August 3, 2012

VIA FIRST CLASS U.S.MAIL

To: Jeff DeRoun Executive Director

> Public Service Commission 211 Sower Boulevard Frankfort, Kentucky 40601

From: Michael Whipple 3520 Chamberlain Lane Louisville, Kentucky 40241

> RE: <u>Application of Louisville Gas and Electric Company for an Adjustment of Its</u> <u>Electric and Gas Rates, A Certificate of Public Convenience and Necessity,</u> <u>Approval of Ownership of Gas Service Lines and Risers, and a Gas Line</u> <u>Surcharge</u> Case No. 2012-00222

Dear. Mr. DeRouen:

Enclosed please find, Mr. Michael Whipple's reply to the Louisville Gas and Electric Company's Objection to the Motion to Intervene of Michael Whipple in the above referenced case. In accordance with Ordering Paragraph 3 of the Commission's June 22, 2012 Order in this case. Mr. Michael Whipple, is filing with the Commission one paper original, and two paper copies today via first class United States mail, postage prepaid, to the Commission office today. Michael Whipple has not been provided electronic filing information.

Yours very truly,

Michael Whipple

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AUG 0 6 2012 PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF LOUISVILLE GAS AND) ELECTRIC COMPANY FOR AN)) CASE NO.2012-00222 ADJUSTMENT OF ITS ELECTRIC AND GAS **RATES. A CERTIFICATE OF PUBLIC**)) CONVENIENCE AND NECESSITY **APPROVAL OF OWNERSHIP OF GAS**) SERVICE LINES AND RISERS, AND A GAS LINE SURCHARGE.)

Michael Whipple's rebuttal to:

LOUISVILLE GAS AND ELECTRIC COMPANY'S OBJECTION TO THE MOTION TO INTERVENE OF MICHEAL WHIPPLE

Michael Whipple respectfully requests that the Commission allow the Motion of Michael Whipple for intervention. Mr. Whipple's motion should be allowed for three reasons: (1) the cost of electricity and gas affects the cost of all goods and services to all the citizens of Kentucky. Mr. Whipple is directly affected by the cost to his business and shares the expenses of utilities at his residence. (2) The motion does identify important issues and facts have been ignored or misrepresented to the Commission. (3) Mr. Whipple's intervention should delay the proceeding to allow the Commission to establish if there is a conflict of interest between LG&E counsel and the Attorney General and to determine if acts of omission have occurred.

I. Commission Should Allow Mr. Whipple's Motion to Intervene Because Mr.Whipple Has an Interest in this Proceeding.

The Commission will grant requests for permissive intervention "only upon a determination that the criteria set forth in 807 KAR 5:001, Section 3(8), have been satisfied."¹ Under the regulation, permissive intervention will only be granted if the person "has a special interest in

¹ In the Matter of: The 2008 Joint Integrated Resource Plan of Louisville Gas and Electric Company and Kentucky Utilities Company (Case No. 2008-00148) Order, July 18, 2008

the proceeding which is not otherwise adequately represented" or that granting full intervention "is likely to present issues or to develop facts that assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings."² Mr. Whipple seeks intervention because he has a special interest in the proceeding which is not otherwise adequately represented and he seeks intervention to present issues or to develop facts that would assist the Commission in fully considering the matter. Mr. Whipple states that he is a customer and lists a Louisville address. LG&E does provide service to that address, but it is to a business account. Mr. Whipple derives income from the business served at that location and expenses occurred directly affect Mr. Whipple's' income. While, there are no residential accounts in Mr. Whipple's name, he lives in the Commonwealth and shares expenses of utilities. Also the costs of electricity and gas are integral to all products and services in the Commonwealth and Mr. Whipple is thereby affected by the increase both directly and indirectly.

