

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)

CORRECTED RESPONSES OF
KENTUCKY UTILITIES COMPANY AND
LOUISVILLE GAS AND ELECTRIC COMPANY
TO
THE COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION
DATED JUNE 23, 2020

FILED: AUGUST 18, 2020

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

**Revised Response to Commission Staff's Initial Request for Information
Dated June 23, 2020**

Case No. 2020-00085

Question No. 12

Responding Witness: Eileen L. Saunders

Q-12. Quantify the amount of late payment fees the utility would have assessed since March 16, 2020, absent the Commission's directive.

A-12. **Original Response:**

See the attachment being provided in Excel format.

August 18, 2020 Corrected Response:

On July 10, 2020, Kentucky Utilities Company and Louisville Gas and Electric Company filed in Excel format late payment charges waived due to the moratorium of \$2,473,016. However, an error in the data was found and some late payment fees on collective billing accounts were doubled. The corrected data shows total LPCs waived to be \$2,429,586 – a difference of \$43,430. See the revised attachment being provided in Excel format.

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

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

**Revised Response to Commission Staff's Initial Request for Information
Dated June 23, 2020**

Case No. 2020-00085

Question No. 14

Responding Witness: Daniel K. Arbough / Christopher M. Garrett

Q-14. Provide a detailed explanation and breakout of any cost increases and decreased income (by customer class if applicable) the utility has experienced as a result of the COVID-19 State of Emergency.

A-14. **Original Response:**

The attached file provided in excel format provides a list of lower revenue attributed to the COVID-19 virus. The reduction in Late Payment Charges is based on the actual number of customers that have been past due and charges that would have accrued absent the moratorium issued by the Commission. Other reductions in revenue are estimates compared to budgeted amounts. The Companies base their budget on normal weather, and actual non-fuel energy charges have been weather normalized to eliminate the impact of weather. The remaining impact is a result of lower volumes of energy being sold than budgeted. These variances could be from a variety of factors, but the primary driver of the differences is COVID-19 related closure or reduced operation of many customer facilities. The Companies have provided weather normalized 2020 vs. weather normalized 2019 results to validate the reasonableness of the 2020 budget. The 2019 results have been adjusted to reflect the higher rates that became effective May 1, 2019 to ensure a valid comparison.

The incremental costs incurred by the Companies includes small amounts of labor related to employees working specifically on COVID-19 related matters such as taking temperatures of incoming employees and contractors or filling in for someone having to quarantine due to exposure to the virus. The non-labor O&M includes a variety of items including costs associated with additional cleaning and disinfecting of Company facilities, purchasing of hand sanitizer, thermometers, and face coverings for employee usage as well as costs incurred to be prepared to sequester employees at power generation plants and control rooms for transmission and distribution operations. The non-labor convenience charges are actual fees absorbed by the Companies that customers would normally pay when using a credit card, debit card, or e-check to pay their utility bills or paying

through a third party vendor at retail locations such as Kroger and Wal-Mart. The Companies absorbed these fees from April 1 through July 1, but customers are now paying these fees again. In addition to the items shown on the attachment, bad debt expense is expected to increase this year although this has not yet been reflected in actual results through May. Past due account balances are higher this year than in the past and more write-offs are expected as the COVID related closures continue to impact employment and businesses in Kentucky. In spite of lower sales and lower outstanding receivables, as of the end of June past due balances represented approximately 16% of all outstanding amounts whereas past due balances were only about 10% of all outstanding amounts prior to the moratorium.

The income tax line is calculated based on statutory tax rates.

August 18, 2020 Corrected Response:

On July 10, 2020, Kentucky Utilities Company and Louisville Gas and Electric Company filed in Excel format cost increases and decreased income experienced due to the COVID-19 State of Emergency. However, an error in the data was found and some late payment fees on collective billing accounts were doubled. The late payment fees for Kentucky Utilities Company and Louisville Gas and Electric Company for the March 2020 thru May 2020 period have been corrected. See the revised attachment being provided in Excel format.

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