

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)	2023-00159
ASSETS AND LIABILITIES; (4) A)	
SECURITIZATION FINANCING ORDER; 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, shall file with the Commission an electronic version of the following information. The information requested is due no later than December 15, 2023. The Commission directs Kentucky Power 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 Kentucky Power obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete 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 and scanned 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. Confirm that Kentucky Power will place rates into effect at the end of the suspension period, subject to the conditions of KRS 278.190.
2. Refer to Application, Section III, Volume 1, Direct Testimony of Linda Schlessman, Exhibit LMS-8. Provide a table showing the amount of accelerated tax

depreciation Kentucky Power recorded during each of the periods shown in Exhibit LMS-8 and explanation(s) for why net operating loss carryforwards in those periods should be attributed to accelerated tax depreciation based on those amounts.

3. Refer to Application, Section III, Volume 1, Direct Testimony of Jaclyn Cost, Exhibit JNC-1. Provide the Cost of Service Study (COSS) in Excel spreadsheet format with all formulas, rows, and columns unprotected and fully accessible.

4. Provide any written cost reduction plan for American Electric Power Company, Inc. (AEP) and Kentucky Power, individually or collectively. If no cost reduction plan has been created, explain why not.

5. Refer to Kentucky Power's Response to Commission Staff's Sixth Request for Information (Staff's Sixth Request), Item 10 and Item 11. For customers served under Tariff Residential Service, for the years 2022, 2021, and 2020, for each month individually, provide a comparative graph with dot plot of the distribution of monthly usage with LIHEAP customers' bills in one color using kWh by month and all other customers in another color using kWh by month.

6. Refer to Kentucky Power's Company's Motion to Approve the Settlement Agreement, Direct Testimony of Brian West, Exhibit BKW 1-S, Exhibit 5. Provide the proposed tariff sheets filed with the Application with a redline version showing the changes made in the Settlement Agreement.

7. Provide three actual Tariff Residential Service customer bills reflecting a representative low, average, and high usage bill for the month of October 2023 with all personal information redacted showing the current charges and riders.

8. Refer to Item 7. For the same three customer bills, provide what the bill be if the Commission granted the Kentucky Power settlement as filed, including the securitization financing rider assuming a 5 percent interest rate, inclusive of all other financing costs.

9. Refer to Kentucky Power's Response to Commission Staff's First Request for Information (Staff's First Request), Item 33, Confidential Attachment 1. Explain how salaries and wages are allocated from AEP to Kentucky Power. Include in the response the calculation for each allocation factor shown in this exhibit.

10. Provide the capital plan for Kentucky Power for the years 2024 through 2030. Include in the response the forecasted projects proposed to be included in the Distribution Reliability Rider (DRR) for each of the year.

11. Provide the test-year depreciation expense related to decommissioning costs for fossil fuel-fired electric facilities. Provide all supporting calculations and documentation in Excel spreadsheet format, with all formulas, columns, and rows unprotected and fully accessible.

12. Provide the rate base impact, including accumulated depreciation and accumulated deferred income taxes, of removing decommissioning costs for fossil fuel-fired electric facilities from depreciation rates. Provide all supporting calculations and documentation in Excel spreadsheet format, with all formulas, columns, and rows unprotected and fully accessible.

13. Provide the test year amount of PJM Interconnection LLC (PJM) Load Serving Entity Open Access Transmission Tariff (LSE OATT) expense without normalization.

14. Provide Kentucky Power's total storm damage restoration expenses for the last five years, separated by major and all other. Include in the response which expenses or events received deferral accounting and which did not.

15. Provide a list of Kentucky Power's short-term and long-term debt, including each instrument's test-year ending balance. Include the annual cost rate for each instrument.

16. Provide the documentation or presentations provided to the Investment Review Committee (IRC) by Kentucky Power, Wheeling Power, Appalachian Power, Ohio Power, Indiana & Michigan Power and Kingsport Power, or AEP on behalf of the aforementioned operating companies, in the possession of Kentucky Power, for the years 2020 through 2023.

17. Refer to Application, Section III, Volume 1, Direct Testimony of Steven Fetter. Provide all workpapers, documentation, or reports referenced in the testimony.

18. Provide the dates of each Major Event Day (MED) for the years 2021 through 2023. Indicate if deferral accounting was sought for each MED indicated on the list.

19. Provide the "After Action Report" for each the eleven major storm events for which Kentucky Power has requested and received deferral accounting.

20. Refer to the Hearing Testimony of Scott Bishop. Provide the referenced market potential study.

21. Refer to the Hearing Testimony of Alex Vaughn. Provide the dates of the PJM Base Residual Auction and any incremental auction(s) for the 2022/2023 delivery year.

