



**Matthew G. Bevin**  
Governor

**Charles G. Snavely**  
Secretary  
Energy and Environment Cabinet

Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

**Michael J. Schmitt**  
Chairman

**Robert Cicero**  
Vice Chairman

**Talina R. Mathews**  
Commissioner

October 9, 2017

Hon. Zach Weinberg  
Knott County Judge/Executive  
PO Box 505  
54 West Main Street  
Hindman, Kentucky 41501

Dear Judge Weinberg:

Thank you for your letter requesting that the Kentucky Public Service Commission (PSC) conduct a public meeting in Knott County regarding the Kentucky Power Company rate case, case number 2017-00179. I am replying on behalf of the Commission.

The Kentucky Public Service Commission (PSC) will be holding three local meetings in early November for the purposes of taking public comment in that proceeding. They will be conducted November 2 in Prestonsburg, November 6 in Hazard and November 8 in Ashland. I have enclosed a copy of the news release announcing the meetings.

Depending on the size of the service territory, the PSC typically conducts a maximum of three public meetings in major rate cases or other proceeding that draw significant public interest. In the case of utilities with large service territories, such as Kentucky Power, the PSC sets the meetings in locations that give customers throughout the service territory a reasonable chance to attend.

Due to staffing constraints and scheduling limitations, scheduling meetings in additional counties would preclude holding meetings elsewhere and would be unfair to customers in other portions of the service territory. Consequently, the PSC will not be able to conduct a meeting in Knott County.

As has always been the case, the presentation made by PSC staff at the meetings will be available on the PSC website. Videos of the public comment sessions also will be posted on the PSC website.

Furthermore, the PSC accepts written public comments in every matter that comes before it. There have been several hundred comments received already in the current Kentucky Power rate case.

Public comments may be sent by mail to the PSC at 211 Sower Boulevard, Frankfort, KY 40601, by fax to 502-564-3460, or by e-mail to [psc.info@ky.gov](mailto:psc.info@ky.gov). Comments should state the case number, 2017-00179, and must include a place of residence.

Please feel free to share with your constituents the dates and locations of the public meetings and information on how to make public comments. If you have any questions about the meetings, please feel free to contact me at 502-782-2564.

Thank you for your interest.

Sincerely,

/S/

Andrew Melnykovich  
Director of Communications/Public Information Officer



**Matthew G. Bevin**  
Governor

**Charles G. Snaveley**  
Secretary  
Energy and Environment Cabinet

Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

**Michael J. Schmitt**  
Chairman

**Robert Cicero**  
Vice Chairman

**Talina R. Mathews**  
Commissioner

## **NEWS RELEASE**

Contact: Andrew Melnykovich  
502-782-2564 or 502-564-3940  
502-330-5981 (cell)  
Andrew.Melnykovich@ky.gov

## **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.”

**-more-**

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.

-30-

***FOLLOW THE PSC ON TWITTER @KYPSC***

***QUESTIONS OR PROBLEMS REGARDING YOUR UTILITY SERVICE?***

***CALL THE PSC CONSUMER HOTLINE: 800-772-4636***

\*William H May, III  
Hurt, Deckard & May  
The Equus Building  
127 West Main Street  
Lexington, KENTUCKY 40507

\*James W Gardner  
Sturgill, Turner, Barker & Moloney, PLLC  
333 West Vine Street  
Suite 1400  
Lexington, KENTUCKY 40507

\*Kentucky Power Company  
Kentucky Power Company  
855 Central Avenue, Suite 200  
Ashland, KY 41101

\*Barry Alan Naum  
Spilman Thomas & Battle, PLLC  
1100 Brent Creek Blvd., Suite 101  
Mechanicsburg, PENNSYLVANIA 17050

\*Jody M Kyler Cohn  
Boehm, Kurtz & Lowry  
36 East Seventh Street  
Suite 1510  
Cincinnati, OHIO 45202

\*Kenneth J Gish, Jr.  
Stites & Harbison  
250 West Main Street, Suite 2300  
Lexington, KENTUCKY 40507

\*Carrie M Harris  
Spilman Thomas & Battle, PLLC  
1100 Brent Creek Blvd., Suite 101  
Mechanicsburg, PENNSYLVANIA 17050

\*Janice Theriot  
Zielke Law Firm PLLC  
1250 Meidinger Tower  
462 South Fourth Avenue  
Louisville, KENTUCKY 40202

\*Katie M Glass  
Stites & Harbison  
421 West Main Street  
P. O. Box 634  
Frankfort, KENTUCKY 40602-0634

\*Don C Parker  
Spilman Thomas & Battle, PLLC  
300 Kanawha Blvd, East  
Charleston, WEST VIRGINIA 25301

\*Justin M. McNeil  
Office of the Attorney General Office of Rate  
700 Capitol Avenue  
Suite 20  
Frankfort, KENTUCKY 40601-8204

\*Larry Cook  
Assistant Attorney General  
Office of the Attorney General Office of Rate  
700 Capitol Avenue  
Suite 20  
Frankfort, KENTUCKY 40601-8204

\*Elizabeth Sekula  
American Electric Power Service Corporation  
1 Riverside Plaza, 29th Floor  
Post Office Box 16631  
Columbus, OHIO 43216

\*Honorable Kurt J Boehm  
Attorney at Law  
Boehm, Kurtz & Lowry  
36 East Seventh Street  
Suite 1510  
Cincinnati, OHIO 45202

\*Laurence J Zielke  
Zielke Law Firm PLLC  
1250 Meidinger Tower  
462 South Fourth Avenue  
Louisville, KENTUCKY 40202

\*Gregorgy T Dutton  
Goldberg Simpson LLC  
9301 Dayflower Street  
Louisville, KENTUCKY 40059

\*Kent Chandler  
Assistant Attorney General  
Office of the Attorney General Office of Rate  
700 Capitol Avenue  
Suite 20  
Frankfort, KENTUCKY 40601-8204

\*Mark E Heath  
Spilman Thomas & Battle, PLLC  
300 Kanawha Blvd, East  
Charleston, WEST VIRGINIA 25301

\*Hector Garcia  
American Electric Power Service Corporation  
1 Riverside Plaza, 29th Floor  
Post Office Box 16631  
Columbus, OHIO 43216

\*Kentucky Power Company  
855 Central Avenue, Suite 200  
Ashland, KY 41101

\*Honorable Michael L Kurtz  
Attorney at Law  
Boehm, Kurtz & Lowry  
36 East Seventh Street  
Suite 1510  
Cincinnati, OHIO 45202

\*Honorable Matthew R Malone  
Attorney at Law  
Hurt, Deckard & May  
The Equus Building  
127 West Main Street  
Lexington, KENTUCKY 40507

\*Honorable Mark R Overstreet  
Attorney at Law  
Stites & Harbison  
421 West Main Street  
P. O. Box 634  
Frankfort, KENTUCKY 40602-0634

\*Morgain Sprague  
Kentucky League of Cities  
101 East Vine Street  
Suite 800  
Lexington, KENTUCKY 40507

\*Rebecca W Goodman  
Assistant Attorney General  
Office of the Attorney General Office of Rate  
700 Capitol Avenue  
Suite 20  
Frankfort, KENTUCKY 40601-8204

\*Ranie Wohnhas  
Managing Director  
Kentucky Power Company  
855 Central Avenue Suite 200  
Ashland, KENTUCKY 41101

\*M. Todd Osterloh  
Sturgill, Turner, Barker & Moloney, PLLC  
333 West Vine Street  
Suite 1400  
Lexington, KENTUCKY 40507