

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC INVESTIGATION OF KENTUCKY)	CASE NO.
POWER COMPANY ROCKPORT DEFERRAL)	2022-00283
MECHANISM)	

ORDER

On November 15, 2022, Kentucky Power Company (Kentucky Power) filed a motion requesting to continue the November 28–29, 2022 hearing until at least seven days after the Commission issues an Order addressing a motion to recuse¹ previously filed by Kentucky Power. As a basis for the request, Kentucky Power stated that the continuance will provide Kentucky Power with time to review the Order and seek relief, if necessary, from the Order.

LEGAL STANDARD

The Commission has a statutory duty pursuant to KRS 278.030 to ensure that rates are fair, just and reasonable. KRS 278.060 allows the Commission to open an investigation on the rates of any utility. KRS 278.070 allows the Commission to modify rates after an investigation to ensure that the rates are fair, just and reasonable.

DISCUSSION AND FINDINGS

Based upon the motion and case record, and being otherwise sufficiently advised, the Commission finds that Kentucky Power failed to establish good cause to continue the

¹ Kentucky Power filed a motion on September 14, 2022, requesting that Commission Chairman Kent A. Chandler be recused from this proceeding.

hearing, and therefore the motion for a continuance should be denied. Without repeating the lengthy history that led to this proceeding, the Commission notes that Kentucky Power has been aware of the need for this proceeding for a number of years, and the Commission discussed the scope of this proceeding in the final Order dealing with rates in Kentucky Power's 2020 rate case.² This proceeding was initiated on September 2, 2022, to address the Rockport Deferral Mechanism that includes the appropriate rate recovery of the Rockport Deferral Regulatory Asset, including the amortization period and mechanism, and the appropriate customer credit for the Rockport Fixed Cost Savings, which is offset by an amount necessary for Kentucky Power to earn its commission-authorized return on equity for 2023 (Rockport Offset). Most relevant here, the Rockport Deferral Mechanism, including the rate recovery and customer credit, are effective as of December 9, 2022.³ A hearing is necessary in this case to fully develop a robust record upon which the Commission will make a determination regarding the rate recovery for the regulatory asset amortization amount, period, and recovery mechanism, and the customer credit for the Rockport Fixed Cost Savings and Rockport Offset. Thus,

² Case No. 2020-00174, *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 Practices to Establish Regulatory Assets and Liabilities; (4) Approval of a Certificate of Public Convenience and Necessity; and (5) All Other Required Approvals and Relief* (Ky. PSC Jan. 13, 2021 and Feb. 22, 2021), Orders. The Rockport Deferral Mechanism was approved as modified by the Commission with the appropriate ratemaking treatment deferred to a future proceeding in Case No. 2017-00179, *Electronic Application of Kentucky Power Company for (1) A General Adjustment of Its Rates for Electric Service; (2) An Order Approving Its 2017 Environmental Compliance Plan; (3) An Order Approving Its Tariffs and Riders; (4) An Order Approving Accounting Practices to Establish Regulatory Assets and Liabilities; and (5) An Order Granting All Other Required Approvals and Relief* (Ky. PSC Jan. 18, 2018 and Feb. 27, 2018), Orders.

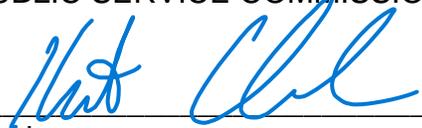
³ See September 2, 2022 Order at 3, 4, 8 and 10; Direct Testimony of Brian K. West (filed Oct. 5, 2022) at 4, 5 and 10.

continuing the hearing from the established date would prevent the Commission from timely issuing a final Order based on sufficient evidence of record.

IT IS THEREFORE ORDERED that Kentucky Power's motion to continue the November 28–29, 2022 hearing is denied.

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PUBLIC SERVICE COMMISSION


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Vice Chairman


Commissioner



ATTEST:


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