

2009-00548

Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40601

RECEIVED February 8, 2010

FEB 16 2010

PUBLIC SERVICE
COMMISSION

Dear Commissioners:

I purchased this home in Madisonville, KY in 2004. The house is an all electric home. I checked the total monthly bills for the house with Kentucky Utilities at Earlington, KY. In a period of a year not one bill was over \$200.00. Till you allowed a rate increase, I can not recall a bill being over \$120.00. Since the allowed increase I have had a monthly bill for \$265.49. In fact, the rate of increase is like the waters in New Orleans. I ask, has the levees or the protection we once had been destroyed?

When our home was built, Kentucky Utilities was concerned about selling electric current at a reasonable price. It is my understanding that KU would pay the home owner \$250.00 if your service connector line was buried, \$250.00 if you had an all electric home, and \$250.00 if you would install required installation. It is my understanding that KU no longer offer these incentives.

The good company, KU, that was headquartered in Lexington, and many stockholders were Kentucky residents, and a good company that was good to its employees, KU was loved by the people it served. It is my understanding that some local offices has been closed. We used to mail our bill to Lexington, now we mail to Atlanta, GA, or some other location outside of Kentucky. It is my understanding that management has instituted other programs that reduces company employees which in my opinion is not in the best interest of our great state.

If my memory serves me correct, the last rate increase that doubled my electric bill was granted by you the day after the political Ernie Fletcher was elected governor. The former governor lost his election for a second term because he would not or could not apply what the people wanted. Our current governor wants you to be honest and open. I ask that you help him to be successful in his endeavor to help the people of Kentucky.

Kentucky Utilities has run advertisements in our local papers that they try to tell us that they need a small increase in rate. This advertisement is a whole three pages. For your benefit I have enclosed the three page notice, and a copy of my KY Utilities January bill. I can understand some of the doings on the Jan. Bill, but the newspaper advertisement I must leave to your understanding as to what it will do to KU customers.

Handwritten notes at the top of the page, including a circled 'U' and some illegible scribbles.

First paragraph of handwritten text, starting with a capital letter.

Second paragraph of handwritten text, continuing the notes.

Third paragraph of handwritten text, appearing as a list or series of points.

Fourth paragraph of handwritten text, with some lines indented.

Fifth paragraph of handwritten text, concluding the notes on this page.

I also received in the mailing of my monthly bill a notice the KU is asking a rate increase. A copy of this notice is enclosed. May you get an understanding just what our beloved utility company is doing to its customers.

It is recognized that the working people can be oppressed by excessive taxation and monopolies. Utilities are monopolies. Rate is a tax.

Please stop any increase in rate that is not justified, and we need to know in simple terms just what is the rate of increase. I can not understand how the Public Service Commission allowed in such short time for an increase in rate that would cause my bill to more than double and then the KU wants more.

I am not able to analyze all statements and advertisements that are enclosed, but allow me to help you in regard to some statements. The company wasted my money in telling me that they gave to certain non-profit groups. I say waste not, want not.

KU proposes to change the text of 26 electric tariffs, and then explains the estimated amount of annual charge to ten (10) customers. I would like to point out that the poor boy or residential and the all electric school is carrying two of the largest increases in the estimated monthly bill.

Last year we had an ice storm that caused KU not to supply electric current to our under ground connection, and we had to leave the state because our all electric home was to cold. After living more that a week at our own expense, we returned to empty our deep freeze and refrigerator. It was heard on the street that KU had fired all top level management and other employees, and they (KU) had to use people from different states to figure out the problem in order to get electric current to misfortune customers.

In the January 2010 flyer (enclosed copy), KU states the Kentucky Public Service Commission (KPSC) that governs the operation of KU made in a 180 page reported made 36 recommendations. To me to be in charge of a company, and to have my regulating authority to make one recommendation in my operation would be a disgrace. To have 36 recommendations would prove to me that the company has no respect for the one that granted then a license to operate. In fact, they commend that the KPSC approves of their action. In stead of hanging their heads in shame, they boast as if the have you under their control.

KU has been an electric company to my family for 85 years. Most of the time they were owned by a company that had stockholders mostly from Kentucky, employees living in Kentucky, was a Kentucky company with a reputation to help Kentuckians.

