

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC INVESTIGATION OF HOME)
ENERGY ASSISTANCE PROGRAMS)
OFFERED BY INVESTOR-OWNED UTILITIES) CASE NO. 2019-00366
PURSUANT TO KRS 278.285(4))

RESPONSE OF
LOUISVILLE GAS AND ELECTRIC COMPANY
AND
KENTUCKY UTILITIES COMPANY
TO COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
DATED DECEMBER 16, 2019

FILED: JANUARY 3, 2020

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) **SS:**
COUNTY OF JEFFERSON)

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

Eileen L. Saunders
Eileen L. Saunders

Subscribed and sworn to before me, a Notary Public in and before said County and State, this *3rd* day of *January* 2020.

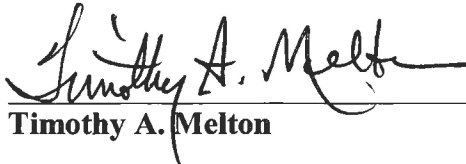
Judy Schooler (SEAL)
Notary Public

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

VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)

The undersigned, **Timothy A. Melton**, being duly sworn, deposes and says that he is Manager – Customer Commitment for 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.



Timothy A. Melton

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 3rd day of January 2020.



Notary Public (SEAL)

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

**Louisville Gas and Electric Company and Kentucky Utilities Company
Response to Commission Staff's Second Request for Information
Dated December 16, 2019**

Case No. 2019-00366

Question No. 1

Witness: Eileen L. Saunders / Timothy A. Melton

- Q-1. Confirm that LG&E's HEA program is a crisis program and does not provide recurring benefits to eligible enrolled applicants.
- A-1. LG&E's HEA program is not a crisis program and does provide recurring benefits to eligible enrolled applicants.

**Louisville Gas and Electric Company and Kentucky Utilities Company
Response to Commission Staff's Second Request for Information
Dated December 16, 2019**

Case No. 2019-00366

Question No. 2

Witness: Eileen L. Saunders / Timothy A. Melton

- Q-2. Confirm that KU's HEA program is not a crisis program but instead provides recurring benefits to eligible enrolled applicants.
- A-2. Confirmed.

**Louisville Gas and Electric Company and Kentucky Utilities Company
Response to Commission Staff's Second Request for Information
Dated December 17, 2019**

Case No. 2019-00366

Question No. 3

Witness: Eileen L. Saunders / Timothy A. Melton

- Q-3. Explain whether LG&E's or KU's HEA programs have prioritization rules to determine which eligible applicants can receive HEA assistance or whether benefits are provided to eligible applicants on a first-come-first-served basis. If there are prioritization rules, describe the prioritization rules in detail.
- A-3. The Companies' HEA programs do not have defined program prioritization rules. The Companies' administrators assign benefits to eligible recertified applicants first, and then on a first-come-first-served basis for other applicants.

**Louisville Gas and Electric Company and Kentucky Utilities Company
Response to Commission Staff's Second Request for Information
Dated December 17, 2019**

Case No. 2019-00366

Question No. 4

Witness: Eileen L. Saunders / Timothy A. Melton

- Q-4. Provide a copy of any regular reports that Affordable Energy Corporation (AEC) routinely provides to LG&E. For example, if AEC provides weekly, monthly, and annual reports, provide one weekly, one monthly, and one annual report.
- A-4. See Attachment 1 for monthly report example and Attachment 2 for annual report example.

11:59 AM
12/10/19
Cash Basis

Affordable Energy Corporation
Statement of Revenue and Expenses Budget vs. Actual
November 2019

	Nov 19	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4000 · LGE Admin payments	16,400.00	16,400.00	0.00	100.0%
Total Income	16,400.00	16,400.00	0.00	100.0%
Gross Profit	16,400.00	16,400.00	0.00	100.0%
Expense				
6000 · Contracts				
6100 · Accounting				
6102 · Monthly Reporting	275.00	400.00	-125.00	68.8%
Total 6100 · Accounting	275.00	400.00	-125.00	68.8%
6140 · Computer Technical Assistance				
6145 · Technology-IT Frontdesk	350.00	320.00	30.00	109.4%
6142 · Database Support-ED2	250.00	250.00	0.00	100.0%
6143 · Hard Drive Support-Mirazon	305.00	277.00	28.00	110.1%
6144 · Website, Internet Support-GoDad	0.00	35.00	-35.00	0.0%
Total 6140 · Computer Technical Assistance	905.00	882.00	23.00	102.6%
6180 · Payroll Services	162.88	166.00	-3.04	98.2%
6180 · Temp Services	0.00	2,500.00	-2,500.00	0.0%
Total 6000 · Contracts	1,342.96	3,948.00	-2,605.04	34.0%
7000 · General Office				
7400 · Mileage	0.00	12.75	-12.75	0.0%
7600 · Miscellaneous	89.75	75.00	14.75	119.7%
7700 · Office Supplies				
7720 · Office	571.53	0.00	571.53	100.0%
Total 7700 · Office Supplies	571.53	0.00	571.53	100.0%
7800 · PNC Bank Service Charge / Fees	3.00	3.00	0.00	100.0%
7900 · Postage				
7920 · Envelopes and Postcards	3.66	0.00	3.66	100.0%
Total 7900 · Postage	3.66	0.00	3.66	100.0%
8000 · Printing/Copier Expense	236.88	350.00	-113.12	67.7%
8100 · Rent/Utilities	550.00	550.00	0.00	100.0%
8200 · Telephone				
8210 · Internet / DSL Service	114.97	55.00	59.97	209.0%
8220 · Phones	60.00	300.00	-240.00	20.0%
8230 · Telephone - Director	0.00	64.00	-64.00	0.0%
Total 8200 · Telephone	174.97	419.00	-244.03	41.8%
Total 7000 · General Office	1,629.79	1,409.76	220.04	115.6%
9000 · Personnel				
9500 · Salaries				
9501 · Salary 1	0.00	3,939.84	-3,939.84	0.0%
9502 · Salary 2	3,020.12	2,664.24	355.88	113.4%
9503 · Salary 3	2,052.81	2,220.83	-168.02	92.4%
Total 9500 · Salaries	5,072.93	8,824.91	-3,751.98	57.5%
9100 · Fringe Benefits				
9110 · Health Insurance				
9111 · Employee 1	-948.87	813.26	-1,762.13	-116.7%
9112 · Employee 2	543.79	480.72	63.07	113.1%
9113 · Employee 3	476.13	414.06	62.07	115.0%
Total 9110 · Health Insurance	71.05	1,708.04	-1,636.99	4.2%
9200 · HSA-AEC Contributions				
9201 · HSA-AEC contribution #1	0.00	125.00	-125.00	0.0%
9202 · HSA-AEC contribution #2	125.00	125.00	0.00	100.0%
9203 · HSA-AEC Contribution #3	125.00	125.00	0.00	100.0%
Total 9200 · HSA-AEC Contributions	250.00	375.00	-125.00	66.7%
9400 · Retirement				
9401 · Retirement 1	0.00	275.79	-275.79	0.0%
9402 · Retirement 2	224.46	186.50	37.96	120.4%
9403 · Retirement 3	155.48	155.46	0.00	100.0%
Total 9400 · Retirement	379.92	617.75	-237.83	61.5%
Total 9100 · Fringe Benefits	700.97	2,700.79	-1,999.82	26.0%
9300 · Payroll Taxes	417.14	675.11	-257.97	61.8%
Total 9000 · Personnel	6,191.04	12,200.81	-6,009.77	50.7%
Total Expense	9,163.79	17,558.56	-8,394.77	62.2%
Net Ordinary Income	7,236.21	-1,158.56	8,394.77	-624.6%

