Testimony presented by Suzanne Barker Griffith on Nov. 20, 2025, to the Kentucky PSC in Pike County, KY, concerning the Kentucky Power rate hikes in Case Number 2025-00257

On Feb. 12, 2025, Cynthia Wiseman, COO of Kentucky Power stated to the KY Senate Natural Resources and Energy Committee in Frankfort that "Ultimately what we would like for you to take away from this meeting is that our priorities are the same as yours, stabilize and lower rates to reduce rate volatility." I think the KY PSC should help out Ms. Wiseman with this priority and completely deny this unjust rate hike.

Frankly, I am deeply concerned with and opposed to the 14.9% residential, 13% commercial, and 15% industrial rate hikes in Case Number 2025-00257.

According to PSC records in 2010 the residential rate was 0.0864 per KWH. In 2024 the rate was up to 0.1507 for a 74.42% increase. The 14.9% rate hike would lead to the rate being 0.1732 for a 100.463% increase since 2010. In comparison, the normal rate of inflation between 2010 and 2026 is predicted to be around 53%. Our rates going up at almost twice the normal rate of inflation is not a sustainable trajectory for ratepayers especially when paired with the high rates of poverty across the Kentucky Power Service area.

According to the 2020 census records, the overall poverty rate for Kentucky was 16.4%. In the Kentucky Power service area the poverty rates are as follows:

Boyd - 17.7%
Breathitt - 28.2%
Carter - 24.9%
Clay - 31.8%
Elliott - 27.2%
Floyd - 28.3%
Greenup - 15.1%
Johnson - 23.4%
Knott - 24.9%
Lawrence - 20.6%
Leslie - 27.3%
Letcher - 26.8%
Lewis - 22.6%
Magoffin - 33.4%
Martin - 29.2%
Morgan - 18.2%
Owsley - 24.9%
Perry - 25.5%
Pike - 25.0%

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Rowan - 24.5%

Currently, Kentucky Power customers pay the highest average bill in the state at approximately $190. The rate hike would put this around $218. Kentucky Power representatives would have you believe this is due to excess consumption over the state average. What they don't say is how much less the average residential customer uses. According to PSC records in 2010 the average Kentucky Power residential customer used 1,523 KWH. In 2024 the amount used dropped to 1,183 KWH for a 22.3% decrease. So we are using less, while paying more. In talking with ratepayers I have learned the extremes people are already going to in order to conserve electricity. I talked to a grandmother who sleeps in her housecoat. I have talked with parents who bundle the kids and themselves up before bed. I have talked with people who put on solar panels, those who now heat with propane, those who keep it on 80 degrees in the summer,and those who keep it on 62 degrees in the winter.

In Kentucky the average energy burden, how much energy bills are in comparison to income, is 3% according to the Kentucky Energy Affordability Dashboard. Anything over 6% is considered high and over 10% is considered severe. In Kentucky Power's service area energy burdens go from 6.30% to 16.39% and that was before the latest 5.66% rate hike, the 6.37% securitization charge and the approximately $5.97 added to bills on Oct.15.

It is very apparent by reading the public comments in this case, having personal conversations with ratepayers and looking at statistics that many people are already struggling to pay their electric bill. It seems with all the statistical and financial information presented to the PSC by Kentucky Power to raise rates provided in this rate case and others, that customer energy burden should be part of the decision making process as well on fair, just and reasonable rates. I especially encourage the members of this PSC to carefully read and take to heart the testimony of ROGER D. COLTON in this case. Just because Kentucky Power states they need more money to run their company, does not mean the average customer has the means to pay it. Fair, just, and reasonable rates goes both ways.

People do want to talk about this issue. Sadly, in June of 2025 when Kentucky Power had "community listening sessions" they only listened to invited guests with titles behind their names. To me, if you want to listen to the community, you should open up meetings to the public. With that said, there were some good suggestions that came from the listening sessions. One way that was suggested was to increase "boots on the ground" engagement with customers. There were a number of community events and festivals across the service area in the fall where employees could have shown up to explain about the rate hike, promote LIHEAP, THAW, and HEART, enhance understanding of bills, provide education on energy efficiency, and more but Kentucky Power was nowhere to be found.

In addition to this rate case another big expense is on the horizon. One of Mitchell's two concrete cooling towers is failing structurally and needs to be reinforced or replaced. For background, Kentucky Power customers were forced to invest over $500 million dollars in 2013 in the WV coal-burning Mitchell plant that burns WV coal, employs WV citizens, and pays WV taxes. According to testimony by Rocky Adkins to the PSC in Case No. 2012-00578, this was a corporate decision by AEP. Keep in mind the ratepayers including my grandparents, my parents, and myself and most everyone in this room paid for the Louisa coal-burning power plant through monthly bills that was demolished via implosion on Sept. 24, 2016 and we were given the securitized bill for. According to Sierra Club's Second Set of Data Requests to address Mitchell's failing cooling tower dated October 20, 2025, Option 3-New Mechanical Draft's total cost is $375,956,757 and Option 4-Shorten Tower is $356,031,775. In addition, the Michell Plant is set to be decommissioned in 2040 for which I am sure Kentucky Power will try and stick the ratepayers with the bill for at the same time new generation will need to be invested in.

In conclusion, I ask you to fully deny Kentucky Power's proposed rate hike while. Just like families in Eastern Kentucky, Kentucky Power needs to learn to budget within the means available. The continual and all too regular request to raise rates is harmful to our families and businesses while doing nothing to attract much needed industry to our area.

Testimony to the KY Senate Natural Resources and Energy Committee - Frankfort
Feb. 12, 2025

**Kentucky Power Priorities**
- Stabilize and lower customer rates
- **Maintain and expand generation capacity** to provide affordable power
- Reduce rate volatility from market purchases
- Attract economic development prospects to eastern Kentucky


**Legislation Required**
- **Securitization**

Reduces overall cost of Mitchell Plant

Frees up capital for investment in Kentucky
- **Resource Adequacy Model**

Encourages investment in Kentucky dispatchable generation

3

## Mitchell Plant

- 1,560MW coal plant in Moundsville, WV
- Co-owned 50/50 by Kentucky Power and Wheeling Power
- Due to differing PSC orders, Wheeling Power was allowed to add Effluent Limitation Guideline equipment; Kentucky Power was not
- Kentucky Power must pay for its share of ELG equipment prior to 2028 or risk not retaining this valuable capacity
- The West Virginia legislature passed securitization in 2023, meaning that West Virginia's share of Mitchell will be cheaper than Kentucky's

## Commonwealth of Kentucky
## Public Service Commission
### ANNUAL REPORT STATISTICS - 2010

| Investor-Owned Electric Utilities | | Residential | Commercial | Industrial | Other | Total |
|---|---|---|---|---|---|---|
| **Kentucky Power Company** | | | | | | |
| | Customers | 142,971 | 29,791 | 1,426 | 494 | 174,682 |
| | Revenues | $225,937,614.00 | $129,946,413.00 | $183,743,138.00 | $152,713,874.00 | $692,341,039.00 |
| | KWHs | 2,613,510,000 | 1,468,960,000 | 3,255,731,000 | 3,864,464,000 | 11,202,665,000 |
| | Cost Per KWH | 0.0864 | 0.0885 | 0.0564 | 0.0395 | 0.0618 |
| | Monthly Bill | $131.69 | $363.49 | $10,737.68 | $25,761.45 | $330.29 |
| | Monthly Usage | 1,523 | 4,109 | 190,260 | 651,900 | 5,344 |

## Commonwealth of Kentucky
## Public Service Commission
### ANNUAL REPORT STATISTICS - 2024

| Investor-Owned Electric Utilities | | Residential | Commercial | Industrial | Other | Total |
|---|---|---|---|---|---|---|
| **Kentucky Power Company** | | | | | | |
| | Customers | 130,852 | 30,390 | 958 | 311 | 162,511 |
| | Revenues | $279,997,957.00 | $190,932,900.00 | $167,644,587.00 | $26,003,145.00 | $664,578,589.00 |
| | KWHs | 1,858,160,000 | 1,438,141,000 | 2,016,139,000 | 474,053,000 | 5,786,493,000 |
| | Cost Per KWH | 0.1507 | 0.1328 | 0.0832 | 0.0549 | 0.1148 |
| | Monthly Bill | $178.32 | $523.56 | $14,582.86 | $6,967.62 | $340.79 |
| | Monthly Usage | 1,183 | 3,944 | 175,377 | 127,024 | 2,967 |

★ New rate 0.1732 for a 100.463% change

Change from 2010-2024

| | | | | | |
|---|---|---|---|---|---|
| Customers | -8.40% | +2.0% | -32.82% | -37.04% | -6.97 |
| Revenues | +23.9% | +46.9% | -8.76% | -83% | -4.09 |
| KWHs | -28.9% | -2.09% | -38.07% | -87.73% | -48.35 |
| Cost per KWH | +74.42% | +50.06% | +47.52% | +38.99% | +85.76 |
| Monthly Bill | +35.4% | +44.04% | +35.81% | -72.95% | +3.18 |
| Monthly Usage | -22.32% | -4.015% | -7.82% | -80.51% | -4 [illegible] |

TEAM KENTUCKY
ENERGY AND ENVIRONMENT CABINET

# Kentucky Energy Affordability Dashboard Data Summary

TEAM KENTUCKY
ENERGY AND ENVIRONMENT CABINET

Energy affordability is a critical issue that can significantly impact the financial, mental and physical well-being of households across Kentucky. Many factors including demographics, housing stock, and utility costs all play a vital role in determining the ability of Kentucky households to afford the cost of living, particularly in terms of energy expenses. Energy affordability is also influenced by federal and state energy assistance programs. These programs, such as LIHEAP, help low-income households cover energy expenses, reducing the burden of energy costs. However, the availability and funding of these programs can fluctuate, impacting the ability of Kentucky households to afford energy. Moreover, these programs may not reach all eligible households, leaving some struggling to manage their energy bills. This data summary will delve into the key factors affecting energy affordability in Kentucky.

## Demographics:

Demographics have a substantial influence on energy affordability. Kentucky has a diverse population, but a notable portion of residents face socioeconomic challenges. Energy burden is the percentage of household income spent on energy costs; it is typically a key performance indicator for the affordability of energy in a particular area. In Kentucky, the average energy burden was 3.03% for the total population and 8.11% for low-income population. However, energy burden can be as steep as 12% in some counties across the Commonwealth. Rising energy burden raises the cost of living for all Kentucky families. However, the negative impact on low-income communities is greater due to the larger percentage of burden compared to the total income earned. In 2022, Kentucky's median household income was $53,804; while this number has increased by 3% since 2021, the cost of living has kept pace with this increase. Additionally, Kentucky is 28% below the national median household income. 19% of Kentucky's population is considered to be below the poverty level, which is well above the national average of 11.6%. Kentucky's impoverished communities are concentrated in specific areas of the state, particularly in the eastern part of the state. In terms of educational attainment, Kentucky has made significant improvements in the percentage of people with high school diplomas and post-secondary degrees. In 2022, only 15.4% of the population, ages 18-64, did not have a high school diploma – an 18% decrease from 2017. For post-secondary degrees, 26.7% of the population, ages 25-64, received an associate degree and 18.1% received a bachelor's degree. Kentucky has seen a 15% increase in associate degrees and a 16% increase in bachelor's degrees since 2017.

## Housing:

Housing conditions is another critical factor that affects energy affordability. Many households in the state reside in older and less energy-efficient homes which can lead to higher energy consumption and costs. The state's housing stock often lacks proper insulation and energy-efficient appliances, forcing residents to use more energy to maintain comfortable living

TEAM KENTUCKY. ENERGY AND ENVIRONMENT CABINET

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TEAM KENTUCKY. ENERGY AND ENVIRONMENT CABINET

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**Housing:**

Housing conditions is another critical factor that affects energy affordability. Many households in the state reside in older and less energy-efficient homes which can lead to higher energy consumption and costs. The state's housing stock often lacks proper insulation and energy-efficient appliances, forcing residents to use more energy to maintain comfortable living conditions. The age of homes and a lack of investment in energy-efficient upgrades contribute to the challenge of balancing housing and energy costs. Thus, making energy affordability a pressing issue for many Kentuckians. In 2022, 58.6% of the occupied housing stock utilized electric heating as their primary heating source while gas accounted for 23.3%. In terms of age, the majority of Kentucky's housing stock was built between the years of 1980 and 1999, 32%, and 19% were built before 1960. Regarding the units that make up the housing stock, manufactured homes have been a focal point for the past five years as they can provide quality and affordable housing, especially for in low-income and disadvantaged communities. In 2022, manufactured houses made up 17.5% of the housing stock with the majority of these units being in the eastern part of the state. In Magoffin County specifically, nearly half of the occupied housing units are manufacture homes. 10.3% of the housing stock are apartments (2+ units) and the remainder of the housing stock is made up of detached and attached units.

**Utilities:**

Utilities are a major part of the equation when assessing energy affordability in Kentucky. Historically, the state has had some of the lowest electricity rates in the nation, due to its coal-rich energy production. However, energy production has been transitioning towards cleaner sources, which can affect utility rates. Kentucky households are increasingly facing the need to invest in energy-efficient technologies and practices to keep energy costs under control. For lower-income households or those in older, inefficient homes, this transition can be particularly challenging. In 2022, Kentucky's average monthly electric utility bill was $155, an increase of 9% since 2017. As with demographics and housing stock, the highest electricity costs are focused in the eastern part of the state with Boyd, Perry and Pike counties having the highest of the 120 counties. Most counties in the central part of the state have electricity prices below the state average. In terms of utility gas costs, the average monthly bill was $142, a 36.4% increase from 2017. Like electricity, the eastern part of the state has the highest utility gas costs. Water utility costs are the cheapest of the utility bills across the state with an average monthly bill of $43, experiencing a 4% decrease since 2017. Jefferson County has the highest water utility cost in that state at $79 monthly. Lastly, for other fuel costs, which include fuels such as wood, coal, and solar energy, the average monthly cost in 2022 was $53, a 8% decrease from 2017.