1. The first step in the process of the scientific method is to ask a question. This question should be based on observations and should be testable. For example, "Does the amount of water affect the growth of plants?"

2. The second step is to form a hypothesis. A hypothesis is a prediction or an educated guess about the answer to the question. For example, "If I water a plant more often, it will grow taller." This hypothesis is testable because it can be proven true or false.

3. The third step is to design an experiment. The experiment should be set up so that only one variable is changed at a time. In this case, the amount of water would be the independent variable, and the height of the plant would be the dependent variable. All other factors, such as soil and light, should be kept constant.

4. The fourth step is to collect data. This involves measuring the height of the plants at regular intervals and recording the results. It is important to use precise measurements and to repeat the experiment several times to ensure accuracy.

5. The fifth step is to analyze the data. This involves looking for patterns in the data and determining if the results support the hypothesis. In this case, if the plants that were watered more often grew taller than the ones that were watered less often, the hypothesis would be supported.

6. The sixth step is to draw a conclusion. This is a statement that summarizes the results of the experiment and whether or not the hypothesis was supported. For example, "The results of the experiment supported the hypothesis that increasing the amount of water leads to taller plants." It is also important to discuss any limitations of the experiment and suggest areas for further research.

7. The final step in the scientific method is to communicate the results. This can be done by writing a report or giving a presentation. It is important to include all the details of the experiment, including the hypothesis, the procedure, the data, and the conclusion. This allows other scientists to review the work and determine if it is valid and reliable.

8. The scientific method is a process that is used by scientists to investigate natural phenomena. It is a systematic approach that allows scientists to test their ideas and to learn from their mistakes. By following the steps of the scientific method, scientists can gain a better understanding of the world around them.

The current owners of KU appears to have a mission to make the kWh rate the same as 26 other utility companies. This opinion is based on the KU flyer stating one cheaper utility offer kWh cheaper and 26 other utilities offering kWh at a higher rate.

I do not approve any person trying to live a better life than their neighbor, a person should try to live a better life than himself. KU should set its rate based on its operation and the necessary expenses to produce the kWh at a reasonable profit at Kentucky level, and not based on Euro level or what some other company is doing.

Yours truly,



Billy R. Cartwright Phone

80 Shoal Creek Dr.

Madisonville, KY 42431

Enclosed: three pages, one flyer, one notice, and bill.

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POWERSOURCE

Customers first. Energy that lasts.

July 2009

KU energy costs among the lowest in the area

The Edison Electric Institute (EEI), an association of U.S. shareholder-owned electric companies representing approximately 70 percent of the U.S. electric power industry, recently assessed the cost of typical monthly energy bills in our area. KU was second lowest in the ranking of 32 companies in Missouri, Illinois, Indiana, Ohio, West Virginia, Virginia and Tennessee. KU's sister utility, LG&E, was fourth lowest in the comparison.

EEI asked participants to calculate bills based on what customers actually pay, with the exception of taxes that do not flow into utility revenue. This allowed an objective comparison of costs.

Power On

Late last year, the Kentucky Public Service Commission (KPSC) released a comprehensive 180-page report of the January 2009 ice storm and the September 2008 wind storm – which caused the two largest power outages in KU's history. Overall, the KPSC's report recommended the electric utilities it governs consider system hardening as part of their routine maintenance.

Hardening may include more aggressive tree trimming, as well as the use of stronger poles and bigger wires.

Many of the KPSC's 36 recommendations are already in place or under way at KU. In fact, the KPSC's report commends us in some key areas. We continue to explore opportunities to improve on our performance and are working to enhance the information we provide to you during outages.

To view or download the full KPSC report, visit psc.state.ky.us.

Residential rates effective July 1, 2009.

