

Kentucky Power Company  
KPSC Case No. 2020-00174  
KYSEIA Fourth Set of Data Requests  
Dated March 8, 2021

**DATA REQUEST**

- 4\_1** Please refer to the Supplemental Testimony of Alex E. Vaughan (“Vaughan Supplemental”) at page 4, line 21 through page 5, line 2 stating “The Company’s test year net metering customers are receiving approximately \$40,000 in annual subsidies from other customers. During the test year, the Company had 46 customers on tariff NMS, which means that other customers are paying roughly \$870 per year per system in subsidies under tariff NMS’s existing one-to-one net metering provisions.”
- a. Please explain in detail how the \$40,000 annual subsidy Mr. Vaughn claims exists is derived from the class cost of service study.
  - b. Please provide all of Mr. Vaughn’s workpapers in executable spreadsheet format with all formulas and file linkages intact and all assumptions documented, showing how Mr. Vaughn derives the \$40,000 amount from the class cost of service study results.

**RESPONSE**

a. and b. Please refer to Company Witness Vaughan’s Supplemental testimony at page S3, line 12 through page S5 line 5. Please also refer to exhibits JMS-S1 and JMS-S2 (specifically the “Curr Equal” tab and its “Current Subsidy” column.) Generally also refer to the class cost of service study for the requested calculations of the subsidies in rates relating to the test year net metering customers.

Witness: Jason M. Stegall

Witness: Alex E. Vaughan

Kentucky Power Company  
KPSC Case No. 2020-00174  
KYSEIA Fourth Set of Data Requests  
Dated March 8, 2021

**DATA REQUEST**

**4\_2** Please refer to Vaughan Supplemental at page 3. Please provide complete workpapers associated with the Table shown on page 3.

**RESPONSE**

Please refer to Company Witness Stegall's exhibits JMS-S1 and JMS-S2 for the requested information.

Witness: Jason M. Stegall

Witness: Alex E. Vaughan

Kentucky Power Company  
KPSC Case No. 2020-00174  
KYSEIA Fourth Set of Data Requests  
Dated March 8, 2021

**DATA REQUEST**

- 4\_3** Please explain in detail how the Company's class cost of service analysis influences the design of its NMS II proposal. If your response is anything other than an admission that the class cost of service study results have had no role in influencing the design of the Company's NMS II proposal, please explain in detail. Your explanation should expressly address:
- a. How the class cost of service study could have influenced the design, given that it was not presented until rebuttal and supplemental testimony.
  - b. How the Company designed the NMS II proposal around the results of the class cost of service study to avoid producing a result where NMS II customers subsidize non-participant customers.

**RESPONSE**

- a. Please refer to Company Witness Vaughan's Supplemental testimony at page S4, lines 10-17 where the Company addressed the request in full.
- b. Please refer to Company Witness Vaughan's Rebuttal testimony from page R35 to page R41. Furthermore, NMS II customers would not be subsidizing non-participating customers. Non-participating customers would pay only for excess customer system generation at actual avoided costs and thus would be indifferent. That is, they are paying no less than they would pay in the absence of the excess of the excess customer system generation. Further, the previous rate and peak analysis, which were further validated by the supplemental CCOS, showed that the rates charged to NMS customers' load were too low. The Company's NMS II proposal utilizes the same rates (standard tariff rates) for net billing load.

Witness: Jason M. Stegall

Witness: Alex E. Vaughan

Kentucky Power Company  
KPSC Case No. 2020-00174  
KYSEIA Fourth Set of Data Requests  
Dated March 8, 2021

**DATA REQUEST**

**4\_4** Please confirm that the results of Mr. Vaughan's analysis presented in the table at page 3 of Vaughan Supplemental are specific only to the present NMS I tariff.

**RESPONSE**

Kentucky Power cannot confirm the statement. The supplemental CCOS confirms that the net load shape of net metering customers is more costly to serve than that of standard customers. The load shape of net metering customers will not change if NMS II is implemented as proposed.

