# **DATA REQUEST**

**KPSC 1\_1** Provide the utility's current number of customers and the date used for that determination.

# **RESPONSE**

Please see KPCO\_R\_KPSC\_1\_1\_Attachment1 tab "1\_1 and 1\_2" for the requested information.

# DATA REQUEST

**KPSC 1\_2** If applicable, provide the utility's current number of customers per class.

#### **RESPONSE**

Please see KPCO\_R\_KPSC\_1\_1\_Attachment1 tab "1\_1 and 1\_2" for the requested information.

# DATA REQUEST

- **KPSC 1\_3** If a utility provides multiple services, such as both electric and gas residential service, provide the information requested for each service separately. For those customers that receive combined service, provide each service separately if separately served or combined if billed on a combined basis. Provide the average total bill for all customers for:
  - a. 2017 as a year, not each month;
  - b. 2018 as a year, not each month;
  - c. 2019 as a year, not each month; and
  - d. Each month in 2020.

Total bill is defined as including charges for current service and past service that is unpaid, including the accumulation of fees.

#### **RESPONSE**

Please see KPCO\_R\_KPSC\_1\_1\_Attachment1 tab "1\_3" for the requested information.

# DATA REQUEST

- **KPSC 1\_4** If a utility provides multiple services, such as both electric and gas residential service, provide the information requested for each service separately. For those customers that receive combined service, provide each service separately if separately served or combined if billed on a combined basis. Provide the average total bill for all customers in each class for:
  - a. 2017 as a year, not each month;
  - b. 2018 as a year, not each month;
  - c. 2019 as a year, not each month; and
  - d. Each month in 2020.

Total bill is defined as including charges for current service and past service that is unpaid, including the accumulation of fees.

#### **RESPONSE**

Please see KPCO\_R\_KPSC\_1\_1\_Attachment1 tab "1\_4" for the requested information.

# DATA REQUEST

- **KPSC 1\_5** If a utility provides multiple services, such as both electric and gas residential service, provide the information requested for each service separately. For those customers that receive combined service, provide each service separately if separately served or combined if billed on a combined basis. Provide the average bill for current service for all customers for:
  - a. 2017 as a year, not each month;
  - b. 2018 as a year, not each month;
  - c. 2019 as a year, not each month; and
  - d. Each month in 2020.

#### **RESPONSE**

Please see KPCO\_R\_KPSC\_1\_1\_Attachment1 tab "1\_5" for the requested information.

# DATA REQUEST

- **KPSC 1\_6** If a utility provides multiple services, such as both electric and gas residential service, provide the information requested for each service separately. For those customers that receive combined service, provide each service separately if separately served or combined if billed on a combined basis. Provide the average bill for current service for all customers in each class for:
  - a. 2017 as a year, not each month;
  - b. 2018 as a year, not each month;
  - c. 2019 as a year, not each month; and
  - d. Each month in 2020.

The differences between request 3 and request 5, and request 4 and request 6 should provide the average arrearage for all customers and for each class, respectively.

## **RESPONSE**

Please see KPCO\_R\_KPSC\_1\_1\_Attachment1 tab "1\_6" for the requested information.

## DATA REQUEST

KPSC 1\_7 Explain how the utility calculates bad debt.a. Explain the decision criteria governing when the utility writes off bad debt.

b. Provide the monthly bad debt write-offs for each month in 2018, 2019, and 2020.

c. If the utility has changed its calculation or determination of bad debt in the past two years, explain its previous calculation or determination of bad debt and the reason for the change.

#### **RESPONSE**

Kentucky Power Company (Kentucky Power) participates in a sale of receivables arrangement with AEP Credit, Inc. (AEP Credit). Under this sale of receivables arrangement, Kentucky Power sells, without recourse, certain of its customer accounts receivable and accrued unbilled revenue balances to AEP Credit and is charged a fee based on AEP Credit's financing costs, administrative costs and collection experience for Kentucky Power's receivables. Kentucky Power maintains management and servicing of its customer accounts receivable, sold to AEP Credit.

Based on the sale of receivables arrangement with AEP Credit and in accordance with the FERC Uniform System of Accounts, Kentucky Power's most recent 12-month accounts receivable collection experience is calculated monthly and recorded to Account 4265010 as two components, uncollectible expense and agency fees. The agency fee is based on the Company's collections experience, another component of uncollectible expense, and is therefore properly recorded in the same account as uncollectible expense. Since accounts receivable collection experience expense is calculated based upon the previous 12-months historical charge offs to receivables purchased, the bad debt expense incurred by Kentucky Power is directly related to its historical charge offs. If charge offs continue to rise, so will Kentucky Power's bad debt expense. As charge offs fall, so will the bad debt expense Kentucky Power is charged by AEP Credit.

## **Collection Experience Component of Expense (Account 4265010)**

The collection experience component of accounts receivable collection experience expense is calculated by dividing the net amount of receivables charged-off over the last 12 months by the amount of receivables purchased for the same time period. The net amount of receivables charged-off is the dollar amount charged-off as uncollectible less any recoveries previously charged-off plus a surcharge related to 90-day past due receivables (90-day surcharge). The 90-day surcharge reflects Kentucky Power's failure to charge-off a receivable by adding excessive aged accounts to the collection experience factoring rate.

Excessive aged accounts are any 90-day past due receivables exceeding 2% of the ending Kentucky Power accounts receivable balance owned by AEP Credit for the month in which the past due receivables were reported to AEP Credit.

#### Agency Fee Component of Expense (Account 4265010)

The agency fee component of accounts receivable collection experience expense provides AEP Credit with additional protection from excessive charge-offs. At the time receivables are purchased, 2% of the cash is withheld from the Seller until collection. Upon collection of the receivables, AEP Credit returns 2% of collections back to the Seller.

a. Uncollectible accounts are those customer account balances that remain unpaid approximately four months after an account is closed and final billing takes place. At the end of the third month following the month of final billing, any unpaid balance is changed from active receivable status to uncollectible receivable status.

More specifically, at the time an account is closed, a charge-off date is automatically inserted in the account record. The charge-off date is set as the last workday of the fourth month following the final bill date. For example, if an account is closed on January 15, the charge-off date is established as the last workday of the following May. Any balance remaining on the account as of the established charge-off date is automatically charged-off on that date. The established charge-off dates may only be overridden by authorization from Credit Policy & Payment Administration coordinators or management.

b. Since certain of Kentucky Power's customer receivables are purchased by AEP Credit without recourse, there is no provision for bad debts established on Kentucky Power's books. When actual bad debt write-offs are identified using the decision criteria described above in part a., Kentucky Power reports them to AEP Credit (at the end of each month). As previously discussed, AEP Credit charges Kentucky Power a fee in conjunction with the purchase of receivables based on AEP Credit's financing costs, administrative costs and collection experience for Kentucky Power's receivables. Based on the sale of receivables arrangement with AEP Credit and in accordance with the FERC Uniform System of Accounts, Kentucky Power's expense related to its most recent 12-month accounts receivable collection experience is recorded to Account 4265010 in two components, uncollectible expense and agency fees. Please see KPCO\_R\_KPSC\_1\_1\_Attachment1 tab "1\_7b" for the amounts recorded to Account 4265010 (Factoring Expense-Bad Debt) for each month in 2018, 2019, and 2020 (information available through May 2020).

c. AEP Credit and Kentucky Power have not made any changes in the calculation or determination of bad debt for customer accounts in the past two years.

# DATA REQUEST

**KPSC 1\_8** Assuming the Commission's moratorium on disconnections was not in effect, provide the number of customers in each class that would be subject to disconnection and the date used for this determination.

## **RESPONSE**

Please see KPCO\_R\_KPSC\_1\_1\_Attachment1 tab "1\_8" for the requested information.

# **DATA REQUEST**

**KPSC 1\_9** Provide the percent of customers, by class, that pay on time for:

- a. 2017 as a year, not each month;
- b. 2018 as a year, not each month;
- c. 2019 as a year, not each month; and
- d. Each month in 2020.

#### **RESPONSE**

Please see KPCO\_R\_KPSC\_1\_1\_Attachment1 tab "1\_9" for the requested information.

# DATA REQUEST

- KPSC 1\_10 Provide the following information for January 1, 2015, until December 31, 2019. If a utility provides multiple services, such as both electric and gas residential service, provide the information requested for each service separately. For those customers that receive combined service, provide each service separately if separately served or combined if billed on a combined basis. Further, provide the following information by class.
  - a. Provide monthly totals of service termination notices issued to customers only for nonpayment of bills.
  - b. Provide monthly totals of service terminations for customers only for nonpayment of bills.

c. Provide the total number of customers for each month. This information should be provided so as not to duplicate customer counts. The information requested in this request should be presented similarly to the residential-only information provided in Case No. 2019-00366.[1] For reference, refer to Louisville Gas and Electric Company and Kentucky Utilities Company's response to Post-Formal Conference Request for Information filed with the Commission on March 6, 2020.

# **RESPONSE**

a. and b. Please see KPCO\_R\_KPSC\_1\_1\_Attachment1 tab "1\_10a and 1\_10b" for the requested information. The Company is working to determine if the information can be provided by class and will supplement this response accordingly.

c. Please see KPCO\_R\_KPSC\_1\_1\_Attachment1 tab "1\_10c" for the requested information.

# DATA REQUEST

**KPSC 1\_11** Provide the total income received from late payment fees for:

- a. Each month in 2017;
- b. Each month in 2018;
- c. Each month in 2019; and
- d. Each month in 2020.

#### **RESPONSE**

Please see KPCO\_R\_KPSC\_1\_1\_Attachment1 tab "1\_11" for the requested information.

