



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

John W. Clay  
Commissioner

January 15, 2009

TO: DIVISION OF FILINGS

RE: Case Nos. 2007-00565 and 2008-00251  
Application of Kentucky Utilities Company to File Depreciation Study and  
Application of Kentucky Utilities Company for an Adjustment of Electric Base  
Rates

Please file in the administrative record of the above-referenced cases the enclosed public meeting notes, which were recorded by Commission Staff at the public meetings in Madisonville, Kentucky on January 6, 2009; Middlesboro, Kentucky on January 8, 2009; and Lexington, Kentucky on January 12, 2009.

Sincerely,

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

Jeff Derouen  
Executive Director

Enclosures

cc: Parties of Record

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY UTILITIES )  
COMPANY TO FILE DEPRECIATION STUDY ) CASE NO. 2007-00565  
)

APPLICATION OF KENTUCKY UTILITIES )  
COMPANY FOR AN ADJUSTMENT OF ) CASE NO. 2008-00251  
ELECTRIC BASE RATES )

MINUTES OF THE LOCAL PUBLIC HEARING  
MADISONVILLE COMMUNITY COLLEGE, HEALTH CAMPUS AUDITORIUM  
MADISONVILLE, KENTUCKY  
JANUARY 6, 2009 5:30 P.M.

The public hearing in the above referenced matters was called to order by Vice-Chairman James Gardner who welcomed the attendees. Vice-Chairman Gardner gave a brief opening statement on behalf of the Commission explaining the purpose of the hearing, which was to hear public comments on Kentucky Utility Company's ("KU") application for a base rate increase. After explaining the purpose of the application, the procedure and protocol for the public hearing as well as noting that the hearing was being videotaped, Vice-Chairman Gardner invited the public to speak. The only individual who spoke was Mr. Will Cox, Mayor of the City of Madisonville. Mayor Cox thanked the Commission for coming to Madisonville and for the providing a forum in which KU's ratepayers could voice their comments. There being no other speakers, Vice-Chairman Gardner dismissed the hearing.

All persons in attendance were asked to sign in and provide their home addresses for the record. The sign-in sheet is attached hereto at Attachment 1.

ATTACHMENT 1 TO MINUTES OF THE LOCAL PUBLIC MEETING  
MADISONVILLE COMMUNITY COLLEGE, HEALTH CAMPUS AUDITORIUM  
MADISONVILLE, KENTUCKY  
JANUARY 6, 2009 5:30 P.M.  
IN CASE NOS. 2007-00565 and 2008-00251

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# PUBLIC MEETING - SIGN-IN SHEET

Kentucky Utilities Co. - Case No. 2008-00251

Madisonville - January 6, 2009

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COMMISSION

PLEASE PRINT LEGIBLY

Name	Address	DO YOU WISH TO SPEAK?	
------	---------	-----------------------	--

- |    |                |                                      |                                     |
|----|----------------|--------------------------------------|-------------------------------------|
| 1  | Jim D. Asbury  | YES                                  | <input checked="" type="radio"/> NO |
| 2  | CHRIS HERMANN  | YES                                  | <input checked="" type="radio"/> NO |
| 3  | RICK LOVEKAMP  | YES                                  | <input checked="" type="radio"/> NO |
| 4  | Chris Whelan   | YES                                  | <input checked="" type="radio"/> NO |
| 5  | Deborah Mercer | YES                                  | <input checked="" type="radio"/> NO |
| 6  | Holly Nelson   | YES                                  | <input checked="" type="radio"/> NO |
| 7  | Will Cox [COX] | <input checked="" type="radio"/> YES | NO                                  |
| 8  | Donald J Mills | YES                                  | <input checked="" type="radio"/> NO |
| 9  |                | YES                                  | NO                                  |
| 10 |                | YES                                  | NO                                  |

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY UTILITIES )  
COMPANY TO FILE DEPRECIATION STUDY ) CASE NO. 2007-00565  
)

APPLICATION OF KENTUCKY UTILITIES )  
COMPANY FOR AN ADJUSTMENT OF ) CASE NO. 2008-00251  
ELECTRIC BASE RATES )

MINUTES OF THE LOCAL PUBLIC MEETING  
MIDDLESBORO COMMUNITY CENTER  
MIDDLESBORO, KENTUCKY  
JANUARY 8, 2009 5:30 P.M.