Energy affordability in Kentucky is a multifaceted issue largely shaped by demographics, housing conditions, and utility costs. The state's lower median income, older housing stock, and increasing utility costs all impact the ability of Kentucky households to afford the cost of living, with energy expenses being a significant component. Addressing these challenges requires a comprehensive approach, which includes improving the energy efficiency of housing stock, ensuring equitable access to energy assistance programs, and balancing the economic impact of transitioning to cleaner energy sources. Energy affordability is a critical issue that requires ongoing attention and policy measures to support Kentucky residents in maintaining a reasonable quality of life while managing their energy expenses.

*All data presented in this fact sheet are 2022 estimates. To find the sources of the data presented, please refer to the Kentucky Energy Affordability Dashboard Technical Notes.*

# Commonwealth of Kentucky

HOUSE OF REPRESENTATIVES

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STATE REPRESENTATIVE
99th Legislative District
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May 17, 2013

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**HAND DELIVERED**

Jeff R. Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40602-0615

**RE: CASE NO. 2012-00578**

Dear Mr. Derouen:

Please find attached a copy of the prepared remarks by State Representative Rocky Adkins at the Commission's public hearing in Louisa, Kentucky on May 14, 2013.

Sincerely,

Thomas M. Dorman
Chief of Staff
House Majority Floor Leader

Attachment

MR. CHAIRMAN, MEMBERS OF THE COMMISSION.

WELCOME TO LOUISA, KENTUCKY AND THE 99TH HOUSE LEGISLATIVE DISTRICT. MY NAME IS ROCKY ADKINS AND I HAVE REPRESENTATED THE 99TH DISTRICT FOR OVER 25 YEARS.

I APPRECIATE THE OPPORTUNITY TO SHARE WITH YOU TODAY THE FEARS AND CONCERNS I HAVE HEARD FROM MY CONSTITUENTS, AS WELL MY OWN GREAT CONCERNS, ABOUT THE DECISIONS BEFORE YOU REGARDING THE KENTUCKY POWER COMPANY AND THE BIG SANDY POWER PLANT.

KENTUCKY POWER HAS PROVIDED ELECTRICAL SERVICE TO EASTERN KENTUCKY SINCE 1919. THE HILLS OF EASTERN KENTUCKY ARE AT BEST A CHALLENGING SERVICE TERRITORY. BUT WITH REVENUES FROM THEIR KENTUCKY RATE PAYERS, KENTUCKY POWER HAS PROVIDED ON THE WHOLE REASONABLE AND RELIABLE SERVICE FOR MANY, MANY YEARS. BUT NOW KENTUCKY POWER HAS PLACED BEFORE YOU, THE PUBLIC SERVICE COMMISSION, AN EXTREMELY IMPORTANT DECISION ABOUT HOW KENTUCKY POWER WILL BE STRUCTURED FOR THE FUTURE AND HOW IT WILL CONTINUE TO PROVIDE SERVICE TO ITS CUSTOMERS.

THE MATTER CURRENTLY BEFORE YOU IS THE TRANSFER OF OWNERSHIP OF 50% OF THE ASSETS OR 780 MEGA WATTS OF OHIO POWER'S MITCHELL POWER PLANT UNITS 1 AND 2. THAT DECISION HAS FAR BIGGER RAMIFICATIONS THAN THE CASE BEFORE YOU BECAUSE THE TRANSFER OF THOSE GENERATION ASSETS LOCATED IN WEST VIRGINIA WILL MEAN PERMANENTLY SHUTTING DOWN BIG SANDY UNIT 2.

JUST LAST YEAR KENTUCKY POWER WAS BEFORE YOU ASKING FOR A CERTIFICATE OF NEED TO PLACE SCRUBBERS ON BIG SANDY UNIT 2 ARGUING THAT IT WAS THE

LEAST COST OPTION FOR KENTUCKY RATE PAYERS. BUT THAT APPLICATION WAS SUDDENLY WITHDRAWN BY KENTUCKY POWER AND THE COMMISSION MADE NO FINDINGS ON A PLAN THAT WOULD HAVE ALLOWED BIG SANDY UNIT 2 TO CONTINUE TO OPERATE AND SERVE THE NEEDS OF KENTUCKY RATE PAYERS.

I SUBMIT TO YOU, THE MEMBERS OF THE COMMISSION, THAT THESE TWO MATTERS CANNOT BE DECIDED IN ISOLATION. TRANSFERRING THE ASSETS OF THE MITCHELL POWER PLANT AND SHUTTING DOWN BIG SANDY 2 WILL HAVE GREAT CONSEQUENCES TO THE ECONOMY OF EASTERN KENTUCKY AND THE RATE PAYERS OF KENTUCKY POWER.

YOU ARE BEING TOLD SCRUBBING BIG SANDY UNIT 2 FOR ENVIRONMENTAL COMPLIANCE WOULD MEAN A 31% RATE INCREASE. TRANSFERRING THE ASSETS OF MITCHELL WOULD ONLY BE AN 8% INCREASE. DOESN'T 8% SOUND BETTER THAN 31%? IT'S NOT THAT SIMPLE!!

WE CAN ONLY SPECULATE WHY KENTUCKY POWER AND THEIR PARENT, AMERICAN ELECTRIC POWER, HAVE CHANGED THEIR MIND.

WHAT IS SO DIFFERENT ABOUT THESE TWO OPTIONS? BIG SANDY UNIT 2 AND MITCHELL UNITS 1, AND 2 ARE OF THE SAME DESIGN, ROUGHLY 800 MEGA WATTS EACH, AND ALMOST THE SAME AGE WITH SIMILAR OPERATING COSTS. BIG SANDY WAS PLACED IN SERVICE IN 1969 AND THE MITCHELL UNITS 1 AND 2 IN 1971. MITCHELL HAS ALREADY BEEN SCRUBBED FOR ENVIRONMENTAL COMPLIANCE. PURSUANT TO THE 2007 CONSENT DECREE, THAT THE COMMISSION IS NOW WELL AWARE OF, MITCHELL WAS ASSIGNED PRIORITY AMONG AEP'S EASTERN GENERATION FLEET TO BE SCRUBBED FOR $SO_2$ AND $NO_x$. BIG SANDY 2 WAS GIVEN UNTIL DECEMBER OF 2015 TO BE SCRUBBED FOR $SO_2$.

MITCHELL IS LOCATED NEAR MOUNDSVILLE, WEST VIRGINIA AND WAS PAID FOR BY THE RATE PAYERS OF OHIO POWER.

THE BIG SANDY PLANT IS JUST DOWN THE ROAD FROM WHERE YOU SIT TODAY. IT IS AN ASSET THAT WAS PAID FOR BY KENTUCKIANS WHO BY PAYING THEIR ELECTRIC BILLS EVERY MONTH TO KENTUCKY POWER PAID FOR THE CONSTRUCTION, OPERATION AND MAINTENENACE OF THE BIG SANDY POWER PLANT. AND NOW KENTUCKY RATE PAYERS ARE BEING ASKED TO ABANDON THAT ASSET AND ITS POSITIVE IMPACTS ON OUR ECONOMY TO TAKE PARTIAL OWNERSHIP ALONG WITH THE DEBT AND LIABILITIES OF A POWER PLANT LOCATED IN WEST VIRGINIA.

BY ACQUIRING 50% OF THE ASSETS OF MITCHELL, KENTUCKY RATE PAYERS WILL BE PAYING FOR JOBS IN WEST VIRGINIA AND PAYING TAXES TO STATE AND LOCAL GOVERNMENTS IN WEST VIRGINIA. IT HAS BEEN ESTIMATED THAT MITCHELL WILL PAY WEST VIRGINIA $4 MILLION IN TAXES ANNUALLY INCREASING TO $6.3 MILLION ANNUALLY IN 2017.

THE $536 MILLION PRICE TAG ATTACHED TO THE 50% INTEREST IN THE MITCHELL PLANT IS JUST THE BOOK VALUE OF THE ASSET. WHO KNOWS WHAT THE REAL COSTS WILL BE? 50% OF ANY FUTURE ENVIRONMENTAL COSTS AND CAPITAL OUTLAYS WILL BECOME THE OBLIGATION OF KENTUCKY RATE PAYERS. WE WILL FIND OUT MORE ABOUT WHAT THE REAL COSTS ARE WHEN KENTUCKY POWER FILES A RATE CASE LATER THIS SUMMER.

KENTUCKY RATE PAYERS ARE BEING ASKED TO ASSUME 50% OF LIABILITIES OF THE MITCHELL PLANT. THE LIABILITIES OF MITCHELL INCLUDE LONG TERM DEBT INCURRED FOR ENVIRONMENTAL COMPLIANCE IN THE FORM OF POLLUTION

CONTROL BONDS AND DEBT ISSUED UNDER THE WEST VIRGINIA ECONOMIC DEVELOPMENT AUTHORITY. IT IS ANTICIPATED THAT KENTUCKY POWER WILL REFINANCE ITS SHARE OF MITCHELL'S DEBTS AND PLACE THAT DEBT IN THE RATES THEY WILL ASK KENTUCKY RATE PAYERS TO PAY. ACCORDING TO A JANUARY 13TH ARTICLE IN THE COLUMBUS DISPATCH, AEP HAS FOUND CORROSION IN THE NEW SCRUBBERS AT THE MITCHELL PLANT AND I'M SURE KENTUCKY RATE PAYERS WILL BE EXPECTED TO PAY TO FIX THAT PROBLEM.

KENTUCKY POWER'S LEAST COST ANALYSIS IN THE CASE BEFORE YOU DOES NOT INCLUDE THE LOCAL, REGIONAL, SOCIAL AND ECONOMIC COST TO KENTUCKY AND ITS CITIZENS OF SHUTTING DOWN THE BIG SANDY UNIT 2. TO QUOTE ONE OF AEP'S OWN PRESS RELEASES, "COMMUNITIEES THAT HAVE DEPENDED ON THESE PLANTS TO PROVIDE GOOD PAYING JOBS AND SUPPORT LOCAL SERVICES WILL FACE SIGNIFICANT REDUCTIONS IN PAYROLL AND PROPERTY TAXES. THE ECONOMIC IMPACT WILL EXTEND FAR BEYOND DIRECT EMPLOYMENT OF POWER PLANTS AS THOUSANDS OF ANCILLARY JOBS ARE SUPPORTED BY EVERY COAL FUELED GENERATING UNIT."

ABANDONING BIG SANDY UNIT 2 WILL MEAN THE LOSS OF MORE THAN 150 FULL TIME JOBS AT THE PLANT.

IN 2012 BIG SANDY RECEIVED 1,642,000 TONS OF COAL AT $70 A TON CREATING COAL SALES OF $115 MILLION. THAT WILL BE LOST ALONG WITH THE SEVERANCE TAXES FROM THAT COAL PAID TO THE STATE AND LOCAL GOVERNMENTS. ONE COUNTY JUDGE EXECUTIVE HAS SAID THE BIG SANDY PLANT IS DIRECTLY RESPONSIBLE FOR 500 COAL JOBS AND THOUSANDS OF OTHER JOBS INDIRECTLY.

LAWRENCE COUNTY, WHERE THE BIG SANDY POWER PLANT IS LOCATED, STANDS TO LOSE $900,000 IN TAXES INCLUDING $500,000 A YEAR FOR COUNTY SCHOOLS AND $60,000 A YEAR FOR THE PUBLIC LIBRARY.

WHEN STOCKPILING COAL, 200 TRUCKS A DAY UNLOAD AT THE BIG SANDY PLANT. THOSE JOBS WILL BE ELIMINATED. VENDOR SALES FOR PLANT MAINTANENCE AND FUEL OIL SALES USED TO RESTART THE UNITS WILL BE ELIMINATED.

APPALACHIAN POWER WILL OPERATE THE MITCHELL PLANT AND THOSE CONTRACT DECISIONS FOR COAL SUPPLIES, COAL TRANSPORTATION AND VENDOR PURCHASES WILL BE MADE BY APPALACHIAN POWER NOT KENTUCKY POWER. IF BIG SANDY UNIT 2 IS RETIRED, KENTUCKY POWER RATE PAYERS WILL PROBABLY BE ASKED TO PAY THE COST OF SHUTTING IT DOWN AND I'M SURE ANY LONG TERM DEBT INCURRED FOR BIG SANDY WILL REMAIN IN KENTUCKY POWER'S RATES. BUT KENTUCKY RATE PAYERS WILL NO LONGER HAVE THE BENEFIT OF HAVING THAT GENERATION HERE IN KENTUCKY.

8% VERSUS A 31% RATE INCREASE? I'M NOT AN ACCOUNTANT AND CERTAINLY NOT A PAID UTILITY CONSULTANT, BUT I DON'T UNDERSTAND THE MATH BEING PUT FORTH BETWEEN THESE TWO PROPOSALS. HOW COULD $536 MILLION FOR THE TRANSFER OF THE MITCHELL ASSETS RESULT IN AN 8% RATE INCREASE, WHILE THE PROJECTED COSTS TO SCRUB BIG SANDY UNIT 2 OF $940 MILLION RESULTS IN A 31% RATE INCREASE? IF YOU DOUBLE THE COST OF THE MITCHELL ASSET TRANSFER TO $1.72 BILLION, THAT SHOULD RESULT IN A 16% RATE INCREASE WHICH WOULD MORE THAN COVER THE COST OF SCRUBBING BIG SANDY UNIT 2.

