



PADUCAH POWER SYSTEM

Owned by the People of Paducah

paducahpower.com
1500 Broadway, Paducah
phone: 270.575.4000



ENERGY edition

Rate Review Process Near End

The Paducah Power System Board of Directors and management team this month will wrap up its year-long rate review process, culminating in a June board vote on a new recommended rate structure. Standard practice for utilities is a rate study every three to five years. The last rate study for PPS was in 2013. Past studies for PPS have required the use of consultants. The current review is conducted by staff, saving the utility approximately \$100,000. Finance Director Doug Handley performed rate studies for utilities before coming to PPS. Since August, staff has presented, rate related information to the board during workshops at the end of the board’s regular meetings, addressing topics such as service design, customer incentives, and rate design issues. A key part of the review process is to determine the cost allocation of services for each rate class and set rates to reflect that so one rate class does not subsidize another. Under the preliminary proposal Handley presented to the board last month, residential customers would see a 3.5% rate increase and the small and large commercial customers would see about a 2% increase. If approved in June, the rise in base rates would be the first in seven years and would still be 5% lower than PPS’s rate peak in 2014. Board member

Ed Hely noted that the increase is less than the rate of inflation during those seven years. The only changes in PPS rates since 2014 have been small up and down adjustments in the Power Cost Adjustment (PCA) to cover fluctuations in wholesale power costs. Under the preliminary plan, the PCA would revert to zero, beginning July 1. It would still be reviewed every quarter for any up or down adjustments needed.

Two critical issues the board must consider as they approve a plan is the need to replenish cash reserves and to accurately project future power sales. PPS underwent a 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 use \$2 million more in the coming months since sales are expected to stay lower than normal. If the forecasts used in the rate development model hold true, the rate adjustments are expected to last several years. Any adjustments approved by the board will go into effect July 1. The presentations used at the board 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*

Darryl Pea *Member*

Spring Clean-up Yields Bulbs



Many people took advantage of the chance to safely dispose of their old fluorescent light bulbs during the Paducah/McCracken Spring Clean Up Day last month, dropping off hundreds of pounds of bulbs at the Paducah Power System booth. If you missed the event, you may drop off your old fluorescent tubes and CFL’s at Paducah Power during regular business hours. It is a free service of your public power provider.

To report an outage call
270-575-4000



Follow us on Facebook,
Twitter and Instagram!

PPS Wins National Safety Award

Paducah Power System has earned the American Public Power Association's Safety Award of Excellence for safe operating practices in 2020. The utility earned the first-place award in the category for utilities with 110,000 to 249,999 worker-hours of annual worker exposure.

"Utilities that receive an APPA Safety Award have demonstrated that they have made the health and safety of their employees a core value," said Brandon Wylie, Chair of APPA's Safety Committee and Director of Training & Safety at Electric Cities of Georgia. "Designing and maintaining a top-notch utility safety program takes a lot of hard work and commitment. These utilities and their communities should be very proud."

329 utilities from across the country entered the annual Safety Awards. Entrants were placed in categories according to their number of worker-hours and ranked based on the most



incident-free records during 2020. The incidence rate, used to judge entries, is based on the number of work-related reportable injuries or illnesses and the number of worker-hours during 2020, as defined by the Occupational Safety and Health Administration (OSHA).

"Paducah Power values employee safety above all else," said Rick Windhorst, PPS Assistant General Manager. "We all recognize the importance of going home to our families each day; this is what drives our dedication to safety."

Work Zone Safety

May is National Electrical Safety Month, a good time to highlight one of the biggest safety issues that affects our employees and customers: traffic. Crews often must park their trucks on the side of the road to reach power lines. They are careful to mark their work area with cones or signs, but drivers sometimes still stray into the work zone. Here are some tips to remember as you drive near their work zones:

- Slow down. Speed is one of the biggest causes of work zone accidents.
- Do not use your cell phone while driving.
- Keep a safe distance between your vehicle



and the workers and their equipment.

- Pay attention to any signs that are posted.
- Be patient. Work zones are not there to inconvenience you. Workers are maintaining and improving your electrical system.

Reminder



PPS will be closed Monday, May 31st for Memorial Day.



Before You Dig

Remember to call KY811 before digging on your property to avoid hitting utility lines. Besides calling KY811 you can go to their website, KY811.org, and submit a request there.

Alerts & Reminders



You can receive text and email alerts from Paducah Power regarding your account. Receive alerts about outages, high energy usage, payments, your due date and past due bills. It's a free service and can be a handy way to keep tab on your usage. Sign up by downloading our free mobile app from the Apple or Android app stores, by clicking the "Pay My Bill" tab on our webpage, paducahpower.com, or by calling our Customer Service Department at 270-575-4000.