The public meeting was called to order by Vice Chairman Jim Gardner at 5:30 p.m. Vice Chairman Gardner gave a brief introductory statement explaining the purpose of the meeting, which was to hear public comments on Kentucky Utility Company's ("KU") application for a base rate increase. Vice Chairman Gardner also noted that the meeting was being recorded on videotape. He then opened the floor to any comments by the public. However, no members of the public had appeared by that time to give oral comments. A recess was then taken to allow further time for members of the public to arrive.

The Commission went back on the record at approximately 6:00 p.m., at which time Vice Chairman Gardner called the meeting to a close, as no members of the public had appeared to be heard.

All persons in attendance (five employees of KU attended the meeting) were asked to sign in and provide their home addresses for the record. The sign-in sheets are attached hereto at Attachment 1.

ATTACHMENT 1 TO MINUTES OF THE LOCAL PUBLIC MEETING  
MIDDLESBORO COMMUNITY CENTER  
MIDDLESBORO, KENTUCKY  
JANUARY 8, 2009 5:30 P.M.  
IN CASE NOS. 2007-00565 and 2008-00251

# PUBLIC MEETING - SIGN-IN SHEET

Kentucky Utilities Co. – Case No. 2008-00251

Middlesboro – January 8, 2009

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Name	Address	DO YOU WISH TO SPEAK?	
1 <u>Doug Brock</u>	<u>RT 7 Box 904H Pineville, KY 40977</u>	YES	<input checked="" type="radio"/> NO
2 <u>Tommy Ingram</u>	<u>RT 7 Box 618-E Pineville Ky 40977</u>	YES	<input checked="" type="radio"/> NO
3 _____	_____	YES	NO
4 _____	_____	YES	NO
5 _____	_____	YES	NO
6 _____	_____	YES	NO
7 _____	_____	YES	NO
8 _____	_____	YES	NO
9 _____	_____	YES	NO
10 _____	_____	YES	NO

# PUBLIC MEETING - SIGN-IN SHEET

Kentucky Utilities Co. – Case No. 2008-00251

Middlesboro – January 8, 2009

PLEASE PRINT LEGIBLY

Name	Address	DO YOU WISH TO SPEAK?	
1 Robert Watt		YES	<input checked="" type="radio"/> NO
2 Chris Whelan		YES	<input checked="" type="radio"/> NO
3 Rick Lovekamp		YES	<input checked="" type="radio"/> NO
4		YES	NO
5		YES	NO
6		YES	NO
7		YES	NO
8		YES	NO
9		YES	NO
10		YES	NO



COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY UTILITIES )  
COMPANY TO FILE DEPRECIATION STUDY ) CASE NO. 2007-00565  
)

APPLICATION OF KENTUCKY UTILITIES )  
COMPANY FOR AN ADJUSTMENT OF ) CASE NO. 2008-00251  
ELECTRIC BASE RATES )

MINUTES OF THE LOCAL PUBLIC MEETING  
BRYAN STATION HIGH SCHOOL – AUDITORIUM  
LEXINGTON, KENTUCKY  
JANUARY 12, 2009 5:30 P.M.

Vice-Chairman Jim Gardner called the meeting to order at approximately 5:30 p.m., welcoming the attendees and introduced the other Commissioners and PSC Staff in attendance. He explained that the Commission had given him the honor of welcoming the public on behalf of the Commission because his son is a student at Bryan Station High School, where the public meeting was being held.

