

PSC: New surcharge to appear on Kentucky Power bills; represents savings of \$90M over alternative

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The Kentucky Public Service Commission announced in a statement June 27 that customers of Kentucky Power Company would see a new charge on their monthly bills beginning June 30 called a "Securitized Surcharge."

This is the result of Kentucky's first securitization case, a process approved by the Kentucky General Assembly, meant to save customers money, the statement said.

Kentucky Power received approval from the Kentucky Public Ser-

vice Commission in case number 2023-00159 to utilize the securitization process to finance certain costs, which in this case is projected to save customers an estimated \$90 million over 20 years, the PSC said in the statement.

This approval allows Kentucky Power to issue bonds to recover previously incurred costs, like Big Sandy plant retirement costs, deferred major storm costs, and under-recovered purchased power rider costs secured by a non-bypassable charge on customer bills.

Senate Bill 192, passed in 2023, enabled the PSC to approve qualifying utilities, such as Kentucky Power, to use securitization.

The securitization process, the PSC said in the statement, has been successfully used in other states to lessen the total burden on ratepayers when utility companies recover these types of costs from their customers, which they are entitled to recover through monthly bills with or without securitization.

The initial Securitized Surcharge for residential customers, which will be applied to all charges for electric service on a residential customer's bill, except for environmental surcharge charges and nonrecurring charges, is

expected to be approximately 7.07 percent. Because the surcharge does not apply to environmental surcharge costs, the Securitized Surcharge currently amounts to about a 6.37 percent increase in the total bill for a residential customer with 1,000 kWhs of usage.

"It is important to note that without securitization of these costs, conversely, the increase to residential customers would be approximately 13.13 percent," the PSC said in the statement.

"Customers would have seen a substantially higher charge for these expenses — and would have already

been paying it for the past year or more — if not for the securitization process," said PSC Chair Angie Hatton in the statement. "While seeing a new charge on a utility bill is never something customers want, this process has resulted in both an overall reduced monthly amount for individual customers, and approximately \$90 million in total customer savings."

In a separate statement, state Sen. Phillip Wheeler, R-Pikeville, who sponsored the legislation that allowed for the securitization process to be applied, hailed the savings customers will experience.

"In 2023, I sponsored Senate Bill 192 which started the process of refinancing the remaining debt on the (in my opinion wrongly) decommissioned Big Sandy Coal Plant in Louisa in order to lower the power bills in the Kentucky Power Service area," Wheeler said. "While we were not able to eliminate the surcharges completely, the 'securitization surcharge' that replaces the 'Big Sandy decommissioning' surcharge will result in a net savings of approximately \$90 million to the ratepayers in the Kentucky Power Service area in Eastern Kentucky."

EVENT

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They were joined on the stage by Prestonsburg Tourism Executive Director Lauren McCoart.

"Jordan and I are going to sign the contract," Hughes said. "We're each going to have an original copy; that way, they'll have original signatures on them."

Alley Fest began at Alley on Main in downtown

Paintsville, but Pelfrey wanted to expand the event and had tentatively scheduled to move it to Combs Airport near the Johnson/Floyd County line prior to meeting with Prestonsburg officials to discuss possibly having the festival at Archer Park.

"I want to first say thank you to both of you for allowing Alley Fest to come here in Prestonsburg and Archer Park," Pelfrey said. "It's going to be a great time."

Pelfrey said there will be

"some big names coming" to this year's music festival, including headliners Old Crow Medicine Show, Prestonsburg native Nicholas Jamerson, Maddox Batson and "American Idol" contestant John Foster.

"We've got a whole three days of music and vendors," he said. "We hope everyone comes out and supports our new location, Alley Fest and Prestonsburg. We're just excited to be here."

Hughes said one of the

reasons the new stage at Archer Park was built was to "bring this kind of show to Prestonsburg." He said the Prestonsburg City Council, which approved the contract at its June 23 regular meeting, was "very excited to see something like this coming here."

"And we just hope the weather is as beautiful as it is right now during Labor Day weekend, and it's going to be great," Hughes said.

McCoart said she is "absolutely thrilled" to have Alley Fest moving to Prestonsburg.

"Not only, obviously, to have Alley Fest here and the people it's going to bring to our community, but it's also going to help all of our small businesses in town -- our restaurants, our hotels," McCoart said. "So, we're super thankful for this opportunity."

Pelfrey said tickets and more information about this year's Alley Fest are available on its website, alleyfestky.com.

VANDERBECK

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against them of their family.

Communities that engage in constructive communication on issues where there is a disagreement but have a final outcome with all points being considered are more likely to be sustainable.

When thoughts and viewpoints are shut down and there's a lack of understanding or the ability see or consider another viewpoint, a community is destined

for failure.

We need to understand that humans are fallible and will always make mistakes and bad decisions, as in this case.

We need to understand that we are all on different levels of education, experience and knowledge. And we need to understand that the elected people, who are making the rules and laws, put themselves and their families

on the line publicly and are open to scrutiny.

But by no means should their decisions, regardless of how extreme, ever become a detriment to their health.

And just like cop killers are subject to the death sentence, so should be the killers of politicians and their families.

Thanks for reading the Floyd Chronicle and Times.

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