

2009-00548

Dear Ms. Maxam:

Thank you for your comments regarding the rate increases proposed by Kentucky-American Water Co. and Kentucky Utilities Co. Your comments will be placed into the case files for the Commission's review as it considers these matters. For your future reference, the case number in the Kentucky-American matter is 2010-00036. The case number in the Kentucky Utilities matter is 2009-00548. Please cite these in any future correspondence regarding these cases so that your comments may be readily directed to the proper case file.

Thank you again for your interest.

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

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From: PSC - Public Information Officer
Sent: Friday, February 26, 2010 1:51 PM
To: Melnykovych, Andrew (PSC)
Subject: FW: Proposed Rate Increases by Kentucky Utilities and Kentucky American Water
Importance: High

From: Maxam, Gail[SMTP:REDACTED]
Sent: Friday, February 26, 2010 1:50:53 PM
To: PSC - Public Information Officer
Subject: Proposed Rate Increases by Kentucky Utilities and Kentucky American Water
Importance: High
Auto forwarded by a Rule

Dear Sir or Madame:

I am writing in regards to the proposed rate increases by Kentucky Utilities and Kentucky American Water.

I am asking that you, the Commission, consider turning down these requests, and advising a 2 year hold on future rate increase requests. My reason for imploring you to do so is simple: There are too many of Kentucky's residents currently without work, and on the verge of having their unemployment run out. Furthermore, those of us still lucky enough to have our jobs, have not received pay increases to match the cost of living increases that are almost daily now. I personally was due for a raise in May of 2009, and did not get it due to a pay freeze. I will be due again in May this year, and fear I still won't get it, as the pay raise freeze is still in affect. How am I supposed to afford continually rising utilities, groceries, and insurance?

In the last two months, groceries have more than doubled. What I used to spend for a basic necessity week of \$80 now costs in excess of \$200, and that is with changing from name-brand products to generic brands, and cutting out necessary nutritional items to save. For example, my family has cut down from 4 gallons of milk per week (when it was \$1.98 a gallon) to 2 gallons (it is now close to \$3.00 a gallon), and only drink it with dinner. We gave up breakfast, and drink

water with lunch. Is it right for the utility companies to ask us to cut back even more? When we end up hospitalized for malnutrition, they won't care, they will shut off our service for failure to pay the bill!

Many of us have turned down our thermostats in an effort to save a little, only to have the utility companies implement rate increases, or increases on the taxes we pay in our bills. My family has turned the thermostat down to 65, to avoid large utility bills, and we are paying more than double now than we did in the milder winter of 2005/2006 when our thermostat was set at 75. Must we freeze to death in our own homes so that Kentucky Utilities can turn a profit? On top of this, now that KU has been bought by Eon, they have implemented a late charge on people if they do not pay their electric bill by the due date. If you are 3 days late, they threaten to turn you off, even if you pay the late fee, and also threaten to charge a much higher rate to turn your service back on. How is this helping the economy? You can't get blood out of a stone, any more than you can get money out of the unemployed and homeless.

As for Kentucky American Water requesting a 37% rate increase as of today, this is nonsense as well. Many of us can barely survive as it is, and for the utilities to request unnecessary rate increases at a time when most people are in a position to pay a bill or feed their children, is absolutely uncalled for. Kentucky American just had a rate increase within the last year and a half, as my bill has risen from \$10 in the winter to nearly \$20. The reason given for the last rate increase was to repair old water lines. Where did these repairs happen? Certainly not in Winchester, Kentucky. I saw new lines put in along SR 60/Winchester Road between Clark County and Fayette County, in Fayette County, and that is all.

Both Utilities claim rate increases are necessary. According to the stock market, they are not only Not Necessary, they are Not Needed. Not with the number of families losing their homes because they lost their jobs and have been forced to move back in with relatives.

My husband suffers from Osteoarthritis, and therefore we also have medical bills on top of our everyday bills. We have insurance through my employer, but there are still co-pays and medications. If we have to turn down our thermostat much more, he will suffer, as cold makes his arthritis pain worse.

It is unfair, unjust, unethical, immoral, and not necessary for these utility companies to request an increase now, especially as high as they are asking to go (37%). They are gouging people that have nothing left to give, and will soon end up dead or dying if these rate increases are allowed. There are too many people suffering in the cold as it is.

This is why I am imploring you to please, PLEASE, turn down the rate increase requests by both Kentucky Utilities and Kentucky American Water. This is the worst time for them to ask, and the economy just does not warrant it, nor do the people of Kentucky deserve it.

My husband and I do not eat out, we do not go to the movies, we don't shop for anything outside of food for the week, and gas to get to and from work every week, and still we are on the verge of bankruptcy. This has got to stop, before people literally resort to killing one another to survive.

Turn down Kentucky Utilities and Kentucky American Water's requests for rate increases. It is the only choice, and the only solution.

Respectfully,

Gail M. Maxam

REDACTED

REDACTED

Resident, Clark County, Kentucky