Chairman David Armstrong gave a brief introductory statement explaining the purpose of the meeting, which was to hear public comments on Kentucky Utilities Company's ("KU") application for a base rate increase. Chairman Armstrong informed the attendees that they could also file written comments and that forms for such comments were available at the reception table. Chairman Armstrong also noted that the meeting was being recorded on videotape. After explaining the purpose of the application and the procedure and protocol for the public meeting, Chairman Armstrong invited those who had signed up to speak to come forward to give their comments. Chairman Armstrong stated that each speaker would be allowed five minutes to speak.

At the conclusion of the public meeting, Chairman Armstrong thanked the speakers and attendants for their participation and then dismissed the meeting.

A list of those individuals who spoke and a summary of their comments is attached hereto as Attachment 1. All persons in attendance were asked to sign in and provide their home addresses for the record. The sign-in sheets are attached hereto at Attachment 2.

ATTACHMENT 1 TO MINUTES OF THE LOCAL PUBLIC MEETING  
BRYAN STATION HIGH SCHOOL – AUDITORIUM  
LEXINGTON, KENTUCKY  
JANUARY 12, 2009 5:30 P.M.  
IN CASE NOS. 2007-00565 and 2008-00251

1. Mayor Gary Williamson, Mt. Sterling, Kentucky.  
Mayor Williamson introduced himself.
2. Cathy Cunningham, Cecilia, Kentucky.  
Ms. Cunningham presented written comments to the Commission and then proceeded to read the written comments, verbatim, into the public record. Commission Staff filed Ms. Cunningham's written comments into the administrative record the following day. A copy of her comments is appended hereto as well.
3. Stan Houston, Lexington, Kentucky.  
Mr. Houston listed a number of power outages at his house over the past several years. He objects to the rate increase because of "poor service."
4. Geoff Young, Lexington, Kentucky.  
Mr. Young described his past experience working for the Kentucky Department of Energy. He encourages the establishment of rate structures where all parties benefit and more opportunities for efficiency savings are made possible. KU's proposed tariff structure establishes incentives that are counter-productive. The rate structure rewards the utility only when it sells more power, not for helping consumers save energy. Environmentalists have been working on these issues for 20 years. There is evidence from other states that these rate structures can work to reduce energy consumption. It is not fair to prevent environmentalists from intervening in Commission rate proceedings such as this.
5. Larry Clarke, Lexington, Kentucky.  
Mr. Clarke withdrew his request to speak and said he would submit his comments in writing.
6. Millicent Wells, Lexington, Kentucky.  
Ms. Wells posed the following questions to the Commission. How are you going to deal with the effect on low-income ratepayers? What does the case do to incent solar and renewables? What is the history of KU rate cases?
7. Doris Moreles, Lexington, Kentucky.  
Ms. Moreles stated that she does not speak English very well. She said that she has trouble paying her utility bills, and displayed a letter she received from the Community Action Council. She asked if anyone could speak Spanish. Chairman Armstrong asked her to remain after the public meeting so that

Commission Staff could assist her. Commission Staff later directed Ms. Morales to KU representatives who gave her a customer service telephone number where a Spanish-speaking customer service representative could help her.

8. Babs Barlow, Lexington, Kentucky.

Ms. Barlow stated that her electric bill is nearly half of her monthly income. She objects to the rate increase because of the adverse impact it will have on her and other low income customers.

The names of Betty Goggins and Anna Weaver were called, but neither of them came forward to speak.

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2008-00251

JAN 18 2009

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PUBLIC SERVICE  
COMMISSION

To the Members of the Public Service Commission:

The rate payers of Kentucky should not be responsible for the harm and costs associated with the pollution caused by both the old inefficient power plants that EOn, KU, and other energy companies refuse to shutdown, and for the newer coal power plants in which the state refuses to impose standards for efficient pollution mitigation and sustainable energy production. Kentucky ratepayers should not be responsible to absorb the brunt of Kentucky's archaic energy policies consisting of a systematic refusal to incorporate more sufficient standards for renewable energy production and refusal to hold current energy producers accountable for their inefficient energy production.