RECENT PRESS RELEASES BY SOME OF THE ENVIRONMENTAL GROUPS THAT WERE PARTIES TO THE RECENT MODIFICATION TO THE 2007 CONSENT DECREE INDICATE THAT AEP HAS SAID IT WILL SHUT DOWN BIG SANDY UNIT 2. MAYBE THAT'S A DECISION THAT AEP HAS SHARED WITH THEM BUT NOT KENTUCKY'S RATE PAYERS. THE RECENT WRITTEN MODIFICATIONS TO THE CONSENT DECREE DO NOT APPEAR TO REFLECT ANY SUCH AGREEMENT. TWELVE STATES WERE PARTIES TO THE ORGINAL 2007 CONSENT DECREE.

KENTUCKY WAS NOT.

BECAUSE KENTUCKY WAS NOT A PARTY, I BELIEVE OUR OBLIGATION SHOULD BE TO KENTUCKY AND KENTUCKY RATE PAYERS.

MAKE NO MISTAKE ABOUT IT, DESPITE THE ASSERTION THAT TRANSFERING THE ASSETS OF MITCHELL IS A LEAST COST OPTION; THIS IS NOT A DECISION THAT IS BEING MADE FOR THE BEST INTEREST OF KENTUCKY AND ITS RATE PAYERS. THIS IS A CORPORATE DECISION TO MOVE GENERATION ASSETS FROM OHIO'S DEREGULATED MARKET, WHERE THEY ONLY GET MARKET PRICES FOR POWER TO REGULATED MARKETS IN KENTUCKY AND WEST VIRGINIA WHERE STATE LAW ALLOWS THEM TO RECOVER ALL THEIR OPERATING AND CAPITAL EXPENSES, PLUS A GUARANTEED RATE OF RETURN. KENTUCKY POWER'S CURRENT ALLOWED RATE OF RETURN IS 10.5%. AEP OR OHIO POWER COULD NOT GET THAT SORT OF RETURN IN THE CURRENT PJM MARKET.

BEFORE I CONCLUDE LET ME COMMENT ON THE REQUEST BY KENTUCKY POWER TO CREATE A REGULATORY ASSET OF $30 MILLION SPENT ON RATE CASES SINCE 2004 WHICH THEY WILL SEEK TO RECOVER LATER. INCLUDED IN THE $30 MILLION IS $12 MILLION THEY SPENT ON THE APPLICATION FOR A CERFICIATE OF NEED TO

SCRUB BIG SANDY 2, A REQUEST THAT WAS IN THE END WITHDRAWN AT THE REQUEST OF KENTUCKY POWER. SHOULD KENTUCKY'S RATE PAYERS BE ASKED TO PAY FOR KENTUCKY POWER'S INDECISION? WHY SHOULD KENTUCKY'S RATE PAYERS PAY $12 MILLION FOR DESIGN OF $SO_2$ SCRUBBERS THAT AEP'S OWN WITNESS TESTIFIED HAVE BEEN ALREADY DESIGNED AND PLACED ON 8,400 MW OF AEP GENERATION?

AT THIS POINT I PROBABLY HAVE GONE BEYOND MY ALLOTED TIME BUT THERE IS SO MUCH TO TALK ABOUT IN THE DECISION BEFORE THIS COMMISSION. LET ME URGE THE COMMISSION TO NOT CONSIDER JUST THE MATTER BEFORE YOU IN THIS CASE, THE TRANSFER OF ASSETS OF THE MITCHELL PLANT. THAT DECISION MUST BE WEIGHED AGAINST THE IMPACT OF SHUTTING DOWN BIG SANDY UNIT 2 AND THE ECONOMIC IMPACT IT WILL HAVE ON THE REGION AND KENTUCKY RATE PAYERS. THIS IS A MAJOR DECISION FOR THE COMMONWEALTH OF KENTUCKY. THERE ARE TOO MANY ISSUES THAT SHOULD BE CONSIDERED IN WHETHER TO ALLOW BIG SANDY UNIT 2 TO CONTINUE TO OPERATE VERSUS PURCHASING POWER FROM ANOTHER STATE. WHAT BOTHERS ME THE MOST IS THE LOSS OF JOBS AT THE BIG SANDY PLANT AND THROUGHOUT OUR COMMUNITIES. IF WE ACCEPT THE TRANFER OF MITCHELL THOSE JOBS WILL GO TO WEST VIRINIA AND THE BENEFITS TO OUR LOCAL ECONOMY WILL GO WITH THEM. THE RATE PAYERS OF KENTUCKY BUILT THE BIG SANDY POWER PLANT. IT PROVIDES JOBS, TAX REVENUES AND ECONOMIC ACTIVITY THROUGHOUT THE REGION FOR THE PEOPLE WHO HAVE FOR MANY YEARS PAID KENTUCKY POWER FOR ITS ELECTRIC SERVICE. I HOPE THE COMMISSION WILL AGREE WITH ME THAT THIS IS A DECISION THAT DESERVES VERY CAREFUL CONSIDERATION.

THANK YOU.

# Commonwealth of Kentucky

HOUSE OF REPRESENTATIVES


ROCKY ADKINS
STATE REPRESENTATIVE
99th Legislative District
P.O. Box 688
Sandy Hook, Kentucky 41171
Office: (606) 928-0407
Home: (606) 738-4242


HOUSE MAJORITY FLOOR LEADER


STATE CAPITOL
Room 304
Frankfort, Kentucky 40601
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Room 309
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Fax: (502) 564-1687



RECEIVED

AUG 15 2013

PUBLIC SERVICE
COMMISSION


August 15, 2013

Jeff Derouen
Executive Director
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, KY 40602-0615

RE: Case No. 2012-00578

Dear Mr. Derouen:

Please find the attached the post-hearing comments of Representative Rocky Adkins.

Sincerely,

Thomas Dorman
Chief of Staff
Majority Floor Leader's Office

I APPRECIATE ONCE AGAIN THE OPPORTUNITY TO COMMENT ON THE MATTER BEFORE THIS COMMISSION CONCERNING THE TRANSFER OF 50% OF THE MITCHELL GENERATION ASSETS TO KENTUCY POWER.

OBSERVING THESE PROCEEDINGS AND LISTENING TO THE DISCUSSION OF THE ISSUES HAS GIVEN ME A GREAT RESPECT FOR THE PROCESS, THE COMMISSION AND ITS STAFF. THIS IS INDEED A CROSSROADS FOR KENTUCKY POWER. THESE ARE COMPLEX ISSUES AND THE DECISIONS TO BE MADE REGARDING THEM WILL FOREVER IMPACT KENTUCKY POWER'S RATE PAYERS, MY CONSTITUENTS, THE REGION I REPRESENT AND ALL OF EAST KENTUCKY.

THIS COMMISSION KNOWS WELL BY NOW MY POSITION IN THIS MATTER. I HOLD HOPE THAT IN DECIDING WHAT IS BEST FOR THE FUTURE OF KENTUCKY POWER AND ITS RATE PAYERS THIS COMMISSION WILL ALSO CONSIDER THE OPTION TO SCRUB BIG SANDY UNIT 2. I UNDERSTAND THE MATTER BEFORE YOU NOW IS APPROVAL OF THE SETTLEMENT AGREEMENT, BUT I BELIEVE THIS COMMISSION'S DELIBERATION DESERVES CAREFUL CONSIDERATION OF ALL OF THE OPTIONS. THE COMMISSION SHOULD NOT BE DISTRACTED BY A SHELL GAME PLACING THE OPTION TO SCRUB BIG SANDY 2 UNDER SHELL NUMBER ONE, TRANSFERRING 50% OF THE MITCHELL PLANT UNDER SHELL NUMBER TWO AND THE SETTLEMENT AGREEMENT UNDER SHELL NUMBER THREE.

AS MORE QUESTIONS HAVE BEEN ASKED IN THIS PROCEEDING MORE COSTS ASSOCIATED WITH THE TRANSFER OF THE MITCHELL PLANT HAVE BEEN IDENTIFIED AND THE CLOSER THE COSTS OF SCRUBBING BIG SANDY 2 AND ACQUIRING MITCHELL HAVE BECOME. WHAT EARLY ON WAS IDENTIFIED BY THE COMPANY AS A 31% RATE INCREASE VERSUS AN 8% RATE INCREASE BECAME A LOWER 25.59% RATE INCREASE TO SCRUB BIG SANDY 2 VERSUS 13.98% TO TRANSFER MITCHELL AS A RESULT OF STAFF DATA REQUESTS. IF YOU ACCEPT KENTUCKY POWER'S RECENT RATE FILING IT HAS BECOME A 25.59% VERSUS 23.9% RATE INCREASE.

THESE PROCEEDINGS HAVE BROUGHT TO LIGHT MORE ABOUT THE ACTUAL COST TO KENTUCKY POWER AND ITS RATE PAYERS OF TRANSFERRING 50% OF THE MITCHELL PLANT. THE PROJECTED BOOK VALUE OF MITCHELL IS SAID TO BE $536

MILLION DOLLARS BUT THAT COMES WITH ASSUMING 50% OF ITS DEBT AND LIABILITIES ESTIMATED AT $162 MILLION DOLLARS. KENTUCKY POWER RATE PAYERS WILL BE ASKED TO PAY $184 MILLION THROUGH THE ENVIRONMENTAL SURCHARGE, THE REMAINING COSTS OF SCRUBBING MITCHELL TO COMPLY WITH THE 2007 CONSENT DECREE. NOT ONLY WILL KENTUCKY RATE PAYERS BE ASKED TO ASSUME MITCHELL'S LIABILITIES AND DEBTS, UNDER THE SETTLEMENT AGREEMENT WE ARE BEING ASKED TO PAY THE COST OF SHUTTING DOWN BIG SANDY 2, RETIRE THE COAL RELATED ASSETS OF BIG SANDY 1 AND PAY KENTUCKY POWER FOR THE UNDEPRECIATED INVESTMENT IN BIG SANDY 2 ESTIMATED TO BE $238.78 MILLION. AND WE'RE BEING ASKED TO PLACE THOSE COSTS IN RATES TO BE PAID OVER THE NEXT 25 YEARS THROUGH AN ASSET TRANSFER RIDER. I THOUGHT RATE PAYERS ONLY PAID FOR ASSETS THAT ARE "USED AND USEFUL". WILL KENTUCKY RATE PAYERS HAVE TO PAY FOR 25 YEARS FOR THE NOx SCRUBBERS PLACED ON BIG SANDY 2 AFTER THEY'RE NO LONGER IN SERVICE? AND LET'S GET BACK TO COMPARING APPLES WITH APPLES. PAY BACK OF THE COST OF TRANSFERRING THE MITCHELL PLANT HAS BEEN PRICED OVER 20 YEARS. THE COST OF SCRUBBING BIG SANDY 2 WAS PRICED OVER 10 YEARS.

WHAT KIND OF DEAL IS THIS FOR KENTUCKY AND KENTUCKY POWER'S RATE PAYERS?

WE'RE BEING ASKED TO TAKE OVER A GENERATION FACILITY IN WEST VIRGINIA ALONG WITH ITS DEBT AND LIABILITIES AND PAY FOR MUCH OF THE COST FOR IT TO MEET ENVIRONMENTAL COMPLIANCE WHILE GIVING UP 150 OR MORE GOOD PAYING JOBS, $900 THOUSAND A YEAR IN PROPERTY TAXES, 2 MILLION TONS A YEAR IN COAL SALES AND PAY THE COST OF SHUTTING DOWN OUR OWN POWER PLANT IN KENTUCKY, MOST OF WHICH WE HAVE ALREADY PAID FOR.

THE BIG SANDY AND MITCHELL PLANTS ARE COMPARABLE FACILITIES IN AGE AND DESIGN WITH ALMOST THE SAME OPERATIONAL COST. MITCHELL WAS SCRUBBED FIRST BECAUSE AT THE TIME OF THE 2007 CONSENT DECREE IT WAS AMONG THE DIRTIEST PLANTS IN AEP'S EASTERN GENERATION FLEET. YET NOW WE'RE BEING TOLD IT IS A "CROWN JEWEL".

THIS COMMISSION HAS ALL THE MORE REASON TO BE CAUTIOUS IN DEALING WITH THESE ISSUES BECAUSE OF THE MANNER IN WHICH KENTUCKY POWER AND ITS PARENT HAVE CONDUCTED THEMSELVES. IT WASN'T UNTIL KENTUCKY POWER FILED TO SCRUB BIG SANDY 2 THAT THE KENTUCKY COMMISSION BECAME AWARE OF THE NEGOTIATED 2007 CONSENT DECREE AND ITS RESULTING COSTS TO KENTUCKY POWER RATE PAYERS. IN DECEMBER 2011 KENTUCKY POWER FILED ITS APPLICATION WITH THE KENTUCKY COMMISSION TO SCRUB BIG SANDY 2 AND CONTINUED TO PURSUE THE APPLICATION UNTIL IT WAS ABRUPTLY WITHDRAWN ON MAY 30, 2012. YET IT WAS REPORTED AT AN INVESTORS MEETING IN NEW YORK CITY ON FEBRUARY 10, 2012, AEP ANNOUNCED ITS PLAN TO TRANSFER MITCHELL TO APPALACHIAN POWER AND KENTUCKY POWER TO INCREASE ITS PERCENTAGE OF REGULATED ASSETS.

THIS COMMISSION SHOULD NOT BE RUSHED TO JUDGEMENT IN THESE IMPORTANT ISSUES. IT IS THE COMPANY THAT SET THE TIME TABLE BY THE AGREEMENTS IT HAS ENTERED INTO REGARDING ENVIRONMENTAL COMPLIANCE AND THEIR TIMING IN BRINGING THESE ISSUES TO THE KENTUCKY COMMISSION FOR DECISION. I HOPE THE COMMISSION WOULD NOT ALLOW APPROVAL OF THE SETTLEMENT AGREEMENT TO OBLIGATE KENTUCKY POWER'S RATE PAYERS TO ALL THE ADD ONS IN THE AGREEMENT OR APPROVE THE TRANSFER OF MITCHELL AND THEN FIGURE OUT IN A SUBSEQUENT RATE CASE WHAT IT REALLY COSTS. THIS COMMISSION DESERVES TO KNOW UP FRONT WHAT THOSE COSTS ARE. LET'S IDENTIFY THE REAL COST OF TRANSFERRING MITCHELL AND THE REAL COST OF SCRUBBING BIG SANDY 2 AND THEN DETERMINE WHAT IS IN THE BEST INTEREST OF KENTUCKY RATE PAYERS.