11:59 AM
12/10/19
Cash Basis

Affordable Energy Corporation
Statement of Revenue and Expenses Budget vs. Actual
November 2019

	Nov 19	Budget	\$ Over Budget	% of Budget
Other Income/Expense				
Other Income				
9900 - Interest Income	0.30	0.33	-0.03	90.9%
Total Other Income	0.30	0.33	-0.03	90.9%
Net Other Income	0.30	0.33	-0.03	90.9%
Net Income	7,238.61	-1,168.23	8,394.74	-624.8%

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12/10/19
Cash Basis

Affordable Energy Corporation
Statement of Revenue and Expenses Budget vs. Actual
January through December 2019

	Jan - Dec 19	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4000 · LGE Adm'n payments	180,400.00	186,800.00	-16,400.00	91.7%
4010 · True-up Payment	90,802.00	92,000.00	-1,198.00	98.7%
Total Income	271,202.00	288,800.00	-17,598.00	93.9%
Gross Profit	271,202.00	288,800.00	-17,598.00	93.9%
Expense				
8000 · Contracts				
6100 · Accounting				
6101 · Tax and Audit Reporting	4,900.00	4,725.00	175.00	103.7%
6102 · Monthly Reporting	3,737.50	4,575.00	-837.50	81.7%
Total 6100 · Accounting	8,637.50	9,300.00	-662.50	92.9%
6120 · Community Action Kentucky	1,000.00	1,000.00	0.00	100.0%
6140 · Computer Technical Assistance				
6146 · Technology-IT Frontdesk	3,850.00	3,840.00	10.00	100.3%
6141 · Database Development and Update	73,341.10	92,000.00	-18,658.90	79.7%
6142 · Database Support-ED2	4,816.25	4,600.00	216.25	104.7%
6143 · Hard Drive Support-Mirazon	6,751.58	3,324.00	3,427.58	203.1%
6144 · Website, Internet Support-GoDad	0.00	420.00	-420.00	0.0%
Total 6140 · Computer Technical Assistance	88,768.91	104,184.00	-15,425.09	85.2%
6160 · Payroll Services	1,848.77	2,000.00	-151.23	92.4%
6180 · Temp Services	0.00	15,800.00	-15,800.00	0.0%
Total 6000 · Contracts	100,245.18	132,284.00	-32,038.82	75.8%
7000 · General Office				
7180 · Insurance- BOD/Liability/Tenant	2,354.91	2,500.00	-145.09	94.2%
7300 · Membership/Dues	600.00	225.00	375.00	266.7%
7400 · Mileage	1,369.85	2,000.00	-630.05	68.5%
7600 · Miscellaneous	642.33	1,000.00	-357.67	64.2%
7700 · Office Supplies				
7710 · Computer	2,708.85			
7720 · Office	2,816.89	1,400.00	1,416.89	201.2%
7730 · Printed Materials	4,688.50	1,500.00	3,188.50	312.6%
Total 7700 · Office Supplies	10,214.24	2,900.00	7,314.24	352.2%
7800 · PNC Bank Service Charge / Fees	33.00	36.00	-3.00	91.7%
7900 · Postage				
7910 · Postage - Bulk Mailing	0.00	1,447.00	-1,447.00	0.0%
7920 · Envelopes and Postcards	9,841.21	9,950.00	-108.79	98.9%
Total 7900 · Postage	9,841.21	11,397.00	-1,555.79	86.3%
7950 · Training and/ or Conferences	598.11	500.00	98.11	119.6%
8000 · Printing/Copier Expense	4,438.61	4,200.00	238.61	105.7%
8100 · Rent/Utilities	5,500.00	6,500.00	-1,100.00	83.3%
8200 · Telephone				
8210 · Internet / DSL Service	1,135.44	660.00	475.44	172.0%
8220 · Phones	2,267.98	3,500.00	-1,392.02	63.0%
8230 · Telephone - Director	640.00	768.00	-128.00	83.3%
Total 8200 · Telephone	4,043.42	5,028.00	-984.58	80.4%
Total 7000 · General Office	39,635.78	36,386.00	3,249.78	108.9%
8300 · Intake Training				
8310 · Interpretation Services	1,882.50	6,000.00	-4,317.50	28.0%
8320 · Invitations	3,497.88	3,385.50	112.38	103.3%
8330 · Training and/or Accomodations	434.90	0.00	434.90	100.0%
8340 · Training Supplies	3,112.56	3,500.00	-387.44	88.9%
8350 · Weatherization	4,425.00	4,450.00	-25.00	99.4%
Total 8300 · Intake Training	13,152.84	17,335.50	-4,182.66	75.9%
9000 · Personnel				
9500 · Salaries				
9501 · Salary 1	40,980.50	46,413.27	-5,432.77	88.3%
9502 · Salary 2	30,856.18	31,905.90	-1,249.72	96.1%
9503 · Salary 3	24,840.25	26,325.00	-1,684.75	93.6%
Total 9500 · Salaries	96,276.93	104,644.17	-8,367.24	92.0%
9100 · Fringe Benefits				
9110 · Health Insurance				
9111 · Employee 1	7,319.34	9,759.12	-2,439.78	75.0%
9112 · Employee 2	4,604.60	6,788.64	-1,264.04	78.1%
9113 · Employee 3	4,651.50	4,968.72	-317.22	93.6%
Total 9110 · Health Insurance	16,475.44	20,496.48	-4,021.04	80.4%

