

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

In the Matter of:)
)
Electronic Application Of Kentucky Power)
Company For (1) A General Adjustment Of Its)
Rates For Electric Service; (2) Approval Of) **Case No. 2020-00174**
Tariffs And Riders; (3) Approval Of Accounting)
Practices To Establish Regulatory Assets And)
Liabilities; (4) Approval Of A Certificate Of)
Public Convenience And Necessity; And (5) All)
Other Required Approvals And Relief)

**RESPONSE OF
SWVA KENTUCKY, LLC
TO COMMISSION ORDER DATED AUGUST 3, 2020**

Pursuant to the Order of the Kentucky Public Service Commission (the “Commission”) dated August 3, 2020, SWVA Kentucky, LLC (“SWVA”) respectfully files this response for the purpose of more fully explaining the basis for its full intervention in the above-captioned proceeding and states in support thereof as follows:

1. On July 30, 2020, SWVA filed a Motion to Intervene (“Motion”) in the above captioned proceeding initiated by Kentucky Power Company (“Kentucky Power” or the “Company”). In support of its Motion, SWVA described several considerations regarding successful steel production operations and the importance of affordable electricity to such operations.
2. In response to SWVA’s Motion, the Commission issued an Order stating that it “is unable to make a determination that SWVA’s Motion satisfies 807 KAR 5:001, Section

4(11).”¹ Additionally, the Commission ordered SWVA to file a written response to further explain how its Motion complies with Commission regulations.

3. Under 807 KAR 5:001, Section 4(11), there are two bases upon which the Commission may grant intervention. The first basis is “that he or she has a special interest in the case that is not otherwise adequately represented”; alternatively, the second basis is “that his or her intervention is likely to present issues or to develop facts that assist the commission in fully considering the matter without unduly complicating or disrupting the proceedings.”²
4. Regarding the special interest basis for intervention, the Commission stated that it is unclear whether SWVA has a special interest that is not otherwise adequately represented. The Commission pointed to intervenor Kentucky Industrial Utility Consumers, Inc. (“KIUC”) as a party that may potentially adequately represent SWVA’s interest, noting that KIUC generally represents industrial members and stating that member Catlettsburg Refining LLC is the largest energy consumer on the Kentucky Power system.³
5. While KIUC is no doubt a competent intervenor and its long history of participation in ratemaking matters before the Commission will undoubtedly be useful, SWVA is not a member of KIUC and SWVA’s interests may not be completely aligned with KIUC’s

¹ *Order* at 2, Case No. 2020-00174 (Aug. 3, 2020).

² Section 4(11)(b) also requires such motion to intervene be timely. *See* 807 KAR 5:001, Section 4(11)(b) (“The commission shall grant a person leave to intervene if the commission finds that he or she has made a timely motion for intervention and that he or she has a special interest in the case that is not otherwise adequately represented or that his or her intervention is likely to present issues or to develop facts that assist the commission in fully considering the matter without unduly complicating or disrupting the proceedings.”). In its *Order*, the Commission found that SWVA filed a timely motion to intervene. *See Order* at 2, Case No. 2020-00174 (Aug. 3, 2020).

³ *Order* at 2-3, Case No. 2020-00174 (Aug. 3, 2020).

interests. Moreover, per KIUC's Motion to Intervene, Catlettsburg Refining LLC is the only member of KIUC participating in this proceeding.⁴

6. SWVA takes service from Kentucky Power under Tariff C.S.-I.R.P. at transmission voltage. Upon information and belief, Catlettsburg Refining takes service under Tariff I.G.S.⁵ While there is some overlap between these tariffs, Tariff I.G.S is a firm service tariff whereas service under Tariff C.S.-I.R.P. (Contract Service-Interruptible Power) is interruptible.
7. Under Tariff C.S.-I.R.P., the Company offers the customer a credit (discount) in exchange for the customer's commitment to curtail or interrupt its load, which in turn helps the Company meet its PJM obligations.⁶ Additionally, to take service under C.S.-I.R.P, the customer is required to execute a written addendum setting forth the terms of service and basis for customer interruptions.⁷ SWVA's executed addendum is on file with the Commission.⁸
8. In addition to changes to Tariff C.S.-I.R.P., pursuant to which SWVA takes service,⁹ Kentucky Power has proposed a new interruptible service option, Rider D.R.S. (Demand

⁴ See Motion to Intervene of Kentucky Industrial Utility Consumers, Inc. at 2 (June 3, 2020) ("The member(s) of KIUC who will participate herein are: Catlettsburg Refining LLC, a subsidiary of Marathon Petroleum LP").

