEMENT**

1. I have read and understood all the information contained in the LIHEAP Vendor Solicitation Packet (Vendor Letter, Vendor Agreement, Billing Procedures for the Subsidy and Crisis Components, Vendor Application, Product Specifications).
2. All the information provided on this Vendor Application is correct.
3. Fuel to be picked up or delivered will meet specifications declared on this Vendor Application Form.
4. I certify that neither I nor any member of my immediate family is an employee of Community Action of Southern Kentucky, Inc., or serves on the agency's Board of Directors or Advisory/Policy Councils.
5. I certify that I accept the terms and conditions of the **BILLING PROCEDURES**.
6. All wood vendors agree they will not change or alter their price during the LIHEAP 2018 – 2019 program year.

VENDOR SIGNATURE:  DATE: 09-11-18

Please submit, along with Vendor Agreement, to:

**COMMUNITY ACTION OF SOUTHERN KENTUCKY, INC.  
LIHEAP PROGRAM  
921 BEAUTY AVENUE  
BOWLING GREEN, KY 42102-9014  
NO LATER THAN CLOSE OF BUSINESS September 27, 2018**

**AGREEMENT**

THIS AGREEMENT ("Agreement") is made and entered into as of \_\_\_\_\_, 2008, by and between **LOUISVILLE GAS AND ELECTRIC COMPANY** ("LG&E"), a corporation organized and existing under the laws of Kentucky, and **AFFORDABLE ENERGY CORPORATION** ("AEC"), a nonprofit corporation organized and existing under the laws of Kentucky and having its business offices at 10617 Taylorsville Road, Louisville, Kentucky 40299.

**WITNESSETH:**

**WHEREAS**, pursuant to Order of the Kentucky Public Service Commission in Case No. 2007-00337 and in conjunction with various local relief agencies including Association of Community Ministries, Inc. ("ACM") and a representative of the Attorney General of Kentucky, LG&E has developed a low-income home energy assistance ("HEA") program to be operated as the All Seasons Assurance Plan (hereinafter referred to as "ASAP") to assist low-income households in the LG&E service territory;

**WHEREAS**, ASAP, as a year-round, monthly utility subsidy program, will help low-income families afford and maintain utility service with LG&E;

**WHEREAS**, AEC desires to act as the administrative agent with its board of directors, fiscal agent, and service delivery process for eligible residential customers of LG&E; 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 October 1, 2007 retroactively and terminate September 30, 2012.

**II. ADMINISTRATIVE EXPENSES**

AEC will be entitled to recover actual operating expenses not to exceed ten percent of the total HEA funds collected over the length of the Program, which is coterminous with the length of the contract. The parties acknowledge that the ten percent limitation on operating expenses is based upon total HEA funds collected 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 AEC's financial records will be performed annually by an independent certified public accountant, in accordance with AEC's 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 Commission. 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 at the line item detail. AEC shall provide LG&E with an explanation of any variance in program expenses which is plus or minus 10% from the budget. However, LG&E acknowledges that variances will occur and agrees to act in the utmost good faith. The parties recognize that AEC operates on a cash, rather than an accrual accounting system, and agree that to allow LG&E time to review variances in program expenses, AEC will provide LG&E with the explanation of variances prior to any meetings.

### **IV. LG&E RESPONSIBILITIES**

A. LG&E will include on each residential customer's monthly bill a ten-cent HEA charge for each residential gas or electric meter to fund ASAP.

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

C. LG&E agrees to work with AEC to evaluate and report on ASAP program results, and to provide regular reports to AEC to assist in the production of quality data in order to determine relevant statistics on ASAP.

D. LG&E agrees to provide to AEC, by no later than the 20<sup>th</sup> day of the month prior to service provision, one-twelfth of ten percent of the annual proposed program budget, for administrative costs. The actual administrative costs will be trued up at the expiration of the program in September, 2012. As set out in Article II, unused funds for administrative costs will "roll-over" for subsequent periods during the Program.

E. LG&E agrees to provide information to AEC so that actual HEA funds collected can be balanced with HEA funds distributed to customers for each program year. LG&E will provide AEC with quarterly reports of the amount of HEA funds that LG&E is collecting.

F. LG&E agrees to work with AEC to provide a "customer balancing" mechanism at least twice a year for the program year. LG&E will provide its list of customers enrolled in the ASAP program for AEC to compare with its records.

**V. AEC RESPONSIBILITIES**

A. AEC will operate ASAP and will be responsible for the following: ASAP general policy, staffing, monitoring of program implementation, financial oversight of ASAP, programmatic oversight, contracts associated with intake and recertification, regular reporting and communication to LG&E, and financial audits.

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

C. AEC will provide LG&E with all requests for payment arrangements as well as budget questions or requests, usage report requests and similar communications electronically, as specified by LG&E. Any requests and similar communications not provided electronically as directed by LG&E from time to time will be addressed under LG&E's routine business rules and procedures.

