

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

ELECTRONIC INVESTIGATION INTO	)	
THE AFFORDABILITY OF ELECTRIC	)	Case No. 2026-00185
AND NATURAL GAS UTILITY SERVICE	)	
AND RELATED MATTERS	)	

ATTORNEY GENERAL'S INITIAL COMMENT AND ISSUE LIST

By Order of August 26, 2026, the Commission established this docket. The Commission further instructed that by, September 30, 2026, “parties should file initial comments identifying the issues they believe should be examined and a short list of topics they believe should be addressed in any subsequent informal or technical conference.”

The Attorney General of the Commonwealth of Kentucky, through his Office of Rate Intervention, states that the following issues merit consideration. The Commission should consider:

1. If it’s not reliable, it’s not affordable. Kentucky needs an energy policy that acknowledges the substantial difference between energy that is occasionally available, and energy that is available on demand.
2. The process utilities engage in to ensure that they select the least cost generating resources.
 - a. Whether those processes are biased in any way.
 - b. Whether the utilities and/or their leaders are incentivized to make resource selection decisions based on factors other than which resource is least cost.

3. Whether utilization of renewable, intermittent generating resources results in higher rates for ratepayers.
 - a. Why states with Renewable Portfolio Standards and high renewable adoption have the highest rates.
 - b. What Europe's implementation of its renewable energy policies can teach us about affordability.
 - c. Whether renewable generating resources are financially uncompetitive with traditional resources when the full cost of serving customers, including backup resources and all functional differences are fully considered.
 - d. Why levelized cost of energy, the metric often cited by renewable energy proponents, is an insufficient metric for comparison purposes because it fails to consider the operating limitations of intermittent resources and the costs driven directly by those limitations.
 - e. Whether transmission investments driven by adoption of renewable resources drives rate increases.
4. Whether Kentuckians' ability to access affordable and reliable energy continues to be damaged by the long-term consequences of Washington's War on Coal.
5. Whether new investment in coal production and generation would promote affordability, alleviating the strain of increasing rates, and promote a reliable electric system into the future.

6. Whether greater natural gas pipeline capacity and expansion of the access to natural gas would lower rates.
7. Whether battery storage systems are financially beneficial to ratepayers in the short-term and the long-term.
8. Whether utility participation in Regional Transmission Organizations (“RTOs”) has resulted historically in higher or lower rates for ratepayers and how that participation forecasts prospectively.
 - a. Whether RTO participation increases rates by forcing Kentucky ratepayers to subsidize the energy policy decisions of politicians in other jurisdictions.
 - b. Whether reliance on market purchases for capacity shortfalls increases or decreases rates for ratepayers.
 - c. Whether transmission investments driven by RTO participation drives rate increases.
9. Whether utilities should be allowed to recover construction costs for generation resources before those resources are placed into service and the related impacts on ratepayers.
10. Whether demand response programs increase or decrease rates for non-participating customers.
11. Whether net-metering and qualifying facility credits increase or decrease rates for non-participating customers.
12. Whether consolidation of electric cooperatives and their service territories would decrease rates.

13. Whether consolidation of water and sewer districts would decrease rates.
14. Whether a Commission deadline for resolution of rehearing motions would have an impact on rates.
15. Whether higher fixed charges and correspondingly lower volumetric charges would help smooth rate fluctuation for cooperatives and smaller utilities and lower overall rates.
16. Whether increasing the revenue maximum for alternative rate filings would benefit ratepayers.
17. Whether economic expansion and attracting new load reduces rates.
18. Whether the addition of large load customers benefits other ratepayers.
19. Whether the Data Center and Large Load Tariffs currently in place sufficiently protect ratepayers.
20. Whether rollbacks of overly burdensome and unnecessary environmental regulations reduce rates.
21. Whether allowing fuel adjustment clause charges to be spread out over several months would benefit ratepayers.
22. Whether setting a maximum amount of arrearages a customer can accrue before disconnection would benefit ratepayers, both that ratepayer and other ratepayers.
23. Whether the expansion of budget billing practices and offerings would benefit ratepayers.
 - a. Whether utilities should be allowed to incentivize budget billing through discounts.

- b. Whether ratepayers that have been disconnected should be required to sign up for budget billing before reconnection.

The Commission's chief aim in pursuing energy affordability should be making every effort to ensure that utilities utilize the least cost generating resources. Creative rate design is not a cure for poor decision making when it comes to generation procurement. The Attorney General appreciates the opportunity to comment on this matter.

Respectfully submitted,

RUSSELL COLEMAN
ATTORNEY GENERAL



J. MICHAEL WEST
LAWRENCE W. COOK
ANGELA M. GOAD
T. TOLAND LACY
JOHN G. HORNE II
ASSISTANT ATTORNEYS GENERAL
1024 CAPITAL CENTER DRIVE SUITE 200
FRANKFORT, KY 40601-8204
PHONE: (502) 696-5433
FAX: (502) 573-1005
Michael.West@ky.gov
Larry.Cook@ky.gov
Angela.Goad@ky.gov
Thomas.Lacy@ky.gov
John.Horne@ky.gov

Certificate of Service and Filing

Pursuant to the Commission's Order dated March 17, 2020 in Case No. 2020-00085, and in accord with all other applicable law, Counsel certifies that, on September 30, 2026, a copy of the forgoing was served on the individuals on the e-service list.

This 30th day of September, 2026.

A handwritten signature in blue ink, appearing to read "J. Michael Miller", is positioned above a horizontal line.

Assistant Attorney General