

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

Electronic Application Of Kentucky Power Company)	
To Defer A Portion Of Fuel Adjustment Clause)	
Charges For Later Collection Without Establishing A)	Case No. 2022-00125
Regulatory Asset)	

APPLICATION

Kentucky Power Company (“Kentucky Power” or the “Company”) moves the Public Service Commission of Kentucky (the “Commission”) pursuant to 807 KAR 5:001, Section 22 and all other applicable authority, for all approvals and/or deviations necessary to authorize the Company to postpone collection of a portion of Fuel Adjustment Clause (“FAC”) charges for later collection **on or before April 28, 2022**.

Kentucky Power states in support of its application:

Applicant

1. Kentucky Power is a corporation organized on July 21, 1919 under the laws of the Commonwealth of Kentucky. The Company currently is in good standing in Kentucky.¹
2. The post office address of Kentucky Power is 1645 Winchester Avenue, Ashland, Kentucky 41101. The Company’s electronic mail address is kentucky_regulatory_services@aep.com.
3. Kentucky Power is engaged in the generation, purchase, transmission, distribution and sale of electric power. Kentucky Power serves approximately 165,000 customers in the

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 April 20, 2022 Certificate of Existence is filed as **EXHIBIT 1** of this Application.

following 20 counties of eastern Kentucky: Boyd, Breathitt, Carter, Clay, Elliott, Floyd, Greenup, Johnson, Knott, Lawrence, Leslie, Letcher, Lewis, Magoffin, Martin, Morgan, Owsley, Perry, Pike, and Rowan. Kentucky Power 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 in KRS 278.010.

4. Kentucky Power is a wholly owned subsidiary of American Electric Power Company, Inc. (“AEP”). AEP is a multi-state public utility holding company that includes utilities providing electric service to customers in parts of eleven states: Arkansas, Indiana, Kentucky, Louisiana, Michigan, Ohio, Oklahoma, Tennessee, Texas, Virginia, and West Virginia.

Factual and Procedural Background

5. On March 21, 2022, Kentucky Power Company filed its Fuel Adjustment Clause Schedules (“FAC Schedules”) with supporting sales and fuel cost schedules for the April 2022 billing month in accordance with 807 KAR 5:056, Section 1(9).

6. The Company explained as part of the filing that it had committed to bring issues regarding the monthly volatility in the Company’s Fuel Adjustment Clause (“FAC”) charge to the immediate attention of the Commission.² The March 21, 2022 letter is attached hereto as

EXHIBIT 3.

7. In line with its commitment to address monthly volatility in the FAC charge, the Company proposed as part of its filing to postpone the collection of \$3,000,000 in February 2022 estimated fuel costs that otherwise would be collected in April 2022. In line with its previous commitment to postpone collection of a portion of the costs otherwise recoverable in April over

² See February 21, 2022 Letter to Linda C. Bridwell transmitting the Company’s FAC Schedules with supporting sales and fuel cost schedules for the March 2022 billing month, attached hereto as **EXHIBIT 2.**

a longer period, Kentucky Power proposed to collect those amounts in equal \$1,000,000 increments in the May, June, and July 2022 billed fuel factors. Postponing collection of these amounts was intended to assist customers with rising fuel bills. The reduced factors have already been applied for the billing month of April 2022.

8. Postponing the collection of those amounts reduced the FAC factor applied to April 2022 bills to \$0.01024/kWh (total adjustment factor of \$0.01034/kWh).³ For example, a residential customer billed in April 2022 for 1,300 kWh of usage saw a 38 percent reduction in the FAC factor charge from \$21.63 to \$13.31 as compared to the calculated FAC factor charge. The corresponding total bill declined from \$211.96 to \$202.82 as a result.

9. Within the March 21, 2022 filing, Kentucky Power officially requested a deviation from the requirements of 807 KAR 5:056, to the extent the Commission deemed a deviation necessary, to implement its proposal to postpone the collection of \$3,000,000 in estimated February 2022 fuel costs and to collect the same in \$1,000,000 increments over a period of three months beginning with the May 2022 bill. The Company did not receive an order from the Commission regarding its request.

10. Additional information regarding the Company's March 21, 2022 proposal is contained in the March 21, 2022 letter attached as Exhibit 3.

11. On April 19, 2022, Kentucky Power Company transmitted its FAC Schedules with supporting sales and fuel cost schedules for the May 2022 billing month in accordance with 807 KAR 5:056, Section 1(9).

³ The \$0.00010/kWh difference between the revised fuel adjustment clause factor of \$0.000124/kWh and the total adjustment factor of \$0.000134 is the system sales clause factor. It represents customers' 75 percent share of any difference between the amount of system sales clause revenues included in base rates and actual system sales net revenues.

12. The Company explained as part of the filing that the Company was making a similar request to postpone the collection of \$3,000,000 in March 2022 estimated fuel costs that otherwise would be collected in the May 2022 billing cycle. In line with its previous commitment to spread out costs, Kentucky Power proposed to collect the postponed amounts in equal \$1,000,000 increments in the June, July, and August billed fuel factors.⁴ The April 19, 2022 letter is attached hereto as **EXHIBIT 4**. The May 2022 billing cycle begins on April 29, 2022.

13. The effect of this postponement would be to reduce the FAC factor applied to May 2022 bills to \$0.01729/kWh (total adjustment factor of \$0.01739/kWh). With the Company's proposal, a residential customer billed in May 2022 for 1,300 kWh of usage would incur a FAC factor charge of \$22.48 as compared to the unadjusted FAC factor charge of \$31.29. Both of these amounts would include the collection of \$1,000,000 in estimated fuel costs that were postponed from being collected in April 2022, and that are proposed to be collected in May 2022.

14. Within the April 19, 2022 filing, Kentucky Power again requested a deviation from the requirements of 807 KAR 5:056, to the extent the Commission deemed a deviation necessary, to implement its proposal to postpone the collection of \$3,000,000 in estimated March 2022 fuel costs and to collect the same in \$1,000,000 increments over a period of three months beginning with the June 2022 bill. Absent approval, the Company would continue its normal collection practices.

