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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 Prestonsburg, Hazard and Ashland*

**FRANKFORT, Ky. (Oct. 4, 2017)** – 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 Nov. 2 in Prestonsburg, Nov. 6 in Hazard and Nov. 8 in Ashland. Details of the meetings are as follows:

### **Prestonsburg**

**Thursday, November 2, 5:30 p.m. EDT**

Auditorium

Big Sandy Community & Technical College

1 Bert Combs Drive

### **Hazard**

**Monday, November 6, 5:30 p.m. EST**

Auditorium

Perry Central High School

305 Park Avenue

### **Ashland**

**Wednesday, November 8, 5:30 p.m. EST**

Auditorium

Bellefonte Pavilion

2000 Ashland Drive

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.

“These meetings are an opportunity for affected ratepayers to make their views known directly to the commissioners who must decide this case,” PSC Chairman Michael Schmitt said. “The PSC encourages ratepayers to attend the information session to gain a more complete understanding of how Kentucky law requires the PSC to evaluate rate increase applications and arrive at a decision in matters such as this.”

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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 base revenue by approximately \$63.3 million, or about 15 percent. According to Kentucky Power, the increase is needed to offset the effects of a declining customer base and decreased electric usage by remaining customers. The company also cites higher electric transmission and environmental compliance costs among the factors prompting the request for an increase.

In addition to seeking a revenue increase, Kentucky Power is proposing to change its rate structure to eliminate separate charges related to the purchase of a half interest in the Mitchell power plant near Moundsville, West Virginia, and the conversion of the smaller of two units at the Big Sandy plant near Louisa to burn natural gas instead of coal. The utility is proposing to continue a separate charge to recover the cost of decommissioning the larger unit at the Big Sandy plant.

The application also includes a request for approval of Kentucky Power's updated environmental compliance plan and an increase in the surcharge through which the utility recovers the cost of compliance, as permitted under Kentucky law. In addition, Kentucky Power is seeking increases in charges that support local economic development efforts and a program to assist low-income ratepayers.

Taken together, all of the increases would boost the total average monthly residential bill by almost \$21, from the current \$142.20 to nearly \$163, according to Kentucky Power.

Kentucky Power has about 168,000 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 9 a.m. EST on Wednesday, Dec. 6. The hearing, which is expected to last several days, 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](http://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](http://psc.ky.gov). The case number is 2017-00179.

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.

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