These archaic policies are evident in the coal-burning power plants currently being constructed in Kentucky. For example, TC2 in Trimble County will emit 8.5 million tons of CO<sub>2</sub> per year. This is in addition to Mercury, PM 2.5, and other hazardous air and water pollutants. The estimated cost of TC2 is \$1.1 billion. Notwithstanding these costs, both financial and environmental, the PSC granted the TC2 CPCN request. The fallacy of TC2 facility and any other energy producing facility in Kentucky is compounded by the fact that Kentucky's energy needs are fully met and will be in the foreseeable future. Recognizing this, the AG recommended that the CPCN request be denied because the ratepayers would pay a substantial extra cost if the base load capacity is added before it is needed.<sup>1</sup> With the ratepayer already having to pay for the public health and environmental costs already associated with such pollution, the ratepayers should not also be expected to absorb the costs of the construction and maintenance of an unneeded facility. As the public has become more educated on the environmental issues that affect our state, nation, and world today, the more energy efficient they are becoming, and any forecasts of energy consumption must be adjusted to the public's current trend towards energy efficiency. And we all know that Kentucky has a history of having some of the most energy *inefficient* energy consumers in the nation. This means that Kentucky rate payers can achieve energy efficiency more readily to put Kentucky ratepayers in line with the rest of the country. As indicated by the AG, Kentucky's current power plants already meet the energy consumption needs of the rate payers of this state. This combined with more energy efficient ratepayers should make any rate increase unwarranted at this time.

With Kentucky's reliance on energy production from coal, Kentucky's continual use of coal-fired power plants beyond their natural life, Kentucky's refusal to promote and adopt demand side energy management policies, Kentucky's refusal to demand energy companies to find new solutions to energy efficiency rather than relying on the archaic energy production model of coal, Kentucky's refusal to sufficiently promote and use the wind, solar, hydroelectric, and other renewable resources of our state, Kentucky's refusal to require more adequate regulation of CO<sub>2</sub> and other greenhouse gases, and

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<sup>1</sup> See Order, In the Matter of: Joint Application of Louisville Gas and Electric Company and Kentucky Utilities Company for a Certificate of Public Convenience and Necessity, and a Site Compatibility Certificate, for the Expansion of the Trimble County Generating Station, Case No. 2004-00507, November 1, 2005.

Kentucky's approval to allow the building of unneeded power plants, such carbon regulation will have a harrowing affect on the energy industry in this state. We need to start making preparations for this inevitable truth by making our energy policies more environmentally responsible, and not by rewarding energy companies with rate increases for the construction of new inefficient, unneeded power plants. There are more economically efficient ways for Kentucky's energy companies to cut costs rather than passing on those costs to Kentucky's vulnerable ratepayers. It is up to our state government and the PSC to remove that vulnerability and stand up for the rights of all Kentucky's ratepayers.

Therefore I ask the Public Service Commission to officially re-open Case # 2005-00507 and follow the order established in that case and cancel the construction before any more has been invested in this boondoggle. The ratepayers of Kentucky should not be forced to file litigation in order to have the Kentucky Public Service Commission serve the public interest. The PSC must serve the ratepayers not just the private interest of a for-profit utility.

A handwritten signature in black ink, appearing to read "Cathy Cunningham". The signature is written in a cursive, flowing style.

Dennis and Cathy Cunningham

ATTACHMENT 2 TO MINUTES OF THE LOCAL PUBLIC MEETING  
BRYAN STATION HIGH SCHOOL – AUDITORIUM  
LEXINGTON, KENTUCKY  
JANUARY 12, 2009 5:30 P.M.  
IN CASE NOS. 2007-00565 and 2008-00251

(1)

