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**PUBLIC SERVICE
COMMISSION**

To: Kentucky Public Service Commission
From: Winona M. Whited
Date: February 2006
Subject: Case No. 2005-00467
Louisville Gas and Electric Company and the Kentucky Utilities Company versus
your Kentucky Constituents

Thank you for allowing me to address the grounds upon which this case should be denied. I would like for the Public Service Commission (PSC) to give a definitive answer of "NO" to Louisville Gas and Electric Company and the Kentucky Utilities Company who are managed by E.ON US owned by E.ON AG, a company whose stated vision and mission includes being "the Midwest's leading power and gas company" (www.eon-us.com/home.asp and www.eon.com). This vision and mission leads to the conclusion that the company wishes to expand throughout the Midwest/United States and is using Kentucky's resources, land, government and people to launch this expansion and profit from what the affected residents of Kentucky have worked so hard to acquire.

For more information on the vision and mission of this company, please visit the following websites: www.eon-us.com/home.asp and www.eon.com

Please consider the following in your decision:

1. Is there a need for the expansion of transmission lines in and for the state of Kentucky?
2. Has the company thoroughly explored the use of existing routes and lines?
3. The short turnaround on the denial of the original request (Case No. 2005-00142) to the re-filing of basically the same request (Case No. 2005-00467).
4. What is perceived as a perfunctory response the company has shown in carrying out the directives given by the Public Service Commission in the original Case No. 2005-00142.
5. My opinion that the company has failed to acknowledge the true concerns of the landowners and has demonstrated an unwillingness to recognize the true worth and purpose of the land.

1. Is there a need for the expansion of transmission lines in and for the state of Kentucky?

Louisville Gas and Electric Company and the Kentucky Utilities Company, owned by E.ON AG, a German-based company, and managed by E.ON US based in Louisville, Kentucky, appears to have every intention to use Kentucky's land, people, and government to increase its profit and expand its territory to and through the Midwest area of the United States. The website below directs you to a map which was obtained from E.ON's website. The map's heading is "An Attractive Region Within the U.S". In my opinion this shows the company's intention for expansion of their territory. I believe your Kentucky residents will be paying the price for this expansion if you approve this company's request.

With the modest growth of population in Kentucky in the last few years of approximately 2.6 percent (US Census Bureau <http://quickfacts.census.gov/qfd/states/21000.html>) and even lower in Hardin County, E.ON US, who manages Louisville Gas and Electric Company and the Kentucky Utilities Company, does not need to expand their transmission line territory to serve the people of Kentucky. It appears this company is using you and all the people affected by the transmission lines to expand their territory in the United States and increase their profit with little benefit to the Kentucky residents. The following are a few quotes from E.ON US and E.ON AG websites (www.eon-us.com/home.asp and www.eon.com) to show the vision, mission and goals for this multi-million dollar company. Please take the time to read these quotes. These quotes appear to demonstrate there is **not** an immediate need for these transmission lines in Kentucky, but it is an immediate need for E.ON AG who owns E.ON US, whose make-up consist of **Louisville Gas and Electric Company and Kentucky Utilities Company** as well as one other Kentucky based utility company, to increase their profits and territory on the backs of the hard-working people of Kentucky—your constituents.

“E.ON Vision: E.ON will be the world's leading power and gas company.”

“E.ON U.S. Vision: E.ON U.S., as E.ON's U.S. platform, will be the Midwest's leading power and gas company.”

“E.ON further confirmed its confidence in LG&E and the U.S. market when it announced plans to maintain and grow our company.”

“Our presence in the Midwest is the foundation upon which further expansion is possible in the United States, the world's largest power and gas market.”

*“In recent years, E.ON has made a series of small and medium-sized acquisitions as part of its carefully targeted plan to round out its existing businesses and close gaps in its geographic market coverage and its integrated power-and-gas value chain. All of these measures have been motivated by one, clearly defined objective: **We want to exploit synergy potential and thereby grow the company's and hence shareholder value.**”*

“This acquisition will make E.ON the second-largest power utility in the world and Powergen's Kentucky-based subsidiary, LG&E Energy, will give E.ON access to the world's largest energy market.”

