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January 26, 2010

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COMMISSION

Public Service Commission  
211 Sower Blvd.  
PO Box 615  
Frankfort, KY 40602-0615

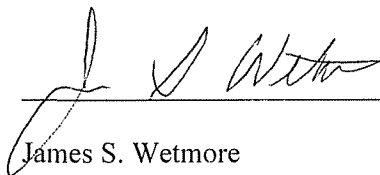
RE: Case No: 2009-00459

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Request: That Kentucky Power Company's request for a rate increase of approximately 22.87% be denied or approved at a greatly reduced level (5% or less).

Grounds: As a regulated corporation, Kentucky Power (KPCo) realizes substantial benefit from monopoly on the provision of a necessity. It is guaranteed rates that assure its survival, its ability to maintain its power generation and distribution facilities as well as employee salaries and benefits (which are at or above market levels), and its profits to investors. KPCo does not appear to be in financial distress at this time, and I see no evidence that any of the primary costs involved in the production and provision of its services have increased much, if at all, from KPCo's last increase (which was, as I recall, granted about a year ago and was also about a 20% increase). The price of coal has remained level or decreased over the past 12 months (if not the past 2-3 years). Copper has increased in cost over the past few years, but we are hearing of fewer thefts of power lines and other electrical assets being stolen for sale to recyclers which indicates that the price has either stabilized or decreased. To the extent salaries and wages reflect cost of living increases, they should have increased very little over the past year since there was almost no increase in the cost of living from 2009 – 2010 as evidenced by the federal government's calculation of the cost of living raise for social security benefits in January 2010. Given the above, how have KPCo's costs increased enough to justify even a 5% rate increase, much less 22% or more? Any increase based on projected future expansion or increase in KPCo's costs can wait until KPCo has shown these costs to be reasonable and necessary and has either incurred or obligated itself to these costs.

My status, standing, and interest: I am a residential customer of KPCo in Fisty (Knott County), Kentucky. I both heat and cook with electricity. I am on a budget plan and currently pay about \$200/month with what is usually about an additional \$200 due on the anniversary date of the plan (about \$2600/year).



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James S. Wetmore