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Kentucky Public Service Commission Opens Investigation into Utility Affordability

Coalition of Kentucky advocacy organizations had asked the Commission to open the case

FRANKFORT, Ky. — On August 26, 2026, the Kentucky Public Service Commission issued an order opening an investigation into the affordability of electric and natural gas utility service in the Commonwealth. The new proceeding, **Case No. 2026-00185**, will examine the drivers of rising utility costs and the measures the Commission, utilities, the General Assembly, and other stakeholders could take to improve affordability.

The Commission's order comes two months after a coalition of advocacy organizations – Appalachian Citizens' Law Center, Kentuckians For The Commonwealth, Kentucky Chapter of the Sierra Club, Kentucky Conservation Committee, the Kentucky Solar Energy Society, Metropolitan Housing Coalition, and Mountain Association – wrote to the Commission asking it to open an administrative case dedicated to utility affordability. The organizations urged the Commission to examine issues including cost allocation for new demand, performance-based ratemaking, energy efficiency and demand-side management, lifeline rates, and the costs and risks of hosting large data-center loads.

Appalachian Citizens' Law Center, Kentuckians For The Commonwealth, the Kentucky Solar Energy Society, Metropolitan Housing Coalition, and Mountain Association, represented by Kentucky Resources Council and Earthjustice, regularly intervene as "Joint Intervenors" in cases before the Kentucky Public Service Commission, focusing on ensuring affordability and sustainability to the greatest extent possible.

"The new lifelines to coal fired power plants, and the massive amount of new gas being built in the name of data centers, are an enormous threat to affordability," said KFTC member Catherine Clement. "Not only do they have direct impacts on our energy bills and but also the indirect costs of fossil fuel damage to the health of workers, the public, and the environment."

"Eastern Kentuckians cannot continue to pay higher and higher energy costs," said ACLC Director of Policy Rebecca Shelton. "We need to develop new and innovative solutions that can disrupt the vicious trend we're currently facing. We appreciate the PSC opening this docket as a means through which to seek those solutions."

"The Metropolitan Housing Coalition and our fellow joint intervenor organizations have been pushing for solutions to both housing and utility affordability issues for decades," said MHC Executive Director Tony Curtis. “It is a relief that the Kentucky Public Service Commission has agreed to explore affordability issues by opening up this case pushing for data-driven decision-making that will benefit all Kentuckians across the Commonwealth, with a particular impact on those low- and fixed-income households struggling to make ends meet.”

In its Order, the Commission cited data showing that Kentucky's average residential electricity price rose 21.8 percent from 2020 to 2025. The Commission also noted that low-income and disadvantaged communities can face energy burdens as high as 18 percent. The Order further cites federal data reporting 152,798 residential electricity disconnections and 24,921 residential natural gas disconnections in 2024.

"The highest average monthly electric bills in Kentucky are paid by many residents in Eastern Kentucky, many with older homes that lack proper insulation and efficient heating and cooling, requiring more energy just to stay marginally comfortable," said Mountain Association Senior Energy Analyst Josh Bills. "With a decline in population and industries, fair, just, and reasonable solutions are needed to ease this burden for fewer customers remaining to allocate and pay for utility costs. Investments in making homes and businesses more efficient reduces strain on utility’s infrastructure. Making homes and businesses more efficient can be a win-win with potential to reduce the overall costs for upkeep of poles, wires, and power plants."

“We have known for some time that there are more affordable options to serve the electric needs of Kentuckians,” said KRC Senior Attorney Byron L. Gary. “We know first and foremost that the cheapest kilowatt-hour is the one you don’t have to generate in the first place, and energy savings measures can also save ratepayers money. We’ve long suspected that renewable energy is a viable, least-cost option - and last year that was proven in the first statewide cutting edge energy modeling, conducted by experts at Current Energy Group on behalf of KRC and our clients.”

The Commission made all of Kentucky's regulated electric utilities and its five largest natural gas distribution utilities parties to the proceeding. Other utilities, organizations, and individuals may seek to intervene as parties or may submit public comments without becoming parties. Members of the public who are not parties may submit comments at any time through the Commission's website or by email to psc.comment@ky.gov, referencing Case No. 2026-00185.

About the Joint Intervenors

Appalachian Citizens' Law Center — Since its incorporation in 2001, ACLC has focused on addressing the environmental, health, and economic impacts of resource extraction in Eastern Kentucky and Central Appalachia. ACLC’s primary work includes both direct representation of individuals and groups and policy and advocacy work aimed at addressing the ongoing and legacy impacts of the coal industry and the economic impacts of its decline.

Kentuckians For The Commonwealth — is a forty-five-year-old, multi-issue grassroots organization of Kentuckians inspired by a vision to work for a brighter future for all people, no matter our color, where we come from, or how much money we have. Together, KFTC members organize for a fair economy, a healthy environment, new safe energy, and an honest democracy.

The **Kentucky Solar Energy Society** is an association of solar advocates and professionals dedicated to advancing the clean energy transition in Kentucky. Founded in 2007 as a chapter of the American Solar Energy Society, KYSES works to make the many benefits of solar energy and the clean energy transition available to people throughout Kentucky.

Metropolitan Housing Coalition is a coalition of approximately 300 individual and organizational members, aiming to unite public and private resources to facilitate research-based advocacy for fair, accessible, and affordable housing in the Louisville metropolitan area. MHC members include representatives of low-income households, private and non-profit housing developers, service providers, financial institutions, labor unions, faith-based and neighborhood groups, and other advocacy groups, advocating with a united voice for fair, safe, and affordable housing in the Metro Louisville area.

The Mountain Association invests in people and places in Eastern Kentucky in order to build a new economy and a brighter future. The organization helps businesses, nonprofits, faith groups, and local governments find much-needed energy savings.

Kentucky Resources Council is a nonprofit environmental law and advocacy organization dedicated to protecting Kentucky’s natural resources and ensuring environmental justice for all. For over 40 years, KRC has provided free legal assistance, policy advocacy, and community support to safeguard clean air, water, and land across the Commonwealth.