

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY	)	
POWER COMPANY FOR AN ORDER	)	
APPROVING ACCOUNTING PRACTICES TO	)	
ESTABLISH A REGULATORY ASSET RELATED	)	CASE NO.
TO THE EXTRAORDINARY EXPENSES	)	2020-00034
INCURRED BY KENTUCKY POWER COMPANY	)	
IN CONNECTION WITH CHARGES RELATED TO	)	
GREENHAT ENERGY, LLC DEFAULT	)	

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 an electronic version of the following information. The information requested herein is due on May 1, 2020. The Commission directs Kentucky Power to the Commission's March 16, 2020 and March 24, 2020 Orders in Case No. 2020-00085<sup>1</sup> regarding filings with the Commission. The Commission expects the original documents to be filed with the Commission within 30 days of the lifting of the current state of emergency. All responses in paper medium shall be appropriately bound, tabbed, and indexed. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

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

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<sup>1</sup> Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 16, 2020), Order at 5–6. Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 24, 2020), Order at 1–3.

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, Kentucky Power 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. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Kentucky Power shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to Kentucky Power's response to Commission Staff's First Request for Information (Staff's First Request), Items 3 and 4(a) and Case No. 2016-00180.<sup>2</sup> The

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<sup>2</sup> Case No. 2016-00180, *Application of Kentucky Power Company for an Order Approving Accounting Practices to Establish Regulatory Assets and Liabilities Related to the Extraordinary Expenses Incurred by Kentucky Power Company in Connection With the Two 2015 Major Storm Events* (Ky. PSC Nov. 3, 2016).

Commission has historically not allowed a utility to establish a regulatory asset after a cost has been recorded as an expense and the utility has closed its books for the relevant fiscal year.

a. Confirm that Kentucky Power recorded the GreenHat Energy, LLC (GreenHat) default charges billed to Kentucky Power in August through December 2018 and January through December 2019 as expenses in 2018 and 2019, respectively. If confirmed, explain why regulatory asset treatment is appropriate for amounts that have been recorded as an expense in a fiscal year for which Kentucky Power has closed its books.

b. Explain whether Kentucky Power will amend its 2018 or 2019 financial statements if the relevant GreenHat default amounts are approved for deferral. If so, explain how Kentucky Power would amend its 2018 or 2019 financial statements. If not, explain whether Kentucky Power's 2018, 2019, or 2020 financial statements will be materially misstated.

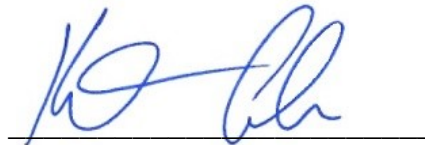
2. Refer to Kentucky Power's response to Staff's First Request, Item 5, Attachment, page 1 of 1.

a. Provide this response in Excel spreadsheet format with formulas intact and unprotected and all rows and columns accessible.

b. If any expenses shown are recovered through Kentucky Power's Fuel Adjustment Clause or System Sales Clause, provide those amounts in a similarly formatted schedule in Excel spreadsheet format with formulas intact and unprotected and all rows and columns accessible.

c. Explain what is recorded to Accounts 5614009 GreenHat Settlement and 5660010 GreenHat Settlement, and explain how those amounts relate to the amounts recorded in Accounts 5614007 and 5614008.

d. Confirm that the GreenHat default charges represent less than 1 percent of Kentucky Power's transmission expenses in 2018 or 2019. If confirmed, explain why Kentucky Power does not believe these expenses are *de minimis*.



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Kent A. Chandler  
Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602

DATED APR 16 2020

cc: Parties of Record

\*Christen M Blend  
American Electric Power Service Corporation  
1 Riverside Plaza, 29th Floor  
Post Office Box 16631  
Columbus, OHIO 43216

\*John W. Pollom  
Stites & Harbison  
421 West Main Street  
P. O. Box 634  
Frankfort, KENTUCKY 40602-0634

\*Kentucky Power Company  
855 Central Avenue, Suite 200  
Ashland, KY 41101

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