

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)	CASE NO.
RIDERS; (3) APPROVAL OF CERTAIN)	2025-00257
REGULATORY AND ACCOUNTING)	
TREATMENTS; AND (4) ALL OTHER REQUIRED)	
APPROVALS AND RELIEF)	

COMMISSION STAFF'S FOURTH 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 on January 2, 2026. 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. Refer to Kentucky Power's response to Commission Staff's First Request for Information Item 54, Attachment 1 and Attachment 2 and Kentucky Power's supplemental response to Commission Staff's Second Request for Information (Staff's

Second Request), Item 93, Supplemental Attachment 1 and Supplemental Attachment 2 regarding the zero-intercept and minimum system analysis.

a. Identify whether the costs reflected in these workpapers represent original cost, replacement cost, or another cost basis.

b. For the conductor, transformer, and pole data presented in these workpapers, explain what the listed “size” represents for each asset category.

c. For the conductor analysis, clarify whether the Company utilizes circuit-feet or conductor-feet as the unit of measure.

d. For the overhead and underground conductor analyses, please identify all plant items included. Specifically, state whether circuit breakers, switches, insulators, or other non-conductor components are included.

e. For the transformer analysis, identify the maximum single-phase transformer size included in the study.

f. Explain why, under either the zero-intercept or minimum-system methodology, the calculated customer-related portion of overhead and underground conductor costs is greater for primary distribution than for secondary distribution.

2. Refer to the Direct Testimony Michael M. Spaeth (Spaeth Direct Testimony), generally, and the Direct Testimony of John Wolfram (Wolfram Direct Testimony), pages 10–12 regarding the proposed residential rate design. Describe the Company’s rationale for proposing to move from the minimum-system methodology to the zero-intercept methodology.

3. Refer to Spaeth Direct Testimony, page 10 and the Direct Testimony of Tanner S. Wolfram (Wolfram Direct Testimony), pages 7–11.

- a. Provide the cost basis supporting the proposed tiered customer charge.
 - b. Provide the cost basis supporting the proposed tiered energy charge.
 - c. Clarify whether the second tier of the energy charge reflects only variable costs.
 - d. Indicate whether the proposed tiers are derived from a marginal-cost analysis.
4. Refer to the Wolfram Direct Testimony, Exhibit TSW-2, regarding the proposed Generation Rider.
- a. Explain why the Company proposes to allocate Generation Rider costs using a hybrid demand-and-energy allocator.
 - b. State if the Company historically used this allocation methodology for similar cost categories. If so, identify the relevant proceedings.
 - c. Identify any precedent supporting the use of an allocation method based on average 12CP divided by energy sales.
5. Refer to Kentucky Power's response to Staff's Second Request, Item 31(c).
- a. State the annual depreciation expense used for the trees inside right-of-way (TIR) program.
 - b. State the depreciation period used for capitalized TIR program expense and explain why that period was chosen.
 - c. State the annual depreciation expense used for the trees outside right-of-way (TOR) program.

d. State the depreciation period used for capitalized TOR program expense and explain why that period was chosen.

e. Identify any provisions of the FERC system of accounts, FERC rulings, or other authorities used to justify capitalization of TIR or TOR expense.

6. Refer to the Wolfram Direct Testimony, page 38, regarding the Turbine Reservation Fee.

a. State whether the turbine reservation fee expense has been or is proposed to be capitalized and explain why.

b. If so, then identify the depreciation period used and explain why that period was chosen.

c. If not, then identify the amortization period and annual amortization expense.

7. Refer to Kentucky Power's response to Staff's Second, Item 33, in which it was stated that Kentucky Power utilized insights gained from Public Service of Oklahoma's (PSO) prepay initiative. Also refer to Kentucky Power's response to Staff's Second Request, Item 38, which seems to indicate that another affiliate of Kentucky Power, Southwestern Electric Power Company (SWEPCO), also offers a prepay tariff.

a. Provide a copy of PSO and SWEPCO's prepay tariff.

b. Provide any customer satisfaction surveys conducted related to PSO and SWEPCO's prepay tariff.

c. Explain the insights from PSO's prepay tariff that Kentucky Power utilized in its decision to propose FlexPay.

d. For calendar years 2022 through 2025 to date, provide the number of times PSO prepay customers' service was disconnected.

e. For calendar years 2022 through 2025 to date, provide the number of times SWEPCO prepay customers' service was disconnected.

8. Refer to Kentucky Power's response to Staff's Second Request, Item 38, in which Kentucky Power indicated that it had inquired of its IT team whether it would be possible for its billing software to show specific line items, such as riders and taxes, for FlexPay customers. Explain whether any additional evaluation has begun to determine if such additional functionality may be possible. If so, provide any pertinent updates.

9. Refer to the Direct Testimony of John Spanos (Spanos Direct Testimony), Exhibit JJS-1 at 72. Provide the mathematical analysis performed that justified the utilization of a 55-S2 Iowa Survivor Curve for the Account 352.00 – Structures and Improvements asset class.

10. Refer to the Spanos Direct Testimony, Exhibit JJS-1 at 74. Explain the retirements that justified the "percentage surviving at the beginning of the interval" decreasing from 89.50 percent to 52.97 percent in interval 43.5 and interval 44.5, respectively.

11. Refer to the Spanos Direct Testimony, Exhibit JJS-1 at 83.

a. Provide the analysis performed that justified the utilization of a 45-R3 Iowa Survivor Curve for the Account 355.00 Poles and Fixtures asset class.

b. Explain whether any alternative Iowa Survivor Curves were considered in the analysis of Account 355.00 – Poles and Fixtures. If so, provide the

alternative Iowa Survivor Curves considered and explain why the 45-R3 Iowa Survivor Curve provides the best fit for the underlying assets.

12. Refer to the Spanos Direct Testimony, Exhibit JJS-1 at 86.

a. Provide the analysis performed that justified the utilization of a 65-R3 Iowa Survivor Curve for the Account 356.00 Overhead Conductors and Devices asset class.

b. Explain whether any alternative Iowa Survivor Curves were considered in the analysis of Account 356.00 – Overhead Conductors and Devices. If so, provide the alternative Iowa Survivor Curves considered and explain why the 65-R3 Iowa Survivor Curve provides the best fit for the underlying assets.

13. Refer to the Spanos Direct Testimony. Provide all emails between Kentucky Power and Mr. Spanos regarding his testimony in this case or the Depreciation Study attached as Exhibit JJS-1.

14. Refer to the Spanos Direct Testimony, Exhibit JJS-1 at 52. Explain why the items listed under “Nondepreciable Plant and Accounts not Studied” were nondepreciable or not studied.

15. Refer to the Spanos Direct Testimony, Exhibit JJS-1 at 51-52.

a. State whether the composite remaining life values include assets that have been fully depreciated and explain why or why not.

b. Identify any assets that have been fully depreciated.

Linda Bridwell *rs*

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DATED **DEC 16 2025**

cc: Parties of Record

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