

Public Service Commission  
211 Sower Boulevard  
P. O. Box 615  
Frankfort, KY 40601

August 26, 2008

RECEIVED

SEP - 4 2008

PUBLIC SERVICE  
COMMISSION

Dear Commissioners:

I purchased this home in Madisonville, KY in 2004. The house is an all electric home. I checked the total monthly bills for the house with Kentucky Utilities at Earlington, KY. In a period of a year not one bill was over \$200.00. Till you allowed a rate increase, I can not recall a bill being over \$120.00. Since the allowed increase I have had a monthly bill for \$240.00.

When the house was built, Kentucky Utilities was concerned about selling electric current at a reasonable price. It is my understanding that KU would pay the home owner \$250.00 if your service connector line was buried, \$250.00 if you had an all electric home, and \$250.00 if you would install required installation. It is my understanding that KU no longer offer these incentives.

The good company, KU, that was headquartered in Lexington, and many stockholders were Kentucky residents, and a good company that was good to its employees, KU was loved by the people is served. It is my understanding that some locate offices has been closed. We used to mail our bill to Lexington, now we mail to Post Office Box 536200, Atlanta, GA. It is my understanding that management has instituted other programs that reduces company employees which in my opinion is not in the best interest of our great state.

If my memory serves me correct, the last rate increase that doubled my electric bill was granted by you the day after the political Ernie Fletcher was elected governor. The former governor lost his election for a second term because he would not or could not apply what the people wanted. Our current governor wants you to be honest and open. I ask that you help him to be successful in his endeavor to help the people of Kentucky.

Kentucky Utilities has run advertisements in our local papers that tell us that they need a small increase in rate. This advertisement is a whole side of one page. It makes one think that it is a small increase, with the overall rate on kwh staying the same. This is a practice that the Germans are good at. Hitler used this practice so well in hoodwinking the people of Germany to kill other people. It make no difference if you die from want of oxygen or need of oxygen, you are still dead.

This practice is being employed by the airline companies. They charge extra for food, baggage, calls or anything else that is necessary for you to travel. Anyone could call it nickel and dime you to death. Let us take the Customer Charge. KU currently charges

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\$5.00, the increase will be to \$8.39, or an increase of .698% or 70%. In the NOTICE TO COSTOMERS OF KENTUCKY UTILITIES COMPANY letter shows such an increase or decrease, approximately as follow: Residential \$3.50, 4.27%. We need the letter to explain by simple terms company's purpose rate increase how it effects the overall bill. Also it would appear to me that you are allowing KU to state their rate as being cheapest in the country, when we maybe paying the highest price for our electricity

Enclosed is what an energy company is do in trying to serve the customers in Kentucky. They are saying that our energy is our future, we should be trying to save what we can when ever we can. Waste not, want not, this is why the old KU was loved by all.

This maybe purpose and intent of the KU, to make state or municipal ownership of utilities look bad, and private companies look good by stating charges that does not reflect to true cost of the kwh. The City of Madisonville owns some of the electric utilities in the city limits as well as KU. Now is the time, and your hearing is the place that we should explain to the "Global Company or E.ON" that we want to be fair in our rates, but it is necessary that we get an understanding why bills must go up, and the rate stays the same. We should never raise the rate because management wants to purchase two million dollars homes in an expense resort area for members of the board. We should be concerned about our great state, and not be a party or party of part to greed. We should do our job the best we can. I am of the opinion that that is what "We the People" and the current governor will require.

**It is recognized that the working people can be  
oppressed by excessive taxation and monopolies.  
Utilities are monopolies. Rate is a tax.**

I ask that you deny the current rate increase till management can show a willingness to be concerned about the customers they serve, welfare of their employees, and act like they care about Kentucky, and have a just need.

Yours truly,



Billy R. Cartwright  
80 Shoal Creek Dr.

Phone 270 821 3184

Madisonville, KY 42431

Enclosed: three pages showing flyers

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### Kenergy Sponsors Area Students to Washington Youth Tour

Alicia Scott, Brooke Bozarth, Jessica Sprankle, and Kaylyn Berton were among the 69 high school students from across Kentucky who participated in the 37th annual Kentucky Rural Electric Washington Youth Tour held June 13-20, 2008, in Washington, DC. The four students were selected and sponsored by Kenergy to attend the weeklong trip to Washington.

