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PUBLIC SERVICE  
COMMISSION

April 15, 2015

Public Service Commission  
211 Sower Blvd.  
Frankfort, KY 40601

RE: Comment on Case Numbers 2014-00372 and 2014-00371

Dear Members of the Public Service Commission:

On behalf of the membership of the Homeless & Housing Coalition of Kentucky, I ask the Kentucky Public Service Commission (PSC) to reject the filings by LG&E and KU which propose a 67 percent increase in the residential customer fixed charge, from \$10.75 per month to \$18.00 per month. (**Case numbers 2014-00372 and 2014-00371**). This restructuring of rates and charges will stifle energy efficiency and clean renewable energy.

Increasing the residential customer charge by 67 percent, as LG&E and KU propose to do, will impose inordinate increases on low-income households who must conserve, and on those who have incorporated energy efficiency or renewable energy measures for economic or environmental reasons. A higher customer charge will also short-circuit utility efficiency programs and stifle the growth of the many businesses who manufacture, install or service energy efficiency and renewable energy technologies. This rate change also counteracts the efforts of our partner agencies who develop and/or rehabilitate affordable housing for low-income Kentuckians. They have made energy efficiency a priority in their work, especially because it significantly reduces the housing cost burden for their clients. This proposed increase in the base customer charge will minimize the impact of those energy efficiency efforts in terms of housing cost reduction,

Rates can be structured to ensure both adequate returns to the utility and, at the same time, send price signals to the rate payer that 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.

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.

The Homeless & Housing Coalition asks the PSC to deny this large increase in the fixed residential customer charge proposed by LG&E and KU, and firmly requests that a more just rate structure be preserved that will encourage and support energy efficiency efforts that can reduce housing costs for low-income Kentuckians.

Sincerely,

Curtis A. Stauffer, Executive Director

**306 W. Main Street, Suite 207, Frankfort, KY 40601**  
**502-223-1834 ~ fax 502-226-4968**  
**[www.hhck.org](http://www.hhck.org)**