



Lexington-Fayette Urban County Government  
DEPARTMENT OF LAW

Jim Gray  
Mayor

Janet Graham  
Commissioner

TO: Jim Gray, Mayor  
Councilmembers

FROM: Department of Law

DATE: November 19, 2012

RE: PSC Case No. 2012-00221 (Kentucky Utilities)

The Department of Law is requesting that the Council ratify its execution of the unanimous settlement agreement in the Kentucky Utilities rate case, which was reached today.

Kentucky Utilities would recover only approximately 62% of the amount it requested, which would mean a rate increase of 4.22% instead of the 6.48% requested. However, the actual rate impact is different for various classes of customers.

The settlement is the best result that could have realistically been obtained at hearing and should save the government a significant amount on the public street light and other proposed rates. In addition, the base rate fee for residential customers will be raised to only \$10.75 a month (rather than KU's request of \$13.00) and low income customers will be provided not only a continuation, but an expansion of financial assistance.

Please contact me should you have any questions related to this matter.

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David J. Barberie  
Managing Attorney