

Dear Mr. Cummins :

Thank you for your comments regarding the rate increase proposed by Kentucky Utilities Co. Your comments will be placed into the case file for the Commission's review as it considers this matter. As you note, the case number in this matter is 2009-00548. Please cite it in any future correspondence regarding this case so that your comments may be readily directed to the case file.

Thank you again for your interest.

Andrew Melnykovich  
Director of Communications  
Kentucky Public Service Commission  
502-564-3940 x208

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**From:** PSC - Public Information Officer  
**Sent:** Wednesday, February 03, 2010 6:16 PM  
**To:** Melnykovich, Andrew (PSC)  
**Subject:** FW: KU Rate Increase CASE NO 2009-00548

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**From:** Ed[SMTP:REDACTED]  
**Sent:** Wednesday, February 03, 2010 6:15:24 PM  
**To:** PSC - Public Information Officer  
**Subject:** KU Rate Increase CASE NO 2009-00548  
**Auto forwarded by a Rule**

I oppose KU's proposed rate increase listed in Case 2009-00548. I have also attached my comments in a word document with my in depth comments regarding KU's requested rate increase so that it may be printed easier if desired.

Thanks,

Ed Cummins

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February 3, 2010

Kentucky Public Service Commission  
Public Service Commission  
P. O. Box 615  
Frankfort, Kentucky 40602

Re: ADJUSTMENT OF ELECTRIC RATES OF .  
KENTUCKY UTILITIES COMPANY (E.ON, US, LLC)

Members of the Commission:

The last statement from Kentucky Utilities Company (E.ON U.S., LLC) contained an enclosure stating that a 13.54 % rate increase application had been made to the Public Service Commission. I hereby file my objection to this increase for the reasons listed below:

1. The company stated that Kentucky Utilities Company (hereinafter referred to as KU) has the second lowest rates in an eight state area including Ohio, Tennessee, West Virginia, Illinois, Missouri, Indiana and Virginia. The rates for these areas ranged from \$70.03 per 1000 KWH to \$129.41 per 1000 KWH. KU's rate of \$72.03 per 1000 KWH was second only to Old Dominion Power in Virginia. If the rate increase is approved by the KY PSC then the new rate will be \$81.78 per 1000 KWH. This would mean that KU's rate would be further down the list and not inline with other coal producing areas.
2. Virginia and West Virginia have low rates because of the ample availability of coal to produce electricity. Kentucky citizens should be permitted to the same low rates due to the large supply of coal in Kentucky.
3. There is no reason that KU (E.ON, US) should think that Kentucky's rates must rise to more nearly balance non-coal producing states. It is obvious that non-coal producing states have higher rates in part because of the distance that electrical power must be transmitted and the production cost.
4. Many people in Kentucky are either out of work or struggling to make a living. Jobs are scarce and certainly no salary increases are being passed out to those that are employed.
5. The recently proposed US budget submitted to Congress by the President includes hidden provisions for the cap and trade tax scheme, a bill for which was not passed by the Senate. A new tax to pay for the extravagance of this budget would most certainly be passed directly on to KU customers as a percentage of rate add-on as has been done on other taxes. (and yes, cap and trade is just a fancy way to add more tax burden for the citizens) The rate increase request is just a sly way of getting higher rates that would indirectly raise the cap and trade percentage add-on.
6. One item that was mentioned by KU to justify the rate increase request was the most recent ice storm. As a retired employee of the Transportation Cabinet, I can attest that a large part of the clean up was done by the State with aid from the Federal Government. It is clear to anyone that is familiar with the situation that, although Mother Nature dealt us all a hard blow, KU had not been diligent in keeping trees cleared under their lines. These trees caused much damage to the electric distribution lines. RECC has done a much better job of clearing their easement rights of way in recent years. Sometimes yielding to environmentalist that want to save the trees can cause catastrophic results much worse than regular tree trimming. I submit that KU Company gladly ignored the tree trimming mostly to save money. Now that the cost of such oversight has been realized. the public is being asked to pay for KU's shortcuts through this requested rate increase.
7. When KU was a locally owned company, our rates remained fairly stable. Now that a large "buy out" and consolidation has been done it seems that rate increases have become the norm. It is quite possible that, due to Kentucky's economical coal energy source for generating electrical energy, KU and E.ON, US want to add to their profit margin by

inflating Kentucky's rates. I realize that there are no easy alternatives, (KU is the only game in town) but some measure of understanding must be used in consideration of the state of our economy at this time. Higher taxes are coming and even if a person is employed, there are certainly no raises.

8. The rate increase, in my opinion, is not justified and should be denied. KU can struggle along with the rest of Kentuckians and hopefully our leaders will propose some workable solutions such as lower taxes that will let the private sector create more jobs and subsequent increased income for the general population.

Regards,

Edward L. Cummins  
3288 Buckhorn Drive  
Lexington, KY 40515