

KENTUCKY POWER COMPANY

CASE NO. 2017-00179

**Response to KPC Request For Information
To The Kentucky School Boards Association**

Question No. 1

Responding Witness: Ronald Willhite

1. Please provide all schedules, tables, and charts included in the testimony and exhibits to the testimony of Mr. Willhite in electronic format, with formulas intact and visible, and no pasted values.

Response

Please see the following attachments:

KSBA_R_KPC1_R_KPSC_1_73_Attachment40_PS_Sec_rlw

KSBA_R_KPC1_R_KPSC_1_73_Attachment41_LGS_Sec_rlw2

KSBA_R_KPC1_CP Graph

KSBA_R_KPC1_SIC Table

KSBA_R_KPC1_Forecast Comparison

And also view the IRP Capacity Synopsis in PSC case No. 2016-00413
2016 Integrated Resource Plan Of Kentucky Power Company Volume A – Public
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Question No. 2

Responding Witness: Ronald Willhite

2. Please refer to Exhibit RLW 1.

a. Please identify each school whose data was used in the calculation of the "PS" data points shown on the September 2016 graph and for each school so identified the school's corresponding peak load.

b. Please identify each school whose data was used in the calculation of the "PS" data points shown on the January 2017 graph and for each school so identified the school's corresponding peak load.

Response

a. Please refer to KPC's responses to KSBA_1_001.

b. Please refer to KPC's responses to KSBA_1_001.

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Question No. 3

Responding Witness: Ronald Willhite

3. To the extent not provided in response to data request 2, please provide all work papers, source documents, and electronic spreadsheets used in the development of the testimony of Mr. Willhite. The requested information, if so available, should be provided in an electronic format, with formulas intact and visible, and no pasted values

Response

See Response to Items 1 and 2. Mr. Willhite also reviewed documents contained in the following Commission docket files:

Case No. 19009243
Case No. 19009709
Case No. 19009934
Case No. 19010320
Case No. 2017-00097
Case No. 2002-00377
Case No. 2009-00339
Case No. 2012-00343
Case No. 2013-00475
Case No. 2016-00413

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Question No. 4

Responding Witness: Ronald Willhite

4. Please refer to page 3, lines 36-37, and page 4, lines 1-2, of the testimony of Mr. Willhite. Please confirm that customers receiving service under Pilot Tariff K-12 School were the recipients of a \$500,000 total annual subsidy from customers taking service under Tariff L. G. S.

a. Please confirm that referenced rate analysis conducted by Company Witness Vaughan removed the \$500,000 total annual subsidy from customers taking service under Tariff L.G.S.

Response

Tariff L.G.S. charges were agreed to be reduced to produce a \$500,000 differential to facilitate implementation of a Pilot School Tariff to provide load data to determine the appropriateness of a School Tariff. KPC subsequently installed 30 research meters on a statistically selected sample of school accounts. Data from the research meters was used by KPC in their Class Cost of Service Study (COSS) Exhibit DRB-1. The COSS shows the School Tariff produces a ROR 1.57 times the system average.

a. Cannot not respond as “referenced rate analysis” is not identified in the question.

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Question No. 5

Responding Witness: Ronald Willhite and Counsel

5. Please identify each school district that is a member of KSBA and that receives service from Kentucky Power Company. For each identified school district please provide the following information:

a. Confirm that the school district currently imposes the utility gross receipts tax authorized by KRS 160.613;

b. For each such district imposing a utility gross receipts tax provide the current utility gross receipts tax rate and the tax rates applicable for fiscal years 2015-2016 and 2016-2017;

c. For each such district imposing a utility gross receipts tax please provide the utility gross receipts tax received by the district for fiscal years 2015-2016, 2016-2017, and 2017-2018 to date in connection with utility services provided by Kentucky Power.

Response

Objection. The requested information is irrelevant to the subject matter of this proceeding, namely setting base rates for Kentucky Power. Transfers of money between the cited entities have no bearing on Kentucky Power's proposed rates, and do not appear in or affect Kentucky Power's historical test year or the rates derived from it.

With the foregoing caveat and without waiving the objection, see the attachment (KPCO_R_KPSC_1_26_Attachment1) to the Company's Response to KPSC 1_26 which lists the KPC served districts that impose the gross receipts tax during the test period.

a. Yes to the best of Mr. Willhite's knowledge.

b. School District Tax rates are available at the following:

<https://education.ky.gov/districts/SEEK/Pages/Taxes.aspx>

See the following attachments:

KSBA_R_KPC5 2015_2016 Tax Rate Levied 2 8 16

KSBA_R_KPC5 2016-2017 Local District Tax Levies

- c. Objection. KSBA restates the previously stated objection above as if set forth completely herein and submits that Kentucky Power more readily has the information available than KSBA, with that caveat and without waiving the foregoing, see the attachment (KPCO_R_KPSC_1_26_Attachment1) to the Company's Response to KPSC 1_26 which lists the KPC served districts that impose the gross receipts tax, the tax rate and tax paid for the test period.

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Question No. 6

Responding Witness: Ronald Willhite

6. Please reference page 13, lines 27-29, of testimony of Mr. Willhite. Please confirm that interested parties, including the KSBA, are authorized under the rules of the Federal Energy Regulatory Commission ("FERC") to challenge the return on equity established in the FERC-approved Rockport Unit Power Agreement.

Response

Confirm. However, Mr. Willhite believes that the Company, who is the customer of AEGCO, in the best interest of its customers should remedy the inconsistency of the ROE disparity.