

**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;)	Case No. 2025-00257
(3) Approval Of Certain Regulatory And Accounting)	
Treatments; and (4) All Other Required Approvals)	
And Relief)	

APPLICATION

Kentucky Power Company (“Kentucky Power” or the “Company”) applies to the Public Service Commission of Kentucky (“Commission”) pursuant to KRS 278.180; KRS 278.190; KRS 278.220; 807 KAR 5:001, Section 14; 807 KAR 5:001, Section 16; 807 KAR 5:011; and all other applicable statutes and regulations, for an order granting: (1) approval of a general adjustment of its electric rates; (2) approval of its tariffs and riders; (3) approval of certain regulatory and accounting treatments; and (4) all other required approvals and relief. In support of this Application, the Company states:

Application for General Adjustment of Rates

A. **INFORMATION REGARDING THE APPLICANT.**

1. **Name and Address:** The Applicant’s full name and post office address is: Kentucky Power Company, 1645 Winchester Avenue, Ashland, Kentucky 41101. The Company’s electronic mail address is kentucky_regulatory_services@aep.com.

2. **Incorporation:** Kentucky Power is a corporation organized on July 21, 1919 under the laws of the Commonwealth of Kentucky. The Company currently is in good standing

in Kentucky.¹ Kentucky Power has on file with the Office of the Secretary of State certificates for the following assumed names: “Kentucky Power;” “AEP Kentucky Power;” and “American Electric Power.” The required certificates of assumed name are provided in Section II, Exhibit C to this Application.

3. **Business:** Kentucky Power Company is a public utility principally engaged in the provision of electricity to Kentucky consumers. The Company generates and purchases electricity that it distributes and sells at retail to approximately 162,000 customers located in all, or portions of, the Counties of Boyd, Breathitt, Carter, Clay, Elliott, Floyd, Greenup, Johnson, Knott, Lawrence, Leslie, Letcher, Lewis, Magoffin, Martin, Morgan, Owsley, Perry, Pike, and Rowan. Kentucky Power furnished wholesale electric service to the City of Vanceburg and the City of Olive Hill during the test year in this case. The contracts with those wholesale customers expired at the end of May 2025.

4. **Affiliations:** Kentucky Power is a direct, wholly-owned subsidiary of American Electric Power Company, Inc. Kentucky Power Cost Recovery LLC (“Cost Recovery”) is a separate entity which was formed in Delaware and is registered to do business in Kentucky. Cost Recovery is a wholly owned subsidiary of Kentucky Power with Kentucky Power owning 100% of the outstanding membership interests in and to Cost Recovery. All other affiliates are set forth in the Cost Allocation Manual provided in Section II, Exhibit A to this Application

5. **Annual Reports:** The Company hereby certifies that its annual reports, including the annual report for the most recent calendar year (2024), are on file with the Commission pursuant to 807 KAR 5:006, Section 4(1) and 807 KAR 5:006, Section 4(2).

¹ A certified copy of the Company’s Articles of Incorporation and all amendments thereto was attached to the Joint Application in *In the Matter Of: The Joint Application Of Kentucky Power Company, American Electric Power Company, Inc. And Central And South West Corporation Regarding A Proposed Merger*, P.S.C. Case No. 99-149. The Company’s August 25, 2025 Certificate of Existence is provided in Section II, Exhibit B to this Application.

6. **Company Property:** The Company's Big Sandy Power Plant consists of a 295 MW gas-fired steam-electric generating unit located at the Big Sandy Generating Station near Louisa, in Lawrence County, Kentucky. In addition, Kentucky Power owns and operates a 50% undivided interest in the coal-fired Mitchell Generating Station, located approximately 10 miles south of Moundsville, West Virginia.² Kentucky Power's share of the Mitchell Generating Station comprises 780 MW. The Company's electric transmission system includes substation nameplate capacity of approximately 5,345,000 kVA and approximately 1,270 circuit miles of line and is interconnected with the systems of neighboring utilities. The Company's electric distribution system includes substation nameplate capacity of approximately 1,926,650 kVA and approximately 10,156 circuit miles (including secondary) of above-ground and underground line. Other properties include service buildings, stores buildings, garages, and other structures and equipment. The net original cost of the property and the cost thereof to the applicant at May 31, 2025,³ was:

² Order, *In the Matter of: Application of Kentucky Power Company for (1) A Certificate of Public Convenience and Necessity Authorizing the Transfer to the Company of an Undivided Fifty Percent Interest in the Mitchell Generating Station and Associated Assets; (2) Approval of the Assumption by Kentucky Power Company of Certain Liabilities in Connection with the Transfer of the Mitchell Generating Station; (3) Declaratory Rulings; (4) Deferral of Costs Incurred in Connection with the Company's Efforts to Meet Federal Clean Air Act Requirements; and (5) All Other Required Approvals and Relief*, Case No. 2012-00578, (Ky. P.S.C. Oct. 7, 2013).

³See Section II, Exhibit K to this Application for further detail.

Kentucky Power
Electric Plant in Service and Accumulated Depreciation
At May 31, 2025

<u>Original Cost - Electric Plant in Service</u>	
Production Plant	1,291,776,799
Transmission Plant	963,389,640
Distribution Plant	1,223,397,012
General Plant	173,948,364
Intangible Plant and Other EPIS	52,919
Total	3,652,564,734
Less Accumulated Depreciation and Amortization of Electric Utility Plant	(1,402,062,591)
Net Plant	2,250,502,143

B. NOTICES.

7. **Notice of Intent.** Pursuant to 807 KAR 5:001, Section 16(2), Kentucky Power filed its Notice of Intent with the Commission on July 29, 2025. The Notice of Intent was filed at least 30 days prior to the filing of this Application. A copy of the Notice of Intent was transmitted by e-mail to the Attorney General’s Office of Rate Intervention in a portable document format (rateintervention@ag.ky.gov). The Notice of Intent also was provided electronically to counsel for all other intervenors in Case No. 2023-00159. A copy of the Notice of Intent is provided as Section II, Exhibit G to this Application.

8. **Customer Notices:** The required customer notice was and is being given in compliance with 807 KAR 5:001, Section 17 as follows:

(a) The customer notice required by 807 KAR 5:001, Section 17(2) and 807 KAR 5:011, Section 8(2) will be published once a week for three consecutive weeks in a prominent manner in newspapers of general circulation in Kentucky Power’s service area (the “Customer Notice”). The Customer Notice was first published beginning August 22, 2025. An

affidavit verifying the contents of the published Customer Notice, that the notice was published, and the dates of publication will be filed in accordance with 807 KAR 5:001, Section 17(3)(b) and 807 KAR 5:011, Section 8(3)(b) within 45 days of the date this Application is submitted to the Commission;

(b) The public postings of the Customer Notice required by 807 KAR 5:001, Section 17(1)(a) and 807 KAR 5:011, Section 8(1)(a) were posted on or before August 29, 2025 at the following locations;

- (i) Ashland Corporate Office, 1645 Winchester Avenue, Ashland, Kentucky;
- (ii) Cannonsburg (Ashland) Service Center, 12333 Kevin Avenue, Ashland, Kentucky;
- (iii) Hazard Service Center, 1400 E. Main Street, Hazard, Kentucky;
and
- (iv) Pikeville Service Center, 3249 N. Mayo Trail, Pikeville, Kentucky.

