

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)	

NOTICE OF FILING

Notice is given to all parties that the following materials have been filed into the record of this proceeding:

- The digital video recording of the evidentiary hearing conducted on July 20, 2023 in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- All exhibits introduced at the evidentiary hearing conducted on July 20, 2023 in this proceeding;
- A written log listing, inter alia, the date and time of where each witness' testimony begins and ends on the digital video recording of the evidentiary hearing conducted on July 20, 2023.

A copy of this Notice, the certification of the digital video record, and hearing log have been served upon all persons listed at the end of this Notice. Parties desiring to view the digital video recording of the hearing may do so at <https://youtu.be/IPial7W9uoE>.

Parties wishing an annotated digital video recording may submit a written request by electronic mail to pscfilings@ky.gov. A minimal fee will be assessed for a copy of this recording.

Done at Frankfort, Kentucky, this 13th day of September 2023.



Linda C. Bridwell

Executive Director

Public Service Commission of Kentucky

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

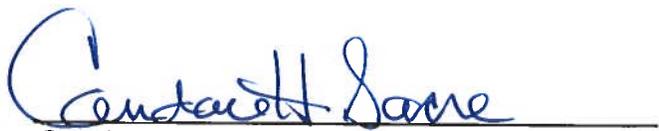
ELECTRONIC TARIFF FILING OF KENTUCKY)	
POWER COMPANY FOR APPROVAL OF A)	CASE NO.
SPECIAL CONTRACT WITH EBON)	2022-00387
INTERNATIONAL, LLC)	

CERTIFICATION

I, Candace H. Sacre, hereby certify that:

1. The attached flash drive contains a digital recording of the Formal Hearing conducted in the above-styled proceeding on July 20, 2023. The Formal Hearing Log, Exhibits, and Exhibit List are included with the recording on July 20, 2023;
2. I am responsible for the preparation of the digital recording;
3. The digital recording accurately and correctly depicts the Formal Hearing of July 20, 2023; and
4. The Formal Hearing Log attached to this Certificate accurately and correctly states the events that occurred at the Formal Hearing of July 20, 2023, and the time at which each occurred.

Signed this 24 day of September, 2023.


Candace H. Sacre
Administrative Specialist III


Stephanie Schweighardt
Kentucky State at Large ID# 64180
Commission Expires: January 14, 2027



Session Report - Detail

2022-00387 20Jul2023

Kentucky Power Company
(Kentucky Power)

Date:	Type:	Location:	Department:
7/20/2023	Public Hearing\Public Comments	Hearing Room 1	Hearing Room 1 (HR 1)

Witness: Stephen Baron; Amanda Clark; Chelsea Hotaling; Lerah Kahn; Stacy Sherwood; Brian K. West
 Judge: Kent Chandler; Angie Hatton; Mary Pat Regan
 Clerk: Candace Sacre

Event Time	Log Event
9:06:32 AM	Session Started
9:06:35 AM	Chairman Chandler Note: Sacre, Candace
	On the record in Case No. 2022-00387.
9:06:49 AM	Chairman Chandler Note: Sacre, Candace
	Preliminary remarks.
9:07:41 AM	Chairman Chandler Note: Sacre, Candace
	Entry of appearance.
9:07:48 AM	Atty Glass Kentucky Power Note: Sacre, Candace
	Katie Glass and Hector Garcia.
9:08:05 AM	Asst Atty General West Note: Sacre, Candace
	Mike West.
9:08:14 AM	Atty Kurtz KIUC Note: Sacre, Candace
	Mike Kurtz.
9:08:22 AM	Atty Gary Joint Intervenors Note: Sacre, Candace
	Byron Gary, Thomas Cmar, and Hema Lochan.
9:08:38 AM	Staff Atty Young PSC Note: Sacre, Candace
	Justin Young and Jason Colyer.
9:08:44 AM	Chairman Chandler Note: Sacre, Candace
	Public notice.
9:09:30 AM	Chairman Chandler Note: Sacre, Candace
	Motions.
9:09:52 AM	Chairman Chandler Note: Sacre, Candace
	Public comments.
9:12:43 AM	Chairman Chandler Note: Sacre, Candace
	Other issues?
9:15:14 AM	Chairman Chandler Note: Sacre, Candace
	First witness?
9:15:16 AM	Atty Glass Kentucky Power Note: Sacre, Candace
	Brian West.
9:15:35 AM	Chairman Chandler Note: Sacre, Candace
	Witness is sworn.
9:15:43 AM	Chairman Chandler - witness West Note: Sacre, Candace
	Examination. Name and address?
9:16:02 AM	Atty Glass Kentucky Power - witness West Note: Sacre, Candace
	Direct Examination. Cause be filed testimony and responses?
9:16:11 AM	Atty Glass Kentucky Power - witness West Note: Sacre, Candace
	Changes or modifications?
9:16:17 AM	Atty Glass Kentucky Power - witness West Note: Sacre, Candace
	Ask same questions, answers same?
9:16:28 AM	Chairman Chandler Note: Sacre, Candace
	Procedural discussion.

9:16:59 AM	Chairman Chandler Note: Sacre, Candace	Mr. Kurtz?
9:17:02 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Cross Examination. Copy of contract, page 1, with Ebon International, LLC?
9:17:43 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Know who owner is?
9:17:54 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Parental guarantee obligations?
9:18:23 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Dispute between Kentucky Power and LLC?
9:18:37 AM	Atty Glass Kentucky Power Note: Sacre, Candace	Objection, legal conclusion. (Click on link for further comments.)
9:19:25 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Letter of credit, guaranty?
9:19:38 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	From anybody, how collect?
9:20:54 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Nothing requiring give such discount?
9:22:22 AM	Video Conference Deactivated	
9:23:10 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Two-twelfths covers default, standard deposit?
9:23:38 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	LLC, not know who owns, protected without security or guarantee?
9:24:15 AM	Atty Kurtz KIUC Note: Sacre, Candace	Marked KIUC Exhibit 1.
9:24:16 AM	MARKED - KIUC HEARING EXHIBIT 1 Note: Sacre, Candace Note: Sacre, Candace	ATTY KURTZ KIUC - WITNESS WEST ADMINISTRATIVE CASE NO. 327 AN INVESTIGATION INTO THE IMPLEMENTATION OF ECONOMIC DEVELOPMENT RATES BY ELECTRIC AND GAS UTILITIES
9:24:50 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Familiar decision Order 327?
9:25:06 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Second page, Exhibit 1, reading (click on link for further comments), this is contract?
9:25:48 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Think Kentucky Power meets?
9:25:55 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Third page, IRP, 115 MW short in 2026?
9:26:45 AM	Chairman Chandler Note: Sacre, Candace	Please answer question.
9:27:02 AM	Video Conference Activated	
9:27:12 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	When Mitchell entitlement ends 2028, 713 MW short?
9:27:26 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	1000 MW load?
9:27:30 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	250 MW contract?
9:27:55 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Assumes interrupt them or required get more capacity?
9:28:43 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	True at Phase 2 customer use about 2 billion kW a year?