D. AEC agrees that it will select persons served by funding from ASAP based upon guidelines established to further the goals of the Program and approved by the Commission. AEC acknowledges that these guidelines include certain income limits and the requirement that the participant carry an arrearage of no more than \$1,000 at the time of the data transfer and eligibility designation. Said guidelines shall comply with all non-discrimination provisions of any federal, state or local law, ordinance or statute that applies within the LG&E service area. AEC further agrees to allocate and document participation pro rata over the counties in LG&E's service area based on the number of LG&E customers in each county.

E. AEC agrees to administer a Discretionary Emergency Assistance Fund, consisting of up to five percent (5%) of the total HEA funds LG&E collects, in accord with the Discretionary Emergency Assistance Fund Procedures filed with the Kentucky Public Service Commission in Case No. 2007-00337 on October 29, 2007. The Fund will be available to provide discretionary



energy assistance to program participants to pay down arrearages or to provide energy assistance to low-income LG&E customers in times of crisis.

F. AEC agrees to maintain, during the term of this Agreement, complete and accurate records of all receipts and disbursements that are funded by this Agreement and to provide LG&E with monthly financial statements in the form of Exhibit A attached hereto. AEC will also provide LG&E with monthly program updates including number of clients served, attrition, new clients entering the program, and county distribution.

G. LG&E shall have the right, at any reasonable time, and with notice reasonable to the circumstances to inspect and audit the records maintained by AEC either through its own authorized representatives or through any public accounting firm selected by LG&E.

H. AEC acknowledges that, pursuant to the Commission's Order of September 14, 2007 in Case No. 2007-00337, LG&E will prepare a "Request for Proposal" for third party consulting services required to perform an evaluation of ASAP to be completed by March 15, 2012. AEC agrees to cooperate with the evaluation and to provide the data needed by the third party consultant to conduct the evaluation.

I. AEC may contract with ACM for administrative support services and may use other administrative service providers as needed for services that ACM cannot provide.

J. AEC agrees to maintain, during the term of this Agreement and for two years following expiration of the ASAP program, complete and accurate records of all receipts and disbursements that are funded by this Agreement.

K. AEC agrees to provide LG&E with any and all information necessary to meet KPSC requirements.

## **VI. REGULATORY APPROVAL**

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

## **VII. 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 AEC; or
2. Failure by either party to fulfill its specific obligations under this Agreement and in particular, with regards to LG&E, its obligations under Article IV, and with regard to AEC, its obligations under Article V; or
3. Disclosure or discovery that the covenants and representations made by AEC and its provider, or by LG&E, and agencies 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 either party, the party in breach shall, upon written notice from the other, proceed immediately to cure or remedy such default or breach. If AEC is the party in breach, then until such default or breach is cured, and without limiting LG&E's rights under Article XII, LG&E shall have the option of suspending its performance under this Agreement. If LG&E is in breach, and the breach has not been timely cured after notice, then AEC shall have the right to seek injunctive or other relief for specific performance or any other remedy appropriate to the circumstances.

## **VIII. GOVERNING LAW**

The rights and obligations of LG&E and AEC 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 LG&E for convenience purposes only but has been negotiated by both parties and shall not be interpreted or construed against LG&E or AEC.

## **IX. RENEWAL**

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. CONFIDENTIALITY**

A. The parties acknowledge that each will have access to Confidential Information, obtained, developed or provided by the other parties with respect to ASAP 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 this Article in making such disclosure. Nothing herein shall prevent any party from utilizing subcontractors in connection with the performance of its duties, provided that such subcontractors agree or are legally obligated to protect the confidentiality of the Confidential Information.

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 ASAP, 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 LG&E's billing or accounting systems for purposes of ASAP or LG&E's routine operations, then LG&E'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 ASAP 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.

**XI. TERMINATION**

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

**XII. DISPUTES**

The parties mutually agree to work together in the utmost good faith to resolve any disputes hereunder, and to ensure the successful operation of ASAP.

**XIII. ENTIRE AGREEMENT**

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.

**XIV. NO OTHER BENEFICIARIES**

This Agreement is solely between the parties, and nothing in this Agreement or in ASAP 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: *John W. Wilson, Director, Customer Service & Utility*  
Louisville Gas and Electric Company

BY: *Robert Curtis, Board Chair*  
Affordable Energy Corporation

Acknowledged:

BY: *Maureen Cunningham*  
Association of Community Ministries, Inc.  
Treasurer

**AGREEMENT**

*By and Between*

**COMMUNITY WINTERHELP INC. and LOUISVILLE URBAN LEAGUE**

**THIS AGREEMENT**, by and between COMMUNITY WINTERHELP, INC. ("COMMUNITY WINTERHELP"), having its business offices at 1535 W. Broadway, Louisville, Kentucky, 40203, and LOUISVILLE URBAN LEAGUE, having its business offices at 1535 W. Broadway, Louisville, Kentucky, 40203, this 14 day of November, 2018.

