

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY)	
POWER COMPANY FOR (1) A GENERAL)	
ADJUSTMENT OF ITS RATES FOR ELECTRIC)	
SERVICE; (2) APPROVAL OF TARIFFS AND)	CASE NO.
RIDERS; (3) APPROVAL OF CERTAIN)	2025-00257
REGULATORY AND ACCOUNTING)	
TREATMENTS; AND (4) ALL OTHER REQUIRED)	
APPROVALS AND RELIEF)	

COMMISSION STAFF'S SECOND REHEARING REQUEST FOR INFORMATION
TO KENTUCKY POWER COMPANY

Kentucky Power Company (Kentucky Power), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due no later than June 5, 2026. The Commission directs Kentucky Power to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Kentucky Power shall make timely amendment to any prior response if Kentucky Power obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which Kentucky Power fails or refuses to furnish all or part of the requested information, Kentucky Power shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Kentucky Power shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Rehearing Testimony of Amy Elliott (Elliott Rehearing Testimony), page 10, Figure AJE-RH2.

- a. Explain how Kentucky Power's reliability metrics compare favorably to its neighboring cooperatives when its five-year-average System Average Interruption

Duration Index (SAIDI) was the second highest of all electric cooperatives listed in Figure AJE-RH2.

b. Explain whether any of Kentucky Power's neighboring electric cooperatives listed in Figure AJE-RH2 provide any incentive compensation plan to their respective employees.

2. Refer to Kentucky Power's response to Commission Staff's First Rehearing Request for Information (Staff's First Rehearing Request), Item 11.

a. In the same format as Kentucky Power's response to Staff's First Rehearing Request, Item 11, Confidential Attachment 1, provide the amounts of any adjustments made to remove expenses within the individual time entry code categories from the test year based on known and measurable changes or nonrecurring events.

b. For each category that was not removed from the test year, provide an explanation of how that compensation benefits Kentucky Power's ratepayers.

c. Explain why Kentucky Power should be allowed to recover the taxes associated with IMP-CO AIRCRAFT-PERSONAL USE (CAI) when there is no direct expense associated with Kentucky Power's cost of service in this proceeding.

d. Explain whether the amount included in Kentucky Power's cost of service pertaining to PY-OTHER COMP/ALLOW-CASH (OTH) is considered a recurring expense for Kentucky Power or if that expense was irregular for the test year.

e. Explain where Kentucky Power made the adjustment to remove PY-SEVERANCE PAYMENT-CASH (SEV) from its requested cost of service in this case.

3. Refer to Direct Testimony of Michele Ross, page 18, Case No. 2017-00179, January 18, 2028 Order, pages 70–71 and Case No. 2020-00174, January 13, 2021 Order, pages 109–110.²

a. Provide a calculation of the vegetation management one-way balancing mechanism balances since 2015.

b. Explain the basis for not including Trees Outside of the Right-of-Way expenditures in the one-way balancing mechanism.

c. Explain the basis for capitalizing vegetation management despite the two referenced orders referring to vegetation management as “O&M.”

4. Refer to Kentucky Power’s Response to Staff’s First Rehearing Request, Item 11(b)(4). Explain whether the amounts associated with PY-SUP PENS-CASH (Ret/DefMnth) (SUP) were removed from Kentucky Power’s cost of service as part of the Commission’s adjustment to remove Kentucky Power’s Supplemental Executive Retirement Plan expense.

5. Refer to Kentucky Power’s Response to Staff’s First Rehearing Request, Item 2(b).

a. Confirm that the prior year true-ups and other adjustments excluded from the calculation in Column H will be included in the FERC charges in 2026. If

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 Jan. 18, 2018), Order at 70-71; Case No 2020-00174, *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) Approval of a Certificate of Public Convenience and Necessity; and (5) All Other Required Approvals and Relief* (Ky. PSC Jan. 13, 2021), Order at 109-110.

Kentucky Power cannot confirm, explain each basis for why Kentucky Power is not able to confirm.

b. Explain how true-ups are incorporated into the FERC revenue requirement.

