

Kentucky Public Services Commission  
P O Box 615  
211 Sower Road  
Frankfort, KY 40206-0615

**RECEIVED** March 13, 2017

**MAR 16 2017**

Public Service  
Commission

Ref: Case no. 2016-00371

To whom it may concern,

My wife and I live in a 26 year old home in Crestwood, Oldham Co., Kentucky. When we moved here from Minnesota and built the house in 1990 we asked the builder to incorporate many of the energy savings features required by Minnesota codes. We were forced to compromise on many because our builder charged extra for those we added and wasn't convinced that the others were necessary.

Over the years we have invested other energy savings features, such as replacing 35 windows and doors for \$23,000 in 2010, and adding a 6 inch layer of commercial grade insulation in the attic. As a result our 4200 sq ft home consistently rates "Great" or "Good" in the Smart Energy Profile from Louisville Gas & Electric. (Exhibit 1)

Recently we received a notice from LG&E that it has filed a request with the KY Public Service Commission to more than double its Basic Service Charge for supplying electricity, from \$10.75 to \$22 per month. LG&E claims this will allow them to lower the per kilowatt-hour cost from \$.086 to \$.084 instead of raising it to \$.096. We do not support such a proposal because we feel that transferring more of the homeowners' monthly cost of energy to a fixed cost base punishes homeowners who have invested in efforts to make their homes more energy-efficient. LG&E's rationale, that this "will better protect customers from wild swings in monthly bills caused by Mother Nature", seems rather specious since customers have had an "even billing" payment option for many years. It would be interesting to know how many LG&E customers have selected this option. We have not done so because, though we live essentially on Social Security, our house is efficient and we are frugal with our energy demands.

Exhibit 2 displays our monthly electric charges from 2011 through 2016, broken down by all its components (except the "Homes Energy Assistance" charge). I apologize for the mind-numbing display of numbers but it is intended to serve a purpose. I'm not sure how LG&E calculates "cost per kWh" but I feel that it should include all of the adjustments to charges made on every bill to truly reflect the actual cost per kilowatt hour. If these are included the last time we were charged \$.086 per kWh was in 2011! And kWh charges passed the \$.096 level in 2013. (It should also be noted that from 2012 to 2013 our energy charge went down \$200 because of a 3300 kWh decrease in usage but the increase in the Basic Service Charge from \$8.50 to \$10.75 increased the overall charge per kWh from \$.087 to \$.096!)

Exhibit 3 demonstrates what would happen to our energy cost if the Basic Service Charge had been \$22 instead of \$10.75 in 2015 and 2016. Our total electric energy costs would have risen an additional 10% in 2016 without any increase in energy use or, said another way, an additional \$.013 per kWh. The Basic Service Charge component of the total cost would increase from 11.3% to 21.2%.



The impact would be even worse with the 2015 data. That year we used 1152 kWh less than 2016. Our electric energy costs would have risen 13.5% that year, from \$.107 per kWh to \$.121 per kWh. The Basic Service Charge component of the total cost that year would increase from 12.7% to 23.1%.

Incidentally, the same issue occurred when LG&E increased the Basic Service Charge for natural gas. Over the 2-year period 2009 through 2010 the BSC went up from \$8.50 to \$12.50. This resulted in the BSC jumping from the low teens as a percentage of our total natural gas expense to the middle to upper 20 percent, where it remains today. (Exhibit # 4)

In both cases a higher Basic Service Charge seems to create a perverse incentive on a homeowner to disregard energy savings efforts, as the reward for doing so is substantially undermined by the significant increase in fixed charges over which the homeowner has no control.

Just how a higher Basic Service Charge would create an incentive for LG&E to be more efficient in its supply and distribution of energy, or to support consumers who wish to seek more efficiency in their conservation of energy, is not clear to me.

Also, I no longer understand the concept behind the "Basic Service Charge". When it originally appeared in 2002 for both electric and gas I thought it may be justified to offset some of LG&E's administrative paper work required to service its customers. However, over the years it has grown from just over \$10 per month combined (see Exhibit 5) to almost \$25 per month since 2013. It also seems to be morphing into a mechanism to replace "even billing" by fixing some portion of their energy cost independent of weather's variability.

