



Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
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David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

John W. Clay
Commissioner

August 13, 2008

Mr. Larry L. Robertson
P.O. Box 370
Barlow, KY 42024

Dear Mr. Robertson:

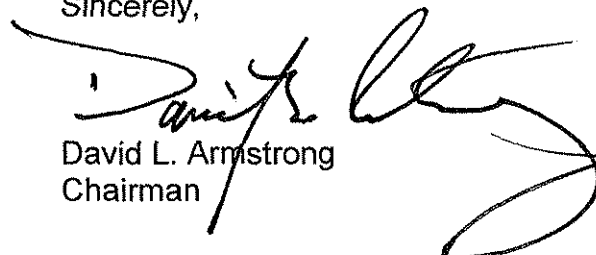
Representative Ed Whitfield forwarded to the Kentucky Public Service Commission your e-mail regarding Kentucky Utilities. You were concerned about being charged a customer charge on your bill and felt the utility should absorb the charge as a cost of doing business.

I understand your concerns; however, the Commission has approved the charge. The charge is billed by all gas, electric, telephone, water, and sewer utilities to cover the fixed costs the utility incurs to serve its customers regardless of the amount of service used. I have enclosed a copy of the tariff pages (on file with and approved by the Commission) relating to Kentucky Utilities' customer charge.

In Case 2008-00251 Kentucky Utilities is requesting an increase in the customer charge. This case is still open, and your letter has been added to the case file. As with all rate cases, the Attorney General's office intervenes on behalf of the citizens of the state. Before the Commission makes a decision on Kentucky Utilities' request, we will review the comments we have received from the public, including letters placed in the case file.

I trust this letter is responsive to your concerns. If you need further assistance, please feel free to call our Consumer Services Director, Ginny Smith, toll free at 1-800-772-4636.

Sincerely,



David L. Armstrong
Chairman

cc: Representative Ed Whitfield

ELECTRIC RATE SCHEDULE RS
Residential Service

APPLICABLE

In all territory served.

AVAILABILITY OF SERVICE

Available for single phase, single family residential service subject to the terms and conditions on Sheet No. 85 of this Tariff. Three phase service under this rate schedule is restricted to those customers being billed on this rate schedule as of its effective date of July 1, 2004.

RATE

Customer Charge: \$5.00 per month

Plus an Energy Charge of:
5.774 cents per KWH

ADJUSTMENT CLAUSES

The bill amount computed at the charges specified above shall be increased or decreased in accordance with the following:

Fuel Adjustment Clause	Sheet No. 70
Demand Side Management Cost Recovery Mechanism	Sheet No. 71
Environmental Cost Recovery Surcharge	Sheet No. 72
Merger Surcredit Rider	Sheet No. 73
Value Delivery Surcredit Rider	Sheet No. 75
Franchise Fee Rider	Sheet No. 76
School Tax	Sheet No. 77
Home Energy Assistance Program	Sheet No. 78

MINIMUM CHARGE

The Customer Charge shall be the minimum charge.

DUE DATE OF BILL

Customer's payment will be due within 10 days from date of bill.

TERMS AND CONDITIONS

Service will be furnished under Company's Terms and Conditions applicable hereto.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
5/2/2008
PURSUANT TO 807 KAR 5:011

Date of Issue: April 17, 2008
Canceling Fourth Revision of
Original Sheet No. 5
Issued November 1, 2007

Issued By

Date Effective: May 2, 2008

Lonnie E. Bellar
Lonnie E. Bellar, Vice President
State Regulation and Rates
Lexington, Kentucky

Stephanie J. Gumbert
Executive Director