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12/10/19
Cash Basis

Affordable Energy Corporation
Statement of Revenue and Expenses Budget vs. Actual
January through December 2019

	Jan - Dec 19	Budget	\$ Over Budget	% of Budget
9200 · HSA-AEC Contributions				
9201 · HSA-AEC contribution #1	1,250.00	1,500.00	-250.00	83.3%
9202 · HSA-AEC contribution #2	1,375.00	1,500.00	-125.00	91.7%
9203 · HSA-AEC Contribution #3	1,260.00	1,500.00	-250.00	83.3%
Total 9200 · HSA-AEC Contributions	3,875.00	4,500.00	-625.00	86.1%
9400 · Retirement				
9401 · Retirement 1	2,690.60	3,248.91	-558.11	82.8%
9402 · Retirement 2	2,103.61	2,237.62	-134.11	94.0%
9403 · Retirement 3	1,531.66	1,854.12	-322.28	82.6%
Total 9400 · Retirement	6,326.17	7,340.65	-1,014.48	86.2%
Total 9100 · Fringe Benefits	26,676.61	32,337.13	-5,660.52	82.5%
9300 · Payroll Taxes	9,027.32	7,997.91	29.41	100.4%
Total 9000 · Personnel	130,980.86	144,979.21	-13,998.35	90.3%
Total Expense	284,014.66	330,984.71	-46,970.05	85.6%
Net Ordinary Income	-12,812.66	-42,184.71	29,372.05	30.4%
Other Income/Expense				
Other Income				
9900 · Interest Income	3.47	3.90	-0.43	89.0%
Total Other Income	3.47	3.90	-0.43	89.0%
Net Other Income	3.47	3.90	-0.43	89.0%
Net Income	-12,809.19	-42,180.81	29,371.62	30.4%

ASAP BENEFITS BUDGET ALLOCATION 2019

Total Benefit Summary YTD	Total Clients	New Clients	#Active	#Inactive	#Hold	#Pending Termination	#Withdrawn	#Terminated	BENEFIT ALLOCATION	#CLIENTS	TOTAL BENEFITS
Client Totals	2562	893	2202	74	203	4	74	5	\$400.00	491	\$196,400.00
Client Goals	3500	1832							\$600.00	707	\$424,200.00
Difference	(938)	(939)							\$800.00	538	\$430,400.00
									\$1,000.00	825	\$825,000.00
Allocated Benefits YTD	\$1,876,800.03	\$636,400.03	\$1,623,950.08	\$54,486.68	\$150,364.99	\$3,000.00	\$50,364.19	\$3,260.00	TOTAL	2561	\$1,876,000.00
Clean Start YTD	\$67,437.01	\$67,437.01									
5% Discretionary YTD	\$1,795.77	\$1,795.77									
Total YTD	\$1,946,032.81	\$705,632.81									
2019 Benefits Goal	\$2,255,200.00	\$1,014,800.00						% Unspent:	6.95%	Total Past Due	TOTAL # ESL
Difference	(\$310,962.96)	(\$310,962.96)						Approximate Projected unspent allocations (IA, WD, Term):	\$108,110.87	\$47,956.34	146
2019 YTD Projected Surplus Spend Down (minus projected unspent allocations)	(\$142,073.83)	Goal: \$277,000	NOTES: 1668/2533 Recertified. Only 1647 Qualified for Orientation Invitation from LH Subsidy; 1832 needed to reach goal. Enrollment goal of 3500 is 1000 over program normal capacity. Unspent ASAP Benefit reserve as of December 31st 2018 \$834,331.52. \$10,200 from 13 recert appeals. 84 Crisis recerts@\$58,400. out of bal \$600. \$400 RECERT ADDED. \$400 recert added. 5-s8recert \$4600						5% Discretionary Budget Balance:		\$29,677.22
Approx. Break Even	\$1,978,200.00										
2019 Goal	\$2,255,200.00										
Difference	\$277,000.00										
YTD to Break Even	(\$33,962.96)										
YTD to Goal	(\$310,962.96)										
Mth Avg to BreakEven	\$164,850.00										
Monthly Avg to Goal	\$187,933.33										
Monthly Avg YTD	\$148,450.53										

