

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC INVESTIGATION OF KENTUCKY)	CASE NO.
POWER COMPANY ROCKPORT DEFERRAL)	2022-00283
MECHANISM)	

COMMISSION STAFF'S FIRST 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 is due on October 5, 2022. The Commission directs Kentucky Power to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and 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

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

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 Direct Testimony of Brian K. West (West Direct Testimony), pages 11–12, and BKW-Exhibit 5, pages 5–7.

a. Confirm that “modifying and rejecting rate case settlements” is specific to settlements presented in a rate case and modified before approval and not modifications or rejections of settlements that have already been approved. If this cannot be confirmed, explain.

b. Explain whether Kentucky Power's credit rating was affected by Regulatory Research Associates' downgrade of Kentucky to Average/2.

2. Refer to the West Direct Testimony, BKW-Exhibit 1, page 5, section 3(c), BKW-Exhibit 2, and Case No. 2017-00179,² the Commission's February 27, 2018 Order on rehearing, page 9.

a. Explain why the carrying charges used in BKW-Exhibit 2 differ from the amount specified in the settlement.

b. Provide the calculation of each weighted average cost of capital (WACC) included in BKW-Exhibit 2, the WACC used in the settlement, and the WACC approved in Case No. 2017-00179.

c. Refer also to Case No. 2017-00179, the Commission's January 18, 2018 Order, pages 39–40. Explain the basis for Kentucky Power's argument that the Commission approved recovery of the Rockport deferral regulatory asset through Kentucky Power's Tariff Purchased Power Adjustment beginning December 9, 2022.

3. Refer to the West Direct Testimony, BKW-Exhibit 2. Explain why the total additions do not equal \$50 million.

4. Refer to the West Direct Testimony, BKW-Exhibit 3.

a. Provide the missing note "A."

² Case No. 2017-00179, *Electronic Application of Kentucky Power Company for (1) A General Adjustment of Its Rates for Electric Service; (2) An Order Approving Its 2017 Environmental Compliance Plan; (3) An Order Approving Its Tariffs and Riders; (4) An Order Approving Accounting Practices to Establish Regulatory Assets and Liabilities; and (5) An Order Granting All Other Required Approvals and Relief* (Ky. PSC Feb. 27, 2018).

b. For all line items not included in the calculation of “Total Rockport Non-fuel Cost in Base Rates” or “Total Rockport Fuel Expense in Base Rates,” explain how that line item is reflected in Kentucky Power’s current base rates.

c. Confirm that the listed expenses were used in Case No. 2020-00174.³ If this cannot be confirmed, provide the origin of these expenses and the test-year expenses included in rates in Case No. 2020-00174.

d. Refer also to BKW-Exhibit 4. Confirm that the “Total Non-Fuel Cost in Rates” will be reflected in the PPA through two separate line items, the removal of the \$10 million increase in Rockport collections and the direct credit of the “Total Rockport Non-fuel Cost in Base Rates.” If this cannot be confirmed, explain.

5. Refer to the West Direct Testimony, BKW-Exhibit 4. Confirm that the amounts shown are in thousands.



Linda C. Bridwell, PE
Executive Director
Public Service Commission
P.O. Box 615
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DATED SEP 23 2022

cc: Parties of Record

³ Case No. 2020-00174, *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* (Ky. PSC Jan. 13, 2021).

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