

January 26, 2010

19 Rolling Hills Road
Hagerhill, Ky 41222

RECEIVED

JAN 28 2010

PUBLIC SERVICE
COMMISSION

Public Service Commission
Commonwealth of Kentucky
Frankfort, Kentucky 40601

P.O. Box 615
211 SOWERBIVE.

Dear Chairman:

Here we are one (1) year later and no action taken to improve the electrical power problems in Eastern Kentucky and other parts of the state. Kentucky Power Company is still not providing the necessary services to it's customers. One year ago we had the ice storm and heavy snow and this year we have heavy snow, wind and some ice and Kentucky Power has power outage as we had those two time last year and this one. There is apparently no budgeting for clearing the right-away of tree limbs in 2010 or future years. PSC needs to do a financial audit of the Power Companies. This should be done by an independent CPA firm familiar with the operations of a power company. This audit should check for high salary, fringe benefits, retirement program, and special benefits such as free power to retirees for life. A thorough review of all operations of the Power Company will help the Governor and PSC to take the necessary action. If PSC is required by law to regulate the power companies, then a house cleaning is necessary to get to the root of the problem. I have seen very little clearing of right-away by the tree company that the tree company they contract to do this work. These tree cutters do very little work during an 8 hour day, mostly spening hours on breaks and very little work. This is a big waste of money with no supervision of the contract.

The Power Companies cannot justify their inaction in the past year and for many past years. If anyone can look at the undated letter I just received and determine how much of an increase in rates will be effective at the end of this month, I will eat their letter. They spend hours or months on figuring out the most complicated formula to try convincing PSC and the public they need more money

I hope the Governor lights a fire under the Public Service Commission and Legislature where appropriate. If the Governor lets this increase go through and nothing is done about underground Lines, I am sure the voters will have their say in November and later years to replace those in Frankfort and Washington. PSC Cannot justify this big increase based on their past history.

Sincerely,


RUSSELL CHANDLER

CC: GOVERNOR STEVEN BESHEAR

ENCL Undated Ky Power

**NOTICE TO CUSTOMERS OF
KENTUCKY POWER COMPANY (KPCo)**

Please Take Notice that on December 29, 2009, KPCo filed with the Kentucky Public Service Commission a request for an adjustment of its electric rates and charges to become effective on and after January 29, 2010.

In addition to the rate changes described below, KPCo proposes the following new electric tariffs and/or charges: Experimental Residential Service Time-of-Day², Experimental Small General Service Time-of-Day, Large General Service Time-of-Day, Emergency Curtailable Service-Capacity & Energy, Alternate Feed Service Rider, Utility Gross Receipts Tax (School Tax), Kentucky Sales Tax, Transmission Adjustment.

In addition to the proposed new tariffs and charges above, KPCo is proposing numerous changes in both rates and text of the terms and conditions of providing service to its customers. These changes include, but are not limited to, increased availability of calculated deposits, method of determining additional or supplemental deposit requirements, availability of the average monthly payment plan, the Company's liability, billing formats, increases in some special charges and the establishment of a reconnect charge for customers who request that their service be reconnected within twelve months of having requested that the same service be disconnected. Also included are numerous changes, both substantive and in form, to the terms and conditions of providing service to every customer class.

KPCo proposes to change the text of the following tariffs: Residential Service, Residential Service Load Management Time-of-Day, Residential Service Time-of-Day, Small General Service, Medium General Service, Medium General Service Time-of-Day, Large General Service, Quantity Power, Commercial and Industrial Power Time-of-Day, Contract Service- Interruptible Power, Municipal Waterworks, Outdoor Lighting, Street Lighting, System Sales Clause, Demand-Side Management Adjustment Clause, Energy Price Curtailable Service Rider, Environmental Surcharge, Experimental Real-Time Pricing, Green Pricing Option Rider.

Copies of the proposed tariffs containing both text and rate changes may be obtained by contacting Errol K. Wagner, Kentucky Power Company at P. O. Box 5190, Frankfort, Kentucky 40602-5190 or by telephone at 502-696-7011.

If approved as filed, the Company's proposed changes to its rates and tariffs will result in a proposed annual increase in electric revenues of approximately 22.87% for KPCo. KPCo's proposal includes a proposed Transmission Adjustment Tariff which adjusts customer's charges based upon the wholesale cost of transmission. If that adjustment is not approved, and the application is approved as filed, KPCo's proposed annual increase in electric revenues will be approximately 24.25%.

If approved as filed, the application will also cause the Net Merger Savings Credit (N.M.S.C.) Tariff to be withdrawn from service effective with the change in base rates and result in the end of the associated credits. In its base rate application, KPCo is proposing to include all net savings resulting from the merger in its proposed base rates. When new base rates become effective, customers should receive the benefit of all of these savings through base rates, including the current shareholders' portion.

The rates contained in this notice are the rates proposed by KPCo; however, the Public Service Commission may order different changes in rates than those proposed by KPCo. Such action by the Commission may result in rates for customers other than those contained in this notice.

The estimated annual revenue increase per customer class, without and with the proposed Transmission Adjustment Tariff, is as follows: