



NEWS RELEASE
PPS BOARD KEEPS CURRENT POWER COST ADJUSTMENT

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Paducah Power System will use available cash to prevent an increase in the utility's Power Cost Adjustment (PCA). The PPS Board of Directors, today, approved a budget for the new fiscal year that will keep the PCA at \$0.00997 when the FY19 budget begins July 1. The board's action means that residential customers will pay a total kilowatt hour rate of 12.15 cents, the same rate they've paid for the past year.

The PCA, which affects residential and commercial accounts, is a billing practice used by utilities to collect enough revenue to recover wholesale power costs without changing their base rates every month. Since February 2014, the PPS Board and management have dropped the PCA 72%, lowering the monthly bill for the average residential customer 16%. However, the utility's ability to lower the PCA further is hampered by current market pressures.

"The expiration date for the savings we've been able to achieve to date with short-term solutions is getting closer," said PPS General Manager Dave Carroll. "We can use available cash to prevent an increase in the PCA next month, but a long-term solution to our power supply issues is necessary to achieve a significant rate reduction."

The board today also approved quarterly reviews of the PCA instead of an annual review. Quarterly reviews allow the PCA to be more responsive to changes in power costs, minimizing overcollections or under collections.