

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF)	
KENTUCKY UTILITIES COMPANY FOR)	CASE NO. 2025-00113
AN ADJUSTMENT OF ITS ELECTRIC)	
RATES AND APPROVAL OF CERTAIN)	
REGULATORY AND ACCOUNTING)	
TREATMENTS)	

In the Matter of:

ELECTRONIC APPLICATION OF)	
LOUISVILLE GAS AND ELECTRIC)	CASE NO. 2025-00114
COMPANY FOR AN ADJUSTMENT OF)	
ITS ELECTRIC AND GAS RATES, AND)	
APPROVAL OF CERTAIN REGULATORY)	
AND ACCOUNTING TREATMENTS)	

DIRECT TESTIMONY OF
SHANNON L. MONTGOMERY
VICE PRESIDENT, CUSTOMER SERVICES
ON BEHALF OF
KENTUCKY UTILITIES COMPANY AND
LOUISVILLE GAS AND ELECTRIC COMPANY

Filed: May 30, 2025

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1 **INTRODUCTION**

2 **Q. Please state your name, position, and business address.**

3 A. My name is Shannon L. Montgomery. I am Vice President of Customer Services for
4 Kentucky Utilities Company (“KU”) and Louisville Gas and Electric Company
5 (“LG&E”) (collectively, “Companies”) and an employee of LG&E and KU Services
6 Company, which provides services to KU and LG&E. My business address is 2701
7 Eastpoint Parkway, Louisville, Kentucky 40223. A complete statement of my
8 education and work experience is attached to this testimony as Appendix A.

9 **Q. Have you previously testified before this Commission?**

10 A. Yes, I recently testified in the Companies’ Integrated Resource Plan hearing in Case
11 No. 2024-00326. I have also sponsored and helped prepare data responses filed with
12 this Commission in numerous cases.

13 **Q. Please describe your responsibilities as Vice President - Customer Services.**

14 A. My team and I are leaders of most customer-facing services at our company. In that
15 light, I am responsible for oversight of a broad range of customer relationship functions.
16 These include metering, contact center and customer support operations, billing,
17 revenue collection, renewable energy offerings like the solar share and business solar
18 programs and green tariff, and energy efficiency operations. Additionally, I work to
19 make sure that those activities are conducted safely and in an efficient manner that
20 enhances the overall experience for the customer.

21 **Q. What is the purpose of your direct testimony?**

22 A. I first summarize the customer services operations of the Companies and describe how
23 customer services is operating safely and efficiently. Next, I discuss significant
24 changes to the Companies’ customer services channels, including closure of their

1 business offices, and provide the status of other customer services initiatives, including
2 customer service IT investments and an update on AMI deployment. Finally, I update
3 the Commission on the Companies' customer service programs, including our proposal
4 for a prepay program.

5 **CUSTOMER SERVICE OPERATIONS**

6 **Q. How do the Companies demonstrate the value they place on customer service?**

7 A. Customer focus is at the very heart of the Companies' vision, mission, and values. Our
8 employees are dedicated to providing the highest quality, safe, affordable service to all
9 our customers, and improving quality of life in the areas we serve. We live these values
10 by refusing to compromise on safety and health, and by listening to customers, treating
11 them with respect, and seeking their input to better serve their needs. We serve
12 customers by providing them with timely and useful information about their energy
13 usage and billing, and by creating and maintaining programs tailored to their expressed
14 needs. We also demonstrate the value we place on our customers by continuously
15 seeking and implementing ways to serve them more effectively. I will describe many
16 of these programs and process improvements throughout my testimony.

17 **Performance and Recognition**

18 **Q. Describe Customer Services' commitment to safety.**

19 A. We do not compromise on safety. Because the safety of the public, employees, and
20 contractors is a company-wide cultural value and responsibility, safety is paramount in
21 every aspect of our business, including customer services. I currently serve as the Chair
22 of the Companies' Safety and Health Governance Council, which is a leadership group
23 responsible for ensuring the Companies' commitment to safety, health, and well-being.
24 This Council focuses on identifying and mitigating potential safety risks, rather than

1 just reacting to incidents. We reinforce our management-led, employee-driven safety
2 culture by meeting regularly with frontline employees to identify safety risks and
3 implement safety programs and policies. Through this and other initiatives, the
4 Companies are committed to safe work through culture, training, and accountability by
5 everyone in the organization.

6 **Q. Has the deployment of advanced metering infrastructure (“AMI”) improved**
7 **safety?**

8 A. Yes. AMI enhances safety for the Companies’ employees and contractors in several
9 ways. Because AMI allows remote functions that were previously performed in-
10 person, this reduces exposure to various hazards on customers’ premises, such as
11 aggressive dogs or confrontational situations with customers. The real-time data and
12 advanced analytics AMI provides also allows for better identification of safety hazards
13 and improved response in major system restoration events.

14 **Q. How do the Companies measure customer satisfaction?**

15 A. The Companies strive to make every interaction with their customers a positive one.
16 The Companies measure customer satisfaction through a collection of objective data
17 generated in part through customer feedback. For example, customers are offered the
18 opportunity to take a survey through a third-party to rate their satisfaction with contact
19 center interactions they have with the Companies. Using a scale of 1 to 5 (1 being Not
20 Satisfied at all and 5 being Completely Satisfied), the scores from these surveys are
21 averaged and designated as the Combined Customer Experience Rating. This “CE”
22 rating gives the Companies critical information on service experience by contact
23 channel (i.e., phone, email). The Companies regularly monitor this data and J.D. Power

1 survey data to respond and adjust to ensure we continue to meet and exceed customer's
2 expectation. The Companies also track customer experiences through inquiries filed
3 with the Kentucky Public Service Commission ("Commission"), and the resolution of
4 those inquiries.

