

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY	)	
POWER COMPANY FOR (1) A GENERAL	)	
ADJUSTMENT OF ITS RATES FOR ELECTRIC	)	
SERVICE; (2) APPROVAL OF TARIFFS AND	)	CASE NO.
RIDERS; (3) APPROVAL OF CERTAIN	)	2025-00257
REGULATORY AND ACCOUNTING	)	
TREATMENTS; AND (4) ALL OTHER REQUIRED	)	
APPROVALS AND RELIEF	)	

COMMISSION STAFF'S FIRST REHEARING REQUEST FOR INFORMATION  
TO KENTUCKY POWER COMPANY

Kentucky Power Company (Kentucky Power), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on May 8, 2026. The Commission directs Kentucky Power to the Commission's July 22, 2021 Order in Case No. 2020-00085<sup>1</sup> regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a

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<sup>1</sup> Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Kentucky Power shall make timely amendment to any prior response if Kentucky Power obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which Kentucky Power fails or refuses to furnish all or part of the requested information, Kentucky Power shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Kentucky Power shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to Kentucky Power's Motion for Rehearing, Exhibit 1. Provide Exhibit 1 and all associated workpapers in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

2. Refer to Kentucky Power's Motion for Rehearing, page 26, stating that "the Company's expected 2026 LSE OATT costs, based on 2026 rates in effect, have increased over 2025 expenses such that the amount currently approved by the Commission to be recovered through base rates (the test-year amount) is already estimated to result in a recovery deficiency of approximately \$11 million."

a. Provide all workpapers used to calculate the "approximately \$11 million" deficiency referred to therein in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible, including any workpapers and supporting documents used to calculate any allocation percentages.

b. Identify and explain each difference, if any, in the methodology Kentucky Power used to calculate the "approximately \$11 million" deficiency, and the methodology Kentucky Power used to calculate the pro forma adjustment to transmission expense Kentucky Power proposed in the Application in this case.

3. Refer to Kentucky Power's response to Commission Staff's First Request for Information (Staff's First Request), Item 55, KPCO\_R\_KPSC\_1\_55\_Attachment27\_SpaethWP7.xlsx, Tab "2025 Rates."

a. Provide a copy the contracts or tariffs approved or accepted by FERC that establish the methodology for allocating to Kentucky Power the "Total Zonal ATRR" reflected in Cell H8 and the "Schedule 12 Expense (RTEP)" reflected in Cell H7 and identify where in those contracts or tariffs the allocation of those amounts or the components of those amounts is discussed.

b. Explain what the 85.58 percent figure in Cell H10 represents and how it was calculated and provide any workpapers supporting the calculation of that

percentage in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

c. Explain what the amounts in Cells B27, B28, B29, B30, B31, B32, B33, and B34 represent and how they were calculated, and provide any workpapers supporting the calculation of those amounts in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

d. Identify the operating company that coincides with each abbreviation included in Cells A28, A29, A30, A31, A32, and A33.

e. Provide a spreadsheet in Excel spreadsheet format with the coincident peaks in each month from January 2021 through March 2026 for each operating company identified in Cells A28, A29, A30, A31, A32, and A33.

4. Refer to Kentucky Power's Response to Staff's First Request, Item 55, KPCO\_R\_KPSC\_1\_55\_Attachment27\_SpaethWP7.xlsx, Tab "ADJ-Calc."

a. Confirm that the "PJM Affiliated Trans NITS Cost" and the "Affil PJM Trans Enhancement Cost" in lines 9 and 11, respectively, are reflected as negative revenue because they are intended to reflect the extent to which Kentucky Power is paying a portion of its own FERC transmission revenue requirement.

b. If Kentucky Power does not confirm subpart 4.a. of this request, explain each basis for why it did not confirm, and provide a detailed explanation for why each of those amounts are reflected as negative revenue in ADJ-Calc and in Kentucky Power's income statement.

