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) AN ORDER APPROVING ITS 2017)	Case No. 201700179
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	5)	
AND RELIEF)	

KENTUCKY POWER COMPANY RESPONSES TO

KENTUCKY LEAGUE OF CITIES (KLC)

FIRST SET OF DATA REQUESTS

August 28, 2017

The undersigned, Douglas R. Buck, being duly sworn, deposes and says he is Senior Regulatory Consultant for American Electric Power Service Corporation and that he has personal knowledge of the matters set forth in the forgoing responses and the information contained therein is true and correct to the best of his information, knowledge and belief.

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Douglas R. Buck

STATE OF OHIO

County of FRANKLIN

) Case No. 2017-00179

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Douglas R. Buck, this the $23^{\frac{23}{10}}$ day of August 2017.



Princess M. Brown Notary Public, State of Ohio My Commission Expires 04-19-2020 Notary Public

My Commission Expires: 4/19/2020

The undersigned Everett G. Phillips, being duly sworn, deposes and says he is the Managing Director, Distribution Region Operations for Kentucky Power Company, that he has personal knowledge of the matters set forth in the forgoing data requests and the information contained therein is true and correct to the best of his information, knowledge, and belief.

Everett G Phillips

COMMONWEALTH OF KENTUCKY COUNTY OF BOYD

) CASE NO. 2017-00179

Subscribed and sworn to before me, a Notary Public in and before said County and State, by, Everett G. Phillips, this the 2/2 day of August 2017.

Notary ID # 530202



The undersigned, Stephen L. Sharp, being duly sworn, deposes and says he is a Regulatory Consultant, for Kentucky Power Company and that he has personal knowledge of the matters set forth in the data responses and the information contained therein is true and correct to the best of his information, knowledge and belief

<u>MAU</u>

Stephen L. Sharp

COMMONWEALTH OF KENTUCKY)
) 2017-00179
COUNTY OF FRANKLIN)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Stephen L Sharp, this the <u>26</u> day of August 2017.

y K Cosquit Notary Public

Notary ID Number: 571144

My Commission Expires: January 23, 2021

The undersigned, Alex E. Vaughan, being duly sworn, deposes and says he is the Manager, Regulatory Pricing and Analysis that he has personal knowledge of the matters set forth in the forgoing responses and the information contained therein is true and correct to the best of his information, knowledge and belief.

Alex E. Vaughan

STATE OF OHIO

COUNTY OF FRANKLIN

) Case No. 2017-00179

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Alex E. Vaughan, this the $\mathbb{A} \not\subseteq$ day of August 2017.



Princess M. Brown Notary Public, State of Ohio My Commission Expires 04-19-2020

Notary Public

My Commission Expires:

419/2020

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The undersigned, Ranie K. Wohnhas, being duly sworn, deposes and says he is the Managing Director Regulatory and Finance for Kentucky Power, that he has personal knowledge of the matters set forth in the forgoing responses for which he is the identified witness and that the information contained therein is true and correct to the best of his information, knowledge, and belief

Kanie K. Wohnt

Ranie K. Wohnhas

COMMONWEALTH OF KENTUCKY

COUNTY OF BOYD

) Case No. 2017-00179

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Ranie K. Wohnhas, this the 22 day of August 2017.

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Musha Notary Public úm

My Commission

Expires 3-18-19



TRISHA M. YOUNG NOTARY ID 530202 COMMISSION EXPIRES 3-18-19

DATA REQUEST

KLC_1_001 Refer to the Direct Testimony of Kentucky Power Co. (hereinafter "KPC") witness Mr. Buck, page 7. In his discussion regarding costs that are directly assignable to a single class, explain why poles should be directly assigned to the street lighting class, as opposed to allocating these costs between street lighting and pole attachments?

RESPONSE

The direct testimony of witness Buck, page 7, states that costs associated with poles and luminaries used for street lighting are directly assigned to street lighting. Joint costs, which also include poles and associated equipment, are allocated to customers by an appropriate allocation methodology.

