

Kentucky Power Company
KPSC Case No. 2021-00135
Attorney General's First Set of Data Requests
Dated March 26, 2021

DATA REQUEST

AG 1_1 Please provide all work papers, in electronic spreadsheet format with formulas intact, where available, supporting each of the figures, tables, and exhibits accompanying the Companies' filing and supporting testimony to the extent those have not already been provided.

RESPONSE

All such information has been provided. The Company will comply with the request with respect to any subsequently developed information.

Witness: Brian K. West

Kentucky Power Company
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DATA REQUEST

AG 1_2 Discuss whether Kentucky Power has investigated the availability of funds to cover the costs of the storm under the American Rescue Plan Act of 2021. If so, discuss (1) whether funds are available, (2) the process Kentucky Power must pursue to obtain those funds, (3) how those funds will be allocated if the request for regulatory asset treatment is granted, (4) whether Kentucky Power intends to pursue those funds, and, (5) if not, why not.

RESPONSE

Yes. The Company has been evaluating the American Rescue Plan Act of 2021 since that legislation's passage in mid-March 2021. To the best of the Company's knowledge, the American Rescue Plan Act of 2021 does not contemplate or make funding for storm recovery available to investor owned utilities.

Witness: Brian K. West

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DATA REQUEST

AG 1_3 Discuss whether Kentucky Power has investigated the availability of funds to cover the costs of the storm under Programs administered by FEMA or any other state or federal agency beyond those referenced in the article above. If so, discuss (1) whether funds are available, (2) the process Kentucky Power must pursue to obtain those funds, (3) how those funds will be allocated if the request for regulatory asset treatment is granted, (4) whether Kentucky Power intends to pursue those funds, and, (5) if not, why not.

RESPONSE

The Company has only recently recovered from the devastating February 2021 ice and snow storms that ravaged the Company's distribution and transmission systems causing widespread outages and damage. On March 1, 2021, just after restoring service from the February 2021 storms, the Company experienced additional service interruptions from flooding caused by significant rainfall during the final two days of February 2021. With the critical importance of restoring service to its customers at the forefront, the Company is still investigating whether funds may be available at the state or federal level that may remunerate the Company for significant and historic damages from the February 2021 ice and snow storms. To the best of the Company's knowledge, neither FEMA nor any other federal or state agency has made available funding to investor-owned utilities in connection with the February 2021 storm recovery efforts.

Witness: Brian K. West

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AG 1_4 Confirm that the request for regulatory asset treatment of the storm costs at issue does not guarantee that the costs will be recovered by the company from ratepayers and that the Commission and stakeholders will have an opportunity to review the costs in a future proceeding to determine whether recovery is appropriate.

RESPONSE

Confirmed. The amount of the regulatory asset authorized in this case that will be amortized and included in rates will be determined in Kentucky Power's next base rate case.

Witness: Brian K. West

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AG 1_5 Precisely identify the starting date(s) and ending date(s) for when the extraordinary events occurred for which you are seeking establishment of the regulatory asset.

RESPONSE

The snowstorm event began around 7:00 p.m., Thursday, December 24, 2020, when portions of Kentucky Power Company's service territory received four to eight inches of heavy, wet snow accumulation.

Service to all Kentucky Power Company customers was restored by 12:55 p.m., Monday, December 28, 2020. Restoration times and dates for the Company's three districts were:

- a. Ashland District – Saturday, December 26, 2020 at 4:15 p.m.
- b. Pikeville District – Saturday, December 26, 2020. 7:00 p.m.
- c. Hazard District – Monday, December 28, 2020 at 12:55 p.m.

Witness: Stephen D. Blankenship

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AG 1_6 Describe the efforts taken to limit expenses during the response to the emergency that was created by the three major storm events.

RESPONSE

The Company's restoration response to the December 24-25 storm that is the subject of Case No. 2021-00135 involved only a single major storm event (the data requests describes three major storm events).

Kentucky Power's first objective was to restore service to its customers for an incident that began on Christmas Eve. Efforts to limit costs included the use of outside crews that were located in proximity to the Company's service territory and thus required minimal travel time. Kentucky Power thus used independent contractor crews from Ohio Power Company (Southern territory), Appalachian Power Company (Kingsport area), and Kentucky Utilities Company/Louisville Gas and Electric Company. The Company also demobilized its resources and released rooms as soon as practical to limit further storm restoration expenses.

Witness: Gregory A. Bell

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DATA REQUEST

AG 1_7 Describe the decision making process undertaken by the company in response to the three major storm events, identify those persons in the company who participated and were responsible for the decisions made and what their respective role and responsibilities entailed.

