

From: [PSC Public Comment](#)
To: [Stump, Kenya K \(EEC\)](#)
Subject: RE: Comments for Case No. 2026-00185.
Date: Tuesday, October 6, 2026 3:14:00 PM

Case No. 2026-00185

Thank you for your comments on the application of Electric and Natural Gas Utility Affordability. Your comments in the above-referenced matter have been received and will be placed into the case file for the Commission's consideration. Please cite the case number in this matter, 2026-00185 in any further correspondence. The documents in this case are available at [View Case Filings for: 2026-00185 \(ky.gov\)](#).

Thank you for your interest in this matter.

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Sent: Tuesday, October 6, 2026 12:40 PM
To: PSC Public Comment <PSC.Comment@ky.gov>
Cc: McNeil, Justin M (PSC) [REDACTED]; Engle, Caroline (PSC) [REDACTED];
Koenig, Brittany H (EEC) [REDACTED]
Subject: Comments for Case No. 2026-00185.

****CAUTION** PDF attachments may contain links to malicious sites. Please contact the COT Service Desk ServiceCorrespondence@ky.gov for any assistance.**

Please find the attached comments from the Office of Energy Policy for your consideration and review for Case 2026-00185.

Due to my family/work life schedule crossover, you may receive emails from me at various times. Please do not feel any pressure to respond outside of your own work schedule.

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

CASE NO. 2026-00185: ELECTRONIC INVESTIGATION INTO THE AFFORDABILITY OF
ELECTRIC AND NATURAL GAS UTILITY SERVICE AND RELATED MATTERS

INITIAL COMMENTS FROM THE KENTUCKY OFFICE OF ENERGY POLICY

The Kentucky Office of Energy Policy (“Office” or “KOEP”) provides the following initial public comments in response to the August 26, 2026, order of the Kentucky Public Service Commission (“Commission” or “PSC”) in this docket. In this order, the Commission establishes a proceeding to investigate issues related to the affordability of electric and natural gas utility service and to create an opportunity for electric and natural gas utilities, consumer representatives, community organizations, and other stakeholders throughout the Commonwealth to identify and discuss concerns, existing programs and practices, and potential measures to improve the affordability of electric and natural gas utility service for residential ratepayers.

While the OEP maintains a significant amount of data around energy issues in Kentucky and will work collaboratively with the Public Service Commission and stakeholders, the comments provided here are not a comprehensive data analysis of energy affordability metrics, factors and trends but rather an initial high level policy review.

That said, some use of metrics is necessary for clarity. For June 2026, Kentucky ranked as the 8th lowest average residential calculated (revenues divided by sales) electricity rate in the nation. While it indicates Kentucky is remaining competitive, electricity prices have still risen nationally and in Kentucky (see chart below). Accordingly, to determine what factors have contributed most to this rise, inflation adjusted price changes are considered to better evaluate how the overall economy has affected electricity prices. The OEP cautions relying on average calculated state electricity prices which are a calculation of utility revenues divided by sales. While this is a good indicator of state-to-state trends, it should not be a substitute for evaluating the tariffed price households pay monthly or the tariffed all-in price for evaluating regional difference and cost causation. In addition to price, energy burden is also a common metric and the OEP tracks this in a publicly available dashboard.¹ A good resource to review in this docket is the recent

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<https://kcewsreports.ky.gov/t/OEP/views/PublicKentuckyEnergyAffordabilityDashboard/KEAD?%3Aembed=y&%3Aiid=3&%3AisGuestRedirectFromVizportal=y>

Lawrence Berkeley National Laboratory (LBNL) “Retail Electricity Price Trends and Drivers: Data Update–2026 Edition”.² OEP recommends that the PSC consult with LBNL to see if a Kentucky centric analysis can be conducted or evaluated in the context of the 2026 update. At a minimum LBNL should be contacted to provide testimony in this docket.

