

Testimony presented by Suzanne Barker Griffith on Dec. 18, 2025, to the Kentucky PSC in Perry County, KY, concerning the Kentucky Power's proposed unreasonable, unjust, and unfair rate hikes in Case Number 2025-00257.

I am here today to express my deep concern about Kentucky Power's proposed 14.9% residential rate hike, its 13% commercial rate hike, and its 15% industrial rate hike and how those can impact our area.

Two things before I begin. On Sept. 15 I had a meeting per her request with Cynthia Wiseman, COO of Kentucky Power and although we view this issue very differently, we both agree that economic development is needed to help better address the cost of energy in our region.

As a retired teacher of 38 years, I understand the importance of economic security in the home.

Kentucky Power has continuously used loss of population and loss of industry as reasons to raise rates compared to their fixed costs. I am not an actuary, but I can assure you the math does not work in ratepayers favor when these two reasons are used. Both the University of Kentucky and University of Louisville projections show significant population loss in EKY through 2050. In the struggle for fair rates, Kentucky Power needs to adjust its business model to be inline with population models. Keep in mind, families, small businesses, and industries have fixed costs as well and have to stay within budget.

First, when it comes to residential rates, in the high poverty region we live in, we already pay the highest average bill in the state and our energy burdens (percent of income going to energy) across the region are twice to five times more than the average. High to severe energy burdens leave ratepayers choosing necessities like food, medicine, rent, or paying the electric bill. Adding further financial strain through excessive rate hikes is ethically indefensible, especially against a backdrop of declining population and industry, made worse by Kentucky Power's own decisions.

Second, like the residential rates, Kentucky Power's commercial rates rank amongst the highest in the state. High energy costs put a strain on our valued and appreciated small businesses that are truly the heartbeat of eastern Kentucky. Needless to say this is no way to keep and attract businesses.

Third, Kentucky Power has lost 38% of its industrial sales since 2010. We definitely have felt the gut punch of that reality in my home county of Boyd, when AK and the Coke Plant closed. Of course when Kentucky Power made the corporate decision to pull out of Louisa and invest billions of eastern Kentucky energy dollars in the coal-burning Mitchell Plant in WV, which employs no Kentucky residents, burns WV coal, and pays no Kentucky taxes, the situation was made worse. Obviously, this move helped to

perpetuate the loss of population and industry, the very two reasons they give to continually raise rates.

Rocky Adkins warned the PSC in Case Number 2012-0615, that 500 coal mining jobs, 150 power jobs, and thousands of other jobs would be lost with the closing of Big Sandy 2 in addition to lost electrical load used by coal mines and he was right!

Kentucky Power has referred to itself as a leader in economic development in our region. While I do appreciate some of their initiatives as directed to do so by the PSC, a true leader would have never shut down Big Sandy 2 in favor of the Mitchell plant or would put the service region in a worse off position to attract new industries and businesses due to high rates.

In 2024, the Kentucky PSC found the 18.3% proposed impact to residential customers to be "excessive and disturbing" when dropping that amount to 5.66%. These current proposed rate hikes are even more "excessive and disturbing" especially in light of Cynthia Wiseman, COO of Kentucky Power with Bill Fehrman, President of AEP sitting right beside her on Feb. 12, 2025 stated to the KY Senate Natural Resources and Energy Committee in Frankfort, "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."

Once again, I ask the KY PSC to help Ms. Wiseman with her stated priority for Kentucky Power of lowering rates and completely deny these unjust, unreasonable and devastating rate hikes.

In addition, I am leaving you with some homework to review that I will be discussing more at the next PSC meeting in Ashland including the One East information on how KENTUCKY CAN SPUR ECONOMIC GROWTH AND RESILIENCE WITH CHANGES TO INCENTIVE PROGRAMS and A LEGISLATIVE STRATEGY CREATED BY & FOR KENTUCKY'S ECONOMIC DEVELOPERS.



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KENTUCKY CAN SPUR ECONOMIC GROWTH AND RESILIENCE WITH CHANGES TO INCENTIVE PROGRAMS



9 DEC 2025

News

Kentucky has an opportunity to create brighter futures in counties with the highest rates of unemployment and poverty, while simultaneously making it easier for the state to rebound from economic shockwaves. Kentucky currently has a two-tier system for economic development tax incentives. If it expands to a four-tier model, it can better allocate resources to the counties that need resources most.

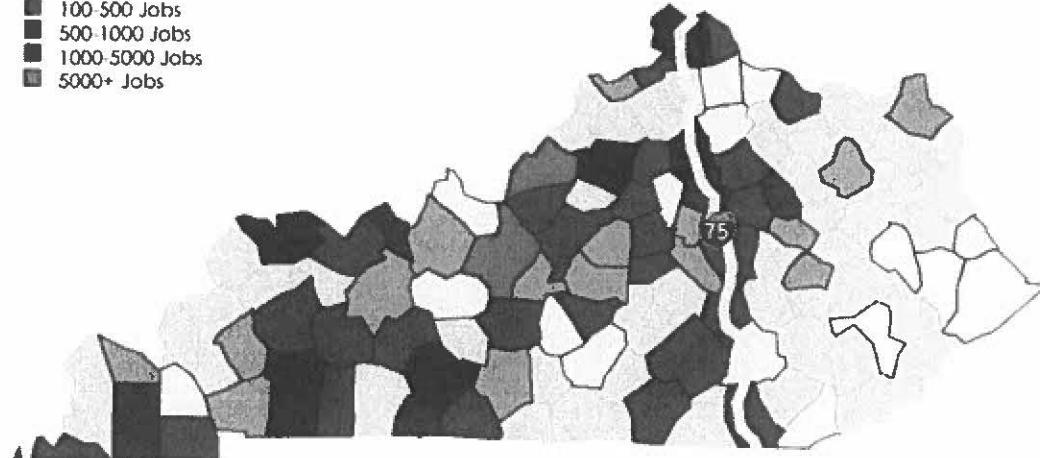
Through the proposed plan, which One East Kentucky President & CEO, Colby Kirk, **presented to Kentucky's Interim Committee on Economic Development and Workforce Innovation**, annual reviews of tier placement will ensure any county affected by business closures has immediate access to resources, allowing them to rebound faster.

"Since the COVID-19 pandemic, 95% of all new jobs incentivized in Kentucky have been in communities along or west of I-75," says Colby Kirk, President and CEO of **One East Kentucky**. "That leaves only 5% of incentivized job creation in 40 counties in the Eastern part of the state, where 16% of residents live."

Kentucky lawmakers have an opportunity to support the entire state while specifically investing in regions with low median household income and high unemployment levels. Reducing poverty will benefit every resident, regardless of location and financial situation.

Jobs Announced/Incentivized in the Post COVID Recovery

- 1-50 Jobs
- 50-100 Jobs
- 100-500 Jobs
- 500-1000 Jobs
- 1000-5000 Jobs
- 5000+ Jobs



The Current Incentive Strategy is Inefficient

Kentucky has a **two-tier system** for **economic development tax incentives**: enhanced and non-enhanced counties. The enhanced counties allow companies to receive incentive benefits for five additional years. However, 90 Kentucky counties are currently enhanced, which is 75% of the state. This doesn't separate the communities with the highest need levels from their more affluent counterparts, and is a contributing factor to why most post-pandemic job creation has occurred in wealthier areas.

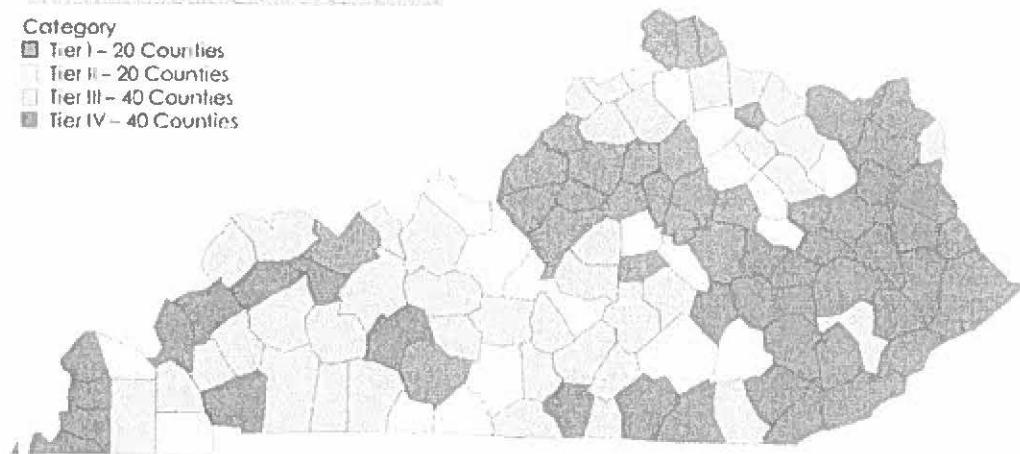
A Four-Tier System is Detailed and Responsive

The team at One East Kentucky proposes switching to a four-tier model to determine where economic development incentives are most needed. Counties would be ranked from 1 to 120 by median household income, unemployment, and population. Tier One counties would have the highest incomes and populations with the lowest unemployment rates, while Tier Four counties would have the highest rates of unemployment and the lowest median household incomes and populations.

Counties sorted by Weighted Average of 5-yr Avg. Unemployment and County Population Ranking
Sources: Kentucky Department of Education, Kentucky Department of Workforce Development, U.S. Census Bureau

Category

- Tier I – 20 Counties
- Tier II – 20 Counties
- Tier III – 40 Counties
- Tier IV – 40 Counties



"Other states have made this move and are seeing results," says Kirk, referring to the multi-tiered systems of South Carolina and Tennessee. "In fact, the states we compete against directly have switched to a four-tier system."

The four-tier model would also make Kentucky more resilient because the county placement within the tiers is reviewed annually. Counties facing economic shocks would receive a different tier rating, allowing them to take advantage of incentives to build back. For example, if a natural disaster hits or if a major employer leaves an area and unemployment spikes, the county could access additional incentives for job creation in as few as 12 months.

Economic Development Reduces Poverty

One East Kentucky exists to foster economic investment that leads to job creation in the region, helping residents out of poverty. The **World Bank** believes job creation provides the best opportunity to reduce poverty rates and build up states and countries. Women reinvest 90% of their earnings into their families and communities, so even the creation of a few jobs can spread ripple effects across a region.

Specifically, job creation in Kentucky can reduce the need for government assistance. **Kentucky is one of seven states** where more than 25% of the population is on Medicaid. Eastern Kentucky also has high rates for SNAP participation, also known as food stamps. Most Eastern Kentucky counties have **SNAP enrollment rates ranging from 20% to 25%, while the state average is 12.9%.**

The four-tier system could help Kentucky legislators allocate resources where they are needed most, so that the most vulnerable residents receive job opportunities and the ability to reach a point of financial stability, allowing them to move away from dependency on programs like Medicaid and SNAP.

"The government can support residents living in poverty forever, or it can make short-term investments that will move people off government assistance in the long run," says Kirk. "A lot of people don't want to use these programs but have to because there aren't enough high-quality job opportunities."

Kentucky Can Become More Competitive and Resilient Now

Kentucky has a chance to improve how it supports our communities by creating opportunities for them to invest in economic development. Job creation, new business investment, and infrastructure improvements can go further than assistance programs. To the legislators meeting in Frankfort, consider a four-tier system to incentivize economic development projects. Vote to make your counties more resilient while building a better future for the commonwealth.

[Learn more about the four-tier system to incentivize economic development projects.](#)

More Topics

Eastern Kentucky Improves Industrial Sites Through the Product Development Initiative

NOV 4 2025

Kentucky Product Development Initiative (KFDI) has been invaluable in securing funding to develop sites that will attract businesses to the region. The state allocated \$35 million per fiscal year in the last biennial budget, and the counties supported by One East Kentucky have received more than \$9 million since the...

Hazard is Building a Diverse Economy & Community With a High Quality of Life

OCT 29 2025

The communities of Eastern Kentucky have plans for the future. Each of the counties and cities represented by One East Kentucky is working to attract residents, increase job opportunities, and modernize local economies. The City of Hazard is leading the way, and its business development efforts are paying off. "We keep...

One East Kentucky uses ResearchFDI to Generate Leads

JUL 14 2025

One East Kentucky Works With ResearchFDI to Generate Business Attraction LeadsBusiness attraction is one of the top goals of One East Kentucky, as new business in the region creates employment opportunities and fosters a diverse economy. ResearchFDI, an investment attraction firm, streamlines the business recruitment process through lead generation. This...

AVAILABLE. SKILLED. WORKFORCE

The One East Kentucky region is blessed with an available skilled workforce. These workers are highly mechanically inclined and proven to transition into new industries with ease. Their base skillsets are relevant to all forms of manufacturing. In addition, workforce training incentives and facilities are readily available to customize their skills to your needs. [Learn More](#)

95%

NON-UNION

\$17.45

AVERAGE HOURLY EARNINGS

25.3

AVERAGE COMMUTE TIME

7,500

AVAILABLE WORKERS

One East Kentucky

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New
Kentucky
Home

A LEGISLATIVE STRATEGY CREATED BY & FOR KENTUCKY'S ECONOMIC DEVELOPERS

DRAFT

2025

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SUMMARY OF PRIORITIES

SUMMARY OF PRIORITIES

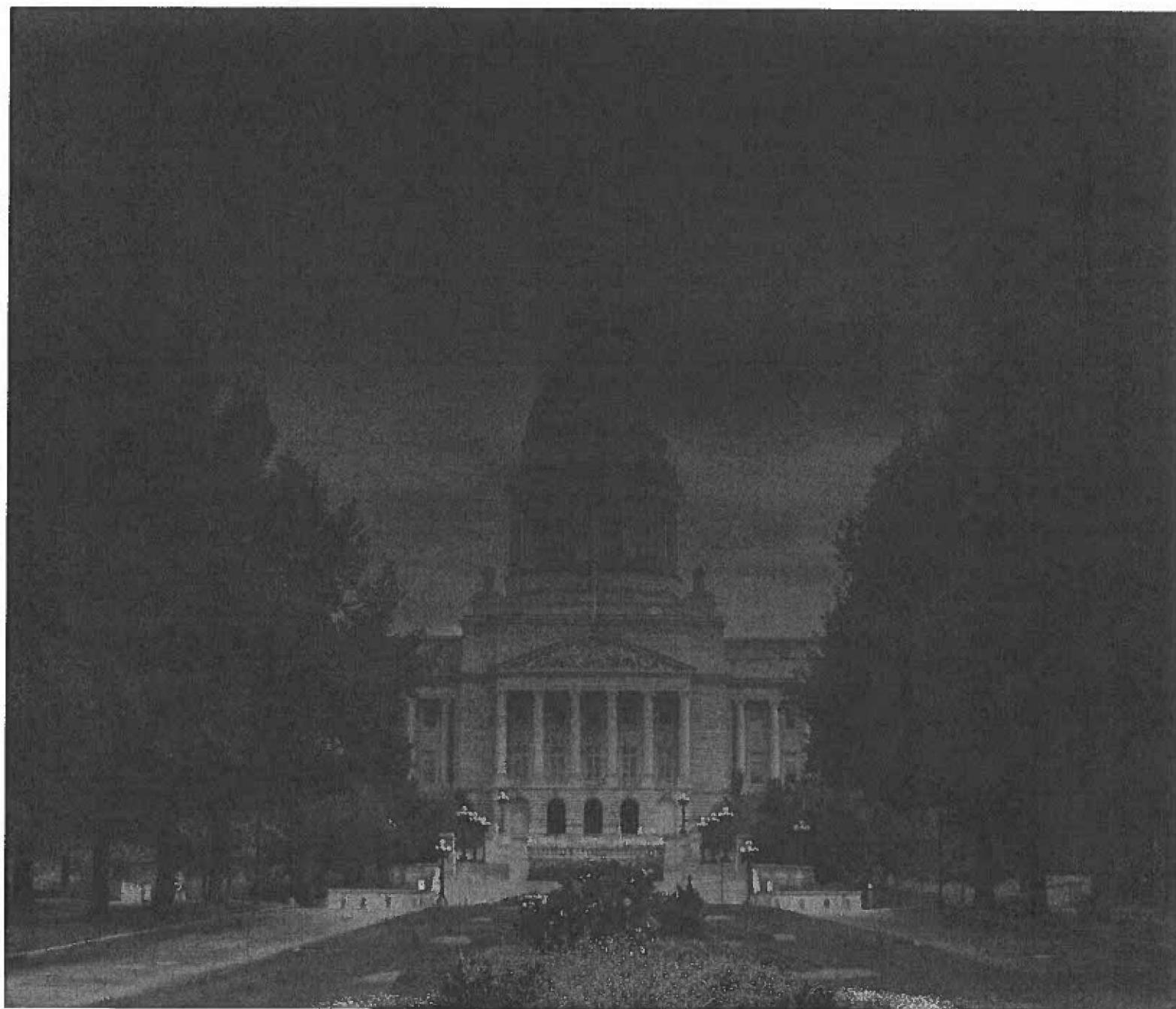
The priorities for continuing to advance Kentucky's economy are below and described in more detail throughout the document:

1. **Kentucky Business Investment Program (KBI) - KRS 154.32**
 - a. *Return the value lost to its 2022 original value*
 - b. *Double the required average wage eligibility to 220% of federal minimum wage*
 - c. *KBI applicants to have a 90-day historical window of eligible costs incurred for a project prior to KEDFA approval if granted in writing by CED Secretary*
2. **Adjust KBI tool kit for economic development to strengthen the ability to attract business & professional service jobs, HQs, R&D, and Design functions to diversify and grow Kentucky's overall job base by redefining eligible investments as part of the incentive to better reflect non-manufacturing types of employment growth.**
3. **Rural and Eastern Kentucky Opportunity Focus**
 - a. *A Focus on Shared Responsibility Leads to Shared Opportunity*
 - Establish a **\$50 million revolving loan fund** to assist local communities to conduct build-to-suit opportunities for small to medium-sized manufacturers.
 - Use a portion of the rural loan fund and allow **GRANT tools** to leverage and attract the commonwealth's fair share of **New Market Tax Credits**, which were recently made permanent by recent federal legislation. **\$10 Billion of these credits** will be awarded in the fall of 2025.
 - Provide KBI benefits to include an added .75% of refundability based upon sales tax collections for new jobs created
 - Allow KBI benefits as part of a **remote worker attraction program** solely for use in rural and Eastern Kentucky, both for an individual and for hiring authorities where a local program is implemented.
 - **Increase the Kentucky Product Development Initiative KPDI amount** for each rural and Eastern Kentucky county from \$2,000,000 to \$2,400,000
 - Increase the Secretary's Bluegrass State Skills Funds discretionary account to be reserved for high impact training in Rural and Eastern Kentucky counties.
 - **Dedicate a portion of the \$25 million high growth fund** be directed for Rural and Eastern Kentucky communities
 - Allow up to a 20% premium for mega closing fund use for new jobs created in designated Rural and Eastern Ky communities
 - Conduct a study working with the CED and the Governor's Office to evaluate the benefits of **reciprocal agreements in use of incentives for border communities in rural and Eastern Kentucky**. These communities, when vying for projects in which a portion of the workforce resides in an adjacent nearby state, are not able to offer the incentives that are equal to those offered by non-border communities in Kentucky. The study would determine these benefits and mechanisms to help facilitate reciprocity agreements with adjacent states to help grow employment in these border communities on either side of the border, resulting in enhanced employment for all residents.
 - Implement a legislative change to allow for property tax abatements to be utilized **without the required use of Industrial Revenue Bonds**
4. **Kentucky Product Development initiative (KPDI)-KRS 154.21**
More and Better Products to Continue Winning in a Competitive Environment
5. **Government Resources Accelerating Needed Transformation (GRANT)**
Continue the Leverage of Federal Funds for KY Growth
6. **Funding for High-Tech Growth Businesses**
Repurpose Budgeted Funds for High-Wage Growing Companies
7. **Dedicate \$5 Million for Talent Attraction** activities in partnership with local chambers of commerce, companies and economic development organizations.
8. **Alternative to Industrial Revenue Bonds**

9. **Critical and Impactful Carry Forward Items from Previously Appropriated Funding:**

- **Kentucky Product Development Initiative:** Notwithstanding KRS 45.229, the balance of the General Fund appropriation authorized in 2024 Ky. Act ch. 175 Part I, B., 1 (8) shall not lapse with any amounts approved but not dispersed under the Kentucky Product Development Initiative program be used in future rounds of funding.
- **Mega-development Projects Carry Forward of Appropriation Balance:** Notwithstanding KRS 45.229, the balance of the General Fund appropriation authorized in 2024 Ky. Acts ch. 223, sec. 24, and 2024 Ky. Acts Ch. 223, Sec. 71, and 2024 Ky. Acts ch. 175 Part I, B., 1 (8) shall not lapse and shall carryforward.
- **Funding for Commercialization and Innovation:** Notwithstanding KRS 154.12-278, interest income earned on the balances in the High-Tech Construction/Investment Pool and loan repayments received by the High-Tech Construction/Investment Pool shall be used to support the Office of Entrepreneurship and are appropriated in addition to amounts appropriated above.
- **Lapse and Carry Forward of General Fund Appropriation Balance for Bluegrass State Skills Corporation:** Notwithstanding KRS 45.229, the General Fund appropriation balance for Bluegrass State Skills Corporation training grants for fiscal year 2025-2026 and fiscal year 2026-2027 shall not lapse and shall carry forward. The amount available to the Corporation for disbursement in each fiscal year shall be limited to the unexpended training grant allotment balance at the end of each fiscal year combined with the additional training grant allotment amounts in each fiscal year of the 2026-2028 fiscal biennium, less any disbursements. If the required disbursements exceed the Bluegrass State Skills Corporation training grants allotment balance, notwithstanding KRS 154.12-278, Restricted Funds may be expended for training grants.
- **Science and Technology Program:** Notwithstanding KRS 164.6011 to 164.6035 and any other statute to the contrary, the Cabinet for Economic Development shall have the authority to carry out the provisions of KRS 164.6013 to 164.6035.
- **Carry Forward of General Fund Appropriation Balance:** Notwithstanding KRS 45.229, the General Fund appropriation in fiscal year 2025-2026 and fiscal year 2026-2027 to the Cabinet for Economic Development, Science and Technology Program, shall not lapse and shall carry forward in the Cabinet for Economic Development.

