Matthew G. Bevin Governor

Charles G. Snavely 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

June 9, 2017

PARTIES OF RECORD

Re: Case No. 2016-00370 and 2016-00371 Minutes of the Information Session and Public Meeting Jefferson Community and Technical College April 11, 2017

Attached is a copy of the memorandum summarizing the public meeting held April 11, 2017, in Louisville, Kentucky, which is being filed in the record of the above-referenced case. If you have any questions, please contact David Spenard, Staff Attorney, at 502-782-2580.

Sincerely,

R. Mathems

Talina R. Mathews **Executive Director**

DES/ph

Attachments

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Michael J. Schmitt Chairman

> **Robert Cicero** Vice Chairman

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY UTILITIES COMPANY FOR AN ADJUSTMENT OF ITS ELECTRIC RATES AND FOR CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY))))	CASE NO. 2016-00370
ELECTRONIC APPLICATION OF LOUISVILLE GAS AND ELECTRIC COMPANY FOR AN ADJUSTMENT OF ITS ELECTRIC AND GAS RATES AND FOR CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY)))))	CASE NO. 2016-00371

MINUTES OF THE INFORMATION SESSION AND PUBLIC MEETING JEFFERSON COMMUNITY AND TECHNICAL COLLEGE HEALTH SCIENCES HALL LOUISVILLE, KENTUCKY APRIL 11, 2017, 5:30 P.M.

A public information session and public meeting was held at Jefferson Community and Technical College, Health Sciences Hall, in Louisville, Kentucky, on April 11, 2017. Andrew Melnykovych, Director of Communications for the Public Service Commission, conducted the information session introducing the Commission and Commission Staff, and he explained the procedure and protocol for the information session and public hearing. Mr. Melnykovych then presented an overview of the legal basis, criteria and review process for the Commission's consideration of applications for proposed rate increases. The presentation included a general overview of the instant application, explained which aspects of this case are within the Commission's jurisdiction, and concluded with a question-and-answer period.

At the conclusion of the information session and after a short intermission, Vice Chairman Robert Cicero, initiated the public hearing portion of the meeting. Commissioner Daniel E. Logsdon, Jr., was also in attendance at the public hearing portion of the meeting. Vice Chairman Cicero provided a brief overview of the case at bar and the parties involved, and explained the procedure and protocol for the taking of comments. Vice Chairman Cicero then invited the public to make comments to the Commission regarding Louisville Gas and Electric Company's ("LG&E") application for an adjustment in rates to increase adjusted annual revenue from electric rates by approximately \$93.6 million, an adjustment in rates in increase adjusted annual revenue from gas rates by approximately \$13.8 million, a Certificate of Public Convenience and Necessity ("CPCN") for full deployment of Advance Metering Systems ("AMS"), and a CPCN for a Distribution Automation ("DA") project. Vice Chairman Cicero stated that the Commission would also receive comments on Kentucky Utilities Company's ("KU") application in Case No. 2016-00370. The following individuals spoke¹ at the public meeting:

1. <u>Robert DeVore:</u> Mr. DeVore thanked the Commission for Mr. Melnykovych's presentation. He stated the proposal will hurt local businesses and families, especially families with fixed incomes. He stated many businesses have closed due to increases in electric utility rates. He stated improving relationships with businesses would help LG&E add more customers and lower the costs.

¹ These Minutes summarize the comments of each speaker. The complete comments of each speaker are available for review in the video recording of the public meeting that is in the public record for the case.

2. <u>Victoria Markell</u>: Ms. Markell indicated she was speaking on behalf of The Louisville League of Women Voters, which has reviewed the proposed rates. She stated the League opposes the rates because they discriminate through increasing fixed costs for low-income and fixed income residents. She stated consumers cannot control their bill based on usage if fixed costs are increased. She stated the policy is not just, reasonable, or fair.

3. Jack Morris: Mr. Morris stated he was following the rate increase proposal and had reviewed the case. He stated LG&E is in a capital-intensive business and the real problem is they have too much capital equipment for their projected revenue. He stated the Commission should calculate the capital base necessary to give LG&E a fair return. He stated the transition to natural gas and renewable sources will result in another huge capital bill. Mr. Morris stated he does not understand the AMS and DA business cases and they seem convoluted. He stated the utilities hope that the technologies will reduce their operating expenses and any customer benefit is accidental. He stated the projects only add to the problem with the capital/revenue imbalance. Mr. Morris stated the utilities have a belief that home solar generators are not paying their fair share of distribution expenses. He stated he does not trust any cost estimates provided by utilities regarding renewable generation because utilities have a vested interest in the outcome and should, therefore, not be allowed to determine the value of renewable power. He stated the Commission should be a neutral arbitrator in establishing the value of solar and wind. He stated the Commission should include social costs in determining whether the utility is generating energy in the most costeffective way. He stated encouraging conservation is as valid a goal in structuring rates

-3-

as eliminating inter-class subsidies. He stated doubling the fixed monthly charge and lowering the volumetric charge does not encourage conservation.

