

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC EMERGENCY)	
DOCKET RELATED TO THE)	CASE NO. 2020-00085
NOVEL CORONAVIRUS COVID-19)	

LOUISVILLE GAS AND ELECTRIC COMPANY
AND KENTUCKY UTILITIES COMPANY’S PETITION FOR CLARIFICATION
AND DEVIATION AND REQUEST FOR EXPEDITED TREATMENT

Louisville Gas and Electric Company and Kentucky Utilities Company (“LG&E,” “KU,” and collectively the “Companies”) respectfully request clarification of, and deviations from, the Kentucky Public Service Commission’s (“Commission”) September 21, 2020 Order and the Commission’s September 30, 2020 Order in this proceeding (collectively “Orders”). The Companies’ proposal below concerning how to address customer arrearages is an effort to implement the intent of the Orders consistent with what is feasible for the Companies’ existing billing and dunning systems and practices. It is also consistent with the approach KU has taken regarding its Virginia customers, which appears to have been successful in that service territory. Therefore, the Companies respectfully request all clarifications of, and deviations from, the Orders that are necessary for the Companies to implement their proposal set out below.

Background

1. The Companies’ arrearages are significant. There are currently more than 100,000 Kentucky residential customers in arrears of 31 days or more. Of those, more than 60,000 are eligible for disconnection under the Companies’ ordinary disconnection policies and procedures. Therefore, addressing this issue requires a careful, thoughtful approach to ensure customers are protected and empowered to address their arrearages in ways that best meet their needs. The

Companies believe that the approach stated in the Commission's Orders, as modified by the Companies' proposal below and the additional deviations requested below, is the approach that will best serve the Companies' customers.

2. There are technological and practical constraints that will not permit the Companies to implement the Orders' requirements as stated, particularly on a tight timeframe. For example, the Companies' billing systems are not configured to permit more than one payment plan per customer, making it infeasible to create a separate payment plan for COVID-period arrearages versus prior or subsequent arrearages. Also, for customers whose pre-COVID-period arrearages are included in a new default payment plan, it is not feasible to automatically extend the default period to account for the period over which the customer accumulated the pre-COVID-period arrearage. Therefore, the Companies' proposal below would work within the constraints of their existing billing and dunning systems, policies, and procedures while still accomplishing the intent of the Commission's Orders; namely, it would empower residential customers with reasonable and extended payment options while also resuming disconnections for nonpayment to incentivize reasonable payments for service.

3. The Companies' proposal below is essentially the same approach KU has used to address arrearages in its Virginia service territory. It has both worked well there and been well received by KU's Virginia customers, which is why the Companies are proposing it here. In particular, allowing customers to select the length of their payment plans gives them more control over managing their finances and results in higher commitment to their plans and an enhanced customer experience. In addition, using the same approach across service territories will minimize confusion for customers and Customer Service Representatives.

The Companies' Proposal to Address Customer Arrearages

4. As discussed above, the Companies cannot feasibly create and apply *en masse* a single default payment plan to all residential customers with arrearages. Instead, the Companies propose to make payment plans available to all residential customers with arrearages of more than \$75 who are eligible for disconnection, with a backstop default twelve-month payment plan for customers who do not choose a different payment plan prior to their disconnection date.¹ More specifically, the Companies will provide residential customers a variety of payment-plan terms through self-service channels (including six-month and 12-month terms) so customers can choose plans that suit them best. Residential customers who desire other payment plan terms will be able to contact the Companies' Customer Service Representatives and arrange for payment plan terms of up to 24 months. All of a customer's arrearages will be combined into a single payment plan, including arrearages incurred prior to March 16, 2020. This ensures customers who desire payment plans will be able to get them on the terms agreeable to them.

5. To communicate the options the Companies will make available to customers, the Companies will publicize the availability of payment plans on their website and using social media and traditional media platforms, as well as in the lobbies of their reopened customer service centers. The Companies will also notify Community Action Kentucky, Inc., advising them about the payment plans that are available to customers and alerting them to the provision of the Commission's Order that allows community action agencies to extend assistance to customers prior to receiving a disconnection notice.

¹ Under the Companies' current dunning practices, the Companies do not disconnect customers for nonpayment who have arrearages of \$75 or less.

6. When the Companies resume disconnections, disconnection notices will clearly indicate “DISCONNECTIONS RESUMING” and provide information on payment arrangement options and available assistance, including self-service options.

7. For any residential customer who is subject to disconnection and does not arrange a payment plan prior to the customer’s disconnection date, the Companies will automatically suspend disconnection and implement a twelve-month payment plan beginning with the customer’s next bill. The customer will also receive a separate communication from the Companies upon being enrolled in the default payment plan that explains the terms of the plan and encourages the customer once more to contact the Companies to arrange a different payment plan if the twelve-month default plan is undesirable to the customer.

8. The Companies’ Customer Service Representatives will continue to work with customers throughout this process to provide all available avenues to ensure that service continues for reasonable payment and payment plans. The Companies’ goal is to ensure continuity of service to the greatest reasonable extent.

9. In conclusion, the Companies acknowledge it is not in their interest or their customers’ interest to disconnect service unless it is absolutely necessary to do so for nonpayment, particularly in these difficult times. The Companies remain committed to working with their customers to establish reasonable payment plans to ensure both continuity of service and payment for that service, and the Companies believe their proposal will best advance those goals.

WHEREFORE, for the reasons stated herein, Louisville Gas and Electric Company and Kentucky Utilities Company respectfully request clarification of, and deviations from, the Commission's Orders as above stated. To effectuate the Commission's Orders and provide necessary communications to customers, the Companies respectfully request expedited treatment of this petition.

Dated: October 2, 2020

Respectfully submitted,



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CERTIFICATE OF COMPLIANCE

In accordance with 807 KAR 5:001 Section 8(7), this is to certify that Louisville Gas and Electric Company and Kentucky Utilities Company's October 2, 2020 electronic filing is a true and accurate copy of the documents that will be filed in paper medium subject to the terms of the Commission's March 16, 2020 and March 24, 2020 Orders in Case No. 2020-00085 (Electronic Emergency Docket Related to the Novel Coronavirus COVID-19) ("COVID-19 Orders"); that the electronic filing was transmitted to the Commission on October 2, 2020; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that an original of the filing will be filed with the Commission consistent with the COVID-19 Orders.



*Counsel for Louisville Gas and Electric
Company and Kentucky Utilities Company* _____