15. Additional information regarding the Company's April 19, 2022 proposal is contained in the April 19, 2022 letter attached as Exhibit 4.

⁴ Recovery of these \$1,000,000 increments over two of the three proposed months (June and July 2022) would be in addition to the recovery of \$1,000,000 of postponed February estimated fuel costs that otherwise would have been fully collected in April 2022.

16. In making the March 21, 2022 and April 19, 2022 proposals and/or requests for deviation by letter, the Company adhered to past practice for similar requests. In March 2018, the Company notified the Commission by letter (after an informal conference with Commission Staff), that the Company would postpone the collection of \$3,000,000 in estimated January 2018 fuel costs and to collect the same in \$1,000,000 increments over a period of three months beginning with the February 2018 bill. The March 20, 2018 letter is attached hereto as **EXHIBIT 5**.

17. The Company was advised by Commission Staff by email on April 19, 2022 that a formal application for the authority to postpone the collection of estimated fuel costs requested in the March 21, 2022 and April 19, 2022 letters is the proper mechanism for requesting such relief. Kentucky Power files this application in response.

The Requested Authority

18. In its February 21, 2022 letter (Exhibit 2) Kentucky Power recognized the burden that volatility in its calculated FAC can impose on the Company's customers. To address any future volatility and resulting customer burdens, Kentucky Power proposed the following actions:

(a) Kentucky Power would immediately notify the Commission of any abnormal change in the FAC factor;

(b) In the event there were an abnormal increase, Kentucky Power would propose spreading the increase out over a period of months (the specific period to be proposed later by the Company and approved by the Commission) in order to lessen the immediate burden on customers; and

(c) Kentucky Power would undertake a review of changes in the calculation methodology to reduce monthly volatility in its calculated FAC. Kentucky Power also would promptly inform the Commission of any reasonable changes that were identified.

19. The requests contained in the Company's March 21, 2022 letter, April 19, 2022 letter, and in this application evidence those commitments.

20. The Company further recognized that its second and third commitments may require deviations from 807 KAR 5:056. The Company therefore also committed to promptly seek all such necessary deviations.

21. Consistent with past practice, the Company made its proposals and deviation requests via letter transmitted with its FAC Schedules as part of the filing required by 807 KAR 5:056, Section 1(9). Upon being informed on April 19, 2022 that the proper mechanism to make such requests was by formal application, the Company worked diligently to prepare and file this application as soon as was practicable.

22. The Company hereby requests all approvals necessary, and any deviations from the requirements of 807 KAR 5:056 deemed necessary by the Commission, to:

(a) Implement its proposal to postpone the collection of \$3,000,000 in estimated February 2022 fuel costs and to collect the same in \$1,000,000 increments over a period of three months beginning with the May 2022 bill; and

(b) Implement its proposal to postpone the collection of \$3,000,000 in estimated March 2022 fuel costs and to collect the same in \$1,000,000 increments over a period of three months beginning with the June 2022 bill.⁵

⁵ Recovery of these \$1,000,000 increments over two of the three proposed months (June and July 2022) would be in addition to the recovery of \$1,000,000 of postponed February estimated fuel costs that otherwise would have been fully collected in April 2022 (*see* ¶ 22(a)).

23. Any postponed amounts would be added to the amounts used in calculating the monthly under- or over-recovery of FAC costs. The Company also is not requesting any carrying charge for the postponed amounts.

24. By this application the Company requests to postpone the collection of a total of \$6,000,000 in estimated fuel costs, to be collected pursuant to the following schedule and in the following amounts:

May 2022 Billing Month	\$1,000,000
June 2022 Billing Month	\$2,000,000
July 2022 Billing Month	\$2,000,000
August 2022 Billing Month	\$1,000,000

Requested Decision Date

25. Kentucky Power requests a decision as soon as possible, but no later than by **April 28, 2022** to ensure that the Company's billing department has sufficient time to:

(a) Implement (or not implement) the postponement of \$3,000,000 of March 2022 estimated fuel costs that otherwise would be collected beginning with the May 2022 billing cycle, *which begins April 29, 2022*; and

(b) Implement (or not implement) the collection of \$1,000,000 of postponed February 2022 estimated fuel costs that otherwise would have been collected beginning with the April 2022 billing cycle, and that the Company is proposing to begin collecting with the May 2022 billing cycle, *which begins April 29, 2022*.

26. These requests are time-sensitive given the timing of the beginning of the May 2022 billing cycle.

27. The Company is mindful of the short turnaround for this request, but states that it has worked diligently to file this application as soon as possible after the Company was informed a formal application would be required.

Exhibits

28. The Company submits the following exhibits to this application:

- | | |
|-----------|--|
| Exhibit 1 | The Company's April 20, 2022 Certificate of Existence |
| Exhibit 2 | February 21, 2022 Letter from Brian K. West and associated FAC Schedules |
| Exhibit 3 | March 21, 2022 Letter from Brian K. West and associated FAC Schedules |
| Exhibit 4 | April 19, 2022 Letter from Brian K. West and associated FAC Schedules |
| Exhibit 5 | March 20, 2018 Letter from Ranie K. Wohnhas and associated FAC Schedules |

Communications

29. Kentucky Power respectfully requests that communications in this matter be addressed to the e-mail addresses identified on Kentucky Power's April 19, 2022 Notice of Election of Use of Electronic Filing Procedures.

WHEREFORE, Kentucky Power Company requests that the Commission issue an Order on or before April 28, 2022:

(1) Granting the Company all approvals necessary, and any deviations from the requirements of 807 KAR 5:056 deemed necessary by the Commission, to:

(a) Implement its proposal to postpone the collection of \$3,000,000 in estimated February 2022 fuel costs and to collect the same in \$1,000,000 increments over a period of three months beginning with the May 2022 bill; and

(b) Implement its proposal to postpone the collection of \$3,000,000 in estimated March 2022 fuel costs and to collect the same in \$1,000,000 increments over a period of three months beginning with the June 2022 bill; in accordance with the following schedule and in the following amounts:

May 2022 Billing Month	\$1,000,000
June 2022 Billing Month	\$2,000,000
July 2022 Billing Month	\$2,000,000
August 2022 Billing Month	\$1,000,000

; and

(2) Granting Kentucky Power such other relief as may be appropriate.

