



Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
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David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

John W. Clay
Commissioner

January 15, 2009

TO: DIVISION OF FILINGS

RE: Case Nos. 2007-00564 and 2008-00252
Application of Louisville Gas and Electric Company to File Depreciation Study
and Application of Kentucky Utilities Company for an Adjustment of Electric and
Gas Base Rates

Please file in the administrative record of the above-referenced cases the enclosed public meeting notes, which were recorded by Commission Staff at the public meeting in Louisville, Kentucky on January 5, 2009.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Derouen".

Jeff Derouen
Executive Director

Enclosures

cc: Parties of Record

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE GAS)
AND ELECTRIC COMPANY TO FILE) CASE NO. 2007-00564
DEPRECIATION STUDY)

APPLICATION OF LOUISVILLE GAS)
AND ELECTRIC COMPANY FOR AN) CASE NO. 2008-00252
ADJUSTMENT OF ELECTRIC BASE)
RATES)

MINUTES OF THE LOCAL PUBLIC HEARING
KENTUCKY FAIR & EXPOSITION CENTER, SOUTH WING, ROOM B 101
LOUISVILLE, KENTUCKY
JANUARY 5, 2009 5:30 P.M.

The public hearing in the above referenced matters was called to order by Chairman David Armstrong who welcomed the attendees. Chairman Armstrong gave a brief opening statement on behalf of the Commission explaining the purpose of the hearing, which was to hear public comments on Louisville Gas & Electric Company's ("LG&E") application for a base rate increase. After explaining the purpose of the application, the procedure and protocol for the public hearing as well as noting that the hearing was being videotaped, Chairman Armstrong invited the public to speak. A list of those individuals who spoke and a summary of their comments is attached hereto as Attachment 1. All persons in attendance were asked to sign in and provide their home addresses for the record. The sign-in sheets are attached hereto at Attachment 2.

At the conclusion of the public hearing, Chairman Armstrong thanked the speakers and attendants for their participation and then dismissed the hearing.

ATTACHMENT 1 TO MINUTES OF THE LOCAL PUBLIC MEETING
KENTUCKY FAIR & EXPOSITION CENTER, SOUTH WING, ROOM B 101
LOUISVILLE, KENTUCKY
JANUARY 5, 2009 5:30 P.M.
IN CASE NOS. 2007-00564 and 2008-00252

1. Doreen Carlson
Ms. Carlson questioned the propriety of the LG&E DSM programs approved in June 2008 by the Commission concerning LG&E's ability to recover lost revenues as a result of the implementation of these DSM programs. Ms. Carlson also questioned whether such DSM programs were of value or benefits to LG&E's customers.
2. Joetta Venneman
Ms. Venneman expressed concerns over the emissions of carbon and fine particulate matters in the Shively area caused by LG&E's generation facilities. Ms. Venneman recommended that the Commission not provide a "blank check" to LG&E regarding the utility's request for a rate increase, noting that the Commission should impose strict guidelines upon LG&E if the Commission were to approve LG&E's rate request and demand of LG&E transparency and detailed accounting of the funds received as a result of the increase, if any.
3. David Salee

Mr. Salee questioned why LG&E needed to raise its rates when, according to Mr. Salee, the Tennessee Valley Authority recently announced that it was reducing its rates by 6%.
4. Cathy Hinko

Ms. Hinko criticized the amount of increases in the per meter gas charge and the gas distribution cost. She states that LG&E's request to increase its rates would result in more foreclosures and a lower level of lifestyle. Ms. Hinko suggested that LG&E should focus more on energy efficiency programs. Ms. Hinko is concerned with the unknown cost incurred by LG&E as a result of its restoration efforts in the wake of the Hurricane Ike-related windstorm in September 2008.
5. Robert Strickland

Mr. Strickland is unsure of the reasons driving LG&E's request to increase its rates. Mr. Strickland states that if the rate increase is due to capital investments toward improving aging power plants, then he would have no issues with a rate increase. However, he is suspicious that the increase in rates will go to line the pockets of LG&E's executives. Mr. Strickland informed that he is practicing energy conservation and lives in a 1,000 square foot home but his last utility bill was still \$191.

6. James C. Mudd

Mr. Mudd is a retiree and lives on a state retirement income. He indicated that he has implemented all of the energy efficiency measures promoted by LG&E but his current bill has increased by \$100 more than his last bill. Mr. Mudd stated that E.ON is controlling and dominating the Commission and that the Commission is not looking out for the consumer, particularly low income customers.

7. Mark Thurston

Mr. Thurston stated that LG&E's request for a rate increase should not be granted in light of the current economic condition.