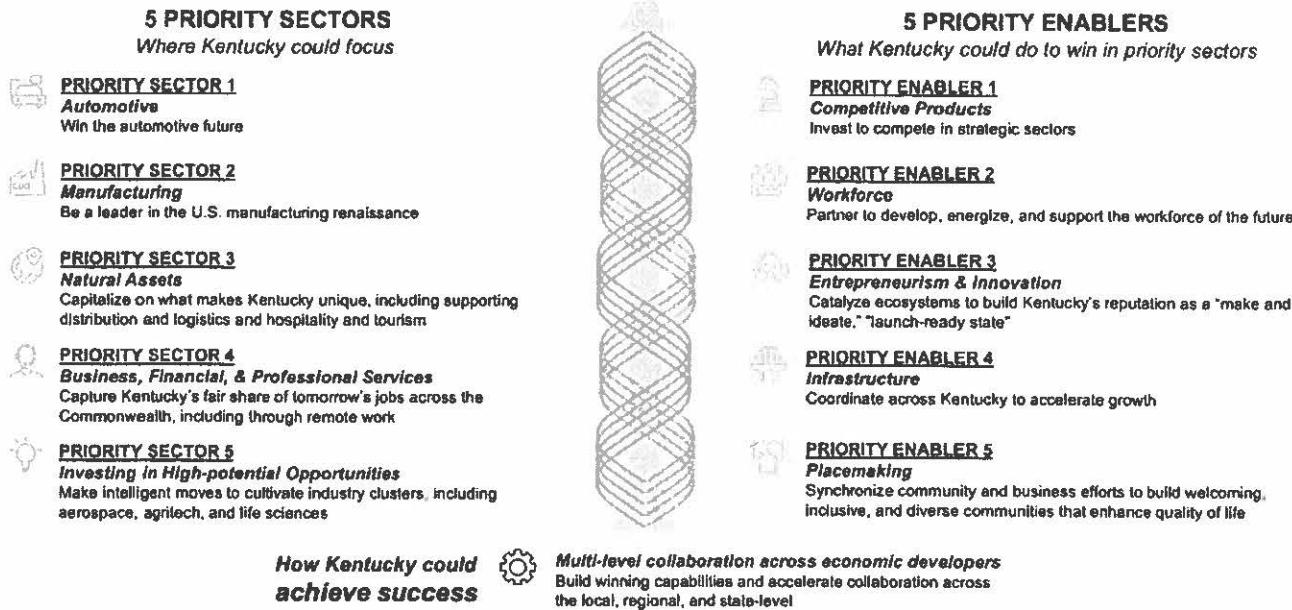
LEGISLATIVE STRATEGY



LEGISLATIVE STRATEGY

This legislative strategy was created over the past two years through a series of 25 meetings across the state with local economic development professionals regarding areas in which stronger collaboration will help continue the growth of Kentucky's economy while expanding initiatives to help assure opportunities for all Kentuckians.

These meetings covered a myriad of topics and focused on the Blueprint for Success created by economic developers in 2023.



As a result of these meetings, economic development professionals reached a consensus on items they felt important to be considered by the Kentucky General Assembly.

During meetings held in 2025, a formal survey was conducted in which 94% of all economic development professionals in attendance indicated they did not have sufficient tools to be successful in their respective areas of Kentucky. Additionally, 97% felt that the collective voice of the economic development professionals to work together to achieve enhancements in economic development programs was important.

The following document is a product of these meetings and the contents of which have been shared with the state's economic development professionals for their own respective use.

SUCCESSES

Over the past five years during the Beshear Administration, the state of Kentucky has achieved unparalleled successes in community and economic development, due in large part to the great collaboration across all of Kentucky's unique yet interdependent 120 counties. Economic development professionals at the state, regional and local levels working with volunteers, elected officials in the local and legislative government branches with Kentucky's executive branch led by Governor Andy Beshear were all essential in realizing these achievements.

RECORD-BREAKING MOMENTUM

Administration-to-Date (Dec 2019 – June 2025)



62,000+

New full-time jobs announced



\$26.12

Average hourly Incentivized wage before benefits (2024)



\$36B

Announced Investment



BlueOval SK & AESC

The two largest economic development projects in Kentucky

In addition, a critical but often underappreciated area of work to nurture fast growing and high-tech startups has also seen remarkable successes. The Kentucky Cabinet for Economic Development (CED) and its funding of Innovation Hubs, universities and local communities, was instrumental in providing services to small and high-tech growth businesses, resulting in an additional 2,637 full-time jobs and \$600 million over the past 5 years of private funding invested.

Over the past 18 years, the total CED staff has increased by three individuals (2 of which were tied to the KY Film Incentive transferred from Tourism Cabinet to CED) during a time in which multiple programs were assigned to the Cabinet and/or created for their administration. These include the Kentucky Product Development Initiative for job creation injecting over \$175,000,000 into local communities across 116 projects.

Given placemaking and infrastructure are two of the key drivers for success in economic development, CED has been the administrator of the GRANT program since 2023, with 245 projects in 101 counties approved, constituting a total project investment of \$646,280,000 through June 30, 2025.

As the state's lead economic development agency, CED over the past 5 years has created and promulgated over 5,000 legal contracts while administering 1,200 distinct compliance activities to assure the integrity of the programs they administer. To help promote Kentucky as a place to invest, live, learn, work and recreate, CED has also generated over a million impressions through its outreach strategy describing the new opportunities in our *New Kentucky Home*.

Thanks to great collaboration across local, regional and state entities, there's been growing recognition across the globe that Kentucky has a spirit of winning with integrity. Independent organizations such as Site Selection magazine have recognized Kentucky as a winning state in economic development.

Kentucky once again placed in the top five for economic development projects per capita as Site Selection magazine posted its 2024 Governor's Cup rankings.

2024 TOP STATES BY PROJECTS PER CAPITA

2024 Rank	2023 Rank	State Name	Project Count
1	1	South Dakota	55
2	2	Illinois	664
3	5	Ohio	565
4	4	Texas	1368
5	3	Kentucky	187
6	9	Kansas	121
7	11	Alabama	193
8	17	Massachusetts	207
9	6	Indiana	188
10	12	Louisiana	117

Source: Conway Projects Database

Each day more and more people and businesses recognize that Kentucky is a great place to live, learn, work, recreate and invest.

The competitive landscape for economic development opportunities is fiercer than ever. Historically, competition for job-producing projects was between US states. Today, projects are evaluating locations between states and between countries. That means Kentucky must have the tools needed for success.

Kentucky's economic development professionals recognize that our competitor states have more resources available to them. Kentucky's real advantage is its people and collaborative spirit when it comes to community and economic development that matters most.

Now is the right time to continue to focus on creating jobs and opportunities for all Kentuckians through strategic and sustainable investments in key economic and community development enablers. To do otherwise would limit the state's unique position to build on the momentum created over the past few years.

2024 REGIONAL PROJECT RANKINGS BY PROJECTS PER CAPITA

Northeast			
2024	2023	State	Projects
			Per Million
1	1	Massachusetts	207
2	2	Connecticut	63
3	3	Pennsylvania	200
4	4	Hawaii	19
5	5	New York	231
6	7	New Jersey	106
7	6	New Hampshire	9
8	9	Rhode Island	7
9	8	Vermont	2
Region Average			12.6

South Central			
2024	2023	State	Projects
			Per Million
1	2	Texas	1,368
2	1	Kentucky	187
3	3	Alabama	193
4	4	Louisiana	117
5	5	Tennessee	114
6	8	Mississippi	38
7	6	Oklahoma	52
8	7	Arkansas	38
Region Average			25.1

West North Central			
2024	2023	State	Projects
			Per Million
1	1	South Dakota	55
2	3	Kansas	121
3	2	Nebraska	42
4	6	Missouri	121
5	4	Iowa	58
6	5	Minnesota	97
7	7	North Dakota	6
Region Average			26.1

South Atlantic			
2024	2023	State	Projects
			Per Million
1	2	South Carolina	135
2	4	North Carolina	261
3	1	Georgia	262
4	3	District of Columbia	15
5	5	Virginia	164
6	6	Delaware	12
7	7	West Virginia	19
8	8	Florida	247
9	9	Maryland	66
Region Average			17.4

Mountain			
2024	2023	State	Projects
			Per Million
1	2	Colorado	716
2	3	Arizona	117
3	1	Nevada	45
4	7	Utah	44
5	8	Idaho	22
6	5	Wyoming	6
7	4	New Mexico	19
8	6	Montana	6
Region Average			12

East North Central			
2024	2023	State	Projects
			Per Million
1	1	Illinois	664
2	2	Ohio	565
3	3	Indiana	483
4	5	Wisconsin	106
5	4	Michigan	166
Region Average			32.2

Pacific			
2024	2023	State	Projects
			Per Million
1	3	Washington	79
2	2	California	323
3	4	Hawaii	9
4	3	Oregon	26
5	5	Alaska	2
Region Average			6.6

Source: Conway Projects Database

COMPARISON TO COMPETITOR STATES

"Kentucky over the past few years has made up for lost ground in offering relevant sites for consideration, but your competitor states are still more aggressive with the tools they offer and funding for build ready sites and upfront cash support for new projects and existing industry expansions."

- **Site Consultant at a recent KAED Conference**

In CNBC's 2025 America's Top States for Business rankings, Kentucky received its highest ranking to date, coming in at 25th in the nation. However, states such as North Carolina, Virginia, Ohio, Georgia, Tennessee, Indiana, Illinois, South Carolina, and Alabama ranked higher than Kentucky in the publication. These competitor states are increasingly investing in site readiness, rural economic development strategies, talent attraction, innovation, workforce development, and enhanced incentive tools. It's important for Kentucky to build on the momentum and continue investing in programs and adapting current tools to help Kentucky remain competitive moving forward.

The Kentucky Product Development Initiative (KPDI) program has assisted communities and regions with infrastructure improvements to grow the inventory of available "build-ready" sites for future economic development growth in Kentucky. There has been a projected investment of \$4.4 billion and 6,381 new full-time jobs announced on pilot PDI and KPDI approved sites. Our competitor states, such as Illinois and Ohio, are investing \$500 million or more in site readiness, while Southeastern states, such as South Carolina, are seeking \$150 million to fund their site development program. The success of the KPDI program and the feedback from community partners highlights the importance of Kentucky continuing to invest in site development to ensure we meet the speed to market needs of companies.

Regarding rural economic development, other states like Tennessee and Georgia have introduced bonuses within their incentive packages specifically for distressed and rural areas. Also, Indiana reserved approximately 5% of their \$500 million 'Deal Closing Fund' for projects in rural communities. For Kentucky's rural and eastern counties to be competitive with their counterparts in the region, the state must enhance its rural economic development incentives and programs in line with its competitors.

To adapt to the competitive landscape, Kentucky needs to expand its incentive offerings to be a leader in manufacturing, invest in workforce attraction and development, and attract high-paying jobs in the growing business, financial, and professional services sector. Kentucky's premier incentive tool, the Kentucky Business Investment (KBI) program, is currently linked to the amount of income tax paid by employees, therefore, it has lost value as a result of the lowering of the personal income tax. Effective Jan 1, 2026, Kentucky's primary incentive tool will offer a value to companies looking to invest in Kentucky at 70% of the value offered in 2022. Indiana and Georgia's premier incentive programs offer a refundable component to companies. Additionally, the program is structured to favor manufacturing and capital-intensive projects. It does not offer meaningful benefits to the business, financial, and professional services sectors. Other states, such as South Carolina, offer a dedicated incentive program that targets Headquarters or other high-paying, non-capital-intensive sectors.

The Bluegrass State Skills Corporation (BSSC) has assisted thousands of companies by providing customized business training and employee upskilling through its Grants in Aid (GIA) and Skills Training Investment Credit (STIC) programs. However, the business environment has changed over time, putting these programs at a disadvantage compared to those in competing states. The lack of flexibility and alignment with Kentucky's other incentive programs has further highlighted this disadvantage as the environment continues to evolve since BSSC's inception.

Most states have adopted expedited and simplistic ways for property tax abatements to be provided as an economic incentive for new & expanding businesses at the state and local level. 20 states currently provide

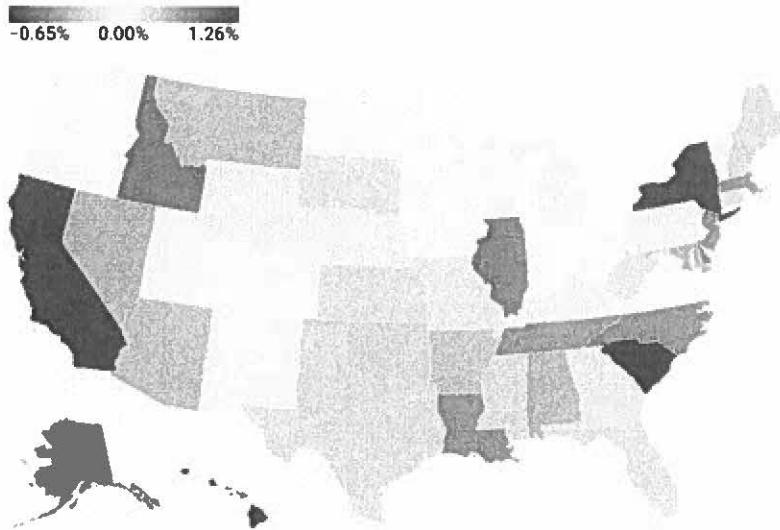
property tax abatement through flexible programming to support various industries locating or expanding. Kentucky could increase competitiveness by offering flexible property tax abatement tools to businesses.

While incentives and site development are critical for economic development, workforce continues to be the top factor in site selection per Site Selection Magazine's 21st Annual Consultants Survey. Kentucky ranked 20th in net inbound migration in the latest release of Census interstate migration estimates. However, several of our competitor states in the Southeast continue to outpace Kentucky in population growth. Kentucky has taken steps in talent attraction by lowering the personal income tax and launching the New Kentucky Home initiative, but we must build on the momentum by investing in a talent attraction fund to establish a strategy around talent attraction and retention.

In addition, Site Selection Magazine's 39th Annual Corporate Survey identified quality of life as one of the primary factors influencing site selection. The Government Resources Accelerating Needed Transformation (GRANT) program, administered by the Kentucky Cabinet for Economic Development, has effectively supported communities in infrastructure and placemaking projects by utilizing federal funding opportunities. According to CNBC's 2025 America's Top States for Business report, Kentucky ranked 33rd nationally in quality of life. This ranking highlights the importance for continued funding and expansion of the GRANT program to attract and retain the workforce essential for economic growth in our communities.

State Population Changes Attributable to Interstate Migration (FY 2024)

State Net Population Changes from Interstate Migration, from Most Inbound to Most Outbound, FY 2024



On this map, population changes are rounded to the hundredths place, but ranks are based on unrounded Census figures. D.C.'s rank does not affect states' ranks, but indicates where it would have ranked if included. Source: U.S. Census Bureau

 TAX FOUNDATION

Innovation is a foundational driver for economic growth and long-term prosperity within a state. It helps fuel development of new industries, enhances productivity, and attracts high-quality investments. Kentucky ranked 45th for science and technology strength by Milken Institute due to limited investment in risk capital, entrepreneurial infrastructure, and tech concentration/dynamism. Investing in high-tech growth funding opportunities is critical for enhancing innovation and providing the infrastructure to attract and retain entrepreneurial talent in Kentucky.

Key to bringing all the economic development efforts together is access to flexible funding. In many states these funds are referred to as Closing funds. The evident gap of investment in Kentucky for economic

development becomes even more obvious when comparing per capita levels of investment in closing funds in other states.

The comparison to other states is relevant because states with higher levels of closing funds have far more flexibility in supporting community and or company needs to fill cost gaps to make their states far more competitive. For instance, Illinois allocated its closing fund through the legislature as part of its 2023 fiscal year budget. Similarly, South Carolina has a budget of \$221.3 million for its closing fund program, which is appropriated from general funds during each general budget assembly. Indiana's closing fund program also benefits from a substantial budget of \$500 million, allocated from general funds during the 2023 general budget assembly.

State	Closing Fund Amount	Population	Closing Fund Amount Per Capita	Percent Higher Than KY (per capita)
Kentucky	\$60,000,000	4,588,372	\$13.07	N/A
Indiana	\$500,000,000	6,924,275	\$72.21	552.20%
Illinois	\$400,000,000	12,710,158	\$31.48	240.67%
South Carolina	\$221,300,000	5,478,831	\$40.93	308.88%

Sourcing:

https://iga.in.gov/pdf/documents/123/2023/house/bills/HB1001/HB1001_06_ENRS.pdf

https://www.sccommerce.com/sites/default/files/2024-03/Coordinating%20Council%20for%20Economic%20Development%20Annual%20Report%20for%202023%20%283.14.2024%29_5.pdf

<https://dc.statelibrary.sc.gov/server/api/core/bitstreams/f24af4c8-bfdb-473a-b2b1-065933e99935/content>

<https://www.census.gov/quickfacts/fact/table/KY,IN,SC,IL/PST045224>

KENTUCKY BUSINESS INVESTMENT PROGRAM (KBI) - KRS 154.32

Return the value lost to its 2022 original value

KBI is Kentucky's primary economic development tool. The value of the incentive has declined in value by 30% over the last three years. A key value component of the incentive tool is tied to the level of the personal income tax withholding of the new jobs created being refunded to the company to offset a portion of the qualifying investments made by the company.

The personal income rate in Kentucky has declined from 5% to 3 1/2%, and while the tax rate reduction is applauded and positive for individual Kentucky taxpayers, companies looking to expand or relocate do not base location decisions on taxes paid by employees, rather the overall cost and benefits of incentives to locate and or expand in one state versus the other.

Compared to other states, Kentucky finds itself at a distinct disadvantage, in which this reduction in value has been called out by site consultants and companies the CED has worked with over the past 18 months.

To bring the value of KBI back to 2022 values, in addition to the current 3.5% wage withholdings, allow for a 1.5% refundable credit (which is less than the average sales taxes collected by the state based on the individuals' earnings from new jobs created by the incentive).

The Tax Foundation's [State Sales Tax Breadth and Reliance report](#) estimated a resident will generate on balance 2.4% of Kentucky sales taxes based on their personal income.

This proposal means KBI remains a self-generated incentive for new jobs created, which are earned in arrears at a period after the jobs are in effect and restores the KBI to pre-2022 levels of 5%. (3.5% as a wage

credit and 1.5% as a refundable credit calculated on state sales taxes generated by the wages of the new jobs created)

Technical Changes Needed to KBI:

- a. Double the required average wage eligibility to 220% of federal minimum wage
- b. KBI applicants to have a 90-day historical window of eligible costs incurred for a project prior to KEDFA approval if granted in writing by CED Secretary

ADJUST KBI TO STRENGTHEN THE ABILITY TO ATTRACT BUSINESS& PROFESSIONAL SERVICE JOBS, HQS, R&D, AND DESIGN FUNCTIONS

To diversify and grow Kentucky's overall job base

Current Kentucky Business Incentive (KBI) provisions are limited in its ability to support non-manufacturing companies. The United States is projected to create over 1,500,000 jobs in the business and financial services sectors (non-manufacturing) over the next five years, providing an opportunity for Kentucky to attract high-paying jobs in these fields. Manufacturing is a critical segment of Kentucky's economy, comprising around 12% of total employment. Yet, Kentucky needs tools to attract more jobs beyond manufacturing.

Further, as advanced manufacturing, medical and life science jobs grow, expanding KBI to allow for investments in lab equipment, computer servers and software, lab equipment and capitalized leases and leasehold improvements will help attract more diverse employers, including R&D, HQs, High-Tech operations and service sector jobs.

RURAL & EASTERN KENTUCKY OPPORTUNITY FOCUS

A Focus on Shared Responsibility Leads to Shared Opportunity

Kentucky has 120 counties each with unique benefits to create employment opportunities through tourism, business and professional services and manufacturing.

Historically, programs utilized for economic development through the CED have been a "One Size Fits All" design. The only flexibility in the use of economic development tools were based upon whether a county was deemed enhanced or non-enhanced. Today, based upon the criteria for this programming, 116 of 120 counties are deemed "enhanced".

This can no longer be the approach, and the state's commitment to attracting transformative investment in rural and eastern communities requires adjustments across all programming to shift historical challenges into realized successes.

It is recommended that new and existing programs have specific terms designed to be more flexible and offer unique benefits to rural and Eastern Kentucky communities.

Section 2 of this document defines the criteria for designation as a rural or Eastern Kentucky community and outlines the newly proposed programs and adjustments in making the existing programs more beneficial to this area.

Included in the priorities is to:

- Establish a \$50 million rural revolving loan fund to assist local communities to conduct build-to-suit opportunities for small to medium-sized manufacturers.

- Use a portion of the rural revolving loan fund and allow GRANT tools to leverage and attract the commonwealth's fair share of New Market Tax Credits, which were recently made permanent by federal legislation. \$10 Billion of these credits will be awarded in the fall of 2025.
- Provide KBI benefits to include an added .75% of refundability based upon sales tax collections for new jobs created
- Allow KBI benefits as part of a remote worker attraction program solely for use in rural and Eastern Kentucky, both for an individual and for hiring authorities where a local program is implemented.
- Increase the KPDI amount for Rural and Eastern Kentucky counties from \$2,000,000 to \$2,400,000
- Increase the Secretary's Bluegrass State Skills Funds discretionary account to be reserved for high impact training in Rural and Eastern Kentucky counties.
- Dedicate a portion of the \$25 million high growth fund be directed for rural and Eastern Kentucky communities
- Allow up to a 20% premium for mega closing fund use where but for the use of these funds net new jobs would not have been created in Rural and Eastern KY designated communities
- Conduct a study working with the CED and the Governor's Office to evaluate the benefits of reciprocal agreements in use of incentives for border communities in rural and Eastern Kentucky. These communities, when vying for projects in which a portion of the workforce resides in an adjacent nearby state, are not able to offer the incentives that are equal to those offered by non-border communities in Kentucky. The study would determine these benefits and mechanisms to help facilitate reciprocity agreements with adjacent states to help grow employment in these border communities on either side of the border, resulting in enhanced employment for all residents.
- Implement a legislative change to allow for property tax abatements to be utilized without the use of Industrial Revenue Bonds

CREATE A RURAL REVOLVING LOAN FUND

\$50 M Rural Loan Fund: As part of these recommendations is the creation of a Rural Revolving Loan Fund that can be used for build-to-suits in these communities, leveraging additional grant applications for federal funding and awards while also providing capital support that is part of any local community's New Market Tax Credit application that leads to jobs and new investment. \$10 b of credits will be awarded in the fall of 2026.

KENTUCKY PRODUCT DEVELOPMENT INITIATIVE (KPDI)-KRS 154.21

More and Better Products to Continue Winning in a Competitive Environment

In a recent statewide Kentucky Association for Economic Development meeting, a panel of site consultants called out that Kentucky has made progress but remains behind most states in its availability of high-quality industrial sites. These same site consultants shared that while progress has been made, "now is not the time to take the foot off the pedal" in trying to catch up as your competitor states are continuing to invest in these critical areas. They implored Kentucky leaders to continue to invest in the products necessary to help support expanding existing businesses and attract new companies while allowing Kentucky to increasingly become competitive with adjacent states.

Accordingly, it is recommended the KPDI program be funded at the 2022 budget levels.

Requested changes include allowing eligibility in Rural and Eastern Kentucky communities to be eligible for \$2,400,000 versus the \$2,000,000.

Changes should also direct one-third of the funds to projects that will be completed with the funding.

GOVERNMENT RESOURCES ACCELERATING NEEDED TRANSFORMATION (GRANT)

Continue the Leverage of Federal Funds for KY Growth

In 18 months, the administration of the GRANT program has resulted in over \$640 million of projects to be potentially funded through leveraging federal funds with those of the local community and the state.

To date, 245 projects have been approved. More importantly, as workforce, placemaking and infrastructure are three enablers for success in Economic Development, it is recommended that GRANT be funded at previous budget levels.

Through studying the successes of this program, a significant opportunity for Kentucky exists to gain its fair share of funding for underutilized opportunities. The New Markets Tax Credit program was recently made permanent by congress and signed into law with an allocation of \$10B of credits to be awarded in October 2025 with similar amounts expected to be awarded over time, averaging \$5B per year. Kentucky has historically not been awarded under the program, diminishing its share of and ability to use these programs on a prorated percentage basis.

One change under the GRANT program would be to adopt a provision whereby a portion of the GRANT funds, not to exceed 20% in aggregate, would be allowed for a match for the local compliance portion of New Market Tax Credits in Rural and Eastern Kentucky communities. This would be constructed as a loan to enable the applicant to avail themselves of the monetizable 37% federal tax credit over 7 years offered under the New Markets Tax Credit program.

FUNDING FOR HIGH-TECH GROWTH BUSINESSES

Repurpose Budgeted Funds for Continued High-Wage Growing Companies

The 2024 Kentucky General Assembly recognized the importance of supporting high-tech-oriented startup ventures by allocating \$25 million to attract a startup company engaged in the manufacturing and marketing of energy storage solutions (ESS) products to Shelbyville, Kentucky. These funds were directed to the Kentucky Cabinet for Economic Development.