The Company also is providing a copy of the Application for public inspection during regular business hours at each of the above locations. The public postings of the Customer Notice and copies of the Application will remain available for public inspection in conformity with the requirements of 807 KAR 5:001, Section 17(1)(c) and 807 KAR 5:011, Section 8(1)(c) until the Commission enters a final decision in this matter; and

(c) By posting on its website (kentuckypower.com) within five business days of filing this Application the information and hyperlink as required by 807 KAR 5:001, Section 17(1)(b) and 807 KAR 5:011, Section 8(1)(b). This information will remain available for public access and inspection in conformity with the requirements of 807 KAR 5:001, Section 17(1)(c) and 807 KAR 5:011, Section 8(1)(c) on Kentucky Power's website until the Commission enters a final decision in this matter.

9. **Notices to the Company:** Pursuant to KRS 278.380, Kentucky Power waives its right for purposes of this proceeding to receive service of the orders of the Commission by mail. The Company requests that electronic copies of all orders, pleadings, and other filings relating to this proceeding be directed to the following in accordance with its July 29, 2025 Notice of Election to Use Electronic Filing Procedures:

- (a) Kentucky Power Company
kentucky_regulatory_services@aep.com
hgarcia1@aep.com
mjschuler@aep.com
tswolffram@aep.com
jnewcomb@aep.com
jlparish@aep.com
- (b) Stites & Harbison PLLC
kglass@stites.com
kgish@stites.com
hhavens@stites.com

C. **THE PROPOSED GENERAL ADJUSTMENT IN EXISTING ELECTRIC RATES AND CHARGES.**

10. **Historical Test Year:** The Company's Application for a general adjustment to its existing rates is supported by a 12-month historical test year period ending May 31, 2025, with certain adjustments for known and measurable changes. 807 KAR 5:001, Section 16(1)(a)(1).

11. **Reasons for the Adjusted Rates:** The Company files this application because Kentucky Power's current rates are not fair, just, and reasonable; do not permit the Company to operate successfully, to maintain its financial integrity, to attract capital, or to compensate its investors for the risks assumed; and do not provide the financial resources required to permit Kentucky Power to continue to provide adequate, efficient, and reasonable service throughout its service territory. More specifically, but without limitation, the proposed rates and tariff changes are required:

- (a) To recover the annual test-year revenue shortfall resulting from increases in expense and other items.
- (b) To recover annual revenue lost as a result of the decline in the Company's load since March 31, 2023 (the test year used to establish Kentucky Power's current rates).
- (c) To provide an annual return on the Company's incremental rate base.
- (d) To reflect a modified capital structure and weighted average cost of capital to adjust for the use of proceeds from the June 2025 issuance of securitization bonds.
- (e) To recover increased annual state and federal income tax expenses resulting from the synchronization of the Company's capital cost and structure in the Application with the test period state and federal income tax expense.
- (f) To provide for recovery of reasonable and prudently incurred costs (unrelated to the Effluent Limitations Guidelines ("ELG") investments) necessary for the Company to continue receiving energy and capacity from the Mitchell Plant.
- (g) To recover reasonable and prudently incurred adjusted test-year fuel and purchase power costs excluded from recovery through the Company's current fuel adjustment clause and not included in the Company's current base rates.
- (h) To recover costs necessary to expand the Company's Trees Outside the Right-of-Way Program.
- (i) To maintain the success of the Kentucky Economic Development Surcharge and Home Energy Assistance Program by continuing the Kentucky Economic Development Surcharge and the Home Energy Assistance Program charge at their current levels.
- (j) To recover the appropriate level of depreciation for all non-Mitchell Generating Plant investments based upon updated depreciation rates.

(k) To recover in full the reasonable expenses Kentucky Power incurs to provide adequate, efficient, and reasonable service to its customers.

12. **Rate Mitigation:** In recognition of the circumstances in the Company's service territory, and that the Company's customers are facing, the Company is proposing the following measures to reduce and offset customer rate impacts:

(a) The Company is proposing a capital structure that reduces the Company's equity layer which, in turn, reduces the Company's weighted average cost of capital. This measure is described in more detail in the testimonies of Company Witnesses Newcomb and Messner.

(b) The Company is proposing a return on equity ("ROE") of 10.0%, which is at the lowest end of the range recommended by Company Witness McKenzie who supported a range of 10.0% to 11.0%.

(c) While the Company is proposing to update depreciation rates in this case, the Company is not proposing to adjust depreciation rates for the Mitchell Plant as discussed in the testimony of Company Witness Wolfram. Not only does this reduce immediate bill impacts to customers, it better positions the Company to pursue securitization of the Mitchell Plant investments as further discussed by Company Witness Wolfram. Additional information regarding the depreciation study and proposed depreciation rates can be found in the testimony of Company Witness Spanos.

(d) The Company is proposing to remove storm expense from base rates, and be authorized to automatically establish regulatory assets for all storm costs incurred. Not only does this reduce immediate bill impacts to customers, it better positions the Company to pursue

securitization of those storm costs. Information about the Company's storm expense and its treatment in this case can be found in the testimony of Company Witness Wolfram.

13. The proposed rates and charges, even in the absence of the proposed rate impact reduction and offset measures, are fair, just, and reasonable as required by KRS 278.030(1).

14. **Proposed Tariffs:** The proposed tariffs in a form that complies with 807 KAR 5:011, with an effective date for service rendered on or after March 1, 2026,⁴ are filed as Section II, Exhibit D to this Application. 807 KAR 5:001, Section 16(1)(b)(3).

15. **Proposed Tariff Changes:** The Company's proposed tariff changes, identified in compliance with 807 KAR 5:011, are filed as Section II, Exhibit D to this Application. 807 KAR 5:001, Section 16(1)(b)(4)(a). Kentucky Power also is providing a redlined version of its proposed tariffs that indicates text changes in compliance with 807 KAR 5:001, Section 16(1)(b)(4)(b), in Section II, Exhibit E to this Application.

16. **Effect of Proposed Adjustments:** The Company is proposing a total annual base revenue requirement increase of \$75,269,689. Section V, Schedule 2 shows how Kentucky Power derived the change in base revenue requirement increase. The proposed annual base rate revenue requirement increase represents approximately 11.52%, over the test year ended May 31, 2025 adjusted total retail revenues of \$653,489,895. The Company is also proposing a new Generation Rider, which has an initial revenue requirement of \$20,288,559. Taken together, the total revenue requirement increase is \$95,558,248. The total proposed annual revenue requirement increase represents approximately 14.62%, over the test year ended May 31, 2025 adjusted total retail revenues of \$653,489,895. The total increase to base rates proposed by the Company are designed to produce \$672,038,794 in annual total base rate revenues. Please refer

⁴ Kentucky Power files this Application and provides this notice with the expectation the Commission subsequently will suspend pursuant to KRS 278.190 the proposed rates for investigation.

to Section V, the Summary Tab and Schedule 1, for the derivation of the proposed base rate revenue requirement.

