

Please disregard the original copy, which was incorrectly dated April 16, 2017. The correct date (today's date) is March 16, 2017

Kevin Ruhl

RECEIVED

MAR 20 2017

PUBLIC SERVICE
COMMISSION

Kevin Ruhl
905 Iola Road
Louisville, Ky 40207
March 16, 2017

Dear Sirs:

This mailing is in regard to the proposed increase in the Basic Service Charge (BSC) by Louisville Gas & Electric (LG&E) from \$10.75 to \$22.00 per month, accompanied by a minor decrease in the monthly rate from \$0.086 to 0.084 per kilowatt-hour (kwh). LG&E's rationale that increasing the BSC will smooth out monthly charges is disingenuous and unconscionable. The ploy is obviously to increase their income stream on a more consistent basis.

An analysis of my usage over the past 2 years indicates that the increased BSC scenario will result in an increase in my household bill of \$126/yr. The other scenario presented in the LG&E Feb 2017 newsletter (and I assume the original proposed increase) was for an increase in the flat rate only of from \$0.086 to \$0.096 per kwh, with the BSC remaining at \$10.75. This latter proposed increase would increase my bill by \$47/yr. The difference being that the BSC scenario results in an increase in my bill of \$79/yr over the past 2 years.

A break-even analysis using the BSC proposal would mean that my household usage would need to be 9375 kwh. My highest usage for any one month over the past 2 yrs was 878 kwh with an avg. usage of 390 kwh. The LG&E newsletter presents a real world example of 1914 kwh as a high usage month, which is absurd.

Obviously, I prefer the flat rate increase. If LG&E persists, make LG&E give the customer the option to choose between the 2 plans.

Kevin Ruhl

RECEIVED

MAR 20 2017

PUBLIC SERVICE
COMMISSION

Kevin Ruhl
905 Iola Road
Louisville, Ky 40207
April 16, 2017

Dear Sirs:

This mailing is in regard to the proposed increase in the Basic Service Charge (BSC) by Louisville Gas & Electric (LG&E) from \$10.75 to \$22.00 per month, accompanied by a minor decrease in the monthly rate from \$0.086 to 0.084 per kilowatt-hour (kwh). LG&E's rationale that increasing the BSC will smooth out monthly charges is disingenuous and unconscionable. The ploy is obviously to increase their income stream on a more consistent basis.

An analysis of my usage over the past 2 years indicates that the increased BSC scenario will result in an increase in my household bill of \$126/yr. The other scenario presented in the LG&E Feb 2017 newsletter (and I assume the original proposed increase) was for an increase in the flat rate only of from \$0.086 to \$0.096 per kwh, with the BSC remaining at \$10.75. This latter proposed increase would increase my bill by \$47/yr. The difference being that the BSC scenario results in an increase in my bill of \$79/yr over the past 2 years.

A break-even analysis using the BSC proposal would mean that my household usage would need to be 9375 kwh. My highest usage for any one month over the past 2 yrs was 878 kwh with an avg. usage of 390 kwh. The LG&E newsletter presents a 'real world example' of 1914 kwh as a high usage month, which is absurd.

Obviously, I prefer the flat rate increase. If LG&E persists, make LG&E give the customer the option to choose between the 2 plans.

K. Ruhl



A SERVICE CHARGE WITH BENEFITS? *Absolutely Not!!!*

Last July, LG&E and its sister utility KU kicked off a \$2.2 billion investment program to improve safety, reduce outage times and enhance service to customers. The program will continue through June of 2018. In November, LG&E filed a request with the Kentucky Public Service Commission to recover a portion of the costs related to the new technologies and other equipment that will improve safety and reliability. LG&E requested that this be done through an increase in the Basic Service Charge (BSC) that will minimize the impact of extreme temperatures on energy bills. If approved by the KPSC, new rates would go into effect in July 2017.

How can a basic service charge minimize the impact of extreme temperatures on a residential monthly energy bill?

