

2012-00222



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LOUISVILLE, KY

JULY 17, 2012

PUBLIC SERVICE COMMISSION
211 SOWER BLVD
FRANKFORT, KY

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PUBLIC SERVICE
COMMISSION

DEAR SIR:

I OBJECT TO AN INCREASE TO GAS RATES AT THIS TIME. THE ECONOMY IS HURTING ALL OF US AT THIS TIME, ESPECIALLY THE UNEMPLOYED AND RETIREES.

WHY CANT LG&E PAY FOR ANY CAPITAL EXPENDITURES WITH THE SAVINGS IN THE LOW COST OF GAS?

I DONT KNOW HOW THEY BUY GAS, BUT I'M SURE THEY WOULD ENTER INTO LONG TERM CONTRACTS AT THESE LOW GAS RATES.

IT SEEMS EVERY COMPANY THINKS IT SHOULD GET REGULAR INCREASES EVERY YEAR REGARDLESS OF ECONOMIC CIRCUMSTANCES. HOW ABOUT COST CUTTING AS MOST OTHER COMPANIES THAT HAVE COMPETITION FOR THEIR PRODUCTS AND SERVICES?

YOUR OBJECTION TO THESE RATE INCREASES WOULD BE APPRECIATED.

VERY TRULY YOURS,

W. R. Tennill

**NOTICE TO CUSTOMERS OF
LOUISVILLE GAS AND ELECTRIC COMPANY**

PLEASE TAKE NOTICE that on June 29, 2012, Louisville Gas and Electric Company (“LG&E”) filed with the Kentucky Public Service Commission (“Commission”) a request for an adjustment of its electric and gas rates and charges to become effective on and after August 1, 2012, subject to the “Stay-Out” Commitment in Article I.1.1 of the Settlement Agreement approved in September 30, 2010 Commission Order in Case No. 2010-00204, under which the change in rates may be filed with the Commission during 2012, but not take effect before January 1, 2013.

The proposed rates reflect a proposed annual increase in electric revenues of approximately 6.9% and gas revenues of approximately 7.0% to LG&E. *WITH GAS AS RECORD HWS, WATER,*

The estimated amount of the annual change and the average monthly bill to which the proposed electric rates will apply for each electric customer class are as follows:

Electric Rate Class	Annual \$ Increase	Annual % Increase	Monthly Bill \$ Increase	Monthly Bill % Increase
Residential	\$30,238,063	8.60%	\$ 7.25	8.60%
General Service	\$ 6,743,615	5.09%	\$ 12.98	5.09%
Power Service	\$ 8,781,864	4.59%	\$ 244.40	4.59%
TOD Power – Secondary	\$ 2,631,417	6.52%	\$ 1,351.52	6.52%
TOD Power - Primary	\$ 8,107,174	7.20%	\$ 7,336.81	7.20%
Retail Transmission	\$ 2,243,796	7.54%	\$16,780.65	7.54%
Outdoor Lights	\$ 871,225	5.01%	\$ 0.76	5.01%
Lighting Energy	\$ 11,397	5.01%	\$ 5.57	5.01%
Traffic Energy	\$ 13,007	5.01%	\$ 1.06	5.01%
CTAC	\$ 353,101	76.07%	N/A	N/A

The estimated amount of the annual change and the average monthly bill to which the proposed gas rates will apply for each gas customer class is as follows:

Gas Rate Class	Annual \$ Increase	Annual % Increase	Monthly Bill \$ Increase	Monthly Bill % Increase
Residential	\$11,950,450	7.57%	\$ 3.42	7.57%
Commercial	\$ 4,186,992	6.07%	\$ 13.57	6.07%
Industrial	\$ 237,585	5.09%	\$ 90.99	5.09%
As-Available	\$ 31,551	2.10%	\$207.57	2.10%
Firm Transportation	\$ 333,011	6.45%	\$370.01	6.45%
Distributed Generation	\$ 0	0.00%	\$ 0	0.00%

LG&E is also requesting a Certificate of Public Convenience and Necessity from the Commission for its proposed Gas Line Program (the “Program”). Currently, gas service lines and risers are owned by LG&E customers. As part of the Program, LG&E is seeking to undertake a five-year program to proactively replace certain gas risers, and is also requesting the Commission to approve LG&E taking ownership of gas service lines and risers pursuant to 807 KAR 5:022, Section 9(17)(a)(2) as LG&E repairs, replaces or installs gas service lines and risers.

In connection with the Program, LG&E is also proposing a Gas Line Tracker. The Gas Line Tracker is a rate mechanism that is designed to recover the cost of the five-year Program, including a reasonable return on construction and other capital expenditures and reasonable operating expenses, depreciation expense and related taxes. The proposed Gas Line Tracker will also recover the costs of LG&E’s gas leak mitigation program, which includes its existing gas main replacement program, including reasonable return on construction and other capital expenditures and reasonable operating expenses. This tracker will function like the similar rider in place and approved for another gas distribution company in Kentucky.