6. Refer to Kentucky Power's Response to Staff's First Rehearing Request, Item 2, KPCO_R_KPSC_RH_1_2_Attachment1. Refer also to Kentucky Power's Response to Staff's First Rehearing Request, Item 3.

a. Explain what "Including CRES" means as used in KPCO_R_KPSC_RH_1_2_Attachment1 at Cell A6 of Tab "2026 Rates" and Cell A6 of Tab "2025 Rates."

b. Explain what is represented by the 20,357 MW, the 3,354 MW, and the 23,710.2 MW in Cells B6, B7, and B8, respectively, in Tab 2026 Rates of KPCO_R_KPSC_RH_1_2_Attachment1.

c. Explain every difference between the 20,357 MW reflected in Cell B6 and the 17,540 MW reflected in Cell B34 in Tab 2026 Rates of KPCO_R_KPSC_RH_1_2_Attachment1, including loads that are included in one but not the other, differences in the periods used, and any other differences in the methodology for determining those values.

d. Explain whether the CRES load included in the 20,357 MW in Cell B6 in Tab "2026 Rates" of KPCO_R_KPSC_RH_1_2_Attachment1 is included in the loads that make up the 17,540 MW in Cell B34 in Tab "2026 Rates" of KPCO_R_KPSC_RH_1_2_Attachment1, and if so, explain where that load is included. If

not, explain how the costs associated with the CRES load are removed from the AEP affiliated amounts allocated, in part, to Kentucky Power using the 12 CP method.

e. Explain whether the 20,357 MW load reflected in Cell B6 in Tab “2026 Rates” of KPCO_R_KPSC_RH_1_2_Attachment1 includes wholesale customers served by each operating company, and if so, explain how the costs associated with that load are removed from the amounts allocated to Kentucky Power using the 12 CP method.

7. Refer to Kentucky Power’s Response to Staff’s First Request, Item 55, KPCO_R_KPSC_1_55_Attachment27_SpaethWP7.xlsx. Refer also to Kentucky Power’s response to Commission Staff’s Supplemental Post Hearing Requests for Information to Kentucky Power, Item 1, KPCO_R_KPSC_PHDR_2_1_Attachment1.xlsm, Tab “FERC_IS1.” Refer also to the table on page 77 of the February 28, 2026 Order in this case reflecting Kentucky Power’s projected PJM LSE OATT expense in 2025 of \$152,262,631 and the actual PJM LSE OATT expense in 2025 of \$140,994,529.

a. Confirm that the \$140,994,529 reflected on page 77 of the February 28, 2026 Order accurately reflects Kentucky Power’s PJM LSE OATT expense in 2025. If Kentucky Power cannot confirm, explain each basis why Kentucky Power is not able to confirm.

b. Explain in detail what caused the actual PJM LSE OATT expense in 2025 to be lower than Kentucky Power’s 2025 projected PJM LSE OATT expense as reflected in KPCO_R_KPSC_1_55_Attachment27_SpaethWP7.xlsx.

c. Provide a spreadsheet in Excel format showing the total revenues collected from AEP affiliates and non-affiliates in 2025 pursuant to the FERC rates that

correspond to the amounts in KPCO_R_KPSC_1_55_Attachment27_SpaethWP7.xlsx and provide the actual percentage allocation in 2025 of amounts collected from affiliates and non-affiliates in 2025 that correspond to the percentages in “2025 Rates” of KPCO_R_KPSC_1_55_Attachment27_SpaethWP7.xlsx.

d. Identify and explain each assumption in KPCO_R_KPSC_1_55_Attachment27_SpaethWP7.xlsx that proved to be inconsistent with the calculation of the expense in 2025 and resulted in the actual PJM LSE OATT expense in 2025 being lower than Kentucky Power’s 2025 projected PJM LSE OATT expense as reflected in KPCO_R_KPSC_1_55_Attachment27_SpaethWP7.xlsx.