*does not include IA, WD, Term

ZIP	COUNT	BEN BY ZIP	ZIP	COUNT	BEN BY ZIP
40006	2	\$1,000.00	40211	330	\$246,398.08
40014	17	\$13,340.00	40212	270	\$208,644.25
40019	1	\$600.00	40213	45	\$33,090.68
40023	1	\$1,000.00	40214	141	\$97,495.22
40026	3	\$2,000.00	40215	154	\$110,020.92
40031	3	\$2,000.00	40216	209	\$153,988.22
40047	16	\$12,400.00	40217	25	\$17,560.40
40056	4	\$2,200.00	40218	125	\$83,855.23
40059	3	\$2,000.00	40219	102	\$75,727.64
40077	0	\$0.00	40220	27	\$20,260.00
40108	17	\$11,400.00	40222	8	\$5,600.00
40118	38	\$27,628.53	40223	13	\$9,600.00
40150	1	\$600.00	40228	28	\$19,800.00
40155	7	\$5,600.00	40229	73	\$55,464.09
40165	18	\$14,600.00	40241	14	\$11,960.00
40177	15	\$12,400.00	40242	4	\$2,200.00
40201	5	\$3,400.00	40243	2	\$1,800.00
40202	4	\$3,000.00	40245	10	\$8,000.00
40203	115	\$85,993.37	40251	2	\$1,600.00
40204	33	\$23,800.00	40256	2	\$2,000.00
40205	9	\$6,400.00	40258	96	\$107,803.01
40206	36	\$23,400.00	40272	146	\$107,803.01
40207	13	\$8,567.70	40280	0	\$0.00
40208	65	\$49,983.81	40291	48	\$35,062.28
40209	6	\$4,486.53	40299	31	\$22,200.00
40210	218	\$162,311.32	42748	3	\$1,600.00

BENEFIT MONTH	MON TOTAL	AMT PAID	Diff
Jan-19	\$293,211.06	\$292,466.06	-\$745.00
Feb-19	\$209,756.03	\$200,310.12	-\$9,445.91
Mar-19	\$172,412.94	\$162,423.69	-\$9,989.25
Apr-19	\$135,776.03	\$125,241.80	-\$10,534.23
May-19	\$138,256.03	\$126,966.80	-\$11,289.23
Jun-19	\$117,997.94	\$106,178.67	-\$11,819.27
Jul-19	\$117,996.03	\$104,700.14	-\$13,295.89
Aug-19	\$117,996.03	\$69,316.92	-\$48,679.11
Sep-19	\$123,437.94		-\$123,437.94
Oct-19	\$141,446.03		-\$141,446.03
Nov-19	\$185,076.03		-\$185,076.03
Dec-19	\$123,437.94		-\$123,437.94
SUB TOTAL	\$1,876,800.03	\$1,187,604.20	-\$689,195.83
CLEAN START	\$69,232.78	\$69,232.78	\$0.00
TOTAL	\$1,946,032.81	\$1,256,836.98	-\$689,195.83

\$8,625.91 erroneous clean start

JEFFERSON	MULTIPURPOSE	TRICOUNTY	CENTRAL
\$1,785,685.94	\$47,200.00	\$21,540.00	\$31,000.00

By County Code	BULLITT	HARDIN	HENRY	JEFFERSON	LARUE	MEADE	OLDHAM	NELSON	SHELBY	SPENCER	TRIMBLE
15	47	52	56	62	82	93	90	106	108	112	
\$47,000.00	\$12,400.00	\$1,000.00	\$1,785,285.94	\$1,600.00	\$17,600.00	\$19,540.00	\$0.00	\$0.00	\$0.00	\$1,000.00	
60	16	2	2426	3	25	28	0	0	0	2	

**Louisville Gas and Electric Company
Home Energy Assistance Program
Customer Enrollment by County
As of December 31, 2018**

	Number	County
County	Enrolled	Distribution
Bullitt	53	2.09%
Hardin	15	0.59%
Henry	1	0.04%
Jefferson	2,404	94.91%
Larue	1	0.04%
Meade	26	1.03%
Nelson	0	0.00%
Oldham	32	1.26%
Trimble	1	0.04%
Total	2,533	100.00%

**Louisville Gas and Electric Company and Kentucky Utilities Company
Response to Commission Staff's Second Request for Information
Dated December 17, 2019**

Case No. 2019-00366

Question No. 5

Witness: Eileen L. Saunders / Timothy A. Melton

- Q-5. Provide a copy of any regular reports that Community Action Council for Lexington-Fayette, Bourbon, Harrison & Nicholas Counties' (CAC), or Community Action Kentucky (CAK) routinely provide to KU. For example, if CAC or CAK provides weekly, monthly, and annual reports, provide one weekly, one monthly, and one annual report.
- A-5. See Attachment 1 for CAC and CAK monthly report example and Attachment 2 for CAC annual report example.

KU HEA Program

CAK & Lexington

Report Ending Period: 11/30/19

<u>Description</u>	<u>Previous Month</u>	<u>Current Month</u>	<u>YTD Totals</u>
Revenue	1,154,004.00	10,000.00	1,164,004.00
Personnel	240,866.00	3,819.00	244,685.00
Fringe	80,934.00	1,447.00	82,381.00
Travel	286.00	0.00	286.00
Supplies	7,748.00	0.00	7,748.00
Contracts	668,321.00	5,915.00	674,236.00
Printing/Advertising	45.00	0.00	45.00
Other	73,316.00	1,807.00	75,123.00
Indirect	65,351.00	1,249.00	66,600.00
Shared	1,381.00	106.00	1,487.00
Expenses	1,138,248.00	14,343.00	1,152,591.00
Balance			11,413.00

KU HEA Program							
CAK & Lexington							
Report Period:	10/1/07	through	11/30/19				
	10/1/07- 9/30/19	10/1/19- 9/30/20	YTD	10/1/07- 9/30/19	10/1/19- 9/30/20	YTD	
<u>Description</u>	<u>Lexington</u>	<u>Lexington</u>	<u>Lexington</u>	<u>CAK</u>	<u>CAK</u>	<u>CAK</u>	<u>Totals</u>
Personnel	231,740	4,292	236,032	7,581	1,072	8,653	244,685
Fringe	77,340	1,740	79,080	2,818	483	3,301	82,381
Travel				286		286	286
Supplies	7,683		7,683	65		65	7,748
Contracts	663,411	10,825	674,236				674,236
Printing/Advertising	40		40	5		5	45
Other	72,027	2,008	74,035	0	1,088	1,088	75,123
Indirect	64,685	1,915	66,600	0		0	66,600
Shared	0		0	1,299	188	1,487	1,487
TOTALS	1,116,926	20,780	1,137,706	12,054	2,831	14,885	1,152,591