## DATA REQUEST

**KPSC 1\_12** Quantify the amount of late payment fees the utility would have assessed since March 16, 2020, absent the Commission's directive.

#### **RESPONSE**

Please see KPCO\_R\_KPSC\_1\_1\_Attachment1 tab "1\_12" for the amount of late fees the Company would have assessed, absent the Commission's directive, from March 16, 2020 through June 26, 2020.

# DATA REQUEST

**KPSC 1\_13** Provide copies of all general communication provided to customers regarding arrearages, late payments, payment plans, etc. since March 16, 2020. Customer-specific communication is excluded from this request.

# **RESPONSE**

Kentucky Power has been communicating COVID-19 related updates to our customers using multiple channels including emails, social media posts, bill messages, bill inserts and news releases. These are outlined in KPCO\_R\_KPSC\_1\_13\_Attachment1 and described in further detail below.

A news release on March 13, 2020 detailed the temporary suspension of disconnection for non-payment along with other COVID related updates (pgs. 1-2). Emails sent to customers in March provided similar details and updates on COVID (pgs. 3-5). A bill insert for all residential bills during the month of March offered the Average Monthly Payment (AMP) plan (pgs. 6-7).

In April 2020, emails were sent to customers who have email addresses on file outlining steps taken regarding COVID (pg. 8), a video discussing programs available to business customers

(https://www.youtube.com/watch?feature=youtu.be&v=PZwwyKbJSr8&elqTrackId=01 A7F0A9A685836EEDCB8D2FF198F704&elqTrack=true&app=desktop) (pg. 9), describing programs available to non-profit customers (pg.10) and discussing billing assistance (pgs. 11-12).

In May, two emails sent to commercial customers focused on small business relief programs such as the Paycheck Protection Program (pgs. 13-14). Customers also received an email advising payment-processing fees are temporarily suspended (pgs. 15-16). On May 29, 2020, a news release was issued regarding Kentucky Power's debt relief application in Case No. 2020-00176 (pgs. 17-18). A bill message included with May and June bills encouraged customers to enroll in AMP (pgs. 19-20).

In June, community leaders and elected officials were sent an email with updates on how Kentucky Power is responding to COVID-19 through regulatory filings using a three-step approach, including a debt relief filing, flexible payment arrangements (Flex Pay) (pgs. 21-22) and the deferred rate increase as proposed by the Company in Case No. 2020-00174. An email was sent to all customers on AMP with an email address on file and past due balance encouraging customers to set up a flexible payment arrangement (pg. 23).

Customers were provided summer cooling tips and the option to establish a flexible payment options in an email sent on June 22, 2020 (pg. 24).

Multiple social media posts continue to provide timely updates to customers (pgs. 25-29). Kentucky Power's website, <u>https://www.kentuckypower.com/</u>, has a banner on the home page offering flexible payment plans. A COVID-19 landing page on the Company's website at <u>https://www.kentuckypower.com/info/coronavirus/</u> explains suspension of disconnection for nonpayment, payment extensions, payment arrangements, residential assistance programs, suspension of payment processing fees and assistance programs for businesses.

KPSC Case No. 2020-00085 Commission Staff's 1st Set of Data Requests Dated June 23, 2020 Item No. 13 Attachment 1 Page 1 of 29



# Coronavirus (COVID-19) Update March 13, 2020

- AEP understands the critical nature of the services we provide and has a team dedicated to making sure we can maintain these services during this pandemic. We do not anticipate any disruption in our ability to provide electric service for our customers. Our line crews and other critical employees who interact with the public are being instructed on how to perform their work and remain healthy.
- We are following our existing emergency response plans to ensure we can
  provide service to our customers and keep our employees healthy. We're
  collaborating with other utility companies and industry organizations on
  preparation efforts and coordinating with public health agencies throughout our
  service areas.
- We are temporarily suspending all disconnections for non-payment. We know our customers are concerned about their families, and ensuring they have reliable electric service allows them to focus on staying healthy and well. We are committed to doing what we can to help our customers, our employees and the communities we serve navigate this uncertain time.
- We are continuously providing information to our employees through a dedicated internal web page about the virus, including prevention recommendations, policy information and answers to frequently asked questions.

Additional Info:

- All AEP employees whose job functions allow them to work from home have been asked to do so through April 6, 2020. Employees whose jobs do not allow them to work from home have been instructed to come to work and practice social distancing and other prevention measures as suggested by the CDC.
- To help prevent transmission of the virus, we have restricted outside visitors to all of our facilities and restricted AEP employee participation at events hosted by outside groups.
- We are monitoring personal international travel of our employees, contractors and members of their households, as well as international visitors staying in their homes. Some team members will be asked to self-monitor or self-quarantine depending on where they travel.
- We are working with our suppliers and contractors on access to needed equipment and materials. We're making plans to adjust resources to continue business operations if employees become ill.

KPSC Case No. 2020-00085 Commission Staff's 1st Set of Data Requests Dated June 23, 2020 Item No. 13 Attachment 1 Page 2 of 29



• This is a rapidly evolving situation. We are following recommendations from the Centers for Disease Control and Prevention and continually reviewing our responses and the guidance we are providing to our employees.

If asked questions:

#### Are line crews prepared to restore power in the event of a storm?

Our line workers will continue to perform their jobs as normal. We have advised them on how they can limit their potential exposure by maintaining a six-foot distance from others and regularly washing their hands, for example. We will continue to monitor our crew levels. Our goal is to keep our crews, their families, and our customers safe and healthy.

#### Is there concern for your employees who can't work from home?

All of the decisions we have made are with the health and safety of our employees as the first priority. Our employees are dedicated individuals who understand the critical nature of the service we provide. Employees who must report to work are being instructed on how they can keep themselves healthy. And by limiting the number of employees who are in our facilities by encouraging others to work from home, we are limiting the exposure of employees who must report to the office.

KPSC Case No. 2020-00085 Commission Staff's 1st Set of Data Requests Dated June 23, 2020 Item No. 13 Attachment 1 Page 3 of 29



# Kentucky Power Customer Care and Emergency Response Wednesday, March 18, 2020

Dear Kentucky Power Customer:

Kentucky Power understands the critical nature of the services we provide and has a team dedicated to making sure we can maintain these services during this pandemic and keep our employees healthy. **We do not anticipate any disruption in our ability to provide electric service for our customers.** 

We know our customers are concerned about their families, and ensuring they have reliable electric service allows them to focus on staying healthy and well. We temporarily have suspended all service disconnections for non-payment. Customers may still receive disconnect notices even during the suspension. We urge customers to make every effort to keep their accounts current during the period when disconnections are suspended.

We are following our emergency response plans and taking necessary steps to ensure we can serve our customers while keeping our employees healthy, including:

- Instructing our line crews and other critical employees who interact with the public on how to perform their work and minimize exposure to the virus by practicing social distancing and other prevention measures. All other Kentucky Power employees whose job functions allow them to work from home have been asked to do so until April 6, 2020.
- Dividing employees into smaller teams and putting in place measures such as staggered work schedules and reporting to separate locations to help protect our employees who are critical to keeping power flowing.
- Restricting visitors to all of our facilities, with the exception of delivery trucks.
- Collaborating with other utility companies and industry organizations on preparation efforts and coordinating with public health agencies throughout our service areas
- We are monitoring any coronavirus (COVID-19) tests, diagnoses and exposures of our employees and their household members, as well as personal international travel and international visitors staying in their homes. Some will be asked to self-monitor or self-quarantine depending upon their exposure.

We are following recommendations from the CDC and continually reviewing our responses and the guidance we are providing to our employees. We thank you for the opportunity to serve you and all eastern Kentuckians through these unprecedented times. Stay safe and healthy!

Sincerely,

Your Kentucky Power team

If customers anticipate problems paying their electric bill, they should contact us immediately. Customer representatives can be reached at 1-800-572-1113 or on Facebook or Twitter at https://www.facebook.com/KentuckyPower or twitter.com/KentuckyPower or @KentuckyPower.

3

KPSC Case No. 2020-00085 Commission Staff's 1st Set of Data Requests Dated June 23, 2020 Item No. 13 Attachment 1 Page 4 of 29 4

View in Browser



**Dear Kentucky Power Customer,** 

At Kentucky Power, we understand the critical nature electric service we provide and are committed to the health and safety of our customers, communities, and employees.

As we enter our third week of living with the COVID-19 pandemic in our area, we want you to know we are continually monitoring the situation and have taken steps to protect you and your family while continuing to provide safe and reliability electric service for our customers.



#### WE HAVE A PLAN

Our line workers and other employees are critical to maintaining service. They are working in smaller teams, adjusting work schedules, practicing physical distancing, monitoring themselves for any symptoms and taking other prevention measures recommended by the Centers for Disease Control and Prevention (CDC). All employees who can are working from home to help prevent the spread of the virus.

#### WE WILL KEEP POWER FLOWING

We have worked with our federal, state and local leaders to ensure that our essential employees are designated as critical responders and are able to travel as necessary to keep the lights on. We also are working to make sure that equipment suppliers and support industries essential to our business can continue operating.

#### WE WON'T DISCONNECT YOUR SERVICE FOR NON-PAYMENT

We know that many people are facing unusual financial hardships during this health

KPSC Case No. 2020-00085 Commission Staff's 1st Set of Data Requests Dated June 23, 2020 Item No. 13 Attachment 1 Page 5 of 29

5

emergency. That is why we have temporarily suspended all service disconnections for nonpayment. We urge you to try to keep your account current. If you are having trouble paying your bill, you should contact us at 800-572-1113, through your <u>KentuckyPower.com</u> account, or through <u>Facebook</u> or <u>Twitter</u> to discuss payment options.

