

March 30, 2010

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PUBLIC SERVICE
COMMISSION

Mr. Jeff Derouen
Executive Director
Public Service Commission
PO Box 615
Frankfort, Ky 40602-0615

Dear Mr. Derouen:

Thank you for your Jan 25 letter in which you inform me that my Jan 15 letter will be treated as an official protest against Ky. Power's rate increase request.

In the 3/27/10 Herald Leader, readers were informed of PSC meeting dates to receive comments about the request. I don't know whether the PSC plans a presentation at these meetings, but if you do, could you please provide answers to the questions I asked in a letter dated Mar 1 to Enol K. Wagner at Ky Power - (attached).

I have written Tim Moser, Ky Power, twice. I wrote Enol Wagner once. Neither of these men has answered my letter or answered my questions. If Ky. Power has nothing to hide, why don't they provide the requested information? Especially, who are their officers? What is each officer's compensation? How much has each officer's compensation increased in the last five years?

Also, it would be nice to hear Ky. Power comment on whether its home office employees will be affected by the 3.5% rate increase. Since Franklin County isn't listed as their service area, I assume the home office doesn't have to worry about higher electric bills.

I am aware that the legislature has passed a resolution and sent it to the PSC requesting that any utility rate increase be limited to the rate of inflation the previous year. This seems reasonable.

Thanks for any information you can provide now or at the PSC meetings.

Sincerely
Rev. Jerry Burchett

P.S. Could you send me a listing of who is included in each rate class? For example, is RS residential? What is SAS, MGS etc.?

P.O. BOX 275
Grayson, Ky 41143

March 1, 2010

Mr. Errol K. Wagner
Director, Regulatory Services
P.O. Box 5190
Frankfort, Ky 40602-5190

Dear Mr. Wagner:

Thank you for sending me a copy of Ky. Power's application for a rate increase. I would like some additional information as listed below:

- 1) How many employees of Ky. Power ^{who are} located at the home office in Frankfort have electric service provided by Ky. Power? Page 2 of the rate increase request doesn't list Franklin County as your service area. Is it fair to say, then, that Ky. Power home office employees will not have to pay the 35% increase you are requesting?
- 2) Please send me the names of Ky. Power's officers, what their annual compensation is and how much each officer's compensation has increased in the last 5 years.
- 3) Please send me a copy of the financial exhibit referred to in #17, pg 8 of the request.
- 4) Are the witnesses named in #19 employees of Ky. Power? If not, how much are they being paid to testify in your behalf?
- 5) Please send me a listing of what the Tariff class in 15a includes. For example,

(Continued)

what is RS? Residential customers? what is S&S, M&S, etc? why do the requested percentage increase vary by class?

- 6) Carter County Judge executive, ^{Charles Wallace} told me yesterday that AEP's CEO, Mr. Morris?, earns \$22 mil./year. In #15, pg 6, your increase request says that Ky Power is seeking \$123.6 mil in increased revenue yearly. Is there some reason that \$20 mil of this can't come from Mr. Morris' salary. No one is worth \$22 mil. a year.
- 7) Could you please send me a copy of your 2009 annual report. I would also like a copy of 2004's annual report. If one has to be a stockholder to receive an annual report, how can I buy stock in your company?
- 8) In 11 a, p. 5, your return on equity is shown as 2.9% - which you say is "inadequate and unreasonable" - what does the Company think is adequate + reasonable? what is the return on equity percentage of other electric utilities? why is 2.9% unreasonable?
- 9) In 11 g, you mention an increase in the Company's general expenses.
- what is the percentage increase in the Company's expenses from 2004 to 2009?
 - what is the percentage increase in the Company's sales during the same period?
- Give me actual numbers for sales and expenses for both years and I can compute the increases.

10) What has the percentage increase been for overall inflation in the economy in each of the following years:

- 2004
- 2005
- 2006
- 2007
- 2008
- 2009

11) How much (percentage wise) have salaries at Ky. Power increased from 2004 to 2009?

12) Re # 16, pg 7 of your rate increase request, please send me a copy of the new policies, programs + tariffs the company wishes to implement. I guess that means I'd like to have a copy of volume 2, section III.

13) Regarding # 18, I'd like to have a copy of volume 2, section IV.

Thanks for providing all of the information requested above.

Sincerely

Rev Geraldine Burchett