Utility Company	State	Typical Monthly Bill (1,000 kWh)
Old Dominion Power	VA	\$70.05
Kentucky Utilities	KY	\$72.03
AEP	WV	\$72.28
Louisville Gas and Electric	KY	\$76.87
AEP	TN	\$78.67
Indianapolis Power & Light	IN	\$83.24
Potomac Edison	WV	\$83.33
Monongahela Power	WV	\$83.33
AEP	IN	\$84.63
AEP	KY	\$86.29
AmerenCIPS	IL	\$88.38
AEP	VA	\$91.49
AEP (Ohio Power)	OH	\$92.72
AmerenJE	MO	\$93.55
MidAmerican Energy	IL	\$95.91
Duke Energy	IN	\$98.75
Potomac Edison	VA	\$97.07
Duke Energy	KY	\$98.81
AmerenCILCO	IL	\$101.07
Empire District	MO	\$106.59
Kansas City Power & Light	MO	\$107.19
Dominion	VA	\$108.89
AmerenIP	IL	\$109.17
Commonwealth Edison	IL	\$110.07
Dayton Power & Light	OH	\$110.60
Ohio Edison Company	OH	\$114.39
N. Indiana Public Service	IN	\$115.06
Toledo Edison Company	OH	\$120.20
AEP (Columbus S. Power)	OH	\$120.23
Duke Energy	OH	\$121.87
Cleveland Electric	OH	\$127.85
S. Indiana Gas & Electric	IN	\$129.41

Technotes

Make property management a snap using Customer Self-Service

Our online Customer Self-Service (CSS) application allows landlords to manage apartments or multiple properties with ease. With CSS, landlords and property managers have instant access to dozens of services and can:

- schedule, submit or cancel payments;
- review meter and usage history of apartments/properties;
- report outages;
- stop or start service.

The first step toward managing multiple energy accounts is to have a Landlord Agreement on file with KU. The agreement allows us to transfer the energy accounts to the property owner's name when a tenant requests a termination of service. This form can be found at eon-us.com or in CSS if you already have a personal account registered.

Don't have a CSS account?

New users can visit eon-us.com and click "Logon to CSS" then "Register." You will need your account number, billing zip code and primary phone number to register your account. Once registered, you will have access to your account information and all of our other online service features 24 hours a day, 7 days a week.



Give a little TLC to your water heater

Heating water can be a significant part of your home's energy bill. Try one or more of these energy-saving strategies to reduce your costs.

- Conserve hot water by fixing leaks. A leak of one drip per second can cost \$1 per month and, left unattended, can worsen over time costing even more.
- Perform the routine maintenance for your particular water heater. Instructions should be included in your owner's manual and can include: flushing a quart of water from the storage tank every three months; checking the temperature and pressure valve every six months; and inspecting the anode rod every three to four years.
- Install heat traps on your water heater tank. These prevent hot water from flowing out of the tank. They cost about \$30 a pair and can save that much on your heating bill the first year. Professional installation is required.
- Lower the thermostat setting on your water heater to 120° F. For each 10° F reduction, you can save three to five percent in energy costs per year and prolong the life of your water heater and pipes since the lower temperature slows mineral buildup and corrosion. Be sure to check both the top and bottom of your water heater as you may have two heating elements.
- Insulate your water heater with a pre-cut jacket or blanket if your water heater has an R-value below 24. This will reduce standby heat for a savings of four to nine percent in water heating costs per year. A pre-cut jacket or blanket is easy to install.
- Insulate your water pipes, especially within three feet of the water heater. Pipe insulation wrap or pipe sleeves can be purchased and installed with tape, wire, clamp or cable tie. Acrylic, rather than duct, tape is recommended.
- If your water heater is leaking, you need to replace it. Be sure to select an energy-efficient water heater even if it costs more than other models. The lower energy use will save you money over time.
- Use your energy-efficient dishwasher instead of washing dishes by hand several times a day. You will consume less hot water when operating full loads of dishes.
- Use cold water cycles in your clothes washer whenever possible. Always use cold water for the rinse cycle.
- Install low-flow shower heads or faucets. These can reduce your water usage by almost half, especially if you have fixtures that were installed before 1992.



Community Commitment

The light of the holiday season was shining brightly in 2009 as the E.ON U.S. Foundation awarded more than \$750,000 to various non-profit groups.

