

SUMMARY NOTES  
PUBLIC MEETING  
5:00 P.M.  
PIKEVILLE, KENTUCKY  
CASE NO. 2009-00459

In the Matter of: Application of Kentucky Power Company for a General Adjustment of Electric Rates

The public meeting in the matter 2009-00459 In the Matter of: Application of Kentucky Power Company for a General Adjustment of Electric Rates was conducted in the Auditorium of the Pikeville High School, 120 Championship Drive, Pikeville, Kentucky 41501 at 5:00 p.m. Eastern time Tuesday, April 20, 2010.

Those in attendance on behalf of the Public Service Commission:

Chairman David Armstrong  
Vice Chairman Jim Gardner

PSC Staff Members

Stephanie Bell  
Faith Burns<sup>1</sup>  
Jeff Derouen  
Andrew Melynkovych  
Wayne Miller  
Jim Rhodes  
Maggie Woods \*

Public Service Commission Chairman David Armstrong welcomed everyone to the meeting. The Chairman indicated that Vice Chairman Jim Gardner may take over in the event his voice did not hold up. The Chairman requested that all cell phones be turned off or placed on vibrate in order to keep noise out of the hearing.

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<sup>1</sup> This PSC staff member acted in the capacity of stenographer/note taker for this Public Meeting. These notes are intended to be a summary of the proceedings and not an exact verbatim transcription. The spelling of some names and/or locations may not be accurate. While attention has been given to assure the accuracy of this summary of public testimony and the information submitted by the public to be included in the public record in this case proceeding, this Staff Person was not in possession of all information submitted by the public to be filed in the public record, and as such, cannot verify either the completeness of the information filed herewith (including any and all attachments), or the identify of the person or entity submitting such information.

The Chairman indicated that Commissioner Borders could not be there tonight due to a long standing prior commitment. He indicated that he brings his best. Chairman Armstrong indicated that Commissioner Borders would be fully informed about the meeting and that he would monitor the website at the PSC.

The Chair indicated that the purpose of the meeting was to take testimony and public comment about the application of Kentucky Power Company, America Electric Power Company, to increase revenues from their electric sales by about 24%. If approved, this rate increase would result a \$38.00 or 34% increase in the average monthly bill for a Kentucky Power residential electric customer. He indicated that Kentucky Power states in its application that the increase is needed to pay for systems improvements and maintenance.

He stated that this meeting is being held as part of the PSC's consideration of this request and for a rate adjustment. The case number is 2009-00459. This is the second of three meetings on the rate adjustment requested by Kentucky Power Company. He indicated that the first was held in Ashland last week and that they will be in Hazard tomorrow night. He stated that the PSC understands that the proposed increase has generated considerable controversy. He also stated that the PSC also recognized that this could be an emotional issue, particularly in these tough economic times. He stated that the PSC trusts that everyone would express their opinions in a respectful manner and respect the right of everyone else to voice their opinion as well.

The Chairman then explained how the proceedings would go. He stated that the PSC was there to listen to the public. He stated that there would be no other presentations but theirs. There would be none from Kentucky Power Company or any other party involved in this matter, nor would there be any question and answer period involving these parties. He explained that the Commission will be taking sworn testimony from them in a forthcoming evidentiary hearing. He stated that to allow questions tonight and the answers to go onto this record only creates the potential of misunderstanding. He further stated that however, representatives from the Kentucky Power Company are here and have agreed to remain following the testimony and to meet with anyone who wants to meet with them informally and to answer any specific questions they may have at this time.

He stated that those who wished to speak should have indicated their intention to do so when they signed in tonight. He stated that he had those sign-in sheets and that they would follow an order in which they had signed in. He stated that if they had not signed in and wanted to do so they still could and to feel free to go back to registration and fill out a card indicating you wish to speak. Whether or not you do want to speak, he explained they could still register there and they could give the PSC their opinions on the cards that are available that could be faxed or mailed to the PSC so the PSC will have a complete record of everyone who was here tonight evening and who wants to express their concern.

The Chairman further stated that based on number of people who are here and who desire to speak so far, he indicated he was going to make a judgment call that 3 minutes per speaker will allow everyone to express their views, unless there is something compelling that they wanted to go over that they will allow you. He stated that our timekeeper, Wayne Miller, will show cards that will flash and remind you how much time remains. The yellow card indicates the speaker has 1 minute remaining and the red card is like a stoplight.

He then introduced the members of the staff of the PSC. He said they just met Wayne Miller. Jeff Derouen, our Executive Director; Stephanie Bell; Maggie Woods; Jim Rhodes; Faith Burns; and Andrew Melynkovich.

The Chairman also indicated that we are pleased and honored to have the Assistant Attorney General of Kentucky Dennis Howard present. He asked Mr. Howard to stand.

Chairman Armstrong indicated that the PSC is video taping this as well as recording this. He indicated that they could go to PSC web site to follow the proceedings again if you like. He also stated that all written comments will be entered into case record here and will be in our review in the future. If you have something to send to us or express your opinion please indicate so.

This case will be presented to the PSC and will be subject to cross examination which will begin at 10:00a.m., Eastern Daylight Time, on Tuesday, May the 25<sup>th</sup> at the Public Service Commission offices located at 211 Sower Boulevard in Frankfort, Kentucky. He stated that it is open to the public and will be streamed live on the PSC web site, as he mentioned. That's: [psc.ky.gov](http://psc.ky.gov). He indicated there are two important things keep in mind before we begin.

Because the PSC acts as a quasi-judicial capacity the Commissioners must rule on the Kentucky Power application but cannot answer questions pertaining to the substance of the case. However questions you raise during this meeting may well be of assistance to the PSC and the staff as we prepare for this hearing. And the PSC staff will be available after the public comments to conclude to answer any questions you may have regarding these procedural matters that he mentioned. He stated that the most helpful comments are those that directly address Kentucky Power's proposed rate increase is whether it is fair, just and reasonable – whether this increase is fair, just, and reasonable. If you have concerns or questions about service or billing for individual accounts the most effective way to have those addressed is to speak with a member of the PSC after this meeting or call our hotline, toll free line, at 800-772-4636 during the regular business hours.

The Chairman requested that when persons come up to speak, to state your name and your place of residence and again please keep your comments to the allotted time so that others may have the opportunity to address the Commission.

The Chairman then indicated he would like to invite the elected officials to come forward and speak first. He said that he knows that Judge Rutherford is here and was here early and has a statement to make at this time and I will welcome him to the microphone.

Judge Rutherford

## SPEAKERS

### WAYNE T. RUTHERFORD – PIKE COUNTY JUDGE EXECUTIVE

Mr. Chairman and members of the Public Service Commission, thank you for coming to the mountains of eastern Kentucky. I'm sorry that you had to drive in on a two-lane road to the energy rich place the middle east of America. But we're usually the tail that wags the dog. I can leave the courthouse and go the capitol of West Virginia on a 4-lane road, but to go to Frankfort to where your all's offices is, I have to go part-way on a 2-lane road. We are America's energy capital. If we were a state, we would be 10<sup>th</sup> in coal production in United States of America. And gentlemen, we have 6,500 natural gas wells in this one county. If we had another pipeline, we would not be a county in Oklahoma, a county in Texas, or parish in Louisiana that could put more natural gas out of this area. So yes, we are the energy capital of America. But and I want to thank you all for coming to and I'm glad you told me you had allergies because I thought you grunted at me when you come through the door. But I know Dave Armstrong, Judge Armstrong the County Judge and Judge thank you for helping this county many years ago. I called you and said we want to put in a 911 system and I need the telephone company to cooperate with us and I need to do it in 12 months instead of 24. You set a meeting up for us at Shelby Campus and it was productive meeting.

Mr. Gardner, I understand you lived in Pikeville for one for a short period of time, when you was in school in the summers, and so welcome back to Pikeville. I'm sure it's changed in eastern Kentucky. You're in one of the most progressive areas in this Commonwealth. You're in one of the most beautiful and progressive cities in this state. If you have an opportunity I hope you drive through the City of Pikeville. And you will be amazed at what what you see.

But what we're here today is for the failure of AEP/Kentucky Power to properly clear the right-of-way and lax prevention. And I know that this place would have been completely full and I worry about your all's spokesperson who put out news releases and I have a copy for you and we'll file it as a part of the record that said that talking about presumably these meetings; petitions and so on may speak to the reasonableness of what utility is asking for; and in final analysis what the PSC has to look at is what the revenue requirements and what is the only way to allocate that revenue.

I think that kept your crowd away. I think you're telling them, "why come," and so I really do. AEP and Kentucky Power; I have great respect for Tim Mosher. Worked with Tim. Bob Shurtleff is here, great respect for Bob Shurtleff and his family, and we work



with them – we have to. But I don't agree with their with this company's policies. Kentucky Power that I knew growing up and people that I went to school with and my family and my relatives worked for it - this is not the same company by no means. People has lost confidence in AEP/Kentucky Power. We're listed in the Hazard District now. We don't even have a district of our own. And they even moved Tim Mosher and staff and we have to face this all the time. Have you all ever thought about it - East Kentucky University - where is it at? Richmond, Kentucky. The Appalachian Center – where it is at? Lexington, Kentucky. Now where is Kentucky Power/AEP? They're down there; office in Frankfort - not even in their service area. Don't have one customer - not the first customer where they're located. I'm talking about the head of the Kentucky Power Company. So I mean it is, we face this all the time.

You know after we had the snow storm I called on you all to do an investigation and you responded. And thank you. And you sent an investigator to talk to me. And I met with him with their Emergency Management Director Doug Tackett and our Safety Director \_\_\_\_\_ (?Knee) Jackson and he said well I've been in the area 2 and a half days. I said, where have you been? Ah, I've been touring the county with somebody from Kentucky Power Company. I said, well that's great I bet you got a great tour. Ah I want to give you a tour. I said you don't need to give me a tour. You go out in this county stop at any home, any business and they will show you on the hill if there are power lines. They'll show you what we're talking about up here; I'm not gonna' take you out nowhere. You just get in your car; we got 800; we got 1,200 miles of road in this county; 800 the county maintains. We're mountains, up and down the creeks and hollows. And I said just go out any direction; drive in any direction you want to go in; and you stop and ask somebody and let them point back on the hill and look at the right-of-way.

You know, during that period of time I represents nearly 70,000 people. You know that 34,000 residents was without power. Imagine that. 34,000 without power. It was tough times for all of us. Twelve days many of them out - 12 days. These blessed people who are on set incomes on set incomes lost all of - everything they had in their refrigerator; everything they had in their freezers; and got nothing back for it. And yet it was neglect upon AEP and Kentucky Power Company. Our local newspaper, when I raised so much cane about this problem –said what you ought to do is you ought to use honey instead of vinegar. Well, I brought honey tonight. I brought honey so I hope that helps our local newspaper when they write the editorial again.

But please understand the thousands in this county that's on fixed income. And think about how it is when a person goes to the post office and gets their meager check those on set income and goes back home and sits down at the kitchen table and tries to decide whether or not they my medicine or buy their food or pay their light bill. And that's exactly how it is. That's exactly how it is. Pneumoconiosis – gentlemen, that's black lung. Black lung - the greatest revolution that this nation ever had was fueled by coal. But these coal miners paid the price and still paying the price for it. And they have many of them today have to be on oxygen.

So that I know that your public information officer said that the revenue requirements are the only criteria but what about revenue requirements of the people who has to pay the utility bill?

Gentlemen, at a Quick Stop, during the snow emergency, superintendent of a Michigan crew called me outside and said, Judge, I need to talk to you. Look at my age. He said, I've been all over America on these emergencies. He said, Judge, never ever have I ever seen telephone polls in such shape, the line in such shape, and the right of way in such shape, never ever, he said.

We're in a recession in this country. Our unemployment rate in the area that AEP/Kentucky Power serves is above the national average. Our people cannot stand the rate increase. And folks, let me bring to your attention of where AEP is going. Let me bring to your attention. President Morris and this Board has said that they're not going to buy any more coal from mountaintop removal; mountaintop removal or from strip mining. No more coal. That means, Mr. Gardner, and I know you're proficient in bankruptcy, but you talk about a state being bankrupt, and you talk about the coal fields of east Kentucky and west Kentucky and West Virginia and Pennsylvania. You put Cap and Trade on top of that then look what's gonna happen to these areas. Gentlemen, coal is not the villain. The greatest revolution in the history of this country – the greatest revolution - was industrial revolution - fueled by coal. They give credit to those coal miners – and they would do it - many of them gave their lives and buried on these points in eastern and central Appalachia – for winning World War I and World War II.

We have metallurgical coal that makes steel. They don't have it anywhere other than a portion of Pike County, southern West Virginia, some counties in West Virginia and in the western Virginia coal fields. They don't even have it in Kentucky; western Kentucky coal field. We've having to buy, import our energy from around in the Middle East - countries who do not like us; who want to kill us. Any rate increase - any rate increase - will put a burden on the backs of the people in this area in central Appalachia. We're very much concerned about your actions in regard to letting LG&E/KU charge their customers to recoup costs that could be completely out of bounds in the future. We're worried about it.

Our low utility rates, what does this mean to this Commonwealth? Kentucky Power – they're not going to buy any more Kentucky coal. Let me call something to your attention. I want to show you what they're advertising. That says we're focused on shipping coal. AEP river operations wants to ship 43 million tons of coal a year. Let me tell you what that means. That means that the AEP is going to buy their coal from the western coal fields. And then I guess I don't know what they're going to change their name to. But they're gonna' have to change their name. They're gonna' have to change their name. What are they gonna' call it? The Western United States Power Company? Because that's where they intend to bring it. Right here. 43 million tons of coal – 43 million tons of coal a year. Putting it in every magazine in this country that you can pick up. Gentlemen, Kentucky is number 1 in the raw production of aluminum. And you all know why. It's these low utility rates. We're gonna' run the Alcoa and all these

smelting companies out of this country to Mexico and around the world. Our economic development in this Commonwealth – the best selling point we have talking to Representative Hall in regard to that recently. The best thing that we have as we travel around this country is talk about our low utility rates.

You know we testify a lot in our churches up here. And had a church meeting recently Uncle Gabe whose body was bent and distorted was sitting among the older members of the church. They all had testified. And the preacher asked Uncle Gabe to give a testimony about his religious experience. Uncle Gabe rose and said, the Lord has mighty near ruined me. And I say to you all, between Cap and Trade and what's going on with coal, if something don't happen in this Commonwealth and in Washington, that it's mighty nigh ruined all of the mountain people.

Thank you again for coming to and I apologize to you again for having to drive in to the energy capital of America on a partly two-lane road. And thank you and God bless.

(APPLAUSE)

CHAIRMAN ARMSTRONG

The Chairman thanked the Judge.

Chairman Armstrong indicated that they had heard from several state officials, elected officials. Some could not come tonight because of the activities either in Frankfort or here, but he indicated they have assured him they would be monitoring our web site; and take note of all the activities and testimony here.

He further stated that there are some who did attend and he thanked them for coming. He then recognized Keith Hall who is here for remarks. Representative Hall.

STATE REPRESENTATIVE KEITH HALL

Thank you very much and I pray that it will be ok with you Commissioner if I go a little bit over the 3 minutes. Is that ok? I'm asking that for that waiver if you would so cherish to do that.

CHAIRMAN ARMSTRONG

I hope it's not too long.

STATE REPRESENTATIVE KEITH HALL

No, I will keep my remarks as brief as possible. And I would like to say that I am glad that you've come. You have definitely come to the wrong place if you got allergies because the mountains are full of green pollen. It's tough I know. And Jim Gardner, good to have you with us tonight. I have served ten years in Frankfort with my good

friend Charlie Borders. Convey to Charlie my disappointment that he was not able to come to God's Country - Pike County, Kentucky.

Let me say first of all that I have had good meetings with Tim Mosher and his crew in Frankfort in my office. What I'm prepared to say in on behalf of the 42,000 people that I represent in Pike County, Kentucky that I made a promise 10 years ago that I would be a voice for them and let me say that based upon many conversations with Stephanie Bell and Jeff Derouen – and I appreciate their ear. We have had many conversations about this rate increase. I in my earlier meeting with Tim Mosher, I gave him a copy of the 4,410 petitions that I have in my possession as well, signed by the people of east Kentucky; and if you consider Chairman Armstrong that 107 [?] customers is what Kentucky Power represents, I think that's the number, my 42,000 would be about a third of that group. I also want to mention that I gave Kentucky Power a copy of the Platts Coal Trader Report that quoted President Morris claiming that in the 4<sup>th</sup> quarter they had record profits of AEP, which I know Kentucky Power is a subsidiary of AEP. I think that number was 256,000 million dollars record profits with increased revenue of 3% to about 3.3 Billion. So if we're going to make this a revenue question, I want to state that for the record that things have been very well for parent company AEP. They have had record profits and revenue growth. And I also submitted that for the record and I would be more than glad to provide a copy of the Platts Coal Trader Report which stated that information from the fourth quarter of fiscal 2009. I am perplexed as we stand here looking at a 34.95 rate increase and knowing the poverty rate of east Kentucky of a 25 to 30% poverty rate. Having behind me many senior citizens that make decisions daily whether they can buy food or pay the power bill or get their prescription medicine. That's always a major concern of me here in Appalachia. Having double digit unemployment in this area as well in the 93<sup>rd</sup> District. I think all those things are factors along with the projected revenue growth and the documented stated well being of AEP the parent company that should be things that should be put in this case of consideration what is fair, what is just, and what is reasonable. And I would like to state for record that when the storms came and AEP uh worked to repair the power to customers that I know many people that went 6, 7, 8, 9, 10, 11, 12 days without power. When the Governor Brashear came to Pike Central High School I met him being myself without power for 8 days. At no time and understanding the mountain terrain that we're in, and understanding that people were working around the clock and I have friends that work for AEP and they're employed by AEP but they're not corporate executives in Columbus, Ohio making decisions on behalf of the people of Kentucky. I represent those 42,000 people here in east Kentucky in Pike County. And those people I, I have vowed I would be their voice and I do not think that the statements made by AEP corporate that they would no longer buy the cheapest coal available which would be stripped contour coal from east Kentucky would be the most uh cheapest economical power that they could buy for their Big Sandy plant up in Lawrence County, Kentucky in close proximity when other fuel sources are considered. And a proposal or a plan to buy other fuel sources and let me quote one. One would be wind power from Chicago, Illinois at 25cents a kilowatt hour, and we're currently paying 8. I don't consider that fair, just and reasonable that we should pay power from another state that's over 3 times the rate of what we can currently buy here in Kentucky for our power grid to provide our power to 107,000 people.