What is exceedingly clear is that this proposed level of increase in the Basic Service Charge is detrimental to homeowners who have been and continue to be interested in reducing their energy use. We urge the PSC to challenge LG&E to present an alternative to what they are proposing here that would produce more desirable outcomes.

Thank you for your time and attention to this matter.

Sincerely yours,



Gerald B. Meier  
4304 McCombs Circle  
Crestwood, KY 40014  
502-241-1769

**EXHIBIT # 1: Smart Energy Profile Reports for 4304 McCombs Circle**

| <b>TIME PERIOD</b>  | <b>RATING</b> | <b>ENERGY DIFFERENTIAL*</b> |
|---------------------|---------------|-----------------------------|
| 9/14/13 to 11/13/13 | Great         | 20%                         |
| 11/14/13 to 1/17/14 | Great         | 14%                         |
| 1/18/14 to 3/19/14  | Great         | 4%                          |
| 4/18/14 to 5/16/14  | Great         | 43%                         |
| 5/17/14 to 6/18/14  | Great         | 66%                         |
| 6/19/14 to 8/18/14  | Great         | 28%                         |
| 1/21/15 to 2/19/15  | Good          | -5%                         |
| 4/18/15 to 5/16/15  | Great         | 48%                         |
| 5/17/15 to 6/18/15  | Great         | 22%                         |
| 6/19/15 to 7/18/15  | Good          | -13%                        |
| 12/18/15 to 2/19/16 | Great         | 9%                          |
| 3/19/16 to 4/18/16  | Great         | 28%                         |
| 4/19/16 to 5/17/16  | Great         | 24%                         |
| 7/20/16 to 8/18/16  | Good          | -21%                        |
| 8/19/16             | Great         | 23%                         |
| 2/16/17             | Great         | 32%                         |

\* Measurement of the percentage reduction in energy use over similar efficient homes as reported by Louisville Gas & Electric

EXHIBIT # 2 Electric Use and Charges - Gerald B Meier household - 2011 through 2016 (based on month bill paid)

|                              | JAN     | FEB     | MARCH   | APRIL   | MAY     | JUNE    | JULY    | AUGUST  | SEPT    | OCT     | NOV     | DEC     | TOTAL   |
|------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 2016                         |         |         |         |         |         |         |         |         |         |         |         |         |         |
| Energy Charge                | 37.82   | 46.71   | 43.20   | 31.10   | 31.45   | 54.94   | 138.48  | 167.60  | 127.60  | 137.45  | 59.87   | 33.95   | \$910   |
| Basic Service Charge         | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | \$129   |
| kw usage                     | 468     | 578     | 500     | 360     | 364     | 636     | 1603    | 1940    | 1477    | 1591    | 693     | 393     | 10603   |
| environmental surcharge      | 4.74    | 5.68    | 5.83    | 4.42    | 2.53    | 2.91    | 6.64    | 9.14    | 6.96    | 6.08    | 2.85    | 1.73    | \$59    |
