

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

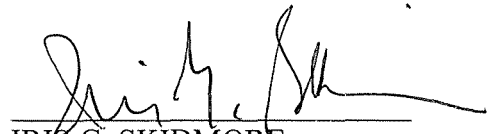
THE JOINT APPLICATION OF PPL)
CORPORATION, E.ON AG, E.ON U.S.)
INVESTMENTS CORP., E.ON U.S.)
LLC, LOUISVILLE GAS AND ELECTRIC)
COMPANY, AND KENTUCKY UTILITIES)
COMPANY FOR APPROVAL OF AN)
ACQUISITION OF OWNERSHIP AND)
CONTROL OF UTILITIES)

CASE NO.
2010-00204

**RESPONSE OF COMMUNITY ACTION COUNCIL FOR
LEXINGTON-FAYETTE, BOURBON, HARRISON, AND NICHOLAS COUNTIES, INC.
TO DATA REQUESTS OF PPL CORPORATION, E.ON AG, E.ON US INVESTMENTS
CORP., E.ON U.S. LLC, LOUISVILLE GAS AND ELECTRIC COMPANY AND
KENTUCKY UTILITIES COMPANY**

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Comes now the Community Action Council for Lexington-Fayette, Bourbon, Harrison and Nicholas Counties, Inc. (CAC), by counsel, and hereby submits its Response to the Data Requests of PPL Corporation, E.ON. AG, E.ON US Investments Corp., E.ON U.S. LLC, Louisville Gas and Electric Company and Kentucky Utilities Company:



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COUNSEL FOR CAC

DATA REQUEST 1:

Please refer to Mr. Burch's testimony on page 13 that "all of the Kentucky Utilities decision makers are in Louisville" thereby resulting in a "Louisville-centric mindset in the designing of programs and in the ratemaking process." Please also refer to page 15 of Mr. Burch's testimony, particularly the statement that the Customer Commitment Advisory Forum ("CCAF") "consists almost exclusively of Louisville representation."

- (a) Is the Council aware that E.ON U.S. sponsors a Consumer Advisory Panel ("CAP") which provides input to the management of LG&E and KU; that the CAP reviews, discusses and offers feedback on customer-related issues within the LG&E and KU service territories; that CAP members are individuals from rural and suburban communities throughout Kentucky, and membership is intended to be representative of the populations served by LG&E and KU; that the CAP conducts roundtable discussions on such topics as electric and natural gas safety, customer perceptions of various company initiatives and potential customer communication channels, such as local extension offices; and that over 90% of the CAP's members are from areas of Kentucky other than Louisville?

RESPONSE: The Council is pleased to learn of the E.ON U.S. Consumer Advisory Panel. Despite being active and well-represented community advocates through much of the KU service area, the Council was previously unfamiliar with this panel and still is not aware of its activities, membership or intent. This, of course, raises questions about whether this panel truly represents the broad needs and interests of KU customers. The Council would be interested to learn more about the panel, its membership, how that membership is determined, its activities, meeting times, minutes, expertise in the area of low-income customer needs and other such important factors.

The existence of a Customer Advisory Panel is no excuse for the lack of KU area representation at the Customer Commitment Advisory Forum or the fact that this body only meets in Louisville. It is also merely one body in a complex operation which includes many functions and divisions. To have a single panel of which many in the community are unfamiliar hardly meets the Company's obligations to know and understand the needs of the area it serves. We would welcome the Companies' production of minutes from these meetings reflecting who attended and whom they represented and where the meetings were held.

The Council has found information on the E.ON U.S. Web site regarding a Consumer Advisory Panel which is presumably the one discussed here. Again, the Council would be interested to know how membership is determined and to see agendas and minutes from the meetings of this panel. There is no reference to whether the panel has input as to the ratemaking process or program design and, in fact, the description of its role in helping determine "customer perceptions of various company initiatives" makes the panel sound more like a focus group which any business or organization might maintain of its customers.

Regardless of the above, one 11-member panel meeting four (4) times annually fails to address any of the concerns raised in Mr. Burch's testimony regarding the Companies'

Louisville-centric mindset and decision making processes. The Council would encourage the Company to produce, by total number and by percentage of total, how many employees (broken down by category such as administrative, drivers, etc.) work in the Louisville metro area and how many work in Lexington and the KU area. Such a breakdown should include the total by number and by percentage of total of customers in the Louisville metro area and customers outside of the Louisville metro area.

The Council regularly interacts with dozens of KU decision makers and generally has an excellent working relationship with those employees. However, only one of those employees (Mr. Cliff Feltham) is actually based only in Lexington. The Council regularly sends representation to the Customer Commitment Advisory Forum and Demand Side Management Collaborative, both of which have only held meetings in Louisville since their formation by the Companies.

DATA REQUEST 2:

Please refer to Mr. Burch's testimony at page 15 that the companies "possess no expertise" in the field of low-income policies.