CED was able to attract a seasoned company in the ESS space, creating a much larger investment and creating 900 jobs over the next several years.

Investing in high-tech growth businesses is critically important for all 120 counties, and it is recommended that these funds be repurposed, allowing the CED to support high-tech-oriented ventures, including a dedicated outreach, structured program for, and engagement and use of, a portion of these funds in Rural and Eastern Kentucky.

DEDICATE \$5 MILLION FOR TALENT ATTRACTION ACTIVITIES IN PARTNERSHIP WITH LOCAL CHAMBERS OF COMMERCE, COMPANIES & ECONOMIC DEVELOPMENT ORGANIZATIONS

A legislative priority to assist our efforts to retain and attract workers with the necessary skills that align with the impending significant increase in available jobs that include rising wages and enhanced training requirements.

Work with local chambers of commerce and economic development entities along with private employers to integrate efforts to use multiple outlets to promote our New Kentucky Home to attract talent from out of state for high demand jobs, especially in manufacturing and high tech growth areas in Kentucky and to create branded campaigns to help educate KY job seekers of the opportunities across a broad spectrum of employers that offer dynamic and rewarding career opportunities.

ALTERNATIVE TO INDUSTRIAL REVENUE BONDS

A no-cost solution to make Kentucky more competitive

Most states have an expedited and simplistic way for property tax abatements to be provided as an economic incentive for new and expanding businesses at the state and local level.

In Kentucky, it has long been perceived such property tax abatements require a complex, confusing and expensive vehicle through the issuance of Industrial Revenue Bonds. The use of these bonds requires the conveyance of real and personal property from the company to the community that, in turn, leases them back to the job-producing entity.

A proposed remedy, which would at no or minimal cost to the state, but create a speed to market, easy to understand and flexible tool for companies and local communities alike would enable Kentucky to be more competitive, especially in rural and eastern Kentucky where projects are smaller and companies may not have the tools available to engage in complicated capital lease back structures under an IRB to facilitate tax abatements.

CRITICAL & IMPACTFUL CARRY FORWARD ITEMS FROM PREVIOUSLY APPROPRIATED FUNDING:

- **Kentucky Product Development Initiative:** Notwithstanding KRS 45.229, the balance of the General Fund appropriation authorized in 2024 Ky. Act ch. 175 Part I, B., 1 (8) shall not lapse with any amounts approved but not dispersed under the Kentucky Product Development Initiative program be used in future rounds of funding.
- **Mega-development Projects Carry Forward of Appropriation Balance:** Notwithstanding KRS 45.229, the balance of the General Fund appropriation authorized in 2024 Ky. Acts ch. 223, sec. 24, and 2024 Ky. Acts Ch. 223, Sec. 71, and 2024 Ky. Acts ch. 175 Part I, B., 1 (8) shall not lapse and shall carryforward.
- **Funding for Commercialization and Innovation:** Notwithstanding KRS 154.12-278, interest income earned on the balances in the High-Tech Construction/Investment Pool and loan repayments received by the High-Tech Construction/Investment Pool shall be used to support the Office of Entrepreneurship and are appropriated in addition to amounts appropriated above.
- **Lapse and Carry Forward of General Fund Appropriation Balance for Bluegrass State Skills Corporation:** Notwithstanding KRS 45.229, the General Fund appropriation balance for Bluegrass State Skills Corporation training grants for fiscal year 2025-2026 and fiscal year 2026-2027 shall not lapse and shall carry forward. The amount available to the Corporation for disbursement in each fiscal year shall be limited to the unexpended training grant allotment balance at the end of each fiscal year combined with the additional training grant allotment amounts in each fiscal year of the 2026-2028 fiscal biennium, less any disbursements. If the required disbursements exceed the Bluegrass State Skills Corporation training grants allotment balance, notwithstanding KRS 154.12-278, Restricted Funds may be expended for training grants.
- **Science and Technology Program:** Notwithstanding KRS 164.6011 to 164.6035 and any other statute to the contrary, the Cabinet for Economic Development shall have the authority to carry out the provisions of KRS 164.6013 to 164.6035.
- **Carry Forward of General Fund Appropriation Balance:** Notwithstanding KRS 45.229, the General Fund appropriation in fiscal year 2025-2026 and fiscal year 2026-2027 to the Cabinet for Economic Development, Science and Technology Program, shall not lapse and shall carry forward in the Cabinet for Economic Development.

RURAL & EASTERN KENTUCKY NARRATIVE

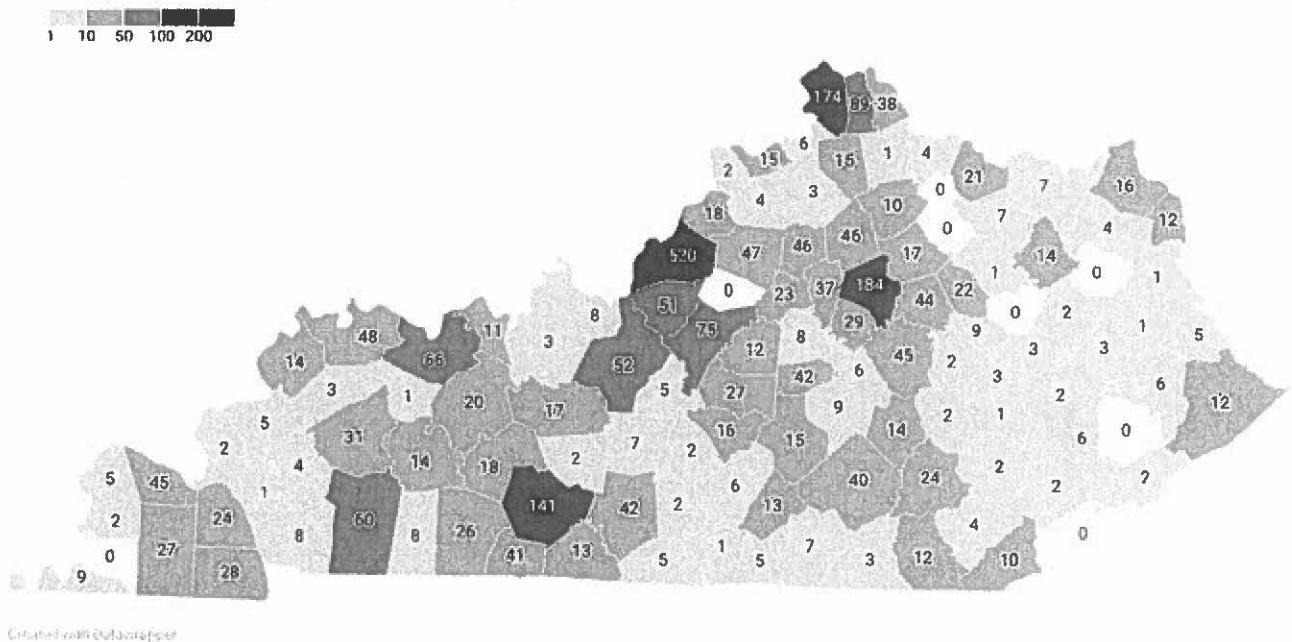
RURAL & EASTERN KENTUCKY NARRATIVE

SUCCESSSES

The Cabinet for Economic Development had over 2,809 projects announced statewide since 2015. Only 15% of these announced projects were in rural or Eastern Kentucky. These projects brought a total of 14,553 jobs and nearly \$6.9 billion in capital investments to rural and eastern counties.¹ While many counties in Eastern Kentucky had between 1-5 projects, there were 8 counties in which no projects were announced over this ten-year period. All 8 of these counties were either rural or located in Eastern Kentucky.

Number of Projects Announced since 2015

Project Data from the Kentucky Cabinet for Economic Development



IMPACT - How we can do more?

The CED has developed a legislative priority encouraging the upcoming legislature to move away from a "one size fits all" set of policies and programs to an approach in which legislative initiatives can accurately reflect the unique differences that exist in each of our 120 unique but interdependent communities.

CED has proposed set of policies that also focuses on Rural and Eastern Kentucky with tools that best reflect the needs of these communities. A package of new programs and adjustments in existing ones will create the **Rural and Eastern Kentucky Opportunity Program**.

- **\$50 M Rural Loan Fund:** As part of these recommendations is the creation of a Rural Revolving Loan Fund that can be used for build-to-suits in these communities, leveraging additional grant applications for federal funding and awards while also providing capital support that is part of any local community's New Market Tax Credit application that leads to jobs and new investment. \$10 b of credits will be awarded in the fall of 2026.
- Use a portion of **GRANT tools** to leverage and attract the commonwealth's fair share of **New Market Tax Credits**.

¹ Data from the Kentucky Cabinet for Economic Development

- **KBI:** Return the KBI program to its original value of 5% with a wage credit of 3.5% and a refundable credit tied to the sales taxes generated by the expenditures from the new job with an added .75% discretionary credit based upon the quality of the jobs and impact to the Rural and Eastern Kentucky Community
- **KBI:** Adjust the KBI program to allow for as few as 1 employee to be eligible for the program and to make the program eligible for remote workers who prove they have relocated from out of state, or in which a company has hired a Rural and Eastern Kentucky resident through a newly created position. Requires a county wide program structured and administered by the County.
- **KPDI:** Increase the eligibility amount of KPDI from \$2,000,000 to \$2,400,000 per county
- Allow up to a 20% premium for **mega closing fund** use for new jobs created
- **Create a study to look at Reciprocity agreements in border communities:** Work to establish a reciprocity agreement with adjoining states to certain Eastern and Rural Kentucky communities that border other states. Said agreement would allow for KY wage withholdings for Kentucky residents working in an adjoining state to eligible for the hiring authority if Kentucky was involved in the shared recruitment of the company and the adjoining state offered incentives worth more than the Kentucky offer and said agreement would stipulate the same accord for Kentucky landed projects in which employees living in the adjoining state are working for the company located in Kentucky.
- **Bluegrass State Skills Corporation:** Increase the Secretary's discretionary account to prioritize training needs in Rural and Eastern Kentucky
- **High Growth Fund:** Establish a set aside fund for investing in High growth companies located within Rural and Eastern Kentucky utilizing the capacity and services of Commonwealth Seed Capital and or Key Horse Capital.
- **IRB's:** Given the complexity and high cost of providing property tax abatements. Create a study to look at ways to replace Industrial Revenue Bonding with projects that utilize local and state property tax abatements.

BACKGROUND & REASONS WHY

Communities in rural and Eastern Kentucky are faced with a disadvantage in economic development due to lower population counts. The average annual population loss in these counties is negative(-0.2%) compared to the statewide annual average growth of plus 0.3%.² This limits the tax base of these local governments that can be dedicated to infrastructure improvements or abated to incentivize projects. Site development costs are also higher due to the challenges in topography and distance from urban supply chains. Therefore, it is necessary that Kentucky's economic development toolkit is equipped to stimulate investments in the local infrastructure and site readiness necessary to level the playing field between these counties and the rest of the state.

The lack of development in these counties has significant impacts on the economic security of residents. Since 1969, earnings in Kentucky's rural counties have lagged compared to metro areas, with the gap widening over time.³ The net employment growth in rural and Eastern Kentucky was 2.1% of the net employment growth in the state of Kentucky over the past ten years.⁴ In order to direct more investments into these areas, it is key that Kentucky's incentives place a premium on locating in a rural or Eastern Kentucky county.

² JobsEQ

³ The Appalachian Region: A Data Overview from the 2019-2023 American Community Survey, Appalachian Regional Commission

⁴ JobsEQ

COMPARISON TO COMPETITOR STATES

Adopting policies that advance site development in our rural and eastern counties would place Kentucky on track with our competitor states in the region. For example, Georgia has a site development program specifically for rural communities known as the Georgia Rural Site Development Program.⁵ The Tennessee Department of Economic and Community Development (TNDEC) utilizes funding from their Rural Economic Opportunity Fund for site development grants in rural communities.⁶ TNDEC also provides a bonus incentive for “at-risk” and “distressed” counties in their FastTrack Infrastructure Program, which is used to cover infrastructure costs associated with economic development projects.⁷ The Kentucky Product Development Initiative (KPDI) must also address the unique needs of our rural and eastern counties, if we are to attract a higher number of projects to these communities.

Kentucky’s competitor states also have established bonuses within their incentives dedicated to distressed areas of their states. TNDEC provides bonuses to their grants and tax credits for counties that the Appalachian Regional Commission (ARC) identifies as “at-risk” or “distressed.”⁸ Georgia’s Department for Economic Development has adopted a tiered system for their tax credits in which bonuses are given according to economic distress.⁹ For Kentucky’s rural and eastern counties to compete with the rural areas of other states in our region, Kentucky’s economic development incentives must adapt with our competitors’.

DEFINITION OF RURAL & EASTERN KENTUCKY

The proposed counties for the Rural and Eastern Kentucky Opportunity Program were selected based on their status as either a rural or eastern county. Two federal data sources were used to select rural counties: The US Department of Agriculture’s Rural-Urban Continuum Codes and the US Census Bureau. Eastern counties were selected based on their inclusion in the Eastern Kentucky Coalfield geographic region. Using these definitions there are 46 rural counties and 27 eastern counties proposed for a total of 73 counties in the package.

SUMMARY

CED has proposed set of policies that focuses on Rural and Eastern Kentucky with tools that best reflect the needs of these communities. A package of new programs and adjustments in existing ones will create the Rural and Eastern Kentucky Opportunity Program.

The Rural and Eastern Kentucky Opportunity Program seeks to create and expand existing economic development tools that bolster the competitiveness of Kentucky’s rural and eastern counties. These programs are vital to compete with our peer states and illustrate a commitment to economic development across the Commonwealth.

⁵ The Georgia Department for Economic Development, [Rural Site Development Program](#)

⁶ The Tennessee Department for Economic and Community Development, [Rural Development](#)

⁷ The Tennessee Department for Economic and Community Development, [Incentives and Grants](#)

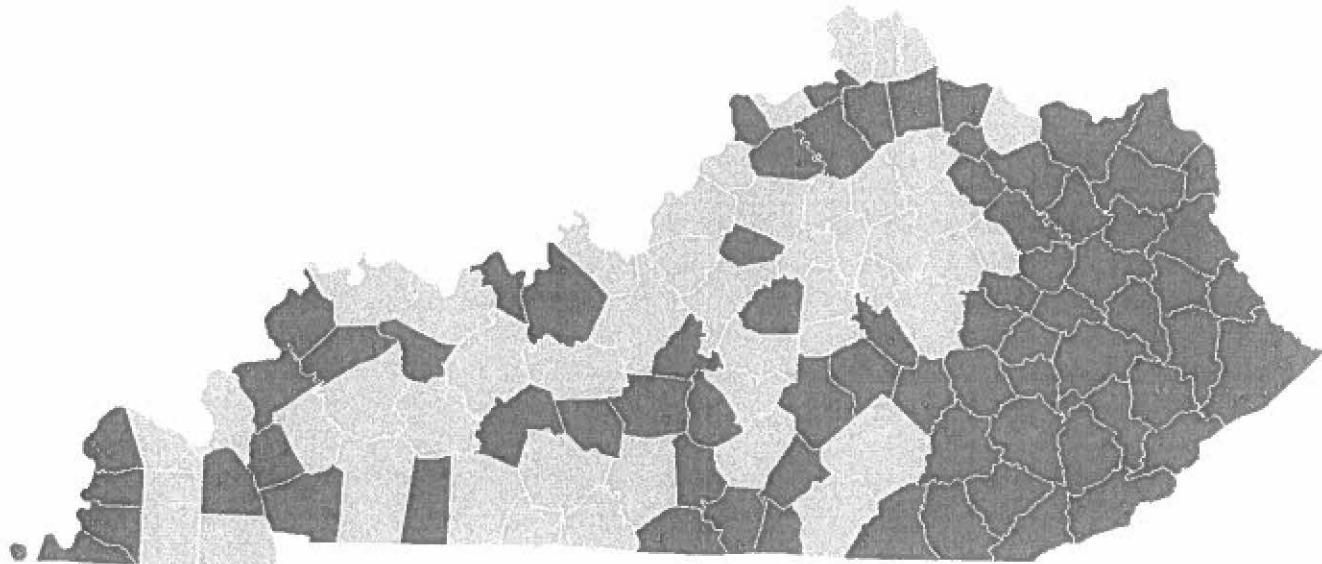
⁸ Ibid.

⁹ Georgia Department for Economic Development, [Tax Credits](#)

Rural and Eastern Counties in Kentucky

Rural counties defined by the Rural-Urban Continuum Codes from the USDA and US Census Bureau. Eastern counties defined by the Eastern Kentucky Coalfield Region.

Not Included in Package Included in Package



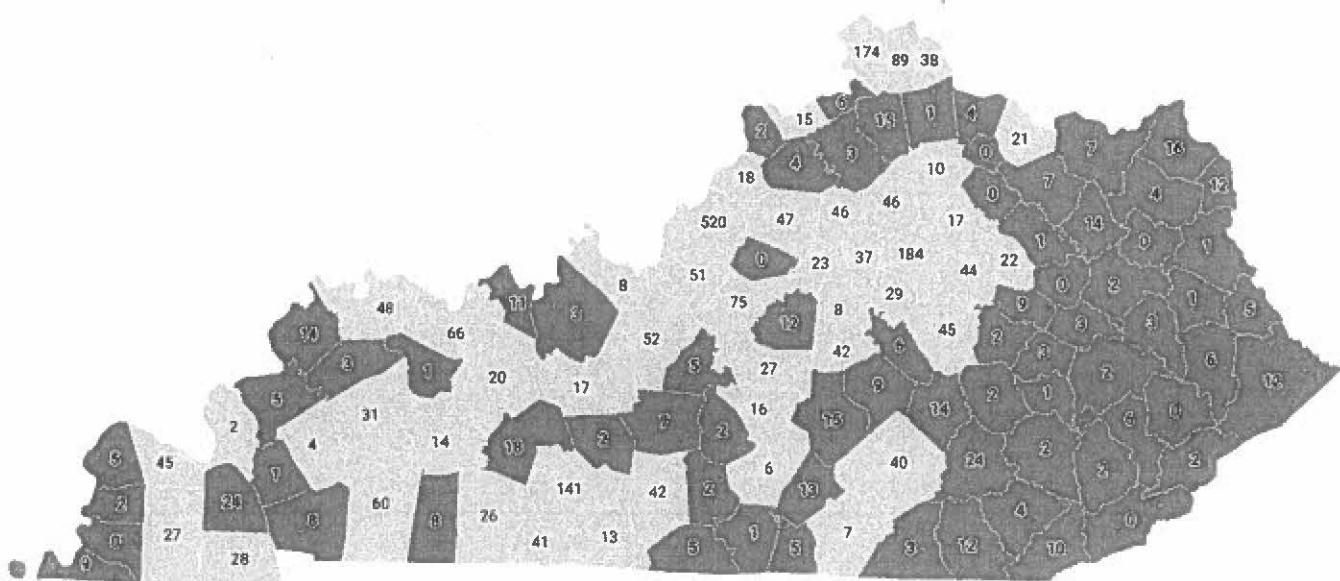
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The map below shows the number of projects announced for counties proposed to be included in the Rural and Eastern Kentucky Opportunity Program over the past ten years.

Number of Projects Announced by County Since 2015

Project Data from the Kentucky Cabinet for Economic Development

Non Rural County Rural or Eastern County



CHILD LANGUAGE

KBI

Kentucky Business Investment

KBI

Kentucky Business Investment

SUCCESSES

Since the beginning of his administration, Gov. Beshear has announced nearly 1,200 private-sector new-location and expansion projects totaling roughly \$36 billion in announced investments, creating close to 62,000 jobs. The robust job creation has been accompanied by rising wages across the commonwealth. Since 2022, the average incentivized hourly wage before benefits has topped \$26 in three consecutive years for the first time.

These record investments have accelerated Kentucky's economy and helped to secure our automotive future. They've advanced and innovated our signature industries like bourbon and metals, while also supporting high tech start-up companies and small businesses.

Kentucky's prime geographic location, logistical advances, competitive business cost environment, and available infrastructure have all been critical factors in securing new investment. Additionally, our ability to get companies up and running faster than our competing states is a key advantage.

While not ever the sole factor for decision making, a states' ability to offer flexible and reliable incentive tools to companies to offset risk is a necessity in our economic development toolkit, as we strive to provide best in class service and products. To remain competitive in this space, CED is proposing multiple changes to our flagship incentive tool, the Kentucky Business Investment program.

KBI is Kentucky's primary economic development tool. The value of the incentive has declined in value by 30% over the last three years.

A key value component of the incentive tool is tied to the level of the personal income tax withholding of the new jobs created with a portion of these withholdings being refunded to the company to offset a portion of the qualifying investments made by the company.

The personal income rate in Kentucky has declined from 5% to 3 1/2%, and while the tax rate reduction is applauded and is positive for individual Kentucky taxpayers, companies looking to expand or relocate do not base location decisions on taxes paid by employees, rather the overall cost and benefits of incentives to locate and or expand in one state versus the other.

Compared to other states, Kentucky finds itself at a distinct disadvantage, in which this reduction in value has been called out by site consultants and companies the CED has worked with over the past 18 months.

To bring the value of KBI back to 2022 values, in addition to the current 3.5% wage withholdings, allow for a 1.5% refundable credit (which is less than the average sales taxes collected by the state based on the individuals' earnings from new jobs created by the incentive).

The Tax Foundation's [State Sales Tax Breadth and Reliance report](#) estimated a resident will generate on balance 2.4% of Kentucky sales taxes based on their personal income.

This proposal means **KBI remains a self-generated incentive** for new jobs created, which are earned in arrears at a period after the jobs are in effect and restores the KBI to pre-2022 levels of 5%. (3.5% as a wage credit and 1.5% as a refundable credit calculated on state sales taxes generated by the wages of the new jobs created)

The Kentucky Business Investment (KBI) tool is Kentucky's primary incentive tool. In fact, for most projects, the KBI benefits comprise over 75% of the total value of incentive offerings.

Technical Changes Needed for KBI

- a. *Double the required average wage eligibility to 220% of federal minimum wage*
- b. *KBI applicants to have a 90-day historical window of eligible costs incurred for a project prior to KEDFA approval if granted in writing by CED Secretary*

SUMMARY

CED is proposing multiple changes to the Kentucky Business Investment (KBI) program and are outlined below.

These proposed changes will add additional recovery methods to make up for the loss of value seen in the program over the last several years, create more lucrative incentives for rural and Eastern Kentucky, and broaden eligible costs for headquarters operations and qualifying companies within the non-retail service or technology industry.

Income Tax Reduction Solution

BACKGROUND & REASONS WHY

The lowering of the state personal income tax rate is very positive for Kentucky and for individuals residing in the state. The construct of KBI however is the majority of the benefits of the program are tied to the level of personal income tax rates tied to the wages from new jobs created.

- Kentucky is in the process of lowering its personal income tax rate, which is part of a larger tax overhaul initiated in 2022. Since 2022, the state personal income tax rate has fallen from 5.0% to the current 4.0%. Effective January 1, 2026, the rate will drop to 3.5%. Effective Jan 1, 2026, Kentucky's primary incentive tool will offer a value to companies looking to invest in Kentucky at 70% of the value offered in 2022.
- The value of the wage assessment incentive is directly linked to the amount of income tax an employee pays. A lower income tax rate effectively decreases the value of the tax credit, making the incentive less attractive to employers and having a negative impact on the state's economic development goals.
- Employers and site selection consultants assign a "cash value" to these wage assessments in their incentive matrix, and a decrease in this value since 2022 has lessened confidence in our incentive toolkit and hampered negotiations.
- While it's great for companies to know their employees don't pay as much income tax, it is the overall cost of doing business and tax incentives directly to the company operations that drive decisions from the financial side. Companies view the lower personal income tax for employees as an employee benefit. The cost to the company is the same, whether with an income tax at 5% or 3.5%. What is different is the financial benefit to the company is lower, thus making overall costs when compared to other states higher in Kentucky than competitor states.

