

HAROLD ROGERS
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Congress of the United States
House of Representatives
Washington, DC 20515-1705

PLEASE RESPOND TO:

WASHINGTON OFFICE:

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WASHINGTON, DC 20515-1705
(202) 225-4601

DISTRICT OFFICES:

☒ 551 CLIFTY STREET
SOMERSET, KY 42503
(606) 679-8346 OR
1-800-632-8588

☐ 48 SOUTH KENTUCKY HIGHWAY 15
HAZARD, KY 41701
(606) 439-0794

☐ 110 RESOURCE COURT
SUITE A
PRESTONSBURG, KY 41653
(606) 886-0844

February 22, 2018

Nick Akins
Chairman, President & CEO
American Electric Power
AEP Corporate Headquarters
1 Riverside Plaza
Columbus, OH 43215-2372

Dear Mr. Akins,

I am writing with great concern for American Electric Power (AEP) customers who live in my rural congressional district, spanning 30 counties in southern and eastern Kentucky.

I have received countless calls, emails and letters from individuals, families and businesses overwhelmed by the dramatic and unexpected increase in utility bills. Many of them have shared copies of their bills with me to demonstrate their concerns. While I clearly understand the fluctuation of rates can be partially attributable to changes in weather patterns and other market conditions, the increased rates and added fees appear quite extreme.

As you are aware, a large portion of people living in the Central Appalachian region live on fixed incomes. One gentleman in particular said his AEP bill jumped from \$189.59 to \$486.31, which will take up more than 32% of his fixed income of \$1,582. Like so many other folks in my region, as a result of the unexpected 256% jump in utility rates, he is now forced to decide between paying to keep his home warm and his lights on, paying for his medication, or buying groceries this month. It's a decision that no one should have to make. One small business owner also sent a copy of her bills, showing a jump from \$549.63 to \$862.59. Perhaps one of the largest increases in our region was reported by WYMT-TV (CBS-Hazard) during an interview with a pastor at the County Line Community Church in Perry County. Even after minimizing usage during the winter months to conserve energy, the pastor said the church's utility bill increased from an average of \$1,500 during the autumn months to \$5,700 in January. The costs are simply unaffordable and unsustainable for families, small churches and small businesses. Unfortunately, those bills are not isolated incidences, rather I could share dozens more examples of the same skyrocketing rates in southern and eastern Kentucky.

After reviewing some of the bills that I received from constituents, there is a common thread that I hope you can explain. While overall, bills have increased anywhere from 100% to 300%, only a portion of these extreme hikes are attributable to your customers' increased electricity use.

Below, I have noted that roughly 20% of the bills provided to me are attributable to unexplained fees, taxes and adjustments totally unrelated to consumption.

BILL #1:

DSM	\$7.81
Residential HEAP	\$0.17
Ky Economic Development Surcharge	\$0.13
Capacity Charge	\$6.31
Big Sandy Operation Rider	\$12.78
Decommissioning Rider	\$16.97
Environmental Adjustment	\$41.97

BILL #2:

DSM	\$3.17
Taxes & Fees	\$16.76
Environmental Surcharge	\$17.25

BILL #3:

DSM	\$6.94
Taxes & Fees	\$37.86
Environmental Surcharge	\$39.33

I would deeply appreciate an explanation for why AEP customers in Kentucky's Fifth Congressional District are incurring these fees. Specifically, it is critical that AEP be fully transparent in explaining why people in our region are paying for items such as the operation and decommissioning riders, a fee for economic development, and environmental adjustment. The passage of these operational costs onto AEP customers in the second-poorest congressional district in the country is extremely disappointing. Additionally, what can be done to eliminate these extreme fluctuations in costs and ensure that electricity costs remain consistently affordable for those in our region?

Thank you for your prompt attention to this matter and your response within 30 days of your receipt of this letter.

Sincerely,



Harold "Hal" Rogers
Member of Congress