DATA REQUEST

KLC_1_002 Refer to Direct Testimony of Mr. Buck, page 12. What amount and percentage of Meter Plant, account 370, was allocated to: a. Outdoor lighting class b. Street lighting class c. Municipal waterworks

RESPONSE

a. Zero

b. Zero

c. Please refer to Attachment KPCO_R_KPSC_1_73_Attachment 35_KPCO_CCOS_-_Test_Year_2017_-DRB_-FINAL_-KPSC_DR_1-73.xls, the "Allocators" tab and the "COSS" tab for the various class allocators, including those for the municipal waterworks ("MW") class. On the "Allocators" tab and the "COSS" tab, please also refer to allocator "DIST_METERS" on line 102 and 370 Meters on line 131, respectively. For the MW class, it is 0.011120% or \$2,766.

DATA REQUEST

KLC_1_003
Refer to Direct Testimony of Mr. Buck, page 15. Describe the specific expenses captured by the following Accounts:

a. Account 585
b. Account 586
c. Account 596
d. Account 597
e. Account 598
f. Account 590

RESPONSE

Please refer to KPCO_R_AG_041_Attachment1.xls and the accounts/Excel Worksheet line references shown below within Kentucky Power's response to question AG_041:

- a. Account 585 Line 641
- b. Account 586 Line 642
- c. Account 596 Line 656
- d. Account 597 Line 657
- e. Account 598 Line 658
- f. Account 590 Line 647

DATA REQUEST

KLC_1_004Refer to Direct Testimony of Mr. Buck, pages 20-21. Provide the
anticipated Going-Level ROR and Relative ROR should the Commission
fully approve the requested revenue increase and proposed allocations.

RESPONSE

Please refer to Column 8, "ROR," on the "Proposed" tab of Attachment KPCO_R_KPSC_1_73_Attachment 35_KPCO_CCOS_-_Test_Year_2017_-_DRB_-_FINAL_-_ KPSC_DR_1-73.xlsx for the going-level ROR. The relative ROR can be calculated by dividing the ROR for the respective class by the total ROR.

Witness: Ranie K. Wohnhas

DATA REQUEST

KLC_1_005
Refer to Direct Testimony of Mr. Buck, pages 21-22. Provide the necessary increase (or decrease) and corresponding percentage to achieve true customer cost should the Commission grant the following percentage of the KPC revenue increase request:

a. 100%
b. 75%
c. 50%

RESPONSE

The Company objects to this data request on the grounds that it is unintelligible, vague, and unduly burdensome. Without waiving these objections, the Company states as follows:

The Company has not performed the calculations requested.

DATA REQUEST

KLC_1_006 Refer to Direct Testimony of Mr. Sharp, pages 20-21. Describe the requirements of the internal billing software that necessitated a change in the billing practices as both the requirements and changes relate to lighting.

RESPONSE

Kentucky Power assumes the reference is to page 23-24 of the Direct Testimony of Company Witness Sharp. Currently, the base fuel rate is included as a component of the lighting rates. The Company's billing software will not allow the Company to update the base fuel rate component of the lighting rates when the Commission authorizes changes in the Company's base fuel rate. Instead, the Company must change each rate manually. Under the proposed rate structure, the Company will be able to change the base fuel rate when authorized in one-step, independent from the individual lighting rates.

DATA REQUEST

KLC_1_007 Refer to Direct Testimony of Mr. Sharp, pages 20-21.

a. Explain why the changes to installation costs are not discussed by Mr. Sharp.

b. Provide Kentucky Power's rationale for increase the installation charges for lighting.

c. Explain whether these charges would apply only to new installations, or would apply to entities currently paying installation charges for installations that actually occurred prior to this rate case.

RESPONSE

a. Pages 20-21 references the Terms and Conditions of the Company's Mobile Alert Service. The Company assumes the reference is pages 23-24 which discusses outdoor and street lighting. Company Witness Vaughan provided testimony in this case about rate design.

b. Because the facilities charges in the lighting tariffs are below their cost based rates, the Company included a portion of the proposed increase in the facilities charges to move them towards cost based rates.

c. The increase would apply to new and current customers who are paying monthly installation charges.