4. <u>Maria Schrenger</u>: Ms. Schrenger stated she was speaking on behalf of children, the poor, and the elderly. She stated the proposal will have a great impact on these people. She stated it costs, currently, \$24.25 to have gas and electricity and under the proposal the amount will be raised to \$46.00, an increase of \$21.75. She stated the proposal will hurt poor people and those who work for minimum wage. She stated it is sad that LG&E is run for profit. She stated there are over 100,000 students in the Jefferson County public school system, 64 to 75 percent of the students are on free and reduced lunch, so there is a lot of poverty in Louisville. She stated jobs are difficult to find and the proposal will hurt children.

5. Jodie Goldberg: Ms. Goldberg stated she shared sentiments expressed by prior speakers, in particular, the view that there is a lack of energy efficiency in the proposal. She stated the CEO of LG&E and KU makes about \$2,300 per hour as compared to a \$20 per hour wage for an average Jefferson County worker. She stated the proposal undermines energy efficiency and the welfare of the least of us.

6. <u>Karen Fink</u>: Ms. Fink stated the fixed rate proposal is a serious mistake and shortsighted. She stated the average Social Security check is \$1,369 a month and that in the United States for unmarried people, that amount represents 90 percent of their income. She stated while it may not seem like a lot of money to add to the fixed portion of the electric bill, people will have to take this extra money out of their money for food, medical, and transportation funds. She stated the proposal will affect their quality of life. She stated LG&E has enough money to pay its CEO well, contribute to

-4-

political campaigns, and advertise all of their benefits. She stated people on limited income or fixed income are stuck with a monopoly, and it is morally reprehensible to double the fixed rate for every meter because they do not have an option for a different provider. She stated a customer can do something to decrease usage but cannot do anything about the doubling of a fixed charge.

7. Lonnie Fink: Mr. Fink stated he had recently seen an advertisement on television that LG&E had some of the lowest rates in the nation. He stated increasing the meter rate is an injustice. He asked the Commission raise to the usage rate and leave the fixed rate alone.

8. <u>Cathy Smock</u>: Ms. Smock stated he is a member of the Board of Directors of the Louisville Climate Action Network. She stated conservation and alternative energy sources are the low-hanging fruit and take the least amount of effort and investment. She stated harvesting of low-hanging fruit should be encouraged and promoted because it buys time, time to anticipate and pay for the expensive fruit such as holding back the oceans and moving back cities from the oceans. She stated a rate base that encourages conservation and promotes investment in alternative energy sources is the only common sense and moral rate base. She encouraged the Commission to make a decision based upon these issues.

9. <u>Sarah Lynn Cunningham</u>: Ms. Cunningham stated she is the Executive Director of the Louisville Climate Action Network. She stated she is a foster mother and her foster son earns about \$10.00 per hour. She stated her foster son lives in a small house and does not use a lot of power. She stated the rate change will cost her foster son three hours of work a month to make-up for the increase even though he has not

-5-

change how much power or gas he is using. She stated the result is a social injustice and that people at the bottom end of the spectrum who work so hard are paying disproportionately. She stated people talk about taking personal responsibility in this society, and people can take some personal responsibility over their usage. Ms. Cunningham stated people cannot take personal responsibility over fixed service charges and that is why she thinks it is an injustice to remove a tiny portion off of the usage fee and place it on the service fee. She stated it is her understanding that the Commission is required to ensure that LG&E provides power to the customer at the least cost and she submits that it [least cost] is energy efficiency. She stated LG&E has many demand side management programs available to its customers, LG&E's customers have been paying for those programs to help people be energy efficient, and it makes no sense to undercut the investment. She stated the part about guaranteeing shareholder value makes no sense to her because she has always heard that utility stocks are widow and orphan stocks because they are so reliable. She stated she is an environmental engineer and works with clients to help them to reduce their costs and environmental impact by using less energy, and the proposed rate change undercuts energy efficiency efforts. She discussed investments in her home that have pushed her consumption down and stated she will now pay extra if the proposal is approved while people who use more energy will pay a smaller fraction of the rate increase. She stated the result is regressive and nonsensical. She stated the Commission can consider public policy and public values in making decisions, and she asked that the Commission not take a regressive step.

