

RECEIVED

DEC 4 2011

FROM MICHAEL J. KILROY (PROTESTOR)

11205 ASHBROOKE GARDENS DRIVE

LOUISVILLE, KENTUCKY 40229 964-9006

PUBLIC SERVICE COMMISSION

ATTENTION: JEFF DEROUEN EXECUTIVE DIRECTOR

TO: KENTUCKY PUBLIC SERVICE COMMISSION

211 SOWER BOULEVARD

FRANKFORT KENTUCKY 40601

HOTLINE: 1-800-772-4636

CASE NO. 2011-00162

* * SEND ME A RESPONSE LETTER BACK ON APPEAL ON PROTEST. I AM NOT GETTING BACK GREEN CARD ON CERTIFIED LETTER FROM THE POST OFFICE LIKE I SHOULD BE.

AS THE COMMISSION IS AWARE I FILED A FORMAL PROTEST ON LG&E PROPOSED RATE INCREASE ON THE ENVIRONMENTAL RECOVERY SURCHARGE ON NOVEMBER 29, 2011 TO BE CONSIDERED BEFORE FINAL DECISION IS MADE ON ERC SURCHARGE INCREASES.

APPEAL ON PROTEST

FOLLOWING THE PSC OFFICE ADVISE I FILED A PROTEST WITH THE ATTORNEY GENERAL'S OFFICE OF RATE INTERVENTION AT 1024 CAPITAL CENTER DRIVE SUITE 200. IN THAT PROTEST I DEMANDED THAT JACK CONWAY TAKE A MACHET TO THE ERC SURCHARGE PERCENTAGE INCREASES THAT LG&E WERE PROPOSING BEING EXTREMELY HIGH INCREASES IN 2014, 2015, AND 2016 WHICH IS GOING TO CRUSH MY HOMEOWNER'S ASSOCIATION FINANCES AS WELL AS CREATE A FINANCIAL HARDSHIP ON RESIDENTIAL AND COMMERCIAL CUSTOMERS ON PAYING THESE STAGGERING ON ERC SURCHARGE.

AS YOU ARE AWARE IN MY PROTEST I DEMANDED A 'CAP ORLID' ON FUTURE BASE RATE INCREASES COMING UP BY LG&E WHEN CONTRACT WITH EON ON 2 YEAR FREEZE EXPIRES ON NOVEMBER 30, 2012 OF NO MORE THAN 2% EVENLY DISTRIBUTED THROUGH THE UPCOMING 4 YEARS AND THE OFFICE OF RATE INTERVENTION RESPONDED BACK TO ME THAT IT WAS NOT ALLOWABLE STATUTE THAT THE PSC CAN ONLY PASS COSTS THAT ARE 'KNOWN AND MEASURABLE' NOT FUTURE ANTICIPATED COSTS.

SINCE FUTURE BASE RATE INCREASES CAN NOT BE 'CAPPED' OR CONTROLLED I AM NOW MAKING AN APPEAL ON MY PROTEST AND DEMANDING THAT THE PUBLIC SERVICE

COMMISSION AS WELL AS THE ATTORNEY GENERAL TAKE A HATCHET ACROSS THE BOARD ON THE ERC SURCHARGE PERCENTAGE INCREASE DOWN TO EASE THE FINANCIAL BLOW TO LEGE RESIDENTIAL AND ESPECIALLY SMALL BUSINESS AND COMMERCIAL CUSTOMERS.

2
* ATTENTION PSC - SEND ME A RESPONSE LETTER BACK ON APPEAL OR PROTEST.

I AM DEMANDING THE FOLLOW REDUCTIONS OF LEGE'S STAGGERING ERC SURCHARGES BY THE PSC AND ATTORNEY GENERAL TO PREVENT LEGE FROM DOING A '1-2 SUCKER PUNCH ON US AS CUSTOMERS ON FUTURE BILLS.

- Michael J. Kilroy DEMANDED
- | PROPOSED LEGE ERC SURCHARGE % INCREASE | PROPOSED REDUCTION OF ERC SURCHARGE % INCREASE |
|---|---|
| 2012 - 2.12%
OK! | KEEP THE SAME % IS REASONABLE (I AM OK WITH THAT) |
| 2013 - 6.07%
(THIS IS A 3.95% JUMP INCREASE OR 4% JUMP IN 1 YEAR) | REDUCE TO 5% FLAT
THIS IS NOT A REASONABLE INCREASE. |
| 2014 - 9.87%
(AGAIN THIS IS A 3.8% JUMP INCREASE IN JUST 1 YEAR) | REDUCE TO 8% FLAT
THIS IS NOT A REASONABLE INCREASE. |
| 2015 - 16.72%
(AGAIN THIS IS A 6.85% JUMP INCREASE IN JUST 1 YEAR) | REDUCE TO 11% FLAT
THIS IS AN OUTRAGEOUS INCREASE! |
| 2016 - 18.34% | REDUCE TO 13% FLAT |