So when decisions are made that affects our daily lives I know for a fact that Wal-Mart, Food City, Kellogg's, (?) the many coal companies that consume major amounts of power have all denounced this rate increase. And when you consider the opportunity to buy low cost power here in east Kentucky and Commissioner Armstrong, let me say this to you, coal is a 5 billion dollar industry to this state. The coal that's purchased by AEP and other state utilities provides a coal severance that provides us with senior citizen services, it provides with water projects, it provides us with sewer projects. It provides everything in our county government that helps aid and abet and abide the operation of that. When we allow purchasing of energy sources outside of this spectrum, at the most reasonable, fair, equitable costs and other energy sources are considered by corporate AEP, that impacts the 107,000 rate payers, which 42,000 are of y friends, and my family and my people of east Kentucky. So when you all consider basing a decision upon a 34.95% rate increase I would ask for the record that those 4410 petitions would be acknowledged; I would ask for the record that the Platts Coal Trader Report that quoted their President Morris who bragged on a \$256 million profit in the 4<sup>th</sup> quarter to the to the Wall Street boys in New York would be considered.

And last, when you consider the power purchase of coal outside of east Kentucky – wind power, solar power, whatever, that those would be factors that would be considered by your agency on behalf of the people of east Kentucky. Cause when I think you consider those, I don't think in all good conscience if this is based upon a revenue requirement revenue requirement based decision that would not be a fair, that would not be a just, and that would not be a reasonable decision.

And I thank you Chairman Armstrong and Mr. Gardner for your time and your consideration of this matter, and I look forward to hearing more about these talks as we move forward. Thank you very much.

(APPLAUSE)

CHAIRMAN ARMSTRONG

Thank you Representative Hall. Also with us tonight is State Representative Leslie Combs. Welcome.

STATE REPRESENTATIVE LESLIE COMBS

Thank you very much and welcome to you all. I first want to say thank you all for coming to the mountains of eastern Kentucky. And I will not take very long to reiterate some very important points that have already been made. Some statistics that you've been made aware of that we think are very important. But I will say that I'm sure this is probably not your all's first trip to the mountains but well, our mountains are beautiful. We cherish them; and we appreciate everything about them but sometimes they can offer us situations that folks in the flatlands don't have to don't have to deal with. As we're

here to discuss tonight not only a rate increase but or the effects of a rate increase but the fact that back in December there was a tremendous snow, tremendous weather; and then there was a power outage. And then there was a power outage for days and then there was Christmas. And then there was the the notice of a 35% rate increase. And you know often times we we know that the power outage had a lot to do with our terrain and our mountains and the effects of that ah, but I know in other utilities or other provided services, for example, I'm a big fan of being able to have cell phones to have the ability just like they do in other parts of our state and because of our terrain that makes it far more difficult, it makes it far more challenging and difficult and more expensive to do. And I realize that that these two effects going together our mountains and the services we provide sometimes causes difficulties and other challenges for us. But at the same time, as was mentioned earlier, our our folks are like the rest of this country. There's a lot of people are suffering from uh the economic conditions and the continued increases placed upon us by by lots of things. And the fact that all of a sudden there's an announcement of a 35% rate increase in our utility costs and their power costs all of a sudden sends people in deeper panic than they're already in, they already are. So with that said I won't I won't repeat the particulars that have already been said up here before me because I think we have a lot of people out here tonight that have their own story to tell about what they encountered during those couple of weeks in December. And I want to I want to hear what they've got to say and I would like you all to hear what they've got to say. But please take each issue into account and each condition into account because not only did they deal with that difficult time back in December as the power companies did as well trying to fix the problem uh, it's everything else they're trying to deal with today and the addition of some other obstacle before them, particularly in the world of their pocketbook and trying to make ends meet it's making times even more difficult. So we appreciate you all being here and making an effort to come hear and meet us, and let us tell you about our concerns and our story and what the issues that we have. Thank you all.

(APPLAUSE)

CHAIRMAN ARMSTRONG Thank you very much.

Also here tonight is Dale Murphy, County Magistrate. Welcome Mr. Murphy.

DALE MURPHY – County Magistrate

Yes. I want to welcome you and thank you Mr. Chairman, Public Commission for being here so we can voice our opinions in a decent and orderly manner. I live at Mouthcar, Kentucky. I'm a magistrate in District 3 in Pike County. I'm just here to voice my opinion on it for the people of District 3 Pike County and eastern Kentucky. Just like everybody said, we've in some hard times in the United States and it's trickled down to the state level. We had a fiscal court meeting this morning and it's evident it's trickled down to our county now too for money and stuff. But the thing I want to you fellows to have on your hearts when you're making this decision. And we got elderly people and a whole lot of unemployment low paying jobs and things and just put another burden on

our people for 35%. Like I say they're making decisions right now on their food and their medicines and our people just couldn't stand another at 34, 35% increase. When you make that decision I just want you to bear that in mind and I could say a whole lot of other things but it's been said already and everything.

But just take everything in consideration there and think about our people. Appreciate you.

(APPPLAUSE)

CHAIRMAN ARMSTRONG            Thank you sir. Also Scott Sykes from Elkhorn City Council

SCOTT SYKES – ELKHORN CITY COUNCIL

SCOTT SYTES

Thank you all for the opportunity to provide the citizens of eastern Kentucky the chance to voice their concerns in relation to this by coming here to Pikeville, by showing up in Ashland last week and by what you're going to be doing down in Hazard tomorrow evening. It's crucially important for the citizens of eastern Kentucky to feel that are fairly represented and that their voices are heard. So I commend you for providing the opportunity to us. My name is Scott Sykes. I am a city councilman in Elkhorn City. What we have to realize and what we must understand is that this decision does not follow with the County Judge Executive. The Public Service Commission are the ones who make this determination and we look to you for that guidance and for that decision. And as Representative Hall said, it needs to be a fair, just, and equitable decision based upon the facts of the revenue that AEP is currently generating and what the projected revenue will be with this rate increase. Whenever you look at current demand we will be needing 30% more energy, well 50% more energy in 30 years if we to keep up with current demand as we grow. And the population of eastern Kentucky is declining somewhat because my generation has had to leave to find jobs in the city centers, in Lexington, Louisville, and going down to Tennessee, and going to Charlotte, North Carolina. And that has left a population that is based that only has a fixed income to rely upon. So when it comes to looking at whether or not they're going to be able to pay their power bill, which may be \$300 or more during the winter or being able to buy food, buy their prescription drugs, buy, you know, just survive, that's what you all have to look at whenever you look at this audience and look into their eyes. Because whenever people realize that it's getting harder to not just live but to survive here when we should be thriving. When you look and you see the abundance of natural resources that we have we have to look at the people of eastern Kentucky and be able to make that fair decision.

Now understand American Electric Power's position in wanting to have an increase. They have it's an obligation to their stockholders they have an obligation to their

shareholders in making that company maximize its profits. You can't hold them accountable for that. That's a company. That's their duty. That's their responsibility. But the Public Service Commission's responsibility is to protect these people out here so that they can thrive and not just survive. So I want to thank you all for coming here and giving us the opportunity to voice our concerns in relation to this issue. Thank you.

(APPLAUSE)

CHAIRMAN ARMSTRONG            Thank you sir.

The Chairman then stated that we now turn to the people who have signed up tonight. He called the name of Gracie Bentley.

GRACIE BENTLEY

Ms. Bentley did not wish to speak.

CAROL NAPIER

Ms. Carol Napier is the Commissioner of the Pike County Service Department. By virtue of this position she serves as the program supervisor of the Pike County Senior Citizens Program, which oversees 8 senior centers in Pike County. She is Chair of the Big Sandy Area Development District's aging and advisory council and serve on the Big Sandy Community Action program which administers the low income energy assistance program. In addition, she serves on the Board of the Sandy Valley Transportation and the Pike County Health Department. And she is also a customer of Kentucky Power.

In her profession, she comes in contact with people on a daily basis who are unemployed, and those who live on a fixed income that come to her office seeking help to pay utility bills; from people who need assistance in home repair, and people who need assistance in getting their medication, and the list goes on.

Many of those she comes in contact with literally have to juggle their financial affairs in attempt to just meet their basic needs. She realizes Kentucky Power has to make a profit in order to provide their stockholders a return on their investment and to meet operating expenses. However, what is troublesome to her is when the RITT news reports that American Electric, the parent company of Kentucky Power reported a 57% year over year surge in profit for their 4<sup>th</sup> quarter. This tells her that AEP/Kentucky Power is quite profitable and that there is no need for them to have a rate increase at this time.

To her, it is ridiculous for them to even ask for such an increase in light of the economic times. Our people are already struggling and for the Kentucky Public Service Commission to grant this rate increase would only add insult to injury.



Furthermore, the RTT news reported that American Electric Power's profit was helped by rate increases across its service area, cost cutting, as well as its revenue. In her opinion, it was the cost cutting in Kentucky Power's right of way not being cleared that contributed to the power outages during the recent snow storm that resulted in thousands losing their food, and having to replace it which caused an undue additional expense to the consumers – or customers.

This is not to mention the thousands of dollars that was spent by Pike County government and neighboring governments during this recent snowstorm and as a result of the power outage that was at the expense of the taxpayer. I might add statistics.

Having served on a community action program board, just this past year, with the low income heating assistance program, they helped 5,162 people that were in need. They could have helped more people had they had the money in which to do so. In Pike County, they have 5,298 folks, people that are SSI recipients. They have 19,096 that are social security recipients, and she might add that with the social security recipients, they haven't seen a cost of living increase for the last 2 years and may not even see an increase in the next year. This is really of deep concern to me because I'm the person that has to sit across that desk when people come in to me and ask me, Carol, what am I gonna do, what am I gonna do, I can't pay this electric bill. The part that's even more troublesome for me is when these agencies runs out of monies. And you know the other agencies have non profits that help. And we have to turn to churches which is made up of those people that re in dire need too. It's really, it's hard for me. You know, I don't know where else to turn. And to place this undue burden on backs of those individuals that are already struggling when you have a company that's making such a profit, to me, you know, it doesn't make sense. So I would ask, Mr. Chairman, and the Public Service Commission, to not give this rate increase at this time. Let's revisit at a later date because to me with such a with them making such a profit, you know, I think that as I said, I just ask that you consider my comments and that you not grant the increase. Thank you very much.

(APPLAUSE)

#### ROBERT CHARLES

Mr. Charles lives on Island Creek. Here while back when we had this snowstorm they had a phone number in the paper to call and report it. I called Frankfort. And I told that gentleman down there that I talked to I said if I were you people I would absolutely be ashamed to send a crew of men up here and let 'em see what kind of shape these lines are in. And I live about 15 minutes from here now and when this meeting is over, if any of you gentlemen here would like to follow me I'll show you what some of these lines look like. I've followed this line or these lines from Ben Creek, West Virginia to Hazard, Kentucky. I'm 76 years old. I never saw the power company lines in the shape they're in in my lifetime. And I don't think anybody here can say they saw 'em in the shape that they're in now. I just wish that you would get somebody to get out and look over these

lines and see what kind of shape they're in. Some of them said we can't do nothing because we don't have a right of way. Well you got a power line over it. Take your power line out if you can't do nothing to it. And reroute it and go to where people will let you go over it. So there's no excuse to that. It's just one thing after another, with bought equipment. When this snow was on, there was a half a million dollars worth of equipment that sat over there across the creek from my house. Sat there for 4 hours. They left. No power. They come back. They stayed 4 more hours. And they left. And no power. Gentlemen, I want to thank you and I'd like to see you get these lines straightened up.

APPLAUSE

MARTHA RIDENOUR

Ms. Ridenour said that she is just an ordinary citizen. Her family settled in eastern Kentucky after the Revolutionary War so we've been here a long time and I've always admired the power company. Many of my relatives worked for the power company. But this is an outrage that they would ask for that much money when there's so many people out of work. So many people can't pay their bills now.

Our church has had more requests for help from people who can't pay their power bills this year than we have ever had. And I think we have always, my family's always given the power company free access on our land to put power lines up. We have allowed them to cut trees down but they don't do it anymore. We have allowed them to worked with them for years. And many of our relatives have worked for them. And I've always thought they were a good company but this is an outrage that they would ask for that much money. I mean they are making very good money. And I mean, if they were asking 5% ok, maybe they need 5% but 35%, that's ridiculous. That's all I've got to say.

(APPLAUSE)

RICKY YONTS

Thank you for the opportunity to speak. He lives in Deane in Letcher County, Kentucky. He believes the profit margin became more important than upkeep and maintenance. In December, 2009 they got a grim reminder of how far they have fallen behind. It's acceptable that during a bad storm there we are going to have power outages. Lightning may hit a transformer, wind may break a line, or a tree may fall across a power line. But this should affect small areas, not whole counties, not multiple counties, not whole regions of the state. Lightning and wind we can't control but trees we can.

In January of this year we met with power company representatives at the Letcher County Courthouse to discuss things. One power company representative stated that last year they lost 2 1/2% per residential service. How does that justify asking for a 35 or 34% increase? When I was in high school, I took an electrical class. The more resistance you

have the more voltage you need to get the job done. When wind blows tree limbs against the power lines that causes resistance leading to more voltage being needed to supply service to homes. Why should we the consumer be supportive of such a rate hike when our service is less than dependable?

Lat of all, people on fixed incomes just that. When you are elderly or disabled you can't get a job or find a way to supplement your income. As things are, it takes all they have just to make ends meet. In these tough financial times, they can't turn to family and friends for help because they are struggling too. If a large rate hike is approved, the less fortunate will have to choose whether to starve or freeze. Thank you for your time.

(APPLAUSE)

Mr. Younts stated that he had pictures he would like to submit that show the need for these trees are touching power lines in surrounding areas in Pike and Letcher Counties.

CHAIRMAN ARMSTRONG            Jeff, can you get those?

The Chairman then called the following name:

Frank Robinett

The Chairman then called the following name:

Gloria Robinett

GLORIA ROBINETT

Gloria Hall Robinette is a retired social worker for adults for the state of Kentucky in Pike County for the past 20 plus years. I want to reiterate everything that we've that's been said here and to make sure that you all understand the need of the elderly and the people under the poverty level and that hey cannot afford no increase of any kind in the power company's want their rate increasing high. I absolutely have been to every hollow, every part in Pike county. I have seen such sadness. When you go in to elderly people's homes they can't afford their electric bill and pay for the other necessities of life. I would like to comment a little bit concerning the Bible too. We have ears if you want to hear everybody here about what they have to say about what happened in December, 09 and January this year. And we have eyes, you all have eyes everybody here has eyes to see the neglect of the uh out you know the power lines have not been upkept for years. And I would just like to say again please do not give any increase in our electric bills. Thank you all for coming and hearing us.

(APPLAUSE)

CLAYTON LITTLE

Thank you very much for coming to our area. Mr. Little is a retired school teacher from the Pike County Board of Education. One thing that bothers me about this rate increase is this. I'm a retired school teacher and the Pike County Board of Education presently has 9,645 students in the system. Their power bill last year was \$2,729,370.20. When you add 36% to that then you come up with an estimated increase of \$982,000. The estimated costs would be \$3,711,943.00. That would be an increase of a little over a million dollars. But if you look at the 9,645 students and the amount of the Board of Education's power bill you would be spending \$283 per student for the electricity to burn the lights and whatever they do with the old system. Under the new one you would be paying \$384 per student. You know, that's a little bit steep in my honest opinion. But you know the other thing is we here in eastern Kentucky we're in the most deprived area in this state. We have less opportunity for people to get a job and that sort of thing that gives a better life.

Now I know that when I was growing up that we didn't call it the electric bill we called it the juice bill. That's what it was known as. But you know, even social security people they took not a cut but you normally get a cost of living about 5% but this year you didn't get that. So as we add on a greater payment for your electrical costs, plus you take a cut if you will, in the amount of social security that you draw, and those people who draw social security live on less than people who have retired from other systems, I know because I retired from another system. But I don't know, honestly, I cannot see how that they could ever come with the money that this Kentucky Power is asking for.

I know that the PSC, you folks listen to both sides. And I hope that you will see exactly what their income is to see if then need 36% added to the power bills of the poor people here in eastern Kentucky or all across the state – wherever they'll be getting their money from. I thank you for coming. I hope you'll look hard at the problem. And you folks have the ball's in your court. I just hope you all put it through our goal. Thank you now.

(APPLAUSE)

CHAIRMAN ARMSTRONG Chairman Armstrong then called the name of Mary Gibson

MARY GIBSON

(Ms. Gibson responded from her seat in the audience)

Everybody covered everything I wanted to say.