Witness: Stephen L. Sharp Alex E. Vaughan

DATA REQUEST

KLC_1_008 Provide a schedule showing the monthly installation costs paid by each municipality served by KPC.

RESPONSE

None of the municipalities within Kentucky Power's service territory pay monthly installation costs for street lighting. Please see KPCO_R_KLC_1_8_Attachment1.xls for a list of municipalities within Kentucky Power's service territory that pay monthly installation costs for outdoor lighting.

DATA REQUEST

KLC_1_009 Regarding Tariff M.W.:

a. Clarify whether both municipal sewer and water companies may take service under this tariff.

b. Describe the analysis KPC uses to determine which entities are able to take service under this tariff.

RESPONSE

a-b. As defined in the Company's Terms and Conditions, Municipal Waterworks is available only to incorporated cities and towns and authorized water districts and to utility companies operating under the jurisdiction of the Public Service Commission of Kentucky for the supply of electric energy to waterworks systems and sewage disposal systems served under this tariff on September 1, 1982, and only for continuous service at the premises occupied by the Customer on this date. If service hereunder is discontinued, it shall not again by available.

DATA REQUEST

KLC_1_010 Provide revenue received from pole attachments per each municipality served by KPC.

RESPONSE

No municipalities pay for pole attachments under Tariff C.A.T.V.; however, the City of Ashland and the Company have entered into an agreement for the placement of a security camera on a Kentucky Power pole. The City of Ashland makes an annual payment of \$15.00 for use of the pole.

DATA REQUEST

KLC_1_011 Provide the installation cost for pole attachments and how much of the cost is credited to the municipality that paid for installation of the pole.

RESPONSE

Kentucky Power is not responsible for installing pole attachments because the equipment belongs to the operators.

DATA REQUEST

KLC_1_012 Please explain whether the revenues received from pole attachments offset expenses. Are the revenues received from pole attachments applied to the poles themselves or are they applied to the revenue requirement generally for KPC.

RESPONSE

As described on page 25 of the testimony of Company Witness Sharp, Kentucky Power sets pole attachment rates under Tariff C.A.T.V. based on the cost of purchasing, installing, and maintaining the Company's poles. Revenues received under Tariff C.A.T.V. for pole attachments are not segregated from other revenues received by the Company.

DATA REQUEST

KLC_1_013 Explain why Tariff C.A.T.V.:
a. Does not include an installation component, as is included with lighting.
b. Does not offset the revenue requirement allocated to lighting associated with pole installation, maintenance, and replacement?

RESPONSE

a. Kentucky Power does not have an installation component for Tariff C.A.T.V. because cable operators are responsible for installing their own equipment.

b. Please refer to the Company's response to KLC 1-12.

DATA REQUEST

KLC_1_014 Provide a list of any and all municipalities in which KPC has converted street lights to LED technology.

RESPONSE

Kentucky Power has not converted any street lights in municipalities to LED technology.

DATA REQUEST

KLC_1_015 Provide all documentation and research in the possession of KPC regarding cost comparisons of LED street and outdoor lighting to the technology currently in use by KPC.

RESPONSE

Kentucky Power has not prepared any cost comparisons of LED street or outdoor lighting to the Company's current lights in service. Please refer to KPCO_R_KLC_1_36_Attachment1.xls for the cost comparison between LED fixtures and high pressure provided by AEP's suppliers.

DATA REQUEST

KLC_1_016 Do municipalities continue to pay for KPC's cost of installing or acquiring the street light beyond the depreciable life basis of the street light?

RESPONSE

Street lights are charged to municipalities in accordance with Tariff S.L., and not by the individual cost of installation or acquisition of the street light.

DATA REQUEST

KLC_1_017 Please provide or describe policies and procedures related to the retirement of street lighting.

RESPONSE

Street lighting is retired when the individual fixture is no longer repairable. An in-kind replacement is installed if the customer does not desire a different type of fixture,. The Company will provide a different type of fixture at the time an existing fixture is retired upon the customer's request if the fixture is available. The customer will be billed at the tariffed rate for the new fixture(s). The Company will remove and retire a street light at the request of the customer.