#### WE ARE PRACTICING PHYSICAL DISTANCING

We have restricted outside visitors to all of our facilities (with the exception of delivery trucks), restricted all business travel that is not business critical, and restricted participation in face-to-face meetings -- both internally and those hosted by outside groups.

#### WE ARE STAYING PREPARED AS THE SITUATION EVOLVES

We are continuously educating our employees about COVID-19 and collaborating with other companies in our industry, government experts, and public health agencies as this pandemic progresses. We're continually monitoring and working to heighten employee and customer awareness of scams as well as cyber security risks.

We are monitoring any coronavirus tests, diagnoses, and exposures of our employees and their household members, as well as personal international travel and international visitors staying in their homes. Some team members are being be asked to self-monitor or self-quarantine depending upon their exposure.

We are following recommendations from the CDC and continually reviewing our responses and the guidance we are providing to our employees.

#### WE'RE HELPING SUPPORT OUR COMMUNITIES

The American Electric Power Foundation is donating \$1.5 million toward coronavirus relief, including \$60,000 to agencies providing COVID-19 relief efforts in Kentucky Power's service area in eastern Kentucky.

Thank you for taking time to learn about our response to COVID-19 as we work to keep your electric service safe and reliable.





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#### DON'T LET ENERGY HOGS EAT UP YOUR MONEY 6



Watch out for these issues that can devour your electric bills:

#### Older, inefficient electric furnaces.

Electric furnaces can use approximately five times as much energy as a high-efficiency heat pump in normal operating mode.

Leaks coming from your home's ductwork. Reduced or poorly distributed airflow from your vents could indicate a leak in the heating/cooling system's ductwork.

#### Excessive hot water use or water heater malfunctions.

Water bill increases along with an electric bill increase could indicate an issue with your hot water heater.

#### Space heaters.

A single 1,500 watt space heater can use more than \$100 a month in electricity if left on continuously.

#### KPSC Case No. 2020-00085 Commission Staff's 1st Set of Data Requests Dated June 23, 2020 Item No. 13 Attachment 1 Page 7 of 29

#### KENTUCKY POWER WANTS TO HELP YOU REDUCE YOUR ELECTRICITY USAGE AND MANAGE YOUR BILL

Kentucky Power customers can learn energy saving tips by visiting **kentuckypower.com/save**.

Customers also can call our partners, Community Action of Kentucky, at 1-800-456-3452 to learn about our home weatherization program for low-income families and other assistance programs.

Finally, all customers can enroll in our **Average Monthly Payment (AMP)** plan. This plan allows for a rolling 12-month average bill to even out winter heating and summer cooling bill spikes. Plus, there is no large settle-up month found in traditional budget plans.

Sign up by logging into your account on our website, or by calling us at 1-800-572-1113. You also can reach customer service by sending us a private message on Facebook.



KentuckyPower.com

KPSC Case No. 2020-00085 Commission Staff's 1st Set of Data Requests Dated June 23, 2020 Item No. 13 Attachment 1 Page 8 of 29



# Kentucky Power Customer Care and Emergency Response Wednesday, April 1, 2020

# Kentucky Power has donated \$60,000 in emergency funds to help address the hardships faced by customers and communities. Additionally, we are donating 10,000 N95 masks and nitrile gloves to area medical facilities.

Dear Kentucky Power Customer:

Kentucky Power continues to monitor the COVID-19 pandemic situation and does not anticipate a disruption or inability to provide electric service to our customers. We prepare for all types of emergencies, and like everyone else, we continue to adapt our plans as things change in the Commonwealth.

- We have taken significant steps to keep our employees healthy and ensure we can still serve our customers. Our line workers and other employees critical to maintaining service are working in smaller teams, adjusting work schedules, practicing physical distancing, monitoring themselves for any symptoms and taking other prevention measures recommended by the CDC. All employees who can are working from home to help prevent the spread of the virus, and have been asked to do so until at least April 13. We have restricted outside visitors to all company facilities (with the exception of delivery trucks). We are monitoring any coronavirus tests, diagnoses and exposures of our employees and their household members.
- We continue to work closely with state and local officials to ensure essential employees are designated as critical
  responders and are able to travel as necessary to keep the lights on and have access to pandemic child and adult
  care services.
- We are continuously educating our employees about COVID-19 and collaborating with other companies in our industry, government experts and public health agencies to adjust our response. We're also continually monitoring and working to heighten employee and customer awareness of scams as well as cyber security risks.
- Because we know that many of our customers are facing unusual financial hardships, we have temporarily
  suspended all service disconnections for non-payment. We urge customers to try to keep their accounts current. If
  a customer is having trouble paying their bill, they should contact us by phone or through Facebook or Twitter to
  discuss payment options. Customer representatives are available by calling 1-800-572-1113.
- Our contributions so far have been focused on food banks and feeding centers to maximize the gift. Organizations receiving special COVID-19 funding include: Facing Hunger Foodbank Hunger \$15,000. The agency serves food pantries in northeast Kentucky in Boyd, Greenup, Lawrence and Martin counties; God's Pantry Food Bank \$35,000. Serves food pantries in eastern Kentucky, except northeast Kentucky; Pike County Senior Citizens Program \$5,000. Delivers meals to homebound senior citizens in Pike, Floyd, Johnson, Martin, Morgan and Magoffin counties; and New Hope Hazard Food Program \$5,000.

KPSC Case No. 2020-00085 Commission Staff's 1st Set of Data Requests Dated June 23, 2020 Item No. 13 Attachment 1 Page 9 of 29

View in Browser

9



#### Hello Kentucky Power customer:

As the COVID-19 crisis continues to unfold, Kentucky Power realizes the pandemic also presents unprecedented economic uncertainty - especially for commercial and industrial business customers. Join Amanda Clark, external affairs manager, as she discusses Kentucky Power's suspended disconnection and payment arrangement policy for business customers as well as various federal loan and grant programs available to help businesses weather this storm. Joining Amanda are TJ Meadows, energy services manager, and Tim Gibbs, president and CEO of the Ashland Alliance

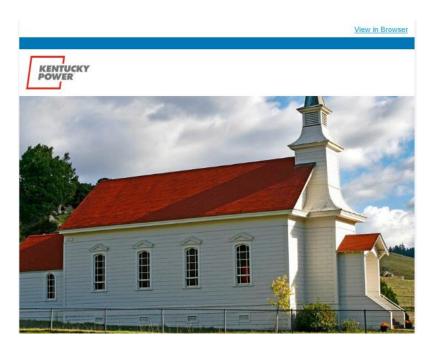
Watch Here to Learn More





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KPSC Case No. 2020-00085 Commission Staff's 1st Set of Data Requests Dated June 23, 2020 Item No. 13 Attachment 1 Page 10 of 29 10



Dear Kentucky Power Customer:

Did you know that as a non-profit or faith-based organization, you may be eligible to receive funding under the Coronavirus Aid, Relief and Economic Security (CARES) Act?

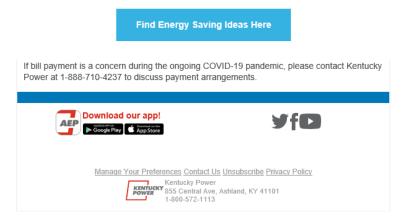
The Small Business Administration (SBA) recently issued guidance to lenders throughout the country confirming non-profits may qualify for funds under both the Paycheck Protection Program (PPP) and Economic Injury Disaster Loan (EIDL) program. In many cases, these funds include loan forgiveness if spent according to issued guidelines such as payroll expenses, rent, mortgage interest and utility payments. Please review each program for complete details and restrictions.

We at Kentucky Power encourage all non-profit and faith-based organizations to visit the SBA website to learn more and apply if eligible.

Here's where to start ...

- Coronavirus Relief Options
- SBA Guidance on Non-Profit and Faith-Based Participation

Customers are also encouraged to visit Kentucky Power's website to learn how to curb energy usage during this crisis to lower bills.



KPSC Case No. 2020-00085 Commission Staff's 1st Set of Data Requests Dated June 23, 2020 Item No. 13 Attachment 1 Page 11 of 29 Page 1 of 2

Kentucky Power suspends disconnections during COVID-19 emergency

11



**ASHLAND, KY.** – At Kentucky Power, we're committed to the health and safety of our customers, communities and employees. We want you to know we're closely monitoring the COVID-19 pandemic. While the days ahead may look different than what we're all used to, we don't anticipate disruption in our ability to provide power to our customers.

# Billing & Financial Hardship

We understand that many of our customers may be experiencing financial hardship – for some, made worse by the current situation. We've temporarily suspended disconnections for non-payment. We urge customers to make every effort to keep their accounts current during the period when disconnections are suspended. If you anticipate problems paying your electric bill, please contact us so we can work together on a plan and help you avoid a large bill when the crisis has ended. We can be reached at 800-572-1113, through your KentuckyPower.com account, as well as through Facebook or Twitter.

#### We'll Be Here

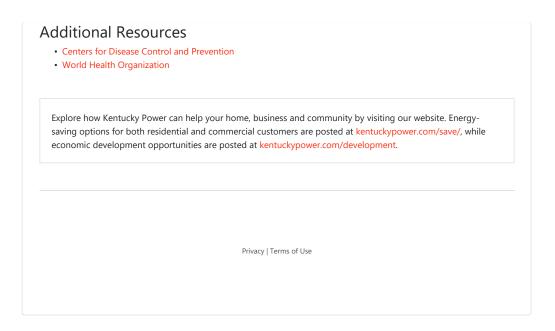
Please know that we stand ready to respond. We'll continue to look for ways to support our customers and communities as we work to keep the power flowing. We've provided \$60,000 in emergency funding from the AEP Foundation to support food banks and pantries and we have provided 10,000 masks and gloves to area hospitals. You have our promise that we'll keep you updated on our efforts as we weather this unprecedented time together.

