

Kentucky Power Company  
KPSC Case No. 2023-00159  
Joint Intervenor's First Set of Data Request  
Dated August 14, 2023

**DATA REQUEST**

**JI 1\_1** Please provide any redacted documents included in the Company's initial filing and direct testimonies in non-redacted, electronic versions (machine readable, unprotected, with formulas intact), if they have not already been provided to the Joint Movants.

**RESPONSE**

The Company will provide the requested schedules in the requested format upon the execution of a non-disclosure agreement, which has been provided to counsel for Joint Intervenor's.

Preparer: Counsel

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**DATA REQUEST**

**JI 1\_2** Please produce all workpapers, in electronic spreadsheet format with formulas intact, supporting each of the Statements, testimonies, exhibits, and attachments included in the Company's initial filing and direct testimonies.

**RESPONSE**

Please see the Company's response to KPSC 2-1 and associated attachments. To the extent this request seeks the production of information beyond that provided in response to KPSC 2-1, the Company objects to the request as requiring the creation of information in a form that it does not exist, or as imposing an obligation that is unduly burdensome and not reasonably calculated to lead to the discovery of admissible evidence.

Witness: Brian K. West

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**DATA REQUEST**

**JI 1\_3** With respect to the potential buildout of crypto-currency mining facilities in Kentucky Power territory:

a. Please identify all the cryptocurrency mining facilities that were operating during the test year in Kentucky Power territory by name, location, capacity need (in MW), and costs associated with each facility.

b. Please explain whether those cryptocurrency mining facility customers included in the Company's test year data?

c. Please identify all currently operating cryptocurrency mining facilities in Kentucky Power territory by name, location, capacity need (in MW), and costs associated with each facility.

d. Has the Company conducted any analysis, as part of any cost of service study or otherwise, that compares the amount that cryptocurrency mining facilities are paying in rates relative to the cost of serving these facilities.

i. If so, please identify or produce any such analysis or study.

ii. If not, please state why not.

**RESPONSE**

The Company objects to this request on the basis that it seeks information that is neither relevant to this proceeding nor reasonably calculated to lead to the discovery of admissible evidence. The Company has an obligation to serve all customers wishing to take service in the Company's service territory, and the Company cannot unreasonably discriminate against any customer based on its legal business or industry. In addition, all commercial and industrial customers, including cryptocurrency facilities, are properly included in the tariff class under which they receive service in the class-cost-of-service study provided in this case.

Preparer: Counsel

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**DATA REQUEST**

**JI 1\_4** Please refer to the direct testimony of Timothy C. Kerns, page 11, lines 5–8.

a. Does the Company anticipate any additional generation plant capital additions related to fossil fuel generation or Production Plant Blanket will be placed in service between now and 2028?

b. If so, has the Company identified any particular projects or expenditures related to generation plant capital additions? Please identify and describe these projects and provide any current estimate of any costs associated.

**RESPONSE**

The Company objects to this request on the grounds that it is not reasonably calculated to lead to the discovery of admissible evidence and that the information sought is not relevant in this proceeding. In support of the objection, the Company states that the request seeks information outside the test year and does not directly relate to any proposal included in the Company's direct case and, therefore, is outside the scope of this proceeding.

Preparer: Counsel

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**DATA REQUEST**

**JI 1\_5** Please refer to the direct testimony of Alex E. Vaughan, page 14, lines 21– 23.

a. As part of its “long-term replacement solution,” is Kentucky Power evaluating whether to propose to construct a natural gas combustion turbine or natural gas combined cycle plant?

b. If yes, please provide any documents or information showing the status of this evaluation, including any documents or information concerning the potential size(s) of any such plant(s) being considered, potential site(s) for any such plant(s), potential attributes of any such plant(s) (i.e. CT, NGCC, etc.), potential cost(s) for any such plant(s), and potential timing for any proposal(s) to construct any such plant(s) and timing for any such plant(s) to commence operation.

**RESPONSE**

a.-b. Please refer to the Company's filed IRP, Case No. 2023-00092, for the requested information.

Witness: Alex E. Vaughan

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**DATA REQUEST**

**JI 1\_6** Please refer to the direct testimony of Cynthia G. Wiseman, page13, lines 8–11.

- a. Please describe in detail current or future plans that the Company is aware of that would decrease its rate base.
- b. Please describe in detail any current or future plans that the Company is aware of that would increase capital investment, including funds from its parent company AEP.
- c. Please describe in detail how securitization being proposed in this case would impact the “main items driving” the low ROE discussed in testimony.

**RESPONSE**

a.- b. Please see the Direct Testimony Company Witness Wiseman, starting at page 16 through page 23. To the extent these subparts request information beyond the Company's proposals in this proceeding and/or outside the test year period, the Company objects to this request on the basis that it calls for speculation, is not reasonably calculated to lead to the discovery of admissible evidence, and is overly broad.

c. The Company objects to this request on the grounds that it misstates and mischaracterizes Company Witness Wiseman's testimony. The Company is not taking the position that securitization will materially affect the items impacting the Company's ROE identified in Company Witness Wiseman's Direct Testimony. None of the items identified in Company Witness Wiseman's Direct Testimony on page 13, lines 8-11, relate to Commission-approved regulatory assets eligible for securitization under KRS 278.670, *et seq.*

Witness: Cynthia G. Wiseman

Preparer: Counsel (subpart c)

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**DATA REQUEST**

- JI 1\_7** Please refer to the direct testimony of Cynthia G. Wiseman, Figure CGW-2.
- a. Please provide document(s) reflecting the underlying data and sources used in creating Figure CGW-2 in a machine-readable electronic format (e.g., Microsoft Excel).
  - b. Please provide document(s) reflecting any updates to the data shown in Figure CGW-2 past the first quarter of 2023, to the extent such data are available.

**RESPONSE**

- a. See KPCO\_R\_JI\_1\_7\_Attachment1 for the requested information.
- b. Kentucky Power's Operating ROE for June 2023 was 1.6%; there was no change to the authorized ROE of 9.3%

Witness: Cynthia G. Wiseman

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**DATA REQUEST**

- JI 1\_8** Please refer to the direct testimony of Franz D. Messner, Exhibit FDM-1.
- a. Please provide the workpapers and underlying calculations (with formulas intact) used in developing the NPV estimate, in a machine-readable electronic format (e.g., Microsoft Excel).
  - b. Please provide the assumed interest rate for the securitized bond and underlying source and basis for that assumed rate.
  - c. In general, could some amount of a securitized bond issued in Kentucky be used to fund re-investments in new resources?
    - i. If so, please explain any constraints on the amount that would be available for re-investment.
    - ii. If not, please explain why not.
  - d. In general, could some amount of a securitized bond issued in Kentucky be used for transition assistance to workers affected by a unit's retirement?
    - i. If so, please explain any constraints on the amount that would be available for transition funding.
    - ii. If not, please explain why not.

**RESPONSE**

- a. Please refer to KPCO\_R\_KPSC\_2\_1\_Attachment10\_MessnerWP1 2-70.
- b. As shown in Niehaus Exhibit 2, the 5.166% was an estimate provided by Goldman Sachs, the company's securitization advisor, based on then current market conditions and is subject to change.
- c.-d. Refer to the proposed financing order, page 63, section III Findings of Fact, subsection D, Use of Proceeds, which describes the use of proceeds as follows, "Upon the issuance of securitized bonds, BondCo will use the net proceeds from the sale of the securitized bonds (after payment of up-front financing costs) to pay to Kentucky Power the purchase price of the securitized property. The proceeds from the sale of the securitized property will be applied by Kentucky Power to reduce its recoverable securitized costs. The proposed accounting entries will result in removal of the regulatory



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asset representing the distribution portion of recoverable securitized costs from Kentucky Power's books. Thereafter, bond proceeds will be used to repay any outstanding term loans and short-term debt at Kentucky Power and to fund capital expenditures to support utility operations and services. The specific application of the proceeds will be determined by market conditions and Kentucky Power's expected future expenditures at the time the proceeds are received." It is too early to speculate regarding what the actual use of proceeds will be but in general is anticipated that some of the proceeds will be for general corporate purposes and to repay debt and equity in a manner that results in a capital structure consistent with the one proposed in this rate case.

