

FOREST PRODUCTS, INC.

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February 10, 2010

Public Service Commission
211 Sower Boulevard
Frankfort, KY. 40601

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COMMISSION

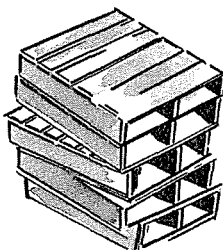
Dear Sir or Madame;

I am writing regarding the proposed rate increase submitted recently by Kentucky Utilities, a subsidiary of EON – US. We are a small business located in southeastern Kentucky, employing approximately 140 in our hardwood processing business. Electrical usage is a considerable part of our production cost. As we understand the rate increase request, the cost of our current electrical consumption would increase by 9.87%. We struggle with our current rates and of course are trying to conserve in any way possible. If approved, this additional cost would force us to re-evaluate our business plan and possibly reduce our workforce significantly.

I am certain that this utility is also struggling in the current economy. However, electrical service impacts all industrial customers large and small. With the loss of manufacturing jobs in the US, along with the down turn in our economy any additional cost to industry would prove to be costly in terms of jobs. We respectfully ask that this rate increase request be denied. There could be no worse time for an increase in electrical utility costs to small business. We are located in a coal producing area, and understand that coal is trading at a very low per ton rate lately. With new home starts dropping at an alarming pace, any further hindrance to the hardwood industry would be crushing, to say the least. Our operation is one of many in the eastern part of the state, and this increase would have a similar effect of that business as well. Ours is a renewable resource, and the forest industry in Kentucky provides numerous jobs for the people of the state. We are hopeful that you will deny this request.

Sincerely,
FOREST PRODUCTS, INC.

W.J. Robinson
President



MANUFACTURERS & WHOLESALEERS OF PALLETS AND LUMBER