CHAIRMAN ARMSTRONG Chairman Armstrong then called the name Phillip, you live on Island Creed Road, Philip Kattles? Is

there a Phillip Kattles living on Island Creek Road here wanting to speak?

Chairman Armstrong then called the name of Charles Mimms on Harrison Road

ANCIE CASEY

Thank you for Mr. Chairman for coming into Pike County and listening to the concerns of our citizens. This is a very delicate thing that we're all involved in with asking of an increase of this magnitude. It would be very detrimental to all the people in this county. Me and my wife run a small grocery store in the rural part of this county. And we see the necessities daily from our people that they need. And a lot of times they have to make choices. So we want the PSC to realize that this decision has a great a lot to do with our people in this county. I serve on the Mountain Water Board. And that's one of the purposes of me speaking tonight. We have got 190 service contacts with our local power company. In other words, 190 bills, pump stations, lift stations of all sorts through this terrain of Pike County. It would be a tremendous burden on the people of this county if this increase goes in effect. We now pay \$73,000 a month for our power to operate Mountain Water monthly. With this increase, our bill would increase \$14,500. Now what does that mean to the citizens of Pike County if Mountain Water has to endure this on behalf of the citizenry of this county we have no choice. Somebody has gotta pay the freight. And when I see a company that's made a magnitude of \$256 million profit I have a serious problem with that. I love to see all companies profit. We know they're in business to make money. But seeing a company with that sizeable profit margin is unbelievable for them to come and ask for an increase of 35% to the good citizens of this county.

I want you to know and I want you to take it upon your hearts and I think I will by your showing up here tonight to give the citizens a voice to speak. And I think our distinguished veteran legislator Clayton Little who eloquently worked tirelessly on this county with water projects and our distinguished State Representative W. Keith Hall who spoke so eloquently on all these issues. It is very serious thing and a judgment call and the ball like Mr. Little said is in your all's court. So take this very serious and I'm sure that you will. And again, you know we just had in this county in the recent year or so 2 fine board commissioners removed from Mountain Water District. And I know it was incumbent on the PSC to make those tough decisions. But let me tell you this, those two distinguished citizens of Pike County were good people and they had 35 years of experience and do not let this power company invoke 35% increase on the citizens of Pike County. Thank you.

(APPLAUSE)

CHAIRMAN ARMSTRONG then recognized Linda Damron

LINDA DAMRON

Ms. Damron lives at Allegheny in the Hellier area. I'm proud to be the granddaughter, the daughter, the mother, mother-in-law, aunt, and sister-in-law of coal miners. I have a son that is 34 that works in southeastern Kentucky coal mines. Had one, 31 year old last year that was almost killed in a coal mining accident here in southeastern Kentucky. But you know that's our way of life. And I can remember as a child being raised up heating stoves and old grates was our source of heat. I'm a disabled widow and just recently started living on what I consider to be pretty well off - \$1,200 and something a month by the time my costs for my prescription plan and my Medicare was taken out of my check. And the reason I say pretty well off, before that I was living on SSI which I was thankful because it was still a way to pay my bills. But at \$674 a month, my electric bill would go so high; and I had to go on budget for \$157 every month even though in the summer time it may only be \$70. But I had to pay all year round to try to compensate for my winter electric bill. And I guess what my question is is in good faith can you really put us back to the position that we was in growing up in eastern Kentucky having coal heaters and old grate fireplaces because if it goes up 35% that's where many of us is including myself is gonna be back at. Thank you very much.

(APPLAUSE)

CHAIRMAN ARMSTRONG then called the name of Russell Hamilton

RUSSELL HAMILTON

My question and my concerns were directed to be directed at the people from the power company. And apparently none of those are here tonight.

CHAIRMAN ARMSTRONG: They are here. They're gonna wait until the conclusion of the They are here and they've agreed to answer your questions as soon as this public hearing is over with after the meeting. They'll be in the back of the room here.

RUSSELL HAMILTON

(Mr. Hamilton continuing)

I would agree with what most of the people have said here. The one gentleman from Letcher County talked about some forum that they had in December. I watched that on television. One of the gentlemen from the power company representative said that the December and January outages in his mind were caused by an act of God.

I'd like to question him as to how he came to that conclusion. If they owned the right-of-way and have a contract to provide these people electricity their job is to provide the electricity. These people's obligation is to pay their bill to the power company for the services they're getting. I would say that when they neglected to clean their right-of-ways that they breached their contract and when people lost their food as an insurance adjuster, the power company should be obligated to pay for that. People that lost their fish in the fish tanks, pets. I mean their they talk like on that meeting that they had no obligation to clean the right of ways. However, I think it is gross neglect on their part as opposed to an Act of God. I think it's an act of neglect on the power company. I was an insurance adjuster by trade. If you people would like to travel tomorrow or any day this week I can cover the territory from here through Middlesboro through every creek and hollow, through Letcher County, through Leslie County. And I would be glade to take your all's vehicle or mine and show you how much neglect is in the power company's right-of- ways. Thank you.

(APPLAUSE)

CHAIRMAN ARMSTRONG            Thank you sir.

Chairman Armstrong then called the name of  
Mr. Gilbert  
Gilpin  
Or  
Gibson  
Is it Mr. Gibson?

(Response was in the affirmative).

(? Unsure of Mr. Gibson's first name)

(?) OTIS (?) GIBSON

One thing that concerns me real bad on this power deal we're talking about is when your power does go out, and you pick up the phone and you make a call you get a recording; can't get nobody. And that really bothers me there. I look around me and I see a lot of elders. And I spent 40 years working in coal. In '09, we didn't get no raise. So why should Kentucky Power get a raise? If we've got to suffer, let suffer a little bit. We lost a lot; let them lose a little and it all works out the same. It's not right to sit and say well we can go and make a 35% raise in your power bill when you don't even get a raise in your income that's coming in. These people that's got that and I'm one of them, you're on a fixed income and you've got to make that month to month thing work. So if I've gotta suffer, I feel like they've got to suffer. They're no better than I am. I had to work for what I got for 40 years. And I'm sure all these investors and all these people they're making good money. They're making money. If they wasn't they wouldn't be in the business. But they don't need to break everybody. The ones that's paying the bills they





and consider the people and what effect it's going to have on us, on everyone. Thank you for your time.

(APPLAUSE)

CHAIRMAN ARMSTRONG                      Chairman Armstrong called the name  
Mark Brown

MARK BROWN

Thank you. This increase, I find it an embarrassment that a company could ask for that with the money they're making. But the thing is, those dollars you're trying to take directly out of our pockets for this increase, you're taking all the businesses that also have to make up the difference of that like it was mentioned a little earlier by another gentleman. That's going to take that money out of their pockets, which they've got to raise the prices on their products whether its' Wal-Mart or a shoe store or whatever, which gives us less to go shopping with. In time when you can't buy products, businesses are going to shut down when they've got to pay more for their power to keep their lights on for us to come in and do the shopping and everything.

And you also want this increase to do maintenance on their right of ways on their power lines and all this. I called back a week and a half or so and fortunately, my power was only out for 2 days. I was one of the fortunate ones. But people in the area where I live, which is down in Dorton, in the southern part of the county, and it was devastated like everywhere else. They were out for the full length – you know, 12, 13, 14 days whatever. Lost everything like has been mentioned several times.

But I called in because we had several trees on the property I own and it's joining my wife's grandmother. Just devastated. And there's limbs today - after I called in to have somebody come out there, check it out, make sure the trees not gonna' be the ones you can't cut down or do anything with, because it's being protected by somebody. I got limbs still paying on power lines. This power line going through this tree we need trimmed, this was back in December and we're now near the end of April. Nothing has happened. But they want money for this maintenance. You can't get around to take care of anything, requests, demands, you're just building another problem to have what we had in December. Good wind storm, hail storm, whatever, any kind of natural disaster comes through here again, you're gonna have it again because things are not being taken care of when calls have been made to have somebody come out, assess it, and do something about it. And I find out they're people cutting the trees, these guys running around in these orange trucks, cutting a tree down just down the road I asked them what to do, they said call in. I did. Nothing has happened. But you want more money to do what you're not doing with the money you're getting now. Thank you.

(APPLAUSE)

CHAIRMAN ARMSTRONG

Chairman Armstrong called the name  
Hillman Dotson

HILMAN DOTSON

We're here tonight to beg and plead that you guys will listen to our needs. Mr. Dotson is a magistrate over in the part of the county that's connected to Virginia and West Virginia. I represent a lot of people that don't have the funds to pay the power bills that they are required to pay. Heard earlier that they had a decision to make between food or power bill. They don't have a decision. If they don't pay that power bill, it gets cut off. They go without food. And we see that happen. We've got people here tonight that constantly give food out to the needy people. And if they didn't get it they'd go hungry. And we have these poor senior citizens that don't have the money to pay their power bill so they've got to turn that thermostat down real low and they get cold. I'm a decision maker on the court. And you guys are decision makers. And I just beg and plead that when you look at these raises that you'll you can sleep at night knowing that you've done the right thing. And that poor person that had to have their power increase is laying cold and don't have any heat. So we beg you and plead with you. When you make these decisions make it from your heart and for the people of Pike County. Thank you.

(APPLAUSE)

CHAIRMAN ARMSTRONG

Chairman Armstrong then called the name of  
Joe Kinzer

Dennis Hillan/Pat Hillan

DENNIS HILLAN

I'm sure glad I don't serve on the Public Service Commission. Mr. Chairman, you know this evening there's been a lot said. My name is Dennis Hillan. I live in Pikeville; and I'm a transplant. And we chose to live here. The quality of life is wonderful. And you know we look at one think I want to bring up that we've talked so much about the increase but we've had a very bad winter; a very bad December. And there's some unsung heroes - the linesmen and the people that came in and worked the holiday and worked the cold, damp at the risk of their lives to get power on to us. It was an awesome amount. God blessed us with a lot of snow, cold and wind, and dampness. I just want to acknowledge the hard work that those men and women that came from all over to put power on our houses. And I thank God for them.

You know sometimes we get in the heat of battle and unfortunately the rate increase was announced right then and I think the focus went off on the people who were trying to get the power back on. For the most part I think we can turn the lights on and they come on. They turn off. And we've had very affordable electricity. And really this is just meant to the Public Service Commission because you're given the awesome responsibility to have

to make that decision. And that decision you make impacts so many people. It impacts the company, it impacts the consumers. And when you make that decision I want you to think – you will see both sides – the need from company and the you're hearing from us - the consumers. And you've got to be like Solomon how are you gonna do this. How are you going to balance it. And when you do that I want you to think of 2 or 3 things.

One, how will the rate increase and what rate you have will affect the quality of life and the future development of our state of Kentucky and eastern Kentucky. Now a business has to make a profit, we all know that. I think we all understand that. But you have the ability to see both sides because you have information we may not have. And that responsibility I pray that you will make the right decision. We can sit here and we can say should be a lot lower, should be a lot higher. But no matter how we look at it, a 34, 35% increase is a budget buster and it will affect some of the quality of life for some folks as we heard tonight. But again we have to have a company that goes on that we can count on that. I have lived when I was in the Air Force that you couldn't count on these towns in these countries for power. You might have power, you may not. You know, only during Act of God that we don't have power usually or someone hits a power pole. So we have dependable power It's just it's up to you to what rate. Thank you.

(APPLAUSE)

CHAIRMAN ARMSTRONG                      Chairman Armstrong called the name  
Charles Sander

CHARLES SANDERS

Mr. Charles Sanders of Phelps, Kentucky, Director of Helping Ease Life's Poverty. A whole lot like the other gentleman, I don't envy your position. You're an arbitrator. You stand between the need and the greed. And Helping Ease Life's Poverty provides food and necessities to our low income neighbors in Pike County on a monthly basis. To cover those who sacrifice their food in order to have medicine or electricity. Our low income has cut their food budget to bare basics. They live on food most of it that is provided by food pantries. These pantries have made it possible for them to keep their lights on. Many have kicked the breaker in most of their rooms of their houses. I Went to a gentleman before he passed away last year, house in the winter time to take him a box of food, one legged man that got around in a wheel chair. He had quilts over every door, over the windows. When I knocked on the door he said come in. The only light was in that room was when I opened the door. He laid in the bed with his TV set and a little gas heater and his refrigerator went out and he had to have medicine kept in the refrigerator. So we had to go get him a refrigerator. I know the pain and the suffering that goes on. I visit it every month. Me and other volunteers have to go into homes that is cold where they're afraid to turn the electricity up where they can't pay for it. People are moving in houses with each other, families. If this increase goes in, I want you to know, a many a old people will be moving in to nursing homes. They have no place else to go. And I want to remind you the passage in the Bible before I leave, of Psalm 41:1. I hope you get encouragement from this when you go home and read it. Says blessed is the

man that considers the poor. God gives you 5 promises in those 3 verses if you'll consider the poor. I hope you read them and use God's wisdom to base your decision.

(APPLAUSE)

CHAIRMAN ARMSTRONG                      Chairman Armstrong called the name  
Ralph Mullin

RALPH MULLIN

I'd like to welcome the Public Service Commission and their hearing here in Pikeville in Pike County, Kentucky. I have here in my hand here an AEP response card that was dated the 9<sup>th</sup> month, the 6<sup>th</sup> day of 2008 signed by AEP representative Danny Lester. The complaint was made that trees were growing up through the power lines at my mother's home. She was 95 at the time, she is now 97 and still lives in that home. The response to that complaint is this: the trees in questions do not pose an immediate threat to your electric service. Tree work will be performed during scheduled maintenance pruning of the entire line. At that time, certified line clearance workers will do this work. Do not attempt to trim and/or remove trees by yourself. It could be up to 2 years before we return to complete this work. Now since this was given back to after representative of the power company came to our home and inspected those main lines, and those trees growing up through them, I have heard a power surge or as I call it a loud popping sound coming through our system during high winds. AEP sent a lineman out about a month ago because of a tree limb that had fallen on the main line at our home and the line was arcing at the time and sending fire up the main line, thankfully away from our home. If the power company cannot do preventive maintenance before we have a major power outage they don't deserve any increase. That is what we're dealing with tonight. Thank you very much.

(APPLAUSE)

CHAIRMAN ARMSTRONG                      Chairman Armstrong called the name  
Geny Juster  
Robert Byron or Lyon maybe?  
  
Nancy Taylor

NANCY TAYLOR

Thank you folks for coming this afternoon. I hope that it does some good. I hope that the power company and the folks here do better than our general assembly has done. I agree with Miss Carol Thacker Napier with the statistics that she provided. I don't think that the almost 35% power electricity increase is needed at this time. I also agree with Mr. Ralph Kojak Mullins when told the story about his 97 I believe he said year old mother's stories about the trees there.

I won't take but a minute. I wonder if we as a people are doing anything like the people in Dubai are doing at the United Arab Emirates even though they have depend on oil like we depend so much on their oil we depend on our natural resources, our coal, they're bringing the best minds like from our Massachusetts Institute of Technology, they're binging the best minds together and using green energy in their environment. My own first cousin has visited there recently. I'm just hoping we'll do more of that before it's too late here and we don't milk out people with these unnecessary rate increases. Reasonableness in all things. Thank you and thank all the people who came out here. God's will be done. Thank you.

(APPLAUSE)

CHAIRMAN ARMSTRONG

Some names I couldn't read. Is there anyone who wanted to speak that I have not called on?

Yes sir, please come forward and state your name.

DOC SLONE

We welcome you all to eastern Kentucky. I am Doc Slone from Whitesburg, Kentucky. That's in Letcher County. I don't know if you all know where that's at or not because none of your customer service people seems to know where it's at. Every time I call them. I'm a retired coal miner, electrical work underground for thirty some years. Do electrical work on the side now. We're served out of the Hazard district. We can't get any service. If you call someone you get someone in Cincinnati, or Indianapolis, or Illinois that you can't even talk to. Most of them can't speak English. I have had trouble at my house for the last 3 to 4 years. They put 3-phase power down through my way and every time the wind blows if you're at my house the power went off 4 or 5 times. My television, it'll crack and pop and go on. I lost a new television, had it 6 months but they said they wasn't responsible for something like that. I'm not a public speaker but I'm a representative of these people here that's senior citizens on fixed incomes. We go out and work on peoples house knowing a lot of 'em don't have the money to pay us. We don't even think about that. We don't' ask for money. We do it as a service. If I go buy a car I have to make payments on it. I get good service. I have been housekeeping since 1966. I have never missed a power paying my power bill. But yet I don't get no service from you people now. These power liens are grown up. When I run around these mountains when I was a boy backing the '50's, I never was out power no 12 or 14 days at a time. I cant' understand that. We should have updated but we've not updated we've got transformers on the pole right now that are 30 and 40 years old. You can ask any of these power people. I am not here to criticize our local power people. They have to do what they're told to do. They get their orders; they have to wait on a work order before they can do anything. We got good people, they're all my friends in Letcher County. We work with them but they have to wait. They have to wait until they get a call from Cincinnati or Indianapolis or whatever. We do not have an office in Whitesburg where we can go get if we've gotta have a service or we gotta have a meter base or anything, if we don't' get it of the morning from 7:00 to 7:30 then we have to wait until the next morning because no one's there at that office. Same thing Pike County. He said they

didn't have anything over here we're served out of the Hazard District. But yet you're wanting a 35% increase when most of the people sitting in here probably don't have \$2.00 in their pocket to buy 'em a sandwich when they leave here. But yet you're wanting a 35% increase. That doesn't make sense. It's uncalled for. You know, in 1966 I left here to go serve my country when the war was going on. I believed in this country. Our government, we've give this country away and I just don't understand why that we can't get service for something that we pay you for every month. It's ridiculous that we have to make this kind of to get what we pay for. That we have to get out here and fight for every thing that we're gettin'. And I thank you all for coming down here. Thank you.

