

**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 THIRD REQUEST FOR INFORMATION**  
**DATED JANUARY 31, 2020**

**FILED: FEBRUARY 14, 2020**

**VERIFICATION**

**COMMONWEALTH OF KENTUCKY** )  
)  
**COUNTY OF JEFFERSON** )

The undersigned, **Timothy 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 Melton

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 13<sup>th</sup> day of February 2020.

  
Judy Schoster (SEAL)  
Notary Public

Notary Public, ID No. 603967

My Commission Expires:

7/11/2025

**Louisville Gas and Electric Company and Kentucky Utilities Company  
Response to Commission Staff's Third Request for Information  
Dated January 31, 2020**

**Case No. 2019-00366**

**Question No. 1**

**Witness: Eileen L. Saunders / Timothy A. Melton**

- Q-1. Refer to Community Action of Kentucky, Inc.'s (CAK) Response to Staff's First Request for Information, Attachment A, which contains CAK's recommendations for revisions to HEA programs. If the Commission were to implement each recommendation, explain how implementing the recommendation would impact your utility, addressing in detail any perceived benefits, adverse consequences, or impediments to implementing the recommendations.
- A-1. See attached provided in Excel format.

The attachment is being provided in a separate file in Excel format.

**Louisville Gas and Electric Company and Kentucky Utilities Company  
Response to Commission Staff's Third Request for Information  
Dated January 31, 2020**

**Case No. 2019-00366**

**Question No. 2**

**Witness: Eileen L. Saunders / Timothy A. Melton**

Q-2. Identify any other bill payment assistance programs, other than those listed on the attached spreadsheet, that your utility funds either through customer donations or shareholder funds. Describe all funding sources for the program(s); state whether the program is a crisis program or recurring benefit program; provide the eligibility criteria; and state whether any fees are paid to administer the program(s).

A-2.

**LG&E Bill Assistance Programs:**

<b>Program</b>	<b>Funding</b>	<b>Program Type</b>	<b>Eligibility Criteria</b>	<b>Administrative Fees</b>
Community Winterhelp (CWH)	Customer Donations & Shareholder Matching Contributions	Crisis	At or below 200% of federal poverty guidelines and in danger of disconnection or budget billing removal due to non-payment	The greater of \$12,000 or 5% of contributions
Association of Community Ministries (ACM) Grant	Shareholder Contribution	Crisis	At or below 250% of federal poverty guidelines and in danger of disconnection or budget billing removal due to non-payment	10% of total contribution

**KU Bill Assistance Programs:**

<b>Program</b>	<b>Funding</b>	<b>Program Type</b>	<b>Eligibility Criteria</b>	<b>Administrative Fees</b>
WinterCare	Customer Donations & Shareholder Matching Contributions	Crisis	At or below 150% of federal poverty guidelines	Up to 10% of total contributions

**Louisville Gas and Electric Company and Kentucky Utilities Company  
Response to Commission Staff's Third Request for Information  
Dated January 31, 2020**

**Case No. 2019-00366**

**Question No. 3**

**Witness: Eileen L. Saunders / Timothy A. Melton**

- Q-3. Explain whether HEA benefits are prioritized or provided before or after other available benefits, such as LIHEAP, donations, or other programs aimed at reducing consumers' energy burdens.
- A-3. Both HEA programs provide HEA benefits after LIHEAP benefits have been provided to customers. All other programs are provided after HEA benefits as applicable.

**Louisville Gas and Electric Company and Kentucky Utilities Company  
Response to Commission Staff's Third Request for Information  
Dated January 31, 2020**

**Case No. 2019-00366**

**Question No. 4**

**Witness: Eileen L. Saunders / Timothy A. Melton**

- Q-4. Refer to Attachment 1 to Staff's Second Request for Information, Item 4, page 5 of 5. Provide the number of residential customers served by LG&E in each of the zip codes provided. Further, to the extent available, provide the average monthly bill for residential customers in those zip codes and the average residential monthly bill systemwide.
- A-4. See attached provided in Excel format.

The attachment is being provided in a separate file in Excel format.