5 **Q. How have the Companies performed under these metrics?**

6 A. The Companies are proud that their 2024 CE scores have exceeded targets. Average
7 CE ratings achieved a 4.5 rating on a 5.0 scale. Additionally, 99 percent of Commission
8 customer service inquiries were resolved within three business days for calendar year
9 2024.

10 The Companies are also increasingly focused on achieving a positive self-
11 service experience for customers. Through March 2025, the Companies' mobile app
12 on Apple and Android devices has been downloaded 860,000 times and rated a 4.8 and
13 4.7 on a 5.0 scale, respectively.

14 **Q. Have the Companies been recognized recently for excellence in customer**
15 **satisfaction?**

16 A. Yes. The national J.D. Power survey measures overall customer satisfaction for utility
17 safety and reliability, billing and payment, corporate citizenship, customer care, price,
18 and communications. KU was ranked first by J.D. Power in electric residential
19 customer satisfaction among its peers for the Midwest Midsize region in 2020, 2021,
20 and 2022. KU also was ranked first by J.D. Power in electric business customer
21 satisfaction among its peers for the Midwest Midsize in 2021, 2022, and 2024. LG&E
22 ranked in the top half of its segment in 2020, 2021, 2022, and 2024. These recognitions

1 reflect the high level of commitment and resources the Companies have consistently
2 dedicated to customer satisfaction.

3 **Low-Income Customer Assistance**

4 **Q. Describe the Companies' efforts to support low-income customers.**

5 A. As Mr. Crockett discusses in his testimony, support of low-income customers is an
6 integral part of the Companies' overall strategy and culture to support the communities
7 we serve. Support for low-income customers takes many forms, and includes the
8 Companies' long-standing, close relationships with community assistance
9 organizations like Community Action Kentucky ("CAK") and Association of
10 Community Ministries ("ACM"), communications and information targeted to low-
11 income customers, shareholder contributions, employee volunteerism, and a portfolio
12 of programs to provide assistance to low-income customers. Additionally, we meet
13 with representatives from the agencies on a regular basis to share information and
14 maintain communication.

15 **Q. What programs are designed to assist customers who are struggling**
16 **economically?**

17 A. The Companies requested approval for an expanded slate of Income-Qualified
18 Solutions in Case No. 2022-00402. This includes Low-Income Weatherization
19 (WeCare), which is an existing, voluntary program designed to create savings through
20 weatherization and energy education to help income-eligible customers. This program
21 aims to assist a target of 4,590 eligible customers each year, with each customer
22 receiving an average of approximately \$1,650 in energy efficiency upgrades per home.
23 These upgrades may include air and duct sealing, attic and wall insulation, energy
24 efficient water devices, smart thermostats, and energy efficient lighting and appliances.

1 WeCare customers who receive a smart thermostat may be enrolled into the Bring-
2 Your-Own Device program and will receive a one-time enrollment incentive and
3 additional incentives for successful participation in each event. WeCare customers are
4 also given advice on energy conservation and installation of other energy efficient
5 devices that are not included in the upgrades.

6 Residential customers are also eligible to participate in the Peak Time Rebates
7 program, which gives cash incentives for voluntary reductions in electric consumption
8 during times of high usage. This program may be attractive to customers struggling
9 economically as there is no equipment to purchase to participate.

10 **Q. Which customers are eligible for the WeCare program?**

11 A. Eligible customers must have one month of service through the Companies and the
12 property must not have received WeCare benefits for the past three years in order to
13 apply. Customers must also meet an income eligibility threshold of 200 percent of the
14 federal poverty level. If a customer has received Low-Income Home Energy
15 Assistance Program (“LIHEAP”) within the last 24 months, the customer is “fast
16 tracked” for the WeCare program and no additional support is needed from that
17 customer. Customers may also self-attest that they are at or below 200 percent of the
18 federal poverty level to qualify and no additional support is requested.

19 **Q. How are the Companies working to provide WeCare support to even more**
20 **families?**

21 A. In addition to the expansion of Income-Qualified Solutions I described above that the
22 Commission approved in Case No. 2022-00402, the Companies also expanded the
23 WeCare services to multifamily properties. The program offers energy assessment and

1 direct install measures for all tenants in the building and the common areas if 50 percent
2 or more of the tenants are income-qualified. The program also encourages whole-
3 building retrofits with 50 percent of project incremental costs incented by the
4 Companies. We target an additional 800 units per year for this program.

5 **Q. Do the Companies have other assistance programs for low-income customers?**

6 A. Yes. In addition to the WeCare program, the Companies maintain relationships with a
7 number of organizations engaged in community-assistance programs and efforts,
8 including CAK and ACM. The Companies meet and communicate with these groups
9 on a regular basis to understand low-income customers' needs, how community
10 organizations are working to meet those needs, and how the Companies can help.

