

2003-433

Ms. Beth O'Donnell  
Executive Director  
Public Service Commission

1/26/05

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JAN 24 2005

PUBLIC SERVICE  
COMMISSION

Dear Ms. O'Connell:

This letter is a complaint against Louisville Gas & Electric for imposing a 34.5% increase on residential electric customers in October of 2004. I was informed that the current rate for electric usage is 5.88% per KWH whereas the previous rate was 5.66%/KWH for the first 600KWH of usage and 4.37%/KWH for all usage over 600KWH. Since most single family homes consumers use considerably more then 600KWH/mo. the effective rate for that usage is 34.5% (5.88 cents divided by 4.37 cents= 1.345 or 34.5%)\* That's an OUTRAGEOUS increase. These rates imposed on thousands of LGE customers will result in windfall profits in the millions of dollars for LGE.

I cannot understand how the Public Service Commission under the new State Administration in Frankfort could have permitted such an injustice to be placed on so many citizens. It is my understanding that this increase resulted from a (so-called) compromise settlement of a lawsuit by private customers against LGE, which was trying to obtain an even MORE OUTRAGIOUS increase. Couldn't someone in the PSC realize that the settlement rate itself is exorbitant? I realize LGE might need an increase, but it would seem to me that an effective increase of not more than 5 or 8% might have been reasonable and acceptable. I understand this case is to be reopened, and if so, I would hope that you and the PSC will have enough common sense to be on the side of customers, and scale back this outrageous increase to a reasonable rate. Thousands of Ky. citizens are counting on the PSC to protect its interests against what amounts to a monopoly of LGE in this area. I would appreciate a reply.

Very Truly Yours,

*George T. DeChurch*

GEORGE T. DECHURCH  
5650 TOBACCO ROAD  
LAGRANGE, KY., 40031

Ms. BETH O'DONNELL

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\* In my own case, my latest bill was for \$241.13 for usage of 3736KWH. That compares to last year's bill for the same period of \$180.66 for usage of 3814KWH. That is a 33.47% price increase for USAGE DECREASE of 2%

Cc. Governor Ernie Fletcher  
Editor: The Louisville Courier Journal  
Kentucky Consumer Protection Agency

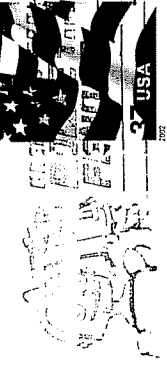
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