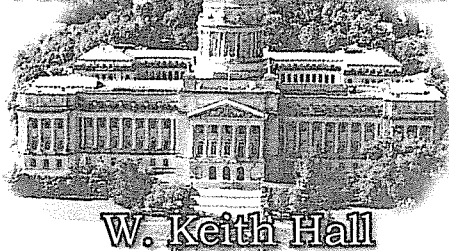


Commonwealth of Kentucky

HOUSE OF REPRESENTATIVES

STATE REPRESENTATIVE
93RD LEGISLATIVE DISTRICT
155 McCoy Caney Road
P. O. Box 683
Phelps, Kentucky 41553
Telephone: (606) 456-3432, Ext.25
Facsimile: (606) 456-8565



CAPITOL ANNEX
Room 466C
Frankfort, Kentucky 40601
(502) 564-8100, Ext. 635
Message Line: (800) 372-7181
E-mail: keith.hall@lrc.ky.gov

February 1, 2010

RECEIVED

FEB 04 2010

PUBLIC SERVICE
COMMISSION

Kentucky Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602-0615

To Whom It May Concern:

I, along with my colleagues and other Commonwealth citizens, would like to respectfully ask that you consider denying the proposed rate increase of 35 percent. It has been brought to my attention that Kentucky Power--a unit of American Electric Power (AEP), which serves around 175,000 customers, the majority of whom are in all or parts of Eastern Kentucky counties--has asked the state Public Service Commission to approve this copious rate increase. This is extremely upsetting to me and to the people of my district.

It has been brought to my attention that in *Platts Coal Trader* Friday, January 29, 2010, edition, Mr. Michael Morris, AEP President, chairman, and CEO, told Wall Street analysts during a Thursday fourth-quarter earning conference that he thinks there will be a 10 percent or so reduction in the cost of coal in 2010. It stated that AEP is forecasting a moderate decline in coal prices this year. It also stated that during the three months ending December 31, 2009, the Columbus, Ohio, company saw earnings soar by 57 percent to \$238 million and revenue rise to \$3.3 billion from \$3.2 billion-- a 3 percent gain. Meanwhile, my people are in distress.

Messages have been flooding into my office regarding customer frustration, and it is completely understandable. The elderly already have to budget themselves, sometimes choosing medicine over food or vice versa; this is a necessity of life that should never ever enter into that equation. With the dire economy and soaring prices, it does not seem fair for your loyal customers to be suffering due to this increase.

I recently discussed with the House of Representatives Chair of Natural Resources and Environment Committee Jim Gooch, Representative Hubert Collins, Representative Ancel Smith, and Representative Leslie Combs the need to have your presence at a hearing in the Natural Resources Committee regarding the proposed planned rate increases.

Please feel free to contact me anytime. I look forward to working with you on this and other issues and hope to schedule a meeting at your earliest convenience.

Working for the People of Pike,

Respectfully,

A handwritten signature in black ink that reads 'W. Keith Hall'.

W. Keith Hall
State Representative, 93rd District

WKH:ckk
enclosure

COMMITTEES: Energy Subcommittee, Cochair; Appropriation and Revenue; Natural Resources and Environment, Vice Chair; Tourism Development and Energy; and Budget Review on Transportation

Coal Trader

Friday, January 29, 2010

Platts Daily OTC Assessments, Jan 28

Region Btu/Sulf	Mar 2010	Ch.	Apr 2010	Ch.	Q2 10	Ch.	Q3 10	Ch.	Q4 10	Ch.	CY-11	Ch.
NYMEX 12,000/<1%	52.10	0.40	53.00	0.00	55.10	0.85	57.40	0.80	59.60	0.30	65.30	0.00
CSX 12,500/1%	54.55	0.00	54.00	0.00	55.50	0.50	58.10	0.00	61.10	0.00	66.90	0.00
PRB 8,800/0.35%	10.50	0.00	10.65	0.00	10.70	(0.15)	11.30	(0.05)	11.85	(0.10)	13.10	0.00
PRB 8,400/0.35%	9.05	0.00	9.15	0.00	9.45	0.00	10.20	0.25	10.35	0.15	12.30	0.00

NYMEX spec is FOB barge, others are FOB rail. Ch.=change from last daily Platts Coal Trader assessment.

Consol overseas met sales markedly up in '10 as Q4 2009 results slip

Crediting the company's ability to weather two different volatility cycles through its production of both coal and natural gas, Consol Energy executives discussed Thursday a year that ended with net income up almost \$100 million over 2008.

Yet, fourth-quarter 2009 net income slipped 19% to \$143.2 million from the \$176.3 million in the same period of 2008 on lower revenue from metallurgi-

cal coal and natural gas sales. Revenue in Q4 2009 was \$1.238 billion, down from \$1.242 billion last year.

But Consol executives, in a Thursday morning conference call, expressed abundant optimism about how 2010 would end up, and said performance going into 2011 would be strong, especially due to burgeoning overseas met coal sales. Aside from the Pittsburgh area company's growing gas-

production business, Consol is pushing more of its high-vol, Pittsburgh-seam coal into overseas markets, most recently China, while low-vol product from the Buchanan mine in Virginia is going into Europe.

In fact, Buchanan – which has often fallen short of full capacity due to a variety of problems – is expected to produce at its maximum level this year.

(continued on page 5)

AEP foresees 10% reduction in 2010 coal prices

American Electric Power is forecasting a moderate decline in coal prices this year.

"We think there will be a 10 percent or so reduction in the cost of coal in 2010," Michael Morris, AEP president, chairman and CEO, told Wall Street analysts during a Thursday fourth-quarter earnings conference.

For the three months ended December 31, 2009, the Columbus, Ohio, company saw earnings soar by 57%, to \$238 million, or 50 cents/share, from \$152 million, or 38 cents/share, in the year-ago quarter. Revenue rose to \$3.3 billion from \$3.2 billion, a 3% gain.

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OTC Broker Index

Coal Product Specifications	Jan Final Monthly Average	Feb Final Monthly Average	Mar Daily Assessment	Daily Change	Q2 2010 Assessment	Daily Change	Q1 Average
NYMEX look-alike - 12,000 Btu/lb. -1%	46.90	53.37	52.37	0.80	55.12	0.89	50.34
CSX BS/K - 12,500 Btu/lb. -1%	51.15	53.81	54.57	0.04	55.92	0.62	53.73
PRB - 8,800 Btu/lb.	8.65	9.64	10.32	(0.10)	10.72	(0.10)	8.52
PRB - 8,400 Btu/lb.	7.92	8.60	8.83	(0.09)	9.22	(0.08)	7.87
CAPP 1% vs. Compliance spread	2.56	2.99	3.00	0.00	2.80	0.00	2.16

This index is done in cooperation with Evolution Markets, ICAP United, and TFS Energy. Today's index had 3 contributors. For comments or questions, e-mail: coal@platts.com. *To view Broker Index Methodology, visit: www.platts.com and click the "Coal" tab.