

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 )  
PLAN; (3) AN ORDER APPROVING ITS TARIFFS AND ) CASE NO. 2017-00179  
RIDERS; (4) AN ORDER APPROVING ACCOUNTING )  
PRACTICES TO ESTABLISH REGULATORY ASSETS AND )  
REGULATORY ASSETS AND LIABILITIES AND (5) AN )  
ORDER GRANTING ALL OTHER REQUIRED APPROVALS )  
AND RELIEF )

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**KENTUCKY COMMERCIAL UTILITY CUSTOMERS, INC.'S  
SECOND REQUEST FOR INFORMATION TO KENTUCKY POWER**

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In accordance with the Public Service Commission's ("Commission") July 17, 2017, Order, Intervenor Kentucky Commercial Utility Customers, Inc. ("KCUC") propounds the following data requests upon the Applicant Kentucky Power. Kentucky Power shall respond to these requests in accordance with the provisions of the Commission's July 17, 2017, Order, applicable regulations, and the instructions set forth below.

**INSTRUCTIONS**

1. Please provide written responses, together with any and all exhibits pertaining thereto, separately indexed and tabbed by each response.
2. The responses provided should restate KCUC's request and also identify the witness(es) responsible for supplying the information.
3. If any request appears confusing, please request clarification directly from counsel for KCUC.

4. Please answer each designated part of each information request separately. If you do not have complete information with respect to any item, please 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.

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

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

7. If Kentucky Power objects to any request on any grounds, please notify counsel for KCUC as soon as possible.

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

9. In the event any document called for has been destroyed or transferred beyond the control of the company, state the following: 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.

10. 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.

Respectfully submitted



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CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, I certify that the September 8, 2017, electronic filing of this Request is a true and accurate copy of the same document being filed in paper medium; that the electronic filing will be transmitted to the Commission on September 8, 2017; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that an original paper medium of the Request will be delivered to the Commission within two business days.



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Counsel for the KCUC

## **KCUC First Set of Requests for Information to Kentucky Power**

1. Please refer to the “Summary” tab of the file “KPCO\_SR\_KPSC\_1\_73\_SupplementalAttachment3\_SectionVSchedules\_TYE2-28-2017FINAL,” provided in Kentucky Power’s August 7, 2017 supplemental response to KPSC\_1\_73. Line 4 lists Environmental Surcharge Revenues of \$3,903,056, the same as Kentucky Power’s initially-filed case, despite the reduction to the environmental surcharge relative to the initially-filed case that will result from the June 2017 Financing Activity, as described in the Supplemental Direct Testimony of Alex E. Vaughan. Please provide the estimated increase to environmental surcharge revenues that will result from Kentucky Power’s proposals in this case, including the impact of the June 2017 Financing Activity, separately for each current retail rate class.
2. Please provide, in Excel format, the workpaper used to allocate the estimated increase in environmental surcharge revenues to the current retail rate classes resulting from Kentucky Power’s proposals in this case, as updated for the June 2017 Financing Activity.
3. Please provide, in Excel format, the distribution by current retail rate class of the \$284,891 increase in HEAP and KEDS surcharges proposed by Kentucky Power in this case.
4. The Direct Testimony of Matthew J. Satterwhite, page 12, indicates that Kentucky Power’s 2017 Environmental Compliance Plan will result in an estimated additional \$3,903,056 increase in the Company’s annual environmental surcharge revenues. What is Kentucky Power’s estimate of the increase in the Company’s annual environmental surcharge revenues, including the impact of the June 2017 Financing Activity?
5. According to the Supplemental Direct Testimony of Amy J. Elliot, page 2, lines 19-22, “the Company calculated the interest savings associated with that portion of the environmental surcharge designed to recover approved environmental costs exclusively through the environmental surcharge (the Mitchell FGD and associated consumables).”
  - a. Please separately provide the interest savings associated with the portion of the environmental surcharge designed to recover (i.) the Mitchell FGD and (ii.) associated consumables.
  - b. Will any interest savings for the Rockport SCR environmental surcharge revenue requirement result from the June 2017 Financing Activity relative to Kentucky Power’s initially-filed case? If so, please provide an updated version of Exhibit AJE-5 in Excel format reflecting these interest savings. If not, please explain why not.

