

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of:

Electronic Application Of Kentucky Power)
Company For Approval Of An Agreement)
With Big Sandy Rural Electric Cooperative)
Corporation Transferring Four Customer)
Accounts Currently Served By Big Sandy) Case No. 2021-00334
Rural Electric Cooperative Corporation In)
The Meally Area of Johnson County,)
Kentucky To Kentucky Power Company)

VERIFIED APPLICATION

Kentucky Power Company applies to the Public Service Commission of Kentucky pursuant to KRS 278.018 for an Order approving a written agreement (“Agreement”) between Kentucky Power and Big Sandy Rural Electric Cooperative. Kentucky Power requests in the alternative that the Commission issue an order pursuant to 807 KAR 5:001, Section 19 declaring that Commission approval is not required because the Customers to be served are located within Kentucky Power Company’s certified territory and that the agreement otherwise complies with those provisions of Kentucky law within the jurisdiction of the Commission:

APPLICANT

1. Kentucky Power was incorporated in 1919 under the laws of the Commonwealth of Kentucky and is in good standing in the Commonwealth.¹ The Company’s mailing address is 1645 Winchester Avenue, Ashland, Kentucky 41101. Its electronic mail address is

¹ A certified copy of the Company’s Articles of Incorporation and all amendments thereto was attached to the Joint Application in *In the Matter Of: The Joint Application Of Kentucky Power Company, American Electric Power Company, Inc. And Central And South West Corporation Regarding A Proposed Merger*, P.S.C. Case No. 99-149. The Company’s August 26, 2021 Certificate of Existence is attached as **EXHIBIT 1**.

kentucky_regulatory_services@aep.com . Kentucky Power is engaged in the generation, purchase, transmission, distribution, and sale of electric power.

2. The Company serves approximately 165,000 retail customers in the following 20 counties of eastern Kentucky: Boyd, Breathitt, Carter, Clay, Elliott, Floyd, Johnson, Knott, Lawrence, Leslie, Letcher, Lewis, Magoffin, Martin, Morgan, Owsley, Perry, Pike, and Rowan. In addition, the Company also supplies electric power at wholesale to other utilities and municipalities in Kentucky for resale. Kentucky Power is a utility as that term is defined at KRS 278.010.

Background

3. This application seeks approval, to the extent required by law, of the written Agreement between Kentucky Power and Big Sandy transferring four customer accounts currently served by Big Sandy to Kentucky Power. The four customer accounts are located generally east of Paintsville, Kentucky in Johnson County. The service addresses for the four customer accounts are 191 Prestons Branch Road, Meally, Kentucky (two accounts), 192 Prestons Branch Road, Meally, Kentucky, and 204 Prestons Branch Road, Meally, Kentucky.

4. The three customers associated with the four accounts (the “Customers”) contacted Kentucky Power earlier in 2021 to obtain retail electric service from Kentucky Power. Kentucky Power and Big Sandy subsequently agreed following consultation and investigation that the Customers’ service locations lay within the certified territory of Kentucky Power as defined at KRS 278.010(5), and as shown upon the maps filed with the Commission pursuant to KRS 278.018(2).

5. Until their consultation and investigation earlier this year, neither Kentucky Power nor Big Sandy was aware that the service locations for the four customer accounts were located in Kentucky Power's certified territory.

6. Kentucky Power and Big Sandy have entered into the written Agreement attached to this application as **Exhibit 2**. The Agreement provides:

(a) for the transfer of the four customer accounts from Big Sandy to Kentucky Power;

(b) for the sale by Big Sandy and the purchase by Kentucky Power at net book value of three distribution poles currently used by Big Sandy to provide retail electric service to the Customers. (*See Exhibit C to the Agreement*); and

(c) that the Agreement is not intended to modify the boundary line between the certified territories of Kentucky Power and Big Sandy, or to authorize Kentucky Power to provide retail electric service to customers located in Big Sandy's certified territory.