(APPLAUSE)

CHAIRMAN ARMSTRONG            Over here

GRONDELL POTTER (?spelling?)

Chairman Armstrong, Mr. Gardner, PSC Staff, it's nice to see you all in my end of the state. I've been down there a couple of times Mountain Water District. Board Member Casey got up and spoke about the analysis we'd done. It's gonna' affect the District on their electric

CHARIMAN ARMSTRONG

Chairman Armstrong asked if he could state his name

GRONDELL POTTER (?spelling?)

What I would like to know and questions I have for AEP, I'm familiar with water districts and that realm dealing with PSC. I'm not that familiar with electric. I know electric companies are guaranteed a certain profit margin. Looking at it from what I understand, I get all the buzz words from when we look at a rate structure, a rate increase, economics of scale, case management practices, sustainable infrastructure; things you should have been looking at in the long run so far. I don't see how you come from zero to 35% in less than 2 years. I do know you all do a thorough examination and what I urge you is to look into their management practices, look how their controls are handled, and what has happened in the last 2 years that justifies 35% for residential. On the Mountain Water side, I know we'll be affected by the small, medium, and large power usage 19.73-20.3 %. That's the increases we'll get. I know we also have PSC inspections on water districts. I don't understand the process for electric companies but I know I'm looked at on my Standard Operating Procedures, I'm looked at in my emergency response plans, I'm looked at on maintenance procedures on pump stations and tanks. Are these things not being reviewed for them over the years? I would just like to know how these questions could be answered and I hope that you'll do your due diligence and look into them for us. Thank you.

(APPLASUE)

CHAIRMAN ARMSTRONG            Anyone else?

Robert Engler Letcher County, Ky

ROBERT ENGLER

I am Robert Engler from Letcher County, Kentucky. I'm speaking on behalf of the forum that was held back in January. The President of the electric company said in Whitesburg that a lot of people could use the computer for the wrong reason but not for the right reason so I took him at his word and I went home and I got their letter off the internet and I'm holding their letter in my hand. Their letter for this 35% rate increase is based on this study that ended September 30, 2009. After seeing that 78 days before the storm, they knew they were going to ask for a rate increase but they all stand and say we set 100 poles we put up 90 transformers that's why we need the raise. They are playing the storm for a rate increase. Thank you.

(APPLAUSE)

CHAIRMAN ARMSTRONG:            asked if there were other comments

WINSTON TAYLOR

My name is Winston Taylor. I stand here to give you thanks for making the trip up here to listen to our complaints which are all legitimate complaints I can assure you. I'm close to 70 years old, born long, '41. Many many years we lived with a coal stove coal, oil lamps. We know that we have prospered by the power company and the work that they perform but yet I don't think that they consider the average working man here in the mountains. I think that we have always been on the tail end of anything that's coming from the state. I have a couple of 1-bedroom apartments that I rent out. And a lot of time I send close to \$450 a month to Kentucky Power. Now with this kind of increase I can't go to my renters and ask them for more money cause they can't, they just can't make it. You have people working in these restaurants making \$7.50 an hour they'll have 4 or 5 kids. There's no way that these people, and the people that are elderly on fixed incomes just can't do it. And I urge you when you make this decisions consider the people of this region. We've sort of been the cows' tail for many years. And for the gentlemen that are from here representing the AEP, I'd like to leave you with this comment. There's not much difference between you and Jesse James. He used a 45, and you people use a computer.

(APPLAUSE)

CHAIRMAN ARMSTRONG: asked if there were other comments, other speakers

EMILY TIBBS

Ms. Tibbs from Pikeville indicated she would like to speak on behalf of college students. It's really hard for us to work 2 jobs and try to pay tuition. I have friends and family that have 5 in a house just to pay to be able to pay \$100 a month on a bill. I don't see how they can sit there and try to charge us 35% more if they don't know our situations. I'm sorry I'm nervous. But I just wanted to keep 'em hope that they keep in mind that the college students are trying to make it by work 3 jobs and pay tuition. It's really hard. Thank you.

(APPLAUSE)

CHAIRMAN ARMSTRONG asked if there were other speakers.

GARY JUSTICE

I'd like to thank you people for coming down and giving us an opportunity to speak and give our opinions. I own Quality Foods. I have three supermarkets in this county. Yes this winter was quite devastating especially to those us who had grocery stores and to everyone else alike. Just want for the record to let you know that we have had problems not just this winter but the electricity goes off throughout the summer, the spring, and the fall as well. And I think there is a problem with the right-of-way. I don't think it I know it. And I do want to just say that with the grocery industry in my business, the 3<sup>rd</sup> largest output we have is the electrical bill and when this electric bill goes up we'll have no alternative except to pass it on and I know that many people have been expressing the fact that a lot of people can't afford food the way it is. Well, this is going to double the problem because if they have to pay a higher electric bills they're also going to have to pay higher grocery bills. And I feel for the people and I would like for you to consider that it's not only going to be the grocery industry that has to raise prices, it's going to be all the businesses that are affected by the rate increase so therefore it's not to be just the power increase that's going to be an increase across the board and I pray that you consider this and and not grant them the huge increase that they're requesting. Thank you.

(APPLAUSE)

CHAIRMAN ARMSTRONG: asked if there were other speakers, other speakers, others who wish to be heard?

The Chairman then stated that appears to be our rundown of speakers tonight. He said that representatives and staff of Kentucky Power are here to my left, your right to answer



questions at the adjournment. We're going to adjourn this hearing and then the conversation, Jim, I suppose will be between those who want their questions answered so hang around for a while.

Thank you all for coming. This has been a very informative public meeting. I've learned a lot tonight and I understand the situation that is here. And I appreciate on behalf of all the people who come before the PSC that we seek the fairest, and the most just and most reasonable rates for everyone. So again, I hope you travel safe home and look forward to seeing you again. Thank you very much for coming.

**EXHIBIT A**

Sign-in Sheets  
Pages 1-13

6

**PUBLIC MEETING - SIGN-IN SHEET**  
Kentucky Power Co. (AEP) – Case No. 2009-00459  
Pikeville – April 20, 2010

PLEASE PRINT LEGIBLY

Name	Address	DO YOU WISH TO SPEAK?	
1 <u>Grocie Bentley</u> <sup>5</sup>		YES	<input checked="" type="radio"/> NO
2 <u>Jerry Bentley</u>		YES	<input checked="" type="radio"/> NO
3 <u>Carol Taylor</u>	<u>As. City Program</u>	<input checked="" type="radio"/> YES	NO
4 <u>Maria Thacker</u>	<u>As. Citizen Program</u>	YES	<input checked="" type="radio"/> NO
5 <u>Erul Doc Stone</u>		<input checked="" type="radio"/> YES	NO
6 <u>Fred Haul</u>		YES	<input checked="" type="radio"/> NO
7 <u>Robert Charles</u>		<input checked="" type="radio"/> YES	NO
8 _____		YES	NO
9 _____		YES	NO
10 _____		YES	NO

**PUBLIC MEETING - SIGN-IN SHEET**  
Kentucky Power Co. (AEP) – Case No. 2009-00459  
Pikeville – April 20, 2010

PLEASE PRINT LEGIBLY

Name	Address	DO YOU WISH TO SPEAK?	
1 Martha Yost Ridgway - Box 336 Pikeville, Ky		<input checked="" type="radio"/> YES	NO
2 Ricky Jones 12781 Hwy 79, Deane, Ky, 41812		<input checked="" type="radio"/> YES	NO
3 <del>Amye O'Rutterford - Pike County Judge/Executive</del>		<input checked="" type="radio"/> YES	NO
4 Frank R. J. Rabenett		<input checked="" type="radio"/> YES	NO
5 Gloria J. Hall Rabenett - social worker		<input checked="" type="radio"/> YES	NO
6 Buford D. Milburn		YES	<input checked="" type="radio"/> NO
7 <del>Crystal Little</del>		<input checked="" type="radio"/> YES	NO
8 Dennis Howard n OAG Smoker		YES	<input checked="" type="radio"/> NO
9 Loretta NoBoard 5 Dow FBH PIKEVILLE		YES	<input checked="" type="radio"/> NO
10 Mary Milburn 378 Right FK Island Pikeville Ky		<input checked="" type="radio"/> YES	NO

3

**PUBLIC MEETING - SIGN-IN SHEET**  
Kentucky Power Co. (AEP) – Case No. 2009-00459  
Pikeville – April 20, 2010

PLEASE PRINT LEGIBLY

Name	Address	DO YOU WISH TO SPEAK?	
1 Philip M Kesteloot	1355 Island Creek rd	<input checked="" type="radio"/> YES	<input type="radio"/> NO
2 Edie Keathley	1785 Island Cr Rd	<input type="radio"/> YES	<input checked="" type="radio"/> NO
→ 3 Chawan Mains	2681 Hurricane Rd PIKEVILLE, Ky 41501	<input checked="" type="radio"/> YES	<input type="radio"/> NO
4 Helen Tucker	13943 Elkhorn Crk Shelby Gap Ky. 41563	<input type="radio"/> YES	<input checked="" type="radio"/> NO
5 Jerry Tucker	11 11 11 11	<input type="radio"/> YES	<input checked="" type="radio"/> NO
6 Betty Smith	1721 Upper Choe Crk Pikeville Ky 41501	<input type="radio"/> YES	<input checked="" type="radio"/> NO
7 Joyce Berrins Slone		<input type="radio"/> YES	<input checked="" type="radio"/> NO
8 Shirley Compton		<input type="radio"/> YES	<input checked="" type="radio"/> NO
9 Carol Blue Swiney		<input type="radio"/> YES	<input checked="" type="radio"/> NO
10 Floyd L. Swiney		<input type="radio"/> YES	<input checked="" type="radio"/> NO

**PUBLIC MEETING - SIGN-IN SHEET**  
Kentucky Power Co. (AEP) – Case No. 2009-00459  
Pikeville – April 20, 2010

**PLEASE PRINT LEGIBLY**

Name	Address	DO YOU WISH TO SPEAK?	
1 Angel Stephens		YES	<input checked="" type="radio"/> NO
2 Faye Oshaw	1345 Perry Hwy. City	YES	<input checked="" type="radio"/> NO
3 Ancie Casey		<input checked="" type="radio"/> YES	<input checked="" type="radio"/> NO
4 Audell POTTER		<input checked="" type="radio"/> YES	<input checked="" type="radio"/> NO
5 Linda Damon		<input checked="" type="radio"/> YES	<input checked="" type="radio"/> NO
6 Sandy Damon		YES	<input checked="" type="radio"/> NO
7 Carolyn Hamilton		YES	<input checked="" type="radio"/> NO
8 Russell Hamilton		<input checked="" type="radio"/> YES	<input checked="" type="radio"/> NO
9 Mary Smith		YES	<input checked="" type="radio"/> NO
10 Jenni Vany		YES	<input checked="" type="radio"/> NO

5 33

**PUBLIC MEETING - SIGN-IN SHEET**  
Kentucky Power Co. (AEP) – Case No. 2009-00459  
Pikeville – April 20, 2010

PLEASE PRINT LEGIBLY

Name	Address	DO YOU WISH TO SPEAK?	
1 <u>Dee Gilman</u>	<u>378</u>	<u>YES</u>	<u>NO</u>
2 <u>Sheila May</u>	<u>283 LF Upper Chloe Pikeville ✓</u>	<u>YES</u>	<u>NO</u>
3 <u>Dan Keathley</u>	<u>333 Cedar Cr. Pikeville, KY</u>	<u>YES</u>	<u>NO</u>
4 <u>Ron Atkins</u>	<u>436 UPPER Pompey RD. Raccoon Ky.</u>	<u>YES</u>	<u>NO</u>
5 <u>Charlene Porter</u>	<u>1404 Waring Br. Pikeville</u>	<u>YES</u>	<u>NO</u>
6 <u>Bice Porter</u>	<u>1404 " " " "</u>	<u>YES</u>	<u>NO</u>
7 <u>Brandon Roberts</u>	<u>146 Main St Pikeville KY 41501</u>	<u>YES</u>	<u>NO</u>
8 <u>Jarrod Hunt</u>	<u>" " " " "</u>	<u>YES</u>	<u>NO</u>
9 <u>Jamie Hereford w/ Baird + Baird, PSC</u>	<u>160 2nd St., Pikeville, KY 41501</u>	<u>YES</u>	<u>NO</u>
10 <u>Lora Dotson</u>	<u>3648 Upper Johns Crk, Kimper KY</u>	<u>YES</u>	<u>NO</u>

**PUBLIC MEETING - SIGN-IN SHEET**  
Kentucky Power Co. (AEP) – Case No. 2009-00459  
Pikeville – April 20, 2010

**PLEASE PRINT LEGIBLY**

Name	Address	DO YOU WISH TO SPEAK?	
1 <u>Betty Coleman</u>		YES	<input checked="" type="radio"/> NO
2 <u>Charlene Dotson</u>		YES	<input checked="" type="radio"/> NO
3 <u>Deanna Herbert</u>		YES	<input checked="" type="radio"/> NO
4 <u>Ginger Lewis</u>		YES	<input checked="" type="radio"/> NO
5 <u>Alfred Kalleff</u>		YES	<input checked="" type="radio"/> NO
6 <u>Wm. Kalleff</u>		YES	<input checked="" type="radio"/> NO
7 <u>Arnon B. Kalleff</u>		YES	<input checked="" type="radio"/> NO
8 <u>Guthel Turner</u>		YES	<input checked="" type="radio"/> NO
9 <u>Everett Young</u>		YES	<input checked="" type="radio"/> NO
10 <u>Pat Ruthenford</u>		YES	<input checked="" type="radio"/> NO



**PUBLIC MEETING - SIGN-IN SHEET**  
Kentucky Power Co. (AEP) – Case No. 2009-00459  
Pikeville – April 20, 2010

PLEASE PRINT LEGIBLY

Name Address DO YOU WISH TO SPEAK?

1 Jean Vang YES NO

2 Klausy Saburua YES NO

3 Journel Robinson YES NO

4 Ellie Atkins YES NO

5 Terry L. Smith 114 DOE RAV PIKEVILLE, KY 41501 YES NO

6 William D. E. Elam/Karen Bevens 74 Suckanutank Turkey Brook YES NO

7 Mark Brown 759 Beechfield Creek Rd Jenkins KY 41537 YES NO

8 Wilmon Watson YES NO

9 Leo Murphy YES NO

10 \_\_\_\_\_ YES NO

magistrate  
Jeff  
county

**PUBLIC MEETING - SIGN-IN SHEET**  
Kentucky Power Co. (AEP) – Case No. 2009-00459  
Pikeville – April 20, 2010

PLEASE PRINT LEGIBLY

Name	Address	DO YOU WISH TO SPEAK?	
1 Bobby Brasham	P.O. Box 2915 Pikeville, KY 41502	YES	NO
2 Wayne T. Lutterford	Pikeville, KY	YES	NO
3 Herald Robinson		YES	NO
4 Joyce Robinson		YES	NO
5 Ernest Turner		YES	NO
6 Charles G. Caulton	Dir. Off. Energy	YES	NO
7 REP. W. KENT HALL		YES	NO
8 Kim Cartz		YES	NO
9 Eddie Coleman		YES	NO
10 Sarah Blackburn		YES	NO

**PUBLIC MEETING - SIGN-IN SHEET**  
Kentucky Power Co. (AEP) – Case No. 2009-00459  
Pikeville – April 20, 2010

PLEASE PRINT LEGIBLY

Name	Address	DO YOU WISH TO SPEAK?
1 Joe Kinzer		<input checked="" type="radio"/> YES <input type="radio"/> NO
2 Thurman A Bumgardner	1748 Grassy Creek Raccoon, Ky 41557	YES <input type="radio"/> NO <input checked="" type="radio"/>
3 Moore Ramsey	PO BOX 119 ShelbyANA, KY 41562	YES <input type="radio"/> NO <input checked="" type="radio"/>
4 Brad Ruff		YES <input type="radio"/> NO <input checked="" type="radio"/>
5 [Signature]		YES <input type="radio"/> NO <input checked="" type="radio"/>
6 Dennis J. Hillen & Pat Hillen		<input checked="" type="radio"/> YES <input type="radio"/> NO
7 Keith Lander		<input checked="" type="radio"/> YES <input type="radio"/> NO
8 Jimmy H. Mullis		YES <input type="radio"/> NO <input checked="" type="radio"/>
9 William Elae Dennis		YES <input type="radio"/> NO <input checked="" type="radio"/>
10 Winston Taylor		YES <input type="radio"/> NO <input checked="" type="radio"/>