**WITNESSETH:**

**WHEREAS**, COMMUNITY WINTERHELP desires to fund an energy assistance program (hereinafter referred to as the Program) that will benefit a select number of Louisville Gas & Electric Company's (hereinafter referred to as LG&E) low-income residential customers; and

**WHEREAS**, LOUISVILLE URBAN LEAGUE desires to provide and administer all financial and operational management for said Program;

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

A. TERM OF AGREEMENT

The term of this Agreement shall begin January 1, 2018, and terminate December 31, ~~2018~~ <sup>2019</sup> and may be renewed pursuant to Section P of this Agreement.

B. PROGRAM ADMINISTRATION EXPENSES

COMMUNITY WINTERHELP shall compensate LOUISVILLE URBAN LEAGUE \$12,000 or 5% of revenues for the program year, May 1 through April 30 whichever is greater for program administration and operation. Program

administration expenses shall include accounting services, bonding and insurance premiums, and cost of an annual independent review or audit, as deemed necessary by COMMUNITY WINTERHELP, as further specified in paragraph E herein. Payment shall be made to Louisville Urban League at the end of each fiscal year after yearly program revenues have been determined.

**C. PROGRAM RESPONSIBILITIES**

1. LOUISVILLE URBAN LEAGUE agrees to have a designated staff member of LOUISVILLE URBAN LEAGUE to perform the necessary administrative duties to include the following: working to correct any errors with COMMUNITY WINTERHELP sites, including monitoring the electronic input of client data; scheduling annual training; ongoing communications with community ministries and board members; providing backup support to record and distribute minutes from all meetings when COMMUNITY WINTERHELP is unavailable; returning phone calls on answering machine and updating messages; and bringing forward any issues to COMMUNITY WINTERHELP Board of Directors, as needed; and other activities to prepare for the program year and during the service delivery phase, from January through April of the program year.
2. LOUISVILLE URBAN LEAGUE also agrees to furnish office space, telephone, the use of office equipment (copier, fax, computer), as well as at least one filing cabinet for records.
3. LOUISVILLE URBAN LEAGUE shall arrange for and supervise the COMMUNITY WINTERHELP annual review or audit.
4. LOUISVILLE URBAN LEAGUE agrees to submit monthly financial reports for COMMUNITY WINTERHELP to the Board of Directors of COMMUNITY WINTERHELP at the regularly scheduled meetings of COMMUNITY WINTERHELP. The financial reports shall account for all funds received and

expended for the organization, and, upon request, shall be accompanied by copies of all bank statements for which funds from COMMUNITY WINTERHELP have been deposited, withdrawn or otherwise transferred.

5. LOUISVILLE URBAN LEAGUE shall be responsible for disbursing funds and required contracts and addendums to COMMUNITY WINTERHELP sites during the Program season.

**D. PROOF OF REQUIRED FILINGS**

LOUISVILLE URBAN LEAGUE shall show proof that it has timely filed and paid all required federal, state and local taxes, and forms including Federal Form 990, and the annual forms required by the Kentucky Office of the Secretary of State, or any other entity. LOUISVILLE URBAN LEAGUE shall file all returns, reports and required filings by their due dates and shall provide copies promptly to COMMUNITY WINTERHELP. Note: there are no employees of COMMUNITY WINTERHELP. Financial and Administrative services are provided by the staff of the LOUISVILLE URBAN LEAGUE, who assumes responsibility for filing employment taxes or 1099 forms, and all required forms.

**E. AUDIT OR REVIEW**

LOUISVILLE URBAN LEAGUE shall provide to COMMUNITY WINTERHELP a copy of the COMMUNITY WINTERHELP annual audit or review by funding source, performed by an independent accounting firm within 120 days of the end of each fiscal year or upon termination of the Program, whichever occurs first. The requirement of an independent accounting firm may be waived in the sole discretion of the Board of Directors of COMMUNITY WINTERHELP.

**F. RECORDS RETENTION AND INSPECTION**

**1. Recordkeeping**

LOUISVILLE URBAN LEAGUE agrees to maintain, during the term of this

Agreement complete and accurate records of all LOUISVILLE URBAN LEAGUE'S costs and expenses which are chargeable to this Agreement and cost and expenses of any and all programs funded by this Agreement. The records thus to be maintained and retained by LOUISVILLE URBAN LEAGUE shall include but not be limited to: all payroll records accounting for total time charged to COMMUNITY WINTERHELP of LOUISVILLE URBAN LEAGUE'S employees working full or part-time on programs relating to this agreement; invoices for purchases, receiving and issuing documents, and all the inventory records for administrative items needed to fulfill the programs covered by this Agreement; paid invoices and cancelled checks for materials purchased and for subcontractors; and any other third party charges.

2. COMMUNITY WINTERHELP'S Right To Inspect

COMMUNITY WINTERHELP shall have the right, at any reasonable time, to inspect and audit those records by authorized representatives of its own or any public accounting firm selected by COMMUNITY WINTERHELP.