22. Provide the PJM Incremental Auction and Base Residual Auction results for the 2022/2023 delivery year.

23. Provide the name, employer, and position of any person still employed with firsthand knowledge of the discussion or decision to not renew the Rockport Unit Power Agreement (UPA).

24. Provide a timeline of the decision to not renew the Rockport UPA. Include in the response the date that Kentucky Power made the final decision.

25. Provide all meeting minutes of the Mitchell Operating Committee, including but not limited to any specially called meetings, for the period beginning August 1, 2019, to the present date.

26. Refer to Kentucky Power's response to Staff's First Request, Item 16, KPCO_R_KPSC_1_16_Attachment_2.xlsx Excel sheet.

a. Refer to the Allocators Tab, Cell T443. The construction work in progress allocates \$1.8 million to outdoor lighting. Identify the capital project associated with the outdoor lighting allocation. Include in the response whether a CPCN has been, or will be, sought for the project.

b. Refer to the Allocators Tab, Account 365, Cell D579. Explain why the allocation to distribution overhead is higher than the average allocation, with an 82.56 percent distributed to customers. Provide any calculations or workpapers to support the response.

c. Refer to the Allocators Tab, Account 367, Cell D604. Explain why the distribution allocation for underground lines has 67.87 percent allocated to customers. Provide any calculations or workpapers to support the response.

d. Refer to the COSS Tab, Cell AB139. Outdoor lighting class, “Installs on Customer Premises” is allocated \$19.9 million. Explain the allocation. Provide any calculations or workpapers to support the response.

27. Refer to Kentucky Power’s Response to Staff’s First Request, Item 33, Confidential Attachment 1. Also refer to Kentucky Power’s Motion to Approve the Settlement Agreement, Direct Testimony of Brian West, Exhibit BKW 1-S.

a. Provide the amount of incentive compensation for each AEPSC employee accrued by Kentucky Power for the test year and what the accrual would have been had only 100 percent of the incentive target been achieved. Provide the amount of incentive compensation tied to financial performance for both scenarios.

b. Provide the adjustment in the Settlement Agreement that reflects the removal of incentive compensation related to financial targets.

28. Refer to Kentucky Power’s response to Staff’s Sixth Request, Item 9, Attachment 1. For any included expense provide the date of use, purpose of use, employees that utilized the corporate aircraft, and any other passengers on the aircraft.

29. Refer to Case No. 2020-00174² and Case No. 2017-00179.³ Identify whether storm damage expense recovery in each case was included in capitalization,

² Case No. 2020-00174, *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 Practices to Establish Regulatory Assets and Liabilities; (4) Approval of a Certificate of Public Convenience and Necessity; and (5) All Other Required Approvals and Relief* (Ky. PSC May 14, 2023).

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 Jan. 18, 2018)

included in rate base, amortized, or a combination of those accounting mechanisms. Provide the supporting documentation or information for the response.

30. Refer to the Application, Section III, Volume 4, Direct Testimony of Joshua Burkholder, page 10. Provide the LSE OATT expense and revenues for the years 2014 through 2023.

31. State whether the test year contains any expenses related to the remarketing of the West Virginia Pollution Control Bond. If so, provide the location and amount of those expenses.

32. Explain whether the interest rate for the West Virginia Pollution Control Bonds could remain constant as compared to remarketing them every 3 years.

33. Provide where it states in the original contract terms for the West Virginia Pollution Control Bonds that the bonds will be remarketed, where this provision was explained in Kentucky Power's application of Case No. 2016-00345,⁴ and where the provision was approved in Case No. 2016-00345.

34. State the party that will be the servicer of ongoing costs for securitization.

35. Explain how and when the Big Sandy Decommissioning Rider is updated, including for under- and over-recovery, as well as changes in the Commission approved weighted average cost of capital (WACC). Further, explain whether, without securitization, Kentucky Power would continue updating the Big Sandy Decommissioning Rider as it has.

⁴ Case No. 2016, 00345, *Electronic Application of Kentucky Power Company for Authority Pursuant To KRS 278.300 to Issue and Sell Promissory Notes of One or More Series and for Other Authorizations* (Ky. PSC Dec. 21, 2016).

36. Provide a revised net present value analysis for the securitization of the Big Sandy regulatory asset that assumes conventional treatment of the regulatory asset where the WACC increases 0.5 percent per 3.5 years, beginning in 2024.

37. Provide the Issuance and Advice Letters that included expected savings for the last five transactions for which Goldman Sachs has been a party.

38. Refer to Kentucky Power's response to Staff's Sixth Request, Item 9, Attachment 1. Provide details for the items listed as "included." Include in the response the purpose of the flights, percent allocated to Kentucky Power, and the basis for the allocations.

39. Refer to Kentucky Power's response to Staff's Sixth Request, Item 9, Attachment 2. Provide the entire document or explain the missing page numbers.



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DATED DEC 05 2023

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