

Andy Beshear
Governor

Rebecca W. Goodman
Secretary
Energy and Environment Cabinet



Commonwealth of Kentucky
Public Service Commission
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Frankfort, Kentucky 40602-0615
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Angie Hatton
Chair

Mary Pat Regan
Commissioner

Andrew W. Wood
Commissioner

October 21, 2025

PARTIES OF RECORD

Re: Case No. 2025-00291

Notice is given to all parties that the attached Kentucky Power Company Informal Conference Memorandum, Attendance List and Storm Deferral Applications has been filed into the record of this proceeding.

If you have any comments you would like to make regarding the contents of the document, please do so within five days of receipt of this letter. If you have any questions, please contact Moriah Tussey, Assistant General Counsel, at Moriah.Tussey@ky.gov.

Sincerely,

A handwritten signature in blue ink that reads "Linda C. Bridwell" followed by the initials "RP".

Linda C. Bridwell, PE
Executive Director

Attachment

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case No. 2025-00291
FROM: Moriah Tussey
DATE: Oct. 20, 2025
RE: Informal Conference of Sept. 30, 2025

Pursuant to Order issued on Sept. 24, 2025, an informal conference was conducted on Sept. 30, 2025. Attached is a copy of the attendance roster.

The purpose of the informal conference was to discuss the request for regulatory asset treatment for storm expenses. Kentucky Power walked through the PowerPoint attached to this memorandum. In addition, Staff asked about steps that Kentucky Power takes to ensure the repair work is being completed appropriately. Kentucky Power described an audit process as well as active checks on work during repairs.

There being no further discussion, the informal conference was then adjourned.

cc: Parties of Record

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY)	
POWER COMPANY FOR AN ORDER)	CASE NO.
APPROVING ACCOUNTING PRACTICES TO)	2025-00291
ESTABLISH A REGULATORY ASSET)	
RELATED TO THE EXTRAORDINARY)	
EXPENSES INCURRED BY KENTUCKY)	
POWER COMPANY IN CONNECTION WITH)	
SEVERAL SEVERE STORMS FROM)	
FEBRUARY THROUGH MAY 2025)	

Sept. 30, 2025

Please sign in:

NAME	REPRESENTING
Moriah Tussey _____	PSC _____
Brian Thomas _____	___ PSC _____
Jurgens Van Zyl _____	___ PSC _____
Farhad Shahidi _____	___ PSC _____
William Pearce _____	___ PSC _____
Jeff Newcomb _____	___ Kentucky Power _____
Lerah Khan _____	___ Kentucky Power _____
Michele Ross _____	___ AEP _____
Tanner Wolfram _____	___ Kentucky Power _____
J. D. Cullop _____	___ AEP _____
Stevi Coburn _____	___ Kentucky Power _____

Mike Schueller _____

_____ AEP _____

Jeff Abshire _____

_____ Kentucky Power _____

Katie Glass _____

_____ Stites & Harbison _____

Bentley Jarboe _____

_____ PSC _____

Kentucky Power Company

2025-00291 & 2025-00264 STORM DEFERRAL APPLICATIONS

Kentucky Power Company

2025 Storm Costs (Estimated) – At time of filing

Major Storm		Date	Related Filing	Total Cost	Incremental Distribution O&M	Total Request
2025 Jan 5 Snow-Ice Storm	JMED	1/5/2025	2025-00031	\$ 6,896,941	\$ 4,374,497	\$ 9,335,734
2025 Feb 15 Thunderstorm (Distribution)	JMED	2/15/2025	2025-00031	\$ 8,083,830	\$ 4,773,671	
2025 Feb 15 Thunderstorm (Transmission)	JMED	2/15/2025	2025-00031	\$ 259,918	\$ 187,566	
2025 May 16 Thunderstorm	JMED	5/16/2025	2025-00264	\$ 5,068,278	\$ 3,070,915	\$ 3,070,915
2025 Feb 11 Snow event		2/11/2025	2025-00291	\$ 801,892	\$ 445,646	\$ 2,019,614
2025 Mar 31 Flood/Thunderstorm event		3/31/2025	2025-00291	\$ 1,647,685	\$ 954,885	
2025 April 3 Thunderstorm		4/3/2025	2025-00291	\$ 758,547	\$ 409,711	
2025 May 1 Thunderstorm		5/1/2025	2025-00291	\$ 170,301	\$ 77,261	
2025 20 May Thunderstorm		5/20/2025	2025-00291	\$ 224,590	\$ 132,111	
				<u>\$ 23,911,982</u>	<u>\$ 14,426,263</u>	