11 The Companies have used the experience and knowledge gained from these
12 interactions as they have worked on their own and in conjunction with community
13 groups to provide various forms of assistance to low-income customers over the years.
14 For example, KU matches customer donations to the WinterCare Energy Assistance
15 Fund, which assists low-income customers with their utility bills during winter months.
16 In 2024, KU's shareholders contributed \$107,000 to WinterCare. Since 2010, customer
17 donations and matching funds from the Companies have raised over \$6.4 million for
18 KU's WinterCare and LG&E's Winterhelp. For the 2025-2026 heating season, KU's
19 shareholders will once again match \$1.00 for every \$1.00 donated by KU's residential
20 customers to WinterCare.

21 Similarly, LG&E matches customer donations to the Winterhelp Energy
22 Assistance Fund, which assists low-income customers with their utility bills during
23 winter months. In 2024, LG&E's shareholders contributed over \$127,000 to

1 Winterhelp. As noted above, since 2010, customer donations and matching funds from
2 the Companies have raised over \$6.4 million for Winterhelp and KU's WinterCare.
3 For the 2025-2026 heating season, LG&E's shareholders will once again match \$1.00
4 for every \$1.00 donated by LG&E's residential customers to Winterhelp. Moreover,
5 LG&E has been a proud partner of Project Warm since its inception in 1982. Project
6 Warm is a non-profit organization that provides weatherization assistance for the low-
7 income elderly and disabled. LG&E's employees work with Project Warm in the
8 annual Project Warm Blitz, a program whereby employees join volunteers and
9 community organizations to weatherize the homes of low-income senior citizens and
10 the disabled. In 2024, LG&E's shareholders contributed \$120,000 to Project Warm.
11 LG&E provides the weatherization materials for Project Warm Blitz, and in 2024,
12 LG&E employees assisted in weatherizing approximately 79 homes through their
13 participation and donations.

14 In total, either directly or through the charitable foundation, KU is currently
15 making annual shareholder contributions of \$609,900 (comprised of a \$107,000
16 contribution to WinterCare and a \$502,900 contribution to KU's HEA program).
17 Likewise, either directly or through the charitable foundation, LG&E is currently
18 making annual shareholder contributions of approximately \$1,189,400 (comprised of a
19 \$127,800 contribution to WinterHelp, a \$120,000 contribution to Project Warm, a
20 \$749,000 contribution to ACM for its utility assistance programs, and a \$192,600
21 contribution to LG&E's HEA program). LG&E through the Foundation also
22 contributed an additional \$75,000 to ACM in 2024.

1 **Q. In addition to the Companies’ shareholder contributions and the support the HEA**
2 **programs provide to low-income customers, have the Companies implemented**
3 **policy measures to assist fixed- and low-income customers?**

4 A. Yes. The Companies provide all customers at least 22 calendar days to pay their bills
5 after the issuance date, but the Companies go even further to assist fixed- and low-
6 income customers. First, the Companies’ Fixed and Limited Income Extension
7 (“FLEX”) Program allows residential customers with limited incomes to pay their bill
8 at least 28 days from issuance. This helps prevent the fixed- and low-income customers
9 from incurring late payment charges, increases the time in which such customers may
10 seek financial aid, and helps reduce the issuance of disconnection notices to these
11 customers. The popularity of the FLEX Program indicates it is achieving its intended
12 aims: since the Companies implemented the program in December 2009 through
13 February 2025, over 35,000 unique customers have used it.

14 Second, since October 1, 2010, a residential customer who has received a
15 pledge or notice of low-income assistance from an authorized agency is not assessed
16 or required to pay a late-payment charge for the bill for which the pledge or notice is
17 received. Moreover, the Companies will not assess or require the customer to pay a
18 late-payment charge in any of the 11 months following receipt of the pledge or notice.
19 This waiver of the late-payment charge has provided significant benefits to low-income
20 customers. From March 1, 2024 to February 28, 2025, the Companies waived
21 approximately \$436,000 in late-payment charges for residential customers.

22 Third, as I describe in further detail later, the Companies are proposing a prepay
23 program to offer all customers additional options in the way they pay their bills.

To further increase low-income customers' awareness of these many assistance programs – including Home Utility Gift certificates applied directly to a customer's account – as well as no- and low-cost energy efficiency tips to save energy and money, the Companies use a variety of communication methods. These include targeted billboards and city bus messaging (both interior and exterior signage), print advertisements, social media posts, customer newsletters and bill inserts, promotions within elected officials' constituent newsletters. In addition, the Companies have held meetings with various community agencies and low-income advocates to further inform these representatives of the programs and discuss how these advocates can assist low-income customers with their participation in the programs. All of these efforts demonstrate the Companies' commitment to assisting their fixed- and low-income customers.

Paperless Billing

Q. Do the Companies currently offer paperless billing?

A. Yes. The Companies have offered paperless billing, which delivers bills by email instead of regular mail for more than 20 years. Currently, approximately 28 percent of customers have opted to receive paperless bills.

Q. Do customers who receive paperless bills have a better customer experience?

A. Yes, I believe they do. In recent years, the Companies have experienced issues with the delivery of bills by mail and have had customers indicate that they never received bills or received bills after a significant delay. Paperless billing customers receive near-instant delivery of bills. Furthermore, the J.D. Power electric studies show Companies customers are overall more satisfied when they receive an electronic statement versus a paper bill statement.

1 **Q. Please describe the tariff changes the Companies are proposing to move additional**
2 **customers to paperless billing.**

3 A. The Companies plan to move all customers who have provided an email address to the
4 Companies to paperless billing. Paperless billing will also be the default option for all
5 new customers taking service.