9:29:02 AM	Atty Kurtz KIUC Note: Sacre, Candace	Ask marked KIUC Exhibit 2.
9:29:20 AM	Chairman Chandler Note: Sacre, Candace	So marked.
9:29:21 AM	MARKED - KIUC HEARING EXHIBIT 2 Note: Sacre, Candace Note: Sacre, Candace	ATTY KURTZ KIUC - WITNESS WEST S&P CAPITAL IQ KENTUCKY POWER COMPANY ELECTRIC SALES DETAIL
9:29:32 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Current native load 5.4 million MWh a year?
9:29:47 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	S&P Global off Form 1, generally, native load 5.4 million kW a year?
9:30:07 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Page 3, marginal cost study, at top kW hours?
9:30:18 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	About two billion?
9:30:22 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Add 37 percent to energy requirements?
9:30:40 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Getting discount on demand charge?
9:30:50 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Where get energy?
9:31:22 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Customer completely different?
9:31:50 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Majority paying full demand charge?
9:32:15 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Everybody else bill goes up, economic development or undevelopment?
9:32:51 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Quoting Clark?
9:32:59 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Have to purchase power, run through fuel adjustment clause?
9:33:16 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Everybody else pay higher?
9:33:31 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Except huge discount?
9:33:58 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Fuel adjustment caused hardship, everybody had to pay more?
9:34:16 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Ten-year contract?
9:34:29 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Nobody knows what energy prices be?
9:34:49 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	How Kentucky Power end up with this?
9:35:46 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Page 4 of exhibit, S&P Global, accept that?
9:36:19 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Mitchell over at end 2028?
9:36:27 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	All have Big Sandy?
9:37:03 AM	Atty Kurtz KIUC Note: Sacre, Candace	Marked KIUC Exhibit 3.

9:37:26 AM	Chairman Chandler Note: Sacre, Candace	So marked.
9:37:27 AM	MARKED - KIUC HEARING EXHIBIT 3 Note: Sacre, Candace Note: Sacre, Candace	ATTY KURTZ KIUC - WITNESS WEST COMPOSITE EXHIBIT WEST TESTIMONY AND RESPONSES
9:38:00 AM	Chairman Chandler Note: Sacre, Candace	Highlighting is yours?
9:38:12 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Page two, contract, invest \$50 million, create new jobs?
9:38:50 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Page 3, direct testimony, \$250 million, how go five times bigger?
9:39:11 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Page 10, direct, highly technical nature 100 positions, majority professional annual compensation \$44,000 to \$76,000?
9:39:54 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Median income Louisa \$29,167?
9:40:04 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Page 5, see this?
9:40:23 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Phase 2, estimating 115 employees?
9:40:42 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Total payroll \$5.3 million?
9:40:49 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Majority \$44,000 to \$76,000, see positions highlighted?
9:41:20 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	91 of 115 new positions?
9:41:37 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Total of 91 positions?
9:42:07 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Count 79 percent new jobs \$18 hour or less?
9:42:23 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	\$18 an hour?
9:42:34 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	\$37,518 divided by 52 divided by 40?
9:42:44 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Highly technical, highly paid, not true?
9:42:53 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	79 percent \$18 or less?
9:43:08 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Capital, page 6, breakdown CapEx?
9:43:28 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	\$165 million computing equipment?
9:43:44 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Not manufactured in area served by Kentucky Power?
9:43:52 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Where manufactured?
9:43:56 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Parent company in China?
9:44:02 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Derives where manufactured?
9:44:45 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Computers come and go?
9:45:00 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	\$85 million, 250 containers house computers?

9:45:17 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Not manufactured in service territory?
9:45:35 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Familiar Toyota?
9:45:46 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	If sell ten cars to Portland, where economic development benefit?
9:46:11 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Economic benefit where manufactured?
9:46:41 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Not familiar IMPLAN model works?
9:46:51 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	What this one be, big metal building?
9:47:42 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Container placement, 250?
9:47:59 AM	Atty Kurtz KIUC Note: Sacre, Candace	Marked KIUC Confidential Hearing Exhibit 4.
9:48:28 AM	Chairman Chandler Note: Sacre, Candace	So marked.
9:49:09 AM	Chairman Chandler Note: Sacre, Candace	Confidential record.
9:49:19 AM	Private Mode Activated	
9:49:19 AM	Private Recording Activated	
10:48:49 AM	Normal Mode Activated	
10:48:49 AM	Public Recording Activated	
10:48:50 AM	Chairman Chandler Note: Sacre, Candace	Back on public record Case 2022-00387.
10:48:55 AM	Chairman Chandler Note: Sacre, Candace	Mr. Kurtz?
10:49:00 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Cross Examination (cont'd). Consider direct assignment 2 billion kWh purchases from PJM assign to Ebon?
10:49:24 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	By running through fuel adjustment clause transferring to all other customers?
10:49:41 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Except in year one, getting 32.7 percent discount?
10:50:00 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	More fair customers not exposed to market risk?
10:50:26 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	If market price \$100 MW, how floor price protect anybody?
10:50:45 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	KIUC 5, if miss one PLC hour provide one-fifth of 225 MW?
10:51:27 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	If miss one PLC hours, have to provide 45 MW, if all five 225?
10:52:28 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Did miss one of five buy extra capacity cost run through PPA?
10:52:41 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Transmission same concept?
10:53:09 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	One monthly peak 225 MW higher assigned additional transmission?
10:53:34 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	Whether customers pay or company absorb?
10:54:01 AM	Atty Kurtz KIUC - witness West Note: Sacre, Candace	If not in test year, absorb additional cost?