Technical Changes Needed to KBI

Provide employee benefits for all new full-time jobs equal to at least fifteen percent (15%) of the minimum wage requirement established by subparagraph 1. of this paragraph. If the eligible company does not provide employee benefits equal to at least fifteen percent (15%) of the minimum wage requirement established by subparagraph 1. of this paragraph, the eligible company may still qualify for incentives if it provides the full-time employees hired as a result of the economic development project total hourly compensation equal to or

greater than one hundred fifteen percent (115%) of the minimum wage requirement established in subparagraph 1. of this paragraph through increased hourly wages combined with employee benefits; or (d) Produce vital medications, personal protective equipment, or equipment necessary to produce personal protective equipment.

COMPARISON TO COMPETITOR STATES

One of the strongest of Georgia's programs is the Quality Jobs Tax Credit (formerly the Headquarters Tax Credit). This is an employee withholding tax credit available to employers creating qualifying new jobs. The distinguishing feature of this program is that it is fully refundable, which provides significant value to companies. Indiana's Economic Development for a Growing Economy Tax Credit (EDGE) has a refundable component if the credits exceed Indiana income tax for a given year.

CED is only requesting a partial refundable recovery mechanism tied to validated levels of state sales tax collections tied to the new wages from newly created jobs.

IMPACT - *How we can do more?*

- **Impact of KBI reductions in value are not limited to new companies.**
Local economic developers and CED staff have worked to address the reduction in the value of the KBI incentives offered and accepted by new and existing companies. Companies made investment decisions based upon the value of the KBI program prior to the reduction in personal income taxes and have inquired how the state proposes to make up for these reductions based upon written agreements entered into by the company, CED and Commonwealth.
- **Remedy for existing industries - Allow for a one-time extension of the agreement term not to exceed 5 years under the following conditions:**
 - Active/existing project received preliminary approval prior to January 1, 2023, that included wage assessments as an incentive.
 - Only wage assessments may be authorized for the extension period and no increase of incentives may occur.
 - Approved company has used less than 75% of the incentives awarded under the tax incentive agreement at the time of the extension request or at the discretion of the Cabinet.
- **For approvals moving forward - Allow a portion of the income tax credit to be refundable, subject to the annual maximum incentive authorized in the tax incentive agreement, for economic development projects receiving final approval after January 1, 2026. (The refundable portion of the incentive will be tied to measurable gains to the state treasury from sales tax revenues from the individual's purchases based upon personal income levels. See below)**
 - The drop in income tax has reduced the potential value of the KBI incentive by 30 percent since 2022.
 - Current recovery methods for KBI are a corporate income tax/limited liability tax credit, and a wage assessment generated from income tax. We propose keeping these recovery methods intact and expanding the program to include a third refundable recovery method. This would push the value of the KBI back up to the five percent level.
 - This new recovery method would authorize up to an additional 1.5% of refundable credits, based upon the projected spend in sales taxes by the new employees associated with the project. It would also allow for a sliding scale to move this refundable credit up to 2.25%, as part of the Rural and Eastern Kentucky Focus set of tools.

- As personal income taxes are lowered, studies show individuals will increase spending, generating more sales tax revenues for the state.
- Just as the current program is structured, the tax incentive could be recovered by the company on a quarterly, semiannual or annual cash basis, based on the estimated sales tax paid by their employees as represented by a company's gross payroll for the previous year.
 - The Tax Foundation, the world's leading nonpartisan tax policy nonprofit, details the sales tax revenue as a percentage of personal income in every state. The research provides that Kentucky receives 2.48% of total personal income earned in the state, higher than the requested 1.5% refundability, and sets the benchmark for our sliding scale up to 2.25%.

Link: [Sales Tax Revenue by State | Sales Tax Reliance & Breadth](#)

Creating More Flexibility in Incentives the Business Service Industry

BACKGROUND & REASONS WHY

Kentucky's business, professional, and financial services sector has a substantial employment footprint of well-paying jobs. Projected growth of 1.5 million jobs nationally in this sector is an opportunity not only to expand the number of high-paying jobs across the Commonwealth, but also to enable Kentucky to further diversify its economy. Non-manufacturing jobs in Kentucky constitute approximately 88% of Kentucky employment, and as structured, the KBI program does not offer meaningful benefits to financial services, research and development, Headquarters, Engineering and other professional and high-tech employers.

- While the current KBI program can modestly support projects within these industries, incentives are often limited by a lower eligible cost threshold. The KBI program as written favors heavy manufacturing and capital-intensive projects, which is often not the case for investments in the business services sector. These projects may not require more than just a lease and computer costs, but are often creating very high quality, high paying careers that we want in the Commonwealth.

COMPARISON TO COMPETITOR STATES

South Carolina has a business-friendly tax policy, boasting no state property tax, no local income tax, no inventory tax, as well as class-leading incentives including their Jobs Tax Credit, Corporate Headquarters Tax Credit, and robust R&D Tax Credit. Most notable is their Headquarters Tax Credit, wherein companies that establish or expand their headquarters in SC may receive a tax credit equal to 20% of the value of the facility dedicated to headquarters operations for up to 10 years. At least 40 jobs must be created to realize this credit. Kentucky does not have an incentive program tailored or targeted to headquarters or business services jobs.

IMPACT - How we can do more?

- 1. Expand eligible expenses to include investments consistent with certain business services sectors.**
 - For projects in the business, professional and financial services sectors and headquarters, allow for additional eligible costs to be included.
 - Allow full lease costs to be eligible, along with software expenditures, and relocation/talent attraction costs.

- At CED's discretion and based on average hourly wages that are significantly higher than County average's for which the project is considering a location up to a 2x multiplier effect for eligible costs may be utilized.

Creating More Competitive Incentives for Rural & Eastern Kentucky Counties

BACKGROUND & REASONS WHY

The CED has developed a legislative priority encouraging the upcoming legislature to move away from a "one size fits all" set of policies and programs to an approach in which legislative initiatives can accurately reflect the unique differences that exist in each of our 120 unique but interdependent communities.

COMPARISON TO COMPETITOR STATES

Another program that makes South Carolina very effective in recruitment is their ability to provide cash grants for high-value projects. One such program is the Rural Infrastructure Fund, which supports job creation and product development in targeted rural areas of the state. Few states still provide cash grants in this manner, and they had significant competitive advantage to South Carolina's economic development efforts. Funding comes from companies located in Enterprise Zone Revitalization Agreements, which have tiered benefits based on their geographic location. The portion of benefits from these agreements not received directly by companies goes into the fund.

IMPACT - How we can do more?

- 1. Remove "enhanced" counties and replace with "Rural and Eastern Kentucky Counties".**
 - Restructure county designations by creating a "Rural and Eastern Kentucky" county. This would replace the "enhanced" county designation and be in addition to "other" counties.
 - This new designation was created using two federal data sources: Rural-Urban Continuum Codes from the US Department of Agriculture and Rural designations from the US Census.
 - The Rural-Urban Continuum Codes define rural as having a population of less than 5,000 located within an urban block of the county. The US Census Bureau defines these rural counties as having no urban designation within the county.
 - The US Census Bureau defines an urban area as having a population over 5,000 people or 2,000 housing units.
 - We are defining Eastern Kentucky using the Eastern Kentucky Coalfield region, which is a historical definition based on the presence of coal formations across the region.
 - Using these definitions we have arrived at 73 counties being designated as rural or eastern.
 - The incentive terms will vary depending on the designation, to follow:
 - Other: 10-year term, requires local participation, refundability up to .75%
 - Rural and Eastern Kentucky: 15-year term, no local participation required, refundability up to 1.5%

HIGH TECH GROWTH FUNDING

HIGH TECH GROWTH FUNDING

SUCCESSES

The 2024 Kentucky General Assembly recognized the importance of supporting high-tech-oriented startup ventures by allocating \$25 million to attract a startup company engaged in the manufacturing and marketing of energy storage solutions ([ESS](#)) products to Shelbyville, Kentucky. These funds were directed to the Kentucky Cabinet for Economic Development.

CED was able to attract a seasoned company in the [ESS](#) space, creating a much larger investment and creating 900 jobs over the next several years.

Investing in high-tech growth businesses is critically important for all 120 counties, and it is recommended these funds be repurposed, allowing the CED to support high-tech-oriented ventures, including a dedicated outreach, structured program for, and engagement and use of, a portion of these funds in Rural and Eastern Kentucky. The statewide KY Innovation Hubs program supported more than 3,000 entrepreneurs and assisted in the launch of more than 140 startups that created 427 full-time jobs in the last fiscal year, with client companies attracting more than \$162 million in investment. Even more impactful is the type of companies this program served, from breakthroughs in senior care and advances in critical care equipment, to new uses of Kentucky farm products and numerous financial technology software.

State-sponsored venture capital has played critical roles in Kentucky's growing knowledge-based economy. At a time when federal legislation has greatly enhanced investment in high growth businesses with broader tax treatment for investors, now is the time for Kentucky to strengthen its ability to continue with meaningful impact for high-potential companies anywhere in the state.

- **Commonwealth Seed Capital (CSC)** has a decades-long history of launching and scaling high-impact companies and catalyzing private capital fund formation. The fund has made over \$40 million dollars of direct investment in over 160 high-growth Kentucky companies but has also been the primary driver of private fund formation. It has achieved a 23:1 public-to-private ratio, meaning for every dollar of state capital invested there was twenty-three dollars of private fund capital raised.
- **The Kentucky Enterprise Fund**, currently managed by Kentucky Science and Technology Corporation (KSTC), funded by the Kentucky Cabinet for Economic Development and its venture capital division Keyhorse Capital, has played a major role in fueling the state's early-stage companies through direct equity investments. Over the life of the program, the funds have invested more than \$63 million, which leveraged more than \$2 billion in follow-on capital. Average salaries of new jobs created by portfolio companies are more than \$90,000.

IMPACT - *How we can do more?*

Kentucky must continue to invest in its primary tools for supporting high-growth startup companies in order to maintain its momentum and to compete in the future economy. The state is fortunate to have two state-sponsored investment vehicles capable of providing both direct investment to promising companies and anchor investment in private funds that focus on Kentucky companies and industries.

Further, the state legislature recognized the importance of providing funding for high growth jobs with the allocation \$ 25 million to attract a startup company engaged in the manufacturing and marketing of energy storage solutions ([ESS](#)) products to Shelbyville, Kentucky. Allow the CED to redirect the \$25 M of unused funds for attraction and investing in high growth businesses across all of Kentucky and allow the Kentucky Development Finance Authority to direct those funds the appropriate vehicles.

Kentucky's private capital funds have languished, and the state still lacks sufficient catalytic capital to grow and attract the number and density of high-tech companies needed to stay competitive.

The following strategically aligned proposals will:

- Renew Kentucky's ability to invest in funds that attract and activate private capital, while also developing the next generation of investors and fund managers
- Make later-stage investments in portfolio companies that allow them to scale in Kentucky
- Pilot and implement strategies to cultivate and expand rural innovation
- Leverage advantages in early-stage tech funding to attract more companies to the state

(Re) Build In-State Private Capital Fund systems: Private investment capital funds for early-stage companies have collapsed in Kentucky. At its height, CSC was an investor in 16 Kentucky-based funds across the state. Today, CSC is invested in three of the four remaining private capital funds in the state, with a goal of being invested in all four by the end of 2025. The only fund of size remaining in the state is Bluegrass Angels (BGA). Reversing this trend is imperative, as funds generally provide make-or-break capital for the early and growth-stage companies and can focus on and develop expertise in particular regions and industries across the state. CSC will also continue to boost rural fund development and increase statewide access to capital. It has done so in the past with vital investments in [Appalachian Micro Equity Fund](#) and [Tri State Angel Investment Fund](#), a 2025 commitment to the newly formed [Appalachian Innovation Investment Fund](#).

Building Additional Lasting Investment Vehicles: A cornerstone of CSC's fund-of-funds strategy will be to invest a relatively small amount of seed capital in the launch of what will grow to become a \$100 million Small Business Investment Company (SBIC) Accrual Fund. The SBIC, backed by the U.S. Small Business Administration, will be built with private investment capital that will leverage more than one federal dollar for every private dollar. This will provide another powerful tool designed to address a critical gap in Kentucky's private investment infrastructure: the absence of scale, continuity, and institutional-grade funding vehicles that can back high-growth companies over time.

Attracting Investment and Engaging Regional Funds: CSC's strategy will also allow it to function as a statewide magnet for venture investment, leveraging affiliations with the national associations and networks and participation in regional funds to connect Kentucky's startups with out-of-state capital. By investing early and helping to de-risk high-potential companies, CSC makes Kentucky ventures more attractive to major institutional investors. In doing so, CSC's credibility and track record have become a state asset, actively drawing external capital into the ecosystem and reinforcing Kentucky's position as a destination for high growth investment.

"Last-Mile" Capital to Keep Companies Growing in Kentucky: High-growth Kentucky companies are often faced with a hard decision to remain in Kentucky or leave in pursuit of later-stage capital funding. Other states with more robust investor platforms lure these firms away with attractive incentives and relocation mandates from lead investors. A significant injection of fresh capital will allow CSC to fund larger and later-stage investment in the most promising Kentucky-based companies in its own portfolio and the portfolios of funds in which it invests. As a result, Kentucky will be better equipped to retain high-growth companies, anchor next generation job creation and prevent loss of innovative talent and IP to other states.

Expand Program Making High-Tech Companies Investment Ready: Even when they have technologies worthy of early funding, Kentucky's young companies often struggle to navigate the path to market and a challenging investment landscape. Keyhorse Capital, KSTC's venture investment division, has designed a program that partners promising technology companies with experts in scaling companies and attracting capital. The concept has already been tested in several regions across the state with promising improvement in company

outcomes. Additional funding would allow for expansion to additional regions, beginning with more rural markets, in collaboration with the Innovation Hubs.

Connecting Startups to Testing, Customers and Talent: KSTC's Keyhorse Capital will pilot a program that enables startups, particularly those in rural areas and those willing to work in rural areas, to scale up by connecting them to technology testing opportunities and potential customers, such as regional airports, schools and hospitals. Matching companies with anchor organizations will allow them to de-risk commercialization of technologies in a broad range of sectors by providing real-world validation environments. The program will also provide opportunities for rural Kentuckians through apprenticeships, fellowships and work-learn experiences with early-stage startups, creating experiences that feeds Kentucky's innovation economy. The model for connecting rural startups to these kinds of opportunities has already been tested with several Keyhorse portfolio companies, including Auburn-based Kanbol, which has piloted sustainable packaging at university cafeterias.

Tools to Support and Attract More Promising Technology Companies: Kentucky's nationally recognized Small Business Innovation and Research (SBIR)/Small Business Technology Transfer (STTR) matching funds program, has been critical to startups advancing their technologies in Kentucky. The program provides, which non-dilutive capital to companies that have already received federal innovation grants and contracts, has leveraged \$7 in follow-on funding for every \$1 in state funds and led to the creation of hundreds of high-paying jobs. Other states took notice and either copied or created their own, better funded, versions. There is an opportunity for Kentucky to reclaim its advantage in SBIR/STTR and add new tools for recruiting early-stage companies in target industries. Additional investment would allow Kentucky to support and attract more SBIR/STTR companies, as well as similar science and technology startups.

BACKGROUND & REASONS WHY

Innovation drives economic progress and GDP by increasing efficiency, productivity and private capital deployment. More than 3/4 of growth since 1950 reflects rising educational attainment and research intensity. It creates companies that pay higher average wages and attracts talent that goes on to generate new technologies and startups. This feeds a self-perpetuating ecosystem for R&D and commercialization that boosts the overall economy.

Kentucky has an immense opportunity to forge its future economy through innovation and lead the way nationally in unleashing the power of its non-urban areas. The state was a pacesetter for innovation strategy and policy, has continued to develop successful programs and has a highly collaborative network of private, governmental and higher education stakeholders dedicated to science-and-technology-based economic development. It is a strong foundation from which to build.

Without rededication to these efforts, the state risks its ability to succeed in the future.

The Competitive Gap Is Real – and Growing

- Kentucky's venture capitalist investment is one-tenth the amount of competitor states
- As of 2022, only 8% of Kentucky establishments are considered high-tech compared to 9.2% of businesses in competitor states and 10% nationally
- Kentucky's startup early revival rate was below Indiana, North Carolina, Ohio, South Carolina, Tennessee, West Virginia, and Mississippi's at 80.1%.
- Kentucky ranks 45th for science and technology strength by Milken Institute due to limited investment in risk capital, entrepreneurial infrastructure, and tech concentration/dynamism.

Neighboring states Kentucky competes with for companies and talent are out-investing Kentucky by order of magnitude. Indiana has a \$100 million growth equity fund managed by Elevate Ventures, which also received

\$6.5 million in annual operational support. Ohio maintains a \$250 million evergreen, returns fed growth capital fund, which is continuation of a decades-long commitment to innovation that included \$2.3 billion in funding. In addition to these state-sponsored funds, both states have significantly more private capital available in their respective ecosystems.

High-tech innovation will be the key for Kentucky to seize strategic growth opportunities identified in the Collaborative Blueprint for Economic Development, such as Life Sciences and Aerospace, and to grow its sector advantages, like Automotive and Manufacturing. Growing these sectors is also essential to providing future opportunities for homegrown talent and keeping a larger share of the thousands of graduates emanating from Kentucky's higher education institutions and career credential programs.

SUMMARY

The proposals described here represent actions Kentucky should take to realize immediate and long-term impact on a critical component of its economy.

Re-establishing CSC's role as a catalyst for capital investment will mean more funds started to invest in startups in every region of the state and across important industry sectors. Providing additional investment funding will enhance its ability to attract and keep more companies in the state. Scaling of new rural innovation initiatives through KSTC will provide real opportunities for the next generation of Kentuckians to participate in the innovation economy. It will form pathways between startups and institutions that can validate technologies and lead to more entrepreneurial activity throughout Kentucky. Additional match funding will allow Kentucky to compete nationally for its share of early-stage science and technology companies.

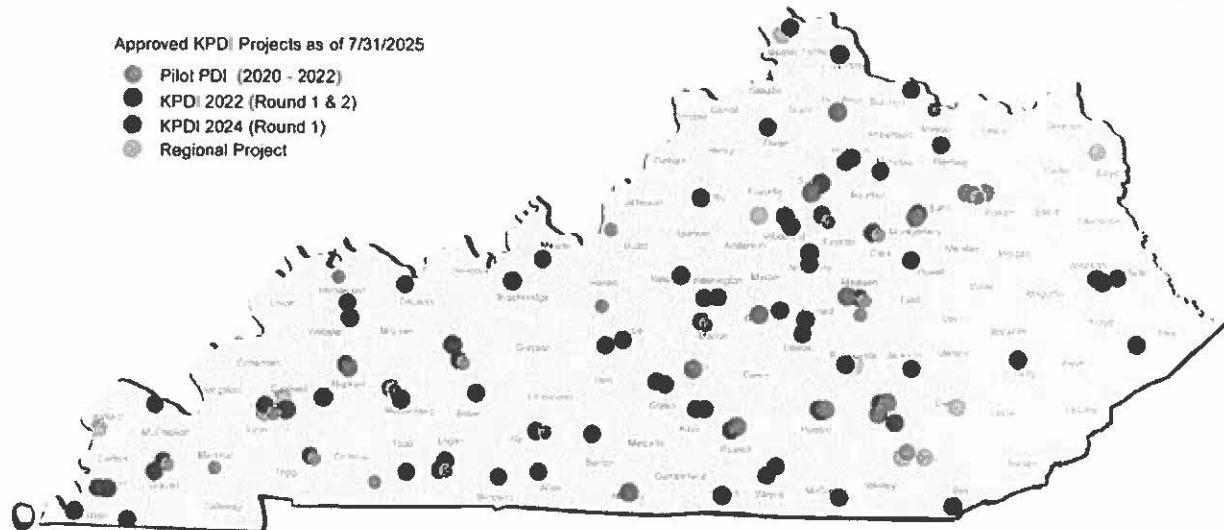
These investments will equip Kentucky to more fully participate in a global innovation economy where access to capital, knowledge and talent will only become more hypercompetitive.

KPDI PROGRAM

Kentucky Product Development Initiative Program

KPDI PROGRAM

Kentucky Product Development Initiative Program



123 TOTAL APPROVED PROJECTS

SUCCESSES

The Kentucky Product Development Initiative (KPDI) program has approved \$92.6 million in state funding for 96 projects statewide with a total of \$522 million in projected investment towards site development.

- The KPDI program furthers the efforts of the pilot PDI program, which provided nearly \$6.7 million in state funding for 20 site development projects statewide. Companies have announced economic development projects at 20 of the locations funded during the pilot PDI program, projecting \$3.8 billion of capital investment and 4,218 new, full-time jobs.
- In total, the pilot PDI and KPDI programs have approved \$99.4 million in state funding for 116 projects statewide. Companies have announced 35 economic development projects with a projected investment of \$4.4 billion and 6,381 new full-time jobs.
- **Understanding the realities of site development**
 - Site development costs are high, and in some parts of Kentucky even higher.
 - Taking a piece of property and calling it industrial is one thing, yet real projects require the land be what is called "shovel ready" and that is to have all the information available as well as the majority of work completed on the property to move swiftly to facility construction.
 - The following are the requirements expected by the vast majority of projects considering an expansion or greenfield location
 - Land is legally controlled, with clean title. Pricing is known, (free is expected) all proper zoning in place, with a site pad ready for development or all site preparation issues fully defined by credible 3rd party that includes cost estimates and timelines for completion. That includes geological and historical preservation surveys.
 - Water, sewer, natural gas, internet, electrical rates and loads, soil densities and minimal distance (usually 10 miles) to 4 lane roads mapped and validated
 - Phase 1 & 2 environmental issues completed.

- If previous use included environmental issues, site likely to be excluded for consideration. Therefore, all remediation, regulatory clearances etc. defined with costs, timelines and responsible parties.
- Vision for Community is Clear: Current and future state of workforce, quality of life issues, logistics and interface with the regional economies a must.
- A community with a known reputation for getting things done, strongly supported by existing industries, with leadership that acknowledge challenges but have plans to address.
- A community that is realistic and understands what they are willing to do to make a project a success including but limited to incentives, partner employment, training and support for attracting and retaining a workforce.

- The KPD program assist local communities acquire land, conduct the due diligence to move property as close to an Industrial Park setting as possible to greatly enhance the marketability of the site and give the area a chance at being successful in this hyper-competitive world of economic development

- Understanding the variability and scope of costs is one of the most challenging elements of developing land into a suitable industrial use. Site costs can run into the \$ millions, with thousands of cubic yards of earth and rock needing to be addressed along with issues from requirements for pilings for foundations, running water and sewer onto the property, wetland and or stream mitigations costs etc.

