

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF KENTUCKY)	
POWER COMPANY TO UPDATE ITS PURCHASE)	CASE NO.
POWER ADJUSTMENT RATES)	2024-00289
)	

ORDER

On August 15, 2024, Kentucky Power Company (Kentucky Power) filed a tariff, along with supporting documentation, to update its Purchase Power Adjustment tariff (Tariff P.P.A.) rates.¹ Kentucky Power proposed an effective date of September 27, 2024. The Commission issued an Order on September 26, 2024, suspending the tariff for one day, consistent with regulatory requirements.² A procedural schedule was established on December 12, 2024, and no intervenors participated in this case.³

An informal conference was held on February 6, 2025, at Kentucky Power's request,⁴ during which all issues related to the tariff update were discussed.⁵ On February 10, 2025,⁶ Kentucky Power filed a motion to submit the matter on the record without a

¹ Kentucky Power Tariff Filing (filed Aug. 15, 2024).

² Order (Ky PSC. Sept. 26, 2024).

³ Order (Ky PSC. Dec. 12, 2024).

⁴ Kentucky Power's Motion for Informal Conference (filed Jan. 23, 2025).

⁵ Case No. 2023-00318 was still open for rehearing at the time of the informal conference. See Case No. 2023-00318, *Electronic Tariff Filing of Kentucky Power Company to Update Its Purchase Power Adjustment Rates*.

⁶ Kentucky Power's Motion to Submit on the Record (filed Feb. 10, 2025).

hearing, citing the absence of contested issues and the pending final rehearing Order in Case No. 2023-00318,⁷ which also affects Tariff P.P.A. calculations.

LEGAL STANDARD

KRS 278.030 provides that a utility may collect fair, just and reasonable rates and that the service it provides must be adequate, efficient and reasonable. Administrative Regulation 807 KAR 5:001, Section 14, provides the Commission with the authority to permit deviations from its regulations for good cause shown. KRS 278.180 grants the Commission authority, for good cause shown, to shorten the required 30-day notice of rate changes to a period not less than 20 days.

DISCUSSION

The Commission has reviewed Kentucky Power's filing and supporting documentation, including the structure of Tariff P.P.A., the calculation of rate components, and the impact of prior Commission decisions in related cases, such as Case Nos. 2023-00318⁸ and 2024-00016.⁹ The proposed updates reflect several necessary adjustments to align with previous Commission Orders and ensure accurate cost recovery.

⁷ Case No. 2023-00318, *Electronic Tariff Filing of Kentucky Power Company to Update Its Purchase Power Adjustment Rates* (Ky. PSC June 14, 2024), final Order.

⁸ Case No. 2023-00318, June 14, 2024 final Order.

⁹ Case No. 2024-00016, *Electronic Application of Kentucky Power Company For: (1) Approval of the Rockport Offset True-Up Amount; (2) Approval to Collect the Rockport Offset True-Up Through Tariff Purchase Power Adjustment; and (3) All Other Required Approvals and Relief* (Ky. PSC Dec. 20, 2024), final Order.

Kentucky Power's filing removes PJM LSE OATT expenses from Tariff P.P.A., as required by the January 19, 2024 Order in Case No. 2023-00159,¹⁰ shifting recovery of those costs solely to base rates. The filing also incorporates the remaining Rockport Offset True-Up balance, which the Commission authorized for continued recovery through Tariff P.P.A. in the December 20, 2024 Order in Case No. 2024-00016. Additionally, the calculation methodology for over/under recovery reverts to the approach used prior to the company's proposals in Case No. 2023-00318, in compliance with the Commission's final rehearing Order¹¹ in that case.

Forecasted billing determinants have been utilized in this filing, consistent with prior Commission order, to improve cost allocation and rate accuracy.¹² The methodology ensures that projected customer load changes and weather normalization are accounted for in a manner that aligns more closely with anticipated billing conditions.

Under KRS 278.030, utilities are entitled to recover fair, just, and reasonable rates while ensuring adequate, efficient, and reasonable service. Based on the record, the Commission finds that Kentucky Power's proposed Tariff P.P.A. rates are reasonable and consistent with prior Commission Orders. The Commission reiterates its requirements set out in the final rehearing Order in Case No. 2023-00318 issued on March 4, 2025.¹³

¹⁰ 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. 19, 2024).

¹¹ Case No. 2023-00318, Mar. 4, 2025 Rehearing Order.

¹² KPCo_PPA_2024_Annual_Update, Form 2.0 (filed Sept. 3, 2024). See also Case No. 2023-00318, June 14, 2024 Order at 7, ordering paragraph 3.

¹³ Case No. 2023-00318, Mar. 4, 2025 Rehearing Order.

Nothing in this Order shall be construed as changing or eliminating the 2025 filing expectations set forth in that Order.

Having reviewed the filing and being otherwise sufficiently advised, the Commission finds that the requested deviations are reasonable and should be granted.

IT IS THEREFORE ORDERED that:

1. Kentucky Power's motion to submit this case on the record without a hearing is granted.

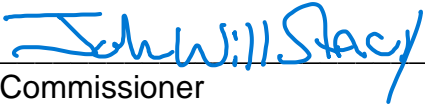
2. The rates and charges proposed by Kentucky Power for the Tariff P.P.A. rates, as reflected in the filing and discussed herein, are approved for service rendered on and after the date of this Order.


3. Within 20 days of the date of service of this Order, Kentucky Power shall, using the Commission's electronic Tariff Filing System, file its revised tariffs setting out the rates authorized in this Order and reflecting that they were approved pursuant to this Order.

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

PUBLIC SERVICE COMMISSION


Chairman


Commissioner


Commissioner

ATTEST:

 *PP*
Executive Director

ENTERED
MAR 10 2025 ^{jdc}
KENTUCKY PUBLIC
SERVICE COMMISSION

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