(a) The effect of the increase, including the impact of the proposed Generation Rider, on average or typical electric bills is presented in Section II, Exhibit H to this Application. 807 KAR 5:001, Section 16(4)(e).

(b) The analysis showing revenues from present and proposed rates for each customer classification is presented in Section II, Exhibits I and J to this Application. 807 KAR 5:001, Section 16(4)(g).

17. **New and Modified Programs, Policies, and Tariffs.** In connection with this Application, the Company is proposing to implement, without limitation, certain new programs, policies, and tariffs, and to modify existing policies, programs and tariffs by:

(a) Creating a new Generation Rider (Tariff G.R.) to recover non-environmental Mitchell Plant capital plant balances, including associated depreciation expense. The Company is proposing the Generation Rider because it is continuing to pursue securitization legislation that would allow it to securitize the remaining net book value of the Mitchell Plant and the Generation Rider would make reflecting securitization in rates more efficient.

(b) Creating a new FlexPay (Tariff F.P.) program, which is a voluntary prepayment program associated with its advanced metering infrastructure (“AMI”) deployment. FlexPay allows customers to pay as they go, providing them with greater control over the frequency and timing of their payments.

(c) Increasing the customer charge across various customer classes to recover more fixed costs through that fixed rate component.

(d) Proposing a residential rate design with a two-tiered customer charge and a declining block energy charge to more accurately reflect the actual fixed costs of providing service through the customer charge and to reduce monthly bill volatility for high usage customers.

(e) Proposing to modify special non-recurring charges to align with the principles of cost causation.

(f) Consolidating Tariff Cogeneration and/or Small Power Production – 100 KW or Less (Tariff COGEN/SPP I) and Tariff Cogeneration and/or Small Power Production – Over 100 KW (Tariff COGEN/SPP II) into a single Tariff Cogeneration and/or Small Power Production (Tariff COGEN/SPP) and eliminating Tariff Voluntary Curtailment Service (Tariff V.C.S.) due to lack of participation.

(g) Proposing to continue the current level of Kentucky Power Economic Growth Grants funding through the Kentucky Economic Development Surcharge Tariff to continue to support economic development and expansion in the Company's service territory.

(h) Proposing to maintain the current level of Residential Energy Assistance surcharge and Company match to support customers through its existing energy assistance program offerings;

(i) Proposing to remove from recovery through Tariff Decommissioning Rider (Tariff D.R.) those costs that were securitized in June 2025.

(j) Proposing to modify Tariff Purchase Power Adjustment (Tariff P.P.A.) to provide for the collection or credit of any gains and losses on incidental sales of gas procured for natural gas generation and to remove Rockport-related items from recovery through Tariff P.P.A.

considering that those amounts were securitized in June 2025 and that the Capacity Credit amounts have been fully recovered.

(k) Proposing to modify Federal Tax Cut Tariff (Tariff F.T.C.) to create a line-item for the net operating loss carryforward (“NOLC”) regulatory asset that the Company was permitted to create as a result of the Commission’s Order in the Company’s last base case, Case No. 2023-00159.

(l) Implementing non-substantive formatting and text changes to the tariff book.

D. COMPLIANCE WITH STATUTORY AND REGULATORY REQUIREMENTS FOR GENERAL RATE ADJUSTMENTS.

The Company provides the following information in further response to the requirements imposed by KRS 278.180; KRS 278.190; KRS 278.2203; KRS 278.2205; 807 KAR 5:001, Section 12; 807 KAR 5:001, Section 16; and 807 KAR 5:011:

18. A financial exhibit in the form prescribed by 807 KAR 5:001, Section 12 is provided in Section IV of this Application.

19. A description and quantification of all proposed adjustments, with proper support for any proposed changes as prescribed by 807 KAR 5:001 Section 16(6)(a), is provided as Section V, Exhibit 2 of this Application.

20. The prepared testimony and exhibits of the following witnesses in support of this Application are provided in Section III of this Application:

WITNESS	TOPICS
Cynthia G. Wiseman	<ul style="list-style-type: none"> • Overview of Kentucky Power and its operations; • Recent organizational changes at Kentucky Power and its parent company, AEP, and how those changes benefit Kentucky Power's customers; • Kentucky Power's commitment to its customers and the ways the Company is furthering that commitment; • Kentucky Power's need for this case; • The themes and major policy considerations reflected in the application, including several measures proposed to reduce customer rate impacts and bill variability; • Introduction of the Company's witnesses.
Jeffrey D. Newcomb	<ul style="list-style-type: none"> • Kentucky Power's revenue requirement and need for this case; • Kentucky Power's earned and requested return on equity; • Kentucky Power's proposed capital structure.
Tanner S. Wolfram	<ul style="list-style-type: none"> • Case organization and filing requirements; • Proposed changes to the Company's cost allocation, customer charges, and rate design; • Proposed changes to the Company's special and non-recurring charges; • Proposal to create a new rider mechanism to recover the non-environmental Mitchell Plant amounts; • Proposed changes to Tariff Purchase Power Adjustment ("Tariff P.P.A."); • Proposed changes to the Federal Tax Cut Tariff ("Tariff F.T.C."); • Requests for certain deferral and accounting treatment associated with the Company's proposals in this case; • The level of storm expense in base rates; • Certain proposed ratemaking adjustments.
Michele Ross	<ul style="list-style-type: none"> • An overview of the Company's service territory, distribution system, and operational challenges to providing safe, reliable and efficient service to our customers; • The Company's reliability indices and performance; • The Company's distribution reliability programs, including the Company's proposed expansion of its trees outside the right-of-way and trees inside the right-of-way programs; • The reasonableness of the distribution capital investments the Company has made since its last base rate case; • The test-year level of distribution O&M expense; • The Company's AMI plan; • Details on the Company's Smart Grid investments.

