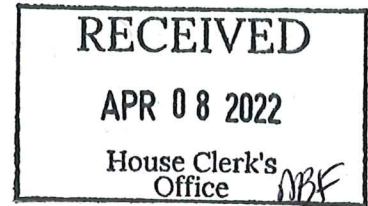




COMMONWEALTH OF KENTUCKY  
OFFICE OF THE GOVERNOR



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**VETO MESSAGE FROM THE**  
**GOVERNOR OF THE COMMONWEALTH OF KENTUCKY**  
**REGARDING HOUSE CONCURRENT RESOLUTION 138 OF THE**  
**2022 REGULAR SESSION**

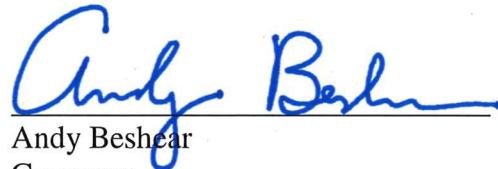
*I, Andy Beshear, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under section 88 of the Kentucky Constitution, do hereby veto the following:*

House Concurrent Resolution 138 of the 2022 Regular Session of the General Assembly in its entirety.

*House Concurrent Resolution 138 begins the process to implement an alternative rate mechanism (ARM) for public utilities regulated by the Public Service Commission. ARMs allow public utilities to increase rates annually based on projected costs through an accelerated process with less oversight of the public utilities. This process lessens the input of intervenors and consumer advocates and removes regulatory discretion of the Public Service Commission, resulting in higher utility costs for residents and businesses in the Commonwealth. In short, ARMs provide benefits to investor-owned public utilities, not the customers. However, if the General Assembly votes to override this veto, the study will show why an alternative rate mechanism is a bad approach for customers.*

*For these reasons, I am vetoing House Concurrent Resolution 138.*

This, the 8<sup>th</sup> day of April, 2022.

  
Andy Beshear  
Governor