

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY)	
POWER COMPANY TO DEFER A PORTION OF)	CASE NO.
FUEL ADJUSTMENT CLAUSE CHARGES FOR)	2022-00125
LATER COLLECTION WITHOUT ESTABLISHING)	
A REGULATORY ASSET)	

ORDER

On May 24, 2022, Kentucky Power Company (Kentucky Power) filed with the Commission a proposed tariff sheet¹ seeking to reduce the Fuel Adjustment Clause (FAC) billings for the May 2022 billing period from what it would otherwise be pursuant to 807 KAR 5:056 and Kentucky Power’s tariff. Accompanying the proposed tariff sheet was Kentucky Power’s request that, pursuant to KRS 278.180(2) and because the proposed rate is a reduction in the FAC billings rendered from May 31, 2022, through June 28, 2022, the Commission approve a shorter notice period for the proposed rate.

KRS 278.180(1) generally provides that a utility may not change its rates with shorter than 30 days’ notice. That notice period may be amended when a utility is proposing a rate reduction. Specifically, KRS 278.180(2) provides: “The commission, upon application of any utility, may prescribe a less time within which a reduction of rates may be made.”

The monthly FAC factor is calculated pursuant to 807 KAR 5:056 and Kentucky Power’s tariff based upon fuel and power costs of Kentucky Power and is thus considered

¹ Attached as Appendix to this Order.

the filed rate that Kentucky Power must charge.² Pursuant to regulation and the tariff, the FAC rate to be billed in June 2022 is \$0.03761 per kWh, however, the rate Kentucky Power proposes to charge is \$0.02990 per kWh, which is a clear reduction of the rate that is otherwise to be charged and the Commission may order a “less time within which a reduction of rates may be made.”

The Commission finds that Kentucky Power’s proposed tariff is reasonable and Kentucky Power may reduce its FAC billing factor, effective as of the date of this Order, for bills rendered on and after May 31, 2022.

IT IS THEREFORE ORDERED that:

1. Kentucky Power’s request for a reduced time in which to reduce its FAC rate is granted.
2. Kentucky Power’s proposed FAC billing factor, for bills rendered on and after May 31, 2022, though June 28, 2022, is approved for service on and after the date of entry of this Order.

² See, KRS 278.160, and *Cincinnati Bell Telephone Co. v. Kentucky Public Service Com'n*, 223 S.W.3d 829, 837 (Ky. App. 2007).

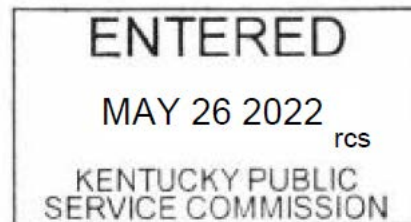
PUBLIC SERVICE COMMISSION



Chairman

Vice Chairman

Commissioner



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2022-00125 DATED MAY 26 2022

ONE PAGE TO FOLLOW

TARIFF F.A.C. (Cont'd)
(Fuel Adjustment Clause)

14. Kentucky Power will temporarily reduce the FAC rate from 0.03761 to 0.02990, which will be applied to customer bills rendered between May 31, 2022 and June 28, 2022. This rate reduction is the result of the Company's election to collect the first \$2,000,000 of the remaining \$5,000,000 of postponed February 2022 and March 2022 estimated fuel costs, which otherwise would have been collected from customers during the June 2022 billing month. The rate reduction described in this paragraph will only be effective for and applied to customer bills rendered between May 31, 2022 and June 28, 2022. More information about the Company's requests to temporarily levelize fuel costs for customers, including its pending request to amortize and collect the remainder of postponed costs in the July, and August 2022 billing cycles, can be found in the Company's Application filed in Case No. 2022-00125.

DATE OF ISSUE: May 24, 2022
DATE EFFECTIVE: Bills Rendered On And After May 31, 2022
ISSUED BY: /s/ Brian K. West
TITLE: Vice President, Regulatory & Finance
By Authority Of an Order of the Public Service Commission
In Case No. XXXX-XXXXX Dated XXXXX XX, XXXX

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