

Kentucky Power Company  
KPSC Case No. 2023-00318  
Commission Staff's First Set of Data Requests  
Dated October 10, 2023

**DATA REQUEST**

**KPSC 1\_1** Refer to the Application, 20230920\_KPCo\_PPA\_2023-08-15\_Update 1.xlsx, Tabs PPA Form 1.0 and PPA Form 2.0 P1. Confirm that the proposed rates for Phase 1 are based on a full year's billing determinants. If confirmed, explain how the proposed rates will fully refund the Rockport Fixed Cost Savings for the "stub" period over the period the rates will be in effect.

**RESPONSE**

Confirmed. The Company also annualized the stub period credit amount (shown on PPA Form 1.0, cell G21) to ensure the credit related to this period would be fully refunded over Phase 1. The amount to be refunded over 106 days is \$2,572,362. On an annual basis the amount is \$8,857,661 to be consistent with the annual billing determinants. The annualized amount is determined by taking \$2,572,362 times 365 days divided by 106 days as shown on PPA Form 1.0.

Witness: Lerah M. Kahn

Kentucky Power Company  
KPSC Case No. 2023-00318  
Commission Staff's First Set of Data Requests  
Dated October 10, 2023

**DATA REQUEST**

- KPSC 1\_2** Refer to the Application, 20230920\_KPCo\_PPA\_2023-08-15\_Update 1.xlsx, Tab PPA Form 2.0 P1.
- a. Provide the monthly historic period energy and demand billing determinants.
  - b. Provide the rates that would result from using the historic period energy and demand billing determinants that coincide with the periods that the Phase 1 and Phase 2 rates would be in effect.

**RESPONSE**

Please see KPCO\_R\_KPSC\_1\_2\_Attachment1 for the requested information. Tab "Input Sheet v2" provides the billing determinants by month. Further "Form 1.0" was updated to reflect Phase 1 over 106 days and Phase 2 over 259 days to be consistent with billing determinants. The resultant rates are shown on "Form 2.0 P1" and "Form 2.0 P2."

Witness: Lerah M. Kahn

Kentucky Power Company  
KPSC Case No. 2023-00318  
Commission Staff's First Set of Data Requests  
Dated October 10, 2023

**DATA REQUEST**

**KPSC 1\_3** Refer to the Application, 20230920\_KPCo\_PPA\_2023-08-15\_Update 1.xlsx, Tab PPA Form 3.0a. Confirm that Kentucky Power's proposed over/under recovery calculation compares the Purchased Power Adjustment (PPA) revenues collected in a particular month and the PPA revenue requirement incurred in that same month. If confirmed, explain how the over/under recovery calculation is reasonable given that the revenues are based on the prior year's PPA revenue requirement.

**RESPONSE**

Confirmed, the Company's proposed over/under compares the revenues collected in a particular month to the net expenses (charges and credits) incurred in that same month. This approach is reasonable as these are known variables and would mirror the Company's income statement.

This approach does not change that customers are paying rates based upon historic costs, it only ensures that an actual, historic level of over/under-recovery is included in the annual establishment of the rates. This is intended to address the identified issue of a growing under-recovery.

Please also see KPCO\_R\_KPSC\_1\_3\_Attachment1 for an illustration of the Company's current rider design regarding the over/under as compared to the actual/proposed approach. This attachment demonstrates how an under-recovery balance would likely grow over time.

Witness: Lerah M. Kahn

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.

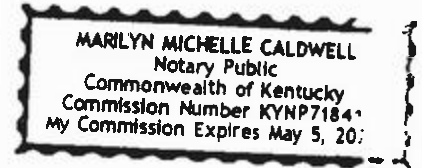
Lerah Kahn  
Lerah M. Kahn

Commonwealth of Kentucky )  
County of Boyd )

Case No. 2023-00318

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Lerah M. Kahn, on October 24, 2023.

Marilyn Michelle Caldwell  
Notary Public



My Commission Expires May 5, 2027

Notary ID Number KYNP 71841