**PUBLIC MEETING - SIGN-IN SHEET**  
Kentucky Power Co. (AEP) – Case No. 2009-00459  
Pikeville – April 20, 2010

PLEASE PRINT LEGIBLY

Name	Address	DO YOU WISH TO SPEAK?
1 <i>Hollis D. Ratliff</i>		YES <input type="radio"/> NO <input checked="" type="radio"/>
2 <i>Jerry Huffman</i>		YES <input type="radio"/> NO <input checked="" type="radio"/>
3 <i>Ricky Horne</i>		YES <input type="radio"/> NO <input checked="" type="radio"/>
4 <i>W. Anderson</i>		YES <input type="radio"/> NO <input checked="" type="radio"/>
5 <i>Audrey J. Lowery</i>		YES <input type="radio"/> NO <input checked="" type="radio"/>
6 <i>Debbie Coleman</i>		YES <input type="radio"/> NO <input checked="" type="radio"/>
7 <i>Elizabeth Smith</i>		YES <input type="radio"/> NO <input checked="" type="radio"/>
8 <i>Ora Thorne</i>		YES <input type="radio"/> NO <input checked="" type="radio"/>
9 <i>DAVID P. THOMAS</i>		YES <input type="radio"/> NO <input checked="" type="radio"/>
10 <i>Kathy Jarney</i>		YES <input type="radio"/> NO <input checked="" type="radio"/>

**PUBLIC MEETING - SIGN-IN SHEET**  
Kentucky Power Co. (AEP) – Case No. 2009-00459  
Pikeville – April 20, 2010

**PLEASE PRINT LEGIBLY**

Name	Address	DO YOU WISH TO SPEAK?
1 Paul Fleming Box 88 Jenkins 41537		YES <input checked="" type="radio"/> NO
2 Claverne Dye 81 Church St Pikeville Ky 41502		YES <input checked="" type="radio"/> NO
3 Steve Collier 3732 Zebulon Highway P. Keokuk, Ky 41301		YES <input checked="" type="radio"/> NO
4 Amelia Hult 18705 Grapevine Rd Phillis Ky 41557		YES <input checked="" type="radio"/> NO
5 Melissa Downey P.O. Box 77 Stopover Ky 41568		YES <input checked="" type="radio"/> NO
6 Betty McCoy P.O. Box 77 Stopover Ky 41568		YES <input checked="" type="radio"/> NO
7 Jesse Combs STOP OVER KY 41568		YES <input checked="" type="radio"/> NO
8 SCOTT C. SYKES P.O. BOX 934 ECKHORN CITY KY 41522		YES <input checked="" type="radio"/> NO
9 Kuki Meade 251 Jerry Bottom Rd Huddy KY 41535		YES <input checked="" type="radio"/> NO
10 Bobbie Varney 52 Jerry Bottom Rd Huddy KY 41535		YES <input checked="" type="radio"/> NO

**PUBLIC MEETING - SIGN-IN SHEET**  
Kentucky Power Co. (AEP) – Case No. 2009-00459  
Pikeville – April 20, 2010

PLEASE PRINT LEGIBLY

Name	Address	DO YOU WISH TO SPEAK?	
1 <i>Bonnie Edrings</i>		YES	<input checked="" type="radio"/> NO
2 <i>Clarice Moore</i>		YES	<input type="radio"/> NO
3 <i>Columbus Moore</i>		YES	<input checked="" type="radio"/> NO
4 <i>Roger Wagner</i>		YES	<input checked="" type="radio"/> NO
5 <i>Ralph E. Kojak "Mullin"</i>		<input checked="" type="radio"/> YES	<input type="radio"/> NO
6 <i>Henry Justice</i>		<input checked="" type="radio"/> YES	<input type="radio"/> NO
7 <i>John A. Cook</i>		<input checked="" type="radio"/> YES	<input type="radio"/> NO
8 <i>Robert Brown</i>		<input checked="" type="radio"/> YES	<input type="radio"/> NO
9 <i>Shawn Tibbs</i>		YES	<input checked="" type="radio"/> NO
10 <i>Emily Tibbs</i>		YES	<input checked="" type="radio"/> NO

**PUBLIC MEETING - SIGN-IN SHEET**  
Kentucky Power Co. (AEP) – Case No. 2009-00459  
Pikeville – April 20, 2010

**PLEASE PRINT LEGIBLY**

Name	Address	DO YOU WISH TO SPEAK?	
1 Nancy Carolyn Taylor	PO Box 3662 Pikeville Ky 4 [REDACTED]	YES	NO <i>maybe</i>
2 Paul Sowards	PO Box 835 Pikeville, Ky 41502	YES	NO
3 DEL Taylor	460 Taylor Pl Pikeville, Ky 41501	YES	NO
4 R B Dumas	PO Box 1389 " 41502	YES	NO
5		YES	NO
6		YES	NO
7		YES	NO
8		YES	NO
9		YES	NO
10		YES	NO

**EXHIBIT B**

Package of Information Submitted by  
Pike County Judge Executive Wayne T. Rutherford





## *Office of Pike County Judge/Executive*

Wayne T. Rutherford

Pike County Courthouse  
146 Main St.  
Pikeville, Ky. 41501  
Office: (606) 432-6247  
Fax: (606) 432-6242

Dear Commissioners:

The proposed rate increase is excessive and unacceptable. The mass power outages are a direct result of AEP/Kentucky Power's failure to clear the rights-of-way and an overall lax prevention program. The Pike County Government had shelters set up, distributed food and water and supplied generators to people with disabilities who couldn't leave their home. In a May 20 news story, your public information officer basically said the customers you are appointed to serve are wasting their time; he said the names on a petition would be treated like public comments, and that a reasonably large response "may speak to the reasonableness of what the utility is asking for, and in the final analysis what the PSC has to look at is what is the revenue requirement and what is the most appropriate way to allocate that revenue requirement over the rate classes." You even had Gov. Beshear fooled. He talked about the proposed 35 percent rate increase on East Kentucky Broadcasting and said he would only ask the PSC to be fair, that because they experienced damage from the snow storm they were asking for a rate increase. I made available to the governor's office a copy of AEP's notice dated Dec. 29, 2009.

AEP/Kentucky Power is not the great company we all had confidence in for so many years. This utility has moved their offices out of their service area and to Frankfort, where there is not one Kentucky Power customer, and no one there to lobby the PSC and the legislature. The commission – at my request – sent an investigator to my office. He told me he had been in the area for 2 ½ days touring damage with an AEP/Kentucky Power employee and the investigator asked me to take him on a tour. I told him to just go out into the county and stop at a service station or a house and let AEP/Kentucky Power customers show you that this company stopped clearing their rights-of-way years ago. He seemed surprised, and I told him, "Sir, this has been a tragedy. We had 34,000 people out of power, many for 12 days. Many lost all their food in their refrigerators and freezers."

What a hardship this company's negligence brought upon our people, and you wonder why I'm upset. COME ON NOW! Our local paper said I should use honey instead of vinegar when dealing with the commissioners, so I brought you a jar of honey.

Please understand what you could be letting happen to our people. Thousands on fixed incomes, who will have to decide whether to buy their medication, buy their food or have heat to stay warm and air to stay cool. Hundreds of our coal miners suffering from black lung and on oxygen; what in the world is going to happen to these poor souls?

How have you responded to AEP/Kentucky Power's request? Your public information officer went to work talking about revenue requirements being the only criteria. What about the revenue requirements that thousands of Kentucky Power's customers with fixed incomes need to survive?

The Hallowed Hall and expensive decorations in your new building is an example of how your decision-making takes place. You are out here today to keep people out of your parking lot. That won't work, we will be there. You have it set up so only those who filed motions to intervene can testify at the July hearing.

During the disaster I met with a utility crew from Michigan at the request of a lady who worked at a quick stop. The crew's head man said, "Look at me, you can see by my age that I have been around for a long time. I have been all over the country working on disasters, but I have never seen anything like this. Where has your PSC been? Not only has their rights-of-way not been cut, but many of their lines and poles are dry rotted. It is clear that no preventative maintenance has been done."

Does our PSC have a heart?

According to AEP/Kentucky Power, the largest increase is for residential customers. Shame on AEP/Kentucky Power to do such a thing, especially in a time of economic recession and the unemployment rate in their service area is above the national average.

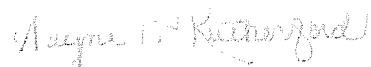
This company, according to their board and president, is moving toward not purchasing coal mined from mountaintop removal or surface mining. At a time when America is in an energy crisis and purchasing energy sources from the Middle East and other countries that hate us and want to see us dead, our president feels coal is the villain.

Any rate increase would add a burden our people can't bear.

We are very much concerned about your ruling when LG&E and KU can add a charge to the bills of their customers just to recoup costs.

Kentucky's low power rates are what attract jobs and industry to Kentucky. Kentucky is the No. 1 producer of raw aluminum in America. It takes a lot of power to produce aluminum. If the PSC wishes to make Kentucky a high utilities state instead of one with some of the lowest costs in America, these aluminum plants will move to Mexico or elsewhere.

Sincerely,



Hon. Wayne T. Rutherford  
Pike County Judge/Executive

**To: Judge**  
**From: Brandon**  
**Re: Letter to the editor/Kentucky Power employees**  
**Friday, January 22, 2010**

To the editor:

I would like to take this opportunity to praise the hard work performed by the employees of Kentucky Power – as well as the out-of-state crews who spent their Christmas holiday working around the clock to restore power – during the December winter storm.

The power outages and the extended time taken to restore power was not the fault of Kentucky Power's employees out in the field, because they themselves were done wrong by their company's neglect to clear their rights of way.

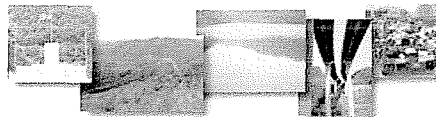
I understand fully that while Kentucky Power's employees were working tirelessly to restore power, many of them were without power themselves. I also understand Kentucky Power's work force has been drastically decreased over the past several years.

I commend them on their hard work and dedication.

Hon. Wayne T. Rutherford  
Pike County Judge-Executive



**Pike County**  
*Kentucky*



## OFFICE OF THE JUDGE/EXECUTIVE

HON. WAYNE T. RUTHERFORD

—

PIKE COUNTY COURTHOUSE  
146 MAIN STREET  
PIKEVILLE, KENTUCKY 41501  
PHONE (606) 432-6247  
FAX (606) 432-6242

### **MEDIA ADVISORY**

January 6, 2010  
For Immediate Release  
Brandon.roberts@ky.gov

Contact: Brandon Roberts  
Office -- (606) 432-6392  
Cell -- (606) 794-4621

Release written and submitted by Brandon Roberts, Media Relations Specialist to the Judge-Executive

# **Rutherford: ‘It’s time for a change’**

## **Pike County Judge-Executive calls for elected public service commission**

PIKEVILLE – After American Electric Power recently disclosed its intent to propose a rate increase to customers of its subsidiary Kentucky Power, Pike County Judge-Executive Wayne T. Rutherford is calling for a change in the way members of the Kentucky Public Service Commission get their seats.

“Kentuckians today are struggling to pay their utility bills,” Rutherford said. “Kentucky needs a reality check.”

Rutherford was speaking in regards to the appointed PSC and says the present system of appointed members of the PSC should be replaced with an elected board of commissioners.

“The present system is demeaning to every person who pays a utility bill,” he said. “With the price of prescription drugs and medical bills already straining the middle class, working people and those on fixed incomes will be hit even harder.”

Rutherford added that when people get their utility bills, they will now be faced with a very difficult question.

“People will start having to ask themselves whether to buy food, get needed medication or pay the utility bill with an outrageous fuel adjustment clause,” he said.

Several states utilize an elected public service commission, such as Louisiana, Alabama and Mississippi in the south and Montana, Nebraska and North Dakota in other parts of the country.

“From what I have read, people who live in states with an elected public service commission are more satisfied and more confident,” Rutherford said. “Why wouldn’t they be more satisfied? This is the American way. If a person does not like the actions of their public service commission, vote them out.”

Rutherford is also calling for the elected commission to provide equal representation, with one commissioner from the east, one from the Golden Triangle and one from the west.

“Kentucky is a unique state,” Rutherford said. “We are an energy state with coal in the east and west and oil and natural gas scattered throughout its entirety. The rate payers I talk to will call the present board the ‘utilities commission,’ let’s change that to ‘public service commission.’”

###

January 6, 2010

Sen. Ray Jones  
702 Capital Avenue  
Annex Room 229  
Frankfort, Ky. 40601

Dear Senator Jones:

Several months ago I began discussing the possibility of, and my opposition to, a rate hike from American Electric Power subsidiary Kentucky Power. After AEP recently disclosed its intent to propose a rate increase to customers I am calling for a change in the way members of the Kentucky Public Service Commission get their seats, from appointed to elected.

Kentuckians today are struggling to pay their utility bills and Kentucky needs a reality check.

The present system of appointed members of the PSC should be replaced with an elected board of commissioners.

The present system is demeaning to every person who pays a utility bill. With the price of prescription drugs and medical bills already straining the middle class, working people and those on fixed incomes will be hit even harder. When people get their utility bills, they will now be faced with a very difficult question: whether to buy food, get needed medication or pay the utility bill with an outrageous fuel adjustment clause?

Several states utilize an elected public service commission, such as Louisiana, Alabama and Mississippi in the south and Montana, Nebraska and North Dakota in other parts of the country.

From what I have read, people who live in states with an elected public service commission are more satisfied and more confident. Why wouldn't they be more satisfied? This is the American

way. If a person does not like the actions of their public service commission, they can vote them out.

The elected commission should provide equal representation, with one commissioner from the east, one from the Golden Triangle and one from the west.

Kentucky is a unique state. We are an energy state with coal in the east and west and oil and natural gas scattered throughout its entirety. The rate payers I talk to will call the present board the "utilities commission," let's change that to "public service commission" by placing a bill in the legislature calling for a change in the way our commissioners become commissioners.

Sincerely,

Hon. Wayne T. Rutherford  
Pike County Judge-Executive

cc: Rep. Leslie Combs  
cc: Rep W. Keith Hall



**OFFICE OF THE JUDGE/EXECUTIVE**  
HON. WAYNE T. RUTHERFORD

—  
PIKE COUNTY COURTHOUSE  
146 MAIN STREET  
PIKEVILLE, KENTUCKY 41501  
PHONE (606) 432-6247  
FAX (606) 432-6242

**MEDIA ADVISORY**

March 4, 2010  
For Immediate Release  
Brandon.roberts@ky.gov

Contact: Brandon Roberts  
Office -- (606) 432-6392  
Cell -- (606) 794-4621

Release written and submitted by Brandon Roberts, Media Relations Specialist to the Judge-Executive

The Public Service Commission scheduled the hearing in the Kentucky Power rate increase case for May 25, 2010, at 10 a.m. in the PSC office hearing room, 211 Sowers Boulevard, Frankfort.



To: Judge  
From: Brandon  
Re: Elected or appointed Public Service Commission  
Tuesday, December 08, 2009

Judge,

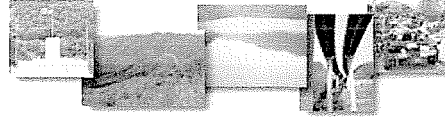
From the notes you made me, I have gathered the following information. I hope this is more what you are looking for.

Of the states with the 10 highest utility bills – Hawaii being No. 1 and Nevada being No. 10 – two of the Public Service Commissions in these states have elected commissions, No. 8 highest Louisiana and No. 9 highest Mississippi. Hawaii has an elected chair and vice chair, but the rest of the members are appointed.

Of the states with the 10 lowest utility bills – Michigan being No. 41 and Minnesota No. 51 – three have an elected public service commission, No. 44 Montana, No. 47 Nebraska and No. 48 North Dakota.



**Pike County**  
*Kentucky*



**OFFICE OF THE JUDGE/EXECUTIVE**

**HON. WAYNE T. RUTHERFORD**

—  
PIKE COUNTY COURTHOUSE  
146 MAIN STREET  
PIKEVILLE, KENTUCKY 41501  
PHONE (606) 432-6247  
FAX (606) 432-6242

**MEDIA ADVISORY**

February 2, 2010  
For Immediate Release  
Brandon.roberts@ky.gov

Release written and submitted by Brandon Roberts, Media Relations Specialist to the Judge-Executive

Contact: Brandon Roberts  
Office -- (606) 432-6392  
Cell -- (606) 794-4621

# **Rutherford to PSC: 'Buying time won't work'**

PIKEVILLE – An order issued by the Kentucky Public Service Commission last week suspended the proposed rate hike from Kentucky Power.

Originally set to take effect on Feb. 15, the PSC's order has pushed the earliest possible date back to July 14, 2010. The filing has been accepted and a 10-month timeframe has been rendered for the commission to make a final decision.

"The PSC cannot effectively ignore this critical issue by attempting to buy themselves time," Pike County Judge-Executive Wayne T. Rutherford said. "This crisis is not going away easily and cannot be set aside."

Several groups have filed motions to intervene in the matter, from government agencies, such as the Pike County Senior Citizens, to large corporations and the PSC is planning to hold public hearings around eastern Kentucky to hear comments on the proposal. Interventions by the general rate payer are not likely to be heard.

The attorney general added that budget cuts have hampered his ability to properly investigate the proposed rate increase, but hopes to be able to pay someone to look into the matter by July 1.

“I have consistently urged Kentucky’s public service commissioners to serve the interest of the people of the Commonwealth, not the wants of the big utilities,” Rutherford said.

Alabama Power rates will decrease by 7.4 percent effective Jan. 1.

The Alabama Public Service Commission approved utility rate reductions on Dec. 1, including cutting Alabama Power rates by approximately \$350 million. Alabama Gas Corp. rates in the last year have fallen 11 percent, in part to lower wholesale natural gas prices.

The Public Service Commission expects the price of commodities to rise as the economy improves but said in a news release the decreases approved Dec. 1 should remain in place for at least the next year.

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# Ky Power seeking rate hike

By RUSS CASSADY  
STAFF WRITER

Kentucky Power will be asking the Public Service Commission to approve a rate adjustment which, if approved, would result in residential customers paying an average of 35 percent more on their power bills.