Per unit cost examples include:

- PVC water pipe runs \$111.25 L.F. to \$1.30 L.F
- Each linear foot of 24" wide asphalt roadway, if laid on cleared land is approximately \$111.25
- Each linear foot of 24" concrete roadway runs approximately \$333.47
- Mass Earth work is around \$8 CY
- Earth work with embedded rock runs \$15 CY or more
- Hauling in and out can run \$30 CY

INDUSTRIAL LAND vs INDUSTRIAL PARK

	Industrial Land	Industrial Park
LACK OF DEVELOPED INFRASTRUCTURE	Typically refers to raw, undeveloped plots of land. The cost of industrial land is lower because it does not include infrastructure like roads, utilities, and drainage systems. Buyers must invest additional funds to develop these essential facilities.	These are pre-developed areas with existing infrastructure and amenities. The higher initial cost reflects the investment in creating and maintaining comprehensive facilities
LOCATION & ACCESSIBILITY	Mostly located in less developed or peripheral areas where land prices are generally lower. The lack of immediate infrastructure and accessibility might contribute to the lower price.	Often situated in strategic locations with excellent accessibility to major transport routes and logistics hubs. The premium for these locations is included in the cost, reflecting its advantageous positioning
INVESTMENT IN AMENITIES & SERVICES	Does not come with added amenities or services. Buyers are responsible for providing their own facilities, such as security, waste management, and maintenance.	Shared services like security, landscaping, and waste management are included, with costs incorporated into the maintenance charges for the land within the park
IMMEDIATE OPERATIONAL EFFICIENCY	Requires significant time and effort to develop before becoming operational. This delay in usability is often reflected in the lower initial cost.	Offers immediate usability due to existing infrastructure. Businesses can start construction and operations more quickly, which justifies the higher upfront cost.

IMPACT - *How we can do more?*

The KPDI program allows the Cabinet to work with communities and regions to assist with infrastructure improvements to grow the inventory of available true "build-ready" sites and buildings for future economic development growth in Kentucky.

- Implement carryforward language to ensure that funds appropriated to the KPDI Program which are not allocated or committed during a specific round do not lapse but instead remain available for use in future funding rounds. As of July 16, 2025, \$14,343,692.00 from the 2022 program funds remain unallocated/not committed to projects.
- Due to inherent site characteristics (Ex: Topography, lack of infrastructure) of Eastern Kentucky and other rural areas, \$2 million does not produce equivalent results compared to other areas within the Commonwealth. Eastern Kentucky EDOs highlighted the need to tailor state funding to local realities. 43% of survey respondents from Eastern Kentucky strongly agreed that "In the future, KPDI matching requirements should be tailored to meet community resource availability and needs". Similarly, Eastern Kentucky focus group participants emphasized how programs such as KPDI could help smaller, rural counties with site development projects and business attraction overall if they had more flexible matching requirements for some communities or locales.
- CED proposes language authorizing CED, in close collaboration and with the support of SSG, to exercise discretion in increasing the existing \$2 million cap on certain projects by up to a maximum premium of 20 percent. Considerations guiding approval of such an increase would include:
 - Whether the increase in funds will result in completion of the industrial park and/or site under consideration, thereby substantially increasing marketability and making it a "build-ready" site.
 - Whether the use of the increased funds will result in a current prospect moving forward with the project, with certain representations of the project to be verified prior to consideration and approval of the increase.
- Through feedback gathered at turf meetings in five regions across the state, local and regional Economic Development partners expressed the importance of continuing investment into site development through the KPDI program. Numerous partners have offered to provide testimony to the impact of the KPDI program on their community and economic development efforts.

BACKGROUND & REASONS WHY

- The Kentucky Product Development Initiative (KPDI) program was created in the 2022 Regular Session of the General Assembly in KRS 154.21 and is a statewide effort to support upgrades at industrial sites throughout the Commonwealth and position Kentucky for continued economic growth. Gov. Beshear and the Kentucky General Assembly approved \$100 million in funding for the initiative.
- The KPDI program is a collaboration between the Cabinet and the Kentucky Association for Economic Development (KAED). KRS 154.21 requires KAED to engage an independent consultant to review, score and recommend applicants to the Cabinet. It is important to note that the majority of the state's utility companies contribute funding to KAED to cover a portion of these independent consulting fees and travel expenses. A major benefit of the process is that this consultant provides the strengths and weaknesses, with suggestions for improvements on how a company looking to locate in the

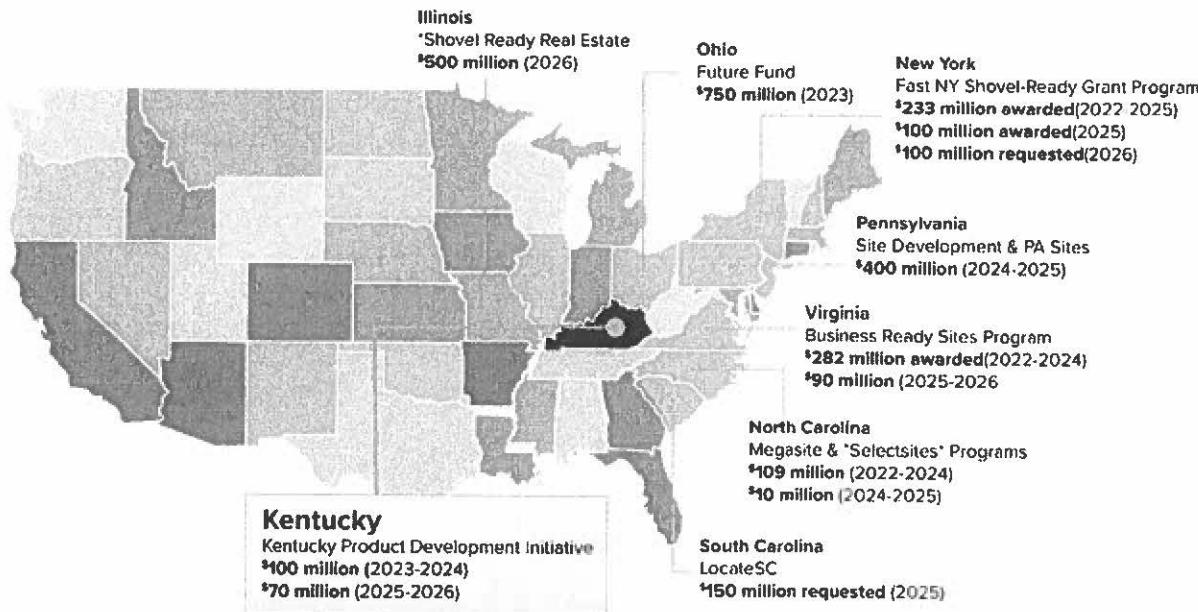
community judges its readiness for a job-creating project. This includes an evaluation of the local community's presentation, details on the workforce, strength of the site layout and capacity of utilities as well as the manner in which a community proposes to assist a new company to recruit and attract talent. After due diligence is completed on projects, the Cabinet may recommend KPDI applicants for approval of grant funds under the Economic Development Fund (EDF) program.

- The inventory of available sites and buildings, which were in short supply to begin with across the Commonwealth, is further decreasing with the announcement of economic development projects. The KPDI program allows the Cabinet to work with communities and regions to assist with infrastructure improvements to grow the inventory of available true "build-ready" sites and buildings for future economic development growth in Kentucky.
- The Cabinet is requesting \$170 million over two rounds to continue funding site development across the Commonwealth, these levels are equal to that of the 2024-2026 FY budgets

COMPARISON TO COMPETITOR STATES

Over the last five years, competitor states have established new programs and invested millions of dollars towards site development projects.

- Alabama appropriated \$55.5 million of funding for their Site Evaluation and Economic Development Strategy (SEEDS).
- Michigan announced the appropriation of \$100 million in 2023 to be distributed through the Strategic Site Readiness Program. This investment was strategically proactive for sites where an end-user has not been identified.
- The All-Ohio Future Fund was announced in 2023 to the tune of a staggering \$750 million investment.
- Virginia awarded approximately \$282 million in matching grants between 2022 and 2024 as part of the Virginia Business Ready Sites Program (VBRSP).



SUMMARY

- In total, the pilot PDI and KPDI programs have approved \$99.4 million in state funding for 116 projects statewide. Companies have announced 35 economic development projects with a projected investment of \$4.4 billion and 6,381 new full-time jobs.

- CED is requesting \$70 million over two rounds to continue funding the KPDI program.
- Repurpose or carry forward of any remaining funds from the KPDI of 2022 as well as the KPDI program of 2024.
- Proposing a discretionary allocation of \$2.4 million (this is an increase of \$400,000) per county, if in a rural or Eastern Kentucky county as designated within the CED Rural and Eastern Kentucky Program.
- While previous awards of \$2 million per county have facilitated incremental site improvements, CED recommends that the county max be increased by up to 50% should it result in a site requiring no further preparation, thus designating it as build and or shovel ready.

CARRY OVER OF UNOBLIGATED CLOSING FUNDS

CARRY OVER OF UNOBLIGATED CLOSING FUNDS

SUCCESSES

Since the beginning of his administration, Gov. Beshear has announced nearly 1,200 private-sector new-location and expansion projects totaling roughly \$36 billion in announced investments, creating close to 62,000 jobs. The robust job creation has been accompanied by rising wages across the Commonwealth. Since 2022, the average incentivized hourly wage has topped \$26 in three consecutive years for the first time.

Kentucky's prime geographic location, logistical advances, competitive business cost environment, and available infrastructure have all been critical factors in securing new investment. Additionally, our ability to get companies up and running faster than our competing states is a key advantage.

While not ever the sole factor for decision making, a states' ability to offer flexible and reliable incentive tools to companies to offset risk is a necessity component of our economic development toolkit, as we strive to provide best in class service and products.

Incentives take many forms. The Kentucky Product Development Initiative helps to support communities who are proactively preparing sites and buildings. Performance incentives like the Kentucky Business Investment program support job growth and investment over the company's ramp up period. However, companies considering expansion or location opportunities often still have financial gaps that need to be filled as a part of their site selection process, and a state's ability to have flexible cash funding is a must.

Because these funds are tied to infrastructure investments, they can be utilized in a way that can close the deal for a project, while also improving the community and opening opportunity for future economic development activity. A gas line extension to serve an industrial park may also get that gas line closer to an area that needs housing or upgrades to a school, which are the types of discussions CED is having when evaluating these projects.

IMPACT - *How we can do more?*

CED is requesting a carryover of unobligated Closing Fund appropriations, by adding the "shall not lapse and shall carry forward" language to the legislation. A project life cycle may move quick, or may take multiple years, and it is important that CED can maintain outstanding commitments to active projects to ensure we can maintain trust and our reputation with companies and site selectors.

As can be seen in the chart below, the number of commitments being discussed far exceed the balance that is currently appropriated. To date, these closing funds have supported, through either approved or committed projects, approximately \$4.14B in total investment, 4,783 jobs, and 14 different counties.

CLOSING FUNDS CATEGORY	# OF PROJECTS	PROPOSED FUND AMOUNT	TOTAL JOBS	PROJECTED INVESTMENT
Approved/Committed	16	\$23,800,000	4,783	\$4,141,591,651
Offer Likely to Close	5	\$6,375,000	930	\$1,159,667,000
Offer to a Prospect	12	\$44,250,000	4,732	\$6,801,125,103
Previous Offers	10	\$236,515,000	5,081	\$14,605,927,014
Utility Infrastructure - Offer Outstanding	5	\$30,000,000	5,500	\$2,942,577,318
TOTAL	48	\$340,840,000	21,026	\$29,560,888,086

While no legislative action is required, CED will continue to target projects in Rural and Eastern Kentucky communities with a need for infrastructure projects as part of our strategy to create unique opportunities for all communities. Infrastructure costs are often greater in rural and Eastern Kentucky due to existing infrastructure and topography, and it is critical that these funds carry forward and are flexible in how they may support projects.

BACKGROUND & REASONS WHY

In SB 91, the Closing Fund was made available (\$65,000,000 in each fiscal year) to support approved mega development projects of at least \$10,000,000.

An exception to that threshold was later added, for certain economic development projects as recommended by the Cabinet based on unique conditions of the county where the project may occur, including but not limited to the population, per capita income, or county wages that are lower than the median for the state.

With this exception, additional flexibility was added to allow funds to be used to provide loans with the ability for forgiveness upon approval by the Secretary to support infrastructure and access to power.

COMPARISON TO COMPETITOR STATES

South Carolina, Virginia, Missouri, North Carolina, Tennessee, and other competitor states have deal closing or discretionary cash-grant programs. In one year alone, Illinois appropriated \$400M for high priority projects and Indiana created a \$500M deal closing fund.

The All-Ohio Future Fund will provide a historic investment in economic development in 2025. Governor DeWine's budget plan allocates \$2.5 billion in available funds to support site infrastructure, attract new businesses, and encourage workforce development across the state.

SUMMARY

In summary, the CED requests **continued funding at the 2024-2026 FY levels while adding carry forward language** be added to this legislation as a critical step to secure our momentum in economic development. These funds pay for themselves in multiple ways as the availability of these funds provide needed infrastructure support for local communities and offsets areas of costs for projects that are higher in Kentucky than in other states.

GRANT PROGRAM

Government Resources Accelerating Needed Transformation Program

GRANT PROGRAM

Government Resources Accelerating Needed Transformation Program

SUCCESSES

- The GRANT Program is made available to help leverage competitive grants from federal dollars with state funds for grant required local matching funds. The goal of which was to increase Kentucky's receipt of competitive federal grant programs.
- In June 2024 the Cabinet took the first applications for this program. In just one year, CED has approved 245 projects across the Commonwealth.
- 245 approved projects in 12 months (June 2024 – June 2025)
 - 101 projects impacted to date across the Commonwealth
 - 19 counties without an active GRANT project – continued discussions with ADDs, local officials, etc. on existing opportunities to participate in the GRANT program
- Committed Projects – anticipated total project costs of over \$646.2 million.
 - \$367,647,330 in federal funds
 - \$132,147,873 in committed/approved GRANT funds
- \$200M in available GRANT program funds
 - \$132M committed/approved GRANT funds
 - \$6M authorized for admin/operating expenses
 - \$61.8M available GRANT funds

IMPACT - How we can do more?

- Continue GRANT funding at the \$200 M level
- Allocation of Funds, Match Requirement and Timeline
 - GRANT has produced measurable benefits with exponential payback from the original \$200M – yet continued demand exists on an extremely successful program.
 - For eligible federal projects that do not have a match requirement, it is a given a local match will make an application more competitive – in these instances allow for eligibility for 20% local match requirement consistent with the GRANT match definitions
 - Allow for flexibility at the discretion of the Cabinet to extend out the approval of projects due to unforeseen delays to the federal award.
- Expand the qualified federal entities to include:
 - Department of Defense
 - Department of Justice
 - National Aeronautics & Space Administration (NASA)
- Limited Up-front funds to assist in feasibility studies
 - Defined objective working through ADDs and Public Universities
- New Market Tax Credit – Revolving Loan Program – up to 10% of the GRANT funds
 - Targeted in Eastern and Rural KY communities
 - Leverage the \$5B/year federal program

- Create a revolving fund mechanism for assuring the compliance portion of the 37% federal income tax credit over 7 years
- Develop a comprehensive/central system to capture activities/successes on the GRANT program
 - Currently there are multiple tracking systems that lead to misrepresentation and error in reporting when discussing the impact of the program

BACKGROUND & REASONS WHY

- Previously the program was administered through the Department for Local Government (DLG). In May 2024, the program was moved to CED with an allocation of \$200M to assist eligible applicant (city, county and 501(c)(3)) with accessing the \$1.8B in available federal funds.
- CED receives and approves GRANT applications monthly to aid in the match requirement for federal grants.

COMPARISON TO COMPETITOR STATES

- While a detailed comparison with other states' grant programs is complex and dependent on specific needs and goals, some notable points about Kentucky's grant landscape include:
 - Emphasis on Infrastructure: Kentucky has invested significantly in infrastructure improvements, particularly in water and wastewater systems, as evidenced by programs like the Cleaner Water Program and CDBG Public Facilities grants.
 - Support for Rural Development: Several grants target rural communities and businesses, including the USDA Rural Business Development Grants and the Community Facilities Direct Loan & Grant Program.
 - Efforts to Address Federal Grant Matching: The GRANT program highlights a proactive approach to address a common barrier to federal grant funding for local communities.
 - Diverse Funding Opportunities: Kentucky offers grants across a broad spectrum of areas, including environmental protection, arts and culture, historic preservation, and support for vulnerable populations.
- Overall, Kentucky demonstrates a commitment to supporting its communities through a combination of federal and state grant programs, with a focus on addressing specific needs in areas like infrastructure, economic development, education, and environmental protection.
- Massachusetts recently kicked off at \$750M pool, using the interest from the rainy-day fund to sustain the program. The state is also being creative with their pool and have added in revolving loan funds to assist communities in securing Direct Pay energy tax credits.

SUMMARY

In summary, in the last twelve months, the GRANT Program has assisted local communities by supporting 245 projects across the Commonwealth. The state support has resulted in leveraging the GRANT funds to aid in capturing over \$367.7 million in federal funds, seeing a potential total investment in Kentucky of over \$646.2 million.

The continued support and development of the GRANT program is imperative to the continued success and impact across the state.

The following charts are a summary of the GRANT Program:

GRANT PROGRAM

Authorized & Available Funds

	Authorized Funds	Committed/ Spent to Date	GRANT Funds Recaptured	Available Funds
City and County (up to 80%)	\$155,200,000	\$105,338,150	\$3,556,152	\$53,418,002
501(c)(3) (up to 20%)	\$38,800,000	\$30,437,707	\$71,832	\$8,434,125
Grant Ready Kentucky	\$4,000,000	\$4,000,000	-	\$0
Operating Expenses	\$2,000,000	\$2,000,000	-	\$0
Authorized Funds	\$200,000,000	\$141,775,857	\$3,627,984	\$61,852,127



Monthly & Annual Reports:
Monthly and annual reports are available on the Cabinet's website

GRANT PROGRAM

Committed Projects

	Federal Funds Leveraged	GRANT \$ Committed	Total Project Cost
CY2024	\$ 234,760,770	\$ 91,656,770	\$429,850,439
CY 2025	\$132,886,560	\$40,491,103	\$216,429,678
TOTAL	\$ 367,647,330	\$ 132,147,873	\$646,280,117

GRANT PROGRAM

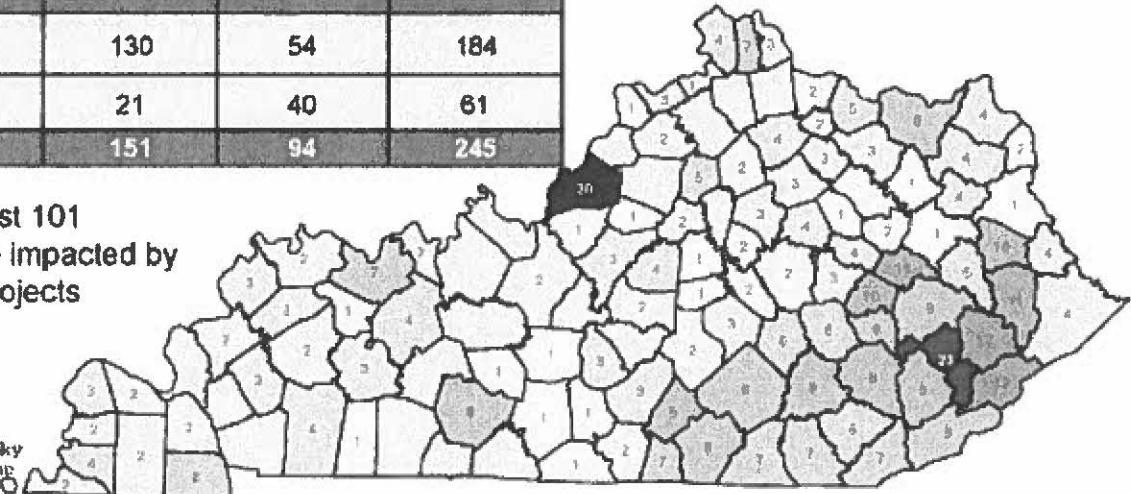
Approved Projects

NUMBER OF APPROVALS	CY2024 Total	CY2025 Total	TOTAL
City and County	130	54	184
501(c)(3)	21	40	61
TOTAL	151	94	245

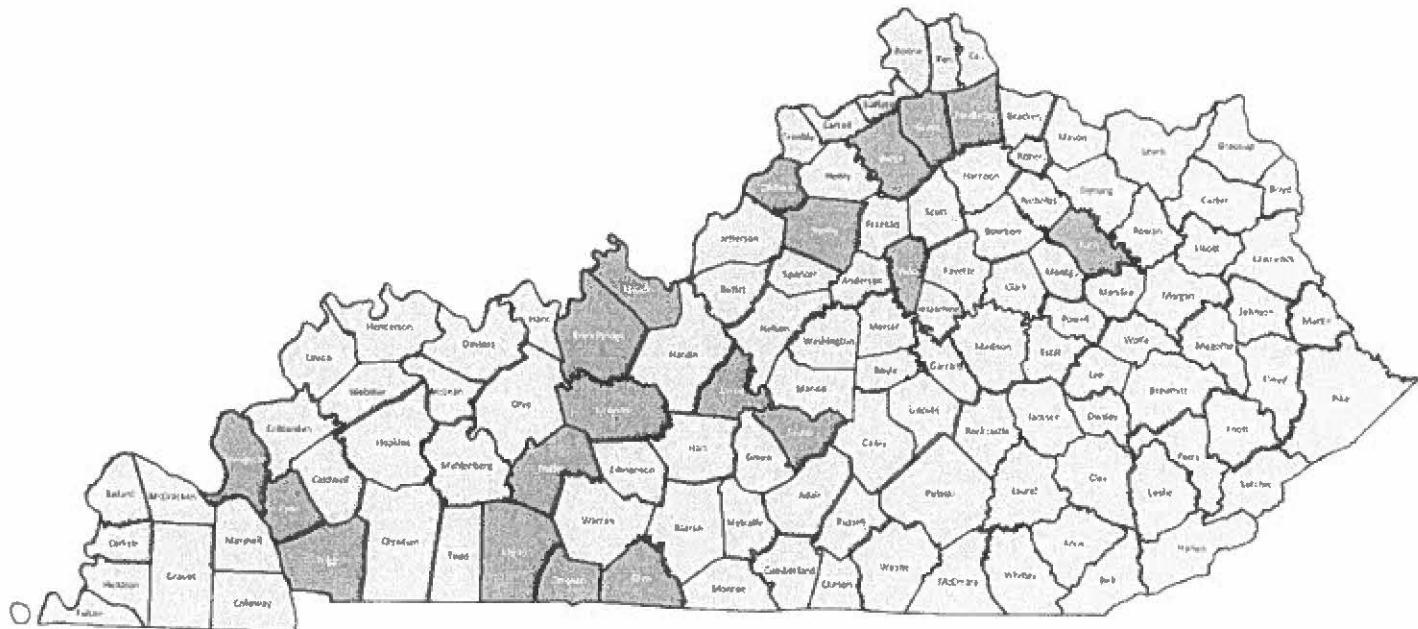
At least 101
counties are impacted by
the projects

TEAM
KENTUCKY

Visit
Kentucky
Home



KY COUNTIES WITHOUT ACTIVE GRANT PROGRAM PROJECT



"Grant Ready Kentucky, the area development districts, and CED staff have communicated with each of the counties listed as not having an active GRANT award to offer meetings and resources to the communities to participate in the program."

TALENT ATTRACTION PILOT INITIATIVE

TALENT ATTRACTION PILOT INITIATIVE

SUCCESSES

The Cabinet for Economic Development has seen unprecedented announcements of both jobs and investment across all of Kentucky over the past five years with 61,331 jobs and \$35.8 billion in investment. This job creation includes an average incentivized hourly wage that has exceeded \$26 for three consecutive years for the first time in the state's history.

IMPACT - *How we can do more?*

The CED has developed a legislative priority encouraging the upcoming legislature to allocate funding to assist our efforts to retain and attract workers with the necessary skills that align with the impending significant increase in available jobs that include rising wages and enhanced training requirements.

