COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY POWER COMPANY FOR (1) A GENERAL ADJUSTMENT OF ITS RATES FOR ELECTRIC SERVICE; (2) APPROVAL OF TARIFFS AND RIDERS; (3) APPROVAL OF ACCOUNTING PRACTICES TO ESTABLISH REGULATORY ASSETS AND LIABILITIES; (4) APPROVAL OF A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY; AND (5) ALL OTHER REQUIRED APPROVALS AND RELIEF

CASE NO. 2020-00174

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<u>O R D E R</u>

This matter arises upon a motion filed by SWVA Kentucky, LLC (SWVA) requesting to intervene in this matter. SWVA, a steel production facility in Ashland, Kentucky, stated that it is a relatively new customer of Kentucky Power.

As a basis for its motion to intervene, SWVA explained that its goals are to grow its business and add high-quality manufacturing jobs in Kentucky. SWVA further explained that it purchases large quantities of electricity from Kentucky Power, and due to the cost of electricity to sustain its operations, an adjustment to Kentucky Power's rates could adversely impact SWVA's operational goals.

Pursuant to KRS 278.040(2)–(3), the Commission has exclusive jurisdiction over the regulation of utility rates and service, including the procedures under which it will review matters before the Commission. Intervention in Commission proceedings by persons other than the Attorney General is permissive, subject to the sound discretion of the Commission.¹ In reviewing motions for permissive intervention, the Commission must first determine whether the movant filed a timely motion to intervene, and, if so, then make a factual finding whether the movant meets the standard for intervention set forth in 807 KAR 5:001, Section 4(11).

Employing those regulatory standards, the Commission stated in its July 14, 2020 Order that established the procedural schedule in this matter that any person requesting to intervene other than the Attorney General must state with specificity the person's special interest in a utility's rates and service that is not otherwise adequately represented, or the issues and facts the person will present that will assist the Commission in fully considering the matter. The Commission found that a recitation of the quantity of electricity consumed or a general statement regarding a potential impact of possible modification of rates would not be deemed sufficient to establish a special interest.

As an initial matter, the Commission finds that SWVA filed its motion to intervene prior to the July 31, 2020 intervention deadline established in this matter, and therefore filed a timely motion to intervene.

Based upon the motion, the Commission is unable to make a determination that SWVA's motion to intervene satisfies 807 KAR 5:001, Section 4(11). First, it is unclear whether SWVA has a special interest that is not otherwise adequately represented. Kentucky Industrial Utilities Customers, Inc. (KIUC) was granted intervention in this proceeding on June 8, 2020. KIUC is a trade association of energy-intensive industrial

¹ KRS 367.150(8)(b); Inter-County Rural Elec. Co-op. Corp. v. Pub. Serv. Comm'n, 407 S.W.2d 127, 130 (Ky. 1966); Pub. Serv. Comm'n v. Attorney Gen. of Commonwealth, 860 S.W.2d 297, 297 n.1 (Ky. App. 1993).

utility customers with the purpose, *inter alia*, of representing the industrial viewpoint on energy and utility issues before the Commission.² KIUC members include Century Aluminum, an aluminum producer; Nucor Steel Gallatin, a steel producer; and North American Stainless, a stainless steel producer.³ In this proceeding, KIUC is participating on behalf of Catlettsburg Refining LLC, a subsidiary of Marathon Petroleum LP, the largest energy consuming customer on the Kentucky Power system. In its motion to intervene, KIUC stated that it had a special interest related to the impact of Kentucky Power's rate adjustment on industrial customers' competitiveness and economic position. From SWVA's motion, it is unclear whether SWVA's special interest is the same as or different from KIUC's special interest in the impact of Kentucky Power's rates on the operational interests of industrial customers.

Second, SWVA made a generalized statement that it would present issues or develop facts that will assist the Commission in fully considering this matter, but provided no further details as is required by Commission regulations. SWVA did not state with specificity what concerns it had with the proposed application or what issues it intends to raise.

The Commission finds that, to better assist us in reaching a factual determination whether SWVA's pending motion to intervene satisfies 807 KAR 5:001, Section 4(11), SWVA should file a written response to this Order stating in specific detail its special interest that is not otherwise adequately represented. Additionally, SWVA should state the customer class or classes under which it takes service, and the specific details

² KIUC's Motion to Intervene (filed June 3, 2020) at 3.

³ KIUC Current Members, <u>https://kiucenergy.com/</u>

regarding the relevant issues and facts that SWVA will address to assist the Commission in this matter. The Commission notes that SWVA has the burden of proof regarding any issues that SWVA intends to raise that are beyond Kentucky Power's application.

IT IS THEREFORE ORDERED that within seven days of the date of this Order, SWVA shall file a written response with the Commission that states in specific detail SWVA's special interest that is not otherwise adequately represented and the relevant issues and facts that SWVA will present that will assist the Commission in fully considering the matter.

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By the Commission



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