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June 3, 2010

RECEIVED

JUN 4 2010

PUBLIC SERVICE  
COMMISSION

Jeff R. Derouen  
Executive Director  
Kentucky Public Service Commission  
P.O. Box 615  
Frankfort, Kentucky 40602-0615

RE: The Application For General Adjustment Of Electric Rates Of  
Kentucky Power Company  
Case No. 2009-00459

Dear Mr. Denrouen:

Enclosed is the original and ten copies of the Post-Hearing Brief of the Pike County Senior Citizens Programs, Inc. I would appreciate if you would see that this brief is properly filed and brought to the attention of the Public Service Commission.

Thank you for your attention to this matter.

Sincerely,



Stephen A. Sanders  
Attorney at Law

Enclosures

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

**IN THE MATTER OF:  
THE APPLICATION FOR GENERAL  
ADJUSTMENT OF ELECTRIC RATES OF  
KENTUCKY POWER COMPANY**

**Case No. 2009-00459  
POST-HEARING BRIEF OF  
PIKE COUNTY SENIOR CITIZENS PROGRAMS, INC.**

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COMMISSION

The Pike County Senior Citizens Programs, Inc., a limited intervenor, submits the following Post-Hearing Brief:

The Pike County Senior Citizens Programs submits that the agreed upon rate increase for residential consumers contained in the proposed Unanimous Settlement Agreement, a rate increase of 16.84%, is too high. The rate increase is a disproportionate rate increase when compared to the rate increase for large commercial and industrial increase of 6.58% and 3.62%.

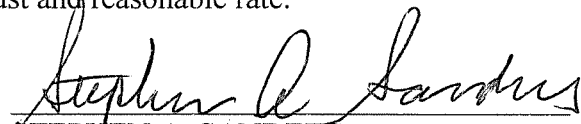
KRS 278.030 governs the rates of utilities. KRS 278.030(1) states: "Every utility may demand, collect and receive fair, just and reasonable rates for the services rendered or to be rendered by it to any person." The Pike County Senior Citizens Programs assert that a rate increase of 16.84% is not a fair, just and reasonable rate to the elderly residential consumers in Pike County.

The rate increase contained in the settlement agreement is due in part to a revenue increase of \$63.6 Million which is much higher than needed according to the testimony of KIUC witness Lane Kollen. Mr. Kollen recommended an adjustment to the Kentucky Power Company request and an overall revenue increase of \$40.98 Million. (Direct Testimony and Exhibits of Lane Kollen, p. 4). Even if the revenue increase of \$63.66 Million contained in the settlement agreement is granted, the rate increase should be equitably distributed among the classes of

consumers. This would result in a rate increase of 12.48% for residential customers, according to Exhibit 1 to the Pre-Filed Testimony of Errol K. Wagner offered in support of the Unanimous Settlement Agreement and Mr. Wagner's testimony at the hearing on May 25, 2010. The equitable distribution of the rate increase would allow Kentucky Power Company to receive the revenue increase which it agreed to accept under the settlement agreement, reduce the rate increase for residential customers, and continue the present proportional share of costs for all of Kentucky Power Company's customers.

The Pike County Senior Citizens Programs submit that the rate increase is likely to lead more residential users to face shut-offs for non-payment. According to Kentucky Power Company's Responses to Community Action Kentucky's First Set of Data Requests, 2627 Pike County residential users had their electric terminated for non-payment by Kentucky Power Company in 2007 (8% of all Pike County residential users); 3400 in 2008 (11%); and 2899 in 2009 (9%). If the rate increase in the settlement agreement is placed in effect it is believed that the number of residential users disconnected for non-payment will increase greatly. Most of the Pike County Seniors are on a fixed income of Social Security and for the past 3 years the Social Security benefits have not been increased.

**WHEREFORE**, the Pike County Senior Citizens Programs, Inc., respectfully requests that the Public Service Commission carefully consider the Kentucky Power Company's application for a rate increase and establish a fair, just and reasonable rate.

  
STEPHEN A. SANDERS  
Attorney at Law

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## CERTIFICATE OF SERVICE

I hereby certify that on June 3, 2010 the foregoing Post-Hearing Brief was mailed by first class mail to the following:

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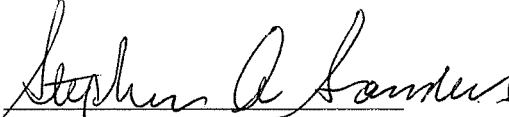
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