- CED has prioritized retention of skilled workers already residing in Kentucky and those currently receiving training to further develop and diversify their skills, as well as attraction of skilled workers that reside outside the state and would benefit from relocation to the commonwealth through quality job opportunities and quality of life advantages.
- As part of these recommendations is a \$5 million fund to support a Talent Attraction Pilot Initiative that can be used to promote and market Kentucky's employment opportunities throughout the commonwealth and the United States. These marketing efforts will be accretive to and in concert with state and local tourism campaigns. In effect, we will use the increased awareness of why people should visit the state to also drill down on reasons they should also move here.
- This initiative can support the creation of a website or landing page that emphasizes and clearly states the advantages of living and working in Kentucky, provides information on available skilled job opportunities, and details the resources available across other state agencies, as well as regional and local partners statewide. The initiative will also support a campaign that will be used when local chamber and private funding is raised to promote Kentucky to the targeted audiences of specific jobs that are needed and available in that community and with the private employers participating.
- The initiative also can help CED to work with local and regional communities to implement targeted campaigns highlighting the specific workforce needs of the business and industry in their respective communities. Our proposal will assist local and regional chamber and public private partnerships to not only engage in the marketing but develop processes and programs by which leads are converted into attracting talent into their area. These may include ambassador programs, promotion of housing stock as well as a maintenance of current employment opportunities available. Various paid, earned, and digital marketing strategies will be utilized to attract new and returning talent to the state.

BACKGROUND & REASONS WHY

The shortage of skilled labor is the foremost obstacle for innovative and high-tech companies looking to grow in the commonwealth. The Kentucky workforce gap for high skill jobs is especially impactful in STEM related fields, where there are 7.7% less engineers than are needed to fill current positions and there are 18.29% less computer/mathematics talent than is needed to meet current demand. The lack of skilled workforce was also the reason given for projects that chose to locate elsewhere for 6 projects in the past 5 years. Those projects would have brought \$3.4 billion in investment and 2,600 jobs to Kentucky if we were chosen. These gaps are

expected to continue projected to have an engineering talent deficit averaging 12.85% and 17.24% in computer/mathematics related roles by 2034. This proves particularly concerning for companies searching to fill the industrial engineer roles, where workforce is expected to be at a 15.5% deficit.

In addition, our competitor states are looking at Kentucky's workforce as a solution for their own shortages, Indiana has outlined Louisville, Kentucky as a targeted region in its strategic plan.

COMPARISON TO COMPETITOR STATES

State-led talent attraction initiatives have gained momentum across the United States. States like Indiana, Ohio, Michigan, and Wisconsin. Indiana, Ohio, and Michigan launched initiatives that focused on making strategic plans for targeting prospective workforce through multimedia ad campaigns including social media, streaming services, and billboards, with calls-to-action to visit the state talent attraction site to learn more. The lowest spend dedicated to these initiatives was Indiana's \$6 million strategic planning and advertising campaign. Wisconsin has opted for a slightly different approach, preferring to allocate funds to a matching grant program for local economic development organizations to use funds to support their current/planned outreach initiatives.

SUMMARY

- \$5 million Talent Attraction Pilot Initiative to establish a strategy around talent attraction and retention
- Leverage funding with local chamber and private funds to target the jobs available within that community and available with the private employers.
- Develop a promotional campaign to attract and retain talent with messaging
- Establish a website or landing page to make resources readily available for individuals seeking more information on skilled job opportunities and quality of life in Kentucky

KOREAN REPRESENTATION

Create Asian Office to Create Representation in South Korea,
with Coverage into Taiwan & Southeast Asia

KOREAN REPRESENTATION

Create Asian Office to Create Representation in South Korea, with Coverage into Taiwan & Southeast Asia SUCCESSES

The Cabinet for Economic Development has seen several announcements for both jobs and investment across all of Kentucky from Korean companies over the last several years. These announcements have resulted in \$6.4 billion in capital investment and 6,367 new jobs.

IMPACT - *How we can do more?*

- The Cabinet for Economic Development has developed a legislative priority encouraging the upcoming legislature to create an Asian office consider establishing a Representation in South Korea with modest coverage in Taiwan. This initiative would help establish relationships in South Korea and Southeast Asia to assist economic development across Kentucky.
- As part of these recommendations is a \$175,000 to be added to our Japan office, hereafter renamed "Asia Office" with funds would be used for adjustments that would allow for the Korean branch office to do the following:
 - Fully staffed with competitive salary
 - Attend trade shows, conferences, etc. in the South Korea region.
 - Travel to the United States 2-3 times a year to support CED through conferences, meetings, site visits, etc.

BACKGROUND & REASONS WHY

Economic development is a key component of Kentucky's domestic and foreign policy objectives. During the current administration, Kentucky has been fortunate enough to announce nearly 1,200 private sector new-location and expansion projects. This has totaled over \$35 billion in capital investment and the creation of 61,000 jobs. Foreign direct investment projects have been a large part of the investment numbers and new job figures.

- Over the last 5 years, Korean companies have announced 7 projects in Kentucky, totaling \$6.3 billion in capital investment and 5,800 new jobs.
- Target industries, including automotive, aerospace, and metals, have a heavy Korean presence.
- A potential Korean office would help maintain strong relationships with existing Korean companies in Kentucky, like our current foreign offices do with Japanese and European companies. Currently, Korean companies have a presence in 7 Kentucky counties.
- The Korean office will help the Cabinet for Economic Development with questions and processes regarding trade, tariffs, visa requests, etc.
- The Korean office will help the Cabinet for Economic Development establish relationships and recruit businesses from all over Southeast Asia, including Malaysia, Indonesia, and Taiwan.
- Kentucky exports to Korea totaled \$812M in 2024; exports to Taiwan totaled \$327M. For comparison's sake, Kentucky exports to Japan totaled \$1.1B in 2024.
- 50+ qualified leads have come from our European and Japanese offices over the last year. Since our current Korean correspondent's start date, we have received 14 qualified leads from Korean companies.
- Japanese companies contribute to 49,000 jobs and over \$20 billion in capital investment in Kentucky. German companies contribute to 13,000 jobs and over \$4 billion in capital investment in Kentucky. Our

Japanese and German/European offices have helped this growth over the last 20+ years. An establishment of a Korean office could contribute to similar growth in the future.

- According to our 2022 economic development analysis, the state of Kentucky spends the least total and per capita on economic development activities among competitor states. Establishing another foreign office will allow Kentucky to gain traction with foreign direct investment projects.

COMPARISON TO COMPETITOR STATES

- State-level foreign economic development offices are increasing dramatically across the United States, specifically in states that Kentucky typically competes with on projects.
- The international office design for Kentucky's competitor states follows a contractor design set up like the Commonwealth's, so the spending on international offices is not explicitly stated in the economic development budgets released to the public.
- Georgia has 12 foreign offices, including a Korean and Southeast Asian office; Tennessee has 5 foreign offices, including a Korean office; South Carolina has 5 foreign offices, including a Korean and Taiwanese office; Ohio has 7 foreign offices, including a Korean office; Indiana has 7 foreign offices, including a Korean and Taiwanese office
- It is important to point out that West Virginia is our only competitor state that does not have a Korean office; however, they do have a Taiwanese office.
- The Cabinet for Economic Development competes directly with Georgia on projects often, especially in the manufacturing sectors. The state of Georgia funds its international offices through its budgets connected to its Global Commerce and International Relations offices within the Department of Economic Development. For the 2025 budget cycle, Georgia allocated \$10.6 million for the Department of Global Commerce.
 - With the addition of the requested Korean office, the state of Kentucky would only be allocating \$1.075 million for the international office budget.
- Tennessee has had over \$4.5 billion in capital investment and established 3,500 new jobs from Korean companies over the last 5 years; Georgia has had over \$23 billion in capital investment and established 12,500 new jobs from Korean companies over the last 5 years; Indiana has had over \$6 billion in capital investment from Korean companies over the last 5 years.
- Expectations are that competitor states will continue to pass legislation, which will continue to allow funding for the operations of Korean and Southeastern Asia offices to continue operations.

SUMMARY

- The Kentucky Cabinet for Economic Development would like to propose a \$175,000 budget to be used for the permanent creation of the Korean office with coverage into Southeast Asian Office.
- The Korean office will enable the Kentucky Cabinet for Economic Development to identify, research, target, and call on new companies in South Korea and Southeast Asia that are interested in locating in the Commonwealth of Kentucky. The office will also help develop and maintain communication and relationships with existing Kentucky facilities owned by South Korean and Southeastern Asian companies or residents.

ALTERNATIVE TO INDUSTRIAL REVENUE BONDS

A No Cost Solution to Make Kentucky More Competitive

ALTERNATIVE TO INDUSTRIAL REVENUE BONDS

A No Cost Solution to Make Kentucky More Competitive

SUCCESSES

Since January 2024, the Kentucky Economic Development Finance Authority has approved \$637m in new investment under issuances of Industrial Revenue Bonds (IRBs), averaging \$129 million per project.

Diverse and creative financing options with administrative cost containments are a key driver for business attraction and can position the state more competitively while avoiding revenue deficits. Thus, broadening the state's approach to property tax abatements to fit the unique financing needs of companies will build a more resilient economy for many local communities.

BACKGROUND & REASONS WHY

Most states have an expedited and simplistic way for property tax abatements to be provided as an economic incentive for new and expanding businesses at the state and local level.

However, in Kentucky, it has long been perceived such property tax abatements require a complex, confusing and expensive vehicle through the issuance of IRBs. The use of these bonds requires the conveyance of real and personal property from the company to the community that in turn leases them back to the job producing entity. Not only is this process expensive, often eliminating small to medium size companies from participating, it results in a situation in which the economic benefit to the company is lost by its ability to depreciate the building and equipment as a part of this complex transaction.

Creating a new classification of "Certified Property" under KRS 132.020, and amending KRS 132.200 accordingly, that is tied to approval and certification by KEDFA and setting such property at a lesser taxation rate offers a simple and balanced benefit to the state and the company.

- The net effect of the above plan is that Certified Property would essentially receive the same tax treatment as IRB property, but the Company could retain ownership of it and still claim their depreciation deductions. This approach mirrors what the Commonwealth does for manufacturing machinery.
- Companies not only consider using IRB financing to lower their property tax rates, they also consider participating because IRB financing can offer them access to lower interest rates and favorable financing terms.
- It is our understanding that all KEDFA IRBs are capital (finance) leases which allow depreciation deductions. The local economic developers, however, use IRBs primarily for the property tax abatements via operating leases, which do not have the benefit of depreciation deductions.
- With this new property classification in place, the companies seeking alternative financing may still find IRBs attractive. But for companies prioritizing property tax savings, the new property classification will create benefits such as forgoing the expense and complexity of an IRB along with being able to take the depreciation deductions.

COMPARISON TO COMPETITOR STATES

20 states currently provide property tax abatement through flexible programming to support various industries locating or expanding.

- Michigan – Under the *Industrial Facilities Exemption (PA 198)*, local governments may grant 1 to 12 years of exemption from ad valorem real and/or personal property tax, for construction, renovation or new manufacturing facilities upon approval.
- South Carolina – Manufacturers investing at least \$50,000 are eligible for a **5-year property tax**.
- Indiana – Manufacturers are granted **real and personal property exemptions** pursuant to locating to designated economic revitalization area.

Adopting an IRB alternative is needed not to provide a competitive advantage, but to place Kentucky on equal footing with competitor states.

SUMMARY

- Create new classification of property as an alternative to IRBs to meet alternative financing strategies of new and expanding businesses.
- This tool will enable the Cabinet for Economic Development to provide optionality and help in attracting more small to medium size companies throughout the state that are more likely to locate to competitor states with more flexible property tax abatement tools.

BSSC'S COMMITMENT GRANT

Government Resources Bluegrass State Skills Corporation's Commitment Grant

BSSC'S COMMITMENT GRANT

Bluegrass State Skills Corporation's Commitment Grant

SUCCESSES

The Bluegrass State Skills Corporation (BSSC) has played a pivotal role in strengthening Kentucky's workforce by supporting customized business training through Grants in Aid (GIA) and Skills Training Investment Credit (STIC) programs. BSSC has helped thousands of companies upskill their employees, particularly in the advanced manufacturing, logistics, healthcare, and technology sectors.

A standout within this effort is the ability to commit funds specifically for a competitive project, or a **"Commitment Grant"**. This is a specialized component of the GIA program that incentivizes companies making long-term investments in Kentucky's economy. This grant supports businesses undertaking significant expansions, opening new facilities, or relocating to Kentucky—helping to secure their decision to invest in the Commonwealth. Success stories include major employers in the automotive, aerospace, and food processing industries who have used Commitment Grants to upskill thousands of new hires and existing employees in areas such as robotics, process control, mechatronics, quality assurance, and supervisory training. The grant has been particularly effective in aligning workforce development with large-scale economic development projects, supporting both immediate hiring needs and long-term talent pipelines.

IMPACT - *How we can do more?*

To deepen its impact, BSSC should consider the following strategies:

1. **Aligning Definitions**- Update the definition of "Employee" related to the GIA and STIC to match the definitions of other Kentucky economic development programs. (See [154.12-204 \(11.B\)](#) and [KEDFA Resolution No. 2021-0624](#) in relation to Senate Bill 162 (2021)). This change reduces complexity and confusion for companies that receive multiple incentives from CED.
2. **Increase Grant Duration**- Extend the length of Commitment Grants from the one-year restriction found in [154.12-207 \(6\)](#) to up to three years. Currently, approved companies must complete all programs of skills upgrade training or occupational upgrade training within one (1) year from the date of approval by the corporation. Changing from one year to up to three will allow companies to utilize their incentive during ramp up, when it is often needed.
3. **Raise Per-Trainee Cap**- Increase the per trainee funding limit from \$2,000 to \$5,000 for Commitment Grants (GIA), while still not to exceed fifty percent (50%) of the amount of approved costs. Increasing the per trainee limit will help the company by adjusting for inflation and allows the company to utilize their incentive during ramp up, when it is often needed.
4. **Expanding Eligible Costs** – Allow Commitment Grants to cover additional expenses such as specific training equipment, expanded development of training materials/programs, and relocation/talent attraction costs.
5. **Rebrand**- Rename the program to one that quickly resonates with companies and consultants.
6. **Rural and Eastern Kentucky**- Establish a Rural and Eastern Kentucky set aside such that 10% of the total annual allocation of BSSC funds be dedicated to projects the Cabinet Secretary and BSSC Board feel have the greatest impact in enabling job growth in the area, including but

not limited to funds for Tourism related capital intensive projects, and capital intensive projects supporting energy, ag-tech and Film related initiatives.

BACKGROUND & REASONS WHY

The Commitment Grant was originally developed to help Kentucky compete for large-scale projects by supporting companies making significant, long-term investments in the Commonwealth. However, as the business environment has evolved, so too must the program. One of the core challenges is misalignment with other CED incentives—particularly in how terms like “employee” are defined, the duration of incentive availability, and expectations around job creation timelines.

Companies receiving multiple incentives often encounter conflicting or unrealistic requirements, making the process confusing and cumbersome. Unlike other programs that offer multi-year flexibility, Commitment Grants are currently restricted to a one-year use period, which doesn’t reflect the ramp-up reality of new or expanding operations. Companies typically need support earlier in the project lifecycle—when hiring, onboarding, and training are just beginning.

Without the flexibility to use funds over multiple years or align with broader incentive packages, the grant loses its strategic value. In fact, a certified site consultant recently called it “one of the worst training incentives in the country,” citing inflexibility and poor alignment as primary concerns. To maintain Kentucky’s competitiveness, the program must evolve to mirror the structure and terms of other CED incentives and give companies the tools they need to train talent effectively when it matters most.

Speed to market is a critical advantage for Kentucky, and if our inventory of sites, quality incentive programs and customer service are not reflective of our “best in class” values, we run the risk of damaging our reputation with prospective companies and site consultants.

COMPARISON TO COMPETITOR STATES

Georgia has developed the QuickStart Program, which is a free, customized instructional program for expansion and recruitment projects funded through the Technical College System of Georgia. Area Development ranked it the top workforce training program in the US in 8 of the last 10 years, and it has been attributed to numerous recruitments wins for the state.

Indiana and Ohio both offer multiple state level training incentives that offer longer incentive terms and a higher dollar value per trainee. Ohio offers additional flexibility with an expanded list of eligible expenditures.

SUMMARY

These recommended updates to the BSSC Commitment Grant program will allow Kentucky to tell a compelling workforce development story and allow companies quicker access to the training funds they need.

1. Align Definitions with other CED incentives
2. Increase Grant Duration
3. Raise Per-Trainee Cap
4. Expand Eligible Costs
5. Rebrand “Commitment Grant”
6. Rural and Eastern Kentucky Focus

Happy Mobilini

KCL Power

revenue was 696 mil
profit 37 million

doubling our fees
would be 30% of our
bill

Serial Address:



3 of 4

Line Item Charges:

Previous Charges

Total Amount Due At Last Billing \$ 289.27

Payment 11/10/25 - Thank You -289.27

Previous Balance Due \$.00

Current KPCO Charges

Tariff 015 - Residential Service 12/03/25

Rate Billing \$ 290.89

Fuel Adj @ 0.0055700 Per kWh 11.36

Federal Tax Credit @ 0.0007200- Per kWh -1.47

DSM Adj @ 0.0005870 Per kWh 1.20

Residential Energy Assistance @ \$0.40 .40

Purchased Power Adj \$0.0002200/kWh .45

Decommissioning Rider 0.0082000% .02

Securitized Surcharge Rider 7.0704000% 21.41

Environmental Adj 5.0112000% 15.18

School Tax (35) 3.0 10.18

City's Franchise Fee (35) 10.18

Current Balance Due \$ 359.80

Total Balance Due \$ 359.80

Usage Details:

Values reflect changes between current month and previous month.



Total usage for the past 12 months: 28,920 kWh

Average

kentuckypower.com

CURRENT USAGE

ELECTRIC

Meter Reading Information	Meter
Actual (R) kWh Reading on 12/1/25	34634
Actual (R) kWh Reading on 10/29/25	33324
Current kWh Usage	1310
Meter Multiplier	1
Metered kWh Usage	1310

CURRENT CHARGES

ELECTRIC	Rate: Residential Service - All Electric
Basic Service Charge (\$0.53 x 33 Days)	17.49
Energy Charge (\$0.10533 x 1,310 kWh)	137.98
Electric DSM (\$0.00190 x 1,310 kWh)	2.49
Fuel Adjustment (\$-0.00486 x 1,310 kWh)	-6.37
Environmental Surcharge (0.060% x \$151.59)	0.09
Home Energy Assistance Fund Charge	0.30
Total Charges	\$151.98

9.1%

1136+ 5.0112%.

Taxes & Fees

Rate Increase For School Tax (3.00% x \$151.68)	4.55
Franchise Fee-Lexington-Fayette (4.00% x \$151.68)	6.07
Sales Tax (6.00% x \$162.30)	9.73
Total Taxes and Fees	\$20.35

BILLING INFORMATION

Late Payment Charge	
Late Charge to be Assessed After Due Date	\$5.17

Rate Schedules
For a copy of your rate schedule, visit lge-ku.com/rates or call our Customer Service Department.

Want to pay cash? Visit checkfreepay.com/en/payment-locator to find locations near you. By accepting or using this barcode to make a payment, you agree to the full terms and conditions, available at vanilladirect.com/pay/terms. After successful payment using this barcode, you may retrieve your full detailed eReceipt at vanilladirect.com/pay/erceipt. There is a limit of \$500 at some locations. Customer Fee: \$1.95. Learn more at lge-ku.com/ingerson.



799366144580006371688323141549

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MRU01311841, G000000
P55.76
PF:Y eB:P

This barcode can be used at locations such as:



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a PPL company

BILLING SUMMARY

Previous Balance	55.76
Payment(s) Received	-55.76
Balance as of 12/2/25	\$0.00
Current Electric Charges	151.98
Current Taxes and Fees	20.35
Total Current Charges as of 12/2/25	\$172.33
Total Amount Due	\$172.33

Mailed 12/3/25 for Account #

AMOUNT DUE

\$172.33

DUE DATE

12/30/25

App, online or phone payments made before 7 pm ET will be posted same day

Account Name:

Service Address:

Payment Options

(fees may apply)

Customer Service:

Mobile app - LG&E KU ODP mobile app

Online - lge-ku.com

Phone - (800) 981-0600, press 1-2-3

For fastest service, use our mobile app, website or automated phone system (800) 981-0600 24 hours a day.

Phone reps available M-F, 7am - 7pm ET.

Next read will occur 12/31/25 - 1/5/26 (Meter Read Portion 01)

MONTHLY USAGE

ELECTRIC (kWh)

CURRENT BILLING PERIOD



BILLING PERIOD AT-A-GLANCE

THIS YEAR LAST YEAR

Average Temperature	46°	0°
Number of Days Billed	33	0
Avg. Electric Charges per Day	\$4.61	\$0.00
Avg. Electric Usage per Day (kWh)	39.70	0.00

AVERAGE

	DEC 2024	JAN 2025	FEB 2025	MAR 2025	APR 2025	MAY 2025	JUN 2025	JUL 2025	AUG 2025	SEP 2025	OCT 2025	NOV 2025	DEC 2025
► 0°	0°	0°	0°	38°	53°	59°	63°	75°	80°	75°	70°	59°	46°
► 0.00	0.00	0.00	12.73	5.55	2.96	1.78	2.28	2.65	2.87	1.41	1.70	4.61	

Lost Creek

Fugate



Non-Payment/Return Mail:
PO BOX 24401
CANTON, OH 44701-4401

18

Amount due on or before
September 8, 2025 **\$5,360.21**

Bill mailing date is Aug 15, 2025
Account [REDACTED]

SERVICE ADDRESS: GO TIME 3 LLC, 9630 HIGHWAY 15 S, LOST CREEK, KY 41348
289

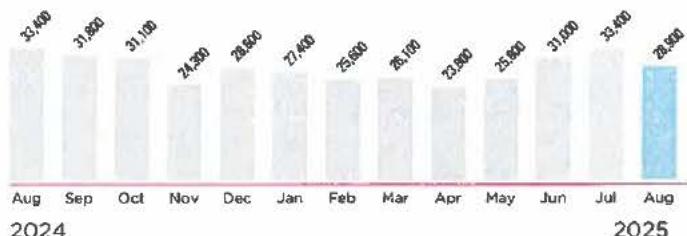
CY 13

GO TIME 3 LLC
PO BOX 446
CHAVIES, KY 41727-0446

Notes from KPCO:

The amount due will be automatically deducted from your bank account on **September 08, 2025** because you are enrolled in our checkless payment plan.

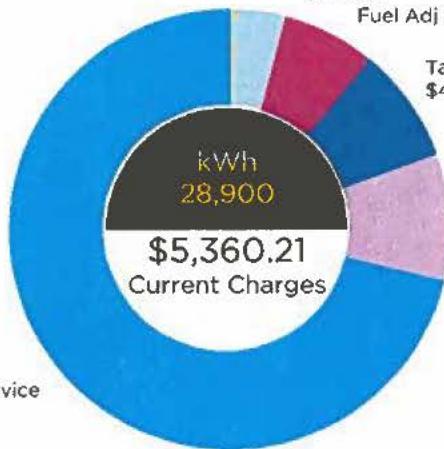
Usage History (kWh):



Current bill summary:

Billing from 07/18/25 - 08/14/25 (28 days)

DSM \$16.56
Environmental Surcharge \$203.93
Fuel Adj \$369.34
Taxes & Fees \$450.70
Demand \$501.60



Methods of Payment

- kentuckypower.com
- PO Box 371496
Pittsburgh, PA 15250-7496
- 1-800-611-0964 (fee may apply)

Need to get in touch?

