

ELECTRIC RATE ADJUSTMENT PROCESS

KICK-OFF DISCUSSION JULY 13, 2020



PPS STRATEGIC PLAN-FINANCIAL STRENGTH

PPS will balance long-term financial stability with fair rates.

GOALS:

ACHIEVE A BOND RATING IN THE A CATEGORY FOR ALL THREE RATING AGENCIES. STAY AT OR BELOW THE REGIONAL AVERAGE RETAIL RATE. MAINTAIN A STRONG CASH RESERVE. MAINTAIN A DEBT SERVICE COVERAGE RATIO OF 1.4 OR HIGHER. STAY IN COMPLIANCE WITH THE ANNUAL BUDGET. ACHIEVE A CLEAN AUDIT. ENSURE ALL WHOLESALE POWER COSTS ARE RECOVERED THROUGH THE POWER COST ADJUSTMENT RATE.



GUIDELINES FOR THE PROCESS

Board Workshop Format

- Less formal More open discussion
- No business No motions, no voting
- Educational Cost of service and rate design concepts will be introduced, explained and considered for relevance to PPS

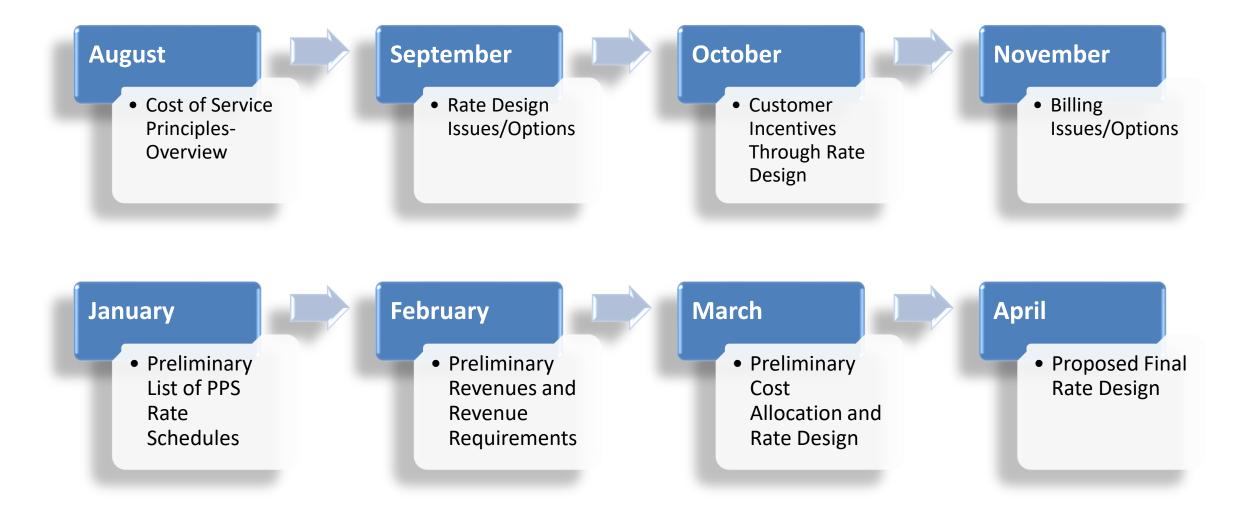
Transparency

- Open to the public
- All presentation materials on PPS website

PPS Task Force

Timeline

WORKSHOP DISCUSSIONS BY MONTH



MISSION STATEMENT "THE MISSION OF PADUCAH POWER SYSTEM IS TO PROVIDE OUR CUSTOMERS WITH RELIABLE AND ECONOMICAL ELECTRIC SERVICE OF THE HIGHEST QUALITY AND BE A VALUED PARTNER IN THE COMMUNITY AND ITS DEVELOPMENT."



VISION STATEMENT

"PADUCAH POWER SYSTEM WILL BE A TRUSTED PARTNER IN THE VITALITY OF OUR COMMUNITY AND A LEADER IN OUR INDUSTRY."