Respectfully submitted,



Katie M. Glass
STITES & HARBISON PLLC
421 West Main Street
P. O. Box 634
Frankfort, Kentucky 40602-0634
Telephone: (502) 223-3477
Facsimile: (502) 779-8349
kglass@stites.com

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: 269048

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 20th day of April, 2022, in the 230th year of the Commonwealth.



Michael G. Adams

Michael G. Adams
Secretary of State
Commonwealth of Kentucky
269048/0028317

EXHIBIT 2



An **AEP** Company

BOUNDLESS ENERGY™

DELIVERED VIA EMAIL TO PSCED@KY.GOV and LINDA.BRIDWELL@KY.GOV

February 21, 2021

Linda C. Bridwell
Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, KY 40602-0615

RE: Standard Fuel Adjustment Clause Filing

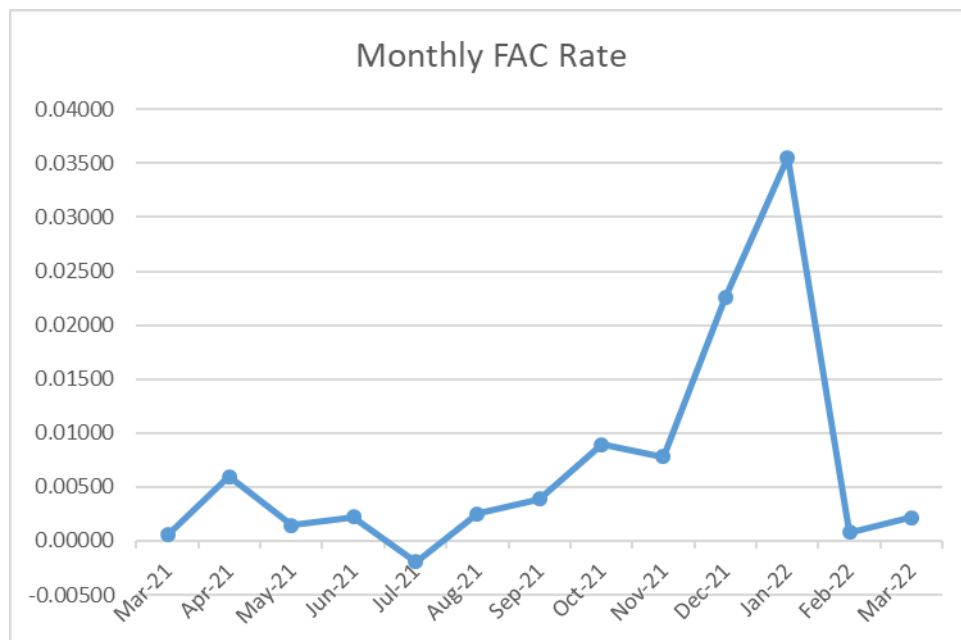
Dear Ms. Bridwell:

Enclosed are Kentucky Power Company's Fuel Adjustment Clause Schedules with supporting sales and fuel cost schedules for the March 2022 billing month. The Company understands that the flowing through of fuel and power costs can be a volatile matter and leave customers confused. However, the Company is happy to report a significant decrease in the fuel factor used to establish fuel costs in this update. The proposed March 2022 FAC factor of \$0.00213/kWh is 94 percent less than the January 2022 factor of \$0.03556/kWh.

In accordance with long-standing practice, the proposed March 2022 factor is calculated using estimated January 2022 fuel costs (as adjusted for December 2021 actual fuel costs) and January 2022 sales. The March 2022 factor is further adjusted to return to customers the January 2022 \$3.2 million over-recovery. The January 2022 over-recovery resulted from a higher-than-typical FAC factor in January 2022 that was caused, in part, by high fuel costs (as more fully explained by the Company's responses to Commission Staff's February 2, 2022 requests for information regarding the fuel adjustment clause factor for December and January billing months, provided by email on February 9, 2022), and higher-than-estimated usage. The fuel system set up in Kentucky allows any unexpected over recovery to be returned to customers quickly in the form of an offset in the going forward fuel factor. The effect of the return to

customers in March 2022 of the January 2022 over-recovery is set to reduce the March 2022 factor by 72 percent from \$0.00762/kWh to the proposed \$0.00213/kWh.

The Company remains concerned about the volatility in Kentucky Power's FAC in recent months. Much of the volatility in the December 2021 through March 2022 FAC billing factors arose as a result of the anomalous October 2021 and November 2021 operating conditions. This volatility is illustrated in the chart below:



Kentucky Power also recognizes the burden such volatility can impose on the Company's customers. To address any future volatility and resulting customer burdens, Kentucky Power proposes the following actions:

(a) Kentucky Power will immediately notify the Commission of any abnormal change in the FAC factor;

(b) In the event there is an abnormal increase, the Company will propose spreading the increase out over a period of months (the specific period to be established later by the Company and approved by the Commission) in order to lessen the immediate burden on customers; and

(c) The Company is undertaking a review of changes in the calculation methodology to reduce monthly volatility in its calculated FAC. The Company will promptly inform the Commission of any reasonable changes that are identified.

Kentucky Power recognizes that the second and third actions also may require deviations from 807 KAR 5:056. The Company will promptly seek all such necessary deviations.

Kentucky Power does have billing programs that can help customers at high bill times. The existing Average Monthly Payment Plan (AMP) can lessen the volatility of customers' bills, including changes in the FAC. Information about the AMP, and other means of controlling high winter electric bills is available on the Company's website at:

<https://www.kentuckypower.com/account/bills/pay/assistance/winter-bill-help>

The Company would be pleased to meet with Commission Staff to address the volatility issues. If you have any questions, please contact me at 606-327-2603.

Sincerely,

A handwritten signature in blue ink, appearing to read "Brian K. West", with a long horizontal flourish extending to the right.