8. Kelly Reesor

Mr. Reesor, an owner of a printing company, informed that his business is doing everything it could to cut costs, including utility expenses. He stated that the prices of coal and natural gas have decreased. In lieu of a rate increase, Mr. Reesor asked E.ON to cut its own costs and asked the Commission to review whether the utility has taken such measures before requesting a rate increase.

9. Tammy Steward

Instead of asking the consumers to take the burden of a rate increase, Ms. Steward is of the opinion that LG&E should use its own funds to address any shortfall in expenses. Ms. Steward stated that the Commission should look out for the customers' interests rather than that of the company. It appears to Ms. Steward that LG&E is constantly raising its rates.

10. Bob Fowler

Mr. Fowler offered the following four reasons (based on a certain survey) why LG&E's rates should be decreased rather than being increased: (i) 1 in 5 households are delinquent in their utility bills; 1 in 20 households have had their utility disconnected; and the current economic situation will only exacerbate this situation; (ii) the unemployment rate is 6.7% and projected to increase to 10%; (iii) the price of oil has decreased 68% since its summer peak; natural gas rate has also decreased; and (iv) LG&E should revise its business model and should cut costs to meet its needs.

11. Robert Allen

Mr. Allen stated that LG&E has not operated their business properly. Mr. Allen provided an example in which LG&E failed to trim the trees on his property. The limbs on the trees eventually broke causing an outage.

12. Eddie Minor

Mr. Minor had some questions concerning his last LG&E bill.

13. Paul Shaughnessy

Mr. Shaughnessy stated that the PSC should pay close attention to the energy rate, as a slight change in this rate could create a significant increase in a customer's utility bill.

14. Bill Riddle

Mr. Riddle stated that LG&E was installing a new computer system called SAP and that LG&E was financing the purchase of this system through a loan from E.ON. As a result of this new computer system, Mr. Riddle indicated that LG&E will outsource some of its jobs to Europe. Mr. Riddle informed that when E.ON acquired LG&E and KU, they promised not to increase rates for five years.

15. Mary Love

Ms. Love has four questions why LG&E needs a rate increase: (i) she questions whether Trimble County 2 needs to be constructed; (ii) she questions why LG&E is not concentrating on renewable resources like their parent company, E.ON; (iii) she questions whether LG&E would be able to meet future green house gas requirements or standards; and (iv) she questions whether the construction of Trimble County 2 fits with the governor's energy strategy.

16. Beverly Cole

Ms. Cole expressed concerns how the rate increase would impact low income customers and those on a fixed income. She questioned why LG&E would request a rate increase during tough economic times.

17. John Sommers

Mr. Sommers asked why LG&E needs to run commercials when they are a monopoly. He stated that customers cannot afford an increase in utility rates at this time.

18. Victor Barbour

Mr. Barbour questioned why LG&E has increased its rates twice annually for the last six years. He criticized LG&E on the reliability of their service. He stated that he implements all energy saving measures but his utility bill is still \$209.

19. Wallace McMullen

Mr. Mullen questioned LG&E's decision to build Trimble County 2. Mr. McMullen stated that LG&E should have invested more in its DSM programs, diversified its fuel resources, and build a more robust distribution system in Louisville to prevent the outages which occurred as a result of the September windstorm.

20. Phil Petredis

Mr. Petredis stated that LG&E cannot be trusted. His average utility bill has increased from \$166 to \$240. He further stated that he is on budget billing but that he has a credit on his bill in anticipation of a rate increase.

21. Martha Stewart

Ms. Stewart stated that the construction of Trimble County 2 is the driving factor behind LG&E's request for a rate increase. She criticized the use of coal and stated that we all need to think outside the "coal box." She suggested that LG&E should focus on renewable resources similar to the practice currently being conducted in Germany. She stated that energy efficiency is a key to avoiding the cost of constructing new generating plants.

22. Rev. Genome Sutton

Rev. Sutton stated that it was immoral for LG&E to request an increase in rates in times such as this. Everyone should be concerned of the impact of any rate increase on low income customers. He stated that the requested rate increase, on average, would increase a customer's bill by more than \$200 annually, and this would severely impact low income individuals.

23. Myra Solomon

Ms. Solomon stated that she is speaking on behalf of all senior citizens. She stated that there already has been an increase in LG&E's rates. Her last month's bill was \$234 even with energy conservation measures. She is concerned that an increase in rates would cause many to not be able to pay their utility bills.

24. Michelle Thompson

Ms. Thompson stated that LG&E's request should be denied because the utility just increased their rates in November.