RESPONSE

The wet and heavy nature of the snow accompanying the December 24, 2020 was not predicted by AEP meteorologist, therefore no weather alert was issued. The first conference call by Kentucky Power management was held on December 25, 2020 at 8 AM after the service territory received 4 to 8 inches of heavy wet snow. The management team that attended the call and subsequent calls were the following:

Everett Phillips, Vice President of Distribution Region Operations (overseeing overall restoration efforts)

Greg Bell, Director of Risk and Project Management (coordinating planning efforts and obtaining additional outside resources)

Stephen Blankenship, Region Support Manager (overseeing dispatching needs and assisting with obtaining additional resources)

Phillip Tolliver, Manager of Distribution System for Ashland District (responsible for assigning coordinating restoration efforts in the field for the Ashland district)

Carolyn Thacker, Manager of Distribution System for Pikeville District (responsible for assigning coordinating restoration efforts in the field for the Pikeville district)

Greg Sparkman, Manager of Distribution System for Hazard District (responsible for assigning coordinating restoration efforts in the field for the Hazard district)

Larry Kersey, Distribution Dispatching Supervisor (overseeing the switching and coordinating of the trouble outage cases)

Ken Porter, Distribution Dispatching Coordinator (Assisting the distribution dispatch supervisor with coordinating the trouble orders)

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Cynthia Wiseman, Vice President of External Affairs and Customer Services (Managed communication with media and external customers)

Timothy Meadows, Energy Services Program Manager (Communicated with the call center and social media outlets)

The incident command system structure was not activated for this storm because, based on the number of customers out and restoration resources needed, the storm did not reach a level 3 storm. .

Witness: Everett G. Phillips

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AG 1_8 Did Kentucky Power have an emergency plan document in place regarding storm weather emergency response procedures prior to the three major storms? If so, please provide a copy of the emergency plan document. If not, explain why not.

RESPONSE

Please see the Company's response to AG 1-9 in Case No. 2021-00129.

Witness: Everett G. Phillips

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AG 1_9 Does Kentucky Power have any insurance policy or policies that will make payments related to the storm impacts? If so, provide a copy of the policy documents and identify the amount expected to be paid. If not, discuss why coverage is not appropriate.

RESPONSE

AEP maintains property insurance covering all risks of physical loss or damage to nonnuclear assets, subject to insurance policy conditions and exclusions. Covered property generally includes power plants, substations, facilities and inventories. Excluded property generally includes transmission and distribution lines, poles and towers. Coverage for lines, poles and towers are typically excluded by property insurance companies, and covering such assets would be prohibitively expensive. As such, we do not anticipate any insurance coverage for our assets related to the storm damage.

Witness: Brian K. West

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AG 1_10 When does Kentucky Power expect to file its next base rate case?

RESPONSE

To comply with the Commission's January 13, 2021 order in Case No. 2020-00174 at page 32, the Company presently expects to file its next base rate case in June 2023, for rates effective January 1, 2024.

Witness: Brian K. West

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AG 1_11 Does Kentucky Power maintain mutual assistance agreements with other utilities? Were those triggered in the storm events at issue? Provide copies of those agreement(s).

RESPONSE

No. Kentucky Power does not have mutual assistance signed agreements with other investor owned utilities. Instead, mutual assistance participating utilities agree to adhere to the Edison Electric Institute's Mutual Assistance Governing Principles. For a copy of the Edison Electric Institute's Mutual Assistance Governing Principles please see the Company's response to 1-15 in Case No. 2021-00129.

Witness: Gregory A. Bell

Kentucky Power Company
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DATA REQUEST

AG 1_12 If the base rates in effect for December 2020 include \$1,498,582 in O&M major storm-related expenses, and the amount of the regulatory asset sought for this storm is \$1,043,892, discuss why the O&M major storm-related expense in base rates is insufficient to compensate Kentucky Power for its storm-related expenses related to the storm at issue?

a. Did Kentucky Power have other major storm O&M expenses in December? If so, provide a detailed and itemized list of those expenses.

RESPONSE

The December 24-25, 2020 Major Event Day snow storm was the fourth major event day storm to strike Kentucky Power's service territory in 2020. The Commission authorized the Company to accumulate and defer, and to establish a regulatory asset in the amount of, \$9,465,952 by Order dated February 5, 2021 in Case No. 2020-00368, *In the Matter of: Electronic Application Of Kentucky Power Company For An Order Approving Accounting Practices To Establish A Regulatory Asset Related To Extraordinary Expenses Incurred By Kentucky Power Company In Connection With Three 2020 Major Storm Events*. The \$9,465,952 regulatory asset authorized in Case No. 2020-00368 represents storm related expense in excess of the amount of major storm expense in base rates. The storm expense associated with the December 2020 storm is incremental to the amount authorized in Case No. 2020-00368 and in base rates.

a. No, Kentucky Power did not have any other major storm O&M expenses in December 2020.