3. Records Transfer

All records and documents shall become the property of COMMUNITY WINTERHELP upon termination of this Agreement or any successor Agreement. Documents shall be given to Board Secretary/Treasurer for safekeeping.

G. BONDING

LOUISVILLE URBAN LEAGUE shall bond per year in an amount not less than One Hundred Fifty Thousand dollars (\$150,000), any and all directors, employees, agents or personnel that have direct handling responsibilities of any monies affiliated with this agreement. Bonding premiums shall come from the administrative budget. A copy of such bond is attached as Addendum A.

H. INSURANCE

LOUISVILLE URBAN LEAGUE shall carry the usual and customary business



insurance (general liability, professional liability if applicable, theft, etc.), in an amount not less than One Million Dollars (\$1,000,000) per year, to cover LOUISVILLE URBAN LEAGUE and COMMUNITY WINTERHELP. Insurance premiums shall come from the administrative budget. Copies of the face sheets of all policies are attached as Addendum B.

I. PROHIBITIONS AGAINST ASSIGNMENT AND TRANSFER.

1. Representations as to the Project:

LOUISVILLE URBAN LEAGUE represents and agrees that participation in the Program and other undertakings pursuant to the Agreement, are, and will be used, for the furtherance of the expressed goals of the Program.

2. Prohibition Against Assignment

a. LOUISVILLE URBAN LEAGUE shall not make or create, or suffer to be made or created, any total or partial sale, assignment, conveyance, or lease, or any trust or power, or transfer in any other mode or form with respect to the Program, the Agreement or any part thereof, or any interest therein or any contract or agreement to do any of the same, without the prior written approval of COMMUNITY WINTERHELP.

b. In the event of any purported assignment or transfer or other violation of this Section I, COMMUNITY WINTERHELP may terminate this Agreement and/or refuse to agree to any assignment or transfer. COMMUNITY WINTERHELP may require, in its sole discretion and except as otherwise expressly provided in the Agreement, as conditions to any approval of transfer or assignment that:

i. Any proposed transferee shall have the qualifications and financial responsibility, as determined by COMMUNITY WINTERHELP, in its sole discretion, necessary and adequate to fulfill the obligations undertaken in the Agreement by LOUISVILLE URBAN LEAGUE.

ii. Any proposed transferee, by instrument in writing to COMMUNITY WINTERHELP, shall for itself and its successors and assigns, and expressly for the sole benefit of COMMUNITY WINTERHELP, have expressly assumed all of the obligations of LOUISVILLE URBAN LEAGUE under this Agreement and agreed to be subject to all the conditions and restrictions to which LOUISVILLE URBAN LEAGUE is subject. Provided, however, that if any such transferee should fail to expressly assume all such obligations, such failure shall neither relieve the transferee of the duty to fulfill all the obligations of this Agreement nor in any way limit the rights and remedies of COMMUNITY WINTERHELP against such transferee and/or LOUISVILLE URBAN LEAGUE under this Agreement.

iii. LOUISVILLE URBAN LEAGUE shall submit to COMMUNITY WINTERHELP for review all instruments and other legal documents involved in effecting transfer; and any approval by COMMUNITY WINTERHELP shall be provided to LOUISVILLE URBAN LEAGUE in writing.

**J. DEFAULT**

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

1. Declaration of Bankruptcy of LOUISVILLE URBAN LEAGUE.
2. Failure to administer and implement the Program in conformity with this Agreement.
3. Failure to file in a timely manner any financial reports required by Section C of this Agreement or to furnish the additional reports to COMMUNITY WINTERHELP or permit inspection of records when required pursuant to Sections E or F of this Agreement.
4. Disclosure or discovery that the covenants and representations made by LOUISVILLE URBAN LEAGUE regarding the fulfillment of any Program

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.

**K. REMEDIES**

**1. Default by LOUISVILLE URBAN LEAGUE**

Except as otherwise provided in the Agreement, in the event of any default in or breach of the Agreement, or any of its terms or conditions, by LOUISVILLE URBAN LEAGUE, or any successor to LOUISVILLE URBAN LEAGUE, LOUISVILLE URBAN LEAGUE shall, upon written notice from COMMUNITY WINTERHELP, proceed immediately to cure or remedy such default or breach, within ten (10) days after receipt of such notice. In case such action is not taken or not diligently pursued, or the default or breach shall not be cured or remedied within thirty (30) days from receipt of notice, COMMUNITY WINTERHELP may but shall not be obligated to, institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach, including, but not limited to:

- a. Proceedings to compel specific performance by LOUISVILLE URBAN LEAGUE;
- b. Terminate or suspend this Agreement, after which COMMUNITY WINTERHELP shall be under no obligation to advance any undisbursed funds related to the Program to LOUISVILLE URBAN LEAGUE;
- c. Declare all funds previously disbursed to LOUISVILLE URBAN LEAGUE under this Agreement for the current contract year, to be immediately due and payable, to COMMUNITY WINTERHELP;
- d. Exercise any other rights or remedies that may be available to COMMUNITY WINTERHELP pursuant to this Agreement or under applicable laws or in equity.

