

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

IN THE MATTER OF APPLICATION OF KENTUCKY POWER :  
COMPANY (1) A GENERAL ADJUSTMENT OF ITS RATES FOR :  
ELECTRIC SERVICE; (2) AN ORDER APPROVING ITS 2017 : **Case No 2017-00179**  
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 :

---

---

**SUPPLEMENTAL SET OF DATA REQUESTS OF  
KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.  
TO KENTUCKY POWER COMPANY**

---

Michael L. Kurtz, Esq.  
Kurt J. Boehm, Esq.  
Jody Kyler Cohn, Esq.  
**BOEHM, KURTZ & LOWRY**  
36 East Seventh Street, Suite 1510  
Cincinnati, Ohio 45202  
Ph: 513.421.2255 Fax: 513.421.2764  
[mkurtz@BKLawfirm.com](mailto:mkurtz@BKLawfirm.com)  
[kboehm@BKLawfirm.com](mailto:kboehm@BKLawfirm.com)  
[jkylercohn@BKLawfirm.com](mailto:jkylercohn@BKLawfirm.com)

**COUNSEL FOR KENTUCKY INDUSTRIAL  
UTILITY CUSTOMERS, INC.**

**Dated:           September 8, 2017**

## DEFINITIONS

1. "Document" means the original and all copies (regardless of origin and whether or not including additional writing thereon or attached thereto) of memoranda, reports, books, manuals, instructions, directives, records, forms, notes, letters, notices, confirmations, telegrams, pamphlets, notations of any sort concerning conversations, telephone calls, meetings or other communications, bulletins, transcripts, diaries, analyses, summaries, correspondence investigations, questionnaires, surveys, worksheets, and all drafts, preliminary versions, alterations, modifications, revisions, changes, amendments and written comments concerning the foregoing, in whatever form, stored or contained in or on whatever medium, including computerized memory or magnetic media.
2. "Study" means any written, recorded, transcribed, taped, filmed, or graphic matter, however produced or reproduced, either formally or informally, a particular issue or situation, in whatever detail, whether or not the consideration of the issue or situation is in a preliminary stage, and whether or not the consideration was discontinued prior to completion.
3. "Person" means any natural person, corporation, professional corporation, partnership, association, joint venture, proprietorship, firm, or the other business enterprise or legal entity.
4. A request to identify a natural person means to state his or her full name and residence address, his or her present last known position and business affiliation at the time in question.
5. A request to identify a document means to state the date or dates, author or originator, subject matter, all addressees and recipients, type of document (e.g., letter, memorandum, telegram, chart, etc.), number of code number thereof or other means of identifying it, and its present location and custodian. If any such document was, but is no longer in the Company's possession or subject to its control, state what disposition was made of it.
6. A request to identify a person other than a natural person means to state its full name, the address of its principal office, and the type of entity.
7. "And" and "or" should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.
8. "Each" and "any" should be considered to be both singular and plural, unless specifically stated otherwise.
9. Words in the past tense should be considered to include the present, and words in the present tense include the past, unless specifically stated otherwise.
10. "You" or "your" means the person whose filed testimony is the subject of these interrogatories and, to the extent relevant and necessary to provide full and complete answers to any request, "you" or "your" may be deemed to include any person with information relevant to any interrogatory who is or was employed by or otherwise associated with the witness or who assisted, in any way, in the preparation of the witness' testimony.
11. "AEP" means American Electric Power and/or any of their officers, directors, employees, or agents who may have knowledge of the particular matter addressed.
12. "Company" or "KPC" means Kentucky Power Co. d/b/a American Electric Power, and/or any of their officers, directors, employees or agents who may have knowledge of the particular matter addressed.

## INSTRUCTIONS

1. If any matter is evidenced by, referenced to, reflected by, represented by, or recorded in any document, please identify and produce for discovery and inspection each such document.
2. These interrogatories are continuing in nature, and information which the responding party later becomes aware of, or has access to, and which is responsive to any request is to be made available to Kentucky Industrial Utility Customers. Any studies, documents, or other subject matter not yet completed that will be relied upon during the course of this case should be so identified and provided as soon as they are completed. The Respondent is obliged to change, supplement and correct all answers to interrogatories to conform to available information, including such information as it first becomes available to the Respondent after the answers hereto are served.
3. Unless otherwise expressly provided, each interrogatory should be construed independently and not with reference to any other interrogatory herein for purpose of limitation.
4. The answers provided should first restate the question asked and also identify the person(s) supplying the information.
5. Please answer each designated part of each information request separately. If you do not have complete information with respect to any interrogatory, so state and give as much information as you do have with respect to the matter inquired about, and identify each person whom you believe may have additional information with respect thereto.
6. In the case of multiple witnesses, each interrogatory should be considered to apply to each witness who will testify to the information requested. Where copies of testimony, transcripts or depositions are requested, each witness should respond individually to the information request.
7. The interrogatories are to be answered under oath by the witness(es) responsible for the answer.
8. Responses to requests for revenue, expense and rate base data should provide data on the basis of Total Company as well as Intrastate data, unless otherwise requested.

