

Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40601

September 10, 2008

RECEIVED
SEP 12 2008
PUBLIC SERVICE
COMMISSION

Dear Sir or Madam:

I recently received a notice from Louisville Gas and Electric regarding a price increase for electricity and gas. I understand there may be a need to increase the price of the service however, the increase seems to be unfairly distributed to the retail customer.

Per the notice that I received, (I included a copy for your review), it states that:

“The estimated amount of the annual increase, or decrease, per electric customer class is as follows: Residential: \$13,673,276, 4.47%; General Service: \$228,601, 0.20%; Large Commercial \$0, 0%; Small Time-of-Day Service: \$333,201, 6.20%; Large Commercial Time of Day: \$0,0%; Industrial Time of Day: \$(8,461), (0.01%); Lighting: \$670,819, 4.54%.”

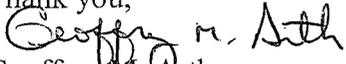
“The estimated amount of the annual increase per gas customer class is as follows: Residential RGS:\$25,282,608, 5.92%; Commercial CGS: \$4,012,950, 1.96%; Industrial IGS: \$55,838, 0.27%; As Available AAGS; \$23,962, 0.38%, Firm Transportation Rate FT: \$175,907, 4.44%.”

Perhaps if the increase were more evenly distributed the burden would not be fixed on one or two particular classes.

I am sure this is a complex issue, but on face value it appears that the residential customers are bearing an unfair proportion of this increase.

Perhaps, you or Louisville Gas and Electric could explain to me why there is such a large disparity.

Thank you,


Geoffrey M. Arth
2118 Outer Circle Drive
Crestwood, Kentucky 40014

NOTICE TO CUSTOMERS OF
LOUISVILLE GAS AND ELECTRIC COMPANY

PLEASE TAKE NOTICE that on July 29, 2008, Louisville Gas and Electric Company filed with the Kentucky Public Service Commission a request for an adjustment of its electric and gas rates and charges to become effective on and after September 1, 2008.

Louisville Gas and Electric Company proposes the following new electric tariffs and/or charges: Retail Transmission Service Rate RTS, Temporary and/or Seasonal Electric Service Rider TS, Meter Pulse Charge, and Meter Processing Charge; and the following new gas tariffs and/or charges: Distribution Generation Gas Service Rate DGGS.

In addition, Louisville Gas and Electric Company proposes to change the text of the following electric tariffs: Residential Rate RS, Volunteer Fire Department Rate VFD, General Service Rate GS, Large Commercial Rate LC, Large Commercial Time-of-Day Rate LC-TOD, Large Power Industrial Service Rate LP, Large Power Industrial Service Time-of-Day Rate LP-TOD, Large Industrial Time-of-Day Service Rate LI-TOD, Small Time-of-Day Service Rate STOD, Lighting Service Rate LS, Curtailable Service Rider 3 Rate CSR3, Net Metering Service Rate NMS, Excess Facilities Rate EF, Supplemental/Standby Service Rider, Fuel Adjustment Clause FAC, Demand Side Management Cost Recovery Mechanism DSM, and Environmental Cost Recovery Surcharge ECR.

In addition to the foregoing proposed changes in rates and text, LG&E is proposing numerous changes in the terms and conditions of providing electric and gas service to its customers. These changes include, but are not limited to, the scope, applicability of service, and rate structure for each of the rate schedules and classes identified above. The changes also include numerous substantive, form or both changes to the terms and conditions for providing services to every customer class. These changes, if approved, may, among other changes, cause certain customers presently served under the General Service, Small Time-of-Day Service, and Public Lighting classes to be assigned to a more appropriate rate schedule which reflects their load and operating characteristics, nature of the use, quality and quantity of service used, time when used, purpose for which used and other reasonable considerations.

Louisville Gas and Electric Company proposes to change the text of the following gas tariffs: Residential Gas Service Rate RGS, Volunteer Fire Department Rate VFD, Firm Commercial Gas Service Rate CGS, Firm Industrial Gas Service Rate IGS, As-Available Gas Service Rate AAGS, Gas Transportation Service/Standby Rate TS, Firm Transportation Service (Non-Standby) Rate FT, Excess Facilities EF, Demand Side Management Cost Recovery Mechanism DSM, Franchise Fee, and the Terms and Conditions.

With this filing, LG&E proposes to require bills to be paid within ten (10) days from the date of the bill. The Late Payment Charge, however, will not be applied unless the bill is paid more than five (5) days after the bill due date as is the current practice. The Late Payment Charge will be 5% of a bill's net charges (including net minimum bills when applicable) for the following electric rate schedules: Rate RS, Rate VFD, and Rate GS; and for the following gas rate schedules: Rate RGS, Rate VFD, Rate CGS, and Rate IGS. The Late Payment Charge will be 1% of a bill's net charges (including net minimum bills when applicable) for the following electric rate schedules: Rate CPS, Rate IPS, Rate CTOD, Rate ITOD, Rate RTS, and Rate IS; and for the following gas rate schedule: Rate AAGS.

Copies of the proposed tariffs containing text changes may be obtained by contacting Lonnie E. Bellar, Louisville Gas and Electric Company at P. O. Box 32010, Louisville, Kentucky, 502-627-4830.

The foregoing rates reflect a proposed annual increase in electric revenues of approximately 1.9% and gas revenues of approximately 4.5% to Louisville Gas and Electric Company.

The estimated amount of the annual increase, or decrease, per electric customer class is as follows: Residential: \$13,673,276, 4.47%; General Service: \$228,601, 0.20%; Large Commercial: \$0, 0%; Small Time-of-Day Service: \$333,201, 6.20%; Large Commercial Time of Day: \$0, 0%; Industrial: \$0, 0%; Industrial Time of Day: \$(8,461), (0.01%); Lighting: \$670,819, 4.54%.