

December 20, 2016

Paula Wright  
249 Dave Kelly Rd.  
Providence, KY 42450

RECEIVED

JAN 3 2017

Public Service  
Commission

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

Re: Rate Case 2016-00370

To Whom It May Concern:

I am writing to protest a proposed rate increase of approximately 6.4% by Kentucky Utilities Company set to take effect January 1, 2017.

My husband and I own and operate 4 small convenience stores in Western Kentucky in the heart of coal and aluminum smelter country. All of the stores are located in either rural areas or small communities. Our area has been especially hard hit economically due to the downturn in both industries. Over the past several years, it has become increasingly more difficult to operate our businesses in an area where high-paying jobs are scarce and getting more scarce everyday.

We were recently contacted by KU regarding the rate structure at one of our stores and told that we would be switched to a different service contract. We had been on a specific power contract with them for the entire time we had been in business, approximately 19 years. We were told that we had no choice in the matter and that our electric bill at that location would be going up by approximately \$800 per month. We would see the new rates on our next billing cycle. So overnight, we had over a \$9000 annual operating increase. Nothing had changed. We had not done anything different than we had the previous 19 years. This store is in a town of 400 people. It is quite shocking and hard to believe and the town may lose its only gas station and grocery store as a result.

We later found out that this change had been permitted several years ago in another rate change request. To lessen the impact of bad public relations, KU decided not to do global changes to commercial accounts immediately but to do the changeover gradually. One little store at a time, but a large financial gain for them. This is a devious corporate maneuver that most small businesses are unaware of until they are impacted. It is a huge financial money grab for them. The thirst for higher rates is insatiable. It will never be satisfied. They are constantly looking for creative ways of taking money from citizens and businesses who have no choice in the matter.

While KU is the beneficiary, our economic and jobs climate is the loser. Our state needs low utility rates in order to create a friendly business climate. Allowing unfettered utility rate increases is not business friendly nor consumer friendly. The powers that be need to wake up to this before it is too late for Kentucky citizens and small businesses.

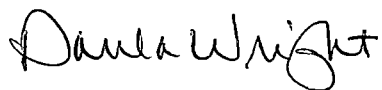
Almost daily, our small stores are faced with the double whammy of lower sales volume and ever increasing costs. In order to survive, we simply can't raise prices enough to cover any shortfalls in our operating budget. If we tried that, we would not remain competitive because our customers simply can't or won't pay the prices we would like to charge. We are forced to cut costs or take less profit or close the doors. These should be the options that utility companies have to live with as well. The American free enterprise system is supposed to work that way

I completely understand the pressures and mandates our federal government is putting on power companies. In turn, I still believe that poor management decisions have been made by the power industry. There has not been enough push back from our power companies in coal states to save our coal industry. Caving to national political and regulatory pressure, while turning away from clean coal has been a huge disappointment to many citizens of Kentucky. In fact, it is a real head scratcher for many of us.

So, let me sum it up. Kentucky power plants are moving away from coal (our biggest natural resource which is dirt cheap). This in turn puts Kentucky coal miners and their supporting businesses and local economies in jeopardy. As a result, people could be forced to leave the state to find work, thus reducing the number of customers who purchase electricity in our state. This in turn lowers the demand for power and creates a smaller pool to spread KU's fixed costs among. Sounds like a recipe for a rate hike to me!

And to top it off, KU customers are forced to subsidize a new solar plant in a state with huge coal reserves. We get \$9000 plus annually confiscated from our small store to pay for it. What is wrong with this picture? All I can say is Wow. Just wow.

Sincerely,

A handwritten signature in cursive script that reads "Paula Wright".

Paula Wright, Owner  
Fredonia Food & More