*“We concentrate on our **target markets**: Central Europe, the European gas sector, Great Britain, northern Europe, **and the U.S.A.**”*

*“E.ON has defined five target markets: The integrated markets for the distribution and sale of power and gas are Central Europe (Central Europe), the United Kingdom (UK), Northern Europe (Nordic) and **the Midwest of the United States of America (US-Midwest)**. Procurement, trading and transportation of natural gas takes place in a market that spans all of Europe (Pan-European Gas).”*

“Today, we have achieved a strong position in all these markets. But we want to further improve our strength by profitably expanding all along the value chain while attaining the best performance possible.”

Relevance of LG&E Energy: “After more than three successful years as part of the E.ON family, LG&E Energy, the parent company of Louisville Gas and Electric Company, Kentucky Utilities Company and Western Kentucky Energy, is now E.ON U.S.”

The above quotes were found on one of the two websites listed below in January 2006.

www.eon-us.com/home.asp

www.eon.com

It appears that the vision, mission and goals of E.ON US, who manages and controls Louisville Gas and Electric Company and the Kentucky Utilities Company, includes expanding to the Midwest of the United States and profiting considerably from this expansion. It seems that the company’s vision does not include the best interest of Kentucky residents, nor a concern for Kentucky’s utilities needs. It also appears that the company is certainly not concerned about the hard-working people in the affected area.

2. Has the company actually explored the use of existing routes and lines?

Louisville Gas and Electric Company and the Kentucky Utilities Company aka E.ON US, took less than three months to come back to PSC with basically the same proposal. They are asking you to believe they have completed a thorough evaluation in less than three months. They are asking you to believe it will cost them more to use existing routes and lines than to take more Kentucky land, create more routes and install more lines throughout Kentucky. Their findings cannot be proved or disproved by me. I cannot afford to have my own survey and evaluation completed, but common sense tells me that what the company is asking you to accept is indeed questionable. The “notice of intent to file an application” was submitted less than three months from the original disapproved application. It appears the company made a quick comparison of some options, and they have come back to you with basically the same proposal. Was this just an attempt by the company to throw out these figures and hundreds of pages of documentation knowing they are dealing with people who do not have the time, resources, or expertise to dispute this?

One question to be asked: Did this company’s study compare “apples and apples” or “apples and oranges”? It appears they included the cost of upgrading and fixing the existing lines when they compared costs between the existing routes and the new routes. The cost to upgrade and fix existing lines should not be included when the company is comparing the new route to the existing route. Upgrading and fixing existing routes should be part of this company’s maintenance cost regardless of what route they use. If the company is not planning to upgrade and fix these existing lines regardless of PSC’s decision, what harm is this to the state and the people already within those existing routes? Or is this company waiting for the state to step in and pay for this cost--again putting the burden on the Kentucky residents?

One final note--If using existing routes and lines actually does cost this multi-million dollar company a bit more money, how does that compare to the loss of the use of Kentucky land for development, decrease in value of the land they are confiscating, expense to Kentucky residents, as well as, loss of revenue, income, inheritance, physical health, and emotional stress that has been placed on your constituents in the state of Kentucky—not once, but twice in a matter of a few

months. This is putting these people's lives on hold and an unbearable burden on them until you give the company a definitive answer of "NO".

3. The short turnaround on the denial of the original request (2005-00142) to the re-filing of basically the same request (2005-00467).

