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Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602

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PUBLIC SERVICE  
COMMISSION

To the Commissioners:

I am writing with regard to the recently-announced rate changes proposed by Clark Energy on May 1st of this year, with an effective date of June 1st, specifically as concerns Schedule D.

Schedule D refers in particular to those few residents who, at the invitation of Clark Energy, had, by them, installed Steffes Electric Thermal Storage (ETS) units to heat their homes. I was personally given a tour of Clark's open office area, which used ETS technology for heat, by their then-president, Paul Embs. His guidance prompted our family to soon thereafter purchase two 9kW units. A part of the inducement was the assurance of a 40% reduction in the cost of electricity, as the units were set to draw current only during off-peak hours. Clark also sold us warranty programs which provided us with parts and maintenance at reasonable prices.

Not too far down the road, Clark Energy dropped the 40% savings down to 30%, somewhat of a disappointment. The big blow, however, occurred when Mr. Embs retired. New management viewed the ETS idea with scorn. Our service technician found it harder and harder to find parts for us, even though we still had a service contract in effect. Last year, he went so far as to source a new blower fan from another cooperative, sadly informing us that it would be the last. Clark had tried to cajole us into dumping our units and buying "half & half" heat pumps, which, even with their assistance, were more money than we had budgeted for improvements.

I find it informative that Clark's proposed rate changes actually amount to a rate cut for Schedule R (but, with an increase in the Facility Charge), while the proposed new rate hike for Schedule D (ETS) goes up an astonishing 11.84% over its current level. There seems to be a not so cleverly disguised message here. The two units we purchased still run flawlessly; Paul Embs was correct, in his assurances; he sold us a wonderful technology. Now, his successors betray us.

Further astounding is that while Clark Energy projects a revenue increase of almost a million dollars from their Schedule R changes, their attack on Schedule D will only net them \$4,518. Probably what they budget for coffee. Our neighbors had one ETS unit in their kitchen, and just loved it. They're both dead now. In my home, our mother died in 2005. This Christmas, my brother joined her. So, I'm the last holdout. If what our technician told us is true, only a tiny handful of ETS owners is left. Whatever that number, divide it into Clark's \$4,518 figure, and it's easy to do the math and see where they plan to harvest it. They're leveling-up the ETS rates to match Schedule R, and thus eliminate the three or four holdouts. For the \$5K involved, I fail to see why they'd bother.

Sincerely,



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