

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY	)	
POWER COMPANY FOR (1) A GENERAL	)	
ADJUSTMENT OF ITS RATES FOR ELECTRIC	)	
SERVICE; (2) APPROVAL OF TARIFFS AND	)	
RIDERS; (3) APPROVAL OF ACCOUNTING	)	CASE NO.
PRACTICES TO ESTABLISH REGULATORY	)	2020-00174
ASSETS AND LIABILITIES; (4) APPROVAL OF	)	
A CERTIFICATE OF PUBLIC CONVENIENCE	)	
AND NECESSITY; AND (5) ALL OTHER	)	
REQUIRED APPROVALS AND RELIEF	)	

ORDER

On June 1, 2020, Kentucky Power Company (Kentucky Power) filed an application pursuant to 807 KAR 5:001, Section 16(2)(b), requesting Commission approval to provide abbreviated newspaper notice of Kentucky Power’s upcoming application for a rate adjustment. Kentucky Power also requested approval pursuant to 807 KAR 5:001, Section 22, to deviate from the provision in 807 KAR 5:001, Section 16(2)(b), that requires a utility to offer customers a coupon to exchange for a copy of the complete rate schedule.

As a basis for its application, Kentucky Power asserted that it would save \$434,019.86 by publishing an abbreviated notice once a week for three consecutive weeks in 20 newspapers in its service territory as required by 807 KAR 5:001, Section 17(2)(b)(3).<sup>1</sup> Kentucky Power stated that the notice for its most recent rate case was 20 single-spaced pages, and it anticipates that the notice to be published for this rate case

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<sup>1</sup> Kentucky Power’s Response to Staff’s First Request for Information (Staff’s First Request), Item 1.

to be of equal or greater length.<sup>2</sup> In calculating the savings, Kentucky Power stated that the cost to run a complete notice of similar length for three weeks would cost \$618,709.16, and that the estimated cost to run an abbreviated notice for three weeks would be \$184,689.30.<sup>3</sup> Kentucky Power asserted that customers would benefit because the reduced costs to publish the abbreviated notice would reduce the level of any rate adjustment given that the cost to publish notice is an expense that may be recovered in rates.

Kentucky Power stated that the abbreviated form of notice would contain the complete content for the proposed residential rate changes and other information required by the Commission's rules, but not the complete required content for changes to nonresidential rate schedules.<sup>4</sup> The notice would contain abbreviated information for adjustments to nonresidential rates, and refer customers to Kentucky Power's and the Commission's websites, or Kentucky Power's business offices for further information. Kentucky Power also stated that the abbreviated notice will indicate that a printed or electronic copy of the complete notice can be obtained by written or electronic mail request to Kentucky Power.

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<sup>2</sup> Application at 7.

<sup>3</sup> *Id.*

<sup>4</sup> Among other things, 807 KAR 5:001, Section 17(4), requires that a customer notice contain the proposed effective date and the date the proposed rates are expected to be filed with the Commission; the present rates and proposed rates for each customer classification to which the proposed rates will apply; the amount of the change requested in both dollar amounts and percentage change for each customer classification to which the proposed rates will apply; the amount of the average usage and the effect upon the average bill for each customer classification to which the proposed rates apply.

In addition to publishing the abbreviated notice, Kentucky Power proposed the following public awareness measures that are designed to reasonably inform customers of the rate adjustment:

- A copy of the complete notice will be posted at Kentucky Power's offices at Ashland, Pikeville, and Hazard from the time the abbreviated notice is first published to the completion of the rate case proceeding.

- A copy of the complete notice will be posted on Kentucky Power's website, along with a hyperlink to the case record on the Commission's website, from the time the abbreviated notice is first published to the completion of the rate case proceeding.

- Kentucky Power will include a general statement explaining its application for a rate adjustment with bills for all retail customers issued in the first billing cycle following Kentucky Power's submitting its rate application.

- Kentucky Power will file a separate document labeled "Customer Notice of Rate Adjustment" when it submits its rate application.

- A copy of the complete customer notice will be posted in each public library located within Kentucky Power's service territory at the time the abbreviated customer notice is published and will remain posted throughout the entirety of the rate proceeding.

- At the time the rate application is filed, Kentucky Power will provide notice of the application to legal counsel for each entity granted intervention in Kentucky Power's last rate case, and provide a hyperlink to the case record on the Commission's website.

- At the time of publication of the abbreviated notice, Kentucky Power will issue press advisories to all known news media organizations within its service territory to

advise of the filing of the rate application and include a hyperlink to Kentucky Power's and the Commission's websites, including to the case record.

In response to a discovery request, Kentucky Power provided information that publishing one complete notice and two abbreviated notices would result in an estimated cost savings of \$289,346.57, as opposed to the estimated cost savings of \$434,019.86 for publishing three abbreviated notices.

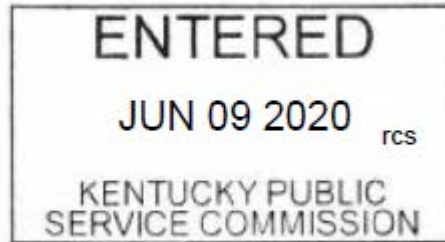
Having review the pleadings and being otherwise sufficient advised, the Commission finds that Kentucky Power's request to publish an abbreviated customer notice is reasonable and should be granted. Because the complete public notice would entail a large number of pages to be printed in 20 newspaper publications in Kentucky Power's service territory, permitting Kentucky Power to publish the abbreviated notice the required three times will provide substantial savings to ratepayers. We also find that the abbreviated notice would not reduce the transparency of the rate application in light of the public awareness measures that Kentucky Power proposed to implement in conjunction with the publication of the abbreviated customer notice.

The Commission also finds that Kentucky Power established good cause to deviate from the requirement in 807 KAR 5:001, Section 16(2)(b), to include a coupon in its abbreviated notice that customers can use to obtain a copy of the complete customer notice. The purpose of this requirement is to ensure that customers have access to the complete notice so that they are sufficiently informed of the changes to a utility's rate schedule. Here, Kentucky Power's notice contains options for customers to obtain a copy of the complete notice, such as by electronic mail, that is less burdensome than clipping the coupon from a newspaper and mailing it to Kentucky Power.

IT IS HEREBY ORDERED that Kentucky Power's request to publish an abbreviated customer notice for its upcoming rate application as described in its application is granted.

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By the Commission



ATTEST:



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