Witness: Franz D. Messner

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**DATA REQUEST**

**JI 1\_9** Please refer to the direct testimony of Katrina T. Niehaus, Niehaus Exhibit 2.

a. Please provide the workpapers and underlying calculations (with formulas intact) used in developing the estimate of annual securitization bond payments in a machine-readable electronic format (e.g., Microsoft Excel).

b. Apart from the starting balance of the securitization bond, please explain why the annual payments shown in the exhibit (column "Total P&I") are roughly half of the \$37 million annual revenue requirement estimated by Witness Messner. As part of your answer, please provide a detailed breakdown of any additional costs and fees that are included in the estimated annual revenue requirement.

**RESPONSE**

a. Please see KPCO\_R\_KPSC\_2\_1\_Attachment10\_MessnerWP1 for the requested information.

b. The \$18,044,477 amount in the column labeled "Total P&I" in Exhibit 2 represents the semi-annual interest and principal amounts. The \$37 million revenue requirement included in the testimony of Company Witness Messner is an annual revenue requirement. This annual amount includes the annual estimated principal and interest payments (\$18,044,477 x 2) and servicing fees and transaction expenses.

Witness: Franz D. Messner (subpart a)

Witness: Katrina T. Niehaus (subpart b)

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**DATA REQUEST**

- JI 1\_10** Please refer to the direct testimony of Adrien M. McKenzie, page 21, lines 15–22.
- a. Would raising the “common equity required” involve investors buying stock in AEP, the Company’s parent?
    - i. If not, please explain.
  - b. With what other “investment opportunities” does Kentucky Power compete that are specific to the Company and not its parent company, AEP? Please explain in detail.
  - c. Please confirm that if AEP is the sole shareholder in Kentucky Power, then AEP receives the earnings from Kentucky Power, some of which is distributed to AEP shareholders.
    - i. If denied, please explain in detail.
    - ii. If confirmed, is there an equity investor that is needed outside of AEP to support the Company’s equity needs? Please explain.
  - d. Is there anything preventing AEP from investing additional equity in Kentucky Power?
    - i. If so, please explain what would prevent this.
  - e. If AEP were to invest additional equity in Kentucky Power, could AEP raise its own funds in equity markets to do so?
    - i. If not, please explain why not.
  - f. If AEP were to raise equity or debt, are those potential investors more likely to review the credit ratings of AEP or Kentucky Power?
  - g. If AEP were to invest additional equity in Kentucky Power, could AEP raise its own funds by selling assets?
    - i. If not, please explain why not.

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h. Please provide the credit ratings for AEP issued by S&P, Fitch, and Moody's in the past ten years.

i. Please provide the credit ratings for Kentucky Power issued by S&P, Fitch, and Moody's in the past ten years.

**RESPONSE**

The Company objects to this request to the extent is not reasonably calculated to lead to the discovery of admissible evidence, is overly broad, and concerns information not about Kentucky Power but instead about American Electric Power ("AEP"), which is a separate legal entity. Without waiving this objection, the Company states as follows:

a. Yes. Because Kentucky Power does not have publicly traded common stock, investor-supplied equity capital is provided indirectly through the sale of common stock in AEP, the Company's parent.

b. The "other investment opportunities" relevant to the evaluation of the cost of equity are those that are comparable in risk to Kentucky Power. The typical practice in utility rate proceedings is to evaluate investors' required returns for a proxy group of publicly traded utility companies with risks that are comparable to the utility at issue. As Mr. McKenzie explains at pages 63 to 66 of his direct testimony, consistent with regulatory and financial principles, the "other investment opportunities" available to investors are not restricted to utilities and would include non-regulated companies as well.

c. Individual or corporate shareholders do not "receive the earnings" in companies in which they own common stock. The only cash flows that AEP receives from Kentucky Power are in the form of dividend payments. Similarly, AEP does not "distribute" any earnings from Kentucky Power to its shareholders. Rather, AEP pays dividends to its shareholders in accordance with its corporate financial policies, which consider a range of factors including cash flow needs, industry practices, and the need to support credit standing. All of AEP's common stockholders are "outside of AEP," and AEP's access to equity capital is dependent on its ability to sell common stock in the equity markets at a reasonable price.

d. No. However, under basic economic principles, in order for Kentucky Power to be able to attract debt and equity capital from investors, it is reasonable to expect that those investors require a realistic opportunity to earn a rate of return that compensates them for bearing the associated risk. As Mr. McKenzie explains at pages 27 through 28 of his Direct Testimony, Kentucky Power's earned return has fallen below its authorized return in every quarter since 2018, with Moody's reporting to investors that "Kentucky Power is

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AEP's weakest utility subsidiary from a credit perspective, with cash flow that has historically been constrained by persistent underearning in an economically challenged service territory." Chronic attrition and an inadequate authorized ROE would both undermine Kentucky Power's credit standing and its ability to attract capital.

e. The Company further objects to this subpart on the grounds that it calls for speculation.

f. With respect to this proceeding, the only risks that are at issue when evaluating a fair ROE are those associated with Kentucky Power. In addition, it is important to note that credit ratings are predicated on the risk of default, which is primarily applicable to debt investors. While credit ratings provide an objective indicator of relative risk, they do not apply directly to common equity investors. For example, while there may be more than sufficient cash flow to meet interest payments and maturing debt obligations, the chronic regulatory lag experienced by Kentucky Power erodes common equity investors' opportunity to earn a fair rate of return and implies greater uncertainty.

g. The Company further objects to this subpart on the grounds that it calls for speculation.

h.-i. Please refer to the responses to the responses and attachments in AG-KIUC 1-61 and 1-62 for rating agency reports for KPCo and AEP, respectively.

Witness (except for subparts e. and g.): Adrien M. McKenzie

Preparer: Counsel (subparts e. and g.)

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**DATA REQUEST**

- JI 1\_11** Please refer to the direct testimony of Adrien M. McKenzie, Exhibits AMM-2 through AMM-12.
- a. Please provide the workpapers and underlying calculations (with formulas intact) used in developing the cost of equity estimates.
  - b. Please confirm that nearly all of the forecast data, including dividend yields and growth rates, in the cost of equity estimates was for parent companies, not subsidiaries.
    - i. If denied, please explain where forecast data was used for subsidiaries.
  - c. If the securitization being proposed in this case were approved, please explain how that would affect the Company's:
    - i. Balance sheet
    - ii. Earnings
    - iii. Risk profile
  - d. If the Company were to sell its share of the Mitchell plant, please explain how that would affect the Company's:
    - i. Balance sheet
    - ii. Earnings
    - iii. Risk profile

**RESPONSE**

- a. Please see KPCO\_R\_KPSC\_2\_1\_Attachments 52 through 54 for the requested information.
- b. As discussed in Mr. McKenzie's Direct Testimony at page 22, application of quantitative models to estimate the cost of equity requires observable capital market data, such as stock prices, expected dividend payments, growth rates, and beta values. Because this information is only available for firms with publicly traded common stock, the proxy group is composed of publicly traded utilities, most of which are holding companies.

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c. i. Balance sheet – Refer to the proposed financing order, page 63, section III Findings of Fact, subsection D, Use of Proceeds, which describes the use of proceeds as follows, “Upon the issuance of securitized bonds, BondCo will use the net proceeds from the sale of the securitized bonds (after payment of up-front financing costs) to pay to Kentucky Power the purchase price of the securitized property. The proceeds from the sale of the securitized property will be applied by Kentucky Power to reduce its recoverable securitized costs. The proposed accounting entries will result in removal of the regulatory asset representing the distribution portion of recoverable securitized costs from Kentucky Power’s books. Thereafter, bond proceeds will be used to repay any outstanding term loans and short-term debt at Kentucky Power and to fund capital expenditures to support utility operations and services. The specific application of the proceeds will be determined by market conditions and Kentucky Power’s expected future expenditures at the time the proceeds are received.” It is too early to determine what the actual use of proceeds will be but in general proceeds may be used for general corporate purposes, including, but not limited to repaying debt and equity.

ii. Earnings – The impact of securitization is expected to decrease earnings associated with the equity component of the weighted average cost of capital carrying charge in the Decommissioning Rider. The Company is unable to otherwise speculate on the effect of securitization on earnings.

iii. Risk profile – No change to the risk profile is expected.

d. The Company objects to this request as seeking information that is neither relevant in this case nor reasonably calculated to lead to the discovery of admissible evidence. The Company further objects on the grounds that it seeks information that is outside the scope of this rate case. The Company further objects on the ground that the request calls for speculation.

