

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY)	
POWER COMPANY FOR: (1) APPROVAL OF THE)	
ROCKPORT OFFSET TRUE-UP AMOUNT; (2))	CASE NO.
APPROVAL TO COLLECT THE ROCKPORT)	2024-00016
OFFSET TRUE-UP THROUGH TARIFF)	
PURCHASE POWER ADJUSTMENT; AND (3) ALL)	
OTHER REQUIRED APPROVALS AND RELIEF)	

ORDER

On December 11, 2024, Kentucky Power Company (Kentucky Power) on behalf of all parties in this matter,¹ filed a motion, pursuant to KRS 278.400, requesting reconsideration of the monthly amount ordered to be collected of the Rockport Offset True-Up through the Tariff P.P.A. over the 19-month period set forth in the Order entered November 29, 2024 (final Order), regarding Kentucky Power’s recovery of the Rockport Offset True-Up amount agreed upon in Case No. 2017-00179.²

LEGAL STANDARD

KRS 278.400, which establishes the standard of review for motions for rehearing, limits rehearing to new evidence not readily discoverable at the time of the original hearings, to correct any material errors or omissions, or to correct findings that are

¹ Office of Rate Intervention on behalf of the Attorney General (Attorney General); Kentucky Industrial Utility Customers (KIUC).

² Case No. 2017-00179, *Electronic Application of Kentucky Power Company for (1) A General Adjustment of Its Rates for Electric Service; (2) An Order Approving Its 2017 Environmental Compliance Plan; (3) An Order Approving Its Tariffs and Riders; (4) An Order Approving Accounting Practices to Establish Regulatory Assets and Liabilities; and (5) An Order Granting All Other Required Approvals and Relief* (Ky. PSC June 28, 2018).

unreasonable or unlawful. A Commission Order is deemed unreasonable only when “the evidence presented leaves no room for difference of opinion among reasonable minds.”³ An order can only be unlawful if it violates a state or federal statute or constitutional provision.⁴

By limiting rehearing to correct material errors or omissions, and findings that are unreasonable or unlawful, or to weigh new evidence not readily discoverable at the time of the original hearings, KRS 278.400 is intended to provide closure to Commission proceedings. Rehearing does not present parties with the opportunity to relitigate a matter fully addressed in the original Order.

MOTION

Kentucky Power, on behalf of all the parties in the case, filed a motion requesting the Commission reconsider how the monthly Rockport Offset True-Up recovery was to be collected. In its motion, Kentucky Power included a chart with a comparison of how the Commission ordered the recovery to be billed,⁵ including how Kentucky Power had billed customers during the period from March 1, 2024, to the issuance of the final Order.⁶ According to Kentucky Power, the utility began collecting the amount based on a 12-

³ *Energy Regulatory Comm’n v. Kentucky Power Co.*, 605 S.W.2d 46 (Ky. App. 1980).

⁴ *Public Service Comm’n v. Conway*, 324 S.W.3d 373, 377 (Ky. 2010); *Public Service Comm’n v. Jackson County Rural Elec. Coop. Corp.*, 50 S.W.3d 764, 766 (Ky. App. 2000); *National Southwire Aluminum Co. v. Big Rivers Elec. Corp.*, 785 S.W.2d 503, 509 (Ky. App. 1990).

⁵ Final Order (Ky. PSC Nov. 27, 2024) at 8, ordering paragraphs 3 and 4. The Commission ordered the full amount to be divided evenly over 19 months.

⁶ Kentucky Power’s Joint Motion for Limited Rehearing (Motion for Rehearing) (filed Dec. 11, 2024), Exhibit 1.

month recovery period.⁷ However, in August Kentucky Power requested⁸ to extend the recovery through September 2025 which would lower the overall monthly amount being collected through the Tariff P.P.A.

According to Kentucky Power, to implement the final Order the utility would have to rebill and credit customers for portions of the amounts collected during the period of March 2024 through September 2024; then rebill and collect a different amount immediately thereafter, likely resulting in customer confusion.⁹ Kentucky Power stated that, although the initial impact on the customer bills rebilled would be a credit, the remaining amount to be collected would be higher than Kentucky Power proposed.¹⁰ In addition, should Kentucky Power collect the amount as set forth in the final Order, customers would see the impact of the recovery during the winter months when Kentucky Power customer bills are generally higher.¹¹

DISCUSSION AND FINDINGS

Having reviewed the record and the motion, the Commission finds that Kentucky Power's Motion for Rehearing should be granted. In its motion, Kentucky Power provided additional information related to the billing and repayment of the Rockport Offset True-Up. The Commission has reviewed the information and finds that the benefits of adopting Kentucky Power's repayment plan in Scenario B of Exhibit 1 mitigate the customer confusion and utility expense, and thus, should be approved. In amending the recovery

⁷ Kentucky Power's Motion for Rehearing at 2, 4.

⁸ Kentucky Power's Motion to Place Proposed Rates Into Effect (filed Aug. 16, 2024).

⁹ Kentucky Power's Motion for Rehearing at 5-6.

¹⁰ Kentucky Power's Motion for Rehearing at 5.

¹¹ Kentucky Power's Motion for Rehearing at 5.

amount per month in this matter, the Commission recognizes Kentucky Power's settlement approved in Case No. 2023-00008,¹² and its ongoing securitization process approved in Case No. 2023-00159.¹³ Through this Order, the Commission assists customers in benefiting from the settlement credit, minimizing customer confusion, mitigating occurrences of higher bills in winter months, and ultimately simplifying customer bills.

The Commission affirms recovery in the full amount of \$18,045,496 for the Rockport Offset True-Up over 19 months and that it should be recovered through the Tariff P.P.A. In addition, the pace of the monthly recovery should reflect Kentucky Power's proposed Scenario B. Upon full recovery of the True-Up amount, Kentucky Power shall file notice of such in this case. As this resolves the issues raised in the motion for rehearing, the Commission should close this case and remove it from the docket.

IT IS THEREFORE ORDERED that:

1. Kentucky Power's motion, on behalf of all the parties in this matter, for reconsideration is granted.
2. The full amount \$18,045,496 of the Rockport Offset True-Up shall be recovered through the Tariff P.P.A. over 19 months.

¹² Case No. 2023-00008, *An Electronic Examination of the Application of the Fuel Adjustment Clause of Kentucky Power Company from November 1, 2020 Through October 31, 2022* (Ky. PSC. Dec. 13, 2024), Order.

¹³ 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. 10, 2024), Order.

3. Recognizing that at least one billing period has passed since Exhibit 1 was created, Kentucky Power shall bill the Rockport Offset True-Up recovery amount through the Tariff P.P.A. as proposed in Scenario B of its motion.

4. Upon full recovery of the amount, Kentucky Power shall file notice in this case and include confirmation that Kentucky Power has stopped including the recovery in the Tariff P.P.A. referencing this case number in post-case correspondence.

5. The remainder of the November 27, 2024 Order not in conflict with this Order remains in effect.

6. This case is closed and removed from the Commission's docket.

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PUBLIC SERVICE COMMISSION



Chairman



Commissioner



Commissioner

ATTEST:

 

Executive Director

ENTERED
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KENTUCKY PUBLIC
SERVICE COMMISSION

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