COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF KENTUCKY POWER COMPANY TO UPDATE ITS PURCHASE POWER ADJUSTMENT AND DECOMMISSIONING RIDER RATES AND ITS SECURITIZED SURCHARGE RIDER	)))))	CASE NO. 2025-00307

COMMISSION STAFF'S REHEARING REQUEST FOR INFORMATION TO KENTUCKY POWER COMPANY

Kentucky Power Company (Kentucky Power), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on August 3, 2026. The Commission directs Kentucky Power to the Commission's July 22, 2021 Order in Case No. 2020-00085[1] regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the

[1] Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Kentucky Power shall make timely amendment to any prior response if Kentucky Power obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which Kentucky Power fails or refuses to furnish all or part of the requested information, Kentucky Power shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Kentucky Power shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Informal Conference Memorandum filed on June 26, 2026,[2] which references the informal conference held on June 25, 2026, during which Kentucky Power stated that its billing system may not be capable of implementing the Commission's ordered treatment of the securitization surcharge.

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[2] Informal Conference Memorandum (filed June 26, 2026).

a. Confirm that Kentucky Power's billing system is not capable of implementing the Commission's ordered treatment of the securitization surcharge. If confirmed, describe in detail the capabilities and limitations of Kentucky Power's billing software related to implementation of the securitization surcharge. If not confirmed, explain.

b. Explain why the billing system is or is not capable of implementing the Commission's ordered treatment.

c. Identify each specific software, programming, or operational limitation that prevents implementation, if applicable.

d. State whether the limitation is attributable to Kentucky Power's internal processes, its billing software vendor, or another source.

e. If modifications could be made to allow implementation, describe the modifications required, the estimated time necessary to complete them, and the estimated cost.

f. Identify any alternative billing methods that would allow implementation of the Commission's ordered treatment.

2. Explain how the under/over recovery and associated regulatory asset/liabilities are calculated and recorded for Kentucky Power's environmental surcharge and fuel adjustment clause. Include in the explanation the time periods used to calculate the under/over recovery and associated regulatory asset/liabilities.

3. Refer to Kentucky Power's response to Commission Staff's Second Request for Information (Staff's Second Request), Items 1 and 2. Confirm that, if this same method was used to calculate the under/over recovery for the Purchase Power

Adjustment (PPA) revenue requirement, it would include the same expenses in the calculation of the PPA revenue requirement twice: once through the expenses recovered in the revenue requirement and once through the under/over recovery. If this cannot be confirmed, explain.

4. Refer to Kentucky Power's response to Staff's Second Request, Item 2. State whether this method has been used continuously since the inception of the PPA mechanism. If not, identify each change made to the method, state when and why each change occurred, and identify the Commission case number, filing, or Order authorizing or acknowledging the change, if any.

5. State whether Kentucky Power's method of calculating the PPA regulatory asset/liability changed when the PPA changed from a monthly to an annual calculation. If so, describe the changes.

6. Refer to the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 71, Accounting for the Effects of Certain Types of Regulation, which was codified as Accounting Standards Codification (ASC) 980, Regulated

Operations, and provides the criteria for recognition of a regulatory asset.[3] Confirm that Kentucky Power's previous calculation of the regulatory asset/liability did not accurately reflect the amounts that will be recovered through the PPA rider. If confirmed, explain how the regulatory asset/liability calculation conformed to the requirements of ASC 980.

Linda Bridwell RP

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DATED **JUL 22 2026**

cc: Parties of Record

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[3] ASC 980-340-25-1 provides, in full, as follows:

> **25-1** Rate actions of a regulator can provide reasonable assurance of the existence of an asset. An entity shall capitalize all or part of an incurred cost that would otherwise be charged to expense if both of the following criteria are met:
>
> a. It is probable (as defined in Topic 450) that future revenue in an amount at least equal to the capitalized cost will result from inclusion of that cost in allowable costs for rate-making purposes.
>
> b. Based on available evidence, the future revenue will be provided to permit recovery of the previously incurred cost rather than to provide for expected levels of similar future costs. If the revenue will be provided through an automatic rate-adjustment clause, this criterion requires that the regulator's intent clearly be to permit recovery of the previously incurred cost.
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> A cost that does not meet these asset recognition criteria at the date the cost is incurred shall be recognized as a regulatory asset when it does meet those criteria at a later date.

Service List for 2025-00307

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* Kentucky Power Company
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