

Kentucky Power Company  
KPSC Case No. 2022-00424  
Attorney General's Second Set of Data Requests  
Dated February 9, 2023

**DATA REQUEST**

**2\_1** See Response to AG 1-4 where the Company states, “the Company would not incur any additional incremental costs to purchase capacity otherwise provided by Rockport through at least May 31, 2024.” Confirm that, at a minimum, the Company will incur incremental costs to purchase capacity during the contract period after May 31, 2024.

**RESPONSE**

Not confirmed. The Company will not incur incremental costs to purchase capacity during the contract period after May 31, 2024 if the replacement cost of capacity for the Rockport UPA, inclusive of any Ebon capacity need, is less than the total cost of the Rockport UPA capacity.

Witness: Brian K. West

Kentucky Power Company  
KPSC Case No. 2022-00424  
Attorney General's Second Set of Data Requests  
Dated February 9, 2023  
Page 1 of 3

**DATA REQUEST**

- 2\_2** See Response to AG 1-8 which states, “Kentucky Power is permitted to offer EDR contracts to customers even when it is capacity-short,” and cites a portion of its tariff related to that assertion.
- a. Provide a citation to the Commission docket where the referenced tariff language was added to the tariff.
  - b. Please provide citations to any aspect of the Commission’s Orders or the Company’s testimony in that case where Finding No. 5 of Administrative Order 327 and/or the tariff language at issue was discussed.
  - c. Provide a citation to the record where the Company explicitly requested a waiver of Finding No. 5 of Administrative Order No. 327, if such a request was made.

**RESPONSE**

Kentucky Power objects to this request. It expressly seeks information from the records of the Commission and thus the requested information is equally available to the Attorney General and Kentucky Industrial Utility Customers, Inc. Without waiving its objection, Kentucky Power provides the following response.<sup>1</sup>

(a) The identified tariff provision was proposed by Kentucky Power in Case No. 2014-00336.<sup>2</sup> Tariff E.D.R., including the subject language, was attached to the Company’ application in Case No. 2014-00336 as Exhibit 2 and to Company Witness Rogness’ testimony in support of the application as Exhibit JAR-1. The Company’s Tariff E.D.R., including the language identified in this data request, subsequently was approved without modification by the Commission in its March 4, 2014 Order in Case No. 2014-00336.<sup>3</sup> The identified tariff provision was resubmitted to the Commission in connection with the Company’s rate case applications in Case No. 2014-00396,<sup>4</sup> Case No. 2017-00179,<sup>5</sup> and Case No. 2020-00174.<sup>6</sup> The identified Tariff E.D.R. language was approved by the Commission in connection with its June 22, 2014, January 18, 2018, and January 13, 2021 orders, respectively, in the three rate cases. KIUC and the Attorney General were parties to each of the three rate cases.

(b) – (c): The identified tariff provision, and the request for any required deviation, were addressed at pages 23-25 of Company Witness Rogness’ testimony in Case No. 2014-00336. Specifically, Company Witness Rogness at page 24 testified:

Kentucky Power Company  
KPSC Case No. 2022-00424  
Attorney General's Second Set of Data Requests  
Dated February 9, 2023  
Page 2 of 3

**Q: HAS KENTUCKY POWER ADDRESSED THE POSSIBILITY OF BEING REQUIRED TO OBTAIN ADDITIONAL CAPACITY TO SERVE NEW OR ADDITIONAL TARIFF E.D.R?**

A. Yes. If future periods occur when the Company requires additional capacity to serve its existing E.D.R. customers during their discount period and maintain an adequate reserved margin, the Company proposes to acquire the necessary capacity from the marketplace. To the extent this provision is not consistent with Finding of the Commission's Order in Administrative Case No. 327<sup>22</sup> Kentucky Power requests a deviation from that requirement.<sup>7</sup>

The Commission also addressed the identified tariff provision in its July 9, 2019 Order in Case No. 2018-00378<sup>8</sup> and its August 17, 2020 Order in Case No. 2019-00365.<sup>9</sup>

---

<sup>1</sup> The information provided in response to this data request is based on the Company's reasonable efforts to review the records of the Commission and is believed to be complete. The Company reserves the right to supplement this response if additional material is later discovered.

<sup>2</sup> Application, *In the Matter of: The Application Of Kentucky Power Company For (1) Approval Of An Economic Development Rider; (2) For Any Required Deviation From The Commission's Order in Administrative Case No. 327; And (3) All Other Required Approvals And Relief* (Ky. P.S.C. Filed September 18, 2014).

<sup>3</sup> Order, *In the Matter of: The Application Of Kentucky Power Company For (1) Approval Of An Economic Development Rider; (2) For Any Required Deviation From The Commission's Order in Administrative Case No. 327; And (3) All Other Required Approvals And Relief* (Ky. P.S.C. March 4, 2105).

<sup>4</sup> Application, *In the Matter of: The Application of Kentucky Power Company for: (1) A General Adjustment of Its Rates for Electric Service; (2) An Order Approving Its 2014 Environmental Compliance Plan; (3) An Order Approving Its Tariffs and Riders; and (4) An Order Granting All Other Required Approvals and Relief* at Exhibit JAR-8 (Ky. P.S.C. Filed December 23, 2014).

