

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>ELECTRONIC APPLICATION OF KENTUCKY</b>	)	
<b>POWER COMPANY FOR (1) A GENERAL</b>	)	
<b>ADJUSTMENT OF ITS RATES FOR ELECTRIC</b>	)	
<b>SERVICE; (2) APPROVAL OF TARIFFS AND</b>	)	
<b>RIDERS; (3) APPROVAL OF ACCOUNTING</b>	)	<b>CASE NO.</b>
<b>PRACTICES TO ESTABLISH REGULATORY</b>	)	<b>2020-00174</b>
<b>ASSETS AND LIABILITIES; (4) APPROVAL OF</b>	)	
<b>A CERTIFICATE OF PUBLIC CONVENIENCE</b>	)	
<b>AND NECESSITY; AND (5) ALL OTHER</b>	)	
<b>REQUIRED APPROVALS AND RELIEF</b>	)	

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**SUPPLEMENTAL DATA REQUESTS OF SIERRA CLUB  
TO KENTUCKY POWER COMPANY**

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Pursuant to the Commission’s July 14, 2020, Order, Sierra Club hereby propounds the following initial requests for information on Kentucky Power Company (“KPC” or the “Company”) in the above-captioned proceeding.

The Company shall answer these data requests in the manner and timeframe set forth in the aforementioned Order, including by no later than September 30, 2020. Please produce the requested documents in electronic format whenever possible, and to the following recipient:

Matthew E. Miller  
Sierra Club  
2528 California Street  
Denver, CO 80205  
Email: matthew.miller@sierraclub.org

Wherever the response to an interrogatory or request consists of a statement that the requested information is already available to Sierra Club, provide a detailed citation to the document that contains the information. This citation shall include the title of the document, relevant page number(s), and to the extent possible paragraph number(s) and/or chart(s)/table(s)/figure number(s).

In the event that any document referred to in response to any request has been destroyed, specify the date and the manner of such destruction, the reason for such destruction, the person authorizing the destruction and the custodian of the document at the time of its destruction.

Sierra Club reserves the right to serve supplemental and/or revised discovery requests as permitted in this proceeding.

### **DEFINITIONS**

Unless otherwise specified in each individual interrogatory or request, “you,” “your,” the “Company,” or “KPC,” refers to Kentucky Power Company, and its affiliates, officers, directors, employees, and agents.

“And” and “or” shall be construed either conjunctively or disjunctively as required by the context to bring within the scope of these interrogatories and requests for production of documents any information which might be deemed outside their scope by another construction.

“Any” means all or each and every example of the requested information.

“Communication” means any transmission or exchange of information between two or more persons, whether orally or in writing, and includes, without limitation, any conversation or discussion by means of letter, telephone, note, memorandum, telegraph, telex, telecopy, cable, email, or any other electronic or other medium.

“Document” refers to written matter of any kind, regardless of its form, and to information recorded on any storage medium, whether in electrical, optical or electromagnetic form, and capable of reduction to writing by the use of computer hardware and software, and includes all copies, drafts, proofs, both originals and copies either (1) in the possession, custody or control of the Company regardless of where located, or (2) produced or generated by, known to or seen by the Company, but now in their possession, custody or control, regardless of where located whether or still in existence.

Such “documents” shall include, but are not limited to, applications, permits, monitoring reports, computer printouts, contracts, leases, agreements, papers, photographs, tape recordings, transcripts, letters or other forms of correspondence, folders or similar containers, programs, telex, TWX and other teletype communications, memoranda, reports, studies, summaries, minutes, minute books, circulars, notes (whether typewritten, handwritten or otherwise), agenda, bulletins, notices, announcements, instructions, charts, tables, manuals, brochures, magazines, pamphlets, lists, logs, telegrams, drawings, sketches, plans, specifications, diagrams, drafts, books and records, formal records, notebooks, diaries, registers, analyses, projections, email correspondence or communications and other data compilations from which information can be obtained (including matter used in data processing) or translated, and any other printed, written, recorded, stenographic, computer-generated, computer-stored, or electronically stored matter, however and by whomever produced, prepared, reproduced, disseminated or made.

Without limitation, the term “control” as used in the preceding paragraphs means that a document is deemed to be in your control if you have the right to secure the document or a copy thereof from another person or public or private entity having actual possession thereof. If a document is responsive to a request, but is not in your possession or custody, identify the person with possession or custody. If any document was in your possession or subject to your control,

and is no longer, state what disposition was made of it, by whom, the date on which such disposition was made, and why such disposition was made.