6 **Q. How will the Companies notify customers of this change?**

7 A. The Companies will send both an email and letter notifying the customer of the switch
8 to paperless billing and the date the customer will begin to receive paperless bills.

9 **Q. May these customers choose to continue to receive a paper bill by mail?**

10 A. Yes. Customers may opt out of paperless billing and continue to receive paper bills by
11 mail. The Companies' communications about paperless billing will contain details on
12 how to contact the Companies to opt out of paperless billing and continue to receive
13 paper bills by mail.

14 **Q. In addition to the customer benefits you describe above, will the Companies**
15 **achieve significant savings by moving customers to paperless billing?**

16 A. Yes. With the proposed change I have described to move customers to paperless
17 billing, the Companies anticipate that approximately 45 percent of the Companies'
18 customers will receive paperless bills, significantly reducing postage and bill printing
19 costs. These savings are included in the Companies' 2026 Business Plan; as such, the
20 Companies have incorporated these significant savings into these rate cases.

21 **CHANGES TO CUSTOMER SERVICE CHANNELS**

22 **Q. Why did the Companies decide to close all business offices in October 2022?**

23 A. The Companies continually assess the best ways to maximize customer experience
24 while providing reliable service at the lowest reasonable cost. The Companies are

1 always looking at the channels of customer interaction that are most utilized and ways
2 in which customers prefer to interact with the Companies, as well as general trends
3 around customer service interactions in the industry. That process revealed a years-
4 long trend of declining volume of walk-in transactions at business offices, which
5 decreased 47% between 2014 and 2022. As more self-service options have become
6 available and easier to use, fewer customers choose to transact business in-person.

7 As walk-in transactions declined, use of self-service options increased
8 proportionally. For the same period from 2014-2022, online transactions through the
9 My Account customer website increased by 28% and automated phone transactions
10 increased by 18%. As mentioned above, customers have also become increasingly
11 reliant on the Companies' mobile app to interact with the Companies, conducting more
12 than seven million interactions through the app in 2024 alone, including transactions
13 related to payments and billing, power outages including reviewing the outage map,
14 service reconnects, and managing notification preferences.

15 Furthermore, the Companies were faced with staffing challenges seen across
16 the country in recent years, making it more difficult, costlier, and time consuming to
17 fill vacant positions in business offices.

18 Finally, industry trends show that most comparably sized utilities had already
19 taken similar steps to close in-person business offices in response to these trends. Of
20 the 40 investor-owned utilities in J.D. Power's Midsize Residential Electric
21 Study – a nationwide study that includes the Companies – fewer than 25 percent still
22 had walk-in business offices as of August 2022. Likewise, when looking at just the

1 Midwest Midsize Residential Study, fewer than 10 percent of similar utilities still had
2 walk-in business offices.

3 **Q. Can you estimate the savings the Companies will achieve by the closure of the**
4 **business offices?**

5 A. Yes. The Companies will save approximately \$8.7 million in O&M that was embedded
6 base rates in the test year ending June 30, 2022.

7 **Q. What steps have the Companies taken to inform customers of this change and to**
8 **advise them of their options for transacting business with the Companies?**

9 A. The Companies announced their decision well in advance and closed offices on a
10 rolling basis to make this a smooth transition. Additionally, the Companies have
11 executed a carefully planned customer communications strategy regarding the business
12 office closures and alternate transaction options throughout 2023 and into 2024. The
13 Companies consistently informed customers of the closures and other payment options
14 through multiple channels, including the Companies' website,¹ billing
15 communications, customer newsletters like LG&E and KU Power Source,² printed
16 tear-off sheets made available to customers still using the business offices, verbal
17 communications with business office employees, and customer education videos made
18 available on the website and through the Companies' YouTube channel.³

19 **Q. What payment channels and options are now available to customers?**

¹ All company business offices to close by end of 2024, available at: <https://lge-ku.com/newsroom/articles/2022/12/20/all-company-business-offices-close-end-2024> (last visited Mar. 17, 2024).

² LG&E and KU Power Source, January 2023, available at: [LGE-PowerSource-January-2023.pdf \(lge-ku.com\)](#) and [KU-PowerSource-January-2023.pdf \(lge-ku.com\)](#) (last visited February 6, 2025).

³ How to make a payment arrangement on My Account, available at: <https://www.youtube.com/watch?v=ZhZy22oHD4w> (last visited February 6, 2025).

1 A. Customers may pay across various payment channels including the My Account
2 website, by using the LG&E and KU Mobile App, by phone using automated self-
3 service options, by mail, and in-person using third-party payment processing hosted by
4 local retailers. Payment options include but are not limited to auto-payment, e-check,
5 ACH, Bank Bill Pay, Mail-In, debit and credit cards, and digital payments such as
6 Apple Pay, PayPal, and Venmo.

7 **Q. Can customers still make cash payments in-person?**

8 A. Yes. Through a partnership with Fiserv, the Companies have retained customers'
9 ability to pay their bills in cash at convenient locations throughout the Companies'
10 service territories. Participating retail locations that can accept cash payments include
11 Kroger, Walmart, CVS, Dollar General, Family Dollar, Walgreens, Speedway, and
12 Circle K, among others. In September 2023, the Companies worked with Fiserv to
13 expand the number of retailers that accept cash payments on the Companies behalf,
14 which dramatically increased the number of retailers accepting cash payments to more
15 than 4,500 locations, an increase of almost 500 percent since 2022. Using the
16 Companies' payment locator tool on the website, customers who previously visited the
17 Broadway Office Complex in Louisville, for example, have at least 100 retail locations
18 within six miles of that site where they can pay their bill in person with cash.⁴

19 **Q. Is there a fee charged for in-person cash payments?**

20 A. Currently Fiserv charges a \$1.95 transaction fee to accept cash payments at third-party
21 locations, and the customer has paid that fee since third-party cash payments began
22 with Fiserv in 2017.