Brian K. West
Vice President, Regulatory & Finance
Enclosure

KENTUCKY POWER COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: January 2022

1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	\$0.00213
2 System Sales Clause Factor	(+)	<u>\$0.0001000</u> *
3 Total Adjustment Clause Factors		\$0.00223

Effective Month for Billing

March 2022

Submitted by:



(Signature)

Title:

Vice President, Regulatory & Finance

Date Submitted:

February 21, 2022

* See Form 1.0, 2021 System Sales Clause Update, August 13, 2021 filing in Post-Case Filings, Case No. 2020-00174.

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: January 2022

Fuel Fm (Fuel Cost Schedule)	<u>\$16,324,283</u>		
Sales Sm (Sales Schedule)	577,776,513	(+)	0.02825
Fuel (Fb)	<u>\$12,810,858</u>		
Sales (Sb)	490,482,730	(-)	<u>0.02612</u> *
			<u><u>0.00213</u></u>

Effective Month for Billing

March 2022

Submitted by:



(Signature)

Title:

Vice President, Regulatory & Finance

Date Submitted:

February 21, 2022

*Pursuant to PSC Order dated August 2, 2021 in Case No. 2021-00053.

KENTUCKY POWER COMPANY

ESTIMATED FUEL COST SCHEDULE

Month Ended: January 2022

A.	Company Generation			
	Coal Burned	(+)	\$5,947,315	
	Oil Burned	(+)	231,661	
	Gas Burned	(+)	6,920,528	
	Fuel (jointly owned plant)	(+)	0	
	Fuel (assigned cost during Forced Outage)	(+)	0	
	Fuel (substitute for Forced Outage)	(-)	0	
	Sub Total		<u>13,099,504</u>	
B.	Purchases			
	Net Energy Cost - Economy Purchases	(+)	0	
	Identifiable Fuel Cost - Other Purchases	(+)	13,275,976	
	Identifiable Fuel Cost (substitute for Forced Outage)	(-)	0	
	Sub Total		<u>13,275,976</u>	
C.	Inter-System Sales Fuel Costs		<u>5,680,345</u>	
	Sub Total		5,680,345	
D.	Total Fuel Cost (A + B - C)		<u><u>\$20,695,135</u></u>	
E.	Adjustment indicating the difference in actual fuel cost for the month of <u>December 2021</u> and the estimated cost originally reported.			
			<u>\$15,295,935</u>	-
			(actual)	
			<u>\$15,972,912</u>	-
			(estimated)	
				=
				<u>(676,977)</u>
F.	Total Company Over or (Under) Recovery from Page 4, Line 12		<u>3,167,907</u>	
G.	Grand Total Fuel Cost (D + E - F)		<u>\$16,850,252</u>	
H.	Fuel-Related PJM Billing Line Items			<u>January 2022</u>
				(525,969)
I.	ADJUSTED GRAND TOTAL FUEL COSTS (G + H)		<u><u>\$16,324,283</u></u>	

KENTUCKY POWER COMPANY**SALES SCHEDULE****Month Ended: January 2022**

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	439,237,000
Purchases Including Interchange In	(+)	<u>255,014,000</u>
Sub Total		694,251,000
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	82,158,000
System Losses	(+)	<u>34,316,487</u> *
Sub Total		<u>116,474,487</u>
Total Sales (A - B)		<u><u>577,776,513</u></u>

* Does not include 658,513 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: January 2022

Line No.			
1	FAC Rate Billed	(+)	0.03556
2	Retail KWH Billed at Above Rate	(x)	<u>505,635,457</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>17,980,397</u>
4	KWH Used to Determine Last FAC Rate Billed	(+)	424,392,684
5	Non-Jurisdictional KWH Included in L4	(-)	<u>6,501,854</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>417,890,830</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		14,860,198
8	Over or (Under) Recovery (L3 - L7)		3,120,199
9	Total Sales (Page 3)	(+)	577,776,513
10	Kentucky Jurisdictional Sales	(/)	<u>569,076,769</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1.01529
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>3,167,907</u></u>

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: December 2021

A. Company Generation				
Coal Burned	(+)		\$3,909,132	
Oil Burned	(+)		383,960	
Gas Burned	(+)		1,476,935	
Fuel (jointly owned plant)	(+)		0	
Fuel (assigned cost during Forced Outage)				
(27,614,950 KWH X \$0.022634)	(+)		625,037	
Fuel (substitute for Forced Outage)	(-)		<u>0</u>	
Sub-total			<u>6,395,064</u>	
B. Purchases				
Net Energy Cost - Economy Purchases	(+)		0	
Identifiable Fuel Cost - Other Purchases	(+)		11,330,496	
Identifiable Fuel Cost (substitute for Forced Outage)				
(27,614,950 KWH X \$0.044556)	(-)		1,230,412	
Purchase Adjustment for Peaking Unit Equivalent	(-)		79,578 (1)	
Sub-total			<u>10,020,507</u>	
C. Inter-System Sales Fuel Costs			<u>1,119,635</u>	
D. SUB-TOTAL FUEL COST (A + B - C)			<u>\$15,295,935</u>	
E. Fuel-Related PJM Billing Line Items		<u>December 2021</u>	464,595	
F. GRAND TOTAL FUEL COSTS (D + E)			<u><u>\$15,760,531</u></u>	

(1) As calculated in accordance with KPSC Order dated October 3, 2002 in Case No. 2000-495-B, and as modified by the Commission's January 18, 2018 Order in Case No. 2017-00179.

EXHIBIT 3



An **AEP** Company

BOUNDLESS ENERGY™

DELIVERED VIA EMAIL TO PSCED@KY.GOV and LINDA.BRIDWELL@KY.GOV

March 21, 2021

Linda C. Bridwell
Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, KY 40602-0615

RE: Standard Fuel Adjustment Clause Filing

Dear Ms. Bridwell:

Enclosed are Kentucky Power Company's Fuel Adjustment Clause Schedules with supporting sales and fuel cost schedules for the April 2022 billing month.

Kentucky Power committed in its February 21, 2022 letter to bring issues regarding the monthly volatility in the Company's Fuel Adjustment Clause ("FAC") charge to the immediate attention of the Commission. This letter is an example of that commitment, as Kentucky Power seeks to spread out a portion of the expected increase in fuel costs over three months to assist customers with rising bills.

