

CASE 2005-00401

From: Melnykovich, Andrew (PSC)
Sent: Friday, September 30, 2005 12:23 PM
To: 'ALLEWI01@LOUISVILLE.EDU'
Subject: RE: LG & E rate hike

Ms. Lewis-Klein-

Your comments have been received and will be placed into the case file.

However, you should be aware that this is a pass-through of LG&E's cost of purchasing gas for delivery to its customers. Gas distribution companies are entitled to recover their wholesale costs on a dollar-for-dollar basis. This increase does not produce higher profits for LG&E. Wholesale costs, which were deregulated by the federal government more than 25 years ago, are driven by market conditions. The wholesale cost of natural gas has been rising for more than two years and that increase has steepened recently as supply has not kept pace with demand. Even before hurricanes Katrina and Rita, gas costs were going to be sharply higher this winter. The hurricane damage along the Gulf Coast, which is the source of most of the gas used in Kentucky, has simply made a bad situation worse. At present, most of the gas production and transportation facilities along the Gulf Coast are shut down.

The PSC has no authority over wholesale prices. Companies seeking a wholesale cost adjustment are required to submit detailed cost information to the PSC. The filings are available on our Web site, psc.ky.gov. LG&E's application for a wholesale cost adjustment will receive a careful review to ensure that it is proper and accurate.

I also would suggest that you look into getting on a budget-billing plan with LG&E, which will spread your winter heating bills out over a 12-month period

Andrew Melnykovich
Director of Communications
Kentucky Public Service Commission
502-564-3940 x208

From: PSC - Public Information Officer
Sent: Friday, September 30, 2005 11:59 AM
To: Melnykovich, Andrew (PSC)
Subject: FW: LG & E rate hike

From: Angela L Lewis-Klein[SMTP:ALLEWI01@LOUISVILLE.EDU]
Sent: Friday, September 30, 2005 11:59:02 AM
To: pscinfo@ky.gov
Subject: **LG & E rate hike**
Auto forwarded by a Rule

PLEASEPLEASEPLEASE

deny L G and E this rate hike. There is no way most of us can absorb a 64% rate increase on our monthly heating bills.

For the past several years I have already made conservation efforts (more blankets, more window coverings, keeping the thermostat on 68 or 70) and still my bills were over \$250. every month last winter. I froze to death! and was sick most of the winter.

I cannot make any more conservation efforts, but also cannot absorb this much of an increase.

My employer (U of L) only gave a 3% raise this year but also raised my health care and my parking costs. There is literally no way to keep ahead of the bills.

And I don't for one minute believe there are no profits involved here for L G and E.
I would have to see this all in writing.

PLEASE help the LITTLE GUY!!!!!!!!!!!!!! and DENY this request.

thank you.

Angela Lewis-Klein
500 Macon Avenue
Louisville, KY 40207