

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

**In the Matter of:**

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


**RESPONSES OF**  
**KENTUCKY UTILITIES COMPANY AND**  
**LOUISVILLE GAS AND ELECTRIC COMPANY**  
**TO**  
**THE COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION**  
**DATED OCTOBER 5, 2020**

**FILED: OCTOBER 8, 2020**

VERIFICATION

COMMONWEALTH OF KENTUCKY )  
 )  
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**

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 8<sup>th</sup> day of October 2020.

 (SEAL)  
Notary Public

Notary Public, ID No. 603967

My Commission Expires:

7/14/2022

**KENTUCKY UTILITIES COMPANY  
AND  
LOUISVILLE GAS AND ELECTRIC COMPANY**

**Response to Commission Staff's Initial Request for Information  
Dated October 5, 2020**

**Case No. 2020-00085**

**Question No. 1**

**Responding Witness: Eileen L. Saunders**

- Q-1. Refer to LG&E/KU's October 2, 2020 Petition for Clarification and Deviation and Request for Expedited Treatment (Petition), page 3, paragraph 4, where LG&E/KU state that they "cannot feasibly create and apply *en masse* a single default payment plan to all residential customers with arrearages."
- a. Explain the technological limitations that prohibit LG&E/KU from applying a single payment plan.
  - b. Reconcile this declared inability to provide a default payment plan with LG&E/KU's statement on page 3, paragraph 4, of the Petition that they will provide a "backstop default twelve-month payment plan" for customers who do not otherwise choose a different payment plan.
- A-1. The Companies' proposal offers customers the opportunity to select a payment plan that best suits them. If they do not select a payment plan, they will be assigned a twelve-month default plan to assist them in maintaining their service and avoiding disconnection.

The Companies would like to clarify the intent of the statement, "cannot feasibly create and apply *en masse* a single default payment plan to all residential customers with arrearages." The Companies have the technological capabilities to create an *en masse* single default payment plan for all customers; however, the Companies do not recommend this method because each customer account would be in a different state of billing (meter reading, bill preparation, payment in the mail, past due, etc.) and this would create customer confusion.

Furthermore, in response to the feasibility of creating and applying default payment plans *en masse* to all customers at the same time, the Companies state that since utility billing is based on cycles, the status of customer accounts varies across the month. To select one date and create payment plans for all past due accounts, regardless of status, would disrupt the billing cycle process and could

lead to lengthy waits for the customer seeking assistance through the contact centers due to trying to respond to everyone at the same time.

- a. There are no technological limitations as discussed above. There are feasibility limitations. The customer information and billing system is configured to use the meter reading cycles and calendar days in order to comply with filed tariffs for calculating bill due dates, creation of disconnection notices for past due accounts and ensuing disconnection orders. The delinquency status of a customer's account is not definitive until a customer has reached a due date. If a customer is eligible for disconnection tomorrow; but pays off his balance today, he is no longer eligible for disconnection. To create one single payment plan for all past due accounts outside of this structure would result in a disruption of the billing and dunning processes and ensuing customer confusion.
- b. There is not an inability to create a default payment plan. The recommendation is that the default payment plan be created for customers as described in the responses provided above.

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**Question No. 2**

**Responding Witness: Eileen L. Saunders**

Q-2. Refer to the Petition, page 3, paragraph 5, where LG&E/KU state they “will publicize the availability of payment plans on their websites . . . .”

- a. Describe the payment plans that will be offered on the website.
- b. State whether the website will inform customers of the right to a six-month default payment plan.
- c. State whether the website will inform customers of the “backstop” twelve-month default plan.

A-2.

- a. The website will publicize and explain the extended payment plans available and will inform customers on how they can sign up for a plan that meets their needs. Customers may use the website or the automated phone system to extend the due date a few more days or spread their past due amount evenly over six or twelve months.
- b. The website will inform Customers that the Companies provide a six-month payment plan option; however, the six-month plan is not the default plan. A twelve-month plan will be used as the default plan.
- c. Yes, the Companies will inform customers that they will be placed on a twelve-month payment plan as the default plan if there is no action or other selection by the customer.

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**Question No. 3**

**Responding Witness: Eileen L. Saunders**

- Q-3. State whether LG&E/KU will offer, at a minimum, a six-month payment plans for arrearages of \$75 or less if a customer requests a payment plan.
- A-3. A customer is not at risk for disconnection when they have \$75 or less in arrears. Consequently, there is no need for any payment plan for these customers.