⁴ Links available from Pay my residential bill, In-Person tab, available at: https://lge-ku.com/residential/payment#c-tabs-horizontal-12891_panel-46966 (last visited February 6, 2025).

1 **Q. Will customers continue to pay the per transaction convenience fee for cash**
2 **payments at third-party retailers after the closure of the Kentucky business**
3 **office?**

4 A. No. The convenience fee will continue to be paid to Fiserv, but the Companies propose
5 in these proceedings to waive the fee for the individual customer and incorporate the
6 vendor cost as an operating expense of the Companies to be recovered in base rates.
7 The Companies propose to offset some of the savings from the closure of the business
8 offices with the Companies' coverage of the convenience fee for cash payments at
9 third-party retailers.

10 **Q. Please describe the amount included in the test year for the payments to Fiserv.**
11 **How did the Companies determine that amount?**

12 A. The Companies have included \$350,000 in the test year for Fiserv fees. The cost of the
13 Companies covering the Fiserv fee is more than offset by the approximately \$8.7
14 million in savings the Companies expect to achieve from the closure of the business
15 offices.

16 **AMI UPDATE**

17 **Q. Please provide a status update regarding the Companies' implementation of AMI.**

18 A. Through 2024, the Companies have installed over 1,181,000 AMI meters, including
19 gas meter modules. The project is expected to finish ahead of schedule, with full AMI
20 deployment expected by December 31, 2025.

21 **Q. Are customers opting out of AMI at the expected levels?**

22 A. Customers are opting out of AMI at lower rates than expected. Through 2024, 3,471
23 customers (approximately 0.3 percent) have opted out, which is lower than the 0.8
24 percent the Companies expected.

1 **Q. Have the Companies updated the Commission about the status of AMI**
2 **deployment?**

3 A. Yes. Since the Commission approved the investment in AMI, the Companies have
4 submitted 15 quarterly reports and 3 annual reports providing updates on the status of
5 implementation and deployment of AMI.

6 **Q. Has the deployment of AMI allowed the Companies to reduce the contractor**
7 **workforce for these services?**

8 A. Yes. Utilizing AMI technology has significantly reduced the number of field services
9 and meter reading contractors because manual meter reads are generally not required
10 for customers with AMI metering equipment. From March to December 2024, the
11 Companies reduced their contractor workforce for meter reading and field services by
12 71 percent and 51 percent, respectively. In the test year, the Companies assume no
13 supplemental contractor workforce for meter reading and field services.

14 **Q. With the partial deployment of AMI, are the Companies' customers already**
15 **experiencing benefits?**

16 A. Yes. In addition to the reduced contractor workforce that I mentioned, customers with
17 AMI metering equipment are provided access to their granular usage data, allowing
18 them to make informed decisions and adjust behaviors that may lead to energy savings.
19 Educational materials are available on the Companies' website to assist customers with
20 understanding their bills by reviewing the month/day/hour/15-minute interval when
21 energy was used and correlating that to their activities during the same period.

22 When customers are in need of an energy advisor, the Companies' customer
23 service representatives have access to detailed energy usage through the AMI meter

1 and systems. AMI enables customer service representatives to use more current and
2 robust information about energy usage to efficiently and quickly address the customer's
3 concern in a single communication and, in some scenarios, without rolling a truck for
4 field investigation. For example, customers who have questions about their bills may
5 have their questions answered by the customer service representative's retrieval of a
6 near-current meter read while the customer is on the phone. The customer service
7 representative can then evaluate the current meter read to the billed meter read and
8 discuss any issues with the customer. Further, because a customer service
9 representative sees interval data for individual customers, they can have an informed
10 discussion with the customer about a high bill concern.

11 Additionally, AMI meters will communicate power outage indicators to our
12 outage management system and are the basis for proactive outage communications to
13 customers indicating that a power outage was detected and providing updates without
14 requiring customers to reach out. AMI meters also collect power quality and reliability
15 data to assist in investigation and resolution, as well as prevention, of equipment
16 failures and other causes of interruption.

17 Finally, customers with AMI meters are eligible for additional DSM/EE
18 programs. The Companies' Peak Time Rebates program uses AMI data and customers
19 with AMI meters are eligible to participate. Additionally, Residential Online Audit
20 participants with an AMI meter benefit from detailed AMI data compared to a customer
21 without an AMI meter.

22 **Q. As AMI is fully deployed and then fully operational, do you expect to be able to**
23 **provide additional customer benefits beyond those currently available?**

1 A. Absolutely. AMI provides the foundation for new innovation and capabilities that are
2 only available through full deployment. As I discuss later, the Companies are proposing
3 a prepay program for customers and AMI is critical to that offering.

4 **Q. Do the Companies plan to continue to use AMI interval usage data to further**
5 **benefit customers?**

6 A. Yes. As an example, the Companies are developing an AMI Data Warehouse strategy
7 to integrate data from multiple sources in a cloud common data platform that supports
8 efficient and effective data analysis. This information will be used to address system,
9 process or equipment issues, predict equipment failures, plan for new program
10 offerings, and much more.