- (a) Is the Council familiar with E.ON U.S.'s Demand Side Management Programs, including WeCare, Project Warm Blitz (LG&E) and Winter Blitz (KU)?

RESPONSE: The Council is extensively familiar with E.ON U.S.'s Demand Side Management Programs, including WeCare, Project Warm Blitz (LG&E) and WinterBlitz (KU) as these programs are sponsored by the Companies and operated or administered in partnership with the Council or other low-income services or advocacy organizations. The Council is also aware that, with respect to WinterBlitz, KU provides sponsorship funding for expenses and materials as well as several volunteers. E.ON also contracts with the Council to conduct intake and enrollment for the WeCare program and the Council and other advocates have previously made objections to the WeCare program's poor coordination with other weatherization programs including the federal Weatherization Assistance Program (Case No. 2007-00319). The Council still believes that the WeCare program is operated inefficiently largely because of E.ON's decision to use a third party for installation of weatherization measures and because of E.ON staff's lack of understanding of how low-income programs such as the federal Weatherization program are operated.

Sponsorship of a program by E.ON U.S. should in no way be considered reflective of expertise in the area of low-income customers. PNC Bank, for example, funds some of the Council's child development programming. Does such activity make PNC Bank an expert on early childhood development?

DATA REQUEST 3:

Please refer to Mr. Burch’s testimony at pages 16 and 17 relating to the OnTrack Program and “statutory or regulatory barriers.”

- (a) Is the Council aware that programs such as PPL Electric’s OnTrack program are required by Pennsylvania law?

RESPONSE: The Council was not aware that programs such as PPL Electric’s OnTrack program are required by Pennsylvania law, however, that does not change the Council’s position regarding the OnTrack program. The Council would support similar legislation in Kentucky.

- (b) Is the Council aware that the costs of the OnTrack program are recovered from Pennsylvania ratepayers through an universal service rider or base rates?

RESPONSE: The Council was aware that the costs of the OnTrack program are recovered from Pennsylvania ratepayers through a universal service rider or base rates. This does not affect the Council’s position regarding the OnTrack program.

- (c) Is it the Council’s position that implementing a similar program in Kentucky would require legislation on the part of the General Assembly, or is it the Council’s position that the Commission currently has the statutory authority to require implementation of similar programs?

RESPONSE: It is the Council’s position that the Commission has the statutory authority to allow implementation of the On Track program in the Commonwealth of Kentucky. Please see the Council’s response to Question 2 in the Commission’s First Information Request to Community Action Council for Lexington-Fayette, Bourbon, Harrison and Nicholas Counties, Inc.

- (d) If it is the Council’s position that the Commission currently has authority to implement similar programs, please provide the statutory basis for the Council’s understanding.

RESPONSE: Please see the Council’s response to Question 2 in the Commission’s First Information Request to Community Action Council for Lexington-Fayette, Bourbon, Harrison and Nicholas Counties, Inc.

DATA REQUEST 4:

Please refer to Mr. Burch's pre-filed testimony at page 14 regarding the duration of Regulatory Commitment No. 36. Is the Council aware that the Commission also ordered a 10-year commitment in Case No. 2000-095 and Case No. 2001-104?

RESPONSE: The Council is aware of the Commission's orders in Case No. 2000-095 and 2001-104. This does not affect the Council's position.

DATA REQUEST 5:

Please refer to Mr. Burch's pre-filed testimony at page 16 that 15 years is not long enough for Regulatory Commitments Nos. 47 and 48. Is the Council aware that the Commission ordered a 10-year commitment in Case No. 2001-104, and that the Commission imposed no residency requirement for corporate officers in Case No. 2000-095?

RESPONSE: The Council is aware of the Commission's orders in Case Nos. 2001-104 and 2000-095. This does not affect the Council's position regarding Regulatory Commitments Nos. 47 and 48. The Council has serious concerns regarding the slow erosion of local presence and decision making by KU within its service area and believes this will likely continue under the current proposal from PPL Corporation.

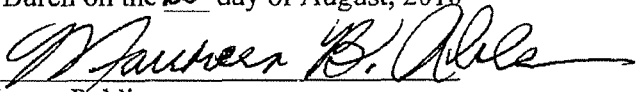
VERIFICATION

I have read the foregoing Responses and they are true and correct to the best of my knowledge and belief.



JACK E. BURCH

Subscribed and sworn to before me by Jack E. Burch on the 25th day of August, 2010



Notary Public
My commission expires: 6/25/2013

CERTIFICATE OF SERVICE

I hereby certify that on August 24, 2010, a true and accurate copy of the foregoing Response of Community Action Council for Lexington-Fayette, Bourbon, Harrison, and Nicholas Counties to Data Requests from PPL Corporation, et. al. was served by United States mail, postage prepaid, to the following:

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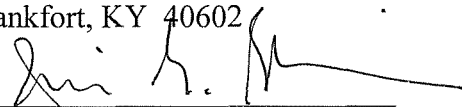
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