



Andy Beshear
Governor

Rebecca W. Goodman
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
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Angie Hatton
Chair

Mary Pat Regan
Commissioner

John Will Stacy
Commissioner

December 11, 2024


PARTIES OF RECORD

Re: Case No. 2024-00016

Notice is given to all parties that the attached Kentucky Power Company Informal Conference Memorandum, attendance list and Power Point 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,


Linda C. Bridwell, PE
Executive Director

Attachment

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2024-00016

FROM: Moriah Tussey, Asst. General Counsel

DATE: December 10, 2024

RE: Informal Conference of December 5, 2024

Pursuant to Order issued on December 4, 2024, an informal conference (IC) was conducted on December 5, 2024. Attached is a copy of the attendance roster.

The purpose of the IC was to discuss the final Order in the Rockport case. Kentucky Power discussed a PowerPoint presentation that is attached to this memorandum. The overall idea was that, as written, Kentucky Power would have to go back and rebill several months of bills. Kentucky Power said that this might lead to a lot of customer confusion and in effect, may negate any credit if the proposed settlement in Case No. 2023-00008 were to be accepted by the Commission. Staff noted that they could not address the issues that Kentucky Power raised as the issues would have to be addressed by the Commission.

There being no further discussion, the IC was then adjourned.

cc: Parties of Record

Kentucky Power Company

CASE NO. 2024-00016

INFORMAL CONFERENCE

December 5, 2024

PRESENTERS

Tanner Wolfram - Director, Regulatory Services, KPCO

Lerah Kahn - Manager, Regulatory Services, KPCO

COMPARISON

		Original Proposal 12-Mos Recovery	Aug 2024 Proposal / Leave As-Billed Recover Remaining Over 12-Mos	Nov 27, 2024 Order 19-Mos Recovery Rebills Required	Variance
		(a)	(b)	(c)	(d) = (c) - (b)
Rates Billed Mar 2- Sep 27	2024 March	1,503,791	1,503,791	949,763	(554,028)
	2024 April	1,503,791	1,503,791	949,763	(554,028)
	2024 May	1,503,791	1,503,791	949,763	(554,028)
	2024 June	1,503,791	1,503,791	949,763	(554,028)
	2024 July	1,503,791	1,503,791	949,763	(554,028)
	2024 August	1,503,791	1,503,791	949,763	(554,028)
	2024 September	1,503,791	1,503,791	949,763	(554,028)
			10,526,539	6,648,341	(3,878,199)
Rates Billed Sep 28 - Sep 2025	2024 October	1,503,791	626,580	949,763	323,183
	2024 November	1,503,791	626,580	949,763	323,183
	2024 December	1,503,791	626,580	949,763	323,183
	2025 January	1,503,791	626,580	949,763	323,183
	2025 February	1,503,791	626,580	949,763	323,183
	2025 March		626,580	949,763	323,183
	2025 April		626,580	949,763	323,183
	2025 May		626,580	949,763	323,183
	2025 June		626,580	949,763	323,183
	2025 July		626,580	949,763	323,183
	2025 August		626,580	949,763	323,183
	2025 September		626,580	949,763	323,183
Total Recovered		18,045,496	18,045,496	18,045,496	3,878,199
No. of Months Recovered Over		12	19	19	

1

Rebill necessary to provide credit for months with higher revenue target.

2

Rebill necessary to provide charge for months billed at lower revenue target.

3

Updated rates needed for going forward through September 2025.

19-MONTH RECOVERY PROPOSAL

The Company originally proposed to recover the ~18M over 12 months (consistent with the 2017-00179 Settlement Agreement).

In the Company's August 2024 filing it requested to spread the remaining recovery (~7.5M) over 12 months causing the ~18M to be recovered over a total of 19 months. This was to create a smoother customer experience by avoiding the implementation of two rates and keeping winter month revenue targets lower.

Company's understanding of the Commission's November 27, 2024 Order requires the ~18M be recovered over 19 months beginning in March 2024. This causes a shifting of when cost-recovery occurs. However, the order provides for the rate recalculations for the March through September 2024 rates but is silent as to the recalculations for the October 2024 on rates.

CUSTOMER EXPERIENCE

Implementing Column C would likely result in a large credit one month, followed by a large increase due to the one-time charge compounded by the new higher rates.

This would likely occur during winter months which the Commission has recognized as burdensome to our customers.

The Company is concerned that the above will create undue confusion for our customers for what ultimately has the same result.

The Company is working with its IT team to understand the lift involved. A one-time credit and one-time charge should be feasible but given the scope of bills involved it could be time intensive.

QUESTIONS



			Original Proposal	
			12-Mos Recovery	
			(a)	
Rates Billed Mar 2- Sep 27	2024	March	1,503,791	
	2024	April	1,503,791	
	2024	May	1,503,791	
	2024	June	1,503,791	
	2024	July	1,503,791	
	2024	August	1,503,791	
	2024	September	1,503,791	
Rates Billed Sep 28 - Sep 2025	2024	October	1,503,791	
	2024	November	1,503,791	
	2024	December	1,503,791	
	2025	January	1,503,791	
	2025	February	1,503,791	
	2025	March		
	2025	April		
	2025	May		
	2025	June		
	2025	July		
	2025	August		
	2025	September		
Total Recovered			18,045,496	
No. of Months Recovered Over				12

Aug 2024 Proposal / Leave As-Billed Recover Remaining Over 12-Mos (b)	Nov 27, 2024 Order 19-Mos Recovery Rebills Required (c)	Variance (d) = (c) - (b)
1,503,791	949,763	(554,028)
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1,503,791	949,763	(554,028)
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626,580	949,763	323,183
626,580	949,763	323,183
626,580	949,763	323,183
626,580	949,763	323,183
18,045,496	18,045,496	3,878,199
19	19	

PSC INFORMAL CONFERENCE SIGN IN SHEET

CASE NUMBER: IC: Case No. 2024-00016 Kentucky Power Co.

LOCATION: Microsoft Teams

DATE: December 5, 2024 9:00am

NAME	COMPANY
Brian Thomas	PSC
Amanda Lawson	PSC
Tripp Coston	PSC
Christian Everly	PSC
Moriah Tussey	PSC
Katie Glass	Stites & Harbison
Jody Cohn	KIUC
Jeffrey Newcomb	Kentucky Power
Tanner Wollfram	Kentucky Power
Lerah Kahn	Kentucky Power
Katharine Walsh	Kentucky Power
Mary Whitaker	PSC
Mike West	Attorney General

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