10. <u>Kate Cunningham</u>: Ms. Cunningham stated having the same fee for a 1,500 square foot and a home two or three times its size is not fair, just, and reasonable. She stated she should not pay a higher meter service fee to subsidize customers who are not a frugal, and she stated that she had contributed to the LG&E grid by installed solar panels that, in some months, generate more energy than her own usage requires. She stated LG&E should cut waste, tighten its belt, and become more efficient.

11. <u>Conner Allen</u>: Mr. Allen stated the Commission should reject the rate increase because the proposed structure is counter to the statutory obligation for rates to be fair, just and reasonable. He stated most people forced to limit their energy usage do it because they are poor and cannot afford to pay more in energy costs. He stated most poor people would like to use more energy and do not limit their usage for environmental reasons. He stated the proposal will disproportionately affect people who are forced to conserve their energy usage. Mr. Allen stated the overall rate would go down for some customers who use more energy because the variable rate is reduced and this is extremely unfair to low-income customers who use less energy. He stated LG&E has the discretion to propose a rate structure that increases variable costs that would affect people at all income levels equally. He stated the proposed rate structure is unfair to low-income individuals and asked the Commission to reject it.

12. <u>Thomas Pearce</u>: Mr. Pearce thanked the Commission for listening to his comments. He stated he opposes the proposal because it will hurt low-income people the most, limit the freedom to choose sustainable, renewable energy, and reduce the likelihood of homeowners investing in energy efficiency. He stated he would be

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required to choose between his utility bill, food, and medicine. He stated renters in small housing units will be forced to pay the same fixed rate as someone in a mansion. He stated it was the second proposal in two years and asked the Commission to deny the rate increase and not pad LG&E and KU's profits.

13. <u>Mary Love</u>: Ms. Love thanked the Commission for listening to comments regarding the proposal. She discussed legislative efforts concerning net metering and the solar industry in Nevada. She stated net metering would decimate solar energy. She stated the increase in base rates that LG&E is requesting will have the same effect and discourage homeowners and businesses from installing solar or improving energy efficiency. She stated the base rate increase and the lower per kilowatt would mean it is no longer cost-effective to reduce energy usage. She stated LG&E is investing in solar energy and it looks like LG&E is trying to keep the advantages of clean solar energy to itself alone. She stated lower income families will suffer the most. She asked the Commission to reject the proposal and deliver a fair solution that keeps bills as low as possible, supports a transition to clean energy, and allows us all to breathe easier.

14. <u>Barry Zalph</u>: Mr. Zalph thanked the Commission for listening to his comments. Mr. Zalph is a retired engineer with experience in conservation and energy policy issues. He stated that, while he has nothing against cost recovery, the current proposal needs some work. He stated he had quantified the effects of the proposal for electric rates, and on a dollars per year basis, the average LG&E customer will experience a \$110.00 increase, the LG&E customer who uses 3-times the average will experience a \$75.00, and the LG&E customer who uses 5-times the average will experience a \$35.00 increase. He stated on a percentage basis a person on the low

-8-

end of the usage curve will experience an increase of approximately 35 percent while a person who uses 5-times the average will experience an increase of less than one percent. He stated the curves were approximately the same for LG&E's proposed gas rates. Mr. Zalph stated he receives in just about every LG&E bill an insert telling him the virtues of energy conservation and peak demand reduction. He stated the inserts give good suggestions and that LG&E has sound demand side management programs many of which he has advocated for in a prior job. He stated people who have made changes in response to these programs, such as installing solar and insulating their houses, stand to experience the biggest increases.

15. <u>Kathy Little</u>: Ms. Little thanked the Commission for the opportunity to speak. She stated she lives near LG&E's Cane Run plant and that her concern is for the least of us. She stated raising and restructuring rates will be an extreme hardship on retirees and low-income families. She stated she has spoken to individuals in their seventies and eighties, and they are frightened. She stated some people are not able to attend the public meeting because they are physically unable and further that these people have small voices, little money, and wield no power in the community. She stated many homes are not energy efficient and rate restructuring will harm the payback for energy efficiency and solar projects. She stated LG&E's proposal would put the biggest cost increases on lower and middle-income households. She stated the proposal is not fair, just, or reasonable, and she asked the Commission to reject LG&E's request to raise and restructure its gas and electric rates.