Please stay safe and healthy.

KPSC Case No. 2020-00085 Commission Staff's 1st Set of Data Requests Dated June 23, 2020 Item No. 13 Attachment 1 Page 12 of 29 Page 2 of 2

#### Kentucky Power suspends disconnections during COVID-19 emergency

12



KPSC Case No. 2020-00085 Commission Staff's 1st Set of Data Requests Dated June 23, 2020 Item No. 13 Attachment 1 Page 13 of 29



Our strength is in the energy to sustain our communities through the best of times and through those that challenge us most. Businesses like yours bring vitality and strength to the places we call home. Thank you for doing your part to keep our communities and your employees safe.

As we begin to recover from the effects of COVID-19, we're here to help you renew and restart, so when your doors swing open you'll stand strong. Whether you're a sole proprietor or employ scores of colleagues, call us to find the right AEP payment assistance plan to help ease your energy bills and guide you to programs and services offered by the Small Business Administration to fit your needs.

Our business experts are ready to explain the essentials and make sure you know how to apply for the right relief programs. We'll make it easy.

Call today and let's move forward together.

Find more about AEP's COVID-19 payment assistance programs at **aep.com/news/coronavirus/businesses/** 

Call our Business Solutions Center

# 1.888.710.4237



BOUNDLESS ENERGY

KPSC Case No. 2020-00085 Commission Staff's 1st Set of Data Requests Dated June 23, 2020 Item No. 13 Attachment 1 Page 14 of 29 14



#### CORONAVIRUS RELIEF FOR SMALL BUSINESSES

The federal government offers relief to businesses hurt by the coronavirus pandemic. Offered through the Small Business Administration (SBA), these programs help you maintain operations. You may be eligible if you have fewer than 500 employees or if you operate as a private nonprofit.

#### PAYCHECK PROTECTION PROGRAM

The SBA guarantees short-term loans up to \$10 million to eligible businesses. The loans are based on your payroll and you apply for them at your bank or credit union. You may use the loan for payroll, rent, mortgage interest and utilities. The loan can be forgiven if your business maintains payroll for eight weeks at employees' normal salary levels and uses the loan for qualifying expenses.

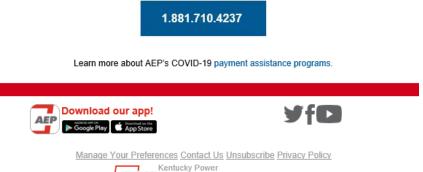


More Paycheck Protection Info

Find Lender on SBA.gov

Our business experts are ready to explain the essentials and make sure you know how to apply for the right relief programs. We'll make it easy.

Call our Business Solutions Center today and let's move forward together.

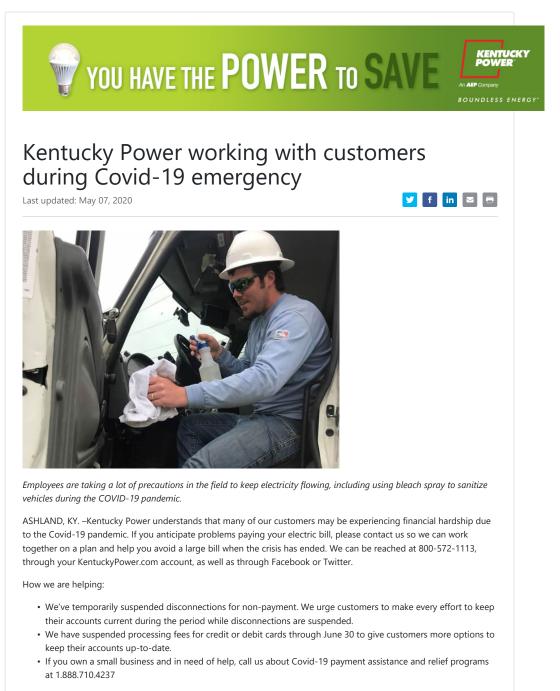


Kentucky Power POWER 855 Central Ave, Ashland, KY 41101 1-800-572-1113

KPSC Case No. 2020-00085 Commission Staff's 1st Set of Data Requests Dated June 23, 2020 Item No. 13 Attachment 1 Page 15 of 29 ency Page 1 of 2

Kentucky Power working with customers during Covid-19 emergency

15



#### We'll Be Here

Please know that we stand ready to respond quickly and safely should power outages occur due to weather or whatever the cause. We'll also continue to look for ways to support our customers and communities as we work to keep the power flowing. Please stay safe and healthy.

KPSC Case No. 2020-00085 Commission Staff's 1st Set of Data Requests Dated June 23, 2020 Item No. 13 Attachment 1 Page 16 of 29 Page 2 of 2

#### Kentucky Power working with customers during Covid-19 emergency

16

Explore how Kentucky Power can help your home, business and community by visiting our website. Energysaving options for both residential and commercial customers are posted at kentuckypower.com/save/, while economic development opportunities are posted at kentuckypower.com/development.

Privacy | Terms of Use

KPSC Case No. 2020-00085 Commission Staff's 1st Set of Data Requests Dated June 23, 2020 Item No. 13 Attachment 1 Page 17 of 29 17



#### **News** from Kentucky Power

MEDIA CONTACT: Cindy Wiseman External Affairs and Customer Service Cell: 606-585-6847 cgwiseman@aep.com; kentuckypower.com

#### FOR IMMEDIATE RELEASE

# KENTUCKY POWER SEEKING DEBT RELIEF FOR CUSTOMERS; FLEX PAY PROGRAM AND METER UPGRADES

Company also requests approval to use accumulated federal tax balances to delay the impact of rate adjustments on customer bills until January 2022

**ASHLAND, Kentucky, May 29, 2020** –With the economic situation worsened by the COVID-19 pandemic, Kentucky Power is proposing a three-step plan to help customers who have fallen behind in their electric bills. The plan includes a bill credit to eliminate past due balances for customers, a new Flex Pay program giving customers more control over their monthly electric costs and a plan to lessen the impact of a future rate adjustment.

In a filing today with the Kentucky Public Service Commission, Kentucky Power has asked for approval to provide a bill credit for customers whose accounts are more than 30 days past due as of May 28, 2020. These credits would eliminate all delinquencies for those past due amounts. Kentucky Power would utilize a portion of its accumulated tax balance from the 2017 Tax Cuts and Job Act federal tax reform program to provide these credits.

"Our customers are facing serious economic challenges in eastern Kentucky. The pandemic has caused additional hardships for many in the region who were already struggling to make ends meet," said Brett Mattison, Kentucky Power, president and chief operating officer. "We're committed to providing essential power to the region in good times and bad and doing everything we can to help our customers. We have made donations to local organizations that provide essential services, and now we want to give our customers a fresh start so they can focus on keeping their families safe and healthy."

More than 22,000 residential, commercial and industrial customers would receive a credit under the proposal. Credits would be calculated based on past due balances as of May 28, 2020. The credit would be a one-time adjustment, and customers would be responsible for any future balances accumulated between May 28 and the Commission's approval.

Kentucky Power also is proposing an additional payment option called Flex Pay. The voluntary Flex Pay option would give customers the ability to pre-pay accounts to help them budget their monthly electricity costs. Customers participating in the Flex Pay program would not have to pay security deposits or late fees. In order to offer this program, new electric meter technology, Advanced Metering Infrastructure (AMI), would need to be installed. This system would provide customers with more information to better manage their electricity usage. The AMI systems also would enhance restoration during outages.

KPSC Case No. 2020-00085 Commission Staff's 1st Set of Data Requests Dated June 23, 2020 Item No. 13 Attachment 1 Page 18 of 29 18

#### Kentucky Power Page 2 of 2

A proposal for Flex Pay and to install AMI will be submitted to the Commission on June 29, 2020, as part of a base rate adjustment request.

In the base rate adjustment request, Kentucky Power will propose to delay any base rate increase that customers have to pay until January 1, 2022 by using an additional portion of the accumulated federal income tax balance to offset the increase.

"We understand the economic uncertainty that our customers are facing and have developed this multi-layered approach to give customers a break, offer them more control of their energy costs going forward and providing an additional year before seeing the impact of any rate adjustments on their bills," Mattison said.

Complete details of the base rate adjustment request will be available June 29, 2020, when the proposal is filed with the Commission.

Kentucky Power is regulated by the Kentucky Public Service Commission (PSC) and all regulatory activity, including these proposals, must be reviewed and ruled on before the Company can proceed.

Kentucky Power, with headquarters in Ashland, provides service to about 165,000 customers in 20 eastern Kentucky counties, including Boyd, Breathitt, Carter, Clay, Elliott, Floyd, Greenup, Johnson, Knott, Lawrence, Leslie, Letcher, Lewis, Magoffin, Martin, Morgan, Owsley, Perry, Pike and Rowan. Kentucky Power is an operating company in the American Electric Power (AEP) system. AEP, based in Columbus, Ohio, is focused on building a smarter energy infrastructure and delivering new technologies and custom energy solutions to customers. AEP's more than 17,000 employees operate and maintain the nation's largest electricity transmission system and more than 224,000 miles of distribution lines to efficiently deliver safe, reliable power to nearly 5.4 million regulated customers in 11 states, including Kentucky. AEP also is one of the nation's largest electricity producers with approximately 33,000 megawatts of diverse generating capacity, including 4,200 megawatts of renewable energy. AEP's companies includes utilities AEP Ohio, AEP Texas, Appalachian Power, Indiana Michigan Power, Kentucky Power, Public Service Company of Oklahoma, and Southwestern Electric Power Company. AEP also owns AEP Energy.