Kentucky Power's calculated FAC factor for April 2022 billings (based on February 2022 estimated fuel costs) is \$0.01664/kWh (total adjustment factor of \$0.01674/kWh) as compared to the March 2022 (based on January 2022 estimated fuel costs) factor of \$0.00213/kWh (total adjustment factor of \$0.00223/kWh). The increase principally results from two causes:

The first is Kentucky Power's need for market purchases for generation. Generating units were available for 55.4% of the month of February, meaning they were either in service or available for service, but not selected by PJM as economic. The other 44.6% of the time, the units were unavailable primarily due to PJM-approved maintenance outages needed to address conditions that could eventually force them out of service if not addressed.

Second, in March 2022, customers' fuel clause was credited with a \$3.167 million true-up from the prior month, which had the effect of more greatly reducing the March 2022 FAC factor. In April 2022, customers' fuel clause will be credited with a \$60,899 true-up, which will not reduce the FAC factor as significantly. The result is that a residential customer billed in both March and April 2022 for 1,300 kWh of usage would see the customer's FAC charge increase from \$2.77 in March to \$21.63 in April.

In an effort to address bill volatility due to the monthly fuel adjustment, Kentucky Power proposes to defer \$3,000,000 in February 2022 estimated fuel costs that otherwise would be collected in April 2022. In line with its previous commitment to spread out the costs, Kentucky Power proposes to collect the deferred amounts in equal \$1,000,000 increments in the May, June, and July billed fuel factors. The effect of the deferral is to reduce the FAC factor applied to April 2022 bills to \$0.01024/kWh (total adjustment factor of \$0.01034/kWh).

With this proposal, a residential customer billed in April 2022 for 1,300 kWh of usage would see a 38 percent reduction in the FAC factor charge from \$21.63 to \$13.31 as compared to the calculated FAC factor charge. The corresponding total bill would decline from \$211.96 to \$202.82 if the proposal is implemented.

For further comparison, with this proposal the average customer using 1,300 kWh will see only a small increase in the customer's total bill in April 2022 vs. April 2021 (\$202.82 vs. \$197.99).

Therefore, **Kentucky Power officially requests a deviation from the requirements of 807 KAR 5:056, to the extent the Commission deems a deviation necessary, to implement its proposal to defer \$3,000,000 in estimated February 2022 fuel costs and to collect the same in \$1,000,000 increments over a period of three months beginning with the May 2022 bill.** Doing so will address the ongoing fuel cost volatility from current market conditions and lessen the immediate burden on customers.

Kentucky Power continues to undertake a review of changes in the calculation methodology to reduce monthly volatility in its calculated FAC and will promptly inform the Commission of any reasonable changes that are identified.

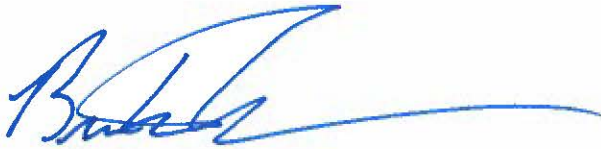
It bears reminding the Commission about another seasonal bill change that impacts customer bills in April. As the Commission is aware, under Tariff F.T.C., the Federal Tax Cut credit factor is credited at a higher amount during winter months to provide a larger credit in the higher winter heating season for customers, in accordance with the most recent base rate case order. That credit was adjusted to decline from \$.02187/kWh to \$0.0010/kWh in April and the end of the winter heating season. This means that for a residential customer billed in both March and April 2022 for 1,300 kWh of usage, the resulting Federal Tax Cut credit would decrease from \$28.43 in March 2022 to \$0.13 in April 2022.

Finally, Kentucky Power continues to promote its Average Monthly Payment Plan (AMP) for residential customers, as it helps customers by reducing fluctuations in bills, including fluctuations caused by the Fuel Adjustment Clause. Information about the AMP, and other means of controlling winter bills is available at:

<https://www.kentuckypower.com/account/bills/pay/assistance/winter-bill-help>

I would be pleased to meet with Commission Staff to address the issues contained in this letter. If you have any questions, please contact me at 606-327-2603.

Sincerely,



Brian K. West
Vice President, Regulatory & Finance
Enclosure

KENTUCKY POWER COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: February 2022

- | | | |
|---|-----|----------------------|
| 1 Fuel Adjustment Clause Factor (Page 1 of 5) | (+) | \$0.01024 |
| 2 System Sales Clause Factor | (+) | <u>\$0.0001000</u> * |
| 3 Total Adjustment Clause Factors | | \$0.01034 |

Effective Month for Billing

April 2022

Submitted by:



(Signature)

Title:

Vice President, Regulatory & Finance

Date Submitted:

March 21, 2022

* See Form 1.0, 2021 System Sales Clause Update, August 13, 2021 filing in Post-Case Filings, Case No. 2020-00174.

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: February 2022

Fuel Fm (Fuel Cost Schedule)	<u>\$17,045,674</u>		
Sales Sm (Sales Schedule)	468,782,836	(+)	0.03636
Fuel (Fb)	<u>\$12,810,858</u>		
Sales (Sb)	490,482,730	(-)	<u>0.02612 *</u>
			<u><u>0.01024</u></u>

Effective Month for Billing April 2022

Submitted by: 
(Signature)

