



TITAN RESEARCH & DEVELOPMENT LOUISVILLE LLC

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October 18, 2018

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PUBLIC SERVICE
COMMISSION

Gwen Pinson
Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, KY 40602-0615

RE: Application of Louisville Gas & Electric (LG&E) for an adjustment of its electric and gas rates. Case No. 2018-00295

Dear Ms. Pinson,

My name is Gary Owen and I am the Controller of Titan Research and Development Louisville, LLC. We manage twelve industrial tenants at the Airport Industrial Center (AIC) located in Louisville, Kentucky. A few of our larger tenants include BAE and Raytheon, industrials specializing in United States Defense. All of our tenants are gas and electric consumers behind Louisville Gas & Electric (LG&E) Utility. I am writing to you on behalf of the tenants in regard to the rate case 2018-00195.

Based on our conversations with LG&E and their rate comparison, which I've attached, we are set to see a drastic increase in our costs if this is approved. If the Public Service Commission approved the rate increase that LG&E submitted, our LG&E Rate FT gas invoice will see a 53% increase, roughly \$34,000 annually, which is unheard of. Like mentioned above, I've included the rate comparison that was sent to us from our LG&E representative.

AIC, like most industrials behind LG&E, will have their highest burn day of the year during the coldest day of either January or February. The proposed monthly demand charge of \$4.89 will be multiplied by that day, the highest burn day, and will be charged/penalized monthly for the next 11 calendar months, regardless of actual use. We do not understand this level of demand cost, or its rationale, that is currently up for the Public Service Commission approval. We have investigated several surrounding utilities and cannot find a single gas utility that has structured their gas costs like, or remotely similar to, this proposal.

We clearly do not agree with the proposed changes. A 53% increase is entirely more than should be expected from LG&E. We appreciate your help in keeping these changes from being approved by the Kentucky Public Service Commission. Our utility consultant is Al Inman of Louisville. Please feel free to contact him at [REDACTED] or [REDACTED].

Sincerely,

Gary Owen
Controller
Titan Research & Development Louisville LLC

LG&E FT Comparison of Current and Proposed Rates

Customer Name: Titan Research & Development
 Service Address: 5403 Southside Drive

MDQ: 2,000 Mcf
 50% of MDQ: 1,000

Existing Tariff
 Administrative Charge \$ 550 /month
 Distribution Charge: \$ 0.44400 /Mcf

Customer's Load Factor
 26.91%

Proposed Tariff effective 5/1/19
 Administrative Charge \$ 550 /month
 Basic Service Charge \$ 750 /month
 Distribution Charge: \$ 0.03800 /Mcf
 Demand Charge: \$ 4.89 /Mcf

24 Month Historical Information		
Test Month Bill Date	Actual Monthly Usage Mcf	Actual Maximum Daily Demand Mcf
Aug-18	3,524.5	130.1
Jul-18	3,445.1	123.6
Jun-18	3,370.7	132.5
May-18	4,073.7	186.7
Apr-18	11,993.2	766.9
Mar-18	16,585.9	859.8
Feb-18	16,061.0	1,016.3
Jan-18	26,429.7	1,321.3
Dec-17	21,784.4	1,223.2
Nov-17	12,750.7	662.0
Oct-17	6,265.3	510.5
Sep-17	3,512.9	146.9
Aug-17	3,499.0	123.9
Jul-17	3,029.7	118.9
Jun-17	3,305.7	131.3
May-17	3,781.0	258.3
Apr-17	5,294.5	449.3
Mar-17	14,939.0	937.8
Feb-17	14,779.6	1,046.6
Jan-17	21,567.6	1,293.1
Dec-16	25,075.0	1,348.6
Nov-16	11,931.1	691.8
Oct-16	3,604.6	236.7
Sep-16	2,251.5	111.7

Existing Rates		
Administrative Charge	Gas Distribution Charge	Total
\$ 550	\$ 1,565	\$ 2,115
\$ 550	\$ 1,530	\$ 2,080
\$ 550	\$ 1,497	\$ 2,047
\$ 550	\$ 1,809	\$ 2,359
\$ 550	\$ 5,325	\$ 5,875
\$ 550	\$ 7,364	\$ 7,914
\$ 550	\$ 7,131	\$ 7,681
\$ 550	\$ 11,735	\$ 12,285
\$ 550	\$ 9,672	\$ 10,222
\$ 550	\$ 5,661	\$ 6,211
\$ 550	\$ 2,782	\$ 3,332
\$ 550	\$ 1,560	\$ 2,110
		\$ 64,230

Proposed Rates				
Administrative Charge	Basic Service Charge	Gas Distribution Charge	Demand Charge	Total
\$ 550	\$ 750	\$ 134	\$ 6,461	\$ 7,895
\$ 550	\$ 750	\$ 131	\$ 6,461	\$ 7,892
\$ 550	\$ 750	\$ 128	\$ 6,461	\$ 7,889
\$ 550	\$ 750	\$ 155	\$ 6,461	\$ 7,916
\$ 550	\$ 750	\$ 456	\$ 6,461	\$ 8,217
\$ 550	\$ 750	\$ 630	\$ 6,461	\$ 8,391
\$ 550	\$ 750	\$ 610	\$ 6,461	\$ 8,371
\$ 550	\$ 750	\$ 1,004	\$ 6,461	\$ 8,765
\$ 550	\$ 750	\$ 828	\$ 6,323	\$ 8,451
\$ 550	\$ 750	\$ 485	\$ 6,595	\$ 8,379
\$ 550	\$ 750	\$ 238	\$ 6,595	\$ 8,133
\$ 550	\$ 750	\$ 133	\$ 6,595	\$ 8,028
				\$ 98,329
Change: \$				34,099
				53.1%