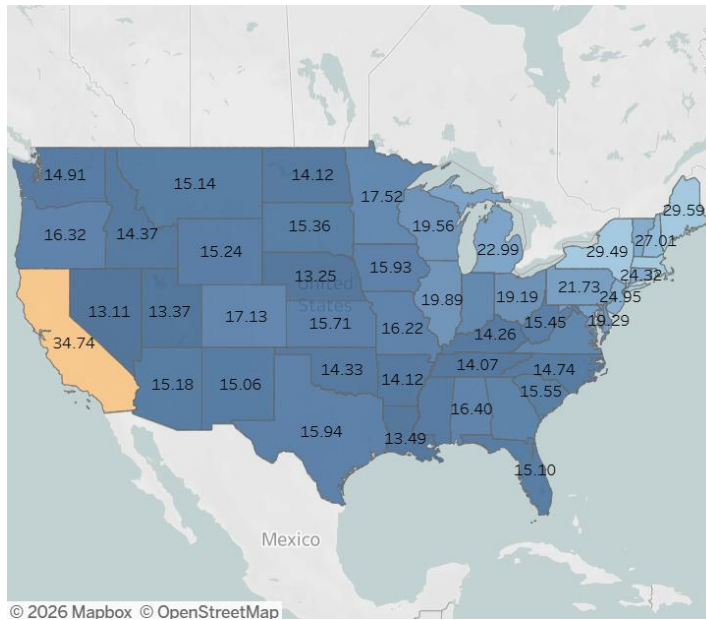


Figure 1: June 2026 Residential EIA Price (cents per kWh)

² <https://emp.lbl.gov/publications/retail-electricity-price-trends-and>

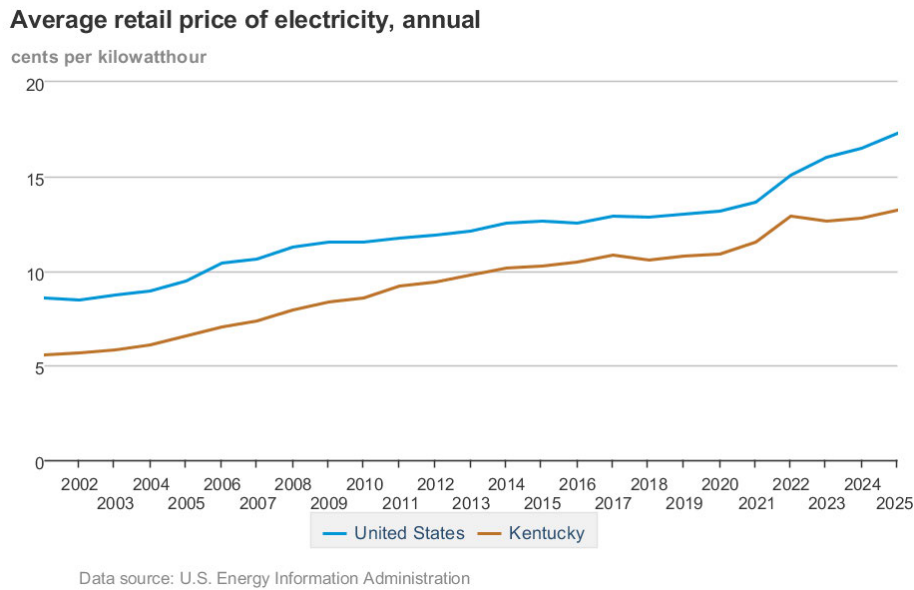


Figure 2: EIA Electricity Data Browser

Introduction

Energy affordability can be defined as the energy a household can access in order to maintain a comfortable and safe home, participate in society, and all without facing undue financial strain. It is the ability to pay your energy bills without having to compromise you or your family's comfort, safety, or health and without being a burden on your individual or family budget. Based on this concept, there are three fundamental factors that affect if a household can afford their energy bills: (1) Household income, (2) Energy consumption of the home, and (3) Price of the energy commodity.

Given these three factors, there is an acknowledgement that utilities and regulators play a role in energy affordability through energy rates, rate structures, cost containment, program evaluation and implementation of energy conservation programs but they are not the sole responsible party for the issue. Energy affordability is also a societal issue in terms of the availability of family sustaining jobs and provision of safe and energy efficient housing.

