

Jeff Auxier

August 21, 2012

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

RECEIVED

AUG 22 2012

PUBLIC SERVICE
COMMISSION

Matter of: Application of Louisville Gas & Electric Company;
 Case No. 2012-00222

RE: Correction to August 8, 2012 Petition to Intervene

Dear Mr. Derouen:

Enclosed for filing in the above docket are an original and four copies of a Reply to Petition of Jeff Auxier for Full Intervention in the above-referenced matter.

Thank you for your assistance.

Very truly yours,



Jeff Auxier
jsauxier@gmail.com

CC: Counsel of Record

2056 S. Preston St.
Louisville, KY 40217
502-634-1004

RECEIVED

AUG 22 2012

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In The Matter of:

APPLICATION OF LOUISVILLE GAS AND)	CASE NO. 2012-00222
ELECTRIC COMPANY FOR AN ADJUSTMENT)	
OF ITS ELECTRIC AND GAS RATES, A)	
CERTIFICATE OF PUBLIC CONVENIENCE)	
AND NECESSITY, APPROVAL OF GAS SERVICE)	
LINE AND RISERS, AND A GAS LINE)	
SURCHARGE)	

REPLY TO PETITION FOR FULL INTERVENTION BY
LG&E RETAIL RESIDENTIAL CUSTOMER JEFF AUXIER

COMES NOW LG&E retail residential customer Jeff Auxier to reply with regards to his Petition for Full Intervention. To that end petitioner states:

Summary of Argument

Petitioner believes that his special interest is not and cannot on the facts be adequately represented by the Attorney General. Petitioner's unique interest and knowledge will result in the presentation of issues and the development of facts that will help the Commission fully consider the issues before it. Petitioner's intervention will not unduly complicate or disrupt the proceedings. See, 807 KAR 5:001, Section 3(8).

Special Interest in This Proceeding

Petitioner is an investor in energy efficiency. He has expended thousands of dollars on insulation, doors, windows, caulking and other measures. He has done so with the expectation of a return on investment. To the extent the monthly service charge is raised more than the per kilowatt-hour charge, petitioner's return on investment suffers.

Petitioner knows of people in the LG&E service area who unfortunately care little about efficiency. They enjoy the low per kilowatt-hour rates offered by LG&E and are profligate energy users. To the extent the monthly service charge is raised more than the per kilowatt-hour charge, these folks benefit.

There is a conflict of interest between petitioner and profligate energy users. Both are "customers" for whom the Attorney General can intervene. Yet if the Attorney General pushes the interests of one class, the other class loses. This conflict of interest makes it inherently difficult or impossible for the Attorney General to aggressively and adequately represent the interests of petitioner.

Petitioner's special interest as an investor in energy efficiency is one best represented by petitioner, not by an attorney that must also represent the profligate energy user.

Presentation of Issues

Petitioner's background and training grant him ability to discern and appreciate some of the issues implicated by energy pricing.

LG&E argues that this is not a DSM case. LG&E is right. The parties do not discuss expensive utility-run programs that mail CFL light bulb coupons to those with CFL bulbs. They do not contemplate giving \$50 certificates to replace old Energy Star refrigerators with new Energy Star refrigerators. They do not consider the imposition of a 2% charge on the electric bill to undertake these and other measures, followed by payment again for alleged lost revenues. This case involves none of these situations that have manifested themselves to petitioner in the last year or so.

Instead the parties address in this case the use of fairness and free-market principles to encourage and reward efficiency. The parties can discuss a process entailing no administration, very little transaction costs and very little waste, all through the use of fair, just and reasonable pricing.

Governor Beshear has developed a seven-point strategic energy plan. The first part of that plan, "Strategy 1 – Improve Energy Efficiency," contemplates utility and non-utility programs to meet efficiency goals. LG&E takes a narrow view in arguing that efficiency is not at issue because this is not a DSM case. At this stage in the Commonwealth's and the nation's history, efficiency is always an issue. If it is not, we are in trouble.

