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October 15, 2026

PARTIES OF RECORD

Re: Case No. 2022-00190

Notice is given to all parties that the attached Informal Conference Memorandum and attendance list discussing the proposed annual Fuel Adjustment Clause has been filed into the record of this proceeding.

If you have any comments you would like to make regarding the contents of the document, please do so within five days of receipt of this letter. If you have any questions, please contact Whitney Saffari, Staff Attorney III, at Whitney.Saffari@ky.gov.

Sincerely,

A handwritten signature in blue ink that reads "Justin McNeil".

Justin McNeil
Executive Director

Attachment

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2022-00190

FROM: Whitney Saffari, Staff Attorney

DATE: October 15, 2026

RE: Informal Conference of October 12, 2026

Pursuant to the August 13, 2026 Order an informal conference (IC) was scheduled and conducted on October 12, 2026. Attached is a copy of the attendance roster.

The purpose of the IC was to discuss the agenda that was issued on October 1, 2026, which included the following topics: the proposed annual Fuel Adjustment Clause (FAC) review; procedural mechanisms for implementation of Senate Bill 172; opinions regarding maintaining the current FAC formula or switching to any of the proposed formulas discussed throughout this proceeding; procedures the Commission should consider for regulatory asset requests; and any other FAC related topic (limited to the issues that had been briefed in previous responses throughout this proceeding).

Staff asked all participants if they had additional questions, concerns, or suggestions as they related to each of the above-listed agenda topics that were not already part of the record in this proceeding. As it pertains to the proposed annual review, Staff explained that the proposed annual review would replace both the six-month and the two-year review. As far as the timing for when the case should be opened and when the review period should take place, Kentucky Power Company (Kentucky Power) and Kentucky Utilities/Louisville Gas and Electric Company (KU/LG&E) clarified their previous comments that "calendar basis" would include a review period expense month January through expense month December. KU/LG&E stated that operating on a calendar year allowed employees to speak in terms of years. Duke Energy Kentucky, Inc. (Duke Kentucky) stated it proposed a review from expense month November to expense month October only because it wanted to maintain consistency with the current review timelines.

For the procedural aspects of Senate Bill 172, no party had strong objections to the proposed language from KU/LG&E and Duke Kentucky. Kentucky Power expressed concern regarding the Commission's silence as acceptance. Furthermore, Kentucky Power stated that it would need to know if its request had been denied at least two days before rates went into effect to avoid rebilling customers. Big Rivers Electric Cooperation (BREC) and Duke Kentucky stated it would need to provide its billing department with at least five days' notice. Kentucky Industrial Utility Customers (KIUC) stated its interpretation would require an affirmative Commission approval. Duke Kentucky stated that no movement from the Commission should be interpreted as affirmation for regulatory deferment.

When discussing whether any changes to the FAC formula should occur, all utilities besides EKPC expressed that they did not want to change the formula. EKPC explained that there is a billing lag for its owner-members that causes a delay in recovery that other investor-owned utilities do not experience. EKPC expressed that it prefers the 12-month rolling average option and stated that it should be optional so that each utility can select what best fits its business model. KU/LG&E agreed that if there are proposed changes to the formula, it should be optional.

Staff asked the utilities if changed to an annual period, how they would consider proposing a new base FAC rate. Kentucky Power stated it preferred a historical or a forward-looking approach to calculating base fuel costs as opposed to just basing the factor on a month from the review period. KU/LG&E preferred just choosing the rate rather than selecting from the closest match from the review period. Both Duke Kentucky and EKPC agreed with KU/LG&E's suggestion.

When Staff opened the floor for additional comments and questions, the topic of financial hedging was discussed by all parties. Kentucky Power stated that a financial hedging program would help address volatility issues. KU/LG&E and EKPC both agreed that financial hedging should be considered. A representative for the Joint Intervenors stated that if considered, there should be evidence of best practices for financial hedging. KIUC agreed that there would need to be some scrutiny for fuel hedging. KU/LG&E stated that companies should not be punished for financial hedging if they can show it was prudent. EKPC further explained on that topic that there are no "good" or "bad" hedges, only hedges.

Lastly, there were questions pertaining to the next steps in this proceeding. Staff explained that summaries of the comments and suggested proposals would be presented to the Commission, and if the Commission decided any regulation amendment is necessary, the regulation promulgation process would then begin.

There being no further discussion, the IC was then adjourned.

cc: Parties of Record

PSC INFORMAL CONFERENCE SIGN-IN SHEET

CASE #: 2022-00190 Fuel Adjustment Clause

LOCATION: 211 Sower Blvd, Frankfort, KY

DATE: Monday, October 12th, 2026

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Chris Tieke	KU & LG&E
Anna Swanson	Meade County RECC
Becky Shelton	Big Rivers Electric Cor
Sentha Santana	Big Rivers Electric
Andrea Fackler	LG&E/KU
Robert Conroy	LG&E / KU
Lerah Kahn	Kentucky Power
JD Cullop	Kentucky Power
Nathan Frederick	Kentucky Power
Ken Gish	att for Kentucky Power
Jody Cohn	KUC
GREG Cecil	EKPC
Ryan Henderson	Jackson Energy
April Renner	Jackson Energy
Christian Every	Expc
Allyson Howard	Horvath law office - EKPC

PSC INFORMAL CONFERENCE SIGN IN SHEET

CASE NUMBER: 2022-00190

LOCATION: 211 Sower Blvd. Frankfort, Kentucky

DATE: October 12, 2026

NAME	COMPANY
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Amy Elliott	Kentucky Power
Larisa Vaynsman	Duke Energy Kentucky
Lisa Steinkuhl	Duke Energy KY
Libbie Miller	Duke Energy KY
Erion Gung	J's
Mika West	AG
Sarah Cantor	Duke Energy KY
Whitney Saffari	Commission Staff
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