

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF KENTUCKY)	CASE No.
POWER COMPANY TO UPDATE ITS PURCHASE)	2023-00318
POWER ADJUSTMENT RATES)	

JOINT INITIAL DATA REQUESTS OF THE ATTORNEY GENERAL AND KIUC

The intervenors, the Attorney General of the Commonwealth of Kentucky, through his Office of Rate Intervention [“OAG”], and the Kentucky Industrial Utility Customers, Inc. [“KIUC”] hereby submit their Joint Initial Data Requests to Kentucky Power Company [“KPCo” or “the Company”], to be answered by the date specified in the Commission’s Orders of Procedure, and in accord with the following:

- (1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.
- (2) Identify the witness who will be prepared to answer questions concerning each request.
- (3) Repeat the question to which each response is intended to refer. OAG-KIUC can provide counsel for KPCo with an electronic version of these questions in native format, upon request.
- (4) These requests shall be deemed continuing so as to require further and supplemental responses if the Companies receive or generate additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon. Information which the responding party later becomes aware of, or has access to, and which is responsive to any request is to be made available to OAG and KIUC. Any studies, documents, or other subject matter not yet completed that will be relied upon during the course of this case should be so identified and provided as soon as they are completed. The

Respondent is obliged to change, supplement and correct all answers to interrogatories to conform to available information, including such information as it first becomes available to the Respondent after the answers hereto are served.

(5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

(6) If you believe any request appears confusing, request clarification directly from Counsel for OAG-KIUC.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, identify each variable contained in the printout which would not be self-evident to a person not familiar with the printout.

(9) If the Companies have objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, notify OAG-KIUC as soon as possible.

(10) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded

statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information regardless of the media or format in which they are stored, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the control of the Companies, state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(13) Provide written responses, together with any and all exhibits pertaining thereto, in one or more bound electronic volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations and Orders.

(14) Abbreviations, definitions and instructions:

a. "And" and "or" should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.

b. "Each" and "any" should be considered to be both singular and plural, unless specifically stated otherwise.

Respectfully submitted,
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Certificate of Service

Pursuant to the Commission's Orders in Case No. 2020-00085, and in accord with all other applicable law, Counsel certifies that an electronic copy of the forgoing was served and filed by e-mail to the parties of record.

This 12th day of October, 2023



Assistant Attorney General

Kentucky Power Co. Update to its Purchase Power Adjustment Tariff
Case No. 2023-00318
OAG-KIUC's Joint Initial Data Requests

1. Refer to tab PPA Form 3.0a on 20230920_KPCo_PPA_2023-08-15_Update 1. Provide the calculations of the amounts in each cell on lines 30, 32, 34, 36, 38, and 40 in live Excel format with all formulas intact. To the extent these amounts are calculated on other tabs in the same Excel workbook, provide a revised version of 20230920_KPCo_PPA_2023-08-15_Update 1 that reflects all formulas necessary to integrate the information calculated on one tab with the information that is used on another tab.
2. Refer to tab GRCF on 20230920_KPCo_PPA_2023-08-15_Update 1.
 - a. Provide all support for the state income tax rate shown on schedule line 10 as 5.7348%.
 - b. Provide all support for the state income tax rate shown in the formula as 5.8425% in cell S30.
 - c. Reconcile the two state income tax rates referenced in parts (a) and (b) of this question.
 - d. Confirm that in the pending base rate case, the Company used a state income tax rate of 5.0% to calculate the gross revenue conversion factor.
 - e. Explain why the Company did not use the same 5.0% state income tax rate in the Tariff PPA conversion factor as it proposes in the pending base rate case. Provide all support for your response.
3. Refer to the amounts by month shown on lines 46-49 on tab PPA Form 3.0a on 20230920_KPCo_PPA_2023-08-15_Update 1.
 - a. Provide a schedule separating the amounts each month on each line into forced outage purchased power expense disallowed from FAC recovery, interruptible service credits, and everything else.
 - b. Provide a copy of the relevant forms and supporting live Excel workbooks with all formulas intact used for the monthly FAC filings where the forced outage purchased power expense amounts are calculated and disallowed from FAC recovery. If the amounts disallowed from FAC recovery are different in any month than the amounts included in Tariff PPA provided in response to part (a) of this question, then provide a reconciliation and explanation of each reconciling item.
4. Refer to the cover letter from Stites and Harbison dated August 15, 2023 that described the Company's proposed changes to Tariff PPA and the accompanying Excel workbook. In that letter, Attorney Glass states: "With this filing, Kentucky Power is updating its Tariff P.P.A. rate calculation in two ways. First, the rate calculation is updated to better capture actual costs incurred and to be collected in order to reflect a more accurate over/under collection or credit going forward." Attorney Glass further states: "The Company's updates to the over/under calculation are demonstrated in

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KPCo_PPA_2023_Annual_Update on the “PPA Form 1.0” tab in lines 12, 13, and 14. . . Lines 12 and 13 currently do not accurately capture what the P.P.A. over/under recovery should be. This formula issue has the effect of allowing the under-recovery balance to grow each month. The Company proposes to correct this issue as part of this Tariff P.P.A. update filing through the elimination of Line 12 and a revision to Line 13. This update will reflect a more accurate over/under collection or credit going forward.” Provide a detailed narrative explanation of the changes the Company proposes and why the Company believes each such change is necessary along with appropriate references to each change and each step in the calculation to tab PPA Form 1.0 on KPCo_PPA_2023_Annual_Update with the changes as proposed compared to the same form without the changes as proposed.

5. Refer to the amounts by month shown on line 30 on tab PPA Form 3.0a on 20230920_KPCo_PPA_2023-08-15_Update 1 described as “FERC Return in excess of Kentucky Retail Return.”
 - a. Provide a description of the amounts on this line and provide the calculations of the amounts by month in live Excel workbook format with all formulas intact.
 - b. Explain why these amounts are positive instead of negative, thus increasing the costs to be recovered through Tariff PPA.
6. Confirm that the Company seeks to continue recovering all forced outage purchased power expense that is disallowed recovery through the FAC through Tariff PPA subject to a reduction for the “annualized” and “normalized” disallowed purchased power expense recovered through base revenues.