DATA REQUEST

KLC_1_018 Please describe the process by which KPC negotiates with prospective third-party contractors who may perform services related to street lighting. Include within your response whether KPC issues a request for proposal for services and whether KPC negotiates pricing within the proposals after they are received from the third-party contractor.

RESPONSE

Kentucky Power Company has not issued a request for proposals from third party contractors for services related to street lighting. Most work is performed by Company employees. On occasion, particularly when the work involves the installation of multiple poles, the Company will direct third-parties who are under contract to provide non-street lighting work to provide services in connection with street lighting.

DATA REQUEST

KLC_1_019 Provide information identifying the entity or entities that provide installation, maintenance, and repair services on street and outdoor lighting and:

a. The estimated percentage of work each entity performed on installation, maintenance, and repair services.

b. Explain on what basis you presented that percentage.

RESPONSE

Installation and repair services on street and outdoor lighting is performed by Kentucky Power's internal line employees. Kentucky Power does not perform maintenance on a scheduled basis. In some cases, Kentucky Power will employ independent line contractors to install lighting facilities where the installation of poles also is involved. Kentucky Power does not contract outside contractors to specifically install, maintain, or repair outdoor or street lighting.

a. There are approximately 48 employees that charge time to street light repair work. Approximately 9.3% of the employee's time is spent on the installation and repairs of street lights. Kentucky Power does not perform routine maintenance on street lights.

b. The percentage is calculated by dividing employee hours charged to the installation and repair of street and outdoor lighting (8003.69 hours) divided by total employee hours (86,400).

DATA REQUEST

KLC_1_020 Please provide copies of all invoices and corresponding documentation from 2015 and 2016 evidencing the purchase of any materials used for constructing, installing, or repairing lighting offerings in the outdoor and street lighting rate classifications.

RESPONSE

Kentucky Power purchases materials and supplies through repeat purchase orders with vendors. There are no invoices produced. The materials and supplies are issued out of the Company's storeroom stock and assigned to appropriate work orders.

Please refer to KPCO_R_KLC_1_20_Attachment1.xls, KPCO_R_KLC_1_20_Attachment2.xls, and KPCO_R_KLC_1_20_Attachment3.xls for the requested information.

DATA REQUEST

KLC_1_021	How many street lights (on average) are actually in proper working order at any given time.
	a. Across the KPC service territory
	b. In each municipality served by KPC.

RESPONSE

a. Across the KPC service territory 99.64% or 11,248 lights on average are in proper working order at any given time.

b. Please refer to KPCO_R_KLC_1_21_Attachment1.xls for the requested information.

DATA REQUEST

KLC_1_022 Identify how KPC credits or reduces a municipalities bill for the time during with a street, outdoor or traffic light is not functioning properly.

RESPONSE

When Kentucky Power receives notification from a municipality that a street or outdoor light is malfunctioning, the Company will repair the malfunctioning light. If the light is not repaired within three business days, the Company credits the municipality's account from the time the Company received notification the light was malfunctioning until the time it was repaired.

The Company does not provide traffic light service to municipalities and, accordingly, any repairs of malfunctioning traffic lights are the responsibility of the individual municipalities.

DATA REQUEST

KLC_1_023	Provide the amount of time it takes on average to repair a street light into working order.
	a. Across the KPC Service Territory
	b. In each municipality served by KPC.

RESPONSE

a. The average street light repair time is seven days from the time Kentucky Power receives a report until it is repaired.

b. Please refer to KPCO_R_KLC_1_23_Attachment1.xls for the requested information.

DATA REQUEST

KLC_1_024 Please describe in detail all maintenance that must be performed by KPC on each type of street light to ensure that it operates properly and provide a list of each component of the required maintenance and its monthly cost.

RESPONSE

Kentucky Power does not perform routine maintenance on Street lights. Kentucky Power repairs or replaces street lights as they are reported as not functioning or to be "Day Burners". When the Company repairs a fixture it also checks for a defective photo cell or lamp. If the replacement of these components will not repair the light Kentucky Power replaces the light Head with a new unit. Components are listed on the attached spread sheet, KPCO_R_KLC_1_24_Attachment1.xls.