###

KPSC Case No. 2020-00085 Commission Staff's 1st Set of Data Requests Dated June 23, 2020 Item No. 13 Attachment 1 Page 19 of 29

#### **BILL MESSAGE REQUEST FORM**

19

#### **INSTRUCTIONS:**

Complete this form and forward via e-mail to the email group "Bill Messaging" at least <u>10 workdays</u> before message request date/cycle.

**Note:** Any bill message requests that require detailed programming changes must be submitted a minimum of <u>30</u> <u>calendar days</u> in advance of the requested begin date of the message. This is so CSS will have time to process the request.

#### **REQUESTOR INFORMATION:**

| Name: Michelle Strickland  |                  |                            |                  |  |  |  |
|--|------------------|----------------------------|------------------|--|--|--|
| 606-327-2608   |                  | Date Submitted: 04-22-2020 |                  |  |  |  |
| Business Unit: Kentucky Power  |                  |                            |                  |  |  |  |
| PUC/SC Order: Yes No If Yes, Please supply Order #:                              |                  |                            |                  |  |  |  |
| OPERATING COMPANIES/STATES REQUIRING THE MESSAGE: Please select all that applies |                  |                            |                  |  |  |  |
|  | 04 – IN (IMCO)   |                            | 95 – OK (PSO)    |  |  |  |
| 01 –TN (KGSPT)   | 04 – MI (IMCO)   |                            | 96- AR (SWEPCO)  |  |  |  |
| 02 – VA (APCO)   | 06 - WV (WPCO)   |                            | 96- LA (SWEPCO)  |  |  |  |
| 02- WV (APCO)  | 🔲 07 - ОН (ОРСО) |                            | 96 - TX (SWEPCO) |  |  |  |
| 03-KY (KPCO)   | 10 - OH (CSP)    |                            |                  |  |  |  |
| CHOICE OR NON-CHOICE ACCOUNTS  |                  |                            |                  |  |  |  |
|  | NON-CHOICE       |                            | ALL              |  |  |  |
| ACCOUNT TYPES THAT REQUIRE THE MESSAGE: Please select all that applies           |                  |                            |                  |  |  |  |
| ALL  |                  |                            |                  |  |  |  |
|  | PUBLIC AUTH      | ORITY                      | Other -          |  |  |  |
| ACCOUNT STATUS: Please select all that applies                                   |                  |                            |                  |  |  |  |
| ALL-Includes finaled accounts.   |                  |                            | FINAL            |  |  |  |
| MESSAGE EFFECTIVE DATE/CYCLE: Please select all that applies.                    |                  |                            |                  |  |  |  |
| Start DATE for message: May 1  |                  |                            |                  |  |  |  |
| Beginning cycle: Cycle 3   |                  | Ending cycle: Cycle 1      |                  |  |  |  |
| Duration: one complete billing cycle   |                  |                            |                  |  |  |  |
| All Cycles: Yes No   | Number of Da     | ys:                        |                  |  |  |  |
| REQUESTED BILL MESSAGE:<br>COMMENTS:   | New              | Existing                   | 3                |  |  |  |

Kentucky Power encourages customers to sign up now for the Average Monthly Payment (AMP) plan. The AMP plan evens out bills from month to month, which is especially helpful during warm weather when usage spikes. Visit kentuckypower.com, or call 1-800-572-1113 to learn more about AMP and other budgeting options.

KPSC Case No. 2020-00085 Commission Staff's 1st Set of Data Requests Dated June 23, 2020 Item No. 13 Attachment 1 Page 20 of 29 20

#### BILL MESSAGE REQUEST FORM

#### INSTRUCTIONS:

Complete this form and forward via e-mail to the email group "Bill Messaging" at least <u>10 workdays</u> before message request date/cycle.

**Note:** Any bill message requests that require detailed programming changes must be submitted a minimum of <u>30</u> <u>calendar days</u> in advance of the requested begin date of the message. This is so CSS will have time to process the request.

#### **REQUESTOR INFORMATION:**

| Name: Michelle Strickland  |                       |                            |                  |  |  |  |
|--|-----------------------|----------------------------|------------------|--|--|--|
| 606-327-2608   |                       | Date Submitted: 05-18-2020 |                  |  |  |  |
| Business Unit: Kentucky Power  |                       |                            |                  |  |  |  |
| PUC/SC Order: Yes No If Yes, Please supply Order #:                              |                       |                            |                  |  |  |  |
| OPERATING COMPANIES/STATES REQUIRING THE MESSAGE: Please select all that applies |                       |                            |                  |  |  |  |
| All  | 04 – IN (IMCO)        | )                          | 95 – OK (PSO)    |  |  |  |
| 01 –TN (KGSPT)   | 04 – MI (IMCO)        |                            | 96- AR (SWEPCO)  |  |  |  |
| 02 – VA (APCO)   | 06 - WV (WPCO)        |                            | 96- LA (SWEPCO)  |  |  |  |
| 02- WV (APCO)  | 07 - OH (OPCO)        |                            | 96 - TX (SWEPCO) |  |  |  |
| 03-KY (KPCO)   | 10 - OH (CSP)         |                            |                  |  |  |  |
| CHOICE OR NON-CHOICE ACCOUNTS  |                       |                            |                  |  |  |  |
|  | NON-CHOICE            |                            | ALL              |  |  |  |
| ACCOUNT TYPES THAT REQUIRE THE MESSAGE: Please select all that applies           |                       |                            |                  |  |  |  |
| ALL  |                       |                            |                  |  |  |  |
| RESIDENTIAL  |                       |                            | Other -          |  |  |  |
| ACCOUNT STATUS: Please select all that applies                                   |                       |                            |                  |  |  |  |
| ALL-Includes finaled accounts.   |                       |                            | FINAL            |  |  |  |
| MESSAGE EFFECTIVE DATE/CYCLE: Please select all that applies.                    |                       |                            |                  |  |  |  |
| Start DATE for message: June 1   |                       |                            |                  |  |  |  |
| Beginning cycle: Cycle 2   | Ending cycle: Cycle 2 |                            | Cycle 2          |  |  |  |
| Duration: one complete billing cycle   |                       |                            |                  |  |  |  |
| All Cycles: Yes No   | Number of Days:       |                            |                  |  |  |  |
| REQUESTED BILL MESSAGE:<br>COMMENTS:   | New                   | Existing                   | 9                |  |  |  |

Kentucky Power encourages customers to sign up now for the Average Monthly Payment (AMP) plan. The AMP plan evens out bills from month to month, which is especially helpful during warm weather when usage spikes. Visit kentuckypower.com, or call 1-800-572-1113 to learn more about AMP and other budgeting options.

KPSC Case No. 2020-00085 Commission Staff's 1st Set of Data Requests Dated June 23, 2020 Item No. 13 Attachment 1 Page 21 of 29

# WORKING FOR YOU DURING COVID-19

With the economic situation in eastern Kentucky worsened by the COVID-19 pandemic, Kentucky Power is seeking to help customers that have fallen behind on their electric bills. The company is proposing a three-step plan to help customers who are having a difficult time making bill payments on time or in full.

#### **Bill Credit for All Accounts Past Due on May 28**

1

In a filing made May 29, 2020, with the Kentucky Public Service Commission, Kentucky Power has asked for approval to provide a one-time bill credit for customers whose accounts are equal to or greater than 30 days past due as of May 28, 2020. These credits would eliminate all delinquencies for those past due amounts. Kentucky Power would utilize a portion of its accumulated deferred tax balance from the 2017 Tax Cuts and Job Act federal tax reform program to provide these credits.

More than 22,000 residential, commercial and industrial customers would receive a credit under the proposal.

#### **New and Flexible Payment Options**

Kentucky Power also is proposing an additional payment option called Flex Pay. The voluntary Flex Pay option would give customers the ability to pre-pay accounts to help them budget their monthly electricity costs. Customers participating in the Flex Pay program would not have to pay security deposits or late fees. In order to offer this program, new electric meter technology, Advanced Metering Infrastructure (AMI), would need to be installed. This system would provide customers with more information to better manage their electricity usage. The AMI systems also would enhance restoration during outages.

A proposal for Flex Pay and to install AMI will be submitted to the Commission on June 29, 2020, as part of a base rate adjustment request.

#### Deferred Rate Increase until 2022

In the base rate adjustment request, Kentucky Power will propose to delay any base rate increase that customers have to pay until January 1, 2022, by using an additional portion of the accumulated federal income tax balance to offset the increase.

## WAYS WE <sup>21</sup> CAN HELP

Kentucky Power offers several ways to help customers lower their bills and use less energy. The most important thing customers having trouble paying their bill or other issues can do is contact customer service at 1-800-572-1113. We also are available during daytime hours on Facebook and Twitter.

If a customer is struggling to pay his or her bill, Kentucky Power can offer extensions and payment plans to get customers through difficult times. Customers also can enroll in an Average Monthly Payment plan, which allows for a rolling 12-month average bill. This helps to limit spikes in bills during harsh winter months and hot summer months.

Our COVID-19 business experts are ready to explain the essentials like payment assistance plans and applying for the state and federal relief programs that fit your needs. Call our Business Solutions Center at 1-888-710-4237.



BOUNDLESS ENERGY"

KPSC Case No. 2020-00085 Commission Staff's 1st Set of Data Requests Dated June 23, 2020 Item No. 13 Attachment 1 Page 22 of 29

## ECONOMIC SITUATION IN EASTERN KENTUCKY

22



Kentucky Power customers are facing economic challenges in eastern Kentucky. This started long before the COVID-19 economic hardships. The primary impact of the downward economic trend for Kentucky Power is the loss of load and customers. Between 2008 and 2019, the Company lost more than 10,000 customers, a decrease of approximately 6.4 percent. During that period, the Company has seen its total annual weather-normalized sales fall from approximately 7.4 GWh to 5.7 GWh – a loss of 23.4 percent. Not to mention, the population in the Company's service territory has decreased by approximately 33,000 individuals since 2008.

