

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) APPROVAL OF TARIFFS AND)	
RIDERS; (3) APPROVAL OF ACCOUNTING)	CASE NO.
PRACTICES TO ESTABLISH REGULATORY)	2020-00174
ASSETS AND LIABILITIES; (4) APPROVAL OF)	
A CERTIFICATE OF PUBLIC CONVENIENCE)	
AND NECESSITY; AND (5) ALL OTHER)	
REQUIRED APPROVALS AND RELIEF)	

COMMISSION STAFF'S POST-HEARING 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 December 9, 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 Kentucky Power obtains information that indicates 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. Refer to the Application, Section V, Exhibit 1, Workpaper S-2, page 2 of 3. Provide the workpapers and any underlying assumptions for the Apportionment Factors used to calculate the State Income Effective Tax Rate on this schedule.

2. Refer to Kentucky Power's response to the Attorney General/KIUC's Second Request for Information, Item 44(a), Attachment 1; Rebuttal Testimony of Brian K. West at R11; and to the November 19, 2020 hearing testimony of Brian K. West regarding dues paid to Edison Electric Institute (EEI) by Kentucky Power.

a. Confirm the \$16,455 of dues related to lobbying are below the line expenses not included in the cost of service. If this cannot be confirmed, state specifically the document or documents in Kentucky Power's Application that evidence the adjustment to remove EEI dues paid by Kentucky Power.

b. Provide the calculation for the 3.88 percent allocation to Kentucky Power.

c. Explain the basis for Kentucky Power's 3.9 percent allocation for legislative activities and reconcile this percentage with the percentages for "influencing legislation" listed on the EEI bill to AEP.

d. State the benefits to Kentucky Power's ratepayers of participation in EEI.

3. Refer to the response to Commission Staff's Fourth Request for Information, Item 106.

a. Provide the amount of 401(k) matched contributions by Kentucky Power during the test period.

b. Provide the amount of Kentucky Power's defined benefit pension expense for the test period.

c. Provide the amount of 401(k) matched contributions Kentucky Power provided during the test period for employees that participate in a defined benefit pension plan.

4. Provide a copy of the revised Tariff Sheet 2-6, 7. Underground Service that conforms to the revisions set forth in Kentucky Power's response to Commission's Staff's Fourth Request for Information, Items 5-6; Kentucky Power's response to Commission Staff's Fifth Request for Information, Item 4; and to the hearing testimony of Scott Bishop.

5. Refer to Kentucky Power's Response to Commission Staff's Sixth Request for Information, Item 9, Attachment 1.

a. Provide, by customer class, a breakdown of the \$4,066,116.73 total in the delayed payment charge column.

b. Provide the number of times the delayed payment charge was billed during the test year, broken down by customer class.

c. Provide a narrative explanation for how the energy diversion charge is calculated, including the components that go into the calculation. Provide a breakdown of the \$80,765.89 by each component and provide the number of times the energy diversion charge was billed during the test year.

d. Provide the number of times the meter test charge was billed during the test year.

e. Provide the number of times reconnect charges were billed during the test year by type of reconnect charge.

f. Provide the number of times the returned check charge was billed during the test year.

g. Provide a narrative explanation for how the temporary service charge is calculated, including the components that go into the calculation and whether this is a fixed fee. Provide a breakdown of the \$7,446.00 by each component and provide the number of times the temporary service charge was billed during the test year.

h. Explain whether Kentucky Power charged any Meter Reading Check Fees in the test year and, if not, whether there is still a need for a Meter Reading Check Fee. If any Meter Reading Check Fees were billed during the test year, provide the number of times the fee was charged during the test year and the amount charged during the test year.

i. Confirm whether the on premise collection charge is the same as the termination or field trip charge in Kentucky Power's tariff and provide the number of times the on premise collection charge was billed during the test year.

j. Provide a narrative explanation of the relationship between Kentucky Power's delayed payment charge and Kentucky Power's cost of financing account receivables, including the cost support for the proposed delayed payment charge amount.

6. Refer to Sheet No. 2-12 of Kentucky Power's tariff, which contains a charge for work performed on Company's Facilities at Customer's Request.

a. Explain whether there any charges during the test year for work performed on Company's Facilities at Customer Request.

b. Explain the components that go into the calculation and provide the number of times it was charged during the test year.

c. If there were any of these charges billed during the test year, provide a breakdown of amounts billed by each component and provide the number of times this charge was billed during the test year.

7. Given that there are Rockport UPA expenses in base rates, provide a detailed list of all base rate expenses that Kentucky Power will no longer incur following the termination of the Rockport UPA in December 2022.

8. Refer to Kentucky Power's response to Attorney General/KIUC's First Request for Information, Item 8. Provide a schedule that separates the test year Rockport UPA expense amounts by recovery mechanism.

9. Refer to Kentucky Power's response to Commission Staff's Sixth Request for Information, Item 15, Attachment 1.

a. Explain how plant recovered through Tariff Environmental Surcharge (Tariff ES) was removed from the calculation of total plant in service.

b. Provide the total net in service investment, including plant recovered through Tariff ES.

10. Refer to the Rebuttal Testimony of Adrien M. McKenzie (McKenzie Rebuttal). Provide the source, workpapers and data in Excel spreadsheet format with formulas intact and unprotected, and all cells and rows accessible.

11. Refer to the McKenzie Rebuttal, page R5. Provide the source data used in Table R-1.

12. Refer to the Direct Testimony of Alex E. Vaughan (Vaughan Direct Testimony), page 46, lines 11–12. Also, refer to the Application, Section V, Exhibit 2, W14. Reconcile the discrepancy between the Vaughan Direct Testimony, which states

that the weather normalization adjustment increased operation and maintenance expense by \$2,870,414, and W14, which states the weather normalization adjustment increased purchase power expense by \$2,870,414.

13. Provide the supporting calculations for the weather normalization adjustment in Excel spreadsheet format with the formulas intact and unprotected, and cells and rows accessible.

14. Refer to Kentucky Power's response to Commission Staff's Second Request for Information (Staff's Second Request), Item 47, Attachment 2, which is an Excel spreadsheet of Account 930 Misc. General Expenses that were included in base rates.

a. State where in the record Kentucky Power provided support that recovery of these expenses is reasonable.

15. Refer to Kentucky Power's response to Commission Staff's Fourth Request for Information, Item 72(d). Explain in specific detail the basis for the assertion that the cost of the separate second time-of-day meter for electric vehicle charging is offset by the additional fixed cost contribution from the on-peak and off-peak energy charges. Any explanation should also include the assumptions and calculations used to determine costs and benefits of the proposal.

16. Refer to Kentucky Power's response to Commission Staff's Seventh Request for Information, Item 2, Attachment 1. Refile the Excel spreadsheet with consistent axis distribution of 150 kWh increments for the average monthly bill distribution # of bills by kWh ranges. Additionally, provide the distributions by month.

17. Refer to the November 23, 2020 hearing testimony of Alex E. Vaughan regarding Kentucky corporate income tax for electric sales in other states.

a. Provide a copy of the information provided by PJM Interconnection, LLC (PJM) to the AEP tax department that identifies the portion of electric sales to which state corporate income tax applies and the associated tax rates.

b. State whether Kentucky Power includes state income taxes in its cost based bids into PJM. If so, provide the state income tax rate used in the calculation.

c. Provide Kentucky Power's state income tax returns in Michigan, Illinois, and West Virginia for years 2018 and 2019.

18. Provide the most current cost of long-term debt issuance for 7-year, 10-year, 12-year, and 30-year tenors.



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DATED NOV 30 2020

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