



Transformers belonging to AEP's Kentucky Power Company were photographed near the old Ermine Grade School in Whitesburg Monday. (Photo by Malcolm J. Wilson)

High bills at home, big profits far from home

(Continued from Page 1) increase this year and a 9 percent increase in 2027.

Damron's question cut to the heart of the matter: Who owns the power company, and where do the profits go?

American Electric Power is the sole owner of Kentucky Power, but AEP itself is not owned by a single person. It is a publicly traded company dominated by large institutional investors, including mutual funds and asset-management firms.

The five largest holders of AEP stock are:

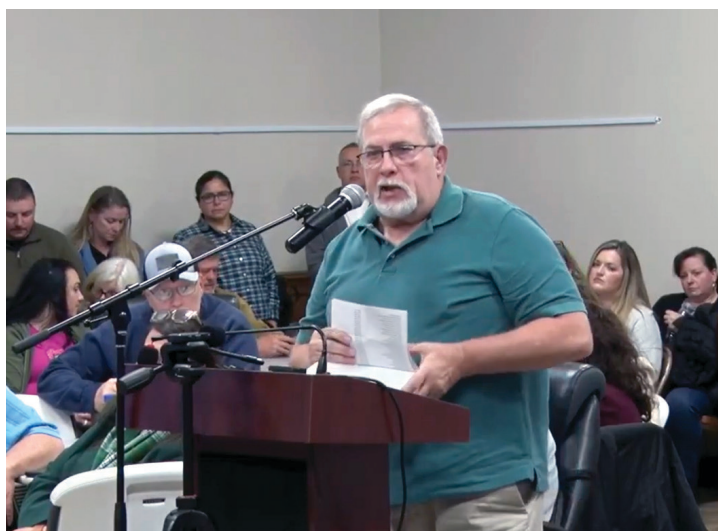
- Vanguard Group Inc., based in the Philadelphia suburb of Malvern, with 51.7 million shares;
- BlackRock Advisers LLC, New York City, with 39.9 million shares;
- State Street Corp., Boston, with 29 million shares;
- GQG Partners LLC, based in Fort Lauderdale and Abu Dhabi, with 18.9 million shares;
- and Wellington Management Group LLP, Boston, with 16.6 million shares.

Together, those five firms control AEP stock worth more than \$13.4 billion.

According to the website pestelanalysis.com, AEP earned about \$3.2 billion in 2025, translating to earnings of roughly \$5.85 to \$5.95 per share. The site projects even higher earnings in 2026, "spurred by anticipated growth in power consumption, particularly from artificial intelligence and cryptocurrency data centers."

The site also notes "a substantial increase" in AEP's five-year capital investment plan, which grew from \$54 billion to an estimated \$70 billion by July 2025. On August 29, 2025, Kentucky Power announced it would seek permission from the Kentucky Public Service Commission to raise its base rates for residential and commercial customers. Since then, AEP's stock price has risen from \$110.15 per share to \$119.96 per share as of Monday, Jan. 16.

While Kentucky Power



Jenkins City Councilman Rick Damron's question to the Public Service Commission at a public hearing in Hazard last month cut to the heart of the matter: Who owns the power company, and where do the profits go?

Company's rates are regulated at the state level and dividends are paid by AEP, both are ultimately supported by revenue generated from customers across AEP's 11-state service territory, including parts of Letcher and 19 other counties in eastern Kentucky. Given AEP's billions of dollars in earnings, serious questions should be answered before the Public Service Commission approves any portion of the increase Kentucky Power is requesting from customers in one of the most economically stressed regions of the country.

Here are a few questions we think should be asked:

Question: Kentucky Power was granted base-rate increases of 14.6 percent in January 2021 and 5.6 percent in January 2024 — rate hikes that helped push the average monthly residential bill from about \$183 to roughly \$211 per month. Given parent company AEP's large annual profits, how can the PSC justify approving another increase so soon?

Question: If the PSC approves any level of rate increase, why should it exceed about 5 percent per year, which is roughly in line with recent national averages for residential electricity price increases?

