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July 20, 2021

**RE: Electronic Application of Kentucky Utilities Company for an Adjustment of Its Electric Rates, a Certificate of Public Convenience and Necessity to Deploy Advanced Metering Infrastructure, Approval of Certain Regulatory and Accounting Treatments, and Establishment of a One-Year Surcredit
Case No. 2020-00349**

**Electronic Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Rates, a Certificate of Public Convenience and Necessity to Deploy Advanced Meter Infrastructure, Approval of Certain Regulatory and Accounting Treatments, and Establishment of a One-Year Surcredit
Case No. 2020-00350**

Dear Ms. Bridwell:

After careful consideration and evaluation of the Commission’s June 30, 2021 Order, Louisville Gas and Electric Company (“LG&E”) and Kentucky Utilities Company (“KU”) (jointly the “Companies”) have decided to remove the following language from their tariffs:

“This does not preclude Customer from allocating Company’s billing to Customer to any other person, firm, or corporation provided the sum of such allocations does not exceed Company’s billing.”

The Companies' tariffs contained similar language allowing for such allocations for many years.¹ The existing tariff language has been in the Companies' tariffs since 2009. The Companies historically have permitted the distribution of the allocable portion of cost of service, so long as there is no profit to the Companies' direct customer.

Although the Commission gave the Companies the option to retain this language in their tariffs, in order to do so, the Companies would have to undertake the monitoring of allocations of bills three times per year, twice during the winter season and once during the summer season. Monitoring is neither feasible nor practical. As noted in the Companies' discovery responses in these proceedings, such allocations have occurred in master metered situations, governed and permitted in certain circumstances by 807 KAR 5:046, for years. In such situations, the Companies however do not have any means of monitoring or verifying the accuracy of such allocations or the consumption of service by the end user receiving the allocation from the property owner and no way of measuring that consumption. Because there is no metering in place at the end user, there is no basis to verify the accuracy of the allocations in proportion to consumption. The Companies lack the legal authority to compel production of documentation between the direct customer and the end users as a condition of continued service and in some instances, the Companies may not be aware of every customer who has passed energy costs on to another end user.

Because such allocations have been permissible practice for many years, the Companies anticipate that they may receive questions from existing customers from time to time. From the Companies' perspective, because their direct customers are responsible for paying the bills for service, and, so long as those customers do so in accordance with our tariffs, they will continue to receive

¹ LG&E has had similar language in its tariff since 1992 and KU since 2004: "**RESALE OF ELECTRIC ENERGY.** Electric energy furnished under the Company's standard application or contract is for the use of the customer only and no customer shall resell such energy to any other person, firm, or corporation on the customer's premises or for use on any other premises without the written consent of Company. If energy is resold in accordance with such written consent of Company, the energy may be resold only under one of the following two procedures: (1) the bill for electric service shall be divided by the total KWH's delivered to the customer during the billing period by LG&E and the resulting cost per KWH shall then be applied to the KWH's of energy used by each end-user; or (2) such energy shall be resold at rates which are identical to the rates which would be charged by the Company for like and contemporaneous service."



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service. When responding to any direct questions, the Companies will note that customers may not resell their electric or gas energy. If asked whether they can allocate their utility bills to their tenants, the Companies will explain that such an approach cannot be approved by the Companies. And, if asked what their options for compliance will be, the Companies will indicate that the customer can make modifications to allow for individual metering of each unit, they can absorb their energy costs, or they can seek relief from the Commission's master metering regulation by making a formal complaint to the Commission as described in 807 KAR 5:046, Section 4.

In accordance with 807 KAR 5:001, Section 8, I certify that the electronically filed documents are a true and accurate copy of the same documents being filed in paper medium; that the electronic filing has been transmitted to the Commission on July 20, 2021; that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means; and that the original, will be filed with the Commission within 30 days of the lifting of the state of emergency.

Should you have any questions regarding the enclosed, please contact me at your convenience.

Sincerely,

A handwritten signature in blue ink that reads 'Robert M. Conroy'.

Robert M. Conroy