

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ELECTRONIC EXAMINATION OF THE)	
APPLICATION OF THE FUEL ADJUSTMENT)	CASE NO.
CLAUSE OF KENTUCKY POWER COMPANY)	2023-00008
FROM NOVEMBER 1, 2020 THROUGH)	
OCTOBER 31, 2022)	

ORDER

On December 12, 2025, Kentucky Power Company (Kentucky Power), the Attorney General, by and through the Office of Rate Intervention, (Attorney General), and Kentucky Industrial Utility Customers, Inc. (KIUC) (collectively, Parties) filed a joint motion to amend the Settlement Agreement accepted by the Commission on December 13, 2024, in this matter.¹

As the basis for the motion, the Parties stated, as part of the final Order, the Commission accepted a Settlement between the Parties.² As part of the Settlement, Kentucky Power was to refund approximately \$16.9 million to ratepayers in transitional monthly credits.³ According to the Settlement, the first credits were to occur in January 2025 through April 2025, and the second set of credits would occur January 2026 to April 2026.⁴ However, the remaining transitional monthly credit (\$838,874 for residential

¹ Order (Ky. PSC Dec. 13, 2024).

² Order (Ky. PSC Dec. 13, 2024) at 16, ordering paragraph 2.

³ Order (Ky. PSC Dec. 13, 2024), Appendix A at 3-4.

⁴ Order (Ky. PSC Dec. 13, 2024), Appendix A at 3-4.

customers, and \$1,228,228 for non-residential customers), under the current terms of the Settlement Agreement, is only to be credited to customers upon the occurrence of the following conditions: (1) the Commission opens a proceeding and initiates review of the operation of Kentucky Power's FAC for the period of November 2022 through October 2024; and (2) the Commission issues an order approving, without modification, the settlement agreement to be entered into between Kentucky Power, the Attorney General, and KIUC in the November 1, 2022, through October 31, 2024, two-year FAC review case.⁵

As of the date of the motion, the Commission has not yet opened the FAC review case referenced in the Settlement Agreement. As such, the Parties argued the condition precedent set forth to initiate the remaining refunds has not been met.⁶ The Settlement went on to state, “[u]pon these conditions occurring, the Company would then credit the remaining transitional monthly credits to residential and non-residential customers beginning the later of the first month after the date of the Commission’s issuance of a final order approving without modification the settlement agreement in that two-year review proceeding, or the first day of the first billing cycle of January 2026”.⁷

According to the motion, the Parties are requesting to amend the language to read to allow for “the remaining transitional monthly credits to be credited to customers beginning the earlier of the first month after the date of the Commission’s issuance of a final order approving without modification the settlement agreement in that two-year

⁵ Order (Ky. PSC Dec. 13, 2024) Appendix A.

⁶ Joint Motion to Reopen and to Approve Amended Settlement Agreement (Joint Motion) (filed Dec. 12, 2025) at 2-3.

⁷ Order (Ky. PSC Dec. 13, 2024), Appendix A at 2.

review proceeding, or the first day of the first billing cycle of January 2026”.⁸ The Parties stated that the amendment would essentially ensure that customers will receive the benefit of the transitional monthly credits with January 2026 billing.⁹

The Parties noted that the requested amendment would also include a provision to protect Kentucky Power should the Commission modify or reject the Settlement Agreement to be tendered in the November 1, 2022, through October 31, 2024 two year FAC review case.¹⁰ The Parties stated that “[t]he new provision dictates that if the Commission enters an order in the two-year FAC review case for the period November 2022 through October 2024 that does not approve the settlement agreement to be entered into between the Parties and to be filed in that case, then the transitional monthly credits issued in 2026 will be recouped by the Company in the manner established by the Commission’s order in that case.”¹¹

Having considered the motion and the record, the Commission finds that the entirety of the motion should be granted. The Commission finds that the case should be reopened to address this motion. The motion requests material changes to the Settlement Agreement approved in this matter. Additionally, the Commission finds that the Parties’ request to amend the language related to the condition precedent should be granted. The Parties tendered both the revised Settlement Agreement, as well as one with the red line changes, which ensures that the requested changes are well

⁸ Joint Motion at 2-3.

⁹ Joint Motion at 2-3.

¹⁰ Joint Motion at 3.

¹¹ Joint Motion at 3.

documented.¹² The Commission agrees that that customers will benefit from this amendment and as noted in the final Order in this case, monthly credits will provide winter heating bill reduction benefits to Kentucky Power's residential customers.¹³

The Commission recognizes that the two-year November 1, 2022 through October 31, 2024 FAC review case had not been opened as of the date of the motion.¹⁴ The Settlement Agreement in this case was clear and accepted in full by the Commission. The credits were conditioned upon the Commission's final Order in that case. The Parties have agreed, and the Commission finds, that the additional revision related to the credits being contingent on the final Order in the subsequent review should be approved.

The Commission emphasizes the importance of the timing of these credits and desires to ensure that Kentucky Power customers receive the benefit of the Settlement approved by the Commission. However, nothing in this Order shall be construed or interpreted as approval of any request of Kentucky Power in the subsequent FAC review case.

IT IS THEREFORE ORDERED that:


1. This case is reopened for purposes of addressing the Joint Motion.
2. The Joint Motion by the Parties is granted.
3. The Commission approves the language as revised and set forth in Exhibit 1 of the Joint Motion.
4. The case is closed and removed from the Commission's docket.

¹² Joint Motion, Exhibit 1 and Exhibit 2.


¹³ Order (Ky. PSC Dec. 13, 2024) at 16.

¹⁴ As of Dec. 15, 2025.

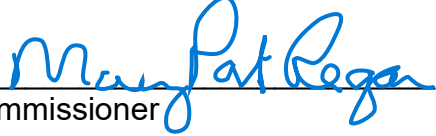
PUBLIC SERVICE COMMISSION



Chairman



Commissioner



Commissioner

ATTEST:



Executive Director





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