WITNESS	TOPICS
Robert A. Jessee	<ul style="list-style-type: none"> • Kentucky Power’s generation fleet; • The reasonableness of Kentucky Power’s generation non-fuel, non-labor O&M expenses for the Mitchell and Big Sandy Plants; • Capital investments placed in-service at Kentucky Power’s generating assets since the Company’s last base case.
Stevi N. Cobern	<ul style="list-style-type: none"> • The Company’s proposal for the FlexPay program; • Maintaining the current funding level for the residential energy assistance and Kentucky Economic Development Surcharge; • Changes to the Company’s tariffs and terms and conditions, including new tariff proposals and modifications to several existing tariffs.
John D. Cullop	<ul style="list-style-type: none"> • Update to the Company’s base revenue requirement for its environmental surcharge; • Certain capitalization and rate base adjustments.
Jaclyn N. Cost	<ul style="list-style-type: none"> • Jurisdictional cost-of-service study; • Certain proposed ratemaking adjustments.
Nicole M. Coon	<ul style="list-style-type: none"> • Class cost-of-service study; • Allocation of requested increase to customer classes.
Michael M. Spaeth	<ul style="list-style-type: none"> • Overview of the relation between the Company’s base rates and its surcharges and riders; • Rate design; • Certain proposed ratemaking adjustments.
Franz D. Messner	<ul style="list-style-type: none"> • Kentucky Power’s proposed capital structure; • Kentucky Power’s credit ratings.
Adrien M. McKenzie	<ul style="list-style-type: none"> • Calculation of a fair, just, and reasonable ROE range.
Brian C. Ciborek	<ul style="list-style-type: none"> • Certain known and measurable adjustments to the Company’s revenues and operating expenses, rate base, and capitalization.
David A. Hodgson	<ul style="list-style-type: none"> • Calculate the Gross Revenue Conversion Factor; • Certain adjustments to the jurisdiction federal, state, and local income taxes to which Kentucky Power is subject; • Tax effects of certain fixed, known, and measurable ratemaking adjustments for the test year; • Certain modifications to the Company’s existing Tariff F.T.C.
Andrew R. Carlin	<ul style="list-style-type: none"> • Employee compensation strategy and costs. • Associated pro forma adjustments.
Clinton M. Stutler	<ul style="list-style-type: none"> • Kentucky Power’s natural gas procurement strategy; • Total amount of gains and losses on incidental gas sales included within the test year.
Timothy S. Lyons	<ul style="list-style-type: none"> • Lead/Lag study.

WITNESS	TOPICS
John Wolfram	<ul style="list-style-type: none"> • Zero-intercept study.
John J. Spanos	<ul style="list-style-type: none"> • Depreciation study.

807 KAR 5:001, Section 16(4)(b).

21. The Company’s Cost Allocation Manual is provided as Section II, Exhibit A of this Application. KRS 278.2203; KRS 278.2205.

22. A copy of the Statutory Notice is provided as **EXHIBIT 1** to this Application. KRS 278.180.

23. The remaining required information provided in support of this Application, and in compliance with the provisions of Chapter 278 of the Kentucky Revised Statutes and the Commission’s regulations, is provided, or its location in the Application identified, in the “Filing Requirements” sheets provided with Section II to this Application.

24. The Company also provides as **EXHIBIT 2** to this Application its rate case filing requirements summary demonstrating that it has complied with the filing requirements.

**Application for Approval of Accounting Treatment to Establish
Regulatory Assets and Liabilities**

25. The Company incorporates paragraphs 1 through 24 of this Application as if fully restated herein.

26. Financial Accounting Standards Board Accounting Standards Codification (“FASB Codification” or “ASC”) 980-340-25-1 requires utility management to defer and capitalize a current cost (as a regulatory asset) when in management’s judgment the cost is probable of recovery. ASC 980-405-25-1 requires deferral accounting based on the existence of a regulatory liability when a true-up to actual costs results in an over-recovery and probable refund to customers in a future ratemaking proceeding. The FASB ASC Master Glossary defines

“probable” as “the future event or events are likely to occur.” Evidence of probable recovery includes orders from the regulator specifically authorizing deferral of the current cost or current obligation for later review and recovery or refund through rates.

27. The authority for establishing regulatory assets arises under the Commission’s plenary authority to regulate utilities under KRS 278.040 and the Commission’s authority to establish a system of accounts under KRS 278.220.⁵ Traditionally, the Commission has exercised its discretion to approve a regulatory asset upon demonstration that the expenses to be deferred fall into one of four categories:

(1) an extraordinary, nonrecurring expense which could not have reasonably been anticipated or included in the utility’s planning; (2) an expense resulting from a statutory or administrative directive; (3) an expense in relation to an industry sponsored initiative; or (4) an extraordinary nonrecurring expense that over time will result in a saving that fully offsets the cost.⁶

28. Kentucky Power seeks authority to create four regulatory assets associated with the following aspects of this Application:

(a) Incidental Gas Sales Gains and Losses. This Application for a general adjustment of rates provides for an update to Tariff P.P.A. to provide, on a going-forward basis, for the collection or credit of any gains and losses on incidental sales of gas procured for natural gas generation. The Company also incurred roughly \$1.9 million of losses on its incidental sales of gas during the test year. The Company currently does not have a mechanism to recover these test-year costs incurred to provide service to customers, as these amounts do not appear to be eligible for recovery through the fuel adjustment clause or any other existing mechanism. As such, the Company requests authority to defer the test-year amount and the amounts incurred

⁵ Order at 3–4, *In The Matter Of: The Application of East Kentucky Power Cooperative, Inc. For An Order Approving Accounting Practices To Establish A Regulatory Asset Related To Certain Replacement Power Costs Resulting From Generation Forced Outages*, Case No. 2008-00436, (Ky. P.S.C. Dec. 23, 2008).

⁶ *Id.*

post-test-year until the next Tariff P.P.A. annual update, of losses on the incidental sale of gas, and proposes to amortize and collect that amount through Tariff P.P.A. in its next annual Tariff P.P.A. filing. Company Witnesses Wolfram and Stutler further support this request in their Direct Testimonies.

(b) FlexPay Program Costs. This Application for a general adjustment of its rates also proposes to create a FlexPay program. The Company expects to incur roughly \$75,000 to develop the FlexPay offering proposed in this case. The Company does not expect FlexPay to be available for customers until the third quarter of 2026 based on the current AMI deployment schedule. Rather than include those costs in the test year now, the Company seeks to defer those amounts to be recovered in a subsequent base rate case after AMI has been deployed. Company Witnesses Wolfram and Cobern further support this request in their Direct Testimonies.

(c) Storm Expense. In an effort to mitigate customer rate impact, the Company proposes to adjust its test year distribution storm damage expense to \$0. The Company proposes that, going forward, it be approved, for accounting purposes only, to establish regulatory assets for all storm costs incurred without the requirement to seek prior authority from the Commission to record the regulatory asset. The Company would also make quarterly updates to the Commission on detailing any such “automatic” storm deferral activity. The Company will also support the reasonableness and prudence of the costs at the time it seeks recovery. Moreover, the Company is actively engaged with state legislators and other interested stakeholders to pass legislation allowing securitization of additional utility regulatory assets. If additional securitization legislation is passed, the Company would propose to securitize all existing storm regulatory assets that exist at the time, including those created consistent with this automatic deferral mechanism. If securitization does not occur, the Company would propose to

amortize and recover the storm costs comprising those regulatory assets as part of its next base rate case or as part of another appropriate proceeding before this Commission. Company Witnesses Wolfram further supports this request in his Direct Testimony.