In order to address energy affordability, these three factors suggest that a comprehensive approach involving multiple stakeholders beyond just utilities is necessary. Energy affordability necessitates a systemic look at the problem, and this docket can help identify the difference between those action items within the utility and regulatory structure compared to those that must be addressed by policymakers.

Energy Affordability and Energy Security

Energy Security can be defined as the uninterrupted availability of energy sources at affordable prices. In simple terms, do the lights or heat turn on when you flip the switch and can you pay your bills comfortably? In general, most people focus on energy security from the perspective of the uninterrupted availability of energy (reliability) and fail to realize the second component of energy security is affordability. Even with highly reliable power delivery to homes, some household families live with energy insecurity which is often tied simultaneously to food, income and housing stock. Therefore, these factors must be evaluated when addressing affordability. Paying monthly electricity bills is tied to choices around paying rent or mortgage, whether or not a family can buy groceries and if there is enough in the family budget to pay for medications or childcare. Given these choices, it is easy to understand how families stop paying their utility bills and find themselves facing disconnections or accumulating debt.

Energy Efficient Homes are Essential to Kentucky's Energy Resilience

Between 2015 and September 2025 (not including COVID-19), Kentucky had 22 Major Disaster Declarations affecting counties across the state. Energy efficient housing is an essential mitigation measure for household and state resilience efforts. In a 2003 study, three National Laboratories concluded that “improving passive efficiency in residential buildings to meet or exceed current energy code saves lives during extreme temperature events. Installing passive measures in existing single family (SF) buildings to meet code requirements extends habitability by as much as 120% during extreme cold and by up to 140% during extreme heat.”³ Families who can shelter in place safely for longer periods lessen the resources required at the state and local level to deploy group sheltering facilities. It should be noted that most residential energy efficiency programs that focus on under-supported populations fail to include the value of resilience benefits in program cost-benefit calculations or the cost to households from energy disruption events.

Recovery funding after a disaster should ensure repaired homes become accessible and energy efficient. As an example, in the realm of flood preparedness, closed-cell spray foam insulation emerged as an exceptionally effective preventative measure. FEMA has designated closed-cell spray foam insulation as the only acceptable insulation material resistant to floodwater damage. OEP recommends including discussions on how

³ [https://6670677.fs1.hubspotusercontent-na1.net/hubfs/6670677/Efficiency_for_Building_Resilience_PNNL-32727_Rev1-compressed%20\(1\)%20\(2\).pdf](https://6670677.fs1.hubspotusercontent-na1.net/hubfs/6670677/Efficiency_for_Building_Resilience_PNNL-32727_Rev1-compressed%20(1)%20(2).pdf)

utility demand side management (DSM) programs can be deployed more broadly after a disaster to build back homes more efficiently and more resilient.

Immediate, Interim and Long-Term Strategy

The OEP encourages the PSC to consider solution outcomes of this docket in a temporal frame for implementation. The OEP applauds the PSC for starting the process of analyzing key affordability metrics and cost causers over time; however, it is also important to establish a process for continued monitoring of key metrics over time in order to highlight time series changes that may not be readily identified in utility rate cases.

Immediate solution sets should also consider tools already in place or tools that can increase access to existing programs. Accessibility is a key issue that is often overlooked in implementation. Households in crisis need to find information quickly, that is understandable and where responses are timely. Families that are struggling may not have the luxury of time to use a computer or stay on the phone with customer services. Texting or mobile application- based assistance is critical to access. Utilities should be encouraged to partner with social service programs to ensure platforms can reach target audiences. Utility programs are only successful if households know they exist and can use them. United Way's 211 program is a good example of accessible help. Other solutions sets are levelized billing and pre-pay programs. Ensuring utility programs are integrated into KYNECT is essential. KYNECT is the Commonwealth's online space for Kentuckians to connect with benefits. An obvious immediate accessibility solution is ensuring program information and help is on the homepage without having to log in or search through pages. Help should be a one click option.

Rate structures are always important. Until high energy use households can get the help they need, rate structures could be evaluated to see if there are instances where lower volumetric rates with higher fixed charges could help these households on an interim basis. These types of rate structures must be implemented alongside robust weatherization and demand side management (DSM) programming until the households can transition to a general residential rate.