10:54:18 AM	Chairman Chandler Note: Sacre, Candace	Recess until 11:10.
10:54:34 AM	Session Paused	
11:13:01 AM	Session Resumed	
11:13:06 AM	Chairman Chandler Note: Sacre, Candace	Back on the record in Case No. 2022-00387.
11:13:18 AM	Atty Kurtz KIUC Note: Sacre, Candace	Move admission KIUC 1 - 5.
11:13:31 AM	Atty Glass Kentucky Power Note: Sacre, Candace	Not have any objection.
11:13:35 AM	Chairman Chandler Note: Sacre, Candace	So admitted.
11:13:36 AM	KIUC HEARING EXHIBIT 1 Note: Sacre, Candace Note: Sacre, Candace	ATTY KURTZ KIUC - WITNESS WEST ADMINISTRATIVE CASE NO. 327 AN INVESTIGATION INTO THE IMPLEMENTATION OF ECONOMIC DEVELOPMENT RATES BY ELECTRIC AND GAS UTILITIES
11:13:37 AM	KIUC HEARING EXHIBIT 2 Note: Sacre, Candace Note: Sacre, Candace	ATTY KURTZ KIUC - WITNESS WEST S&P CAPITAL IQ KENTUCKY POWER COMPANY ELECTRIC SALES DETAIL
11:13:38 AM	KIUC HEARING EXHIBIT 3 Note: Sacre, Candace Note: Sacre, Candace	ATTY KURTZ KIUC - WITNESS WEST WEST TESTIMONY AND RESPONSES - COMPOSITE EXHIBIT
11:13:39 AM	KIUC CONFIDENTIAL HEARING EXHIBIT 4 Note: Sacre, Candace Note: Sacre, Candace	ATTY KURTZ KIUC - WITNESS WEST EBON ECONOMIC DEVELOPMENT AND INCREMENTAL DISCOUNTS - COMPOSITE EXHIBIT
11:13:40 AM	KIUC HEARING EXHIBIT 5 Note: Sacre, Candace Note: Sacre, Candace	ATTY KURTZ KIUC - WITNESS WEST ADDED GENERATION AND TRANSMISSION OBLIGATIONS IF KENTUCKY POWER MISSES ONE PEAK YEARS 2-10
11:13:51 AM	Asst Atty General West - witness West Note: Sacre, Candace	Cross Examination. 2022-00181, amended tariff EDR?
11:14:29 AM	Asst Atty General West - witness West Note: Sacre, Candace	Recall what requesting?
11:14:47 AM	Asst Atty General West - witness West Note: Sacre, Candace	Lifted to 550 MW?
11:14:52 AM	Asst Atty General West - witness West Note: Sacre, Candace	Changes requested language and deviations from Admin Order 327?
11:15:09 AM	Asst Atty General West - witness West Note: Sacre, Candace	Reading (click on link for further comments), sound right?
11:16:20 AM	Asst Atty General West - witness West Note: Sacre, Candace	250 MW customer Ebon?
11:17:02 AM	Asst Atty General West - witness West Note: Sacre, Candace	What resolution?
11:17:11 AM	Asst Atty General West - witness West Note: Sacre, Candace	Since withdrawn, tariff EDR in effect?
11:17:26 AM	Asst Atty General West - witness West Note: Sacre, Candace	Explain why Kentucky Power change course?
11:18:17 AM	Asst Atty General West - witness West Note: Sacre, Candace	Familiar with Admin Order 327?
11:18:26 AM	Asst Atty General West - witness West Note: Sacre, Candace	Has number of requirements related EDR contracts?

11:18:42 AM	Asst Atty General West - witness West Note: Sacre, Candace	Calculated protecting ratepayers?
11:18:57 AM	Asst Atty General West - witness West Note: Sacre, Candace	One of protections EDR only offered during times of excess capacity?
11:19:32 AM	Asst Atty General West - witness West Note: Sacre, Candace	Have tariff to refer to?
11:19:51 AM	Asst Atty General West - witness West Note: Sacre, Candace	Correct says, reading (click on link for further comments), accurate quote?
11:20:45 AM	Asst Atty General West - witness West Note: Sacre, Candace	This is tariff?
11:20:57 AM	Asst Atty General West - witness West Note: Sacre, Candace	Special contract Ebon not provision reduces IBDD or SPDD?
11:21:13 AM	Asst Atty General West - witness West Note: Sacre, Candace	Admin Order 327 require EDR contract revenues generated exceed marginal costs?
11:21:33 AM	Asst Atty General West - witness West Note: Sacre, Candace	Admin Order 327 require demonstrate COS analysis ratepayers not adversely affected?
11:21:51 AM	Asst Atty General West - witness West Note: Sacre, Candace	Kentucky Power file special contract in order to avoid ratepayer protections?
11:22:28 AM	Asst Atty General West - witness West Note: Sacre, Candace	Have responses to data requests?
11:22:58 AM	Asst Atty General West - witness West Note: Sacre, Candace	Third set, Request 3-6, and read?
11:24:22 AM	Asst Atty General West - witness West Note: Sacre, Candace	Accurate saying might adversely affect nonparticipating ratepayers?
11:24:32 AM	Atty Glass Kentucky Power Note: Sacre, Candace	Objection, read what response says. (Click on link for further comments.)
11:24:45 AM	Asst Atty General West - witness West Note: Sacre, Candace	Accurate saying special contract might affect nonparticipating ratepayers?
11:25:12 AM	Asst Atty General West - witness West Note: Sacre, Candace	If contract approved, Kentucky Power propose 2023-00159 or later case?
11:25:37 AM	Asst Atty General West - witness West Note: Sacre, Candace	Response to 3-7, read?
11:26:26 AM	Asst Atty General West - witness West Note: Sacre, Candace	Accurate saying revenue serving Ebon all ratepayers make up difference?
11:26:54 AM	Chairman Chandler - witness West Note: Sacre, Candace	Examination. In what way?
11:27:39 AM	Chairman Chandler - witness West Note: Sacre, Candace	Discounts under tariff EDR be picked up by other customers?
11:28:10 AM	Chairman Chandler - witness West Note: Sacre, Candace	By definition shortfall?
11:28:27 AM	Chairman Chandler - witness West Note: Sacre, Candace	Compared to what counterfactual?
11:29:05 AM	Chairman Chandler - witness West Note: Sacre, Candace	Detriment like customer not paying full cost of service?