11 **CUSTOMER BENEFITS OF IT UPGRADES**

12 **Q. As discussed in Mr. Johnson's testimony, the Companies are proposing upgrades**
13 **to IT systems in these cases. Are there customer service benefits associated with**
14 **these upgrades?**

15 A. Absolutely. As part of the IT upgrades, PPL seeks to consolidate both its Customer
16 Information Systems ("CIS") and Customer Experience ("CX") systems at an
17 enterprise level.

18 **Q. Please describe the Companies' current CIS and why updates are necessary.**

19 A. The Companies currently use SAP SE's ("SAP") Customer Care System ("CCS"),
20 which they initially adopted in 2007. SAP has announced that mainstream maintenance
21 for the Companies' current CCS will end on December 31, 2027. Mr. Johnson
22 describes in his testimony the significant operational risks of failing to upgrade the CCS
23 by 2027. Given the critical role of CCS in billing and financial operations, this level
24 of risk is unacceptable.

1 **Q. Please describe the new CIS platform.**

2 A. All PPL jurisdictions, including the Companies, have a need to modernize the CIS
3 applications, which provides a unique opportunity to consider the benefits of alignment
4 and consolidation. PPL has chosen to implement SAP's cloud-based systems as its
5 CIS. This Software as a Service cloud-hosted program will move all of PPL's operating
6 companies to a single supported and modern CIS with a centralized support structure.
7 This will enable PPL to support its CIS with fewer staff while maintaining PPL's and
8 the Companies' high standards for customer service.

9 **Q. Please describe the Companies' current Customer Experience platforms and the**
10 **proposed changes.**

11 A. The Companies currently use "My Account" for the authenticated web self-service
12 platform. This platform was built using SAP's Utility Customer E-Services ("UCES")
13 product, which is no longer supported by SAP. Additionally, the Companies' current
14 contact center and Interactive Voice Response ("IVR") platform is obsolete and in need
15 of replacement.

16 PPL plans to create more integrated customer experience ("CX") platforms that
17 better facilitate self-service for customers and allows them to switch seamlessly
18 between phone, mobile app, and web or electronic communications with the
19 Companies.

20 **Q. What customer service benefits do the Companies expect to create through the**
21 **new CIS and CX?**

22 A. The Companies expect to implement a number of new self-service options for
23 customers that will operate across integrated platforms, as well as real-time chat options

1 and other responsive communications. An integrated platform will allow customers to
2 begin interactions on one channel and continue on another channel. The Companies
3 could further benefit from artificial intelligence or machine learning advancements as
4 vendors add functionality to the CIS. Examples of such functionality currently
5 available include digital agents that can address customer inquiries and machine
6 learning to improve exception handling, data conflicts, and ticket handling.

7 **CUSTOMER SERVICE PROGRAM UPDATES**

8 **Q. How are the Companies' customer services programs changing?**

9 A. The Companies are committed to improving customer services programs to provide
10 better overall service to customers, provide them more options, add convenience, and
11 promote use and adoption of alternative energy. The updates to the Companies'
12 customer service programs are proposed to meet these objectives.

13 **Solar Share Program**

14 **Q. Please provide an update on the solar share program.**

15 A. The Companies' solar share program allows customers to support local solar energy
16 while avoiding the up-front installation costs and long-term maintenance required for
17 a private system. As of January 31, 2025, the Companies had 10,226 shares subscribed
18 to 2,795 customers.

19 **Q. Are the Companies proposing tariff changes to further increase participation in**
20 **the solar share program?**

21 A. Yes. The Companies are proposing to remove the purchase limit to allow customers to
22 purchase more than 250 kW (1,000 shares) in a single purchase, which will allow the
23 Companies to market this option to more business and commercial customers. The

1 Companies are also proposing to reduce the waiting period for one-time purchasers as
2 shares are available.

3 **Business Solar**

4 **Q. Please provide an update on the business solar program.**

5 A. The Companies received Commission approval for their business solar program in Case
6 Nos. 2016-00370 and 2016-00371. Each project is subject to approval by the
7 Commission. Since inception, the Companies have constructed projects for two
8 customers that remain fully operational: (1) a 33.6 kW roof mount system at the
9 Archdiocese of Louisville and (2) a 190 kW ground mount system at Maker's Mark
10 Distilling, Inc. Maker's Mark recently requested to increase the size of the existing
11 facility by 120 kW; construction was completed in December 2023 following approval
12 by the Commission. The total capacity of the Maker's Mark facility is now 310 kW.

13 **Outdoor Sports Lighting ("OSL") Rate**

14 **Q. Did the Commission direct the Companies to develop a plan to market the OSL**
15 **rate?**

16 A. Yes. In Case Nos. 2020-00349 and 2020-00350, the Commission noted that increased
17 participation in Rate OSL could provide a significant benefit to the Companies' other
18 customers and directed the Companies to report on their marketing activities for Rate
19 OSL in their next general rate case.

20 **Q. How many customers are currently taking service under Rate OSL?**

21 A. KU has six customers and LG&E has one customer actively utilizing Rate OSL.

22 **Q. Please describe the Companies' efforts to market Rate OSL.**

1 A. The Companies sought to increase awareness of Rate OSL by creating a website for
2 Rate OSL,⁵ which provides details on the rate option, explains how it works, and details
3 eligibility requirements. The website also includes an interest form for customers
4 interested in the Rate OSL. A company specialist reaches out to those interested
5 customers to discuss the rate in more detail and inform customers about the advantages
6 and disadvantages of the rate. The Companies also proactively reached out to
7 customers that could potentially benefit from Rate OSL; the Companies identified
8 many of these customers through the annual rate validation review.

