

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

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY)	
POWER COMPANY FOR: (1) APPROVAL TO)	
EXPAND ITS TARGETED ENERGY)	
EFFICIENCY PROGRAM; (2) APPROVAL OF A)	
HOME ENERGY IMPROVEMENT PROGRAM)	
AND A COMMERCIAL ENERGY SOLUTIONS)	CASE NO. 2024-00115
PROGRAM; (3) AUTHORITY TO RECOVER)	
COSTS AND NET LOST REVENUES, AND TO)	
RECEIVE INCENTIVES ASSOCIATED WITH)	
THE IMPLEMENTATION OF ITS DEMANDSIDE)	
MANAGEMENT/ENERGY EFFICIENCY)	
PROGRAMS; (4) APPROVAL OF REVISED)	
TARIFF D.S.M.C.; (5) ACCEPTANCE OF ITS)	
ANNUAL DSM STATUS REPORT; AND (6) ALL)	
OTHER REQUIRED APPROVALS AND RELIEF)	

JOINT STIPULATION OF FACTS

In the spirit of collaboration and efficient development of a clear record in this proceeding, Kentucky Power Company (“Kentucky Power”) and Joint Intervenors Mountain Association, Appalachian Citizens’ Law Center, Kentuckians for the Commonwealth, and Kentucky Solar Energy Society (“Joint Intervenors”) hereby stipulate to the following facts:

1. The DSM surcharge factors proposed in this proceeding by Kentucky Power are calculated using the methodology applied in Kentucky Power’s Demand-Side Management program filings since November 15, 2017, when revisions were made in an effort to reduce earlier rate volatility.
2. Before November 15, 2017, Kentucky Power calculated its Demand-Side Management (DSM) surcharge factors using the following method for each of Residential and Commercial customer segments: the Company would calculate a “floor” and “ceiling” rate using values for the first and second six month forecasted periods; the “floor” was calculated by dividing the cumulative over/under collection amount by the forecasted sector kWh sales; the “ceiling”

was calculated by dividing the total to be recovered by the forecasted sector kWh; and then the surcharge factor would be set at the midpoint between the “floor” and “ceiling” values.

3. Kentucky Power’s historic calculation method is demonstrated in Case No. 2016-00281, Kentucky Power Exhibit 4, KPCO_APP_Exhibit_4_Schedule_C.xls (Aug. 15, 2016). That surcharge calculation [workpaper](#) shows the “floor” and “ceiling” mechanism (rows 26-28 of the “Summary” tab) and shows that forecasts go only through the first half of 2017, rather than the full calendar year of 2017.
4. In Case No. 2017-00097, Kentucky Power agreed to make certain changes to the method for calculating its Demand-Side Management (DSM) surcharge factors. The agreed changes to its surcharge calculations were intended to avoid rate volatility in the DSM surcharge factors.
5. Under Kentucky Power’s revised surcharge calculation methodology, the DSM surcharge factor is calculated by adding any under-recovery or over recovery from the prior program year, plus estimated expenses for the upcoming program year, and dividing that sum by forecasted sales for the upcoming program year.
6. Kentucky Power’s revised surcharge factor calculations were first reflected in Case No. 2017-00097, in workpapers titled “DSM Schedule C Alternative A” and “DSM Schedule C Alternative B”, both filed on November 15, 2017.
7. In the years since, Kentucky Power has continued to use this revised surcharge calculation methodology.
8. In this proceeding, Kentucky Power calculated its proposed DSM surcharge factors according to the revised surcharge calculation methodology.
9. Kentucky Power’s DSM surcharge factors in this proceeding consistently reflect the revised methodology, wherein the actual under/over recovery to date is established, and then summed with forecasted program costs through December 2025—the end of the next program year—and that total value is divided by total forecasted sales (kWh) from January 2025-December 2025 to establish the surcharge.

Dated: December 18, 2024

Respectfully submitted,

/s/ Katie M. Glass

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FOR THE COMMONWEALTH, AND
KENTUCKY SOLAR ENERGY SOCIETY

VERIFICATION

The undersigned, Tanner S. Wolffram, being duly sworn, deposes and says he is the Directory of Regulatory for Kentucky Power Company, that he has personal knowledge of the matters set forth in the foregoing stipulation of facts and the information contained therein is true and correct to the best of his information, knowledge, and belief after reasonable inquiry.



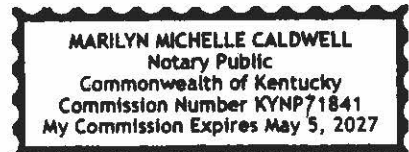
Tanner S. Wolffram

Commonwealth of Kentucky)
)
County of Boyd)

Case No. 2024-00115

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Tanner S. Wolffram, on December 18, 2024

Marilyn Michelle Caldwell
Notary Public



My Commission Expires May 5, 2027

Notary ID Number KYNP71841