11:29:19 AM	Chairman Chandler - witness West Note: Sacre, Candace	LGS looks worse off?
11:30:01 AM	Chairman Chandler - witness West Note: Sacre, Candace	For EDRs, carve out discounts or discounted amount picked up by remaining customers?
11:30:30 AM	Chairman Chandler - witness West Note: Sacre, Candace	Not know whether discount is picked up in rate case or by company?
11:30:49 AM	Chairman Chandler - witness West Note: Sacre, Candace	EDR rate, Staff 3-6, how anticipate complying with Admin 327 COS?
11:31:36 AM	Chairman Chandler - witness West Note: Sacre, Candace	Question presumes Admin 327 demonstrate nonparticipating customers not adversely affected?
11:31:55 AM	Chairman Chandler - witness West Note: Sacre, Candace	How company comply in practice?
11:32:11 AM	Chairman Chandler - witness West Note: Sacre, Candace	Marginal or embedded COS?
11:32:26 AM	Asst Atty General West - witness West Note: Sacre, Candace	Cross Examination (cont'd). If analysis shows deficiency, allow for adjustment Ebon rate?
11:33:12 AM	Asst Atty General West - witness West Note: Sacre, Candace	Contract allow such a change?
11:33:30 AM	Asst Atty General West - witness West Note: Sacre, Candace	Fair to say not be approved without deviations from 327?
11:33:40 AM	Atty Glass Kentucky Utilities Note: Sacre, Candace	Objection, calls for legal conclusion. (Click on link for further comments.)
11:34:07 AM	Asst Atty General West - witness West Note: Sacre, Candace	Why think contract complies with 327?
11:34:18 AM	Atty Glass Kentucky Utilities Note: Sacre, Candace	Objection. (Click on link for further comments.)
11:35:12 AM	Chairman Chandler Note: Sacre, Candace	Mr. Cmar? (Click on link for further comments.)
11:35:38 AM	Atty Cmar Joint Intervenors - witness West Note: Sacre, Candace	Cross Examination. Familiar EDR contracts for ten years and discount period first five years?
11:36:27 AM	Atty Cmar Joint Intervenors - witness West Note: Sacre, Candace	Comply with that?
11:36:52 AM	Atty Cmar Joint Intervenors - witness West Note: Sacre, Candace	True even with floor price?
11:37:19 AM	Atty Cmar Joint Intervenors - witness West Note: Sacre, Candace	Part of reason do outside EDR level out payment over term?
11:37:54 AM	Atty Cmar Joint Intervenors Note: Sacre, Candace	Should only be a couple of questions. (Click on link for further comments.)
11:38:04 AM	Private Mode Activated	
11:38:05 AM	Private Recording Activated	
12:00:45 PM	Chairman Chandler Note: Sacre, Candace	Anything else on confidential record?
12:01:02 PM	Normal Mode Activated	
12:01:02 PM	Public Recording Activated	
12:01:07 PM	Atty Cmar Joint Intervenors - witness West Note: Sacre, Candace	Recross Examination. Ebon for Ebon International LLC?
12:01:41 PM	Atty Cmar Joint Intervenors - witness West Note: Sacre, Candace	Entity Kentucky Power dealing with?

12:01:47 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Any other in negotiations?

12:02:00 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Involvement with negotiation?

12:02:27 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Who else, you lead?

12:02:35 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Current status of Ebon project?

12:02:53 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Any steps constructing facility?

12:03:11 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Attached to direct copy of contract?

12:03:23 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Says Ebon invest \$50 million and create 50-100 permanent full-time job by June 2024?

12:03:50 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Status, move forward June 2024?

12:04:51 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Rebuttal state cost deciding factor locate in service territory?

12:05:08 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace How communicate that?

12:05:19 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Tell you that?

12:05:54 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Did provide number?

12:06:03 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace In writing?

12:06:08 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace What Kentucky Power do verify claims?

12:07:05 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Requirements for EDR discount evidence customer needs discount to make decision locate in service territory?

12:07:36 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Letter provided how did that?

12:08:05 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Understanding position without discount not be in position move forward?

12:08:34 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Discussion how contract protects customer Ebon locating and taking service under standard rates?

12:09:15 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Not realistic possibility, only way would is if received discounts?

12:10:33 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace No option on table locate under general rates?

12:10:52 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace What review Ebon corporate finances, Kentucky Power know Ebon has assets in US?

12:11:22 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Offices in US?

12:11:30 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Ebang is parent company?

12:11:47 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Ebang Caiman Islands based?

12:11:53 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Response, Joint Intervenors 1-14, stated Kentucky Power reviewed records Securities and Exchange Commission?

12:12:12 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Not recall cited parent company?

12:12:26 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Ebang corporate offices SE Asia?

12:12:41 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Mentioned possibility breach of contract possibilities if not sufficient protect ratepayers?

12:13:02 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Ability enforce contractual obligations?

12:13:31 PM Chairman Chandler
Note: Sacre, Candace Recess until 1:15.

12:14:10 PM Session Paused

1:21:31 PM Session Resumed

1:21:41 PM Chairman Chandler
Note: Sacre, Candace Back on the record.

1:21:47 PM Chairman Chandler
Note: Sacre, Candace Still under oath.

1:21:50 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Mr. Cmar?

1:22:02 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Cross Examination (cont'd). Said they, Ebon, committing to several other projects?

1:22:25 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Explain what mean?

1:23:16 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Sense what load be?

1:23:37 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Fair to say 250 MW not maximum load come on line at site?

1:24:20 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Negotiations with Ebon, noted originally come in under tariff EDR?

1:24:52 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Discovery, Joint Inter 1-15, process company evaluate projects?

1:25:40 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Application for Econ Dev Rider Discounts and Questionnaire?

1:26:15 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Check 1-18?

1:26:35 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Lead negotiator?

1:26:40 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Filled out econ dev app or questionnaire?

1:26:55 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Nothing filed in record?

1:27:05 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Not know exists?

1:27:15 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Response PSC 1-2, maps of site?

1:27:50 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Attachment 1, describe?

1:28:47 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Anything else indicated related to Ebon facility?

1:29:02 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Attachment 2, describe what reflected?

1:29:30 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Rectangle on left side Attachment 2, building?

1:29:46 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Existing or one yet be built?

1:29:52 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace What in warehouse?

1:30:10 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Kentucky Power warehouse?

1:30:20 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Ebon using that building?

1:30:30 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Drawings reflect representation proposed facility?

1:30:57 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Other buildings planned?

1:31:13 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Planning build office buildings?

1:31:23 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Claimed creating 100 jobs, require offices?

1:31:43 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Not part of KP discussions with Ebon?

1:32:06 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Not directly controlled by contractor?

1:32:19 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Parking lot?

1:32:26 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Need a place to park?

1:32:51 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Planned for 24-hour operation?

1:33:01 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Plans put in lighting?

1:33:15 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Response, Joint Inter 1-8, involved in lease of land?

1:34:02 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace For Clark?

1:34:08 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Anyone else?

1:34:23 PM Chairman Chandler - witness West
Note: Sacre, Candace Examination. Real estate group work for Kentucky Power?

1:34:38 PM Chairman Chandler - witness West
Note: Sacre, Candace Not employees of Kentucky Power?

1:34:48 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Cross Examination (cont'd). Response, Joint Inter 1-9, transmission of Ebon load Big Sandy?

1:35:32 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Kentucky Power look into transmission issues?

