

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) An Order	)	
Approving Its 2017 Environmental Compliance	)	CASE No.
Plan; (3) An Order Approving Its Tariffs and	)	2017-00179
Riders; (4) An Order Approving Accounting	)	
Practices to Establish a Regulatory Asset or	)	
Liability Related to the Big Sandy 1 Operation	)	
Rider; and (5) An Order Granting All Other	)	
Required Approvals and Relief	)	

**ATTORNEY GENERAL’S SUPPLEMENTAL DATA REQUESTS ON  
REHEARING  
TO KENTUCKY POWER COMPANY**

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits these Supplemental Data Requests on Rehearing to Kentucky Power Co. [hereinafter “KPCo”] to be answered by the date specified in the Commission’s Order of Procedure, and in accord with the following:

- (1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.
- (2) Identify the witness who will be prepared to answer questions concerning each request.
- (3) Repeat the question to which each response is intended to refer. The Office of the Attorney General can provide counsel for KPCo with an electronic version of these questions, upon request.
- (4) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, be accompanied by a signed certification of the preparer or 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.

(6) If you believe any request appears confusing, request clarification directly from Counsel for the Office of Attorney General.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, identify each variable contained in the printout which would not be self-evident to a person not familiar with the printout.

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, notify the Office of the Attorney General as soon as possible.

(10) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings

and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information regardless of the media or format in which they are stored, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the control of the company, state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(13) Provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

(14) “And” and “or” should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.

(15) “Each” and “any” should be considered to be both singular and plural, unless specifically stated otherwise.

Respectfully submitted,

ANDY BESHEAR  
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**Certificate of Service and Filing**

Counsel certifies that the foregoing is a true and accurate copy of the same document being filed in paper medium with the Commission within two business days; that the electronic filing has been transmitted to the Commission on May 9, 2018; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding.

This 9<sup>th</sup> day of May, 2018.



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Assistant Attorney General

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Application of Kentucky Power Co. for a General Adjustment of its Rates and Orders  
Approving: (a) Its 2017 Environmental Compliance Plan; (b) Tariffs and Riders; (c) Accounting  
Practices to Establish a Regulatory Asset or Liability Related to the Big Sandy 1 Operation  
Rider; and (d) All Other Required Approvals and Relief  
Case No. 2017-00179

Attorney General's Supplemental Data Requests on Rehearing to KPCo

1. Reference KPCo's response to AG Rehearing DR 1-9, the last paragraph, regarding the Decommissioning Rider. When KPCo files its update to the Decommissioning Rider rates in August 2018, will the rates reflect the changes to the federal corporate income tax rates effective to January 1, 2018?
  - a. If not, why not?
  - b. If not, confirm that KPCo will be receiving a rate increase to which it is not entitled.
2. Reference the response to AG Rehearing DR1-10. Confirm that the FERC settlement agreement discussed therein has now been approved.
3. Confirm that the issue of the Company's PJM Transmission Owner revenue credit was raised in KPCo's Response to Kentucky Industrial Utility Customers ("KIUC")'s Petition for Rehearing and not in KPCo's Petition for Rehearing.
4. Confirm that KPCo's PJM Transmission Owner revenue credit is not included in the calculation of Tariff P.P.A.
5. Confirm that, absent the Tax Cuts and Jobs Act ("TCJA"), had KPCo's PJM Transmission Owner revenue credit increased between the effective date of new rates in this matter and the effective date of new rates in its next rate case, 100% of any increase would have inured to the benefit of KPCo. Said differently, confirm that KPCo's PJM Transmission Owner revenue credit is part of base rates and KPCo bears 100% of the risk, up or down, of any change in the level of credit as compared to the amount included in base rates.
6. Confirm that, as opposed to KPCo's PJM Transmission Owner revenue credit, KPCo's PJM OATT LSE charges are tracked, and 80% of any incremental increase over the amount in base rates is recovered by KPCo through Tariff P.P.A.
7. Was the Non-Unanimous Rehearing Settlement Agreement filed into the record on April 27, 2018 provided in advance to any other party in this matter, except KIUC, for consideration?
  - a. If not, why not?
  - b. If so, provide the parties it was provided to and the counsel for those parties with whom KPCo communicated.

8. Refer to the Rehearing Settlement Testimony of Ranie K. Wohnhas ("Wohnhas Rehearing Settlement Testimony"), pages 5-6.
  - a. Explain the use of "must" in the provision presented on page 5 that, "KIUC and Kentucky Power agree that the Company's Commission-adjusted annual revenue requirement *must* be increased by \$765,030."
  - b. Does KPCo believe that the non-unanimous settlement agreement between only two parties can bind the Commission as to what it *must* do, or does KPCo believe the Commission has the power and authority to make a determination other than that provided for in the settlement agreement?
  - c. Identify where in the record KPCo, by motion, requested "to increase its annual revenue requirement by the net amount of \$3,360,907 to reflect the decreases Transmission Owner revenue to be received by the Company as a result of the Tax Act?"<sup>1</sup>
9. Is it KPCo's position that the Commission's calculation of current Federal Income Tax Expense is unreasonable?
  - a. If so, explain KPCo's basis for such a belief.
  - b. If KPCo does not believe the Commission's calculation is "unreasonable," is it accurate to describe KPCo's position that its own calculation is "more appropriate" than the Commission's, as noted on page 3 of the Rehearing Settlement Testimony of Alex E. Vaughan?
  - c. If the Commission accepts the Non-Unanimous Rehearing Settlement Agreement, including the proposal to increase base rates by \$765,030, provide the percentage by which the average residential customer's base rates will increase.
10. Refer to the Non-Unanimous Rehearing Settlement Stipulation, attached to the Wohnhas Rehearing Settlement Testimony as Exhibit RKW-S1, page 5 of 10, paragraph (c).
  - a. Explain whether the Commission's Final Order dated Jan. 18, 2018 allocated the base rate increase in the same manner as provided in the "Settlement Base Rate Increase" Column (Column a) of Exhibit 1 to the November 22, 2017 Non-Unanimous Settlement Agreement.
  - b. If not, explain why it is reasonable for the Non-Unanimous Rehearing Settlement Agreement to utilize an allocation of the proposed base rate revenue increase that differs from the manner in which the

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<sup>1</sup> Wohnhas Rehearing Settlement Testimony, p. 6, lines 11-13.



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Commission allocated the base rate increase in its Final Order dated  
Jan. 18, 2018.