Title: Vice President, Regulatory & Finance

Date Submitted: March 21, 2022

**Pursuant to PSC Order dated August 2, 2021 in Case No. 2021-00053.*

KENTUCKY POWER COMPANY

ESTIMATED FUEL COST SCHEDULE

Month Ended: February 2022

A.	Company Generation			
	Coal Burned	(+)	\$2,309,154	
	Oil Burned	(+)	198,958	
	Gas Burned	(+)	2,304,586	
	Fuel (jointly owned plant)	(+)	0	
	Fuel (assigned cost during Forced Outage)	(+)	0	
	Fuel (substitute for Forced Outage)	(-)	0	
	Sub Total		<u>4,812,697</u>	
B.	Purchases			
	Net Energy Cost - Economy Purchases	(+)	0	
	Identifiable Fuel Cost - Other Purchases	(+)	17,199,456	
	Identifiable Fuel Cost (substitute for Forced Outage)	(-)	0	
	Sub Total		<u>17,199,456</u>	
C.	Inter-System Sales Fuel Costs		<u>1,149,375</u>	
	Sub Total		<u>1,149,375</u>	
D.	Total Fuel Cost (A + B - C)		<u><u>\$20,862,778</u></u>	
E.	Adjustment indicating the difference in actual fuel cost for the month of <u>January 2022</u> and the estimated cost originally reported.			
			<u>\$20,055,154</u>	-
			(actual)	
			<u>\$20,695,135</u>	-
			(estimated)	
				=
				<u>(639,982)</u>
F.	Total Company Over or (Under) Recovery from Page 4, Line 12		<u>60,899</u>	
G.	Grand Total Fuel Cost (D + E - F)		<u>\$20,161,898</u>	
H.	Fuel-Related PJM Billing Line Items		<u>February 2022</u>	(116,223)
H1.	Deferral Adjustment to be collected in future months			(\$3,000,000)
I.	ADJUSTED GRAND TOTAL FUEL COSTS (G + H)		<u><u>\$17,045,674</u></u>	

KENTUCKY POWER COMPANY**SALES SCHEDULE****Month Ended: February 2022**

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	137,546,000
Purchases Including Interchange In	(+)	<u>385,354,000</u>
Sub Total		522,900,000
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	25,937,000
System Losses	(+)	<u>28,180,164</u> *
Sub Total		<u>54,117,164</u>
Total Sales (A - B)		<u><u>468,782,836</u></u>

* Does not include 598,836 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: February 2022

Line No.			
1	FAC Rate Billed	(+)	0.00080
2	Retail KWH Billed at Above Rate	(x)	<u>528,021,458</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>422,417</u>
4	KWH Used to Determine Last FAC Rate Billed	(+)	459,691,976
5	Non-Jurisdictional KWH Included in L4	(-)	<u>6,643,726</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>453,048,250</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		362,439
8	Over or (Under) Recovery (L3 - L7)		59,978
9	Total Sales (Page 3)	(+)	468,782,836
10	Kentucky Jurisdictional Sales	(/)	<u>461,695,267</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1.01535
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>60,899</u></u>

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULEMonth Ended: **January 2022**

A. Company Generation					
Coal Burned			(+)	\$5,947,315	
Oil Burned			(+)	231,661	
Gas Burned			(+)	6,920,528	
Fuel (jointly owned plant)			(+)	0	
Fuel (assigned cost during Forced Outage)					
(0 KWH X \$0.000000)			(+)	0	
Fuel (substitute for Forced Outage)			(-)	<u>0</u>	
	Sub-total			<u>13,099,504</u>	
B. Purchases					
Net Energy Cost - Economy Purchases			(+)	0	
Identifiable Fuel Cost - Other Purchases			(+)	13,275,976	
Identifiable Fuel Cost (substitute for Forced Outage)					
(0 KWH X \$0.000000)			(-)	0	
Purchase Adjustment for Peaking Unit Equivalent			(-)	665,115 (1)	
	Sub-total			<u>12,610,862</u>	
C. Inter-System Sales Fuel Costs				<u>5,655,213</u>	
D. SUB-TOTAL FUEL COST (A + B - C)				<u>\$20,055,154</u>	
E. Fuel-Related PJM Billing Line Items				<u>January 2022</u>	(525,969)
F. GRAND TOTAL FUEL COSTS (D + E)				<u><u>\$19,529,185</u></u>	

(1) As calculated in accordance with KPSC Order dated October 3, 2002 in Case No. 2000-495-B, and as modified by the Commission's January 18, 2018 Order in Case No. 2017-00179.

EXHIBIT 4



An **AEP** Company

BOUNDLESS ENERGY™

DELIVERED VIA EMAIL TO PSCED@KY.GOV and LINDA.BRIDWELL@KY.GOV

April 19, 2022

Linda C. Bridwell
Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, KY 40602-0615

RE: Standard Fuel Adjustment Clause Filing

Dear Ms. Bridwell:

Enclosed are Kentucky Power Company's Fuel Adjustment Clause Schedules with supporting sales and fuel cost schedules for the May 2022 billing month.

Kentucky Power committed in its February 21, 2022 letter to bring issues regarding the monthly volatility in the Company's Fuel Adjustment Clause ("FAC") charge to the immediate attention of the Commission. This letter is a further example of that commitment, as Kentucky Power again seeks to spread out a portion of the expected increase in fuel costs over three months to assist customers with rising bills.

Kentucky Power's calculated FAC factor for May 2022 billings (based on March 2022 estimated fuel costs) is \$0.02407/kWh (total adjustment factor of \$0.02417/kWh), which includes recovery of \$1,000,000 deferred from the April 2022 billing month (where a total of \$3,000,000 was deferred for future recovery in the May, June, and July 2022 billing months).

In a continued effort to address bill volatility due to the monthly fuel adjustment, Kentucky Power proposes to defer \$3,000,000 in March 2022 estimated fuel costs that otherwise would be collected in May 2022. In line with its previous commitment to spread out costs, Kentucky Power proposes to collect the deferred amounts in equal \$1,000,000 increments in the

June, July, and August billed fuel factors.¹ The effect of the deferral is to reduce the FAC factor applied to May 2022 bills to \$0.01729/kWh (total adjustment factor of \$0.01739/kWh).

With this proposal, a residential customer billed in May 2022 for 1,300 kWh of usage would incur a FAC factor charge of \$22.48 as compared to the unadjusted FAC factor charge of \$31.29, both of which amounts include the \$1,000,000 deferral recovery from April 2022.

As such, Kentucky Power again officially requests a deviation from the requirements of 807 KAR 5:056, to the extent the Commission deems a deviation necessary, to implement its proposal to defer \$3,000,000 in estimated March 2022 fuel costs and to collect the same in \$1,000,000 increments over a period of three months beginning with the June 2022 bill. Doing so will address the ongoing fuel cost volatility from current market conditions and lessen the immediate burden on customers.