2. Default by COMMUNITY WINTERHELP

Should COMMUNITY WINTERHELP default in its obligations to make payments under this agreement, LOUISVILLE URBAN LEAGUE shall have the right to seek any and all remedies which exist by statute or common law, provided that: LOUISVILLE URBAN LEAGUE shall first provide written notice to COMMUNITY WINTERHELP to proceed immediately to cure or remedy such default or breach, within ten (10) days after receipt of such notice. In case such action is not taken or not diligently pursued, or the default or breach shall not be cured or remedied within thirty (30) days from receipt of notice, LOUISVILLE URBAN LEAGUE may, but shall not be obligated to, institute proceedings.

3. Program Completion

In the event this Agreement should be terminated by agreement, or breach of this Agreement, COMMUNITY WINTERHELP reserves the right to assume responsibility for completion of the Program.

L. CONFIDENTIALITY

1. Confidentiality of Agreement and COMMUNITY WINTERHELP records

Without the prior written approval of COMMUNITY WINTERHELP, any knowledge, information, records or documents which COMMUNITY WINTERHELP shall have disclosed or may hereafter disclose to LOUISVILLE URBAN LEAGUE, and which in any way relates to this Agreement or services covered by this Agreement, or the implementation of any low-income energy assistance program resulting from this Agreement, including any supplements thereto, shall be held in strict confidence by LOUISVILLE URBAN LEAGUE and shall not be released to any other person, organization or entity, other than LOUISVILLE URBAN LEAGUE'S attorneys, accountants and program evaluators, who shall likewise agree to this confidentiality provision.

2. Confidentiality of LOUISVILLE URBAN LEAGUE Information

All information, records or documents which LOUISVILLE URBAN LEAGUE shall acquire which in any way relate to the Program covered under this Agreement, or the implementation of any low-income energy assistance program created by this Agreement, including any supplements thereto, shall not be released to any other person, organization or entity, except for the approved evaluation of the energy program created by this Agreement, without the prior written approval by COMMUNITY WINTERHELP. All requests, by LOUISVILLE URBAN LEAGUE, to release any of the above information, records, files or documents must be submitted in writing, to the Board Chair of COMMUNITY WINTERHELP.

M. INDEMNIFICATION

LOUISVILLE URBAN LEAGUE shall indemnify and hold harmless COMMUNITY WINTERHELP, its directors, employees, contractors and agents from any and all claims, losses, expenses, damages or liability of any kind whatsoever arising out of, or resulting from, or in any way related to this Agreement or the implementation of the Program by LOUISVILLE URBAN LEAGUE. LOUISVILLE URBAN LEAGUE shall reimburse and indemnify COMMUNITY WINTERHELP for all expenses incurred by COMMUNITY WINTERHELP in defending any and all suits brought against COMMUNITY WINTERHELP, its directors, employees, contractors and agents, alleging any such injury, damage, loss, or liability arising from actions or omissions of LOUISVILLE URBAN LEAGUE, even if such suit or suits are groundless, false, or fraudulent.

N. SEVERABILITY

It is understood and agreed that, should any portion of any clause or paragraph of this Agreement be deemed too broad to permit enforcement to its full extent, the said restriction shall be enforced to the maximum extent permitted by law, and

LOUISVILLE URBAN LEAGUE hereby consents and agrees that such scope may be modified accordingly in any proceeding brought to enforce such restriction. Further, it is agreed that, should any provision in this Agreement be entirely unenforceable, the remaining provisions of the Agreement shall not be affected thereby.

**O. GOVERNING LAW**

The rights and obligations of COMMUNITY WINTERHELP and LOUISVILLE URBAN LEAGUE 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 COMMUNITY WINTERHELP for convenience purposes only but has been negotiated by both parties and shall not be interpreted or construed against COMMUNITY WINTERHELP.

**P. RENEWAL**

COMMUNITY WINTERHELP reserves the right to renew and extend this contract for a period of one (1) year and from year to year thereafter, upon the same terms and conditions, if such renewal or extension is agreed to by LOUISVILLE URBAN LEAGUE. The total contract period is not to exceed five (5) years. Written notice of the intention to renew shall be given to LOUISVILLE URBAN LEAGUE by COMMUNITY WINTERHELP no later than one hundred and twenty (120) days prior to the expiration date. The renewal or extension shall become effective as proposed unless LOUISVILLE URBAN LEAGUE notifies COMMUNITY WINTERHELP in writing of its objection, no less than ninety (90) days prior to such expiration date.

**Q. TERMINATION**

Should either party elect to discontinue this Agreement, notification in writing shall be given sixty (60) days prior to the ending date of this Agreement or by mutual agreement. This Agreement may not be discontinued during the time period of December 1 through June 1, unless by mutual agreement.

**R. ENTIRE AGREEMENT**

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.

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

BY: Mary Bryan

Mary Bryan, Chairperson  
COMMUNITY WINTERHELP, INC.