Question: Kentucky Power

says a rate increase is needed in part to cover its \$77.9 million share of upgrades to the Mitchell Power Plant in Moundsville, West Virginia. Because Kentucky Power is part owner of the plant, its customers are responsible for a share of those costs even though the facility is located outside Kentucky. The plant was scheduled to close in 2028, but the Kentucky PSC agreed late last month to allow continued investment, while West Virginia regulators are allowing the plant to burn coal until at least 2040. Will continuing to rely on coal at the Mitchell Plant benefit eastern Kentucky coal miners enough to offset the added costs to eastern Kentucky ratepayers? (All coal burned at the Mitchell Plant now comes from a handful of West Virginia mines.)

Question: Records show that since January 1, 2014, Kentucky Power customers — including those in Letcher County — have already paid at least \$484 million toward improvements at the Mitchell Plant. How much longer will those extra charges continue?

Those are questions the Public Service Commission should weigh carefully before deciding whether families in eastern Kentucky can afford to pay even more for electricity.

Electricity costs more in one area of county than in other parts

Residents of Eolia-Partridge area pay much lower bills than people in rest of Letcher

The Mountain Eagle compared two electric bills reflecting December 2025 winter usage from neighboring parts of Letcher County — one from Kentucky Power and one from Cumberland Valley Electric Cooperative.

The Kentucky Power customer used 5,011 kilowatt-hours during December and was charged \$780.71 for residential electric service, or about 15.6 cents per kilowatt-hour, before adding separate outdoor-lighting charges.

The Cumberland Valley Electric customer used 4,162 kilowatt-hours during a similar December billing period and paid \$476.44, or about 11.4 cents per kilowatt-hour.

A kilowatt-hour is the basic unit utilities use to measure electricity use. One kilowatt-hour is equal to using 1,000 watts of power for one hour — roughly the electricity needed to run a space heater for an hour, or a refrigerator for a full day. The more kilowatt-hours a household uses, the higher the bill, but the price charged per kilowatt-hour varies widely depending on the utility's rates, fees, and surcharges.

Both bills reflect winter heating demand. While the households and usage levels are not identical, the comparison shows how different utility rate structures and surcharges can produce significantly different results during high-usage winter months.

Editor's note: These bills represent two households and one billing period each and are shown for illustration. Individual bills vary based on usage, housing conditions, and approved rates and riders.

How a W.Va. coal plant drives bills

Even though it sits across the Ohio River in West Virginia, the Mitchell Power Plant has become one of the most expensive and controversial pieces of infrastructure on electric bills in eastern Kentucky.

For more than a decade, customers of Kentucky Power have been paying for improvements, environmental upgrades, and ongoing maintenance at the coal-fired plant — and recent regulatory decisions mean they may be paying for it far longer than originally expected.

What is the Mitchell Plant and why Kentucky Power customers help pay for it

The Mitchell Power Plant is a 1,560-megawatt coal-fired generating station located in Moundsville, West Virginia. It is jointly owned by several utilities, including Kentucky Power, which is responsible for a share of the plant's operating and capital costs based on its ownership stake.

Because Kentucky Power owns part of the plant, its customers are required to pay their portion of those costs through base rates and a series of riders and surcharges that appear on monthly electric bills. Those charges apply regardless of whether the electricity generated at Mitchell is used primarily in Kentucky or elsewhere.

What customers were told — and when

For years, Kentucky Power and its parent company, American Electric Power, justified major investments at the Mitchell Plant by pointing to an expected retirement date of 2028.

That timeline mattered. Regulators often approve large capital projects at aging coal plants on the understanding that the facility will continue operating long enough for utilities to recover the costs from customers. Once a plant closes, however, customers can still be paying off those investments for years afterward.

In filings and regulatory proceedings dating back more than a decade, Kentucky Power repeatedly cited the planned 2028 retirement as part of the rationale for approving environmental controls and reliability upgrades.

What customers here have already paid

According to utility filings and regulatory records reviewed by The Mountain Eagle, Kentucky Power customers have paid at least \$484 million since January 1, 2014, toward improvements and upgrades at the Mitchell Plant.

Those costs include:

- Environmental compliance equipment
- Major plant upgrades
- Ongoing capital improvements and maintenance

The charges were not optional and did not depend on how much electricity customers used. They were added to monthly bills through riders approved by regulators.

