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# Oil prices down nearly \$4

Oil prices sharply fell at the end of last week as investors worried about a conflict with Iran or that the U.S. could cut supplies, analysts want to get caught up before the Fourth of July. Analysts said. There was a dip on Friday in the United States on the eve of the holiday. Concern about supply disruptions led to a drop in oil contracts they had bought last week. "Through the holiday, we expect no major news," said analyst Alaron Trading in

Chicago. "No news is good news, or in this case, no news is bearish news."

After the last few weeks' run-up, analysts were skeptical that the drop signaled the start of a long-term decline. Prices set records in each of the previous six sessions.

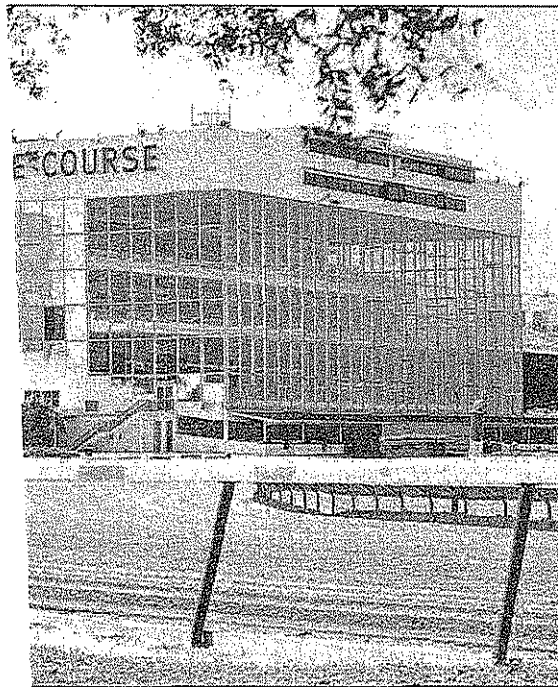
"We're just moving into a new and higher trading range" of about \$140 to \$146 a barrel, said Jim Ritterbusch, president of energy consultancy Ritterbusch and Associates in Galena, Ill. "We'll probably consolidate there for a week or two ... then probably push back into new record territory."

On Wall Street, investors could take only slight solace in the retreating oil prices.

"A falling stock market is not going to put cars back on the road," said Tim Evans, an energy analyst at Citi Futures Perspective in New York.

Stocks lost ground in extremely volatile trading, as investors recoiled at a cautious economic outlook from a Federal Reserve official and the possibility of more financial troubles for Fannie Mae and Freddie Mac.

See OIL, D2, col. 1



Courier-Journal file photo

Consider Race Course available on Thursday to check placed by the Florida horsemen.

## Florida horsemen

# LG&E bill may rise 7.1% for homes

## Charge for power may jump \$5.20

By Bill Wolfe  
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The Courier-Journal

Louisville Gas & Electric Co. announced plans last week to file for a 2 percent increase in its overall base electric rate — but the effective increase for residential customers under the plan would be more than three times that large.

The monthly bill of a homeowner using 1,000 kilowatt-hours would go up \$5.20 per month — an increase of 7.1 per-

# ses and slots

horsemen the revenues that punt-wagering or by phone. sharing issue led July 4 start until this Friday, weary relented and agreed to ms.

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## LATEST DEVELOPMENTS

- ▶ Races from Churchill Downs Inc.'s Calder Race Course are expected to be available again for betting in Kentucky and Indiana this week.
- ▶ A Florida horsemen's group agreed to a 10-year deal for future slot machine revenues that could put \$50 million into Calder purses.
- ▶ A Kentucky horsemen's group leader said deals have been reached with Turfway Park and Keeneland that will allow races from the two tracks to be available on TVG and other account-wagering sites.

— which has its biggest day on Saturday, the Summit of Speed.

While many horsemen's groups across the country are wrestling with tracks over revenues from account wagering, the Calder dispute had another complicating factor: future revenues from slot machines that Calder can put in because of a Miami-Dade County referendum in January.