5. Refer to Kentucky Power's December 31, 2025 supplemental response to Staff's First Request, Item 3, KPCO\_SR\_KPSC\_1\_3\_2025-12-

31\_SupplementalAttachment1.xlsm. Refer also to Kentucky Power's response to Commission Staff's Supplemental Post Hearing Requests for Information to Kentucky Power, KPCO\_R\_KPSC\_PHDR\_2\_1\_Attachment1.xlsm. Provide an update to KPCO\_R\_KPSC\_PHDR\_2\_1\_Attachment1.xlsm with information through March 31, 2026, and continue to update this response as amounts for additional months become available.

6. Refer to Kentucky Power's Motion for Rehearing at 17, regarding past TOR expenditure recovery period of 30 years. If the Commission maintains the TOR amortization without carrying costs, state what recovery period Kentucky Power would recommend and explain why.

7. Provide the net present value revenue requirement effects, in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible, of:

a. A TOR regulatory asset in the amount of the net TOR plant in service as of February 28, 2026, amortized over 30 years with carrying costs;

b. A TOR regulatory asset in the amount of the net TOR plant in service as of February 28, 2026, amortized over 30 years without carrying costs;

c. A TIR regulatory asset in the amount of the net TIR plant in service as of February 28, 2026, amortized over 30 years with carrying costs;

d. A TIR regulatory asset in the amount of the net TIR plant in service as of February 28, 2026, amortized over 30 years without carrying costs.

e. TOR expenditures in the amount of \$7,209,925 in one year if capitalized.

- f. The capitalized 2026 TIR expenditures.
8. Refer to Kentucky Power's Motion for Rehearing at 13.
- a. Explain how clearing vegetation has a depreciable 30-year life.
  - b. Produce and identify any technical or accounting sources supporting use of this depreciation period.

9. Refer to Kentucky Power's Motion for Rehearing at 17 regarding capitalization of TOR expenditures.

- a. Provide a breakdown showing monthly changes to plant in service and accumulated depreciation from TOR expenditures since the beginning of the TOR program.

- b. Provide a calculation of past carrying costs recovered on TOR expenditures since the beginning of the TOR program.

- c. Provide a calculation of proposed carrying costs on the amortization of past TOR expenditures if the Commission were to allow carrying costs, assuming a 30-year recovery period:

- (1) Without the proposed adjustment for TOR expenditures between the end of test year and the final Order; and

- (2) With the proposed adjustment for TOR expenditures between the end of the test year and the final Order.

10. Refer to Kentucky Power's Motion for Rehearing at 18 regarding capitalization of TIR expenditures.

- a. Explain how Kentucky Power would be permitted under 18 C.F.R. §101, Electric Plant Instructions No. 8(A), or any other legal authority or accounting standard, to capitalize TIR expenditures.
- b. Explain how Kentucky Power's rules or policies for capitalizing TIR expenditures were developed.
- c. Identify when Kentucky Power began capitalizing a portion of its TIR expenditures.
- d. Provide a calculation of past carrying costs recovered on TIR expenditures over the past ten years.
- e. Provide a breakdown showing monthly changes to plant in service and accumulated depreciation from TIR expenditures since the beginning of the TIR program.

11. Refer to Kentucky Power's Motion for Rehearing at 21, which states the "Other" compensation, of which \$7,286,925 was removed from the base revenue requirement, is substantially comprised of time entry codes other than "regular" and stating that it specifically "includes paid vacation time ("T/L-SAL-VACATION (SVC)" and "T/L-VACATION (VAC)"), holiday time ("T/L-SAL-HOLIDAY (SHL)" and "T/L Holiday (HOL)"), sick time ("T/L-SAL-SICK (SSK)" and "T/L-SICK-SCK"), personal days off ("T/L-PERSONAL DAY OFF (PDO)" and "T/L-SAL-PERSONAL DAY OFF (SPD)"), and FMLA-related time."

- a. Identify those portions of the \$7,286,925 that fall into each of the specific time entry codes listed, i.e. paid vacation time ("T/L-SAL-VACATION (SVC)" and "T/L-VACATION (VAC)"), holiday time ("T/L-SAL-HOLIDAY (SHL)" and "T/L Holiday

(HOL)”), sick time (“T/L-SAL-SICK (SSK)” and “T/L-SICK-SCK”), personal days off (“T/L-PERSONAL DAY OFF (PDO)” and “T/L-SAL-PERSONAL DAY OFF (SPD)”), and FMLA-related time.

b. Identify and describe all other time entry codes or categories of cost that make up the other compensation but are not included in the “substantially comprised” amounts described in subpart a. above.

c. Explain and provide jurisdictional test year amounts for items not included in the “substantially comprised” amounts described in subpart a. above.

