

KyPSC Case No. 2020-00375
TABLE OF CONTENTS

<u>DATA REQUEST</u>	<u>WITNESS</u>	<u>TAB NO.</u>
STAFF-DR-01-001	Phil Agee Legal	1
STAFF-DR-01-002	Phil Agee	2
STAFF-DR-01-003	Holly Hanson	3
STAFF-DR-01-004	Phil Agee Robert McLelland	4
STAFF-DR-01-005	Phil Agee Legal	5
STAFF-DR-01-006	Legal	6

**Duke Energy Kentucky
Case No. 2020-00375
Staff First Set Data Requests
Date Received: December 10, 2020**

STAFF-DR-01-001

REQUEST:

Refer to the Written Consent for Sub-Metering (Agreement), Section 1, Sub-Metering of Natural Gas Services, subsections (d) and (e). Explain how Duke Kentucky will know whether Skypoint Condominium Owners Association (Skypoint) is charging its occupants more than the prorated amount of Duke Kentucky's total monthly natural gas bill.

RESPONSE:

The individual tenants will be Duke Energy Kentucky electric customers. If a customer notifies Duke Energy Kentucky that Skypoint is not properly billing and allegedly reselling gas for a profit, then the Company will conduct an investigation.

The sub-metering system is being installed by Skypoint on the interior customer-owned piping to the building and behind Duke Energy Kentucky's meter and equipment. The submetering equipment is not, nor will it become, Duke Energy Kentucky equipment. The Company does not provide sub-metering services and does not have the capability or personnel to monitor, maintain, operate or test the submetering equipment, nor will it be able to read such equipment on a monthly basis. Duke Energy Kentucky will not monitor Skypoint's allocation process or the billing among its tenants. The Company does not have the personnel or processes to do this on a regular basis and would not agree to do so. The submetering is being done by Skypoint, at its own volition, and for its own benefit and that of its occupants.

By contract, Skypoint is agreeing that it will not charge any additional fees or charges to the occupants and will not charge any more than the pro-rated amount of Duke Energy Kentucky's total natural gas bill. Skypoint is agreeing that it will keep adequate records and will make those records available for inspection upon request and Duke Energy Kentucky reserves its right to terminate the agreement and disconnect the premises if Skypoint is profiting from the resale of natural gas. If Skypoint fails to cooperate with any investigation, then they are in violation of the terms of the contract and the Company's tariff.

Skypoint remains the customer of Duke Energy Kentucky and will be subject to all the terms and conditions of Duke Energy Kentucky's tariffs, including those regarding unauthorized remetering, KY. P.S.C. Gas No 2, Sheet No. 21, page 3, Section 6:

“In case of unauthorized remetering, sale, extension or other disposition of service, Company may immediately discontinue the supplying of service to Customer until such unauthorized act is discontinued and full payment is made for all service supplied or used, billed on proper classification and Rate Schedule, and reimbursement in full made to Company for all extra expenses incurred, including expenses for clerical work, testing and inspections.”

If Skypoint is not abiding by the terms of the contract, the remetering will be deemed unauthorized and they will be subject to disconnection, including appropriate notices, unless the submetering is removed. At that point, if Skypoint desires to have separate metering for customers, the building would need to be re-plumbed for individual service lines and meter sets for each individual unit. Further, the contract does not prohibit

an occupant from filing a complaint with the Commission regarding Skypoint's billing activities.

PERSON RESPONSIBLE: Legal, as to tariff and potential breach issues
Phil Agee, as to possible investigations

**Duke Energy Kentucky
Case No. 2020-00375
Staff First Set Data Requests
Date Received: December 10, 2020**

STAFF-DR-01-002

REQUEST:

Refer to the Agreement, Section 6, Maintenance of Records. Indicate under what circumstances Duke Kentucky would request the records of any allocations of its monthly natural gas bills to occupants of Skypoint.

RESPONSE:

If the Company is notified by a tenant of Skypoint that Skypoint is reselling gas at a profit, the Company will conduct an investigation.

PERSON RESPONSIBLE: Phil Agee

**Duke Energy Kentucky
Case No. 2020-00375
Staff First Set Data Requests
Date Received: December 10, 2020**

STAFF-DR-01-003

REQUEST:

Provide the Duke Kentucky rate schedule Skypoint will take service under, and indicate how many residents of Skypoint will receive gas service through submetering.

