

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

Electronic Application Of Kentucky Power Company)	
For: (1) Approval Of The Rockport Offset True-Up)	
Amount; (2) Approval To Collect The Rockport)	
Offset True-Up Through Tariff Purchase Power)	Case No. 2024-00016
Adjustment; And (3) All Other Required Approvals)	
And Relief)	

**Kentucky Power Company’s Motion to Place Proposed Rates Into Effect
Subject to Refund Pursuant to KRS 278.190(2)**

Kentucky Power Company moves the Public Service Commission of Kentucky pursuant to KRS 278.180 and KRS 278.190(2) for an Order permitting Kentucky Power to begin collecting the Rockport Offset True-Up through Tariff P.P.A. as described herein for services rendered on and after March 1, 2024, subject to refund pursuant to KRS 278.190(2) until the Commission issues a final order in this case.

KRS 278.180(1) mandates that “no change shall be made by any utility in any rate except upon thirty (30) days’ notice to the commission, stating plainly the changes proposed to be made and the time when the changed rates will go into effect.” KRS 278.190(2) permits the Commission to suspend the proposed rates pending the Commission’s review of the rates. That section also allows the utility to place the rates proposed into effect at the end of the designated suspension period after notifying the Commission, in writing, of the utility’s intention so to do. The Commission may also order the utility to refund any amounts ultimately found to be unreasonable by the Commission.

Kentucky Power proposes in its application in this case to implement the Commission-approved provisions of the settlement agreement in Case No. 2017-00179¹ (“2017 Settlement Agreement”) related to the Rockport Offset True-Up.² The Company requests to begin collecting the Rockport Offset True-Up for service rendered March 1, 2024. Kentucky Power has provided the Commission the 30 days’ notice of the proposed change to Tariff P.P.A. rates as required by KRS 278.180(1) by filing its application in this case on January 31, 2024.

Kentucky Power respectfully requests, in the event that the Commission’s investigation in this case will extend beyond March 1, 2024, that the Commission issue an order permitting Kentucky Power to begin collecting the Rockport Offset True-Up through Tariff P.P.A. as described in its application for services rendered on and after March 1, 2024, subject to refund pursuant to KRS 278.190(2), until the Commission issues a final order in this case.

Permission to place the proposed rates into effect, subject to refund, beginning March 1, 2024 is warranted here. First, the Commission already approved the provisions of the Rockport Offset-True Up, including its collection through Tariff P.P.A. beginning March 1, 2024, in the 2017 Settlement Agreement in Case No. 2017-00179. Kentucky Power has calculated the Rockport Offset True-Up in accordance with the Commission-approved provisions of the 2017 Settlement Agreement as demonstrated in Exhibit HMW-1 to the Direct Testimony of Heather M. Whitney. Nonetheless, the Company understands from orders in subsequent cases that the Commission will review the amount to be collected through the Rockport Offset True-Up in this case. The Company respectfully avers that because the Rockport Offset True-Up mechanism has

¹ *In The Matter Of: Electronic Application Of Kentucky Power Company For (1) A General Adjustment Of Its Rates For Electric Service; (2) An Order Approving Its 2017 Environmental Compliance Plan; (3) An Order Approving Its Tariffs And Riders; (4) An Order Approving Accounting Practices To Establish Regulatory Assets And Liabilities; And (5) An Order Granting All Other Required Approvals And Relief, Case No. 2017-00179.*

² As defined in the Direct Testimony of Brian K. West.

already been approved by the Commission, the Company should be able to begin collecting, subject to refund, the Rockport Offset True-Up for services rendered beginning March 1, 2024 while the Commission investigates the amount of the Rockport Offset True-Up to be collected in this proceeding.

Second, as evidenced recently in the Company's 2023 base rate proceeding (Case No. 2023-00159), the Company's financial situation is dire.³ Being able to begin collection, subject to refund, of the Rockport Offset True-Up for services rendered March 1, 2024, will help improve the Company's financial situation, which was the purpose behind the inclusion of the Rockport Offset in the Commission-approved 2017 Settlement Agreement.

Finally, Commission precedent for the Company's request in this motion exists. For example, the Commission recently initiated Case No. 2023-00318 in order to investigate the Company's proposed annual Tariff P.P.A. (Purchased Power Adjustment) rates filed August 15, 2023.⁴ In its initiating order, the Commission found that it could not complete its investigation of the proposed Tariff P.P.A. rates by the proposed effective date. The Commission then held: "Pursuant to KRS 278.190(2), the Commission will suspend the effective date of the proposed Tariff P.P.A. for one day until September 29, 2023, to give the Commission time to investigate the Tariff P.P.A. rates without hindering the intent to return the Rockport Fixed Cost Savings for the stub period in 2023." The Commission ordered that Kentucky Power's proposed rates could be "placed in effect by Kentucky Power on and after September 29, 2023, pending the final

³ See e.g. Direct Testimony of Cynthia G. Wiseman at 11-15; Direct Testimony of Adrien M. McKenzie; Direct Testimony of Steven M. Fetter; Commission's January 19, 2024 Order at 72, 77, *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 Regulatory Assets And Liabilities; (4) A Securitization Financing Order; And (5) All Other Required Approvals And Relief*, Case No. 2023-00159.

⁴ *In The Matter Of: Electronic Tariff Filing Of Kentucky Power Company To Update Its Purchase Power Adjustment Rates*, Case No. 2023-00318.

Order in this matter and subject to refund, provided Kentucky Power provides written notice to the Commission of its intention to do so as required by KRS 278.190(2).”

WHEREFORE, Kentucky Power Company respectfully requests the Commission to enter an Order:

1. In the event that the Commission’s investigation in this case will extend beyond March 1, 2024, permitting Kentucky Power to begin collecting the Rockport Offset True-Up through Tariff P.P.A. as described in its application for services rendered on and after March 1, 2024, subject to refund pursuant to KRS 278.190(2), until the Commission issues a final order in this case; and
2. Granting Kentucky Power all further relief to which it may be entitled.

Respectfully submitted,



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