

Public Service Commission
 211 Sower Boulevard,
 P.O. Box 615,
 Frankfort, Ky. 40602

Jan. 30, 2009

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PUBLIC SERVICE
 COMMISSION

As a residential customer of Farmers RECC, I want to express my concerns about the proposed rate increase. In my Nov. 2008 issue of Kentucky Living (page 1A), Farmers RECC clearly state the proposed increase by them would be between \$6.00 and \$8.00 per month per residential customer of FRECC with a net effect of a 7% increase per residential customer. I reviewed FRECC's public notice in the Glasgow Daily Times on Jan. 15, 2008, and FRECC cites a request of 14.7% increase in their residential rate. They also appear to be requesting to create a new charge to the bill called the Customer Charge of \$9.00 per month. My bills list the cost of the electric used, a Fuel Adjustment Charge, and an Environmental Surcharge. Now FRECC wants to add a third charge to the customers.

If the PSC approves the proposed Rate Increase and Customer Charge, I feel it would be excessive and a disservice to the thousands of customers. Over the past few years, the cooperative has added both the Fuel Adjustment and Environmental Surcharge to our bills. Now FRECC wants not only to increase the KWH rate but add a new charge of the Customer Charge of \$9.00 per month to the bill.

As a residential user, I add the electric use amount, the Fuel Charge and Environmental Surcharge for a total amount and divide that by my KWH used to arrive at my true cost per KWH since all of the money goes to FRECC. I do not consider the local school tax in these calculations. Listed below are the actual cost of a KWH per my bill from 2004 to 2008: (Electric use + Fuel Adjustment + Environmental Surcharge)

BILL DATE	CENTS per KWH
04-28-04	.0685 per KWH
11-28-04	.0704 per KWH
04-27-05	.0717 per KWH
09-28-05	.0733 per KWH
12-29-05	.0800 per KWH
04-26-06	.0814 per KWH
10-26-06	.0818 per KWH
04-26-07	.0900 per KWH
10-31-07	.0893 per KWH
04-29-08	.0874 per KWH
09-05-08	.0900 per KWH
12-08-08	.1000 per KWH

Despite FRECC claim of no rate increases for several years, they have added charges to customers bills which is indeed part of the cost of the electric. The increases from .0685 cents per KWH on in 2004 and the .1000 cents on the Dec. 2008 bill, shows an increase

of 44% in four years. (.1000 - .0685 = .0315 cents increase/ .0315 divided by .0685 equals 44% increase in my bills)

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As a fixed income person, a rate increase of any kind should be denied at this time. The Citizens of Kentucky expect the PSC to represent the citizens in a fair manner. A 44% increase per KWH in a residential bill from 2004 to 2008, should be more than enough to meet their expenses for another couple of years. I also cite the yearly surplus return checks to members of the cooperative for 2008, were not issued and the cooperative cited increased expenses and kept those funds which amounted to a large amount in light of its thousands of customers.

Again, I request the PSC to carefully examine the request and favor the Residential Customer at this time.

Respectfully,

A handwritten signature in black ink, appearing to read "Joseph A. Priore". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

Joseph A. Priore
198 Cole Circle,
Glasgow, Ky. 42141