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Mr. Jeff Derouen, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

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PUBLIC SERVICE
COMMISSION

RE: LG&E Rate Case No. 2012-00222

Parallel Products is a natural gas transportation customer of Louisville Gas & Electric (LG&E) that consumes about 180,000 Mcf of natural gas each year. Parallel Products currently employs 80 people in Kentucky and paid over \$250,000 in taxes to the Commonwealth of Kentucky, the city of Louisville, and the city of Shively in 2011. Our company has been a key contributor to Kentucky's economy for over 15 years.

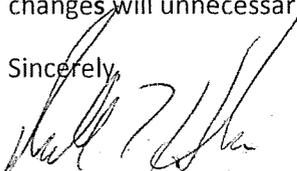
Parallel Products is contacting the Commission to express its concern regarding the pending LG&E Rate Case No. 2012-00222. LG&E seeks to increase its gas transportation rates and make certain changes to gas transportation service which would harm companies like ours.

Parallel Products is currently participating in a supplier pool. For customer like us, LG&E proposes to reduce the daily imbalance threshold from the current 5% to only 2% in order to encourage more accurate daily nominations. We devote considerable time and resources to projecting our daily usage and corresponding delivery nomination to LG&E in order to achieve the utmost accuracy that we can. It is important to recognize that our nomination is due to LG&E the day before any consumption even begins to take place, so changes in weather forecasts, modifications to production schedules and a host of other factors can result in deviations between nominations and usage; it does not occur simply due to our error or carelessness.

As a Rate FT customer, we currently pay a \$230 monthly Administrative Charge. LG&E proposes to more than double this charge to \$600/month. This is a substantial increase, much greater than the current rate of inflation. The current markets do not allow businesses like ours to increase our rates by 160%; why should LG&E be allowed to take such a big increase?

For these reasons, **Parallel Products** asks that the Kentucky PSC Commissioners reject these changes LG&E's gas transportation service as the utility has not offered adequate justification and furthermore, such changes will unnecessarily harm gas transportation customers like us in Kentucky.

Sincerely,


Russell T. Hoehn
Director of Resource Recovery Operations
Parallel Products

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