Churchill's Calder slots plans were on hold because of the dis-

See CALDER, D2, col. 2

cent, according to LG&E. Residential users pay higher rates than large industrial customers, said Chip Keeling, spokesman for E.On U.S., the parent company of LG&E and Kentucky Utilities Co., which is also seeking electric rate increases.

LG&E has more than 20 classes of customers, including categories of small, medium and big commercial users.

Because it costs less to deliver a given amount of power to one customer than to serve numerous smaller customers, the big users enjoy lower rates. In addition, industrial users may qualify for discounts by agreeing to submit to service interruptions if power shortages arise.

A new method of listing the charges on bills would also create a gap between the effective increase and the rate. Two credits that are now subtracted from bills as discounts to the total charge would be rolled into the new rate, Keeling said. That lowers the resulting rate but does not change the actual revenue generated.

A story in The Courier-Journal last week incorrectly listed the proposed overall rates for electricity and gas as the residential rates. The proposed gas

See LG&E, D2, col. 2

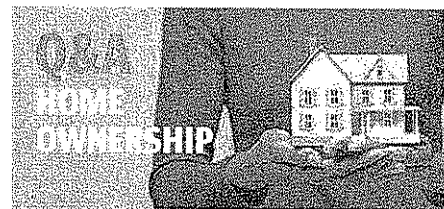
## may be next

ity because product plans are not supposed to be disclosed to the media ahead of said details on what will be a third-generation Prius will likely be revealed next did not elaborate.

of the Prius have been booming, thanks to rising gasoline prices and growing worries about global warming. A hybrid delivers better mileage by switching between a gasoline-fueled engine and an electric motor.

Toyota builds a hybrid version of its Camry in Georgetown, Ky., plant.

Toyota has made hybrid technology the pillar of its growth strategy, promising to deliver a hybrid in every model in its lineup soon after the Prius. Toyota has sold more than 1 million Prius hybrids over the past decade and is planning to sell more than 1 million hybrids a year sometime after 2010.



**Q:** I don't have a bank account or credit cards. Can I still get a mortgage?

**A:** Having a bank account helps establish credit, but mortgage financier Freddie Mac says lenders can approve you for a mortgage even if you don't have a bank account or credit cards.

You'll likely need to keep records showing a history of payments you've made for items such as rent, utilities and car payments, Freddie Mac says.

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of the low prices.

The Dow fell 56.58 to 11,231.96. Over the course of the day, the blue chips rallied, tumbled, rebounded, and then fell once more. The Dow fell as much as 167.80 to 11,120.74 — its lowest trading level since Aug. 15, 2006 — but was also up more than 100 in early trading.

Broader stock indicators also declined. The Standard & Poor's 500 index fell 10.59 to 1,252.31, and the Nasdaq composite index fell 2.06 to 2,243.32.

U.S. financial companies have lost more than \$1 trillion in value this year, and yesterday's decline shows concerns aren't going away soon.

MAINED | Churchill, Florida

## LG&E | Proposed rate hike to be scrutinized

Continued from D1

increase would add about \$11 a month to a typical residential customer's bill — an increase of 10.7 percent.

The rate increases are meant to cover the costs of meeting growing demand for energy by paying for additional generating capacity for electricity and upgrades to the gas pipeline system, Keeling said. Overall, LG&E says it needs \$15.5 million more per year to pay for the upgrades.

The requested rate requests

will face scrutiny by Kentucky Attorney General Jack Conway, who said yesterday that he would file with the Kentucky Public Service Commission to take part in its hearings on the case. "He will be intervening on behalf of ratepayers to ensure that this rate increase and the reasons behind it are justified," spokeswoman Allison Gardner Martin said.

The Kentucky Industrial Utility Customers, an industry group, and Community Action Kentucky, which represents low-income families, also expect to file

for status as parties to the case.

One LG&E customer, George Perkins of Louisville, said yesterday he is resigned to the prospect of a rate increase, but fears more could follow. "I don't like paying higher bills any more than anyone else," he said, but "I'm waiting for the big shoe to drop."

Perkins said he expects rates go higher if controls are imposed on carbon dioxide emissions, step he agrees with.

Reporter Bill Wolfe can be reached (502) 582-4248.

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