Revenue:

10/1/07-9/30/18	981,228.93
10/1/18-9/30/19	147,750.84
10/1/19-9/30/20	35,024.23

Total	1,164,004.00
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**Kentucky Utilities Company
Home Energy Assistance Program
Customer Enrollment by County
As of December 31, 2018**

County	Number Enrolled	County Distribution
Adair	2	0.07%
Anderson	30	1.11%
Ballard	1	0.04%
Barren	9	0.33%
Bath	13	0.48%
Bell	241	8.96%
Bourbon	126	4.68%
Boyle	144	5.35%
Bracken	5	0.19%
Bullitt	2	0.07%
Caldwell	2	0.07%
Carroll	6	0.22%
Casey	30	1.11%
Christian	1	0.04%
Clark	60	2.23%
Clay	8	0.30%
Estill	20	0.74%
Fayette	969	36.01%
Fleming	3	0.11%
Franklin	18	0.67%
Gallatin	2	0.07%
Garrard	29	1.08%
Grayson	15	0.56%
Green	11	0.41%
Hardin	52	1.93%
Harlan	7	0.26%

**Kentucky Utilities Company
Home Energy Assistance Program
Customer Enrollment by County
As of December 31, 2018**

	Number	County
County	Enrolled	Distribution
Harrison	70	2.60%
Hart	45	1.67%
Henderson	4	0.15%
Henry	4	0.15%
Hickman	4	0.15%
Hopkins	26	0.97%
Jessamine	6	0.22%
Knox	33	1.23%
Larue	5	0.19%
Laurel	7	0.26%
Lincoln	67	2.49%
Livingston	1	0.04%
Lyon	1	0.04%
Madison	30	1.11%
Marion	12	0.45%
Mason	4	0.15%
McCracken	4	0.15%
McCreary	4	0.15%
McClellan	11	0.41%
Mercer	81	3.01%
Montgomery	26	0.97%
Muhlenberg	18	0.67%
Nelson	1	0.04%
Nicholas	53	1.97%
Oldham	4	0.15%
Owen	1	0.04%

**Kentucky Utilities Company
Home Energy Assistance Program
Customer Enrollment by County
As of December 31, 2018**

	Number	County
County	Enrolled	Distribution
Pulaski	52	1.93%
Rockcastle	9	0.33%
Rowan	63	2.34%
Russell	65	2.42%
Scott	34	1.26%
Shelby	6	0.22%
Spencer	6	0.22%
Taylor	6	0.22%
Trimble	4	0.15%
Union	0	0.00%
Washington	12	0.45%
Webster	1	0.04%
Whitley	39	1.45%
Woodford	66	2.45%

**Louisville Gas and Electric Company and Kentucky Utilities Company
Response to Commission Staff's Second Request for Information
Dated December 17, 2019**

Case No. 2019-00366

Question No. 6

Witness: Eileen L. Saunders / Timothy A. Melton

- Q-6. Refer to LG&E/KU's response to Staff's First Request, Item 4. Provide copies of the July 1, 2019 agreements mentioned in the responses.

- A-6. See Attachment 1 for the LG&E-AEC agreement and Attachment 2 for the KU-CAC & CAK agreement each signed on July 1, 2019.

AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into as of July 1, 2019, 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.

WITNESSETH:

WHEREAS, 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 and to operate LG&E's HEA ("ASAP") 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 July 1, 2019 and terminate June 30, 2024.

II. ADMINISTRATIVE EXPENSES

AEC will be entitled to recover actual operating expenses not to exceed ten percent of the total HEA funds collected from customers over the length of the HEA 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 HEA Program, and that funds available for operations, as well as assistance funds, if unused, will “roll-over” to subsequent periods of the HEA 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 HEA Program, which shall be filed annually with the Kentucky Public Service Commission (“KPSC”). The parties also agree to meet quarterly, or more often if needed, to review HEA Program status and financial reports for actual expenditures compared to budget. This report should be made in line item detail. Upon request, AEC shall provide LG&E with an explanation of any variance in HEA Program expenses which is plus or minus 10% from the budget.

IV. LG&E RESPONSIBILITIES

A. LG&E will include on each residential customer’s monthly bill a twenty-five-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 20th day of the month prior to service provision, one-twelfth of ten percent of the annual proposed HEA Program budget, for administrative costs. The actual administrative costs will be trued up for the twelfth month of the program year within 90 days of the close of the program's fiscal year. As set out in Article II, unused funds for administrative costs will "roll-over" for subsequent periods during the 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 at least quarterly reports of the amount of HEA funds that LG&E is collecting.

V. AEC RESPONSIBILITIES

A. AEC will operate ASAP and will be responsible for the following: ASAP general policy as approved by the KPSC, staffing, monitoring of HEA 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 and enrollment data 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 HEA Program as approved by the KPSC. Beginning with 2019-2020, LG&E and AEC have agreed to allow customers who live in subsidized housing and receiving utility bill assistance to be eligible for the HEA Program. 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 KPSC in Case No. 2007-00337 on October 29, 2007. The Discretionary Emergency Assistance Fund will be available to provide discretionary energy assistance to HEA 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 and for two years following its termination, complete and accurate records of all receipts and disbursements that are funded by this Agreement and to provide LG&E with monthly financial statements. AEC will also provide LG&E with monthly HEA Program updates including number of clients served, attrition, new clients entering the HEA Program, and county distribution.

G. LG&E shall have the right, at any reasonable time, 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 agrees to provide LG&E with any and all information necessary to meet KPSC requirements.