Kentucky Power published a legal advertisement in the Tuesday-Wednesday edition of the News-Express, as required by law, which shows several

adjustments the company is requesting.

The largest increase proposed by Kentucky Power would be in the rate paid by residential customers.

See HIKE, Page 5A

*"The timing is unfortunate. But we can't control the weather*

Kentucky Power's  
Ronn Robinson

## HIKE

(Continued From Page 1A)

According to the advertisement, Kentucky Power's residential customers currently pay a \$5.86 monthly service charge, with an energy charge of \$7.191 per kilowatt-hour. A kilowatt-hour is the amount of energy consumed when 1,000 watts are used for one hour.

The advertisement shows that Kentucky Power is requesting that the monthly service charge be raised to \$8 per month, and the energy charge be raised to \$10.044 per kwh.

According to the advertisement, if a customer uses the company's average of 1,427 kwh per month, their bill would rise from \$114.57 to \$154.62 monthly.

Most other customers would also face increases ranging from 13.12 percent to 33.9 percent.

The company is requesting the rate go into effect on Jan. 29, but Kentucky Power spokesman Ronn Robinson said the PSC will likely suspend that rate. Robinson said the rate would not be likely to go into effect until July.

Robinson said several factors are pushing the company to ask for the increase.

One of those, he said, is simply an increased cost of doing business.

"You always have a need for tools, safety equipment, materials," he said.

Also, the company is facing several regulatory and environmental changes which could drive up the costs to the company of delivering power.

"There's some money in there for diversified generation, if you will, green energy, wind power, things like that," he said. "There's certain expectations out there that we diversify our generation away from coal. The wind always costs more than coal. The coal's about the cheapest you can get."

According to PSC records, Kentucky Power attorneys initially notified the PSC on Nov. 24 that the company would be filing for

a rate adjustment on or after Dec. 23.

Robinson admitted the timing of the process was bad, coming in the wake of a snowstorm which has left thousands without power, but that the company is following a process begun in September.

"The timing is unfortunate," he said. "But we can't control the weather."

According to PSC records, the Kentucky Industrial Utility Customers organization has filed notice that it was asking to intervene in the proposed rate adjustments.

In the organization's petition, AK Steel, Air Products and Chemicals Inc. and Marathon Petroleum Company are listed as companies that are initially participating in the intervention.

"The matters being decided by the (PSC) in this case may have a significant impact on the rates paid by KIUC for electricity," the organization's attorneys wrote in the petition to intervene. "Electricity represents a significant cost of doing business for KIUC."

The PSC later ruled that KIUC will be allowed to intervene.

Kentucky Power also received approval this week from the PSC to set up a separate account to track power restoration costs and other expenses associated with recovery from the January ice storm, a wind storm in February and severe thunderstorms in May.

According to a statement by the PSC, the account is done in expectation of future cost recovery through rates, but is not a guarantee of recovery.

"That determination will be made in a future rate case based upon the evidence presented in that proceeding," the statement said.

The regulatory asset, the statement said, includes \$5.6 million in costs connected to the ice storm in late January, \$3.4 million for the wind storm two weeks later, and \$1.3 million for the May 8 and May 9 thunderstorms.

According to the statement, recovery of regulatory assets generally occurs over a period of several years.

# Outages continue through holiday

BY RUSS CASSADY  
STAFF WRITER

Officials are continuing to work to restore Pike County to normalcy in the wake of a snowstorm that has left thousands without electricity and others without water.

While recovery efforts continued Wednesday, about 13,000 Pike Countians remained without electrical service.

Kentucky Power spokesman Ronn Robinson said Wednesday that power restoration efforts continued, with 1,300 full-time employees attempting to get electrical service back up in several areas.

Robinson said the company stands by the original estimate that it will have service restored to 95 percent of the customers in the Pikeville District by Dec. 27.

See OUTAGES, Page 8A

## OUTAGES

Continued From Page 1A

"About 56 percent of those affected by the storm have had their power restored," he said. "We're still working our best to stick to that estimate. We are making progress. We're hoping to get a good stretch of weather.

"We're going to stay until the last customer's returned," he continued.

Despite the estimates, county officials received some positive news Wednesday during a conference call with Timothy Mosher, president and chief operating officer of Kentucky Power.

Mosher told the officials the company is on target to have 95 percent of power restored by Dec. 27, according to Brandon Roberts, media relations specialist for Pike County Judge-Executive Wayne T. Rutherford.

"He said they should be on track to easily hit that deadline," Roberts said.

Roberts said Rutherford has issued an order that county employees will continue to work through the holiday.

"He said, 'Disasters don't take days off and neither do we,'" Roberts said.

The county, Roberts said, is continuing, in conjunction with the Big Sandy Chapter of the American Red Cross,

to maintain shelters, but has closed the facility at Pike Central High School and was attempting to move the people at Shelby Valley High School to motel rooms.

However, other shelters remain open.

"The Phelps-Freeburn shelter is open indefinitely," he said, adding 13 people were housed there at last count.

Christmas dinner will be served at the facility for those staying there.

The county has also begun selling kerosene at the following fire departments:

- Marrowbone
- Phelps
- Hatfield
- Big Creek
- Belfry

Roberts said the county is also attempting to distribute water to areas still without.

Water service in parts of Blackberry and all of Majestic and Stopover will be out for a little while longer, Roberts said, while it was expected that water service will be restored soon in parts of Blackberry and in Allegheny and Raccoon.

"We've still got about 2,000 without water," he said. "That's about 8,000 less than were originally out."

Roberts said the county is also attempting to get a shipment of MREs, or Meals Ready To Eat, typically used by the military, to be distributed to those without power.

Pike Emergency Management Director Doug Tackett said his office is attempting to get necessary supplies to those in need, many of whom are still unable to get to supply points, like the water distribution center at a church at the mouth of Widows Branch at Phelps.

Despite all the obstacles, Tackett remained positive about how the county is doing.

"It looks like it's moving on," he said.

Also, there is currently nothing in the weather forecast that could be considered a "threat," but there may be some wet weather later in the week which could cause inconveniences.

The county continues to ask that any questions or problems be called in to the

Emergency Operations Center at 432-0210.

# Power outages continue around region 10 days after storm

Officials say 98-99 percent of Pike County power has been restored

By RUSS CASSADY  
STAFF WRITER

As power continued to be restored to several communities in the area in the aftermath of a storm more than a week ago, officials say they are wrapping up the response.

Less than 600 people in Pike County remained without power as of presstime Monday.

However, what is not over is the questioning about Kentucky Power's prepara-

tions for the storms, especially in the area of tree removal. Officials have said that falling trees were a major source of the outages.

Kentucky Power spokesman Ronn Robinson said the company has increased its spending on tree trimming.

Robinson said the company spends millions of dollars each year on its tree program, which is intended to clear the right-of-ways of its power lines.

But, he said, the nature of the area does hinder those efforts.

"In Eastern Kentucky, it's a challenge, just because of the nature of our environment, the ruralness of it and the great expanse of tree growth," he said. "Given the wet weather we've had this year, you can even expect more growth."

Robinson said the company does take tree trimming seriously.

See OUTAGES, Page 9A

## Thousands in Mingo remained in the dark as week began

By AUDREY CARTER-LEE  
STAFF WRITER

WILLIAMSON, W.Va. — Thousands of people are still without power in Mingo County more than a week after a major winter storm swept through the area.

Appalachian Power said it may be Tuesday before all power is restored. Mingo County seems to be the hardest hit because many of the downed power lines are located in hard to reach places.

See MINGO, Page 8A



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## OUTAGES

Continued From Page 1A

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"We spent more this year than we did last year, and we spent more last year than we did the year before," he said. "It's a constant challenge to keep up with the trees."

One person asking questions about Kentucky Power's preparations for the storm is Letcher County Commonwealth's Attorney Edison G. Banks II, who told the Mountain Eagle in Whitesburg that he will present information regarding the outage to a Letcher County grand jury.

Banks told the newspaper that he would ask the grand jury to start an investigation, based on citizen complaints, including some that the company was ignoring requests to trim trees endangering power lines.

Robinson said the company had trees falling on its lines from both inside and outside its right-of-way.

"In this case, we had both," he said. "We had trees outside the right-of-way and there were some tree contacts inside the right-of-way."

The company, Robinson said, is nearing the end of its response.

"We're in the final stages of cleanup," he said. "We hope to have the majority of those people back on by midnight (Tuesday), but there may still be a few out (Wednesday)."

Robinson said the compa-

ny is now at the stage of addressing the smaller outages, but has had to deal with some major rebuilding efforts, where, in some cases, three or four poles had to be replaced, first.

"We had to do that before we could get to some of these other customers," he said. "We're at 98-99 percent of everybody affected being back."

Robinson said the company will look at its response to the storm to find ways to improve.

"In a situation like this, given the amount of the snow, the vast area, it was just a challenge to deal with," he said. "There are things we can learn from every storm. We will evaluate that."

Pike Emergency Management Director Doug Tackett said it may be a few more days before the final cost of the county's response to the snowstorm is calculated.

However, he said he believes the outages are among the worst the county has seen. There have been no deaths or injuries linked directly to the storm, so far, Tackett said.

The signs of recovery are growing, however.

The emergency shelters which were opened in response to the storm have been closed down, Tackett said, and all public roads are clear.

"This is the most widespread power outage I believe I've ever seen," he

said. "We didn't have this much of a power outage with the floods."

Like Kentucky Power, Tackett said the emergency responders will look at the response to see what can be improved or what can be changed for next time. However, he said the general public needs to be preparing for the next situation as well.

"I think folks out there need to be ready as well," Tackett said. "They need to look at having an alternate source of heat and being able to sustain for three or days, if they can."

People can also prepare by stocking batteries, drinking water and non-perishable food, Tackett said.

"If this happened once, it can really happen again," he continued. "And it doesn't necessarily need to be a snowstorm. It could be some other type of natural disaster."

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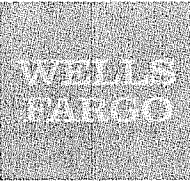

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Wednesday, January 20, 2010

## A growing problem

### Ky Power defends trimming work, but seeks money to change method

BY RUSS CASSADY  
STAFF WRITER

While Kentucky Power officials say they were spending enough money on vegetation removal efforts prior to last month's snowstorm, they are also acknowledging they are asking in a rate increase proposal to be able to

spend nearly double that budgeted amount to undertake a new method of vegetation control.

Several Kentucky Power officials, including the company's chief operating officer, Timothy Mosher, spoke to the News-Express Editorial Board Thursday on several topics, particularly the outages and a pro-

posed rate increase that could cost residential customers an increase of 35 percent on their monthly bills.

In the wake of the storm, the company has been criticized, most heavily for the perceived lack of vegetation removal which some have said led to the wide scope of the outages. The Pike

County Fiscal Court voted last week to have Assistant County Attorney Roland Case begin drawing up a lawsuit against the company, and the Kentucky Public Service Commission has sent electrical inspectors to examine the company's infrastructure in the area.

See PROBLEM, Page 7A

## PROBLEM

Continued From Page 1C

While the company officials acknowledged they are asking for nearly \$6 million more in the first year alone for operations and maintenance for vegetation removal as part of the rate increase proposal before the PSC, they said that what they have been spending has been enough.

"I believe we've been spending an adequate amount of money on right-of-way clearing over the years," Mosher said.

According to the company's filing with the PSC, excluding the costs of dealing with storms, Kentucky Power expected to spend more on vegetation management in 2009 than in 2005. Data contained in the filing shows that the company spent a total of \$7.49 million on vegetation management in 2005, and was expected to spend \$9.28 million in 2009. That number is lower than the \$10.01 million the company spent in 2007.

The company's rate increase proposal shows that about 11 percent of the \$126 million in revenue the increase would create would be spent on vegetation removal.

Corporate Communications Director Mosher said a circuit may not be completely cleared end-to-end for some number of years, "because it allocates labor and financial resources to areas where tree-related outage concerns exist.

But, included in the rate increase, Wagner said, is a plan to move to a cycle-based program.

Under the company's current system, officials find areas where performance is

affected and clear those areas. Under the proposed system, the company will clear its entire rights-of-way on a schedule.

In the filing, the company acknowledges an increase in reports called in by customers detailing concerns about the company's vegetation management program.

The filing also shows that the company expects to trim nearly five times as many trees and remove more than 50 percent more trees during the five years' transition period to a cyclical management program.

Kentucky Power is estimating that its response in the wake of the December snowstorm cost the company about \$18 million, as more than 700 extra workers were brought in to restore power across the Pikeville district.

Bob Shurtleff, manager of customer and distribution services for the company, said maintaining the rights-of-way is difficult because of the terrain of the area. Shurtleff also said many of the trees which felled Kentucky Power infrastructure during the storm came from outside the company's rights-of-way.

In the filing, company officials state that the rate increase proposal includes an incremental capital component of \$2.04 million for the storm. Mosher said the storm was unusual, especially because of the weight of the snow which fell, coupled with damages caused by an ice storm, flooding and windstorms which ravaged the area earlier in the year.

"It was just a perfect storm scenario," Mosher said.

Shurtleff said the snow was heavier than the ice which struck much of the

there are places we can't reach," he said. Mosher said the company will double its vegetation management crews and support personnel. Raymond Joseph, recorded a message in Creole to his countrymen, urging them not to leave.

"They will intercept you sight on the water and send the very beginning," Mosher said.

Customers weren't the only ones affected, Shurtleff said, as many employees went to work each day and returned to homes without power.

Sunday, January 17, 2010

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PIKEVILLE, KY 41501-1180

# Williamson DAILY NEWS

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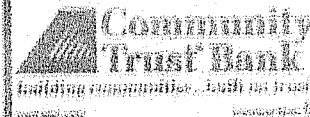
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## Fiscal court to sue AEP for outages

By **JULIA ROBERTS GOAD**  
Staff Writer

PIKEVILLE, KY - The Pike County Fiscal Court passed a motion during its Jan. 15 meeting authorizing assistant county attorney Roland Case to prepare a

lawsuit against American Electric Power.

"We have to do whatever we can to protect our people," Judge-Executive Wayne T. Rutherford said. "It was taxpayers' money that was spent just to ensure people survived during the power

outage and, in my opinion, it could have been prevented."

However, District Six Magistrate Chris Harris said he felt the court may be better served by waiting to initiate legal action. Harris passed on the vote, citing that the Public Service

Commission is currently conducting an investigation into how AEP could have prevented the outages.

"I think it is premature to begin

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See AEP page 6

### ----- AEP from 1

a lawsuit until the PSC is finished with their investigation," Harris said.

Pike County suffered widespread power outages totaling 35,000 people, many of which were without power for 10 days, including throughout the Christmas holiday. Rutherford cited AEP's

neglect to clear rights of way as the foremost reason snapped tree limbs caused power lines to collapse.


Pike County government spent tens of thousands of dollars to supply food, kerosene and generators to those without power, and many people's food ruined as a result of the outage.

NEWS-EXPRESS

# LANE

## Weekend

Weekend Edition



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January 16-17, 2010

# County pursuing lawsuit

## Court votes to have lawsuit against Kentucky Power drafted

By **RUSS CASSADY**  
STAFF WRITER

The Pike County Fiscal Court, with only one member abstaining, approved a measure which may lead to the county suing Kentucky Power for its actions which

allegedly led to the severity of power outages experienced countywide following a December snowstorm.

After discussing the matter in an executive session, the court returned and voted, with District 6 Magistrate Chris Harris passing on

the vote, to have Assistant County Attorney Roland Case begin drafting a lawsuit for consideration at the court's next meeting.

The premise of the lawsuit, Case said, will be that the disaster was foreseeable.

"The lawsuit would be based

upon a theory that there's been a breach of duty to the Pike County Fiscal Court and the citizens of Pike County to maintain service, principally through the lack of clearing vegetation," he said.

See **LAWSUIT**, Page 8A



## LAWSUIT

Continued From Page 1A

Case said the court will be asking in the lawsuit that Kentucky Power pay for the court's costs related to the response to the outages, and that the company be forced to maintain the vegetation.

Harris said he passed on the vote, not because he is opposed to suing Kentucky Power, but because the Kentucky Public Service Commission is investigating and he would like to see those results.

"I think that it's prema-

ture to prepare a lawsuit right now," he said. "I just need more information."

Harris also pointed out that the lawsuit would not recoup the direct costs to the county's residents who were without power, just the court's costs to respond.

Since the overnight snowstorm, which knocked power out to nearly 60 percent of the Kentucky Power customers in the Pikeville area at its peak, questions have been raised over the company's maintenance of its infrastructure, especially in terms of vegetation control on and near the rights-

of-way of the company's power lines.

The last customers in the Pikeville area to have their power restored regained service 10 days after the snowstorm.

The Kentucky Public Service Commission announced this week that it sent electrical inspectors to check the company's infrastructure in the wake of complaints following the snowstorm.

In the fiscal court's next meeting, scheduled for 5:30 p.m. on Tuesday, Feb. 9, the court will consider whether to file the lawsuit.



News-Express photo by Chris Anderson

**A fallen tree rests atop utility lines along Town Mountain Road in Pikeville. The Pike County Fiscal Court voted Friday to pursue filing a lawsuit against Kentucky Power, charging the company with breach of duty for allowing vegetation to grow into utility lines. The county is seeking to recoup money spend responding to widespread outages caused by heavy snowfall on Dec. 19.**

# Proposed hike stirs judge for change

## Staff Report

PIKEVILLE — Pike County Judge-Executive Wayne T. Rutherford is calling for a change in the way members of the Kentucky Public Service Commission get their seats.

