

FROM: MICHAEL J. KILROY
11205 ASHBROOKE GARDENS DRIVE
LOUISVILLE, KENTUCKY 40229
(502) 964-9261
NOVEMBER 30, 2011

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TO: MEMBERS OF THE
KENTUCKY PUBLIC SERVICE
COMMISSION (KEEP MY COMPLAINT
ON PERMANENT FILE)
211 SOWER BOULEVARD
FRANKFORT, KENTUCKY 40602
HOTLINE: 1-800-772-4636
(502) 564-3940

RECEIVED

NOV 29 2011

PUBLIC SERVICE
COMMISSION

PROTEST

SUBJECT: LOUISVILLE GAS AND ELECTRIC COMPANY PROPOSED INCREASES FOR ENVIRONMENTAL COST RECOVERY SURCHARGE (ERC) STARTING FROM 2012 THRU 2016 RECENTLY SUBMITTED AT A HEARING BY KSPC AS WELL AS FUTURE BASE RATE INCREASES AFTER NOVEMBER 1ST 2012 WHEN EON'S CONTRACT WITH PPL ON A 2 YEAR BASE RATE FREEZE WILL EXPIRE THAT LG&E WILL BE SUBMITTING TO THE PSC AFTER JULY 1ST 2012.

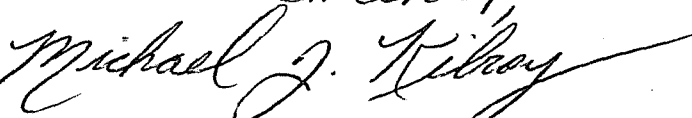
COMPLAINT #1 (ERC) - I NOTICED IMMEDIATELY WHEN I GOT THE SUMMARY THAT THE PERCENTAGE INCREASES ARE NOT EVENLY DISTRIBUTED AND ON 2014 TO 2015 THERE IS A MAJOR JUMP FROM 9.87% TO 16.72% ALMOST A 7% IN A YEAR WHICH IS OUTRAGEOUS AND RIDICULOUS! I DEMAND THAT THE PSC AS A FINAL DECISION ON APPROVAL ON ERC THAT LG&E GET A 14% FLAT INCREASE FOR 2015 AND A 15% FLAT INCREASE FOR 2016 SINCE THE SURCHARGE NON-COMMITAL (IT MAY OR MAY NOT) END AFTER 2016. I ALSO DEMAND THAT THE PSC STAGE A HEARING WITH LG&E IN EARLY 2016 JUST BEFORE THEY HAVE A CHANCE TO APPLY FOR AN EXTENSION BEYOND 2016 AND AT THAT HEARING THE PSC DEMANDING FULL ACCOUNTABILITY ON EXPENSES THAT IS RECORDS OF INTAKE REVENUE OFF OF SURCHARGE VERSUS RECORDS OF CONTRACTOR COSTS ON INSTALLING NEW EMISSIONS EQUIPMENT AT THE COAL BURNING MILL CREEK PLANT IN DETAIL (FOR COST OVER RUNS) FOR PSC TO STUDY AND CHALLENGE COMPLETELY

BEFORE CONSIDERATION OF ANY FUTURE SURCHARGE 2
EXTENSION. BY IMPLIMENTING STRATEGIES PREVIOUSLY
MENTIONED IT WILL GIVE THE PSC THE UPPER HAND TO
TO 'CAP' OR CONTROL THE COSTS OF THE ERC SO THAT
L&E COMMERCIAL AND RESIDENTIAL CUSTOMERS WILL
NOT GET OVERCHARGED AND PPL DOES NOT MAKE A
PROFIT ON ERC. PSC NEEDS TO BE A 'WATCH DOG' ON THIS SURCHARGE.

ENCLOSED IS A COPY OF FUTURE PROJECTED COSTS OF OUR
L&E BILL FOR MY HOME OWNERS' ASSOCIATION THAT I AM
A BOARD MEMBER OF TO RUN 31 STREET LIGHTS AND OUR
COSTS ARE GOING TO BE STAGGERING HAVING TO COME UP
WITH \$1,000 MORE IN REVENUE EVERY YEAR JUST TO PAY
FOR THE PROPOSED ERC PERCENTAGE INCREASES! THIS
ERC INCREASE COULD HAVE A 'CRUSHING' AFFECT ON OUR FINANCES.

COMPLAINT #2 - (FUTURE BASE RATE INCREASES) - SINCE L&E
CUSTOMERS ARE GOING TO BE SLAPPED WITH A SOARING INCREASE
ON ERC I DEMAND THAT THE PSC PUT A 'CAP' AND 'LID' ON FUTURE
BASE RATE INCREASES THAT L&E WILL BE SUBMITTING AFTER
JULY 1ST 2012 AND THAT THE PSC RESTRICT AND CONTAIN FUTURE
BASE RATE INCREASES OF NO MORE THAN 2% RATE INCREASE
PER YEAR EVENLY DISTRIBUTED ARGUING YOU HAVE A ERC
SURCHARGE IN EFFECT ON YOUR CUSTOMERS AND WE MUST
CONTROL BASE RATE INCREASE COSTS AS A COMMISSION.
NOTE: PLEASE SEND ME A COPY OF THE PSC FINAL DECISION ON
ERC INCREASE FROM 2012 TO 2016 SO I CAN PROJECT COSTS.