RESPONSE:

Skypoint will take service under Duke Energy Kentucky's Rate RS. Upon information and belief based upon Skypoint's statement to the Company, there are a total of 45 units in the building, of which approximately only 9-14 units (25-30 %) will be sub-metered.

PERSON RESPONSIBLE: Holly Henson

Duke Energy Kentucky
Case No. 2020-00375
Staff First Set Data Requests
Date Received: December 10, 2020

STAFF-DR-01-004

REQUEST:

Explain how occupants of Skypoint would know who to contact if they had concerns over the allocation of bills.

RESPONSE:

The tenants should first contact their homeowners association (HOA) who will be owning, operating, and maintaining the sub metering equipment, as well as, allocating and charging and collecting the submetered natural gas charges with any initial concerns. The HOA is comprised of the same tenants who are desiring to have the natural gas submetering performed. So there is no incentive for the HOA to markup any natural gas charges as they are, individually, the ones who will be paying the charges. As members of the HOA, Skypoint tenants should know that Duke Energy Kentucky is supplying the natural gas service to the building, with the HOA being the Company's customer of record.

Nonetheless, the individual Skypoint residents will have individual electric service and accounts from Duke Energy Kentucky and therefore will have information regarding the Company's call center. These tenants would have the ability to contact Duke Energy Kentucky to report any alleged resale of natural gas for a profit if it should occur. Duke Energy Kentucky will then investigate and take appropriate action.

PERSON RESPONSIBLE:

Phil Agee, as to possible investigations
Robert McLelland, as to gas safety issues

Duke Energy Kentucky
Case No. 2020-00375
Staff First Set Data Requests
Date Received: December 10, 2020

STAFF-DR-01-005

REQUEST:

If an occupant of Skypoint contacted Duke Kentucky with concerns over the allocation of bills, explain the actions Duke Kentucky would take to address those concerns.

RESPONSE:

If a tenant contacted Duke Energy Kentucky with concerns regarding resale of natural gas for a profit, and the tenant was unable to resolve the issue with Skypoint HOA directly, the Company would contact Skypoint to conduct an investigation. The Company would request billing records from Skypoint HOA and compare Skypoint's billing records to the Company's billing to Skypoint. If a resale for profit is discovered, the Company would require Skypoint to correct the resale practice immediately, and if necessary, direct Skypoint to remove the submetering equipment as that would be a violation of the terms of the agreement and the Company's tariffs. If Skypoint further refuses, then the Company would, in accordance with its tariffs, provide notice of a tariff violation, and that the natural gas service could be disconnected unless the violation was corrected and the submetering equipment removed.

PERSON RESPONSIBLE:

Legal, as to issues of breach
Phil Agee, as to possible investigations

**Duke Energy Kentucky
Case No. 2020-00375
Staff First Set Data Requests
Date Received: December 10, 2020**

STAFF-DR-01-006

REQUEST:

Refer to the Attachment to Commission's November 25, 2020 Order filed in this case. In response to Commission Staff's Requests dated November 12, 2020, Item 1, Duke Kentucky indicates that it reviewed other utility tariffs and special contracts that appeared to allow this type of arrangement.

- a. Indicate the other utility tariffs Duke Kentucky reviewed that it believes allows this sort of arrangement.
- b. Indicate the prior special contracts for master meter systems that were accepted by the Commission that Duke Kentucky reviewed.

RESPONSE:

- a. Please see Tariff for Louisville Gas and Electric Company P.S.C. Gas No. 12, Original Sheet No. 101.2 Terms and Conditions, available at:

<https://psc.ky.gov/tariffs/Natural%20Gas/Local%20Distribution%20Companies/Louisville%20Gas%20%26%20Electric/Tariff.pdf>

Regarding resale of gas, the LG&E tariff provides as follows:

RESALE OF GAS

Gas service furnished under Company's standard application or contract is for the use of Customer only and Customer shall not resell such gas to any other person, firm, or corporation on Customer's premises or for use on any other premises. *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. (Emphasis Added.)

See also Kentucky American Water Company, P.S.C. KY No 9, First Sheet 16, paragraph 8.5, available at:

<https://psc.ky.gov/tariffs/Water/Districts,%20Associations,%20%26%20Privately%20Owned/Kentucky-American%20Water%20Company/Tariff.pdf>

Regarding resale of water, the tariff provides as follows:

8.5 Limitations on Resale of Water

Water furnished to any customer, except for a customer classified as a "Sales for Resale" customer, is for the customer's use only and such water shall not be resold by the customer to any other person, firm, or corporation on the customer's premises or for use on any other premise. *This restriction, however, does not preclude a customer from allocating the Company's billing to the customer to any other person, firm, or corporation provided the sum of such allocations does not exceed the Company's billing. (Emphasis Added).*

- b. See *e.g.*, STAFF-DR-01-006(b) Attachments 1, 2, and 3.

