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NEWS RELEASE

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PSC Sets Public Meetings in KU, LG&E Rate Cases *Comments taken in Louisville and Lexington*

FRANKFORT, Ky. (March 9, 2015) – The Kentucky Public Service Commission (PSC) will hold public meetings in Louisville and Lexington to present information and receive comments on the requests for rate increases by the Kentucky Utilities Co. (KU) and the Louisville Gas & Electric Co. (LG&E).

“These meetings will allow the public to learn about the PSC’s ratemaking process and to present their views directly to members of the Commission as it prepares to consider whether the proposed new rates are fair, just and reasonable,” PSC Chairman David Armstrong said.

The meetings are scheduled for:

Louisville

Monday, March 30, 2015, 5:30 p.m. EDT

Durrett Auditorium

Louisville Male High School

4409 Preston Highway

Lexington

Monday, April 13, 2015, 5:30 p.m. EST

Auditorium

Bryan Station High School

201 Eastin Road

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The meetings will begin with an information session during which PSC staff will explain how rates are set and the PSC's review process. The presentation will include an overview of the utility applications. Public comments will follow the information session.

The Louisville meeting is being held primarily to take public comments regarding the LG&E case, but comments also will be taken from KU customers. The Lexington meeting is intended primarily for KU customers.

Both LG&E and KU are subsidiaries of the PPL Corp. Kentucky Utilities has about 512,000 electric customers in 77 counties across Kentucky. Louisville Gas & Electric has about 397,000 electric customers in nine counties in the Louisville area and 321,000 natural gas customers in 17 counties.

Kentucky Utilities has proposed to increase its electric rates across all classes of customers in order to generate an additional \$153 million in revenue per year – an increase of about 9.6 percent. The company estimates that the average monthly bill for residential customers would rise by \$11.01, to \$125.70, an increase of about 9.6 percent from the current monthly average bill of \$114.69.

Most of the proposed increase for KU residential customers would come through raising the monthly service charge to \$18 from the current \$10.75. The charge per kilowatt-hour (a kilowatt-hour is the amount of electricity used by a 100-watt light bulb in 10 hours) would rise from 7.744 cents to 8.057 cents.

LG&E has proposed to increase its electric rates across all classes of customers in order to generate an additional \$30 million in revenue per year – an increase of about 2.7 percent. The company estimates that the average monthly bill for residential customers would rise by \$2.75 to \$104.60, an increase of about 2.7 percent from the current average of \$101.85.

For LG&E residential customers, the proposed increase would come through raising the monthly service charge to \$18 from the current \$10.75. The charge per kilowatt-hour would decline from 8.076 cents to 7.618 cents.

The monthly natural gas bill for an average LG&E residential customer would rise by \$2.62. The company is proposing to increase the monthly fee per meter from \$13.50 to \$19, and to lower the current delivery charge per 1,000 cubic feet of gas from \$2.64 to \$2.13.

The base rates do not include the cost of the gas itself, which accounts for about half the total bill. The gas cost is adjusted every three months to reflect - on a dollar-for-dollar basis – the amount LG&E pays for gas on the wholesale market.

LG&E estimates that the base rate changes would increase its annual revenue from natural gas operations by \$14 million, or about 4.2 percent.

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The utilities say much of the electric rate increase will pay for the \$563 million gas-fired electric power plant being built at the Cane Run station in western Jefferson County. The 640-megawatt plant, scheduled to begin operating in May, is replacing a coal-fired plant at the same location.

Kentucky Utilities will own 78 percent of the plant, which is why the proposed rate increase is higher for KU than for LG&E. The utilities say the rate increase also will pay for expanded hydroelectric generating capacity at McAlpine Dam in Louisville and a new solar-powered generating facility in Mercer County.

KU and LG&E say the rate increases also will pay for reliability and safety improvements to both the electric and natural gas systems and for improved technology that will speed repairs following electric outages.

The KU and LG&E applications and related documents are available on the PSC website, psc.ky.gov. The case numbers are 2014-00371 (KU) and 2014-00372 (LG&E).

Persons wishing to comment on the proposed rate increase may do so at the public meetings.

Written comments will be accepted at the meeting. Written comments also may be mailed to the PSC at P.O. Box 615, Frankfort, KY 40602, faxed to 502-564-3460 or e-mailed from the PSC website.

The evidentiary hearing in the cases will be combined into a single proceeding, to be held at the PSC offices at 211 Sower Boulevard in Frankfort. KU and LG&E will appear before the PSC on Tuesday, April 21, beginning at 10 a.m. EDT. The hearing, which may last several days, will be open to the public. Written comments will be accepted through the conclusion of the hearing.

The evidentiary hearing may be viewed live on the PSC website.

The PSC is an independent agency attached for administrative purposes to the Energy and Environment Cabinet. It regulates more than 1,500 gas, water, sewer, electric and telecommunication utilities operating in Kentucky and has approximately 85 employees.