

1804 Blue Ridge Dr.
Lexington, KY 40505
Feb. 27, 2017

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FEB 28 2017

Public Service Commission

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KU LATEST OF MANY RATE INCREASES.

It is not the responsibility of rate payers of KU in Lexington, KY or any other KY city, town or village to foot the bills of KU to teach safety to employees. If any dollars are to be spent on teaching safety to employees should come from stock holders and employees. This is like asking PSC to approve a rate increase and make rate payers foot the bill for individual rolls of toilet paper for each employee.

Their safety record must be excellent already. Do not hear of any of them being killed or injured on the job.

Hell, rate payers can not get KU employees to come and fix their own street lights in neighborhoods in Lexington, KY. No wonder their employees do not get killed or injured, they won't do any work.

If rate payers are to be responsible for and paying for KU's safety we can now bring legal action against KU and their employees if they do damage to us and our property. We can now bring legal action against KU employees when they get injured or killed on our property.

If rate payers must be responsible for safety does this free KU from paying for insurance on their employees.

They can't have their cake and eat it too. They can't collect from insurance companies and rate payers at the same time.

The news paper clipping is from the Lexington Herald Leader (Unheralded Misleader) of Feb 27, 2017. Must be safe already because they won a prize for being safe. What else do they need, more money to prove it.

The other paper is KU propaganda inserted with our latest bill. It notified rate payers of the upcoming increase in rates.



Stanley Houston

● **Louisville Gas and Electric Co. and Kentucky Utilities Co.** have been honored with two Technology Transfer Awards from the Electric Power Research Institute for achievements in research and development.

Presented annually, EPRI's Technology Transfer Awards recognize power system leaders and innovators who have helped their companies deliver safe, affordable, reliable and environmentally responsible electricity via the application of R&D in the utility industry.

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A SERVICE CHARGE WITH BENEFITS?

Last July, KU and its sister utility LG&E kicked off a \$2.2 billion investment program to improve safety, reduce outage times and enhance service to customers. The program will continue through June of 2018. In November, KU filed a request with the Kentucky Public Service Commission to recover a portion of the costs related to the new technologies and other equipment that will improve safety and reliability. KU requested that this be done through an increase in the Basic Service Charge (BSC) that will minimize the impact of extreme temperatures on energy bills. If approved by the KPSC, new rates would go into effect in July 2017.

How can a basic service charge minimize the impact of extreme temperatures on a residential monthly energy bill?

We all know that extreme temperatures throughout the year can cause energy use and bills to spike. KU's proposal to increase the BSC from \$10.75 a month to \$22 a month, combined with lowering the cents per kilowatt-hour (kWh) energy charge from \$0.089 to \$0.085 – rather than leaving the BSC at \$10.75 a month and raising the cents per kWh energy charge to \$0.095 – means customers will be better protected from wild swings in monthly bills caused by Mother Nature.

What is a basic service charge?

The BSC is a fixed minimum charge that helps defray some of the monthly administrative and fixed system costs involved in providing service to each customer, regardless of how much or how little energy is used. These costs include, but are not limited to, maintaining the meter (meter rental, reading and processing), service lines, billing and payment processing. For each meter, this charge is a fixed amount per month. The charge becomes effective when each meter is activated.

Real-world example

Let's look at the chart in the following column to see how a proposed

REAL-WORLD EXAMPLE

A High Energy Use Month:
2,358 kWh

- Current BSC with higher Energy Charge
- Proposed higher BSC with lower Energy Charge



higher BSC and a lower cents-per-kWh energy charge compares to what a customer would pay under a scenario that keeps the BSC at its current level, with a higher energy charge (\$0.095 per kWh) in a month where a customer's energy use may have doubled due to extreme temperatures.

Lessening the impact

As shown in the graph, KU's proposal would move a portion of the fixed costs (e.g. – expenses related to maintaining meters, service lines, customer service, billing and processing) into the basic service charge from where they are currently – in a customer's energy charge. This move would allow the utility to lower a customer's cents-per-kWh energy charge, which can help mitigate the bill impacts of extreme hot and cold temperatures.

Visit our website at lge-ku.com/rate-adjustment for more information about the investments LG&E and KU are making to improve safety and service.

LOOKING TO THE SUN TO PROVIDE NEW ENERGY OPPORTUNITIES

Although sunlight in Kentucky can't produce power 24/7, at KU and its sister utility LG&E, we have made – and are making – investments in that area to learn more about how solar energy can work in combination with always-available power sources like coal and natural gas.

E.W. Brown Generating Station

Less than a year ago (June 2016) the state's largest universal solar facility – constructed at our E.W. Brown plant near Harrodsburg – became fully operational. With nearly 45,000 solar panels situated on 50 acres, the facility is meeting its expectation of producing 19,000 megawatt-hours a year, enough to provide energy for 1,500 homes using an average of 1,000 kilowatt hours a month.

Solar Share

The Solar Share facility, given the go-ahead by the Kentucky Public Service Commission last fall, will provide residential, business and industrial customers the chance to share in local solar energy and receive credits on their monthly bills.

Solar Share will be located on 35 acres along Interstate 64 in Shelby County in KU's service area. It is large enough to accommodate a four-megawatt field, but it is being built in 500-kilowatt sections

based on customer interest. Construction will begin as soon as the first section is 100-percent subscribed. Solar Share is now accepting enrollments; call 800-356-5467 and press 1,4. Or visit lge-ku.com/solar-share to enroll online.

Industrial and Commercial-Scale Solar

This service is available to business and industrial customers interested in solar energy. KU will build, own and operate individual solar facilities on the properties of interested customers. The company is partnering with Kentucky-based Solar Energy Solutions, LLC, to provide this offering.

Individual customer systems can be ground-based or rooftop arrays and can range from 30 kilowatts to five megawatts. Each customized project must be approved by the Kentucky Public Service Commission.

Visit lge-ku.com to learn more about our investments in solar energy.

THERE'S MORE

- Go to lge-ku.com to:
 - Watch our energy matters webcast highlighting our commitment to safe, reliable, low-cost energy.
 - Learn how to share in our opportunities for solar energy.
 - Bookmark our outage map.