For purposes of the production of “documents,” the term shall include copies of all documents being produced, to the extent the copies are not identical to the original, thus requiring the production of copies that contain any markings, additions or deletions that make them different in any way from the original.

“Identify” means:

- (a) With respect to a person, to state the person’s name, address and business relationship (e.g., “employee”) vis-à-vis the Company;
- (b) With respect to a document, to state the nature of the document in sufficient detail for identification in a request for production, its date, its author, and to identify its custodian. If the information or document identified is recorded in electrical, optical or electromagnetic form, identification includes a description of the computer hardware or software required to reduce it to readable form.

“Relating to” or “concerning” means and includes pertaining to, referring to, or having as a subject matter, directly or indirectly, expressly or implied, the subject matter of the specific request.

“Workpapers” are defined as original, electronic, machine-readable, unlocked, Excel format (where possible) with formulas intact.

### **PRIVILEGE**

If you claim a privilege including, but not limited to, the attorney-client privilege or the work product doctrine, as grounds for not fully and completely responding to any interrogatory or request for production, describe the basis for your claim of privilege in sufficient detail so as to permit Sierra Club or the Commission to evaluate the validity of the claim. With respect to documents for which a privilege is claimed, produce a “privilege log” that identifies the author, recipient, date and subject matter of the documents or interrogatory answers for which you are asserting a claim of privilege and any other information pertinent to the claim that would enable Sierra Club or the Commission to evaluate the validity of such claims.

### **TIME**

Unless otherwise provided, the applicable time period for each of these requests for information is January 1, 2015, to the present.

### **DATA REQUESTS**

1. In reference to KPC response to Sierra Club Data Request 1 (marked as SC\_1\_001 in KPC’s response; hereinafter these Supplemental Data Requests will adopt that notation by KPC), including the statement that “It is imperative that the Company transition to

AMI due to the expected increase of customers installing distributed energy resources, combined with the short supply of the existing ERT meter devices to measure the tariff parameters. ...”, and KPC’s response to SC\_1\_005:

- a. Please specify the number of customers that KPC expects newly to install distributed solar customers, and over what time period, in referring to that “expected increase.” If KPC had no specific figure in mind, please state so, and provide an estimation. In answering, please distinguish between residential, commercial, and industrial customers, specifying the number of new customers that KPC expects for each.
  - b. Please specify or estimate the number of each of residential, commercial, and industrial customers, respectively, that would be able newly to take net metering service under the 1% cap proposed in the Net Metering Service II tariff. In other words, please translate that 1% level into numbers of new customers.
  - c. Please identify the aggregate number of customers whom KPC anticipates will have installed distributed solar and will take distributed solar customers after the conclusion of this rate case—i.e., the sum of (a) existing customers who already have distributed solar and take service under the existing net metering tariff, and whom KPC anticipates will continue to take service, and (b) new customers who will install distributed solar and will take service under any new net metering tariff that may be approved in this case. Again, please distinguish between residential, commercial, and industrial customers.
  - d. Please discuss whether, to the best of KPC’s knowledge or ability to estimate, there is current or prospective interest in distributed solar and net metering service among KPC’s customer base that exceeds the 1% level proposed in the Net Metering Service II tariff; and if so, please identify the degree of such excess interest, as a percentage and as a corresponding number of customers (again distinguishing between residential, commercial, and industrial customers). In other words, discuss whether and to what extent (in percentage and number of customers) that 1% cap will inhibit some amount of customers who are interested in taking net metering service from doing so.
  - e. Please confirm whether KPC views the 1% cap as statutorily permitted versus statutorily obligated. If the former, please discuss why KPC is exercising discretion to impose the 1% limit, rather than choosing to allow more of its customers to take advantage of net metering.
2. In reference to KPC response to SC\_1\_006, including the statement “the Company states that its tariff rates, as required by law, are based upon its cost of providing electric service to its customers,” as well as the Direct Testimony of Alex E. Vaughn at 27:14–28:3, including his statement that “[t]he following items are not included in the avoided cost rate *nor* are they cost of service items” (emphasis added) and his choice to advance an opinion on what considerations or components are “appropriate[]” to include and exclude in formulating KPC’s avoided cost rates for the NMS II tariff:
- a. Keeping in mind Mr. Vaughn’s choice to advance an opinion on the “appropriate[ness]” of including versus excluding certain items in rate formulation, please explain the basis—*i.e.*, legal, technical, and/or otherwise—for Mr. Vaughn’s use of that term. In other words, please clarify what authorities or

reasoning Mr. Vaughn meant to invoke and rely on for his assertion that exclusion/inclusion of certain considerations in calculating avoided cost are “appropriate[].”