Witness: Adrien M. McKenzie (subparts a and b)

Witness: Franz D. Messner (subpart c)

Preparer: Counsel (subpart d)

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**DATA REQUEST**

- JI 1\_12** Please refer to the direct testimony of Adrien M. McKenzie, Exhibits AMM-3 through AMM-10.
- a. Please explain in detail why Mr. McKenzie did not include other Kentucky investor-owned utilities in the “Utility Group” that he analyzed, such as Louisville Gas & Electric Company or Kentucky Utilities Company.
  - b. Please explain in detail why Mr. McKenzie included Duke Energy Corporation (the parent company) in the “Utility Group” that he analyzed, rather than directly comparing Kentucky Power to Duke Energy Kentucky.
  - c. Please explain in detail why Mr. McKenzie did not include any other AEP affiliates in the “Utility Group” that he analyzed, such as Appalachian Power Company, Indiana Michigan Power Company, Public Service Company of Oklahoma, or Southwestern Electric Power Company.

**RESPONSE**

- a. Please refer to the Company’s response to JI 1-11 (b). Neither Louisville Gas & Electric Company nor Kentucky Utilities Company is publicly traded. As a result, they lack the data necessary to apply standard financial models to estimate the cost of equity.
- b. Please refer to the Company’s response to JI 1-11 (b).
- c. Please refer to the Company’s response to JI 1-11 (b).

Witness: Adrien M. McKenzie



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**DATA REQUEST**

- JI 1\_13** Please refer to the direct testimony of Everett G. Phillips, page 10, in which Mr. Phillips states, referring to the test-year amount requested for O&M, “This represents the amount necessary for the Company to continue to provide safe and reliable service to its customers. In order to further improve reliability for customers, the Company is proposing the DRR, which has associated O&M not included in the test year amount.”
- a. Are the projects funded by the DRR not necessary to provide safe and reliable service to customers? Please explain why or why not.
- b. If the Commission does not grant the Company’s request for a DRR, will the Company undertake the projects in the DRR Work Plan (Exhibit EGP-4)? Please explain why or why not.

**RESPONSE**

- a. The projects included in the DRR Work Plan are necessary to improve the reliability and resiliency of the Company’s distribution system, as detailed in Company Witness Phillips’ Direct Testimony.
- b. If the Commission does not approve the DRR, the Company will still undertake the projects included in the DRR Work Plan, albeit over a longer period of time. Having a rider mechanism to recover distribution capital investments will help the Company attract the additional capital necessary to directly address the reliability challenges facing the Company.

Additionally, the Company’s balance sheet can only support a certain amount of capital investment and that investment is balanced between generation, transmission, and distribution needs. Having a rider mechanism will help ensure the Company can more quickly make the incremental capital investments to address distribution reliability challenges because those dollars will be protected from being reallocated to transmission or generation functions. Thus, in order for the Company to make meaningful improvements in the reliability and resiliency of the distribution system in a shorter period of time, for the benefit of customers, it needs the DRR cost recovery mechanism to support that investment. See Company Witness West’s Direct Testimony at page 18 for a discussion of the benefits of the DRR.

Witness: Everett G. Phillips  
Witness: Brian K. West

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**DATA REQUEST**

**JI 1\_14**

The following questions refer to the DRR described in the direct testimonies of Brian K. West and Everett G. Phillips.

a. Please confirm that the DRR would not include any capital expenditures for the Company's generation facilities. If not confirmed, please explain.

b. Has the Company developed a prioritized list of potential projects that fall within the 5 DRR categories in the DRR Work Plan (TOR – Enhanced ROW Widening, Additional Tie Lines, DACR/Recloser Modernization, Additional New Distribution Substation Sources, and Asset Renewal/Storm Hardening or Resiliency)? See the direct testimony of Everett G. Phillips, page 35, Figure-EGP10.

i. If so, please provide a copy of any such list.

ii. If not, please provide a thorough explanation of how the Company will prioritize projects for inclusion in the DRR.

c. Please identify each capital project with costs greater than \$100,000 that is planned or under consideration for inclusion in the DRR Work Plan. For each such project, please provide:

i. the county where such project would be performed;

ii. project description;

iii. the estimated cost for each of the years 2024–28;

iv. Please produce any project charter, project scope document, economic analysis, and/or other written evaluation of the costs and benefits of such project.

v. If not already provided in response to subpart iv, please identify the project's estimated impact on CAIDI, SAIDI, and/or SAIFI (to the extent available).

d. Has the Company identified any projects beyond the scope of the five-year DRR Work Plan, i.e., starting in year 2029 or later? If so, please provide a list of any such projects.

e. Has the Company considered non-wires alternatives to the distribution projects identified in the DRR Work Plan?

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- i. If so, please provide any analysis of non-wires alternatives for distribution investments conducted by the company.
- ii. If not, please explain why not.

**RESPONSE**

a. Confirmed.

b. The Company has developed a prioritized list of potential projects that fall within the 5 DRR categories in the DRR Work Plan. The prioritized list may be found in KPCO\_R\_KPSC\_2\_1\_Attachment11\_PhillipsWP11 at tab 1. The priorities are subject to change.

c. The requested information is provided in the Direct Testimony of Company Witness Phillips in Exhibit EGP-4, and in KPCO\_R\_KPSC\_2\_1\_Attachment11\_PhillipsWP1 at tab “DRR Projected Projects.”

The DRR Work Plan (Exhibit EGP-4) provides, by DRR Component, a program description, measures by reliability improvement, and the projected capital spend by year.

KPCO\_R\_KPSC\_2\_1\_Attachment11\_PhillipsWP11 at tab “DRR Projected Projects” provides a breakdown of the DRR projects by location (district) and program, and projected costs for those projects by year (2024-2028).

d. No, Kentucky Power has not identified any projects beyond those described in the proposed DRR Work Plan (Exhibit EGP-4) at this time.

e. Kentucky Power has not considered any non-wires alternatives for inclusion in the proposed DRR Work Plan at this time. The operating challenges currently faced by the Company, as detailed in pages 14-18 of the Phillips Direct Testimony, are best addressed by the projects proposed by the Company in the DRR Work Plan, as described throughout Section IX of Phillips Direct Testimony.

Witness: Everett G. Phillips

Witness: Brian K. West

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- JI 1\_15** Please refer to the direct testimony of Brian K. West, pages 17–18.
- a. Does the Company plan to continue the DRR beyond the five years covered by the current DRR Plan? Please explain why or why not.
- i. If yes, when does the Company anticipate that the DRR will no longer be necessary? Does the Company have a planned sunset date for the DRR?
- ii. if no, what will the Company do if the projects identified for the DRR Work Plan are not completed within the five years of the plan? Please answer in reference to both completion of projects and recovery of costs expended.
- b. Does the Company plan to present an updated DRR five-year plan at each annual true-up proceeding?

**RESPONSE**

a.-b. The Company plans to continue the DRR for as long as it is still needed. As proposed, the DRR Work Plan would be submitted for Commission review and approval on an annual basis and would propose a rolling 5-year DRR Work Plan. Therefore, yes, as of now the Company plans to continue the DRR beyond the five years covered by the current proposed DRR Work Plan with no planned sunset date. Please also see the Company's response to KPSC 2-5.

Witness: Everett G. Phillips

Witness: Brian K. West

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**JI 1\_16** Please refer to the direct testimony of Michael M. Spaeth, page 6, in which Mr. Spaeth states, “The Company included the revenues and expenses associated with the non-Mitchell FGD portion of the test year Environmental Surcharge in its proposed base rate cost of service.” Please provide a breakdown of the amounts of revenues and expenses included in the test year, including which generation facility or facilities those revenues or expenses are associated with.