Distribution Storm TY Amount	\$ 1,013,489
Allocation Factor	0.999
Jurisdiction Amount - Distribution - Base Rate Level	\$ 1,012,476
Transmission Storm TY Amount	\$ 89,872
Allocation Factor	0.985
Jurisdiction Amount - Transmission - Base Rate Level	\$ 88,524
Jurisdictional Base Level	\$ 1,101,000

WHY THE COMPANY IS SEEKING DEFERRAL OF THESE EVENTS

- The Company considers multiple factors when determining when to file deferral application, including but not limited to:
 - The amount of storm expense in base vs storm expense incurred during the year;
 - The Company's financial condition; and
 - Severity and impact of the storms.

- Why did the Company seek deferral of the May major event and the non-major event day storm events?
 - Pursuant to the Commission's March 31, 2025 Order in Case No. 2025-00031, the entire base amount of storm expense was accounted for by the January 5th and February 15th events;
 - "Kentucky Power is authorized to defer only the amount of incremental actual costs of extraordinary O&M expenses to the extent it exceeds the \$1.1 million embedded in its base rates."
 - The Company is currently earning approximately 4% ROE;
 - Non-major events have been more severe this year than usual;
 - Storms are getting stronger and more costly

WHY THE COMPANY IS SEEKING DEFERRAL OF THESE EVENTS (CONTINUED)

- Why did the Company propose to set the base amount of storms to \$1.1 million in its last base case?
 - The current practice of having a lower amount of base storm expense and seeking deferral authority balances rate impacts while allowing the Company maintain its financial condition.

- How are storms getting stronger and more costly?
 - Beginning in 2014, the Company began upgrading its system to the heavy loading standard. This means storms have to be more severe to cause damage.
 - Upgrading to a heavy loading standard generally means that the infrastructure is designed to withstand more severe weather conditions.
 - This can result in reduced damage during storms, as the system can better handle higher loads and impacts
 - The goal of the upgrades is to enhance reliability and minimize outages caused by extreme weather
 - The Company is also committed to restoring service to customers as quickly as possible.
 - For example, when there is a threat of a severe weather, the Company will begin staging crews in place to begin assessment and restoration work as soon as it is safe to do so, allowing the Company to restore more quickly.

2024 Non-JMED Storms

<u>Storm</u>	<u>Date</u>	<u>Total Cost</u>	<u>Incremental Distribution O&M</u>
2024 Jan 9 Windstorm	1/9/2024	\$ 176,122	\$ 84,897
2024 Jan 12 Windstorm	1/12/2024	\$ 918,312	\$ 555,918
2024 Feb 28 Windstorm	2/28/2024	\$ 342,181	\$ 144,164
2024 Apr 11 Thunderstorm	4/11/2024	\$ 31,442	\$ 11,422
2024 May 22 Thunderstorm	5/22/2024	\$ 529,276	\$ 198,802
2024 June 29 Thunderstorm	6/29/2024	\$ 196,512	\$ 110,200
2024 July 5 Thunderstorm	7/5/2024	\$ 58,795	\$ 32,614
2024 Aug 17 Thunderstorm	8/17/2024	\$ 146,272	\$ 75,286
2024 Dec 28 Windstorm	12/28/2024	\$ 493,527	\$ 283,389
2024 Dec 31 Windstorm	12/31/2024	\$ 156,191	\$ 68,426
Totals		\$ 3,048,630	\$ 1,565,117
Average Cost per storm		\$ 304,863	\$ 156,512

2025 Non-JMED Storms

<u>Storm</u>	<u>Date</u>	<u>Total Cost</u>	<u>Incremental Distribution O&M</u>
2025 Feb 11 Snow event	2/11/2025	\$ 801,892	\$ 445,646
2025 Mar 31 Flood/Thunderstorm	3/31/2025	\$ 1,647,685	\$ 954,885
2025 April 3 Thunderstorm	4/3/2025	\$ 758,547	\$ 409,711
2025 May 1 Thunderstorm	5/1/2025	\$ 170,301	\$ 77,261
2025 May 20 Thunderstorm	5/20/2025	\$ 224,590	\$ 132,111
Totals		\$ 3,603,015	\$ 2,019,614
Average Cost per storm		\$ 720,603	\$ 403,923

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