

TO: Commissioners
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40601

Fax 502-564-3460

RE: Case No. 2012-00369

RECEIVED

JAN 10 2013

PUBLIC SERVICE
COMMISSION

Dear Commissioners:

I am a residential customer of Fleming-Mason Energy Cooperative. I write to oppose Fleming-Mason's rate increases on electric service. The current service charge and rate already significantly exceeds the service charge and rates of other nearby providers. In these difficult times, Fleming-Mason already enjoys a secure and generous rate of return on its capital.

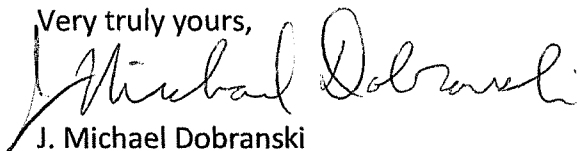
If you determine an increase is due, I oppose the allocation of the increase to the monthly service charges. Fleming-Mason wants to raise the monthly electric service charge by 38.5% (from \$10.83 to \$15.00) and actually wants to LOWER the kWh rate by 4.54% (from 8.832 cents to 8.431 cents).

This proposed rate structure violates fundamental rules of free market economics. Any rate increase should be allocated to the unit of energy (like "volumetric pricing" for water), not to the monthly service charge. Fleming-Mason already enjoys a monopoly and guaranteed profits in my service area. It doesn't need a higher monthly service charge. Increasing the monthly service charge instead of the kWh price:

- Unfairly and unjustly diminishes the returns of prior investors in efficiency;
- Unreasonably discourages future investments in efficiency;
- Unreasonably rewards wasteful users of energy;
- Unjustly and unfairly impacts those who use energy sparingly (i.e. - the poor, the elderly and the efficiency-minded); and
- Unreasonably impairs deployment of renewables and distributed generation.

In short, Fleming Mason's proposed structure is terrible public policy. A public utility with a grant of monopoly should not employ such a pricing structure. I ask that the Commission not allow it, either after hearing or in any proposed settlement.

Very truly yours,



J. Michael Dobranski
780 Deer Run Lane
Morehead, Kentucky 40351-7912