6. Please refer to the “Class Impacts” tab of Exhibit\_AEV\_1S, provided in Kentucky Power’s August 7, 2017 supplemental filing. Please confirm that the “Proposed Increase” and “Percent Change” amounts in the Updated for Financing Changes section are calculated relative to the Test Year Current Revenue in Kentucky Power’s initially-filed case, rather than the current revenue updated for the June 2017 Financing Activity. If confirmed, please update the Class Impacts tab so that the Proposed Increase and Percent Change amounts are calculated relative to the updated current revenues.
7. Please refer to the “Sheet1” tab of the file “KPCO\_SR\_KPSC\_1\_73\_Attachment97,” provided in Kentucky Power’s August 28, 2017 supplemental response to KPSC\_1\_73. Please confirm that the “Updated Proposed Increase” and “Updated % Increase” amounts are not calculated relative to the Updated Current Revenue. If confirmed, please update Sheet1 so that the Updated Proposed Increase and Updated % Increase amounts are calculated relative the Updated Current Revenue.
8. Please refer to the response to Item 1(b) of KCUC’s First Set of Requests for Information to Kentucky Power. The item requested an updated version of “KPCO\_R\_KPSC\_1\_73\_Attachment35\_ KPCO\_CCOS\_\_-\_\_Test\_Year\_2017\_\_-\_\_DRB\_\_-\_FINAL\_\_-\_\_KPSC\_DR\_1-73” that reflects the reduced revenue requirement in the Company’s August 7, 2017 supplemental filing. On August 14, 2017, Kentucky Power objected to producing the requested information as “unduly burdensome.” It then stated that the “Company had not prepared updated version of the attachments.” As a supplemental response to Item 73 of the Staff’s Initial Request for Information, on August 28, 2017, Kentucky Power filed “KPCO\_SR\_KPSC\_1\_73\_ Attachment97.xlsx”. Please confirm that “KPCO\_SR\_KPSC\_1\_73\_ Attachment97.xlsx” is an updated version of “KPCO\_R\_KPSC\_1\_73\_Attachment35\_ KPCO\_CCOS\_\_-\_\_Test\_Year\_2017\_\_-\_\_DRB\_\_-\_FINAL\_\_-\_\_KPSC\_DR\_1-73” that reflects the reduced revenue requirement in Kentucky Power’s August 7, 2017 supplemental filing.
9. Please admit that Kentucky Power’s rate design that was proposed in the application could be different if Kentucky Power incorporated the June 2017 Financing Activity into its analysis.
10. Please admit that the data contained in KPCO\_R\_KPSC\_1\_73\_Attachment72\_AEVWP2 would be different if it incorporated the June 2017 Financing Activity into its analysis.
11. Please admit that the data contained in KPCO\_R\_KPSC\_1\_73\_Attachment72\_AEVWP3 would be different if it incorporated the June 2017 Financing Activity into its analysis.
12. Please admit that the data contained in KPCO\_R\_KPSC\_1\_73\_Attachment72\_AEVWP4 would be different if it incorporated the June 2017 Financing Activity into its analysis.
13. Please admit that the data contained in KPCO\_R\_KPSC\_1\_73\_Attachment72\_AEVWP6 would be different if it incorporated the June 2017 Financing Activity into its analysis.

14. Please refer to the responses to Item 1(c), (d), (e), and (f) of KCUC's First Set of Requests for Information to Kentucky Power. Kentucky Power failed to provide the requested information that is relevant to this case. Please provide the requested materials.
15. Please identify the rates proposed by Kentucky Power after appropriate adjustments are made to reflect the reduced revenue requirement shown in the Company's August 7, 2017 supplemental filing.
16. Please refer to the response to Item 7 of KCUC's First Set of Requests for Information to Kentucky Power, which incorporates Kentucky Power's response to Item 68 of Commission Staff's Second Request for Information.
  - a. Please explain why Kentucky Power believes that the underlying embedded components of the Company's distribution system do not change materially in two years' time.
  - b. Please identify what would constitute a material change for the purposes of the underlying components of the distribution system.
17. Please refer to the response to Items 17 and 18 of KCUC's First Set of Requests for Information to Kentucky Power. State whether Kentucky Power's customer account and billing software automatically transfers customers from S.G.S. to M.G.S. classifications if the customers meet the relevant standards or whether employees must manually change a customer's classification from S.G.S. to M.G.S. Please explain this process.
18. Please refer to the response to Item 17 of KCUC's First Set of Requests for Information to Kentucky Power, which asked whether changes in General Service classifications "were determined by Kentucky Power or whether the moves were requested by the customer." In response, Kentucky Power stated that "[t]he Company does not track whether the moves were initiated by the Company or the customer." In Case No. 2014-00396, Kentucky Power responded to Item 55(b) of the Commission Staff's Second Request for Information by stating, "In order to take advantage of the savings, customers must request that their account be switched [from M.G.S.] to the S.G.S. tariff." Please confirm that all moves during the test year from M.G.S. to S.G.S. were requested by the customer.
19. Please refer to the response to Item 25(b) of KCUC's First Set of Requests for Information to Kentucky Power.
  - a. If the Company has not performed the requested analysis of the number of S.G.S. customers that exceeded 10 kW demand during a test-year month, state whether Kentucky Power incorporated the additional revenue from former S.G.S.

customers that exceed 10 kW demand that will be required to pay a demand charge as a G.S.-classified customer.

- b. Quantify the amount of additional revenue Kentucky Power anticipates receiving from demand charges from former S.G.S. customers that will be required to pay a demand charge as a G.S.-classified customer.
20. Refer to Kentucky Power's current Tariff S.G.S., Sheet 7-1. Please explain how Kentucky Power defines "average monthly demand" and "maximum monthly demand."
21. Refer to Kentucky Power's proposed Tariff G.S., Sheet 7-1, which states that the "tariff is subject to a minimum charge equal to the sum of the service charge plus the demand charge multiplied by the monthly billing demand in excess of 10 kW."
  - a. Please explain how Kentucky Power determines "the monthly billing demand." Include within your response whether the "monthly billing demand" is the same as the "average monthly demand" or the "maximum monthly demand" as used in the current tariff.
  - b. If Company's as-filed tariff with a \$7.84/kW demand charge for Rate Code 211 in Tariff G.S. is approved by the Commission, please state what a customer in that Rate Code would be invoiced in one month for the demand-charge component if the customer had an average monthly demand of 8 kW and a maximum monthly demand of 11 kW.
  - c. If Company's as-filed tariff with a \$7.84/kW demand charge for Rate Code 215 in Tariff G.S. is approved by the Commission, please state what a customer in that Rate Code would be invoiced in one month for the demand-charge component if the customer had an average monthly demand of 20 kW and a maximum monthly demand of 30 kW.
22. Please refer to the response to Item 29 of KCUC's First Set of Requests for Information to Kentucky Power. How many customer accounts during the test year transitioned from S.G.S. or M.G.S. to L.G.S.?
23. Please refer to the response to Item 31 of KCUC's First Set of Requests for Information to Kentucky Power. Please produce the results of each of these studies.