

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC EXAMINATION OF THE)	
APPLICATION OF THE FUEL ADJUSTMENT)	CASE NO.
CLAUSE OF KENTUCKY POWER COMPANY)	2019-00002
FROM NOVEMBER 1, 2016 THROUGH)	
OCTOBER 31, 2018)	

ORDER

On January 7, 2020, Kentucky Power Company (Kentucky Power) filed a motion for partial rehearing (Motion) requesting the Commission to reconsider its December 26, 2019 final Order and to grant rehearing pursuant to KRS 278.400.¹ In the motion, Kentucky Power asks the Commission to amend the effective date of the per kWh energy rates and charges approved in the Appendix to that Order and the effective date of the \$0.00126 per kWh base fuel cost to be used in the calculation of Kentucky Power's monthly fuel adjustment clause (FAC) factor.²

BACKGROUND

On February 11, 2019, the Commission established this case, pursuant to 807 KAR 5:056, to review and evaluate the operation of the FAC of Kentucky Power for the period from November 1, 2016, through October 31, 2018, and to determine the amount

¹ Kentucky Power's Motion (filed Jan. 7, 2020) at 1.

² *Id.*

of fuel costs that should be included in its base rates.³ As part of this review, Commission Staff issued two requests for information to Kentucky Power, and the Commission held a formal hearing in this matter on April 16, 2019. In the December 26, 2019 final Order, the Commission found that during the period under review Kentucky Power complied with the provisions of 807 KAR 5:056 and there was no evidence of improper calculation or application of Kentucky Powers FAC charges or improper fuel procurement practices. The Commission also approved Kentucky Power's proposed base fuel cost of \$0.02851 per kWh beginning with the expense month for February 2020.⁴ The Commission further set forth an Appendix in this order increasing Kentucky Power's base energy rates by \$0.00126 per kWh to reflect the reestablishment of base fuel costs effective with service rendered on and after February 1, 2020.⁵

DISCUSSION AND FINDINGS

Kentucky Power requests a partial rehearing as it finds the effective date used in ordering paragraph 4 and 5 of the December 26, 2019 final Order would result in a two-day loss in proper recovery of fuel costs. Kentucky Power states that the February 1, 2020 effective date ordered in paragraph 4 is not inclusive of the whole February 2020 expense month as ordered in ordering paragraph 5 due to the February

³ See Case No. 2019-00002, *Electronic Examination of The Application of The Fuel Adjustment Clause of Kentucky Power Company From November 1, 2016 Through October 31, 2018* (Ky. PSC Feb. 11, 2019).

⁴ Case No. 2019-00002, *Electronic Examination of The Application of The Fuel Adjustment Clause of Kentucky Power Company From November 1, 2016 Through October 31, 2018* (Ky. PSC Dec. 26, 2019) at 5.

⁵ *Id.*

2020 billing cycle beginning on January 30, 2020.⁶ Kentucky Power argues that the two-day delay will deny Kentucky Power the opportunity to recover approximately \$34,600 in fuel costs to which it otherwise is entitled to recover.⁷ Kentucky Power proposes that the Commission grant the rehearing and amend the first sentence of ordering paragraph 4 of the Commission's December 26, 2019 final Order to state: "The rates in the Appendix to this Order are approved effective with service rendered on or after the Company's first billing cycle of February 2020 (January 30, 2020)."⁸

Having reviewed the evidence of record and being otherwise sufficiently advised, the Commission finds that Kentucky Power's partial rehearing should be granted, and that ordering paragraph 4 should be amended to reflect the proper date of the February 2020 billing cycle of January 30, 2020.

IT IS THEREFORE ORDERED that:

1. Kentucky Power's Motion is granted.
2. Ordering paragraph 4 of the December 26, 2019 final Order is hereby amended.
3. Ordering paragraph 4 of the December 26, 2019 final Order now states:

"The rates in the Appendix to this Order are approved effective with service rendered on or after the Company's first billing cycle of February 2020 (January 30, 2020). The rates in the Appendix to this Order are designed to reflect the increase of \$0.00126 per kWh to base energy rates, which is the differential

⁶ Kentucky Power's Motion at 2.

⁷ *Id.* at 3.

⁸ *Id.* at 4.

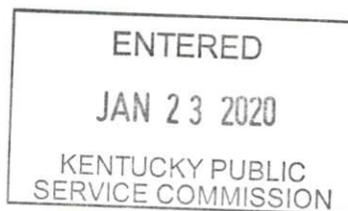
between the old base fuel cost of \$0.02725 per kWh and the new base fuel cost of \$0.02851 per kWh.”

4. All other provisions of the Commission’s December 26, 2019 final Order remains in full force and effect.

5. This case is closed and removed from the Commission's docket.

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By the Commission



ATTEST:



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