See also STAFF-DR-01-006(b) Attachment 4, KyP.S.C. Order, Case No. 2016-00305, permitting sub-metering for water.

PERSON RESPONSIBLE: Legal



RECEIVED

MAR 08 1993

PUBLIC SERVICE
COMMISSION

WRITTEN CONSENT

Louisville Gas and Electric Company
820 West Broadway
P.O. Box 32020
Louisville, Kentucky 40232

This Written Consent ("Agreement") is entered into this 23 day of FEB, 1993 between Louisville Gas and Electric Company, a public utility engaged in the business of providing gas and electric service (hereinafter "LG&E") and Kenwood Mobile Home Park located at 4418 Taylor Blvd in Jefferson County, Kentucky and an electric customer of LG&E (hereinafter "Kenwood").

WITNESSETH:

WHEREAS, LG&E generates and purchases electricity and has the exclusive right to distribute and sell the same at retail within its certified territory in Jefferson County and in portions of Bullitt, Hardin, Henry, Meade, Oldham, Shelby, Spencer and Trimble Counties pursuant to Chapter 278 of the Kentucky Revised Statutes.

WHEREAS, Kenwood desires to resell the electric energy furnished by LG&E to the occupants of the trailer park for their use and consumption on the premises and the written consent of LG&E is required for the resale of such energy.

NOW, THEREFORE, in consideration of the mutual agreements herein contained, the parties hereby agree as follows:

1. Resale of Electric Energy.

(a) Electric energy furnished under LG&E's ~~standard~~ application or contract is only for use of Kenwood and the resale of such energy to any other person, firm or corporation on

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OF KENTUCKY
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SECTION 9 (1)
BY: Shirley Valle
PUBLIC SERVICE COMMISSION MANAGER

A SUBSIDIARY OF
LG&E ENERGY



Kenwood's premises or for use on any other premises is prohibited without the written consent of LG&E.

(b) LG&E hereby consents to the resale of the electric energy furnished to Kenwood to the occupants in Kenwoods's Mobile Home Park facility in accordance with the terms and conditions of this Agreement. The resale of electric energy pursuant to this Agreement is a conditional and revocable privilege.

2. Rules and Regulations. The resale of electric energy by Kenwood to the occupants of the mobile home park shall be in accordance with the applicable rules and regulations of the Public Service Commission of Kentucky and the Rules and Regulations for Furnishing Electric Service of LG&E ("Electric Tariff") approved by the Public Service Commission of Kentucky.

3. Rates. The electric energy furnished to Kenwood may be resold only under one of the following two procedures:

(1) The monthly bill for electric service shall be divided by the total kwh delivered to Kenwood during the billing period; the resulting rate per kwh shall then be applied to the kwh of energy consumed by each end-user.

(2) Such energy shall be resold at rates which are identical to the rates which would be charged by LG&E for like and contemporaneous service.

Please indicate your choice of billing method: (1) , or (2) .

4. Type of Service. All electric energy resold by Kenwood shall be made available only for single-phase residential use for lighting, heating, cooking, refrigeration, household appliances

APR 7 1993

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BY: 
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and other domestic purposes, subject to any special terms contained in LG&E's Electric Tariff.

5. Term. This Agreement shall continue from month to month until Kenwood closes its account with LG&E or cancels as herein provided.

6. Cancellation. The privilege of reselling the electric energy furnished by LG&E may be revoked and this Agreement may be canceled for such causes as set forth in LG&E's Electric Tariff or for failure to comply with the terms and conditions herein. This Agreement shall not impair or otherwise limit LG&E's rights to discontinue service to Kenwood according to the rules and regulations of the Public Service Commission or its Electric Tariff.

7. Assignment. Kenwood agrees not to resell any electric energy to any person, firm or corporation outside Kenwood's premises, and this Agreement is not assignable or transferable.

