

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter Of:

An Examination Of The Application Of The Fuel)
Adjustment Clause Of Kentucky Power Company) Case No. 2019-00002
From November 1, 2016 Through October 31, 2018)

**Affidavit Of Ranie K. Wohnhas To Correct
And To Supplement Testimony**

Ranie K. Wohnhas, after being duly sworn, states and deposes as follows:

1. I am of the age of majority and competent to make this affidavit. The statements contained in this affidavit are based on my own personal knowledge, or my review of the records of Kentucky Power Company within my custody and control.

2. My position is Managing Director, Regulatory and Finance, of Kentucky Power Company. I testified before the Commission on April 16, 2019 as a witness for Kentucky Power Company in this matter. Subsequent to my testimony I discovered that certain of my responses to questions posed by Mr. Pinney and Vice Chairman Cicero involving the June 2018 default by GreenHat Energy, LLC in the PJM Interconnection LLC Financial Transmission Rights (“FTR”) market were incomplete or unknowingly inaccurate. The purpose of this affidavit is to supplement and correct my testimony.

3. At the April 16, 2019 hearing Mr. Pinney asked if the Company knew what effect the GreenHat default would have on Kentucky Power “in the near future.” I responded that the Company lacked “specifics” as to the effect the default might have on Kentucky Power, but that

the Company anticipated the default would have some effect. Subsequent to the hearing I further investigated the matter and discovered that my understanding of the status of the GreenHat default and PJM's response to it was incomplete. Hence my response was not fully accurate.

4. Mr. Pinney subsequently asked whether Kentucky Power had to pay any charges in connection with the GreenHat default. I responded that Kentucky Power had not paid any such charges to date. That response was incorrect.

5. My responses to Mr. Pinney's two questions were based on my understanding at the time I testified that the requests by PJM to the Federal Energy Regulatory Commission to waive certain PJM tariff provisions regarding the manner and timing in which the GreenHat's FTR position would be liquidated were still being litigated before the Federal Energy Regulatory Commission.

6. Based on this understanding, which was accurate, it was my assumption that the Company was unaware of the specifics of the effect the default would have on Kentucky Power in the near future; it also was my further assumption that the Company had not received or paid any PJM charges related to the GreenHat default. Both assumptions were inaccurate.

7. Beginning in August 2018, Kentucky Power began booking GreenHat FTR market default charges as allocated to Kentucky Power from PJM. The FTR market default charges were billed monthly to Kentucky Power through PJM billing line item 1999A. The GreenHat FTR market default charges allocated to Kentucky Power through April 2019 totaled \$233,508.86. Through the same period the fuel-related portion of the billing line item 1999A charges related to the GreenHat default were \$161,986.73:

Month/Year	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	Total
Amount	\$27,515.03	\$43,046.29	\$0.00	\$11,689.35	\$32,605.98	\$2,228.04	\$11,217.98	\$28,254.38	\$5,429.68	\$161,986.73

The fuel-related billing line item 1999A amounts paid by Kentucky Power within this two-year review period (August through October 2018) totaled \$70,561.32:

Month/Year	Aug-18	Sep-18	Oct-18	Total
Amount	\$27,515.03	\$43,046.29	\$0.00	\$70,561.32

8. Based on the fact that PJM billed Kentucky Power, and the Company paid, monthly fuel-related charges related to the GreenHat default, a more complete response to Mr. Pinney’s first question would have been that until further resolution by the Federal Energy Regulatory Commission of the matter the Company believed in the near future it would continue to be billed and continue to pay billing line item 1999A charges related to the GreenHat default.

9. Based on this more complete understanding I also would have responded “yes” to Mr. Pinney’s question of whether Kentucky Power had paid PJM fuel-related charges related to the GreenHat Default.

10. The Vice Chairman asked me during the hearing whether PJM had given any direction as to what utilities such as Kentucky Power should do “to socialize” the costs associated with the GreenHat default. I indicated in response that although discussions with PJM were ongoing no direction had been given by PJM as to what Kentucky Power should do with the cost.

11. That response was accurate but incomplete. I also should have noted that although PJM was billing Kentucky Power monthly through billing line item 1999A for the costs

associated with the GreenHat default, the Company had not yet flowed the fuel-related portion of these charges to customers through its fuel adjustment clause.

12. I also should have noted that although Kentucky Power has not yet sought to recover the fuel-related portion of the costs billed it by PJM through billing line item 1999A, that the Company believed that its Tariff F.A.C. requires that the Company recover the fuel-related portion of these billing line item charges through its fuel adjustment clause.

13. Specifically, paragraph 3(e) (Sheet 5-1) defines “Fuel costs (F)” to include: “[t]he fuel-related costs charged to the Company by PJM Interconnection LLC *including but not limited to* those costs identified in the following Billing Line Items, as may be amended from time to time by PJM Interconnection LLC....” (emphasis supplied) The fuel-related costs billed to Kentucky Power by PJM through billing line item 1999A are properly recoverable through the Company’s fuel adjustment charge.

14. Kentucky Power is filing with this affidavit an amended response to KPSC 1-33 in which it identifies the billed but unrecovered Billing Line 1999A costs as a fuel cost issue that remains unresolved. The Company also is filing a motion for informal conference to permit it and the Staff to address the issue further before this two-year review is closed.

FURTHER THE AFFIANT SAYETH NAUGHT.

Ranie K. Wohnhas

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COMMONWEALTH OF KENTUCKY)
)
COUNTY OF FRANKLIN)

The foregoing affidavit was signed and sworn to before me this 8th day of May, 2019 by Ranie K. Wohnhas.

My commission expires: April 7, 2023

Linda A. Smith
Notary Public