7. The three customers whose accounts are the subject of the Agreement have consented in writing to take retail electric service from Kentucky Power. (*See Exhibit B to the Application.*)

8. Kentucky Power will make extensions in the usual course of business of its existing distribution system in the area of Meally, Kentucky to provide service to the Customers. The extension will not create wasteful duplication, will not conflict with the existing certificates of other utilities operating in the same area, and will not involve sufficient capital outlay to materially affect the existing financial condition of Kentucky Power, or result in increased charges to the Company's customers. The longest extension from the Company's existing distribution system is

less than 1,000 feet, and thus the extensions can be made in conformity with 807 KAR 5:041, Section 10 and the Company's terms and conditions of service at no cost to the Customers. (*See* Exhibit A to the Application.)

9. Kentucky Power will provide adequate, reliable, and reasonable service to the Customers. The Agreement will promote the purposes of KRS 278.016.

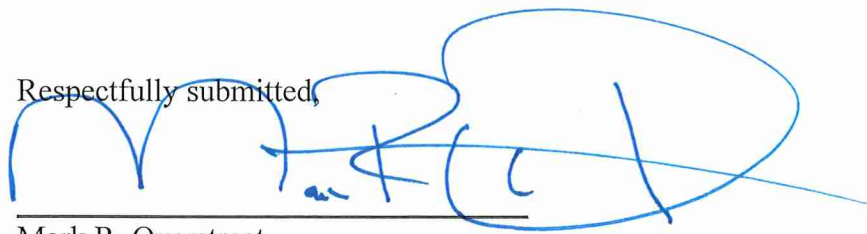
Wherefore Kentucky Power Company respectfully requests that the Public Service Commission of Kentucky issue an Order:

(a) Approving to the extent required the Agreement between Kentucky Power Company and Big Sandy Rural Electric Cooperative Corporation in accordance with KRS 278.018(6) ;

(b) Declaring in the alternative that no such approval is required because the Customers to be served are located within Kentucky Power Company's certified territory and the agreement otherwise complies with those provisions of Kentucky law within the jurisdiction of the Commission; and

(c) Granting the Company all further relief to which it may appear entitled.

Respectfully submitted,



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COUNSEL FOR
KENTUCKY POWER COMPANY

Verification

Brian K. West, being duly sworn, states he is Vice President, Regulatory & Finance for Kentucky Power Company, that he has personal knowledge of the matters set forth in this Application, or that such knowledge was gained after his review of the books and records of Kentucky Power Company within his custody and control, and that the facts set forth in the Application are true and correct based on his knowledge, information, and belief formed after a reasonable inquiry.



Brian K. West

State of Indiana)
) ss Case No. 2021-00334
County of Allen)

Subscribed and sworn to before me, a Notary Public, in and for said County and State, Brian K. West this 26th day of August, 2021.

Regiana M.
Sistevaris

Digitally signed by Regiana M.
Sistevaris
Date: 2021.08.26 12:21:11 -04'00'

Regiana M. Sistevaris, Notary Public

My Commission Expires: January 7, 2023

Exhibit 1

Commonwealth of Kentucky
Michael G. Adams, Secretary of State

Michael G. Adams
Secretary of State
P. O. Box 718
Frankfort, KY 40602-0718
(502) 564-3490
<http://www.sos.ky.gov>

Certificate of Existence

Authentication number: 253442

Visit <https://web.sos.ky.gov/ftshow/certvalidate.aspx> to authenticate this certificate.

I, Michael G. Adams, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records in the Office of the Secretary of State,

KENTUCKY POWER COMPANY

is a corporation duly incorporated and existing under KRS Chapter 14A and KRS Chapter 271B, whose date of incorporation is July 21, 1919 and whose period of duration is perpetual.

I further certify that all fees and penalties owed to the Secretary of State have been paid; that Articles of Dissolution have not been filed; and that the most recent annual report required by KRS 14A.6-010 has been delivered to the Secretary of State.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 26th day of August, 2021, in the 230th year of the Commonwealth.