IF THE COSTS ARE CLOSE, AND UPON FURTHER EXAMINATION I THINK THEY WILL BE EVEN CLOSER, I BELIEVE KENTUCKY POWER'S RATE PAYERS WOULD BE WILLING TO PAY KENTUCKY POWER A REASONABLE RATE OF RETURN FOR CONTINUED OPERATION OF THE BIG SANDY 2 RATHER THAN A SIMILAR RATE FOR GENERATION LOCATED IN WEST VIRGINIA OVER WHICH THEY HAVE LITTLE CONTROL AND DERIVE LITTLE ECONOMIC BENEFIT.

a. During community listening sessions occurring during the summer of 2025, affordability emerged as a theme within the broader context of customer concerns. This concern was articulated to the Company through various discussions regarding personal connections, assistance programs, economic development awareness, and specific feedback from session participants. Participants expressed concern with utility rates, and many admitted to not fully understanding the factors behind the costs or the level of investment the Company makes to improve service reliability. Additional community engagement was emphasized by listening session participants including suggestions to increase presence through local events and partnerships with trusted organizations. The need for education on energy efficiency was also highlighted, as many homes, particularly mobile homes, were deemed inefficient. In terms of educating the public on energy efficiency methods and resources available for assistance, the discussions oftentimes circled back to the need to meet customers where they are, increase community involvement, and use trusted community partners, like community action agencies, as catalysts for education.

b. There were no formal presentations given at the June 2025 community listening sessions.

c. List of participants:

**Ashland Community Listening Session – June 2nd at 12pm**
Scott Martin – President, Northeast Chamber of Commerce (Boyd County)
Josh Blanton – Account Manager, Portable Solutions Group (Boyd County)
Dustin Burchett – Administrative Officer, City of Raceland (Greenup County)
Brandy Clark – Executive Director, Visit Ashland (Boyd County)
Paul Seasor – Director of Maintenance/Operation, Ashland Community and Technical College (Boyd County)
Lance Hanshaw – Executive Director, FIVCO (Carter County)
Mike Maynard – Executive Director, Bruce-Hillcrest Mission (Boyd County)
Scott Murphy – Director of Community Impact, Ramey Estep (Carter County)
Ann Perkins – Executive Director, Safe Harbor (Boyd County)
Justin Pruitt – County Administrator, Boyd County Fiscal Court (Boyd County)

**Pikeville Community Listening Session – June 17th at 10am**
Michael Brown – Executive Director, Habitat for Humanity (Pike County)
Jaryd Crum – Partner, Kirk & Crum Law Office (Johnson/Martin Counties)
Judy Daniel – Economic Development Director, Johnson County Fiscal Court (Johnson County)
Jordan Gibson – President, Southeast Kentucky Chamber of Commerce (Pike County)

Mark Gooch – President/CEO, Community Trust Bank; Member, EPIC Commission (Pike County)
Karen Roberts Prater – Director of Project Management, Eastern Telephone; President of Pikeville Rotary Club (Pike County)
Jasmine Sauceda-Izbrand – Director of the Center of Infinite Worth, University of Pikeville (Pike County)
Jennifer Wells – City Commissioner, City of Inez (Martin County)
Ryan Wilson – General Manager, Booth Energy Corporation; Manager, AppleAtcha (Martin County)

**Hazard Community Listening Session – June 17th at 2pm**
Bridget Williams – Regional Director, Appalachian Service Project (Perry County)
Rebecka Fugate – Foodways Program Director, Hindman Settlement School (Knott County)
Robin Gabbard – President, Mountain Association
Scott McReynolds – Executive Director, Housing Development Alliance (Perry County)
Seth Long – Executive Director, HOMES Inc. (Letcher County)
Stacie Fugate – Director, Invision Hazard (Perry County)
Tawny Acker – Executive Director, LKLP Community Action (Knott County)
Zach Lawrence – Director, Hazard/Perry County Economic Development Alliance (Perry County)
Janet Smith – Agent, Kentucky Farm Bureau; President, Hazard/Perry County Chamber of Commerce (Perry County)

d. List of invitees:

**Ashland Community Listening Session – June 2nd at 12pm**
Scott Martin – President, Northeast Chamber of Commerce (Boyd County)
Josh Blanton – Account Manager, Portable Solutions Group (Boyd County)
Scott Murphy – Director of Community Impact, Ramey Estep (Carter County)
Mike Maynard – Executive Director, Bruce-Hillcrest Mission (Boyd County)
Dustin Burchett – Administrative Officer, City of Raceland (Greenup County)
Lance Hanshaw – Executive Director, FIVCO (Carter County)
Ann Perkins – Executive Director, Safe Harbor (Boyd County)
Sam Howard – CEO, Trace Creek Construction (Lewis County)
Brandy Clark – Executive Director, Visit Ashland (Boyd County)
Sara Marks – CEO, King's Daughters Medical Center (Boyd County)
Vince Doty – Deputy County Judge/Executive, Lawrence County Fiscal Court (Lawrence County)
Justin Pruitt – County Administrator, Boyd County Fiscal Court (Boyd County)

Eden McKenzie – Economic Development Director, City of Ashland (Boyd County)
Larry Ferguson – President, Ashland Community and Technical College (Boyd County)

**Pikeville Community Listening Session – June 17th at 10am**
Karen Roberts Prater – Director of Project Management, Eastern Telephone; President of Pikeville Rotary Club (Pike County)
Jordan Gibson – President, Southeast Kentucky Chamber of Commerce (Pike County)
Jennifer Wells – City Commissioner, City of Inez (Martin County)
Nita Collier – City Commissioner, City of Inez (Martin County)
Danielle Harmon – Director of Community Development, Appalachian Regional Healthcare (Johnson County)
Jeania Perry – Director of Human Resources, Appalachian Wireless; Secretary, Floyd County Homeless Shelter Board of Directors (Floyd County)
Angie Reynolds – Founder/CEO, TEK Center (Magoffin County)
Kandi Justice – COO, Pikeville Medical Center (Pike County)
Jaryd Crum – Partner, Kirk & Crum Law Office (Johnson/Martin Counties)
Mark Gooch – President/CEO, Community Trust Bank; Member, EPIC Commission (Pike County)
Judy Daniel – Economic Development Director, Johnson County Fiscal Court (Johnson County)
Ryan Wilson – General Manager, Booth Energy Corporation; Manager, AppleAtcha (Martin County)
Jasmine Sauceda-Izbrand – Director of the Center of Infinite Worth, University of Pikeville (Pike County)
Michael Brown – Executive Director, Habitat for Humanity (Pike County)
Todd DePriest – Mayor, City of Jenkins (Letcher County)
Adam Rice – Field Representative, Congressman Hal Rogers (Johnson County)
Regena McClure – Community Development Director, Johnson County Fiscal Court (Johnson County)
Jeffrey Justice – Executive Director, Pine Mountain Partnership (Letcher County)
Casey LeQuire – Senior Vice President, People's Bank (Floyd County)
Charly Grace – Executive Director, Floyd County Chamber of Commerce (Floyd County)
Derek Catron – Pastor, Turkey Creek Church of the Nazarene (Martin County)
Rob Musick – Assistant Dean of Health and Wellness, University of Pikeville (Pike County)

**Hazard Community Listening Session – June 17th at 2pm**
Betsy Clemons – Executive Director, Hazard/Perry County Chamber of Commerce (Perry County)
Janet Smith – Agent, Kentucky Farm Bureau; President, Hazard/Perry County Chamber of Commerce (Perry County)
Zach Lawrence – Director, Hazard/Perry County Economic Development Alliance (Perry County)
Kristen Collins – CEO, Foundation for Appalachian Kentucky (Perry County)
Stacie Fugate – Director, Invision Hazard (Perry County)
Robin Gabbard – President, Mountain Association
Scott McReynolds – Executive Director, Housing Development Alliance (Perry County)
Tawny Acker – Executive Director, LKLP Community Action (Knott County)
Bill Bettinazzi – Board Chair, Perry County Community Foundation (Perry County)
Josh Mullins – Senior Director of Operations, Hindman Settlement School (Knott County)
Seth Long – Executive Director, HOMES Inc. (Letcher County)
Joel Brashear – Community Outreach and Business Development Officer, Hyden Citizens Bank (Leslie County)
Bridget Williams – Regional Director, Appalachian Service Project (Perry County)
Andrea Begley – Deputy District Director, Congressman Hal Rogers (Leslie County)

e. Hazard Listening Session

1. Increase Awareness of Assistance Programs:
   - Promote LIHEAP and THAW programs through local agencies to help customers access available assistance.
2. Feedback Mechanism for Assistance Programs:
   - Establish a way to gather feedback from repeat users of assistance programs to understand their experiences and needs.
3. Shift Focus to Weatherization:
   - Consider shifting from traditional assistance programs to more proactive weatherization efforts to help customers reduce energy costs.
4. Community Engagement at Local Events:
   - Engage with the community at free events like farmers markets or offering complimentary coffee to foster relationships and trust.
5. Enhance Understanding of Bill Payments:
   - Use infographics to clarify where bill payments go and how they relate to the services provided.
6. Increase THAW Funding:
   - Advocate for more THAW funds to assist those in need, particularly for individuals who fall through the cracks of existing programs.

7. Housing Stock Improvement:
- Address barriers to accessing weatherization funding by providing incentives and financing options for repairs.
8. Grocery Reimbursement During Outages:
- Consider offering grocery reimbursement for customers who experience outages and do not have insurance.

Pikeville Listening Session

1. Educate Customers on Energy Efficiency:
- Provide education regarding factors contributing to energy costs, particularly for older and mobile homes.
2. Incentives for Energy-Efficient Upgrades:
- Suggest incentives for customers to upgrade to energy-efficient appliances and HVAC systems.
3. Increase Community Involvement:
- Encourage more "boots on the ground" efforts to enhance community involvement and personal connections with customers.
4. Focus on Youth Programs:
- Invest in youth education programs to promote awareness of energy efficiency and utility services from an early age.
5. Transparency in Utility Operations:
- Improve transparency regarding how the utility operates, including clearer communication about rates and service expectations.
6. Community Messaging around Economic Development:
- Develop messaging to highlight the utility's role in economic development and its benefits to the community.

Ashland Listening Session

1. Understanding Rate Structures:
- Many community members do not know how rates are determined or how investments are managed. Educating the public on these issues can improve transparency and trust.
2. Collaboration with Community Organizations:
- Use community organizations to communicate the importance of energy efficiency and weatherization initiatives and opportunities for assistance for customers.
3. Payment Assistance Programs
- Approximately $2 million per year is allocated for payment assistance, with significant funding coming from shareholders. Many customers are unaware that these are Kentucky Power programs.
4. Personal Connections with Local Representatives
- Emphasizing personal relationships between Kentucky Power representatives and local officials can facilitate better communication and enhance community trust.

5. Communication Strategies
- Continuous outreach about assistance programs is necessary, as many individuals may still be unaware. Engaging through various channels is essential for effective communication.

f. i. To implement
Increased "boots on the ground" engagement with customers; public education strategies with trusted community organizations, i.e. community actions agencies; easy to understand infographics; continued foundation support of housing organizations; youth outreach and energy efficiency education; restructuring of winter billing cycles to assist in alleviating winter usage bills; Enhanced communications strategies regarding the Company's role in economic development; and increased awareness of assistance programs.
ii. To study further.
Increased education and messaging regarding rate structure; collaboration with community organizations to improve housing stock; additional energy efficiency education; expanded weatherization programs; universal service fund; and energy assistance allocation between HEART/THAW programs.

g. **Question**: Kentucky Power has consistently worked to put customers first, be a strong community partner, and support our communities. Our intentions, however, have not always translated to the communities and customers we serve. Why do you think that is?
**Summary of feedback**: Responses indicated a perceived disconnect between the company and community members. Opportunities exist for increased communication to correct misconceptions about the company's efforts and intentions.
**Question**: Under Bill and Cindy's leadership, Kentucky Power is renewing our commitment to being a responsible corporate citizen and positive community partner through strengthening our community outreach, increasing volunteerism and foundation giving, and working across sectors to improve life in our communities. How can we best serve your community?
**Summary of feedback**: Suggestions for better service included improving community engagement through local partnerships and volunteerism, prioritizing community needs in outreach efforts,and encouraging direct communication with community members to ensure alignment with local interests.
**Question**: Kentucky Power has been a longtime driver of economic development in eastern Kentucky. In fact, our Kentucky Power Economic Growth Grant (KPEGG) program has funded a variety of economic development efforts, and our economic development team is constantly working to recruit large industrial customers. Do you think community members are aware of the work we are doing in the economic development space? If not, how do you think we could better convey those efforts?

**Summary of feedback**: There is a general lack of awareness regarding Kentucky Power's economic development initiatives. Attendees suggested more targeted communication, visibility through local media and events, and effective storytelling to highlight the impact of these efforts on the community.

**Question**: The Kentucky Power external affairs team is working diligently to ensure positive working relationships with government officials, community organizations, and partners. How can we improve those efforts? Are there any specific areas we should focus on?

**Summary of feedback**: Building personal relationships with local leaders and organizations was emphasized as crucial. Regular updates, increased transparency, and collaboration on community projects were recommended to strengthen partnerships.

**Question**: During the previous legislative session, we consistently heard that we have a need to repair our reputation and credibility in the service area. What primary challenges do you see Kentucky Power having when it comes to image? Are there any particular examples that stick out to you?

**Summary of feedback**: Concerns included perceptions of disconnection from the community and a historical lack of responsiveness to local issues. Participants noted the need for Kentucky Power to rebuild trust and improve its overall reputation through consistent, positive engagement.