Witness: Jason M. Stegall

Witness: Alex E. Vaughan

Kentucky Power Company  
KPSC Case No. 2020-00174  
KYSEIA Fourth Set of Data Requests  
Dated March 8, 2021

**DATA REQUEST**

**4\_5** Please explain in detail how the table presented at page 3 of Vaughan Supplemental would change under the Company's proposed NMS II tariff and provide an updated table. For instance, explain how the class rate of return for residential and C&I NMS customers would change under NMS II?

**RESPONSE**

The Company has not performed the requested analysis. Also see the Company's response to KYSEIA 4-4.

Witness: Jason M. Stegall

Witness: Alex E. Vaughan

Kentucky Power Company  
KPSC Case No. 2020-00174  
KYSEIA Fourth Set of Data Requests  
Dated March 8, 2021  
Page 1 of 2

**DATA REQUEST**

- 4\_6** Please reference the Supplemental Workpapers of Jason M. Stegall (“JMS\_CCOS\_Workpaper\_w\_NMS\_Adjustments”).
- a. Please confirm that Mr. Stegall used the class average load shapes for residential and GS secondary customers in his analysis rather than load shapes specific to the Company’s net metered customers.
  - b. Please provide workpapers associated with the hard-coded values listed for Res NMS and C&I NMS in each tab (e.g., LA Sec Loads, Energy Allocator, etc.) in columns E and F.
  - c. In the Energy Allocator tab, does the loss factor adjustment shown on rows 28-31 reflect secondary, primary, and transmission losses? Please in detail how the loss factors were derived and applied.
  - d. Please explain in detail why the CCOS identifies 27 residential net metering and 8 C&I net metering customers (i.e., 35 total customers, see “Customer Allocators” tab), whereas Witness Vaughn (p. S4-S5) states in his Supplemental Testimony that there are 46 customers on tariff NMS during the test year.

**RESPONSE**

- a. Deny. Mr. Stegall used class load shapes, reduced for expected solar generation.
- b. The files supporting the calculation of the revised hourly demand amounts presented in the worksheets labeled Metered Loads, LA Sec Loads, LA Pri Loads, LA Sub Loads and LA Tran Loads are included in KPCO\_R\_KYSEIA\_4\_6\_Attachment1 through KPCO\_R\_KYSEIA\_4\_6\_Attachment5.
- c. The energy values represent tariff class summaries of the billing energy provided by Company Witness Vaughan in his response to Staff 4-82. The loss values were calculated as part of the class demand and energy study calculated in support of Exhibit JMS-1 filed in the Company’s direct case and represent the total energy losses by those classes between when the energy is generated and the energy is measured at the meter.

Kentucky Power Company  
KPSC Case No. 2020-00174  
KYSEIA Fourth Set of Data Requests  
Dated March 8, 2021  
Page 2 of 2

d. Please see lines 13 - 16 on page 3 of Company Witness Stegall's supplemental testimony for the explanation.

Witness: Jason M. Stegall

Witness: Alex E. Vaughan

Kentucky Power Company  
KPSC Case No. 2020-00174  
KYSEIA Fourth Set of Data Requests  
Dated March 8, 2021

**DATA REQUEST**

- 4\_7** For each customer class in which the Company has one or more net metering customers taking service, as well as the Residential NMS and C&I NMS classes separately, identify the annual load profile on a 15-minute increment basis. Provide the data in an executable format with all cells unlocked and viewable with all formulas intact.

**RESPONSE**

The Company has not prepared any load profile data on a 15-minute increment basis.

The Company's original class files were provided in its response to KYSEIA 1-1 and the class files that were revised in support of the class cost-of-service study filed as Exhibit JMS-S2 were provided in the Company's response to question 6 of this set.

Witness: Jason M. Stegall

Witness: Alex E. Vaughan



Kentucky Power Company  
KPSC Case No. 2020-00174  
KYSEIA Fourth Set of Data Requests  
Dated March 8, 2021

**DATA REQUEST**

**4\_8** Please reference the Supplemental Testimony of Jason M. Stegall (“Stegall Supplemental”) in the table at page 4.

a. The bottom row of the table indicates that the total retail revenue requirement remains the same in Mr. Stegall’s analysis. Please confirm that the Mr. Stegall did not adjust the retail revenue requirement to reflect changes in the jurisdictional allocation of costs attributable to reductions in coincident peaks produced by net metering customers.

b. Please confirm or deny that a reduction to monthly contribution to coincident peaks of a retail class would, all other things being equal, have the effect of reducing the Kentucky-jurisdictional retail revenue requirement. For instance, if a class reduces its contribution to monthly peaks by 1 MW on average while all other retail classes retain the same peak contributions, is it not true that the overall retail jurisdictional revenue requirement would be incrementally lower while the non-Kentucky jurisdictional revenue requirement would be higher? If your response is anything other than an unqualified confirmation of this effect, please explain in detail.

