

**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 Kevin Kramer

On Behalf of

Louisville/ Jefferson County metro Government

Direct Testimony of Louisville Metro Councilman Kevin Kramer

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

2 A: My name is Kevin Kramer 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 11th District and have been so for 15 years.
6 I have been a teacher at Mercy Academy for over 15 years and have also taught at
7 several other schools in the Louisville Area.

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

10 A: I received a bachelor's degree in history from Bellarmine University and a master's
11 degree in education from the University of Louisville. My relevant experience stems
12 from serving on the Public Safety, Budget, Government Accountability, and Ethics
13 Committees of the Louisville Metro Council.

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

15 A: I am testifying on behalf of the Louisville/Jefferson County Metro Government
16 ("Louisville Metro"). Louisville Metro is located in the largest and most densely
17 populated city within the LG&E service territory.

18 **Q: WHAT IS YOUR FAMILIARITY WITH LOUISVILLE METRO'S BUDGET?**

19 A: As a member of the Budget Committee, I am very familiar with Louisville Metro's
20 budgetary matters. I have served on the budget committee for over 10 years and am
21 currently Vice Chair.

22

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

3 A: Rate increases have a direct on Louisville's budget. We are one of LG&E's largest
4 customers when you consider the number of buildings we own and maintain. Jefferson
5 County Public Schools is also a large customer.

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

9 A: Louisville is required by law to have a balanced budget. We must either reduce spending
10 elsewhere or raise taxes. Reducing spending could result in a reduction in services that
11 many depend on.

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

14 A: The greatest areas of concern are the unwarranted increase to the Residential Class
15 electric customer charge, LG&E's planned improvements in efficiency will result in
16 savings for the company not new expense, and the excess revenue generated by LG&E
17 through the lighting class.

18 Q: **HOW DO IMPROVED EFFICIENCIES IMPACT YOUR CONCLUSION?**

19 A: LG&E is seeking this increase to pay for new meters which will allow the company to
20 better monitor energy use without having to actually drive to each location using its
21 service. This will result in tremendous savings for LG&E. This request basically requires
22 the rate payer to cover the cost of equipment that will make it possible for LG&E to
23 improve efficiency, without sharing the benefit of that efficiency which they paid for.

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

25 A: As the largest urban area in the LG&E's service territory, Louisville Metro has a majority

1 of the street lights serviced by LG&E. LG&E's proposal essentially allows LG&E to
2 continue profiting nearly triple as much on the Lighting Class as it will on the other
3 classes of customers. This proposal disproportionately impacts Louisville Metro and is
4 grossly inequitable.

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

6 A: LG&E has proposed an additional \$108 million dollar rate increase after already recently
7 having another rate increase go into effect almost 18 months ago. The back-to-back rate
8 increases poses serious issues for Louisville's residents, businesses, and Louisville
9 Metro.

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

12 A: I have two primary concerns about the increases. First, increases to the customer charge
13 directly affects fixed and low income customers. This rate change will directly impact
14 those already at risk customers trying to control their bill from one billing cycle to the
15 next. Also, the significant increase to the fixed charge gives no incentive for customers to
16 conserve energy. With this change, the incentive to conserve energy, along with the
17 perception that doing so positively affects a customer's bill, will cease to exist. Because
18 LG&E has not taken into account the customers perception of this increase in the
19 customer charge, this rate increase will deceive customers and will not encourage
20 conservation of energy.

21

Verification

The undersigned, Kevin Kramer, being duly sworn, deposes and says that he is a City 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.

K.J. Kramer
(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 1-23-18

[Signature]
Notary Public