Kentucky's current DSM statute in KRS 278.285 became effective in 2010. The OEP encourages the Commission to conduct a relevant examination of changes to the statute to better achieve program results. One such issue may be the examination of different delivery models for DSM programming, acknowledging that demand response programs may well be within the scope of utility management; however, it is worth noting that home energy assistance programs, energy auditing, and weatherization programs may best be competitively implemented by third party providers. A review of state DSM programs and

implementation models as well as cost recovery frameworks is recommended. Groundswell nonprofit is an example of a third-party provider in the southeast that experienced transformative success in low-income energy efficiency and resilience programs.⁴

Long term, the OEP encourages the PSC to consider more robust discussions on performance-based ratemaking, market impacts, cost containment, multi-year rate plans, time series tracking of key performance metrics, and the focus on utility efficiencies before the electrons reach the customer. Ensuring the utility is operating as efficiently as possible, including but not limited to voltage conservation, saves customers money before those same customers are asked to change behaviors to save energy.

Societal Issues

In order to stabilize or lower the energy commodity price, one solution is to grow the amount of revenue collected from commercial or industrial customers. If the goal is to keep rates low for households, drive commercial and industrial development. For this to happen, Kentucky needs policy drivers for economic development, wage growth, and family sustaining jobs in the places where the energy burden is the highest.

Some household structures in Kentucky are in disrepair to the point that they cannot be cost effectively weatherized or made energy efficient. These homes cannot qualify for utility efficiency programs. This presents a real issue in how to get these families into safe and energy efficient housing. An example of this type of programming is the Commonwealth of Kentucky Department for Local Government (DLG) partnership with Kentucky Housing Corporation (KHC) where the U.S HUD PRICE Main funding is used to launch the Kentucky Manufactured Housing Empowerment and Improvement Program to achieve two primary goals across the state: 1) Preserve and improve existing manufactured housing communities by acquiring and converting them to resident-owned cooperatives, and 2) Replace unsafe manufactured housing units (MHUs) constructed prior to the 1976 implementation of the Manufactured Home Construction and Safety Standards Program (HUD Code) that pose a threat to the health and safety of low income Kentuckians. KHC also offers the Affordable Housing Trust Fund (AHTF) home Repair program that stabilizes the residences of low-income homeowners with essential repairs to keep or make their home habitable.

Policymakers must ensure funding is there to support households getting the necessary repairs to make their homes safe and accessible first and to protect both Weatherization and Low Income Home Energy Assistance Program (LIHEAP) programs in

⁴ <https://groundswell.org/>

Kentucky. In addition, households need a one-stop shop for help that integrates all of Kentucky's assistance programs. Time is a privilege for many families that are overly stressed and struggling. Getting help should be easy and not require time away from their jobs or education.

Building codes are another area outside of the PSC jurisdiction but essential to the affordability conversation. Kentucky's building codes are implemented by the Public Protection Cabinet. The Kentucky Residential Code (KRC) is the 2015 International Residential Code for one- and two-family dwellings published by the International Code Council, Inc., with the specific Kentucky amendments. It provides minimum standards to ensure public safety, health and welfare insofar as they are affected by building construction, and to secure safety to life and property from all hazards incident to the occupancy of buildings, structures, or premises. The Kentucky Residential Code is a "mini/maxi" code, in that it establishes minimum and maximum building code requirements for detached single-family dwellings, two-family dwellings and townhouses and local governments shall not adopt or enforce any other building code on these units. Building codes have increasingly become a divisive political issue, often hindering updates; however, the repeated natural disasters coupled with existing housing inefficiency and new affordable housing crisis necessitates a discussion on Kentucky residential code implementation and updates necessary to protect families and support energy waste reduction.

Conclusion

The OEP thanks the Commission for the opportunity to provide comments. Energy affordability necessitates a systemic look at the problem, and this docket can help identify the difference between those action items within the utility and regulatory structure compared to those that must be addressed by policymakers. The docket provides an opportunity to identify how to improve utility assistance, improve customer experience, drive cost containment and conservation, and ensure that no family faces the shame of a utility disconnection or making the choice between paying a utility bill or buying food, medicine or paying for a home.

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