

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY)	
POWER COMPANY FOR (1) A DECLARATORY)	
ORDER OR IN THE ALTERNATIVE APPROVAL)	
OF A DEVIATION FROM THE REQUIREMENTS)	
OF 807 KAR 5:006, SECTION 7(1)(B) TO PERMIT)	CASE NO.
THE COMPANY TO IMPLEMENT A NEW)	2020-00022
METHOD OF FURNISHING CUSTOMER RATE)	
SCHEDULES; (2) AN ORDER APPROVING)	
MODIFICATIONS TO TARIFF SHEETS 2-17)	
THROUGH 2-22; AND (3) FOR ALL OTHER)	
REQUIRED APPROVALS AND RELIEF)	

ORDER

On February 6, 2020, Kentucky Power Company (Kentucky Power) filed an application requesting a deviation, to the extent required, from the requirements of 807 KAR 5:006, Section 7(1)(b) and authorizing Kentucky Power to provide a monthly recurring bill message alerting customers of their right to request and receive their applicable rate schedule via mail or email as a substitute for the notification methods identified in 807 KAR 5:006, Section 7(1)(b). Kentucky Power also requests approval to amend tariff sheets 2-18, 2-20, and 2-22 to modify its bill format to include the permanent bill message.

A procedural schedule was established pursuant to an Order issued on February 20, 2020. The procedural schedule provided, among other things, a deadline for requesting to intervene, two rounds of discovery upon Kentucky Power's application, and a deadline for Kentucky Power to request a hearing or that the matter be submitted for a

decision based on the record. There are no intervenors in this matter. Kentucky Power was issued and responded to one round of discovery requests. Kentucky Power has also requested that this matter be decided on the record without the need for a hearing and waives its right to a hearing in connection with its request to have the matter decided on the record. The Commission finds that a decision on Kentucky Power's application can be made based on the existing evidentiary record and that no hearing is needed.

In its application, Kentucky Power states that 807 KAR 5:006, Section 7(1)(b) requires a utility to post the appropriate rate schedule under which a customer's bill is computed on the utility's website, if that utility maintains a website. The regulation also requires a utility to furnish the appropriate rate schedule to each customer under one of the following methods: (1) printing it on the bill; (2) publishing it in a newspaper of general circulation once each year; (3) mailing it to customers once each year; or (4) providing a place on each bill for a customer to indicate the customer's desire for a copy of the applicable rate schedule to be mailed to the customer by return first class mail.

For those customers who receive a paper bill, Kentucky Power currently provides applicable rate schedule by mail each year as an insert typically in each customer's bill for the October billing cycle. For customers who receive an electronic bill, Kentucky Power provides with a link within their e-bill notification to view their bill inserts for the month, which includes the insert showing the customer's applicable rate schedule once per year.

Kentucky Power states that while mailing a customer's rate schedule is the most cost-effective and administratively feasible option in complying with 807 KAR 5:006, Section 7(1)(b), such option nevertheless imposes a cost that is ultimately born by

Kentucky Power's customers. Kentucky Power informs that the annual cost of preparing and mailing the bill inserts is approximately \$10,000.

Kentucky Power proposes to streamline and simplify its process of providing applicable rate schedules to its customers by implementing a process consistent with 807 KAR 5:006, Section 7(1). Specifically, Kentucky Power proposes to print in the "Notes from Kentucky Power" section of each customer's bill the following monthly-recurring notice:

Kentucky Power provides online access to customer rate schedules at <https://kentuckypower.com/account/bills/rates/>. You can access a copy of your rates by clicking the "Kentucky Tariffs" link at that website. You can also view rates at our office, or request that a copy be sent to you via U.S. Postal Service or via email by calling customer service at 1-800-572-1113.

Kentucky Power states that its proposal is the most cost-effective means of providing the required rate schedules to customers as the proposal would require nominal additional administrative resources to implement and only require the initial one-time effort to reformat the bill to include the permanent message. Kentucky Power estimates that its proposal would save \$10,000 annually as no additional administrative resources is needed to implement the proposal, noting that it already posts its rate schedules on its website as required by the regulation and customers currently may call Kentucky Power's Customer Service Center and request a copy of rate schedules.

