

## PUBLIC COMMENT FORM

Mail your comments to: Kentucky Public Service Commission P.O. Box 615 Frankfort, KY 40602 Or fax to: (502) 564-9625	<b>RECEIVED</b> JAN 13 2009 PUBLIC SERVICE COMMISSION
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Case: LG&E GAS & ELEC RATE INCREASE

## COMMENTS:

We are opposed to an LGandE rate increase at this time. Our primary objection is that we have not been told why it is needed and where the money is going.

**Natural Gas.** On our own residential gas bills, we assume the gas supply component includes only the direct commodity cost of the gas and transportation to the city gate. With this cost as the cost of base material, the customer charge, gas distribution charge, residential DSM, and energy assistance charges have amounted to an average annual markup of 28.4 percent over the past five years.

While these items account for the markup, they are not what we need to see and know. What we need to see is how this markup is allocated to direct system operating labor cost, indirect material and labor cost for system maintenance, salary and administrative cost as an indication of management efficiency, and how much is going to the foreign owners of our infrastructure as profit and return on investment.

Show the customers of this regulated monopoly that it is being run in a lean and efficient manner. And, that the regulators are not allowing this monopoly to impose more financial burden on them for more waste, inefficiency, and un-warranted profit to it's foreign based owners.

**Electricity.** The items on our residential electric bills are customer charge, energy charge, fuel adjustment, demand side management, environmental surcharge, merger surcredit, and energy assistance. Fascinating.

What we want to see is direct material cost (fuel, water, chemicals) to produce the electricity, direct labor, indirect labor and material for maintenance, reserves for system replacement. As with the gas, what are the salary and administrative costs and are they being constrained in line with what the customers are experiencing in today's situation. And, just how much of our money is going to profit for the owners.

On a personal note, while we understand the effects of a severe community storm, how much of our money is going to be spent to stop the all too frequent interruptions of our household and street light power systems from minor wind gusts and weather conditions. And, finally, some of that money needs to be spent to replace the sorry automated trouble reporting system with a human supplement during normal times to allow customers some indication of how long the latest interruption of their households is going to last.