

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY)	
POWER COMPANY FOR A CERTIFICATE OF)	
PUBLIC CONVENIENCE AND NECESSITY TO)	CASE NO.
CONSTRUCT A 138 KV TRANSMISSION LINE)	2020-00062
AND ASSOCIATED FACILITIES IN PIKE AND)	
FLOYD COUNTIES, KENTUCKY)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
ON REHEARING 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 March 19, 2021. The Commission directs Kentucky Power to the Commission's March 16, 2020 and March 24, 2020 Orders in Case No. 2020-00085¹ 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 under oath or, for representatives of a public or private corporation or a partnership or

¹ 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.

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 Kentucky Power obtains information that indicates 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 the Supplemental Testimony of Brian K. West (West Supplemental), page S2, lines 11–22.

a. Explain the legal basis and the accounting guidelines for Kentucky Power recovering its investments in transmission related assets or facilities necessary to implement PJM Baseline projects through FERC formula transmission rates.

b. Explain the legal basis and the accounting guidelines for Kentucky Power recovering its investments in transmission related assets or facilities necessary to implement PJM Baseline projects through base rates.

c. Confirm that ownership of the asset is the only criteria used in determining whether PJM Baseline projects are recovered through FERC formula transmission rates or through base rates.

d. If not confirmed, provide all additional criteria used and an explanation of how each criterion affects the determination.

2. Refer to West Supplemental, Exhibit BKW-S1.

a. Explain why Kentucky Power characterizes the Kewanee 138 kV Substation as a distribution asset when the new line and substation are transmission voltage, the substation is necessary to alleviate transmission system faults, and therefore the primary use of the substation is transmission related.

b. Explain what role Kentucky Power's decision to replace and upgrade the aging Fords Branch 46 kV Substation as part of this transmission project has in Kentucky Power choosing to consider the Kewanee 138 kV Substation a distribution asset and therefore recover construction costs through base rates.

c. Confirm that in previous PJM Baseline projects Kentucky Power has recovered the costs for project components through base rates that could have been recovered through FERC formula transmission rates.

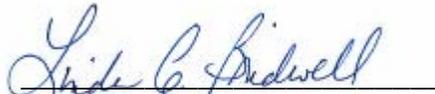
3. Refer to the Supplemental Testimony of Nicolas C. Koehler (Koehler Supplemental), page S6, lines 1–8. Provide an explanation of the guideline referred to as “predominant use accounting” and explain the role of predominant use accounting in

deciding whether to recover the cost of a component in a new or rebuilt substation through FERC approved formula transmission rates or to recover such costs through base rates.

4. Refer to the Koehler Supplemental, page S3, lines 12–19.

a. Confirm that the purpose, function, operation, and use of the circuit breakers and capacitor bank as presented in Kentucky Power's September 3, 2020 application has not changed. If not confirmed, provide an updated explanation of the purpose, function, operation, and use of the circuit breakers and capacitor bank.

b. Confirm that the only thing that has changed regarding the circuit breakers and capacitor bank is the construction, ownership, and maintenance of the facilities. If not confirmed, provide an updated list of changes regarding the circuit breakers and capacitor bank.



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DATED FEB 26 2021

cc: Parties of Record

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