16. <u>Jean Christensen</u>: Ms. Christensen stated raising the fix charge will be a hardship on limited or fixed-income customers, discourage the expansion of the electric

-9-

bus fleet, and halt the decline in days of hazardous pollution. She stated having healthy air is a citizen's right and LG&E should take air quality into consideration. She stated LG&E's status as a monopoly should make it more conscientious on public health issues. She stated the proposal will discourage people from reducing energy consumption by investing in green energy, and she resents the fact that her return on investment from installing solar panels will be significantly reduced. She stated that arguments regarding smart meters and conservation pales in the face of conservation through solar panels. She stated smart meters will result in job cuts which are not a positive development overall. She asked the Commission to reject the proposal and to think instead of the transition to clean energy and creating a healthy environment for all of us.

17. <u>Ben Evans</u>: Mr. Evans thanked the Commission for listening to his comments. He stated doubling the flat fee will hurt the customers who are least able to afford it. He stated it will also disincentivize energy efficiency and hamstring investment in renewables. Mr. Evans discussed what a business plan for energy generation would be like if a company was adopting a mission to utilize renewable energy and energy efficiency as rapidly, fully, widely, and affordably as possible. He stated if we want to avoid catastrophic climate change, utilizing renewable energy and energy efficiency should be LG&E's guiding mission. He stated he wants truly sustainable energy provided in a way that is affordable to all. He asked the Commission to reject the rate increase proposal.

18. <u>Greg Erskine</u>: Mr. Erskine thanked the Commission for its time. He stated he begrudges LG&E's shareholders for asking the poorest among us to take on

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this rate increase and it is worth noting that LG&E's parent company, PPL, had net income of \$682 million in 2015 and \$1,902 million in 2016. He stated he understands that shareholders must get their money, but he asked that LG&E not take it from the poorest among us, people who are trying to save through solar, or the people who are trying to be thrifty. He stated he is captive to the rate increase and asked the Commission not to support the increase.

19. Wallace McMullen: Mr. McMullen stated he is an AARP member and was speaking as a volunteer for 89,600 members living in Jefferson County, virtually all of whom are LG&E customers. He stated the rate restructuring is very bad policy and will harm a majority of customers especially small residential customers who are often in the same situation as AARP members. He stated a higher fixed cost is unfair and will disproportionately burden those who cannot change their usage very much. He stated the proposed slightly reduced usage charge benefits large customers who use a lot of kilowatt hours each month. He stated LG&E is proposing to rob the poor to subsidize the well-off. Mr. McMullen stated the Commission has gone on record multiple times supporting efficient use of electricity and fossil fuels and efficiency programs to achieve those goals. He stated the proposed reduction in the usage rate creates the incentive to use more not less electricity. He stated the expected effect of the rate restructuring is to eliminate the positive efforts of 18 years of implementing efficiency programming. He urged the Commission keep the mandatory charge as is. He stated LG&E does not need new meters because the current meters work, and the new meters will not improve lives but only increase bills. He stated the proposal discourages efficiency, clean energy, and solar installation, will hurt low income people, and will make it harder

-11-

to move toward a clean energy economy. He asked the Commission not to approve the proposal.

20. <u>Betsy Bennett</u>: Ms. Bennett asked the Commission to reject an anticonsumer proposal to raise basic fixed charges. She stated the proposal rewards customers who waste energy at the expense of those who conserve energy or invest in clean energy or energy efficiency. She stated low-income customers will be hit the hardest and that the proposal is unjust, unfair, and unreasonable.

21. <u>Judy Lyons</u>: Ms. Lyons stated the proposal is the most unfair and regressive kind of rate increase that could be done. She stated it is reprehensible to increase fixed rates for poor and fixed income customers instead of rewarding customers who conserve energy, work on efficiency, and do their best to preserve the climate. She stated she is a Sierra Club member and an environmentalist. She asked the Commission to reject the proposal.

22. <u>Eric Evans</u>: Mr. Evans thanked the Commission for the opportunity to speak and stated he was conveying comments on behalf of more than 470,000 AARP members in the state. Mr. Evans stated many AARP members are on fixed income or have low incomes, and the proposal would be especially hard on this group. He stated he had over 600 comments from members of his group opposed to the proposal. He stated AARP's recommendations are as follows: There should be no increase to the monthly charge; the plan to give every customer a new meter should be rejected; and the proposed rate increase is too high. He stated the customer charge should not be expanded beyond its traditional role of collecting metering and billing costs, and other costs should not be shifted for recovery through the customer charge. He stated the

-12-

proposal does not seem fair, will disproportionately affect low-income and older customers, will make it impossible for low-income people to manage utility costs, and is an unnecessary burden for all families. He stated the Commission should follow the lead of other states and permit the customers to control their own energy spending. He stated AARP agrees with the Kentucky Attorney General's positions that the rate increase is too high and the smart meter program should be rejected because it will cost \$350 million over ten years with no benefits to consumers. He stated that LG&E should continue its pilot test. He also thanked the Commission for continuing the hearing following the identification of errors in LG&E's evidence.

