

**Melnykovych, Andrew (PSC)**

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**From:** Melnykovych, Andrew (PSC)  
**Sent:** Friday, March 05, 2010 11:13 AM  
**To:** [REDACTED]  
**Subject:** your comments in case 2009-00549 - Louisville Gas & Electric Co. rates

Dear Ms. Guarneri:

Thank you for your comments regarding the rate increase proposed by Louisville Gas & Electric Co. Your comments will be placed into the case file for the Commission's review as it considers this matter. As you noted, the case number in this matter is 2009-00549. Please cite it in any future correspondence regarding this case so that your comments may be readily directed to the case file.

Thank you again for your interest.

Andrew Melnykovych  
Director of Communications  
Kentucky Public Service Commission  
502-564-3940 x208

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-----Original Message-----  
From: PSC - Public Information Officer  
Sent: Friday, March 05, 2010 11:08 AM  
To: Melnykovych, Andrew (PSC)  
Subject: FW: 2009-00549 LGE Rate proposal

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From: Ann Guarneri[SMTP:REDACTED]  
Sent: Friday, March 05, 2010 11:07:29 AM  
To: PSC - Public Information Officer  
Subject: 2009-00549 LGE Rate proposal  
Auto forwarded by a Rule

Commissioners of the KY Public Service Commission,

Please accept this email as my comments about LG&E's rate case (2009-00549) for increases in electric and natural gas rates for LG&E customers. In submitting such, I decided to not subject you with the typical complaints of rate increases during such difficult economic conditions and the wrong time to do capital improvements, though I do believe they are legitimate, because these types of complaints seem to fall on deaf ears.

Instead, I would like for the Commission to take a serious look at LGE's misleading marketing scheme in continually drilling consumers with ways to save money by learning conservation, and then not accounting for it's success within the corporation's budget. LGE constantly promotes ways to conservation through Home Energy Audits to help home owners find ways to increase the energy efficiency of their home, advertises on billboards and in commercials for the Energy Conservation Program where they set usage controls on residential meters, is running a current ad campaign called "How Much Can You Save?", and displays on monthly statements what each consumer's carbon footprint is in order to promote conservation and thus help save the

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environment. Do not get me wrong, LGE should be patted on the back for promoting such programs, and LGE customers should be applauded for participating in such conservation programs; but LGE should not be rewarded financially once again by raising rates because the plan worked. It would seem obvious that conservation affects usage, which, in turn, affects LG&E's revenues.

I have seen nothing in recent times where LG&E has reduced staff, has had quarterly losses, etc. indicating struggling financial times for the company. Also, it seems apparent that LG&E is looking for ways to increase basic revenues because it has been reported they are considering charging consumers a flat fee for gas delivery vs a usage fee, which would result in increased revenues.

I feel certain LGE knew one of the unintended consequences of the success of their conservation programs was reduced revenues, but I do not think they have appropriately planned for such in their budget. Like any large corporation LGE has certain fixed costs that they pay but when the conservation programs ultimately reduced expenditures LGE did not reduce fixed costs in proportion, and now consumers are being asked to pay more.

It would be interesting for the PSC to review how LG&E's conservation programs have affected their revenues vs expenditures. I would hope one of PSC's concerns in reviewing this proposal would be all encompassing and not just take LGE's proposal at face.

Thank you for your consideration of my comments.

Ann Guarnieri  
LG&E consumer