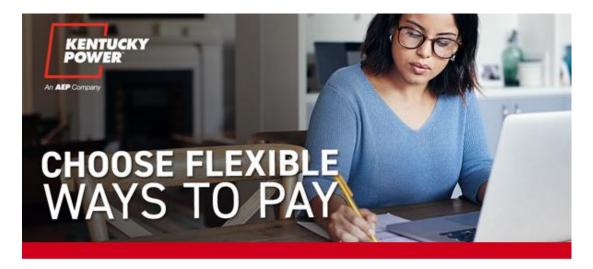
We continue to work strategically with businesses, communities, government and economic development partners to facilitate business location and expansion in the Kentucky Power 20-county service territory. We are committed to our customers, communities and our state through our corporate philanthropy, volunteerism of our employees, excellent customer service and economic development. In an average year, Kentucky Power contributes more than a million dollars in economic development and community support to dozens of worthwhile initiatives.

At the end of 2017, Kentucky Power agreed to a three-year freeze for base rates, leaving the Company without an opportunity to adjust rates to reflect current costs, load losses and other variables that drive rates. In order to fulfill the obligation of providing safe and reliable electricity, a rate adjustment is necessary at this time. Absent a rate adjustment, Kentucky Power's financial and credit metrics would continue to trend downward into a more unfavorable status. This would hamper the Company's ability to secure capital at competitive rates making required investments more expensive for customers in the long term, or worse yet prevent such investments altogether.

For more information, please visit: https://www.kentuckypower.com/account/bills/rates/



KPSC Case No. 2020-00085 Commission Staff's 1st Set of Data Requests Dated June 23, 2020 Item No. 13 Attachment 1 Page 23 of 29 23



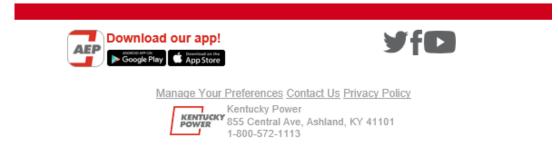
## WE'LL HELP YOU CATCH UP

Our Average Monthly Payment (AMP) plan lets you smooth out your energy payments. If you have already submitted a payment, thank you. If you're having trouble making AMP payments during this difficult time, select an option below to find out how adjust your payments. Together we'll help you catch up for the future.



If you need additional assistance, our customer service representatives are ready to explain the options and make sure you know how to apply for the right payment option. Call us at <u>1-800-572-1113</u>.

Learn more about our response to COVID-19.



KPSC Case No. 2020-00085 Commission Staff's 1st Set of Data Requests Dated June 23, 2020 Item No. 13 Attachment 1 Page 24 of 29 24



Hold summer energy bills steady with a flexible payment plan and easy tips to cool your home.

#### Top 3 Tips to Cool Your Home

- Set your thermostat to 78
   degrees
- Close blinds and curtains during the day
- Use ovens and clothes dryers when the day is coolest

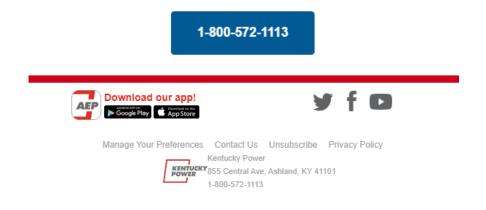


Visit our websites to get more tips or sign up for a flexible payment plan.

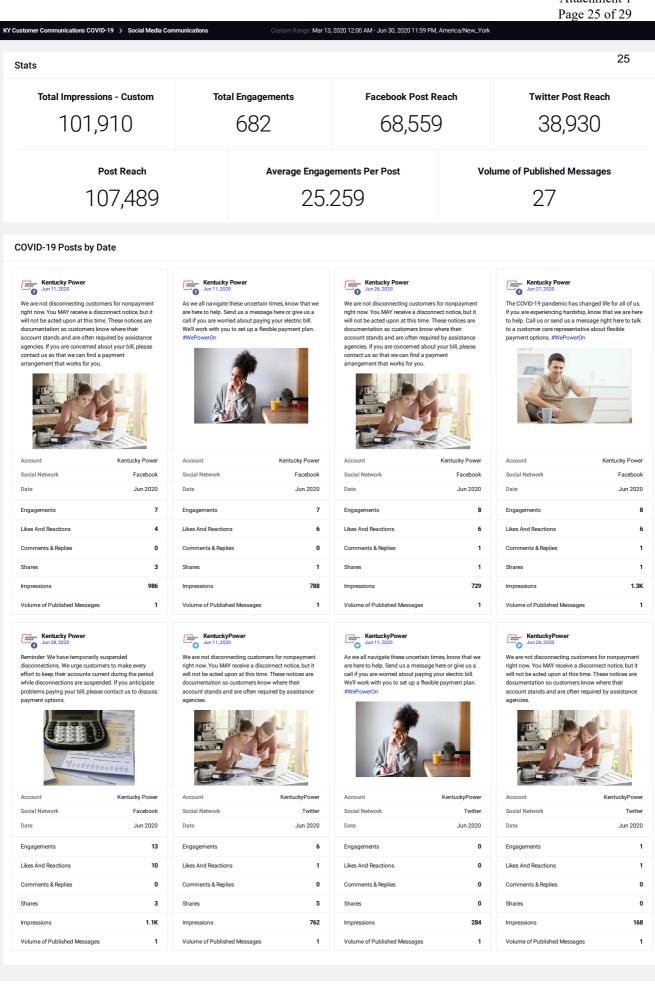


#### Call our Customer Service Center today and let's move forward together.

If you need additional assistance, our customer service representatives are ready to help you find more tips or explain the payment options and make sure you know how to apply for the right one. We'll make it easy.



KPSC Case No. 2020-00085 Commission Staff's 1st Set of Data Requests Dated June 23, 2020 Item No. 13 Attachment 1 Page 25 of 29



KPSC Case No. 2020-00085 Commission Staff's 1st Set of Data Requests Dated June 23, 2020 Item No. 13 Attachment 1 Page 26 of 29

#### COVID-19 Posts by Date

## KentuckyPower Jun 27, 2020

count Social Network

Engagements

Likes And Reactions

Comments & Replies

Date

Shares Impressions

The COVID-19 pandemic has changed life for all of us. If you are experiencing hardship, know that we are here to help. Call us or send us a message right here to talk to a customer care representative about flexible payment opti



KentuckyPe

## Sun 28, 2020

We have temporarily suspended disconnections. We urge customers to make every effort to keep their accounts current during the period disconnections are suspended. If you anticipate problems paying your bill, please contact us to discuss options.



| uckyPower | Account                      | KentuckyPower |
|-----------|------------------------------|---------------|
| Twitter   | Social Network               | Twitter       |
| Jun 2020  | Date                         | Jun 2020      |
| 0         | Engagements                  | 0             |
| 0         | Likes And Reactions          | 0             |
| 0         | Comments & Replies           | 0             |
| 0         | Shares                       | 0             |
| 145       | Impressions                  | 196           |
| 1         | Volume of Published Messages | 1             |
|           |                              |               |

Kentucky Power May 17, 2020

## Kentucky Power May 1,2020

We have temporarily suspended disconr ns. We urge customers to make every effort to keep their accounts current during the period while disconnections are suspended. If you anticipate problems paying your bill, please contact us to discuss payment options.



| Account                      | Kentucky Power |
|------------------------------|----------------|
| Social Network               | Facebook       |
| Date                         | May 2020       |
| Engagements                  | 16             |
| Likes And Reactions          | 12             |
| Comments & Replies           | 0              |
| Shares                       | 4              |
| Impressions                  | 1.6K           |
| Volume of Published Messages | 1              |

## Kentucky Power May 20, 2020

As our days brighten, we offer ways to help you catch As our days brighten, we one ways to help you catch up on your energy bill. From flexible payment plans to no-fee credit card payments through June 30, we'll work together to find the right option to help you manage through the days ahead. Message us here, go to www.KentuckyPower.com/covid19, or call 1.888.710.4237 to learn how. #WePov



| Account                      | Kentucky Power |  |
|------------------------------|----------------|--|
| Social Network               | Facebook       |  |
| Date                         | May 2020       |  |
| Engagements                  | 13             |  |
| Likes And Reactions          | 13             |  |
| Comments & Replies           | 0              |  |
| Shares                       | 0              |  |
| Impressions                  | 1.6K           |  |
| Volume of Published Messages | 1              |  |

26

Kentucky Power May 1, 2020

We're working to keep the power flowing and looking for ways to better serve you during these uncertain times. We've suspended processing fees for credit or debit cards through June 30 to give customers more options to keep their accounts up-to-date during the COVID-19 pandemic. If you need to discuss your bill or make payment arrangements, message us to talk to a care specialist. #WePowerOn



| Likes And Reactions          | 15   |
|------------------------------|------|
| Comments & Replies           | 1    |
| Shares                       | 1    |
| Impressions                  | 2.6K |
| Volume of Published Messages | 1    |

## Kentucky Power May 21, 2020

Getting on track with energy bills may be easier than you think. From flexible payment plans to no-fee credit card payments through June 30, let us help you find the best option to manage through the days ahead to make life a little easier. Message us here, go to www.KentuckyPower.com/covid19, or call 1.800.572.1113 to learn how. #WePc erOr



| Account                      | Kentucky Power |
|------------------------------|----------------|
| Social Network               | Facebook       |
| Date                         | May 2020       |
| Engagements                  | 10             |
| Likes And Reactions          | 10             |
| Comments & Replies           | 0              |
| Shares                       | 0              |
| Impressions                  | 1.5K           |
| Volume of Published Messages | 1              |
|                              |                |