1:36:00 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Who they?

1:36:08 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Analysis in record?

1:36:16 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace If Big Sandy plant retire, transmission issues on system?

1:36:31 PM Atty Cmar Joint Intervenors
Note: Sacre, Candace Request post-hearing data request. (Click on link for further comments.)

1:37:06 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Rider DRS, who largest customer under rider DRS?

1:37:45 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Sense of size of customer?

1:38:17 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Workbook provided Response PSC 1-7, place look for information?

1:39:15 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Fair say Ebon dropping 225 MW load?

1:39:27 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Larger other customers under rider?

1:39:40 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Ebon fails curtail most penalized loss of portion of DRS credit?

1:41:27 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Ebon core business cryptocurrency?

1:42:19 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Bitcoin goes high, boom next year, make business sense keep mining bitcoin?

1:44:55 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Key part of business?

1:45:19 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Risk incur additional capacity costs, shared with other customers?

1:45:45 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Other customers pulled into consideration?

1:46:43 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Ebon also receiving econ dev credits?

1:46:53 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Ebon fails curtail load, not affect continue receive discounts?

1:47:18 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Because Ebon size continuing operate result capacity costs magnitude greater than other customers?

1:47:50 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Under rider DRS other customers smaller?

1:48:01 PM Atty Cmar Joint Intervenors - witness West
Note: Sacre, Candace Risk smaller customer failing curtail smaller?

1:48:27 PM Chairman Chandler
Note: Sacre, Candace Mr. Young, Mr. Colyer?

1:48:31 PM Staff Atty Young PSC - witness West
Note: Sacre, Candace Cross Examination. Ebon load risk move local marginal price?

1:48:55 PM Staff Atty Young PSC - witness West
Note: Sacre, Candace Possibility?

1:49:06 PM Staff Atty Young PSC - witness West
Note: Sacre, Candace Conversations building natural gas combined cycle/combustion turbines?

1:49:36 PM Staff Atty Young PSC - witness West
Note: Sacre, Candace Discussion putting any generative capacity on site?

1:50:07 PM Staff Atty Young PSC - witness West
Note: Sacre, Candace Room to do that?

1:50:40 PM Staff Atty Young PSC - witness West
Note: Sacre, Candace Response, Staff First, Response 4, Attachment 2, other sales or resales, municipals sell to?

1:52:06 PM Staff Atty Young PSC - witness West
Note: Sacre, Candace Why drop out of forecast?

1:52:54 PM Staff Atty Young PSC - witness West
Note: Sacre, Candace Only customer falls into category?

1:53:08 PM Staff Atty Young PSC - witness West
Note: Sacre, Candace Any changes since then?

1:53:27 PM Staff Atty Young PSC - witness West
Note: Sacre, Candace Capacity deficit peak demands?

1:53:55 PM Staff Atty Young PSC - witness West
Note: Sacre, Candace Post-hearing data request, provide explanation how Kentucky Power satisfies that?

1:53:56 PM POST-HEARING DATA REQUEST
Note: Sacre, Candace STAFF ATTY YOUNG PSC - WITNESS WEST
Note: Sacre, Candace KRS 278.010(14) DEFINES ADEQUATE SERVICE, PROVIDE EXPLANATION HOW KENTUCKY POWER SATISFIES THAT

1:54:20 PM Chairman Chandler
Note: Sacre, Candace Vice Chair?

1:54:32 PM Vice Chairman Hatton - witness West
Note: Sacre, Candace Examination. Have to buy capacity, negate benefit current customers?

1:56:37 PM Vice Chairman Hatton - witness West
Note: Sacre, Candace Know fuel adjustment clauses volatility, fuel purchased, why not create multiplied effect?

1:59:05 PM Vice Chairman Hatton - witness West
Note: Sacre, Candace Acknowledge potential increase overall cost?

1:59:23 PM Vice Chairman Hatton - witness West
Note: Sacre, Candace Only good for customers cost of fuel less what paying now?

2:00:16 PM Vice Chairman Hatton - witness West
Note: Sacre, Candace Not looking at EDR, built-in conditions and clawbacks, not have any, specific references to those?

2:02:02 PM Vice Chairman Hatton - witness West
Note: Sacre, Candace Job creation?

2:02:13 PM Vice Chairman Hatton - witness West
Note: Sacre, Candace If breach?

2:02:17 PM Vice Chairman Hatton - witness West
Note: Sacre, Candace Still not have general clawback provisions?

2:02:38 PM Vice Chairman Hatton - witness West
Note: Sacre, Candace Not something filed as addendum special contract case?

2:03:05 PM Vice Chairman Hatton - witness West
Note: Sacre, Candace Kentucky Power not make money, who absorb risk?

2:03:47 PM Vice Chairman Hatton - witness West
Note: Sacre, Candace Current rate case, if Ebon creates positive margins, expect rate case decrease show positive margins?

2:05:35 PM Vice Chairman Hatton - witness West
Note: Sacre, Candace No idea when might be reflected in request decrease in rates?

2:06:13 PM Vice Chairman Hatton - witness West
Note: Sacre, Candace Public comment earlier, project directly dependent upon whether this approved, know other contracts reliant on this?

2:07:54 PM Vice Chairman Hatton - witness West
Note: Sacre, Candace Multiple other projects, just those two?

2:08:11 PM Vice Chairman Hatton - witness West
Note: Sacre, Candace Because of investment in upgrades, or know how relying upon those?