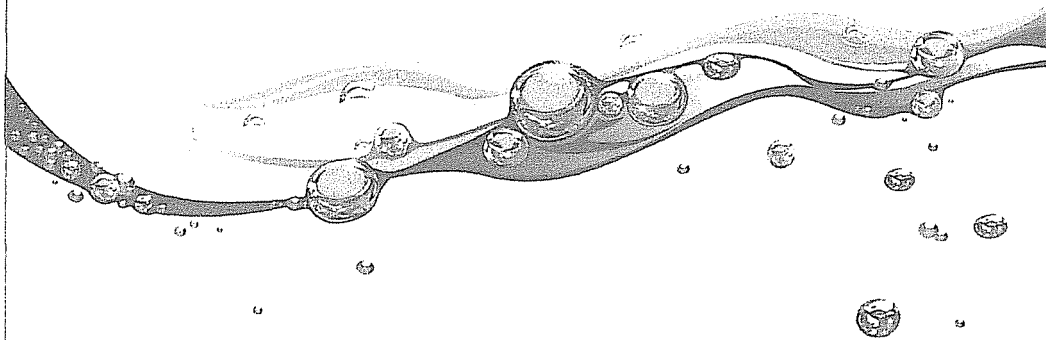
E.ON U.S. is KU's parent company. During 2009, the Foundation provided grants to 35 non-profit groups and has awarded \$20 million since its inception in 1994.

In addition to non-profits, more than 90 checks were given to various colleges and universities through the Foundation's scholarship and matching gift programs.

Each award in 2009 ranged from \$650 to more than \$300,000 and supported everything from reading and art programs to child advocacy. These programs represent the Foundation's core support areas of education, the environment, diversity, and health and human services.

Our goal is to take a leadership role in supporting nonprofits throughout the communities we serve whose purposes match our giving focus. The grants awarded by the Foundation, which total \$20 million since its inception in 1994, help us fulfill this important mission.

Visit eon-us.com for more information on the company's corporate responsibility efforts.



Contact Information

Kentucky Utilities

KU Customer Service
Monday – Friday
7 a.m. – 7 p.m. (EST)
(800) 981-0600

For hearing/speech-impaired
Dial 711
24-hour Power Outages
(800) 981-0600

www.twitter.com/eonus



Business Service Center
Monday – Friday
7 a.m. – 6 p.m. (EST)
(859) 367-1200
(800) 383-5582

Editor
Cheryl.Williams@eon-us.com

Visit our Web site
www.eon-us.com





an eon company

Customer Service: 1-800-981-0600 Mon-Fri
7AM-7PM(EST)
Walk-In Center Hours: Mon-Fri 8AM-5PM(EST)
Telephone Payments: (800) 807-3596

www.eon-us.com

DUE DATE	AMOUNT DUE
02/08/10	\$265.49

Please have your account number available when calling to discuss your account.

ACCOUNT INFORMATION

Account Number:
Account Name: BILLY CARTWRIGHT
Service Address: 80 Shoal Creek Dr
Next Read Will Occur: 02/18/10 - 02/24/10

Averages for Billing Period	This Year	Last Year
Average Temperature	30°	34°
Number of Days Billed	31	32
Electric/kwh per day	124.3	122.6

BILLING SUMMARY

Previous Balance	207.04
Payment as of 01/25	(217.39)
Balance as of 01/25	(10.35)
Electric Charges	266.98
Taxes and Fees	8.86
Utility Charges as of 01/25	275.84
Total Amount Due	265.49

ELECTRIC CHARGES

Rate Type: All Electric Residential Service

Customer Charge	5.00
Energy Charge	226.69
Other Charges For Above Rates	
Fuel Adjustment (\$0.00138- x 3856 kwh)	-5.32
Electric DSM (\$0.00202 x 3856.00 kwh)	7.79
Environmental Surcharge (13.950% x \$234.16)	32.67
Home Energy Assistance Fund Charge	0.15
Total Electric Charges	\$266.98

Meter Reading Information

Meter # W111684	
Actual Reading on 01/22	35423
Previous Reading on 12/22	<u>31567</u>
Current kwh Usage	3856
Meter Multiplier	<u>1</u>
Metered kwh Usage	3856

TAXES AND FEES

Franchise Fee-Madisonville (3.32% x \$266.83)	8.86
Total Taxes and Fees	\$8.86

BILLING INFORMATION

Late Charge to be Assessed 3 Days After Due Date	\$13.27
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Please see reverse side for additional charges.

Bring entire bill when paying in person.