Witness: Lerah M. Scott



Bell 2021-00135 DR.docx

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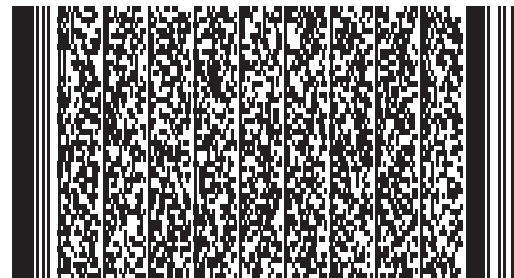
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E-Signature 1: Gregory A Bell (GAB)

March 29, 2021 10:07:02 -8:00 [97906E6F85E4] [161.235.2.86]
gabell@aep.com (Principal) (Personally Known)

E-Signature Notary: Brenda Williamson (BW)

March 29, 2021 10:07:02 -8:00 [680FF9FC9336] [167.239.221.82]
bgwilliamson@aep.com
I, Brenda Williamson, did witness the participants named above electronically sign this document.



VERIFICATION

The undersigned, Gregory A. Bell, being duly sworn, deposes and says he is Director of Distribution Risk and Project Management 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.


Signed on 2021/03/29 10:07:02 -8:00

Gregory A. Bell

STATE OF OHIO)
) Case No. 2021-00135
COUNTY OF FRANKLIN)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by
Gregory A. Bell, this 03/29/2021 day of March 2021.


Signed on 2021/03/29 10:07:02 -8:00

Notary Public



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Blankenship 2021-00135 DR.docx

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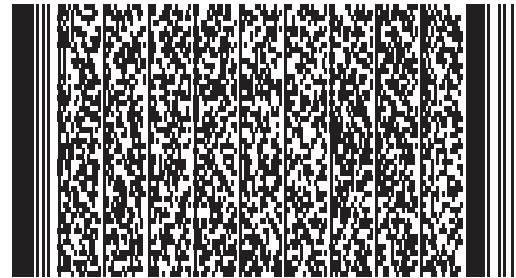
E-Signature Summary

E-Signature 1: Stephen D Blankenship (SDB)

March 29, 2021 09:04:25 -8:00 [00973206DFDC] [167.239.221.85]
 sdbblank1@aep.com (Principal) (Personally Known)

E-Signature Notary: Brenda Williamson (BW)

March 29, 2021 09:04:25 -8:00 [72E890E6301B] [167.239.221.82]
 bgwilliamson@aep.com
 I, Brenda Williamson, did witness the participants named above electronically sign this document.



VERIFICATION

The undersigned, Stephen D. Blankenship, being duly sworn, deposes and says he is a Region Support Manager 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.

Stephen D Blankenship
Signed on 2021/03/29 09:04:25 -8:00

Stephen D. Blankenship

STATE OF OHIO

)

) Case No. 2021-00135

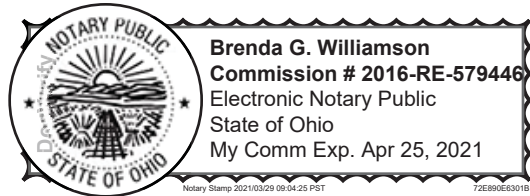
COUNTY OF FRANKLIN

)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Stephen D. Blankenship, this ____ day of March 2021.
03/29/2021

Brenda Williamson
Signed on 2021/03/29 09:04:25 -8:00

Notary Public



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Phillips 2021-00135 DR.docx

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E-Signature Summary

E-Signature 1: Everett G. Phillips (EGP)

March 29, 2021 09:32:08 -8:00 [A2055E540C43] [167.239.221.83]
egphillips@aep.com (Principal) (Personally Known)

E-Signature Notary: Brenda Williamson (BW)

March 29, 2021 09:32:08 -8:00 [4146C30AB4B3] [167.239.221.82]
bgwilliamson@aep.com
I, Brenda Williamson, did witness the participants named above electronically sign this document.



VERIFICATION

The undersigned, Everett G. Phillips, being duly sworn, deposes and says he is Vice President of Distribution Region Operations 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.

Everett G. Phillips
Signed on 2021/03/29 09:32:08 -8:00

Everett G. Phillips

STATE OF OHIO

)

) Case No. 2021-00135

COUNTY OF FRANKLIN

)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by
Everett G. Phillips, this ____ day of March 2021.
03/29/2021

Brenda Williamson
Signed on 2021/03/29 09:32:08 -8:00

Notary Public



55007BE2-E426-478B-BE05-4C4CFB50BB2E --- 2021/03/29 07:16:13 -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 application 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. 2021-00135
County of Allen)

Subscribed and sworn to before me, a Notary Public, in and for said County and State, Brian K. West this 24th day of March, 2021.

Regiana M.)
Sistevaris) Digitally signed by Regiana M.
) Sistevaris
) Date: 2021.03.24 07:32:19 -04'00'

Regiana M. Sistevaris, Notary Public

My Commission Expires: January 7, 2023