8. LG&E Not Liable for Resale of Electric Energy. LG&E is acting merely as a supplier of electricity delivered to the point of connection of LG&E's and Kenwood's facilities, and shall not be liable for and shall be protected and held harmless for any injury or damage to the occupants of the trailer park or their property or third persons resulting from the presence, use or abuse of electricity on the premises of the trailer park or resulting from defects in or accidents to any of the trailer park occupants' wiring, equipment, apparatus, or appliances, or resulting from any cause whatsoever unrelated to LG&E's service.

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APR 7 1993

-3-

PURSUANT TO 807 KAR 5:011,
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9. LG&E Not Liable for Interruptions. LG&E shall not be liable for any loss or damage resulting from interruption, reduction, delay or failure of electric service resold by Kenwood to the occupants of the trailer park or sold by LG&E to Kenwood for resale to the occupants of the trailer park except to the extent that it is liable to its other normal commercial customers.

10. Permits. Kenwood shall obtain or cause to be obtained all permits, certificates or other governmental or regulatory approvals necessary for the resale of electric energy to the occupants of the trailer park and shall operate and maintain any apparatus or facilities used for the resale of electric energy within the premises of the trailer park in accordance with all local, state and federal regulations and good engineering practice and all applicable safety or electric codes.

11. Consumer Complaints. LG&E acknowledges and accepts the obligation to resolve any complaints from the occupants of the trailer park concerning the rates or charges for the electric energy resold under this Agreement. In the event any of the occupants of the trailer park shall have such a complaint, they may bring their complaint to the Louisville Gas and Electric Company for resolution. As a condition to the resale of LG&E's electric energy, Kenwood agrees to respond to any such complaint and cooperate with the Louisville Gas and Electric Company in order to resolve the dispute.

12. LG&E's Tariff. This written consent shall supplement LG&E's Electric Tariff. In the event of a conflict, the

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regulations contained in LG&E's Electric Tariff shall control. This Agreement shall at all times be subject to changes or modifications as the Public Service Commission of Kentucky may, from time to time, direct in the exercise of its authority.

Having read the above-described terms and conditions, this Agreement is hereby accepted and agreed to:

LOUISVILLE GAS AND ELECTRIC

KENWOOD MOBILE HOME PARK

BY: T.K. Alaph...

BY: Pat Chesher

TITLE: 1/2 ACCOUNTS REP I

TITLE: owner

DATE: 2-23-93

DATE: 2-23-93

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APR 7 1993

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SECTION 9 (1)

BY: [Signature]
PUBLIC SERVICE COMMISSION MANAGER

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RECEIVED

DEC 02 1994

P.S.C.
RATES & RESEARCH DIV.

WRITTEN CONSENT

This Written Consent ("Agreement") is entered into this 16 day of Nov, 1993 between Louisville Gas and Electric Company, a public utility engaged in the business of providing gas and electric service (hereinafter "LG&E") and Pioneer Mobile Home Park located in Jefferson County, Kentucky and an electric customer of LG&E (hereinafter "Pioneer").

WITNESSETH:

WHEREAS, LG&E generates and purchases electricity and has the exclusive right to distribute and sell the same at retail within its certified territory in Jefferson County and in portions of Bullitt, Hardin, Henry, Meade, Oldham, Shelby, Spencer and Trimble Counties pursuant to Chapter 278 of the Kentucky Revised Statutes.

WHEREAS, Pioneer desires to resell the electric energy furnished by LG&E to the occupants of the trailer park for their use and consumption on the premises and the written consent of LG&E is required for the resale of such energy.

NOW, THEREFORE, in consideration of the mutual agreements herein contained, the parties hereby agree as follows:

1. **Resale of Electric Energy.**

(a) Electric energy furnished under LG&E's standard application or contract is only for use of Pioneer and the resale of such energy to any other person, firm or corporation on

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PURSUANT TO 807 KAR 5.011,
BY [Signature]
FOR THE PUBLIC SERVICE COMMISSION



Pioneer's premises or for use on any other premises is prohibited without the written consent of LG&E.

(b) LG&E hereby consents to the resale of the electric energy furnished to Pioneer to the occupants in the Pioneer Mobile Home Park facility in accordance with the terms and conditions of this Agreement. The resale of electric energy pursuant to this Agreement is a conditional and revocable privilege.

2. **Rules and Regulations.** The resale of electric energy by Pioneer to the occupants of the mobile home park shall be in accordance with the applicable rules and regulations of the Public Service Commission of Kentucky and the Rules and Regulations for Furnishing Electric Service of LG&E ("Electric Tariff") approved by the Public Service Commission of Kentucky.

