

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

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PUBLIC SERVICE
COMMISSION

RE: Case No. 2012-00222

Dear Commissioners:

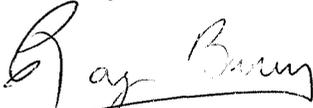
I am a residential customer of KU. I urge you to turn down KU's request for an increase in the monthly service charge. KU wants to raise the monthly electric service charge by 53% (from \$8.50 to \$13.00) and the kWh rate by only 3.7% (from 7.242 cents to 7.513 cents).

Any rate increase should be based on the amount of energy used, not to the monthly service charge. Allocating this (or any) rate increase to the monthly service charge:

- Unfairly reduces the returns of prior investments in efficiency;
- Discourages future investments in efficiency;
- Rewards wasteful users of energy;
- Disproportionally impacts those who use energy sparingly (i.e. – the poor, the elderly and the efficiency-minded), and;
- Discourages deployment of renewables and distributed generation.

In conclusion, KU's proposed allocation is bad public policy. Inclining rate block structures are much better to encourage the efficient use of resources without punishing the efficient user.

Sincerely,



Ray Barry
3415 Snaffle Rd.
Lexington, KY 40513