SINCE ERC SURCHARGE IS NON-COMMITAL AFTER 2016 IT MAY OR MAY NOT BE EXTENDED THE PSC & ATTORNEY GENERAL NEEDS TO STAGE A MEETING IN EARLY 2016 WITH LEGE DEMANDING FULL ACCOUNTABILITY IN DETAIL OF INTAKE REVENUE OFF OF SURCHARGE VERSUS CONTRACTOR COST (CHECKING FOR OVER RUNS) ON RECONSTRUCTION COST OF NEW EMISSIONS EQUIPMENT INSTALLED AT MILL CREEK PLANT TO COMPLY WITH NEW STRINGENT REGULATIONS BY E.P.A.



RECEIVED

DEC 14 2011

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
OFFICE OF THE ATTORNEY GENERAL

JACK CONWAY
ATTORNEY GENERAL

1024 CAPITAL CENTER DRIVE
SUITE 200
FRANKFORT, KENTUCKY 40601

December 8, 2011

Mr. Mike Kilroy
11205 Ashbrooke Gardens Drive
Louisville KY 40222

Re: 2011-00162 Louisville Gas and Electric Co. Environmental Surcharge

Dear Mr. Kilroy:

Thank you for your letter concerning Louisville Gas and Electric's recent application for an environmental surcharge increase. As you are aware, the Office of the Attorney General has intervened in the case and, as with any such case, we will do our best to keep Kentucky residents' rates and fees within reasonable bounds. Along with our intervention in this case, Attorney General Conway has also stated to the Courier Journal that he is also "exploring other legal avenues that could halt the speed at which the Environmental Protection Agency plans to implement these regulations because of the disproportionate hardship on ratepayers here in Kentucky."

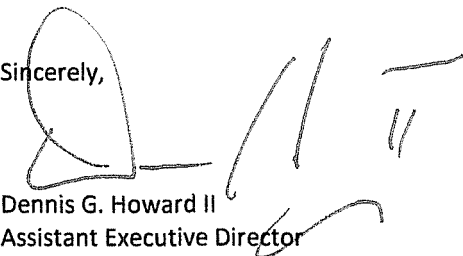
A settlement agreement is pending before the Public Service Commission, which ultimately is empowered with the right to make final determinations regarding rate and, as in this case, surcharge issues.

Although PPL, the parent company of LG&E and KU, agreed in the acquisition filing not to file for rate increases until after 2012, your request that the company be held to a 2% increase per year, evenly distributed through the years is not allowable under statute. Utility companies that fall under the jurisdiction of the Public Service Commission are prohibited from passing anticipated costs to customers. They may only pass along those costs that are known and measurable. Simply put, they are permitted to recover increased costs of doing business, but are not permitted a cushion against anticipated costs.

In closing, we have logged your objection to the surcharge and provide the link to all submitted public documents regarding this case. <http://psc.ky.gov/pscscf/2011%20cases/2011-00162/>.

I hope this sufficiently updates you on our efforts to protect Kentucky's ratepayers. Please do not hesitate to contact us if you have any further concerns.

Sincerely,


Dennis G. Howard II
Assistant Executive Director
Office of Rate Intervention



FROM: MICHAEL J. KILROY
11205 ASHBROOKE GARDENS DRIVE
LOUISVILLE, KENTUCKY 40229
(502) 964-9261 (HOME PHONE)
12/14/11

TO: OFFICE OF RATE INTERVENTION
CENTER
1024 CAPITAL DRIVE SUITE 200
FRANKFORT, KENTUCKY 40601-8204
HOTLINE:
1-888-432-92

RECEIVED

DEC 14 2011

PUBLIC SERVICE
COMMISSION

PROTEST

ATTENTION: JACK CONWAY ATTORNEY GENERAL STATE
KENTUCKY

I HAVE FILED A PROTEST ON LOUISVILLE GAS & ELECTRIC COMPANY'S ENVIRONMENTAL COST RECOVERY SURCHARGE WITH THE PUBLIC SERVICE COMMISSION ON NOVEMBER 29th 2011. PLEASE STUDY ALL OF MY DOCUMENTATION CLOSELY. AS THE LETTER RESPONSE FROM THE PUBLIC SERVICE COMMISSION HAS STATED THAT YOU ARE GOING TO INTERVIEW IN THIS MATTER.

