

**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 Riders;	)	
(3) Approval Of Accounting Practices To Establish	)	Case No. 2023-00159
Regulatory Assets And Liabilities; (4) A	)	
Securitization Financing Order; And (5) All Other	)	
Required Approvals And Relief	)	

**Kentucky Power Company’s Transmission Cost Allocation Study Update**

In the direct testimony of Joshua D. Burkholder, filed in this case on June 29, 2023, Mr. Burkholder described the steps that Kentucky Power Company (“Kentucky Power” or “Company”) has taken to address the Commission’s concerns regarding the Company’s transmission investment and expenses. Mr. Burkholder’s testimony further describes that American Electric Power Service Corporation (“AEPSC”) has initiated a review process to examine how PJM transmission costs are allocated to and among the Company and the other AEP operating companies operating in PJM (collectively, the “AEP East Operating Companies”), focusing primarily on cost allocation in the AEP Zone in PJM. To support the transparency of the analysis, the Company also committed in Mr. Burkholder’s testimony to providing updates to the Commission in this docket about the progress of AEPSC’s review every 30 days, beginning August 31, 2023, until the time the analysis is complete and recommendations from it are submitted to the Commission.

As described in the Company’s August 31, 2023 update, AEPSC with the input of the experts have identified two overall work streams: (1) analysis of potential changes to AEP Zone and PJM cost allocation for the AEP East Operating Companies; and (2) analysis of potential

changes to the AEP Zone and PJM cost allocation for Kentucky Power (the “KY Analysis”). Since the Company’s August 31, 2023 update, AEPSC and its external experts have focused on identifying the potential cost allocation options for analysis and the quantifiable and other costs and benefits applicable to the Company, such as transmission reliability, generation diversity, and resource optimization. AEPSC and its external experts have also engaged in the development of methods for quantifying such costs and benefits to the extent practical for evaluation purposes.

Subsequent updates will be filed at thirty-day intervals.

Respectfully submitted,



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COMPANY