

# Kentucky Power challenges PSC ruling on rate increase

By BEN GISH

Kentucky Power Company is asking state regulators to reconsider parts of a recent decision on its proposed rate increase, arguing that cuts ordered by the Kentucky Public

Service Commission could harm the company's financial stability and electric service reliability. In a motion for rehearing filed with the PSC, the utility challenges several elements of the Commission's February order in

its rate case, which approved a smaller increase than the company originally sought. The PSC's ruling resulted in a net increase of about \$52 million annually — less than the company's initial request

— but Kentucky Power says regulators reached that figure by disallowing certain costs rather than using other tools to reduce customer impacts. The company is asking the Commission to revisit five major issues, including tree-trimming programs, employee compensation, transmission costs, rate case expenses and how it can recover future investments in its power plants.

The most significant dispute involves vegetation management — the trimming and removal of trees near power lines, which the company says is critical to preventing outages.

In its order, the PSC changed how some of those costs are treated, shifting them from long-term investments to annual operating expenses. Kentucky Power argues that change will force it to scale back work and could lead to increased outages.

The company also warned the decision could result in the loss of contractor jobs in eastern Kentucky tied to that

work and leave it unable to recover millions of dollars already spent on vegetation management. Kentucky Power is also challenging the Commission's decision to disallow certain employee compensation costs, including incentive pay, and to deny recovery of some transmission-related expenses tied to the regional PJM power grid.

The company argues that some of those transmission costs are set by federal regulators and cannot be reduced by the state commission.

In addition, Kentucky Power is seeking clarification on whether it can recover future capital investments at the Big Sandy and Mitchell power plants through a new rate mechanism known as a generation rider.

That issue could be significant as the company continues to pursue upgrades and repairs at the Mitchell plant, including a proposed cooling tower replacement now under review by the PSC.

In its filing, Kentucky

Power said the Commission's order could reduce its ability to earn the return on investment regulators themselves determined was reasonable and could negatively affect its financial condition.

The company warned that without changes, it may need to file another rate case in the near future.

Kentucky Power emphasized that it remains aware of the financial challenges facing its customers and said it is willing to use accounting tools, such as deferred tax credits, to help offset any additional impact on electric bills if the Commission grants rehearing.

The PSC will decide in the coming weeks whether to grant the request and revisit portions of its earlier decision.

At stake for eastern Kentucky customers is whether future electric bills rise further — or whether regulators hold the line on costs tied to maintaining and upgrading the region's power system.

## New filings: Regulators, watchdogs press Kentucky Power for answers

New filings in the Mitchell power plant case show that state regulators and outside groups are closely scrutinizing Kentucky Power's proposal to spend nearly \$200 million on a new cooling tower.

The Kentucky Attorney General's Office and a group representing large industrial customers have filed detailed questions asking the company to explain how the project will be paid for and whether customers could face higher costs over time.

Among other things, the groups are seeking information about when structural problems in the existing cooling tower were first discovered and whether earlier inspections might have identified the issues sooner.

The filings also question how long

the new cooling tower is expected to last and whether the company's cost estimates accurately reflect the full expense of the project.

Environmental group Sierra Club has raised additional questions about whether Kentucky Power fully considered alternatives, including buying power from other utilities or converting the plant to use natural gas.

Meanwhile, staff at the Kentucky Public Service Commission are asking their own questions about the project's cost, construction timeline and potential impact on electricity supply during the work.

The filings mark the beginning of a detailed review process that could shape whether the project is approved and how much customers may ultimately pay.

## Improvements to W.Va. plant may cost Ky. Power customers

(Continued from Page 3) pass capital investment costs to customers faster.

Consumer advocates often oppose them because they can increase bills incrementally, reduce PSC oversight, and shift risk to customers

Opposition groups may argue that approving the cooling tower while the rider is unresolved pre-commits customers to paying for it later.

Kentucky Power is asking the PSC to allow it to create a regulatory asset to track the costs or to defer recovery of the costs until later.

Those costs would then be recovered through a proposed generation rider or a future base rate case if that rider is not approved.

This accounting treatment lets the company begin spending money before the PSC decides exactly how customers will pay for it.

The case could also signal how Kentucky regulators approach future investments in aging coal plants. Across the PJM regional power market, utilities are weighing whether to retire decades-old facilities or spend millions of dollars to keep them operating. Decisions in the

Mitchell case may indicate whether the Kentucky Public Service Commission is willing to support continued investment in older coal plants as a way to maintain reliable power supplies, even as those investments place additional pressure on electric rates.

For many eastern Kentucky residents, the Mitchell case revives memories of Kentucky Power's decision a decade ago to retire coal generation at the Big Sandy plant in Louisa and shift much of its power supply to the Mitchell plant in West Virginia. While regulators agreed at the time that Mitchell was the cheaper option, the change eliminated coal jobs and tax revenue in the region. Now, as the company asks regulators to approve another major investment tied to that same plant, customers across the mountains are left to wonder how much more they may ultimately be asked to pay to keep it running.

According to an analysis by Energy Innovation Policy and Technology, the cost of burning coal at the Mitchell plant increased by 55 percent between 2021 and 2024 and continues to rise today.