Even though the Commission has consistently held that a person's status as a customer is not a special interest meriting full intervention³ and the Attorney General has a statutory right, pursuant to KRS 367.150(8)(b), to represent customers' interests in proceedings such as this one; and the Attorney General's motion to intervene in this case was granted on July 6, 2012; the Attorney General received tens of thousands of dollars in his many and various campaigns,

² 807 KAR 5:001 & 3(8)(b)

³ In the Matter of Application of Louisville Gas and Electric Company for a Certificate of Public Convenience and Necessity and Approval of Its 2009 (denying intervention to customer Tammy Stewart on ground she lacked a special interest meriting intervention as well as expertise that would assist the Commission); In the Matter of : Application of Kentucky Utilities Company for an Order Approving the Establishment of a Regulatory Asset (Case No. 2009-00174) Order, June 26, 2009(denying Rep. Jim Stewart's Motion to Intervene because he had neither a special interest in the proceeding nor was he likely to assist the Commission to render a decision); In the Matter of: Joint Application of Louisville Gas and Electric Company, Association of Community Action of Community Ministries, Inc., People Organized and Working for Energy Reform, and Kentucky Association for Community Action, Inc., for the Establishment of a Home Energy Assistance Program (Case No. 2007-00337) Order, Sept. 14, 2007 ("[H]old[ing]a particular position on issues pending in...[a] case does not create the requisite 'special interest' to justify full intervention under 807 KAR 5:001,Section 3(8)(b).").

from people related to LG&E's counsel in this matter and it brings into question whether there is a conflict of interest. Therefore, Mr. Whipple's interest in this proceeding as that of a customer may not be adequately represented, Mr. Whipple does have a special interest in the proceeding and his motion to intervene should be allowed.

II. The Commission Should Allow Mr. Whipple's Motion to Intervene Because Mr. Whipple will Present Issues and Develop Facts that Would Assist the Commission.

Mr. Whipple's motion to intervene would allow time to present issues and develop facts relevant to the record declines in wholesale gas prices. Although, Mr. Whipple is not an expert in the principles of ratemaking or energy supply costs, he can present information from industry experts and facts that would assist the Commission in fully considering this matter, therefore, his motion should be allowed.

III. The Commission Should Allow Mr. Whipple's Motion to Intervene Because Mr. Whipple's Intervention Should Delay the Proceeding.

Mr. Whipple has demonstrated that he would present issues and develop facts that would assist the Commission in this proceeding. Because LG&E's request to deny his intervention does not address the concerns stated in Mr. Whipple's request to intervene and because there appears to be a conflict of interest between *Stoll, Keenon, Ogden* and the Attorney General , who is suppose to represent the customers interests, it is necessary for the Commission to allow the intervention and delay the rate increase request. As LG&E's request for denial shows, little credence is given to customers or citizens who are not "licensed attorneys" or show "expertise" in rating proceedings and public comments have been ineffective in past proceedings. When it is shown that, LG&E, through persons related to its counsel has contributed tens of thousands of dollars to the political campaigns of the Attorney General, time should be taken to examine contributions of LG&E officers and shareholders to ascertain the seriousness of any conflict of interest before the Commission allows millions of dollars to be added to the burden of Kentucky citizens.

IV. Conclusion

Mr. Whipple has presented several grounds upon which the Commission can grant permissive intervention, the Commission should allow his motion to intervene. Mr. Whipple has proved that he has an interest in the proceedings. Also LG&E's request to deny the motion does not evince any intent to disclose facts or issues regarding the record low gas prices or the appearance of a conflict

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of interest that will assist the Commission in the resolution of this matter. Finally Mr. Whipple's intervention could bring to light matters hidden from the Commission in the proceeding.

Therefore, Mr. Whipple respectfully requests that the Commission reject LG&E's request to deny Michael Whipple's motion to intervene in this proceeding and ask that the Commission appoint a special Counsel to investigate the apparent conflict of interest between LG&E and the Attorney General for Kentucky.

Dated: August 3, 2012

Respectfully submitted,

Michael Whipple

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