

NOV 16 2017

PUBLIC SERVICE
COMMISSION

PUBLIC COMMENT FORM

Mail your comments to:
Kentucky Public Service Commission
211 Sower Boulevard, P.O. Box 615
Frankfort, KY 40602.
Or fax to: (502) 564-3460

Name: Alice Craft

Address: 328 Crossover RD. Mayking, Ky. 41837

Case: 2017-00179

COMMENTS: I am sending you two articles
from our local news paper. If you would
look at the dates on them they are from back
in January + Feb. of this year. We couldn't afford
their last increase. So please tell me how can we
afford another AEP rate increase? We can't
if know you said A.E.P. has the right to petition
for rate increase. But what about our rights
Don't we Count?

I am sending you another paper that AEP
wants to also add on too our bill. I can't
believe this it is 4.99 a month - This may not
seem like a lot to you, but too us it's a hele lot
specially when we have all the other add on's
and high rates already.

I hope God speaks to your hearts and opens
your eyes to see and to hear the voices
of eastern Ky's people.

We are hurting so bad here (Please helpus?)
(NO INCREASE BUT A DECREASE

Thank you very Much Alice Craft

Letter to the editor

State officials let AEP do 'anything they want' when raising our rates

To the Editor:

Is anyone listening?

Does anyone hear the voices of eastern Kentucky?

Does anyone care?

Where are the politicians who took an oath to uphold "all" the people, not just some of the people?

Eastern Kentucky has been hit so hard with the government taking away almost all of the coalmining jobs. It's so sad to see men and women losing their jobs, homes and their way of life. All these people want to do is take care of their families.

Now if that's not enough, here comes AEP (Kentucky Power) with their high prices and extra add-on fees. People, we have had enough!

The commissioners have been appointed to set regulations for AEP, but they have let AEP do anything they want to.

The commissioners are not for the people, they are for the company. There are no other power companies that the customers have to pay for the company's retirement, Big Sandy's clean up, and require all other extra costs. AEP is ripping us off!

There are people all over eastern Kentucky hurting, who can't pay their electric bills.

I heard a story recently about a teenage boy here in eastern Kentucky. When he came back from Christmas break and was talking with his friends, the question was asked, "What did you get for

Christmas?" He replied, "My family and I got our electricity turned back on."

Also, I was told from a single mother of three children, that she had to choose to pay rent or her electric bill. She chose to keep a roof over her children's head. She could sit in the dark, but her children had to have shelter.

What a choice people are having to make to survive. How sad these real events are, and these are just the tip of the iceberg.

The county judge, magistrates and representatives have tried to get eastern Kentucky some relief, but their voices were not heard.

What can we do? We can let our voices be heard. We can bombard Matt Bevin's office, the Public Commissioners' office and AEP.

Call Matt Bevin's office and ask to speak to Tom Summers. The number is 1-502-564-3940.

We all need to speak with AEP as well. Please call Jacob Colley, 1-606-437-3790.

We must stand together and let our voices be heard and try to help all the people in eastern Kentucky get some sort of relief with these outrageous electric bills. Someone needs to be held accountable for all these added-on fees and high rates.

We need each other's help. Please do what you can.

God bless each of you, and thank you for your help.

ALICE CRAFT

Mayking

Petition against AEP's high rates carries more than 10,500 names

An online petition targeting American Electric Power rates has gained more than 10,500 signatures in a little over a week.

The petition, placed on ipetitions.com, has a goal of 12,000 signatures.

www.themountaineagle.com

www.itscreams.com



As of 3 p.m. Tuesday, 10,607 people had signed it.

Jeff Pennington of Hazard, a customer of AEP's Kentucky Power operating company, started the petition. He said he started it when his residential power bill jumped to more than \$700 this month for usage in December. He has already sent copies to state and U.S. senators and representatives, but is continuing to gather names.

"I'm going to leave it up till every gets to have their say," he said.

And many are having their say on line. Among the written comments:

"My Kentucky power bill from AEP doubled this past month I am a single mom of 4 I got a \$1000 electric bill I don't even make that much money in a month....something has to change."

"My electric bill has jumped \$200 this month and haven't even had electric running!! Plus I have two fireplaces kept with wood burning so please tell me how my bill went up

(Continued on Page 7)

More than 10,500 sign

(Continued from Page 1) so much?! I'm on fixed income with no help from government, don't receive food stamps or any assistance so why is it my family suffers when all I've done is payed in and worked all my life to be done this way????"

"Can't afford to pay electric and still have money to feed my child."

"My electric bill has tripled, impossible I am using a wood fireplace and kerosene too!"

Pennington said he was particularly concerned about fees that are added to the bill above the rate billing. He cited the environmental fees, the retirement of the Big Sandy Generation Plant Unit 2, and a "deferred deposit" he said could cost \$500 or more per month.

Andrew Melnykovych, spokesman for Kentucky Power, said the deposit has been part of Kentucky Power's "tariff" approved by the Public Service Commission for at least 20 years, and said the environmental fees have been in state law for 25 years.

