

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY)	
POWER COMPANY FOR AN ORDER)	
APPROVING ACCOUNTING PRACTICES TO)	
ESTABLISH A REGULATORY ASSET RELATED)	CASE NO.
TO THE EXTRAORDINARY FUEL CHARGES)	2023-00145
INCURRED BY KENTUCKY POWER COMPANY)	
IN CONNECTION WITH WINTER STORM)	
ELLIOTT IN DECEMBER 2022)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO KENTUCKY POWER COMPANY

Kentucky Power Company (Kentucky Power) pursuant to 807 KAR 5:001E, shall file with the Commission an electronic version of the following information. The information requested is due on May 19, 2023. 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 governmental agency, be accompanied by a signed certification of the preparer or the

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).

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 5:001E, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Application, page 1 and as used *passim*, confirm that the phrase "non-F.A.C. eligible fuel costs" refers to power or energy purchases and not fuel purchases.

2. Refer to the Application, page 3. Provide an itemized list of the total amount of regulatory assets on Kentucky Power's books as of May 1, 2023.

3. Refer to the Application, pages 6 to 7, where Kentucky Power discusses its peaking unit equivalent (PUE). Kentucky Power states that the gas index used to calculate the PUE is located in the western region of PJM.

a. Explain why the gas index used is located in western region of PJM and not the eastern region of PJM.

b. Calculate the effect on the PUE during Winter Storm Elliott if the PUE was calculated using gas prices from the eastern region of PJM.

4. Refer to the Application, page 14. Provide the journal entries Kentucky Power would record to create the proposed regulatory asset.

5. Refer to Case No. 2000-00496-B, where the Commission, discussing power purchases made to meet native load, described an economy purchase as:

[R]ecoverable through an electric utility's FAC as purchases that an electric utility makes to serve native load, that displace its higher cost of generation, and that have an energy cost less than the avoided variable generation cost of the utility's highest cost generating unit available to serve native load during that FAC expense month.²

The Commission defined non-economy energy purchases as “energy purchases made to serve native load that have an energy cost greater than the avoided variable cost of the utility's highest cost generating unit available to serve native load during that FAC expense month.”³ Confirm that the power purchases for which Kentucky Power seek regulatory accounting treatment are “non-economy energy purchases.” If not, explain why Kentucky Power does not think the purchases are non-economy energy purchases.

² Case No. 2000-00496-B, *An Examination by the Public Service Commission of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from May 1, 2001 to October 31, 2001* (Ky. PSC May 2, 2002), Order at 4.

³ Case No. 2000-00496-B, May 2, 2002 Order at 4.

6. Provide a detailed explanation of how Kentucky Power's generating units were operating during Winter Storm Elliott. Include in the response a list and event description in chronological order showing by unit and date any scheduled, actual, and forced outage for the months of November and December 2022.

7. Explain, in detail, why Kentucky Power had to purchase power during Winter Storm Elliott. Include a detailed explanation of any plans or contingencies Kentucky Power had in place to avoid having to purchase power from the PJM market.

8. Refer to the Application, Exhibit 2. Provide an update to Exhibit 2 including all the supporting worksheets as would be filed during a fuel adjustment clause investigation.



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Public Service Commission
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DATED MAY 10 2023

cc: Parties of Record

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