

**Melnykovych, Andrew (PSC)**

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**From:** PSC - Public Information Officer  
**Sent:** Friday, January 17, 2014 10:08 AM  
**To:** 'Kevin Reid'  
**Subject:** your comments in case number 2013-00219 - Jackson Energy rates

Dear Mr. Reid:

Thank you for your comments regarding the rate increase proposed by Jackson Energy Cooperative Corp. Your comments will be placed into the case file for the Commission's review as it considers this matter. As you noted, the case number in this matter is 2013-00219. Please cite it in any future correspondence regarding this case so that your comments may be readily directed to the case file.

Thank you again for your interest.

*Andrew Melnykovych*

Director of Communications  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40601  
502-782-2564 cell:502-330-5981

**RECEIVED**

By Kentucky Public Service Commission at 10:10 am, Jan 17, 2014

**From:** Kevin Reid [REDACTED]  
**Sent:** Thursday, January 16, 2014 4:34 PM  
**To:** PSC - Public Information Officer  
**Subject:** Public Comment Regarding Case 2013-00219

Please file this attachment for Case 2013-00219

Thanks,

Kevin Reid  
[REDACTED]

Kevin Reid  
1654 Gabbards Fork Road  
Manchester, KY 40962

January 16, 2014

Regarding Case 2013-00219

After learning of the proposed rate increase by Jackson Energy, I decided to do a little checking with other electric providers in the Commonwealth of Kentucky. I was able to find this price breakdown listed on Kentucky Power's website. I found it very interesting that **Jackson Energy already charges the 2<sup>nd</sup> highest rate per KWH out of the 23 utilities in Kentucky listed below in the chart.** I am basing this information of the chart below that was accurate as of 10/15/12 and was pulled from Kentucky Power's website. According to this comparison, it is easy to see that **Jackson Energy already charges the 7<sup>th</sup> highest basic service charge at \$10.44** (the lowest basic service charge is \$4.50 by Duke Energy) with 13 out of 23 being less than \$10. **And Jackson Energy charges the 2<sup>nd</sup> highest rate per KWH at 9.849 (the lowest is 6.987 per KWH) by Kentucky Utilities.** However, even though Jackson Energy is already charging its customers these high rates, it is proposing increasing its Basic Service Charge by 57.5%!

**Commonwealth of Kentucky**  
Comparison of Residential Customer Rates  
*\* Rates in Effect as of 10/15/12*

<b>Company</b>	<b>Service Charge</b>	<b>Energy Charge cents/kWh</b>
Kentucky Utilities	\$8.50	6.987
Louisville Gas & Electric	8.50	7.242
Meade County RECC	11.71	7.510
Jackson Purchase Energy Corporation	9.43	7.632
Duke Energy	4.50	7.737

Kenergy	12.00	7.747
Salt River Electric	8.84	7.952
Taylor County RECC	7.94	8.220
South Kentucky RECC	12.82	8.543
Owen Electric Cooperative	14.20	8.545
Cumberland Valley Electric	5.74	8.563
Kentucky Power	8.00	8.590
Nolin RECC	9.04	8.598
Fleming-Mason Energy	10.83	8.832
Shelby Energy Cooperative	10.14	8.861
Big Sandy RECC	10.38	8.886
Farmers RECC	9.35	8.895
Blue Grass Energy	9.73	8.951
Clark Energy	12.43	9.243
Licking Valley RECC	9.32	9.355
Inter-County Energy	8.97	9.421
<b>Jackson Energy Cooperative</b>	<b>10.44</b>	<b>9.849</b>
Grayson RECC	10.35	10.427

I also viewed the online submission from Jackson Energy in its “Third Data Request” submission from Item No. 3b pages 1-4. This document was in request to the PSC requesting Jackson’s Energy wage and salary increase for 2012. If I counted these correctly and didn’t miss anything, out of 128 employees at Jackson Energy, 119 employees received raises from promotions, evaluations, step increases, and position changes on 11/1/11 ranging from 2.5% to 56.6%.

Then on 1/1/13 One Hundred and Twenty Three employees received pay increases ranging from 1.9% to 56.1%. Employee #261 which was listed as a salary wage rate went from making a listed wage rate of \$51.77 in 2010 to \$55.44 in 2011, and then to a whopping \$86.54 on 1/1/13 for a promotion. That was a nice raise/promotion.

For comparison, as a teacher in Clay County Kentucky, our pay has stayed flat since 2008. Teachers have also lost days of pay during this time period. The economy has been tough for many citizens of Kentucky, yet Jackson Energy was

able to give some pretty hefty raises year over year as demonstrated above and as listed in item No. 3b, pages 1-4, with their wage and salary increase for 2012.

Raising the Basic Service Charge to \$16.44, would allow Jackson Energy's basic service charge to be higher than any other utility listed above in the chart by a wide margin. Not only would Jackson Energy's customers be burdened with an extra \$72 dollars a year to their bill if this is approved, the school taxes and the environmental surcharges would go up as well because with Jackson Energy these two fees/taxes are based on the entire bill, not KWHs used. This increase in basic service charge is in addition to Jackson Energy's customers already dealing with the second highest KWH rate in Kentucky.

Jackson Energy seems to be good electric company. Everyone I have ever dealt with or contacted has been very professional and friendly. They provide a necessary service to our area; however, there is simply no competition either. Whatever rates you allow them to have, including this 57.5% increase to our basic service charge (which is unavoidable in any way as it is a basic service charge), the residents of this area will have to burden.

I recommend you do not allow this increase if other measures can be found. Most of the hard working people I know are already making sacrifices in this tough economy to help make ends meet. The people of Jackson Energy's service area would greatly appreciate KPSC's help in looking for an alternative solution that does not require a rate increase.

Thank you

Kevin Reid