2:08:36 PM	Commissioner Regan - witness West Note: Sacre, Candace	Examination. Jobs, how many of 115 located in area?
2:09:05 PM	Chairman Chandler Note: Sacre, Candace	Recess until 2:20.
2:09:18 PM	Session Paused	
2:23:36 PM	Session Resumed	
2:23:50 PM	Chairman Chandler Note: Sacre, Candace	Back on the record.
2:23:57 PM	Chairman Chandler - witness West Note: Sacre, Candace	Examination. Asked about dollar-for-dollar IBDD payback, know what talking about?
2:24:43 PM	Chairman Chandler - witness West Note: Sacre, Candace	Asked about Incremental billing demand and supplemental billing demand, IBDD fifty-forty-thirty-twenty-ten, SBDD supplemental meeting job threshold?
2:25:17 PM	Chairman Chandler - witness West Note: Sacre, Candace	Provisions from EDR mirrored in contract?
2:25:27 PM	Chairman Chandler - witness West Note: Sacre, Candace	IBDD, five years, ten years in contract?
2:25:38 PM	Chairman Chandler - witness West Note: Sacre, Candace	Current terms of tariff allow company reduce dollar for dollar IBDD and SBDD meet customer demand?
2:26:46 PM	Chairman Chandler - witness West Note: Sacre, Candace	Asked about two contracts exemption?
2:26:54 PM	Chairman Chandler - witness West Note: Sacre, Candace	Remember what contracts were?
2:27:12 PM	Chairman Chandler - witness West Note: Sacre, Candace	Generally aware?
2:27:20 PM	Chairman Chandler - witness West Note: Sacre, Candace	Bring contracts up, seen page on web site before?
2:29:21 PM	Chairman Chandler - witness West Note: Sacre, Candace	Generally aware of page?
2:29:34 PM	Chairman Chandler - witness West Note: Sacre, Candace	Both tariff filings, approved without order?
2:29:48 PM	Chairman Chandler - witness West Note: Sacre, Candace	Cyber Innovation Group, Attach 1, 26 of 26, stamp at end of page?
2:30:25 PM	Chairman Chandler - witness West Note: Sacre, Candace	Paragraph 3, reading (click on link for further comments), agree provides dollar for dollar reduction not sufficient capacity?
2:31:37 PM	Chairman Chandler - witness West Note: Sacre, Candace	Commission approved it or went into effect?
2:31:54 PM	Chairman Chandler - witness West Note: Sacre, Candace	Enter an order?
2:32:01 PM	Chairman Chandler - witness West Note: Sacre, Candace	A tariff?
2:32:22 PM	Chairman Chandler - witness West Note: Sacre, Candace	Contract says what read?
2:32:38 PM	Chairman Chandler - witness West Note: Sacre, Candace	Confused how granted clarification if did not grant clarification?
2:32:54 PM	Chairman Chandler - witness West Note: Sacre, Candace	Commission granted deviation terms went into effect do not reflect deviation from tariff provision?
2:33:27 PM	Chairman Chandler - witness West Note: Sacre, Candace	Discover AI LLC?

2:34:00 PM Chairman Chandler - witness West
Note: Sacre, Candace Agree Section 4.9 similar to one looked at?

2:34:21 PM Chairman Chandler - witness West
Note: Sacre, Candace Could be IBDD reduction if not sufficient capacity?

2:34:42 PM Chairman Chandler - witness West
Note: Sacre, Candace Commission entered order?

2:34:47 PM Chairman Chandler - witness West
Note: Sacre, Candace Not big contracts?

2:35:22 PM Chairman Chandler - witness West
Note: Sacre, Candace Good size, megawatt?

2:35:39 PM Chairman Chandler - witness West
Note: Sacre, Candace Megawatt and a tenth of megawatt firm?

2:35:56 PM Chairman Chandler - witness West
Note: Sacre, Candace Not 25 megawatts firm and 225 megawatts subject to DRS?

2:36:09 PM Chairman Chandler - witness West
Note: Sacre, Candace Smaller than that?

2:36:16 PM Chairman Chandler - witness West
Note: Sacre, Candace Assume capacity purchased \$35 MW day?

2:36:39 PM Chairman Chandler - witness West
Note: Sacre, Candace Last clearing price remember?

2:37:00 PM Chairman Chandler - witness West
Note: Sacre, Candace Figure out megawatt, dollar per MW day times number of days?

2:37:14 PM Chairman Chandler - witness West
Note: Sacre, Candace \$12,775?

2:37:21 PM Chairman Chandler - witness West
Note: Sacre, Candace Small purchase?

2:37:25 PM Chairman Chandler - witness West
Note: Sacre, Candace \$319,000?

2:37:36 PM Chairman Chandler - witness West
Note: Sacre, Candace Nine times more?

2:37:43 PM Chairman Chandler - witness West
Note: Sacre, Candace \$2.8 million a year?

2:37:49 PM Chairman Chandler - witness West
Note: Sacre, Candace Agree different magnitude?

2:38:24 PM Chairman Chandler - witness West
Note: Sacre, Candace 250 MW or 225 MW portion risk having to do that comes down to ability utility avoid allocation of expenses?

2:39:00 PM Chairman Chandler - witness West
Note: Sacre, Candace 5CP discussed earlier?

2:39:05 PM Chairman Chandler - witness West
Note: Sacre, Candace Under current rules?

2:39:10 PM Chairman Chandler - witness West
Note: Sacre, Candace Heard rules capacity market PJM discussed being changed?

2:39:46 PM Chairman Chandler - witness West
Note: Sacre, Candace Experience under summer 5CP?

2:40:13 PM Chairman Chandler - witness West
Note: Sacre, Candace Experience avoiding winter peaks?

2:40:42 PM Chairman Chandler - witness West
Note: Sacre, Candace Post-hearing data request speak to experience avoiding winter peaks under DRS?

2:40:43 PM POST-HEARING DATA REQUEST
Note: Sacre, Candace CHAIRMAN CHANDLER - WITNESS WEST
Note: Sacre, Candace KENTUCKY POWER EXPERIENCE AVOIDING WINTER PEAKS UNDER DRS

2:41:13 PM	Chairman Chandler - witness West Note: Sacre, Candace	DRS allow for buy-through?
2:41:31 PM	Chairman Chandler - witness West Note: Sacre, Candace	Why utility customer buy through when asked to curtail?
2:42:03 PM	Chairman Chandler - witness West Note: Sacre, Candace	Ask turn off reliability prerogative?
2:42:34 PM	Chairman Chandler - witness West Note: Sacre, Candace	DRS not have that?
2:42:54 PM	Chairman Chandler - witness West Note: Sacre, Candace	Limited reduce down six hours?
2:43:14 PM	Chairman Chandler - witness West Note: Sacre, Candace	Long term, carrying enough generation cover curtailable load?
2:43:40 PM	Chairman Chandler - witness West Note: Sacre, Candace	Enough capacity meet firm demand?
2:44:10 PM	Chairman Chandler - witness West Note: Sacre, Candace	Perspective obligations long term enough capacity serve entirety of demand?
2:45:05 PM	Chairman Chandler - witness West Note: Sacre, Candace	Statement required enough capacity meet firm demand, consistent with company perspective?
2:47:09 PM	Chairman Chandler - witness West Note: Sacre, Candace	Aware order upon joining PJM meet PJM rules rather than obligations under Kentucky law?
2:47:46 PM	Chairman Chandler - witness West Note: Sacre, Candace	Why current EDR limited megawatts applied under it?
2:48:12 PM	Chairman Chandler - witness West Note: Sacre, Candace	Rationale proposing cap when increased cap?
2:49:02 PM	Chairman Chandler - witness West Note: Sacre, Candace	Why have cap?
2:49:10 PM	Chairman Chandler - witness West Note: Sacre, Candace	Proposed cap at 550 MW, why?
2:49:32 PM	Chairman Chandler - witness West Note: Sacre, Candace	Explain what benefit gained seeing how went?
2:50:12 PM	Chairman Chandler - witness West Note: Sacre, Candace	Risk not having cap?
2:50:49 PM	Chairman Chandler - witness West Note: Sacre, Candace	EDR terms and service, same term in this contract?
2:51:57 PM	Chairman Chandler - witness West Note: Sacre, Candace	Around for 2020 rate case?
2:52:05 PM	Chairman Chandler - witness West Note: Sacre, Candace	Aware case record 2017 case?
2:52:11 PM	Chairman Chandler - witness West Note: Sacre, Candace	Reviewed it, work on 2020 rate case?
2:52:17 PM	Chairman Chandler - witness West Note: Sacre, Candace	Relevant PJM LSE OATT expenses?
2:52:29 PM	Chairman Chandler - witness West Note: Sacre, Candace	In 2017, Commission allowing company track 80 percent expenses through tariff PPA?
2:52:49 PM	Chairman Chandler - witness West Note: Sacre, Candace	In 2020 rate case, granted request track 100 percent expenses?
2:53:04 PM	Chairman Chandler - witness West Note: Sacre, Candace	Remember seeing testimony?