**Louisville Gas and Electric Company and Kentucky Utilities Company  
Response to Commission Staff's Third Request for Information  
Dated January 31, 2020**

**Case No. 2019-00366**

**Question No. 5**

**Witness: Eileen L. Saunders / Timothy A. Melton**

- Q-5. Refer to Attachment 2 to Staff's Second Request for Information, Item 4. Provide the number of residential customers served by LG&E in each of the counties provided. Further, to the extent available, provide the average monthly bill for residential customers in those counties and the average residential monthly bill system-wide.
- A-5. See attached provided in Excel format.

The attachment is being provided in a separate file in Excel format.

**Louisville Gas and Electric Company and Kentucky Utilities Company  
Response to Commission Staff's Third Request for Information  
Dated January 31, 2020**

**Case No. 2019-00366**

**Question No. 6**

**Witness: Eileen L. Saunders / Timothy A. Melton**

- Q-6. Refer to Attachment 2 to Staff's Second Request for Information, Item 5. Provide the number of residential customers served by KU in each of the counties provided. Further, provide the 2018 annual distribution to each county listed. Finally, to the extent available, provide the average monthly bill for residential customers in those counties and the average residential monthly bill system-wide.
- A-6. See attached provided in Excel format.

The attachment is being provided in a separate file in Excel format.

**Louisville Gas and Electric Company and Kentucky Utilities Company  
 Response to Commission Staff's Third Request for Information  
 Dated January 31, 2020**

**Case No. 2019-00366**

**Question No. 7**

**Witness: Eileen L. Saunders / Timothy A. Melton**

Q-7. Refer to the agreements provided as Attachments to Staff's Second Request for Information, Item 6. Further, reference is made to the section "Regulatory Approval" in each agreement. Provide the case number and the date of the Order in which the Commission approved the agreements or the programmatic details arising from the agreements.

A-7.

<b>Case No.</b>	<b>Date of Final Order</b>	<b>Description</b>
LG&E 2001-00323	12/27/2001	Establish HEA Pilot for 5-month period from January through May 2002
LG&E 2003-00433 / KU 2003-00434	6/30/2004	Rate Case Settlement, Section 3.14-3.16 - established new HEA Pilot framework and authorized per meter charge of \$0.10/month
LG&E 2004-00304 / KU 2004-00303	11/24/2004	Filed pursuant to Settlement in 2003 Rate Cases - established HEA pilot for 3-year period
LG&E 2007-00337 / KU 2007-00338	9/14/2007	Established HEA Pilot for 5-year period
LG&E 2008-00252 / KU 2008-00251	2/5/2009	Rate Case Settlement, Section 3.14 - increased per meter charge from \$0.10 to \$0.15 per month and provided shareholder matching contributions of up to \$300k annually for LG&E and KU combined for HEA programs
LG&E 2009-00549 / KU 2009-00548	7/30/2010	Rate Case Settlement, Section 5.18 - extended commitment to match HEA funds collected from customers with shareholder dollars for a 2-year period, up to \$300k annually for LG&E and KU combined

Case No.	Date of Final Order	Description
LG&E-KU 2010-00204	9/30/2010	Change of Control Settlement, Sections 5.4-5.5 - extended the \$0.15 per meter charge for additional 3-year term through 9/15/2015, extended shareholder contribution commitments from 2009 rate case by 2 years
LG&E 2011-00162 / KU 2011-00161	12/15/2011	ECR Plan Settlement Agreement, Section 6.02 - increased per meter charge from \$0.15 to \$0.16 per month
LG&E 2012-00222 / KU 2012-00221	12/20/2012	Rate Case Settlement, Sections 4.1, 4.3, 4.4 - increased per meter charge from \$0.16 to \$0.25, increased shareholder contributions and eliminated matching requirement; for KU, stated "HEA subsidy benefit will be a direct subsidy amount during peak cooling and heating months" and the monthly benefit may be up to \$88 per applicable month, not to exceed \$616 per year.
LG&E 2014-00372 / KU 2014-00371	6/30/2015	Rate Case Settlement, Sections 3.3-3.7 - HEA program made permanent, increased shareholder contributions for low income customer support.
LG&E 2016-00371 / KU 2016-00370	6/22/2017	Rate Case Settlement, Sections 5.6-5.7 - commitment to not seek reductions in the HEA charges that would become effective before 6/30/2021; increased per meter charge from \$0.25 to \$0.30 per month for KU only
LG&E 2018-00295 / KU 2018-00294	4/30/2019	Rate Case Settlement, Section 4.1 – commitment to work with ACM and CAC to address administrative and other matters to optimize the use of HEA and shareholder funds.  As stated in Post Hearing Data Responses, the Companies worked with the HEA program administrators to update the HEA service agreements with conforming language between KU and LG&E, and other changes to reflect the current operation of the programs. The service agreements were signed on July 1, 2019.

