

Citizens plead with PSC to deny rate hike

Officials say Ky. Power asks for large increase knowing regulators will grant much of it

By BEN GISH

Two Letcher County public officials say they expect the Kentucky Public Service Commission (PSC) to approve another rate increase for Kentucky Power customers, but believe the commission is unlikely to grant the full 14.9 percent hike the utility is seeking.

State Rep. Mitchum Whitaker, R-Fleming-Neon, whose 94th Legislative District includes Letcher County and parts of Harlan and Pike counties, said he expects the PSC's three commissioners to approve a negotiated settlement that reduces the proposed increase but still places a heavy burden on residents.

"I've been in office for almost a year now, and perhaps the most ridiculous thing I've come across is the way these negotiations play out," Whitaker said. "They're asking for a 14.9 percent increase. They might as well ask for a thousand percent, because we can't pay it. It'll get settled for much less. We all know how this goes."

Whitaker was among several elected officials, local leaders, and residents from across eastern Kentucky who traveled to Hazard earlier this month to oppose the proposed increase during a public hearing held by the PSC. He emphasized that electricity is a basic necessity, not a discretionary expense.

"This isn't a used car," Whitaker said. "The Public Service Commission shouldn't be negotiating like this is a 1998 Toyota Camry. Our lights and our livelihoods are not up for negotiation."

Whitaker added that the proposed increase is unreasonable for eastern Kentucky residents. Under state law, the PSC must rule on Kentucky Power's request — by approval, denial, or settlement — by June 29, 2026.

Jenkins City Councilman Rick Damron, an electrical engineer, echoed Whitaker's concerns, saying utilities often request large increases with the expectation that regulators will approve a smaller portion.

"They'll ask for 16 percent, get eight percent, and feel good about it," Damron said while urging the PSC to reject the request outright. "So do that. Say no."

Damron criticized Kentucky Power for repeatedly seeking rate increases and the PSC for approving increases that he said have consistently outpaced



The Public Service Commission's three members are, from left, Andrew Wood, Angie Hatton, and Mary Pat Regan.

inflation over the past decade.

Citing tariff data, Damron said residential rates rose from 8.59 cents per kilowatt hour in 2014 to 10.8 cents in 2021 — an increase he said exceeded inflation by about 7 percent. Current rates stand at 12.785 cents per kilowatt hour, roughly 9 percent above inflation, he said. Under Kentucky Power's proposal, the highest-tier rate would rise to 16.25 cents per kilowatt hour, which Damron said is approximately 36 percent above inflation since 2014.

"During my 45 years working with power companies — including Kentucky Power, Kentucky Utilities, and Old Dominion Power — Kentucky Power had the highest rates by far," Damron said. "I don't think AEP has done everything it can to control costs. Until they do, they don't deserve a raise."

If the PSC approves even a portion of the requested increase, it would mark the third time in less than two and a half years that Kentucky Power customers in Letcher County and 19 other counties have seen higher bills. Not all of Letcher County is served by Kentucky Power; residents in the Eolia-Partridge area receive service from Cumberland Valley Rural Electric Cooperative. Kentucky Power is a subsidiary of American Electric Power (AEP).

The first increase took effect Jan. 15, 2024, after Kentucky Power requested an 18.3 per-

cent hike. The PSC instead approved a 10.6 percent increase, allowing the company to collect an additional \$74.7 million per year from customers.

The second increase, a temporary surcharge that raised average residential bills by about \$5.97 per month, took effect in November and will remain in place through Aug. 31, 2027. That surcharge followed a ruling by a Franklin Circuit Court judge, who ordered the PSC to allow Kentucky Power to recover \$15.7 million in revenue it would have collected between Jan. 16, 2024, and Feb. 20, 2025, had the commission not erred in partially denying the earlier rate request.

Several Letcher County residents also testified about personal financial hardships related to electric bills.

Virginia Holland, a retired nursing assistant from Letcher County, described how her son cuts firewood to help elderly residents heat their homes. Many of those residents, she said, still spend more than half their monthly income on electricity.

"Right now, we've got people who can't pay their electric bill," Holland told the PSC. "They leave medicine out and struggle to feed themselves. I hope when you all lie down tonight, you think about these people."

Holland also described her daughter's financial strain after recently purchasing her first

home in Whitesburg.

"She's owned it for three weeks, and the power bill — with the lights turned on one time — was over \$500," Holland said. "Her trailer bill, where she doesn't do anything but sleep, was over \$300. She's paying \$920 a month in student loans. said, 'Mom, how can I pay a power bill on two places.' She's worked full-time through her whole career from being a medical assistant to an RN and now a nurse practitioner. She's talking about selling the house and leaving."

Jackhorn resident Gwen Johnson asked commissioners what justification exists for another increase.

"What is fair, what is just, and what is reasonable about another increase?" Johnson said, fighting back tears. "If I have to live without electricity, I'll do it, but I'm not leaving."

Johnson directed her remarks to PSC Chair Angie Hatton of Whitesburg, who was appointed to the commission in March 2023, urging her to oppose the increase.

"You've got to say no, Angie. You've got to say no for us," she said.

Hatton did not respond, as PSC rules prohibit commissioners from engaging with speakers during public comment hearings. PSC decisions are treated as legal proceedings and are subject to appeal in Franklin Circuit Court.

Johnson said she expects additional rate requests in the future.

"This is not the first time I've stood in public service commission hearings," she said. "And I'm sure it won't be the last."

Johnson operates the Hemphill Community Center and the Black Sheep Brick Oven Bakery in the former Hemphill Grade School building, which closed in 1990 and has served as a community center since 1997. Built 81 years ago when the coal industry was thriving during World War II, the building can now cost as much as \$900 per month to heat.

The community center had approximately 70 solar panels installed in 2017, Johnson said, but utility costs keep getting higher.

"They've helped us, but we're still struggling," she said. "We've tried everything we can."

Jessica Hall, also of Jackhorn, told commissioners her monthly bill averages about \$95 despite minimal electricity use. Since the July 2022 flood, Hall said she has lived in a camper, relies on battery-powered lights, and heats with propane.

"I'm barely at home, and I'm not using anything," Hall said. "I don't understand why it's running so high."

The PSC is continuing to review Kentucky Power's proposal while accepting testimony.

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