

Mr. Terry Holt, 345-½ South 4th Street, Danville, KY 40422

June 22, 2011

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

RECEIVED

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**PUBLIC SERVICE
COMMISSION**

Dear Chairman David L Armstrong:

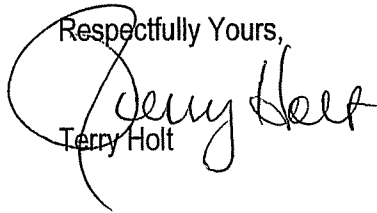
I have enclosed to inserts that were included with my June bills for natural gas and electricity. As you already know Atmos Energy states they have asked Kentucky Public Service Commission to approve charges to Atmos customer's bills in Kentucky to cover the cost of replacing pipe lines. The other is a letter stating Kentucky Utilities has filed an application (Case No. 2011-00161) to increase customer's bills over the next 5 years to cover compliance with the federal Clean Air Act.

To add to our burden I just read that the Kentucky state sales tax on gasoline will increase 1.9 cents per gallon starting July 1st.

My letter to you is a request that you take into account the hardships working Kentucky consumers are already baring due to rising oil, food, and medical cost and those Kentuckians living on fixed incomes due to circumstances beyond their control, the unemployed, elderly and disabled will certainly suffer greatly. The only ones that will benefit from these added cost is the utilities the rest of us will lose additional income that we need for survival.

I ask that you judge this matter with Kentucky Consumers best interest in mind and that your decision would be just and fair.

Respectfully Yours,


Terry Holt

Enclosure:



a PPL company

May 2011

Dear KU Customer:

To comply with existing and new federal environmental laws and regulations, KU must continue to invest in additional pollution control facilities. Currently, KU is seeking Kentucky Public Service Commission ("KPSC") approval to build additional pollution control facilities. Following KPSC approval, the actual costs associated with the pollution control facilities would be passed on to retail customers through the existing Environmental Surcharge billing factor. KU estimates that the initial impact would be an increase in the environmental surcharge of \$1.13 per month for a residential customer using 1,000 kilowatt hours (kWh) per month. The announcement below is included to comply with KPSC regulations regarding notice of tariff changes to customers. If approved as filed, this change in rates will be included on customer bills no sooner than January 31, 2012.

**NOTICE TO CUSTOMERS OF
KENTUCKY UTILITIES COMPANY**

**RECOVERY BY ENVIRONMENTAL SURCHARGE OF KENTUCKY UTILITIES
COMPANY'S 2011 ENVIRONMENTAL COMPLIANCE PLAN**

PLEASE TAKE NOTICE that on June 1, 2011, Kentucky Utilities Company ("KU") will file with the Kentucky Public Service Commission ("Commission") in Case No. 2011-00161, an Application pursuant to Kentucky Revised Statute 278.183 for approval of an amended compliance plan ("KU's 2011 Environmental Compliance Plan") for the purpose of recovering the capital costs and operation and maintenance costs associated with new pollution control facilities through an increase in the environmental surcharge on customers' bills beginning January 31, 2012 under KU's existing Electric Rate Schedule ECR, also known as the environmental cost recovery surcharge.

Federal, state, and local environmental regulations require KU to build and upgrade equipment and facilities to operate in an environmentally sound manner. Specifically, KU is seeking Commission approval of Certificates of Public Convenience and Necessity ("CPCN") to construct new Particulate Matter Control Systems to serve all units at the Ghent Generating Station in Ghent, Kentucky, and to serve all units at the E.W. Brown Generating Station in Burgin, Kentucky, to comply with the national emissions standards for hazardous air pollutants proposed by the U.S. Environmental Protection Agency ("EPA"). The Particulate Matter Control Systems are also being installed to comply with EPA-imposed sulfuric acid mist and opacity requirements. Additionally, KU is seeking recovery of costs associated with these environmental

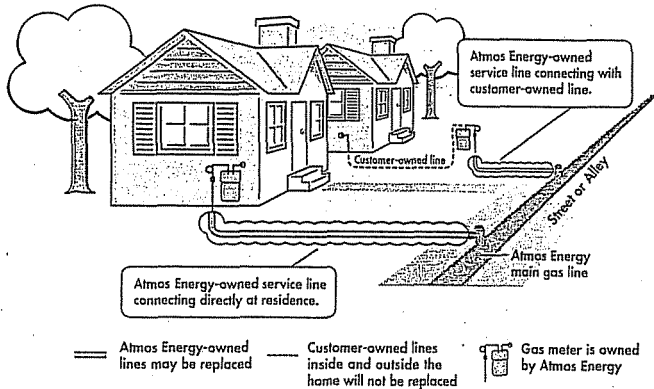
projects, which are necessary for compliance with the federal Clean Air Act, the federal Resource Conservation and Recovery Act, and other current or proposed environmental laws and regulations, and enforcement actions. These additional projects primarily relate to installing Particulate Matter Control Systems to serve all units at the Ghent Generating Station, installing Particulate Matter Control Systems to serve all units at the E.W. Brown Generating Station, converting the main coal combustion residuals treatment basin at the E.W. Brown Generating Station to a landfill and other pollution control facilities. The capital cost of the new pollution control facilities for which KU is seeking recovery at this time is estimated to be \$1.1 billion. Additional operation and maintenance expenses will be incurred for these projects and are costs that KU is requesting to recover through the environmental surcharge in its application.

