

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

In The Matter Of: AN ELECTRONIC EXAMINATION OF :
THE APPLICATION OF THE FUEL ADJUSTMENT :
CLAUSE OF KENTUCKY POWER COMPANY FROM MAY : **Case No 2022-00036**
1, 2021 THROUGH OCTOBER 31, 2021. :

**MOTION FOR LEAVE TO REPLY BY
KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.**

MOTION FOR LEAVE TO REPLY

Kentucky Industrial Utility Customers, Inc. (“KIUC”) respectfully moves the Kentucky Public Service Commission (“Commission”) for permission to submit a Reply to Kentucky Power Company’s (“Company”) Supplemental Response to Commission Staff’s Data Request 1-16 filed September 19, 2022.

The Company claims that upon review of KIUC’s Initial Brief, it discovered that several rows within its original Excel attachments to Staff 1-16 were misaligned and that when the misalignments are corrected Kentucky Power is owed an additional \$174,925 in fuel costs. The Supplemental Response was filed on September 19, 2022, the day Reply Briefs were filed which deprived KIUC the opportunity to respond.

REPLY

The Supplemental Response to Commission Staff’s Data Request 1-16 increases the amount of FAC costs owed over the six-month review period by \$174,925. The Company also provided two new Excel attachments in support of its Supplemental Response. The Excel attachments do not appear to match the Supplemental Response. The Excel attachments show an FAC under recovery of \$185,510. In its Supplemental Response, Kentucky Power discussed how KIUC’s concern regarding AEP Service Corporation’s allocation of purchased power costs

and off-system sales revenue among the AEP operating companies led to the discovery of the error. This late discovered error and the apparent discrepancy between Supplemental Response and the Excel attachments only heighten that concern.

Kentucky Power’s newly filed calculations continue to incorporate an unrealistic \$30.00/MWh startup cost assumption for each hour for purposes of the PUE calculation. The reasons why this assumption is unrealistic were explained in detail in KIUC’s briefs. KIUC recalculated the FAC amounts owed using the originally filed Excel attachments as well as the new Excel attachments, along with a reasonable startup cost assumption of \$4.62/MWh. The result of that recalculation is that even using the new Excel attachments Kentucky Power’s customers are owed an FAC credit of \$891,010.05. The calculations in support of this amount are set forth below.

KPCo - PUE Disallowances For Months in 2021 Case No. 2022-00036						
	Based on Original Attachment Responses to Staff 1-16 \$			Based on Original Attachment Responses to Staff 1-16 For May, June, September, and October 2021 and on Supplemental Attachment Responses to Staff 1-16 For July and August 2021 \$		
	PUE Disallowance with \$30 mWh Start-Up	PUE Disallownace with \$4.62 mWh Start-Up	Variance	PUE Disallowance with \$30 mWh Start-Up	PUE Disallownace with \$4.62 mWh Start-Up	Variance
May	27,541.40	54,891.57	27,350.17	27,541.40	54,891.57	27,350.17
June	-	25,449.49	25,449.49	-	25,449.49	25,449.49
July	1,354.69	18,002.28	16,647.59	1,354.69	17,603.22	16,248.53
August	322,569.63	435,315.87	112,746.24	137,059.02	238,244.34	101,185.32
September	32,806.43	93,936.02	61,129.59	32,806.43	93,936.02	61,129.59
October	29,766.35	689,413.30	659,646.95	29,766.35	689,413.30	659,646.95
Total	<u>414,038.50</u>	<u>1,317,008.53</u>	<u>902,970.03</u>	<u>228,527.89</u>	<u>1,119,537.94</u>	<u>891,010.05</u>

Respectfully submitted,

/s/ Michael L. Kurtz

Michael L. Kurtz, Esq.

Jody Kyler Cohn, Esq.

BOEHM, KURTZ & LOWRY

36 East Seventh Street, Suite 1510

Cincinnati, Ohio 45202

Ph: 513.421.2255 Fax: 513.421.2764

mkurtz@BKLawfirm.com

jkylercohn@BKLawfirm.com

**COUNSEL FOR KENTUCKY INDUSTRIAL
UTILITY CUSTOMERS, INC.**

September 26, 2022