
From: Melnykovych, Andrew (PSC)
Sent: Monday, October 03, 2005 2:33 PM
To: 'BRIAN502@INSIGHTBB.COM'
Subject: LG&E gas cost adjustment; case 2005-00401

Mr Dusel

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. As supply is restored, prices are expected to come down. As with all such decreases, these would be reflected as decreases in gas costs passed on to consumers.

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. the case number is 2005-00401. LG&E's application for a wholesale cost adjustment will receive a careful review to ensure that it is proper and accurate.

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

From: PSC - Public Information Officer
Sent: Monday, October 03, 2005 11:09 AM
To: Melnykovych, Andrew (PSC)
Subject: FW: Rate Increase

From: Brian[SMTP:BRIAN502@INSIGHTBB.COM]
Sent: Monday, October 03, 2005 11:09:09 AM
To: psc.info@ky.gov
Subject: Rate Increase
Auto forwarded by a Rule

Hello my name is Brian Dusel and I'm writing about the LG&E request for a 64% Natural Gas increase. I am just wondering what will happen to the poor, elderly and disabled if this increase is approved. If we have a normal Kentucky winter I'm sure these people can expect a great deal of hardship and many will be in a life threatening situation. In fact a 64% increase will potentially cause great damage to the economy. I implore this Commission to reject this outrageous rate increase request from this Greedy Company. I strongly feel that essential services such as Natural Gas and Electricity should not be controlled by private entities that have stock holders and expect to make Huge profits at the expense of the people. Why can't our Government own and control these companies?

Sincerely,
Brian Dusel
119 East Oak St. Apt 2
Louisville, KY. 40203
502-290-3683