

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

ORDER

On June 17, 2026, Kentucky Power Company (Kentucky Power) filed a motion,<sup>1</sup> pursuant to KRS 278.400, requesting reconsideration of the final Order entered May 28, 2026.<sup>2</sup> Kentucky Power asserts that rehearing is warranted because (1) the Commission's revisions to the accounting treatment for the Tariff P.P.A. over/under deferral mechanism could prevent Kentucky Power from fully recovering its actual Tariff P.P.A. costs or could result in over-collections that cannot be returned through the existing mechanism; and (2) clarification is necessary regarding the application of the Company's Securitized Surcharge Rider (Tariff S.S.R.) to charges collected through its Decommissioning Rider (Tariff D.R.).<sup>3</sup> Kentucky Power also requested expedited review due to its obligation to update its Tariff P.P.A. rates by August 15, 2026.<sup>4</sup>

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<sup>1</sup> Motion for Rehearing (Rehearing Motion) (filed June 17, 2026).

<sup>2</sup> Final Order (Ky. PSC May 28, 2026).

<sup>3</sup> Rehearing Motion at 1.

<sup>4</sup> Rehearing Motion at 1.

## LEGAL STANDARD

KRS 278.400, which establishes the standard of review for motions for rehearing, limits rehearing to new evidence not readily discoverable at the time of the original hearings, to correct any material errors or omissions, or to correct findings that are unreasonable or unlawful. A Commission Order is deemed unreasonable only when “the evidence presented leaves no room for difference of opinion among reasonable minds.”<sup>5</sup> An order can only be unlawful if it violates a state or federal statute or constitutional provision.<sup>6</sup>

By limiting rehearing to correct material errors or omissions, and findings that are unreasonable or unlawful, or to weigh new evidence not readily discoverable at the time of the original hearings, KRS 278.400 is intended to provide closure to Commission proceedings. Rehearing does not present parties with the opportunity to relitigate a matter fully addressed in the original Order.

## MOTION

Kentucky Power argues that the Commission's revisions to the Tariff P.P.A. over/under deferral accounting methodology could result in either unrecoverable losses or over-collections unrelated to the its actual costs, thereby producing rates that are not fair, just and reasonable.<sup>7</sup> Kentucky Power further requests clarification regarding the Commission's determination that Tariff D.R. charges should not be subject to its Tariff

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<sup>5</sup> *Energy Regulatory Comm'n v. Kentucky Power Co.*, 605 S.W.2d 46 (Ky. App. 1980).

<sup>6</sup> *Public Service Comm'n v. Conway*, 324 S.W.3d 373, 377 (Ky. 2010); *Public Service Comm'n v. Jackson County Rural Elec. Coop. Corp.*, 50 S.W.3d 764, 766 (Ky. App. 2000); *National Southwire Aluminum Co. v. Big Rivers Elec. Corp.*, 785 S.W.2d 503, 509 (Ky. App. 1990).

<sup>7</sup> Rehearing Motion at 3–7.

S.S.R. despite the Commission's rejection of Kentucky Power's proposed tariff language addressing that issue.<sup>8</sup>

On June 17, 2026, Kentucky Power also filed a motion requesting an informal conference.<sup>9</sup> By Order entered June 24, 2026, the Commission granted that request, and Commission Staff conducted an informal conference on June 25, 2026.<sup>10</sup> During the conference, Kentucky Power provided additional explanation regarding the accounting treatment of the Tariff P.P.A. regulatory asset and liability, the interaction between Tariff D.R. and Tariff S.S.R., and potential limitations associated with its billing software.<sup>11</sup> Kentucky Power further advised that it would investigate the capabilities of its billing system regarding implementation of the Commission's directives.<sup>12</sup>

#### DISCUSSION AND FINDINGS

The Commission, having reviewed Kentucky Power's motion for rehearing and the memo filed from the June 25, 2026 informal conference, finds that rehearing should be granted for the limited purpose of developing a more complete evidentiary record regarding the issues raised in the motion.

The Commission finds that the allegations in the motion and the additional information provided during the informal conference indicate that further investigation into Kentucky Power's accounting treatment of the Tariff P.P.A. over/under deferral mechanism and the operation of its billing software would assist the Commission in fully

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<sup>8</sup> Rehearing Motion at 7-8.

<sup>9</sup> Motion for Informal Conference (filed June 17, 2026).

<sup>10</sup> Order (Ky. PSC June 24, 2026).

<sup>11</sup> Informal Conference Memo (Ky. PSC June 26, 2026).

<sup>12</sup> Informal Conference Memo (Ky. PSC June 26, 2026).

evaluating the issues raised on rehearing. Specifically, the Commission finds that additional information regarding Kentucky Power's accounting methodology and the capabilities and limitations of its billing software is necessary to determine whether implementation of the Commission's May 28, 2026 Order presents issues that warrant modification or clarification.

The Commission further finds that issuing supplemental data requests will permit the development of a more complete record on these issues before a determination is made regarding the substantive relief requested by Kentucky Power. Accordingly, the Commission finds that rehearing should be granted for the limited purpose of obtaining this additional information.

The Commission emphasizes that granting rehearing does not constitute a determination that the arguments raised in Kentucky Power's motion have merit or that the May 28, 2026 Order should be modified. Rather, the Commission finds only that additional information is necessary to fully evaluate the issues raised before ruling on the substantive requests contained in the motion.

IT IS THEREFORE ORDERED that:

1. Kentucky Power's motion for reconsideration is granted for the limited purpose of developing the evidentiary record.
2. Commission Staff shall issue supplemental requests for information to Kentucky Power regarding the accounting treatment of the Tariff P.P.A. over/under deferral mechanism and the capabilities and limitations of Kentucky Power's billing software as they relate to implementation of the Commission's May 28, 2026 Order.

3. Kentucky Power shall respond to all requests for information propounded by Commission Staff, whether identified on the procedural schedule or otherwise, as provided in those requests.

4. The Commission reserves ruling on the substantive relief requested in Kentucky Power's motion for rehearing pending receipt and review of the additional information.

5. The remainder of the May 28, 2026 Order not in conflict with this Order remains in effect.

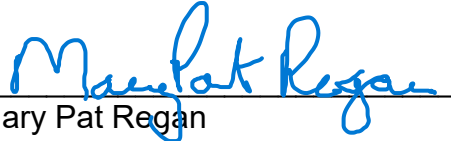
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Entered on this 2nd day of July, 2026.

PUBLIC SERVICE COMMISSION



Angie Hatton  
Chair



Mary Pat Regan  
Vice Chair



Andrew W. Wood  
Commissioner



Barry L. Mayfield  
Commissioner

by AH  
w/ permission

ATTEST:

  
Linda C. Bridwell, PE  
Executive Director

AP

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