Customer Operations Center: 1-800-572-1113
Outages: kentuckypower.com/outages
or 1-800-572-1113

Turn over for important information!

Please tear on dotted line.

Thank you for your prompt payment.

GO TIME 3 LLC, 9630 HIGHWAY 15 S, LOST CREEK, KY 41348



Non-Payment/Return Mail:
PO BOX 24401
CANTON, OH 44701-4401

536021
Account [REDACTED]
GO TIME 3 LLC

Amount due on or before
September 8, 2025 **\$5,360.21**

Do Not Pay This Bill

Auto-withdrawal scheduled on 09/08/2025

The HEART program helps
low-income customers pay their
electric bill. I want to help. My
payment reflects my gift of
\$ _____

Make check payable and send to:
KENTUCKY POWER COMPANY
PO BOX 371496
PITTSBURGH, PA 15250-7496



Important Information

We offer several ways for you to pay your bill. In addition to paying in person, over the phone or by mail, you may receive and pay your bill electronically (e-Bill) or have your payments deducted automatically from your checking or savings account.

If you have any questions about your bill or electric service, please contact Kentucky Power at 1-800-572-1113, or visit kentuckypower.com.

Paying by check authorizes us to send the information from your check electronically to your bank for payment. If your check is processed electronically, the transaction will appear on your bank statement, although your physical check will not be presented to your financial institution or returned to you. The original check will be destroyed after it is processed. This transaction will not enroll you in any automatic debit process and will only occur each time a check is received. Any re-submissions due to insufficient funds may also occur electronically. Please be aware that all checking transactions will remain secure in this check conversion program. If you have questions about this process or do not want your check to be converted, please contact our Customer Operations Center at the number printed on your bill.

**Service Address:**

GO TIME 3 LLC
9630 HIGHWAY 15 S
LOST CREEK, KY 41348

Account # [REDACTED]

Line Item Charges:

Previous Charges	
Total Amount Due At Last Billing	\$ 5,883.42
Payment 08/08/25 - Thank You	-5,883.42
Previous Balance Due	\$.00
Current KPCO Charges	
Tariff 211 - General Service 08/14/25	
Rate Billing	\$ 3,440.72
Demand Charge	501.60
Fuel Adj @ 0.0127800 Per kWh	369.34
Federal Tax Credit @ 0.0004700- Per kWh	-13.58
DSM Adj @ 0.0005730 Per kWh	16.56
Kentucky Economic Development Surcharge	1.00
Purchased Power Adj \$0.0019500/kWh	56.36
Securitized Surcharge Rider 10.9636000%	333.58
Environmental Adj 6.7024000%	203.93
School Tax	147.29
State Sales Tax	303.41
Current Balance Due	\$ 5,360.21
Total Balance Due	\$ 5,360.21
The Amount Will Be Deducted From Your Bank Account On September 8, 2025.	

Usage Details:

↑ Values reflect changes between current month and previous month.



Total usage for the past 12 months: 342,300 kWh

Average (Avg.) monthly usage: 28,525 kWh

Meter Read Details:

Meter Read Details					
Meter #	Previous	Type	Current	Type	Metered
[REDACTED]	-	-	0.700	Actual	0.7
26147	Actual	26436	Actual	289	70 kWh
Service Period 07/17 - 08/14				Multiplier 100	
Next scheduled read date should be between Sep 15 and Sep 18.					

Notes from KPCO:

Thank you for being a paperless customer! Sign up for billing and outage alerts to stay informed. You can manage your account by logging in at kentuckypower.com.

Kentucky Power provides online access to customer rate schedules at <https://kentuckypower.com/account/bills/rates/>. You can access a copy of your rates by clicking the "Kentucky Tariffs" link at that website. You can also view rates at our office, or request that a copy be sent to you via U.S. Postal Service or via email by calling customer service at 1-800-572-1113.

Due date does not apply to previous balance due.

Register for online services at www.KentuckyPower.com. Registration is **free and easy** and gives you the convenience of 24-hour access to your account. You can sign up for paperless billing, view your bill, check your usage, update your contact information, and much more.

Make your life easier. You can write one check for multiple electric accounts!

Enjoy the benefits of constant connection. Download our mobile app today, at Google Play and iTunes stores.

HAZARD



Non-Payment/Return Mail:
PO BOX 24401
CANTON, OH 44701-4401

SERVICE ADDRESS: GO TIME 8 LLC, 38 PERRY CIR, HAZARD, KY 41701
0 7397

Amount due on or before
September 8, 2025 **\$8,328.29**

Bill mailing date is Aug 15, 2025
Account # [REDACTED]

GO TIME 8 LLC
PO BOX 7069
HAZARD, KY 41702

CY 13

Notes from KPCO:

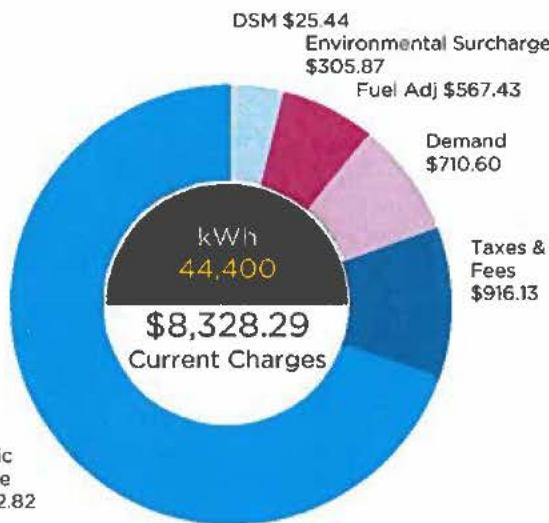
The amount due will be automatically deducted from your bank account on **September 08, 2025** because you are enrolled in our checkless payment plan.

Usage History (kWh):



Current bill summary:

Billing from 07/18/25 - 08/15/25 (29 days)



Methods of Payment



kentuckypower.com



PO Box 371496
Pittsburgh, PA 15250-7496



1-800-611-0964 (fee may apply)

Need to get in touch?

Customer Operations Center: 1-800-572-1113
Outages: kentuckypower.com/outages
or 1-800-572-1113

Please tear on dotted line.

Turn over for important information!

Thank you for your prompt payment.

GO TIME 8 LLC, 38 PERRY CIR, HAZARD, KY 41701



Non-Payment/Return Mail:
PO BOX 24401
CANTON, OH 44701-4401

832829
Account # [REDACTED]
GO TIME 8 LLC

Amount due on or before
September 8, 2025 **\$8,328.29**

Do Not Pay This Bill

Auto-withdrawal scheduled on 09/08/2025

The HEART program helps
low-income customers pay their
electric bill. I want to help. My
payment reflects my gift of
\$ _____

Make check payable and send to:
KENTUCKY POWER COMPANY
PO BOX 371496
PITTSBURGH, PA 15250-7496



Important Information

We offer several ways for you to pay your bill. In addition to paying in person, over the phone or by mail, you may receive and pay your bill electronically (e-Bill) or have your payments deducted automatically from your checking or savings account.

If you have any questions about your bill or electric service, please contact Kentucky Power at 1-800-572-1113, or visit kentuckypower.com.

Paying by check authorizes us to send the information from your check electronically to your bank for payment. If your check is processed electronically, the transaction will appear on your bank statement, although your physical check will not be presented to your financial institution or returned to you. The original check will be destroyed after it is processed. This transaction will not enroll you in any automatic debit process and will only occur each time a check is received. Any re-submissions due to insufficient funds may also occur electronically. Please be aware that all checking transactions will remain secure in this check conversion program. If you have questions about this process or do not want your check to be converted, please contact our Customer Operations Center at the number printed on your bill.

**Service Address:**

GO TIME 8 LLC
38 PERRY CIR
HAZARD, KY 41701

Account # [REDACTED]

Line Item Charges:

Previous Charges	
Total Amount Due At Last Billing	\$ 8,402.81
Payment 08/08/25 - Thank You	-8,402.81
Previous Balance Due	\$.00
Current KPCO Charges	
Tariff 211 - General Service 08/15/25	
Rate Billing	\$ 5,235.78
Demand Charge	710.60
Fuel Adj @ 0.0127800 Per kWh	567.43
Federal Tax Credit @ 0.0004700- Per kWh	-20.87
DSM Adj @ 0.0005730 Per kWh	25.44
Kentucky Economic Development Surcharge	1.00
Purchased Power Adj \$0.0019500/kWh	86.58
Securitized Surcharge Rider 10.9636000%	500.33
Environmental Adj 6.7024000%	305.87
School Tax	222.36
City's Franchise Fee	222.36
State Sales Tax	471.41
Current Balance Due	\$ 8,328.29
Total Balance Due	\$ 8,328.29
The Amount Will Be Deducted From Your Bank Account On September 8, 2025.	

Usage Details:

↑ Values reflect changes between current month and previous month.



Total usage for the past 12 months: 395,200 kWh

Average (Avg.) monthly usage: 35,927 kWh

Meter Read Details:

Meter # [REDACTED]					
Previous	Type	Current	Type	Metered	Usage
3952	Actual	4396	Actual	444	44,400 kWh
-	-	0.950	Actual	0.95	95 kW
Service Period 07/17 - 08/15				Multiplier 100	
Next scheduled read date should be between Sep 15 and Sep 18.					

Notes from KPCO:

Make this bill the last one sent in the mail! Go paperless and get email alerts when your bill is ready. Sign up at AEPPaperless.com!

Kentucky Power provides online access to customer rate schedules at <https://kentuckypower.com/account/bills/rates/>. You can access a copy of your rates by clicking the "Kentucky Tariffs" link at that website. You can also view rates at our office, or request that a copy be sent to you via U.S. Postal Service or via email by calling customer service at 1-800-572-1113.

Due date does not apply to previous balance due.

Register for online services at www.KentuckyPower.com. Registration is free and easy and gives you the convenience of 24-hour access to your account. You can sign up for paperless billing, view your bill, check your usage, update your contact information, and much more.

Make your life easier. You can write one check for multiple electric accounts!

Enjoy the benefits of constant connection. Download our mobile app today, at Google Play and iTunes stores.

You're already paying your bill electronically; why not receive it that way too? End the clutter of paper bills by going paperless! You'll receive an email notification when your new bill is available for viewing. [Go to www.AEPPaperless.com to enroll today!](http://www.AEPPaperless.com)



a PPL company

.09
CORBIN

Mailed 8/14/25 for Account # [REDACTED]

AMOUNT DUE
\$5,285.61

DUE DATE
9/9/25

BILLING PERIOD AT-A-GLANCE

	THIS YEAR	LAST YEAR
Average Temperature	78°	76°
Number of Days Billed	32	29
Avg. Electric Charges per Day	\$151.29	\$159.90
Avg. Electric Usage per Day (kWh)	1,750.00	1,726.90

Account Name: GO TIME 7
 Service Address: 264 W Cumberland Gap Pkwy
 CORBIN KY
 Customer Service: (800) 383-5582 (M-F, 8am-6pm ET)
 Online Self-Service: lge-ku.com
 Next read will occur 9/11/25 - 9/15/25 (Meter Read Portion 09)

BILLING SUMMARY

Rate	Contract	Previous Read Date	Current Read Date	Days Billed	Charges
Previous Balance					4,986.00
Payment(s) Received					-4,986.00
Balance as of 8/13/25					\$0.00
Power Service Secondary	5238454	7/11/25	8/12/25	32	5,285.61
Total Current Charges as of 8/13/25					\$5,285.61
Total Amount Due					\$5,285.61

Please return only this portion with your payment. Make checks payable to KU and write your account number on your check.

Amount Due 9/9/25	\$5,285.61
After Due Date, Pay this Amount:	\$5,338.47
Total Amount Enclosed:	AUTOPAY

Account # [REDACTED]
 Service Address: 264 W Cumberland Gap Pkwy

\$5,285.61 will be deducted from your account on payment due date



a PPL company
 PO Box 771670
 St. Louis, MO 63177-1670

GO TIME 7
 PO BOX 7069
 HAZARD, KY 41702

OFFICE USE ONLY:

[REDACTED]
P4986.00
PF:N eB:E

CURRENT METER AND USAGE INFORMATION

Contract: 5238454

	Meter Number	Previous Read Date	Previous Reading	Current Read Date	Current Reading	Read Code*	Meter Multiplier	Usage kWh	Demand (kW)	Power Factor	PF Adj. (kW)
kWh	[REDACTED]	7/11/25	1199	8/12/25	1899	R	80	56,000			
kW-BS	[REDACTED]	7/11/25		8/12/25	1.3072	R	80		104.6		
Total Usage											56,000

* Meter Read Codes: R-Actual Read; V-Verified Read; E-Estimated Read; S-Self Read

CURRENT ELECTRIC CHARGES

Contract: 5238454

Rate: Power Service Secondary

Basic Service Charge (\$2.96 x 32 Days)	94.72
Energy Charge (\$0.03701 x 56,000 kWh)	2,072.56
Base Demand Charge (\$26.50 x 104.6 kW)	2,771.90
Electric DSM (\$0.00171 x 56,000 kWh)	95.76
Fuel Adjustment (\$-0.00332 x 56,000 kWh)	-185.92
Environmental Surcharge (0.23% CR x (\$5,034.94 - \$1,626.80))	-7.84
Rate Increase For School Tax (3.00% x \$4,841.18)	145.24
Sales Tax (6.00% x \$4,986.42)	299.19
Total Charges Contract 5238454	\$5,285.61

MINIMUM BILLING DEMAND INFORMATION

Contract: [REDACTED]

	kW	Multiplier	kW
Rate Tariff Minimum:	50.00	100%	50.00
Highest prior 11 Months:	128.20	50%	64.10
Contract Capacity:		60%	

BILLING INFORMATION**Environmental Surcharge**

Rate PS Environmental Surcharge Calculation: The fuel cost of \$1,626.80 included in the Energy Charge and the Fuel Adjustment line items were deducted from the Electric Charges before multiplying the Billing Factor of -0.23%.

Late Payment ChargeLate Charge to be Assessed After Due Date **\$52.86****Rate Schedules**For a copy of your rate schedule, visit lge-ku.com/rates or call our Customer Service Department.



Non-Payment/Return Mail:
PO BOX 24401
CANTON, OH 44701-4401

SERVICE ADDRESS: GO TIME 3 LLC, 9630 HIGHWAY 15 S, LOST CREEK, KY 41348
289

Amount due on or before
September 8, 2025 **\$5,360.21**

Bill mailing date is Aug 15, 2025

CY 13

GO TIME 3 LLC
PO BOX 4401
CANTON, OH 44701-4401

Current bill summary:

Billing from 07/18/25 - 08/14/25 (28 days)

DSM \$16.56

Environmental Surcharge
\$203.93

Fuel Adj \$369.34

Taxes & Fees
\$450.70

Demand
\$501.60

KWH
28,900
\$5,360.21
Current Charges

Electric Service
\$3,818.08

Notes from KPCO:

The amount due will be automatically deducted from your bank account on **September 08, 2025** because you are enrolled in our checkless payment plan.

Usage History (kWh):



Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun Jul Aug
2024 2025

Methods of Payment

kentuckypower.com

PO Box 371496
Pittsburgh, PA 15250-7496

1-800-611-0964 (fee may apply)

Need to get in touch?

Customer Operations Center: 1-800-572-1113

Outages: kentuckypower.com/outages

or 1-800-572-1113

Please tear on dotted line.

Thank you for your prompt payment.

GO TIME 3 LLC, 9630 HIGHWAY 15 S, LOST CREEK, KY 41348



Non-Payment/Return Mail:
PO BOX 24401
CANTON, OH 44701-4401

536021

Amount due on or before
September 8, 2025 **\$5,360.21**

Do Not Pay This Bill

Auto-withdrawal scheduled on 09/08/2025

The HEART program helps
low-income customers pay their
electric bill. I want to help. My
payment reflects my gift of
\$ _____

Make check payable and send to:
KENTUCKY POWER COMPANY
PO BOX 371496
PITTSBURGH, PA 15250-7496





Non-Payment/Return Mail:
PO BOX 24401
CANTON, OH 44701-4401

SERVICE ADDRESS: CHARLES CAMPBELL, 164 MARGARET LN, HAZARD, KY 41701-6573

000870 7792955 000 01 001 MSP 96
98023108

CHARLES CAMPBELL
164 MARGARET LN
HAZARD KY 41701-6573

\$214.51
-178

Amount due on or before
September 19, 2025 **\$314.51**

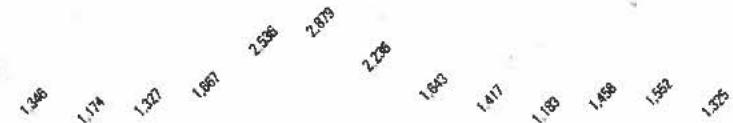
Bill mailing date is Aug 28, 2025
Account # [REDACTED]

Quinton (888)-334-5226 CY 01

Notes from KPCO:

Did you forget to pay your electric bill? We haven't received any payments since you received your last bill. Please make payment arrangements to avoid a disconnect notice.

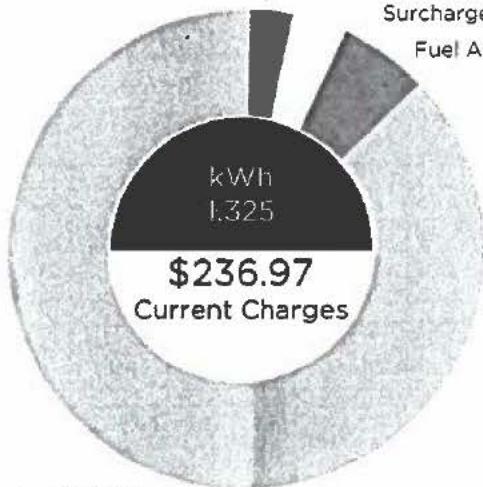
Usage History (kWh):



Current bill summary:

Billing from 07/31/25 - 08/27/25 (28 days)

DSM \$0.78
Taxes & Fees \$6.90
Environmental
Surcharge \$8.63
Fuel Adj \$14.14



Electric Service \$206.52

Methods of Payment

- kentuckypower.com
- PO Box 371496
Pittsburgh, PA 15250-7496
- 1-800-611-0964 (fee may apply)

Need to get in touch?

Customer Operations Center: 1-800-572-1113
Outages: kentuckypower.com/outages
or 1-800-572-1113

Turn over for important information!

Please tear on dotted line.

Thank you for your prompt payment. Please include your account number on your check and return this stub with your payment.

CHARLES CAMPBELL 164 MARGARET LN HAZARD KY 41701-6573



Non-Payment/Return Mail:
PO BOX 24401
CANTON, OH 44701-4401

SERVICE ADDRESS: RED ROCK ENTERPRISES INC, 1300 WENDELL FORD TERMIN RD, HANGAR, CHAVIES, KY 41727-8692

Amount due on or before
January 7, 2026 **\$1,466.27**

Bill mailing date is Dec 12, 2025
Account # XXXXXXXXXX

-39

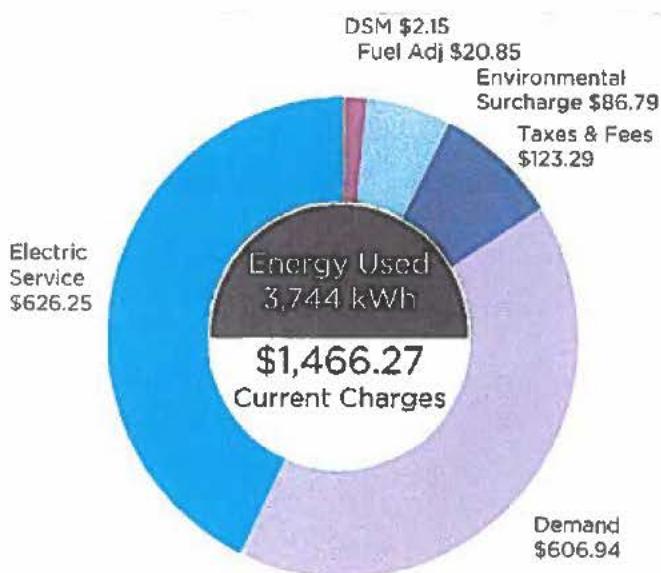
001466 8111508 000 01 001 MSP 112

RED ROCK ENTERPRISES INC
PO BOX 246
CHAVIES KY 41727-0246

agent for you

Current bill summary:

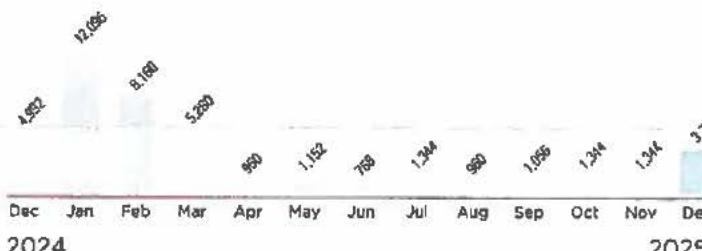
Billing from 11/13/25 - 12/11/25 (29 days)



Notes from KPCO:

Make this bill the last one sent in the mail! Go paperless and get email alerts when your bill is ready. Sign up at AEPPaperless.com!

Usage History (kWh):



Methods of Payment



kentuckypower.com



PO Box 371496
Pittsburgh, PA 15250-7496



1-800-611-0964 (fee may apply)

Need to get in touch?

Customer Operations Center: 1-800-572-1113

Outages: kentuckypower.com/outages

or 1-800-572-1113

Please tear on dotted line.

Turn over for important information

Thank you for your prompt payment. Please include your account number on your check and return this stub with your payment.

RED ROCK ENTERPRISES INC, 1300 WENDELL FORD TERMIN RD, HANGAR, CHAVIES, KY 41727-8692



Non-Payment/Return Mail:
PO BOX 24401
CANTON, OH 44701-4401

14662
Account # XXXXXXXXXX
RED ROCK ENTERPRISES INC

Amount due on or before
January 7, 2026 **\$1,466.27**

Payment Amount \$

Pay \$1,539.58 after 01/07/2022

The HEART program helps low-income customers pay their electric bill. I want to help. My payment reflects my gift of
\$ XXXXXXXXXX



Important Information

We offer several ways for you to pay your bill. In addition to paying in person, over the phone or by mail, you may receive and pay your bill electronically (e-Bill) or have your payments deducted automatically from your checking or savings account.

If you have any questions about your bill or electric service, please contact Kentucky Power at 1-800-572-1113, or visit kentuckypower.com.

Paying by check authorizes us to send the information from your check electronically to your bank for payment. If your check is processed electronically, the transaction will appear on your bank statement, although your physical check will not be presented to your financial institution or returned to you. The original check will be destroyed after it is processed. This transaction will not enroll you in any automatic debit process and will only occur each time a check is received. Any re-submissions due to insufficient funds may also occur electronically. Please be aware that all checking transactions will remain secure in this check conversion program. If you have questions about this process or do not want your check to be converted, please contact our Customer Operations Center at the number printed on your bill.



Service Address:

RED ROCK ENTERPRISES INC
1300 WENDELL FORD TERMIN RD
HANGAR
CHAVIES, KY 41727-8692

Account # [REDACTED]



Line Item Charges:

Previous Charges	
Total Amount Due At Last Billing	\$ 272.62
Payment 11/26/25 - Thank You	-272.62
Previous Balance Due	\$.00
Current KPCO Charges	
Tariff 211 - General Service 12/11/25	
Rate Billing	\$ 516.97
Demand Charge	606.94
Fuel Adj @ 0.0055700 Per kWh	20.85
Federal Tax Credit @ 0.0005307- Per kWh	-1.99
DSM Adj @ 0.0005730 Per kWh	2.15
Kentucky Economic Development Surcharge	1.00
Purchased Power Adj \$0.0001900/kWh	.71
Decommissioning Rider 0.0135000%	.13
Securitized Surcharge Rider 10.9636000%	109.43
Environmental Adj 8.6949000%	86.79
School Tax	40.29
State Sales Tax	83.00
Current Balance Due	\$ 1,466.27
Total Balance Due	\$ 1,466.27
Pay \$1,539.58 after 01/07/2026	

Usage Details:

↑↓ Values reflect changes between current month and previous month.



