

**COMMONWEALTH OF KENTUCKY**  
**KENTUCKY GENERAL ASSEMBLY**



**MOUNTAIN CAUCUS**

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PUBLIC SERVICE  
COMMISSION

March 24, 2022

Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40601

In RE: Case No. 2021-0481

Electronic Joint Application of American Electric Power Company, Inc., Kentucky Power Company and Liberty Utilities Co. for Approval of Transfer of Ownership And Control Of Kentucky Power Company

To whom it may Concern:

As the Kentucky Public Service Commission deliberates on the above-referenced application for approval of transfer, we are writing to show our support for the position of the Kentucky Attorney General and Kentucky Industrial Utilities Customers, Inc. (AG/KIUC) that the proposed transaction should not be approved because it is not in the public interest.

We are duly elected Kentucky state senators and state representatives, both Republican and Democrat, who represent the approximately 165,000 customers in the 20 counties serviced by AEP, or are members of the Mountain Caucus who serve in surrounding counties and are signing on to signify our support and solidarity with the legislators serving those 20 counties. Please consider this letter our submission for public comment on this case.

We are united in our feeling that this transfer will potentially result in higher rates and poorer service to the customers of the Kentucky Power Division of American Electric Power (AEP). We also believe this sale results in an undeserved windfall of profit for AEP, which would then be permitted to walk away from Kentucky with a \$585 million profit after so many years of charging its customers excessive rates.

For generations, the miners in our Eastern Kentucky communities mined the coal that powered our nation. Now their families can't afford to pay the bills to power to our homes. Some of the highest electricity bills in the country are being charged to people who live in some of the poorest counties in the country.

AEP has consistently made decisions that bolstered their profits but failed to consider the long-term good of our communities. Meanwhile, their profits and stock prices hit record highs and their CEO was paid over \$11 million in annual salary as our constituents' electric rates soar.

While AEP is guaranteed a monopoly and hefty rate of return, the people in our districts often pay more in monthly electric bills than they do for rent or mortgage payments. Many have reported being forced to choose between food and medicine or keeping their homes comfortable and keeping the lights on. None of this is acceptable.

As for the proposed sale to Liberty Utilities, we are worried that the company plans to shift quickly and entirely away from burning any coal or other fossil fuels. Further, it is difficult to understand why a purchaser would pay approximately 30% over the valued price of a utility serving such a poor area unless it expects to recoup such a premium by raising electric rates on our people. Our hope is that denying approval of the sale will open the door to other proposals for acquisition of the Kentucky Power system that will better serve the interests of the ratepayers, and will propose strategies to assure that rates are fair, just, and reasonable to all ratepayers and particularly to those with low and fixed incomes who struggle most to meet the ever increasing costs of basic and essential utility services.

Therefore, we urge the Commission to heed the AG/KIUC position that the sale should be stopped or, if it is allowed to proceed, that 90% of the \$585 million profit be returned to its customers.

Please don't continue to reward AEP's pattern of conduct and allow them to walk away with another windfall at the expense of our ratepayers, who simply cannot afford the rates as they stand, let alone any increase.

Sincerely,

Rep. Angie Hatton

Sen. Robert Stivers

Sen. Johnnie Turner

Sen. Phillip Wheeler

Rep. Danny Bentley

Rep. Adam Bowling

Rep. Josh Bray

Rep. Chris Fugate

Rep. David Hale

Rep. Norma Kirk-McCormick

Rep. Derek Lewis

Rep. Jason Nemes

Rep. Tom Smith

Rep. Ashley Tackett-Laferty

Rep. Ken Upchurch

Rep. Richard White

Sen. Brandon Smith

Sen. Brandon Storm

Sen. Robin Webb

Rep. Shane Baker

Rep. John Blanton

Rep. Josh Branscum

Rep. Patrick Flannery

Rep. Jim Gooch

Rep. Regina Huff

Rep. William Lawrence

Rep. Bobby McCool

Rep. Scott Sharp

Rep. Cherlynn Stevenson

Rep. Timmy Truett

Rep. Bill Wesley

Rep. Ryan Octor 73