

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY)	
POWER COMPANY FOR APPROVAL OF A)	CASE NO.
CONTRACT FOR ELECTRIC SERVICE WITH AIR)	2020-00019
PRODUCTS AND CHEMICALS, INC.)	

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 within five days of the date of this request. The Commission directs Kentucky Power to the Commission's March 16, 2020 Order in Case No. 2020-00085,¹ regarding the filing of physical documents with the Commission. The Commission expects that original documents will be filed with the Commission within 30 days of the lifting of the current state of emergency.² Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

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

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 16, 2020) Order at 5–6. The Commission has suspended the filing of original paper documents with the Commission, except for the filing of confidential information, with the expectation that a physical copy be filed when the state of emergency has ceased.

² Any electronic email filed in this matter should be sent to PSCED@ky.gov, and each message should include the case number in the subject line of the message and a read receipt to ensure the Commission received the message and documents.

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 which 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, it 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. Refer to the application in general. Confirm that Kentucky Power did not request approval of the proposed Special Contract under Tariff E.D.R. because the proposed Special Contract does not meet the terms and conditions for service under Tariff

E.D.R., and, if confirmed, describe how the proposed special contract does not meet the terms and conditions for service under Tariff E.D.R.

2. Refer to Case No. 2017-000179, Order Denying Progress Metal Reclamation Company d/b/a Mansbach Metal Company's Motion to Intervene, pages 4–5,³ in which the Commission strongly encouraged Kentucky Power to supplement Tariff E.D.R. to develop economic development options similar to options developed by Kentucky Power to revitalize the coal extraction and processing industry in Kentucky Power's service territory. Describe in specific details what actions Kentucky Power has taken to address the development of retention rates and economic incentives for existing businesses in Kentucky Power's service territory, and state whether Kentucky Power plans to implement changes to its Tariff E.D.R. to address the issue of retention rates for existing customers.

3. Refer to the application, Exhibit 3.

a. Explain why there is no capacity charge for years 5–7 in the “Offer Pricing” tab.

b. Explain the derivation of the rates in the “All in Price \$/kWh” column in the “Offer Pricing” tab.

c. Confirm that the New Total Load listed in the “Offer Pricing” tab represents Air Products' estimated total load after the implementation of the Special Contract and not the incremental new load.

³ 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 Aug. 3, 2017), at p. 4-5.

d. Explain the differences between the Additional Usage from Special Contract (kWh) figure in the “Summary” tab and the Annual Additional On-Peak kWh figure in the “Additional Load” tab.

e. Confirm that absent this Special Contract, Kentucky Power believes that Air Products will cease production all together and that because of this Special Contract, if approved, Air Products has committed to increase production by the amount listed in the “Additional Load” tab.

4. Refer to the application, Exhibit 2, page 9 of 21, Section 5.4. Explain how Kentucky Power allocates customer revenues normally, absent special contracts.



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DATED MAR 26 2020

cc: Parties of Record

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