Steven L. Beshear Governor

Leonard K. Peters Secretary Energy and Environment Cabinet



Commonwealth of Kentucky
Public Service Commission

211 Sower Blvd. P.O. Box 615 Frankfort, Kentucky 40602-0615 Telephone: (502) 564-3940 Fax: (502) 564-3460 psc.ky.gov David L. Armstrong Chairman

James W. Gardner Vice Chairman

Daniel E. Logsdon Jr. Commissioner

June 25, 2015

Zack N. Womack Womack Law Office, LLC 304 First Street P.O. Box 637 Henderson, KY 42419-0637

RE:

Case No. 2014-00371

Kentucky Utilities Company

The Commission acknowledges receipt on June 16, 2015 of your letter, a copy of which is attached hereto, addressed to one of our rate analysts, regarding the above referenced case and your client's objection to the amount of demand charges he pays to Kentucky Utilities Company for the seasonal operation of his farming activities. Your letter is being treated as an official protest and will be placed in the case file of this proceeding. The Commission will take your concerns into consideration in its review and decision in this matter.

Please be advised that neither the Commission's rate analysts nor any other members of the Commission's staff have the authority to change the electric rates charged to your client by Kentucky Utilities Company. Rates can be changed only by a majority vote of the three individuals who are appointed as Commissioners of the Public Service Commission. The Commissioners have the authority to change a utility's rates only upon application by that utility or upon complaint filed either by an interested person or by the Commission on its own motion.

The Attorney General has intervened in this matter. You may want to make the Attorney General aware of your concerns by contacting him through his Office of Rate Intervention, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601-8204.

You may view all documents filed in this case on the Commission's website at http://psc.ky.gov.



Zack N. Womack June 25, 2015 Page 2

Thank you for your letter of interest and concern in this matter.

Sincerely,
Stephanic Bell & JD

Jeff Derouen Executive Director

RGR/ph



WOMACK LAW OFFICE, LLC

304 First Street
Post Office Box 637
Henderson, Kentucky 42419-0637
Telephone: 270/826-5040
Facsimile: 270/826-9080
E-Mail: Info@womacklawofficellc.com

RECEIVED

JUN 16 2015

PUBLIC SERVICE
COMMISSION

June 11, 2015

CERTIFIED MAIL

Ms. Leah Faulkner
Rate Analyst, Electricity and Gas Rate
Division of Financial Analysis
P. O. Box 615
211 Sower Boulevard
Frankfort, Kentucky 40602-3460

Re: David Shouse Farms
Case No. 2014-00371

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Dear Ms. Faulkner:

Please be advised that Womack Law Office, LLC, represents the interest of David Shouse, d/b/a David Shouse Farms, concerning Kentucky Utilities Case No. 2014-00371, and the circumstances under which he is currently paying an inordinate amount of fees to the KU facility, the direct and proximate result of his being charged a demand fee that is most unreasonable when compared to the seasonal nature of his business.

It is understood and appreciated the necessity for certain demand charges; however, the seasonal work, i.e., farming, and the utilities associated with farming that are operated on a very limited seasonal basis enable KU to realize a windfall situation with respect to the customer that is, as a practical legal term, unjust enrichment, concerning the electrical charges made against Mr. Shouse.

In order to substantiate or validate the need or necessity for demand charges, there must be some substantial likelihood that the demand will be exercised by the customer. In the circumstances of David Shouse Farms, that demand or the demand charges is not realistic with the nature of the business in which Shouse Farms is involved, which is seasonal. It is understood that demand charges could be based on

the highest level of usage during a period, but that period of usage or standard continues for other customers throughout the course of the year and does not for the Shouse Farms.

It should be noted that Shouse Farms went to great expense to have the utilities run to its particular facility and the application of the demand charge against the customer throughout the course of the entire year cannot be justified, nor would it pass, in our opinion, legal muster. KU did not pay anything in the running of the line to our client's farming operation. That undertaking was paid for by Shouse Farms. As a direct result, the demand charge would be collecting something other than any fixed charge that would exist with respect to this particular customer because Shouse Farms paid for running of the service to its property. This is tantamount to gouging.

For these reasons, we respectfully request you reconsider Mr. David Shouse's request for an adjustment; otherwise, we intend to seek legal redress.