# PUBLIC MEETING - SIGN-IN SHEET

Kentucky Utilities Co. - Case No. 2008-00251

Lexington - January 12, 2009

PLEASE PRINT LEGIBLY

Name	Address	DO YOU WISH TO SPEAK?	
1 Gary Williamson <sup>woman</sup>	33 N Maysville St Mt. Sterling	YES	<input checked="" type="radio"/> NO
2 Cathy Cunningham	P.O. Box 148 Cecilia KY	<input checked="" type="radio"/> YES	NO
3 Bessie Wain	Versailles	YES	<input checked="" type="radio"/> NO
4 CHRIS HERMAN	Louisville	YES	<input checked="" type="radio"/> NO
5 Lonnie Bellax	Louisville	YES	<input checked="" type="radio"/> NO
6 Floyd Hockensmith	Frankfort	YES	<input checked="" type="radio"/> NO
7 Cliff Telham	KU Lexington	YES	<input checked="" type="radio"/> NO
8 Stan Houston		<input checked="" type="radio"/> YES	NO
9		YES	NO
10		YES	NO

# PUBLIC MEETING - SIGN-IN SHEET

Kentucky Utilities Co. - Case No. 2008-00251

Lexington - January 12, 2009

PLEASE PRINT LEGIBLY

Name	Address	DO YOU WISH TO SPEAK?	
1 Chris Whelan		YES	<input checked="" type="radio"/> NO
2 David Freibert		YES	<input checked="" type="radio"/> NO
3 DENNIS L. CUNNINGHAM		YES	<input checked="" type="radio"/> NO
4 Lisa Craft		YES	NO
5 Wanda Rhoades		YES	<input checked="" type="radio"/> NO
6 KIM HUE TRUONG		YES	<input checked="" type="radio"/> NO
7 Geoff Young		<input checked="" type="radio"/> YES	NO
8 Larry Clarke		<input checked="" type="radio"/> YES	NO
9 Emma Williams		YES	<input checked="" type="radio"/> NO
10		YES	NO



# PUBLIC MEETING - SIGN-IN SHEET

Kentucky Utilities Co. - Case No. 2008-00251

Lexington - January 12, 2009

PLEASE PRINT LEGIBLY

Name	Address	DO YOU WISH TO SPEAK?	
1 <i>Betty Loggins</i>		<input checked="" type="radio"/> YES	<input type="radio"/> NO
2 <i>Jenna Weaver</i>		<input checked="" type="radio"/> YES	<input type="radio"/> NO
3 <i>Wilbert Hill</i>	<i>Wells</i>	<input checked="" type="radio"/> YES	<input type="radio"/> NO
4 <i>Kathy Staver</i>		<input type="radio"/> YES	<input checked="" type="radio"/> NO
5		<input type="radio"/> YES	<input type="radio"/> NO
6		<input type="radio"/> YES	<input type="radio"/> NO
7		<input type="radio"/> YES	<input type="radio"/> NO
8		<input type="radio"/> YES	<input type="radio"/> NO
9		<input type="radio"/> YES	<input type="radio"/> NO
10		<input type="radio"/> YES	<input type="radio"/> NO

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# PUBLIC MEETING - SIGN-IN SHEET

Kentucky Utilities Co. - Case No. 2008-00251

Lexington - January 12, 2009

PLEASE PRINT LEGIBLY

Name	Address	DO YOU WISH TO SPEAK?	
1 Doris Moreles	1841 Castigan dr lex. ky 40511	<input checked="" type="radio"/> YES	<input type="radio"/> NO
2 BABS BARLOW	731 N UPPER ST LX	<input checked="" type="radio"/> YES	<input type="radio"/> NO
3 Adam K. Math	Lexington, KY	<input type="radio"/> YES	<input checked="" type="radio"/> NO
4 Renee Huddleston	Lexington, Ky KU Co	<input type="radio"/> YES	<input checked="" type="radio"/> NO
5 Audrey Darnell	" " KU Co	<input type="radio"/> YES	<input checked="" type="radio"/> NO
6		<input type="radio"/> YES	<input type="radio"/> NO
7		<input type="radio"/> YES	<input type="radio"/> NO
8		<input type="radio"/> YES	<input type="radio"/> NO
9		<input type="radio"/> YES	<input type="radio"/> NO
10		<input type="radio"/> YES	<input type="radio"/> NO