Petitioner has hands-on experience with efficiency measures. This experience as well as his own investments and expectations of return will prompt the presentation of issues and facts relevant not only to petitioner but also to tens of thousands of other similarly-situated households. These issues and facts will not otherwise come before the Commission.

**Petitioner's Intervention Will Cause
No Undue Complication of Proceedings**

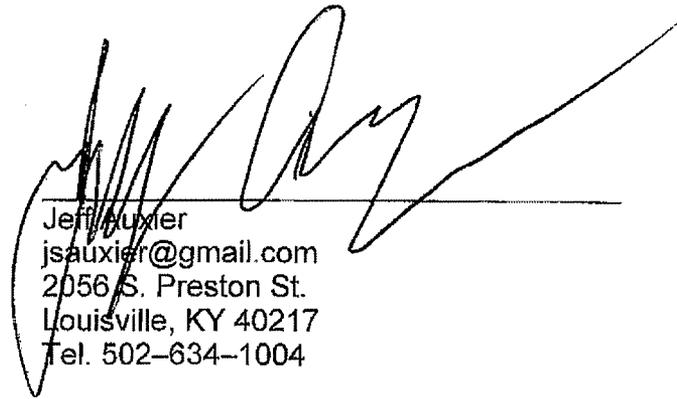
LG&E may confuse complication of issues with discussion of issues it would rather obfuscate.¹

¹ LG&E's attempt at obfuscation was recently noted in the August 7, 2012 comments of Mr. Zack Thayer in the instant proceeding, said comments entered on the record on August 20.

Intervenors' testimony is not due until September 25. Petitioner has already indicated a willingness to waive off initial requests for data. He has the ability to participate electronically. There simply is no undue complication by granting petitioner's requested intervention.

WHEREFORE petitioner prays for an order allowing him to fully intervene in case number 2012-00222 at the Kentucky Public Service Commission.

Respectfully submitted this 21st day of August, 2012 by



Jeff Auxier
jsauxier@gmail.com
2056 S. Preston St.
Louisville, KY 40217
Tel. 502-634-1004

CERTIFICATE

A copy of the foregoing Petition for Full Intervention has been served by United States mail first class postage pre-paid on the following persons this the 21st day of August, 2012:

Lonnie E. Bellar
Vice President, State Regulation & Rates
Louisville Gas and Electric Company
220 W. Main Street
P.O. Box 32010
Louisville, KY 40202

David Brown
Stites & Harbison, PLLC
1800 Providian Center
400 West Market Street
Louisville, KENTUCKY 40202

Honorable Kendrick R Riggs
Attorney at Law
Stoll Keenon Ogden, PLLC
2000 PNC Plaza
500 W Jefferson Street
Louisville, Kentucky 40202-2828

Larry Cook
Assistant Attorney General
Office of the Attorney General Utility &
Rate
1024 Capital Center Drive
Suite 200
Frankfort, KENTUCKY 40601-8204

Honorable Michael L. Kurtz
Attorney at Law
Boehm, Kurtz & Lowry
36 East Seventh Street
Cincinnati, OHIO 45202

Honorable Lisa Kilkelly
Attorney at Law
Legal Aid Society
416 West Muhammad Ali Boulevard
Suite 300
Louisville, KENTUCKY 40202

Honorable Dennis G. Howard II
Assistant Attorney General
Office of the Attorney General Utility &
Rate
1024 Capital Center Drive
Suite 200
Frankfort, KENTUCKY 40601-8204

Jody M Kyler
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OHIO 45202

Honorable Kurt J Boehm
Attorney at Law
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OHIO 45202

Honorable Matthew R Malone
Attorney at Law
Hurt, Crosbie & May PLLC
The Equus Building
127 West Main Street
Lexington, KENTUCKY 40507



Nicholas Johnson