(d) Generation Rider. The Company's application for a CPCN to continue receiving energy and capacity from the Mitchell Plant after December 31, 2028 is still pending. Thus, the Company has not included the \$60.4 million of non-ELG capital being reviewed in that case in its initial Generation Rider revenue requirement. Should that application be approved, the Company expects there will be a delay between investment of that capital and when recovery will begin. To address this expected timing difference, the Company requests authority to defer to a regulatory asset that amount of the Non-Environmental Mitchell Annual Revenue Requirement⁷ invested but not yet recovered in rates, beginning on the date capital is invested and recorded on the Company's books, and ending on the date that they begin being reflected in rates. The Company would recover this regulatory asset through a subsequent update to the Generation Rider. Should the Generation Rider not be approved, the Company would request to recover this regulatory asset in a future rate proceeding. Company Witnesses Wolfram further supports this request in his Direct Testimony.

29. The costs for which Kentucky Power seeks approval to defer to a regulatory asset are eligible for inclusion in a regulatory asset.

(a) Incidental Gas Sales Gains and Losses. These costs are extraordinary and non-recurring expenses that the Company could not have reasonably anticipated, as the amount of those losses are tied to PJM market economics and volatility within the gas supply market generally, and are based on forced outages the Company cannot reasonably predict. Therefore,

⁷ As defined in and calculated consistent with the Company's proposed Tariff Generation Rider.

deferral authority is appropriate. Additional support for the request to defer these costs is found in the Direct Testimonies of Company Witness Wolfram and Stutler.

(b) FlexPay Program Costs. The Commission approved the Company's application for a CPCN to deploy AMI in Case No. 2024-00344.⁸ In the final order in that case, the Commission made clear that it expects the Company to pursue all reasonable and cost effective programs, including adding prepay programs, made possible by AMI.⁹ The Commission also approved the Company's requested deferral treatment in connection with AMI deployment in that case. The Company is meeting the Commission's directive to pursue all reasonable programs to fully enhance the benefits of AMI by proposing to create a prepay program to be available once AMI deployment begins. Thus, deferral authority of the costs to accomplish the FlexPay offering is appropriate as it is in response to an administrative directive by this Commission. Additional support for the request to defer these costs is found in the Direct Testimonies of Company Witness Wolfram and Cobern.

(c) Storm Expense. The costs incurred to repair damage and restore service in Kentucky Power's service territory in response to severe storms are extraordinary expenses that the Company cannot reasonably anticipate, as the amount of those expenses depend on the timing, frequency, nature, and severity of the storms and the specific Company facilities impacted. The Commission has historically approved Kentucky Power's requests to defer severe storm costs.¹⁰ Thus, the creation of the automatic deferral mechanism further described in the Direct Testimony of Company Witness Wolfram is appropriate.

⁸ Order, *In the Matter of: Electronic Application Of Kentucky Power Company For (1) A Certificate Of Public Convenience And Necessity Authorizing The Deployment Of Advanced Metering Infrastructure; (2) Request For Accounting Treatment; And (3) All Other Necessary Waivers, Approvals, And Relief*, Case No. 2024-00344, (Ky. P.S.C. July 22, 2025).

⁹ *Id.* at 15.

¹⁰ See *In The Matter Of: Application Of Kentucky Power Company For An Order Approving Accounting Practices To Establish Regulatory Assets And Liabilities Related To Extraordinary Expenses Incurred By Kentucky Power*

(d) Generation Rider. These costs are extraordinary and non-recurring, and are necessary to reflect the Company's full 50% share of the costs of the Mitchell Plant that have been asymmetrically allocated to Wheeling Power consistent with the Commission's orders in Case No. 2021-00004 and Case No. 2021-00421. Furthermore, if the Company's application in Case No. 2025-00175 is approved, the Company will incur these costs to meet the Company's statutory obligations to provide adequate, efficient, and reasonable service by owning dispatchable generation available to meet its energy and capacity requirements. The costs would also be incurred consistent with any Commission order in Case No. 2025-00175 approving the requests and prudence to make such investments. As such, these amounts are appropriate for deferral authority because they are extraordinary and non-recurring, and would be incurred as the result of a statutory or administrative directive. Additional support for the request to defer these costs is found in the Direct Testimony of Company Witness Wolfram.

Company In Connection With Three Major Storm Events In 2009, Case No. 2009-00352, (Ky. P.S.C. Dec. 22, 2009) ("2009 Storm Case"); *In The Matter Of: Application Of Kentucky Power Company For An Order Approving Accounting Practices To Establish A Regulatory Asset Related To Extraordinary Expenses Incurred By Kentucky Power Company In Connection With Three 2020 Major Storm Events*, Case No. 2020-00368, (Ky. P.S.C. Feb. 5, 2021) ("2020 Storm Case"); *In The Matter Of: Application Of Kentucky Power Company For An Order Approving Accounting Practices To Establish A Regulatory Asset Related To The Extraordinary Expenses Incurred By Kentucky Power Company In Connection With Three February 2021 Major Storm Events*, Case No. 2021-00129, (Ky. P.S.C. Apr. 13, 2021) ("February 2021 Storm Case"); *In The Matter Of: Application Of Kentucky Power Company For An Order Approving Accounting Practices To Establish A Regulatory Asset Related To The Extraordinary Expenses Incurred By Kentucky Power Company In Connection With The March 1, 2021 Major Storm Event*, Case No. 2021-00402, (Ky. P.S.C. Dec. 29, 2021) ("March 2021 Storm Case"); *In The Matter Of: Application Of Kentucky Power Company For An Order Approving Accounting Practices To Establish A Regulatory Asset Related To The Extraordinary Expenses Incurred By Kentucky Power Company In Connection With June 2022 And July 2022 Major Storm Events*, Case No. 2022-00293, (Ky. P.S.C. Sep. 28, 2022) ("June 2022 Storm Case"); *In The Matter Of: Electronic Application Of Kentucky Power Company For An Order Approving Accounting Practices To Establish A Regulatory Asset Related To The Extraordinary Expenses Incurred By Kentucky Power Company In Connection With The March 3, 2023, March 25, 2023, and April 1, 2023 Major Event Storms*, Case No. 2023-00137, (Ky. P.S.C. June 5, 2023); *In The Matter Of: Electronic Application Of Kentucky Power Company For An Order Approving Accounting Practices To Establish A Regulatory Asset Related To The Extraordinary Expenses Incurred By Kentucky Power Company In Connection With The April 2, 2024 And May 26, 2024 Major Event Storms*, Case No. 2024-00241, (Ky. P.S.C. Sept. 27, 2024); *In The Matter Of: Electronic Application Of Kentucky Power Company For An Order Approving Accounting Practices To Establish A Regulatory Asset Related To The Extraordinary Expenses Incurred By Kentucky Power Company In Connection With The September 27, 2024 Major Event Storm*, Case No. 2024-00345, (Ky. P.S.C. Dec. 13, 2024); *In The Matter Of: Electronic Application Of Kentucky Power Company For An Order Approving Accounting Practices To Establish A Regulatory Asset Related To The Extraordinary Expenses Incurred By Kentucky Power Company In Connection With The January 5, 2025 And February 15, 2025 Major Event Storms*, Case No. 2025-00031, (Ky. P.S.C. Mar. 31, 2025).