2:53:15 PM	Chairman Chandler - witness West Note: Sacre, Candace	Term in 2020 rate case Vaughan said largest growing expense company had?
2:53:53 PM	Chairman Chandler - witness West Note: Sacre, Candace	Satterwhite support settlement 2017 noted without ability track expense forced file historic rate cases every year?
2:54:28 PM	Chairman Chandler - witness West Note: Sacre, Candace	Reviewed testimony this case?
2:54:35 PM	Chairman Chandler - witness West Note: Sacre, Candace	Transmission expenses increase five percent?
2:54:57 PM	Chairman Chandler - witness West Note: Sacre, Candace	Force annual rate cases recover cost?
2:55:24 PM	Chairman Chandler - witness West Note: Sacre, Candace	Agree what Satterwhite said?
2:55:40 PM	Chairman Chandler - witness West Note: Sacre, Candace	Surprised single cost increase five percent drove company file annual rate increases?
2:55:57 PM	Chairman Chandler - witness West Note: Sacre, Candace	Difference one year to next expenses increased five percent require file rate case?
2:56:24 PM	Chairman Chandler - witness West Note: Sacre, Candace	Magnitude five percent?
2:56:36 PM	Chairman Chandler - witness West Note: Sacre, Candace	Know transmission cost allocation is?
2:56:44 PM	Chairman Chandler - witness West Note: Sacre, Candace	Five percent more or less or in line?
2:57:10 PM	Chairman Chandler - witness West Note: Sacre, Candace	Not sure of what?
2:57:24 PM	Chairman Chandler - witness West Note: Sacre, Candace	Reviewed Baron testimony, 12 percent?
2:58:06 PM	Chairman Chandler - witness West Note: Sacre, Candace	Under construct customers bear risk wrong?
2:58:22 PM	Chairman Chandler - witness West Note: Sacre, Candace	Five percent reasonable assumption?
2:58:39 PM	Chairman Chandler - witness West Note: Sacre, Candace	Aware AEP publicly traded?
2:58:46 PM	Chairman Chandler - witness West Note: Sacre, Candace	Provide quarterly earnings reports?
2:59:05 PM	Chairman Chandler - witness West Note: Sacre, Candace	AEP provides quarterly earnings report?
2:59:08 PM	Chairman Chandler - witness West Note: Sacre, Candace	Do presentations after that with 10- Qs?
2:59:12 PM	Chairman Chandler - witness West Note: Sacre, Candace	Slide show presentation, aware process?
2:59:20 PM	Chairman Chandler - witness West Note: Sacre, Candace	Surprised 2023-2027 capital forecast 7.6 percent compound annual growth rate in rate base?
2:59:39 PM	Chairman Chandler - witness West Note: Sacre, Candace	Surprised if amount?
3:00:19 PM	Chairman Chandler - witness West Note: Sacre, Candace	Agree in excess of five percent assumed?
3:00:52 PM	Chairman Chandler - witness West Note: Sacre, Candace	Read Baron testimony, look whether 12 percent accurate?

3:01:14 PM	Chairman Chandler - witness West Note: Sacre, Candace	Personal knowledge inaccurate?
3:01:41 PM	Chairman Chandler - witness West Note: Sacre, Candace	Allocation increase transmission expense, what do to economic analysis conducted under agreement?
3:02:07 PM	Chairman Chandler Note: Sacre, Candace	Ms. Glass, redirect?
3:02:13 PM	Atty Glass Kentucky Power - witness West Note: Sacre, Candace	Redirect Examination. Kurtz insinuated not enough energy serve current customers?
3:02:31 PM	Atty Glass Kentucky Power - witness West Note: Sacre, Candace	Agree?
3:02:57 PM	Atty Glass Kentucky Power - witness West Note: Sacre, Candace	Serving Ebon be problem for company?
3:03:06 PM	Atty Glass Kentucky Power - witness West Note: Sacre, Candace	Company outage unable serve?
3:03:13 PM	Atty Glass Kentucky Power - witness West Note: Sacre, Candace	Obligation serve Ebon?
3:03:22 PM	Atty Glass Kentucky Power - witness West Note: Sacre, Candace	Serve Ebon as serve any customer?
3:03:29 PM	Atty Glass Kentucky Power - witness West Note: Sacre, Candace	Offer tariff rates?
3:03:46 PM	Atty Glass Kentucky Power - witness West Note: Sacre, Candace	Commission regulations allow terms vary from tariff rates?
3:04:00 PM	Atty Glass Kentucky Power - witness West Note: Sacre, Candace	Chose offer special contract?
3:04:11 PM	Chairman Chandler - witness West Note: Sacre, Candace	Special contracts provide discount tariff rates?
3:04:22 PM	Atty Glass Kentucky Power - witness West Note: Sacre, Candace	Provides discounts and company agree interrupt 90 percent of load?
3:05:10 PM	Atty Glass Kentucky Power - witness West Note: Sacre, Candace	Ebon bring 250 megawatts load?
3:05:20 PM	Atty Glass Kentucky Power - witness West Note: Sacre, Candace	Spreads fixed costs over greater load?
3:05:33 PM	Atty Glass Kentucky Power - witness West Note: Sacre, Candace	All benefits to company and customers?
3:06:00 PM	Atty Glass Kentucky Power - witness West Note: Sacre, Candace	Expert on participation in PJM?
3:06:10 PM	Atty Glass Kentucky Power - witness West Note: Sacre, Candace	Rely on experts?
3:06:21 PM	Atty Glass Kentucky Power - witness West Note: Sacre, Candace	Working knowledge and what understand today context hearing?
3:07:03 PM	Atty Glass Kentucky Power - witness West Note: Sacre, Candace	Amend special contract?
3:07:16 PM	Atty Glass Kentucky Power - witness West Note: Sacre, Candace	Provision of EDR Ebon agree to, reading (click on link for further comments), provision Ebon agree to?
3:07:56 PM	Atty Glass Kentucky Power - witness West Note: Sacre, Candace	Spoken to Ebon timeline or able execute addendum?
3:08:31 PM	Atty Glass Kentucky Power Note: Sacre, Candace	Request additional opportunity address issue with Discover AI and Cyber Innovation contracts. (Click on link for further comments.)
3:09:51 PM	Chairman Chandler Note: Sacre, Candace	Ms. Glass, at your convenience?