Total usage for the past 12 months: 39,456 kWh

Average (Avg.) monthly usage: 3,288 kWh

Billed Usage 12/25				
Usage	Power Factor	Power Factor Constant	Meter Location Comp.	Billed Usage
3,744	-	-	-	3,744 kWh
82,560	-	-	-	82,560 kW
480	-	-	-	480 kVARh

Meter Read Details:

Meter # [REDACTED]					
Previous	Type	Current	Type	Metered	Usage
-	-	0.860	Actual	0.86	82.56 kW
7866	Actual	7905	Actual	39	3,744 kWh
21145	Actual	21150	Actual	5	480 kVARh

Service Period 11/12 - 12/11 Multiplier 9

Next scheduled read date should be between Jan 12 and Jan 15.

Notes from KPCO:

Kentucky Power provides online access to customer rate schedule at <https://kentuckypower.com/account/bills/rates/>. You can access a copy of your rates by clicking the "Kentucky Tariffs" link that website. You can also view rates at our office, or request the copy be sent to you via U.S. Postal Service or via email by calling customer service at 1-800-572-1113.

Due date does not apply to previous balance due.

To avoid unnecessary delays in crediting your electric payment, please do not paper clip or staple your check to the bill payment stub.

If you pay your electric bill in person, remember to pay only at AUTHORIZED pay stations. These locations send notice of your payment immediately to Kentucky Power which could prevent service disconnection. Pay stations may charge a fee for this service. Keep your receipt as proof of payment. For a list of authorized pay stations or other payment options, visit our website at www.kentuckypower.com or call the number above.**

Enjoy the benefits of constant connection. Download our mobile app today, at Google Play and iTunes stores.



Non-Payment/Return Mail:
PO BOX 24401
CANTON, OH 44701-4401

164

Amount due on or before
January 2, 2026 **\$258.00**

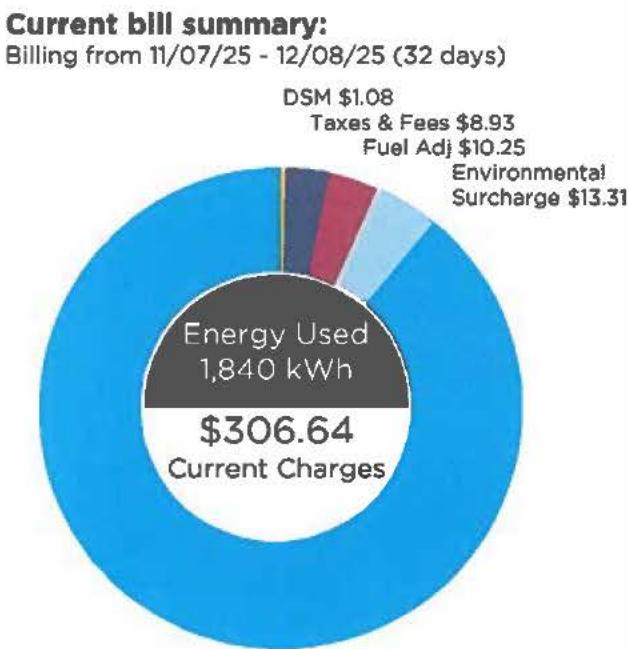
Bill mailing date is Dec 8, 2025
Account # [REDACTED]

SERVICE ADDRESS: SAM D KILGORE, GRAPEVINE CREEK RD, HAZARD, KY 41727
8961

CY 05

SAM D KILGORE
PO BOX 365
CHAVIES, KY 41727-0336

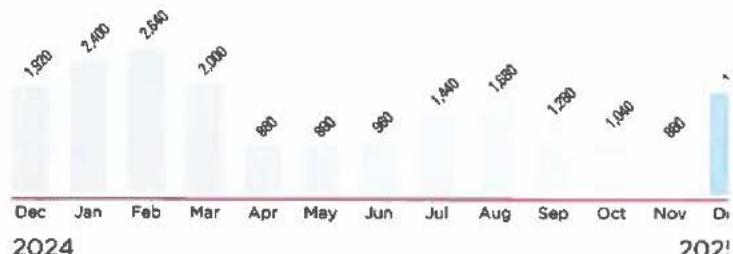
my house
my



Notes from KPCO:

Your Average Monthly Payment (AMP) plan amount due is **\$258.00**. We will reevaluate your AMP payment in **January**. Please see the line item charges for your accumulated balance.

Usage History (kWh):



Methods of Payment

- kentuckypower.com
- PO Box 371496
Pittsburgh, PA 15250-7496
- 1-800-611-0964 (fee may apply)

Need to get in touch?

Customer Operations Center: 1-800-572-1113
Outages: kentuckypower.com/outages
or 1-800-572-1113

Please tear on dotted line.

Turn over for important information

Thank you for your prompt payment. Please include your account number on your check and return this stub with your payment.

SAM D KILGORE, GRAPEVINE CREEK RD, HAZARD, KY 41727



Non-Payment/Return Mail:
PO BOX 24401
CANTON, OH 44701-4401

Account # [REDACTED]
SAM D KILGOR

Amount due on or before
January 2, 2026 **\$258.00**

Payment Amount \$

The HEART program helps low-income customers pay their electric bill. I want to help. My payment reflects my gift of \$ [REDACTED]



Important Information

We offer several ways for you to pay your bill. In addition to paying in person, over the phone or by mail, you may receive and pay your bill electronically (e-Bill) or have your payments deducted automatically from your checking or savings account.

If you have any questions about your bill or electric service, please contact Kentucky Power at 1-800-572-1113, or visit kentuckypower.com.

Paying by check authorizes us to send the information from your check electronically to your bank for payment. If your check is processed electronically, the transaction will appear on your bank statement, although your physical check will not be presented to your financial institution or returned to you. The original check will be destroyed after it is processed. This transaction will not enroll you in any automatic debit process and will only occur each time a check is received. Any re-submissions due to insufficient funds may also occur electronically. Please be aware that checking transactions will remain secure in this check conversion program. If you have questions about this process or do not want your check to be converted, please contact our Customer Operations Center at the number printed on your bill.

Service Address:

SAM D KILGORE
GRAPEVINE CREEK RD
HAZARD, KY 41727

Account # [REDACTED]

Line Item Charges:

Previous Charges	
Total Amount Due At Last Billing	\$ 254.00
Payment 12/05/25 - Thank You	-254.00
Previous Balance Due	\$.00
Accumulated AMP Balance	-342.17
Total Previous Balance	\$ -342.17
Current KPCO Charges	
Tariff 032 - Residential Service 12/08/25	
On-Pk Charges (640 kWh Used)	\$ 183.59
Off-Pk Charges (1200 kWh Used)	71.24
Fuel Adj @ 0.0055700 Per kWh	10.25
Federal Tax Credit @ 0.0007410- Per kWh	-1.36
DSM Adj @ 0.0005870 Per kWh	1.08
Residential Energy Assistance @ \$0.40	.40
Purchased Power Adj \$0.0002200/kWh	.40
Decommissioning Rider 0.0082000%	.02
Securitized Surcharge Rider 7.0704000%	18.78
Environmental Adj 5.0112000%	13.31
School Tax	8.93
Current Electric Charges	\$ 306.64
Average Monthly Payment (AMP) Amount Due	\$ 258.00
Total Account Balance	\$ -35.53
Total Balance Due	\$ 258.00

Usage Details:

†Values reflect changes between current month and previous month.



Total usage for the past 12 months: 18,000 kWh

Average (Avg.) monthly usage: 1,500 kWh

Meter Read Details:

Meter # [REDACTED]					
Previous	Type	Current	Type	Metered	Usage
8084	Actual	8107	Actual	23	1,840 kWh Total
1936	Actual	1944	Actual	8	640 kWh On-Peak
Service Period 11/06 - 12/08					Multiplier 8
Next scheduled read date should be between Jan 6 and Jan 9.					

Notes from KPCO:

Thank you for being a paperless customer! Sign up for billing and outage alerts to stay informed. You can manage your account by logging in at kentuckypower.com.

Kentucky Power provides online access to customer rate schedules at <https://kentuckypower.com/account/bills/rates/>. You can access a copy of your rates by clicking the "Kentucky Tariffs" link on that website. You can also view rates at our office, or request the copy be sent to you via U.S. Postal Service or via email by calling customer service at 1-800-572-1113.

On Peak hours are 7 AM to 9 PM daily except Saturday and Sunday.

Due date does not apply to previous balance due.

Don't be left out in the cold when it comes to getting winter bill help this year! Take control of weather-related bill spikes by going to kentuckypower.com/assistance to sign up for an Average Monthly Payment plan so you know what to expect.

To avoid unnecessary delays in crediting your electric payment, please **do not paper clip or staple your check to the bill payment stub**.

*If you pay your electric bill in person, remember to pay only at **AUTHORIZED** pay stations. These locations send notice of your payment immediately to **Kentucky Power** which could prevent service disconnection. Pay stations may charge a fee for this service. Keep your receipt as proof of payment. For a list of authorized pay stations or other payment options, visit our website at www.kentuckypower.com or call the number above.**

Enjoy the benefits of constant connection. Download our mobile app today, at Google Play and iTunes stores.



Non-Payment/Return Mail:
PO BOX 24401
CANTON, OH 44701-4401

27

Amount due on or before
January 2, 2026 **\$207.26**

Bill mailing date is Dec 8, 2025
Account # [REDACTED]

SERVICE ADDRESS: RED ROCK ENTERPRISES INC. GRAPEVINE CREEK RD. HAZARD, KY 41727

CY 09

RED ROCK ENTERPRISES INC
PO BOX 246
CHAVIES KY 41727-0246

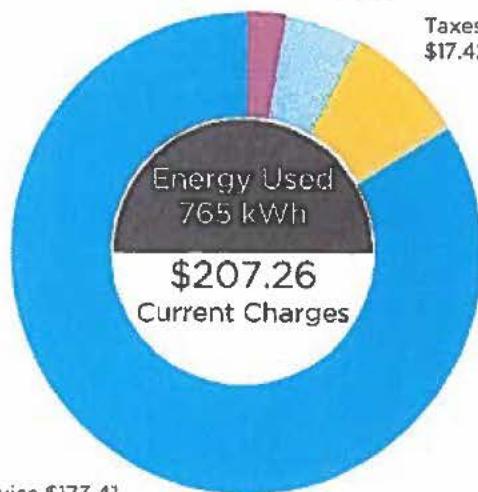
*Small
long at office*

Current bill summary:

Billing from 11/07/25 - 12/08/25 (32 days)

Fuel Adj \$5.45
Environmental Surcharge
\$10.98

Taxes & Fees
\$17.42

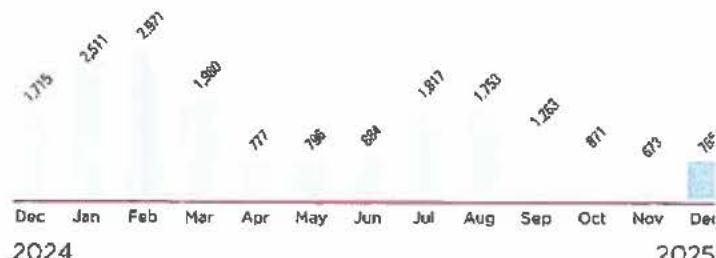


Electric Service \$173.41

Notes from KPCO:

Make this bill the last one sent in the mail! Go paperless and get email alerts when your bill is ready. Sign up at AEPPaperless.com!

Usage History (kWh):



Methods of Payment



kentuckypower.com



PO Box 371496
Pittsburgh, PA 15250-7496



1-800-611-0964 (fee may apply)

Need to get in touch?

Customer Operations Center: 1-800-572-1113
Outages: kentuckypower.com/outages
or 1-800-572-1113

Please tear on dotted line.

Turn over for important information

Thank you for your prompt payment. Please include your account number on your check and return this stub with your payment.

RED ROCK ENTERPRISES INC, GRAPEVINE CREEK RD, HAZARD, KY 41727



Non-Payment/Return Mail:
PO BOX 24401
CANTON, OH 44701-4401

2072

Account # [REDACTED]
RED ROCK ENTERPRISES INC

Amount due on or before
January 2, 2026 **\$207.26**

Payment Amount \$

Pay \$217.63 after 01/02/2021

Make check payable and send to:
KENTUCKY POWER COMPANY
PO BOX 371496
PITTSBURGH, PA 15250-7496



The HEART program helps low-income customers pay their electric bill. I want to help. My payment reflects my gift of \$ _____



Important Information

We offer several ways for you to pay your bill. In addition to paying in person, over the phone or by mail, you may receive and pay your bill electronically (e-Bill) or have your payments deducted automatically from your checking or savings account.

If you have any questions about your bill or electric service, please contact Kentucky Power at 1-800-572-1113, or visit kentuckypower.com.

Paying by check authorizes us to send the information from your check electronically to your bank for payment. If your check is processed electronically, the transaction will appear on your bank statement, although your physical check will not be presented to your financial institution or returned to you. The original check will be destroyed after it is processed. This transaction will not enroll you in any automatic debit process and will only occur each time a check is received. Any re-submissions due to insufficient funds may also occur electronically. Please be aware that all checking transactions will remain secure in this check conversion program. If you have questions about this process or do not want your check to be converted, please contact our Customer Operations Center at the number printed on your bill.

**Service Address:**

RED ROCK ENTERPRISES INC
GRAPEVINE CREEK RD
HAZARD, KY 41727

Account # [REDACTED]

Usage Details:

†Values reflect changes between current month and previous month.



Total usage for the past 12 months: 18,011 kWh

Average (Avg.) monthly usage: 1,501 kWh

Meter Read Details:

Meter # [REDACTED]						
Previous	Type	Current	Type	Metered	Usage	
21407	Actual	22172	Actual	765	765 kWh	
-	-	1.00	Actual	1.1	1.1 kW	
Service Period 11/06 - 12/08						Multiplier 1
Next scheduled read date should be between Jan 6 and Jan 9.						

Notes from KPCO:

Kentucky Power provides online access to customer rate schedules at <https://kentuckypower.com/account/bills/rates/>. You can access a copy of your rates by clicking the "Kentucky Tariffs" link at that website. You can also view rates at our office, or request that a copy be sent to you via U.S. Postal Service or via email by calling customer service at 1-800-572-1113.

Due date does not apply to previous balance due.

To avoid unnecessary delays in crediting your electric payment, please **do not paper clip or staple your check to the bill payment stub**.

*If you pay your electric bill in person, remember to pay only at **AUTHORIZED** pay stations. These locations send notice of your payment immediately to **Kentucky Power** which could prevent service disconnection. Pay stations may charge a fee for this service. Keep your receipt as proof of payment. For a list of authorized pay stations or other payment options, visit our website at www.kentuckypower.com or call the number above.*

Enjoy the benefits of constant connection. Download our mobile app today, at Google Play and iTunes stores.

Line Item Charges:

Previous Charges		
Total Amount Due At Last Billing	\$ 195.21	
Payment 11/26/25 - Thank You		-195.21
Previous Balance Due	\$.00	
Current KPCO Charges		
Tariff 211 - General Service 12/08/25		
Rate Billing	\$ 127.91	
Fuel Adj @ 0.0055700 Per kWh		4.26
Federal Tax Credit @ 0.0005147- Per kWh		-.39
Kentucky Economic Development Surcharge		1.00
Purchased Power Adj \$0.0001900/kWh		.15
Decommissioning Rider 0.0135000%		.01
Securitized Surcharge Rider 10.9636000%		11.25
Environmental Adj 8.6949000%		8.92
School Tax		4.59
State Sales Tax		9.46
Current Balance Due	\$ 167.16	
Tariff 109 - Outdoor Light 12/08/25		
Rate Billing 214 kWh Used (Nbr.Lights:1)	\$ 30.99	
Fuel Adj @ 0.0055700 Per kWh		1.19
Federal Tax Credit @ 0.0005161- Per kWh		-.11
Purchased Power Adj \$0.0001000/kWh		.02
Securitized Surcharge Rider 10.9636000%		2.58
Environmental Adj 8.6949000%		2.06
School Tax		1.10
State Sales Tax		2.27
Current Balance Due	\$ 40.10	
Total Balance Due	\$ 207.26	
Pay \$217.63 after 01/02/2026		



Non-Payment/Return Mail:
PO BOX 24401
CANTON, OH 44701-4401

29

Amount due on or before
December 31, 2025 **\$477.75**

Bill mailing date is Dec 9, 2025
Account # [REDACTED]

SERVICE ADDRESS: RED ROCK ENTERPRISES INC, GRAPEVINE CREEK RD, HAZARD, KY 41727

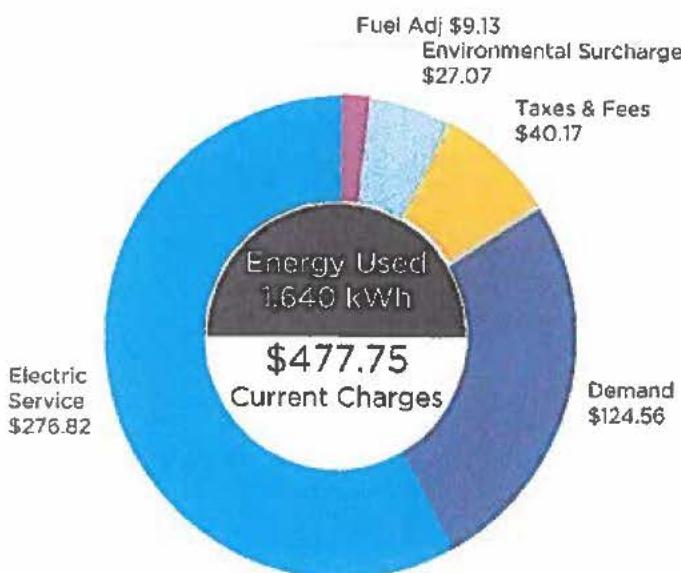
CY 09

RED ROCK ENTERPRISES INC
PO BOX 246
CHAVIES KY 41727-0246

pay to person
at office

Current bill summary:

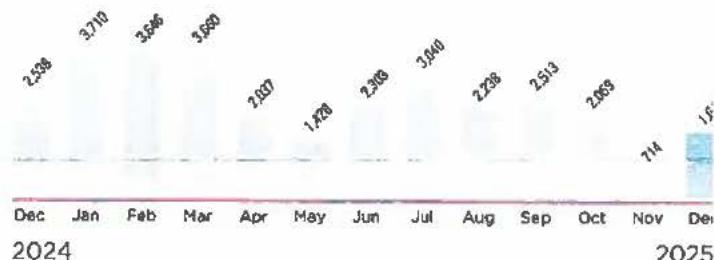
Billing from 11/07/25 - 12/08/25 (32 days)



Notes from KPCO:

Make this bill the last one sent in the mail! Go paperless and get email alerts when your bill is ready. Sign up at AEPPaperless.com!

Usage History (kWh):



Methods of Payment



kentuckypower.com



PO Box 371496
Pittsburgh, PA 15250-7496



1-800-611-0964 (fee may apply)

Need to get in touch?

Customer Operations Center: 1-800-572-1113

Outages: kentuckypower.com/outages

or 1-800-572-1113

Please tear on dotted line.

Thank you for your prompt payment. Please include your account number on your check and return this stub with your payment.

RED ROCK ENTERPRISES INC, GRAPEVINE CREEK RD, HAZARD, KY 41727



Non-Payment/Return Mail:
PO BOX 24401
CANTON, OH 44701-4401

Turn over for important information

Account # [REDACTED]
RED ROCK ENTERPRISES INC

Amount due on or before
December 31, 2025 **\$477.75**

Payment Amount \$

Pay \$501.64 after 12/31/2022

The HEART program helps low-income customers pay their electric bill. I want to help. My payment reflects my gift of \$ _____

Make check payable and send to:
KENTUCKY POWER COMPANY
PO BOX 371496
PITTSBURGH, PA 15250-7496



Important Information

We offer several ways for you to pay your bill. In addition to paying in person, over the phone or by mail, you may receive and pay your bill electronically (e-Bill) or have your payments deducted automatically from your checking or savings account.

If you have any questions about your bill or electric service, please contact Kentucky Power at 1-800-572-1113, or visit kentuckypower.com.

Paying by check authorizes us to send the information from your check electronically to your bank for payment. If your check is processed electronically, the transaction will appear on your bank statement, although your physical check will not be presented to your financial institution or returned to you. The original check will be destroyed after it is processed. This transaction will not enroll you in any automatic debit process and will only occur each time a check is received. Any re-submissions due to insufficient funds may also occur electronically. Please be aware that all checking transactions will remain secure in this check conversion program. If you have questions about this process or do not want your check to be converted, please contact our Customer Operations Center at the number printed on your bill.

**Service Address:**

RED ROCK ENTERPRISES INC
GRAPEVINE CREEK RD
HAZARD, KY 41727

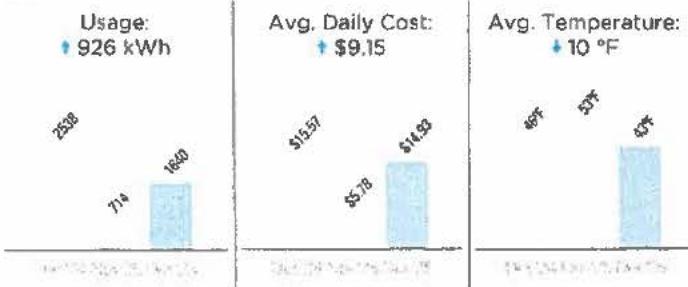
Account # [REDACTED]

**Line Item Charges:**

Previous Charges	
Total Amount Due At Last Billing	\$ 161.94
Payment 11/26/25 - Thank You	-161.94
Previous Balance Due	\$.00
Current KPCO Charges	
Tariff 211 - General Service 12/08/25	
Rate Billing	\$ 242.18
Demand Charge	124.56
Fuel Adj @ 0.0055700 Per kWh	9.13
Federal Tax Credit @ 0.0005147- Per kWh	-.84
Kentucky Economic Development Surcharge	1.00
Purchased Power Adj \$0.0001900/kWh	.31
Decommissioning Rider 0.0135000%	.04
Securitized Surcharge Rider 10.9636000%	34.13
Environmental Adj 8.6949000%	27.07
School Tax	13.13
State Sales Tax	27.04
Current Balance Due	\$ 477.75
Total Balance Due	\$ 477.75
Pay \$501.64 after 12/31/2025	

Usage Details:

†Values reflect changes between current month and previous month.



Total usage for the past 12 months: 29,896 kWh

Average (Avg.) monthly usage: 2,491 kWh

Meter Read Details:

Meter # [REDACTED]					
Previous	Type	Current	Type	Metered	Usage
1043	Actual	2683	Actual	1640	1,640 kWh
-	-	24.900	Actual	24.9	24.9 kW
Service Period 11/06 - 12/08				Multiplier	
Next scheduled read date should be between Jan 6 and Jan 9.					

Notes from KPCO:

Kentucky Power provides online access to customer rate schedule at <https://kentuckypower.com/account/bills/rates/>. You can access a copy of your rates by clicking the "Kentucky Tariffs" link on that website. You can also view rates at our office, or request that copy be sent to you via U.S. Postal Service or via email by calling customer service at 1-800-572-1113.

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Enjoy the benefits of constant connection. Download our mobile app today, at Google Play and iTunes stores.