

Date: Nov. 21, 2012

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

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NOV 28 2012  
PUBLIC SERVICE  
COMMISSION

Re: **Kentucky Utilities Company**  
**Case No. 2012-00221**

Dear Sir or Madam:

I am a customer of the Kentucky Utilities Company ("KU"), and I oppose the proposed 8.03% rate increase requested by the KU.

PSC Director of Communications Andrew Melnkovich says that if the Commission went strictly by public comments then every time we'd have a proposed rate increase and people said they didn't want a rate increase then the utilities would go bankrupt. We are saying to the PSC that residential customers are bankrupt with utility increases and high food and gas costs. With mining companies closing and unemployment in our area at a recorded 13.1%, we cannot afford another increase of any kind. Organizations that help with utility bills have more requests than they can meet. With the increase the KU desires, a family can be fed for another day or gas can be purchased to get to work or to the doctor.

Our economy needs to improve greatly before any kind of increase. Please do not approve this increase and place the burden on the backs of those who can least afford it.

Thank you.

Yours truly,

Name:  
Address:

Doyle Durcan & Family  
333 Dunlap Hollow Rd  
Middlesboro, Ky 40965

Commissioners, Kentucky Public Service Commission

211 Sower Blvd., Frankfort, KY 40601

Fax 502-564-3460

RE: Case No. 2012-00221

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Dear Commissioners:

I am a residential customer of KU. I write to oppose KU's rate increases on electric service. Present rates are fair, just and reasonable. In these difficult times, KU already enjoys a secure and generous rate of return on its capital.

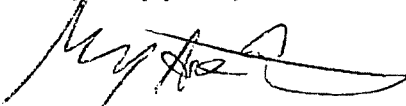
If any increase is needed, I oppose the allocation of the increase to the monthly service charges. KU wants to raise the monthly electric service charge by 53% (from \$8.50 to \$13.00) and the kWh rate by only 3.5% (from 6.987 cents to 7.253 cents).

This proposed rate structure violates fundamental rules of free market economics. Any rate increase should be allocated to the unit of energy ("volumetric pricing"), not to the monthly service charge. KU already enjoys a monopoly and guaranteed profits. It doesn't need a higher monthly service charge. Increasing the monthly service charge insted of the kWh price:

- Unfairly and unjustly diminishes the returns of prior investors in efficiency;
- Unreasonably discourages future investments in efficiency;
- Unreasonably rewards wasteful users of energy;
- Unjustly and unfairly impacts those who use energy sparingly (i.e. - the poor, the elderly and the efficiency-minded), and;
- Unreasonably impairs deployment of renewables and distributed generation;

In short, KU's proposed structure is terrible public policy. A public utility with a grant of monopoly should not employ such a pricing structure. I ask that the Commission not allow it, either after hearing or in any proposed settlement.

Very truly yours,



Mary Anne Carletta

309 Pocahontas Trail, Georgetown, KY 40324