9 **Q. Do the Companies track customers who fill out the interest form on the website?**

10 A. Yes. Three customers have filled out the form and one of those customers is using Rate
11 OSL. Additionally, one customer directly emailed the Company about Rate OSL and
12 is now using the rate.

13 **Q. Overall, have the Companies' efforts to market Rate OSL been a success?**

14 A. Yes. Customers were very receptive to learning more about Rate OSL and some
15 customers adopted the rate. The Companies continue to proactively reach out to
16 customers on Rate OSL to remind them of the requirements to ensure the rate remains
17 a beneficial option for them.

18 **Q. Why do customers choose rates other than Rate OSL?**

19 A. Some customers prefer non-demand rate offerings, like GS or remaining on the All
20 Electric School Rate ("AES"). Other feedback from customers who opt not to use Rate
21 OSL is that they find it difficult to restrict their usage to non-peak demand period hours.
22 Because many of the customers eligible for this rate rely on volunteers, it can be a

⁵ The website is available at the following link: <https://lge-ku.com/business/billing/rate-options/sports-lighting>.

1 challenge for the customers to understand and operate outside of the peak demand
2 period. In addition to finding other rates easier to manage, some customers want the
3 option to add buildings, which makes them ineligible for Rate OSL.

4 **Adjustment Clause DSM Revisions**

5 **Q. Are the Companies proposing minor clarifying revisions to the Demand-Side
6 Management Cost Recovery Mechanism (Adjustment Clause DSM)? Why?**

7 A. Yes. Mr. Hornung describes the proposed tariff revisions. The Companies are
8 proposing changes to expand certain programs' availability. Particularly, the
9 Companies are removing the requirement that customers who purchase new smart
10 thermostats through the Online Transactional Marketplace be automatically enrolled in
11 the Bring Your Own Device program for smart thermostats. The Companies anticipate
12 that making this optional rather than mandatory could help increase smart thermostat
13 purchases through the Online Transactional Marketplace.

14 **Electric Vehicle ("EV") Charging Stations**

15 **Q. Please describe the Companies' existing electric vehicle charging program.**

16 A. Empowering customers who may be interested in purchasing and operating an electric
17 vehicle is important to the Companies. To promote EV use, the Companies have a
18 multifaceted approach that includes education and information, public charging
19 infrastructure, a hosted station program (Electric Vehicle Supply Equipment "EVSE"
20 tariff), and the Optimized EV Charging Program. More specifically, through the
21 LG&E-KU website, the Companies offer resources for customers desiring to learn
22 more about EVs or save on total energy costs associated with EVs.

23 **Q. At the direction of the Commission, did the Companies conduct a study to identify
24 optimal system locations for EV charging infrastructure?**

1 A. Yes, the Companies filed the study with the Commission on June 17, 2022. The
2 Companies concluded that their electric transmission and distribution systems are well
3 positioned to host EV charging in most major cities throughout Kentucky as well as
4 along interstates in the western and central portions of the state.

5 **Q. What other factors influence the Companies' site selection for EV charging**
6 **stations?**

7 A. The Companies monitor the locations of third-party charging to ensure they are not
8 installing stations where charging already exists or will exist soon. The Companies
9 also try to locate stations in well-lit places where customers have the ability to visit
10 shops, restaurants, and parks, which supports economic development by potentially
11 increasing traffic to businesses.

12 **Q. Have the Companies recently installed new direct current fast charging ("DCFC")**
13 **stations?**

14 A. Yes. The Companies purchased eight 350 kW DCFC stations from Enel X Way. Four
15 stations were installed in July 2024; two were installed at each of the following
16 locations:

- 17 • Norton's Healthcare Sports and Learning, 3029 W. Muhammad Ali Blvd,
18 Louisville, KY 40212
- 19 • Lake Cumberland Tourist Commission, 650 N. Highway 127, Russell Springs,
20 KY 42642

21 The Companies selected these locations by considering the availability of three-phase
22 power, availability of amenities, proximity to the Companies' staffed facilities,

1 proximity to major roadways, the ability to fill gaps within existing or planned fast-
2 charging stations, and the opportunity to locate within low-income communities.

3 Using the same criteria, the Companies have identified the proposed sites for
4 the remaining four stations, which have not been installed yet. Unfortunately, in
5 October 2024, Enel X Way announced it was shutting down its North American
6 business, resulting in the chargers losing all functionality. The Companies are currently
7 working to secure resources to service the four deployed stations and install the
8 remaining four stations.

9 **Q. Did the Companies issue an RFP for the existing hosted EV charging station**
10 **program?**

11 A. Yes. In the fourth quarter of 2024, the Companies issued an RFP for 16 charging
12 stations to be installed beginning January 1, 2026, as well as the maintenance and repair
13 of all deployed stations for five years.

14 **Q. Did Louisville recently receive a grant to support EV charging infrastructure?**

15 A. Yes. In September 2024, Louisville Metro received an \$8 million grant from the
16 Department of Energy. Because of the federal freeze on the disbursement of funds,
17 Louisville Metro has not received the funds. The Companies have not issued an RFP
18 for charging stations to be funded by this grant and will determine how to proceed with
19 installations once Louisville Metro receives the funding.

