

PSC cuts Kentucky Power rate increase

Staff Report

FRANKFORT, Ky. — The Kentucky Public Service Commission has issued its final order in Kentucky Power's latest rate case, approving a modified settlement that lowers the increase customers will see compared to the utility's original request.

In Case No. 2025-00257, the PSC adjusted a settlement agreement reached by several parties and authorized a smaller revenue increase than Kentucky Power initially sought.

Under the commission's final order, the average residential customer using 1,208 kilowatt-hours per month will see an average monthly bill increase of \$10.76 in the first year. That results in an average monthly bill of \$194.13, up from the current base-rate average of \$183.37.

The first-year change represents an increase of approximately 5.87%. After the first year, there will be an additional 0.76% increase.

By comparison, Kentucky Power's original application would have raised the average residential monthly bill by \$27.30, bringing it to \$210.67 — an increase of about 14.62%.

The commission said the smaller increase reflects changes made to the proposed settlement and a reduction in the overall revenue the company is allowed to collect.

DEFERRED TAX RIDER AFFECTS TIMING OF INCREASES

The PSC said the slight increase after the first year is tied to a provision that allows Kentucky Power to use certain deferred tax liabilities to reduce rates in the first year.

Through a mechanism known as a DTL Rider, the company will apply tax credits to lower customer bills in the initial year rather than spreading those benefits into the

future under traditional ratemaking practices. Once those credits are exhausted, rates will adjust accordingly.

TWO-TIERED RATE DESIGN APPROVED

As part of the order, the commission approved a new two-tiered rate design for residential customers.

Under the new structure, high-usage customers will pay a higher basic customer charge — \$38 per month, up from \$24. However, all residential customers will pay a lower volumetric rate for electricity usage beyond the first 600 kilowatt-hours.

The approved rates set a charge of \$0.156321 per kWh for the first 600 kWh used and \$0.117555 per kWh for usage above 600 kWh.

The PSC said the two-tiered structure is intended to levelize bills and alleviate some of the higher costs borne by customers with the highest usage, particularly during months of heavy consumption.

REVENUE REQUEST REDUCED

The settlement agreement filed Jan. 9, 2026, between Kentucky Power, the Kentucky Industrial Utility Customers and the Kentucky Solar Industries Association proposed a base rate increase of \$58,730,654 before application of the DTL Rider. It also included a new Generation Rider with a first-year revenue requirement of \$18,669,720.

Combined, the proposed annual revenue increase under the settlement totaled \$77,400,374.

Kentucky Power's original application had sought a total annual revenue increase of \$95,558,248.

The PSC's final order reduces the total authorized annual revenue increase to \$55,046,220 — a reduction of \$40,512,028 from what the company originally requested.

The commission also

approved a modified Generation Rider included in the settlement. The PSC said the rider could facilitate future savings for customers through potential securitization of costs at a later date.

INDEPENDENT MANAGEMENT AUDIT REQUIRED

In addition to rate adjustments, the commission ordered Kentucky Power to undergo an independent management audit.

The audit will examine the company's operations, decision-making processes and its relationship with its parent company, American Electric Power. The PSC said the goal is to identify potential efficiencies that could benefit customers.

COMMISSIONERS CITE ECONOMIC PRESSURES

PSC Chair Angie Hatton said rising utility costs nationwide have contributed to increased rate pressures.

"As utility costs in this country continue to outpace inflation, electricity rates have become an issue for every utility in every state in the past few years, but perhaps none more intense than for this particular company," Hatton said.

She noted that Kentucky Power has experienced about 12,000 fewer residential customers over the past 14 years and a 38% decrease in industrial power consumption within its service territory. Those changes have spread fixed costs across fewer customers.

Hatton said the commission heard emotional testimony from ratepayers during public comment hearings.

"They are angry and scared of the additional financial hardship caused by any potential increase," she said. "The PSC must balance the interests of fair rates for all customers with the realities of the cost of providing reliable electric service and issue a deci-

sion based on the evidence presented and within the laws that govern rates."

MULTIPLE PARTIES INTERVENED

Several groups intervened in the case, including the Kentucky Attorney General; the Kentucky Industrial Utility Customers; SWVA Kentucky; the Appalachian Citizens Law Center; Kentuckians for the Commonwealth; the Kentucky Solar Energy Society; the Mountain Association; and the Kentucky Solar Industries Association.

Although the settlement agreement was filed into the record, it was not approved as written. The commission modified elements of the agreement in reaching its final decision.

ABOUT KENTUCKY POWER AND THE PSC

Kentucky Power is a jurisdictional electric utility that generates and purchases electricity for retail distribution to approximately 162,511 customers. Its service territory includes all or portions of Boyd, Breathitt, Carter, Clay, Elliott, Floyd, Greenup, Johnson, Knott, Lawrence, Leslie, Letcher, Lewis, Magoffin, Martin, Morgan, Owsley, Perry, Pike and Rowan counties.

The company's most recent prior rate adjustment was approved in Case No. 2023-00159.

The Kentucky Public Service Commission is an independent agency attached for administrative purposes to the Energy and Environment Cabinet. It regulates more than 1,100 gas, water, sewer, electric and telecommunication utilities operating in Kentucky and employs approximately 90 people.