**Louisville Gas and Electric Company and Kentucky Utilities Company  
Response to Commission Staff's Third Request for Information  
Dated January 31, 2020**

**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 Second Request for Information, item 7.
- a. Explain why "Section 8 and subsidized housing will not be a barrier to enrollment beginning in 2020," and why it is a barrier now.
  - b. State where the requirements to participate in the HEA program, such as attendance at an initial orientation or not have a past due bill over \$1,000, are located.
  - c. Explain whether the HEA program KU administers has the same requirements.
- A-8.
- a. Prior to the 2019-2020 heating season, any LG&E customer who was LIHEAP eligible and lived in rent-subsidized housing that included a utility allowance (e.g., Section 8) was excluded from list of potential LG&E HEA program applicants. In May 2019, LG&E notified the Commission it was eliminating the requirement that customers could not live in rent-subsidized housing that included utility allowance (e.g. Section 8) beginning with 2019-2020 heating season. AEC and LG&E agreed that this requirement should be eliminated in order to increase the number of eligible applicants and thus further facilitate distribution of available program funds. LG&E believed that residing in rent-subsidized housing should no longer preclude an applicant from participating in LG&E's HEA program, and the program administrator has assured it will consider the utility allowance received from the subsidized housing program when determining the level of assistance it could extend to the applicant. This revision will increase the number of qualified applicants, allowing for further disbursement of available HEA program funds, and more closely align LG&E's HEA program with KU's HEA program and other LG&E low-income assistance programs.
  - b. Requirements were included in LG&E Home Energy Assistance program application, Case No: 2007-00337 filed on July 30, 2007.
    - Each household that meets the LG&E HEA program criteria is invited to an orientation session by the program administrator. At that time, benefits are explained and the applicant's willingness to commit to the program are determined. Energy conservation education is provided and applications are completed for weatherization services.

- Not carry an arrearage of more than \$1,000
- c. KU HEA program does not have the same requirements.



**Louisville Gas and Electric Company and Kentucky Utilities Company  
Response to Commission Staff's Third Request for Information  
Dated January 31, 2020**

**Case No. 2019-00366**

**Question No. 9**

**Witness: Eileen L. Saunders / Timothy A. Melton**

Q-9. Refer to the Attachment to LG&E/KU's response to Staff's Second Request for Information, Item 8. For each HEA program, explain how the program was derived and provide the basis for the monthly benefit.

A-9. For how each program was derived, see the response to Question No. 7.

LG&E:

AEC determines the monthly client benefits based on a "Modified Fixed Credit" concept that considers household size, income, energy usage for the preceding 12 months, and the customers actual electric and gas costs, and weather correction factors. Based on these factors, AEC calculates the subsidy needed to make the energy bill affordable for the household. Based on the Modified Fixed Credit calculation, client benefits are grouped into different levels of funding (\$400-\$1,000 annually).

KU:

In Jack Burch's testimony<sup>1</sup>, he discussed that CAC determined the latest monthly client benefit amount, it used the percentage of HEA benefit offset from a historical average monthly bill. CAC then compared this same rationale to the then current average monthly bill in settlement negotiations which provided the updated dollar amount of the new monthly benefit to clients.

---

<sup>1</sup> Application of Kentucky Utilities Company for an Adjustment of Its Electric Rates, Case No. 2012-00221, Direct Testimony of Jack E. Burch on Behalf of CAC

**Louisville Gas and Electric Company and Kentucky Utilities Company  
Response to Commission Staff's Third Request for Information  
Dated January 31, 2020**

**Case No. 2019-00366**

**Question No. 10**

**Witness: Eileen L. Saunders / Timothy A. Melton**

- Q-10. For each HEA program, provide the following information for each of the last five full program years:
- a. The average monthly bill for all residential customers for each month from November to March.
  - b. The average monthly bill for residential customers receiving HEA benefits for each month from November to March.
  - c. The average monthly bill for residential customers receiving LIHEAP benefits for each month from November to March.
- A-10. See attached provided in Excel format.

The attachment is being provided in a separate file in Excel format.