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 CERTAIN REGULATORY AND ACCOUNTING TREATMENTS; AND (4) ALL OTHER REQUIRED APPROVALS AND RELIEF	))))))))	**CASE NO. 2025-00257**

RESPONSES OF JOINT INTERVENORS APPALACHIAN CITIZENS' LAW CENTER, KENTUCKIANS FOR THE COMMONWEALTH, KENTUCKY SOLAR ENERGY SOCIETY, AND MOUNTAIN ASSOCIATION TO COMMISSION STAFF'S POSTHEARING REQUEST FOR INFORMATION

[DATED January 20, 2026]

Dated: January 27, 2026

RESPONSES OF JOINT INTERVENORS APPALACHIAN CITIZENS' LAW CENTER, KENTUCKIANS FOR THE COMMONWEALTH, KENTUCKY SOLAR ENERGY SOCIETY, AND MOUNTAIN ASSOCIATION TO COMMISSION STAFF'S POSTHEARING REQUEST FOR INFORMATION

[DATED January 20, 2026]

Case No. 2025-00257

Question No. 2.1

Q-2.1 Refer to the Direct Testimony of Roger D. Colton (Colton Direct Testimony), pages 84-101. Explain if qualifying customers could choose to intentionally withhold payments to allow participation in the proposed Arrearage Management Program (AMP).

A-2.1 RESPONSE:

The way this question is structured, it is not possible to assert the negative (that qualifying customers could not choose to intentionally withhold payments). It would obviously be possible ("could") for someone to "intentionally withhold payments to allow participation. . ." However, numerous utilities, having implemented an AMP, have evaluated their programs. (frequently in conjunction with their corresponding affordability program). In Pennsylvania, for example, utilities operating their "Customer Assistance Program" (CAP), which includes arrearage forgiveness, are required by Commission regulation to retain an independent evaluator to prepare a program evaluation every six years. The most recent evaluations for each utility are available on the PUC website (https://www.puc.pa.gov/electricity/universal-service/). (That website also has the schedule for future evaluations.) None of the Pennsylvania evaluations have identified the question presented in this Staff request (i.e., whether customers intentionally withhold payments to allow participation in arrearage forgiveness). Moreover, in the last two years (2024 and 2025), I have been a consultant for the New Hampshire state Department of Energy in a PUC review of the Eversource Energy (New Hampshire's major electric utility) "Fresh Start" program (arrearage management program); a consultant for the New Jersey Division of Rate Counsel in the Board of Public Utilities (BPU) generic review of that state's affordability program (including the "Fresh Start" –arrearage management—program; and a consultant for the Massachusetts Attorney General's Office in the Department of Public Utilities' (DPU) generic investigation into that state's affordability program (including arrearage management). In none of those states, was the question of whether customers were "intentionally withholding payments to allow participation" in the AMPs raised as an issue of concern. Concerns about whether to prevent this from being a "problem" could and should be addressed in program operation rather than in program structure. In Pennsylvania, for example, while utilities no longer require a minimum arrearage balance, or impose a maximum arrearage ceiling, the utilities target their outreach to customers with the highest arrears. Doing so has two impacts: (1) it targets the program toward those arrears which are the least likely to be paid; and (2) it targets the program to customers who have an arrearage balance of sufficient size that they have been subject to the utility's credit and collection processes before enrollment. "Intentionally withholding payments," in other words, would expose customers to the credit and collection process prior to enrollment in the AMP. Doing this, however, is a matter of outreach targeting, not a matter of program design or program structure.

WITNESS: Roger D. Colton

RESPONSES OF JOINT INTERVENORS APPALACHIAN CITIZENS' LAW CENTER, KENTUCKIANS FOR THE COMMONWEALTH, KENTUCKY SOLAR ENERGY SOCIETY, AND MOUNTAIN ASSOCIATION TO COMMISSION STAFF'S POSTHEARING REQUEST FOR INFORMATION

[DATED January 20, 2026]

Case No. 2025-00257

Question No. 2.2

Q-2.2 Refer to Colton Direct Testimony, pages 59-64.

a. State if you are aware that in Case No. 2023-00159[1] the Residential Energy Assistance (R.E.A.) rate and company match increased to $0.80 per meter.
b. Explain how your recommendation of increasing the Tariff R.E.A. rate impacts your overall concern of bill affordability in the service territory.
c. Explain if increasing the Tariff R.E.A. rate could potentially negatively impact bill affordability.

A-2.2 RESPONSE:

a. Mr. Colton is aware of the fact that in the Order issued January 19, 2024, in Case No. 2023-00159, the Commission held:

> Kentucky Power proposed to increase the Tariff R.E.A. rate and corresponding company match by $0.10 per month to $0.40 per residential meter per month. Kentucky Power stated that doing so would allow it to support approximately 1,000 additional participants per year. The Joint Intervenors agreed with the Kentucky Power's proposed revision to Tariff R.E.A. In the Settlement, Kentucky Power agreed to double the company match from a one-to-one match to a two-to-one match, or $0.80 per meter instead of $0.40 per meter. The Commission finds that the proposed Tariff R.E.A. rate and the matching increase are reasonable and should be approved.