During the week, Brooke Bozarth was chosen to be Kentucky representative on the 2008-2009 NRECA Youth Leaders Council. Brooke will participate in an NRECA leadership workshop in Washington, DC. in July. She will speak at the KAEC annual meeting in November and work at the 2009 NRECA Annual Meeting in New Orleans, LA.

Each year in June, an action-filled week provides high school students opportunities to learn first-hand what it is like to be involved in politics, community service, and today's pressing issues. The theme of the 2008 Washington Youth Tour was "Commitment to Community." Highlights included meeting with their elected representatives in the U.S. House and Senate to discuss the process of government and issues of the day and increasing their knowledge of cooperative electric utilities and American history.

The Kentucky Rural Electric Washington Youth Tour is conducted by the Louisville-based Kentucky Association of Electric Cooperatives (KAEC) on behalf of 22 participating Kentucky electric distribution cooperatives like Kenergy. The activity is part of a larger, nationwide youth program sponsored by the National Rural Electric Cooperative Association (NRECA), Arlington, Virginia, that brings almost 1,500 high school students to the nation's capitol each year.

Since 1972, Kentucky's electric distribution cooperatives have sent more than 2,000 high school students to Washington, DC, for visits with their U.S. senators and representatives, energy and grassroots government education sessions, and sightseeing.



*Pictured from left to right are: Brooke Bozarth, Owensboro, Ky., Alicia Scott, Owensboro, Ky., Jessica Sprankle, Owensboro, Ky., and Kaylyn Berton, Princeton, Ky.*

### Chris Mitchell elected as co-op board chairman

Chris Mitchell of Webster County has been elected chairman of the Kenergy Board of Directors. He formerly served as board vice-chairman.



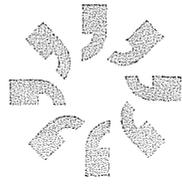
Mitchell, a farmer in Clay, has represented District 3 (Webster County and most of Hopkins County) since 1997.

Others holding leadership positions on the 11-member board are John Warren of Daviess County and Sandra Wood of McLean County, who serve as vice chairman and secretary-treasurer respectively.

Warren has represented District 7 (central Daviess County) since 2006. He first served the cooperative as vice president of Finance and Accounting and later as vice president of Administrative Services until his retirement in 1999 and currently an auditor for Kentucky Unemployment Insurance.

Debbie Hayden, who is executive assistant to Kenergy President and CEO Sandy Novick, was re-elected as assistant corporate secretary.

Wood has represented District 10 (McLean and Ohio counties) on Kenergy's Board of Directors since 1980.



## Our Energy, Our Future A Dialogue With America

Through an awareness campaign called, "Our Energy, Our Future", which Kenergy launched at its Energy Expo on June 3, a conversation was initiated with Congress urging them to help America tackle our nation's difficult energy challenges.

The "Our Energy, Our Future" campaign began with a letter addressed to Congress regarding the ever-growing concern that our nation's electricity demands are growing, and in as little as a year or two our nation could potentially be short of power.

The National Association of Manufacturers (NAM) and the American Council for Capital Formation (ACCF) unveiled a jointly commissioned study assessing the potential national and state economic impacts resulting from proposed climate change

legislation, America's Climate Security Act of 2007 (S. 2191), authored by U.S. Senators Joseph Lieberman and John Warner (Lieberman-Warner bill). Under the Lieberman-Warner bill, the study shows Kentucky would lose 15,789 to 23,751 jobs by 2020 and 41,051 to 54,645 jobs by 2030. Higher energy prices would have ripple impacts on prices throughout the economy and would impose a financial burden on households. Kentucky would see disposable household income reduced by \$794 to \$2,575 per year by 2020 and \$3,383 to \$6,169 by 2030. And, the price of gasoline in Kentucky would increase between 74% and 144% by 2030, while electricity prices would increase by 122% to 159%.

During the Energy Expo, our Members were asked to sign letters urging our congressional delegation to make sure we have affordable electricity. The letter campaign resulted in cooperative members working together to start the dialogue with America urging legislators to tackle energy challenges. Kenergy received 653 signed letters from members that were forwarded on to Washington. Cooperative members' involvement across the nation has resulted in the reconsideration of climate change legislation during 2008.