23. <u>Amy Husak</u>: Ms. Husak stated she lives in Louisville, is a landlord, and has been able to take an unofficial survey. She stated potential renters ask about two issues, the crime rate in the area and the LG&E bills for the unit. She stated unless you know the current tenant, you cannot find out how much the LG&E bill will be. She stated the proposal will disproportionately affect poor people and renters. She stated the Commission should reject the proposal that doubles the base rates.

24. John Cullen: Mr. Cullen thanked the Commission for holding a meeting in Louisville and allowing individuals to share their opinions. He stated he is an electrical engineer and prior speakers had provided well-informed comments. He stated proposals to eliminate incentives to conserve energy are backward. He stated his primary concern is fair housing and that low-income families can save money through using less energy. He stated high-density housing subsidizes low-density housing. He stated LG&E's proposal is poorly thought out and should be rejected.

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25. Ken Slattery: Mr. Slattery thanked the Commission for making the trip to Louisville for the meeting. He stated he had worked in the energy efficiency industry for 20 years and has seen energy usage data from homes all over the United States. He stated there is a huge difference in what homeowners pay for energy across the country. He stated there is a difference in the extent to which homeowners take advantage of energy efficiency programs, the energy efficiency of their housing stock, and the way that their utilities are embracing changes in the industry. He stated Kentucky has one of the least energy efficient housing stocks in the United States and that, historically, power in Kentucky has been inexpensive. He stated Kentucky has an enormous opportunity for energy efficiency, particularly for homes. He stated the rate structures proposed devalue and disincentivize technologies such as rooftop solar. He stated energy efficiency concerns high-skilled and well-paying jobs, and the projects at issue make sense at 10 cents per kilowatt hour but do not make a lot of sense at 8 cents per kilowatt hour. He stated energy efficiency is a big part of the solution to challenges we face as a society.

26. <u>Austin Norrid</u>: Mr. Norrid thanked the Commission for the opportunity to comment. He stated he is a teacher and his experience includes working with children from low-income families. He stated he opposes the rate increase because the rate increase can only hurt low-income families. He stated that low-income families cannot afford a doubling of the fixed rate. He stated making low-income families worse off so that richer people's bills can be lowered is unconscionable.

27. <u>Jen Petry</u>: Ms. Petry stated she is upset that LG&E has a monopoly over our utilities, LG&E may have overstated its projected costs to mislead consumers and

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raise rates more than would be justified, and particularly upset that utility companies suppress access to energy alternatives and sustainable technologies. She stated LG&E has little morality in terms of how it is going to get its money. She stated the utility industry across Kentucky profits by degrading the health of every person through cavalierly polluting our air and water. She stated Kentucky ranks number one in toxic air pollution from power plants, and she discussed pollution issues associated with coal ash and combustion waste. She asked the Commission to reject the proposal.

28. <u>Bon Snyder</u>: Mr. Snyder stated he is a former employee of LG&E. He stated the proposal will affect poor folks the most. He stated the proposal will discourage conservation and renewable energy at a time when it is taking off and can derive the most benefit. He stated if changing meters produces a financial benefit, the benefit should be included in the rate calculation. He stated that LG&E should ask itself whether it should sell more stock to fund the meter program. He stated if LG&E is having to extend gas lines much further out to wealthy subdivisions in Jefferson County, those people should pay a tap on fee commensurate with the cost to increase linear footage of line out to where they live. He thanked the Commission for extending the time for the hearing based upon the discovery of errors in LG&E's calculations. He stated his agreement in principle to a lower rate in usage at nighttime to offset the peak. He stated the proposal should be rejected.