3. **Rates.** The electric energy furnished to Browns may be resold only under one of the following two procedures:

(1) The monthly bill for electric service shall be divided by the total kwh delivered to Derby during the billing period; the resulting rate per kwh shall then be applied to the kwh of energy consumed by each end-user.

(2) Such energy shall be resold at rates which are identical to the rates which would be charged by LG&E for like and contemporaneous service.

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Please indicate your choice of billing method: (1) PURSUANT TO 202 KAR 5011, SECTION 9(1)

4. **Type of Service.** All electric energy resold by Pioneer shall be made available only for single-phase residential service for lighting, heating, cooking, refrigeration, household appliances

BY Public U. Paul
FOR THE PUBLIC SERVICE COMMISSION



and other domestic purposes, subject to any special terms contained in LG&E's Electric Tariff.

5. **Term.** This Agreement shall continue from month to month until Pioneer closes its account with LG&E or cancels as herein provided.

6. **Cancellation.** The privilege of reselling the electric energy furnished by LG&E may be revoked and this Agreement may be canceled for such causes as set forth in LG&E's Electric Tariff or for failure to comply with the terms and conditions herein. This Agreement shall not impair or otherwise limit LG&E's rights to discontinue service to Pioneer according to the rules and regulations of the Public Service Commission or its Electric Tariff.

7. **Assignment.** Pioneer agrees not to resell any electric energy to any person, firm or corporation outside Pioneer's premises, and this Agreement is not assignable or transferable.

8. **LG&E Not Liable for Resale of Electric Energy.** LG&E is acting merely as a supplier of electricity delivered to the point of connection of LG&E's and Pioneer's facilities, and shall not be liable for and shall be protected and held harmless for any injury or damage to the occupants of the trailer park or their property or third persons resulting from the presence, use or abuse of electricity on the premises of the trailer park or resulting from defects in or accidents to any of the trailer park occupants' wiring, equipment, apparatus, or appliances, or resulting from any cause whatsoever unrelated to LG&E's service.

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-3-

FEB 17 1995

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Robert C. Neal
FOR THE ENERGY



9. LG&E Not Liable for Interruptions. LG&E shall not be liable for any loss or damage resulting from interruption, reduction, delay or failure of electric service resold by Pioneer to the occupants of the trailer park or sold by LG&E to Pioneer for resale to the occupants of the trailer park except to the extent that it is liable to its other normal commercial customers.

10. Permits. Pioneer shall obtain or cause to be obtained all permits, certificates or other governmental or regulatory approvals necessary for the resale of electric energy to the occupants of the trailer park and shall operate and maintain any apparatus or facilities used for the resale of electric energy within the premises of the trailer park in accordance with all local, state and federal regulations and good engineering practice and all applicable safety or electric codes.

11. Consumer Complaints. LG&E acknowledges and accepts the obligation to resolve any complaints from the occupants of the trailer park concerning the rates or charges for the electric energy resold under this Agreement. In the event any of the occupants of the trailer park shall have such a complaint, they may bring their complaint to the Louisville Gas and Electric Company for resolution. As a condition to the resale of LG&E's electric energy, Pioneer agrees to respond to any such complaint and cooperate with the Louisville Gas and Electric Company in order to resolve the dispute.

12. LG&E's Tariff. This written consent ~~shall supplement~~ LG&E's Electric Tariff. In the event of a conflict, ~~the rules and~~

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BY: [Signature]
FOR THE PUBLIC SERVICE COMMISSION



regulations contained in LG&E's Electric Tariff shall control. This Agreement shall at all times be subject to changes or modifications as the Public Service Commission of Kentucky may, from time to time, direct in the exercise of its authority.

Having read the above-described terms and conditions, this Agreement is hereby accepted and agreed to:

LOUISVILLE GAS AND ELECTRIC

BY: T. Keith Alexander
TITLE: Account Executive
DATE: 11/30/94

PIONEER MOBILE HOME PARK

BY: Margorie Bailey
TITLE: Manager
DATE: 11-16-94

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SECTION 9(1)

BY: Anderson C. Neal
FOR THE PUBLIC SERVICE COMMISSION



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PUBLIC SERVICE
COMMISSION

WRITTEN CONSENT

Louisville Gas and Electric Company
820 West Broadway
P.O. Box 32020
Louisville, Kentucky 40232

This Written Consent ("Agreement") is entered into this 23 day of FEB, 1993 between Louisville Gas and Electric Company, a public utility engaged in the business of providing gas and electric service (hereinafter "LG&E") and Strawberry Mobile Home Park located at 229 Steedly Drive in Jefferson County, Kentucky and an electric customer of LG&E (hereinafter "Strawberry").

