

# KENTUCKY POWER SECURITIZATION EXPECTED TO SAVE CUSTOMERS \$90 MILLION

FRANKFORT – Customers of Kentucky Power Company will 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.

Kentucky Power received approval from the Kentucky Public Service Commission (PSC) 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.

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-by passable 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 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.

“Customers would have seen a substantially higher charge for these expenses - and would have already been paying it for the past year

# CONGRESS MUST ACT TO HELP THE NEW POSTMASTER GENERAL PULL USPS BACK FROM THE BRINK

By **MARTHA DIAZ ASZKENAZY**  
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The United States Postal Service is on the brink of a self-induced collapse. The failed policies of the Delivering for America Plan have driven away customers through a combination of sky-high rate increases and degraded service. David Steiner, who will take over as Postmaster General on July 14, has a tough job to do and little time to do it with some estimates indicating the USPS could be insolvent as soon as 2028.

Congress has a key role to play in helping him right the ship but must get off the sidelines and act. A useful step occurred earlier this week with a hearing before the House Oversight Subcommittee on Government Operations. The National Newspaper Association (NNA) provided a statement for the hearing that lays out key actions Congress can take to help restore the USPS.

We emphasized that NNA members serve their communities, providing news on local events and civic matters that are not covered anywhere else, and that they depend on the USPS to get their papers to subscribers. The USPS — and by extension

the small businesses in the communities they serve — faces an immediate and existential crisis. We urge Congress to act swiftly and compel meaningful reform at the USPS.

Here are actions Congress can take right now to get the USPS back on track and keep commerce in America moving: Demand the USPS Board halt the Delivering for America Plan including the large rate increase planned for July 13, 2025. This increase, far above the rate of inflation will only deepen the hole and ties the hands of incoming Postmaster General David Steiner, who should have the opportunity to assess the situation. The same holds true for the network consolidations and service cuts. Every customer that is lost through these increases and service reductions is one less Steiner can rely on in the future.

Modernize and empower the USPS regulator. Effective checks and balances are needed to keep the USPS on track. Congress needs to update and modernize the postal regulatory process to better safeguard against excessive rates and poor service by passing H.R. 3004, The USPS



serVES US Act.

Measure newspaper costs accurately. Congress should compel accurate measurement of newspaper service and hold the USPS accountable for maintaining and improving service quality by enacting H.R. 2098/S.1002, the Deliver for Democracy Act.

These are all commonsense steps Congress can take to address what has been clearly a failed approach by USPS management. Steiner has a huge job ahead of him and will need all the help he can get.

Congress must act now to make sure the nation’s next Postmaster General is not the last one.

or more – if not for the securitization process,” said PSC Chair Angie Hatton. “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.”

Records regarding this case are available on the PSC website, [psc.ky.gov](https://psc.ky.gov). The Case No. is 2023-000159.

Kentucky Power is an electric utility com-

pany based in Ashland, Kentucky, serving approximately 162,500 customers in 20 eastern Kentucky counties and is a subsidiary of American Electric Power (AEP).

The PSC 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 has approximately 90 employees.

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