His efforts come after American Electric Power disclosed its intent to propose a rate increase to customers of its subsidiary Kentucky Power.

"Kentuckians today are struggling to pay their utility bills," Rutherford said. "Kentucky needs a reality check."

Rutherford says the present system of ap-

pointed members of the PSC should be replaced with an elected board of commissioners.

"The present system is demeaning to every person who pays a utility bill," he said. "With the price of prescription drugs and medical bills already straining the middle class, working people and those on fixed incomes will be hit even harder."

Rutherford added that when people get their utility bills, they will now be faced with a very difficult question.

"People will start having to ask themselves whether to buy food, get needed medication or pay the util-

ity bill with an outrageous fuel adjustment clause," he said.

Several states utilize an elected public service commission, such as Louisiana, Alabama and Mississippi in the south and Montana, Nebraska and North Dakota in other parts of the country.

"From what I have read, people who live in states with an elected public service commission are more satisfied and more confident," Rutherford said.

"Why wouldn't they be more satisfied? This is the American way. If a person does not like the actions of their public service commission, vote them out."

Rutherford is also calling for the elected commission to provide equal representation, with one commissioner from the east, one from the Golden Triangle and one from the west.

"Kentucky is a unique state," Rutherford said. "The rate payers I talk to will call the present board the 'utilities commission,' let's change that to 'public service commission.'"

## Pike Fiscal Court gets \$250k grant

PIKEVILLE — The Kentucky Economic Development Finance Authority (KEDFA) approved an Economic Development Bond

(EDB) grant in the amount of \$250,000 to the Pike County Fiscal Court on behalf of EQT during December.

The purpose of the grant money is to purchase equipment needed for EQT's 35,000 square-foot regional headquarters building in Pikeville and a 10,000 square-foot warehouse, which will be located on the same 5- to 10-acre property.

These funds will be used to help offset costs associated with this project.

Pike County Judge-Executive Wayne T. Rutherford and Director of the Office of Energy and Community Development Charles

Carlton agree this grant money is a step in the right direction.

"A Memorandum of Understanding is being prepared by attorneys for EQT," Carlton said.

Rutherford added that the execution of the Memorandum of Understanding and an incentives agreement by all parties, the state will announce a groundbreaking date for the construction of the building which will house the company's regional headquarters.

The grant must also be approved by the State Property and Buildings Commission and the Capital Projects and Bond Oversight Committee.

## Letter to the Editor

# Storm left Pike County in the dark

*(EDITOR'S NOTE: The following letter was addressed to David L. Armstrong, Kentucky Public Service Commission Chairman concerning the recent power outages in Pike County)*

**Mr. Chairman:**

Unless you were in our emergency operations center, you could not understand what the citizens of Pike County and the county government had to endure in the aftermath of the recent snowstorm.

We all suffered: the ill, the aged and the young.

Imagine over half the county's people without power, some for as many as eight to 10 days, and during Christmas nonetheless. Can you imagine the amount of food lost?

The employees in our solid waste department know too well, since they are the ones who picked it up. We are a coal mining area. We have lots of retired

miners who are disabled with black lung, are on oxygen and/or nebulizers and had no power.

Many times when we have a disaster we hear, "This is an act of God," it is nobody's fault. This time that is not the case.

What happened this time was pure neglect by American Electric Power/Kentucky Power. Everyone in this county has noticed for years that the power company has neglected to clear their rights-of-way near the power lines.

Pike County Emergency Management (county government) had to provide generators to those in need of oxygen.

Many shelters were opened throughout Pike County, including a special needs shelter for those without power who required medical attention that was life or death at the East Kentucky Exposition Center.

The county purchased and distributed thousands of gallons of kerosene so people could survive and not freeze to death. It was such a sad situation that it is difficult to put into words.

Does the Public Service Commission have a statutory obligation to prevention maintenance?

The Pike County Attorney's Office has hired a research law firm to see if Pike County can get in court to recover the thousands of dollars spent during the winter storm. Pike County plans to take action against any and all parties that hold any responsibility. I am hopeful a class action lawsuit will be filed on behalf of the Pike County families who lost all their food.

Please understand how upset I am and how much this entire situation was uncalled for. Trees were uncut, hanging on or near power lines and power

poles.

Pike County is the largest and most rural county in Kentucky, which makes the disaster even more difficult to deal with. According to Gov. Beshear's declaration, we were the county hardest hit by the storm.

I eagerly await your response to the questions posed herein.

Sincerely,  
**Wayne T. Rutherford**  
Pike County  
Judge-Executive

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# TURNING UP THE THE HEAT

*Officials want power companies to answer questions about maintenance procedures*

## Ky. PSC asked to investigate power outages

JULIA ROBERTS GOAD  
Staff Writer

PIKEVILLE, Ky. — The Kentucky Public Service Commission is being asked to look into allegations that power outages which followed recent snowstorms in Pike County could have been prevented.

Pike County Judge Executive

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See **OUTAGES** page 6

## APCO claims storm work could cost up to \$75M

CHARLESTON (AP) — Appalachian Power expects to spend \$60 million to \$75 million for repairs stemming from a major snowstorm in December.

The Dec. 18 storm left 374,000 Appalachian Power customers without power in West Virginia,

Virginia and Tennessee. Power wasn't restored to some customers for nearly two weeks.

Appalachian Power is a division of American Electric Power. AEP spokeswoman Jeri Matheney says the utility is "still figuring out" repair costs.

## West Virginia PSC orders probe in electrical failures

DAILY NEWS STAFF REPORT

The W.Va. Public Service Commission (PSC) ordered Monday a general investigation into the conditions surrounding the Appalachian Power Company (ApCo) and Allegheny Power (AP) power outages that occurred as a result of the December 18, 2009, winter storm.

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See **FAILURES** page 6

# RECORDS

Wednesday, January 13, 2010 Page 6A

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## OUTAGES from 1

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Wayne T. Rutherford has asked David Armstrong, chairman of the PSC, if the commission has a statutory obligation to prevention maintenance.

"What happened is pure neglect by American Electric Power/Kentucky Power," Rutherford said in a letter to Armstrong. "This entire situation was uncalled for. Trees were uncut, hanging on or near power lines and power poles."

During the period following the storm, Pike County purchased and distributed kerosene to citizens to use for heat.

According to Pike Emergency Services Director Doug Tackett, 9,000 gallons of fuel were bought, at a cost of \$28,000.

Water service was also interrupted, as pump stations could not operate without electricity.

Tackett said the outages were widespread, affecting 30,000 people.

"The power was out a long time, from Dec. 18 until the 27th in some places," Tackett said. "A lot of people have said they have called the power company [to complain], but got no help."

According to information obtained from Kentucky Power, the utility company follows standards of maintenance set forth by the U.S. Federal Energy Regulatory Commission. The company's policy is "to remove all trees within the rights of way of power lines if the distance from the conductors to the ground is less than 100 feet."

In areas where the distance is more than 100 feet from wires to the ground, "only vegetation that will potentially interfere with the operation of the line is removed."

Judge Rutherford said the county attorney's office has hired a research firm to determine if any of the cost of storm recovery performed by the county can be recovered.

"Pike County plans to take action against any and all parties that hold any responsibility," this letter to the PSC said.

Doug Tackett said the damage the county received is the worst he has seen as Emergency Services Director.

"We have had a lot of storms," Tackett told the Daily News. "But we have never had such problems."

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# APPALACHIAN NEWS-EXPRESS

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Friday, January 15, 2010

## Ky. Power under investigation

### Public Service Commission examining company's system in wake of outages

By **RUSS CASSADY**  
STAFF WRITER

The Kentucky Public Service Commission is examining Kentucky Power's infrastructure in Eastern Kentucky first-hand in the wake of widespread, extended power outages last month.

PSC spokesman Andrew

Melnykovych said Tuesday that, in response to the outages, the PSC has sent electrical inspectors to Eastern Kentucky to examine Kentucky Power's facilities and infrastructure.

Melnykovych said the inspectors are taking a focused look at specific areas of the company's rights of way, but are in the prelim-

inary data-gathering stage and have not reported any issues yet.

He said the PSC decided last week to send the inspectors out in response to direct complaints as well as media reports of allegations of substandard vegetation management in the wake of the outages which began on Dec. 18.

"We just realized that there was

an issue being raised," Melnykovych said. "We made this decision last week as soon as we got back from the holidays. The commission felt it necessary to send some folks out to get a first-hand look at what the situation was."

See POWER, Page 7A

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## POWER

Continued From Page 1A

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After the inspectors file their report, Melnykovich said, the commission will examine any issues and decide if action should be taken.

Melnykovich said the commission does have the authority to take action in any case where reliability is found to have been compromised.

"Service reliability definitely falls under the commission's authority," Melnykovich said.

But, he said, the commission has not established vegetation management standards for utilities.

"We don't tell them you have to trim x feet away, you don't have to clear x number of feet away from lines or anything like that," he said. "What the commission said ... is there's so much variability in terrain and conditions across Kentucky that it just simply doesn't make sense to have one set of prescriptive standards. What obviously works in the city of Louisville doesn't work necessarily in Pike County, in a rural area."

Instead, the commission set a reporting standard and requires that each utility file an annual report regarding its system's reliability.

That reporting standard has not been in

place long enough for any trends to be identified, Melnykovich said, but, if patterns do begin emerging through that reporting, the Commission can then take action.

Beginning the evening of Dec. 18, heavy, wet snow fell across Eastern Kentucky, bringing down trees and power infrastructure across the region. Pike County was particularly hard-hit by the storms, with tens of thousands left without power for several days, and in some cases, more than a week.

Kentucky Power has been heavily-criticized in the weeks following the outages.

Joining a growing chorus of angry officials and area residents, Pike County Judge-Executive Wayne T. Rutherford sent a letter to PSC Chairman David Armstrong Friday, saying the cause of the widespread outages was "pure neglect" on the part of Kentucky Power and its parent company, American Electric Power.

"Everyone in this county has noticed for years that the power company has neglected to clear their rights-of-way near the power lines," Rutherford wrote. "Please understand how upset I am and how much this entire situation was uncalled for. Trees were uncut, hanging on or near power lines and power poles. Pike County is the largest and most rural county in Kentucky, which makes the disaster even more difficult to deal with."

Melnykovich confirmed the PSC received the letter Tuesday.

# Power problems persist

Pike officials question both Kentucky Power's preparation and liability for outages

BY RUSS CASSADY  
STAFF WRITER

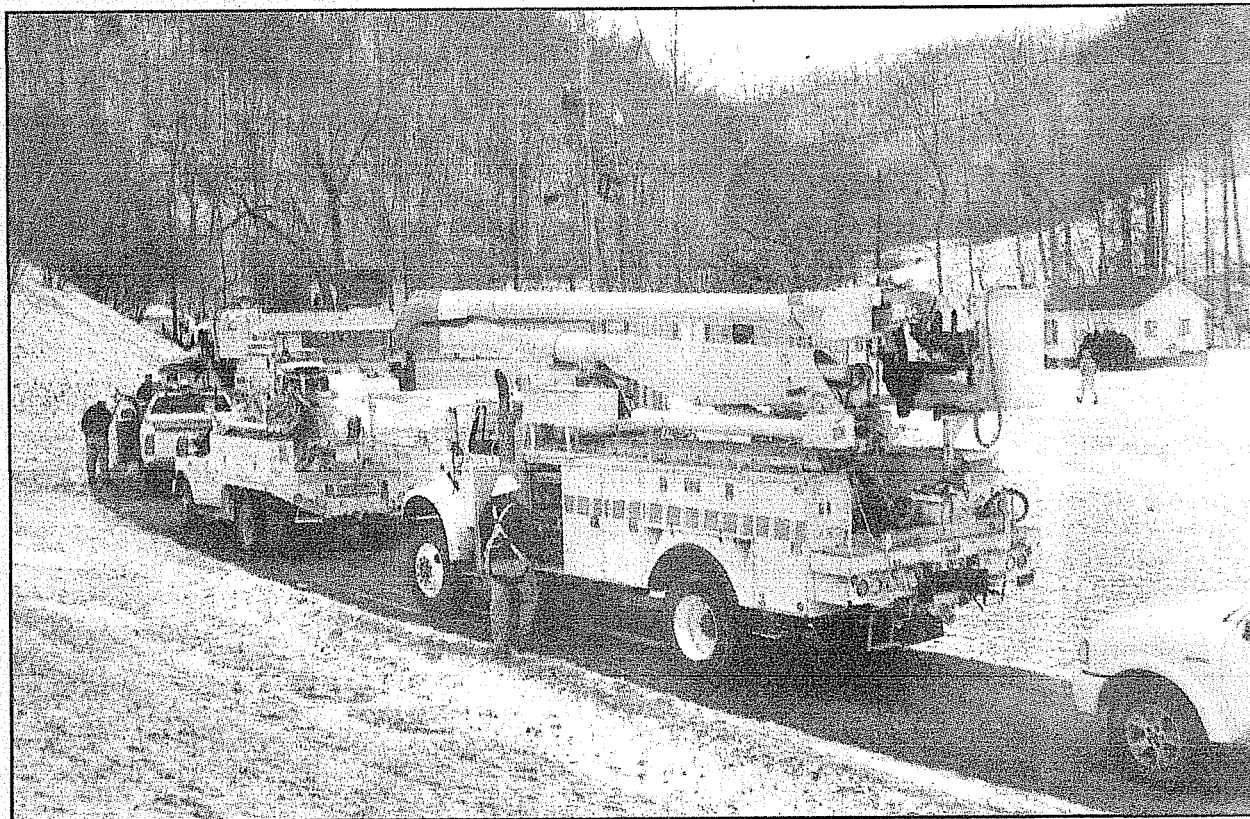
Pike County officials are looking into what they can do to help residents recovering from the recent snowstorm, but have found themselves somewhat limited.

Pike Judge-Executive Wayne T. Rutherford said during the court's regular meeting Tuesday that although Gov. Steve Beshear declared a state of emergency in the wake of the snowstorm, which began on Dec. 18 and lasted into the early morning hours of Dec. 19, the disaster did not qualify county residents for aid from the Federal Emergency Management Agency.

That, officials said, leaves a lot for the county and private citizens to deal with.

The storm dumped a foot or more of snow in

See QUESTIONS, Page 2A



A fleet of Kentucky Power service trucks lined Robinson Road, just off of U.S. 23 at Caney, Thursday. Areas of Caney lost power Wednesday evening due to a transmission line problem near a substation at Marrowbone, which supplies power for that area.

News-Express photo by (

## PSC: Proposed rate hike case sparks unusually high number of comments

BY RUSS CASSADY  
STAFF WRITER

Although the Kentucky Power rate adjustment process has just begun, some things are contributing to making it an unusual case for the Ky. Public Service Commission.

PSC officials said this week that the agency, which will make a final decision on the application by Kentucky Power, has received an unusual number of public comments so far on the rate adjustment.

At the end of December, according to PSC spokesman Andrew Melnykovich, the

PSC had received more than 250 public comments on the rate increase, which was officially filed on Dec. 29, mostly through telephone calls to the hotline number.

The number of comments the agency has received so far is not common, according to Melnykovich.

"That is a fairly high number of responses early on in a rate case," he said. "I would characterize it as unusually large."

The filing, which was made in the wake of what some officials called the worst power outage in recent memory, proposes

See HIKE, Page 7A

## More power-related stories

- More than 4,300 lose power Wednesday and Thursday due to new transmission-related problem. Officials expected restoration by midday Thursday.

- Mingo County senator questions Appalachian Power's preparation for winter weather.

For these stories, see p

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## HIKE

Continued From Page 1A

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to increase the rates for all customers. But, the steepest increase proposed has been that paid by residential customers.

Kentucky Power's residential customers currently pay a \$5.86 monthly service charge, with an energy charge of \$7.191 per kilowatt-hour. A kilowatt-hour is the amount of energy consumed when 1,000 watts are used for one hour.

Kentucky Power is requesting that the monthly service charge be raised to \$8 per month, and the energy charge be raised to \$10.044 per kwh.

Ronn Robinson, spokesman for Kentucky Power, said the company expected a large response to the rate proposal.

"Any time you're going to raise rates, you anticipate there will be a lot of public comment on that," Robinson said. "Certainly, the public has a right to express their opinions to the Public Service Commission. That's part of the process. We understand that."

No matter the outcome, it likely will be months before customers see any increase on their monthly bills.

Melnykovich said that, with the way the case has been filed with the PSC, the agency has a total of 10 months, or until the end of October, to make a decision on the rate adjustments, or the rates take effect as proposed.

But, he said, the PSC always makes a decision before that deadline.

Under that process, though, five months in,

Kentucky Power can go ahead and put the rates into effect as proposed.

"But there's a risk involved in that for the company with that because if they subsequently are awarded a smaller rate increase than the amount proposed, they have to refund the difference back to their customers with interest," Melnykovich said.

Robinson said it is not likely the company would institute the rate changes until the PSC renders a final decision.

During the decision-making process, Melnykovich said, the PSC will look at many factors, but about 90 percent of the examination will look at two things.

One of the main questions will be whether the requested increase fits with the company's revenue requirement and allows the company to cover its expenses, as well as have a "reasonable" rate of return. The other main question facing the PSC is how the company should allocate the revenue among its various classes of customers.

According to a filing by Kentucky Power in connection to the rate adjustment proposal, the company expects the adjustment to increase its revenue by approximately \$123.6 million a year, or 24.25 percent, bringing the company's overall revenue to \$633.4 million.