**Question**: Kentucky Power and our customer service team are dedicated to working with customers in any way possible to help them meet their needs. This includes average monthly payment plans, HEART and THAW programs, and flexibility on customer bills during winter months. Despite all that, we still face challenges when it comes to rhetoric. Do you think we could do a better job conveying the options customers have? If so, how do you suggest we go about that?

**Summary of feedback**: There is a need for clearer communication about available programs and options. Participants suggested simplifying information, using multiple channels for outreach, and engaging community organizations to disseminate information effectively.

**Question**: How would you say that Kentucky Power is viewed when it comes to service, reliability, and efficiency? Do you believe customers are satisfied with the services they're receiving?

**Summary of feedback**: Responses reflected mixed feelings about service reliability. While some customers expressed satisfaction, there were concerns about responsiveness, particularly during outages. The company was commended by multiple attendees for effective communication during outages and severe weather events.

**Question**: We hear a lot about high bills, especially during the high usage months in the winter and summer. Despite that, Kentucky Power has very comparable rates to surrounding electric providers but on average our customers have higher usage. How do you suggest we better educate our customers on managing usage to lower their bills?
**Summary of feedback**: Suggestions included providing practical tips on energy efficiency through workshops and educational campaigns, using social media for information dissemination, and engaging customers in discussions about energy usage and management tools.

Witness: Cynthia G. Wiseman

Kentucky Power Company
KPSC Case No. 2025-00175
Sierra Club's Second Set of Data Requests
Dated October 20, 2025

**DATA REQUEST**

**SC 2_3** Refer to the Supplemental Testimony of Vaughan at 9, Table AEV SD2, Cost to Customers Analysis. Provide the residential rate impact of each CPCN alternative and cooling tower options 1-4 under consideration

**RESPONSE**

The Company objects to this request because it seeks information not in the possession of the Company as it has not performed the requested analysis, is vague and ambiguous, and would be unduly burdensome to provide. Furthermore, options 1 and 2 were not included in Table AEV SD2.

Subject to and without waiving these objections, Table AEV SD2 (pp. 9) provides a summary comparing the total cost for each alternative filed in the Company's direct case along with Options 3 and 4 and the two break-even capital numbers. The table below identifies percent change from the total cost of Alternative 1. The relative residential rate impacts of Option 3, Option 4, Break Even Ceiling, and Break Even Floor compared to Alternative 1 would be directionally the same, but less in magnitude, as the difference in total cost. Alternative 2 utilizes conservative PPA pricing information that the Company believes, based on industry news and trends and the continuous narrowing of supply and demand in the market, to be lower than today's market for PPAs and, accordingly, is a conservatively low estimate.

| Alternative | Total Cost | % Increase from Alternative 1 |
|---|---|---|
| Alt 1 - Mitchell | $ 335,405,979 | |
| Alt 2 - PPAs | $ 471,440,143 | 41% |
| Alt 3 - Market | $ 895,305,244 | 167% |
| Option 3 - New Mechanical Draft | $ 375,956,757 | 12% |
| Option 4 - Shorten Tower | $ 356,031,775 | 6% |
| Break Even Ceiling | $ 521,464,693 | 55% |
| Break Even Floor | $ 514,078,188 | 53% |

Witness: Alex E. Vaughan

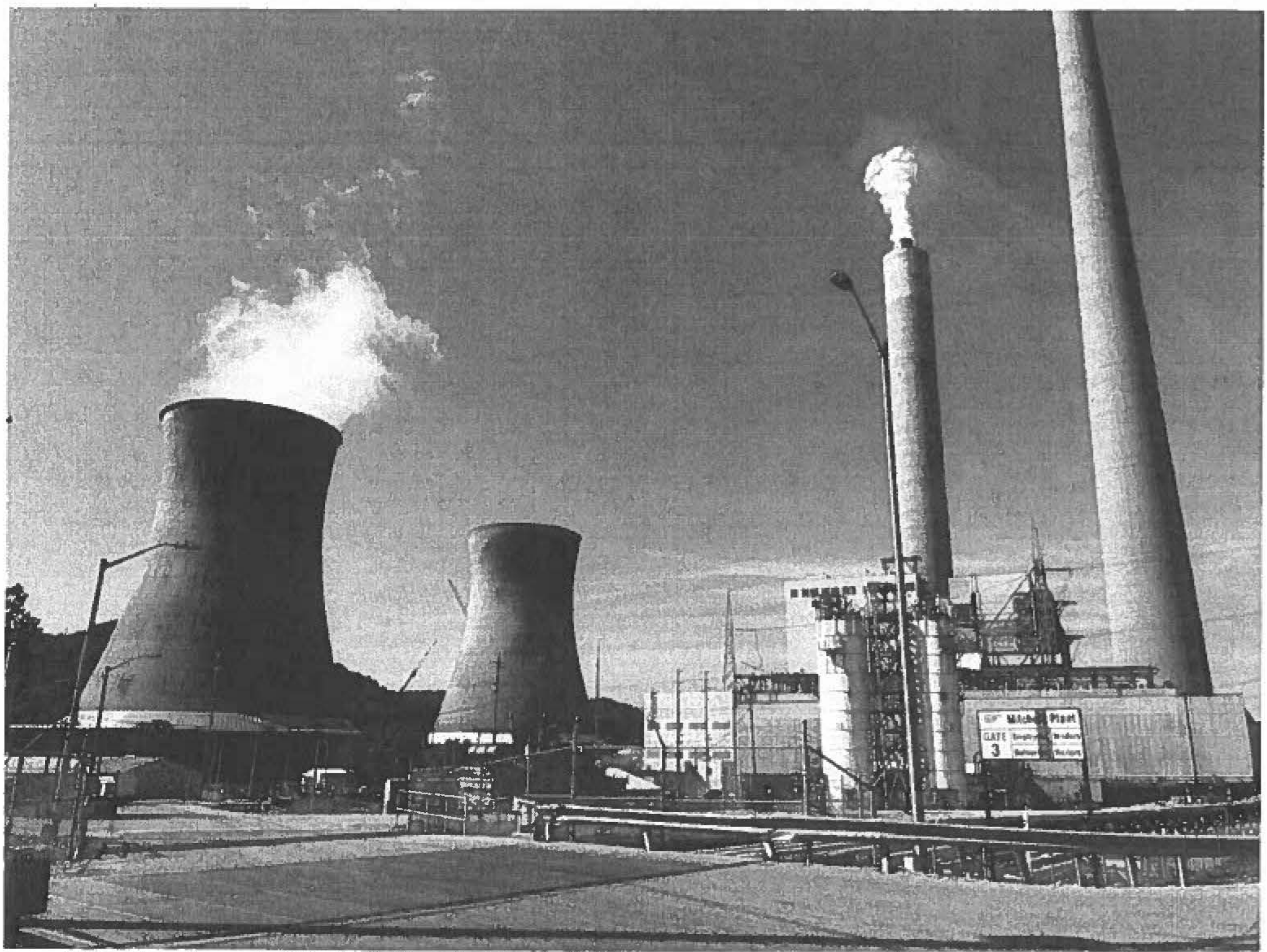
Public BROADCASTING
Telling West Virginia's Story



Home » Stories » Kentucky Power Coal Plant Needs A Big Repair. Could The Feds Help?

***Curtis Tate***
Published October 14, 2025 - 12:53 pm

# Kentucky Power Coal Plant Needs A Big Repair. Could The Feds Help?



Wheeling Power's Mitchell Plant in Marshall County.

***Curtis Tate/West Virginia Public Broadcasting***

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The Mitchell Plant needs some costly repairs, and its owner says it intends to seek a federal grant to help pay for it.

One of Mitchell's two concrete cooling towers is failing structurally and needs to be reinforced or replaced.

That's what Kentucky Power told the Kentucky Public Service Commission in written testimony filed Friday.

Kentucky Power also said it would apply for a portion of the $625 million the U.S. Department of Energy recently made available to coal generating facilities to extend their lives.

Karen Wissing, a spokeswoman for Kentucky Power sister company Appalachian Power, said there was no immediate danger to the public or workers at the plant, near Moundsville, West Virginia. She couldn't say how much the repairs might cost electricity customers.

"We intend to explore available Department of Energy funding to mitigate any impact our customers might experience," Wissing said. "However, since the project is in the very early stages, we cannot provide any specific estimates."

Mitchell, which is jointly owned by Kentucky Power and Wheeling Power, is 54 years old, about the average age of coal plants scheduled for retirement.

To get approval for the cooling tower proposal, Kentucky Power would need to file a Certificate of Public Convenience and Necessity with the Kentucky PSC, and Wheeling Power would do the same at the West Virginia PSC.

Emmett Pepper, policy director for Energy Efficient West Virginia, said the Mitchell project sounded "expensive."

"We have had too many increases to our bills," he said.

Instead of retiring Mitchell in 2028, Kentucky Power wants the Kentucky PSC to approve environmental compliance upgrades that would keep it operating through 2040.

In 2021, the Kentucky PSC denied the request. In June, Kentucky Power asked again.

Kentucky Power has cited its capacity needs beyond 2028 for keeping Mitchell running.

Whereas Kentucky's former attorney general, Daniel Cameron, advised the Kentucky PSC to let the plant close in 2028, his successor, Russell Coleman, has taken the opposite stance.

The company is also in the process of seeking a 15% rate increase from the Kentucky commission.

Its integrated resource plan, filed earlier this month to the West Virginia PSC, shows the Mitchell Plant operates at a capacity factor of 25%. That's the lowest of the three West Virginia coal plants owned by Kentucky Power's parent company, American Electric Power.

Under some scenarios, Mitchell could be partially retired or partially converted to gas by 2032.

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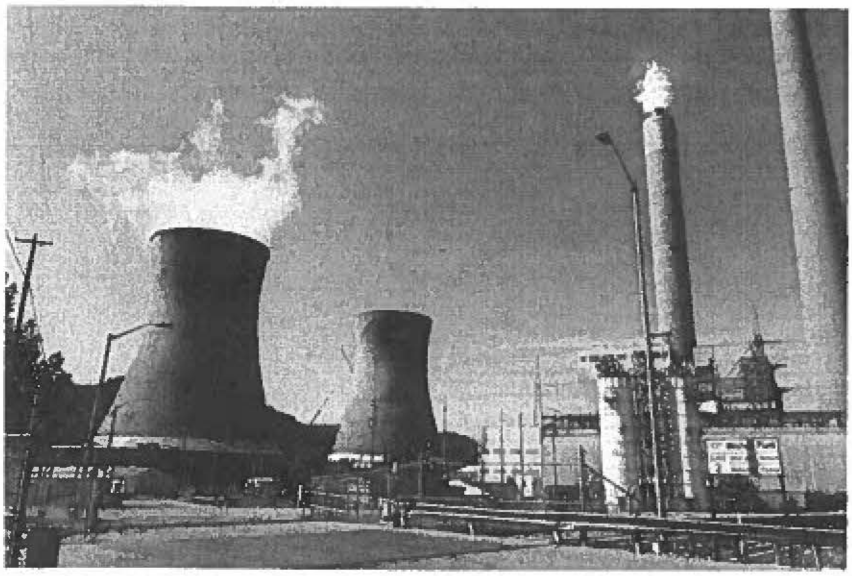
# Kentucky Power, Industrial Customers Reach Agreement On Mitchell Plant

**WEKU | By Curtis Tate**

Published November 17, 2025 at 5:55 AM EST



Curtis Tate / West Virginia Public Broadcasting

The Mitchell Plant, near Moundsville, West Virginia, is co-owned by Kentucky Power and Wheeling Power. Sept. 13, 2024.

Kentucky Power has reached a settlement agreement with the state's industrial customers over a power plant in West Virginia. Not everyone is on board, though.

The settling parties want the Kentucky Public Service Commission to approve Kentucky Power's proposal to preserve its half of the Mitchell plant beyond 2028.

Kentucky Power and the Kentucky Industrial Users Coalition signed the agreement on the future of the Mitchell power plant. The office of Kentucky Attorney General Russell

Coleman did not sign the agreement but will not oppose it. The Sierra Club did not agree to the settlement.

The Sierra Club's expert witness, Devi Glick, filed written testimony earlier this month that investing in Mitchell is not in the best interest of electricity customers.

Sarah Nusbaum, a spokeswoman for Kentucky Power, says the settling parties agree that Mitchell is the best option.

Kentucky Power serves about 165,000 customers in 20 eastern Kentucky counties. The company is also seeking a 15% rate increase.

Glick testified that the Mitchell investment would not be the best choice for customers, in part because one of its concrete cooling towers requires repair or replacement.

She said the plant could be converted from coal to natural gas at a lower cost.

In a rebuttal filed the same day as the settlement agreement, company witness Alex Vaughan testified that Mitchell would still need the cooling tower if it converted to gas, in part or whole.

Mitchell, which began operating in 1971, runs the least of the three American Electric Power coal plants in West Virginia. AEP's 2025 Integrated Resource Plan shows it operates at a 25% capacity factor, lower than the 40% average in the PJM region, which includes Kentucky Power.

It's not public knowledge how much Kentucky Power would need to spend to fix Mitchell's cooling tower. The cost estimates are redacted in the company's testimony as well as Glick's.

However, the company said it plans to apply for a grant from the U.S. Department of Energy to help pay for the repair or replacement.

The Trump administration has made $625 million available to preserve coal-fired generation.

In 2021, the Kentucky PSC rejected Kentucky Power's plans to invest in Mitchell beyond

Among the other reasons Cameron cited: Mitchell employs no Kentucky workers and pays no property taxes to any Kentucky county.

It does, however, burn coal produced by Alliance Resource Partners, owned by Joe and Kelly Craft. Cameron beat Kelly Craft in the 2023 Republican primary for governor, but then lost to incumbent Gov. Andy Beshear, a Democrat.