**RESPONSE**

Please see the Company’s response to KPSC 2-1, specifically KPCO\_R\_KPSC\_2\_1\_Attachment3\_KahnWP1 and KPCO\_R\_KPSC\_2\_1\_Attachment4\_KahnWP2.

Only revenues and expenses associated with non-Mitchell FGD portion of the test year Environmental Surcharge are included in the proposed base rate cost of service.

Witness: Lerah M. Kahn

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**DATA REQUEST**

**JI 1\_17** Please refer to the direct testimony of Michael M. Spaeth, page 20, in which Mr. Spaeth states: "The Company proposes that the DRR be recovered from customers on a per bill basis by residential and all other rate schedules, excluding outdoor lighting, street lighting, subtransmission voltage and transmission voltage customers."

a. Please explain what Mr. Spaeth means by a "per-bill basis." Will the DRR be a fixed or volumetric (per-kWh) charge? Please explain in detail the Company's rationale for structuring it in this way.

b. Please provide the estimated monthly cost of the DRR, on a total and per kWh basis, to the average customer, in each of the Company's rate classes over the five-year term of the proposed DRR Work Plan, in native format. If native format is Excel, please provide with formulas intact.

**RESPONSE**

a. The Company is proposing that the DRR be a fixed charge to reflect the fixed nature of the costs.

b. The Company has not performed the requested analysis. The initial rate for the proposed DRR is \$0 and the Company will propose a rate in its initial annual filing for the reconciliation period which will be subject to review by the Commission. The DRR rate will fluctuate yearly depending on what programs are ultimately approved by the Commission. See also the Company's response to AG-KIUC 1-20 (b).

Witness: Michael M. Spaeth

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**DATA REQUEST**

**JI 1\_18** Please refer to the direct testimony of Michael M. Spaeth, Exhibits MMS-6 and MMS-7.

- a. Please confirm that these are the Marginal Cost of Service analyses for customers taking service under the Economic Development Rider rates and the Company's special contract customer, respectively.
- b. Please explain why line (10) Generation Capacity is accorded a \$0 incremental cost.
- c. For special contract customer in MMS-7, please explain why the marginal costs for distribution are \$0.

**RESPONSE**

- a. Confirmed for MMS-6. MMS-7 is a marginal cost analysis for an approved special contract customer. This special contract was negotiated to retain that entity as a customer of Kentucky Power. The pricing within the special contract is not akin to Tariff E.D.R.
- b. All customers included within MMS-6 and MMS-7 are captured within the replacement capacity necessary for the loss of the Rockport UPA. Therefore, no incremental capacity was purchased.
- c. The customer is served from the Company's 69 kV Transmission system.

Witness: Michael M. Spaeth

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**DATA REQUEST**

- JI 1\_19** Please refer to the direct testimony of Stevi N. Cobern, pages 4–5.
- a. Please confirm that “dollar-for-dollar match” means that the Company matches 100% of the funding raised through the Residential Energy Assistance Tariff, and that those funds come from Company shareholders.
  - b. Do the numbers provided in Figure SNC-1 and described on page 4 match the actual expenditures and number of customers who actually received benefits in 2022-2023?

**RESPONSE**

- a. Confirmed.
- b. No. Figure SNC-1 provides the available funding and anticipated benefits for each participant. The actual number of participants can vary from program year to program year and the total amount distributed to participants by each program can accordingly change. For program year 2022-2023, the THAW program provided an average benefit to the 1,178 participants in the program of \$169.90. For the same program year, there were 1,613 participants in the HEART program compared to the anticipated 1,529. Historically, this is the result of participants not completing the program year and being replaced with another. A second participant taking over for a participant that does not complete the program does not change the level of benefits paid.

Witness: Stevi N. Cobern

Witness: Lerah M. Kahn



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**DATA REQUEST**

- JI 1\_20** Please refer to the direct testimony of Stevi N. Cobern. The following questions are about the Company's HEA Programs:
- a. Please describe the Company's prioritization criteria for applicants for each HEA Program.
  - b. Please estimate how many of the Company's residential customers are eligible for each HEA Program.
  - c. Has the Company considered an HEA program that would provide assistance to customers for summer cooling expenses, or bill assistance for economic hardship outside the January to April time frame? Please explain.
  - d. Do the HEA programs leverage or utilize federal funding from the LIHEAP program in any way? Please explain.
  - e. Is the Company aware that its HEA programs are not listed along with other utility programs in the LIHEAP Clearinghouse state snapshot page for Kentucky, <https://liheapch.acf.hhs.gov/profiles/Kentucky.htm>? If so, please state the reason Kentucky Power's programs are not listed, if known.

**RESPONSE**

- a. The HEART and THAW programs are administered by Community Action Kentucky ("CAK") and its member agencies on behalf of Kentucky Power. THAW benefits are provided on a first-come-first-served basis.

It is the Company's understanding that CAK utilizes a priority system to score HEART applicants and award benefits. The factors used to rank applicants are similar to those used by CAK and its member agencies to provide weatherization assistance. The factor and corresponding points used to rank applicants are:

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**Household Points**

- 1 Point(s) for each household member
- 10 Point(s) for each elderly and disabled family member
- 5 Point(s) for each child under the age of six

**Income Points**

- 3 Point(s) <75%
- 2 Point(s) 75-99%
- 1 Point(s) 100-150%

**Fuel to Energy to Income Ratio**

- 2 Point(s) 0-5%
- 4 Point(s) 6-14%
- 6 Point(s) 15-21%
- 8 Point(s) 22-28%
- 10 Point(s) 29-33%
- 15 Point(s) >34%
- 15 Point(s) Zero Income

The initial assignment of slots is made at the end of the initial application process (approximately mid-December of each year). The priority system is used to rank recipients by county for each local community action agency. Eligible participants are ranked from highest to lowest score and benefits are awarded based on the applicants' ranking. The applicant who was approved first is awarded the slot in the case of a tie.

A waiting list is developed by each participating community action agency when all slots have been awarded. In the event additional slots become available, eligible participants are placed in and awarded monthly benefits based on their score. Unfilled slots can be transferred to another county or community action agency with unmet demand.

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b. Kentucky Power does not maintain income records for customers and therefore cannot estimate the number of residential customers who may qualify for the HEART program. THAW approval is not contingent on income level but rather a demonstrated hardship, therefore, any residential customer with a hardship can apply for THAW and may qualify. The Company's THAW program currently defines a hardship as: "an event that has caused a significant burden on the household. As such THAW funds could provide a noticeable and meaningful contribution for the participant to cope with the resulting financial strain of such burden(s)."

c. Yes. HEART (previously HEAP) provided summer assistance; however, in the Commission's October 30, 2018 Order in Case No. 2018-00311 it was determined that "...the Joint Applicants have shown how focusing the bill credits on winter heating months provides customers with assistance when they most require it and also enables Kentucky Power to provide larger bill credits, thereby making a bigger impact on customers' monthly bills when they are mostly likely in need of assistance. Providing the increased bill credits during the winter heating season to a larger number of participants appropriately serves the needs of Kentucky Power's most vulnerable customers."

d. The Company's HEART program was amended in Case No. 2019-00245 for recipients to direct LIHEAP payments to Kentucky Power if electricity is their primary heating source.

e. The Company was not aware of the LIHEAP Clearinghouse website and has requested to add information regarding our HEA programs to this website.

Witness: Stevi N. Cobern

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**DATA REQUEST**

**JI 1\_21** Please refer to the direct testimony of Stevi N. Cobern, page 9. How much supplemental funding does the Company provide to Kentucky Housing Corporation's Weatherization Assistance Program annually, and is that amount funded by ratepayers or Company-shareholders?

**RESPONSE**

The Company provides supplemental funding to Kentucky Housing Corporation's Weatherization Assistance Program through the Company's Targeted Energy Efficiency program ("TEE"), a demand-side management program. The TEE program is funded through the Company's DSM rider, which is paid by ratepayers. The amount of funding for the TEE program can vary by year. The annual budget for the TEE program for the past five years was:

2023	\$281,000
2022	\$281,000
2021	\$274,400
2020	\$326,800
2019	\$284,800

Witness: Scott E. Bishop

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**DATA REQUEST**

- JI 1\_22** Please refer to the direct testimony of Stevi N. Cobern, page 11.
- a. Please provide the marketing materials or describe the publicity plan for the three customer workshops in the Hazard district. What did the Company learn about “how customers prefer to interact” from those workshops?
  - b. Please provide the two concept papers submitted for the Grid Resilience and Innovation and Clean Energy Demonstration on Current and Former Mine Land programs.
  - c. Please state which tax credits available through the Inflation Reduction Act the Company plans to take advantage of.

