



PADUCAH POWER SYSTEM

Owned by the People of Paducah

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ENERGY edition

Rate Review Process Continues

The need to replenish cash reserves and to accurately project future power sales are two critical issues the PPS Board of Directors will consider as they determine a plan for PPS’s residential and commercial rates for the next few years. Last August, the Board of Directors began a year-long process of reviewing the utility’s current rates and rate structure. Their goal is to complete the process and approve a final rate design by July. Regular reviews are recommended for utilities, and this is the first study PPS has done in eight years. PPS’s base rates have not changed since 2014. There have been small up and down adjustments in the Power Cost Adjustment (PCA) to cover fluctuations in wholesale power costs.

Each month, staff presents rate related information to the board during a workshop at the end of the board’s regular meeting, addressing topics such as service design, customer incentives, and rate design issues. Last month, the board discussed the sizeable drop in electrical sales in 2020 because of COVID’s effect on usage, particularly by commercial customers. The utility has used about \$2 million in reserve funds to cover the lost revenue and will

likely use \$2 million more in the coming months since sales are expected to stay lower than normal. The need to replenish those reserves will be one of the issues board members will consider as they settle on a final rate plan. PPS Finance Director Doug Handley also noted the importance of a conservative forecast for electrical sales in the financial information provided to the board members for their decision-making process. “If we think sales will be like they have been in the past, we will continue to under recover our costs,” said Handley. Paducah Power General Manager Dave Carroll said the challenge is determining the number that is adequate to make sure rates cover power costs but do not over collect funds from customers.

At its next two meetings, the board will discuss revenue requirements and preliminary cost allocation and design. May will tentatively bring a proposed rate design. The board’s meetings are currently held on Zoom because of COVID-19 restrictions. The presentations used at those meetings and the video of the rate workshops are posted on our webpage, paducahpower.com under the “Rate Review Process” tab.

management team

David C. Carroll
General Manager

Rick Windhorst
Assistant General Manager

Andrea Underwood
*Director of Human Resources and
Community Relations*

Doug Handley
Director of Finance, Power Supply & Rates

Eileen Miller
Business Systems Manager

board of directors

Hardy Roberts *Chairman*

Mark Workman *Vice Chair*

Ed Hely *Secretary/Treasurer*

Sandra Wilson *Member*

Spring Clean-Up Day

Each April, the city and county give McCracken County residents a one-day opportunity to get rid of all sorts of solid waste and household hazardous waste, free, at Spring Clean-up Day. PPS participates by collecting old fluorescent tubes of all sizes and compact fluorescent bulbs (CFLs). COVID-19 cancelled the 2020 event. As of the printing of this newsletter, organizers had not decided the fate of the 2021 Spring Clean-Up Day. Please watch the Paducah Sun and the social media feeds for PPS and the city of Paducah for updates on this.



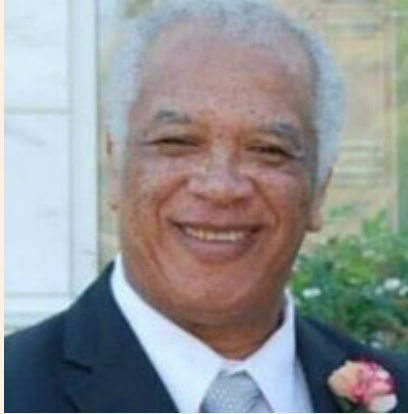
To report an outage call
270-575-4010



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Remembering Jones

We are deeply saddened by the recent death of our board member, Adolphus Jones. Words don't adequately convey how much we value and appreciate his service to PPS over the past several years. Adolphus served nine years on the Electric Plant Board. He was always thoughtful and deliberate in his questions and input. He brought compassion and calmness to the job and always had the customers and our employees in mind when making decisions.



Adolphus helped us to implement our rate recovery plan and navigate many significant decisions about bond refundings and capacity sales, and for that that we will always be grateful. More than anything, he was a good person, and we will miss his presence at PPS.

Utility Assistance Grants

Paducah Power is working with the city of Paducah to apply for a portion of the \$38 million in new utility assistance funds announced recently by Governor Andy Beshear. Each community may receive up to \$200,000 for customers struggling with electric, water and gas bills they cannot pay. Cities and counties must apply for the monies as they would other Community Development Block Grants, and, if approved, will coordinate with a community partner to distribute the funds. In our area, the Purchase Area Development District will coordinate with West Kentucky Allied Services (WKAS) to get the money to utility customers. If Paducah's application is approved, customers would apply directly to WKAS for assistance. Households would be eligible for up to \$250 a month for six consecutive months if they had a disconnect notice and assistance from the Low-Income Home Energy Assistance Program (LIHEAP) and other utility programs was not available. Regardless of the outcome of the grant application, local helping agencies are currently providing utility help, and we encourage you to contact them if you are struggling with your bill.

Save with Mobile App

One of the best ways to control your bill is to regularly monitor your power usage and adjust as needed. Many of our Pay as You Go (PAYGO) customers do a good job of this because they receive daily texts from us and notice an increase in usage within one or two days instead of a month after the fact, like our traditional billing customers. However, you don't have to be a PAYGO customer to monitor your usage. All PPS customers can download our mobile app or register at our website, paducahpower.com, to see their daily usage. We encourage you to check your usage every few days, especially during extreme temperatures. By being informed, you can make changes that can save you money. It may also help you to catch an issue with your water heater or HVAC unit that is causing excessive usage. To find out more, call 270-575-4000, go to paducahpower.com or download our app and start saving today.



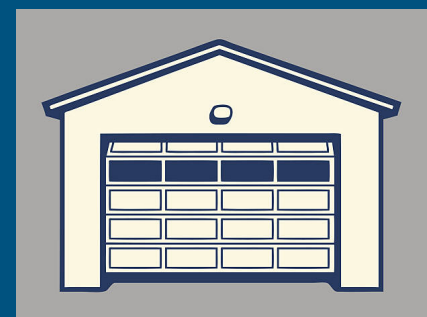
Call Before You Dig



If you are planning a spring project that involves digging, you should first make a free call to Kentucky 811. Digging without a call could result in injuries, legal problems, interruption of utilities or project delays. Dial 8-1-1 at least two full business days before you dig. Find out more at kentucky811.org.

Wilson Reappointed

In January, Mayor George Bray reappointed City Commissioner Sandra Wilson to the Electric Plant Board for a two-year term. Wilson is the city's representative on the PPS board and was reappointed following her reelection to the city commission.



Energy Savings Tip

Keep your garage door closed as much as possible during cold weather. Often, cold air seeps into your home's interior through poor seals around the door leading from the garage into your house, forcing your heating unit to run more.