## Supt. Yonts led county schools through pandemic and floods

(Continued from Page 1)

She later served as an English teacher, assistant principal and eventually principal — becoming the last principal at Whitesburg High School before it closed during consolidation with Letcher High School and Fleming-Neon High School.

Following consolidation, Yonts became an assistant principal at Letcher County Central High School. She was hired as superintendent eight years ago after the retirement of Tony Sergent, who has since returned to the district and now works in the finance department.

Yonts said she does not have firm plans after retirement.

"I'm going to try to retire," she said. "I don't know if I'll like retirement or not. I've worked since I was 14."

As superintendent, Yonts led the district through two major crises — the COVID-19 pandemic in 2020 and the devastating flood of 2022.

Schools were closed for extended periods during the pandemic, with instruction shifting online using hundreds of laptops purchased by the district.

In 2022, floodwaters damaged multiple school facilities, displaced students and staff, and claimed the lives of two high school custodians who were attempting to reach Letcher County Central High School.

During the disaster response, the high school served as a relief center and command post. Its parking lot filled with donated supplies, while the cafeteria housed Emergency Management and FEMA personnel. Teachers, staff and volunteers distributed water and other necessities to the community for months.

The district continues working to recover enrollment losses caused by both events. A field of wildflowers planted across from the high school honors Clarence and Jewell Sturgill, whose truck was swept from a bridge during the flood.

Despite those challenges, schools have been rebuilt, attendance is improving, and some students who had been homeschooled are returning to classrooms.

Yonts said she is most proud of the district's students. "Our kids live up to our expectations, and when we give them high expectations they meet and exceed them," she said. "Our kids are as bright as any anywhere in the world."

Although her contract ends in June, Yonts said she plans to remain through Sept. 1 to help ease the transition to a new superintendent. After that, she hopes to spend more time traveling and with family.

## More of Vaught's Views on UK

(Continued from Page 2) strong case, emphasizing his ability as a runner.

"They told me I could be one of the best in the nation," Harkless said. "The scheme gives me a chance to dominate the line of scrimmage, and that sold me."

Kam Williams, who returned from injury for postseason play, said their presence provided added motivation.

Sophomore Collin Chandler said both players embraced new roles.

"They've found ways to impact winning," Chandler said. "Even if fans don't always see it, we feel it."

Moreno said Lowe often led discussions during timeouts.

"That shows how much he cares," Moreno said. "Even when he can't play, he's helping us win."

### ADVERTISEMENT FOR BIDS

Sealed bids will be received, opened, and immediately read aloud at 2:00 p.m., Wednesday, April 15, 2026, for the MCHC – Hazard Medical Clinic Renovation Project. Bids will be received at the Mountain Comprehensive Administration Office, 10 E. Main Street, Whitesburg, KY 41858.

The project site is located at 30 S. KY-15, Hazard, KY. The work includes furnishing all necessary labor, materials, tools, machinery, warranties, and all other items required to meet the plans and specifications. Work includes, but is not limited to: interior finishes, casework, new doors, electrical, plumbing, HVAC, fire alarm, metal stud framing, gypsum sheathing, and acoustical ceilings.

Interested contractors shall attend a pre-bid conference on Tuesday, March 31, 2026, at 10:00 a.m. at the project site. No bid may be withdrawn for a period of 60 days after the opening. Each bid must include bid security in the amount of 5% of the total bid in the form of a certified check, cashier's check, irrevocable letter of credit, or surety company bond made payable to Mountain Comprehensive Health Corporation.

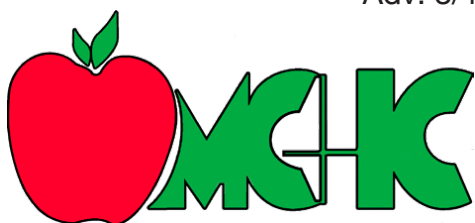
If bid security in the amount of 5% of the full bid is submitted with the bid, the successful bidder will be required to furnish a performance bond and a labor and material bond from an acceptable surety in the amount of 100% of the full contract amount. If a bid guaranty bond in the amount of 100% of the total bid is submitted with the bid, no additional performance bond or labor and material bond will be required.

The contract documents have been prepared by Summit Architects + Engineers, 3205 Summit Square Place, Lexington, KY 40509. For additional information or questions, email Winfrey Kirkpatrick at wkirkpatrick@summit-ae.com or call 859-264-9860. Copies of the documents may be purchased from Lynn Imaging, 328 East Vine Street, Lexington, KY 40507, (859) 255-1021, or at www.lynnimaging.com.

All provisions of the Kentucky Revised Code as they relate to bid guaranties, conditions, liabilities, and withdrawal of a bid are applicable to this contract. The owner reserves the right to waive any informality or to accept any bid deemed most favorable. The owner also reserves the right to reject any or all bids.

By order of the owner: Mountain Comprehensive Health Corporation

Adv: 3/18, 3/31, 4/15



### Injured Wildcats Still Made Impact

Even from the bench, Jaland Lowe and Jayden Quaintance were finding ways to contribute.

Both were sidelined since early January, but teammates say their leadership was invaluable during the season which ended Sunday.

"They're like extra coaches," freshman Malachi Moreno said.



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