

**Commonwealth of Kentucky
Before the Public Service Commission**

In the Matter of:

ELECTRONIC APPLICATION OF LOUISVILLE)
GAS AND ELECTRIC COMPANY FOR AN)
ADJUSTMENT OF ITS ELECTRIC AND GAS)
RATES AND FOR CERTIFICATES OF PUBLIC)
CONVENIENCE AND NECESSITY)

Case No.
2016-00371

Direct Testimony of

Louisville City Councilman Bill Hollander

On Behalf of

Louisville/ Jefferson County metro Government

Direct Testimony of Louisville Metro Councilman Bill Hollander

1 **Q: PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A: My name is Bill Hollander and my address is 601 W. Jefferson Street Louisville,
3 Kentucky 40202.

4 **Q: WHAT IS YOUR OCCUPATION AND BY WHOM ARE YOU EMPLOYED?**

5 A: I am the Louisville City Councilman for the 9th District and have been so for two years.
6 Prior to being elected as a Councilman in 2014, I was the managing partner of Wyatt,
7 Tarrant & Combs, LLP (“Wyatt”).

8 **Q: PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND RELEVANT**
9 **EXPERIENCE.**

10 A: I received a bachelor’s degree in government from Harvard College and a law degree
11 from Indiana University School of Law in Bloomington. My relevant experience stems
12 from being the Majority Caucus Chair, as well as serving on the Metro Council’s
13 Planning/ Zoning, Land Design and Development, Government Accountability, Ethics
14 and Intergovernmental Affairs, and Budget Committees of the Louisville Metro Council.
15 I have also served in various capacities with several other community organizations in
16 Louisville. As managing partner of Wyatt, I was responsible for the budget of a 200
17 lawyer firm operating in four states.

18 **Q: ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?**

1 A: I am testifying on behalf of the Louisville/Jefferson County Metro Government
2 (“Louisville Metro”). Louisville Metro is located in the largest and most densely
3 populated city within the LG&E service territory.

4 **Q: WHAT IS YOUR FAMILIARITY WITH LOUISVILLE METRO’S BUDGET?**

5 A: As a member of the Budget Committee, I am very familiar with Louisville Metro’s
6 budgetary matters. Like other Budget Committee members, I spend a great deal of time
7 reviewing the Mayor’s proposed budget, asking questions and proposing changes.
8 Because I think creating the budget is the most important part of my duties as a Metro
9 Councilman, I sponsored an ordinance that requires the Mayor to present his proposed
10 budget to the Metro Council one month earlier than Mayors have in the past. This will
11 give Metro Council another month to review the proposal. The ordinance passed
12 unanimously.

13 **Q: WHEN LG&E RAISES ITS RATES, WHAT IS THE IMPACT TO LOUISVILLE**
14 **METRO AND THE BUDGET PROCESS?**

15 A: Dollars are very tight in Louisville Metro Government. While we work hard to control
16 electric and gas usage, rate increases limit our ability to fund other services and meet
17 critical needs.

18 **Q: WHEN LG&E RAISES ITS RATES, WHERE DOES THE CITY FIND THE**
19 **ADDITIONAL REVENUE NECESSARY TO COVER THE INCREASED**
20 **EXPENSE?**

1 A: Pursuant to the Kentucky Constitution and statutes, Louisville Metro Government's
2 avenues for raising revenue are very limited. When utility rates rise, money for other
3 services decrease.

4 **Q: WHAT ARE SOME OF THE KEY ISSUES IN THE LG&E PROPOSAL OF**
5 **GREAT CONCERN TO LOUISVILLE METRO?**

6 A: The greatest areas of concern are the excess revenue generated by LG&E through the
7 lighting class, the overall revenue increase considering LG&E recently realized a
8 substantial revenue increase, and the overwhelming increase to the Residential Class
9 electric customer charge.

10 **Q: WHAT IS YOUR CONCERN WITH LIGHTING?**

11 A: Louisville Metro is by-far the largest urban area within LG&E's service territory and has
12 the vast majority of the LG&E serviced street lights. LG&E's proposal essentially allows
13 LG&E to continue making two-to-three times as much profit on the Lighting Class as it
14 would all the other classes of customers. This is unfair and disproportionately impacts
15 Louisville Metro.

16 **Q: WHAT IS YOUR CONCERN WITH THE OVERALL REVENUE INCREASE?**

17 A: LG&E had a rate increase go into effect approximately 18 months ago. Now, LG&E has
18 proposed an additional \$108 million dollar increase. The rate increases, one after
19 another, are very difficult for both Louisville Metro and Louisville's residents and
20 businesses to absorb.

1 **Q: WHAT IS YOUR CONCERN WITH THE 100% INCREASE TO THE**
2 **RESIDENTIAL FIXED CHARGES?**

3 A: My concerns are twofold. First, the significant increase to the fixed charge dissuades
4 customers from conserving energy. Even if the actual impact to a customer's overall bill
5 was minor, which is not the case here, the perception of conservation as beneficial
6 activity is diminished. It appears LG&E has not taken into account the customers'
7 perception of this increase in the customer charge.

8 Second, an increase to the customer charge directly, and disproportionately, impacts low-
9 income and fixed-income customers who use less energy. These are among the most
10 vulnerable populations within Louisville, and this change within LG&E's rate design
11 directly impacts those customers by imposing higher charges despite lower energy use.

12

Verification

The undersigned, Bill Hollander, being duly sworn, deposes and says that he is a Metro Councilman for Louisville/Jefferson County Metro Government, and that he has personal knowledge of the matters set forth in the foregoing testimony, and that the answers contained therein are true and correct to the best of his information, knowledge and belief.

Bill Hollander

(name)

STATE OF KENTUCKY)
)
COUNTY OF JEFFERSON)

SUBSCRIBED AND SWORN to before me by (name) in the aforesaid state and county on the 2 day of MARCH, 2017.

My commission expires 6/28/2019

[Signature]
Notary Public