VI. REGULATORY APPROVAL

Approval of this HEA Program, as well as its programmatic details, by the KPSC is required. As a result, the parties' rights and obligations are expressly contingent upon obtaining and maintaining such approval and 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 KPSC 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 to administer and implement ASAP in conformity with this Agreement; or
3. Failure to file in a timely manner any financial and progress reports required by this Agreement; or
4. LG&E's failure to properly disburse administrative funds in accordance with this Agreement; or
5. Failure to disclose or to explain to LG&E's satisfaction any variance in HEA Program expenses that must be reported pursuant to Article III, however, LG&E acknowledges that variances will occur and agrees to act in the utmost good faith; or

6. Disclosure or discovery that the covenants and representations made by AEC and its provider agencies regarding the fulfillment of any requirement covered under this Agreement or any other document submitted in support of this Agreement is, was, or will 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 AEC, AEC shall, upon written notice from LG&E, proceed immediately to cure or remedy such default or breach. 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.

VIII. 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.

IX. 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.

X. RENEWAL

This contract may be renewed upon agreement of the parties. Should either party elect to discontinue the HEA Program, notification in writing shall be given ninety (90) days prior to the ending date of this Agreement. In the event that such notice is not timely given, this Agreement shall remain in effect for an additional ninety (90) days.

XI. TERMINATION

Either party may terminate this Agreement with or without cause upon giving ninety (90) 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: Timothy A. Melton
Louisville Gas and Electric Company

BY: [Signature] 6-17-19
Affordable Energy Corporation

Acknowledged:

BY: [Signature]
Association of Community Ministries, Inc.

AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into as of July 1 2019, by and between **KENTUCKY UTILITIES COMPANY** ("KU"), a corporation organized and existing under the laws of Kentucky, the **COMMUNITY ACTION KENTUCKY, INC.** ("CAK"), a nonprofit corporation organized and existing under the laws of Kentucky, and the **COMMUNITY ACTION COUNCIL FOR LEXINGTON-FAYETTE, BOURBON, HARRISON AND NICHOLAS COUNTIES, INC.** ("CAC"), a nonprofit corporation organized and existing under the laws of Kentucky.

WITNESSETH:

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

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

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

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

I. LENGTH OF AGREEMENT

The length of this agreement shall be for a period to begin July 1, 2019 and terminate June 30, 2024.

II. ADMINISTRATIVE EXPENSES

CAK and CAC will be entitled to recover actual operating expenses not to exceed in total ten percent of the total HEA funds collected from customers over the length of the HEA 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 HEA Program, and that funds available for operations, as well as assistance funds, if unused, will "roll-over" to subsequent periods of the HEA Program.

III. AUDITS/QUARTERLY MEETINGS

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

IV. KU RESPONSIBILITIES

A. KU will include on each residential customer's monthly bill a thirty-cent HEA charge for each residential electric meter to fund KU's HEA Program.

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

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

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

E. KU agrees to provide information to CAK and CAC so that actual HEA funds collected can be balanced with HEA funds distributed to customers for each program year. KU will provide CAK and CAC at least quarterly reports of the amount of HEA funds that KU is collecting.

V. CAK RESPONSIBILITIES

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

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

C. CAK agrees to maintain, during the term of this Agreement and for two years following its termination, complete and accurate records of all receipts and disbursements that are funded by this Agreement and to provide KU with monthly financial statements. CAK will work with CAC to provide KU with monthly HEA Program updates including number of clients served, attrition, new clients entering

the HEA Program, and county distribution.

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

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

VI. CAC RESPONSIBILITIES

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

B. CAC will also centralize all program data , provide data support and service including data management, software training for contracting community action agencies, technical assistance to contracting community action agencies, data transfers to KU for benefits, distribute all required reporting to KU, CAK and the KPSC, and provide specific programmatic training and technical assistance to contracting community action agencies' staff.

C. CAC agrees to administer a Discretionary Emergency Assistance Fund, consisting of up to five percent (5%) of the total HEA funds KU collects, in accord with

the Discretionary Emergency Assistance Fund Procedures filed with the KPSC in Case No. 2007-00338 on May 15, 2008. The Discretionary Emergency Assistance Fund will be available to provide discretionary energy assistance to HEA Program participants to pay down arrearages or to provide energy assistance to low-income KU customers in times of crisis

D. CAC will comply with its oversight responsibilities by ensuring that the community action agencies are aware of the HEA Program requirements, have adopted appropriate procedures for following those requirements, and are documenting their compliance.

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

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

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

participation pro rata over the counties in KU's service area based on the number of KU customers in each county.

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

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

VII. REGULATORY APPROVAL

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

VIII. DEFAULT AND REMEDIES

- A. Each of the following events or occurrences shall constitute an event of default under the Agreement:
1. Declaration of Bankruptcy of CAK or CAC; or
 2. Failure to administer and implement the HEA Program in conformity with this Agreement; or
 3. Failure to file in a timely manner any financial and progress reports

- required by this Agreement; or
4. KU's failure to properly disburse administrative funds in accordance with this Agreement; or
 5. Failure to disclose or to explain to KU's satisfaction any variance in program expenses that must be reported pursuant to Article III, however, LG&E acknowledges that variances will occur and agrees to act in the utmost good faith; or
 6. Disclosure or discovery that the covenants and representations made by CAK or CAC regarding the fulfillment of any requirement covered under this Agreement or any other document submitted in support of this Agreement is, was, or will be false or misleading in any material respect.
- B. Except as otherwise provided in this Agreement, in the event of any default in or breach of this Agreement, or any of its terms or conditions by CAK or CAC, CAK or CAC shall, upon written notice from KU, proceed immediately to cure or remedy such default or breach. Until such default or breach is cured, and without limiting KU's rights under Article XI, KU shall have the option of suspending its performance under this Agreement.

IX. CONFIDENTIALITY

- A. The parties acknowledge that each will have access to Confidential Information, obtained, developed or provided by the other parties with respect to HEA Program applicants and participants, or clients or customers of the other parties

(the "Confidential Information") and each party providing such information is relying upon the representations contained in the Article in making such disclosure.

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

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

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

E. No individual, firm, partnership, corporation or agency shall be given, sold or otherwise allowed access to Confidential Information.