| electric residential dsm amt | 1.67    | 2.29    | 1.99    | 1.43    | 1.26    | 2.2     | 5.55    | 6.71    | 5.11    | 5.5     | 2.4     | 1.36    | \$37    |
| fuel cost adjustment         | -0.97   | -1.57   | -0.77   | -0.08   | -0.23   | -1.63   | -4.95   | -5.22   | -2.54   | -2.1    | -1.16   | -0.47   | -\$22   |
| Adjusted Charge / kw         | \$0.115 | \$0.110 | \$0.122 | \$0.132 | \$0.126 | \$0.109 | \$0.098 | \$0.097 | \$0.100 | \$0.099 | \$0.108 | \$0.120 | \$0.105 |
| 2015                         |         |         |         |         |         |         |         |         |         |         |         |         |         |
| Energy Charge                | 43.13   | 52.49   | 58.23   | 38.12   | 30.04   | 26.33   | 88.19   | 129.03  | 127.37  | 112.74  | 32.49   | 25.38   | \$764   |
| Basic Service Charge         | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | \$129   |
| kw usage                     | 534     | 650     | 721     | 472     | 372     | 326     | 1092    | 1597    | 1576    | 1395    | 402     | 314     | 9451    |
| environmental surcharge      | 3.07    | 3.83    | 4.29    | 3.03    | 2.55    | 2.67    | 7.95    | 11.99   | 11.69   | 11.64   | 4.05    | 3.52    | \$70    |
| electric dsm amt             | 2.9     | 3.65    | 4.12    | 2.7     | 1.93    | 1.7     | 5.68    | 5.69    | 5.61    | 4.97    | 1.43    | 1.12    | \$42    |
| fuel cost adjustment         | -0.52   | 0.1     | 0.9     | 0.52    | 0.83    | 0.79    | 2.41    | 0.93    | -1.01   | -0.28   | -0.05   | -0.07   | \$5     |
| Adjusted Charge / kw         | \$0.111 | \$0.109 | \$0.109 | \$0.117 | \$0.124 | \$0.130 | \$0.105 | \$0.099 | \$0.098 | \$0.100 | \$0.121 | \$0.130 | \$0.107 |
| 2014                         |         |         |         |         |         |         |         |         |         |         |         |         |         |
| Energy Charge                | 54.13   | 49.59   | 66.22   | 44.01   | 35.62   | 33.03   | 34.89   | 100.79  | 59.12   | 84.23   | 29.4    | 35.78   | \$627   |
| Basic Service Charge         | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | \$129   |
| kw usage                     | 681     | 614     | 820     | 545     | 441     | 409     | 432     | 1248    | 732     | 1043    | 364     | 443     | 7091    |
| environmental surcharge      | 1.98    | 2.23    | 2.71    | 1.03    | 0.92    | 1.09    | 1.48    | 3.81    | 2.59    | 3.23    | 1.58    | 2.33    | \$25    |
| electric residential dsm amt | 2.44    | 2.7     | 3.6     | 2.39    | 2.39    | 2.22    | 2.35    | 6.78    | 3.97    | 5.66    | 1.98    | 2.41    | \$39    |
| fuel cost adjustment         | -0.56   | 0.09    | 1.32    | 1.2     | 0.66    | 0.65    | 1.37    | 1.72    | -0.14   | 0.58    | 0.05    | 0.02    | \$7     |
| Adjusted Charge / kw         | \$0.101 | \$0.106 | \$0.103 | \$0.109 | \$0.114 | \$0.117 | \$0.118 | \$0.099 | \$0.104 | \$0.100 | \$0.120 | \$0.116 | \$0.117 |