30. In accordance with FASB ASC 980-340-25-1 and Commission precedent, Kentucky Power requests that the Commission exercise its authority under KRS 278.220 to prescribe the manner in which the Company keeps its accounts by entering an order permitting Kentucky Power to defer the costs described above in the manners described above.

Request for Waivers

31. The Company incorporates paragraphs 1 through 30 of this Application as if fully restated herein.

32. Kentucky Power's proposed FlexPay program provides customers participating in the program with frequent and timely updates regarding the status of their account and usage. Because of the nature of the FlexPay program, the Company seeks a waiver from the following requirements:

(a) 807 KAR 5:006, Section 15(1)(f) Refusal or Termination of Service. This regulation requires a utility to mail or otherwise deliver an advance termination notice. The electronic notification features of the FlexPay program provide customers with frequent and timely updates regarding their balances and disconnection warnings. This approach offers more notifications about potential service termination compared to traditional forms of notice outlined in the regulation. Additional support for this request can be found in the Direct Testimony of Company Witness Cobern.

(b) 807 KAR 5:006, Section 7 Billings, Meter Readings, and Information. This regulation specifies the information that must be included on a customer's monthly bill. The existing bill format does not accommodate a transactional overview of a FlexPay participant's monthly activities, which may involve multiple transactions. Kentucky Power proposes to offer

FlexPay customers a revised statement that reflects daily transactions. Additional support for this request can be found in the Direct Testimony of Company Witness Cobern.

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

1. Approving the requested general adjustment of its rates for electric service;
2. Approving its revised and new tariff sheets submitted as Schedule II, Exhibit D to this Application;
3. Granting the requested accounting treatment and authorizing Kentucky Power to defer and create the requested regulatory assets;
4. Granting, to the extent required, the requested waivers of the requirements found in 807 KAR 5:006, Section 15(1)(f) and 807 KAR 5:006, Section 7; and
5. Granting such further relief to which the Company may be entitled.

Respectfully submitted,



Katie M. Glass
STITES & HARBISON PLLC
421 West Main Street
P. O. Box 634
Frankfort, Kentucky 40602-0634
Telephone: (502) 223-3477
Fax: (502) 560-5377
kglass@stites.com

Kenneth J. Gish, Jr.
Harlee P. Havens
STITES & HARBISON PLLC
250 West Main Street, Suite 2300
Lexington, Kentucky 40507-1758
Telephone: (859) 226-2300
Fax: (859) 253-9144
kgish@stites.com
hhavens@stites.com

COUNSEL FOR KENTUCKY POWER
COMPANY

EXHIBIT 1

**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)	Case No. 2025-00257
Treatments; and (4) All Other Required Approvals)	
And Relief)	

STATUTORY NOTICE

Kentucky Power Company (“Kentucky Power” or the “Company”) informs the Public Service Commission of Kentucky (“Commission”) that it is engaged in business as an electric generation, distribution, and transmission utility. The Company principally provides retail electric service to consumers located in all or part of 20 counties in eastern Kentucky. Kentucky Power furnished electric service at wholesale to the City of Vanceburg and the City of Olive Hill during the test year in this case. The contracts with those wholesale customers expired at the end of May 2025.

Pursuant to KRS 278.180 and 807 KAR 5:011, Section 9, and all other applicable provisions, Kentucky Power gives notice to the Commission that on August 29, 2025, it is filing with the Commission: (i) its revised tariff sheets adjusting its base rates and implementing or modifying riders and surcharges effective for service rendered on or after March 1, 2026;¹ and (ii) its Application supporting the proposed new and adjusted base rates, riders, and surcharges. The proposed effective date of the tariffs and rates proposed in the Company’s Application is greater

¹ Kentucky Power files this Application and provides this notice with the expectation the Commission subsequently will suspend pursuant to KRS 278.190 the proposed rates for investigation. Kentucky Power requests that the Commission conduct its investigation during this suspension period and enter its Order granting the relief requested in conformity with the statutory requirements of KRS 278.190, and enter an order for rates effective March 1, 2026.

than thirty days from the date of filing. The revised and new tariff sheets, riders, and surcharges are found in Exhibit D to the filing requirements filed in Section II of the Application.

Kentucky Power proposes to adjust its existing base rates, surcharges, riders, and tariffs by substituting the proposed tariff sheets for the corresponding sheets of its existing tariffs as shown in Exhibit E to the filing requirements filed in Section II of the Application.

Kentucky Power is giving notice to the public as required by 807 KAR 5:001, Section 17 and 807 KAR 5:011, Section 8, by publishing notice once a week for three consecutive weeks in a prominent manner in newspapers of general circulation in Kentucky Power's service area (the "Customer Notice"). The Customer Notice was first published beginning August 22, 2025.

Notice also is being given through the public posting of the Customer Notice required by 807 KAR 5:001, Section 17(1)(a) and 807 KAR 5:011, Section 8(1)(a), at each of the offices listed below. The Company also is providing a copy of the Application for public inspection at Kentucky Power's corporate offices and distribution operations centers at the following locations:

- (i) Ashland Corporate Office, 1645 Winchester Avenue, Ashland, Kentucky;
- (ii) Cannonsburg (Ashland) Service Center, 12333 Kevin Avenue, Ashland, Kentucky;
- (iii) Hazard Service Center, 1400 E. Main Street, Hazard, Kentucky; and
- (iv) Pikeville Service Center, 3249 N. Mayo Trail, Pikeville, Kentucky.

The public postings of the Customer Notice and copies of the Application will remain available for public inspection during regular business hours in conformity with the requirements of 807 KAR 5:001, Section 17(1)(c) and 807 KAR 5:011, Section 8(1)(c) until the Commission enters a final decision in this matter. In addition, within five business days after August 29, 2025, Kentucky Power will post on its website (kentuckypower.com) the information and hyperlink required by 807 KAR 5:001, Section 17(1)(b) and 807 KAR 5:011, Section 8(1)(b). This information will

remain available on the Company's website for public access and inspection in conformity with the requirements of 807 KAR 5:001, Section 17(1)(c) and 807 KAR 5:011, Section 8(1)(c) until the Commission enters a final decision in this matter.

Proof of compliance with the notice and posting requirements will be filed in accordance with 807 KAR 5:001, Section 17(3) and 807 KAR 5:011, Section 8(3).

Additional information regarding the Company's proposed new and adjusted base rates, riders, and surcharges is contained in the Company's Application filed this same date.

This 29th day of August, 2025.

