



An **AEP** Company

BOUNDLESS ENERGY™

Kentucky Power
1645 Winchester Avenue
Ashland, Kentucky 41101

RECEIVED

OCT 14 2021

PUBLIC SERVICE
COMMISSION

ELECTRONICALLY DELIVERED

October 14, 2021

Linda C. Bridwell
Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
Frankfort, Kentucky 40601

RE: Net Metering Services II (“NMS II”) Billing

Dear Ms. Bridwell,

I wanted to make the Kentucky Public Service Commission aware of the Company’s efforts to implement NMS II billing in accordance with the Commission’s May 14, 2021 Order in Case No. 2020-00174. Billing is working as intended when a customer has a net positive energy balance for the billing period; however, when a customer’s net energy balance is negative during the billing period, the Company is unable to apply the credits due to limitations with the Company’s existing billing software. Application of NMS II credits to negative net energy balances requires a fundamental change in the way the Company’s software is currently programmed.

Credits are applied by the Company’s billing software to the sum of all billing line items. NMS II-based credits can only be applied under the Commission’s Order to billed energy charges and any kWh-based charges.

The Company has worked diligently since the May 14, 2021 Order to make its billing software compatible with the NMS II tariff. This includes using dedicated and non-dedicated personnel to implement the necessary software changes. Because of the complexity and time required to implement a fully automatic system, the Company first is developing a temporary solution that involves manual billing of NMS II customers. The Company hopes to implement the temporary solution by December 2021.

The temporary solution will allow the Company’s special billing team to handle NMS II bill calculations outside of the billing software when the account has a net negative balance. Once the bill is calculated a “forced bill” will be entered into the Company’s billing system. Among

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the changes required are the creation of new codes to allow the credit to be applied by the special billing team when entering the calculated bill into the billing software, the development of new logic to facilitate accurate and appropriate bill presentment, past due notices, disconnect notices, and payment functions.

The Company is tracking the very limited instances when a credit could not be currently applied. Since the Commission's May 14, 2021 Order there have been three customers, with a single bill each, who did not receive the credit because of their net negative energy balance in a billing period.

Immediately upon the short term solution becoming available, the Company will begin applying any prior and current credits to customer's bills. This initial month of credit application for an NMS II customer will function the same as any other - any excess credits will be carried over for use in subsequent billing periods.

Further the Company has notified its NMS II customers about this issue using an ongoing bill message. This message will also be provided in a one-time mailer to current and newly enrolled NMS II customers. The message for these notifications is:

Our system indicates that you are enrolled in the Company's net metering II (NMS II) tariff which was recently proposed in Case No. 2020-00174. The Commission's May 14, 2021 Order in this case modified the Company's proposal and made this offering available for service rendered on and after May 15, 2021. The Company is working diligently to incorporate the Commission's modifications to NMS II into its billing system. Please note that billing is working as intended when your account has a net positive kWh for the billing period.

We appreciate your patience. Should you wish to discuss this further, please email DGSupport@aep.com or phone 614-716-2080.

The Company, contemporaneously with this letter, has requested an informal conference to discuss another topic regarding NMS II. If Staff believes it beneficial to incorporate this topic into that informal conference, the Company would be happy to discuss this topic further at that time.

Alternatively, feel free to call me at 606-327-2603 with any questions.

Sincerely,



Brian K. West
Vice President, Regulatory and Finance