

December 28, 2022

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ELECTRONICALLY FILED

Linda C. Bridwell
Executive Director
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602-0615

RE: **Case No. 2022-00283** (Post-Case Correspondence)

Dear Ms. Bridwell:

Kentucky Power makes this filing in accordance with Ordering Paragraphs 3 and 4 of the Public Service Commission of Kentucky's ("Commission") December 8, 2022 Final Order in the above-referenced case. The Final Order provides:

Within 20 days of the date of service of this Order, Kentucky Power shall file its proposal for ensuring that ratepayers are fully credited for Tariff PPA rates related to the Rockport Deferral Mechanism, from December 9, 2022, through December 31, 2022...Documents filed pursuant to ordering paragraph 3 shall reference this case number and shall be retained in the post-case correspondence file.¹

The amount of Rockport Fixed Cost Savings that customers no longer will incur during the stub period of December 9, 2022 through December 31, 2022 is \$2,572,362 ("Stub Period Savings")². Kentucky Power proposes to credit the entirety of the Stub Period Savings back to customers over three months, beginning October 1, 2023 through December 31, 2023. With this proposal, the entirety of the Rockport Fixed Cost Savings realized from December 9, 2022 through December 31, 2023 will be credited back to customers during the calendar year 2023.³

¹ Order, *In The Matter Of: Electronic Investigation Of Kentucky Power Company Rockport Deferral Mechanism*, Case No. 2022-00283 at 16 (Ky. P.S.C. December 8, 2022).

² \$2,572,362 = 6.3% x \$40,831,141 annual amount in base rates. Where 6.3% = 23 days / 365 days.

³ The Commission stated in its January 13, 2021 Order in Case No. 2020-00174 at page 32 that "...due to the anticipated savings from the termination of the Rockport UPA and therefore termination of associated costs that are currently in base rates and the termination of the Capacity Charge, the Commission finds that Kentucky Power should file a general base rate case adjustment application for rates effective January 1, 2024." Thus, should for any reason new rates not become effective until after January 1, 2024, the Company will need to further address the associated return for fixed cost savings for such a period.

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The Tariff P.P.A. forms filed simultaneously herewith demonstrate the specifics of the Company's proposal. Because the Company proposes to credit the Stub Period Savings over the course of three months rather than over the course of the entire Tariff P.P.A. 'year' (October 2023 through September 2024), Tariff P.P.A. collection is proposed to be broken down into two phases for the October 2023-September 2024 Tariff P.P.A. 'year' (*see* Tab Tariff P.P.A. Form 1.0).⁴ The first phase (*see* Tab Tariff P.P.A. Form 2.0 – P1) will be effective for billing October 1, 2023 through December 31, 2023, and reflects the full credit for the Stub Period Savings. The second phase (*see* Tab Tariff P.P.A. Form 2.0 – P2) will be effective for billing January 1, 2024 through September 30, 2024 and does not reflect any credit for the Stub Period Savings.

The Company respectfully requests that the Commission approve its proposal to credit the Stub Period Savings back to customers as detailed herein.

Please do not hesitate to contact me if you have any questions.

Very truly yours,

STITES & HARBISON PLLC



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⁴ Cell G17 reflects the entirety of the Stub Period Savings grossed-up over a 12-month period in order to reflect the full Stub Period Savings to be credited over a three-month period (Phase 1) ($\$10,289,448 / 4 = \$2,572,362$).