Respectfully submitted,



Katie M. Glass
STITES & HARBISON PLLC
421 West Main Street
P. O. Box 634
Frankfort, Kentucky 40602-0634
Telephone: (502) 223-3477
Fax: (502) 560-5377
kglass@stites.com

Kenneth J. Gish, Jr.
Harlee P. Havens
STITES & HARBISON PLLC
250 West Main Street, Suite 2300
Lexington, Kentucky 40507-1758
Telephone: (859) 226-2300
Fax: (859) 253-9144
kgish@stites.com
hhavens@stites.com

COUNSEL FOR KENTUCKY POWER
COMPANY

EXHIBIT 2

Requirement	Description of Requirement	Location(s) in Filing
KRS 278.180	30 days' notice of proposed rates to Commission. <i>(If no effective date provided for proposed rates no advance notice required)</i>	Application, Exhibit 1.
807 KAR 5:001		
Section 14(1)	Full name, mailing address, and e-mail address of applicant.	Application ¶ 1.
Section 14(1)	A reference to the particular provision of law requiring Commission approval.	Application at introductory paragraph.
Section 7(1)	The application and 10 copies.	Company is e-filing.
Section 4(3)	Paper signed by submitting party or attorney.	Application p. 23.
Section 4(3)	Name, address, telephone number, fax number, and e-mail address of submitting party or attorney.	Application p. 23.
Section 4(10)	Personal information must be redacted	Complied.
Section 8(4)(b)	Has submitting party optimized pdf document Making all text pages searchable or OCR'd. Bookmarks added to distinguish sections of the paper	Complied.
Section 14(2)	If applicant is a corporation, the applicant shall identify in the application the state in which it is incorporated and the date of its incorporation, attest that it is currently in good standing in the state in which it is incorporated, and, if it is not a Kentucky corporation, state whether it is authorized to transact business in Kentucky.	Application ¶ 2, fn. 1; Section II at Exhibit B.

Requirement	Description of Requirement	Location(s) in Filing
Section 14(3)	If applicant is a limited liability company, the applicant shall identify in the application the state in which it is organized and the date on which it was organized, attest that it is in good standing in the state in which it is organized, and, if it is not a Kentucky limited liability company, state whether it is authorized to transact business in Kentucky.	N/A.
Section 14(4)	If applicant is a limited partnership, a certified copy of its limited partnership agreement and all amendments, <u>or</u> a written statement that its partnership agreement and all amendments have been filed with the Commission in a prior proceeding and a reference to the case number of that proceeding.	N/A.
Section 16(1)(b)	1. A statement of the reason the adjustment is required.	Application ¶ 11; Wiseman Test. p. 12; Newcomb Test. pp. 6-17.
	2. A certified copy of a certificate of assumed name as required by KRS 365.015 or a statement that such a certificate is not necessary.	Application ¶ 2; Section II, Exhibit C.
	3. New or revised tariff sheets, if applicable, in form complying with 807 KAR 5:011 with an effective date not less than thirty (30) days from the date the application is filed (or no effective date).	Application ¶ 14; Section II, Exhibit D.
	4. New or revised tariff sheets, if applicable, shown by either providing the present and proposed tariffs in comparative form on the same sheet side by side or on facing sheets side by side, or providing a copy of the present tariff indicating proposed additions by italicized inserts or underscoring and striking over proposed deletions.	Application ¶ 15; Section II, Exhibit E.
	5. A statement that notice has been given in compliance with Section 17 of this administrative regulation, with a copy of the notice.	Application ¶ 8; Section II, Exhibit F.

Requirement	Description of Requirement	Location(s) in Filing
	6. If a water district proposes to increase any current rate for service or implement a new rate for service, a statement from an authorized official of the district indicating the date the proposed rate increase or new rate was reported to the governing body of the county in which the largest number of its customers resides and the date it presented testimony, or is scheduled to present testimony, to that governing body.	N/A.
Section 16(2)	If utility's gross annual revenues exceed \$5,000,000, was written notice of intent to file a rate application filed at least thirty (30) days, but not more than sixty (60) days, prior to application	Filed July 29, 2025; Section II, Exhibit G; <i>see also</i> Section II, Exhibit F, p. 8 at ¶ 2(a).
	(a) Notice shall state whether the application will be supported by historical or a fully forecasted test period.	Section II, Exhibit G.
	(b) Upon filing the notice of intent, an application may be made to the commission for permission to use an abbreviated form of newspaper notice of proposed rate increases provided the notice includes a coupon that may be used to obtain a copy from the applicant of the full schedule of increases or rate changes.	N/A.
	(c) Has a copy of the notice of intent been served upon the Attorney General, either by electronic mail in a portable document format or mail	Application ¶ 7; <i>see also</i> Section II, Exhibit G pp. 7-13; Section II, Exhibit F, p. 8 at ¶ 2(a).
Historical Test Period		
Section 16(4)	(a) Complete description and quantified explanation for all proposed adjustments with support for changes in price or activity levels, and other factors affecting the adjustment.	Section V; and Section III, Wolfram Test., Ross Test., Cost Test., Cullop Test., Spaeth Test., Ciborek Test., Hodgson Test., and Carlin Test.
	(b) If utility has gross annual revenues exceeding \$5,000,000, written testimony of each witness who will support the application.	Section III.

Requirement	Description of Requirement	Location(s) in Filing
	(c) If the utility has gross annual revenues less than \$5,000,000, written testimony of each witness who will support application or statement that utility does not plan to submit written testimony.	N/A.
	(d) Estimate of effect that new rate(s) will have on revenues including, at minimum, total revenues resulting from increase or decrease and percentage of increase or decrease.	Application ¶ 16; Section V, Exhibit 1; and Newcomb Test. p. 5.
	(e) If electric, gas, sewage or water utility, the effect upon the average bill for each customer classification to which change will apply.	Section II, Exhibit H.
	(f) If incumbent local exchange company, effect upon the average bill for each customer class for change in basic local service.	N/A.
	(g) Analysis of customers' bills in such detail that revenues from present and proposed rates can be readily determined for each customer class.	Section II, Exhibits I and J.
	(h) Summary of determination of revenue requirements based on return on net investment rate base, return on capitalization, interest coverage, debt service coverage, or operating ratio, with supporting schedules.	Section V, Exhibit 1, Schedules 1, 2, and 4.
	(i) Reconciliation of rate base and capital used to determine revenue requirements.	Section II, Exhibit K.
	(j) Current chart of accounts if more detailed than the Uniform System of Accounts.	Section II, Exhibit L.
	(k) Independent auditor's annual opinion report, with any written communication from auditor which indicates existence of material weakness in internal controls.	Section II, Exhibit M.
	(l) The most recent FERC or FCC audit reports.	Section II, Exhibit N.
	(m) The most recent FERC Form 1 (electric), FERC Form 2 (gas), or PSC Form T (telephone).	Section II, Exhibit O.