29. <u>Amanda Fuller</u>: Ms. Fuller urged the Commission to reject the proposal. She stated she participates as an LG&E customer in demand side management programs, believed them when they said we should conserve energy, and had paid an energy efficiency consultant for assistance with her own home. She stated she has a

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solar-powered home. She stated solar is still a sound decision and is becoming competitive as the market is adjusting. She stated she does not know why we would want a policy that would interrupt adjustment. She stated we should have choices in the kinds of energy that we use. She stated that increasing the high kilowatt hour charge makes solar more affordable so that people do have more energy choices. She stated there are more solar energy jobs than coal jobs in Kentucky. She stated she does not mind buying more energy if she is using more energy or paying for infrastructure if it is clean and renewable. Ms. Fuller stated if LG&E is having trouble coming up with a rate structure that poises us for a clean future, we can help them by rejecting the proposal and remind them to make it fair and make renewables more appealing by raising the kilowatt hour rate in the event the Commission decides that LG&E needs more money. She stated that people should be provided with control over their energy bills. She stated that she volunteers for Project Warm, a nonprofit that LG&E supports. She stated she goes into the homes of elderly people who are living precariously, and Project Warm tries to make their homes energy efficient in order to reduce consumption and make their energy use more affordable. She stated LG&E knows the consequences of the proposal. She stated the investment by the families in energy efficiency are not going to save them any money, and LG&E's actions are insulting and troubling.

30. <u>Yolanda Walker</u>: Ms. Walker thanked the Commission for taking the time to listen to her. She stated she is an example of what will happen if LG&E obtains an increase in rates and is opposed to the rate increase. She stated she is a customer of LG&E and has had three meters placed on her home within one month because LG&E

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could not believe how efficient she was in her home. She stated she had a smart meter and was part of LG&E's pilot program. She stated that her bill for the previous month was \$600 when her normal bill had been in the range of \$150 to \$185 per month. She stated she has an efficient home and is unable to get any explanation from LG&E concerning why the bill increased. She stated she must pay the LG&E bill if she wants the service because she has no choice, the LG&E bill is the same amount as her rent, and having to choose between paying the LG&E bill and her mortgage is a reason why a person becomes homeless. She stated the increase could cause people to choose between medicine and paying the LG&E bill. She stated she believes in solar and wind energy and LG&E is a monopoly and leaves her with no choice. She stated the rate increase will affect low-income customers and the elderly.

31. <u>Larry Howe-Kerr</u>: Mr. Howe-Kerr stated that his comments had already been wonderfully stated by others during the meeting.

32. <u>Nancy Givens</u>: Ms. Givens thanked the Commission for holding a hearing in Louisville. She stated she is an LG&E customer and does not support the proposed rate change. She stated the proposal will disproportionately impact low-income customers, people who installed solar facilities, and LG&E has not demonstrated the need for increased profits or installation of smart meters. She stated the long-term consequences associated with energy are too important to be delegated to a for-profit corporation that has as its first priority the maximization of profits for itself. She stated the policies being set are hindering Louisville's ability to reach renewable and sustainable energy goals. She discussed an article that identifies two intersecting challenges faced by utilities: Customers' demand for choice in control over electricity

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fueling growth in distributed energy resources; and municipal governments are undertaking smart city initiatives. She stated the two challenges are current and real in Louisville. She stated LG&E is principally responsible to its shareholders and not to the benefits and goals set by the city. Ms. Givens discussed whether the needs can be addressed through a municipal utility and questioned whether needs can be addressed through LG&E. She stated the model for providing energy has changed and utilities must shift to a new model. She stated that Kentucky is falling behind. She stated the Commission should take the large view when considering the proposed LG&E rate change.

33. <u>R.C. Webber</u>: Mr. Webber stated he was President of the Smoketown Neighborhood Association and represents about 2,300 constituents, 80 percent of whom are low-income. He stated increasing the fixed cost will create a hardship for the low-income customers. He stated many of these individuals live in older housing stock that is not well insulated. He encouraged the Commission to do some modeling of what would happen if LG&E increase the usage rate rather than the fixed rate. He stated he has reviewed the impact of the proposal on his own house. He stated at 525 kilowatts the proposal increases his bill by \$21.00; at 1,000 kilowatts the proposal increases the bill by about \$20.00; and at 1,500 kilowatts the proposal increases the bill by about \$18.00. He stated smaller users are subsidizing larger users and high-density housing is subsidizing low-density housing. He questioned whether the move to smart meters is a cost center or cost cutter for LG&E. He stated increasing the fixed rate and decreasing the variable rate will encourage the use of fossil fuels and provide no

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incentives for energy efficiency and alternative fuels. He asked the Commission to consider his questions.

No other member of the public wished to make a comment. The public hearing was then adjourned. All persons in attendance were asked to sign in and provide their home address for the record. The sign-in sheet is attached hereto as Appendix A.

