

2009-00548

Dear Mr. Quinn:

We have received the comments below that you sent to Governor Steve Beshear 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.

The rate HAS NOT been approved yet. A PSC decision will come, at the earliest, in late spring. Our process works as follows:

1. Utility gives four-week notice of intent to file a rate case
2. Utility files a rate case, with revised tariffs (the document setting forth new rates and terms of service). The tariff is dated to take effect 30 days from the date of filing. This is a routine procedural step that is essentially meaningless in major rate cases because
3. The PSC issues an order suspending the proposed new rates for a five-month period and initiating the evidence-gathering process in the case.
4. If five months elapse without a PSC decision, the utility may put the rates into effect, but they are subject to refund. That means that if the rates eventually granted are less than the amount requested, and the utility has begun charging the higher rates, it has to repay the difference back to its customers, WITH INTEREST.
5. At some point prior to the five-month date, the PSC will set a formal hearing in the case. This hearing, which is held in Frankfort, is open to the public and is Webcast on the PSC Web site. Participants include the utility and any intervenors, which are the parties who have been granted full participation in the case. They are represented by counsel and may put on testimony and cross-examine witnesses. By statute, the Kentucky Office of Attorney General represents consumers before the PSC. Therefore, individual consumers are rarely granted intervention.
6. The PSC also may, at its discretion, hold local public meetings solely for the purpose of receiving public comment on the proposed rate increase. At this point, I expect there will be several of these on Kentucky Utilities. The dates and locations will be announced later.
7. After the formal hearing, the PSC will examine all of the evidence in the case, including public comment, and issue its decision. That decision has to come within 10 months of the date that the application is accepted as complete. In the case of Kentucky Utilities, the deadline is in late November.

For your future reference, 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

Mr. Beshear,

RECEIVED
FEB 19 2010
PUBLIC SERVICE
COMMISSION

I received a letter from KU describing a tariff(cost increase) to residential services of 13.54 %.Based on their letter, we only have 30 days(ends feb. 28th) to act to intervene. We can only do so by writing a letter to the Public Service Commission, 211 Sower Blvd.,P.O.Box 615,Frankfort, Ky. 40601. I can't tell you how upset I am in a recession with double-digit unemployment, we have to take an increase such as KU has proposed. Is this due to a tax ? They don't explain the reason for the tariff. Please help the people of KY. fight this unfair increase in utility rates.

Thank You,

Mark Quinn

344 South Hill Road

Versailles, KY 40383