We all know that extreme temperatures throughout the year can cause energy use and bills to spike. LG&E's proposal to increase the BSC from \$10.75 a month to \$22 a month, combined with lowering the cents per kilowatt-hour (kWh) energy charge from \$0.086 to \$0.084 – rather than leaving the BSC at \$10.75 a month and raising the cents per kWh energy charge to \$0.096 – means customers will be better protected from wild swings in monthly bills caused by Mother Nature.

What is a basic service charge?

The BSC is a fixed minimum charge that helps defray some of the monthly administrative and fixed system costs involved in providing service to each customer, regardless of how much or how little energy is used. These costs include, but are not limited to, maintaining the meter (meter rental, reading and processing), service lines, billing and payment processing. For each meter, this charge is a fixed amount per month. The charge becomes effective when each meter is activated.

Real-world example

Let's look at the chart in the following column to see how a proposed higher BSC and a lower cents-per-kWh energy charge compares to

REAL-WORLD EXAMPLE

A High Energy Use Month:
1,914 kWh

Current BSC with higher Energy Charge

Proposed higher BSC with lower Energy Charge



61% SAVINGS

what a customer would pay under a scenario that keeps the BSC at its current level, with a higher energy charge (\$0.096 per kWh) in a month where a customer's energy use may have doubled due to extreme temperatures.

Lessening the impact

As shown in the graph, LG&E's proposal would move a portion of the fixed costs (e.g. – expenses related to maintaining meters, service lines, customer service, billing and processing) into the basic service charge from where they are currently – in a customer's energy charge. This move would allow the utility to lower a customer's cents-per-kWh energy charge, which can help mitigate the bill impacts of extreme hot and cold temperatures.

LG&E's investments also affect its natural gas service; the company's November rate request also proposed changes to natural gas rates. We will provide additional information about how the proposed changes will affect natural gas customers in a future issue of Power Source. Visit our website at lge-ku.com/rate-adjustment for more information about the investments LG&E and KU are making to improve safety and service.

LOOKING TO THE SUN TO PROVIDE NEW ENERGY OPPORTUNITIES

Although sunlight in Kentucky can't produce power 24/7, at LG&E and its sister utility KU, we have made – and are making – investments in that area to learn more about how solar energy can work in combination with always-available power sources like coal and natural gas.

E.W. Brown Generating Station

Last summer, the state's largest universal solar facility – constructed at our plant near Harrodsburg – became fully operational. With nearly 45,000 solar panels situated on 50 acres, the facility is meeting its expectation of producing 19,000 megawatt-hours a year, enough to provide energy for 1,500 homes using an average of 1,000 kilowatt hours a month.

Solar Share

The Solar Share facility, given the go-ahead by the Kentucky Public Service Commission last fall, will provide residential, business and industrial customers the chance to share in local solar energy and receive credits on their monthly bills.

Solar Share will be located on 35 acres along Interstate 64 in Shelby County. It is large enough to accommodate a four-megawatt field,

but it is being built in 500-kilowatt sections based on customer interest. Construction will begin as soon as the first section is 100-percent subscribed. Solar Share is now accepting enrollments; call **800-356-5467** and press 1,4. Or visit lge-ku.com/solar-share to enroll online.

Industrial and Commercial-Scale Solar

This service is available to business and industrial customers interested in solar energy. LG&E will build, own and operate individual solar facilities on the properties of interested customers. The company is partnering with Kentucky-based Solar Energy Solutions, LLC, to provide this offering.

Individual customer systems can be ground-based or rooftop arrays and can range from 30 kilowatts to five megawatts.

Each customized project must be approved by the Kentucky Public Service Commission.

Visit lge-ku.com to learn more about LG&E and KU's investments in solar energy.



THERE'S MORE

Go to lge-ku.com to:

- » Watch "Our Energy Matters" videos highlighting our commitment to safe, reliable, low-cost energy
- » Learn about career opportunities for veterans
- » Bookmark our outage map

DANGEROUS NECESSITIES: TAKE THE TIME TO KEEP FLAMMABLE LIQUIDS SAFELY STORED

Gasoline, pesticides, paint thinner, solvents. Most of us have some, if not all, of these flammable liquids in our homes ... probably in the basement or the garage. Properly storing them is critically important for avoiding serious damage, injuries or even death. Improper storage can too easily lead to an explosion and/or fire that can be devastating. Following these simple tips will help keep you and your family safe when it comes to flammable liquids:

- Always use proper containers – Never put flammable liquids in milk/water jugs or unmarked glass containers.
- Store them outside the home if possible – A detached garage or storage shed is best.
- Keep out of reach of children – Kids are curious. Make sure flammable liquids are stored so that children cannot get to them.