By continuing to work together we can find the right solution. Your cooperative will keep you informed as this global warming issue continues to develop.

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## Kenergy assists with pollination of rare American Chestnut Tree

Ellis Russellburg, a Hancock County farmer, was on a quest to find out what type of unusual tree was growing at the edge of his field. With a little help from the Internet and confirmation from the Kentucky Chapter of the American Chestnut Society, he discovered he had an American Chestnut Tree, a rare find.

*"There are very few surviving American Chestnut trees in the United States. We were contacted by the American Chestnut Tree Society inquiring if Kenergy would be willing to assist in the pollination process to help save the tree by offering the use of one of our utility vehicles," said Gerry Ford, Vice-President of Operations for Kenergy.*

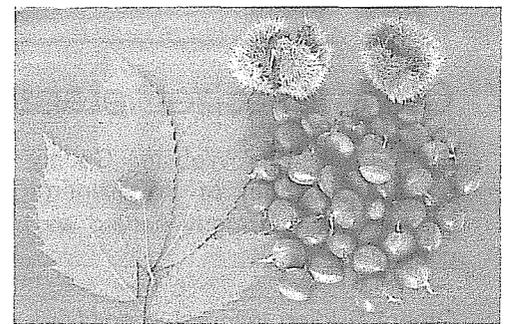
On Friday, June 27, Mr. Russellburg, Tony Howard, Kenergy Construction Manager, and a crew from the American Chestnut Tree Society gathered at Russellburg's farm to pollinate the tree.

Kenergy's Tony Howard operated the bucket truck to a position that would enable them to pollinate the female flowers on the tree and place bags over the flowers. The plan is to return in the fall, and harvest the chestnuts that form from the flowers.

### **History about the American Chestnut tree:**

Around 1904 a blight, *Endothia parasitica*, was introduced into the United States from the Orient. Commonly known as the Chestnut blight, the blight spread rapidly, and by 1950 most all of the American Chestnut trees were dead, but occasionally a few of them may still maintain living roots from which sprouts can grow as with this tree in Hancock County. But it will eventually be killed by the blight. Although the sprouts are not immune to the Chestnut blight, they do contain genetic information which is necessary for experiments aimed at breeding resistant trees.

The nuts of the American Chestnut were large, sweet, and highly desired by people, deer, squirrels, and chipmunks. In the days before the Chestnut blight, the tree reproduced abundantly by seeds and sprouts, had few insect enemies, and competed well with the other trees of the forest. Today, the American Chestnut is known only in memory because the young American Chestnut trees rarely survive long enough to produce flowers and fruits.



WATER HEATER COUPON

EXPIRES 12/31/2008

**\$300.00**  
**REBATE**

Limit one coupon per water heater. Applies only to electric water heaters of 40 gallons or more with a minimum energy factor of .90 EF. (Tankless water heating does not qualify and is not recommended.) Water heater must be installed by a licensed contractor/plumber or if self-installed must be inspected by local plumbing inspector. Sales receipt and proof of energy factor (found on packaging) must be attached to incentive application.

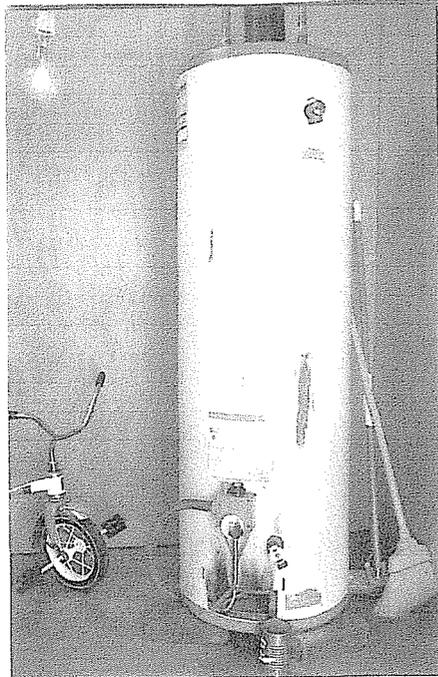


**BONUS:** Receive 6 energy saving compact fluorescent lightbulbs (CFLs) with approved water heater application.

EXPIRES 12 31 2008



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Simply replace your old gas water heater with an energy efficient electric unit and receive a \$300 rebate from Kenergy. Visit one of our offices for an Electric Water Heater Incentive Application, or you can download an application from our web site [www.kenergycorp.com](http://www.kenergycorp.com).