Cameron is a Republican candidate for U.S. Senate in 2026 and appears to have backtracked on his earlier position on the Mitchell plant.

The Kentucky PSC will have a hearing in Frankfort on Tuesday to consider the current case.

*Correction: This story has been updated to say Attorney General Russell Coleman's office will not oppose the settlement agreement, but was not a signing party to it.*

The Commonwealth

## Curtis Tate

Curtis Tate is a reporter at WEKU. He spent four years at West Virginia Public Broadcasting and before that, 18 years as a reporter and copy editor for Gannett, Dow Jones and McClatchy. He has covered energy and the environment, transportation, travel, Congress and state government. He has won awards from the National Press Foundation and the New Jersey Press Association. Curtis is a Kentucky native and a graduate of the University of Kentucky.

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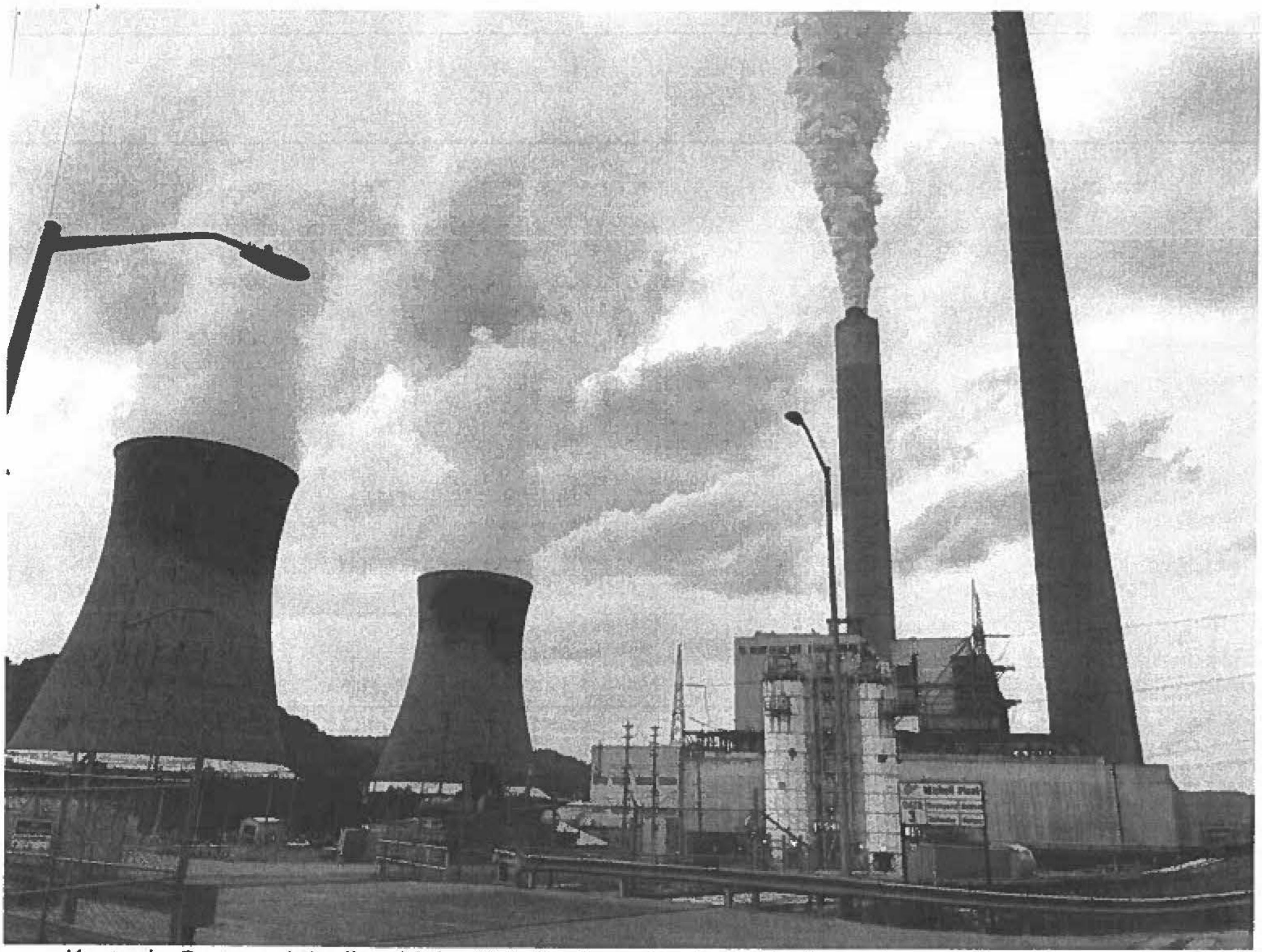
Home » Stories » Repairing Mitchell Plant Is Too Costly For Kentucky Power Customers, Expert Says

***Curtis Tate***
Published November 10, 2025 - 4:13 pm

# Repairing Mitchell Plant Is Too Costly For Kentucky Power Customers, Expert Says



Kentucky Power originally told the PSC that investing in Mitchell was the most cost-effective option for its customers. However, it told the commission last month that the plant would require extensive repair or replacement of one of its two concrete cooling towers.

***Curtis Tate/West Virginia Public Broadcasting***

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The Kentucky Public Service Commission should reject Kentucky Power's plan to keep its half of the Mitchell plant past 2028.

That's what Devi Glick, an energy analyst with Synapse Energy Economics, told the commission in written testimony filed late last week.

Kentucky Power originally told the PSC that investing in Mitchell was the most cost-effective option for its customers. However, it told the commission last month that the plant would require extensive repair or replacement of one of its two concrete cooling towers.

Glick testified that converting the plant from coal to natural gas would be less expensive than fixing the cooling tower and would avoid other potential environmental costs.

Kentucky Power co-owns Mitchell, in Marshall County, West Virginia, with Wheeling Power. Both are subsidiaries of American Electric Power.

In 2021, the Kentucky commission rejected Kentucky Power's bid to keep its half of Mitchell past 2028. The West Virginia Public Service Commission then allowed Wheeling Power to pay for the entire project and recover the cost from its electricity customers.

Kentucky Power came back to the Kentucky PSC earlier this year seeking approval again, this time with the support of Kentucky Attorney General Russell Coleman.

Coleman's predecessor, Daniel Cameron, recommended in 2021 that the plant be retired. Cameron is a Republican U.S. Senate candidate in 2026.

In her written testimony, Glick faulted Kentucky Power for comparing the cost of repairing Mitchell's cooling tower with building new gas generation but not with converting the existing plant to gas.

Glick's earlier calculations revealed the excess costs of two coal plants, one in Ohio and the other in Indiana, for Appalachian Power and Louisville Gas & Electric, and Kentucky Utilities electricity customers.

to 2024.

LG&E and KU customers paid nearly $168 million more than necessary for OVEC power in those seven years.

Both utilities are locked into a long-term power purchase agreement with OVEC through 2040.

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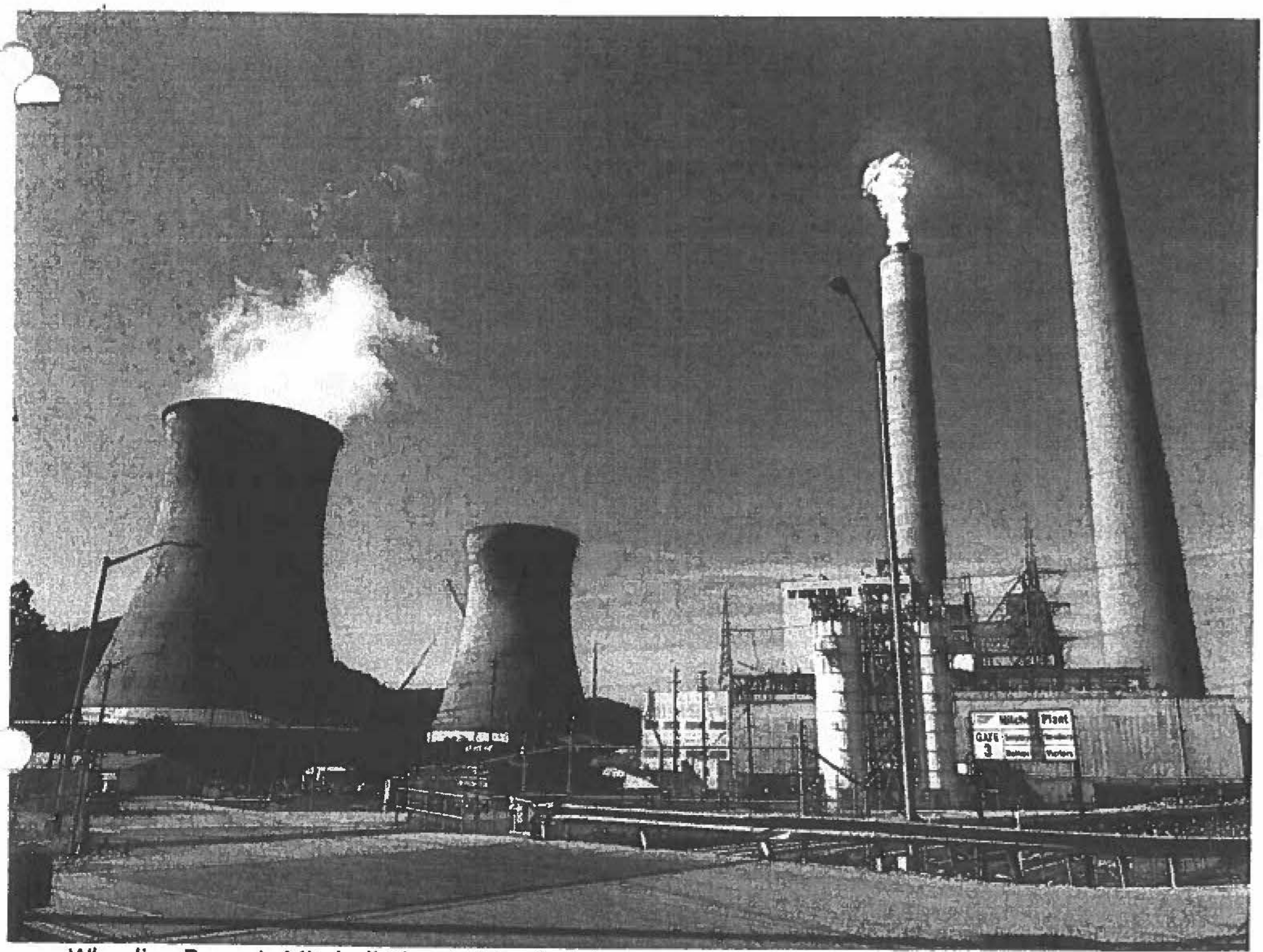
**Curtis Tate**
Published February 21, 2025 - 11:26 am

# Kentucky Power Wants To Keep Its Share Of Mitchell Coal Plant



Wheeling Power's Mitchell Plant in Marshall County.

***Curtis Tate/West Virginia Public Broadcasting***

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Kentucky Power was supposed to give up its half of the Mitchell Plant in December 2028.

At least that's how the matter concluded in 2021, when the Kentucky Public Service Commission decided continued investment in the coal-burning plant would not be in the best interest of Kentucky electricity customers.

Earlier this week, though, Kentucky Power went back to Kentucky regulators and asked them to reopen the case.

After Kentucky's PSC issued its decision nearly four years ago, West Virginia's PSC decided that Appalachian Power and Wheeling Power customers would pick up the cost of keeping Mitchell in operation past 2028.

That involved upgrades to its wastewater treatment system, at a cost of $148 million.

Now, Kentucky Power seeks approval to pay for its share of the wastewater upgrade at Mitchell.

"We continue to believe that that plant is valuable and will continue to serve our customers," Bill Ferhman, President and CEO of Kentucky Power parent American Electric Power, told Kentucky lawmakers earlier this month.

In 2021, Kentucky's Republican then-Attorney General Daniel Cameron encouraged state regulators to deny the investment in Mitchell. A better option for Kentucky Power's customers, Cameron said then, would be to close it.

Byron Gary, program attorney for the Kentucky Resources Council, an environmental and public health advocacy group, says that's still the best outcome.

"I'm not sure what Kentucky Power Company thinks may have changed in the interim," Gary said.

Regardless, West Virginia paid for the Mitchell upgrades Kentucky didn't.

In a statement, Charlotte Lane, chair of the West Virginia PSC, said the commission would monitor the development and take appropriate action.

According to data from Standard & Poor's, Mitchell had a capacity factor of less than 30% last year, meaning it generated electricity the least often of the three AEP plants in West Virginia. Amos and Mountaineer are the others.

Cameron took criticism from a rival, Kelly Craft, a former ambassador who's married to coal executive Joe Craft, for his stance on Mitchell.

Kelly Craft accused Cameron of turning his back on the region's coal industry.

According to filings to the West Virginia PSC, the Mitchell plant was a customer of the Crafts' coal company, Alliance Resource Partners.

Cameron won the Republican primary but lost to Gov. Andy Beshear, a Democrat.

*This story was distributed by the Appalachia + Mid-South Newsroom, a collaboration between West Virginia Public Broadcasting, WPLN and WUOT in Tennessee, LPM, WEKU, WKMS and WKYU in Kentucky and NPR.*

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Oct. 2, 2025

Dear Members of the Kentucky PSC and Kentucky Attorney General, Russell Coleman,

I am writing to express my profound opposition to the proposed rate hikes filed by Kentucky Power under rate case number 2025-00257. I am particularly alarmed by the prospect of a 14.9 percent increase for residential customers and a 13-15 percent increase for commercial and industrial customers. This proposal contradicts the mission of the Kentucky Public Service Commission, which aims to provide safe and reliable service at REASONABLE prices. With the recent 6.37% increase initiated in July 2025 due to the, "Securitized Surcharge Rider". Kentucky Power customers already face the highest average bills in the state-adding another increase is neither fair nor just.

