



Andy Beshear
Governor

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Kent A. Chandler
Vice Chairman

Talina R. Mathews
Commissioner

March 29, 2021

PARTIES OF RECORD

Re: Case Nos. 2021-00129 and 2021-00135

Attached is a copy of a memorandum, which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the memorandum, please do so within five days of receipt of this letter.

If you have any questions, please contact Nancy J. Vinsel, Assistant General Counsel, at nancy.vinsel@ky.gov.

Sincerely,

A handwritten signature in blue ink that reads "Linda C. Bridwell".

Linda C. Bridwell, P.E.
Executive Director

njv

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File Nos. 2020-00129 and 2020-00135

FROM: Nancy J. Vinsel, Assistant General Counsel

DATE: March 26, 2021

RE: Informal Conference of March 26, 2021

Pursuant to an Order granting the Attorney General's March 25, 2021 motion to schedule an informal conference (IC), the IC was conducted on March 26, 2021. Attached is a copy of the attendance roster.

The purpose of the IC was to discuss the concerns of the Attorney General and KIUC for Kentucky Power to pursue the availability of government assistance to offset storm-related expenses for which Kentucky Power requested a regulatory asset in two cases, 2020-00129 and 2020-00135.

John Horne, Executive Director of the Attorney General's Office of Rate Intervention, raised a concern about mitigating the financial impact to Kentucky Power's customers from ice/snow storm damage expenses and the discrepancy between the availability of government emergency assistance for electric cooperatives and investor-owned electric utilities. Mr. Horne asked that Kentucky Power request financial assistance from the Kentucky state government.

Mr. Horne proposed that the parties enter into an agreement between the parties in the case to pursue the availability of government assistance to offset storm-related expenses. Mr. Horne acknowledged the need for the quick timeframe in which Kentucky Power requested to receive its regulatory asset designation from the PSC. The intervenors reserve the right to contest ice/snow storm damage expenses in future proceeding.

Mike Kurtz, on behalf of KIUC, agrees with proposal. Mr. Kurtz referenced the \$1.9 trillion federal Covid relief package and the corresponding funds from that package that Kentucky state government received. Mr. Kurtz urges Kentucky Power to petition Kentucky state government to receive emergency assistance from those funds. Mr. Kurtz also suggested that the assistance may be available in the form of funds directly to the utility or funds to the customers.

Commission Staff explained that the Commission's role is to determine whether the expense meets the legal and accounting standards to establish a regulatory asset, and that we could not speak for the Commission as to their position on the proposal.

Commission Staff further explained that, if the Commission were to approve the regulatory asset, potential recovery of the expense will be determined in a future case and not in Case Nos. 2021-00129 or 2021-00135, and that the Attorney General and KIUC would not forego the right to challenge the expense in a future case whether or not the parties enter into the proposed agreement.

Kentucky Power stated that it appreciated Attorney General and KIUC putting forth the offer. Kentucky Power asked if Attorney General could identify specific person to whom the request should be made. Mr. Horne states that his office does not have specific person in mind, but will assist in making requests.

The Attorney General will draft a proposed agreement and circulate it to the parties for review.

There being no further discussion, the IC was then adjourned.

cc: Parties of Record

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION AND REQUEST)
FOR DECISION BY APRIL 5, 2021 OF KENTUCKY) CASE NO.
POWER COMPANY FOR AN ORDER) 2021-00129
APPROVING ACCOUNTING PRACTICES TO)
ESTABLISH A REGULATORY ASSET RELATED)
TO THE EXTRAORDINARY EXPENSES)
INCURRED BY KENTUCKY POWER COMPANY)
IN CONNECTION WITH THREE FEBRUARY 2021)
MAJOR STORM EVENTS)

ELECTRONIC APPLICATION OF KENTUCKY)
POWER COMPANY FOR AN ORDER) CASE NO.
APPROVING ACCOUNTING PRACTICES TO) 2021-00135
ESTABLISH A REGULATORY ASSET RELATED)
TO THE EXTRAORDINARY EXPENSES)
INCURRED BY KENTUCKY POWER COMPANY)
IN CONNECTION WITH THE DECEMBER 24-25,)
2020 SNOW STORM)

March 26, 2021

Please sign in

NAME	REPRESENTING
Ariel Miller	PSC - FA
Mary Whitaker	PSC – FA
Evan Stelter	PSC – FA
Nancy Vinsel	PSC – Legal
Jessie Fries	PSC – Legal
Linda Bridwell	PSC – Executive Director
Mary Beth Purvis	PSC - Director
John Horne	Attorney General
Michael West	Attorney General

Case No. 2021-00129
Case No. 2021-00135

Mark Overstreet
Christen Blend
Katie Glass
Brian West
Katie Donnelly
Heather M. Whitney

Mike Kurtz

Kentucky Power – Stites
Kentucky Power - Legal
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KIUC

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