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NOTICE TO CUSTOMERS OF
KENTUCKY UTILITIES COMPANY

PLEASE TAKE NOTICE that on January 29, 2010, Kentucky Utilities Company will file with the Kentucky Public Service Commission a request for an adjustment of its rates and charges to become effective on and after March 1, 2010.

Kentucky Utilities Company proposes to change the text of the following electric tariffs: Residential Rate RS, Volunteer Fire Department Rate VFD, General Service Rate GS, All Electric School Rate AES, Power Service Rate PS, Time-of-Day Service Rate TOD, Large Time-of-Day Service Rate LTOD, Retail Transmission Service Rate RTS, Industrial Service Rate IS, Street Lighting Service Rate ST. LT, Private Outdoor Lighting Rate P.O.LT, Lighting Energy Rate LE, Traffic Energy Service Rate TE, Cable Television Attachment Charges, Special Charges, Curtailable Service Rider CSR, Excess Facilities Rider EF, Supplemental/Standby Service Rider SS, Intermittent and Fluctuating Loads Rider IFL, Temporary/Seasonal Service Rider TS, Brownfield Development Rider BDR, Real Time Pricing Rate RTP, Demand Side Management Cost Recovery Mechanism DSM, Environmental Cost Recovery Surcharge ECR, School Tax Adjustment Clause, and the Terms and Conditions.

Copies of the proposed tariffs containing text changes may be obtained by contacting Lonnie E. Bellar, Kentucky Utilities Company at 220 West Main Street, Louisville, Kentucky, 502-627-4830.

The foregoing rates reflect a proposed annual increase in revenues of approximately 11.5% to Kentucky Utilities Company.

The estimated amount of the annual change and the average monthly bill to which the proposed electric rates will apply for each electric customer class is as follows:

Electric Rate Class	Annual \$ Increase	Annual % Increase	Mthly Bill \$ Increase	Mthly Bill % Increase
Residential	\$58,746,914	13.54%	\$11.70	13.54%
General Service	\$16,388,192	10.06%	\$17.24	10.06%
All Electric School	\$1,149,071	13.90%	\$324.69	13.90%
Power Service	\$32,024,348	10.44%	\$307.14	10.44%
TOD Power - Sec	\$1,075,445	10.79%	\$1,636.90	10.79%
TOD Power - Pri	\$15,516,516	11.09%	\$22,784.90	11.09%
Retail Transmission	\$7,258,002	9.97%	\$19,939.56	9.97%
Industrial Service	\$1,872,641	9.87%	\$156,053.42	9.87%
Lighting	\$2,065,293	9.84%	N/A	N/A
CTAC	\$925,108	229%	N/A	N/A

KU is proposing to increase the required Customer Deposit for residential electric customers served under Residential Rate RS from the current amount of \$135.00 to \$160.00 (19% increase), and the required Customer Deposit for general service customers served under General Service Rate GS from the current amount of \$140.00 to \$220 (57% increase).

The rates contained in this notice are the rates proposed by Kentucky Utilities Company; however, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.

Notice is further given that any corporation, association, body politic or person with a substantial interest in the matter may by written request, within thirty (30) days after publication of the notice of the proposed rate changes, request to intervene. The motion shall be submitted to the Public Service Commission, 211 Sower Boulevard, P. O. Box 615, Frankfort, Kentucky 40601, and shall set forth the grounds for the request, including the status and interest of the party. Intervention may be granted beyond the thirty (30) day period for good cause shown. Any person who has been granted intervention may obtain copies of the application and any other filing made by the utility by contacting Lonnie E. Bellar, Vice President – State Regulation and Rates, Kentucky Utilities Company, c/o E.ON U.S. LLC, 220 West Main Street, Louisville, Kentucky, 502-627-4830.

A copy of the application and testimony shall be available for public inspection at the office of Kentucky Utilities Company, 100 Quality Street, Lexington, Kentucky, or the Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky.

A copy of this Notice and the proposed tariff, once filed, shall also be available for public inspection on Kentucky Utilities Company's website at www.eon-us.com.

Kentucky Utilities Company
c/o E.ON U.S. LLC
220 West Main Street
P. O. Box 32010
Louisville, Kentucky 40232
502-627-4830

Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40601
502-564-3940