



Matthew G. Bevin
Governor

Charles G. Snively
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 5, 2017

Sen. Ray S. Jones, II
702 Capitol Avenue
State Capitol Annex
Frankfort, Kentucky 40601

Dear Senator Jones:

We have received your October 3 letter renewing your request that the Kentucky Public Service Commission (PSC) conduct a public meeting in Pike County regarding the Kentucky Power Company rate case, case number 2017-00179.

I have again consulted with the Commission and am writing to confirm that the PSC will not be able to hold a meeting in Pikeville, due to the time and staffing constraints mentioned in our previous correspondence to you.

Please convey to your constituents the dates and locations of the public meetings that the PSC will be holding and information on how to make public comments. I am enclosing a copy of the PSC news release announcing those meetings. If you have any questions about the meetings, please feel free to contact me at 502-782-2564.

Thank you for your interest.

Sincerely,

A handwritten signature in blue ink, appearing to read "AM", with a long horizontal flourish extending to the right.

Andrew Melnykovich
Director of Communications/Public Information Officer

Enclosure: PSC news release regarding public meetings



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

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. 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

*Gregory 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