

RECEIVED

JUN 06 2025

PUBLIC SERVICE  
COMMISSION

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

|                        |   |                     |
|------------------------|---|---------------------|
| Steve Skiles           | ) |                     |
|                        | ) |                     |
| Complainant            | ) |                     |
| v.                     | ) |                     |
|                        | ) | Case No. 2024-00365 |
| Kentucky Power Company | ) |                     |
|                        | ) |                     |
| Defendant              | ) |                     |

**Verified Response of Kentucky Power Company to the  
Commission's May 27, 2025 Order and Motion to Dismiss**

Kentucky Power Company ("Kentucky Power") files its response to the Formal Complaint of Steve Skiles and respectfully moves the Public Service Commission of Kentucky ("Commission") to dismiss Mr. Skiles's Complaint on the grounds that as a residential customer, he does not have the ability to opt-out of being charged the Commission-approved residential energy assistance surcharge under the Tariff R.E.A. Kentucky Power states as follows in support of its Response and Motion to Dismiss:

**RESPONSE TO FORMAL COMPLAINT**

**Tariff R.E.A.**

The Residential Energy Assistance Tariff ("Tariff R.E.A.") is a Commission-approved tariff that functions to collect funds from residential customers that are, in turn, used to administer the Company's Home Energy Assistance in Reduced Temperatures ("HEART") and Temporary Hearing Assistance in Winter ("THAW") programs. Originally created in 2006, HEART is designed to assist low-income Kentucky Power residential customers with their electric bill during the winter months. Qualifying customers with electric heat receive \$115 each

month from January to April and customers with non-electric heat receive \$58 each month for these same four months. THAW, added to Kentucky Power's portfolio in 2018,<sup>1</sup> is designed to help customers who do not require the broader and more sustained help provided by HEART, but who nonetheless need assistance with their electric service because of a temporary situation. THAW provides participating customers with assistance up to \$175 and is available on a first come, first served basis from January through April or until designated funds are depleted.

Tariff R.E.A. collects a monthly \$0.40 per meter surcharge (\$4.80 per meter per year) from residential customers. HEART and THAW are funded through a combination of Tariff R.E.A. and Kentucky Power's \$0.80 contribution for every \$0.40 collected from customers. Kentucky Power's contribution is funded by Company Shareholder funds and are, as a result, not a part of the revenue requirement used to set electric rates. In its 2023 base rate case, Kentucky Power agreed to double its match for the Tariff R.E.A. in the terms the settlement agreement negotiated in that case. Although the Commission did not approve the agreement, it did accept this provision, stating:

Kentucky Power proposed to increase the Tariff R.E.A. rate and corresponding company match by \$0.10 per month to \$0.40 per residential meter per month. Kentucky Power stated that doing so would allow it to support approximately 1,000 additional participants per year. The Joint Intervenors agreed with the Kentucky Power's proposed revision to Tariff R.E.A. In the Settlement, Kentucky Power agreed to double the company match from a one-to-one match to a two-to-one match, or \$0.80 per meter instead of \$0.40 per meter. The Commission finds that the proposed Tariff R.E.A. rate and the matching increase are reasonable and should be approved. This increase in the company match is an acknowledgement by Kentucky Power of the struggles facing customers in its territory and shows Kentucky Power is attempting to alleviate some of the hardship that will come from the requested rate increase.<sup>2</sup>

---

<sup>1</sup> Order, *In the Matter of: Electronic Joint Application of Kentucky Power Company and Community Action Kentucky, Inc. to: (1) Expand and Modify Kentucky Power Company's Home Energy Assistance Program; (2) Approve the Amended Operating Agreement; (3) Approve Kentucky Power's Voluntary Energy Assistance Fund; (4) Approve Revised Tariff Sheets; and (5) Grant all other Relief*, No. 2018-00311 (Ky. P.S.C. Oct. 30, 2018).

<sup>2</sup> 2023-159 at 66 1/19/24

The funds collected under Tariff R.E.A. and the associated company matching funds have been providing valuable assistance to Kentucky Power's customers for nearly two decades.

