

CASE 2005-00401

From: Melnykovych, Andrew (PSC)
Sent: Friday, September 30, 2005 2:09 PM
To: 'COLLJN@HOTMAIL.COM'
Subject: RE: Utility hike request by LG&E

Mr Collingwood:

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.

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

From: PSC - Public Information Officer
Sent: Friday, September 30, 2005 2:06 PM
To: Melnykovych, Andrew (PSC)
Subject: FW: Utility hike request by LG&E
Importance: High

From: john collingwood[SMTP:COLLJN@HOTMAIL.COM]
Sent: Friday, September 30, 2005 2:05:54 PM
To: psc.info@ky.gov
Subject: Utility hike request by LG&E
Importance: High
Auto forwarded by a Rule

I would like to strongly urge and request the Public Service Commission to deny the request of LG&E to raise their rates on natural gas and/or electricity to the public. After experiencing the last raises by LG&E, I am hardly able to pay my utility bills now and I am very conservative with my thermostat already, and have an energy efficient home other wise.

LG&E executives are always at the top of the list when it comes to income and perks, and many other employees have very good salaries and benefits there.. much more than the KY average!

Yet, whenever their costs go up, they run to the PSC for a rate increase, instead of doing what most companies (that aren't monopolies) do, and tighten their own belts, with layoffs, decreased salaries and perks of the executives, etc ,etc

Why does the public always have to pay for their increased costs of doing business???

I do not have to tell you that with increased gasoline costs, food costs, etc., etc , the average Kentuckian just cannot afford to pay the exorbitant rates that they are requesting. If you allow this, you are going to see even more foreclosures, unpaid credit cards, homeless, and everything else that goes with not having enough to make ends meet!

Thank you for your consideration, please!

John Collingwood

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