**RESPONSE**

- a. Please see KPCO\_R\_JI\_1\_22\_Attachment1 for the marketing materials used for the customer workshops. As a result of the unattended customer workshops, the Company could surmise customers prefer phone or electronic methods of communication.
- b. Kentucky Power’s concept papers for both the Grid Resilience and Innovation Partnership (GRIP) and Clean Energy Demonstration on Current and Former Mine Land (CEML) did not move forward in the grant approval process. Given that grant funding was not approved, these projects are no longer viable, therefore the proposed projects will remain confidential.

Both the Grid Resilience and Innovation Partnership (GRIP) and Clean Energy Demonstrations on Current and Former Mine Land (CEML) are competitive grant programs in which AEP and its operating companies are taking part with other utilities and not-for-profit entities in pursuit of federal grant dollars for the benefit of AEP and Kentucky Power customers. Accordingly, the Company’s strategy in drafting concept papers and applications is considered proprietary and confidential. These documents were submitted under such protection to the Department of Energy. The Company will not release the requested documents as doing so would create a distinct disadvantage now and in the future for AEP and Kentucky Power’s customers.

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c. The Company objects to this subpart to the extent it seeks legal analysis or a legal opinion, which are not the appropriate subject of discovery. Without waiving this objection, the Company states as follows:

Please see the Direct Testimony of Company Witness Vaughan at page 30. The Inflation Reduction Act extended and increased existing renewable generation incentives including the section 48 Investment Tax Credit and the section 45 Production Tax Credit and additionally introduced new generation incentives such as the section 48E Clean Electricity Investment Credit and the section 45Y Clean Electricity Production Credit. An investment in the solar garden program would evaluate these incentives and determine which is most appropriate and beneficial for customers.

Witness: Stevi N. Cobern

Witness: Linda M. Schlessman (subpart c)

Witness: Alex E. Vaughan (subpart c)

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**March 9 @ 6 PM - 7:30 PM**  
**Knott County Sportsplex**  
**450 Kenny Champion Loop**  
**Leburn, KY 41831**

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**March 10 @ 11:30 AM - 1 PM**  
**Jackson City Hall**  
**333 Broadway Street**  
**Jackson, KY 41339**

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**March 13 @ 6 PM - 7:30 PM**  
**Whitesburg Service Center**  
**117 Madison Street**  
**Whitesburg, KY 41858**

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- Heating & cooling / energy efficiency
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**March 9 @ 6 p.m. - 7:30 p.m.**  
**Knott County Sportsplex**  
1000 Kenny Champion Loop  
Leburn KY 40340



**March 10 @ 11:30 a.m. - 1 p.m.**  
**Jackson City Hall**  
1000 Broadway Street  
Jackson KY 40300

**Visit our work stations to receive  
one-on-one assistance.**

Get answers to your questions and more  
information about:

**March 13 @ 6 p.m. - 7:30 p.m.**  
**Whitesburg Service Center**  
1000 Madison Street  
Whitesburg KY 40380

- Billing and electric usage
- Heating and cooling
- Energy efficiency
- Service programs such as tree trimming and meter checks
- Payment plans and programs including Average Monthly Payment (AMP) and more.

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**DATA REQUEST**

**JI 1\_23** Does the Company still maintain its voluntary energy cost assistance program, -23, approved by the Commission in Case No. 2018-00311?

a. If so, does the Company, or AEP, match donated funds into this program? If so, what is the match percentage and is there a cap? Please provide the amounts contributed to this program annually since 2020, by both volunteers and Company shareholders. b. If not, please explain why not.

**RESPONSE**

The Company's Donation HEART program still exists. It is administered, along with the Company's other HEA programs (HEART and THAW), by CAK. Kentucky Power matches customer donations dollar-for-dollar with shareholder funding up to \$20,000 annually.

a. The Company objects to this request on the basis that it seeks information that is outside the test year for this case and is, therefore, neither relevant to this proceeding nor reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving these objections, please see KPCO\_R\_KPSC\_2\_12\_Attachment1 for the requested information from July 2022 through June 2023.

Witness: Lerah M. Kahn

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**DATA REQUEST**

- JI 1\_24** Please provide the following data concerning the Company's HEA programs from during the 2022–2023 program year, separated by month:
- a. The amount of total funds collected from ratepayers for these programs via meter charge.
  - b. The amount of donations collected from ratepayers for the HEA program.
  - c. The total number of residential customers.
  - d. The amount of shareholder funds allocated for the program.
  - e. The amount of HEA funds distributed to participants.
  - f. The current balance of the HEA Account.
  - g. The amount, if any, of “rolled over” and unspent HEA funds.

**RESPONSE**

a.-g. Please see the Company's response to KPSC 2-12. This information is also publicly available in the Company's annual HEA update filed in the post-case correspondence of Case No. 2019-00366.

The amount of rollover funds available for distribution in an upcoming program year is calculated using a three-step process. First, actual REA surcharge receipts and matching Kentucky Power funds for the twelve months ending August 31 of the prior program year are summed. Second, the amount of benefits and actual administrative costs paid for the twelve months ending August 31 of the prior program year are likewise summed. The rollover amount is then calculated by subtracting the sum of the benefits and administrative costs paid from the sum of the surcharge and contribution receipts. This calculated rollover amount is then added to the forecast for the upcoming program of program receipts (both surcharge and Company contribution) less forecasted administrative costs to calculate the net funds available for distribution in the upcoming program year. Accordingly, the “rolled over” amount for the 2022-2023 program year was (\$105,187.47).

Witness: Lerah M. Kahn

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**DATA REQUEST**

- JI 1\_25** Please refer to the direct testimony of Alex E. Vaughan, page 29, at lines 3–14.
- a. Please explain in detail why Kentucky Power is proposing to construct these new solar facilities as “connected to the Company’s distribution system” rather than as “market-facing generation resources.”
- b. Please provide any analyses that Kentucky Power has conducted concerning the benefits and/or costs to customers of constructing new solar facilities in this manner. If the Company has not conducted any such analyses, please explain why not.
- c. Please provide any analyses that Kentucky Power has conducted concerning the benefits and/or costs to AEP shareholders of constructing new solar facilities in this manner. If the Company has not conducted any such analyses, please explain why not.
- d. Please explain whether Kentucky Power has considered the potential for programs to allow and encourage third-party ownership of distributed solar systems (e.g., solar leases and power purchase agreements). If the Company has considered the potential for such programs, please provide information concerning what options have been considered and any reasons for not proposing such programs in this case. If the Company has not considered the potential for any such programs, please explain in detail why not.
- e. Please explain whether Kentucky Power has considered the potential for “virtual net metering” programs that would allow the credits from a single solar array to be credited to multiple customers’ accounts. If the Company has considered the potential for such programs, please provide information concerning what options have been considered and any reasons for not proposing such programs in this case. If the Company has not considered the potential for any such programs, please explain in detail why not.

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f. Please explain whether Kentucky Power has considered the potential for programs to allow and encourage customer-sited battery storage as a demand response resource. If the Company has considered the potential for such programs, please provide information concerning what options have been considered and any reasons for not proposing such programs in this case. If the Company has not considered the potential for any such programs, please explain in detail why not.