IN CONCLUSION I PLEA WITH THE PSC TO DO EVERYTHING
POSSIBLE TO CHALLENGE, CAP, AND CONTROL COSTS TO L&E
COMMERCIAL AND RESIDENTIAL CUSTOMERS SINCE WE ARE
IN A DEEP LONG RECESSION AND TO REDUCE THE FINANCIAL
IMPACT THE ERC INCREASE WILL CAUSE ON L&E CUSTOMERS.
THE PSC'S PERFORMANCE IS CRUCIAL TO THOUSANDS OF FAMILIES
AND BUSINESS'S THAT ARE STRUGGLING FINANCIALLY.

SINCERLY,

L&E CUSTOMER



November 16, 2011

Mr. Mike Kilroy
11205 Ashbrooke Gardens Drive
Louisville, KY 40222

Dear Mr. Kilroy,

Per our conversation, I have obtained the following information from our rate department concerning the proposed increases for the Environmental Cost Recovery Surcharge (ERC) beginning in 2012 and completing in 2016.

The information in the table below shows the figures that were actually presented to the Kentucky Public Service Commission (PSC) at a recent hearing. These are only projections and actual increases may be different depending upon the actual cost for the construction program. This Environmental Recovery Charge has not been approved by the PSC to date.

Louisville Gas and Electric Company					
Environmental Cost Recovery Surcharge Summary					
2011 Compliance Plan					
	2012	2013	2014	2015	2016
Incremental Billing Factor	2.12%	6.07%	9.87%	16.72%	18.34%
Residential Customer Impact					
Monthly bill (1,000 kWh per month)	\$1.80	\$5.17	\$8.40	\$14.23	\$15.60

You also requested any information on any future base rate increase that we have planned. We have not filed for any base rate increase and cannot do so until after July 1, 2012. Such information, when available will be filed with the KPSC. There will be no change in base rates for at least six months after giving the PSC the notice.

I trust that you will find this information helpful in projecting your future homeowner association fees for the coming year(s). If I can be of further assistance please contact me at 502-627-2202.

Sincerely,

Janet Wickline
Customer Relation Specialist
Customer Commitment Department
LGE-KU

cc: Anna Holsclaw

FUTURE PROJECTED COST BY LG&E ON PROPOSED INCREASES FOR THE ENVIRONMENTAL COST RECOVERY SURCHARGE ALREADY PRESENTED TO THE PUBLIC SERVICE COMMISSION AT A RECENT HEARING FOR APPROVAL. THESE INCREASES FROM 2012 TO 2016 ARE NOT EVENLY DISTRIBUTED. THESE PROPOSED INCREASES GIVEN TO ME BY JANET WICKLIWE CUSTOMER RELATION SPECIALIST AT LG&E, (PPL)

PROPOSED INCREASES IN DETAIL FROM 2012 TO 2016
 2012 - 2.12% (STARTING MARCH 1ST 2012)

2013 - 6.07%

2014 - 9.87%

2015 - 16.72%

2016 - 18.34%

> MAJOR JUMP ALMOST 7%
 NOTE: CHECKED ON COMPACT FLORESCENT LIGHT BULB REPLACEMENT TO SAVE ENERGY COST. NO MANUFACTURER MAKES CFL BULBS FOR STREET LIGHTS

GIVEN: JAN MATTINGLY'S STATEMENTS (FEBRUARY AND MAY) SHOW FROM LG&E FIGURES A \$642 MONTHLY AVERAGE 2011 IS A FREEZE BASE RATE YEAR (EON - PPL) CONTRACT ON 2 YEAR FREEZE FROM 11/1/2010 THRU 11/1/2012.

2011 - $642 \times 12 = 7,704$ *(FREEZE RATE)
YEAR

FUTURE PROJECTED COSTS FOR ENVIRONMENTAL COSTS RECOVERY SURCHARGE BUT EXCLUDING FUTURE BASE RATE INCREASES:

2012 - $\$642 \times 2.12\%$ (FOR 10 MONTHS) = 136 (INCREASE) = $\$7,840$

2013 - $\$7,704 \times 6.07\%$ = 467 INCREASE = $\$8,171$

2014 $\$7,704 \times 9.87\%$ = 760 INCREASE = $\$8,464$

2015 $\$7,704 \times 16.72\%$ = 1,288 INCREASE = $\$8,992$

2016 $\$7,704 \times 18.34\%$ = 1,412 INCREASE = $\$9,116$

TOTAL COST OF SURCHARGE WILL ESCALATE OUR YEARLY COST FROM $\$7,840$ (2012) TO $\$9,116$ (2016)

- 2012 - 136
- 2013 - 467
- 2014 - 760
- 2015 - 1288
- 2016 - 1412

\$4,063

NOTE: SURCHARGES ARE NON-COMMITAL BEYOND 2016 SURCHARGE COSTS ARE BEING IMPLIMENTED TO COVER COST OF INSTALLING ALL NEW EMISSIONS EQUIPMENT AT COAL BURNING LG&E MILL CREEK PLANT WITH 2011 NEW ENVIRONMENTAL PROTECTION AGENCY REGULATIONS. LG&E NEW PROPOSAL ON BASE RATE INCREASES ON JULY 1ST 2012 WILL BE SUBMITTED.