For further explanation supporting the Company's proposal, and as explained in my previous letter to you dated March 21, 2022, one of the primary drivers of the increase in fuel costs is Kentucky Power's need for market purchases for generation. Generating units were available for 51.4% of the month of March, meaning they were either in service or available for service, but not selected by PJM as economic. The other 49.6% of the time, the units were unavailable primarily due to PJM-approved maintenance outages needed to address conditions that could eventually force them out of service if not addressed.

While it is the Company's goal to find ways to moderate FAC factor charges for customers, sometimes prudent long-term generation planning decisions and present market activity (which is outside the control of the Company) converge resulting in volatile FAC factor charges. Kentucky Power employs prudent practices in its generation planning and must take into consideration multiple factors when planning. Nonetheless, market purchases are necessary at times.

Generation planning typically is done over the long term rather than month-to-month (like how the FAC is calculated and adjusted). Many times, decisions regarding the Company's generation planning are made months or years in advance. For example, the Company often looks months or years into the future at forward prices for market energy, coal inventory levels and coal availability in the market, and the need for plant maintenance outages. However, volatility in market prices or availability can arise unexpectedly. Market purchases for the PJM AEP Dayton Hub have increased 83 percent year on year and are forecasted to remain higher through at least 2023 with wide volatility day-to-day or month-to-month. In addition, coal has remained in limited supply across the country, which drives up the price on new contracts,

¹ Recovery of these \$1,000,000 increments over two of the three proposed months (June and July 2022) will be in addition to the recovery of \$1,000,000 of previously-deferred February estimated fuel costs that otherwise would have been fully collected in April 2022, and which were addressed in my previous letter to you dated March 21, 2022.

assuming supply is even available. Thus, despite the Company's best planning efforts, sometimes conditions or changes in the market cannot be predicted.

Nonetheless, Kentucky Power always aims to offer its generating units into the market in order to minimize purchase power exposure and optimize available generation in a globally constrained fuel environment. It also must ensure that its units are in good order and able to perform during the highest load periods now and in the future. The Company takes all of these factors, as well as the potential impact on customers, into consideration when planning its generation resources and offering them into the market. The Company also remains committed to assisting customers when market conditions or prices unexpectedly change, which is demonstrated by the Company's deferral request herein.

Kentucky Power continues to undertake a review of changes in the calculation methodology to reduce monthly volatility in its calculated FAC and will promptly inform the Commission of any reasonable changes that are identified.

Finally, Kentucky Power continues to promote its Average Monthly Payment Plan (AMP) for residential customers, as it helps customers by reducing fluctuations in bills, including fluctuations caused by the Fuel Adjustment Clause. Information about the AMP, and other means of controlling bills is available at:

<https://www.kentuckypower.com/account/bills/pay/assistance/winter-bill-help>

I would be pleased to meet with Commission Staff to address the issues contained in this letter. If you have any questions, please contact me at 606-327-2603.

Sincerely,

A handwritten signature in blue ink, appearing to read 'B. West', with a long horizontal flourish extending to the right.

Brian K. West
Vice President, Regulatory & Finance
Enclosure

KENTUCKY POWER COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: March 2022

1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	\$0.01729
2 System Sales Clause Factor	(+)	<u>\$0.0001000</u> *
3 Total Adjustment Clause Factors		\$0.01739

Effective Month for Billing

May 2022

Submitted by:



(Signature)

Title:

Vice President, Regulatory & Finance

Date Submitted:

April 19, 2022

* See Form 1.0, 2021 System Sales Clause Update, August 13, 2021 filing in Post-Case Filings, Case No. 2020-00174.

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: March 2022

Fuel Fm (Fuel Cost Schedule)	\$19,204,966		
Sales Sm (Sales Schedule)	442,400,243	(+)	0.04341
Fuel (Fb)	\$12,810,858		
Sales (Sb)	490,482,730	(-)	0.02612 *
			0.01729

Effective Month for Billing May 2022

Submitted by: 
(Signature)

Title: Vice President, Regulatory & Finance

Date Submitted: April 19, 2022

**Pursuant to PSC Order dated August 2, 2021 in Case No. 2021-00053.*

KENTUCKY POWER COMPANY

ESTIMATED FUEL COST SCHEDULE

Month Ended: March 2022

A.	Company Generation			
	Coal Burned	(+)	\$13,308	
	Oil Burned	(+)	237,738	
	Gas Burned	(+)	1,845,480	
	Fuel (jointly owned plant)	(+)	0	
	Fuel (assigned cost during Forced Outage)	(+)	0	
	Fuel (substitute for Forced Outage)	(-)	0	
	Sub Total		<u>2,096,526</u>	
B.	Purchases			
	Net Energy Cost - Economy Purchases	(+)	0	
	Identifiable Fuel Cost - Other Purchases	(+)	20,259,506	
	Identifiable Fuel Cost (substitute for Forced Outage)	(-)	0	
	Sub Total		<u>20,259,506</u>	
C.	Inter-System Sales Fuel Costs		<u>530,573</u>	
	Sub Total		530,573	
D.	Total Fuel Cost (A + B - C)		<u><u>\$21,825,459</u></u>	
E.	Adjustment indicating the difference in actual fuel cost for the month of <u>February 2022</u> and the estimated cost originally reported.			
			<u>\$19,383,761</u>	-
			(actual)	
			<u>\$20,862,778</u>	=
			(estimated)	
				<u>(1,479,017)</u>
F.	Total Company Over or (Under) Recovery from Page 4, Line 12		<u>(235,930)</u>	
G.	Grand Total Fuel Cost (D + E - F)		<u>\$20,582,372</u>	
H.	Fuel-Related PJM Billing Line Items		<u>March 2022</u>	622,595
H1.	Deferral Adjustment to be collected in future months			(\$3,000,000)
H2.	Deferred Expense Adjustment (1 of 3)			\$1,000,000
I.	ADJUSTED GRAND TOTAL FUEL COSTS (G + H)		<u><u>\$19,204,966</u></u>	