Respectfully,

WOMACK LAW OFFICE, LLC

Zack N. Womack

ZNW:cn

c: David Shouse

*Honorable David J. Barberie Managing Attorney Lexington-Fayette Urban County Government Department Of Law 200 East Main Street Lexington, KENTUCKY 40507 *Larry Cook
Assistant Attorney General
Office of the Attorney General Utility & Rate
1024 Capital Center Drive
Suite 200
Frankfort, KENTUCKY 40601-8204

*Honorable Lindsey W Ingram, III Attorney at Law STOLL KEENON OGDEN PLLC 300 West Vine Street Suite 2100 Lexington, KENTUCKY 40507-1801

*Honorable David F Boehm Attorney at Law Boehm, Kurtz & Lowry 36 East Seventh Street Suite 1510 Cincinnati, OHIO 45202 *Honorable W. Duncan Crosby III Attorney at Law Stoll Keenon Ogden, PLLC 2000 PNC Plaza 500 W Jefferson Street Louisville, KENTUCKY 40202-2828

*Kentucky Utilities Company 220 W. Main Street P. O. Box 32010 Louisville, KY 40232-2010

*Andrea C Brown Lexington-Fayette Urban County Government Department Of Law 200 East Main Street Lexington, KENTUCKY 40507 *Gregory T Dutton
Assistant Attorney General
Office of the Attorney General Utility & Rate
1024 Capital Center Drive
Suite 200
Frankfort, KENTUCKY 40601-8204

*Stefanie J Kingsley
Assistant Attorney General
Office of the Attorney General Utility & Rate
1024 Capital Center Drive
Suite 200
Frankfort, KENTUCKY 40601-8204

*David Brown Stites & Harbison, PLLC 1800 Providian Center 400 West Market Street Louisville, KENTUCKY 40202 *Gardner F Gillespie Sheppard Mullin Richter & Hampton LLP 1300 I Street NW 11th Floor East Washington, DISTRICT OF COLUMBIA 20005 *Honorable Michael L Kurtz Attorney at Law Boehm, Kurtz & Lowry 36 East Seventh Street Suite 1510 Cincinnati, OHIO 45202

*Joe F Childers
Joe F. Childers & Associates
300 Lexington Building
201 West Short Street
Lexington, KENTUCKY 40507

*Angela M Goad
Assistant Attorney General
Office of the Attorney General Utility & Rate
1024 Capital Center Drive
Suite 200
Frankfort, KENTUCKY 40601-8204

*Amanda M Lanham Sheppard Mullin Richter & Hampton LLP 1300 I Street NW 11th Floor East Washington, DISTRICT OF COLUMBIA 20005

*Jody Kyler Cohn Boehm, Kurtz & Lowry 36 East Seventh Street Suite 1510 Cincinnati, OHIO 45202 *Janet M Graham
Commissioner of Law
Lexington-Fayette Urban County Government
Department Of Law
200 East Main Street
Lexington, KENTUCKY 40507

*Rick E Lovekamp Manager - Regulatory Affairs LG&E and KU Energy LLC 220 West Main Street Louisville, KENTUCKY 40202

*Robert Conroy LG&E and KU Energy LLC 220 West Main Street Louisville, KENTUCKY 40202 *C Harris
Spilman Thomas & Battle, PLLC
1100 Brent Creek Blvd., Suite 101
Mechanicsburg, PENNSYLVANIA 17050

*Honorable Matthew R Malone Attorney at Law Hurt, Crosbie & May PLLC The Equus Building 127 West Main Street Lexington, KENTUCKY 40507 *Don C A Parker Spilman Thomas & Battle, PLLC 1100 Brent Creek Blvd., Suite 101 Mechanicsburg, PENNSYLVANIA 17050 *Honorable Robert M Watt, III Attorney At Law STOLL KEENON OGDEN PLLC 300 West Vine Street Suite 2100 Lexington, KENTUCKY 40507-1801

*Honorable Kendrick R Riggs Attorney at Law Stoll Keenon Ogden, PLLC 2000 PNC Plaza 500 W Jefferson Street Louisville, KENTUCKY 40202-2828 *Laurie Williams
Associate Attorney
Sierra Club
50 F Street, NW, Eighth Floor
Washington, DISTRICT OF COLUMBIA 20001

*Casey Roberts Staff Attorney Sierra Club 85 Second St. Second Floor San Francisco, CALIFORNIA 94105 *Derrick P Williamson Spilman Thomas & Battle, PLLC 1100 Brent Creek Blvd., Suite 101 Mechanicsburg, PENNSYLVANIA 17050

*Honorable Iris G Skidmore 415 W. Main Street Suite 2 Frankfort, KENTUCKY 40601

*Ed Staton LG&E and KU Energy LLC 220 West Main Street Louisville, KENTUCKY 40202

*Honorable Allyson K Sturgeon Senior Corporate Attorney LG&E and KU Energy LLC 220 West Main Street Louisville, KENTUCKY 40202

*Janice Theriot Zielke Law Firm PLLC 1250 Meidinger Tower 462 South Fourth Avenue Louisville, KENTUCKY 40202