

Melnykovich, Andrew (PSC)

From: Melnykovich, Andrew (PSC)
Sent: Wednesday, November 07, 2012 2:11 PM
To: [REDACTED]
Subject: your comments in case number 2012-00221 - Kentucky Utilities rate adjustment

Dear Mr. McDonald:

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 noted, the case number in this matter is 2012-00221. 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
211 Sower Boulevard
Frankfort, KY 40601
502-564-3940 x208 cell:502-330-5981

RECEIVED

By Kentucky Public Service Commission at 2:14 pm, Nov 07, 2012

From: PSC - Public Information Officer
Sent: Monday, November 05, 2012 1:04 PM
To: Melnykovich, Andrew (PSC)
Subject: FW: Case No. 2012-00221 - Opposition to KU Proposed Rate Increases and Pricing Structure/ Monthly Service Charges

From: andrew mcdonald [S [REDACTED]]
Sent: Monday, November 05, 2012 1:03:26 PM
To: PSC - Consumer Web Inquiry; PSC - Public Information Officer
Subject: Case No. 2012-00221 - Opposition to KU Proposed Rate Increases and Pricing Structure/ Monthly Service Charges
Auto forwarded by a Rule

TO: Commissioners

Kentucky Public Service Commission

211 Sower Blvd.

Frankfort, KY 40601

RE: Case No. 2012–00221 – Opposition to Proposed Rate Increases and Unjust Allocations to Residential Monthly Service Charges

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 due, I oppose increasing 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).

Any rate increase should be put on the unit of energy ("volumetric pricing"), not the monthly service charge. Increasing the monthly service charge:

- 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 conservation-minded), and;
- Unreasonably impairs deployment of renewables and distributed generation.

KU's proposed allocation is bad public policy. Energy efficiency is the cheapest source of new energy with the lowest overall cost to society. Kentucky needs rate structures that support and reward customers who practice energy efficiency and conservation. Raising the fixed monthly charge does the opposite. It also places an undue burden on the poor and elderly, by forcing them to pay an even larger share of their limited energy budget without receiving any benefit.

Please do not allow KU to implement this proposed pricing structure.

Very truly yours,

Andy McDonald

7134 Owenton Rd., Frankfort, KY 40601