I DEMAND THAT YOU NOT ONLY INTERVIEW IN THE UPCOMING ERC INCREASES BUT ALSO IN FUTURE BASE RATE INCREASES THAT LG&E WILL BE SUBMITTING AFTER JULY 1st 2012, AND DO YOUR ABSOLUTE BEST JOB IN TAKING A 'HATCHET' TO BOTH THE ERC PERCENTAGE INCREASES AS WELL AS PUTTING A 'CAP' OR 'LID' ON THE FUTURE BASE RATE INCREASES ARGUING STRENUOUSLY THAT YOU (LG&E) HAVE A ERC SURCHARGE IN EFFECT AND THAT THE PSC AS WELL AS YOURSELF ARE GOING TO PUT A 'LID' OR 'CAP' ON FUTURE BASE RATE INCREASES OF NO MORE THAN 2% MAXIMUM PER YEAR EVENLY DISTRIBUTED THRU THE 4 YEARS SO THAT LG&E CUSTOMERS (COMMERCIAL & RESIDENTIAL) DO NOT GET 'CLOBBERED' ON FUTURE BILLS WITH A 'ESCALATING SURCHARGE PLUS A BASE RATE INCREASE TO BOOT!'

AS YOU ARE AWARE WE ARE IN A DEEP LONG RECESSION WITH MILLIONS OF FORECLOSURES AND THOUSANDS AND THOUSANDS OF SMALL BUSINESSES AND FAMILIES THAT ARE STRUGGLING TO SURVIVE FINANCIALLY AND YOUR PERFORMANCE IN CHALLENGING AND TAKING A 'HATCHET' TO THESE RIDICULOUSLY HIGH PERCENTAGES ON ERC AS WELL AS PUTTING A 'CAP OR LID' ON FUTURE BASE RATE INCREASES WILL MAKE A MAJOR DIFFERENCE

AS TO WHETHER OR NOT THOUSANDS OF BUSINESSES AND FAMILIES FINANCIALLY SURVIVE OR NOT!

I NEED YOU TO PUT YOUR HEART AND SOUL INTO THIS MATTER PUTTING UP A LEGAL FIGHT AND HARD FOUGHT CHALLENGE ON THESE ERC PERCENTAGE INCREASES. I AM ON THE BOARD OF DIRECTORS FOR THE ASHBROOKE GARDENS HOMEOWNER'S ASSOCIATION AND MY PROJECTIONS ON FUTURE COST OF THE ERC SURCHARGE ALONE WILL SOAR OUR COST FROM \$7,704 IN 2011 TO \$9,116 IN 2016 AND TO ADD INSULT TO INJURY NO FUTURE BASE RATE INCREASE WAS PUT INTO THAT PROJECTION. (SEE DOCUMENT) AS IT STANDS NOW THE TOTAL COST OF ERC SURCHARGE TO US WILL BE \$4,063 ALONE! IN OTHER WORDS WE HAVE TO COME UP WITH OVER \$1,000 A YEAR JUST TO COVER THE SURCHARGE!

IF THE PSC AND YOURSELF ARE NOT SUCCESSFUL IN CUTTING DOWN THE ERC PERCENTAGES AND PUT A CAP OF 2% ON FUTURE BASE RATE INCREASES OUR HOMEOWNER'S ASSOCIATION COULD FINANCIALLY COLLAPSE IN THE NEXT COUPLE OF YEARS WITH LG&E BILLS CRUSHING OUR BUDGET TO DEATH. YOUR PERFORMANCE IS CRUCIAL AS TO WHETHER OR NOT WE 'SINK OR SWIM' AS A HOMEOWNER'S ASSOCIATION!

WE ARE A LOW INCOME BLUE COLLAR NEIGHBORHOOD AND IF WE HAVE TO CHARGE OVER \$100 FOR YEARLY DUES OUR DELINQUENCY RATE WILL GO UP DRASTICALLY. THIS YEAR WE HAVE WORKED HARD TO GET OUR DELINQUENCIES DOWN AND I CAN ASSURE YOU THAT ANY RESERVE MONEY WE HAVE LEFT OVER WILL HAVE TO BE APPLIED TO THE ERC SURCHARGE INCREASES.

* KEEP MY PROTEST ON PERMANENT FILE

SINCERELY

Michael G. Kilroy

PLEASE SEND A RESPONSE LETTER BACK TO MY ADDRESS AS SOON AS POSSIBLE.