Kentucky Power avers that its proposal closely approximates the method set forth in 807 KAR 5:006, Section 7(1)(b)(4), noting that the proposal conforms to those requirements in all material respects. Kentucky Power, however, states that it is uncertain whether informing customers of their ability to view the rate schedule at the company's

website, in lieu of mailing the rate schedule, and allowing customers to request by phone their rate schedules meets the letter of the regulation. Kentucky Power states that to ensure the Commission is fully informed of the company's proposal and to ensure that the company complies with the relevant regulation, Kentucky Power requests the issuance of a declaratory order confirming the proposal's conformity with the regulation, or, in the alternative, granting any required deviation.

To reflect the proposed changes in the company's bill formats, Kentucky Power also proposes to amend its Tariff Sheets 2-18, 2-20, and 2-22 to include the proposed notice. Kentucky Power states that the proposed tariff modification will not affect the amount a customer pays for service or the quality, delivery, or rendering of a customer's service.

As part of the tariff modification, Kentucky Power removed a message on Tariff Sheet 2-18 from the "Notes from Kentucky Power" section that indicated that the Homeserve Warranty Service was optional, that it was not regulated by the Public Service Commission, and that a customer did not have to buy the Warranty Service to receive quality regulated service from Kentucky Power. However, Homeserve Warranty Service was still included in the "Line Item Charges" section of proposed Tariff Sheet 2-18. Kentucky Power indicated that the Homeserve message was removed because it only appears on the bills of customers who are enrolled in the Homeserve Warranty Service.¹

Having reviewed the record and being otherwise sufficiently advised, the Commission finds that Kentucky Power's proposal is consistent with the specific language of the regulation. We note that 807 KAR 5:006, Section 7(1), provides in full as follows:

¹ Kentucky Power's response to Commission Staff's First Request for Information, Item 4.

(b) The rate schedule under which the bill is computed shall be posted on the utility's Web site, if it maintains a Web site, and shall be furnished under one (1) of the following methods, by:

1. Printing it on the bill;
2. Publishing it in a newspaper of general circulation once each year;
3. Mailing it to each customer once each year; or
4. Providing a place on each bill for a customer to indicate the customer's desire for a copy of the applicable rates. The utility shall mail the customer a copy by return first class mail.

Commission Regulation 807 KAR 5:006, Section 7(1)(b)(4), requires that a utility, upon the request of a customer, should mail a copy of the applicable rate schedule by return first class mail. Kentucky Power's notice proposal provides customers with not only a link to the company's website, which will then require the customer to click on a link to access Kentucky Power's tariff, but also provides an option for customers to request a copy of the applicable rate schedule by U.S. mail or by electronic mail. The Commission finds that this proposal, which provides a notice on customer's bills and an opportunity for a customer to request a copy of the applicable rate schedule to be mailed, conforms to the requirements of 807 KAR 5:006, Section 7(1)(b)(4). The Commission, however, notes that because the current residential sample bill includes the HomeServe Warranty in the Line Item Charges, the HomeServe Warranty language should be added back to the sample bill format. The Commission further finds that the proposed changes to Kentucky Power's Tariff Sheets 2-18, 2-20, and 2-22 to implement the notice language on the sample bills to be reasonable and should also be approved.

Having determined that Kentucky Power's proposal is consistent with the requirements of 807 KAR 5:006, Section 7(1)(b)(4), the Commission finds that the company's request for a deviation from the regulation to be moot.

IT IS THEREFORE ORDERED that:

1. Kentucky Power's request for a declaration that its proposed method for notifying customers of the availability of rate schedules conforms to 807 KAR 5:006, Section 7(1)(b)(4), is granted.

2. Kentucky Power's request to amend its Tariff Sheets 2-18, 2-20, and 2-22 to include the permanent bill message is granted, subject to the modification that the HomeServe Warranty language shall be added back to the sample bill format.

3. Kentucky Power's motion to submit the matter for a decision on the record without the need for a hearing is granted.

4. Kentucky Power's request to implement the proposed bill message beginning with billing cycle one in the month following the issuance of this Order is granted.

5. Within 20 days from the date of entry of this Order, Kentucky Power shall file with this Commission, using the Commission's electronic Tariff Filing System, its revised tariff sheets approved herein reflecting that they were approved pursuant to this Order.

6. This matter is closed and removed from the Commission's docket.

By the Commission



ATTEST:



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