"In order to help utilities keep burning coal, the General Assembly allowed utilities to recover the costs associated with certain environmental regulations" that required the companies to install scrubbers and other equipment on coal-burning power plants to control chemical precursors to acid rain.

The Big Sandy Generation Plant no longer burns coal, but Kentucky Power owns half of the Mitchell

Power Generation Plant in West Virginia, and buys power from a coal-fired plant in Rockfort, Ind.

The "Big Sandy Rider" on bills also pays for the conversion of the plant from coal to gas, Melnykovych said.

Allison Barker, spokeswoman for Kentucky Power, said the deferred deposits are charged to customers who have had spotty payment histories with the company. The deposit is equal to twice the customer's average monthly bill for the past year, and is split up and added to three consecutive bills. Asked how that affects customers who are already having trouble paying, Barker replied, "It allows them to continue to have power."

Barker said the Big Sandy Rider includes two costs - the money still owed on Unit 2 of the generation plant, which has been closed, and the actual closure costs of the coal ash pond at the plant and other costs, such as demolition of the old cooling tower.

The closure costs fluctuate from month to month, she said, but the recovery cost of money still owed is \$200 million split over 25 years. Customers can expect to pay it until 2040. The environmental fee is based on 50 percent of the cost of pollution controls at the Mitchell plant.

Pennington said costs such as those should be part of the "cost of doing business," and not be passed along to customers. Melnykovych, however said by

law the company can only recover direct costs of power generation through its rates, but is also entitled to a "rate of return," or profit, for stockholders. Melnykovych said he could not say what that rate is for Kentucky Power, but said for most companies is typically in the high single percentages or low double percentages.

Pennington also questioned why the rates the rates couldn't be lowered,

The Mountain Eagle . . . Wednesday, February 1, 2017 . . . Page 7

AEP petition in week

considering that AEP chairman and CEO Nicholas K. Akins was paid \$11.4 million annually.

According to the stock market analysis company Morning Star, AEP paid Akins and four other top executives more than \$24 million in 2015, which Melnykovych said must come out of the rate of return. Kentucky Power Company's executive and other employees salaries are not

from the rate set for expenses, Melnykovych said.

As far as the other fees, Melnykovych said if the company paid for those costs out of its rates, it would simply mean higher rates for customers.

"If it was covered through the normal cost of business, it would be recovered through the rates and customers would still be paying it through the rates,"

Pennington said he's hoping government officials can change the way things are done.

"They have a monopoly in the area, and they can do whatever they want to do," he said.


Pennington's petition can be found at <https://www.ipetitions.com/petition/aep-is-out-of-control>. He has also started a Facebook Page called "AEP

HomeServe



Exterior Electrical System Information

For: 0100
 ****AUTO**ALL FOR AADC 377
 MR. GORDON R CRAFT
 PO BOX 293
 MAYKING, KY 41837-0293



Renewal Price:

\$4.99/mo

Your First-Year Savings:

50% off

YOU PAY:

Kentucky Power Discounted Rate

\$2.49/mo

REPLY BY: 12/1/2017

Dear Gordon R. Craft,

Major exterior electrical components including the weatherhead, riser, insulator, meter base and service entrance conductors that are on your property belong to you. Your electrical utility is not responsible for repairs to these components. Your property at 328 Crossover Rd. is not covered against the costs of these repairs with Exterior Electrical Line Coverage from HomeServe. That's why Kentucky Power partnered with HomeServe to bring customers protection and peace of mind against the costs of covered breakdowns.

This protection is available to eligible Kentucky Power Customers.

Coverage Benefits

Details

- \$3,000 annually for covered repairs to your exterior electrical system	Included
- 30-day wait period with money-back guarantee	
- Multiple service calls up to your benefit amount	Included
- 24-Hour Emergency Repair Hotline access	Included
- Repairs guaranteed by HomeServe for one year	Included
- No deductible to pay	Included

Complete and return the attached form to help protect your finances. You may call 1-844-877-2868 to accept this **optional** coverage. For fastest processing, visit www.KYElectricalCoverage.com.

HomeServe USA Repair Management Corp. ("HomeServe"), with corporate offices located at 601 Merritt 7, 6th Floor, Norwalk, CT 06851, is an independent company separate from Kentucky Power and offers this optional service plan as an authorized representative of the service contract provider, North American Warranty, Inc., 175 West Jackson Blvd., Chicago, IL 60604. Your choice of whether to participate in this service plan will not affect the price, availability or terms of service from Kentucky Power. Coverage from HomeServe USA is optional. HomeServe USA is not the same as KPCO and is not regulated by the Kentucky Public Service Commission. A customer does not have to buy the Warranty Service in order to continue to receive quality regulated services from KPCO. www.kyelectricalprotectionplan.com. Repairs covered by these service plans will not be made by Kentucky Power, but by HomeServe's contractors.