**RESPONSE**

The Company objects to this request to the extent it is not reasonably calculated to lead to the discovery of admissible evidence, and to the extent it seeks information outside of the Company's custody and control, or about affiliates of Kentucky Power that are not subject to the jurisdiction of the Kentucky Public Service Commission and are subject to the jurisdiction of other federal and state regulatory commissions and government agencies. Without waiving these objections, the Company states as follows:

- a. Under current PJM rules distribution level generation projects provide a different suite of cost of service benefits than do market facing resources, and can avoid the PJM generation interconnection queue. By avoiding the generation interconnection queue the distribution level projects are more actionable near term than are new, larger market facing projects. These are the primary reasons for the Company's proposal to utilize distribution level solar projects.
- b. Please refer to [KPCO\\_R\\_KPSC\\_2\\_1\\_Attachment20\\_VaughanWP3](#) for the requested analysis. The Company's affiliate Appalachian Power Company has also constructed and contracted for the same type of resources in its Virginia jurisdiction so the Company's AEPSC representatives that assist the AEP Operating Companies with new generation resource acquisitions have experience with these projects and their relative economics.
- c. The proposed investment in distribution level solar facilities would have a similar financial risk/reward profile to the Company's shareholders as do other regulated utility infrastructure investments used to provide service to customers. No further analysis has been conducted.
- d. This option is already available to third-party entities through the Company's Commission-approved Cogen SPP tariff.

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- e. No, the Company is not considering an expansion of net metering to a virtual basis.
- f. Customer sited battery storage could participate in the Company's Commission approved DRS tariff if it meets the requirements for service. The Company is not proposing additional customers sited storage programs in this proceeding.

Witness: Alex E. Vaughan

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**DATA REQUEST**

**JI 1\_26** Please refer to the direct testimony of Lerah M. Kahn, page 13, lines 13–15.

a. Please identify the entity or entities with which Kentucky Power has entered into a bilateral capacity purchase agreement for the PJM 2024/2025 planning year.

b. Please produce a copy of Kentucky Power’s bilateral capacity purchase agreement for the PJM 2024/2025 planning year.

**RESPONSE**

a.-b. Please see KPCO\_R\_JI\_1\_26\_ConfidentialAttachment1 for the requested information.

Witness: Alex E. Vaughan

Witness: Lerah M. Kahn



This attachment is redacted in its entirety.

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**DATA REQUEST**

- JI 1\_27** Please refer to Kentucky Power’s 2022 Integrated Resource Planning Report, filed with the Commission in Case No. 2023-00092. In Section 3.4.2, the Company states that, “[a]s of December 2022, Kentucky Power had 184 net metering system installations including 156 residential systems and 27 commercial systems and 1 industrial system for a total of 2.5 MW of net metered photovoltaic DG (i.e., rooftop solar) throughout the service territory.” Please provide the following information for Kentucky Power’s net metering customer-generators, for the test year and each of the years between 2020 and 2022:
- a. How many kWh of excess generation were supplied back to KPC from all net metering customers in each month and year? How many kWh did net metering customers receive in each month and year? For customers receiving net metering service, list the cumulative generation for each month of each year that net metering service customer meter reads fall within, the total delivered kWh and received kWh by rate class.
  - b. List the number of residential and commercial customers taking net metering service within each specific rate class.
  - c. List the total installed generation capacity (AC and DC) for customers receiving net metering service within each specific rate class tariff.
  - d. For a customer that first began taking net metering service in this timeframe, did that require replacing their meter or was net metering service achieved with reprogramming the existing meter? Does that answer depend on the existing rate class of customer-generator taking net metering service?
  - e. What was the capacity (system size in KW AC) of each net metering service customer for each year?
  - f. What was the total combined capacity by class of all net metering service customers, residential net metering service customers, and commercial net metering service customers for each year?
  - g. What percentage of Kentucky Power’s single hour peak load for the previous year did net metering service represent for each year?

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h. Please provide any additional data concerning net metering for the years 2020 through 2022 which Kentucky Power has reported to the U.S. Energy Information Administration, Federal Energy Regulatory Commission, the Kentucky Energy and Environment Cabinet, or any other regulatory agency.

**RESPONSE**

The Company objects to this request on the grounds that the information sought is not relevant and not reasonably calculated to lead to the discovery of admissible evidence in this case. In support of the objection the Company states that the requests seek information specific to the Company's currently pending Integrated Resource Plan. The request further seeks information related to net metering service. The Company is not seeking any costs related to proposals in its pending IRP in this proceeding. Further, the Company has not made any proposals regarding net metering service. Therefore, the information sought is outside the test year and does not directly relate to any proposal included in the Company's direct case and, as such, is outside the scope of this proceeding.

Preparer: Counsel

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**DATA REQUEST**

**JI 1\_28**      How many Kentucky Power customers heat their homes primarily using electric heating? Please provide any available analyses or workpapers to support your answer.

**RESPONSE**

Approximately 83,400 homes use electric heating. Please see KPCO\_R\_JI\_1\_28\_Attachment1 for the electric heating/non-electric heating monthly breakdown for the residential class.

Witness: Michael M. Spaeth

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**DATA REQUEST**

- JI 1\_29** Please refer to the direct testimony of Everett G. Phillips at page 12, lines 11-23; and the direct testimony of Stephen D. Blankenship, pages 4-6.
- a. Please provide a copy of IEEE 1366-2017, the “IEEE Guide for Electric Power Distribution Reliability Indices.”
- b. Please explain how Kentucky Power Company calculates TMED.
- c. In calculating TMED to what extent and how is the increasing frequency of severe weather events (see Figure SDB-1) taken into account?

**RESPONSE**

- a. IEEE Standards like the requested IEEE 1366-2017 are copyrighted property of the Institute of Electrical and Electronics Engineers. Therefore, the Company cannot provide the requested copy. However, a copy of the current IEEE 1366 standard may be purchased from IEEE at the following website:  
[https://www.techstreet.com/ieee/standards/ieee-1366-2022?gateway\\_code=ieee&vendor\\_id=7243&product\\_id=2245000](https://www.techstreet.com/ieee/standards/ieee-1366-2022?gateway_code=ieee&vendor_id=7243&product_id=2245000)
- b. The Company calculates TMED using the standard IEEE formula:

$$TMED = e^{(\alpha+2.5\beta)}$$

Where  $\alpha$  is the average of Ln(SAIDI) and  $\beta$  is the standard deviation of Ln(SAIDI), and SAIDI is comprised of a collection of SAIDI for the past five sequential years. “Ln” stands for Natural Logarithm.

- c. In general, as the frequency and severity of weather events increases, the TMED threshold also increases. For example, for the time period of 2018 to 2022, the TMED threshold has increased over 18%. From 2018 to 2023, the TMED threshold has increased approximately 23%. This corresponds to the increase in frequency and severity of weather events as shown in Figure SDB-1.

Witness: Everett G. Phillips

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**DATA REQUEST**

- JI 1\_30**      Please refer to the direct testimony of Lerah M. Khan, page 4, lines 4 - 9.
- a. Please confirm that “projects necessary for the Company to comply with the Federal Clean Air Act” and authorized to be included in the Company’s ECP refers to projects at all of the Company’s generation facilities. If other than confirmed, please explain.
- b. Please confirm that all other projects necessary to comply with “federal, state, and local requirements” authorized to be included in the Company’s ECP includes only projects “applicable to coal combustion wastes and by-products from coal-fired generation facilities.” If other than confirmed, please explain.

**RESPONSE**

a. Not confirmed. The Company owns a natural gas unit (Big Sandy Unit 1) which is not authorized to be included in its environmental compliance plan (ECP) in accordance with KRS 278.183. There is a sole exception to this for emission allowances which was approved in the Commission’s June 22, 2015 Order in Case No. 2014-00396.

Further, the Company is unsure whether the statement to “all of the Company’s generation facilities” refers to only owned generation. Nonetheless, during part of the test year the Company was party to a FERC-approved Unit Power Agreement which provided Kentucky Power the contractual right to receive 30 percent of AEP Generating’s 50 percent share of the generation output from Rockport Unit 1 and Rockport Unit 2 and obligated it to 30 percent of AEP Generating’s Rockport Unit 1 and Rockport Unit 2 costs. Both units are coal-fired. The Rockport UPA expired December 8, 2022. Accordingly, there are projects related to Rockport included in the Company’s approved ECP. As described on page 10 of the Direct Testimony of Company Witness Kahn, the Company has proposed in this case to remove these projects from its ECP .

b. The Company confirms that only projects for coal-fired generation facilities are included within its ECP in accordance with KRS 278.183. Furthermore, any projects that the Company seeks to include in its ECP must first be approved by the Commission.