## Kentucky Power May 5, 2020

Volume of Published Messages

We're working to keep the power flowing and looking for ways to better serve you during these uncertain times. We've suspended processing fees for credit or debit cards through June 30 to give customers more options to keep their accounts up-to-date during the COVID-19 pandemic. If you need to discuss your bill or make payment arrangements, message us to talk to a care specialist. #WeP . owerOr



| Kentucky Power |
|----------------|
| Facebook       |
| May 2020       |
| 11             |
| 11             |
| 0              |
| 0              |
| 2.3K           |
| 1              |
|                |



Right now, your priority is your family's health and safety. That's our priority, too. So while we cope with this crisis, we will not turn off your power if you are unable to pay. If you think you might miss a payment,

please send us a private message, or call us and we will talk through your options, together. #WePowerOut

| Account                      | Kentucky Power |
|------------------------------|----------------|
| Social Network               | Facebook       |
| Date                         | May 2020       |
| Engagements                  | 16             |
| Likes And Reactions          | 13             |
| Comments & Replies           | 1              |
| Shares                       | 2              |
| Impressions                  | 1.3K           |
| Volume of Published Messages | 1              |
|                              |                |

KPSC Case No. 2020-00085 Commission Staff's 1st Set of Data Requests Dated June 23, 2020 Item No. 13 Attachment 1 Page 27 of 29

#### COVID-19 Posts by Date

#### KentuckyPower May 1, 2020

We have temporarily suspended disconnections. We urge customers to make every effort to keep their accounts current during the period disconnections are suspended. If you anticipate problems paying your bill, please contact us to discuss op



| Account                      | KentuckyPower |
|------------------------------|---------------|
| Social Network               | Twitter       |
| Date                         | May 2020      |
| Engagements                  | 1             |
| Likes And Reactions          | 1             |
| Comments & Replies           | 0             |
| Shares                       | 0             |
| Impressions                  | 533           |
| Volume of Published Messages | 1             |

## KentuckyPower May 20, 2020

Social Network

Engagements

Likes And Reactions

Comments & Replies

Date

Shares

Impression Volume of Published M

As our days brighten, we offer ways to help you catch up on your bill. From flexible payment plans to no-fee credit card payments through June 30, we'll work together to find the right option. Message us here, go to www.KentuckyPower.com/covid19, or call 1.888.710.4237. #WePowerOn



## KentuckyPower May 1,2020

We're working to keep power flowing & looking for ways to better serve you during these uncertain times. We've suspended processing fees for credit or debit cards through June 30 to give customers more options to keep accounts up-to-date during the COVID-19 pandemic. #WePowerOn



| Account                      | KentuckyPower |
|------------------------------|---------------|
| Social Network               | Twitter       |
| Date                         | May 2020      |
| Engagements                  | 0             |
| Likes And Reactions          | 0             |
| Comments & Replies           | 0             |
| Shares                       | 0             |
| Impressions                  | 498           |
| Volume of Published Messages | 1             |
|                              |               |

## KentuckyPower May 21, 2020

Getting on track with energy bills may be easier than you think. From flexible payment plans to no-fee credit card payments through June 30, let us help find the best option for you. Message us here, go to www.KentuckyPower.com/covid19, or call 1.800.572.1113. #WePowerOn



| KentuckyPower | Account                      | Ke |
|---------------|------------------------------|----|
| Twitter       | Social Network               |    |
| May 2020      | Date                         |    |
| 1             | Engagements                  |    |
| 0             | Likes And Reactions          |    |
| 0             | Comments & Replies           |    |
| 1             | Shares                       |    |
| 467           | Impressions                  |    |
| essages 1     | Volume of Published Messages |    |
|               |                              |    |

#### entuckyPower Twitter May 2020 0 F 0 1

0

0 479

1

## Volume of Published Messages Kentucky Power Apr 22, 2020

KentuckyPower May 5, 2020

19 pandemic. #WePowerOn

king to keep power flowing & looking for

KentuckvPower

Twitter

0

0

0 0

513

1

May 2020

ways to better serve you during these uncertain times We've suspended processing fees for credit or debit cards through June 30 to give customers more options to keep accounts up-to-date during the COVID-

We're w

Account

Date

Shares

Impressions

Social Network

Engagements

Likes And Reactions

Comments & Replies

If you are staying in your home more, you might see an increase in your power bill. Our Average Monthly Payment Plan (AMP) can help level out your electric hille

Click to sign up. ckypow



## Kentucky Power Apr 22, 2020

We are here for you during this tough time. If you anticipate problems paying your bill, we offer options





| Account                      | Kentucky Power | Account                      | Kentucky Power |
|------------------------------|----------------|------------------------------|----------------|
| Social Network               | Facebook       | Social Network               | Facebook       |
| Date                         | Apr 2020       | Date                         | Apr 2020       |
| Engagements                  | 3              | Engagements                  | 1              |
| Likes And Reactions          | 2              | Likes And Reactions          | 1              |
| Comments & Replies           | 1              | Comments & Replies           | 0              |
| Shares                       | 0              | Shares                       | 0              |
| Impressions                  | 33.8K          | Impressions                  | 7.8K           |
| Volume of Published Messages | 1              | Volume of Published Messages | 1              |

#### 27

## KentuckyPower May 17, 2020

Right now, your priority is your family's health & safety. That's our priority, too. So while we cope with this crisis, we will not turn off your power if you are unable to pay. If you think you might miss a payment, please send us a direct message. We'll talk options #WePowerOn



| Account                      | KentuckyPower |
|------------------------------|---------------|
| Social Network               | Twitter       |
| Date                         | May 2020      |
| Engagements                  | 1             |
| Likes And Reactions          | 1             |
| Comments & Replies           | 0             |
| Shares                       | 0             |
| Impressions                  | 598           |
| Volume of Published Messages | 1             |
|                              |               |

KPSC Case No. 2020-00085 Commission Staff's 1st Set of Data Requests Dated June 23, 2020 Item No. 13 Attachment 1 Page 28 of 29

#### COVID-19 Posts by Date

## Kentucky Power Mar 13, 2020

Kentucky Power is temporarily suspending all disconnections for non-payment as the coronavirus (COVID-19) continues to spread in our communities. We know our customers are concerned about their families and ensuring they have reliable electric service allows them to focus on staying healthy and well. Kentucky Power is committed to doing what we can to help our customers, our employees, and the communities we serve navigate this uncertain time.



## Kentucky Power Mar15,2020

Thank you Katey Cook and WYMT for helping explain our disconnect policy in response to the coronavirus. If you are having difficulties paying your bill right now, call us and we can work with you.







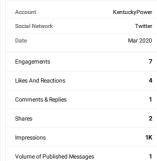
# Ky Power is temporarily suspending disconnections for non-payment as the coronavirus spreads. We know our customers are concerned about their families and ensuring they have reliable electric allows them to focus on staying healthy. We're committed to doing what we can to help.

KentuckyPower Mar 13, 2020



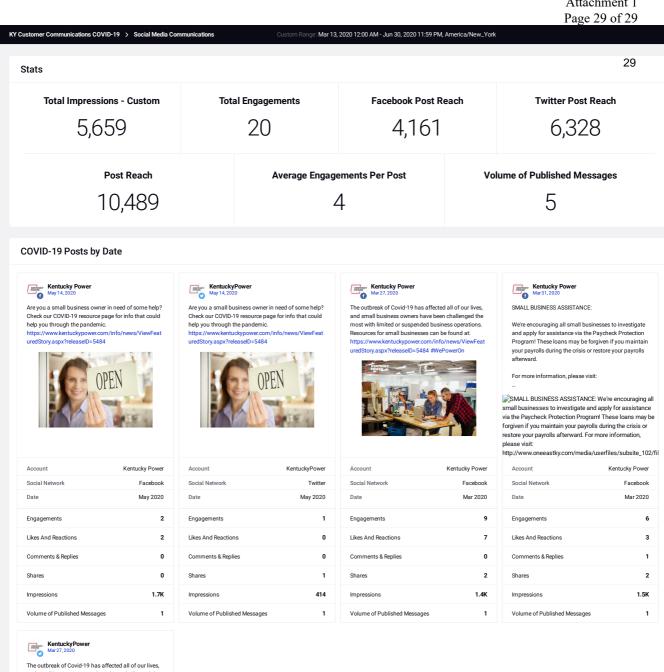
|                              | 1 10 Carlos a  |  |
|------------------------------|----------------|--|
| Account                      | Kentucky Power |  |
| Social Network               | Facebook       |  |
| Date                         | Mar 2020       |  |
| Engagements                  | 476            |  |
| Likes And Reactions          | 137            |  |
| Comments & Replies           | 21             |  |
| Shares                       | 318            |  |
| Impressions                  | 36.9K          |  |
| Volume of Published Messages | 1              |  |

| ver | Account                      | Kentucky Power |
|-----|------------------------------|----------------|
| ok  | Social Network               | Facebook       |
| 20  | Date                         | Mar 2020       |
| 76  | Engagements                  | 59             |
| 37  | Likes And Reactions          | 23             |
| 21  | Comments & Replies           | 3              |
| 18  | Shares                       | 33             |
| 9K  | Impressions                  | 1.8K           |
| 1   | Volume of Published Messages | 1              |



#### 28

KPSC Case No. 2020-00085 Commission Staff's 1st Set of Data Requests Dated June 23, 2020 Item No. 13 Attachment 1 Page 29 of 29



The outbreak of Covid-19 has affected all of our lives, and small business owners have been challenged the most with limited or suspended business operations. Resources for small businesses can be found at: https://www.kartuckyenescom/info/meas/liewFeat uredStory.asyx?releaseID=5844 #WePowerOn



| Account                      | KentuckyFower |
|------------------------------|---------------|
| Social Network               | Twitter       |
| Date                         | Mar 2020      |
| Engagements                  | 2             |
| Likes And Reactions          | 1             |
| Comments & Replies           | 0             |
| Shares                       | 1             |
| Impressions                  | 616           |
| Volume of Published Messages | 1             |
|                              |               |

Kentucky Power Company KPSC Case No. 2020-00085 Commission Staff's 1st set of Data Request Dated June 23, 2020 Page 1 of 2

#### **DATA REQUEST**

**KPSC 1\_14** Provide a detailed explanation and breakout of any cost increases and decreased income (by customer class if applicable) the utility has experienced as a result of the COVID-19 State of Emergency.