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

X. GOVERNING LAW

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

XI. RENEWAL

This contract may be renewed upon agreement of the parties. Should either party elect to discontinue the HEA Program, notification in writing shall be given ninety (90) days prior to the ending date of this Agreement. In the event that such notice is not timely given, this Agreement shall remain in effect for an additional ninety (90) days.

XII. TERMINATION

Either party may terminate this Agreement with or without cause upon giving ninety (90) days prior notice.

XIII. 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 the HEA Program.

XIV. INDEMNITY

Each party (the "Indemnifying Party") agrees to indemnify, defend, and hold harmless the other party or parties from all claims and all liabilities to the extent arising or resulting from the Indemnifying Party's negligence or willful misconduct.

XV. 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 all of the parties hereto. No waiver by any 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.

XVI. NO OTHER BENEFICIARIES

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

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

BY: Timothy A. Melton
Kentucky Utilities Company

BY: [Signature]
Community Action Kentucky, Inc.

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

**Louisville Gas and Electric Company and Kentucky Utilities Company
Response to Commission Staff's Second Request for Information
Dated December 17, 2019**

Case No. 2019-00366

Question No. 7

Witness: Eileen L. Saunders / Timothy A. Melton

- Q-7. Refer to LG&E/KU's response to Staff's First Request, Item 5. To the extent possible, explain the reasons why fewer applicants were enrolled and received benefits than the total number of eligible applicants for LG&E's HEA program and for KU's HEA program.
- A-7. LG&E and KU rely on HEA program administrators to process applications.

KU

According to CAC, if more applicants apply than there are slots available, the applicant is placed on a wait list. During the time an applicant is deemed eligible for HEA, there are several reasons they may not be enrolled in the program once they have moved to the top of the wait list (e.g. the applicant has relocated outside of the service territory, the applicant no longer has active service, the applicant is over income eligibility, the applicant no longer wants to participate in the program, etc.).

LG&E

According to AEC, the primary reasons fewer applicants were enrolled than those receiving benefits include failure to attend initial orientation, incomplete enrollment applications, account past due over \$1,000, and receiving Section 8 or subsidized housing. Section 8 and subsidized housing will not be a barrier to enrollment beginning in 2020.

**Louisville Gas and Electric Company and Kentucky Utilities Company
Response to Commission Staff's Second Request for Information
Dated December 17, 2019**

Case No. 2019-00366

Question No. 8

Witness: Eileen L. Saunders / Timothy A. Melton

- Q-8. Refer to LG&E/KU's response to Staff's First Request, Item 6.
- a. Explain the determination or derivation of the Average Month Benefit Paid for LG&E and KU, respectively.
 - b. Provide the Average Monthly Benefit Paid for each month for 2017, 2018 and 2019 to-date for each program.
 - c. Provide the annual Average Monthly Benefit Paid for LG&E for years 2015-2017 and 2019 for the months that LG&E has the information.
 - d. For KU, provide the Average Monthly Benefit Paid for July-September of 2015, 2016, 2017, and 2018 and December through March of 2014-2015, 2015-2016, 2016-2017, 2017-2018, and 2018-2019.
- A-8. The Average Month Benefit Paid for LG&E and KU was derived by dividing the total amount paid for HEA assistance by the total number of payments for the period.
- a. The Average Month Benefit Paid for LG&E and KU was derived by dividing the total amount paid for HEA assistance by the total number of payments for the period.
 - b. – d. See attachment.

Louisville Gas and Electric Company and Kentucky Utilities Company
HEA Benefits Paid

8b. Louisville Gas & Electric Company			Kentucky Utilities Company		
Year	Month	Average Monthly Benefit Paid	Year	Month	Average Monthly Benefit Paid
2017	January	\$129.35	2017	January	\$88.00
	February	\$95.87		February	\$88.00
	March	\$81.99		March	\$88.00
	April	\$67.13		April	\$88.00
	May	\$70.22		May	-
	June	\$62.55		June	-
	July	\$51.41		July	\$88.00
	August	\$51.38		August	\$88.00
	September	\$53.00		September	\$88.00
	October	\$60.82		October	-
	November	\$76.16		November	-
	December	\$53.14		December	\$88.00
2018	January	\$114.28	2018	January	\$88.00
	February	\$90.70		February	\$88.00
	March	\$80.26		March	-
	April	\$66.34		April	\$88.00
	May	\$64.95		May	-
	June	\$56.71		June	-
	July	\$51.22		July	\$88.00
	August	\$50.91		August	\$88.00
	September	\$52.15		September	\$88.00
	October	\$60.67		October	-
	November	\$77.97		November	-
	December	\$52.85		December	\$88.00
2019	January	\$114.90	2019	January	\$88.00
	February	\$87.97		February	\$88.00
	March	\$79.72		March	\$88.00
	April	\$64.48		April	-
	May	\$60.72		May	-
	June	\$55.64		June	-
	July	\$47.88		July	\$88.00
	August	\$47.81		August	\$88.00
	September	\$49.19		September	\$88.00
	October	\$59.83		October	-
	November	\$69.01		November	-

8c. Louisville Gas & Electric Company		
Year	Period	Average Monthly Benefit Paid
2015	January - December	\$62.71
2016	January - December	\$63.99
2017	January - December	\$68.41
2019	January - November	\$64.37

8d. Kentucky Utilities Company		
Year	Period	Average Monthly Benefit Paid
2015	July-September	\$88.00
2016	July-September	\$88.00
2017	July-September	\$88.00
2018	July-September	\$88.00
2014-2015	December-March	\$88.00
2015-2016	December-March	\$88.00
2016-2017	December-March	\$88.00
2017-2018	December-March	\$88.00
2018-2019	December-March	\$88.00

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Case No. 2019-00366

Question No. 9

Witness: Eileen L. Saunders / Timothy A. Melton

Q-9. Refer to LG&E/KU's response to Staff's First Request, Item 3.