Furthermore, many households in Kentucky Power's service area are already grappling with high poverty rates and significant energy burdens. Adding further financial strain through excessive rate hikes is ethically indefensible, especially against a backdrop of declining population and industry, exacerbated by Kentucky Power's own decisions. The continuous upward pressure on rates fails to reflect needed adjustments in business practices to accommodate these realities. If Kentucky Power's management does not rethink its strategy to serve this region responsibly, we risk worsening the economic malaise that already characterizes many areas in eastern Kentucky.

I urge the Kentucky PSC to reject this unjustified rate increase and prioritize sustainable solutions and responsible governance that consider the welfare of Kentucky Power's customers.

The following information clarifies why this rate hike is UNREASONABLE.

Sincerely,

Suzanne Barker Griffith
535 Houston Ave.
Ashland, KY 41102
606-571-9034
suzannegriffith64@yahoo.com

1. The residential rate hike appears explicitly to run counter to the PSC mission which is, "The mission of the Kentucky Public Service Commission is to foster the provision of safe and reliable service at a REASONABLE price to the customers of jurisdictional utilities vehicle providing for the financial stability of those utilities by setting fair and just rates, and supporting their operational competence by overseeing regulated activities."

Kentucky Power customers just had a 6.37% bill increase in July of 2025 due to a "Securitized Surcharge Rider" and currently pay the highest average bill in the state. ASKING KENTUCKY POWER CUSTOMERS TO PAY SUBSTANTIALLY MORE IS NOT REASONABLE!

The below-average bill information is from the Commonwealth of Kentucky Public Service (PSC) Commission Annual Report Statistics as of August of 2025 on electric companies in the state for 2024, which is available on the PSC website.

1. Jackson Purchase Energy Corp. $184.20

2. **KENTUCKY POWER - $178.32, 6.37% increase in 2025 = $190 now, leaving Kentucky Power customers paying the HIGHEST AVERAGE BILL IN THE STATE. Add another 14.9% and the average KENTUCKY POWER bill will be $218, far exceeding the other electric companies.**

3. Inter-County Cooperative Corporation - $150.46

4. Big Sandy R.E.C.C - $149.34

5. Blue Grass Energy Cooperative Corp. - $143.83

6. Cumberland Valley Electric - $139.41

7. Clark Energy Cooperative - $139.05

8. Meade County R.E.C.C - $138.99

9. Owen Electric Cooperative, Inc. - $135.89

10. Taylor County R.E.C.C - $134.78

11. Kentucky Utilities - $131.93

12. Salt River Electric Cooperative - $131.40

13. Fleming-Mason Cooperative, Inc. - $130.13

13\. Licking Valley R.E.C.C - $128.20

14 Louisville Gas and Electric Company - $111.87.

Below are the 2023 average prices for electric service providers that did not have information available on the PSC website for 2024
Duke Energy - $104.35, Farmers R.E.C.C - $126.74, Grayson R.E.C.C - $148.20, Jackson Energy Cooperative Corp. - $142.51, Kenergy Corp. - $161.57, Nolin R.E.C.C - $141.88, Shelby Energy Cooperative - $145.56, South Kentucky R.E.C.C - $127.00

2. Kentucky Power residential customers have continued to lessen the amount of electricity they use. https://psc.ky.gov/WebNet/ListLibrary/STAT At the same time, their average electric bill has gone up significantly, outpacing the normal inflation rate for the amount used. This trend is NOT REASONABLE OR SUSTAINABLE!
2000 AEP - Monthly usage 1,348 kWh, $65.38
2010 KPCO - Monthly usage 1,523 kWh, $131.69
2015 KPCO - Monthly usage 1,324 kWh, $137.70
2020 KPCO - Monthly usage 1,235 kWh, $147.05
2024 KPCO - Monthly usage 1,183 kWh, $178.32
2025 KPCO monthly usage is not yet included in the annual statistical report. Add 6.37% (Securitized Surcharge Rider added in July of 2025) to the 2024 bill, and the average 2025 bill will be approximately $190. Add another 14.9% and the bill would be roughly $220 for 2026.

Math proportional formula to solve for the current average bill based on the normal inflation rate from 2010 to 2025. The inflation rate for this time period is 48.15%. (Source: https://www.in2013dollars.com/us/inflation/2010?amount=2720#:~:text=The%20average%20inflation%20rate%20of,of%2048.15%25%20over%2015%20years.)

Step 1. $\frac{\$131.69}{(2010)\ 1523} = \frac{x}{1{,}183\text{kWh}\ (2025)}$

Step 2. 1523x = 155,789.27

Step 3. X = $102.30

Step 4. $102.30 x 1.4815 (normal rate of inflation) = $151.56 (bill with normal inflation)

Step 5. 102.30 x 2.13098729 = $218 - my calculation of the new residential average bill

(102.30 x 2.052785923753666 = $210 - the average amount KPCO states the new average residential bill will be)

*The current average bill of $190 reflects an inflation rate of 86% since 2010.

This shows our bills are rising at approximately TWICE the normal inflation rate. This trajectory is not REASONABLE or SUSTAINABLE!

3. Poverty is high within Kentucky Power's service area, making it harder for customers to pay their ever-rising bills. The poverty percentages by county below are from the 2020 census. The overall poverty rate for Kentucky in the 2020 census was 16.4%.
Boyd - 17.7%
Breathitt - 28.2%
Carter - 24.9%
Clay - 31.8%
Elliott - 27.2%
Floyd - 28.3%
Greenup - 15.1%
Johnson - 23.4%
Knott - 24.9%
Lawrence - 20.6%
Leslie - 27.3%
Letcher - 26.8%
Lewis - 22.6%
Magoffin - 33.4%
Martin - 29.2%
Morgan - 18.2%
Owsley - 24.9%
Perry - 25.5%
Pike - 25.0%
Rowan - 24.5%

Ratepayers in poverty pay the highest percentage of their income for utility bills, a measure known as "energy burden". This disparity is a well-documented national issue and is a key indicator of energy injustice.
https://iejusa.org/energy-justice-101-understanding-energy-burden/#:~:text=Energy%20burden%20represents%20one%20of,most%20basic%20test%20of%2

"High" and "severe" burdens: The DOE defines a "high" energy burden as spending over 6% of income on energy, and a "severe" burden as over 10%. The American

Council for an Energy-Efficient Economy (ACEEE) found that about two-thirds of low-income households have a high energy burden, and two of every five have a severe burden. In a 2024 update, ACEEE reported that the quartile of low-income households with the highest burdens paid an average of over 15% of their income on energy bills.

**Consequences of high energy burdens**

The financial strain of high utility bills has severe consequences for households in poverty:

- Forgoing necessities: Many families are forced to choose between paying energy bills and purchasing other essentials like food, medicine, or hygiene products.
- Health and safety risks: Some households resort to unsafe or unhealthy indoor temperatures to reduce costs, which can increase risks for respiratory diseases, stress, and other health issues. In addition, some households resort to dangerous heating methods to stay warm.
- Utility disconnection: A recent study showed that 1 in 5 low-income Americans had their electricity shut off because they could not afford to pay their bill. https://paylesspower.com/blog/energy-poverty-in-the-us-how-many-households-are-choosing-between-ac-and-other-essentials/

According to the Kentucky Energy Affordability Dashboard Data Summary, "Energy burden is the percentage of household income spent on energy costs; it is typically a key performance indicator for the affordability of energy in a particular area. In Kentucky, the average energy burden was 3.03% for the total population and 8.11% for the low-income population. Rising energy burden raises the cost of living for all Kentucky families. However, the negative impact on low-income communities is greater due to the larger percentage of burden compared to the total income earned. In 2022, Kentucky's median household income was $53,804; while this number has increased by 3% since 2021, the cost of living has kept pace with this increase. Additionally, Kentucky is 28% below the national median household income. 19% of Kentucky's population is considered to be below the poverty level, which is well above the national average of 11.6%. Kentucky's impoverished communities are concentrated in specific areas of the state, particularly in the EASTERN part of the state."

Median income of Kentucky Power's service region is noted at $38,000 in the following article. https://kentuckycrossroads.us/commentary/f/lights-on-futures-off-eastern-kentucky's-power-crisis?blogcategory=PSC

The energy burden formula is (Annual Energy Costs / Annual Household Income) x 100 = Energy Burden (%). This calculation determines the percentage of a household's income spent on energy expenses, such as electricity and natural gas.

According to the 2025 Kentucky Energy Affordability Dashboard (chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://eec.ky.gov/Energy/Documents/2024%20KEAD%20Data%20Summary.pdf), the following information is the energy burden per county in Kentucky Power's service area before the 6.37% securitization charge was added. Please note these county statistics involve companies that have a lower average monthly bill than KPCO. The FIRST number represents the low-income population, and the SECOND number represents the total population. The power companies serving each county are also listed.

- Boyd 7.88%, 6.30%, Kentucky Power
- Breathitt 12.41%, 9.93%, Kentucky Power, Licking Valley RECC
- Carter 9.38%, 7.61%, Kentucky Power, Grayson RECC, Olive Hill Utilities
- Clay 11.39%, 9.11%, Kentucky Power, Kentucky Utilities, Jackson Energy
- Elliott 11.57%, 9.25%, Kentucky Power, Grayson RECC
- Floyd 10.64%, 8.67%, Kentucky Power, Big Sandy RECC
- Greenup 7.96%, 6.37%, Kentucky Power, Grayson RECC
- Johnson 10.41%, 8.33%, Kentucky Power, Big Sandy RECC
- Knott 13.93%, 11.14%, Kentucky Power, Big Sandy RECC
- Lawrence 10.40%, 8.32%, Kentucky Power, Grayson RECC, Big Sandy RECC
- Leslie 13.06%, 10.45%, Kentucky Power, Jackson Energy, Cumberland Valley Electric
- Letcher 12.93%, 10.35%, Kentucky Power, Cumberland Valley Electric
- Lewis 11.18%, 8.95%, Kentucky Power, Fleming Mason Energy, Grayson RECC, Vanceburg, Kentucky Electric Utility

- Magoffin 12.78%, 10.22%, Kentucky Power, Licking Valley RECC
- Martin 10.40%, 8.32%, Kentucky Power, Big Sandy RECC
- Morgan 9.97%, 7.98%, Kentucky Power, Licking Valley RECC
- Owsley 16.39%, 13.11%, Kentucky Power, Jackson Energy
- Perry 11.65%, 9.32%, Kentucky Power
- Pike 10.82%, 8.65%, Kentucky Power
- Rowan 8.78%, 7.02%, Kentucky Power, Kentucky Utilities, Clark Energy Cooperative, Fleming Mason Energy, Grayson RECC

These energy burdens per county in Kentucky Power's service area are already far above the state average of 3.03%. ALL ARE ABOVE THE 6%, WHICH IS CONSIDERED HIGH. Our low-income brothers and sisters and those on fixed incomes are in a terrible situation. Adding more financial stress to Kentucky Power's customers is NOT REASONABLE or ethical.

5. Kentucky Power has had several rate and bill increases over the past fifteen years. In 2010 they received a 16.84% rate increase. In 2015, the PSC agreement allowed KPCO to increase the annual revenue by $45.4 million, adding another $11 to residential customers' bills. Most recently, in 2021, they received a 15.46% rate increase adding another $18.59 to the average residential bill. In 2023, they requested an 18.33% increase and received a 5.66% increase beginning in January 2024. As stated in the PSC press release on 2023-00159, "In making its decision, the Commission found the proposal's impact on residential customers to be "excessive and disturbing," in part as evidenced by the comments in the case indicating customers could not afford further rate increases." In July 2025, customers saw a 6.37% increase in their bills due to a new "securitized surcharge" implemented in late June 2025. These rate increases have ensured Kentucky Power customers pay the highest average monthly bill in the state. I hope the commission will thoroughly read public comments on 2025-00257 which reflect hardships Kentucky Power customers are currently experiencing and how adding another rate hike will only make matters worse.

6. KY Power COO, Cindy Wiseman, mentioned in the 6/8/2023 Joint Committee on Natural Resources and Energy

(https://www.youtube.com/live/a3WLVtunniQ?si=9hR4T4vh7KBLNd9Vthat) loss of load and population/customer decline were two of the reasons for the rate hike, especially related to fixed costs. These two reasons were also mentioned in the 2017, 2020, and 2023 cases, and now in the 2025 rate hike case. Meanwhile, KENTUCKY POWER HAS NOT PROPERLY ADJUSTED THEIR BUSINESS MODEL TO RIGHT FIT THE DECLINING POPULATION OF THEIR SERVICE AREA. To say the least, things have not gone well since Kentucky Power shut down Big Sandy Unit 2. Rocky Adkins was right in 2012, in his comments before the PSC, "KENTUCKY POWER'S LEAST COST ANALYSIS IN THE CASE BEFORE YOU DOES NOT INCLUDE THE LOCAL, REGIONAL, SOCIAL AND ECONOMIC COST TO KENTUCKY AND ITS CITIZENS OF SHUTTING DOWN THE BIG SANDY UNIT 2. TO QUOTE ONE OF AEP'S OWN PRESS RELEASES, "COMMUNITIES THAT HAVE DEPENDED ON THESE PLANTS TO PROVIDE GOOD PAYING JOBS AND SUPPORT LOCAL SERVICES WILL FACE SIGNIFICANT REDUCTIONS IN PAYROLL AND PROPERTY TAXES. THE ECONOMIC IMPACT WILL EXTEND FAR BEYOND DIRECT EMPLOYMENT OF POWER PLANTS AS THOUSANDS OF ANCILLARY JOBS ARE SUPPORTED BY EVERY COAL FUELED GENERATING UNIT." ABANDONING BIG SANDY UNIT 2 WILL MEAN THE LOSS OF MORE THAN 150 FULL TIME JOBS AT THE PLANT." https://psc.ky.gov/PSCSCF/2012%20cases/2012-00578/Public%20Comments/20130517_Representative%20Adkins_Prepared%20Remarks%20from%20Louisa%20Public%20Hearing.pdf

What happened at the Big Sandy Plant is still, to this day, a tragedy. The decisions made by AEP/Kentucky Power have added to the population decline and declining industrial sales by decommissioning coal-burning Big Sandy 2, which they continually use as a reason to raise rates.