#### **RESPONSE**

The COVID-19 pandemic and related government orders addressing the public health emergency have already had significant impacts on utility operations. Kentucky Power has experienced and is tracking costs and evaluating the revenue impacts related to COVID-19 (collectively, the "COVID-19 Impacts"). Given the recentt onset of the the effects of the COVID-19 pandemic, and the continually evolving nature of the public health emergency, Kentucky Power is in the process of evaluating, identifying, and tracking the impact of the COVID-19 pandemic. The Company currently is unable to much of the requested information at this time.

Kentucky Power provides the information that currently is available below. Kentucky Power also expects that the categories of COVID-19 iimpacts may change and grow as the COVID-19 public health emergency and related government directives continue over at least the next several months. A general description of cost categories that Kentucky Power currently is experiencing, or has presently identified that it could experience in the future, is below:

1. Operations and Maintenance ("O&M") labor costs in the form of overtime, the shifting of costs from capital to O&M to maintain utility service and as a result of emergency, sick time due to prolonged illness, and employee sequestration. Although Kentucky Power has not yet identified specific costs in this category, Kentucky Power is closely monitoring these potential costs.

2. O&M non-labor costs, including those for cleaning supplies, health care costs, testing and temperature checks, personal protection equipment, equipment and supplies to enable employees to work from home, and costs associated with sequestration, including those for food, lodging and sequestration supplies. Kentucky Power has established a work order to separately track and monitor COVID-19-related costs. Through June 2020, the Company has incurred non-labor costs totaling approximately \$110,000. This total includes non-labor costs associated with sequestration, also discussed in item 4 below.

Kentucky Power Company KPSC Case No. 2020-00085 Commission Staff's 1st set of Data Request Dated June 23, 2020 Page 2 of 2

3. Other O&M non-labor remote working-related expenses, including for expanded conference line capacity, increased network bandwidth, other required information technology improvements, expanded video conferencing licenses, and increased company cellular telephone and data usage. Although Kentucky Power has not yet quantified these costs, the Company and AEP are monitoring them. Kentucky Power also has purchased licenses to enable it to perform remote distribution dispatch operations, at a cost of \$30,742.

4. O&M non-labor communication expenses associated with informing customers of COVID-19-related and/or government ordered changes to typical utility service or practices.

5. Increased bad debt expense significantly in excess of the level in the Company's base rates. The Company's actual bad debt expense for the 12 months ended May 31, 2020 was \$2,361,029, which is approximately \$724,439 more than the bad debt expense level of \$1,636,590 presently in the Company's base rates.

6. Increased financing costs associated with the increase in the Company's accounts receivable due to COVID-19. The Company is presently unable to estimate these costs.

7. The revenue impacts associated with suspending disconnections, including late fees and credit card fees, as well as certain deposits in response to the COVID-19 pandemic. The Company is presently unable to estimate the value of suspended deposits. The impact of foregone deposits will ultimately show up as bad debt expense. As detailed in the Company's response to KPSC 1-12, since March 16, 2020, and through June 26, 2020, Kentucky Power has forgone collection of \$1,396,658 of late payment fees. The Company has also covered the credit card fees for customer payments of approximately \$114,000 (This includes actual data beginning late April and all of May and an estimated amount for June).

Finally, as a result of the COVID-19 pandemic and associated governmental actions, commercial and industrial customer demand for and usage of electricity has declined, and with it Kentucky Power's revenues to cover its fixed costs of service. Kentucky Power expects that the decrease in load will continue to present a challenge through at least the end of 2020 and negatively impact Kentucky Power financially even though not included in the above list of COVID-19 Impacts. The Company cannot quantify this impact at this time.

Witness: Brian K. West

#### Kentucky Power Company KPSC Case No. 2020-00085 Commission Staff's 1st set of Data Request Dated June 23, 2020

#### DATA REQUEST

**KPSC 1\_15** Provide a detailed explanation and breakout of any cost decreases and increased income the utility has experienced as a result of the COVID-19 State of Emergency.

#### **RESPONSE**

Kentucky Power has not experienced any increased income as a result of the COVID-19 State of Emergency.

As is the case with respect to the COVID-19 impacts discussed in the Company's response to KPSC 1-14, it is too early for Kentucky Power to quantify or forecast potential cost decreases or savings associated with the impacts of the COVID-19 pandemic and related governmental actions. Kentucky Power further expects that cost reductions and savings largely will not result from its response to the COVID-19 pandemic or related government orders, but rather will be driven by Kentucky Power's need to preserve its quality of service and financial health even as its revenues decline due to reduced commercial and industrial demand and usage, forgone fees, and decreased customer payments. Kentucky Power is actively taking steps to continue to prudently manage costs and respond to capital constraints in response to reduced sales and revenues resulting from the government-directed shutdown of many parts of the economy and the Commission's customer protection measures. As a result of the moratorium on disconnects, the Company has had reduced expenses associated with that activity.

Reduced system load may result in lower fossil fuel and purchased power costs due to lower marginal cost of power production, including consumables and market purchases. The load reductions Kentucky Power's commercial and industrial customers are experiencing were unanticipated, and their duration cannot be determined at this time. Any variable fossil fuel and purchased power cost savings will flow through and contemporaneously be realized by customers. The remainder of Kentucky Power's operation and maintenance costs are not closely tied to customer usage and therefore additional savings opportunities may not be significant. As utilities manage the financial impacts and capital market constraints due to this situation, capital investment levels may be reduced during this time. However, Kentucky Power expects in most cases that such capital investments will be delayed rather than avoided. In addition, delayed capital investments may result in higher overall capital costs, thus not resulting in actual cost savings.

Witness: Brian K. West

Kentucky Power Company KPSC Case No. 2020-00085 Commission Staff's 1st set of Data Request Dated June 23, 2020 Page 1 of 2

#### DATA REQUEST

**KPSC 1\_16** Provide any additional information or data the utility believes the Commission should consider in amending or vacating its previous Orders in this matter.

#### **RESPONSE**

Kentucky Power remains committed to minimizing customer hardship during the pendency of the COVID-19 emergency. To that end, Kentucky Power voluntarily suspended service terminations on March 13, 2020, and suspended the collection of late payment fees effective March 17, 2020. Kentucky Power also has proposed in Case No. 2020-00176 to provide a one-time bill credit to customers using a portion of its unprotected excess ADFIT balance in order to eliminate customer delinquencies that were 30 or more days past due as of May 28, 2020. Kentucky Power also has been in frequent communications with customers regarding payment options to assist them during this time, as reflected in the Company's response to KPSC 1-13. Since March, Kentucky Power has made more than 30,000 outbound calls to customers to explain payment options available to them.

Although the foregoing measures provide immediate assistance to customers, an indefinite extension of the prohibition on disconnections could result in higher unpaid utility account balances that ultimately may be more difficult for affected customers to pay down. In addition, any incremental cumulative unpaid balances not eventually paid by affected customers or offset through the Company's proposal in Case No. 2020-00176 will create new system-wide costs that could in the future be borne by all customers. Moreover, future additional state and/or federal customer utility bill payment assistance could shorten the period of time over which the Commission's prohibition on disconnections remains necessary. It is important that the Commission balance the duration of its prohibition on disconnections against these considerations.

Kentucky Power respectfully requests that the Commission provide approximately 30 days' notice prior to the termination of its disconnection moratorium. This notice will enable the Company to continue to assist customers in entering into reasonable payment arrangements to address any arrearages that may have accumulated and to maintain essential utility services for the benefit of all customers, while also preparing their employees to safely resume in-person field activities when the moratorium ends.

Kentucky Power Company KPSC Case No. 2020-00085 Commission Staff's 1st set of Data Request Dated June 23, 2020 Page 2 of 2

Kentucky Power also recognizes that it and other utilities in the Commonwealth are struggling to respond to the financial impact of COVID-19 and related government orders by managing extraordinary costs and revenue losses. The Commission also should consider, in this case or utility-specific proceedings, authorizing Kentucky utilities to use regulatory accounting to defer for future review and potential recovery incremental costs and foregone revenues like those described in the Company's response to KPSC 1-14.

Witness: Brian K. West

#### VERIFICATION

The undersigned, Brian K. West, being duly sworn, deposes and states he is the Director of Regulatory Services for Kentucky Power Company, that he has personal knowledge of the matters set forth in the foregoing responses, and that the information contained therein is true correct to the best of his information, knowledge, and belief.

Brian K. West

| State of Indiana | )    |                     |
|------------------|------|---------------------|
|                  | ) ss | Case No. 2020-00085 |
| County of Allen  | )    |                     |

Subscribed and sworn to before me, a Notary Public, in and for said County and State, Brian K. West this 13<sup>th</sup> day of July, 2020.

Regiana M. Sistevaris Digitally signed by Regiana M. Sistevaris Date: 2020.07.13 14:33:13 -04'00'

Regiana M. Sistevaris, Notary Public

My Commission Expires: January 7, 2023