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PUBLIC SERVICE  
COMMISSION

04 February 2010

Hon. David L. Armstrong, Chairman  
Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602-0615

**Re: Kentucky Power Co.  
Application for 35% Residential Rate Increase  
Case No. 2009-00459**

**Dear Chairman Armstrong:**

On 29 December 2009 Kentucky Power Co. filed its initial "*Notice to Customers of Kentucky Power Company Proposed Changes to its Base Rates*" wherein a 35% rate increase was sought from the customers of the power company. This "*Notice*" came while thousands of residents throughout Eastern Kentucky remained without power due to the many broken power lines, power poles, and damaged transformers caused by a snowstorm that began around 4:00 p.m. on 18 December 2009 and continued until 19 December 2009.

During the power outage the residents of Eastern Kentucky were literally left in the dark as little information came from Kentucky Power Company as to when service would be restored or what areas the out of state crews were scheduled to work in. I can personally attest to the inability to obtain any information or to speak with a live person concerning the power outages.

I personally attempted to contact Kentucky Power Company for three days and each time could not get past a recording stating "due to heavy snow and massive power outages, all of our crews have been dispatched to West Virginia." When I finally did reach a live person on 22 December, they were in Arkansas and advised that they were aware of the problem and nothing more.

During this time, I received numerous phone calls from sick and elderly residents who called me in desperation after being unable to speak with anyone at Kentucky Power. Several of these callers advised me of downed lines, some of which were hot. Nearly all indicated that their power had been lost due to trees well within the right of way of Kentucky Power Company falling on the lines, causing lines and poles to snap.

Because of the wide spread belief of the residents of Letcher County that the power outages were mainly caused by the failure of Kentucky Power Company to maintain its right of way and to replaced poles and lines that are in many cases 60 years or more old, I requested that the Letcher County Grand Jury conduct an investigation into this matter. In order to begin the investigation I prepared a simple questionnaire to get some idea of the cause of the power outages, if known, the duration of the outage, and the hardship and financial losses attributed to the power outage.

My questionnaire also asked if the individuals were aware of any maintenance performed by Kentucky Power Company within the past year. I also arranged for a public forum to address these concerns in which several of the local elected officials, volunteer fire departments and rescue squads and representatives of Kentucky Power Company were invited.

Following two cancelations due to weather, the forum was held on 22 January 2010 in the Letcher Circuit Courtroom. As reported in the local press as well as on WYMT TV 57 and WKYT TV 27, several hundred residents filled the court room and overflowed into the hallways and stair wells to voice their concerns over the loss of power and the widely held belief that the power outages are directly attributable due to the negligence of Kentucky Power Company in failing to properly maintain its right of way and equipment.

Enclosed are approximately 200 of the completed questionnaires received to date along with a video of the public forum held on 22 January 2010 and a few of the photographs I have been promised by several individuals. Although the investigation of the Letcher County Grand Jury is on going, I believe the findings of the Grand Jury will be entirely consistent with the statements and conclusions reached at the public forum.

Specifically, Kentucky Power Company specifically denies any fault or negligence in the power outage. According to the President of Kentucky Power Company, Mr. Timothy Mosher, the power outages and resulting hardships on its customers, including all financial losses, were the result of "an act of God." By sharp contrast, the several hundred in attendance and those who completed the questionnaire all attribute the power outage to the lack of proper vegetation control and maintenance of the equipment and right of ways of Kentucky Power Company.

Mr. Mosher also took the position at the forum that Kentucky Power Company acted entirely reasonable when it diverted the available linemen in the AEP coverage area closest to Eastern Kentucky to other areas including West Virginia and Virginia as the weather forecasts did not predict more than 2-3 inches of snow. By sharp contrast, representatives of Emergency Management and local officials stated at the forum that they had met as early as 4 days prior to the snowstorm as the National Weather Service was predicting 10-14 inches of wet, heavy snow for all of Eastern Kentucky.

Mr. Mosher also claimed that the approximate 35% rate increase currently sought from residential customers in Eastern Kentucky was more than justified as the commercial customers and other customers of the parent company American Electric Power (AEP) have long subsidized the cost of providing electricity to the residential customers of Eastern Kentucky and that the profit earned from residential customers was approximately 2.3% less than the actual cost of service.

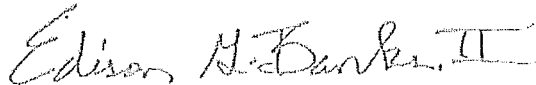
I, along with the vast majority of the customers of Kentucky Power Company would sharply disagree with this position as the residential customers, nearly all of whom

are on fixed incomes and can least afford an increase, and certainly not a 35% rate increase. Furthermore, I would also take exception to Mr. Mosher's belief that the power bills of the residential customers of Eastern Kentucky are long overdue for a rate increase due to our power bills being subsidized by the other customers for it is our roadways, our water ways, streams drinking water and other natural resources that are most affected by coal mining operations. We are the ones who suffer from black lung disease and mining fatalities.

Without our contribution and the coal mined from our region, there would be no Kentucky Power Company. To my way of thinking, the citizens of Eastern Kentucky have more than contributed our share to the "profits" earned by Kentucky Power Company and AEP.

I wish to thank you and the other members of the Public Service Commission for taking the time to thoroughly investigate Kentucky Power Company's application for a rate increase. To the extent possible, I believe this matter can best be investigated by the Public Service Commission coming to Eastern Kentucky to see firsthand and hear directly from the residents effected by any rate increase their opinions of the cause(s) of the recent power outage, the poor condition of many of the power poles and lines and perhaps most importantly, the obvious lack of proper right of way maintenance by Kentucky Power Company.

Sincerely,

A handwritten signature in cursive script that reads "Edison G. Banks, II".

Hon. Edison G. Banks, II  
Commonwealth's Attorney  
48 East Main Street  
Whitesburg, KY 41858  
606-633-8121

EGBII

Enc.

Cc: Mr. Timothy Mosher