

**SCOTT COUNTY SCHOOLS
P.O. Box 578
Georgetown, Kentucky 40324**

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Chair

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Member

REBECCA W. SAMS
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Member

Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40601

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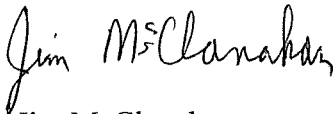
PUBLIC SERVICE
COMMISSION

Dear Commission Members

My name is Jim McClanahan and I am the Energy Manager for the Scott County Schools located in Georgetown, Kentucky. I would like to request to intervene in the filing that Kentucky Utilities has filed for rate adjustments. The issue that I have is the increase that Kentucky Utilities proposes for the All Electric School (AES) rate. As Scott County Schools has built and renovated schools since the mid 1990's, they have elected to build them to be all electric to get the AES rate. In some cases, they have removed the natural gas supply that did heat the buildings and convert the schools to all electric in order to get the lower rate for electricity. Now with the natural gas prices at a very low rate and with Kentucky Utilities continuing to increase the AES rate, the savings that was expected using the AES rate is going away. Since Kentucky Utilities eliminated new schools from being added to the AES rate in a rate case in 2009, it is very clear to anyone who follows rate cases that they are trying to close the gap between the AES rate and the PS and TOD service rates. It appears that their long range plan is to eliminate the AES rate altogether. The funding to Kentucky schools are continuing to be under pressure and with this rate increase the district will have to pay \$30,000 more for the schools that have the AES rate not counting the rate increases for the other rates.

I would ask that Kentucky Utilities take a look at reducing the rate increase for the AES rate.

Thanks,



Jim McClanahan
Energy Manager
Scott County Schools

"Together We Are"

Equal Education and Employment Opportunities