

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF KENTUCKY)	
POWER COMPANY FOR APPROVAL OF A)	
SPECIAL CONTRACT UNDER ITS ECONOMIC)	CASE NO.
DEVELOPMENT RIDER AND DEMAND)	2022-00424
RESPONSE SERVICE TARIFFS WITH CYBER)	
INNOVATION GROUP, LLC)	

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

Kentucky Power Company (Kentucky Power), pursuant to 807 KAR 5:001E, is to file with the Commission an electronic version of the following information. The information requested is due on January 27, 2023. 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

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).

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 and scanned 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 5:001E, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Application, provide an exhibit showing all annual revenues received and costs incurred illustrating that Kentucky Power customers do not subsidize the Cyber Innovation Group LLC (Cyber Innovation) over the life of the contract. Include in the response a breakdown of the separate tariffed items and the discounted rates. Provide all supporting calculations and documentation in Excel spreadsheet format, with all formulas, columns, and rows unprotected and fully accessible.

2. Refer to the Application, Contract for Electric Service between Kentucky Power Company and Cyber Innovation (Contract), page 1 and Cyber Innovation's Application for Economic Development Rider Discount (Attachment 2), page 2.

a. Provide the calculations supporting the projection of a \$3.5 million investment in this proposed project.

b. Provide a description of and a map showing the location of the Rockhouse and Long Fork facilities. Include in the response a description of any construction activity that Kentucky Power must undertake to serve Cyber Innovation.

3. Refer to Contract, page 1, which states, "Customer projects it will create approximately 10 full-employee positions when Customer's Rockhouse Facility is placed in operation[.]" and also refer to Application, page 2, which states that Cyber Innovation plans "5 new hires."

a. Reconcile the difference between the number of employment positions this project will create as presented in the Contract and in the Application.

b. State how many of these jobs are anticipated are to be full-time.

c. State how many of these jobs are anticipated to be filled with individuals residing in Pike County, Kentucky, or Kentucky counties adjacent to Pike County, Kentucky.

4. Refer to the Application, Attachment 3. Provide the work papers in Excel spreadsheet format, with all formulas, columns, and rows unprotected and fully accessible.

a. Explain how the DALMP \$/kWh figure was derived.

b. Explain why there are no incremental distribution costs.

- c. Explain why there are no incremental transmission costs.
 - d. Explain how PJM LSE Transmission costs were derived and what that represents.
 - e. Explain how the incremental revenue was calculated. Include in the response if the revenue was calculated using tariffed rates or discounted rates.
5. Refer the Application, page 3 and Attachment 3.
- a. With the expiration of the Rockport Purchase Agreement, Kentucky Power is purchasing capacity to satisfy its PJM capacity requirement or to meet its peak demand. Since Cyber Innovation represents an incremental load, explain why Cyber Innovation should not bear or be apportioned an incremental share of the purchased capacity cost as could be apportioned to every other customer.
 - b. Refer also to Tariff E.D.R., Terms and Conditions, Paragraph 1. If Cyber Innovation is running at full capacity when Kentucky Power is required to purchase capacity, explain whether the dollar for dollar reduction in demand discount credits is based on the 1,000 kW firm capacity or the full amount of contracted capacity at the time of and over the duration of the capacity purchase.
 - c. Explain how long Kentucky Power anticipates having to purchase capacity to satisfy its PJM requirement and its peak demand.
 - d. Confirm that Kentucky Power will be purchasing capacity when necessary through the Bridge Power Coordination Agreement and paying the PJM Base Residual Auction clearing prices for the 2022/2023 and 2023/2024 years and explain what capacity prices would be appropriate.

6. Refer to the Application. In the case of default, explain whether Kentucky Power is requiring Cyber Innovation to post a bond or other form of assurance that Kentucky Power's other customers will not bear any of the cost incurred to serve Cyber Innovation.



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DATED JAN 10 2023

cc: Parties of Record

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