

Kentucky Power Company
KPSC Case No. 2020-00176
Attorney General's Initial Data Requests
Dated June 23, 2020

DATA REQUEST

AG 1_1 Please provide a spreadsheet including the name of each account holder whose delinquency will be eliminated if the proposal is approved and the amount of the delinquency to be eliminated. Preferably, account names and balances should be separated into categories for industrial, commercial, and residential clients.

RESPONSE

Please see KPCO_R_AG_1_1_PublicAttachment1 for the requested information. The Confidential version of the attachment, KPCO_R_AG_1_1_ConfidentialAttachment1, is being filed under seal in accordance with 807 KAR 5:001, Section 13(2)(a)(3).

Witness: Brian K. West

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DATA REQUEST

AG 1_2 Provide a calculation demonstrating the impact of the proposal on customers over the remainder of the amortization period during which the \$10.8 million at issue was to accrue to the benefit of customers. In particular, provide a calculation of the impact of the proposal on non-delinquent, residential customers.

RESPONSE

For the 12 months ended March 31, 2020, Tariff F.T.C. credited back to customers approximately \$9.7 million. Of that total, approximately 42%, or \$4.1 million, was to residential customers; approximately 20%, or \$1.9 million, was to commercial customers; and approximately 38%, or \$3.7 million, was to industrial customers. Applying those percentages to the \$10.8 million that is the subject of the Company's proposal in this case, approximately \$4.5 million (42%) would be amortized to the benefit of residential customers, approximately \$2.2 million (20%) to commercial customers, and approximately \$4.1 million (38%) to industrial customers. Under the Company's proposal, the residential class of customers will receive a greater percentage of the benefits (approximately 57 percent) than they would receive, all things being equal, if the \$10.8 million were returned to residential customers through Tariff F.T.C. (approximately 42 percent) over the balance of the 18-year amortization period.


On June 29, 2020, in Case No. 2020-00174, the Company filed an application for a general adjustment of its rates for electric service. Among other things, Kentucky Power is proposing in that case to maintain Tariff F.T.C.'s current \$/kilowatt-hour (kWh) rate through 2021. Please see the Case No. 2020-00174 testimony of Company Witness West at page 8 and Company Witness Vaughan at page 33. The residential Tariff F.T.C. \$/kWh rate applies to all residential customers' usage regardless of whether a customer's account is in good standing or delinquent.

The Company's proposals thus will not impact the amount of the Tariff F.T.C. credit that residential customers, and other customers, otherwise would receive each month over the period the ADFIT balance is amortized. Maintaining the current Tariff F.T.C. rate will shorten the length of the overall amortization period over which the Company's unprotected excess ADFIT is returned to customers, and the portion of the Tariff F.T.C. credit associated with unprotected excess ADFIT will be fully returned to customers more quickly than would be the case absent the Company's application in this case.

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. 2020-00176
County of Allen)

Subscribed and sworn to before me, a Notary Public, in and for said County and State, Brian K. West this 30th day of June, 2020.

Regiana M. Sistevaris

Digitally signed by Regiana M. Sistevaris
Date: 2020.06.30 12:59:03 -04'00'

Regiana M. Sistevaris, Notary Public

My Commission Expires: January 7, 2023