

From: [Melnykovich, Andrew \(PSC\)](#)
To: [REDACTED]
Subject: your comments in case number 2014-372 - LG&E rates
Date: Friday, March 13, 2015 4:35:30 PM

Dear Mr. Schott :

Your letter to Governor Beshear regarding the above-referenced matter has been received and will be placed into the case file for the Commission's consideration.

For your future reference, the case number in this matter is 2014-00372. It would be helpful if you would please refer to it in any further correspondence.

The application and other documents in this case are available at
http://psc.ky.gov/PSC_WebNet/ViewCaseFilings.aspx?Case=2014-00372

Thank you for your interest in this matter.

Andrew Melnykovich

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RECEIVED
By Kentucky PSC at 4:41 pm, Mar 13, 2015

Cliff and Jean Schott
5907 Lake Huron Ct.
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December 24, 2014

Honorable Steve Beshear
Gov. Commonwealth of Kentucky
Frankfort, Kentucky

Dear Gov. Beshear:

First off, I want to say, you and your lovely wife are a class act of great magnitude. I am 82, and have been a lifelong Kentuckian. In that time I have seen many governors and their families, but you two are one of the best. May God Bless you both and hold you in the Palm of His Hand all the days of your lives.

I am writing about the proposed rate hike that LG.&E/KU is proposing on the citizens of this Commonwealth. I find this very disturbing. They state on their website that one of the reasons needed is to offset the costs of EPA mandates. Another, for future expansion. Currently they are guaranteed a certain percent for operating expenses and another percentage for profit. Where can they go wrong.

In my working years I was in the trucking business. If we wanted to expand or add new equipment, we had to do it out of our profits. If we raised our rates to accomplish this, we would lose our customer base, and lose all profits. We had to know where to draw the line. These people, without any competition have no limitations

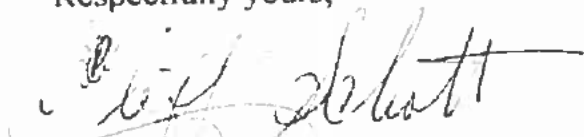
\$1.50 a month for gas, and was raised several times over the years.

When the German company bought out LG&E, they raised this rate several more times, and after much complaining by the customers, this charge was re-named 'Meter or Service Charge'. But it was the same charge, and they took these profits home to Germany, and Kentucky received nothing. The current owner, PPL, has been able to get this charge raised to the current level of \$10.75 for electric and \$13.50 for gas service, and again no product or service is provided for these charges. PPL takes these profits to Pennsylvania. Kentucky gets nothing. Now they want another raise for doing nothing. This is ALL profit. We get nothing for paying these charges. It is ridiculous! As to the EPA mandates, they have a separate 'Environmental Surcharge' tacked on the bill. LGE/KU is never out one penny. Another kick in the head is they sell power in other states, and we Kentuckians bear the EPA & future expansion charges for this.

LG&E/KU has a customer base of nearly one million in the Commonwealth. These two (2) figures combined are \$24.25. This is charged each customer monthly. On an annual basis, this is almost a quarter of a billion dollars they are collecting, and providing no product or service. Who is in charge of the Public Service Commission that is suppose to be watching out for and protecting the citizens of this Commonwealth. Something is wrong here. Everything is in favor of the corporation, not us Kentuckians.

I am enclosing a copy of my current LG&E statement and an article from The Danville Advocate Messenger. I have no idea what to do about these charges or how to protest these raises. I will greatly appreciate your having this looked into.

Respectfully yours,



Clifford C. Schott Jr.

Proposed Kentucky Utilities rate hike might hit poor hardest

By Todd Kleffman
The Advocate-Messenger

When Milton Scarborough received notice last week that Kentucky Utilities is seeking a 9.6 percent rate increase next year that would raise the average residential bill by \$11 a month, red flags went up.

It's not that Scarborough, a Centre College professor, is concerned that his electric bill will grow beyond his means if the rate hike is granted. As a board member for Family Services in Danville, he worries about the impact such an increase would have on those who already are struggling to pay their bills.

"Energy costs are the largest expenditures for clients that we have," Scarborough wrote to fellow Family Services board members. "An increase, especially one of that scale, would be a serious blow to the poor."

Scarborough wrote a letter to the Kentucky Public Service Commission, which will rule on KU's request, urging the panel to deny the higher rate and asked his fellow board members to consider doing the same.

Crystal McPherson, executive director of Family Services, said the agency, which provides help to local residents experiencing short-term financial crises, has paid nearly \$47,000

so far this year to KU and InterCounty Energy to keep the power on for those who are behind on their bills.

"It is the biggest line item in our budget every year," McPherson said of payouts to utility companies. "We send more money to KU every year than we spend operating this office; it's more than our overhead costs."