<sup>5</sup> Application *In the Matter of: Electronic Application Of Kentucky Power Company For (1) A General Adjustment Of Its Rates For Electric Service; (2) An Order Approving Its 2017 Environmental Compliance Plan; (3) An Order Approving Its Tariffs And Riders; And (4) An Order Approving Accounting Practices To Establish Regulatory Assets And Liabilities; And (5) An Order Granting All Other Required Approvals And Relief*, Case No. 2017-00179 at Exhibits D and E (Ky. P.S.C. Filed July 17, 2017).

<sup>6</sup> Application, *In the Matter of: Electronic Application Of Kentucky Power Company For (1) A General Adjustment Of Its Rates For Electric Service; (2) Approval Of 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*, Case No. 2020-00174 at Exhibits D and E (Ky. P.S.C. Filed July 14, 2020).

<sup>7</sup> Rogness Testimony, *In the Matter of: The Application Of Kentucky Power Company For (1) Approval Of An Economic Development Rider; (2) For Any Required Deviation From The Commission's Order in*

Kentucky Power Company  
KPSC Case No. 2022-00424  
Attorney General's Second Set of Data Requests  
Dated February 9, 2023  
Page 3 of 3

*Administrative Case No. 327; And (3) All Other Required Approvals And Relief at 24 (Ky. P.S.C. Filed September 18, 2014).*

<sup>8</sup> Order, *In the Matter of: Electronic Application Of Kentucky Power Company For Approval Of A Contract For Electric Service Under Tariff E.D.R.*, Case No. 2018-00378 at 9 (Ky. P.S.C. June 9, 2019).

<sup>9</sup> Order, *In the Matter of: Electronic Application Of Big Rivers Electric Corporation And Meade County Rural Electric Cooperative Corporation For (1) Approval Of Contracts For Electric Service With Nucor Corporation; And (2) Approval Of Tariff*, Case No. 2019-00365 at 10 n. 35 (Ky. P.S.C. August 17, 2020) (“The Commission notes that Kentucky Power Company’s Tariff E.D.R. has a similar provision that allows Kentucky Power Company (Kentucky Power) to procure capacity on the Tariff E.D.R. customer’s behalf during periods when Kentucky Power does not have sufficient generating capacity available.”)

Witness: Brian K. West

Kentucky Power Company  
KPSC Case No. 2022-00424  
Attorney General's Second Set of Data Requests  
Dated February 9, 2023

**DATA REQUEST**

- 2\_3** See Public Attachment 1 to Response to Commission Staff's Request 1-1, Summary Tab, cells C17:L17.
- a. Provide all available justification for the yearly escalation of PJM LSE Transmission costs by 5%.
  - b. Confirm that the annual growth rate in AEP NITS revenue requirements from 2017 to 2023 is approximately 12%, not 5%.
  - c. Provide an updated calculation escalating PJ LSE Transmission Costs over the ten year period of the contract by 12% annually.
    - i. Provide the impact of this change to the sum of PJM LSE Transmission costs found at cell M17.
    - ii. Provide the impact of this change to the net revenue calculation at cell M21.

**RESPONSE**

- a. The yearly escalation of PJM LSE Transmission costs by 5% is an estimated assumption for purposes of the 10-year forward looking estimate.
- b. The Company assumes this request relies on the Company's attachment to AG-KIUC 2\_3 in Case No. 2022-00387 to make this assertion. Please see KPCO\_R\_AG\_2\_3\_Attachment1 which is nearly identical to the aforementioned attachment except to provide percent change to the total zonal PTRR year over year (row 8). Isolating this percent change for the years 2017 through 2023 produces an average annual change of 12.7%.
- c. The Company has not performed the requested analysis.

Witness: Lerah M. Kahn

Kentucky Power Company  
KPSC Case No. 2022-00424  
Attorney General's Second Set of Data Requests  
Dated February 9, 2023

**DATA REQUEST**

- 2\_4** See Public Attachment 1 to Response to Commission Staff's Request 1-1, Summary Tab, cells C15:L15. Provide all available justification for selecting a fixed energy charge in the amount of \$2,870,167 annually and leaving it unchanged over the ten year period of the contract.

**RESPONSE**

Forward LMPs, like all commodities, are volatile and unknown. As such, the Company assumed for purposes of the marginal cost study that the marginal cost of energy is equal to the total fuel rate used in the projected 10-year revenue estimate.

Witness: Lerah M. Kahn

**VERIFICATION**

The undersigned, Brian K. West, being duly sworn, deposes and says he is the Vice President, Regulatory & Finance for Kentucky Power, that he has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and correct to the best of his information, knowledge, and belief.




Brian K. West

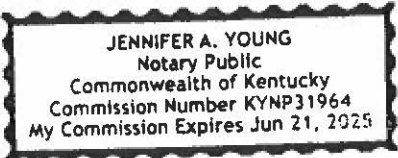
Commonwealth of Kentucky )  
  )  
County of Boyd                         )

Case No. 2022-00424

Subscribed and sworn before me, a Notary Public, by Brian K. West this  
  21   day of February, 2023.

  
\_\_\_\_\_  
Notary Public

My Commission Expires   6/21/25  




**VERIFICATION**

The undersigned, Lerah M. Kahn, being duly sworn, deposes and says she is Manager, Regulatory Services for Kentucky Power, that she has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and correct to the best of her information, knowledge, and belief.

  
\_\_\_\_\_  
Lerah M. Kahn

Commonwealth of Kentucky )  
  )  
County of Boyd                            )     Case No. 2022-00424

Subscribed and sworn before me, a Notary Public, by Lerah M. Kahn this  
21 day of February, 2023.

  
\_\_\_\_\_  
Notary Public  
My Commission Expires 6/21/25

