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COMMISSION

September 2, 2009

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
P.O. Box 615
Frankfort, KY 40602

Dear Mr. Derouen:

I recently came across a notice that Duke Energy has asked for an increase in natural gas delivery in the Northern Kentucky area (case no. 2009-00202). They state that the typical residential customer's monthly bill would increase by \$13.44 or 18 percent.

That statement is very misleading. I moved into a new, Energy Star Rated home in December of 2007. My home was built with strict energy saving materials and construction. It has a dual source heatpump/94% gas efficient heating system and a gas tankless hot water system. Over a 15-month time period, I have consumed 153 CCF of gas – about 10 CCF per month on average. My average monthly gas bill averages \$24.44. With the current fixed fee of \$12 per month, half of my bill is a fixed charge while the other half is based on actual usage.

Under Duke's proposed rate increase, my average monthly gas bill would go to \$42.44. That's a 74% increase. The percent of my bill based on usage would drop for about 50% to about 29%. These rates certainly do not encourage conservation.

I spent a lot of money to have an energy-efficient home built. I would like to think this type of conservation should not be penalized by shifting gas costs away from actual usage. It's almost like charging an automobile owner a \$10 fee to use the gas pump even before charging for the fuel used.

Please see that other members of the Commission receive copies of my letter and please keep my informed of the progress of this proposal, especially when hearings are held so that I can make my concerns known in person.

Thank you.

Sincerely,

