

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY POWER)	
COMPANY TO WITHDRAW ITS TARIFF RTP)	CASE NO.
PENDING SUBMISSION BY THE COMPANY)	2012-00226
AND APPROVAL BY THE COMMISSION OF A)	
NEW REAL-TIME PRICING TARIFF)	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO KENTUCKY POWER COMPANY

Kentucky Power Company ("Kentucky Power"), pursuant to 807 KAR 5:001, is to file with the Commission the original and ten copies of the following information, with a copy to all parties of record. The information requested herein is due on or before August 10, 2012. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the 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.

Kentucky Power shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which

Kentucky Power fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

1. Refer to Kentucky Power's response to Commission Staff's First Request for Information ("Staff's First Request"), Item 4. If the Commission requires Kentucky Power to continue its existing Real-Time Pricing ("RTP") Tariff until otherwise ordered or to continue the existing RTP Tariff on a permanent basis, explain how Kentucky Power proposes to allocate to the other customer classes the revenue short-fall, which it stated in its June 1, 2012 application could be approximately \$10 to \$20 million.

2. Refer to Kentucky Power's response to Staff's First Request, Item 8. In response to the question about which three large customers had requested to move up to 200 megawatts of load onto Tariff RTP, Kentucky Power identified Catlettsburg Refining LLC – Catlettsburg, U.S. 23S; A.K. Steel Corp – Ashland, Russell Road; and Air Products and Chemicals, Inc. – Ashland Plant. For each of these identified customers, state:

- a. The date each customer requested service under Tariff RTP;
- b. Whether the request identified in paragraph a. above was in writing;

c. If Kentucky Power denied any of the identified customers' requests for service under Tariff RTP, and the date and manner in which Kentucky Power denied such request.

3. Refer to Kentucky Power's response to Staff's First Request, Item 11. Kentucky Power lists 21 officers in its response to 11a. In the response to 11b., Kentucky Power states, "[t]he following tariff sheets were signed by Lila P. Munsey, Manager of Regulatory Services for Kentucky Power, and approved by the KPSC Tariff Branch."

a. Confirm that Lila P. Munsey is not an officer of Kentucky Power.

b. Explain whether Kentucky Power requested and was granted a deviation so that a non-officer of Kentucky Power could sign tariff sheets.

c. Explain why none of the 21 officers listed in the response to 11a. have signed tariff sheets on behalf of Kentucky Power.

d. Explain why Kentucky Power is not in violation of 807 KAR 5:011, Section 3(4).

4. Refer to Kentucky Power's response to Staff's First Request for Information, Item 15. The response stated:

Sidney Coal (Alpha Natural Resources) inquired but did not pursue enrollment. The following two customers requested to transfer load to Tariff RTP but were unable to qualify as explained below:

1. EQT Gathering LLC's Derby Compressor Station has a demand of less than 1,000 kW and there were 10 customers in the queue.

2. Air Liquide's plant in Ashland was not eligible because there were 10 customers in the queue.

Provide an explanation of the queue.

5. On July 20, 2012, Air Liquide Large Industries U.S. LP (“Air Liquide”) filed with the Commission a Complaint and Petition against Kentucky Power Company which has been assigned Case No. 2012-00351.¹ In its Complaint, at paragraph 12, Air Liquide alleges that Kentucky Power informed it that the existing tariff RTP was no longer available for additional customers as the experimental tariff had reached the limit of 10 customer participants. In its June 1, 2012 application, Kentucky Power stated at paragraph 2, “[s]ince June 1, 2008, Kentucky Power has offered service under its experimental real-time pricing tariff: Tariff RTP (Tariff Sheets 30-1, 30-2, 30-3, and 30-4). To date, no customer has taken service under Tariff RTP.”

a. After the June 1, 2012 filing of its application, explain whether there have been any customers granted participation in Kentucky Power’s Tariff RTP.

b. If the answer to part a. is yes, identify the number of customers being served under Tariff RTP.

c. Provide the name of the customers served under Tariff RTP, the associated load of each customer shifted to the Tariff RTP, and the associated estimated annual revenue loss of each customer served under Tariff RTP.

d. In reviewing the Tariff RTP customer usage patterns, explain whether those customers have shifted any portion of their load from higher-priced periods to lower-priced periods or whether those customers have added any new load in low price periods.

6. If there are customers on the on the Tariff RTP, provide the following:

¹ Case No 2012-00351, Air Liquide Large Industries U. S. LP v. Kentucky Power Company, filed July 20, 2012.

a. Explain whether or not Kentucky Power believes that each customer qualifies or meets the following portion of the program description of Tariff R.T.P. (Experimental Real-Time Pricing Tariff), Sheet 30-1, with an effective date of July 29, 2011:

The RTP Tariff will offer customers the opportunity to manage their electric costs by shifting load from higher cost to lower cost pricing periods or by adding new load during lower price periods. The experimental pilot will also offer the customer the ability to experiment in the wholesale electricity market by designating a portion of the customer's load subject to standard tariff rates with the remainder of the load subject to real-time prices.

b. If the answer to a. is no, explain why Kentucky Power placed the customers on the RTP Tariff.

7. Refer to the response to First Set of Data Requests ("First Set of Data Requests") of the Kentucky Industrial Utility Customers, Inc. ("KIUC"), Item 2, Attachment 1, page 12 of 26. Are there any customers served by Appalachian Power Company's ("APCo") VA. S.C.C. Tariff No. 24, Schedule DP-1 (Dynamic Pricing Pilot 1), effective January 29, 2012? If yes, explain the process, if any, utilized by APCo to determine that each customer would either shift load from higher cost to lower cost pricing periods or add new load during lower price periods.

8. Refer to the response to First Set of Data Requests of KIUC, Item 2, Attachment 1, page 17 of 26. Are there any customers served under Indiana Michigan Power's ("I&M") State of Indiana Tariff RTP (Experimental Real-Time Pricing Tariff), effective March 23, 2009? If yes, explain the process, if any, utilized by I&M to

determine that each customer would either shift load from higher cost to lower cost pricing periods or add new load during lower price periods.

9. Refer to the response to First Set of Data Requests of KIUC, Item 2, Attachment 1, page 22 of 26. Are there any customers served under I&M's State of Michigan Tariff RTP (Experimental Real-Time Pricing Service), effective for service rendered beginning with the billing month of April, 2012? If yes, explain the process, if any, utilized by I&M to determine that each customer would either shift load from higher cost to lower cost pricing periods or add new load during lower price periods.



Jeff Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

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cc: Parties of Record

Honorable Michael L Kurtz
Attorney at Law
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OHIO 45202

Honorable Mark R Overstreet
Attorney at Law
Stites & Harbison
421 West Main Street
P. O. Box 634
Frankfort, KENTUCKY 40602-0634