WITNESSETH:

WHEREAS, LG&E generates and purchases electricity and has the exclusive right to distribute and sell the same at retail within its certified territory in Jefferson County and in portions of Bullitt, Hardin, Henry, Meade, Oldham, Shelby, Spencer and Trimble Counties pursuant to Chapter 278 of the Kentucky Revised Statutes.

WHEREAS, Strawberry desires to resell the electric energy furnished by LG&E to the occupants of the trailer park for their use and consumption on the premises and the written consent of LG&E is required for the resale of such energy.

NOW, THEREFORE, in consideration of the mutual agreements herein contained, the parties hereby agree as follows:

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1. Resale of Electric Energy.

(a) Electric energy furnished under LG&E's section 9(1) application or contract is only for use of Strawberry and resale of such energy to any other person, firm or corporation on

PURSUANT TO 807 KAR 5:011.
SECTION 9(1)
BY: [Signature]
PUBLIC SERVICE COMMISSION MANAGER



Strawberry's premises or for use on any other premises is prohibited without the written consent of LG&E.

(b) LG&E hereby consents to the resale of the electric energy furnished to Strawberry to the occupants in the Strawberry's Mobile Home Park facility in accordance with the terms and conditions of this Agreement. The resale of electric energy pursuant to this Agreement is a conditional and revocable privilege.

2. Rules and Regulations. The resale of electric energy by Strawberry to the occupants of the mobile home park shall be in accordance with the applicable rules and regulations of the Public Service Commission of Kentucky and the Rules and Regulations for Furnishing Electric Service of LG&E ("Electric Tariff") approved by the Public Service Commission of Kentucky.

3. Rates. The electric energy furnished to Strawberry may be resold only under one of the following two procedures:

(1) The monthly bill for electric service shall be divided by the total kwh delivered to Strawberry during the billing period; the resulting rate per kwh shall then be applied to the kwh of energy consumed by each end-user.

(2) Such energy shall be resold at rates which are identical to the rates which would be charged by LG&E for like and contemporaneous service.

Please indicate your choice of billing method: (1) PUBLIC SERVICE COMMISSION OF KENTUCKY - EFFECTIVE

4. Type of Service. All electric energy resold by Strawberry shall be made available only for single-phase

APR 7 1992

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BY: [Signature]
PUBLIC SERVICE COMMISSION MANAGER



residential service for lighting, heating, cooking, refrigeration, household appliances and other domestic purposes, subject to any special terms contained in LG&E's Electric Tariff.

5. Term. This Agreement shall continue from month to month until Strawberry closes its account with LG&E or cancels as herein provided.

6. Cancellation. The privilege of reselling the electric energy furnished by LG&E may be revoked and this Agreement may be canceled for such causes as set forth in LG&E's Electric Tariff or for failure to comply with the terms and conditions herein. This Agreement shall not impair or otherwise limit LG&E's rights to discontinue service to Strawberry according to the rules and regulations of the Public Service Commission or its Electric Tariff.

7. Assignment. Strawberry agrees not to resell any electric energy to any person, firm or corporation outside Strawberry's premises, and this Agreement is not assignable or transferable.

8. LG&E Not Liable for Resale of Electric Energy. LG&E is acting merely as a supplier of electricity delivered to the point of connection of LG&E's and ^{Strawberry's} ~~Derby's~~ facilities, and shall not be liable for and shall be protected and held harmless for any injury or damage to the occupants of the trailer park or their property or third persons resulting from the presence, use or abuse of electricity on the premises of the trailer park or resulting from defects in or accidents to any of the trailer park occupants'

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APR 7 1993

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SECTION 9 (1)

BY: [Signature]
PUBLIC SERVICE COMMISSION MANAGER

ASSOCIATE OF
LG&E ENERGY



wiring, equipment, apparatus, or appliances, or resulting from any cause whatsoever unrelated to LG&E's service.

9. LG&E Not Liable for Interruptions. LG&E shall not be liable for any loss or damage resulting from interruption, reduction, delay or failure of electric service resold by Strawberry to the occupants of the trailer park or sold by LG&E to Strawberry for resale to the occupants of the trailer park except to the extent that it is liable to its other normal commercial customers.

