

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)

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

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 August 8, 2017, electronic filing of this Response 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 August 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 Response will be delivered to the Commission within two business days.



Counsel for the KCUC

KCUC First Set of Requests for Information to Kentucky Power

1. Please provide updated versions of the Company's cost-of-service and rate design workpapers and models reflecting the reduced revenue requirement in the Company's August 7, 2017 supplemental filing, including, but not limited to, updated versions of the following files that were originally provided in response to Staff's Data Request 1-73, in Excel format with formulas intact:
 - a. KPCO_R_KPSC_1_73_Attachment3_Section_V.
 - b. KPCO_R_KPSC_1_73_Attachment35_KPCO_CCOS_-_Test_Year_2017_-_DRB_-_FINAL_-_KPSC_DR_1-73.
 - c. KPCO_R_KPSC_1_73_Attachment72_AEVWP2.
 - d. KPCO_R_KPSC_1_73_Attachment73_AEVWP3.
 - e. KPCO_R_KPSC_1_73_Attachment74_AEVWP4.
 - f. KPCO_R_KPSC_1_73_Attachment76_AEVWP6.

2. Please provide the workpaper that is the source for the pasted values in the "FROM CCOS" section on rows 30 through 38 on the "EX AEV-1" tab of the file KPCO_R_KPSC_1_73_Attachment73_AEVWP3. Specifically, this workpaper should demonstrate how these amounts were derived from the CCOS by linking to the cost-of-service model. Please also provide the comparable workpaper for the updated files reflecting the supplemental revenue requirement requested in KCUC First Data Request, Item 1 above.

3. Please refer to KPCO_R_KPSC_1_73_Attachment54_CPDEM, provided in response to Staff's Data Request 1-73. Please explain why the system subtransmission coincident peaks at meter on the "Subtran Peaks" tab are significantly lower than the transmission coincident peaks at meter on the "Tran Peaks" tab, excluding transmission voltage classes. For example, the transmission peak at meter in January excluding classes LGS Tran and IGS Tran is 1,168,160 kW, while the subtransmission peak at meter in January is 932,811 kW.

4. Please provide, in a similar format as the "Tran Peaks" tab of KPCO_R_KPSC_1_73_Attachment54_CPDEM, the monthly, loss-adjusted generation coincident peaks by class for calendar years 2012, 2013, 2014, 2015, and 2016.

5. Please provide, in a similar format as the "Sch 9" tab of KPCO_R_KPSC_1_73_Attachment3_Section_V, the monthly Kentucky Peaks –Max Load, Kentucky Internal Peak Load, and Retail (KY Jurisdictional) Load for calendar years 2012, 2013, 2014, 2015, and 2016.

6. Please refer to the analysis presented in KPCO_R_KPSC_1_73_Attachment76_AEVWP6, used to determine the Residential Full Cost Basic Service Charge based on the customer-

related portions of Accounts 364, 365, 367, and 368. Does Kentucky Power believe that it would be reasonable to utilize the customer-related portions of these accounts developed in this analysis for the purposes of cost allocation (i.e. allocating that portion of plant based on customer count)? If not, please explain why Kentucky Power believes this analysis should be utilized to guide rate design but not for cost allocation.

7. The headers on the “Acct_364”, “Acct_365”, “Acct_367” and “Acct. 368” tabs of KPCO_R_KPSC_1_73_Attachment76_AE\WVP6 state: Test Period Ending September 30, 2014. Does the data on these tabs represent the test period for the current rate case or the last rate case? If the latter, please provide the comparable analysis for the Test Period in this case, in Excel format.
8. Please indicate whether Kentucky Power has conducted a minimum size study to determine the customer-related portions of the following distribution plant types:
 - a. Account 364 – Primary
 - b. Account 364 – Secondary
 - c. Account 365 – Primary
 - d. Account 365 – Secondary
 - e. Account 367 – Primary
 - f. Account 367 – Secondary
 - g. Account 368 – Primary
 - h. Account 368 – Secondary

If so, please provide the customer-related proportion of each plant type as well as the workpapers related to Kentucky Power’s minimum size study, in Excel format.