BY: Ladiz N. Reynolds

LOUISVILLE URBAN LEAGUE

Dated this 14 day of November

2018.



**LG&E**

**GRANT**

## PROCEDURE MANUAL

**Program operating date:  
April 1, 2018 – December 30, 2018**

**ACM Contact: Marlon Cummings  
ACM Treasurer  
PO Box 99545  
Louisville KY 40269  
Telephone: 267-1055  
Fax: 267-4830  
Email: [ACMutilities@gmail.com](mailto:ACMutilities@gmail.com)**



**TABLE OF CONTENTS**

Cover Sheet	Pg 1
Table of Contents	Pg 2
Introduction	Pg 3
Client Eligibility	Pg 3
Pledge Process	Pg 4
Ministry & ACM Reporting Process	Pg 5

## Introduction

**Note:** For the purpose of this document, the word “Ministry” refers to all **15 individual Community Ministries** that comprise the Association of Community Ministries, Inc. [ACM] and also includes **Sister Visitor**, an agency of Catholic Charities.

The Association of Community Ministries, fiscal agent, for the 2018 LG&E Grant will receive the sum of **\$500,000** from LG&E. \$450,000 will be used for direct client assistance. Funds for direct client assistance will be apportioned to participating ministries. Administrative funds, \$50,000, will be allocated for administrative purposes. ACM will use \$3528 for central record keeping and \$46,472 will be distributed to individual Community Ministries for administration. The total sum is to be used exclusively for the cost of gas and electricity for residential dwellings within the LG&E territory and must secure 30 days of service.

## Client Eligibility

**Client must:**

- Qualify with gross income 250% or less OMB poverty scale
- Be in threat of disconnection as confirmed by LG&E
- Be in danger of losing eligibility to participate in Budget Billing. Budget billing clients will receive a “brown notice” of expulsion from program
- Be ineligible for Winterhelp due to status of bill or status of income
- If eligible for Winterhelp, such benefits must be utilized prior to accessing LG&E Grant funds
- Have a face to face appointment with a Ministry Representative at which time a LG&E Fund Financial Crisis Intervention form will be completed [Exhibit 3]
- Meet criteria then will be eligible for up to \$300 per household
- Clients cannot be denied eligibility for this program even if it is their off-year.
- Each agency can determine its capacity for multiple visits by clients in a year.

**NOTE:** Ministry Representative shall review extenuating circumstance on a case-by-case basis. See details and options below.

### **Extenuating Circumstances - Client Eligibility**

Ministry Representative shall follow the same guidelines as used for Winterhelp eligibility using "Option 2" within those guidelines. **Some** of those life-situations that will allow for "Extenuating Circumstances" are:

- Extraordinary (non-routine) medical bills
- Extraordinary childcare expenses
- Expenses for relative not in household, e.g., parent or child support.
- Job termination, lay-off, reduction in wages
- Income source left residence
- Other changes in income or expenses, e.g., family funeral, sudden illness, or similar unexpected expense

### **Pledge Process**

After completing the LG&E Fund Financial Crisis/Intervention Form and the Match Voucher:

- Each Ministry Representative will indicate to LG&E that the pledge being made is from LG&E Fund dollars. If using the portal, go to "Metro Match" on the drop down menu. If using both Match dollars & Ministry dollars, you will need to make 2 separate pledges.
- Pledge ID # shall be given to the Ministry Representative by the LG&E customer service representative for each client receiving LG&E Fund assistance.
- Ministry Representative shall enter each transaction on the "LG&E Fund Client Payment Log" .
- Pledge must secure 30 days of service from brown bill or confirmation of disconnection from LGE. **Agency may pledge above and beyond amount necessary to remove threat of disconnection up to a total of \$300.00. Agency payment cannot provide client with a credit balance.**
- If amount required by LG&E exceeds \$300 and any funds available from ministry, client is to make their portion of the payment prior to community ministry making pledge.

### **Ministry Reporting Process**

- By the **3rd of each month** each Ministry will electronically send a completed LG&E Client Payment Log" to the ACM Treasurer at: [ACMutilities@gmail.com](mailto:ACMutilities@gmail.com)
- It is imperative that all reports be submitted on time.

### **ACM Reporting**

#### ACM Reporting to LG&E

- Each month the ACM Treasurer will provide to LG&E a full status report of funds and activity

**LOUISVILLE GAS AND ELECTRIC COMPANY**

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

**Case No. 2018-00295**

**Question No. 15**

**Responding Witness: William Steven Seelye**

- Q-15. Refer to KU/LG&E Hearing Exhibit 1. Provide the same schedule for LG&E gas operations.
- A-15. See attached.