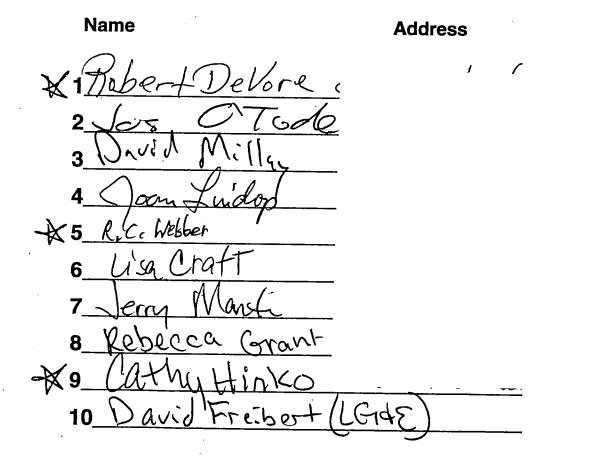
APPENDIX A

APPENDIX A TO A PUBLIC MEETING SUMMARY OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2016-00370 AND CASE NO. 2016-00371 DATED

Case No. 2016-00371 - Louisville Gas & Electric Co. rate case

Louisville - April 11, 2017

PLEASE PRINT LEGIBLY





Case No. 2016-00371 – Louisville Gas & Electric Co. rate case

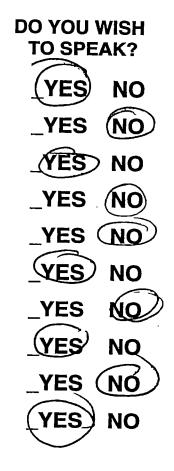
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Case No. 2016-00371 – Louisville Gas & Electric Co. rate case

Louisville - April 11, 2017

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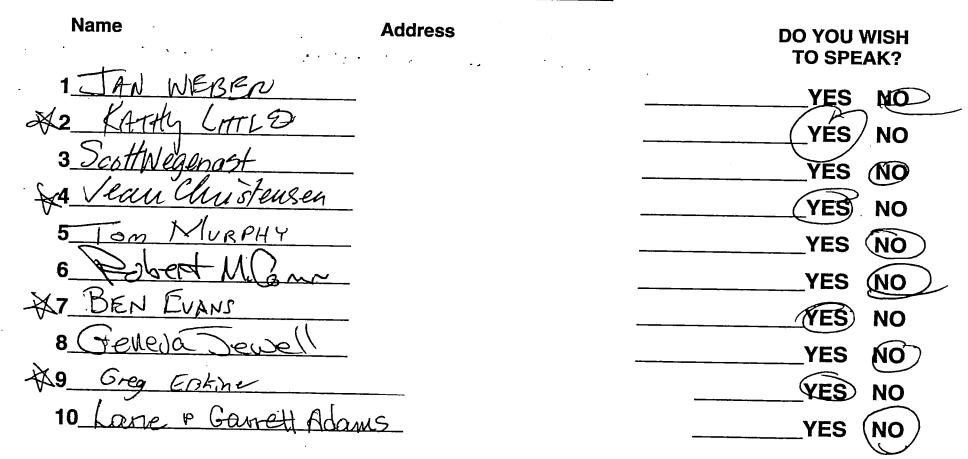
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Case No. 2016-00371 - Louisville Gas & Electric Co. rate case

Louisville - April 11, 2017

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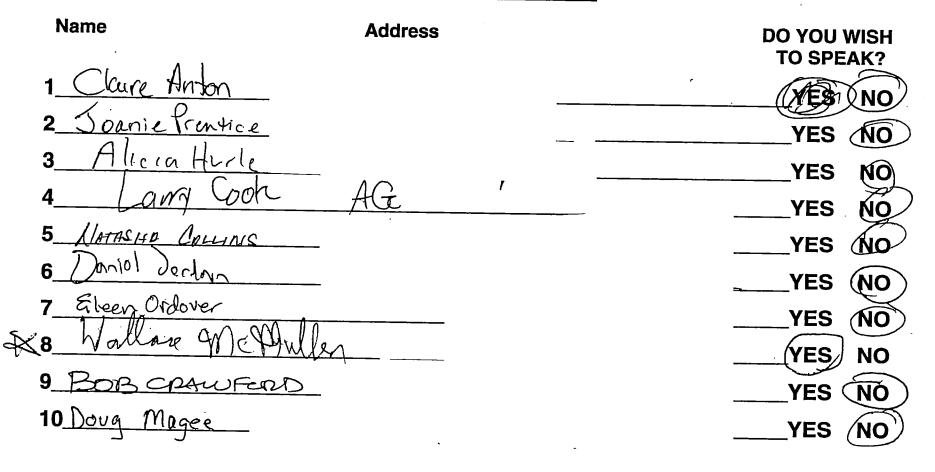
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Case No. 2016-00371 - Louisville Gas & Electric Co. rate case