10. Permits. Strawberry shall obtain or cause to be obtained all permits, certificates or other governmental or regulatory approvals necessary for the resale of electric energy to the occupants of the trailer park and shall operate and maintain any apparatus or facilities used for the resale of electric energy within the premises of the trailer park in accordance with all local, state and federal regulations and good engineering practice and all applicable safety or electric codes.

11. Consumer Complaints. LG&E acknowledges and accepts the obligation to resolve any complaints from the occupants of the trailer park concerning the rates or charges for the electric energy resold under this Agreement. In the event any of the occupants of the trailer park shall have such a complaint, they may bring their complaint to the Louisville Gas and Electric Company for resolution. As a condition to the resale of electric energy, Strawberry agrees to respond to any such complaint and

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APR 7 1993

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Sharon Datta
PUBLIC SERVICE COMMISSION MANAGER



cooperate with the Louisville Gas and Electric Company in order to resolve the dispute.

12. LG&E's Tariff. This written consent shall supplement LG&E's Electric Tariff. In the event of a conflict, the rules and regulations contained in LG&E's Electric Tariff shall control. This Agreement shall at all times be subject to changes or modifications as the Public Service Commission of Kentucky may, from time to time, direct in the exercise of its authority.

Having read the above-described terms and conditions, this Agreement is hereby accepted and agreed to:

LOUISVILLE GAS AND ELECTRIC

STRAWBERRY MOBILE HOME PARK

BY: T.K. [Signature]
TITLE: Trk Accounts Rep. I
DATE: 2-23-93

BY: Pat Chesher
TITLE: owner
DATE: 2-23-93

PUBLIC SERVICE COMMISSION
OF KENTUCKY
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SECTION 9(1)

BY: [Signature]
PUBLIC SERVICE COMMISSION MANAGER

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY)	CASE NO.
MANUFACTURED HOUSING INSTITUTE FOR)	2016-00305
A DECLARATORY ORDER)	

ORDER

On September 23, 2016, the Kentucky Manufactured Housing Institute (“KMHI”) filed an application for a declaratory order regarding the Commission’s jurisdiction over mobile home communities that utilize sub-metering for water service provided to tenants within those communities. In particular, KMHI requests an order declaring that mobile home communities that utilize sub-metering of watering service do not provide utility service to the public; that mobile home communities utilizing sub-metering should not be deemed a “utility” as that term is defined in KRS 278.010(3)(d); and that therefore mobile home communities utilizing sub-metering do not fall within the Commission’s jurisdiction under KRS 278.040.

In support of its request, KMHI states that it is a trade association for the manufactured and modular housing industries. KMHI notes that a manufactured home is a single-family residential dwelling constructed after June 16, 1976, in accordance with the Federal Manufactured Home Construction and Safety Standards Act of 1976, as amended. KMHI further notes that a modular home is a single-family residential dwelling constructed in accordance with the Kentucky Residential Building Code or the

Industrialized Systems Code. KMHI states that all references to a mobile home community would include both manufactured and modular homes.

According to KMHI, the owner of a mobile home community owns the mobile home park and rents each lot to individuals. A manufactured or modular home is then placed on the lot by the renter. The renter typically owns the home that is placed on the lot and pays a monthly rent to the mobile home community owner for use of the lot.

KMHI describes sub-metering as the “practice of [the owner of a mobile home community] placing meters on each of the independent lots housing a mobile home, and charging each of the tenants of the [mobile home community] for the amount of water individually used during the month.” KMHI states that water is received through a master meter and distributed to the individual lots through service pipes located within the mobile home community. A sub-meter records the usage of each mobile or modular home within the mobile home community. The mobile home community owner then allocates the water costs based on each home’s usage during the month. KMHI indicates that this transaction does not generate a profit for the owner of the mobile home community.

KMHI asserts that the use of sub-metering provides benefits, including accurate pricing signals to the renters which encourage conservation of water. KMHI notes that many mobile home community owners have seen reductions in usage of 50 percent upon instituting sub-metering. KMHI states that line breaks are quickly identified and resolved due to individual renters notifying the park owner of increased water bills. KMHI maintains that sub-metering also allows a mobile home community owner to disconnect water service as a means of ensuring payment of rent rather than relying on

eviction, which is a more time consuming and expensive process for both the owner and the renter.