20 **Prepay Program**

21 **Q. Are the Companies proposing a prepay program in these cases?**

22 A. Yes. The prepay program allows customers to deposit funds in advance to pay for
23 energy as it is used, which provides customers with the opportunity to better manage
24 their energy usage and budget.

1 **Q. Which customers are eligible to participate in the prepay program?**

2 A. The prepay program is available to all residential customers not on GS, RTOD-E,
3 RTOD-D, GTOD-E, or GTOD-D. Gas-only customers are ineligible for the program.
4 Eligible customers must have email and text capability, an AMI meter, and not possess
5 a past due balance greater than \$250. Customers already participating in budget billing,
6 flex pay, net metering, or auto pay programs, along with those with a medical alert,
7 disconnection moratorium, or special rider cannot participate.

8 **Q. Would you summarize some of the benefits to customer participation in this**
9 **program?**

10 A. Yes. Examples of benefits include the following:

11 1) **A greater sense of control.** With prepay, customers pay on a schedule they
12 establish and better matches their needs. Some customers may prefer to make
13 smaller, more frequent payment on a daily or weekly basis. Others appreciate the
14 flexibility to match their utility payments with their paydays or prefer to make a
15 large initial payment that lasts for several months. They can also customize the
16 automated notifications they receive; for example, the customer sets the preferred
17 method (e.g., email or text message) and the dollar value that will trigger a low
18 balance notification.

19 2) **A clear link between daily electricity use and electricity spending.** By providing
20 a daily balance to customers, customers can more directly understand the link
21 between how much electricity they use, the activities and behaviors that impact that
22 use, and how much they spend.

1 3) **Can take action to reduce bills.** Informed customers are better able to detect
2 changes in their electricity usage and adjust in the near term. This can help identify
3 unexpected sources of abnormal use, such as doors left open on a cold night or
4 malfunctioning heating and cooling equipment. Immediate, direct feedback has
5 been demonstrated to lead to reduced energy consumption, saving customers
6 money.

7 4) **Avoiding initial fees.** Customers who choose to use the prepay program only need
8 a starting balance of \$30. This is not a deposit as it will be used to fund the bill
9 payment. Customers that have already paid a deposit may use that deposit to fund
10 their prepay account.

11 5) **Rapid reconnection.** For customers who experience a disconnection on prepay
12 (due to a zero balance), reconnection can happen very quickly once payment is
13 made. Customers pay no fees to be reconnected.

14 **Q. Beyond customer satisfaction, does the prepay program provide benefits to the**
15 **Companies?**

16 A. Yes. The Companies benefit from better-informed customers, lower customer
17 arrearages, and reduced write-offs and bad debt risk.

18 **Q. When are the Companies proposing to implement the prepay program?**

19 A. The Companies plan to implement the prepay program in the new CIS application that
20 is expected to go-live in early 2028.

21 **Q. Does the prepay program comply with the notice requirements of 807 KAR 5:006,**
22 **Section 15?**


1 A. As described in the Companies' Applications, the Companies believe the
2 Commission's notice requirements are met and even exceeded when prepay customers
3 self-disconnect by allowing their meters to lapse because prepay customers have
4 constant feedback available for their account balance. Prepay customers will also
5 receive low-funds notifications at pre-determined trigger levels or at trigger levels of
6 their choosing. However, if the Commission disagrees and finds that the electronic
7 notice proposed does not meet the regulation's requirement that that the notice be in
8 the form of a "writing," the Companies request a deviation from the regulation.

9 **CONCLUSION**

10 **Q. Does this conclude your testimony?**

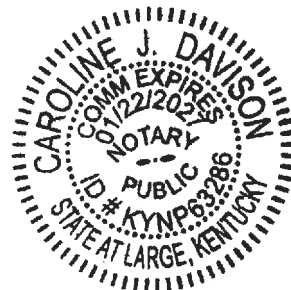
11 A. Yes, it does.

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF JEFFERSON)


Shannon L. Montgomery

Caroline J. Davison
Notary Public

January 22, 2027



APPENDIX A

Shannon L. Montgomery

Vice President, Customer Services
Louisville Gas and Electric Company
Kentucky Utilities Company
2701 Eastpoint Parkway
Louisville, Kentucky 40223

Education

Doctorate in Leadership, Spalding University, 2024
Masters of Organizational Leadership, Indiana University (Southeast campus), 2021
Bachelor of Science in Computer Science,
University of Louisville Speed Scientific School, 1991

Professional Experience

Director, AMI Deployment	2021-2024
Director, Revenue Integrity	2017-2021
Director, SAP Upgrade	2016-2017
Manager, Design Services	2013-2016
Manager, Energy Delivery IT and Asset Information	2008-2013
Manager, Energy Marketing Business Information	2003-2008
Consultwave, Inc. Founder and President	2000-2004
PricewaterhouseCoopers Principal Consultant	1997-2000
Exxon Company USA Manager, Marketing IT Project Manager, Energy Trading & Risk Management Project Engineer, Baytown Refinery	1991-1997

Civic Activities

Leadership Kentucky – Board of Directors – 2024 – current
Leadership Kentucky – Class of 2018
Girl Scouts of Kentuckiana – Board of Directors – 2018 – 2024
Girl Scouts of Kentuckiana – Executive Committee – 2021 – 2024
Girl Scouts of Kentuckiana – Finance Committee – 2018 – 2024