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Case No. 2016-00371 – Louisville Gas & Electric Co. rate case

Louisville - April 11, 2017

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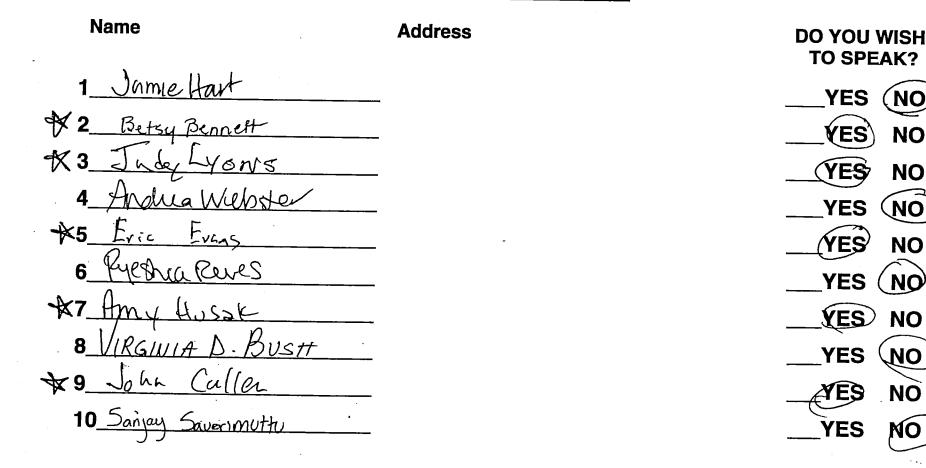
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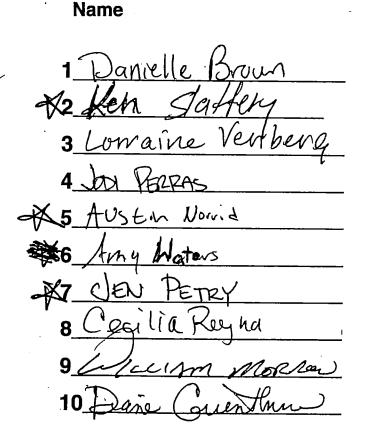


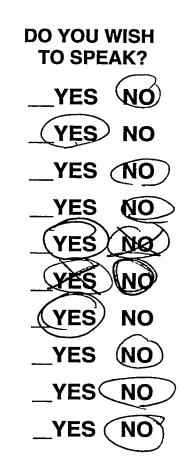
Case No. 2016-00371 – Louisville Gas & Electric Co. rate case

Louisville - April 11, 2017

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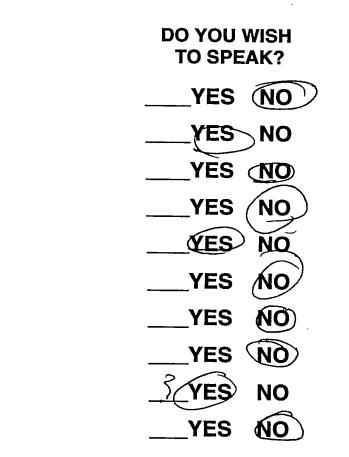
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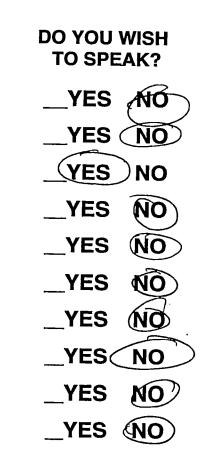
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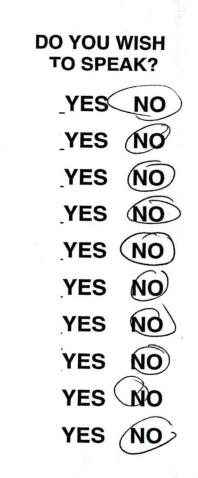
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Name	Address	DO YOU WISH
		TO SPEAK?
1 Mikala Smoth		YES NO
2 bres Agadz Luor		YES NO
3 Graham Maeko		_YES NO
4 Kevin Fahey		_YES NO
5 Andrew Schoeneck		YES NO
6 Nancy Givens		YES NO
7		_YES NO
8		YES NO
9		YES NO
.10		YES NO

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