For households in eastern Kentucky — where incomes lag behind state and national averages — those costs have contributed to some of the highest electric bills in the region.

What has changed and why it matters now

The financial stakes for customers grew sharply late last year, when the Kentucky Public Service Commission approved Kentucky Power's request to continue investing in the Mitchell Plant beyond the previously expected retirement window.

At the same time, West Virginia regulators agreed to allow the plant to continue burning coal until at least 2040.

That decision effectively extended the plant's life by more than a decade — and with it, the period during which customers may be required to pay for new investments.

How much more customers could pay

In its current rate case, filed August 29, 2025, Kentucky Power says it needs higher base rates in part to cover its \$77.9 million share of additional upgrades at the Mitchell Plant.

Those costs, once approved, would be added to the company's rate base and recovered from customers over many years. Even if the plant ultimately closes before 2040, customers could continue paying Mitchell-related charges long after it stops producing electricity.

Kentucky Power has not publicly stated how much more customers could ultimately pay if the plant remains in service

(Continued on Page 8)

Readers tell of bills 'we can't afford'

(Continued from Page 1) tric bill this month, up from \$196 in November. She said they have been afraid to install a propane heater in their son's home because he uses a walker and could not move quickly in the event of a fire.

Comments were submitted in response to a Mountain Eagle Facebook post asking readers about their electric bills. Quotes have been lightly edited for clarity.

Bills of \$400 to \$800, and even higher

"December's bill was over \$600 and January's was close to that also."

"Mine was \$697 for one month."

"\$788 in Hazard."

"Our bill this month was almost \$700. There's no way people can keep paying these bills and survive."

"Try \$1,049 for one month in a three-bedroom, two-bath house."

"For December, my settle-up month, it was \$1,149.49."

"Last winter ours was over \$1,000 for almost four months straight."

Not using electric heat, but bills still high

"I heat with propane. My bill was \$396 and my heat pump hasn't been turned on once."

"We burn wood for heat and keep the thermostat at 65. December was \$370 and January is \$475."

"My primary heat source is propane. January's bill was \$560 in a single-wide trailer."

"We supplement with kerosene and wood. Two adults, not home much. Bill was over \$500."

"I use natural gas and still pay over \$300 a month."

Fixed income, disabled, or retired

"My total income from Social Security is \$896. My electric bill this month was \$262."

"We're retired and on a fixed income. Our bill went from \$300 to \$400 on the budget plan."

"My brother-in-law's bill was \$550 and that's a third of his income. He's disabled."

"My mom lives alone. Her electric bill was over \$400 and she's on a fixed income."

"I'm retired and have a part-time job and still can't

afford to live after paying my bills."

Empty or barely used homes

"I've got an empty trailer with only a refrigerator running and the bill was \$200."

"We were only at the house eight days during the billing period and the bill was \$244."

"One person, single-wide trailer, thermostat at 63, hardly home. Bill was \$424."

Sharp jumps seen monthly

"Mine went from \$125 in October to \$267 in November, then \$424 in December."

"My bill went from \$237 to \$571 in one month."

"October was \$162, November \$198, December \$370, and January is higher."

"Mine went up \$100 and I was gone for two weeks."

Comparisons to other utilities or places

"We have Cumberland Valley Electric and our bill for a much larger home is never over \$250."

"I moved from central Kentucky where my bill was \$150. Here it's almost \$500."

"I live in Florida now and my bill there is half what it was back home."

"In Louisville under LG&E the average bill is around \$114. Here it's much higher."

Choosing between their essential needs

"I can't make ends meet. I have to let one bill go to pay the electric bill."

"People are choosing between eating or having power."

"It's either pay the bill or do without food and medicine."

"My electric bill is higher than my house payment."

Feeling trapped

"They know we have no other choice. Pay it or the power gets cut off."

"There's no competition. We're stuck."

"We are seriously considering leaving Kentucky because of utilities and taxes."

Editor's note: These comments reflect individual households and billing periods. Electric bills vary based on usage, housing conditions, and approved rates and riders, but the volume and consistency of responses highlight widespread concern among residents.