**Louisville Gas and Electric Company (Gas)**

Class	Total Revenue at		Total Revenue at		Percentage Increase	Base Rate Increase	Percentage Increase
	Present Rates	TCJA Surcredit	Present Rates with TCJA Surcredits	Proposed Revenue			
Residential Gas Service (RGS and VFD)	\$ 217,967,718	9,128,653	\$ 208,839,065	\$ 231,709,319	10.95%	\$ 13,741,600	6.30%
Commercial Gas Service (CGS)	90,494,241	1,903,690	88,590,551	96,197,944	8.59%	5,703,703	6.30%
Substitute Gas Sales Service-Commercial (SGSS) (CGS)	43,466	287	43,180	46,227	7.06%	2,761	6.35%
<b>Total</b>	<b>308,505,425</b>	<b>11,032,629</b>	<b>297,472,796</b>	<b>327,953,489</b>	<b>10.25%</b>	<b>\$ 19,448,064</b>	<b>6.30%</b>
Settlement Increase	19,447,905		30,480,534				
Total Revenue After Increase	327,953,330		327,953,330				
					10.25%		

**LOUISVILLE GAS AND ELECTRIC COMPANY**

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

**Case No. 2018-00295**

**Question No. 16**

**Responding Witness: Elizabeth J. McFarland**

- Q-16. Provide a copy of the Metropolitan Housing Coalition's operating manual with LG&E.
- A-16. LG&E does not have an operating manual with Metropolitan Housing Coalition. Metropolitan Housing Coalition does not provide any services for LG&E. *See also* Response to Question No. 14 above.

**LOUISVILLE GAS AND ELECTRIC COMPANY**

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

**Case No. 2018-00295**

**Question No. 17**

**Responding Witness: Daniel K. Arbough**

- Q-17. Provide a revised Exhibit J in support of the stipulation.
- A-17. 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.

**LOUISVILLE GAS AND ELECTRIC COMPANY**

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

**Case No. 2018-00295**

**Question No. 18**

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

- Q-18. Refer to LG&E's February 25, 2019 Supplemental Response to Staff's Fourth Request for Information, Item 3.
- a. Explain every basis for the increase in total gas operating expense for line locations from \$2.3 million in 2017 to \$4.16 million in the base period, including the extent to which and why each basis resulted in an increase in cost from 2017 to the base period.
  - b. Explain every basis for the increase in total electric operating expense for line locations from \$1.3 million in 2017 to \$3.7 million in the base period, including the extent to which and why each basis resulted in an increase in cost from 2017 to the base period.
  - c. 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.
  - d. Provide the amount of the operating expense for gas and electric, separately, shown in LG&E's February 25, 2019 Supplemental Response that LG&E attributes to work identifying lines to permit Google Fiber 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 Google Fiber's network).
  - e. If LG&E contends that the increase in operating expense was the result of a backlog in requests for line locations, state whether that back log has been cleared and, if not, when LG&E expects it to be cleared; and explain why LG&E 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 LG&E projected its operating expenses for line locations from the base period to the test period.
- h. Explain every basis for the increase in total gas operating expense for line locations from \$4.16 million in the base period to \$5.05 million in the test period, including the extent to which and why each basis resulted in a projected increase in cost from the base period to the test period.

A-18.

- a. From December 1, 2013 to November 30, 2017, line locating services were provided by United States Infrastructure Corporation (“USIC”). In 2017, LG&E paid the contractor a base ticket price of \$ [REDACTED] for gas locates. That rate had not been adjusted since the contract inception on December 1, 2013. LG&E consistently pursued USIC to perform the locate requests in a timely manner, including the use of significant penalties under the contract. However, the average on time performance remained within the 74-77% range. Despite LG&E’s best efforts, LG&E was unsuccessful at getting the contractor to fully perform under the contract. LG&E’s control was limited by the “consortium” approach the local utilities (LG&E, MSD, LWC, AT&T, and what is now Spectrum) took in an effort to be cost efficient. Ultimately, USIC’s performance is what led LG&E to leave the “consortium” and through a competitive bidding process retain the services of a new locate contractor, Olameter. The new contract took effect on December 1, 2017.

The new contractor’s adjusted base ticket rate was \$ [REDACTED] which was a 21.6% increase from the previous contractor rate. The contract also included an hourly rate of \$ [REDACTED] for combined gas and electric tickets defined as fiber project tickets. The new contractor’s performance did not meet the desired results. The average on time performance fell to 50% resulting in an increase in late tickets (i.e. backlog). In July 2018, the contractor notified LG&E of their intent to terminate the contract as of August 9, 2018. A collaborative effort between both parties resulted in a negotiated end date of December 31, 2018. LG&E agreed to pay an interim hourly rate to the contractor to allow time for LG&E to establish new line locating contracts. The new interim hourly rate equated to \$ [REDACTED] for all electric and gas locate requests.

Subsequently, through a competitive bidding process LG&E determined that splitting the work between multiple contractors would be the best solution to meet anticipated future needs, increase flexibility and reduce risk. LG&E established two contracts for line locating services; Utility Resource Group (“URG”) and ELM Utility Services (“ELM”). Those contracts took effect in

December 2018. The hourly rate on average was \$ [REDACTED] for all electric and gas locate requests.