Michael G. Adams

Michael G. Adams
Secretary of State
Commonwealth of Kentucky
253442/0028317

Exhibit 2

Aug.
July 25, 2021

Bruce Aaron Davis
President and General Manager
Big Sandy Rural Electric Cooperative Corporation
504 11th Street
Paintsville, Kentucky 41240

Re: Three customers (four accounts) in Kentucky Power Company's service territory currently served by Big Sandy RECC:
191 Prestons Branch (Savannah Keeton - Residence)
191 Prestons Branch (Savannah Keeton - Garage)
192 Prestons Branch (Vineta Maynard - Residence)
204 Prestons Branch (Marie A. Tackett - Residence)

Dear Mr. Davis:

This letter is to memorialize the agreement between Big Sandy Rural Electric Cooperative Corporation ("Big Sandy") and Kentucky Power Company ("Kentucky Power") regarding the proposed service by Kentucky Power to the four accounts (three customers) currently served by Big Sandy as follows:

Property owner	Service address	Service location
Savannah Keeton	191 Prestons Branch	Residence
Savannah Keeton	191 Prestons Branch	Garage
Vineta Maynard	192 Prestons Branch	Residence
Marie A. Tackett	204 Prestons Branch	Residence

(Collectively referred to herein as the "Customers".) This agreement is made pursuant to KRS 278.018(6) and is limited to the above-referenced Customers' service addresses and locations.

WHEREAS, the Customers currently are provided retail electric service by Big Sandy;

WHEREAS the Customers are located on Prestons Branch Road in the Meally area of Johnson County, Kentucky;

WHEREAS, Big Sandy and Kentucky Power recently determined that the Customers' service addresses are located in Kentucky Power's certified territory as that term is defined at KRS 278.010(5) and as shown on the maps filed with the Commission in accordance with KRS 278.017(2);

WHEREAS, KRS 278.018(1) grants Kentucky Power the exclusive right to provide retail electric service in its certified territory;

WHEREAS, Big Sandy did not knowingly provide retail electric service to customers located outside its service territory;

WHEREAS, Kentucky Power did not knowingly acquiesce in the provision of retail electric service by Big Sandy to customers located in Kentucky Power's service territory;

WHEREAS, the Customers recently inquired about obtaining retail electric service from Kentucky Power;

WHEREAS, Big Sandy and Kentucky Power believe that Kentucky Power is able to provide retail electric service to the Customers that is at least as adequate, reasonable, and reliable as that provided to the Customers by Big Sandy;

WHEREAS, Kentucky Power can provide service from its existing distribution to the Customers by means of an extension of distribution facilities from existing Kentucky Power pole 38830811B10275. Kentucky Power anticipates providing retail electric service to the Customers in accordance with the schematic attached as Exhibit A to this agreement;

WHEREAS, as shown on Exhibit A the longest extension of Kentucky Power's existing distribution system required to provide service to any of the Customers is approximately 737 feet;

WHEREAS, Big Sandy agrees to sell, and Kentucky Power agrees to purchase as set forth below certain distribution facilities (the "Facilities") currently being used by Big Sandy to provide retail electric service to the Customers;

WHEREAS, the Facilities will no longer be required by Big Sandy if Kentucky Power provides retail electric service to the Customers; and

WHEREAS, the Facilities will aid Kentucky Power in providing reliable electric service to the Customers in a cost-effective manner,

Now Therefore, for good and sufficient consideration, including the premises described above, the receipt of which is acknowledged, Big Sandy and Kentucky Power agree as follows:

(1) Beginning with the effective date of the Commission Order approving this agreement, or as soon thereafter as is practicable, Kentucky Power will provide retail electric service to the Customers.

(2) This agreement is limited solely to the provision of retail electric service by Kentucky Power to the above-referenced Customers with respect to service locations located in

Kentucky Power's certified territory; nothing in this agreement shall entitle Kentucky Power to provide retail electric service to any customer, including the Customers, or facility located in Big Sandy's certified territory. Big Sandy and Kentucky Power further agree that nothing in this agreement shall be deemed a change in the boundary line between the certified territories of Big Sandy and Kentucky Power.

(3) Each of the Customers has agreed, subject to the Commission's approval of this agreement, to take retail electric service from Kentucky Power. The Customers' written agreements to take service from Kentucky Power are attached as Exhibit B to this agreement.

(4) This agreement will promote the purposes of KRS 278.016. The extension of Kentucky Power's current service facilities to the Customers' respective residences and garage is consistent with the orderly development of retail electric service, will not result in wasteful duplication, and will not unnecessarily encumber the landscape of the Commonwealth.

(5) Kentucky Power agrees to purchase at net book value (\$48.97) the three poles currently being used by Big Sandy to provide retail electric service to the Customers and further identified on Exhibit C to this agreement;

(6) This agreement is expressly contingent upon its approval without modification by the Public Service Commission of Kentucky.