9. The following data requests concern secondary distribution poles (Account 364):
 - a. What is the minimum height secondary distribution pole currently installed by Kentucky Power recorded in Account 364?
 - b. What is the current average cost to install the minimum height secondary distribution pole recorded in Account 364? Please include the cost of materials, labor, and loadings.
 - c. Please provide, in Excel format, the number of secondary distribution poles (Account 364) placed into service by Kentucky Power annually through 2016 that are still in service. This annual data should begin with the in-service year of the oldest such pole still in service.
10. The following data requests concern primary distribution poles (Account 364):
 - a. What is the minimum height primary distribution pole currently installed by Kentucky Power recorded in Account 364?
 - b. What is the current average cost to install the minimum height primary distribution pole recorded in Account 364? Please include the cost of materials, labor, and loadings.
 - c. Please provide, in Excel format, the number of primary distribution poles (Account 364) placed into service by Kentucky Power annually through 2016 that are still in service.

This annual data should begin with the in-service year of the oldest such pole still in service.

11. The following data requests concern secondary overhead conductors (Account 365):

- a. What is the minimum size secondary overhead conductor currently installed by Kentucky Power recorded in Account 365?
- b. What is the current average cost to install the minimum size secondary overhead conductor per mile recorded in Account 365? Please include the cost of materials, labor, and loadings.
- c. Please provide, in Excel format, the number of miles of secondary overhead conductor (Account 365) placed into service by Kentucky Power annually through 2016 that are still in service. This annual data should begin with the in-service year of the oldest such conductor still in service.

12. The following data requests concern primary overhead conductors (Account 365):

- a. What is the minimum size primary overhead conductor currently installed by Kentucky Power recorded in Account 365?
- b. What is the current average cost to install the minimum size primary overhead conductor per mile recorded in Account 365? Please include the cost of materials, labor, and loadings.
- c. Please provide, in Excel format, the number of miles of primary overhead conductor (Account 365) placed into service by Kentucky Power annually through 2016 that are still in service. This annual data should begin with the in-service year of the oldest such conductor still in service.

13. The following data requests concern secondary underground conductors (Account 367):

- a. What is the minimum size secondary underground conductor currently installed by Kentucky Power recorded in Account 367?
- b. What is the current average cost to install the minimum size secondary underground conductor per mile recorded in Account 367? Please include the cost of materials, labor, and loadings.
- c. Please provide, in Excel format, the number of miles of secondary underground conductor (Account 367) placed into service by Kentucky Power annually through 2016 that are still in service. This annual data should begin with the in-service year of the oldest such conductor still in service.

14. The following data requests concern primary underground conductors (Account 367):

- a. What is the minimum size primary underground conductor currently installed by Kentucky Power recorded in Account 367?
- b. What is the current average cost to install the minimum size primary underground conductor per mile recorded in Account 367? Please include the cost of materials, labor, and loadings.

- c. Please provide, in Excel format, the number of miles of primary underground conductor (Account 367) placed into service by Kentucky Power annually through 2016 that are still in service. This annual data should begin with the in-service year of the oldest such conductor still in service.

15. The following data requests concern secondary transformers (Account 368):

- a. What is the minimum size secondary transformer currently installed by Kentucky Power recorded in Account 368?
- b. What is the current average cost to install the minimum size secondary transformer recorded in Account 368? Please include the cost of materials, labor, and loadings.
- c. Please provide, in Excel format, the number of secondary transformers (Account 368) placed into service by Kentucky Power annually through 2016 that are still in service. This annual data should begin with the in-service year of the oldest such transformer still in service.

16. The following data requests concern primary transformers (Account 368):

- a. What is the minimum size primary transformer currently installed by Kentucky Power recorded in Account 368?
- b. What is the current average cost to install the minimum size primary transformer recorded in Account 368? Please include the cost of materials, labor, and loadings.
- c. Please provide, in Excel format, the number of primary transformers (Account 368) placed into service by Kentucky Power annually through 2016 that are still in service. This annual data should begin with the in-service year of the oldest such transformer still in service.

17. Please refer to lines 1-9 of page 21 of the testimony of Alex E. Vaughan, in which he states that “3,793 customer accounts moved between the SGS and MGS tariffs.” Please provide a more detailed description as to what conditions customers’ accounts would move between Tariff S.G.S. and Tariff M.G.S. during the test year. Include in your response whether all moves between these two tariff classifications were determined by Kentucky Power or whether the moves were requested by the customer.