ATTACHMENT 2 TO MINUTES OF THE LOCAL PUBLIC MEETING
KENTUCKY FAIR & EXPOSITION CENTER, SOUTH WING, ROOM B 101
LOUISVILLE, KENTUCKY
JANUARY 5, 2009 5:30 P.M.
IN CASE NOS. 2007-00564 and 2008-00252

1

PUBLIC MEETING - SIGN-IN SHEET
 Louisville Gas & Electric Co. - Case No. 2008-00252
 Louisville - January 5, 2009

RECEIVED
 JAN 06 2009
 PUBLIC SERVICE
 COMMISSION

PLEASE PRINT LEGIBLY

| Name | Address | DO YOU WISH TO SPEAK? |
|---------------------------|----------------------------------|-----------------------|
| 1 DOREEN CARLSON | | YES NO |
| 2 STUART PARRIS | 505 PENNYROYAL WALK LOU KY 40223 | YES NO |
| 3 KATRINA COOK | LG&E | YES NO |
| 4 JOETTA VENNEMAN | | YES NO |
| 5 LISA CASIS | | YES NO |
| 6 LONNIE BELLANZ | LG&E | YES NO |
| 7 DAVID A SALLEE | 5610 FOX HORN CIRCLE | YES NO |
| 8 JIM HOLLOWAY | | YES NO |
| 9 TOM FUCHS | 3001 GREENUP ROAD 40217 | YES NO |
| 10 CATHY HINDO | MHC P.O. BOX 4533 LOU 40204 | YES NO |

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PUBLIC MEETING - SIGN-IN SHEET
Louisville Gas & Electric Co. - Case No. 2008-00252
 Louisville - January 5, 2009

PLEASE PRINT LEGIBLY

| Name | Address | DO YOU WISH TO SPEAK? | |
|----------------------|------------------------------------|--------------------------------------|--------------------------|
| 1 Eileen Dougherty | | <input checked="" type="radio"/> YES | <input type="radio"/> NO |
| 2 GREG SHEEHAN | 1561 INDIANA AVE, Louisville | <input checked="" type="radio"/> YES | <input type="radio"/> NO |
| 3 Chris Whelan | | <input checked="" type="radio"/> YES | <input type="radio"/> NO |
| 4 Robert Strickland | 7507 Faxon Ct. Louisville KY 40258 | <input checked="" type="radio"/> YES | <input type="radio"/> NO |
| 5 JAMES C. MUND | 3023 CROMARTY WAY, Lou. KY 40220 | <input checked="" type="radio"/> YES | <input type="radio"/> NO |
| 6 Ireland W. Benning | 2196 Fonthill Rd Lou. KY 40227 | <input checked="" type="radio"/> YES | <input type="radio"/> NO |
| 7 MARK THURSTON | 2804 Hiken Lane Louisville, Ky | <input checked="" type="radio"/> YES | <input type="radio"/> NO |
| 8 Kell, J. Reeser | Publishers Printing Co. | <input checked="" type="radio"/> YES | <input type="radio"/> NO |
| 9 K. L. Davis | | <input checked="" type="radio"/> YES | <input type="radio"/> NO |
| 10 Tammy A. Stewart | 270 Melvin Ct Louisville Ky 40214 | <input checked="" type="radio"/> YES | <input type="radio"/> NO |

ashland

PUBLIC MEETING - SIGN-IN SHEET
Louisville Gas & Electric Co. - Case No. 2008-00252
Louisville - January 5, 2009

PLEASE PRINT LEGIBLY

| Name | Address | DO YOU WISH TO SPEAK? |
|----------------------|-----------------------------------|--|
| 1 Bob Fowler | JEFF CO LOU KY 40207 | <input checked="" type="radio"/> YES <input type="radio"/> NO |
| 2 Robert Allen | 1325 JEANETTE AVE. 40213 | <input checked="" type="radio"/> YES <input type="radio"/> NO |
| 3 Beverly McDonald | | <input type="radio"/> YES <input type="radio"/> NO |
| Eddie 4 Eddie Minor | | <input checked="" type="radio"/> YES <input type="radio"/> NO |
| 5 MYRA SOLOMON | | <input checked="" type="radio"/> YES <input type="radio"/> NO |
| 6 CHRIS HERMANN | | <input checked="" type="radio"/> YES <input checked="" type="radio"/> NO |
| 7 Paul K Shaughnessy | 2239 MILLWATER ROAD 40205 | <input checked="" type="radio"/> YES <input type="radio"/> NO |
| Don 8 Don Crawford | 432 Audubon PKWY 40213 | <input checked="" type="radio"/> YES <input type="radio"/> NO |
| 9 Bill Riddle | | <input checked="" type="radio"/> YES <input type="radio"/> NO |
| 10 Mary Love | 3100 Smith Lane LaGrange KY 40031 | <input checked="" type="radio"/> YES <input type="radio"/> NO |