While the PSC can approve the rate adjustment as proposed, it could also reject the proposal or reach a settlement with Kentucky Power for a lower increase.

No hearing date has yet been set in the case, Melnykovich said, and public hearings are a possibility, but have not yet been discussed.

Melnykovich also said that the case is unusual

because based on the last few electric utility cases the PSC has seen, the Kentucky Power proposed increase is on the "high end."

However, he also said the agency has not yet seen expected rate increase proposals from Kentucky Utilities and LG&E, which are similarly-sized companies.

Last month, the PSC announced that it had reached a settlement with the Licking Valley Rural Electric Cooperative Corp., which allowed the company to raise its rates, but less than requested.

According to a statement from the PSC, the cooperative proposed to increase its monthly customer charge for residential customers from \$7.65 to \$10 a month and its usage charge from \$8.92 per kwh to \$9.67 per kwh.

Under the settlement, the PSC allowed the Licking Valley cooperative to raise its monthly charge by \$1.35 to \$9 a month and its usage charge by 78 cents per kwh to \$9.70 per kwh.

Public comments are still being accepted by the PSC on the Kentucky Power case.

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# Ky. Power deals with more outages in Pike County

## More than 4,300 lost power Wednesday night

BY RUSS CASSADY  
STAFF WRITER

Thousands in Pike County lost electricity Wednesday and Thursday, as another transmission problem affected a substation in Pike County.

Kentucky Power spokesman Ronn Robinson said the company had a problem with a transmission line switch which affected two substations, knocking out power to about 4,300 customers at its peak.

"To get people on, we made temporary repairs," he said.

However, because of fears of inclement weather, Robinson said even those who had their power restored on those substations the

night before had to be knocked off again at 8 a.m. Thursday in order to make more permanent repairs to the switch.

"If we didn't get ahead of it and strengthen it now, this cold weather we're expecting this weekend ... would just overload it," he said.

Robinson said the company hoped to have customers back on by noon Thursday.

The switch that went bad, Robinson said, could have gone out at any time, and has not necessarily been linked to weather conditions.

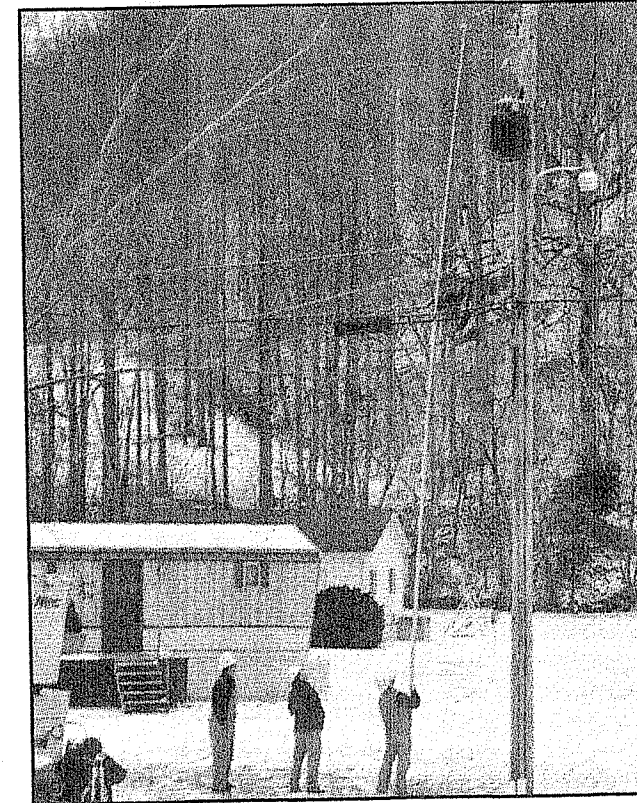
About 1,500 customers in the Feds Creek, Mouthcard and Russell Fork areas lost power for several hours Tuesday due to another trans-

mission issue. Those customers, however, have been restored, Robinson said.

Power problems are not uncommon during colder weather conditions, Robinson said, and create several unique issues.

"Naturally, the colder it gets, the more likely people are to turn up their thermostats and the greater the demand on the electricity system," he said, adding the Kentucky Power region is unique in that its peak usage season is the winter.

When people lose power, he said, they need to turn the power off to everything in their house, so that it doesn't overload the power system when service is restored.



News-Express photo by Chris A

**Kentucky Power line servicemen work to restore to areas of Caney Thursday morning, following Wednesday evening power-outage.**

# PSC rules utilities can pass along environmental project costs

FRANKFORT (AP) — Utilities undergoing millions of dollars worth of projects to help clean up energy production will pass along the costs to consumers.

The Kentucky Public Service Commission on Wednesday said LG&E and Kentucky Utilities can add a charge to the bills of nearly 900,000 customers in 77 counties to recover the costs of the projects.

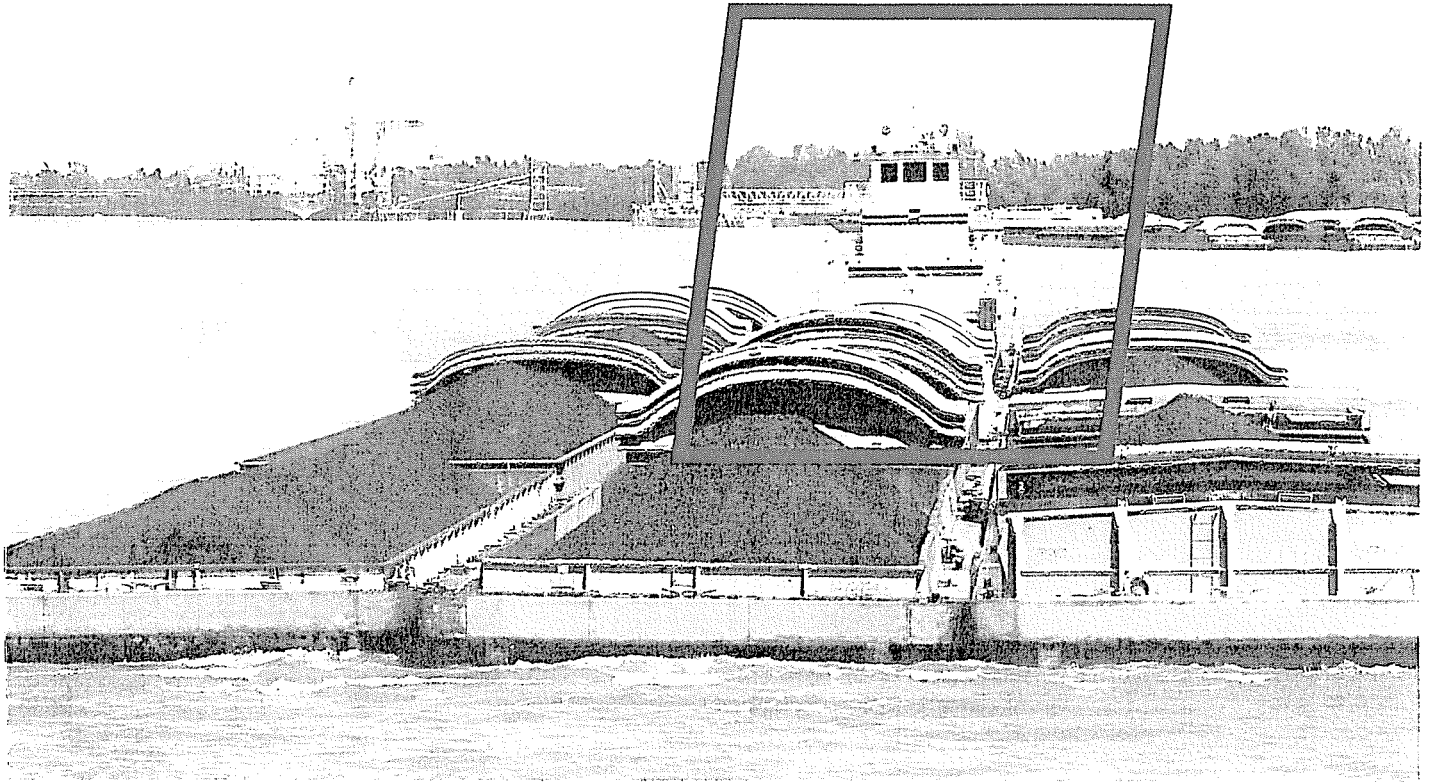
The Courier-Journal reports typical residential customers can expect to pay

between an average of 71 cents a month to 99 cents a month.

Work includes new coal combustion waste landfills at LG&E's Trimble County power plant and KU's Ghent power plant near Carrolton; an expansion of an existing ash pond at the Trimble plant; construction of a second ash landfill at LG&E's Cane Run power plant in Louisville; and new controls on smog-causing nitrogen oxides at KU's E.W. Brown plant in Mercer County.



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**EXHIBIT C**

Information Submitted by Ricky Yonts

## Distinguished Guest

Thank you for this opportunity to speak on behalf of myself, and friends and neighbors of my community. My name is Ricky Fouts. I live at Deane, Kentucky in Letcher county.

~~To~~ To begin with, fifteen or twenty ~~years~~ years ago under the leadership of ~~Will Collins~~ when County Attorney Will Collins, I was a member of the grand jury that brought complaints ~~from~~ against the Power Company for negligence of maintenance.

At that time we met with Power Company Executives and we were left with the impression that problems would be addressed. For a period of time they held up ~~to~~ their agreement. But in my opinion as time continued to pass by, the profit margin on the bottom line became more important than up keep and maintenance.

In December 2009 we got a grim reminder on how far they have fallen behind. It's acceptable that during a bad storm we are going to have power outages. Lightning may hit a transformer. Wind may break a line or a tree may fall across power lines. But this should affect small areas. Not a whole County, Not multiple Counties. Not whole regions of a state. Lightning and Wind we can't control, but trees we can.

In January of this year we ~~met~~ met with Power Company Representatives at the Letcher

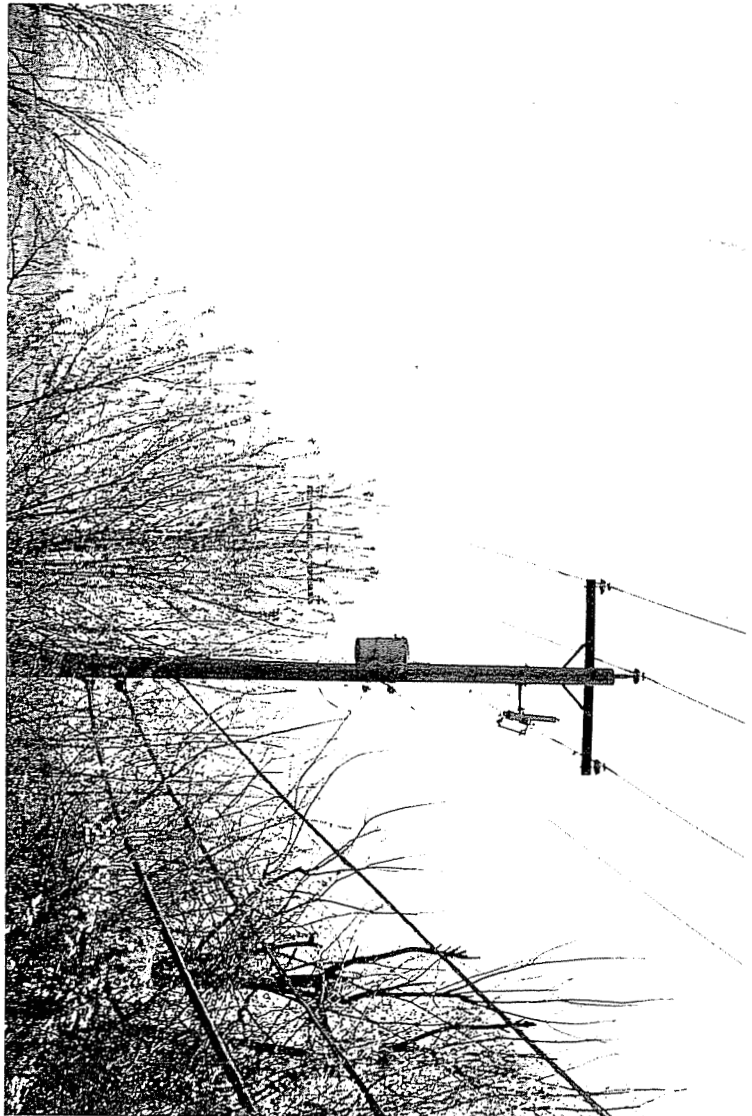
County Court House to discuss things. One Power Company Representative stated, "That Last year they lost  $2\frac{1}{2}\%$  per residential service. How does that justify asking for a 34% increase? When I was in High School I took an electrical class. A simple law for electricity is it takes 1 volt of electricity to push 1 amp through 1 ohm of resistance. The more resistance <sup>you</sup> have the more voltage you need to get the job done. When wind blows tree limbs against power lines that causes resistance leading to more voltage ~~being~~ being <sup>needed</sup> to supply service to homes.

Why should we the consumer be supportive of such a rate hike when our service is less than dependable.

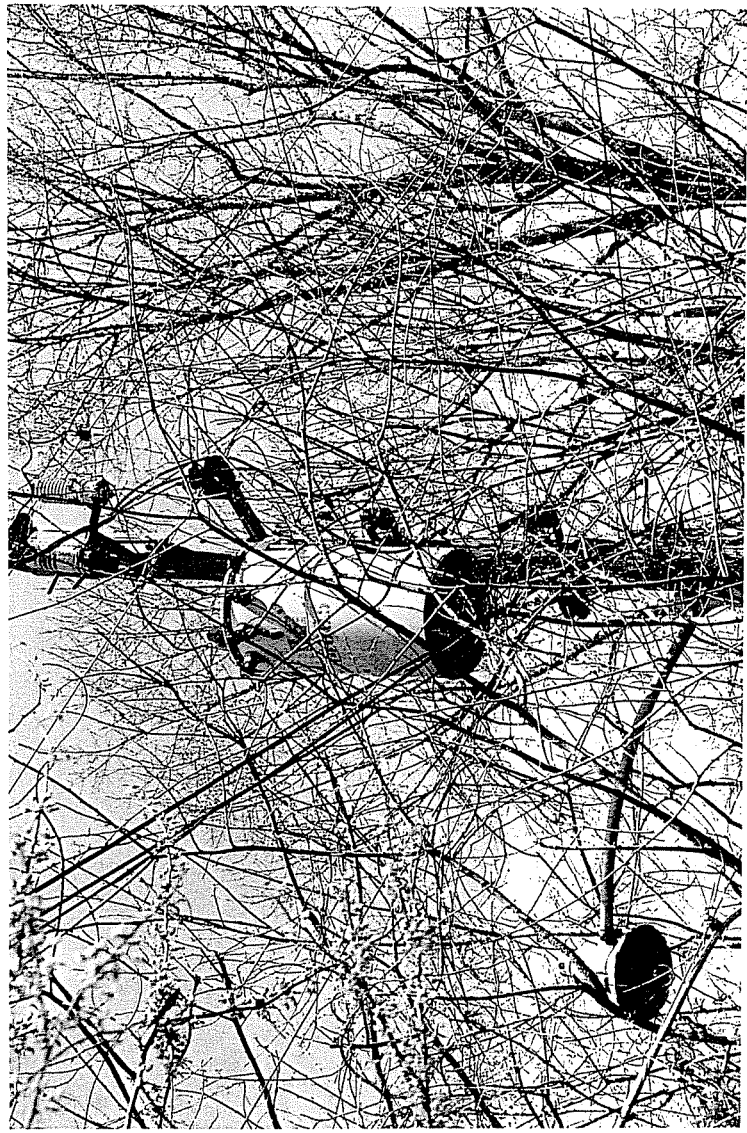
Last of all people on fixed incomes are just that, on a fix. When you are elderly or disabled you can't get a job or ~~find~~ <sup>find</sup> a way to supplement your income. As things are its taking all they have to make ends meet. In these tough financial times they can't turn to family and friends for help because they are struggling too. If a large rate hike is approved the less fortunate will have to choose whether to starve or freeze.

Thank you For Your Time.









**EXHIBIT D**

Information Submitted by Clayton Little



Clayton Little

ELECTRICITY COSTS FOR THE PIKE COUNTY SCHOOL SYSTEM

Fiscal Year 2008-2009

July 1, 2008-June 30, 2009      \$2,729,370.20

Proposed rate increase 36%      \$982,573.27

Estimated Electricity cost      \$3,711,943.47  
After increase

Current Fiscal Year 2009-2010

July 1, 2009-February, 2010      \$1,765,240.51

School enrollment

9,645 Students enrolled  
in Pike County Schools

Present Electric Rate  
(1) Present \$283.00 per  
Student

(2) 36% increase the Rate  
will be \$384.85 per school year

Enrollment  
9,645

**EXHIBIT E**

Information Submitted by Helen Tucker



**EXHIBIT F**

Information Submitted by  
Phelps/Freeburn, Kentucky Senior Citizens Center

## Protest against the huge power increase

We are here today from the Phelps / Freeburn ky. Senior Citizens Center to protest the huge electric power rate increase proposed by the Kentucky electric power company.

We believe almost all of the damage to the power lines was caused by negligence by the power company for not having the tree's cut on their power line right of way.

And we request that the Kentucky electric power company reimburse their customers for their expenses of having to live away from their home's during this period and for the suffering they went through, also for generators, portable heaters, and the food we had to throw away from our freezers.

( And we do not believe they should have  
A rate increase )