There were several directives given to Louisville Gas and Electric Company and the Kentucky Utilities Company by PSC from the company's earlier request for transmission lines, Docket No. 2005-00142. I believe this company has provided a cursory response to this request. It has taken the company less than three months to provide a cost analysis of some major projects and contact hundreds of individuals and respond to their concerns. This company knew the minimum they needed to do, and then turned around and submitted an almost identical request. Please don't give this company a pass on this kind of response. Your Kentucky constituents involved took your directive seriously and had a feeling of relief that you had listened to them and had the same concerns they did. The fact that a postponement of this hearing was necessary because Louisville Gas and Electric Company and Kentucky Utilities Company evidently overlooked people who are being directly affected by these transmission lines and the resubmission of paperwork because it was in error appears to demonstrate a superficial response by this company. They did not meet the minimum directives before they filed the request of Case No. 2005-00467. Again, please give this company a definitive "NO". Let these affected people go on with their lives, providing for their families, and hoping to leave their children and grandchildren a modest inheritance instead of providing the company (in their own words) a way *"to exploit synergy potential and thereby grow the company's and hence shareholder value."* (www.eon-us.com/home.asp and/or www.eon.com)

4. What is perceived as the perfunctory response the company has shown in carrying out the directives given by the Public Service Commission in Docket Case No. 2005-00142.

In the original Docket Case Number 2005-00142, Louisville Gas and Electric Company and the Kentucky Utilities Company were directed by the Public Service Commission to notify the landowners and address their concerns. PSC also told the company to consider other viable options, especially existing transmission lines. It appears proof of the perfunctory effort the company gave to these directives is 1) the quick turnaround—less than three months—of their intention to file an almost identical request as before, and 2) the postponement of this hearing because they did not complete the directive from you to contact individuals affected by the transmission lines.

If the Public Service Commission's simple directive of contacting the landowners has been botched by this company, then how can you be sure these hundreds of pages of documents, millions-of-dollars comparisons, and the company's studies are without error?

If any error should be made, it should be in favor of the landowners, whose lives and livelihood are being destroyed. The company has options. The landowners do not. They have invested their lives, money and retirement to obtain a little bit of the "American dream".

5. My opinion that the company has failed to acknowledged the true concerns of the landowners and has demonstrated an unwillingness to recognize the true worth and purpose of the land.

Public Service Commission asked this company to address the concerns of the Kentucky residents who were being affected by these lines. The concerns were not addressed. I believe they went through the motions; however, I believe they came up short. It appears they did this for PSC's benefit; not the home and landowners'. The Company failed to make any significant changes in their plan, and it appears they had no intention to—compare Case No. 2005-00142 with 2005-00467.

The questions may have been answered in an obligatory fashion to satisfy PSC, but they have not addressed the true life concerns of these people. Here are some of the real life concerns and the responses that some of the landowners received:

Concern:

We have invested, planned and worked hard in order that we may retire comfortably.

Answer:

If we cannot agree on fair market value the company will “utilize our right of eminent domain.”

Concern:

We would like to enjoy and develop our property as we see fit and as our needs change.

Answer:

“...easement does not allow for permanent structures...the easement will not prevent you from constructing roadways...”

Concern:

The worth of the land in this affected area is **not** low, market-value farmland. This is prime land for farming and land that is sought after by developers who are willing to pay top dollar for our property. The transmission lines do not just affect the “200 feet of easement”, but the many miles of surrounding land that will lose its value because of these lines.

Answer:

“...the **Company** will have a licensed appraiser perform market analysis along the approved route.”

Some of the people affected by these transmission lines are proud new home/landowners and others have owned and cared for this land for generations. They are and have been **good stewards** of this land, and they want to continue this for generations to come. “Blood, sweat and tears” have gone into this land they love, and the company is taking it from them. You are their last hope; don't let this company profit off the backs of your Kentucky residents.



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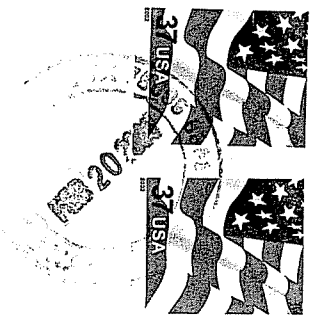
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