

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

Electronic Tariff Filing Of Kentucky Power)	
Company To Update Its Purchase Power Adjustment)	Case No. 2023-00318
Rates)	

**Kentucky Power Company’s Notice of Intent to Place Proposed Rates
Into Effect Subject to Change Pursuant to KRS 278.190(2)**

Kentucky Power Company (“Kentucky Power” or the “Company”) hereby notifies the Public Service Commission of Kentucky (“Commission”), pursuant to KRS 278.190(2) and the Commission’s September 27, 2023 Order in this matter, that it intends to place the rates proposed in the Company’s August 15, 2023 Tariff P.P.A. (Purchase Power Adjustment) filing (TFS 2023-374) into effect for service rendered on and after September 29, 2023. The Company is placing these rates into effect, subject to change, pending the Commission’s final order in this matter.

Placing the proposed Tariff P.P.A. rates into effect is to the benefit of customers. By doing so, the Company will be implementing rates that are slightly lower than they otherwise would be if the Company had continued to calculate the Tariff P.P.A. rate under the existing mechanism. Thus, upon the Commission’s final order in this case, if the proposed Tariff P.P.A. rates (based on the modified mechanism) are not approved, it is possible that the Company could be entitled to a refund from customers.

The Company further notes that the Company’s proposal in Case No. 2023-00159 to securitize the existing Tariff P.P.A. under-recovery regulatory asset, and to “zero-out” that under-recovery from the proposed Tariff P.P.A. rate, is also a benefit to customers. Had the Company not done so, and instead included that under-recovery in the proposed Tariff P.P.A.

rate, then the annual amount to be collected through Tariff P.P.A. rates would have been higher in order to begin collection of that approximate \$52 million under-recovery.

For these reasons, the Company elects to implement the proposed Tariff P.P.A. rates pending the Commission's final order in this matter and subject to change for service rendered on and after September 29, 2023. In doing so, the Company will comply with all applicable requirements of KRS 278.190.

The Company also hereby provides notice that it will request an informal conference with Commission Staff and any intervenors in this case after the deadline for intervention runs on October 5, 2023, to discuss the Company's proposed Tariff P.P.A. or any other matters that may aid in the handling and disposition of this case.

Respectfully submitted,



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