The impact on KU's customers is estimated to be a 1.5% increase in 2012 with a maximum increase of 12.2% in 2016. For a KU residential customer using 1,000 kilowatt hours per month, the initial monthly increase is expected to be \$1.13 during 2012, with the maximum monthly increase expected to be \$9.46 during 2016.

The Environmental Surcharge Application described in this Notice is proposed by KU. However, the Public Service Commission may issue an order modifying or denying KU's Environmental Surcharge Application. Such action may result in an environmental surcharge for consumers other than the environmental surcharge described in this Notice.

Any corporation, association, body politic or person may, by motion within thirty (30) days after publication, request leave to intervene in Case No. 2011-00161. That motion shall be submitted to the Public Service Commission, 211 Sower Blvd., P.O. Box 615, Frankfort, Kentucky, 40602, and shall set forth the grounds for the request including the status and interest of the party. Intervenors may obtain copies of the Application and testimony by contacting Kentucky Utilities Company at 220 West Main Street, Louisville, Kentucky, 40202, Attention: Lonnie E. Bellar, Vice President, State Regulation and Rates. A copy of the Application and testimony will be available for public inspection on KU's website (<http://www.lge-ku.com>) and at KU's offices where bills are paid after June 1, 2011.

Atmos Energy will be upgrading natural gas pipes in your area.



At Atmos Energy, safety and reliability are always our primary objectives. We are very proud of our rich history of safe and efficient operation. In continuing that tradition, we asked the Kentucky Public Service Commission to approve our Pipe Replacement Program. Under this program we will replace select bare steel pipes with modern piping materials. Starting this month, a new line item is included on your bill, called "Pipe Replacement Program", which recovers the cost of replacing the steel pipe.

If a pipe in your neighborhood requires replacement, we'll inform you before construction starts in your neighborhood. In the meantime, please visit www.atmosenergy.com to watch a brief video and learn more about the upgrades.

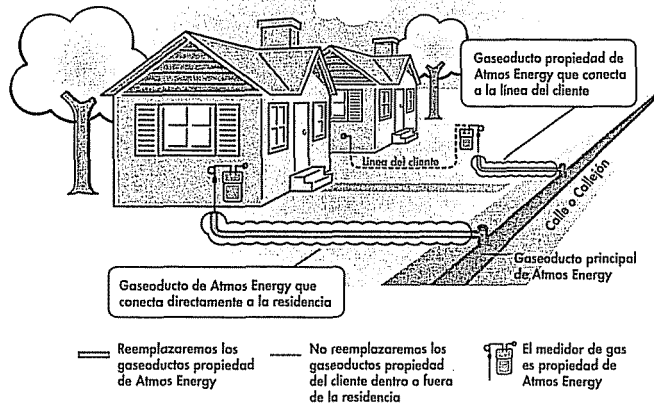
If you have any questions, call us during business hours at 1-888-286-6700 or visit www.atmosenergy.com.



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Atmos Energy va a hacer mejoras a los gaseoductos en su área.



En Atmos Energy la seguridad y confiabilidad siempre son nuestros objetivos principales. Nos sentimos orgullosos de contar con un historial de seguridad y eficiencia en operaciones de gaseoductos. Para continuar esa tradición, hemos solicitado que la Comisión de Servicios Públicos de Kentucky apruebe nuestro Programa de Reemplazo de Gaseoductos. Bajo este programa reemplazaremos ductos seleccionados de acero sin cubierta con nuevos ductos elaborados con materiales modernos. A partir de este mes, su factura incluirá un cargo nuevo denominado "Pipe Replacement Program," que cubre el costo de reemplazar los ductos de acero.

Si vamos a reemplazar un ducto en su vecindad, le informaremos antes de comenzar los trabajos. Mientras tanto, puede visitar www.atmosenergy.com/mejoras para ver un video breve y aprender más sobre estas mejoras.

Si usted tiene cualquier pregunta, por favor llámenos al 1-888-286-6700 durante horas de negocio o visite www.atmosenergy.com.



www.atmosenergy.com

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