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NEWS RELEASE

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PSC to Take Public Comments in KU/LG&E Smart Meter Case *Proposal to deploy advanced metering system is subject of July 9 meeting in Louisville, July 24 hearing in Frankfort*

FRANKFORT, Ky. (June 26, 2018) – The Kentucky Public Service Commission (PSC) will hold a public meeting to provide information and receive public comments on a request by Kentucky Utilities Co. (KU) and Louisville Gas & Electric Co. (LG&E) for authorization to deploy an advanced metering system (“smart meters”) throughout the two utilities’ service areas.

Details of the meeting are as follows:

Monday, July 9, 5:30 p.m. EDT

Founders Union Building, Room 6
University of Louisville ShelbyHurst Campus
450 North Whittington Parkway
Louisville, KY 40222

The public comment period will be preceded by a presentation by PSC staff on the regulatory processes governing the case and an overview of the KU/LG&E application.

Public comments also will be taken at the beginning of the PSC’s formal evidentiary hearing in the case, which is scheduled for 9 a.m. EDT on July 24 at the PSC offices in Frankfort.

“This meeting is an opportunity for affected ratepayers to make their views known directly to the commission,” PSC Chairman Michael Schmitt said. “The PSC encourages ratepayers to attend the information session to gain a more complete understanding of how Kentucky law requires the PSC to evaluate and arrive at a decision in matters such as this.”

The presentation by PSC staff and a question-and-answer period will last an hour. Public comments will follow at about 6:30 p.m. EDT.

KU and LG&E filed the application in January. It seeks PSC approval of the deployment of the advanced meters and of opt-out charges for customers who do not want the new meters.

The utilities estimate that the total capital cost of the new meter systems will be \$165.2 million for LG&E – \$103.7 million for electric and \$61.5 million for natural gas – and \$146.7 million for KU. Deploying the new meters will cost an additional \$13.3 million for LG&E and \$15.2 million for KU.

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Advanced meters have a radio transmitter that connects to a central communication network. The meters can transmit usage data in real time and also can transmit information about power outages and other unusual events, such as tampering.

Because the meters are read remotely, the utilities state in their application that the meters will produce net savings over the next 22 years by reducing the cost of meter reading. The utilities also state that the meters can improve system reliability and reduce losses from system malfunctions and theft of service.

Advanced meters have the ability to record usage in small time increments. KU and LG&E state that customers will be able to use the more detailed information to better manage energy costs.

The meters also offer the capability to have differential rates based on the time of day or other usage factors. KU and LG&E are not proposing such rate structures in the current application, but say they might do so in the future.

Customers who do not want to receive the advanced meters would have the opportunity to opt out before a new meter is installed. However, they would have to pay a monthly fee to cover the cost of having their current meter read manually.

KU is proposing a monthly opt-out fee of \$32.45. For LG&E electric customers, the proposed monthly opt-out fee is \$22.70, while for natural gas customers it is \$21.80. Customers who decide to opt out after an advanced meter has been installed would pay a one-time fee to cover the utility's cost of implementing the change, as well as the monthly opt-out fee. The proposed one-time fees are \$72.71 for KU customers and \$57.86 for LG&E electric and natural gas customers.

The utilities originally asked for approval of the advanced meter deployment in connection with a rate case decided last year, but agreed to defer the request as part of a settlement in that case. The utilities held a number of meetings with groups representing various classes of ratepayers before resubmitting the proposal.

In addition to the public meeting, the PSC will conduct a formal evidentiary hearing in the case, beginning at 9 a.m. EDT on Tuesday, July 24. The hearing will be held at the PSC offices at 211 Sower Boulevard in Frankfort. It will be open to the public and may be viewed live on the PSC website, psc.ky.gov.

Written comments will be accepted through the conclusion of the evidentiary hearing. They may be mailed to the PSC at P.O. Box 615, Frankfort, KY 40602, faxed to 502-564-3460, e-mailed from the PSC website or submitted in person at the public meeting or at the PSC offices.

The KU/LG&E application and other records in the case are available on the PSC website, psc.ky.gov. The case number is 2018-00005.

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.

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