- Don't forget the labels – All approved containers and cabinets should be properly labeled with the appropriate flammable liquids signs.
- Avoid floor-level burners and pilot lights – They should be elevated at least 18 inches. Otherwise, vapors from flammable liquids can travel along the floor and ignite.

Visit our website at lge-ku.com/safety for more information and ways to keep you and your family safe.



FOR THOSE DRIVING ELECTRIC, MORE CHARGING STATIONS ARE ON THE WAY



Progress continues to be made toward the deployment of 20 public electric vehicle charging stations across the state – 10 stations in the LG&E service territory and 10 in the service territory of KU, our sister utility company.

In November of last year, LG&E publicly unveiled the first of its public charging stations in Louisville, located in the 1100 block of East Washington Street.

Drivers using the charging stations will pay an hourly fee of approximately \$3. Exact fees and local taxes will vary

depending on the location of each station. The charging stations have an estimated power range of 25 miles per hour of charging.

In addition to the public charging stations, businesses can host stations on their property. Business customers, who must commit to hosting the station(s) for a minimum of five years, have the option of making their charging stations public or private. Business customers are responsible for the costs associated with the stations, including installation, maintenance and energy usage. There is also a monthly hosting fee.

The charging stations include the latest safety features, such as charging plugs that lock in the stand when not in use, and are customer friendly with digital display screens and quick-pay options. Visit lge-ku.com/ev to learn more about our EV charging stations.

THE ARTS HELP OUR STATE SHINE

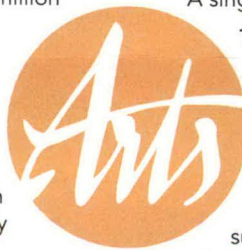
There's no question that Kentucky is a great place for business – and it is our vibrant arts and culture scene that helps us shine even brighter. Did you know that the arts and culture sector alone generates more than 8,000 jobs and creates an economic impact of \$259 million in Greater Louisville?

People come from across the country to visit Kentucky because our community is second to none when it comes to the quality, breadth and diversity of entertainment and enrichment. We have professional theaters, museums, concerts, galleries and more – our region is rich in the arts. Fund for the Arts Cultural Partners enjoyed more than 1.5 million visitors to venues and performances from nearly every state last year.

The arts also support education. In 2016 alone, the Fund for the Arts helped create 400,000 transformative arts experiences for students

across all grade levels throughout Kentucky. If your child has climbed aboard the yellow school buses on a field trip to the Kentucky Center for the Performing Arts, your family has experienced this firsthand.

A single arts experience can open the mind of a child to the world.



The Fund for the Arts' mission is to maximize the impact of the arts on economic development, education and the quality of life for everyone by generating resources, inspiring excellence and creating community connections.

To ensure that the arts continue to play a critical role in creating a strong community, LG&E is proud to help support the Fund for the Arts. Please join us and help support our community by making a plan in 2017 to enjoy the arts opportunities so richly offered here in our hometown. Visit fundforthearts.com to learn more and download the Louisville Arts Link app for information and special offers.

LG&E Contact Information



By Phone

502-589-1444
(Call 800-331-7370 outside Louisville)
Monday-Friday
7 a.m.-7 p.m. (Eastern Time)

Self-Service by touch-tone phone or web:
Anytime day or night

For Hearing- or Speech-Impaired
Dial 711

Business Service Center

502-627-3313
(Call 800-331-7370 outside Louisville)
Monday-Friday
8 a.m.-6 p.m. (Eastern Time)

In-Person

Customer Service Walk-In Center
701 South Ninth Street
Monday-Friday
8 a.m.-5 p.m. (Eastern Time)

Kentucky 811- Locate Service

Dial 811

Editor

Cheryl.Williams@lge-ku.com

Visit our website:

lge-ku.com