THANK YOU

RECEIVED

DEC 14 2011

PUBLIC SERVICE COMMISSION

JEFF: I FOLLOWED YOUR ADVICE AND FILED A PROTEST WITH THE OFFICE OF RATE INTERVENTION AND DENNIS HOWARD RESPONDED BY INFORMING ME THAT THE PSC CAN NOT PUT A 'CAP OR LID' AS I DEMANDED OF A 2% BASE RATE INCREASE THROUGH THE NEXT OR UPCOMING YEARS TO CONTROL COSTS. SINCE THE PSC CAN NOT CONTROL FUTURE BASE RATE INCREASES BY PUTTING A 'CAP OR LID' ON THEM I NEED YOU TO ADDRESS MY APPEAL ON MY PROTEST TO THE PSC AND HONOR MY NEW DEMANDS FOR REDUCED PERCENTAGE INCREASES ON ENVIRONMENTAL RECOVERY COST SURCHARGE WHICH THE PSC HAS THE LEGAL POWER TO CONTROL AND REDUCE THE PROPOSED INCREASES BY 6% SINCE THEY ARE STAGGERING AND OUTRAGEOUS IN YEARS 2014, 2015, & 2016.

ATTACHED AGAIN IS MY HOMEOWNER ASSOCIATION'S FUTURE PROJECTED COST OF ERC SURCHARGE ON ONE PAGE WHICH AMOUNTS TO 4,063 MORE IN REVENUE WE HAVE TO COME UP WITH TO COVER PROPOSED ERC SURCHARGES ALONE AND ANOTHER PAGE WHERE I PROJECTED PREVIOUS EON INCREASE (BASE RATE INCREASE) IN AUGUST 2010 AT 10.35% FOR 2 YEARS OR 5.17% INCREASE FOR YEARS 2010 TO 2012.

AS IT STANDS NOW IF THE PSC DOES NOT TAKE A 'HATCHET' TO PERCENTAGE INCREASES OF ERC SURCHARGE OUR HOMEOWNERS ASSOCIATION WILL HAVE TO COME UP WITH \$1000 MORE A YEAR EVERY YEAR PLUS IF 6% GETS FUTURE BASE RATE INCREASES CLOSE TO WHAT EON GOT IN 2010 AN ADDITIONAL \$744 A YEAR EVERY YEAR FOR A TOTAL OF \$1700 MORE REVENUE EACH YEAR WILL PROBABLY COLLAPSE THE ASSOCIATION FINANCIALLY.

BOARD OF DIRECTORS Michael J. Kilroy

JEFF: MAKE SURE THE COMMISSION SEES MY HOMEOWNER ASSOCIATION'S ESCALATING SPARING COST OF ERC SURCHARGE INCREASES

ASHBROOKE GARDENS HOMEOWNERS ASSOCIATION
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 RELATIONSHIP 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.

PROJECTED FUTURE BASE RATE + FUEL COST INCREASES

TRYING TO PROJECT FUTURE BASE RATE INCREASES

+ CONSTANT INCREASE ^{OF} FUEL COST INCREASE

(COST OF COAL INCREASE) I DID A COMPARISON GOING BACK TO 2010 (EDW ^{AUGUST} EARLY 2010 RATE INCREASE) + FUEL COST INCREASE AND AVERAGED IT OUT AND TOOK 2011 (RATE FREEZE YEAR + FUEL COST INCREASE) AND AVERAGED IT OUT TO DETERMINE AND PROJECT FUTURE BASE RATE + FUEL COST INCREASES IN ADDITION TO THE ANNOUNCED WHASTV 2.12% TO 16.3%.

ENVIRONMENTAL COST RECOVERY SURCHARGE INCREASES.

HOPE SMITH'S TRANSACTION SHEET 2010 LISTED MONTHLY LG+E BILL

JAN MATTINGLY'S TRANSACTION SHEETS FEBRUARY AND MAY 2011

69 (10 LISTINGS ON TRANSACTION REPORT)
 575
 573
 557 ÷ 10 = \$580 MONTHLY AVERAGE
 567
 578
 570
 566
 632
 621
 \$580

638
 641
 646 ÷ 6 = \$642 MONTHLY AVERAGE
 642
 646
 643
 \$3856

COMPARISON MONTHLY INCREASE 2010 AND 2011
 2010 YEARLY AVERAGE \$580
 2011 YEARLY AVERAGE \$642
 \$642
 -580
 \$62.00

\$62 INCREASE PER MONTH AVERAGE BETWEEN 2010 AND 2011 (62 X 12 = \$744)

POTENTIAL \$744 A YEAR INCREASE PER YEAR ADDITIONAL ON BASE RATE INCREASE + FUEL COST INCREASE. IMPORTANT NOTE: CURRENT COMPANY PPL MAY NOT HAVE RECORDS OF OLD COMPANY EDW ON BASE RATE % PERCENTAGE INCREASE IN EARLY 2010 AS A GUIDE.

ASHBROOKE GARDENS HOMEOWNERS ASSOCIATION PROCEEDINGS