

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF KENTUCKY)	CASE NO.
POWER COMPANY TO REVISE TARIFF)	2022-00416
PURCHASE POWER ADJUSTMENT)	

ORDER

On November 15, 2022, Kentucky Power Company (Kentucky Power) filed a tariff to revise its rates for Tariff Purchase Power Adjustment (PPA) with a proposed effective date of December 9, 2022. In Case No. 2022-00283, the Commission approved the underlying components for the proposed rates.¹ The proposed effective date aligns with the expiration of Kentucky Power’s Rockport Unit Power Agreement (UPA) on December 8, 2022. The proposed Tariff PPA rates will include recovery of the Rockport UPA deferral regulatory asset (Rockport Deferral Regulatory Asset), the savings to customers once the Rockport UPA is terminated (Rockport Fixed Cost Savings Credit), and the estimated amount necessary for Kentucky Power to earn its Commission-authorized return on equity (ROE) for 2023 that will offset the Rockport Fixed Cost Savings Credit (Rockport Offset) that were established in Case No. 2022-00283.²

KRS 278.030 provides that a utility may collect fair, just and reasonable rates and that the service it provides must be adequate, efficient and reasonable. Administrative

¹ Case No. 2022-00283, *Electronic Investigation of Kentucky Power Company Rockport Deferral Mechanism* (Ky. PSC Dec. 8, 2022).

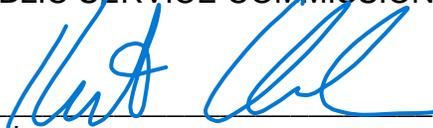
² Tariff PPA is the approved mechanism for recovery of the Rockport Deferral Regulatory Asset and Rockport Offset and the credit for the Rockport Fixed Cost Savings (collectively, Rockport Deferral Mechanism).

Regulation 807 KAR 5:001, Section 14, provides the Commission with the authority to permit deviations from its regulations for good cause shown. KRS 278.180 grants the Commission authority, for good cause shown, to shorten the required 30-day notice of rate changes to a period not less than 20 days. Having reviewed the filing and being otherwise sufficiently advised, the Commission finds that the requested deviations are reasonable and should be granted.

IT IS THEREFORE ORDERED that:

1. The rates and charges proposed by Kentucky Power for the Tariff PPA rates, including the 5-year amortization of the Rockport Deferral Regulatory Asset, Rockport Fixed Cost Savings Credit, and estimated Rockport Offset as approved in Case No. 2022-00283 are fair, just and reasonable rates for Kentucky Power, and these rates are approved for service rendered on and after December 9, 2022.
2. Within 20 days of the date of service of this Order, Kentucky Power shall, using the Commission's electronic Tariff Filing System, file its revised tariffs setting out the rates authorized in this Order and reflecting that they were approved pursuant to this Order.
3. This case is closed and removed from the Commission's docket.

PUBLIC SERVICE COMMISSION


Chairman

Vice Chairman


Commissioner



ATTEST:


Executive Director

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