EXHIBIT # 2 Electric use and Charges - Gerald B Meier household - 2011 through 2016 (based on month bill paid)

|                              | JAN*    | FEB     | MARCH   | APRIL   | MAY     | JUNE    | JULY    | AUGUST  | SEPT    | OCT     | NOV     | DEC     | TOTAL   |
|------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>2013</b>                  |         |         |         |         |         |         |         |         |         |         |         |         |         |
| Energy Charge                |         | 101.69  | 75.28   | 64.42   | 67.55   | 55.35   | 81.83   | 153.18  | 134.02  | 107.15  | 47.46   | 46.34   | \$934   |
| Basic Service Charge         |         | 9.63    | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | \$117   |
| kw usage                     |         | 1385    | 1012    | 866     | 908     | 744     | 1100    | 1927    | 1686    | 1348    | 597     | 583     | 12156   |
| environmental surcharge      |         | 0.98    | 1.08    | 0.44    | 0.95    | 1       | 1.58    | 3.69    | 3.51    | 3.01    | 1.63    | 1.67    | \$20    |
| electric residential dsm amt |         | 4.16    | 3.04    | 2.6     | 3.25    | 2.66    | 3.94    | 6.9     | 6.04    | 4.83    | 2.14    | 2.09    | \$42    |
| fuel cost adjustment         |         | 7.13    | 5.67    | 5.25    | 5.55    | 4.88    | 6.4     | 10.83   | 7.08    | 1       | -0.12   | 0.24    | \$54    |
| Adjusted Charge / kw         |         | \$0.089 | \$0.095 | \$0.096 | \$0.097 | \$0.100 | \$0.095 | \$0.096 | \$0.096 | \$0.094 | \$0.104 | \$0.105 | \$0.096 |
| <b>2012</b>                  |         |         |         |         |         |         |         |         |         |         |         |         |         |
| Energy Charge                | 82.73   | 69.58   | 52.14   | 53.37   | 54.39   | 103.13  | 190.54  | 156.57  | 141.36  | 60.91   | 59.82   | 97.26   | \$1,122 |
| Basic Service Charge         | 8.5     | 8.5     | 8.5     | 8.5     | 8.5     | 8.5     | 8.5     | 8.5     | 8.5     | 8.5     | 8.5     | 8.5     | \$102   |
| kw usage                     | 1145    | 963     | 720     | 737     | 751     | 1424    | 2631    | 2162    | 1952    | 841     | 826     | 1343    | 15495   |
| environmental surcharge      | 0.37    | 0.36    | 0.44    | 0.38    | 0.42    | 0.46    | 1.27    | 0.72    | 0.59    | 0.57    | 1.1     | 1.02    | \$8     |
| electric residential dsm a   | 2.73    | 2.29    | 1.71    | 2.12    | 2.16    | 4.09    | 7.55    | 6.2     | 5.6     | 2.41    | 2.37    | 3.85    | \$43    |
| fuel cost adjustment         | 3.03    | 3.01    | 2.84    | 3.48    | 4.03    | 7.26    | 13.13   | 8.63    | 7.46    | 3.89    | 5.96    | 8       | \$71    |
| Adjusted Charge / kw         | \$0.085 | \$0.087 | \$0.091 | \$0.092 | \$0.093 | \$0.087 | \$0.084 | \$0.084 | \$0.084 | \$0.091 | \$0.094 | \$0.088 | \$0.087 |
| <b>2011</b>                  |         |         |         |         |         |         |         |         |         |         |         |         |         |
| Energy Charge                | 81.42   | 55.2    | 50.68   | 40.78   | 42.97   | 92.73   | 150.79  | 181.13  | 97.97   | 36.85   | 50.29   | 70.52   | \$951   |
| Basic Service Charge         | 8.5     | 8.5     | 8.5     | 8.5     | 8.5     | 8.5     | 8.5     | 8.5     | 8.5     | 8.5     | 8.5     | 8.5     | \$102   |
| kw usage                     | 1152    | 781     | 717     | 577     | 608     | 1312    | 2087    | 2507    | 1356    | 510     | 696     | 976     | 13279   |
| environmental surcharge      | 0.18    | 0.88    | 0.68    | 0.73    | 0.54    | 1.57    | 2.54    | 0.37    | 0.21    | 0.09    | 0.13    | 0.22    | \$8     |
| electric residential dsm a   | 4.03    | 2.73    | 2.51    | 1.16    | 1.22    | 3.2     | 5.09    | 6.12    | 3.31    | 1.24    | 1.7     | 2.38    | \$35    |
| fuel cost adjustment         | 3.36    | 1.88    | 0.38    | 1.3     | 1.41    | 5.48    | 8.68    | 8.37    | 3.17    | 1.13    | 2.14    | 2.19    | \$39    |
| Adjusted Charge / kw         | \$0.085 | \$0.089 | \$0.088 | \$0.091 | \$0.090 | \$0.085 | \$0.084 | \$0.082 | \$0.083 | \$0.094 | \$0.090 | \$0.086 | \$0.086 |