(Order, at 66-67, internal citations omitted). Mr. Colton referenced the $0.40 R.E.A. charge approved in that Order on a number of occasions in his Direct Testimony (see,

[1] Case No. 2023-00159, 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 (Ky. PSC Jan. 19, 2024), Order at 67.

e.g., Colton Direct, at pages 5, 60, 63). Moreover, in his Direct Testimony, Mr. Colton referenced the Commission's approval of the increase in the Company match to be a two-to-one match. (Colton Direct, at page 64). Mr. Colton provided the reasons why this two-year old decision should be updated in the pending proceeding.

As Mr. Colton noted at hearing, under questioning by counsel for Kentucky Power, he had reviewed (and had available at the hearing), the "Appendix B" from the Annual Report on Home Energy Assistance Programs filed by Kentucky Power in KPSC Case No.2019-00366, which sets forth, inter alia, the annual participation rates for the HEART and THAW programs. While the Commission's approval of the increase in the R.E.A. rate (and matching grant) was based on the representation by Kentucky Power that "doing so would allow it to support approximately 1,000 additional participants per year," the annual Home Energy Assistance reports referenced by Mr. Colton at the hearing document that actual HEART and THAW participation in 2021 through 2023 (the three years prior to the Commission January 19, 2024 decision), and 2024 through 2025 (the two years after the January 19, 2024 Commission decision), was as set forth in the Table below:

Annual Report on Home Energy Assistance Programs (KPC)
Appendix B (KPSC A_3)

Participation as of:	HEART participation	THAW participation	Combined participation
June 30, 2021	1,941	5,556	7,497
June 30, 2022	3,399	2,555	5,954
June 30, 2023	1,613	1,178	2,791
June 30, 2024	1,694	1,301	2,995
June 30, 2025	3,692	3,198	6,890

As can be seen, despite the increase in the R.E.A. charge, the combined participation in the HEART and THAW programs as of June 30, 2025 remain below the participation level as of June 30, 2021. While the participation as of June 30, 2025 is higher than the corresponding participation in 2023 and 204, that is because the 2023 and 2024 participation numbers were lower than typical, not because the 2025 number was higher.

As Mr. Colton stated in his Direct Testimony, prior approval of increases in the R.E.A. tariff is significant in at least two respects. First, it demonstrates that the R.E.A. tariff, and changes thereto, are not barred by Kentucky statutes pertaining to undue rate discrimination. Second, the Commission's decision demonstrates that it is not merely "appropriate," but important, to update the R.E.A. in response to changes in hardship.

b. Mr. Colton's recommendation will have no adverse impact on affordability as explained in response to sub-section (c) below. In the longer term, due to the impact of improved affordability provided through Mr. Colton's recommendation, overall affordability will be improved for all ratepayers due to the impact which his recommendation will have on reducing overall KPC expenses and enhancing revenues as was explained in detail in his Direct Testimony.

c. Mr. Colton's recommendation was to increase the R.E.A. charge from $0.40 to $0.75 per month, an annual increase of $4.20 ($0.35/month x 12 months = $4.20 per year). That increase would have no meaningful impact on affordability. The Table below replicates Table 3 in Mr. Colton's Direct Testimony, except that it compares the electric burden at proposed rates to the electric burden at proposed rates with the additional $4.20 added. Moreover, to compare the impact on affordability, the Table below extends burdens to three decimal points (rather than the one decimal point presented in Table 3). As the Table shows, for the lowest income households, including the increased R.E.A. charge recommended by Mr. Colton would increase the electric burden by eight one-hundredths of one percent (0.0008). At incomes of $15,000 to $30,000, including the increased R.E.A. charge would increase KPC burdens by two-one-hundredths of one percent (0.0002). At incomes between $30,000 and $60,000, including the increased R.E.A. charge would increase KPC burdens by one one-hundredth of one percent (0.0001).

Re stated Table 3 (Colton Direct, page 20) with Increased R.E.A. Charge included

Income Range	Burden at Proposed Rates	Burden at Proposed Rates (with Increased REA Charge Included)	Increase in Burden
Bill (in dollars)	$2,532	$2,536	XXX
Less than $10,000	50.640%	50.724%	0.08%
$10,000 - $14,999	20.256%	20.290%	0.03%
$15,000 - $19,999	14.469%	14.493%	0.02%
$20,000- $24,999	11.253%	11.272%	0.02%
$25,000 - $29,999	9.207%	9.223%	0.02%
$30,000 - $34,999	7.791%	7.804%	0.01%
$35,000 - $39,999	6.752%	6.763%	0.01%
$40,000 - $44,999	5.958%	5.968%	0.01%
$45,000 - $49,999	5.331%	5.339%	0.01%
$50,000 - $59,999	4.604%	4.611%	0.01%

VERIFICATION

The undersigned, Roger D. Colton, being first duly sworn, deposes and says that he has personal knowledge of the matters set forth in the foregoing discovery responses and that the information contained therein is true and correct to the best of his information, knowledge, and belief, after reasonable inquiry.

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Subscribed and sworn to before me by Roger D. Colton this 23 day of January, 2026.

____
Notary Public

My commission expires: ____________

HARWOOD E. SOUL JR.
Notary Public
Commonwealth of Massachusetts
My Commission Expires 10/30/2031