In addition, LG&E contracted one of the successful line locating contract bidders, ELM, to provide late ticket backlog reduction services in October 2018 at an hourly rate of \$ [REDACTED] for all electric and gas locate requests.

The results from the two new line locating contracts are demonstrated in January and February 2019 statistics with over 98% on time performance.

b. Reference response (a) with notes below.

- USIC base electric ticket price - \$ [REDACTED]
- Olameter base electric ticket price - \$ [REDACTED] (72% increase)
- Olameter new interim hourly rate for all electric and gas locate requests - \$ [REDACTED]
- URG and ELM average hourly rate for all electric and gas locate requests - \$ [REDACTED]
- ELM ticket backlog reduction services for all electric and gas locate requests - \$ [REDACTED]

c. The timeline of events is listed below:

- December 1, 2017 – LG&E’s contract with USIC for locating ends after unsuccessful efforts to increase performance.
- December 1, 2017 – Olameter takes over locating responsibilities for LG&E.
- January 1, 2018 - There was a 41% increase in the base combined gas and electric ticket price from the previous contractor (USIC) (i.e. \$ [REDACTED] for USIC vs. \$ [REDACTED] for Olameter).
- July 9, 2018 – Olameter sends notification of intent to terminate contract in 30 days due to increasing difficulties performing the locate function; contract set to terminate on August 9, 2018.
- July 26, 2018 – Olameter agrees to maintain revised contract until December 31, 2018 allowing LG&E time to identify and establish replacement contracts. There was approximately a 100% increase in the base combined gas and electric ticket price (Note: this is based upon one locate request completed per hour). (i.e. \$ [REDACTED] vs. \$ [REDACTED] for Olameter).
- September 21, 2018 – LG&E and One Call Locators, LTD dba ELM Utility Services (ELM) agree to contract for supplemental locators to assist in reducing late locate backlog beginning October 15 (subsequently changed to October 1).
- September 29, 2018 – ELM resources arrive in Louisville for Operator Qualification (“OQ”) and Passport training.

- October 1, 2018 - ELM resources begin locating as supplemental workforce. This new contractor was slightly more than three times the cost of the Olameter rate on January 1, 2018.
- October 8, 2018 – LG&E and URG agree to 4 year contract for 50% of locating services for LG&E beginning approximately January 1, 2019 (subsequently changed to December 3, 2018)
- October 9, 2018 – LG&E and ELM agree to 4 year contract for 50% of locating services for LG&E beginning approximately January 1, 2019 (subsequently changed to December 2018).

The chart listed below summarizes the history of line locating rates:

	USIC	Olameter Original 2018	Olameter Interim 2018	ELM 2019 Forward	URG 2019 Forward
Electric Locate Ticket	\$ [REDACTED]	\$ [REDACTED]	N/A	N/A	\$ [REDACTED]
Gas Locate Ticket	\$ [REDACTED]	\$ [REDACTED]	N/A	N/A	\$ [REDACTED]
Subtotal	\$ [REDACTED]	\$ [REDACTED]			\$ [REDACTED]
Hourly Locate Work	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]

N/A in the table above indicates that the contractor only performs hourly locate work, with one hour per locate being a general proxy for locate costs.

There are differences in contractor costs between KU and LG&E because KU uses a different contractor than LG&E 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.

- d. The actual ticket volume for the Google fiber project is shown in the table below. The estimate of the actual operating expense is \$285,000 inclusive of both gas and electric locate requests. The operating expenses for gas were approximately \$151,050 (53%) and electric were approximately \$133,950 (47%).

Year	Date	Google
2017	September	170
	October	185
	November	240
	December	162
2018	January	207
	February	171

	March	177
	April	353
	May	318
	June	291
	July	78
	August	77
	September	34
	October	55
	November	45
	December	46

- e. LG&E contracted one of the successful bidders (ELM) that replaced Olameter for resources to eliminate the backlog starting on October 1, 2018. The backlog was eliminated on December 14, 2018 (reference letter to PSC to report December 2018 line locating statistics). The test year does not have projected costs for eliminating a late ticket backlog. The test year requirements were based on completing line locating tickets on time.
- f. The operating expenses for line locations in the base period provided in response to PSC 4-3 are actual 2018 expenses.
- g. LG&E’s operating expenses for line locating are projected based on applying current contract terms for the line locaters to projected ticket volumes which include consideration for planned and proposed major projects (i.e. public improvement/roadway, capital construction – water, sewer, gas, electric, fiber). While historic volumes are considered they can be impacted by many factors, including extremely wet weather as was the case in 2018.
- h. The base year includes the operating expenses under the Olameter line locating contract. The test period includes the operating expenses under the two new line locating contracts (i.e. Utility Resource Group and ELM Utility Services contracts). While ticket volumes have varied (147,245 – 2017; 136,886 – 2018; and ~150,000 – 2019 projected), the predominant driver for increased locate expenses is contract labor costs (both ticket and hourly locate work) to achieve timely and accurate locates.

Certain information requested is confidential and proprietary and is being provided under seal pursuant to a petition for confidential protection.