**KIUC's SUPPLEMENTAL SET OF DATA REQUESTS  
TO KENTUCKY POWER COMPANY  
PSC CASE NO. 2017-00179**

- Q.2-1 Refer to Appendix I to the AEP Transmission Agreement provided in response to KIUC 1-18.
- a. Provide the monthly coincident peaks for each AEP Operating Company and the calculation of the 12 CP for the 12 months ending October 2014, October 2015, and October 2016.
  - b. Provide the monthly coincident peaks for each AEP Operating Company for November 2016 through the most recent month for which actual data is available.
- Q.2-2 Refer to the response to KIUC 1-81 Attachment 1. There is a significant increase in the February 2017 Trans Enhance Total AEP EAST LSE compared to the prior 11 months (approximately double). Explain this apparent anomaly. In addition, indicate whether there should be a proforma adjustment to reduce the test year expense to remove this anomaly. If so, then provide a quantification of the proforma adjustment, including all assumptions, data, calculations, and electronic spreadsheets in live format with all formulas intact. If not, then explain why not.
- Q.2-3 Refer to the trial balance provided in response to KIUC 1-22. Indicate whether the return on the SO2 allowance inventory recorded in account 158.1003 is included in the base revenue requirement or the environmental surcharge revenue requirement. If the latter, explain why the Company did not make a proforma adjustment on Section V Workpaper S-3 to reduce capitalization by this amount given that Tariff E.S. includes a return on Title IV and CSAPR SO2 allowance inventories.
- Q.2-4 Refer to the trial balance provided in response to KIUC 1-22. Indicate whether the return on the Curr Unreal Gains NonAffil recorded in account 175.0001 and on the Long-Term Unreal Gns – Non Aff recorded in account 175.0002 are included in the base revenue requirement. If so, explain why the return is included and why the Company did not make a proforma adjustment on Section V workpaper S-3 to reduce capitalization by this amount.
- Q.2-5 Refer to the trial balance provided in response to KIUC 1-22 and the net DSM and EE regulatory assets for the program costs and recoveries recorded in the following accounts:
- |          |                            |
|----------|----------------------------|
| 182.3009 | DSM Incentives             |
| 182.3010 | Energy Efficiency Recovery |
| 182.3011 | DSM Lost Revenues          |
| 182.3012 | DSM Program Costs          |
- Indicate whether the returns on these accounts are included in the base revenue requirement. If so, explain why the return is included and why the Company did not make a proforma adjustment on Section V workpaper S-3 to reduce capitalization by the net amount in these accounts.
- Q.2-6 Refer to the trial balance provided in response to KIUC 1-22. Indicate whether the return on the CCS Feed Study Costs recorded in account 182.3306 is included in the base revenue requirement. If so, explain why the return is included and why the Company did not make a proforma adjustment on Section V workpaper S-3 to reduce capitalization by the net amount in this account.

Q.2-7 Refer to the trial balance provided in response to KIUC 1-22. Indicate whether the return on the IGCC Pre-Construction Costs recorded in account 182.3515 is included in the base revenue requirement. If so, explain why the return is included and why the Company did not make a proforma adjustment on Section V workpaper S-3 to reduce capitalization by the net amount in this account.

Q.2-8 Refer to the trial balance provided in response to KIUC 1-22. Indicate whether the return on the amounts in the following accounts are included in the base revenue requirement. If so, for each account, explain why the return is included and why the Company did not make a proforma adjustment on Section V workpaper S-3 to reduce capitalization by the amounts in these accounts.

1823519	Unrecovered Purch Power-PPA
1823520	Deferred Dep - Environmental
1823521	Carrying Charge - Environmental
1823522	CC - Environmental Unrec Equit
1823523	Deferred O&M - Environmental
1823524	Deferred Consumable Exp - Envi
1823525	Deferred Property Tax - Enviro

Q.2-9 Refer to the response to KIUC 1-76 Attachment 1. Please indicate the number of months of actual costs that are included in the 2017 column for both AEP in total and KPCo.

Q.2-10 Refer to the response to KPSC 1-73 Attachment 84\_AEVWP14. Please describe the source of the 2017 “approved rates” summing to total zonal costs of \$1.477 billion in this workpaper and provide copies of support from PJM or other for the 2017 “approved rates.”