DATA REQUEST

KLC_1_025Please state how many new public street lights were installed by KPC for
each of the past three years, indicating the types of lights installed and the
number of these lights which replaced previously existing street lights.
Also, please indicate in which municipality the street light is located.

RESPONSE

A total of 41 street lights were installed from 9/16/14 through 7/24/17 in various municipalities. In 2014 there were 9 street lights installed.

In 2015 there were 17 street lights installed. In 2016, eight street lights installed. Through July 24, 2017 there seven street lights installed.

Please refer to KPCO_R_KLC_1_025_Attachment1.xls for the municipalities in which these lights were installed.

DATA REQUEST

KLC_1_026 Provide all policies, procedures, practices or guidelines related to maintenance and repair of street, outdoor, and traffic lighting.

RESPONSE

Kentucky Power follows the tariffs for outdoor lighting and street lighting. The tariffs sheets are: 14-1, 14-2, 14-3, 15-1, 15-2, 15-3. Kentucky Power does not provide or maintain traffic lighting.

Below are Kentucky Power's guidelines for installing outdoor and street lights.

Outdoor Light is available to individual customers at locations where customers desire additional lighting. Customers applying for an outdoor light are asked if they wish for the light to be installed on an existing pole or at a location requiring the installation of a pole.

The Solutions Center processes the application and a servicer is assigned and the installation is scheduled. The servicer confirms there are facilities on the pole to power the light and installs the lights. If facilities are not available, the servicer works with the customer to choose an alternate location with available power. If the customer nevertheless requests that the light be installed at a location where power is unavailable the Work Request is routed to Customer Design. A technician will visit the proposed location to determine the facilities required. The selected location must be accessible by truck. If the span of the required conductor is 150 feet or less the Company will install the light and required facilities upon the customer's agreement to pay the required installation charges.

Street Lighting:

Street Lighting is available for lighting public streets, public highways, and other public outdoor areas in municipalities, counties, and other governmental subdivisions where such service can be supplied from existing general distribution systems. Each governmental entity has its own Street Light account and lights may be added to or removed at their request.

Requests for street lighting are made by letter to the applicable Kentucky Power customers service representative. The request should specify the existing pole number as well as street address for each installation. The CSR will visit the location to determine if adequate facilities exist for the light to be installed. For those pole locations where adequate facilities exist the CSR will generate a work request and the light will be installed or removed. Where additional facilities are required the CSR will generate a work request and assign to a customer design

technician. The technician will determine the additional facilities required. Kentucky Power will install a span of conductor up to 150 feet to serve street lighting from existing power facilities.

When the customer requests street lighting that requires special poles of fixtures, underground street lighting, or a line extension beyond 150 feet, the customer is required to pay, in advance, an aid- to-construction in the amount of the installed cost of such special facilities. The technician will prepare a work order to install any additional facilities. Upon payment the technician will forward the work request and work order to construction for completion.

DATA REQUEST

KLC_1_027	Provide an excel schedule listing each Municipal customer of KPC and each account under that municipality. For each account provide following information for each year from 2015-2016:
	a. Applicable tariff.

b. Other tariffs that could be applicable to this account.

- c. Total sum paid per year.
- d. Customer Class.

RESPONSE

a. Please refer to KPCO_R_KLC_1_27_Attachment1.xls for this information.

b. The Company would be unable to determine other applicable tariffs for a customer without information from that customer about specific usage patterns or whether that pattern is changing.

c. Please refer to KPCO_R_KLC_1_27_Attachment1.xls for this information.

d. Please refer to KPCO_R_KLC_1_27_Attachment1.xls for this information.

DATA REQUEST

KLC_1_028 For each account applicable to response 27(b) above, provide:a. How the currently applicable tariff was chosenb. The total sum that would have been paid in each year 2015 and 2016 if paid according to the alternatively applicable tariff.

