

Kentucky Power Company
KPSC Case No. 2020-00062
Commission Staff's Second Set of Data Request on Rehearing
Dated March 23, 2021

DATA REQUEST

RH-2-1 Refer to response to Commission Staff's First Request for Information on Rehearing, Item 3, Attachment 1. Provide all updates to this Accounting Bulletin since May 1, 1972.

RESPONSE

There are no updates to the referenced Accounting Bulletin.

Witness: Nicolas C. Koehler

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DATA REQUEST

RH-2-2 Confirm that Kentucky Power's use of predominant use accounting is the reason for Kentucky Power's decision to recover the costs of constructing the circuit breakers and capacitor bank through base rates

RESPONSE

The statement cannot be confirmed as stated. The Company confirms that the costs of the referenced circuit breakers and capacitors will be recorded to distribution accounts, as currently determined under predominant use accounting, if constructed by Kentucky Power. The Company also confirms that it is required to recover costs recorded to distribution accounts through State-regulated retail rates.

Witness: Nicolas C. Koehler

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RH-2-3 Identify all accounting method alternatives to predominate use accounting available to Kentucky Power.

RESPONSE

Under Generally Accepted Accounting Principles and the Federal Energy Regulatory Commission's System of Accounts it also would be possible for Kentucky Power to adopt a split accounting methodology, which is based on the function of the individual components of a facility. All AEP East operating companies except Ohio Power Company utilize predominant use accounting. Ohio Power Company's use of split accounting is reflective of its historical use of that methodology.

Witness: Nicolas C. Koehler

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RH-2-4 Explain the impact of using each accounting method alternative to predominate use accounting identified above.

RESPONSE

The accounting method used to record the cost of the project does not impact the scope of the project.

Witness: Nicolas C. Koehler

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RH-2-5 Explain what benefit is provided to Kentucky Power's customers through Kentucky Power's use of predominate use accounting in determining how the cost of constructing an asset is recovered.

RESPONSE

Predominant Use Accounting is a long standing Kentucky Power practice. Kentucky Power Company customers benefit from the consistent use of this accounting practice. Kentucky Power Company does not use predominant use accounting to determine how the cost of constructing an asset is recovered.

Witness: Brian K. West

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RH-2-6 Confirm the Kewanee 138 kV Substation will transform voltage from a line classified as transmission to voltage for lines classified as distribution only.

RESPONSE

Confirmed.

Witness: Nicolas C. Koehler

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RH-2-7 State the voltage of each line served by the Kewanee 138 kV Substation and identify whether each of these lines are transmission or distribution lines.

RESPONSE

The Kewanee 138kV substation will connect to the Beaver Creek – Kewanee 138kV transmission line and the Cedar Creek – Kewanee 138kV transmission line. As planned, once the 138kV voltage is stepped down to distribution voltage at the Kewanee substation, Kewanee 138kV substation will serve two 34.5kV distribution feeder lines, and two 12kV distribution feeders lines.

Witness: Nicolas C. Koehler

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RH-2-8 Confirm that Kentucky Power classifies its highest voltage distribution lines as being 23 kV.

RESPONSE

The statement cannot be confirmed. Per the definition presented on Sheet 4-1 of Kentucky Power Company's tariff, Primary Distribution Service can be provided at voltage levels of up to 34.5kv.

Witness: Brian K. West

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RH-2-9 For any lines identified in Item 7 as having voltage 23 kV or above, explain the reason the line is classified as a distribution line.

RESPONSE

The lines described in the Company's response to Item 7 that are operated at voltages of 34.5kv or 12kv will serve distribution customers. As noted in the response to KPSC RH-2-8, these lines are classified as distribution consistent with Sheet 4-1 of the Company's tariff.

Witness: Brian K. West

Witness: Nicolas C. Koehler

VERIFICATION

The undersigned, Brian K. West, being duly sworn, deposes and says he is Vice President, Regulatory & Finance for Kentucky Power Company that he has personal knowledge of the matters set forth in the forgoing responses and the information contained therein is true and correct to the best of his information, knowledge and belief after reasonable inquiry.



Brian K. West

State of Indiana)
) ss Case No. 2020-00062
County of Allen)

Subscribed and sworn to before me, a Notary Public, in and for said County and State, Brian K. West this 29th day of March, 2021.

Regiana M. Sistevaris, Notary Public

My Commission Expires: January 7, 2023



Koehler Verification.docx

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E-Signature Summary

E-Signature 1: Nicolas C Koehler (NCK)

March 31, 2021 10:33:02 -8:00 [911978780552] [167.239.221.83]
nckoehler@aep.com (Principal) (Personally Known)

E-Signature Notary: Brenda Williamson (BW)

March 31, 2021 10:33:02 -8:00 [0FEB870F35EB] [167.239.2.87]
bgwilliamson@aep.com
I, Brenda Williamson, did witness the participants named above electronically sign this document.



VERIFICATION

The undersigned, Nicolas C. Koehler, being duly sworn, deposes and says he is the Director of Transmission Planning, American Electric Power Service Corporation, that he has personal knowledge of the matters set forth in the forgoing responses and the information contained therein is true and correct to the best of his information, knowledge and belief after reasonable inquiry.

Nicolas C Koehler
Signed on 2021/03/31 10:33:02 -8:00
Nicolas C. Koehler

STATE OF OHIO)
) ss Case No. 2020-00062
COUNTY OF FRANKLIN)

Subscribed and sworn to before me, a Notary Public, in and for said County and State, Nicolas C. Koehler this ____ day of March, 2021.
03/31/2021

Brenda Williamson
Signed on 2021/03/31 10:33:02 -8:00
Notary Public


Brenda G. Williamson
Commission # 2016-RE-579446
Electronic Notary Public
State of Ohio
My Comm Exp. Apr 25, 2021
Notary Stamp 2021/03/31 10:33:02 PST 0FEB870F35EB

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