Your new water heater must replace an existing gas unit, or be installed in a new home with an approved dual-fuel heating & cooling system in a new home.

To further your energy efficiency goals, Kenergy will give you 6 energy saving Compact Fluorescent Lightbulbs (CFLs) for each approved water heater application.

**Kenergy does not sell or install water heaters.**

**Kenergy**

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that this is crucial for ensuring transparency and accountability in the organization's operations.

2. The second part of the document outlines the various methods and tools used to collect and analyze data. It highlights the need for consistent and reliable data collection processes to support informed decision-making.

3. The third part of the document focuses on the role of technology in modern data management. It discusses how advanced software solutions can streamline data collection, storage, and analysis, leading to more efficient and effective operations.

4. The fourth part of the document addresses the challenges associated with data security and privacy. It provides guidance on implementing robust security measures to protect sensitive information and ensure compliance with relevant regulations.

5. The fifth part of the document concludes by summarizing the key findings and recommendations. It stresses the importance of ongoing monitoring and evaluation to ensure that the data management processes remain effective and up-to-date.

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The average monthly bill for each customer class to which the proposed electric rates will apply will increase, or decrease, approximately as follows: Residential: \$3.50, 4.27%; General Service: \$0.48, 0.32%; Large Power: \$(0.63), (0.02)%; Large Commercial/Industrial Time-of-Day: \$(69.77), (0.02)%; Small Time of Day: \$139.48, 0.92%; Mine Power: \$1,387.24, 6.32%; Large Mine Power: \$283.43, 0.19%; Lighting: \$0.40, 4.22%.

The filing of KU's base rate application will cause the Value Delivery Team ("VDT") Surcredit Tariff and associated billing credits to be withdrawn from service effective August 1, 2008, pursuant to the Commission's March 24, 2006 Order in Case No. 2005-00351. The VDT Surcredit is a 0.293% monthly credit to customers' bills. In its base rate application, KU is proposing to include all savings associated with the VDT initiative in the calculation of its proposed base rates. When the new base rates become effective, customers should receive the benefit of all, including the shareholders' portion, of these savings through base rates.

The filing of KU's base rate application will also cause the Merger Surcredit Rider ("MSR") Tariff and associated billing credits to be withdrawn from service effective with the change in base rates pursuant to the Commission's June 26, 2008 Order in Case No. 2007-00563. The MSR Surcredit is a 0.868% monthly credit to customers' bills. In its base rate application, KU is proposing to include all MSR savings in the calculation of its proposed base rates. When the new base rates become effective, customers should receive the benefit of all, including the shareholders' portion, of these savings through base rates.

The rates contained in this notice are the rates proposed by Kentucky Utilities Company. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for customers other than the rates contained in this notice.

Notice is further given that any corporation, association, body politic or person with a substantial interest in the matter may request leave to intervene by motion within thirty (30) days after notice of the proposed rate changes is given. The motion shall be submitted to the Public Service Commission, 211 Sower Boulevard, P. O. Box 615, Frankfort, Kentucky 40601, and shall set forth the grounds for the request, including the status and interest of the party. Intervention may be granted beyond the thirty (30) day period for good cause shown. Any person who has been granted intervention may obtain copies of the application and any other filing made by the utility by contacting Lonnie E. Bellar, Vice President – State Regulation and Rates, Kentucky Utilities Company, c/o E.ON U.S. LLC, 220 West Main Street, Louisville, Kentucky, 502-627-4830.

A copy of the application and testimony shall be available for public inspection at the office of Kentucky Utilities Company, 100 Quality Street, Lexington, Kentucky, or the Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky.

A copy of this Notice and the proposed tariff, once filed, shall also be available for public inspection on Kentucky Utilities Company's Web site at [www.eon-us.com](http://www.eon-us.com).