- a. Provide the annual cost of the outside independent audits.
- b. Explain the scope and purpose of the audit including whether any review of internal controls for either the utilities, CAC, or CAK is conducted.

A-9.

- a. For LG&E, the cost of the audit for AEC for calendar year 2018 was \$5,000, which was fully allocated to the LG&E HEA program. LG&E's HEA program is AEC's single source of funding and is the only program that AEC administers.

For KU, the cost of the audits for CAC and CAK for fiscal year ended June 2019 was \$50,000, of which approximately \$200 was allocated to the KU HEA program. Both CAC and CAK administer many low-income grants and programs in addition to KU's HEA program.

- b. The purpose of the audits was to form an opinion on the administrator's consolidated financial statements as a whole. The audit scope reviewed the administrator's internal controls relating to financial reporting and was conducted in accordance with auditing standards in the United States.

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Question No. 10

Witness: Eileen L. Saunders / Timothy A. Melton

- Q-10. Identify any impediments or adverse consequences if the Commission raised the income eligibility requirement for LG&E or KU's HEA programs from the current level to 150 percent, 200 percent, or some other higher increment of the poverty level.
- A-10. The current LG&E and KU HEA programs' 130 percent of Federal Poverty Guidelines is tied to the LIHEAP program for administrative efficiency.

An increase in income eligibility requirements at KU could create an increase in the wait list of eligible participants.

An increase in income eligibility requirements at LG&E could result in additional resources to prequalify applicants.

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Question No. 11

Witness: Eileen L. Saunders / Timothy A. Melton

- Q-11. Provide the changes LG&E and KU, respectively, believe are necessary to ensure the available funds for each program are full, but properly, expended for the benefit intended.
- A-11. LG&E and KU are working with their HEA administrators to identify strategies to ensure funds are fully and properly expended. Recent examples include:

KU

KU and CAC temporarily increased the number of slots in 2019 from 2,700 to 3,500 due to unexpended funds. KU and CAC will monitor the temporary increase and adjust accordingly.

LG&E

Changes are being made to the HEA Program for 2020 to allow those that live in subsidized housing or are recipients of Section 8 to participate in the program, if they meet all other eligibility requirements. LG&E and AEC continue efforts to increase awareness through co-branding marketing to educate potential participants about the program.

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Case No. 2019-00366

Question No. 12

Witness: Eileen L. Saunders / Timothy A. Melton

Q-12. Identify any impediments or adverse consequences if the Commission eliminated LG&E/KU's requirement that applicants must apply for Low Income Heating Assistance Program (LIHEAP) as one of the eligibility requirements for their respective HEA programs.

A-12. See response to Question No. 10.

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Question No. 13

Witness: Eileen L. Saunders / Timothy A. Melton

- Q-13. Refer to LG&E/KU's response to Staff's First Request, Item 5. Provide information for the past five program years. Identify any impediments or adverse consequences if the Commission eliminated LG&E/KU's requirement that applicants be recertified annually and instead perform re-enrollment.
- A-13. LG&E and KU have confirmed with the agencies that they use the terms "recertification" and "re-enrollment" interchangeably and that they would not differentiate between those terms.

First-time applicants must complete the Low-Income Home Energy Assistance Program ("LIHEAP") certification process. At LG&E, they also must participate in an orientation and at both LG&E and KU apply for weatherization education or services. Applicants who have already been approved in prior years must complete the LIHEAP certification annually, but do not have to complete any additional annual requirements. The annual LIHEAP review is important to ensure that applicants remain financially eligible for the program. Requiring participants to re-enroll annually would likely result in additional time and expense at LG&E and KU.

Provided below is information for the past five program years as referenced in LG&E/KU's response to Staff's First Request, Item 5. The information for the response to part a and b was provided by the Companies' HEA administrators.

Please note that the information provided in part c below is the total number of customers that participated in the program throughout the year. For clarification, the Customer Enrollment by County data reported to the PSC annually represents the number of customers enrolled in the HEA program on December 31.

<u>LG&E</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
a. The number of applicants in the last full program year.	10,603	9,140	8,150	8,781	9,930
b. The number of applicants in the last full program year who were eligible for HEA program.	5,683	4,521	3,510	4,193	4,002
c. The number of eligible applicants in the last full program year who received assistance from HEA program.	2,995	2,732	2,574	3,097	2,670

<u>KU</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
a. The number of applicants in the last full program year.	5,311	4,931	4,893	5,059	4,896
b. The number of applicants in the last full program year who were eligible for HEA program.	5,043	4,641	4,617	4,609	4,617
c. The number of eligible applicants in the last full program year who received assistance from HEA program.	3,499	3,492	3,682	3,513	3,409

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Question No. 14

Witness: Eileen L. Saunders / Timothy A. Melton

Q-14. State whether the requirement that applicants participate in weatherization services have impacted eligibility for the respective HEA programs and, if so, provide the number of applicants that were ineligible for the respective HEA programs due to the weatherization participation requirement.

A-14. KU
For KU, CAC is not aware of any impact in participant HEA program eligibility due to the requirement that applicants participate in weatherization services.

LG&E

For LG&E, AEC has seen a minimal impact in participant HEA program eligibility due to the requirement that applicants participate in weatherization services. In 2018, five participants were terminated for not complying to the program's weatherization requirements.

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Question No. 15

Witness: Eileen L. Saunders / Timothy A. Melton

- Q-15. Identify any impediments or adverse consequences if the Commission eliminated LG&E/KU's requirement that applicants apply for weatherization services as one of the eligibility requirements for the HEA programs.
- A-15. The Companies believe a lack of weatherization education and services could result in higher utility bills.

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Question No. 16

Witness: Eileen L. Saunders / Timothy A. Melton

- Q-16. Based upon their experience, explain what LG&E and KU believe are the ideal HEA eligibility requirements.
- A-16. The Companies believe the ideal HEA program would include standard definitions and be linked to a universal standard, such as LIHEAP, but flexible enough to be adjusted for service type, regional differences, and unique customer circumstances.