On its website, KU states that one of the main reasons it needs more money is to offset the costs of new environmental mandates from the EPA. The company is phasing out some of its oldest coal-fired plants, rehabbing others to meet the new standards and converting one facility to natural gas.

KU points out that even with the proposed increase, the rate it would charge per kilowatt hour — 10.5 cents — would still be below the national residential average of 12.4 cents.

McPherson said many of Family Services' clients are elderly or otherwise on fixed incomes and rely on government checks that come once a month. That schedule can lead to being delinquent on utilities bills and being assessed a late fee. The higher the monthly bill, the higher the late fee, she explained, so an \$11-a-month increase on a utility bill is likely to leave more people in need of assistance to pay that bill, and having to pay more to keep their power on if they fall behind.



Customer Service:
Telephone Payments:
Walk-In Center:
Online Customer Self-Service:

1-502-589-1444 (M-F, 7 a.m. to 7 p.m. ET)
1-502-589-1444; press 1-2-3
(24 hours a day; \$2.25 fee)
Open Mon-Fri 8 a.m. to 5 p.m. ET
www.lge-ku.com (24 hours a day)

DUE DATE	Pay This Amount
01/05/15	\$139.00

a PPL company

Late Payment Fees will be applied to current charges if the current amount due is not received in full by the payment due date on this bill even if payment arrangements have been made. Please have your account number available when calling to discuss your account.

Averages for Billing Period	This Year	Last Year
Average Temperature	41°	45°
Number of Days Billed	30	34
Electric/kwh per day	21.3	20.8
Gas/ccf per day	2.6	2.0



ACCOUNT INFORMATION	
Account Number:	[REDACTED]
Account Name:	CLIFFORD C SCHOTT
Service Address:	5907 Lake Huron Ct Lot 80 LOUISVILLE KY
Next Read Will Occur:	01/06/15 - 01/08/15
Date Bill Mailed:	12/08/14 (Meter Read Portion 04)

BILLING SUMMARY	
Previous Balance	139.00
Payment(s) Received 11/6 - 12/6	-139.00
Balance as of 12/6	0.00
Current Electric Charges	69.12
Current Gas Charges	76.53
Current Taxes and Fees	1.39
Current Charges as of 12/6	147.04
Budget Amount	139.00
Total Amount Due	139.00

ELECTRIC CHARGES

Rate Type: Residential Electric Service	
Basic Service Charge	10.75
Energy Charge (\$0.08076 x 840 kWh)	51.69
Electric DSM (\$0.00543 x 640 kWh)	3.48
Electric Fuel Adjustment (\$-0.00097 x 640 kWh)	-0.62
Environmental Surcharge (5.460% x \$65.30)	3.57
Home Energy Assistance Fund Charge	0.25
Total Electric Charges	\$69.12

Meter Reading Information	
Meter # 674301	
Actual Reading on 12/5/14	90015
Previous Reading on 11/5/14	89375
Current kwh Usage	640
Meter Multiplier	1
Metered kwh Usage	640

GAS CHARGES

Rate Type: Residential Gas Service	
Basic Service Charge	13.50
Gas Distribution Charge (\$0.26419 x 79 ccf)	20.87
Gas Supply Component (\$0.56128 x 79 ccf)	44.34

Meter Reading Information	
Meter # 132424	
Actual Reading on 12/5/14	5113
Previous Reading on 11/5/14	5034

Please see reverse side for additional charges.

GAS CHARGES (cont)

Weather Normalization Adjustment (\$0.26419 x -18.133 ccf)	-4.79	Current ccf Usage	79
Gas DSM (\$0.01623 x 79 ccf)	1.28	Meter Multiplier	1
Gas Line Tracker	1.08	Metered ccf Usage	79
Home Energy Assistance Fund Charge	0.25		
Total Gas Charges	\$76.53		

TAXES AND FEES

Franchise Fee-Louisville	1.39
Total Taxes and Fees	\$1.39

BILLING INFORMATION

Late Charge to be Assessed After Due Date	\$4.17
Actual billings to date	\$244.79
Budget Roll-In	\$0.00
Budget payments received to date	\$139.00
Budget amount	\$139.00
Actual account balance after paying this bill	\$33.21 CR
Budget settle month	October

IMPORTANT INFORMATION

The power to save. It's in your hands. The amount of electricity you consumed during this billing cycle resulted in the production of approximately 1,280 pounds of CO₂ (carbon). A typical residential customer uses 1,000 kilowatt hours of electricity per month, which would result in the production of 2,000 lbs. of carbon. Visit our website at www.lge-ku.com/savingenergy for energy-saving tips designed to help you better manage and lessen the environmental impact of your energy usage.

For a copy of your rate schedule, visit www.lge-ku.com or call our Customer Service Department.

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