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TO: Commissioners
Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

OCT 24 2012

PUBLIC SERVICE
COMMISSION**Fax 502-564-3460**

RE: Case No. 2012-00221 – Opposition to Proposed Rate Increases and Unjust Allocations to Residential Monthly Service Charges

Dear Commissioners:

I am a residential customer of KU, in Georgetown KY. I write to oppose KU's rate increases on electric service. Present rates are fair, just and reasonable. In these difficult times, KU already enjoys a secure and generous rate of return on its capital.

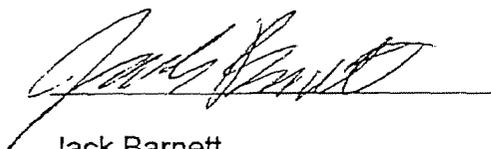
If any increase is due, I oppose increasing the monthly service charges. KU wants to raise the monthly electric service charge by 53% (from \$8.50 to \$13.00) and the kWh rate by only 3.5% (from 6.987 cents to 7.253 cents).

Any rate increase should be put on the unit of energy ("volumetric pricing"), not the monthly service charge. Kentucky residents and KU customers currently have one of the lowest electric rates in the country; but keeping rates artificially low cannot be justified. KU doesn't need a higher monthly service charge. Increasing the monthly service charge:

- Unfairly and unjustly diminishes the returns of prior investors in efficiency, such as myself;
- Greatly discourages future investments in efficiency;
- Ridiculously rewards wasteful users of energy;
- Unreasonable impacts those who use energy sparingly (i.e. the poor, elderly and the efficiency-minded), and;
- Highly impairs deployment of renewables and distributed generation.

In short, KU's proposed allocation is bad public policy. A public utility with a grant of monopoly and near-certain profit should not employ such a pricing structure. I urge the Commission not to allow it, either after hearing or in any proposed settlement.

Best regards,



Jack Barnett

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Georgetown KY 40324