

2008-00252

Dear Ms. Guarnieri:

The PSC has received your comments regarding the rate adjustment requested by Louisville Gas and Electric Co. Your comments will be placed into the case file for the Commission's consideration.

The case file in this matter, as in all matters before the PSC, is available at the PSC Web site.

Thank you for taking the time to share your views.

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

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-----Original Message-----

From: PSC - Public Information Officer  
Sent: Saturday, January 03, 2009 2:16 PM  
To: Melnykovich, Andrew (PSC)  
Subject: FW: Public Comment for case 2008-00252

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From: Ann Guarnieri[SMTP:REDACTED]  
Sent: Saturday, January 03, 2009 2:15:20 PM  
To: PSC - Public Information Officer  
Subject: Public Comment for case 2008-00252  
Auto forwarded by a Rule

Dear PSC Commissioners:

Please accept these written comments for consideration of LG&E's proposed utility rate increase, case no. 2008-00252, affecting 326,000 natural gas and 401,000 electric customers in Louisville, and 16 surrounding counties. LG&E seeks an electric base rate increase of approximately 2 percent, a 5.9 percent increase in natural gas base rates, for capital improvements and a monthly fee for wind storm damage cost recovery.

I do not support the proposed increases for two reasons - timing and purpose.

It should not have to be mentioned that articles surface daily about tough economic times, recessionary job loss numbers, employee furloughs, 26 year high unemployment claims, significant increases in bankruptcy filings, continuous property foreclosures, less than inflationary wage increases, stock market failures, historically low consumer confidence, reduced consumer spending, detrimental government and business revenue shortfalls and budget cuts, but mentioning these merely supports the very reason LG&E's request should not be approved.

LG&E's proposal is not just and is unreasonable, and it is inconceivable to think PSC would approve such an action given the state's worrisome and current economic condition. To take action that requires customers to pay a rate increase that averages \$16 per month, \$192 per year, for unprecedented,

non-critical and pre-planned infrastructure improvements totaling \$3 billion and to assess a monthly fee to each consumer in order to recoup storm damage costs is irresponsible.

Given a different point in time when economic conditions are not forcing so many Kentuckians into the working poor and Kentucky not being economically depressed as a whole, such a rate increase may be justifiable and much more acceptable. Given the inflationary increases in consumable goods coupled with the decrease in individual wage growth Kentuckians simply cannot afford to any pay additional utility costs, and, in particular, to support capital improvements for replacement upgrades at gas compressor stations, improvements to enhance the gas supply to downtown Louisville and a long-term gas main replacement project and pipeline integrity and other high tech items.

Disappointingly, LG&E's timing of its proposed rate hike may merely be reflective of PSC's approval of case no. 2008-00428 on October 1, 2008 granting LG&E the authority to obtain long term debt financing not to exceed 100 million for capital improvements. Unexplainable is why LG&E would be permitted to pursue their long-term capital planning needs at this time when all other industries are deferring such improvements due to poor economic conditions.

My belief is that LG&E's long-term planning reports show how the projects will make utility delivery more efficient to consumers, and a civilized society accepts such improvements; but, to approve increased costs to consumers at this time is not justifiable.

The proposal should be deferred until Kentuckians' individual economic situations improve. PSC should remember that as recent as October 2008, they approved a 24%, three month increase in natural gas costs for consumers over the same period last year. While PSC's approval of this 3 month increase merely recognized market costs for natural gas, PSC surely realizes how such actions add to the financial burdens of Kentuckians.

I support the PSC deferring the approval of this rate increase for capital improvements at this time in order to help relieve the financial burden on LG&E customers.

Thank you for your consideration of these comments.

Ann Guarnieri  
LG&E Customer  
3611 Hycliffe Ave  
Louisville, KY 40207