According to the Commonwealth of Kentucky PSC Annual Report Statistics, 2024 Kentucky Power showed $167,644,587.00 in industrial revenues in 2024, using 2,016,139,000 kWh. The 2010 PSC Annual Report Statistics 2010 showed $183,743,128.00 in industrial revenues 2010, with 3,255,731,000 kWh being used. While Kentucky Power is not to blame for all of the decline in industrial sales within their service area from 2010 until 2024, they certainly played a part when they pulled

out of Louisa and invested heavily in the Mitchell Plant in WV.
https://psc.ky.gov/utility_financial_reports_NET/stats/100_278.pdf
https://psc.ky.gov/utility_financial_reports_NET/stats/100_278.pdf

Saddling families, many of whom are in poverty with already high energy burdens, to be the shock absorber of industrial decline (especially when Kentucky Power contributed to it) is NOT REASONABLE!

7. In the COMMONWEALTH OF KENTUCKY, CASE NO 2021-00004 (Kentucky Power is now seeking "capital investments" in the Mitchell Plant, case no 2021-00004 is now closed) in the RESPONSE BRIEF OF ATTORNEY GENERAL AND KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC., the following statement was made, "1. Operating The Mitchell Plant Beyond 2028 Forces Kentucky Power Customers To Pay Millions of Dollars To Provide Economic Benefits To West Virginia That May Otherwise Flow To Kentucky. Continuing the operation of Mitchell through 2040 perpetuates economic development benefits to West Virginia that could otherwise flow to Kentucky if future capacity resources used by the Company were located within the Commonwealth. For instance, in 2020, the Mitchell plant employed 225 people with an average total compensation of $144,477, for a total annual employee cost of $32.5 million. Those employees resided in West Virginia and Ohio. No employees resided in Kentucky. And while the Company does not know where its onsite contractors reside, it is likely that they reside in either West Virginia and Ohio since those states are within a reasonable distance and commute to and from the plant site. Additionally, 99.3% of the coal burned at the Mitchell plant (or 1,229,276 tons) in 2020 came from West Virginia, with only the remaining 0.7% (9,250 tons) coming from Kentucky. That year, West Virginia received $2.963 million in state and local taxes, $6.285 million in business and occupation taxes, $0.159 million in state unemployment taxes, and $0.992 million in state employment taxes from the Mitchell plant. Total West Virginia tax revenue in 2020 was $10.4 million. Kentucky has never received any tax revenue from the Mitchell plant, nor will it in the future. As these statistics reflect, the Mitchell plant provides little to no economic value to the Commonwealth."

Update: **Kentucky AG Backs Kentucky Power's Bid To Keep W.Va. Coal Plant** https://wvpublic.org/story/energy-environment/kentucky-ag-backs-kentucky-powers-bid-to-keep-w-va-coal-plant/#:~:text=Kentucky's%20attorney%20general%20supports%20Kentucky,the%20Kentucky%20Public%20Service%20Commission.

In addition to providing no direct jobs, ancillary jobs, tax revenue, coal sales, or economic boosts to the KPCO service region, KENTUCKY POWER CUSTOMERS COULD BE ON THE HOOK FOR THE PARTIAL DECOMMISSIONING COST OF THE MITCHELL PLANT IN WV WHICH IS SCHEDULED FOR DECOMMISSIONING IN 2040 ACCORDING TO AEP RECORDS. THIS SPELLS FURTHER FINANCIAL HARDSHIPS FOR KENTUCKY POWER CUSTOMERS WHOM ALREADY PAY THE HIGHEST AVERAGE BILLS IN THE STATE. IN ADDITION TO DECOMMISSIONING YET ANOTHER COAL FIRED PLANT, THE KPCO RATEPAYERS WOULD STILL BE RESPONSIBLE FOR THE COST OF NEW GENERATION.
https://www.gem.wiki/Mitchell_Plant

According to a recent meeting I had with Cindy Wiseman, COO of Kentucky Power, the 2022 IRP is no longer in play. I do not know what future generation will be for KPCO ratepayers, but I do know it is important to invest in our service area to better address the need for more population and industrial sales.

The concept of extracting money for electrical bills out of EKY while only providing limited investment is an imbalance that does not benefit the service area.

Both the decommissioning of the Mitchell Plant and new generation sources will be revenue-intensive. Looking to future rate hikes, riders, and the need for securitization, I strongly oppose the 14.9% residential rate hike and the 13-15% rate hike for KPCO customers. **In addition, at a time when Eastern Kentucky desperately needs industrial growth, raising rates is a deterrent, not an incentive, to attract new industrial customers and retain the ones we have.**

8. Below is information from the University of Kentucky ~ Population Projections to 2050. https://kybtn.mgcafe.uky.edu/node/11 The University of Louisville, KSDC, also shows a significant population decline in Kentucky Power's service area. https://louisville.widen.net/s/qlgpqnkcdd/projection-report-2022 (statistics are in Appendix 6).

Boyd: -8.7% (Personal note, I think this can be reversed due to the hard work of our fiscal court and ongoing work by the City of Ashland on economic matters)

Breathitt: -39.4%
Carter: -2.9%
Clay: -31.7%
Elliott: -0.8%
Floyd: -30.5%
Greenup: -8.8%
Johnson: -12.5%
Knott: -25.6%

Lawrence: -6.2%
Leslie: -29.5%
Letcher: -14.4%
Lewis: -9.9%
Magoffin: -7.6%
Martin: -33%
Morgan: -11.4%
Owsley: -16.4%
Perry: -22%
Pike: -26.3%
Rowan: +18.5%

Of the 20 counties Kentucky Power serves, 19 are predicted to lose considerable population by 2050. This is especially concerning as Kentucky Power has often cited population loss as a reason to raise rates. Raising rates over and over while using declining populations is not REASONABLE! Kentucky Power needs to right-size its business model. Informational models on population declines are widely available for their service area.

Raising bills at close to twice the normal rate of inflation on the declining population in the KPCO service region is simply not workable or reasonable. This only helps to further drive folks out of the service area. Another solution must be found besides the constant drumbeat of returning to the PSC asking for a rate hike, using population loss and fixed costs as reasons. This load is way too heavy for families to carry!

9. Kentucky Power is a monopoly. Supply-wise, it does have the Big Sandy natural gas plant in Louisa, KY, producing 295 megawatts, and the Mitchell coal-fired plant in WV, producing 1560 megawatts, for which it owns 50%. This is not fair or REASONABLE for another state to have the financial benefit of such a large share of the supply side power with direct jobs, ancillary jobs, local and state tax benefits, and overall economic boosts. In contrast, the Kentucky Power ratepayers who lost the many benefits of a coal-fired plant in their service region are forced to absorb the full cost of unfortunate natural disasters through bill hikes and have less tax money for basic services. https://www.kentucky.com/news/state/kentucky/article310379935.html

I understand ROE for investor utilities; unfortunately, families in EKY cannot keep up with the costs of satisfying the investors. If there were a way for families to have a choice, many households would leave Kentucky Power due to skyrocketing bills. The public comments on this case show great financial distress due to high electric bills. https://psc.ky.gov/Case/ViewCaseFilings/2025-00257/Public

10. On a personal note, I work in my church's food pantry ministry. I have talked with more than one person for whom it comes down to "heat or eat". While I am glad our church food ministry can help out, this is the position where too many folks in Kentucky Power's service find themselves due to high electrical bills. LIHEAP helps, but threats loom on this vital program. https://kentuckylantern.com/2025/05/23/trump-plan-to-zero-out-energy-assistance-would-be-a-deadly-blow-to-eastern-kentucky/ I appreciate the programs Kentucky Power has to help those in need. Still, these programs are insufficient when bills are UNREASONABLY 30-40% higher than the national average and the highest in the state, with no ceiling in sight. Indeed, the public comments in this rate case reflect that the public cannot withstand another rate hike.

11. American Electric Power (AEP), the parent company of Kentucky Power, has experienced recent record profits while filing rate hike cases in multiple states. This is not a REASONABLE position for the customers to be in, especially in a monopoly. Obviously, no customers in Kentucky Power's service area can get their electrical service from another company.
https://www.dispatch.com/story/business/2025/08/08/aep-quarter-profits-soar-as-ohio-customers-face-higher-electric-bills/85508652007/
https://www.nbc4i.com/news/local-news/columbus/aep-reports-record-quarterly-profits-as-electric-bills-surge-for-ohioans/
https://www.aep.com/news/stories/view/10354/

12. Leaders in NEKY are working hard to attract new businesses. Raising commercial and industrial rates by 13-15 percent is not helpful and adds another hurdle to local economic development teams when attracting new industries and businesses. Below are articles that represent a sampling of examples of regional economic development initiatives.
https://www.dailyindependent.com/news/boyd-greenup-announce-economic-partnership/article_07238526-bafc-11ee-8925-cfbb59695269.html https://tinyurl.com/23wpr24q

https://www.dailyindependent.com/news/former-coke-plant-cleanup-nearly-complete-city-ready-to-market-site/article_17724457-bde5-4e89-bec5-845f1f816921.html

https://www.dailyindependent.com/news/mi-de-con-coming-to-eastpark/article_a5ef62ba-88a2-11ee-bdbe-4f792e05181f.html
https://halrogers.house.gov/2021/1/eastpark-industrial-center-receives-4-3-million-investment-for-new-65-000-square-foot-building#:~:text=Jan%2015%202021,tap%20into%20our%20Commonwealth's%20potential.%E2%80%9D

https://wchstv.com/news/local/greenup-county-announces-3-economic-development-projects-in-10-days

https://www.dailyindependent.com/guest-column-eastern-kentucky-is-ready-for-development/article_5cd718fe-b5c0-4365-a38f-3974fdbfdffe.html

Chapter 10
https://cms8.revize.com/revize/ashland/Departments/Community%20&%20Economic%20Development/Planning%20&%20Zoning/2020%20Comprehensive%20Plan%20Adopted%2006-26-20

13. Below are some questions that need to be addressed.

1. Kentucky Power's 2022 IRP states, "Kentucky Power filed its IRP Preferred Plan in March 2023: Kentucky Power's current ("going-in") capacity position reveals a need for new capacity in 2028, reflecting the divestiture of Kentucky Power's 50% undivided ownership interest in the Mitchell Plant. In addition, part of the current plan is to extend the life of the Big Sandy Plant from 2031 to 2041. Based on a comprehensive study and stakeholder discussions, Kentucky Power's 2022 IRP recommends the following:
*Extend the life of the Big Sandy Plant gas unit for an additional 10 years through mid-2041.
*Add new gas combustion turbine (CT) units in 2029 following the divestiture of Kentucky Power's 50% undivided ownership interest in the Mitchell Plant.
*Add solar and wind generation resources.
*Purchase short-term capacity through 2028 to bridge between the divestiture of the Mitchell Plant and the addition of gas CT units.
*Implement approximately 48 MW of additional demand-side resources between 2023 and 2037.

*Add 50 MW of 4-hour lithium-ion battery storage in 2035 to bolster the Kentucky Power portfolio in later years."
https://www.kentuckypower.com/lib/docs/ratesandtariffs/Kentucky/KYPowerIntegratedResourcePlan-final.pdf
Approximately how much will each of these actions cost? Will the solar and wind generation resources be located in the Kentucky Power service region?

Update: I found out on 9/15/2025, per my meeting with Cindy Wiseman, that Kentucky Power was basically scrapping its 2022 IRP and would just pour money into the Mitchell Plant, which, per AEP records, is scheduled to be decommissioned in 2040. Having no clear path forward for future power generation past Mitchell is UNREASONABLE and needs to be remedied.

2. How many service cutoffs did Kentucky Power customers have in 2023 and 2024? Did the step taken in case 2023-00159 of changing the timing of the bill's due date from 15 to 21 days after receipt reduce cutoffs?

3. The Kentucky Power ad in The Daily Independent on this rate case stated, "Supporting local non-profits". How much of a customer's bill goes to Kentucky Power for them to "support local non-profits"? Can customers opt out of this? What is the process of deciding which non-profits receive funding from Kentucky Power?

4. Tree trimming has been a part of past rate cases. How much more money is needed for vegetation management? What accountability system ensures customers are already getting their money's worth? Can this be dropped from the current rate case?

5. Has Kentucky Power or the PSC studied the "energy burden" of ratepayers within their service region? Has this information been used in rate cases?

6. What is the total compensation for Kentucky Power executives? As "population and industry" have decreased in the service region, has compensation for executives also decreased?

7. Does Kentucky Power have a plan to better address "fixed costs" concerning declining population and industry besides transferring the need for revenue to current customers? Continually using "population loss" as a reason for rate hikes is UNACCEPTABLE and UNREASONABLE.

8. What cost cutting measures has Kentucky Power put in place equal to the declining population and industrial growth in their service region?

Steps that I would like to see in the future:

1. A meeting involving the following to discuss the expectations and needs of Kentucky Power along with Kentucky Power better understanding the needs of customers: representatives from every city and county fiscal court in the Kentucky Power service, representatives from the KY PSC, representatives from the Kentucky Cabinet for Economic Development, every state elected official in the service region, representatives from the Governor's office, intervenors, and the COO and other representatives from AEP and Kentucky Power. The topic needs to be ECONOMIC DEVELOPMENT! Kentucky Power has lost around ⅓ of its industrial sales over the past 15 years, while EKY has lost so much more. Change must happen!

2. The service region needs a strategic plan with ongoing meetings and backing, and a focus on execution from the Kentucky Cabinet for Economic Development, the Governor's office, and local governments to address the needs of ECONOMIC DEVELOPMENT IN EASTERN KENTUCKY!