

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC JOINT APPLICATION OF)	
AMERICAN ELECTRIC POWER COMPANY, INC.,)	
KENTUCKY POWER COMPANY AND LIBERTY)	CASE NO.
UTILITIES CO. FOR APPROVAL OF THE)	2021-00481
TRANSFER OF OWNERSHIP AND CONTROL OF)	
KENTUCKY POWER COMPANY)	

COMMISSION STAFF'S THIRD REQUEST FOR INFORMATION
TO KENTUCKY POWER COMPANY,
AMERICAN ELECTRIC POWER COMPANY, INC.,
AND LIBERTY UTILITIES CO.

Kentucky Power Company (Kentucky Power), American Electric Power Company, Inc. (AEP), and Liberty Utilities Co. (Liberty) (collectively, Joint Applicants), pursuant to 807 KAR 5:001, are to file with the Commission an electronic version of the following information. The information requested is due on March 17, 2022. The Commission directs Joint Applicants 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

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).

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 Joint Applicants obtain 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 Joint Applicants fail or refuse to furnish all or part of the requested information, Joint Applicants 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, Joint Applicants 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 Kentucky Power's response to Commission Staff's Second Request for Information to Joint Applicants (Staff's Second Request), Item 2. Provide a schedule of costs allocated to Kentucky Power in 2019, 2020, and 2021, broken out by service category. The schedule should be in Excel spreadsheet format with formulas, rows, and columns unprotected and fully accessible.

2. Confirm that, after closing, the PJM revenue requirement associated with transmission costs that are allocated to Kentucky Power will not change, and that only the allocation methodology will change from a 12 CP to a 1CP.

3. Identify the transmission-related revenue requirement costs allocated to Kentucky Power using the 12 CP method and after the closing with Liberty using the 1CP method for the years 2017–2021.

4. Identify the transmission-related revenue requirement costs currently allocated to Kentucky Power using the 12 CP method and the transmission-related revenue requirements costs that Kentucky Power would have incurred, if the Liberty purchase had been consummated with a closing date of December 31, 2016, Kentucky Power left the AEP zone and became a stand-alone transmission zone in PJM for the years 2017–2021.

5. Refer to Liberty's response to Commission Staff's Second Request for Information, Item 23. Explain whether Liberty will commit to excluding the following expenses, which are regularly removed for ratemaking purposes, from the calculation of Kentucky Power's earned return on equity for 2023. If not, explain why not.

- a. Supplemental Executive Retirement Plan expenses;
- b. 401(k) savings plan expenses for employees who also participate in a defined benefit retirement plan;
- c. Medical insurance premiums paid above the sharing percentages provided by the Bureau of Labor Statistics;²

² Bureau of Labor Statistics, Healthcare Benefits, March 2021, Table 11, private industry workers.

- d. Incentive compensation that is funded or paid based on financial performance metrics;
- e. Lobbying expenses;
- f. Industry association dues;
- g. Civic organization dues that are not necessary for the provision of service; and
- h. Advertising expenses as disallowed by 807 KAR 5:016, Section 4.

6. Refer to Liberty's response to Staff's Second Request, Item 4, in which Liberty was asked to explain how maintaining Kentucky Transco as a separate entity from Kentucky Power was in the public interest and Liberty responded that it had not previously considered the feasibility and implications of this issue. Explain in specific detail why it is in the public interest to maintain Kentucky Transco as a separate entity and why the public interest is not better served by merging Kentucky Transco and Kentucky Power. If Liberty cannot answer this request by the March 17, 2022 due date for this response, explain what steps Liberty has taken to consider this issue and be prepared at the March 28–29, 2022 hearing to address this issue.



Linda C. Bridwell, PE
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED MAR 08 2022

cc: Parties of Record

*L Allyson Honaker
Goss Samford, PLLC
2365 Harrodsburg Road, Suite B325
Lexington, KENTUCKY 40504

*Hector Garcia
Kentucky Power Company
1645 Winchester Avenue
Ashland, KY 41101

*Kenneth Tillotson
,

*Angela M Goad
Assistant Attorney General
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*John C. Crespo
,

*Kentucky Power Company
1645 Winchester Avenue
Ashland, KY 41101

*Brian West
Kentucky Power Company
1645 Winchester Avenue
Ashland, KY 41101

*James W Gardner
Sturgill, Turner, Barker & Moloney, PLLC
333 West Vine Street
Suite 1400
Lexington, KENTUCKY 40507

*Kentucky Power Company
Kentucky Power Company
1645 Winchester Avenue
Ashland, KY 41101

*Barry Alan Naum
Spilman Thomas & Battle, PLLC
1100 Brent Creek Blvd., Suite 101
Mechanicsburg, PENNSYLVANIA 17050

*Jody M Kyler Cohn
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OHIO 45202

*Katie M Glass
Stites & Harbison
421 West Main Street
P. O. Box 634
Frankfort, KENTUCKY 40602-0634

*Carrie H Grundmann
Spilman Thomas & Battle, PLLC
110 Oakwood Drive, Suite 500
Winston-Salem, NORTH CAROLINA 27103

*Joe F. Childers
Childers & Baxter PLLC
300 Lexington Building, 201 West Sho
Lexington, KENTUCKY 40507

*Larry Cook
Assistant Attorney General
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Christen M Blend
American Electric Power Service Corporation
1 Riverside Plaza, 29th Floor
Post Office Box 16631
Columbus, OHIO 43216

*John G Horne, II
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Matthew Miller
Sierra Club
50 F Street, NW, Eighth Floor
Washington, DISTRICT OF COLUMBIA 20001

*Dmitry Balashov
,

*Honorable Kurt J Boehm
Attorney at Law
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OHIO 45202

*Mark David Goss
Goss Samford, PLLC
2365 Harrodsburg Road, Suite B325
Lexington, KENTUCKY 40504

*J. Michael West
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Honorable Michael L Kurtz
Attorney at Law
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OHIO 45202

*Honorable Mark R Overstreet
Attorney at Law
Stites & Harbison
421 West Main Street
P. O. Box 634
Frankfort, KENTUCKY 40602-0634

*Peter Eichler
,

*Sarah Knowlton
,

*M. Todd Osterloh
Sturgill, Turner, Barker & Moloney, PLLC
333 West Vine Street
Suite 1400
Lexington, KENTUCKY 40507

*Tanner Wolfram
American Electric Power Service Corporation
1 Riverside Plaza, 29th Floor
Post Office Box 16631
Columbus, OHIO 43216