\* Billing period adjusted - two months combined



|   | JAN     | FEB     | MARCH   | APRIL   | MAY     | JUNE    | JULY    | AUGUST  | SEPT    | OCT     | NOV     | DEC     | TOTAL   |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 2016 (actual)                                 |         |         |         |         |         |         |         |         |         |         |         |         |         |
| Energy Charge                                 | 37.82   | 46.71   | 43.2    | 31.1    | 31.45   | 54.94   | 138.48  | 167.6   | 127.6   | 137.45  | 59.87   | 33.95   | \$910   |
| Basic Service Charge                          | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | \$129   |
| kw usage                                      | 468     | 578     | 500     | 360     | 364     | 636     | 1603    | 1940    | 1477    | 1591    | 693     | 393     | 10603   |
| environmental surcharge                       | 4.74    | 5.66    | 5.83    | 4.42    | 2.53    | 2.91    | 6.64    | 9.14    | 6.96    | 6.08    | 2.85    | 1.73    | \$59    |
| electric residential dsmt                     | 1.67    | 2.29    | 1.99    | 1.43    | 1.26    | 2.2     | 5.55    | 6.71    | 5.11    | 5.5     | 2.4     | 1.36    | \$37    |
| fuel cost adjustment                          | -0.97   | -1.57   | -0.77   | -0.08   | -0.23   | -1.63   | -4.95   | -5.22   | -2.54   | -2.1    | -1.16   | -0.47   | -\$22   |
| Adjusted Charge / kw                          | \$0.115 | \$0.110 | \$0.122 | \$0.132 | \$0.126 | \$0.109 | \$0.098 | \$0.097 | \$0.100 | \$0.099 | \$0.108 | \$0.120 | \$0.105 |
| BSC as % of Total Cost                        | 19.9%   | 16.8%   | 17.6%   | 22.6%   | 23.5%   | 15.5%   | 6.9%    | 5.7%    | 7.3%    | 6.8%    | 14.4%   | 22.7%   | 11.6%   |
| 2016 (adjusted for \$22 Basic Service Charge) |         |         |         |         |         |         |         |         |         |         |         |         |         |
| Energy Charge                                 | 37.82   | 46.71   | 43.2    | 31.1    | 31.45   | 54.94   | 138.48  | 167.6   | 127.6   | 137.45  | 59.87   | 33.95   | \$910   |
| Basic Service Charge                          | 22      | 22      | 22      | 22      | 22      | 22      | 22      | 22      | 22      | 22      | 22      | 22      | \$264   |
| kw usage                                      | 468     | 578     | 500     | 360     | 364     | 636     | 1603    | 1940    | 1477    | 1591    | 693     | 393     | 10603   |
| environmental surcharge                       | 4.74    | 5.66    | 5.83    | 4.42    | 2.53    | 2.91    | 6.64    | 9.14    | 6.96    | 6.08    | 2.85    | 1.73    | \$59    |
| electric residential dsmt                     | 1.67    | 2.29    | 1.99    | 1.43    | 1.26    | 2.2     | 5.55    | 6.71    | 5.11    | 5.5     | 2.4     | 1.36    | \$37    |
| fuel cost adjustment                          | -0.97   | -1.57   | -0.77   | -0.08   | -0.23   | -1.63   | -4.95   | -5.22   | -2.54   | -2.1    | -1.16   | -0.47   | -\$22   |
| Adjusted Charge / kw                          | \$0.139 | \$0.130 | \$0.145 | \$0.164 | \$0.157 | \$0.126 | \$0.105 | \$0.103 | \$0.108 | \$0.106 | \$0.124 | \$0.149 | \$0.118 |
| BSC as % of Total Cost                        | 33.7%   | 29.3%   | 30.4%   | 37.4%   | 38.6%   | 27.4%   | 13.1%   | 11.0%   | 13.8%   | 13.0%   | 25.6%   | 37.6%   | 21.1%   |

EXHIBIT # 3: Impact of Proposed Increase in Basic Service Charge on Gerald B Meier Household Using 2015 Experience.

|                         | JAN     | FEB     | MARCH   | APRIL   | MAY     | JUNE    | JULY    | AUGUST  | SEPT    | OCT     | NOV     | DEC     | TOTAL          |
|-------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------------|
| 2015 (actual)           |         |         |         |         |         |         |         |         |         |         |         |         |                |
| Energy Charge           | 43.13   | 52.49   | 58.23   | 38.12   | 30.04   | 26.33   | 88.19   | 129.03  | 127.37  | 112.74  | 32.49   | 25.38   | \$764          |
| Basic Service Charge    | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | 10.75   | \$129          |
| kw usage                | 534     | 650     | 721     | 472     | 372     | 326     | 1092    | 1597    | 1576    | 1395    | 402     | 314     | 9451           |
| environmental surcharge | 3.07    | 3.83    | 4.29    | 3.03    | 2.55    | 2.67    | 7.95    | 11.99   | 11.69   | 11.64   | 4.05    | 3.52    | \$70           |
| electric dsm amt        | 2.9     | 3.65    | 4.12    | 2.7     | 1.93    | 1.7     | 5.68    | 5.69    | 5.61    | 4.97    | 1.43    | 1.12    | \$42           |
| fuel cost adjustment    | -0.52   | 0.1     | 0.9     | 0.52    | 0.83    | 0.79    | 2.41    | 0.93    | -1.01   | -0.28   | -0.05   | -0.07   | \$5            |
| Adjusted Charge / kw    | \$0.111 | \$0.109 | \$0.109 | \$0.117 | \$0.124 | \$0.130 | \$0.105 | \$0.099 | \$0.098 | \$0.100 | \$0.121 | \$0.130 | <b>\$0.107</b> |
| BSC as % of Total Cost  | 18.1%   | 15.2%   | 13.7%   | 19.5%   | 23.3%   | 25.4%   | 9.3%    | 6.8%    | 7.0%    | 7.7%    | 22.1%   | 26.4%   | <b>12.8%</b>   |