**RESPONSE**

a. Mr. Stegall confirms that he did not adjust the retail revenue requirement presented in the Company's direct case. The retail revenue requirement, along with the coincident peak values used to allocate the revenue requirement between the Company's retail jurisdiction and the Company's wholesale customers already incorporates the test year benefits provided by its net metering customers' generating facilities.

b. Mr. Stegall confirms that the calculation of the retail jurisdiction's proportional share of demand-related cost responsibility and energy-related cost responsibility are established in the Company's direct case in Section V, Schedules 9 and 10, respectively. Should the hypothetical example proposed in the question occur, the reduction in cost the retail jurisdiction's cost responsibility would be included in the changes reflected in new demand and energy allocation factors.

Witness: Jason M. Stegall

Witness: Alex E. Vaughan

Kentucky Power Company  
KPSC Case No. 2020-00174  
KYSEIA Fourth Set of Data Requests  
Dated March 8, 2021

**DATA REQUEST**

- 4\_9** Identify all costs the Company has spent to date on implementing tariff NMS II, including the costs associated with staff time spent and costs related to modifying the Company's billing system, tariffs, website, and customer and investor communications, to the extent any or all of this information is tracked or can be estimated by the Company.

**RESPONSE**

The Company has not tracked the requested costs at this level and is unable to provide an estimate.

Witness: Brian K. West

Kentucky Power Company  
KPSC Case No. 2020-00174  
KYSEIA Fourth Set of Data Requests  
Dated March 8, 2021

**DATA REQUEST**

**4\_10** Identify all of the costs incurred by the Company related to preparing and filing supplemental testimony in this proceeding, including all costs associated with preparing testimony and exhibits filed on February 25, 2021. Please confirm or refute that it is the Company's intention to request recovery of these costs from ratepayers in the future.

**RESPONSE**

Costs associated with preparing testimony and exhibits filed on February 25, 2021 have not been tracked. The Company estimates these costs at \$6,400.

The Company will not be seeking recovery of these costs in its next base rate case proceeding.

Witness: Brian K. West



### Stegall Verification.docx

DocVerify ID: 1B2CC4B5-3122-4B81-B63E-77B188EA253A  
Created: March 15, 2021 06:54:29 -8:00  
Pages: 1  
Remote Notary: Yes / State: OH

This document is a DocVerify VeriVaulted protected version of the document named above. It was created by a notary or on the behalf of a notary, and it is also a DocVerify E-Sign document, which means this document was created for the purposes of Electronic Signatures and/or Electronic Notary. Tampered or altered documents can be easily verified and validated with the DocVerify veriCheck system. This remote online notarization involved the use of communication technology.

Go to [www.docverify.com](http://www.docverify.com) at any time to verify or validate the authenticity and integrity of this or any other DocVerify VeriVaulted document.

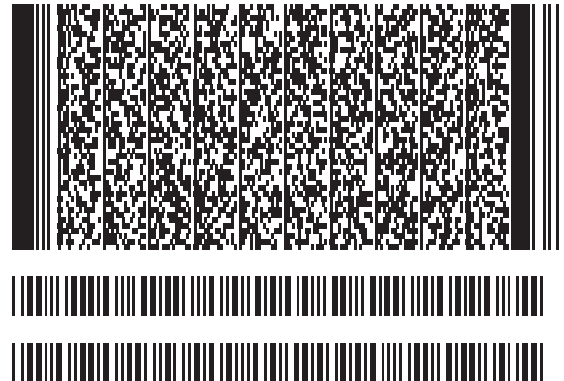
#### E-Signature Summary

**E-Signature 1: Jason M. Stegall (JMS)**

March 15, 2021 10:03:36 -8:00 [7E0C2490419E] [167.239.221.85]  
jmstegall@aep.com (Principal) (Personally Known)

**E-Signature Notary: Brenda Williamson (BW)**

March 15, 2021 10:03:36 -8:00 [2EC19D08E74A] [167.239.2.87]  
bgwilliamson@aep.com  
I, Brenda Williamson, did witness the participants named above electronically sign this document.