Witness: Lerah M. Kahn

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**DATA REQUEST**

- JI 1\_31** Please refer to the direct testimony of Lerah M. Khan, page 4, lines 14-15; and exhibit LMK-5.
- a. Please provide a detailed breakdown of costs associated with the Company's emission allowance inventory, [and] emission allowance expenses" for both NOX and SO2 emissions allowances purchased or sold during the previous five years.
- b. Has the Company projected the need for it to purchase allowances? If so please provide any such projection and associated workpapers in a machine-readable electronic format (e.g., Microsoft Excel). If not, explain why not?

**RESPONSE**

a. The Company objects to this request on the basis that it seeks information that is neither relevant to this proceeding nor reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving these objections, please see KPCO\_R\_JI\_1\_31\_Attachment1 for the requested information during the test year period.

The total allowance inventory is provided monthly in the Company's environmental surcharge on Forms 3.11A-3.12B. KPCO\_R\_JI\_1\_31\_Attachment1 provides a summary of these Forms on tabs "SO2" and "NOx" in the same format as is done in the Company's periodic environmental surcharge reviews.

Emission allowance sales are provided monthly in the Company's environmental surcharge Form 1.0. Tab "Sales" on KPCO\_R\_JI\_1\_31\_Attachment1 provides the details for these sales in the same format as provided in the Company's periodic environmental surcharge reviews.

b. Please see KPCO\_R\_JI\_1\_31\_Attachment2 which shows that Kentucky Power projected allowances for the 2023 ozone compliance season. Currently, the CSAPR program forecast indicates a need of 48 allowances. There are ongoing court challenges to the CSAPR Good Neighbor Plan rule and the interim rule requires that only Kentucky issued allowances be used for Kentucky source emissions for the 2023 compliance season. While the ozone season projections indicate a need for allowances, until the ozone season is complete, it is unclear at this time whether a market purchase may be

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required. This is due to the possibility the lone unit in KY could not run as predicted or that the Company has sufficient banked allowances from prior vintage.

Witness: Lerah M. Kahn



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Dated August 14, 2023

**DATA REQUEST**

- JI 1\_32** Please describe and provide the justification supporting, including any analyses or studies supporting, any revisions or changes to the following current Company tariffs, rate schedules, optional services to standard rate schedules, or riders:
- a. NMS Tariff
  - b. NMS II Tariff
  - c. Rider R.P.O.
  - d. NMS Interconnection Agreement or Guidelines
  - e. NMS II Interconnection Agreement or Guidelines
  - f. COGEN/SPP I
  - g. COGEN/SPP II

**RESPONSE**

Please see the direct testimony and tariffs the Company filed in its initial filing. The Company is updating COGEN/SPP using the most current PJM Net CONE amounts. Please see the Company's response to KPCO\_R\_KPSC\_2\_1\_Attachment 13\_SpaethWP1 for the COGEN/SPP rate calculation. The Rider R.P.O. tariff change is to reflect the market price estimate of RECs that would be used for the various Rider R.P.O. service options.

Witness: Michael M. Spaeth

Witness: Lerah M. Kahn

Kentucky Power Company  
KPSC Case No. 2023-00159  
Joint Intervenor's First Set of Data Request  
Dated August 14, 2023

**DATA REQUEST**

**JI 1\_33** Please provide all studies, evidence, or analyses supporting the necessity for each component of the Distribution Reliability Rider, and justification for proposing recovery of each component of the proposed Rider as a rider rather than through base rates.

**RESPONSE**

Please refer to the Direct Testimony of Company Witness Phillips and Company Witness West, which detail the operating challenges driving the necessity for the DRR, and the justification for proposing recovery through the DRR rather than through base rates.

For example, trees outside of the ROW is the leading cause of outages on the Company's distribution system. As demonstrated in Figure EGP-5 in the Phillips Direct Testimony, trees outside the ROW accounted for 46% of the total customer minutes of interruption (CMI) for 2022. Based upon a pilot, which has shown a 15% reduction of SAIDI on targeted distribution circuits, the Company is proposing the DRR, including the TOR – Enhanced ROW Widening program, to address this issue. Similarly, the Company has performed a review of the Company's reliability performance to specifically design the proposed DRR programs and address the operating challenges detailed in the Phillips Direct Testimony. Analysis supporting the proposed DRR is included in Company Witness Phillips's workpaper provided as KPCO\_R\_KPSC\_2\_1\_Attachment11\_PhillipsWP1.

Please also see the Company's response to JI 1\_13.

Witness: Everett G. Phillips

**VERIFICATION**

The undersigned, Scott E. Bishop, being duly sworn, deposes and says he is the Regulatory Consultant Senior 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 her information, knowledge, and belief.

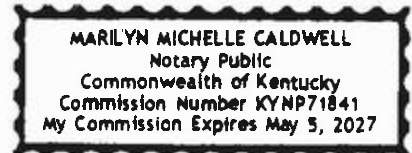
Scott E. Bishop  
 Scott E. Bishop

Commonwealth of Kentucky )  
 )  
 County of Boyd )

Case No. 2023-00159

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Scott E. Bishop, on August 22, 2023.

Marilyn Michelle Caldwell  
 Notary Public



My Commission Expires May 5, 2027

Notary ID Number KYNP71841

VERIFICATION

The undersigned, Stevi N. Cobern, being duly sworn, deposes and says she is the Customer Services Supervisor 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.

Stevi N. Cobern  
Stevi N. Cobern

Commonwealth of Kentucky )  
County of Boyd )

Case No. 2023-00159

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Stevi N. Cobern, on August 21, 2023.

Marilyn Michelle Caldwell  
Notary Public



My Commission Expires May 5, 2027

Notary ID Number KYNP 71841

VERIFICATION

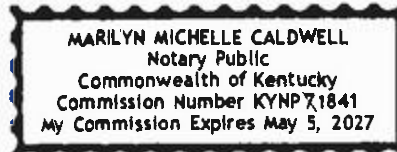
The undersigned, Lerah M. Kahn, being duly sworn, deposes and says she is the Manager of Regulatory Services for Kentucky Power, that she has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and correct to the best of her information,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

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

Commonwealth of Kentucky ) ) Case No. 2023-00159  
County of Boyd ) )

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Lerah M. Kahn, on August 21, 2023.

*Marilyn Michelle Caldwell*  
\_\_\_\_\_  
Notary Public



My Commission Expires May 5, 2027

Notary ID Number KYNP 71841

VERIFICATION

The undersigned, Adrien M. McKenzie, being duly sworn, deposes and says he is the President of FINCAP, Incorporated, 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.

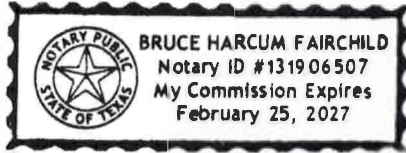
Adrien M. McKenzie  
Adrien M. McKenzie

State of Texas )  
                                  )  
County of Travis )

Case No. 2023-00159

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Adrien M. McKenzie, on 8/25/2023.

Bruce Harcum Fairchild  
Notary Public



My Commission Expires 2/25/2027

Notary ID Number 131906507

VERIFICATION

The undersigned, Franz D. Messner, being duly sworn, deposes and says he is the Managing Director of Corporate Finance for American Electric Power Service Corporation, 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.

*[Handwritten Signature]*

Franz D. Messner

*County of Franklin* )  
 )  
*State of Ohio* )

Case No. 2023-00159

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Franz D. Messner, on August 23<sup>rd</sup>, 2023.

*[Handwritten Signature]*

Notary Public



My Commission Expires Never.

Notary ID Number N.A.