KENTUCKY POWER COMPANY**SALES SCHEDULE****Month Ended: March 2022**

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	28,120,000
Purchases Including Interchange In	(+)	<u>454,029,000</u>
Sub Total		482,149,000
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	13,333,000
System Losses	(+)	<u>26,415,757</u> *
Sub Total		<u>39,748,757</u>
Total Sales (A - B)		<u><u>442,400,243</u></u>

* Does not include 489,243 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: March 2022

Line No.			
1	FAC Rate Billed	(+)	0.00213
2	Retail KWH Billed at Above Rate	(x)	<u>459,902,561</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>979,592</u>
4	KWH Used to Determine Last FAC Rate Billed	(+)	577,776,513
5	Non-Jurisdictional KWH Included in L4	(-)	<u>8,699,744</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>569,076,769</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		1,212,134
8	Over or (Under) Recovery (L3 - L7)		(232,542)
9	Total Sales (Page 3)	(+)	442,400,243
10	Kentucky Jurisdictional Sales	(/)	<u>436,045,297</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1.01457
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>(235,930)</u></u>

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: February 2022

A. Company Generation			
Coal Burned	(+)	\$2,309,154	
Oil Burned	(+)	198,958	
Gas Burned	(+)	2,304,586	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during Forced Outage)			
(33,162,710 KWH X \$0.008025)	(+)	266,131	
Fuel (substitute for Forced Outage)	(-)	<u>0</u>	
Sub-total		<u>5,078,828</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	17,207,962	
Identifiable Fuel Cost (substitute for Forced Outage)			
(33,162,710 KWH X \$0.051087)	(-)	1,694,183	
Purchase Adjustment for Peaking Unit Equivalent	(-)	51,226 (1)	
Sub-total		<u>15,462,553</u>	
C. Inter-System Sales Fuel Costs		<u>1,157,620</u>	
D. SUB-TOTAL FUEL COST (A + B - C)		<u>\$19,383,761</u>	
E. Fuel-Related PJM Billing Line Items	<u>February 2022</u>	(116,223)	
F. GRAND TOTAL FUEL COSTS (D + E)		<u><u>\$19,267,537</u></u>	

(1) As calculated in accordance with KPSC Order dated October 3, 2002 in Case No. 2000-495-B, and as modified by the Commission's January 18, 2018 Order in Case No. 2017-00179.

EXHIBIT 5



Kentucky Power
101A Enterprise Drive
PO Box 5190
Frankfort, KY 40602-5190
KentuckyPower.com

March 20, 2018

RECEIVED

Gwen R. Pinson, Executive Director
Public Service Commission of Kentucky
P. O. Box 615
211 Sower Boulevard
Frankfort, KY 40602-0615

MAR 21 2018

PUBLIC SERVICE
COMMISSION

Attention: Matthew S. Baer

RE: The Standard Fuel Adjustment Clause

Dear Mr. Baer,

Kentucky Power Company's Fuel Adjustment Clause Schedules with supporting sales and fuel cost schedules for the April 2018 billing month are attached. These calculations are based on estimated February 2018 fuel costs with an adjustment reflecting actual January 2018 fuel costs.

As stated in the Company's February 20, 2018 Informal Conference with the Commission Staff, February 2018 fuel expenses (April 2018 billing month) will reflect the first \$1 million installment of the \$3 million dollars in January 2018 fuel expenses that were deferred from January 2018. The remaining deferred expenses will be reflected \$1 million installments in the March and April 2018 fuel expenses.

Also attached is the System Sales Clause Schedule with a supporting net revenue schedule calculated pursuant to the Commission's Order dated June 22, 2015, in Case No. 2014-00396. This will be the Company's final monthly System Sales Clause filing, as the Company will begin making annual System Sales Clause filings August 15, 2018 pursuant to the Commission's Order dated January 18, 2018 in Case No. 2017-00179.

The Fuel Adjustment Clause Factor and System Sales Clause Factor for the April 2018 billing month will be prorated to reflect an effective date of the Company's new rates for service rendered on and after January 19, 2018. The attached pages will show two different Fuel Adjustment Clause Factors and System Sales Clause Factors that will be used to calculate the customer's bill on a prorated basis.

If you have any questions, please contact Amy Elliott at 502-696-7013.

Sincerely,

Ranie K. Wohnhas
Managing Director, Regulatory & Finance

KENTUCKY POWER COMPANY
ESTIMATED FUEL COST SCHEDULE

Month Ended: **February 2018**

A.	Company Generation			
	Coal Burned	(+)	\$5,305,272	
	Oil Burned	(+)	142,664	
	Gas Burned	(+)	630,561	
	Fuel (jointly owned plant)	(+)	0	
	Fuel (assigned cost during F. O.)	(+)	0	
	Fuel (substitute for F. O.)	(-)	0	
	Sub Total		<u>6,078,497</u>	
B.	Purchases			
	Net Energy Cost - Economy Purchases	(+)	0	
	Identifiable Fuel Cost - Other Purchases	(+)	6,901,503	
	Identifiable Fuel Cost (substitute for F. O.)	(-)	0	
	Sub Total		<u>6,901,503</u>	
C.	Inter-System Sales Fuel Costs		<u>662,503</u>	
	Sub Total		662,503	
D.	Total Fuel Cost (A + B - C)		<u>\$12,317,497</u>	
E.	Adjustment indicating the difference in actual fuel cost for the month of <u>January 2018</u> and the estimated cost originally reported.			
			<u>\$19,893,646</u>	-
			(actual)	
			<u>\$18,809,447</u>	=
			(estimated)	
				<u>1,084,199</u>
F.	Total Company Over or (Under) Recovery from Page 4, Line 12		<u>(4,335)</u>	
G.	Grand Total Fuel Cost (D + E - F)		<u>\$13,406,031</u>	
H.	Net Transmission Marginal Line Loss for month of <u>February 2018</u> (Accounts 5550326 and 5550327)		397,088	
H1.	Deferred January Expense (1/3)		1,000,000	
I.	ADJUSTED GRAND TOTAL FUEL COSTS (G + H + H1)		<u>\$14,803,119</u>	