

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TARIFF FILING OF KENTUCKY)	
POWER COMPANY FOR APPROVAL OF A)	CASE NO.
SPECIAL CONTRACT WITH EBON)	2022-00387
INTERNATIONAL, LLC)	

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

Kentucky Power Company (Kentucky Power), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on July 13, 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 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 or incomplete when made or, though correct or complete when made, is now incorrect or incomplete 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 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Application, Direct Testimony of Brian K. West, Exhibit BKW 1, Article 5.

- a. Confirm that Ebon International, LLC (Ebon) will participate in all of Kentucky Power's riders, surcharges, and adjustment clauses applicable to Tariff Industrial General Service. If this cannot be confirmed, explain.

b. Explain how any shortfall from amounts allocated to but not paid by Ebon would be treated for all applicable riders, surcharges, and adjustment clauses.

2. Refer to the Rebuttal Testimony of Lerah Kahn (Kahn Rebuttal Testimony), Exhibit LMK-R1; Case No. 2017-00179,² Rebuttal Testimony of Matthew Satterwhite, page 8; and Case No. 2020-00174,³ Direct Testimony of Alex Vaughan, pages 31–33 and Kentucky Power’s Post-Hearing Brief, pages 55–59. Explain why a 5 percent escalation for transmission costs is reasonable.

3. Refer to the Kahn Rebuttal Testimony, Exhibit LMK-R1, tab “5 CP & G Cost.”

a. Explain which resource type is used for the Net Cost of New Entry used in Kentucky Power’s calculation.

b. Provide a calculation of capacity costs using the National Renewable Energy Laboratories’ Annual Technology Baseline as the source for determining costs for a physical proxy unit.

c. Provide a calculation of capacity costs using the estimated cost of a natural gas combustion turbine from Case No. 2023-00092.⁴

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 Jan. 18, 2018).

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).

⁴ Case No. 2023-00092, *Electronic 2022 Integrated Resource Planning Report of Kentucky Power Company* (filed Mar. 20, 2023).

4. Refer to the Kahn Rebuttal Testimony, Exhibit LMK-R1, tab “Transmission 250MW.”

a. Explain how Kentucky Power plans to call for interruptions such that Ebon’s Network Service Peak Load (NSPL) is 25 MW. Include in the explanation a description of how the NSPL is determined.

b. Explain how Kentucky Power plans to call for interruptions such that Ebon’s 12CP is 156.25 MW. Include in the explanation a description of how the 12CP is determined.

c. Refer also to the Kahn Rebuttal Testimony, Exhibit LMK-R1, tab “5 CP & G Cost.” Explain how Kentucky Power plans to call for interruptions such that Ebon’s 5CP is 28.75 MW. Include in the explanation a description of how the 5CO is determined.

5. Explain whether Kentucky Power plans to hedge the energy needs of Ebon in any way. If so, generally explain the hedging instrument and explain how that cost would be recovered. If not, explain why not.

6. Confirm that, during rate proceedings, Kentucky Power would be able to demonstrate through detailed cost of service analysis that nonparticipating ratepayers are not adversely affected by the special contract with Ebon.

7. In future rate proceedings, explain which entity or entities would be responsible for any deficiency between Ebon’s cost of service and rates collected.

8. Explain how PJM Interconnection, LLC (PJM) assesses penalties for failure to interrupt when called on.

9. Explain whether and how Kentucky Power would recover any penalties from PJM for failure to interrupt when called on.



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DATED JUL 05 2023

cc: Parties of Record

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