



COMMONWEALTH OF KENTUCKY  
STATE SENATE

March 9, 2010

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PUBLIC SERVICE  
COMMISSION

Mr. David L. Armstrong, Chairman  
Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort KY 40602

RE: Kentucky Power Company's Request for Electric Rate Increase and Charges  
Case # 2009-00459

Dear Mr. Armstrong:

On December 29, 2009, Kentucky Power Company, a subsidiary of American Electric Power (AEP), filed a request to allow an increase in their residential electric rates of 34.95 percent.

With Kentucky Power Company's current Long Term Debt to Equity Ratio of 71.9 percent, the request for an approximately 35 percent increase in residential rates is not justified and should not be granted by the Public Service Commission. The burden on Kentuckians for this increase is too great, particularly at a time of our nation's deepest recession in decades.

In addition to their request for a rate increase for residential customers, Kentucky Power Company (AEP) also requests rate increases for businesses and manufacturers in the range of 18.10 to 22.37 percent. This large rate increase will be detrimental to the manufacturing base and jobs in Kentucky. Kentucky would lose its economic advantage of a low-cost electricity state if these large rate increases are granted.

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Kentucky Power Company (AEP) has returned a dividend this quarter to its stockholders, an exceptionally strong showing in this deep recession. The company also requests in its rate case a guaranteed profit higher than any business can legitimately expect during these difficult economic times. As an investor-owned utility, Kentucky Power Company (AEP) has an obligation to its stockholders. However, the Kentucky Public Service Commission has a duty to the citizens of Kentucky. As a state which regulates utilities through the Public Service Commission, it is the role of the Commission to maintain affordable electric rates for the Kentucky citizens who must pay the rates.

Never in the existence of the Kentucky Public Service Commission has this role been more important. In this time of economic uncertainty, more than ever, we Kentuckians look to the Commission to exercise the power granted by KRS 278 to protect Kentuckians from an outrageous rate increase.

Thank you for your consideration that this request not be granted

Sincerely,



Walter Blevins, Jr., D.M.D.  
State Senator



Robin L. Webb  
State Senator