

OFFICE OF THE MAYOR

638 Madison Avenue Covington, Kentucky 41011

IRVIN T. "BUTCH" CALLERY
Mayor
mayor@covingtonky.gov

Telephone 859-292-2127 Fax 859-292-2137 www.covingtonky.gov

September 27, 2006

Elizabeth O'Donnell Executive Director Kentucky Public Service Commission 211 Sower Blvd. Frankfort, KY 40602

Dear Director O'Donnell:

The City of Covington, the largest city in Northern Kentucky, is concerned with Duke Energy's rate hike request. We feel a rate hike of 33% for residential service and a hike of 24% for commercial service is an unreasonable request.

We realize that some rate hike is justified but we would request that whatever rate hike is approved be phased in over a reasonable amount of time. Enclosed please find a copy of a Resolution passed unanimously by our City Commission requesting the phasing in of any rate hike by Duke Energy.

We appreciate your consideration of this request.

Sincerely,

Mayor Butch Callery,

City of Covington



COMMISSIONERS' ORDER/RESOLUTION NO. 0/R-213-06

AN ORDER/RESOLUTION REQUESTING THE PUBLIC SERVICE COMMISSION TO REQUIRE THAT ANY UTILITY FEE INCREASES ADOPTED AS A RESULT OF THE DUKE ENERGY COMPANY'S APPLICATION TO INCREASE FEES, BE PHASED IN OVER A REASONABLE AMOUNT OF TIME.

WHEREAS, Duke Energy Company has applied to the Public Service Commission to increase fees for its utility services and products; and

WHEREAS, the cost of the utilities has escalated dramatically in recent years; and

WHEREAS, the citizens of Covington deserve consideration and economic relief the Public Commission may provide.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CITY OF COVINGTON, KENTON COUNTY, KENTUCKY:

Section 1

That the Board of Commissioner of the City of Covington request that if the Public Service Commission approves any increase in fees as a result of the Duke Energy Company's application to increase fees, that the fee increase be phased in over a reasonable amount of time.

Section 2

That this order/resolution shall take effect and be in full force when passed and recorded according to law.

ATTEST:

Tracy W. Senham

Passed: 9/26/06