A copy of the final order and the full case record, including public comments and filings, is available on the PSC's website at psc.ky.gov.

When grief isn't about loss—but burden

Some grief doesn't come from losing something. It comes from living. From holding responsibilities. From loving deeply. From waiting on God while still showing up every day.

There are seasons when nothing is technically "wrong," yet your heart feels tender—bruised by circumstances, misunderstood moments, or quiet longings that haven't found words yet.

That kind of grief is hard to explain, and often, it feels lonely. In Luke 24, two disciples are walking the road to Emmaus. Jesus has risen, yet they are still heavy-hearted. What strikes me most is this: they are grieving, even though resurrection has already happened.

"They were talking with each other about everything that had happened." Luke 24:14

Jesus joins them—but they don't recognize Him. He doesn't interrupt. He doesn't correct them right away. He doesn't rush their healing. "He asked them, 'What are you discussing together as you walk along?'" Luke 24:17

Jesus walks at their pace. He listens before He reveals. He honors their tenderness before He explains the truth. Sometimes our hearts are like that, too. We love. Jesus. We trust Him. And still—we are tender. Not faithless. Not ungrateful. Just human.

And here's the quiet hope: Jesus is often closest when we don't yet recognize Him. Later, they would say: "Were not our hearts burning within us while he talked with us on the road?" Luke 24:32

They didn't feel joy first. They felt warmth. If your heart feels tender today...not broken, not lost, just sensitive, please take courage. Jesus may already be walking beside you, listening, steady, and present.

You don't have to resolve everything today. We just "wait" on the Lord.

You just have to keep walking with Him

A Prayer

Jesus, meet us in our tender places. Walk with us at your pace. Help us trust that You are near, even when our heart is still learning how to rest.

We ask this in Jesus name, Amen.



TIFFANY JOHNSON WATERS "STILL WATERS"

DEATH NOTICES

Ila Agatha "Gay" Clark, 93, of Liberty, died Feb. 24, 2026. Sharon Lee Barger, 67, of Perryville, died Feb. 24, 2026. Kenneth Clay Emerson, 71, of Liberty, died Feb. 25, 2026. Glenda Sue Gardner-Ewers, 77, of Liberty, died Feb. 24, 2026.

Judy C. Eldridge Smith, 74, of Crab Orchard, died Feb. 27, 2026.

Peggy Long, 65, of Liberty, died Feb. 27, 2026.

Linda Kay Bryant, 67, of New Albany, IN, formerly of Liberty, died Feb. 26, 2026.

Boonie Burton, 88, of Crab Orchard, died March 4, 2026.

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LEGAL NOTICE

The Kentucky Transportation Cabinet

In accordance with KRS 176.051, Kentucky's noxious weed law, the Kentucky Transportation Cabinet will control noxious weeds on state-owned right of way at the request of the adjoining property owner. The noxious weeds named in this law are Johnson grass (*Sorghum halepense*), Canada thistle (*Cirsium arvense*), Cutleaf Teasel (*Dipsacus laciniatus*) Nodding thistle (*Carduus nutans*), Common teasel (*Dipsacus fullonum*), Poison hemlock (*Conium maculatum*), Marestail (*Coryza canadensis*), Amur Honeysuckle (*Lonicera maackii*), Multiflora Rose (*Rosa multiflora*) Japanese knotweed, (*Polygonum cuspidatum*), Spotted Knapweed (*Centaurea stoebe*) and Kudzu (*Pueraria montana*).

Persons who own property adjacent to state right of way and who are involved in eradication efforts on their property can submit a written application to the highway district office in their area. Contact information can be found at transportation.ky.gov/DistrictPages

Poaching investigation concludes

TOM LATEK
Kentucky Today

FRANKFORT — The Kentucky Department of Fish and Wildlife Resources (KDFWR) Law Enforcement Division announced on Thursday they have concluded their portion of an investigation of a Tennessee man charged with poaching and other violations in Kentucky.

Game Warden Dylan Fields initiated the investigation in January 2025, suspecting the man of illegally taking wildlife in Martin County, Kentucky. Working in coordination with the Tennessee Wildlife Resources Agency (TWRA), investigators determined the individual unlawfully killed four deer and one elk in the county. Evidence obtained through

cell phone mapping data and photographs revealed that the suspect also entered private property without the landowner's permission while committing the offenses. None of the animals were properly tagged as required by law.

As a result of the investigation, Tanner Smelcer, 25, of Sevierville, Tennessee, was charged with a total of 18 wildlife-

related violations in Kentucky, including the illegal taking of an elk, unlawful entry to hunt without consent, spotlighting, shooting from a public roadway, license and tagging violations and the unlawful taking of four deer. The investigation was conducted in coordination with TWRA, and the case remains under investigation in Tennessee.

THE INTERIOR JOURNAL
Lincoln County's hometown newspaper

<https://theinteriorjournal.com/>

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Published on Thursday
except on federal holidays
by BLUEGRASS NEWSMEDIA LLC
USPS 929840
Periodical postage paid at Stanford, KY

Postmaster: Send change of address
forms to: Bluegrass Newsmedia, LLC
463 S. Fourth St.,
Danville, KY 40422

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