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NEWS RELEASE

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PSC to Take Public Comments in Kentucky Power Rate Case

Meetings will be held in Hazard, Louisa, Pikeville

FRANKFORT, Ky. (March 3, 2015) – The Kentucky Public Service Commission (PSC) will hold three meetings to receive public comments on a rate increase proposed by Kentucky Power Co.

The meetings will be March 24 in Hazard, March 25 in Louisa and April 16 in Pikeville. The Pikeville meeting will be held in conjunction with a public comment meeting on the rate increase sought by Mountain Water District.

Details of the meetings are as follows:

Hazard

Tuesday, March 24, 2015, 5:30 p.m. EDT

Auditorium

Perry Central High School

305 Park Ave.

Louisa

Wednesday, March 25, 2015, 5:30 p.m. EDT

Lawrence County Community Center

205 Bulldog Lane

Pikeville

Thursday, April 16, 2015, 5 p.m. EDT

Auditorium, Pikeville High School

120 Championship Drive

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All of the meetings will be preceded by a presentation by PSC staff on the regulatory processes governing the case and an overview of the Kentucky Power application. The presentation in Pikeville also will cover the Mountain Water District case.

“These meetings are an opportunity for the public to learn how the PSC evaluates rate increase applications and arrives at a decision,” PSC Chairman David Armstrong said. “The meetings also allow the PSC to hear directly from ratepayers in these matters.”

The presentation by PSC staff and a question-and-answer period will last an hour. Public comments will follow.

Kentucky Power is seeking to increase its annual revenue by about \$70 million, or about 12.5 percent. The utility says the average monthly residential bill would increase by about \$22.

According to Kentucky Power, \$37.7 million of the annual increase is needed to pay for Kentucky Power’s acquisition of a 50 percent interest in the Mitchell power plant, which is south of Moundsville, West Virginia. The PSC approved the purchase in October 2013, saying it was the “least-cost reasonable option” for replacing generating capacity that will be lost when Big Sandy Unit No. 2, the larger of two units at the plant in Louisa, shuts down at the end of May.

Kentucky Power has about 173,000 customers in 20 counties in eastern Kentucky.

In addition to the public meetings, the PSC will conduct a formal evidentiary hearing in the case beginning at 10 a.m. EDT on Tuesday, May 5. The hearing will be held at the PSC offices at 211 Sower Boulevard in Frankfort. It will be open to the public and may be viewed live on the PSC website, psc.ky.gov

Written comments will be accepted through the conclusion of the evidentiary hearing. They may be mailed to the PSC at P.O. Box 615, Frankfort, KY 40602, faxed to 502-564-3460, e-mailed from the PSC website or submitted in person at the public meetings or at the PSC offices.

Kentucky Power’s application and other records in the case are available on the PSC website, psc.ky.gov, as are similar records in the Mitchell case. The case numbers are 2014-00396 (rate case) and 2012-00578 (Mitchell acquisition).

The PSC is an independent agency attached for administrative purposes to the Energy and Environment Cabinet. It regulates more than 1,500 gas, water, sewer, electric and telecommunication utilities operating in Kentucky and has approximately 85 employees.