

HURT, CROSBIE & MAY PLLC

William C. Hurt, Jr.
Scott A. Crosbie
William H. May, III
Michael D. Kalinyak
Steven Lenarz
Matthew R. Malone
Aaron D. Reedy
James L. Deckard
Jacob K. Michul

THE EQUUS BUILDING
127 WEST MAIN STREET
LEXINGTON, KENTUCKY 40507

Telephone - (859) 254-0000
Facsimile - (859) 254-4763

Jennifer S. Scutchfield *

* Of Counsel

May 19, 2010

Via Hand-Delivery

Mr. Jeff Derouen, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

RECEIVED

MAY 19 2010

PUBLIC SERVICE
COMMISSION

RE: *Case No. 2009-00548*

Dear Mr. Derouen:

Please find enclosed the original and twelve (12) copies of the Kentucky School Boards Association's data request responses to Commission Staff in this matter.

Please place the document of file.

Regards,



Matthew Malone

C: File; Parties

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

In the matter of: : CASE NO. 2009-00548

THE APPLICATION OF KENTUCKY UTILITIES:
COMPANY FOR A GENERAL ADJUSTMENT :
IN BASE RATES :

**KENTUCKY SCHOOL BOARDS ASSOCIATION'S CERTIFICATE OF SERVICE
REGARDING DATA REQUEST RESPONSES TO COMMISSION STAFF**

Comes the Kentucky School Boards Association, by counsel, and hereby certifies that an original and twelve (12) copies of the attached data request responses to Commission Staff were served via hand-delivery upon Jeff Derouen, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40602-0615; furthermore, it was served by mailing a copy by first class U.S. Mail, postage prepaid, on the following, and by electronic mail where available all on this 19th day of May, 2010:

Hon. David C. Brown
Stites & Harbison, PLLC
1800 Providian Center
400 West Market Street
Louisville, Kentucky 40202

Hon. Michael L. Kurtz
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OH 45202

Hon. Dennis G. Howard, II
Hon. Lawrence W. Cook
Assistant Attorney General
Office of the Attorney General
Utility and Rate Intervention Division
1024 Capital Center Drive, Suite 200
Frankfort, Kentucky 40601-8204

Hon. Iris G. Skidmore
Bates & Skidmore
415 W. Main Street, Suite 2
Frankfort, Kentucky 40601

Hon. Allyson K. Sturgeon
Senior Corporate Attorney
E.ON U.S. LLC
220 W. Main Street
Louisville, KY 40202

Hon. Lonnie E. Bellar
E.ON U.S. LLC
220 West Main Street
Louisville, Kentucky 40202

Hon. Robert M. Watt, III
Stoll Keenon Ogden, PLLC
300 W Vine Street
Suite 2100
Lexington, KY 40507-1801

Hon. Gardner F. Gillespie
Hogan & Hartson, LLP
555 Thirteenth Street, N.W.
Washington, D.C. 20004-1109

Hon. Frank F. Chuppe
Wyatt, Tarrant & Combs, LLP
500 W. Jefferson Street
Suite 2800
Louisville, Kentucky 40202

Hon. Kendrick R. Riggs
Stoll Keenon Ogden, PLLC
2000 PNC Plaza
500 W. Jefferson Street
Louisville, KY 40202



Matthew R. Malone
William H. May, II.
Hurt, Crosbie & May PLLC
The Equus Building
127 West Main Street
Lexington, Kentucky 40507
(859) 254-0000 (office)
(859) 254-4763 (facsimile)
Counsel for the Petitioner,
KENTUCKY SCHOOL BOARDS ASSOCIATION

BEFORE THE PUBLIC SERVICE COMMISSION

CASE NO. 2009-00548

Response to Data Request of Commission Staff

Q-1. Refer to the Direct Testimony of Charles D. Buechel ("Buechel Testimony), page 4. Starting at line 14, Mr. Buechel states that, "it has come to KSBA's attention that some schools that qualify for the AES tariff were mistakenly provided service under different tariffs."

- a.** Is it Mr. Buechel's testimony that qualifying schools not currently taking service under the AES tariff were not made aware of the tariff when initiating service with KU? If yes, provide any support for that position and the date that each school initiated service with KU.
- b.** Provide details of instances where the appropriate tariff has not been utilized for school boards' facilities.

A-1. a.&b. After KU's last rate case, the Scott County School Board conducted a review of its electric billing. It was discovered that several of its schools that were all-electric were not served under the AES tariff even though they qualified to be served under the more favorable AES tariff. After discussions with KU, service for five of the schools was switched to the AES tariff. For at least two of these schools, it was clear that at the time service was initiated the facility was all-electric but KU did not provide service under the AES tariff.

During the week that Mr. Buechel's testimony was being finalized, the KSBA conducted an informal survey of its members regarding utility billing matters. The survey indicates that there are other all-electric schools in KU's service territory that are not being served under the AES tariff. Based on follow-up discussions with a representative of the Fayette County schools, it appears there are several schools in Fayette County that should qualify for the AES tariff but are being billed under a different tariff. It is my understanding that representatives from Fayette County have begun some discussions with KU

**Commission Data Request
Question No. 1**

Kentucky School Boards Association's Respondent: Charles D. Buechel

Page 2 of 2

regarding this matter but with no success to date. Based on the survey responses, it appears that the concern is not isolated to just Fayette County. Mr. Buechel is not knowledgeable about what the qualifying schools knew when they initiated service with KU.

BEFORE THE PUBLIC SERVICE COMMISSION

CASE NO. 2009-00548

Response to Data Request of Commission Staff

Q-2. Refer to page 5 of the Buechel Testimony. Starting at line 5, Mr. Buechel states that, “[b]y restricting the availability of the AES to customers receiving service on this rate as of February 6, 2009, KU will discourage new schools from installing energy efficient heating and cooling systems such as geothermal.” Explain how limiting new schools to rates other than the AES rate would discourage them from installing energy efficient systems.

A-2. Schools must assess the most efficient and economical means to provide heating and air conditioning for its facilities. It must examine all alternative energy sources when making this decision. The lower the electric rate is, the more likely the school will determine that an energy efficient electric heating and cooling system such as geothermal is justified.

BEFORE THE PUBLIC SERVICE COMMISSION

CASE NO. 2009-00548

Response to Data Request of Commission Staff

Q-3. Refer to page 7 and 9 of the Buechel Testimony where he states that the Commission has historically used a gradual approach to implement rate increases and recommends that it do so in this case. However, specific recommendations are not provided. If Mr. Buechel has specific recommendations, provide them.

A-3. Pages 6 and 7 discuss the large increases in basic service charges that KU is proposing for several of its tariffs. Page 9, lines 8 - 10, likewise refers specifically to the basic service charge. The recommendation is that the Commission needs to stay the course and not approve the drastic increases in the basic service charges proposed by KU.