8. Refer to Kentucky Power’s response to Staff’s First Rehearing Request, Item 3(a) indicating that Section 34.1 of the PJM Open Access Transmission Tariff (OATT) determines how transmission costs are assigned to loads within the AEP Zone and Appendix I of the AEP Transmission Agreement determines how costs assigned to the AEP Load are allocated to its operating companies, including Kentucky Power. Refer also to Kentucky Power’s Response to Staff’s First Rehearing Request, Item 2, KPCO_R_KPSC_RH_1_2_Attachment1.

a. Confirm that the allocation of the FERC transmission revenue requirement between AEP affiliated and non-affiliated loads as reflected in Cell H11 of Tab “2026 Rates” in KPCO_R_KPSC_RH_1_2_Attachment1 is governed by Section 34.1 of the PJM OATT. If Kentucky Power cannot confirm, explain each basis why Kentucky Power is not able to confirm.

b. Explain how the allocation methodology between the AEP affiliated load and the non-affiliated load reflected in Tabs “2025 Rates” and “2026 Rates” in

KPCO_R_KPSC_RH_1_2_Attachment1 is consistent with the allocation methodology outlined in the PJM OATT with specific references to the relevant tariff language.

c. Provide the actual spreadsheets filed with FERC used to calculate the amounts reflected in Tabs “Zonal Rates 2025,” “TransCo PJM Zonal Rates 2025,” “Zonal Rates 2026,” and “TransCo PJM Zonal Rates 2026” of KPCO_R_KPSC_RH_1_2_Attachment1.

d. Provide spreadsheets filed with FERC calculating the RTZ and the RTNZ, as those terms are used in Section 34.1 of the PJM OATT, applicable in 2025 and 2026 from the FERC transmission revenue requirements in 2025 and 2026.

e. Explain with references to relevant tariff language how the DCPZ and the DCPNZ are determined and used to calculate the DDCZ and DDCNZ, respectively, pursuant to the PJM OATT, including whether the DCPZ and DCPNZ are based on historical demand or projected future demand.

f. Provide a copy of Attachment H for AEP as referenced in Section 34.1 of the PJM OATT.

9. Refer to Kentucky Power’s response to Staff’s First Rehearing Request, Item 3(a), indicating that Appendix I of the AEP Transmission Agreement determines how costs assigned to the AEP Load are allocated to its operating companies, including Kentucky Power.

a. Explain what is meant by “AEP FR Customers” as that term is used in Appendix I of the AEP Transmission Agreement.

b. Provide the PJM bills or statements for 2025 reflecting the monthly expenses and revenue for each item listed in lines 1 through 15 of Appendix I of the AEP Transmission Agreement.

c. For each item listed in lines 1 through 15 of Appendix I of the AEP Transmission Agreement, indicate which sub-account each item will be reflected in.

10. Refer to Kentucky Power's response to Staff's First Request, Item 55, KPCO_R_KPSC_1_55_Attachment27_SpaethWP7.xlsx.

a. For each amount listed in Excel lines 34 through 44 of Tab "Zonal Rates," explain what the amount represents and why it was not included in the revenue requirement amounts allocated in Tab "2025 Rates," and identify the tariff or contract provisions that discuss the treatment of those amounts when establishing or allocating the FERC rate.

b. For each amount listed in Excel lines 38 through 44 of Tab "Zonal Rates," explain why they are not included in the calculation of the 2026 revenue requirement reflected in KPCO_R_KPSC_RH_1_2_Attachment1.

c. For each amount listed in Excel lines 32 through 42 of Tab "Transco PJM Zonal Rates," explain what the amount represents and why it was not included in the revenue requirement amounts allocated in Tab "2025 Rates," and identify the tariff or contract provisions that discuss the treatment of those amounts when establishing the FERC rate.

d. For each amount listed in Excel lines 36 through 42 of Tab "Transco PJM Zonal Rates," explain why they are not included in the calculation of the 2026 revenue requirement reflected in KPCO_R_KPSC_RH_1_2_Attachment1.

11. Refer to Kentucky Power's response to Commission Staff's Supplemental Post Hearing Requests for Information to Kentucky Power, Item 2(e).

a. Confirm that the basis of Kentucky Power's adjustment to PJM LSE OATT expense was a pro forma increase in the FERC rate and that the same increase in the FERC rate would increase Kentucky Power's FERC transmission revenue. If Kentucky Power cannot confirm, explain each basis why Kentucky Power is not able to confirm.

b. Explain why Kentucky Power did not propose pro forma increases accounting for additional increases to the embedded cost of transmission service, if any, when it made its application in this matter.

c. Explain each basis why the increase to Kentucky Power's FERC transmission revenue arising from the increase in the FERC rate should not be reflected in the revenue requirement, consistent with the proposed increase in PJM LSE OATT expense arising from the increase in the FERC rate, simply because no additional pro forma adjustment was proposed for the embedded cost of transmission given that Kentucky Power has the burden to establish known and measurable changes.

d. Explain each basis why it is unreasonable to adjust Kentucky Power's FERC transmission revenue without making additional adjustments to account for the embedded costs of transmission, but it is reasonable to adjust Kentucky Power's PJM LSE OATT expense without making all corresponding adjustments to Kentucky Power's other revenue to reflect that increase in revenue from the FERC transmission rate.