Q.2-11 Please provide a copy of the most recent AEPSC Fundamentals Forecast. Include available excel spreadsheets that contain the AEP zone PJM on and off-peak energy prices and AEP generation hub capacity prices. Also include both nominal and real dollar versions of the forecasts, as well as the forecast of inflation applicable to the energy and capacity price forecasts. Also include both base case forecasts, lower band, upper band and no carbon scenarios developed.

Q.2-12 To the extent that the forecast provided in response to the previous question reflects the October 2016 Fundamental Forecast, please also provide the same information for any update of the October 2016 forecast when it is available.

Q.2-13 Please provide a revised version of the Company’s rate class revenue allocation using the KPCO proposed 5% subsidy reduction methodology, reflecting the Company’s revised base revenue increase in this case of \$60.397 million. Also include an updated version of the supporting Excel workbook, provided in response to KPSC Staff 1-73, Attachment 35 showing all calculations for the revenue allocation.

Q.2-14 Refer to the Mr. Sharp’s Direct Testimony at 20 and Mr. Satterwhite’s Direct Testimony at 15 wherein they address the Company’s intent to eliminate the employee discount on residential electric service.

- a. Indicate where in the Company's proforma adjustments the reduction in the employee discount and/or the increase in revenues is reflected.
- b. If the reduction in the employee discount and/or the increase in revenues is not reflected in the proforma adjustments, then provide a quantification of the annual effect on revenues and provide all calculations, including electronic workpapers in live format with all formulas intact.

Q.2-15 Provide a schedule that shows the amortization expense related to each deferred asset included in the base revenue requirement. For each expense, provide a citation to the relevant Commission Order authorizing recovery of the deferred asset, if any.

Q.2-16 Refer to the responses to KIUC 1-83, 1-84, and 1-85. Provide the Company's calculation of the weather normalized base revenues and the difference in weather normalized base revenues compared to actual unadjusted base revenues developed for internal management and external reporting purposes by customer class and in total for all classes for each month January 2015 through February 2017. Provide these calculations in live electronic spreadsheet format with all formulas intact.

Q.2-17 Refer to Mr. Sharp's Direct Testimony at 10-11 wherein he states: "The Company will no longer consider an applicant's credit history with national credit bureaus as a reason to waive a deposit."

- a. Confirm that this new approach will result in a reduction in expenses, including, but not limited to, the cost to access credit information from the national credit bureaus.
- b. Provide a quantification of the expenses incurred during the test year, including, but not limited to, the cost to access credit information from the national credit bureaus, that the Company no longer will incur under this new approach.
- c. Provide a copy of all studies, reports, analyses, and calculations developed by or on behalf of the Company to assess the cost or savings resulting from this new approach.

Q.2-18 Refer to the response to KIUC 1-46.

- a. Describe the facilities used for the corporate headquarters in Ashland. Indicate whether these are new (to AEP and/or the Company) facilities that resulted in incremental costs to the Company.
- b. Provide a copy of all studies, analyses, and quantifications of costs and savings that address the move of the headquarters from Frankfort to Ashland.
- c. If the facilities were previously owned or leased by AEP or the Company, then describe all modifications to the facilities that were made to accommodate the relocation, if any.
- d. Provide the incremental annual cost of the corporate headquarters in Ashland, including, but not limited to, the rate base investment, if any, and expenses, such as lease expense, utilities expense, and other expenses, if any.

Q.2-19 Refer to the response to KIUC 1-31, which quantifies the PSI and RSU incentive compensation expense. Refer to the response to KIUC 1-32 wherein it states:

*Note that, due to time of the long-term incentive award grant, no awards were outstanding or accrued during the test year for the 2017-2019 performance unit period or for 2017 RSUs.*

Explain what this statement means given that the response to KIUC 1-31 quantifies \$0.049 million in RSU expense.

Respectfully submitted,



---

Michael L. Kurtz, Esq.

Kurt J. Boehm, Esq.

Jody Kyler Cohn, Esq.

**BOEHM, KURTZ & LOWRY**

36 East Seventh Street, Suite 1510

Cincinnati, Ohio 45202

Ph: 513.421.2255 Fax: 513.421.2764

[mkurtz@BKLawfirm.com](mailto:mkurtz@BKLawfirm.com)

[kboehm@BKLawfirm.com](mailto:kboehm@BKLawfirm.com)

[jkylercohn@BKLawfirm.com](mailto:jkylercohn@BKLawfirm.com)

**COUNSEL FOR KENTUCKY INDUSTRIAL  
UTILITY CUSTOMERS, INC.**

September 8, 2017