⁵ See Case No. 2017-00179, Direct Testimony of Brad Levi on Behalf of Kentucky Industrial Utility Customers at 3, lines 18-22.

⁶ See Direct Testimony of Alex E. Vaughan on Behalf of Kentucky Power Company at 34, lines 10-16 (discussing how interruptible load helps the Company).

⁷ See Rates-Charges-Rules-Regulations for Furnishing Electric Service in the Kentucky Territory Served by Kentucky Power Company, P.S.C. KY. No. 11 2nd Revised Sheet 12-1, Tariff C.S.-I.R.P. (requiring a written contract be executed and filed with the Commission for service under Tariff C.S.-I.R.P.).

⁸ Addendum 1, Special Terms and Conditions, between Kentucky Power Company and SWVA Kentucky, LLC, [https://psc.ky.gov/tariffs/electric/kentucky power company/contracts/swva kentucky, llc/2020-02-06_Addendum to Interruptible Service Contract.pdf](https://psc.ky.gov/tariffs/electric/kentucky%20power%20company/contracts/swva%20kentucky,%20llc/2020-02-06_Addendum%20to%20Interruptible%20Service%20Contract.pdf).

⁹ See, e.g., Direct Testimony of Alex E. Vaughan on Behalf of Kentucky Power Company at 34-35 (describing a few of the changes Kentucky Power proposes to make to Tariff C.S.-I.R.P.); Company Application, Filing Requirements, Exhibit E at 79-82 (redlined proposed Tariff C.S.-I.R.P.).

Response Service).¹⁰ For SWVA, a large customer with interruptible load, Kentucky Power's inclusion of a new interruptible service option (Rider D.R.S.) is at least potentially relevant. Also, as SWVA intends to grow its operations in Ashland if the economics are favorable, SWVA may have incremental load.¹¹

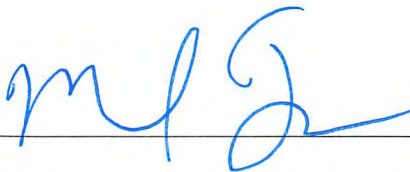
9. In addition to the distinction between firm versus interruptible service, there may be other relevant differences between the Catlettsburg Refinery load (represented by KIUC) and SWVA's load and their respective interests. Said differences may include, but not be limited to, differences in load factor, load profile, and service voltage. These distinctions are all potentially relevant in the context of rate design and cost allocation.
10. For the foregoing reasons, neither KIUC nor any other party to this proceeding appears to represent customers/loads such as SWVA in this case. At a minimum, SWVA appears to have a special interest in interruptible service that is not otherwise adequately represented in this case.
11. If this Commission grants SWVA's Motion, SWVA intends to issue discovery requests regarding the application. SWVA will also consider filing testimony and/or briefs, and participating in the evidentiary hearing.
12. SWVA's participation will likely assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings.

WHEREFORE, SWVA respectfully requests that it be granted leave to fully intervene and be made party to the above-captioned proceeding.

¹⁰ See, e.g., Direct Testimony of Alex E. Vaughan on Behalf of Kentucky Power Company at 34-38 (explaining the Company's proposal regarding Rider D.R.S.); Company Exhibit AEV-7 (Proposed Tariff DRS & Cost/Benefit Analysis).

¹¹ See Motion to Intervene of SWVA Kentucky, LLC at 2 (July 30, 2020).

Respectfully submitted,

By:  _____

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Local Counsel for SWVA Kentucky, LLC

Dated: August 10, 2020

CERTIFICATE OF SERVICE

I hereby certify that SWVA's August 10, 2020, electronic filing is a true and accurate copy of the *Response of SWVA Kentucky, LLC to Commission Order Dated August 3, 2020*; and that on August 10, 2020, the electronic filing has been transmitted to the Commission. Pursuant to the Commission's Orders dated March 16, 2020 and March 24, 2020, in Case No. 2020-00085, and in accordance with all other applicable law, counsel certifies that an electronic copy of the foregoing was served by email to the following. SWVA, by and through its counsel, will serve a physical copy of this filing with the Commission within 30 days after the Governor lifts the current State of Emergency.

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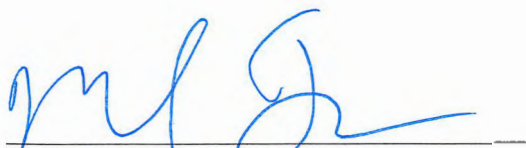
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