



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

Charles R. Borders
Commissioner

November 2, 2010

Ms. Davie Loyd, CEO
Fleming County Hospital
55 Foundation Drive
P. O. Box 388
Flemingsburg, KY 41041

RE: An Investigation of Natural Gas Retail Competition Programs
Case No. 2010-00146

Dear Ms. Loyd:

The Commission acknowledges receipt of the attached written comments received on October 20, 2010. These comments have been filed in the record of the above-referenced case for the Commission's consideration. Because the comments were filed on behalf of an entity, legal counsel recommended we send our acknowledgement to your office.

You may view all documents filed in this case on the Commission's website at <http://psc.ky.gov>.

Thank you for your letter of interest and concern in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Derouen".

Jeff Derouen
Executive Director

October 19, 2010

Chairman David Armstrong
Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, Kentucky 40601

2010 - 00146
RECEIVED
OCT 20 2010
PUBLIC SERVICE
COMMISSION

Re: Investigation of Retail Competition in Natural Gas

Dear Chairman Armstrong:

I understand the Kentucky PSC is investigating retail natural gas competition in Kentucky. I further understand that presently, very few Kentucky industrial, commercial and governmental customers have the ability to buy natural gas on the open market. I support giving industrial, commercial and governmental customers in all parts of Kentucky, the option to purchase natural gas on a competitive market like other nearby states. Competition should benefit everyone and discriminate against no one.

Current utility practices discriminate against small industry, businesses and public facilities by only allowing the largest customers to purchase in a competitive market. Small businesses will lead this country out of recession and add employment, but it can't happen with excessively high utility fees and unreasonable rules. For example, the thresholds of gas usage necessary to qualify to purchase on the competitive market are unreasonably high in all five of Kentucky's gas utility areas and should be lowered. **Louisville Gas & Electric** and **Columbia Gas of Kentucky** have the highest thresholds in Kentucky. **Duke Energy** charges up to \$5,000/year to small industrial and commercial customers for administrative (meter reading) fees not charged to similar size and class Ohio customers. **Atmos Energy** and **Delta Energy** have subsidiaries selling gas to large customers, subsidized by shifting costs to smaller industrial and commercial customers that don't qualify to buy on the open market.

These are just a few examples of why I support allowing more Kentucky industrial, commercial and governmental customers to purchase gas and other services not available from the utility, on the open market at competitive prices. The Public Service Commission should update or amend the regulations and tariffs governing natural gas transportation on each utility system to allow a competitive natural gas market for industrial, commercial and governmental customers.

My Gas Utility is: Flemingsburg City

Company Name: Fleming Co Hospital

Company Address: P.O. Box 388

Flemingsburg, Ky

Pete Malcom
SIGNATURE