Kentucky Utilities Company  
c/o E.ON U.S. LLC  
220 West Main Street  
P. O. Box 32010  
Louisville, Kentucky 40232  
502-627-4830

Public Service Commission  
211 Sower Boulevard  
P. O. Box 615  
Frankfort, Kentucky 40601  
502-564-3940

KU - <sup>100</sup> Bell 536200 - Atlanta, GA  
30353-6700

NOTICE TO CUSTOMERS OF  
KENTUCKY UTILITIES COMPANY

**PLEASE TAKE NOTICE** that on July 29, 2008, Kentucky Utilities Company filed with the Kentucky Public Service Commission a request for an adjustment of its rates and charges to become effective on and after September 1, 2008.

Kentucky Utilities Company proposes the following new tariffs and/or charges: Retail Transmission Service Rate RTS, Lighting Energy Service Rate LE, Traffic Energy Service Rate TE, Supplemental /Standby Service Rate SS, Meter Pulse Charge, Meter Processing Charge, and a Late Payment Charge.

With this filing, KU proposes to charge a Late Payment fee, applicable to the following rates: Residential Rate RS, Volunteer Fire Department Rate VFD, General Service Rate GS, All Electric School Rate AES, Proposed Power Service Rate PS, Proposed Time-of-Day Service Rate TOD, Proposed Large Time-of-Day Service Rate LTOD, Proposed Retail Transmission Service Rate RTS, and Proposed Industrial Service Rate IS. KU's due date for bills will remain 10 days from date of bill; however, the Late Payment Charge will be applied if the bill is paid more than five (5) days after the bill due date. The Late Payment Charge will be 5% of a bill's net charges (including net minimum bills when applicable) for the following rate schedules: Rate RS, Rate VFD, and Rate GS. The Late Payment Charge will be 1% of a bill's net charges (including net minimum bills when applicable) for the following rate schedules: Rate PS, Rate TOD, LTOD, Rate RTS, and Rate IS.

In addition, Kentucky Utilities Company proposes to change the text of the following electric tariffs: Residential Rate RS, Volunteer Fire Department Rate VFD, General Service Rate GS, All Electric School Rate AES, Large Power Service Rate LP, Large Commercial/Industrial Time-of-Day Service Rate LCI-TOD, Large Industrial Time-of-Day Service Rate LI-TOD, Small Time-of-Day Service Rate STOD, Street Lighting Service Rate ST. LT, Private Outdoor Lighting Rate P.O.LT, Net Metering Service Rate NMS, Curtailable Service Rider 3 Rate CSR3, Excess Facilities Rate EF, Temporary and/or Seasonal Service Rider TS, Demand Side Management Cost Recovery Mechanism DSM, and Environmental Cost Recovery Surcharge ECR.

In addition to the foregoing proposed changes in rates and text, KU is proposing numerous changes in the terms and conditions of providing service to its customers. These changes include, but are not limited to, the scope, applicability of service, and rate structure for each of the rate schedules and classes identified above. The changes also include numerous substantive, form or both changes to the terms and conditions for providing services to every customer class. These changes, if approved, may, among other changes, cause certain customers presently served under the General Service, Mining and Public Lighting classes to be assigned to a more appropriate rate schedule which reflects their load and operating characteristics, nature of the use, quality and quantity of service used, time when used, purpose for which used and other reasonable considerations.

Copies of the proposed tariffs containing text changes may be obtained by contacting Lonnie E. Bellar, Kentucky Utilities Company at 220 West Main Street, Louisville, Kentucky, 502-627-4830.

The foregoing rates reflect a proposed annual increase in revenues of approximately 2.0% to Kentucky Utilities Company.

The estimated amount of the annual increase, or decrease, per customer class is as follows: Residential: \$17,329,356, 4.27%; General Service: \$446,784, 0.32%; Large Power: \$(70,621), (0.02)%; Large Commercial/Industrial Time-of-Day: \$(38,022), (0.02)%; Small Time-of-Day: \$88,707, 0.92%; Mine Power: \$675,586, 6.32%; Large Mine Power Time of Day: \$34,295, 0.19%; Lighting: \$785,809, 4.22%.