VERIFICATION

The undersigned, Jason M. Stegall, being duly sworn, deposes and says he is a Manager-Regulatory Pricing & Analysis for American Electric Power Service Corporation that he has personal knowledge of the matters set forth in the forgoing responses and the information contained therein is true and correct to the best of his information, knowledge and belief after reasonable inquiry.

  
Signed on 2021/03/15 10:03:36 -8:00  
Jason M. Stegall

STATE OF OHIO

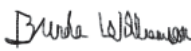
)


) Case No. 2020-00174

COUNTY OF FRANKLIN

)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by  
Jason M. Stegall this 03/15/2021 \_ day of March 2021.

  
Signed on 2021/03/15 10:03:36 -8:00  
Notary Public

  
**Brenda G. Williamson**  
**Commission # 2016-RE-579446**  
Electronic Notary Public  
State of Ohio  
My Comm Exp. Apr 25, 2021

Notary Stamp 2021/03/15 10:03:36 PST 2EC19068E74A

1B2CC4B5-3122-4B81-B63E-77B188EA253A --- 2021/03/15 06:54:29 -8:00 --- Remote Notary





## Vaughan Verification.docx

DocVerify ID: BA00F069-B24F-497C-B40F-7F320999A3F4  
 Created: March 15, 2021 06:38:21 -8:00  
 Pages: 1  
 Remote Notary: Yes / State: OH

This document is a DocVerify VeriVaulted protected version of the document named above. It was created by a notary or on the behalf of a notary, and it is also a DocVerify E-Sign document, which means this document was created for the purposes of Electronic Signatures and/or Electronic Notary. Tampered or altered documents can be easily verified and validated with the DocVerify veriCheck system. This remote online notarization involved the use of communication technology.

Go to [www.docverify.com](http://www.docverify.com) at any time to verify or validate the authenticity and integrity of this or any other DocVerify VeriVaulted document.

### E-Signature Summary

**E-Signature 1: Alex E Vaughan (AEV)**

March 15, 2021 07:19:25 -8:00 [2437B044D0F1] [167.239.2.87]  
 aevaughan@aep.com (Principal) (Personally Known)

**E-Signature Notary: Brenda Williamson (BW)**

March 15, 2021 07:19:25 -8:00 [A489ABE64D44] [167.239.2.87]  
 bgwilliamson@aep.com  
 I, Brenda Williamson, did witness the participants named above electronically sign this document.



VERIFICATION

The undersigned, Alex E. Vaughan, being duly sworn, deposes and says he is a Director-Regulatory Pricing & Renewables for American Electric Power Service Corporation that he has personal knowledge of the matters set forth in the forgoing responses and the information contained therein is true and correct to the best of his information, knowledge and belief after reasonable inquiry.

*Alex E Vaughan*  
Signed on 2021.03/15 07:19:25 -8:00  
Alex E. Vaughan

STATE OF OHIO

)

) Case No. 2020-00174

COUNTY OF FRANKLIN

)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Alex E. Vaughan this \_\_\_\_ day of March 2021.  
03/15/2021

*Brenda Williamson*  
Signed on 2021.03/15 07:19:25 -8:00  
Notary Public



BA00F069-B24F-497C-B40F-7F320999A3F4 --- 2021/03/15 06:38:21 -8:00 --- Remote Notary



**VERIFICATION**

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




Brian K. West

State of Indiana        )  
                                  ) ss       Case No. 2020-00174  
County of Allen        )

Subscribed and sworn to before me, a Notary Public, in and for said County and State, Brian K. West this 10<sup>th</sup> day of March, 2021.

Regiana M.  
Sistevaris

 Digitally signed by Regiana M. Sistevaris  
Date: 2021.03.10 07:24:04 -05'00'

Regiana M. Sistevaris, Notary Public

My Commission Expires: January 7, 2023