

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY)	
POWER COMPANY TO AMEND THE)	
SETTLEMENT AGREEMENT APPROVED IN)	
CASE NO. 2018-00035 TO PROVIDE FOR THE)	
ONE-TIME AMORTIZATION OF)	CASE NO.
UNPROTECTED ACCUMULATED DEFERRED)	2020-00176
FEDERAL INCOME TAX IN AN AMOUNT)	
SUFFICIENT TO ELIMINATE CUSTOMER)	
DELINQUENCIES GREATER THAN 30 DAYS)	
AS OF MAY 28, 2020)	

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

Kentucky Power Company (Kentucky Power), pursuant to 807 KAR 5:001, is to file with the Commission an electronic version of the following information. The information requested herein is due on July 6, 2020. The Commission directs Kentucky Power to the Commission's March 16, 2020 and March 24, 2020 Orders in Case No. 2020-00085¹ regarding filings with the Commission. The Commission expects the original documents to be filed with the Commission within 30 days of the lifting of the current state of emergency. All responses in paper medium shall be appropriately bound, tabbed, and indexed. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 16, 2020), Order at 5–6. Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 24, 2020), Order at 1–3.

Each response 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 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 it obtains information that indicates that the response was incorrect when made or, though correct when made, is now incorrect 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 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. Identify any provisions in Kentucky Power's current tariffs that would allow it to offer relief by extinguishing delinquent bills as proposed in this matter.

2. State whether Kentucky Power contends that its proposal in this matter is consistent with the requirements of KRS 278.160(2), and explain each basis of Kentucky Power's contention.

3. Explain Kentucky Power's position regarding the period within which notice must be provided to the Commission if a utility offers free or reduced service in the event of an emergency, pursuant to KRS 278.170(2), and explain Kentucky Power's position regarding the effect of failing to provide such notice, if any.

4. Identify the total monetary amount of bills that Kentucky Power has written off as uncollectible in each of its last five fiscal years, and provide a breakdown of that amount by residential, commercial, and industrial classes in each such year.

5. Identify the total monetary amount of uncollectible bills that Kentucky Power included as a cost in base rates in Case No. 2017-00179,² and identify where Kentucky Power obtained that information from the record in that case.

6. If the Commission were to approve Kentucky Power's application, explain how Kentucky Power would handle accounts that were delinquent as of May 28, 2020, in which the delinquency that existed as of that date was paid, in whole or in part, prior to the account being credited as proposed in this matter; how it would handle accounts that were delinquent as of May 28, 2020, for which service was voluntarily discontinued prior to the account being credited; and how it would handle accounts that were delinquent as of May 28, 2020, for which the delinquency increased prior to the account being credited.

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*, Order (Ky. PSC Jan. 18, 2018).

7. If the Commission were to approve Kentucky Power's application, explain whether Kentucky Power would propose to continue amortizing the remaining excess unprotected ADIT balance at approximately the same annual rate as if the entire ADIT balance were being amortized over the same 18 years established in Case No. 2018-00035, which would reduce the number of years over which the total balance would be amortized; or whether Kentucky Power would propose to continue amortizing the remaining excess unprotected ADIT balance over the same 18 years established in Case No. 2018-00035, which would reduce the annual rate at which excess unprotected ADIT would be amortized.

8. Explain why Kentucky Power contends that it would be reasonable to fund the entirety of its proposed forgiveness of delinquent bills with excess unprotected ADIT, which represents a liability it has to its customers, given that Kentucky Power's base rates already include a cost for uncollectible bills that is paid by customers, and explain why Kentucky Power's proposal would not result in customers paying the cost for uncollectible bills, or a portion thereof, twice.

9. State whether Kentucky Power contends that it would be unreasonable for the Commission to require Kentucky Power to fund its proposed forgiveness of delinquent bills up to the cost of uncollectible bills that was included in base rates, or some portion thereof, with the remainder to be funded with a one-time amortization of excess unprotected ADIT as proposed, and explain each basis for Kentucky Power's response.

10. State whether Kentucky Power contends that customers who do not receive the relief on their bills proposed in this matter would benefit from other customers being

provided the relief, and, if so, explain in detail how customers that do not receive relief on their bills would benefit and quantify that benefit to the extent possible.

11. State whether Kentucky Power contends that granting its application will not incent customers to forego payment of future bills based on the possibility that the Commission may offer similar relief in the future, and, if so, explain why. Also, explain whether there is any way to quantify that risk.



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DATED JUN 23 2020

cc: Parties of Record

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