|   | JAN     | FEB     | MARCH   | APRIL   | MAY     | JUNE    | JULY    | AUGUST  | SEPT    | OCT     | NOV     | DEC     | TOTAL          |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------------|
| 2015 (adjusted for \$22 Basic Service Charge) |         |         |         |         |         |         |         |         |         |         |         |         |                |
| Energy Charge                                 | 43.13   | 52.49   | 58.23   | 38.12   | 30.04   | 26.33   | 88.19   | 129.03  | 127.37  | 112.74  | 32.49   | 25.38   | \$764          |
| Basic Service Charge                          | 22      | 22      | 22      | 22      | 22      | 22      | 22      | 22      | 22      | 22      | 22      | 22      | \$264          |
| kw usage                                      | 534     | 650     | 721     | 472     | 372     | 326     | 1092    | 1597    | 1576    | 1395    | 402     | 314     | 9451           |
| environmental surcharge                       | 3.07    | 3.83    | 4.29    | 3.03    | 2.55    | 2.67    | 7.95    | 11.99   | 11.69   | 11.64   | 4.05    | 3.52    | \$70           |
| electric dsm amt                              | 2.9     | 3.65    | 4.12    | 2.7     | 1.93    | 1.7     | 5.68    | 5.69    | 5.61    | 4.97    | 1.43    | 1.12    | \$42           |
| fuel cost adjustment                          | -0.52   | 0.1     | 0.9     | 0.52    | 0.83    | 0.79    | 2.41    | 0.93    | -1.01   | -0.28   | -0.05   | -0.07   | \$5            |
| Adjusted Charge / kw                          | \$0.132 | \$0.126 | \$0.124 | \$0.141 | \$0.154 | \$0.164 | \$0.116 | \$0.106 | \$0.105 | \$0.108 | \$0.149 | \$0.165 | <b>\$0.121</b> |
| BSC as % of Total Cost                        | 31.2%   | 26.8%   | 24.6%   | 33.1%   | 38.4%   | 41.1%   | 17.4%   | 13.0%   | 13.3%   | 14.6%   | 36.7%   | 42.3%   | <b>23.1%</b>   |

EXHIBIT # 4 Impact of BSC Increases on Natural Gas Costs - Gerald B Meier household - 2009 and 2010