12. Refer to Kentucky Power’s response to Staff’s First Request, Item 41, KPCO\_R\_KPCS\_1\_41\_Confidential\_Attachment1.xlsx.

a. Provide a spreadsheet, in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible, that breaks down the “Other” compensation included in each tab and line of KPCO\_R\_KPCS\_1\_41\_Confidential\_Attachment1.xlsx to further reflected each of the time entry codes or cost categories discussed or identified in Item 11.a. or Item 11.b. of this Request.

b. Explain why the “Total Amount” of “Other” compensation increased significantly from 2022 to 2024.

c. Explain why the “Total Amount” of “Other” compensation increased significantly from 2022 to the Test Year.

d. Explain why the “Subtotal for Officers Only” of “Other” compensation was [REDACTED] in 2022 with [REDACTED] but was [REDACTED] in 2024 with [REDACTED]

[REDACTED] including specifically a detailed explanation of what changed to cause the difference in 2024 as compared to 2022.

13. Refer to Kentucky Power's response to Staff's First Request, Item 41, KPCO\_R\_KPCS\_1\_41\_Confidential\_Attachment1.xlsx.

a. Refer to Tab "Test Year" row 18, column I. Explain how this AEP executive officer provided AEP ratepayers with [REDACTED] in value during the test period.

b. Refer to Tab "Test Year" row 43, column I. Explain how this AEP executive officer provided AEP ratepayers with [REDACTED] in value during the test period.

c. Refer to Tab "Test Year" row 16, column I. Explain how this AEP executive officer provided AEP ratepayers with [REDACTED] in value during the test period.

14. Refer to Kentucky Power's Motion for Rehearing at 28-29. Refer also to Kentucky Power's March 20, 2026 Supplemental Response to Staff's First Request, Item 14. Confirm that the amount incurred during Kentucky Power's test year, which Kentucky Power calculated as \$75,178, was not removed from the Actual Rate Case Expense amount Kentucky Power used to calculate its proposed Updated Rate Case Expense adjustment.

15. Refer to Kentucky Power's Response to Staff's First Request, Item 41, KPCO\_R\_KPCS\_1\_41\_Confidential\_Attachment1.xlsx .

a. Refer to Tab "Test Year" row 21, column H. Explain how approximately 58.18 percent of this executive officer's total compensation in the test year comes in the form of "Other" compensation.

b. Refer to Tab “Test Year” row 32, column H. Explain how approximately 59.15 percent of this executive officer’s total compensation in the test year comes in the form of “Other” compensation.

c. Refer to Tab “Test Year” row 36, column H. Explain how approximately 64.17 percent of this executive officer’s total compensation in the test year comes in the form of “Other” compensation.

d. Refer to Tab “Test Year” row 40, column H. Explain how approximately 66.86 percent of this executive officer’s total compensation in the test year comes in the form of “Other” compensation.

16. Refer to Kentucky Power’s Motion for Rehearing at 22, where Kentucky Power states that without incentive compensation, Kentucky Power would need to increase salaries and hourly wages to maintain the market-competitive total compensation package necessary to attract and retain key employees. Refer also to the Direct Testimony of Andrew Carlin at 2, where he states that these programs are components of a Total Rewards program that is designed to be reasonable in total cost, as compared to other similar companies.

a. Explain whether Kentucky Power’s incentive compensation plan, on a standalone basis, is above, at, or below market-competitive incentive compensation plan trends.

b. Provide a comparison between Kentucky Power’s incentive compensation plan, on a standalone basis, to the “other similar companies” mentioned in the Direct Testimony of Andrew Carlin.

17. Provide any testimony, explanation, or other evidence that Kentucky Power contends supports the assertions made in Kentucky Power's motion for rehearing, limited to the issues for which rehearing was granted in the Commission's April 9, 2026 Order.

 

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DATED APR 24 2026

cc: Parties of Record

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