RESPONSE

a-b. Please refer to the Company's response to KLC 1-27(b).

DATA REQUEST

KLC_1_029	For each customer class listed in response to 27(d) above,
	a. Provide the proposed percentage increase to that class.
	b. Provide the percentage of the total revenue increase requested that will be allocated to that class.
RESPONSE	

a.-b. Please refer to Section II, Exhibits J and K of the Company's Application.

DATA REQUEST

KLC_1_030 For each tariff provided in response to 27(a) above, what percentage of the base and test period income is derived from municipal customers?

RESPONSE

Kentucky Power is unaware of the term base period income. The percentage of test period income derived from municipal customers using the tariffs in KLC 1-27(a) is 1.42%. Further information on how that percentage was derived can be found in KPSC_R_KLC_1_30_Attachment1.xls

DATA REQUEST

KLC_1_031 For each Municipality served by KPC, provide the quantity, size, type, and street address of each street light located within those municipalities. Also indicate:

a. Which entity owns each street light.

b. The anticipated retirement/replacement date for each light fixture.

RESPONSE

Kentucky Power objects to this request as overly broad and unduly burdensome. Kentucky Power provides electric service to approximately 11,288 street light fixtures within its service territory. Please see KPCO_R_KLC_1_31_Attachment1.xls. Street addresses are not available for each location.

a. Kentucky Power owns all street lights billed under Tariff S.L..

b. The requested information does not exist. Street light fixtures remain in service until a municipality requests that the fixture be removed or the unit fails.

DATA REQUEST

KLC_1_032 For each type of light located in a municipality served by KPC, provide the cost of obtaining the light and annual maintenance.

RESPONSE

Kentucky Power does not perform annual maintenance of street lighting. The cost of obtaining a light is the same for each of the Company's service centers and does not differ by municipality. Please refer to the Company's response to KLC_1_24 for additional cost information.

DATA REQUEST

KLC_1_033 Provide the average time to repair a malfunctioning street light from the time of discovery, either by public reporting or KPC representative, to the time the light is restored to operation.

RESPONSE

Seven days.

DATA REQUEST

KLC_1_034 For each municipality served by KPC, provide a schedule of maintenance and repair calls for each street light located in the municipality and the total cost for each call, including both materials and labor.

RESPONSE

The Company cannot provide the requested information by municipality. Kentucky Power accounts for street light repairs by service center. The average street light repair cost (including labor and material) during the period March1, 2016 to February 28, 2017 by service center was

Ashland = \$163.74 Hazard = \$133.57 Whitesburg = \$103.57 Pikeville = \$137.61 Paintsville = \$165.51

DATA REQUEST

KLC_1_035 Provide the currently applicable franchise fee agreement for each municipality served by KPC.

RESPONSE

Kentucky Power's franchise fee agreements can be found on the Kentucky Public Service Commission's website.

DATA REQUEST

KLC_1_036 Provide any data or research in KPC's possession on the benefits related to the use of LED street lighting in terms of energy efficiency and cost savings.

RESPONSE

Kentucky Power has not researched the use of LED street lights. Please refer to KPCO_R_KLC_1_36_Attachment2.pdf for information in Kentucky Power's possession.

A cost comparison is provided in KPCO_R_KLC_1_36_Attachment1.xls.

DATA REQUEST

KLC_1_037 Provide a schedule showing the total miles of electrical line both above and underground in each municipality served by KPC.

RESPONSE

Please refer to KPCO_R_KLC_1_37_Attachment1.xls for the requested information.

DATA REQUEST

KLC_1_038	For each municipality served by KPC, provide a schedule showing
	a. The total number of utility poles located within the municipality.
	b. The number of utility poles in the rights of way.
	c. Provide the annual revenue received in 2015 and 2016 by KPC as a result of fees charged for third party attachments to the poles.
<u>RESPONSE</u>	

- a. See Attachment KPC_R_KLC_1_38 Attachment1.xls for the requested information.
- b. The requested information is not available.
- c. The annual revenue received from third party attachments:

2015 = \$3,555,495.75

2016 = \$3,628,197.81