12. Refer to Kentucky Power's response to Commission Staff's Supplemental Post Hearing Requests for Information to Kentucky Power, Item 1, KPCO_R_KPSC_PHDR_2_1_Attachment1.xlsm, Tab "FERC_IS1."

a. Explain why the information pertaining to account 5650012 is not included, or if it is included, identify the Excel line on which it is located.

b. Provide the monthly amounts for account 5650012, if not already provided.



Linda C. Bridwell, PE
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601-8294

DATED **MAY 21 2026**

cc: Parties of Record

Service List for 2025-00257

* Angela M Goad
Assistant Attorney General
Office of the Attorney General Office of Rate Intervention
700 Capitol Avenue
Suite 20
Frankfort, KY 40601-8204

* Ashley Wilmes
Kentucky Resources Council, Inc.
Post Office Box 1070
Frankfort, KY 40602

* Byron Gary
Kentucky Resources Council, Inc.
Post Office Box 1070
Frankfort, KY 40602

* Honorable David Edward Spenard
Strobo Barkley PLLC
239 South 5th Street
Ste 917
Louisville, KY 40202

* Tom Fitzgerald
Kentucky Resources Council, Inc.
Post Office Box 1070
Frankfort, KY 40602

* Hector Garcia
Kentucky Power Company
1645 Winchester Avenue
Ashland, KY 41101

* Harlee P. Havens
Stites & Harbison
250 West Main Street, Suite 2300
Lexington, KY 40507

* Jody Kyler Cohn
Boehm, Kurtz & Lowry
425 Walnut Street
Suite 2400
Cincinnati, OH 45202

* Denotes served by Email

* Jennifer L. Parrish
Kentucky Power Company
1645 Winchester Avenue
Ashland, KY 41101

* Jeffery D. Newcomb
Kentucky Power Company
1645 Winchester Avenue
Ashland, KY 41101

* John Horne
Office of the Attorney General Office of Rate Intervention
700 Capitol Avenue
Suite 20
Frankfort, KY 40601-8204

* Kentucky Power Company
1645 Winchester Avenue
Ashland, KY 41101

* Kenneth J Gish, Jr.
Stites & Harbison
250 West Main Street, Suite 2300
Lexington, KY 40507

* Honorable Kimberly S McCann
Attorney at Law
VanAntwerp Attorneys, LLP
1544 Winchester Avenue, 5th Floor
P. O. Box 1111
Ashland, KY 41105-1111

* Lawrence W Cook
Assistant Attorney General
Office of the Attorney General Office of Rate Intervention
700 Capitol Avenue
Suite 20
Frankfort, KY 40601-8204

* Matt Partymiller
President
Kentucky Solar Industries Association
1038 Brentwood Court
Suite B
Lexington, KY 40511

* Michael West
Office of the Attorney General Office of Rate Intervention
700 Capitol Avenue
Suite 20
Frankfort, KY 40601-8204

* Michael J. Schuler
American Electric Power Service Corporation
1 Riverside Plaza, 29th Floor
Post Office Box 16631
Columbus, OH 43216

* Honorable Michael L Kurtz
Attorney at Law
Boehm, Kurtz & Lowry
425 Walnut Street
Suite 2400
Cincinnati, OH 45202

* Randal A. Strobo
Strobo Barkley PLLC
239 South 5th Street
Ste 917
Louisville, KY 40202

* Toland Lacy
Office of the Attorney General
700 Capital Avenue
Frankfort, KY 40601

* Tanner Wolfram
American Electric Power Service Corporation
1 Riverside Plaza, 29th Floor
Post Office Box 16631
Columbus, OH 43216

* W. Mitchell Hall, Jr.
VanAntwerp Attorneys, LLP
1544 Winchester Avenue, 5th Floor
P. O. Box 1111
Ashland, KY 41105-1111