18. Please refer to footnote 3 of the testimony of Alex E. Vaughan, in which he states that “1,245 SGS customers moved from SGS to MGS, and 2,548 MGS customers moved to SGS.”

- a. How many customers moved from Tariff S.G.S to Tariff M.G.S. back to Tariff S.G.S within the test year?
- b. How many customers moved from Tariff M.G.S to Tariff S.G.S. back to Tariff M.G.S within the test year?
- c. Are the number of customers identified in subparts (a) and (b) above reflected in the totals of 1,245 and 2,548 customers mentioned in footnote 3 of Mr. Vaughan’s testimony?

19. Refer to Exhibit I of the Application. Provide detailed calculations for “Present Average Billing” and General Rate Increase “Proposed Average Billing” for the Tariff S.G.S., Tariff M.G.S., and Tariff G.S.
20. Refer to Page 7 of 35 of Exhibit J of the Application. (a) Please confirm that there is no proposed revenue for demand charges from former Tariff S.G.S. customers. (b) State whether Kentucky Power anticipates that any of its Tariff S.G.S. customers will incur demand charges under the proposed Tariff G.S. If so, why is there no demand-charge revenue shown on Page 7 of 35 of Exhibit J?
21. If a customer previously moved from Tariff M.G.S. to Tariff S.G.S., did Kentucky Power remove any demand meters?
22. Identify the costs to Kentucky Power for a demand meter and an equivalent consumption-only meter that does not measure demand.
23. State whether Kentucky Power recovers any costs incurred for a demand meter from a customer through any rate mechanism other than general rates, such as the “extension of service” tariff provisions or other nonrecurring charge.
24. State whether all Kentucky Power customer accounts within the S.G.S. class currently have a demand meter installed for their service. If not, state the number of customer accounts within this class that (a) have and (b) do not have a demand meter installed.
25. Kentucky Power’s proposed Tariff G.S. indicates that a demand charge shall only apply to monthly billings in excess of 10 kW. For each month during the historical test year, identify
 - a. the number of total customers in Tariff S.G.S. and
 - b. the number of total customers who exceeded 10kW demand during that month.
26. Kentucky Power’s proposed Tariff G.S. indicates that a demand charge shall only apply to monthly billings in excess of 10 kW. For each month during the historical test year, identify
 - a. the number of total customers in Tariff M.G.S. and
 - b. the number of total customers who exceeded 10kW demand during that month.
27. Please explain how and why Kentucky Power determined that customers on the proposed Tariff G.S. would not incur a demand charge until the customer exceeded 10 kW.
28. Refer to page 64 of 205 of Exhibit E to the Application. The proposed tariff indicates that the monthly billing demand will be the greatest of three items, one of which is the customer’s metered kW demand. A provision on page 63 of Exhibit E to the Application

states that the demand charge will only be applied to a monthly billing demand in excess of 10 kW. Please confirm that there will be no demand charge under the proposed Tariff G.S. if a customer's monthly billing demand is less than 10 kW.

29. In Case No. 2014-00396, Kentucky Power proposed and was authorized different rates for demand charges. For example, on Tariff L.G.S. Secondary, Kentucky Power proposed a demand charge of \$4.67 per kW and agreed to a charge of \$4.53 per kW. On Tariff M.G.S. Secondary, Kentucky Power proposed a significantly lower demand charge of \$2.05 per kW and agreed to a charge of \$1.91 per kW. Tariff S.G.S. customers paid no demand charge. In the current Case No. 2017-00179, Kentucky Power proposes a unified demand charge for Tariff G.S. and L.G.S. (e.g., a demand charge of \$7.84 per kW for the Secondary Service under both customer classifications). Explain why it is appropriate to unify the demand charge for these customer classifications.
30. Please provide a detailed description of how the proposed demand charge for each customer classification, if applicable, was calculated. When appropriate, provide specific references to page numbers of exhibits and other documents in the record to demonstrate the calculations.
31. Please refer to lines 12-21 of page 2 of the testimony of Stephen L. Sharp, Jr., that was initially filed in PSC Case No. 2017-0231. Mr. Sharp mentions that Kentucky Power obtained information through a survey performed on its residential customers. Please state whether Kentucky Power has ever performed or commissioned a survey or other study to obtain information on the satisfaction of Kentucky Power's commercial customers. If so, please provide a copy of the most recent survey or study, and any other survey or study performed during the past 10 years.