#### Mr. Skiles's Complaint

Mr. Skiles contacted Kentucky Power customer service seeking to opt-out of paying the \$0.40 surcharge on his monthly bill under Tariff R.E.A. On November 1, 2024, Stevi Cobern, Kentucky Power's Regulatory Consultant Principal, spoke with Mr. Skiles and explained that Tariff R.E.A. is a Commission-approved tariff and that customers could not opt-out of surcharges under Tariff R.E.A. At no point did Ms. Cobern or anyone at Kentucky Power "blame" Ms. Bridwell for Tariff R.E.A. Mr. Skiles then expressed frustration, indicating that he did not want to learn about the programs, nor did he want to contribute to HEART and THAW as "charity." He sought information from Ms. Cobern about the names of those who administer and receive funds under the HEART and THAW programs, and she provided him her own contact information, as she is the Program Coordinator. She also indicated that she could not provide personal customer information. Ms. Cobern also informed Mr. Skiles that the Company files with the Commission an annual update on its home energy assistance ("HEA") programs, including the HEART and THAW programs, and that such records are available to him on the Commission's website or at the Commission's request. Given Mr. Skiles's dissatisfaction, Ms. Cobern informed him of his right to file a formal complaint with the Commission, and he subsequently filed the instant complaint on November 12, 2024. On May 27, 2025, the Commission directed the Company to file a written answer to the complaint within ten days.

Kentucky Power denies that Mr. Skiles is “being overcharged for the electricity” for his home and further denies all other claims in Mr. Skiles’s formal complaint that are inconsistent with the facts as detailed and verified herein.

### MOTION TO DISMISS

Kentucky Power respectfully requests that the Commission dismiss the formal complaint filed by Mr. Skiles on the grounds that the surcharge he complains of is a charge permitted by the Commission-approved Tariff R.E.A., and has no opt-out mechanism. The \$0.40 charge is added to each and every residential customer’s bill, pursuant to a surcharge that has been in effect since 2006 for the HEART program, and 2018 for the THAW program. These Commission-approved expenses are solely for the purpose of assisting eligible customers during the winter months, and neither constitute a “charity,” nor a monetary benefit to the Company. The Company also doubles the contribution of each customer out of Company Shareholder funds to assist as many customers as feasible. Like any other surcharge, customers may not choose to opt-out due to their personal feelings about the programs that the surcharge funds are applied to.

Kentucky Power’s administration of the HEART and THAW programs also complies with the standards set forth by the Commission. In 2019, the Commission initiated a proceeding to investigate ratepayer-funded HEA programs offered by investor-owned utilities (“IOU”).<sup>3</sup> In that proceeding, the Commission established standards for HEA programs offered by IOUs.<sup>4</sup> In accordance with those standards, Kentucky Power executed a contract with Community Action Kentucky, Inc., to effectuate its HEA programs, including the HEART and THAW programs.<sup>5</sup>

Kentucky Power takes all customer complaints seriously and has made concerted efforts

---

<sup>3</sup> Order at 1, *In the Matter of: Electronic Investigation of Home Energy Assistance Programs Offered by Investor-Owned Utilities Pursuant to KRS 278.285(4)*, No. 2019-00366 (Ky. P.S.C. Nov. 4, 2020).

<sup>4</sup> *Id.*

<sup>5</sup> *Id.* at 2.

to address the issues identified by Mr. Skiles. The surcharge collected under Tariff R.E.A. is Commission-approved. Kentucky Power utilizes those funds to implement the HEART and THAW programs in a manner consistent with the Commission's requirements for ratepayer-funded HEA programs. Because the surcharge is applicable to all residential customers and has no opt-out mechanism for any customer, Kentucky Power, as a matter of fact, cannot cure the issues complained of in Mr. Skiles's formal complaint.

WHEREFORE, for the reasons stated herein, Kentucky Power respectfully requests that the Commission dismiss with prejudice the formal complaint against it filed by Mr. Skiles.

Respectfully submitted,



---

Katie M. Glass  
STITES & HARBISON PLLC  
421 West Main Street  
P. O. Box 634  
Frankfort, Kentucky 40602-0634  
Telephone: (502) 223-3477  
Fax: (502) 560-5377  
[kglass@stites.com](mailto:kglass@stites.com)

Kenneth J. Gish, Jr.  
Harlee P. Havens  
STITES & HARBISON PLLC  
250 West Main Street, Suite 2300  
Lexington, Kentucky 40507-1758  
Telephone: (859) 226-2300  
Fax: (859) 253-9144  
[kgish@stites.com](mailto:kgish@stites.com)  
[hhavens@stites.com](mailto:hhavens@stites.com)

COUNSEL FOR KENTUCKY POWER  
COMPANY

VERIFICATION

I, Stevi Cobern, Regulatory Consultant Senior for Kentucky Power Company, after being duly sworn, state that the facts contained in this Response and Motion to Dismiss are true and accurate to the best of my knowledge.

Stevi N. Cobern  
Stevi Cobern

COMMONWEALTH OF KENTUCKY    )  
  )  
COUNTY OF BOYD                            )

Subscribed and sworn to before me by Stevi Cobern on this the 6<sup>th</sup> day of  
June, 2025.

Marilyn Michelle Caldwell  
Notary Public State at Large

My Commission Expires: May 5, 2027

