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TO: Public Service Commission of Kentucky  
ABOUT: LG&E / KU Residential Rate Restructure  
REFERENCE: Cases 2014-00372 and 2014-00371

Feb. 24, 2015

Dear Members of the Kentucky Public Service Commission:

This is a letter Opposing the LG&E/KU Residential Rate Restructuring in which I am asking the Kentucky Public Service Commission (PSC) to reject the proposed 67% (!!) increase in the fixed charges imposed on residential customers as asked in filings by LG&E and KU. My first objection is that this increase of **fixed charge**, from \$10.75 per month to \$18.00 per month will be a fierce imposition on the poorer residents of the state as well as those who are attempting to conserve energy by using less.

Secondly, it doesn't take much thought to realize that this move will also serve to discourage, perhaps stifle, further development of efficient means of creating energy and especially clean renewable energy. It is clear that these companies fear loss revenue from the growing interest and investment in renewable energy and have devised a means to maintain their high return on their own investment.

The conclusion is that this is a patent "jobs" killer! Presently the market for creation and installation of renewable energy has grown remarkably. This move on the part of these companies will slow that growth of business and the jobs associated with manufacture, installation, servicing and development. In this state the creation of work opportunities is a high priority and I should think that the PSC will seriously consider the negative impact of this rate increase on the growing businesses.

Increasing the rates in this manner is plain simple-headedness. Surely the structure can be devised to ensure both returns to the utility, and, at the same time, encourage efficiency, demand-control, and adoption of renewable forms of energy. Increasing the customer fixed charge is the antithesis of any such enlightened rate structuring approaches, especially when coupled with a reduction in the per KWh charge, as LG&E proposes. This latter move would only encourage those people who use a lot of energy to use even more of it. This is patently not what should be happening when we think about the eventual Clean Power Plan of the EPA. When that happens things would have to be turned back around and you know how hard that is!

While the original intent of the fixed customer charge was to pay only the costs associated with metering and sending bills, these utilities now seek to expand the customer charge far beyond its original purpose. Expanding the customer charge, as LG&E and KU seek to do, is both misguided and abusive of the regulatory structure.

We therefore urgently ask the PSC to deny this large increase in the fixed residential customer charge proposed by LG&E and KU, and firmly request that a more just rate structure be preserved.

Sincerely,  
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