

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

ELECTRONIC INVESTIGATION)
OF KENTUCKY POWER COMPANY) **Case No. 2022-00283**
ROCKPORT DEFERRAL MECHANISM)

**RESPONSES OF THE ATTORNEY GENERAL AND KIUC
TO STAFF DATA REQUESTS**

Come now the intervenors, the Attorney General of the Commonwealth of Kentucky, by his Office of Rate Intervention (“Attorney General”) and Kentucky Industrial Utility Customers (“KIUC”), and submit these Responses to Data Requests from Commission Staff.

Respectfully submitted,

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Certificate of Service and Filing

Pursuant to the Commission's Orders and in accord with all other applicable law, Counsel certifies that, on November 8, 2022, an electronic copy of the foregoing was served via the Commission's electronic filing system.

this 8th day of November, 2022.

A handwritten signature in blue ink, appearing to read "J. Michael New". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Assistant Attorney General

Data Requests Responses

1-1 Refer to the Direct Testimony of Lane Kollen (Kollen Direct Testimony), page 11, lines 14-16. Explain why the expiration of the Rockport Unit Power Agreement (Rockport UPA) will likely “result in increased FAC rates.”

Response:

The termination of the Rockport UPA will result in a reduction in the Company’s own generation and fuel expense, which will result in the loss of the margin in the FAC from this physical hedge against the purchased power expense incurred to meet the Company’s load requirements. The Company’s sells the entirety of its own generation dispatched by PJM into the PJM energy markets and then buys all energy from PJM necessary to serve its customer load. The margin reflected in the FAC is the difference between the Company’s fuel expense and the revenues from the sale of the Company’s energy generation into the PJM markets; in essence, the revenues negate the purchased power expense for the equivalent of the Company’s generation. In the pending May 2021 through October 2021 and November 2021 through April 2022 FAC six month proceedings, the Rockport fuel expense of \$30.35/mWh was less than the applicable PJM market clearing prices of \$49.39/mWh when averaged across all hours each month.

Response prepared by Lane Kollen

ELECTRONIC INVESTIGATION OF KENTUCKY POWER COMPANY ROCKPORT
DEFERRAL MECHANISM, Case No. 2022-00283

1-2 Refer to the Kollen Direct Testimony, page 19, line 17 through page 20, line 3. Explain why the 12 months ending June 30, 2022, is the most appropriate time period to use for the Actual Rockport Offset.

Response:

It is the most recent twelve-month period for which actual per books results are available using publicly reported financial statements. The use of actual per books results avoids the need for and controversy over the appropriate and reasonable proforma adjustments if the actual per books results are restated on a ratemaking basis. The use of actual per books results for the 12 months ending June 30, 2022 also avoids the use of actual per books results for calendar year 2023, which will be impacted by the writeoffs and other costs incurred as a result of the Liberty acquisition, which now is expected to close in 2023.


Response prepared by Lane Kollen

AFFIDAVIT


STATE OF GEORGIA)

COUNTY OF FULTON)

LANE KOLLEN, being duly sworn, deposes and states: that the attached are his sworn responses and that the statements contained are true and correct to the best of his knowledge, information and belief.


Lane Kollen

Sworn to and subscribed before me on this
8th day of November 2022.


Notary Public