## Niehaus Verification Form.doc

DocVerify ID: DCBABDEE-BC63-4E98-A7D2-8D9471A0B4C8  
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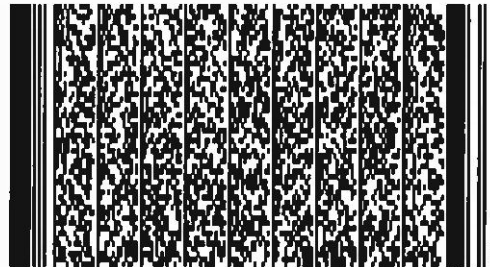
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### E-Signature Summary

**E-Signature 1: Katrina Tiare Niehaus (KTN)**  
August 25, 2023 09:28:05 -8:00 [2B1090F1E643] [5.148.2.169]  
Katrina.Niehaus@gs.com (Principal) (Personally Known)

**E-Signature Notary: Marilyn Michelle Caldwell (MMC)**  
August 25, 2023 09:28:05 -8:00 [65611A9C6FC9] [167.239.221.106]  
mmcaldwell@aep.com  
I, Marilyn Michelle Caldwell, did witness the participants named above electronically sign this document.





**VERIFICATION**

The undersigned, Katrina T. Niehaus, being duly sworn, deposes and says she is the Managing Director, Head of Corporate Asset Backed Securities Finance Group, for Goldman, Sachs and Company, 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.

Katrina T. Niehaus  
Signed on 05/25/2023 09:28:40

\_\_\_\_\_  
Katrina T. Niehaus

\_\_\_\_\_) )  
\_\_\_\_\_) ) Case No. 2023-00159  
\_\_\_\_\_) )

Subscribed and sworn to before me, a Notary Public in and before said County

and State, by Katrina T. Niehaus, on \_\_\_\_\_

**MARILYN MICHELLE CALDWELL**  
ONLINE NOTARY PUBLIC  
STATE AT LARGE KENTUCKY  
Commission # KYNP71841  
My Commission Expires May 05, 2027  
Notary Stamp 2023 05 25 10:26 AM PST

Marilyn Caldwell

Notarial act performed by audio-visual communication

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

My Commission Expires \_\_\_\_\_

Notary ID Number \_\_\_\_\_

DCBA8DEE-EC63-4E98-A7D2-8D9471A0B4C8 ... 2023/08/25 07:19:56 -8:00 --- Remote Notary



VERIFICATION

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

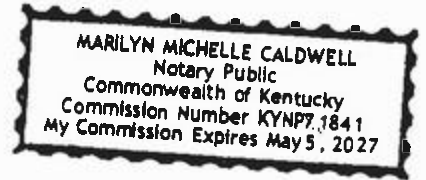
Everett G. Phillips  
Everett G. Phillips

Commonwealth of Kentucky )  
  )  
County of Boyd )

Case No. 2023-00159

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Everett G. Phillips, on August 21, 2023.

Marilyn Michelle Caldwell  
Notary Public



My Commission Expires May 5, 2027

Notary ID Number KYNP 71841



## Schlessman Verification Form.doc

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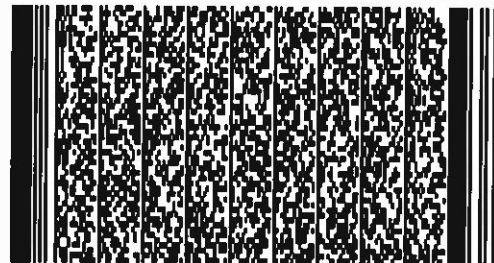
### E-Signature Summary

**E-Signature 1: Linda Schlessman (LS)**

August 24, 2023 12:06:37 -8:00 [018A85B3E8F0] [167.239.221.101]  
lmschlessman@aep.com (Principal) (Personally Known)

**E-Signature Notary: Marilyn Michelle Caldwell (MMC)**

August 24, 2023 12:06:37 -8:00 [A6A28C508DC3] [167.239.221.106]  
mmcaldwell@aep.com  
I, Marilyn Mchelle Caldwell, did witness the participants named above electronically sign this document.



VERIFICATION

The undersigned, Linda M. Schlessman, being duly sworn, deposes and says she is the Tax Accounting and Regulatory Support Manager for American Electric Power Service Corporation, 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.

Linda Schlessman  
Signed on 2023/08/24 12:18:37 -0500

Linda M. Schlessman

Commonwealth of Kentucky )  
 )  
County of Boyd )

Case No. 2023-00159

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Linda M. Schlessman, on August 24, 2023.

Notary Public

Marilyn Caldwell  
Signed on 2023/08/24 12:08:37 -0500

MARILYN MICHELLE CALDWELL  
ONLINE NOTARY PUBLIC  
STATE AT LARGE KENTUCKY  
Commission # KYNP71841  
My Commission Expires May 05, 2027

My Commission Expires May 5, 2027

Notarial act performed by audio-visual communication

Notary ID Number KYNP71841

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### Spaeth Verification Form.doc

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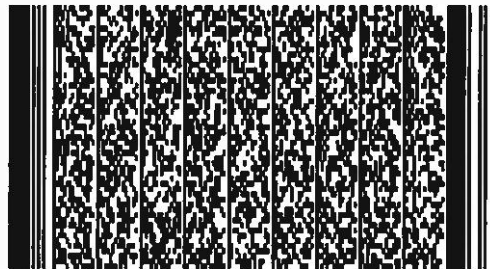
#### E-Signature Summary

**E-Signature 1: Michael M Spaeth (MMS)**

August 24, 2023 07:35:10 -8:00 [104F2A248A66] [167.239.221.107]  
 mmspaeth@aep.com (Principal) (Personally Known)

**E-Signature Notary: Marilyn Michelle Caldwell (MMC)**

August 24, 2023 07:35:10 -8:00 [149CA74924B4] [167.239.221.106]  
 mmcaldwell@aep.com  
 I, Marilyn Michelle Caldwell, did witness the participants named above electronically sign this document.



**VERIFICATION**

The undersigned, Michael M. Spaeth, being duly sworn, deposes and says he is the Regulatory Pricing and Analysis Manager for American Electric Power Service Corporation, 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.

Michael M Spaeth  
Signed on 2023/08/24 07:11:25 -0500

Michael M. Spaeth

Commonwealth of Kentucky )  
 )  
County of Boyd )

Case No. 2023-00159

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Michael M. Spaeth, on August 24, 2023.

Marilyn Caldwell  
Signed on 2023/08/24 07:11:25 -0500

Notary Public

MARILYN MICHELLE CALDWELL  
ONLINE NOTARY PUBLIC  
STATE AT LARGE KENTUCKY  
Commission # KYNP71841  
My Commission Expires May 05, 2027  
Notary Stamp 2023/08/24 07:11:25 -0500

Notarial act performed by audio-visual communication

My Commission Expires May 5, 2027

Notary ID Number KYNP71841

1E7A85EB-EDA5-438A-809D-7628335E409A -- 2023/08/24 07:11:25 -0500 --- Remote Notary



**VERIFICATION**

The undersigned, Alex E. Vaughan, being duly sworn, deposes and says he is the Managing Director – Renewables and Fuel Strategy for American Electric Power Service Corporation, 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.

  
Alex E. Vaughan

Franklin County )  
 )  
Ohio )

Case No. 2023-001 59

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Alex E. Vaughan, on 8/24/23.

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

My Commission Expires Never

Notary ID Number No ID



**Paul D. Flory**  
Attorney At Law  
Notary Public, State of Ohio  
My commission has no expiration date  
Sec. 147.03 R.C.

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 )

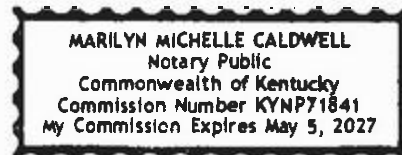
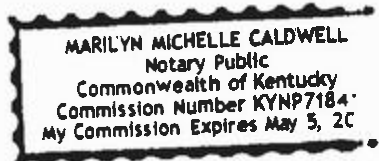
Case No. 2023-00159

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Brian K. West, on August 22, 2023.

Marilyn Michelle Caldwell  
Notary Public

My Commission Expires May 5, 2027

Notary ID Number KYNP71841





VERIFICATION

The undersigned, Cynthia G. Wiseman, being duly sworn, deposes and says she is the President and Chief Operating Officer 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.

Cynthia G. Wiseman  
Cynthia G. Wiseman

Commonwealth of Kentucky )  
  )  
County of Boyd                                  )

Case No. 2023-00159

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Cynthia G. Wiseman, on August 21, 2023.

Marilyn Michelle Caldwell  
Notary Public



My Commission Expires May 5, 2027

Notary ID Number KYNP 71841