

Sent via Certified Mail and
Return Receipt Requested

October 13, 2004

Risk Management Services Corp.
Ann B. Westmeyer
Case Manager
Claim # GL01-04132
Insured: Kentucky Utilities Company

Re: Settlement Offer

Dear Ms. Westmeyer,

I appreciate your offer to settle my claim from my Nov. 29, 2001 electrical damage some three years later. I am however, not satisfied with the compromise you offer, especially considering the time you have caused me to have to invest. I feel I have been reasonable in expecting my electrical equipment to be replaced, undepreciated and I don't feel 30% or even 1% responsible for the damage to my equipment. These are my reasons and the facts as I see it:

1. In about 1998 when KU linemen came to put my electrical service back up, I did not ask for my neutral wire to be cut, shortened and patched with your aluminum sleeve repair, to lessen the swag. I only went along with the suggestion of the K.U. lineman. There wasn't even enough swag to need an immediate solution. The swag could have been fixed by pulling the wire up at either end without cutting it. Had I known the connector patch wasn't strong and would eventually come loose after a little wind and a small limb possibly falling on it, I would never have accepted this suggestion.

2. On March 20, 2002, in your first letter in response to my phoned in complaint, you said that you weren't responsible for a limb pulling my neutral into. Your letter seemed to avoid directly responding to the main issue in my phone call, the point that it was your sleeve connector that let the neutral wire pull out, not the wire itself being pulled into.

3. On July 15, 2003, I wrote you again explaining how two KU linemen, that I specifically named, had installed the splice that had let go and asked you to re-examine your decision and further, specifically asked to see the lineman records that you say you relied on, so I could check their accuracy.

3. On August 29, 2003, you wrote to me stating that the splice to the wire did not cause my service to fail and you note your reliance on: (a) KU lineman Utley and Brumfield's records, (b) lineman Utley's statement on record, (c) KU manager's conversation again with lineman Utley going over the details. You didn't respond to my direct request to see any of these

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records to check their accuracy.

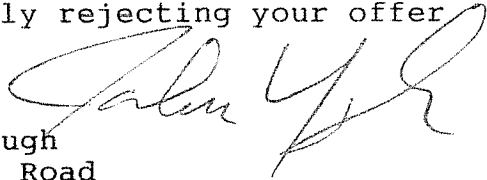
4. On July 6, 2004, I receive the record of your responses to the PSC and was surprised to find that you were denying the basic facts of the case as I have been stating them: (a) That the splice was installed by KU lineman, Laffoon, in the first place. (b) That KU linemen Utley replaced the failed splice with a similar sleeve splice on Nov. 29, 2001. (c) that a small limb, that KU lineman Utley and I noticed and I thought agreed, shouldn't have been sufficient to pull the neutral wire out of the connector. (d) That any limb sufficient to pull the connector into would have instead pulled the puny two and a half inch porcelain house knob off of my old wooden house and not left me with electrical damage from a disconnected neutral.

You have delayed me for three years by denying facts that you were wrong about and failed to correct. You ignored my requests to see your records that would have lead to a timely agreement on the correct facts. Almost three years later, I get to speak to your KU representative Donnie Mills in person and he explains how KU records don't even show that lineman Utley even replaced a connector on my neutral wire that had pulled out that night. When I explained that I had definitely seen that the connector had let the neutral wire pull out, that night, before I called KU for the repair and I had definitely witnessed lineman Utley replace this connector with another similar connecto. Then after Mr. Mills and I found the old splice still on the ground in the mulch, with the neutral pulled out of one side, He rightfully admitted that he would now agree with my account of the facts completely and was very apologetic and professional. I thought I had finally gotten through to someone logical and fair. Then I got a phone call from you with an offer to compromise.

This is my compromise: I won't assume that you have deliberately delayed your obligation to me for three years with missing records, false records, hidden records, no efforts to correct discrepancies and carefully worded letters and I won't assume that you didn't fail to inform the local people of my facts and my solutions to resolve the differences in our accounts. I won't ask for compensation for the three years your manipulations have delayed settling your obligation. I ask to be compensated for the exact amount of my fair claim. The time for a compromise passed a long time ago.

I, therefore for these reasons, am formally rejecting your offer of settlement. Thank you.

Sincerely,


John Yarbrough
1575 Ilsley Road
Madisonville, KY 42431
(270) 821-4288 phone/fax

Cc: Elizabeth O'Donnill,
Public Service Commission
Case # 2004-00189

CC RISK mauser