- b. Please define, and discuss all the components of, KPC’s “cost of providing electric service to customers” as used by KPC in its response to SC\_1\_006; and confirm whether that answer is coextensive with what Mr. Vaughn meant in the foregoing testimony by “cost of service items” (if not, please explain).
  - c. Please clarify whether it is Mr. Vaughn’s opinion that “cost of service items” (as Mr. Vaughn intended that phrase in the cited testimony) are, and must be, the *exclusive* basis of the “avoided cost rate.” If not, please identify and explain the other bases or considerations upon which KPC does or may base its tariff rates, providing any applicable illustrations.
  - d. Please discuss whether, in what ways, and to what extent KPC takes economic development in its service territory into account when formulating its tariff rates, and indicate in your response whether or not KPC considers that to be a “cost of service” item.
3. In reference to KPC response to SC\_1\_008, including its statement in response to part (b) that “On a daily basis, AEPSC Commercial Operations conducts a review that incorporates a variety of information including, but not limited to, Mitchell unit availability, market price expectations, compliance testing requirements and contractual constraints of the plant’s fuel supply. From this review, AEPSC Commercial Operations determines the commitment status of each unit for the next market day.”:
- a. Please provide any memoranda or other documents that KPC may possess or have access to that sets out the general procedure involved, factors considered, weight given to each factor, in that “review” to which KPC was referring. If no such documents setting out the general procedure exist, please state so explicitly. (Sierra Club’s request for documents in its Initial Data Request 8(b)—“... Please also provide any documents that may exist that define or reflect the foregoing.”—already encompassed this instant request, and KPC provided no documents in response.)
  - b. In light of the above-cited response, coupled with the component of Sierra Club’s initial request seeking clarification on the role of Wheeling Power in the decision-making process behind Mitchell’s commitment, please clarify whether AEPSC Commercial Operations has exclusive authority to “determine[] the commitment status of each unit for the next market day,” or instead whether Wheeling Power has some role in making the decision, providing input (even if non-dispositive); and if the latter, please explain.
  - c. Please identify the commitment mode/status in PJM (e.g., self-committed/self-scheduled, economic/market commitment, etc.) of each Mitchell unit for each day of the test year period.
  - d. To the extent not already described in any documents that KPC may produce in response to (a) above (and if they are, provide, in response to the below, specific citations to such documents):
    - i. Please describe AEPSC Commercial Operations’ process for determining whether to self-schedule a Mitchell unit in the day-ahead energy market at

- the unit's minimum operating level and allow the unit to dispatch economically above the minimum level.
- ii. Please describe AEPSC Commercial Operations' process for determining whether to economically dispatch a generator in the day-ahead energy market.
  - iii. Please identify and explain all factors, both quantitative and qualitative, that AEPSC Commercial Operations considers in its unit commitment decision-making process.
  - iv. Please indicate whether the AEPSC Commercial Operations performs economic analyses to inform its unit-commitment decisions for Mitchell.
    1. If not, explain why not.
    2. If so:
      - a. Provide all such analyses conducted during the test year period in native, machine readable format.
      - b. Identify each category of cost and revenue accounted for in such analyses.
      - c. Identify whether such analyses are conducted differently for periods immediately preceding or following unit outages, and explain any differences.
      - d. Please indicate the timeframe over which AEPSC Commercial Operations evaluates whether a unit's commitment decision maximizes a unit's economic value to customers.
  - v. Please provide all memoranda, reports, presentations, correspondence, or other documents created for, or during, the test year period that discuss the AEPSC Commercial Operations unit-commitment and dispatch practices, strategies, and outcomes, as may pertain to Mitchell.

Dated: September 16, 2020

Respectfully submitted,



*Of counsel*  
(not licensed in Kentucky):

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*Counsel for Sierra Club*

## **CERTIFICATE OF SERVICE**

This is to certify that the foregoing copy of the SUPPLEMENTAL DATA REQUESTS OF SIERRA CLUB TO KENTUCKY POWER COMPANY in this action is being electronically transmitted to the Commission on September 16, 2020; and that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding. Per the Commission's general standing Order issued in Case No. 2020-00085 on March 16, 2020, this filing will not be mailed in paper medium to the Commission.



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JOE F. CHILDERS