PUBLIC MEETING - SIGN-IN SHEET
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Louisville – January 5, 2009

PLEASE PRINT LEGIBLY

| Name | Address | DO YOU WISH TO SPEAK? | |
|---------------------------|------------------------------------|--------------------------------------|-------------------------------------|
| 1 Tim HALEY | 100 FRANK E SIMON ^{SHAP.} | YES | <input checked="" type="radio"/> NO |
| 2 Robert M. Conroy | LG&E | YES | <input checked="" type="radio"/> NO |
| 3 Beverly Cole | | <input checked="" type="radio"/> YES | <input checked="" type="radio"/> NO |
| 4 James McClellan | | YES | <input checked="" type="radio"/> NO |
| 5 PHIL PETREDIS | | <input checked="" type="radio"/> YES | NO |
| 6 John & Caroline Sommers | | <input checked="" type="radio"/> YES | NO |
| 7 Mike Gurren | | <input checked="" type="radio"/> YES | NO |
| 8 John Behan | Barbours | YES | <input checked="" type="radio"/> NO |
| 9 Wallace McCullen | | <input checked="" type="radio"/> YES | NO |
| 10 Mitchell Simpson | | <input checked="" type="radio"/> YES | NO |

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PUBLIC MEETING - SIGN-IN SHEET
Louisville Gas & Electric Co. – Case No. 2008-00252
Louisville – January 5, 2009

PLEASE PRINT LEGIBLY

| Name | Address | DO YOU WISH TO SPEAK? | |
|-----------------------------|----------------------------|-----------------------|----|
| 1 <u>Ron. Genome Sutton</u> | <u>515 SOUTH 34 STREET</u> | <u>YES</u> | NO |
| 2 <u>Mary Solomon</u> | | <u>YES</u> | NO |
| 3 <u>Nichol Simpson</u> | | YES | NO |
| 4 | | YES | NO |
| 5 | | YES | NO |
| 6 | | YES | NO |
| 7 | | YES | NO |
| 8 | | YES | NO |
| 9 | | YES | NO |
| 10 | | YES | NO |

PUBLIC MEETING - SIGN-IN SHEET
Louisville Gas & Electric Co. – Case No. 2008-00252
Louisville – January 5, 2009

PLEASE PRINT LEGIBLY

| Name | Address | DO YOU WISH TO SPEAK? | |
|---------------------------|-----------------|--------------------------------------|----|
| 1 <i>Margaret Stewart</i> | <i>Lou. Ky.</i> | <input checked="" type="radio"/> YES | NO |
| 2 | | YES | NO |
| 3 | | YES | NO |
| 4 | | YES | NO |
| 5 | | YES | NO |
| 6 | | YES | NO |
| 7 | | YES | NO |
| 8 | | YES | NO |
| 9 | | YES | NO |
| 10 | | YES | NO |

PUBLIC MEETING - SIGN-IN SHEET
Louisville Gas & Electric Co. – Case No. 2008-00252
Louisville – January 5, 2009

PLEASE PRINT LEGIBLY

| Name | Address | DO YOU WISH TO SPEAK? | |
|--------------------------------|---------|--------------------------------------|-------------------------------------|
| 1 <i>Cindy Ogden</i> | | YES | <input checked="" type="radio"/> NO |
| 2 <i>Atkinson/Amor WtAs II</i> | | YES | <input checked="" type="radio"/> NO |
| 3 <i>Peddi Taylor</i> | | YES | <input checked="" type="radio"/> NO |
| 4 <i>Shirley Stoll</i> | | YES | <input checked="" type="radio"/> NO |
| 5 <i>Richard Elble</i> | | <input checked="" type="radio"/> YES | NO |
| 6 | | YES | NO |
| 7 | | YES | NO |
| 8 | | YES | NO |
| 9 | | YES | NO |
| 10 | | YES | NO |

PUBLIC MEETING - SIGN-IN SHEET
Louisville Gas & Electric Co. – Case No. 2008-00252
Louisville – January 5, 2009

PLEASE PRINT LEGIBLY

| Name | Address | DO YOU WISH TO SPEAK? | |
|-------------------|------------------------|--------------------------|-------------------------------------|
| 1 R. H. BARNEY | 315 E KENWOOD DR 40214 | YES | <input checked="" type="radio"/> NO |
| 2 ROBERT CRUTCHER | | YES | <input checked="" type="radio"/> NO |
| 3 Wanda M. Brown | | YES | <input checked="" type="radio"/> NO |
| 4 | | YES | NO |
| 5 | | YES | NO |
| 6 | | YES | NO |
| 7 | | YES | NO |
| 8 | | YES | NO |
| 9 | | YES | NO |
| 10 | | YES | NO |