Requirement	Description of Requirement	Location(s) in Filing
	(n) Summary of latest depreciation study with schedules by major plant accounts, except that telecommunications utilities adopting PSC's average depreciation rates shall provide schedule identifying current and test period depreciation rates used by major plant accounts. If filed in another PSC case, refer to that case's number.	Spanos Test. and Exhibit JJS-1; Section II, Regulatory Filing Requirements, p. 50.
	(o) List of all commercial or in-house computer software, programs, and models used to develop schedules and work papers associated with the filing. Include each software, program, or model; what each was used for; its supplier; brief description and specifications for the computer hardware and the operating system required to run the program.	Section II, Regulatory Filing Requirements, p. 51.
	(p) Prospectuses of most recent stock or bond offerings.	Section II, Exhibit P.
	(q) Annual report to shareholders, or members, and statistical supplements covering the 2 most recent years from the application filing date.	Section II, Exhibit Q.
	(r) Monthly managerial reports providing financial results for 12 months in test period.	Section II, Exhibit R.
	(s) SEC's annual report (Form 10-K) for most recent 2 years, any Form 8-Ks issued within past 2 years, and Form 10-Qs issued during the past 6 quarters updated as current information becomes available.	Section II, Exhibits Q and S; Section II, Regulatory Filing Requirements, p. 59.

Requirement	Description of Requirement	Location(s) in Filing
	<p>(t) If utility had amounts charged or allocated to it by affiliate or general or home office, or paid any monies to affiliate or general or home office during test period or during previous 3 calendar years, file:</p> <ol style="list-style-type: none"> 1. Detailed description of method of calculation and amounts allocated or charged to utility by affiliate or general or home office for each charge allocation or payment; 2. Explanation of how allocator for the test period was determined; and 3. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated or paid during test period was reasonable; 	<p>Section II, Exhibit T; Section II Regulatory Filing Requirements, p. 60.</p>
	<p>(u) If gas, electric, sewage or water utility, whose annual gross revenues exceed \$5,000,000, cost of service study based on methodology generally accepted in industry and based on current and reliable data from a single time period.</p>	<p>Coon Test., <i>passim</i> and Exhibits NMC-1, NMC-2, and NMC-3. Cost Test., <i>passim</i>; Section V, Schedule 4 and 5.</p>
	<p>(v) Local exchange carriers with more than 50,000 access lines shall file:</p> <ol style="list-style-type: none"> 1. Jurisdictional separations study consistent with 47 C.F.R. Part 36 of the FCC's rules and regulations; and 2. Service specific cost studies supporting pricing of all services that generate annual revenue greater than \$1,000,000 except local exchange access: <ol style="list-style-type: none"> a. Based on current and reliable data from a single time period; and b. Using generally recognized fully allocated, embedded, or incremental cost principles. 	<p>N/A.</p>
Pro Forma Adjustments		

Requirement	Description of Requirement	Location(s) in Filing
Section 16(5)	(a) Detailed income statement and balance sheet reflecting impact of all proposed adjustments.	Section IV, pp. 3, 4 and 7.
	(b) Most recent capital construction budget containing at least period of time as proposed for any pro forma adjustment for plant additions.	Section II, Exhibit V; Section II Regulatory Filing Requirements, p. 65.
	(c) For each proposed pro forma adjustment reflecting plant additions the following information:	Ross Direct Test. pp. 20-22 and Exhibit MR-4; and Section II Regulatory Filing Requirements, pp. 66-67.
	1. Starting date of the construction of each major component of plant;	
	2. Proposed in-service date;	<i>Id.</i>
	3. Total estimated cost of construction at completion;	<i>Id.</i>
	4. Amount contained in construction work in progress at end of test period;	<i>Id.</i>
	5. A schedule containing complete description of actual plant retirements and anticipated plant retirements related to the pro forma plant additions including the actual or anticipated date of retirement;	<i>Id.</i>
	6. Original cost and the cost of removal and salvage for each component of plant to be retired during the period of the proposed pro forma adjustment for plant additions;	<i>Id.</i>
	7. Explanation of any differences in amounts contained in the capital construction budget and amounts of capital construction cost contained in the pro forma adjustment period; and	<i>Id.</i>
	8. Impact on depreciation expense of all proposed pro forma adjustments for plant additions and retirements;	<i>Id.</i>

Requirement	Description of Requirement	Location(s) in Filing
	(d) The operating budget for each month of the period encompassing the pro forma adjustments; and	Section II, Exhibit W; Section II Regulatory Filing Requirements, p. 68.
	(e) Number of customers to be added to the test period – end level of customers and the related revenue requirements impact for all pro forma adjustments with complete details and supporting work papers.	Section II Regulatory Filing Requirements, p. 69; Newcomb Test. pp. 9-11; Section II, Exhibit I.
Public Notice		
Section 17(1)	(a) A utility shall post at its place of business a copy of the notice no later than the date the application is submitted to the commission.	Application ¶ 8(b); Section II, Exhibit F, p. 9 at ¶ (2)(c).
	(b) A utility that maintains a Web site shall, within five (5) business days of the date the application is submitted to the commission, post on its Web sites: 1. A copy of the public notice; and 2. A hyperlink to the location on the commission's Web site where the case documents are available.	Application ¶ 8(c); Section II, Exhibit F, p. 9 at ¶ (2)(d).
	(c) The information required in paragraphs (a) and (b) of this subsection shall not be removed until the commission issues a final decision on the application.	Application ¶ 8(b) and (c); Section II, Exhibit F, p. 9 at ¶ (2)(c) and (d).
Section 17(2)	(b) If a utility has more than twenty (20) customers and is not a sewage utility, it shall provide notice by:	
	3. Publishing notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in the utility's service area, the first publication to be made no later than the date the application is submitted to the commission.	Application ¶ 8(a); Section II, Exhibit F, p. 9 at ¶ (2)(b).
Section 17(4)	Each notice issued in accordance with this section shall contain: (a) The proposed effective date and the date the proposed rates are expected to be filed with the commission.	Section II, Exhibit F at p. 4.

Requirement	Description of Requirement	Location(s) in Filing
	(b) The present and proposed rates for each customer class to which the proposed rates will apply.	Section II, Exhibit F at pp. 4-7.
	(c) Amount of change requested in dollar amounts and percentage change for each customer classification to which change will apply.	Section II, Exhibit F at p. 7.
	(d) Electric, gas, and water utilities – the amount of the average usage and the effect upon average bill for each customer class to which change will apply.	Section II, Exhibit F at p. 7.
	(e) A statement that a person may examine this application at the offices of (utility name) located at (utility address);	Section II, Exhibit F at p. 7.
	(f) A statement that a person may examine this application at the commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the commission's Web site at http://psc.ky.gov ;	Section II, Exhibit F at p. 7.
	(g) A statement that comments regarding the application may be submitted to the Public Service Commission through its Web site or by mail to Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602;	Section II, Exhibit F at p. 7.
	(h) A statement that the rates contained in this notice are the rates proposed by (utility name) but that the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice;	Section II, Exhibit F at p. 7.
	(i) A statement that a person may submit a timely written request for intervention to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party; and	Section II, Exhibit F at p. 7.
	(j) A statement that if the commission does not receive a written request for intervention within thirty (30) days of initial publication or mailing of the notice, the commission may take final action on the application.	Section II, Exhibit F at p. 7.