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## Understanding KLPD's Proposed 2026 Delivery Rate Increase

Kennebunk Light & Power District (KLPD) has proposed a delivery rate increase in 2026 of \$2.1 million necessary to maintain service reliability and financial stability. The proposed 38.6% applies only to delivery charges, which fund the infrastructure and workforce needed to operate, maintain, and upgrade the electric distribution system.

The rate adjustment is driven by rising operational and maintenance costs, including but not limited to aging infrastructure, higher material prices, vegetation management, and the need for preventative maintenance. KLPD also plans to invest \$1.38 million in capital projects to modernize infrastructure, strengthen cybersecurity, upgrade facilities, and improve fleet capabilities.

A major long-term infrastructure initiative—the Water Street Substation Replacement Project, estimated at approximately \$10 million—requires early engineering and regulatory work budgeted at \$175,000 in 2026.

Workforce development, including apprenticeships and specialized training, further supports operational readiness.

To ensure financial resilience, the 2026 budget includes \$992,325 in cash reserves for emergencies and unforeseen costs.

For a typical residential customer using 735 kWh/month, the delivery portion of the bill will increase from \$35.82 to \$45.01, or \$9.19, under the new rates.

The District, its Trustees and staff, invite customers to review additional information about KLPD's strategic objectives on its website at [www.klpd.org](http://www.klpd.org) where you'll find the newly adopted Vision Statement, Mission Statement, and Strategic Objectives, the 2026 Budget, and a 5-year plan. You may also contact us with questions via email at [info@klpd.org](mailto:info@klpd.org), and/or attend the public meeting on February 18<sup>th</sup> at 5:00pm at the District's office.