If this accurately reflects our agreement, please sign where indicated below and return a copy to me. Please do not hesitate to contact me if you have any questions.

Sincerely yours



Brian K. West
Vice President Regulatory and Finance,
Kentucky Power Company

Agreed to this 25th day of Augo, 2021.

Big Sandy Rural Electric Cooperative Corporation

By: Bruce Aaron Davis
Its: President and GM

Exhibit A

Exhibit B

June 8, 2021

Savannah Keeton
191 Prestons Branch
Meally, KY 41240

Dear Ms. Keeton:

You are currently a customer of Big Sandy Rural Electric Cooperative Corporation. It is Kentucky Power Company's understanding that you desire to receive retail electric service from Kentucky Power to your residence and garage. The Kentucky Power service would be in lieu of the service currently provided by Big Sandy.

Kentucky Power currently provides electrical service to 144 Prestons Branch. It could serve your residence and garage by means of an estimated 737 foot extension of its current facilities. Due to the estimated extension being under 1000 feet the Company does not anticipate a contribution in aid of construction to be paid.

Please signify by signing below your consent to Kentucky Power providing electrical service to your residence and garage in lieu of Big Sandy. Such service would be at the Kentucky Power rates and not those Big Sandy rates you currently pay.

I agree to receive electrical service to my residence and garage located at 191 Prestons Branch, Meally, Kentucky.


Savannah Keeton

June __, 2021

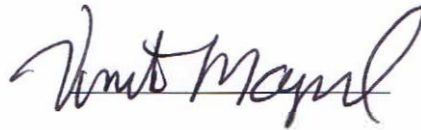
Vincta Maynard
192 Prestons Branch
Meally, KY 41240

Dear Ms. Maynard:

You are currently a customer of Big Sandy Rural Electric Cooperative Corporation. It is Kentucky Power Company's understanding that you desire to receive retail electric service from Kentucky Power to your residence. The Kentucky Power service would be in lieu of the service currently provided by Big Sandy.

Kentucky Power currently provides electrical service to 144 Prestons Branch. It could serve your residence by means of an estimated 737 foot extension of its current facilities. Due to the estimated extension being under 1000 feet the Company does not anticipate a contribution in aid of construction to be paid.

Please signify by signing below your consent to Kentucky Power providing electrical service to your residence in lieu of Big Sandy. Such service would be at the Kentucky Power rates and not those Big Sandy rates you currently pay.



I agree to receive electrical service to my residence located at 192 Prestons Branch, Meally, Kentucky.



Vincta Maynard

June 8, 2021

Marie Tackett
204 Prestons Branch
Meally, KY 41240

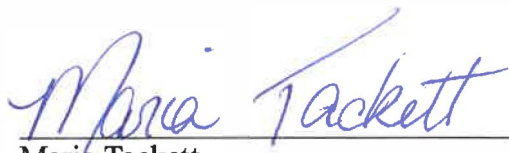
Dear Ms. Tackett:

You are currently a customer of Big Sandy Rural Electric Cooperative Corporation. It is Kentucky Power Company's understanding that you desire to receive retail electric service from Kentucky Power to your residence. The Kentucky Power service would be in lieu of the service currently provided by Big Sandy.

Kentucky Power currently provides electrical service to 144 Prestons Branch. It could serve your residence by means of an estimated 737 foot extension of its current facilities. Due to the estimated extension being under 1000 feet the Company does not anticipate a contribution in aid of construction to be paid.

Please signify by signing below your consent to Kentucky Power providing electrical service to your residence in lieu of Big Sandy. Such service would be at the Kentucky Power rates and not those Big Sandy rates you currently pay.

I agree to receive electrical service to my residence located at 204 Prestons Branch, Meally, Kentucky.



Marie Tackett

Exhibit C

Big Sandy Rural Electric Cooperative Corporation agrees to sell, and Kentucky Power Company agrees to purchase, the following three poles currently being used to provide service to the four customer accounts that are the subject of this agreement:

<u>Big Sandy Pole Number</u>	<u>Net Book Value</u>
00935 30-5	\$ 4.21
00938 25-7	\$ 9.78
00937 35-5	\$34.98
Total	\$48.97