KMHI notes that there have been seven Staff advisory opinions issued since 1992 addressing the issue of sub-metering, two of which specifically addressing sub-metering by mobile home communities. KMHI points out that each of the Staff opinions concluded that sub-metering in a landlord-tenant instance did not constitute the provision of utility service to the public and that the subject mobile home community was a not a utility subject to the Commission's jurisdiction. KMHI further points out that the rationale supporting Staff's conclusions was that the arrangement was limited to those who were tenants of the mobile home communities and not offered to those outside of the mobile home park. Because the Staff opinions are not binding on the Commission, KMHI now seeks a declaration from the Commission on this issue.

807 KAR 5:001, Section 19(3) provides that the Commission may direct that a copy of the application be served on a person who may be affected by an application for a declaratory order. In an Order issued on October 6, 2016, the Commission found that the jurisdictional issued raised by KMHI may affect water utilities regulated by the Commission, and thus served a copy of KMHI's application on all water utilities regulated by the Commission and on the Attorney General's Office of Rate Intervention.¹ Pursuant to 807 KAR 5:001, Section 19(4), the Commission provided that responses to KMHI's application be filed within 21 days from the date of the October 6, 2016 Order. The Commission received no responses.

¹ The Commission served the October 6, 2016 Order and KMHI application on the Kentucky Rural Water Association ("KRWA"), whose members include all water utilities regulated by the Commission except for two investor-owned water utilities, and to Kentucky American Water Company and Water Service Corporation of Kentucky, the two investor-owned water utilities not members of KRWA.

On November 7, 2016, KMHI filed a motion noting that no comments have been filed in response to its application and requesting approval of its application. Pursuant to 807 KAR 5:001, Section 19(7), the matter stands submitted to the Commission for a decision based upon the evidentiary record.

Having reviewed the application and being otherwise sufficiently advised, the Commission finds that a mobile home community owner or operator utilizing sub-meters as described in the application would not be considered a utility. KRS 278.010(3)(d) defines a utility, in relevant part, as follows:

any person except a regional wastewater commission established pursuant to KRS 65.8905 and, for purposes of paragraphs (a), (b), (c), (d), and (f) of this subsection, a city, who owns, controls, operates, or manages any facility used or to be used in connection with...[t]he diverting, developing, pumping, impounding, distributing, or furnishing of water to or for the public, for compensation....

Where the provision of utility service is limited to a specific class of persons, the Commission has found that such provision of service is not considered service to the public and, therefore, not subject to the Commission's jurisdiction under KRS 278.040(2).² Here, KMHI states that the sub-meters would be placed on each lot within a mobile home community; the sub-meters would track the usage in each individual mobile home; the owner or operator of the mobile home community allocates the water costs based on each home's usage during the month; and the transaction does not generate a profit for the owner or operator of the mobile home community. Based on the facts presented in the application, the Commission finds that the mobile home

² See *The Application of Metropolitan Sewer District for Approval to Acquire and Operate the Fairhaven Mobile Home Village Sewage Treatment Plant* (Ky. PSC June 22, 1990) (determining that an owner and operator of a mobile home park who provided sewer service only to the park's tenants could not be considered within the statutory definition of a utility).

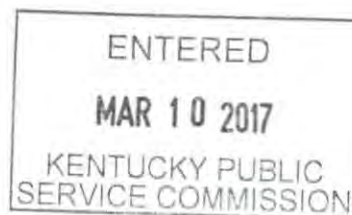
community owner or operator would not be a utility as that term is defined under KRS 278.010(3) and would not be subject to the Commission's jurisdiction pursuant to KRS 278.040. The Commission notes, however, that sub-metering alone or in combination with any fees such as an administrative fee, a disconnect fee, or a reconnect fee, could result in the owner or operator of the mobile home community being in violation of the supplying water utility's filed tariff.³

IT IS THEREFORE ORDERED that:

1. KMHI's motion for a decision is granted.
2. KMHI's application for a declaratory order is granted as discussed in the findings set forth in this Order.
3. This case is closed and removed from the Commission's docket.

By the Commission

Vice Chairman Cicero did not participate in the deliberations or decision concerning this case.



ATTEST:



Executive Director

³ See, for example, Henderson County Water District Tariff PSC KY. No. 4, Original Sheet No. 12 and Ohio County Water District Tariff PSC KY. No. 1, Original Sheet No. 26.

*Gregory T Dutton
Goldberg Simpson LLC
9301 Dayflower Street
Louisville, KENTUCKY 40059