|                            | JAN      | FEB      | MARCH    | APRIL    | MAY     | JUNE    | JULY    | AUGUST  | SEPT    | OCT     | NOV     | DEC     | TOTAL    |
|----------------------------|----------|----------|----------|----------|---------|---------|---------|---------|---------|---------|---------|---------|----------|
| <b>2010</b>                |          |          |          |          |         |         |         |         |         |         |         |         |          |
| Basic Service Charge       | 9.5      | 9.5      | 9.5      | 9.5      | 9.5     | 9.5     | 9.5     | 11.32   | 12.5    | 12.5    | 12.5    | 12.5    | 127.82   |
| gas supply cost component  | 79.59    | 64.19    | 48.14    | 8.56     | 4.18    | 4.15    | 4.67    | 9.87    | 4.3     | 3.69    | 3.46    | 53.32   | 288.12   |
| distribution charge        | 34.59    | 26.47    | 19.21    | 3.42     | 1.71    | 1.71    | 1.92    | 3.74    | 1.57    | 1.34    | 1.34    | 22.17   | 119.19   |
| Weather normalization adj  | -4.48    | -4.14    | -0.38    | 0.18     |         |         |         |         |         |         | -0.52   | -1.92   | -11.26   |
| ccf usage                  | 162      | 124      | 90       | 16       | 8       | 8       | 9       | 17      | 7       | 6       | 6       | 99      | 552      |
| cost per ccf               | \$0.75   | \$0.79   | \$0.86   | \$1.37   | \$1.94  | \$1.31  | \$1.25  | \$1.19  | \$1.92  | \$2.94  | \$2.81  | \$0.88  | \$0.92   |
| gas residential DSM amt    | 1.82     | 1.39     | 1.01     | 0.22     | 0.11    | 0.11    | 0.13    | 0.23    | 0.09    | 0.08    | 0.08    | 1.31    | 6.58     |
| Green DSM credit           |          |          |          |          |         | -5      | -5      | -5      | -5      |         |         |         | -20      |
| Total Gas                  | \$121.02 | 97.41    | 77.48    | 21.88    | 15.5    | 15.47   | 16.22   | 25.16   | 18.46   | 17.61   | 16.86   | 87.38   | 530.45   |
| BSC as % of Total Cost     | 7.8%     | 9.8%     | 12.3%    | 43.4%    | 61.3%   | 61.4%   | 58.6%   | 45.0%   | 67.7%   | 71.0%   | 74.1%   | 14.3%   | 24.1%    |
| <b>2009</b>                |          |          |          |          |         |         |         |         |         |         |         |         |          |
| Basic Service Charge       | 8.5      | 8.5      | 8.89     | 9.5      | 11.72   | 7.92    | 9.5     | 9.5     | 9.5     | 19      | 9.5     | 9.5     | 121.53   |
| gas supply cost component  | 147.45   | 169.63   | 105.67   | 164.89   | 56.89   | 6.48    | 5.39    | 5.99    | 9.35    | 1.88    | 8.15    | 32.43   | 714.2    |
| distribution charge        | 16.71    | 24.13    | 18.87    | 37.15    | 13.91   | 1.92    | 1.92    | 2.13    | 3.84    | 0.85    | 3.63    | 14.09   | 139.15   |
| ccf usage                  | 133      | 153      | 103      | 171      | 59      | 9       | 9       | 10      | 18      | 4       | 17      | 66      | 752      |
| cost per ccf               | \$1.31   | \$1.33   | \$1.31   | \$1.25   | \$1.41  | \$1.82  | \$1.32  | \$1.27  | \$0.99  | \$4.19  | \$1.26  | \$0.87  | \$1.28   |
| gas residential DSM amt    | 1.42     | 1.83     | 1.19     | 1.97     | 0.54    | 0.08    | 0.08    | 0.09    | 0.17    | 0.04    | 0.16    | 0.61    | 8.18     |
| Weather normalization adj  |          |          |          |          |         |         |         |         |         |         | 0.02    | 0.58    | 0.6      |
| Demand Conservation Credit |          |          |          |          |         |         | -5      | -5      | -5      | -5      |         |         | -20      |
| Total Gas                  | \$174.08 | \$204.09 | \$134.62 | \$213.51 | \$83.06 | \$16.40 | \$11.89 | \$12.71 | \$17.86 | \$16.77 | \$21.46 | \$57.21 | \$963.66 |
| BSC as % of Total Cost     | 4.9%     | 4.2%     | 6.6%     | 4.4%     | 14.1%   | 48.3%   | 79.9%   | 74.7%   | 53.2%   | 113.3%  | 44.3%   | 16.6%   | 12.6%    |



**EXHIBIT # 5 : LG&E Basic Service Charge Increases 2002 to 2016**

| Mo /Yr<br>of increase | Electric                |         |                     | Gas                     |         |                     | Combined BSC<br>Charge / Month |
|-----------------------|-------------------------|---------|---------------------|-------------------------|---------|---------------------|--------------------------------|
|                       | BSC Amount / mo<br>From | To      | Percent<br>Increase | BSC Amount / mo<br>From | To      | Percent<br>Increase |                                |
| 1 / 2002              | \$0.00                  | \$3.29  |                     | \$0.00                  | \$7.00  |                     | \$10.29                        |
| 8 / 2004              | \$3.29                  | \$5.00  | 52.0%               | \$7.00                  | \$8.50  | 21.4%               | \$13.50                        |
| 4 / 2009              |                         |         |                     | \$8.50                  | \$9.50  | 12.0%               | \$14.50                        |
| 8 / 2010              | \$5.00                  | \$8.50  | 70.0%               | \$9.50                  | \$12.50 | 31.6%               | \$21.00                        |
| 1 / 2013              | \$8.50                  | \$10.75 | 26.5%               | \$12.50                 | \$13.50 | 8.0%                | \$24.25                        |