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NEWS RELEASE

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PSC Sets Public Meetings in KU, LG&E Rate Cases

Comments taken in Louisville, Madisonville and Lexington

FRANKFORT, Ky. (March 13, 2017) – The Kentucky Public Service Commission (PSC) will hold public meetings in Louisville, Lexington, and Madisonville to present information and receive comments on the requests for rate increases by the Kentucky Utilities Co. (KU) and the Louisville Gas & Electric Co. (LG&E).

“These meetings will allow the public to learn about the PSC’s ratemaking process and to present their views directly to members of the Commission as we prepare to consider whether the proposed rates are fair, just and reasonable,” PSC Chairman Michael Schmitt said.

The meetings are scheduled for:

Louisville

Tuesday, April 11, 5:30 p.m. EDT

Health Sciences Auditorium
Health Sciences Hall
Jefferson Community and Technical College
110 W. Chestnut

Madisonville

Wednesday, April 12, 5:30 p.m. CDT

Byrnes Auditorium
Hatley Building
Health Sciences Campus
Madisonville Community College
750 North Laffoon Street

Lexington

Tuesday, April 18, 5:30 p.m. EDT

Northside Branch
Lexington Public Library
1733 Russell Cave Rd.

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The meetings will begin with an information session during which PSC staff will explain how rates are set and the PSC's review process. The presentation will include an overview of the utility applications. Public comments will follow the information session.

Both LG&E and KU are subsidiaries of the PPL Corp. Kentucky Utilities has about 516,000 electric customers in 77 counties across Kentucky. Louisville Gas & Electric has about 403,000 electric customers in nine counties in the Louisville area and 322,000 natural gas customers in 17 counties.

Kentucky Utilities has proposed to increase its electric rates across all classes of customers in order to generate an additional \$103.1 million in revenue per year – an increase of about 6.4 percent. The company estimates that the base rate portion of the monthly bill for residential customers would, on average, rise by \$7.16, to \$122.49, an increase of about 6.2 percent from the current monthly average of \$115.33.

The proposed increase for KU residential customers would come through raising the monthly service charge to \$22 from the current \$10.75. The charge per kilowatt-hour (a kilowatt-hour is the amount of electricity used by a 100-watt light bulb in 10 hours) would decline from 8.87 cents to 8.523 cents.

LG&E has proposed to increase its electric rates across all classes of customers in order to generate an additional \$93.6 million in revenue per year – an increase of about 8.5 percent. The company estimates that the base rate portion of the average monthly bill for residential customers would rise by \$9.64 to \$103.07, an increase of about 10.3 percent from the current average of \$93.43.

For LG&E residential electric customers, the proposed increase would come through raising the monthly service charge to \$22 from the current \$10.75. The charge per kilowatt-hour would decline from 8.639 cents to 8.471 cents.

The base rate component of the monthly natural gas bill for an average LG&E residential customer would rise from \$29.24 to \$37.93, an increase of \$8.69, or about 30 percent. The company is proposing to increase the monthly fee per meter from \$13.50 to \$24, and to lower the current delivery charge per 1,000 cubic feet of gas from \$2.87 to \$2.54.

The base rate does not include the cost of the gas itself, which accounts for about half the total bill. The gas cost is adjusted every three months to reflect - on a dollar-for-dollar basis – the amount LG&E pays for gas on the wholesale market.

Nor does the base rate include a surcharge that pays for gas line safety improvements. LG&E is proposing to decrease the surcharge by nearly \$5 per month. When the proposed decrease is factored into the average total bill, LG&E estimates that the typical residential gas customer would see a net monthly increase of about \$3, or about 5 percent.

LG&E estimates that the base rate changes would increase its annual revenue from natural gas operations by \$13.8 million, or about 4.2 percent.

KU and LG&E say the rate increases are needed to pay for system-wide installation of new technology that will improve safety and reliability. The technology includes Advanced Metering Infrastructure (also known as AMI or “smart” meters) that allows meters to be read remotely and automates the process of detecting and locating outages, thus speeding repairs.

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The utilities say the rate increase also will pay for rehabilitation of the hydroelectric generating capacity at McAlpine Dam in Louisville, improvements at other power plants and safety and reliability improvements through their systems.

The KU and LG&E applications and related documents are available on the PSC website, psc.ky.gov. The case numbers are 2016-00370 (KU) and 2016-00371 (LG&E).

Persons wishing to comment on the proposed rate increase may do so at the public meetings.

Written comments will be accepted at the meetings. Written comments also may be mailed to the PSC at P.O. Box 615, Frankfort, KY 40602, faxed to 502-564-3460 or e-mailed from the PSC website.

The evidentiary hearing in the cases will be combined into a single proceeding, to be held at the PSC offices at 211 Sower Boulevard in Frankfort. KU and LG&E will appear before the PSC on Tuesday, May 2, beginning at 9 a.m. EDT. The hearing, which may last several days, will be open to the public. Written comments will be accepted through the conclusion of the hearing.

The evidentiary hearing may be viewed live on the PSC website.

The PSC is an independent agency attached for administrative purposes to the Energy and Environment Cabinet. It regulates more than 1,500 gas, water, sewer, electric and telecommunication utilities operating in Kentucky and has approximately 75 employees.

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