3:09:55 PM	Atty Glass Kentucky Power Note: Sacre, Candace	Amanda Clark.
3:10:16 PM	Chairman Chandler Note: Sacre, Candace	Witness is sworn.
3:10:22 PM	Chairman Chandler - witness Clark Note: Sacre, Candace	Examination. Name and address?
3:10:36 PM	Atty Glass Kentucky Power - witness Clark Note: Sacre, Candace	Direct Examination. Cause be filed rebuttal and responses?
3:10:41 PM	Atty Glass Kentucky Power - witness Clark Note: Sacre, Candace	Corrections or modifications?
3:10:44 PM	Atty Glass Kentucky Power - witness Clark Note: Sacre, Candace	Ask same questions, answers be same?
3:10:51 PM	Chairman Chandler Note: Sacre, Candace	Mr. Kurtz?
3:11:11 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	Cross Examination. Aware contract 50-100 jobs?
3:11:24 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	Discovery response 115 jobs, analysis assumed 125 jobs?
3:11:34 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	Guarantee any jobs be created?
3:12:43 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	Contract 250 MW?
3:12:47 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	Contract says 50-100 jobs, growing already reflected in contract?
3:13:05 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	Promoting econ dev big reason approve, no guarantee?
3:13:29 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	Provisions econ dev deal and not produce have to give back?
3:13:59 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	Not the case here, Ebon get same discounts?
3:14:14 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	Different than what state does?
3:14:20 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	Not be performance based?
3:14:27 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	Performance based sounds like good idea, consider?
3:14:41 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	Addendum involved in discussions?
3:14:49 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	Counterparty limited liability company?
3:15:01 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	Parental guarantee?
3:15:09 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	Clawback limited value counterparty not have money?
3:15:25 PM	Atty Kurtz KIUC Note: Sacre, Candace	Have marked as KIUC 6.
3:16:21 PM	Chairman Chandler Note: Sacre, Candace	Mark as KIUC Hearing Exhibit 6.
3:16:22 PM	KIUC HEARING EXHIBIT 6 Note: Sacre, Candace Note: Sacre, Candace	MARKED - ATTY KURTZ KIUC - WITNESS CLARK CONTRACT FOR FIRM ELECTRIC SERVICE BETWEEN KENTUCKY POWER COMPANY AND EBON INTERNATIONAL, LLC

3:16:34 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	Page 3, section from rebuttal, reading (click on link for further comments), read right?
3:17:14 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	Footnote 8, refers to West testimony?
3:17:19 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	Page 4, discovery, here when discussed document?
3:17:34 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	Phase I, 39 jobs at \$18 an hour or less?
3:18:00 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	Phase II, 52 jobs at \$18 an hour or less?
3:18:07 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	79 percent of jobs at \$18 or less?
3:18:16 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	How square \$44,000 to \$77,000?
3:18:36 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	Page 4, end of phase 2?
3:18:45 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	Page 5, rebuttal, increased jobs 125, how happen?
3:19:31 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	Input 125 in IMPLAN input and output \$8 million?
3:19:43 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	Indicate benefit to wage ratio over 30 percent?
3:20:04 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	What kind of benefits get increase package 30 percent range?
3:20:18 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	IMPLAN spit out?
3:20:23 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	Ebon not say true?
3:20:28 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	Next page, \$250 million CAPX?
3:20:50 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	\$165 million are computers?
3:21:02 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	Chose industry grouping as data processing?
3:21:31 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	No crypto mining IMPLAN data set?
3:21:44 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	For capital, input \$250 million, IMPLAN looking at industry standard, how much assume be local?
3:22:13 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	Investment based upon generic model, page 9, \$81,093,173 be locally related?
3:22:42 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	\$165 million not local, computers from home company?
3:23:02 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	250 containers none produced in Kentucky?
3:23:16 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	Not buying local producer should not be in local economic impact?
3:23:35 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	\$10 million substation, not being manufactured in Eastern Kentucky?
3:23:45 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	Not manufactured?

3:23:54 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	Taken generic two megawatts equals one job, Ebon estimate of \$250 million investment, put into generic computer model, and it spits out what generic answer be?
3:24:21 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	Not Ebon specific analysis?
3:24:40 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	Adjust for individual specific characteristics, something considered?
3:25:16 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	Baron testimony correct increased rates consumers negative impact?
3:25:43 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	Will not rate increase have negative effect?
3:25:55 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	If analysis correct higher cost for consumers be negative?
3:26:08 PM	Atty Kurtz KIUC - witness Clark Note: Sacre, Candace	Not factored into IMPLAN analysis?
3:26:26 PM	Chairman Chandler Note: Sacre, Candace	Mr. Cmar?
3:26:35 PM	Atty Cmar Joint Intervenors - witness Clark Note: Sacre, Candace	Cross Examination. Describe role with Ebon?
3:29:16 PM	Atty Cmar Joint Intervenors - witness Clark Note: Sacre, Candace	What status?
3:29:33 PM	Atty Cmar Joint Intervenors - witness Clark Note: Sacre, Candace	Undertaking steps constructing facility?
3:30:37 PM	Atty Cmar Joint Intervenors - witness Clark Note: Sacre, Candace	Hired anyone?
3:30:42 PM	Atty Cmar Joint Intervenors - witness Clark Note: Sacre, Candace	Made capital expenditures?
3:30:53 PM	Atty Cmar Joint Intervenors - witness Clark Note: Sacre, Candace	Contracted with construction companies?
3:31:37 PM	Atty Cmar Joint Intervenors - witness Clark Note: Sacre, Candace	Ebon have other facilities in US?
3:31:50 PM	Atty Cmar Joint Intervenors - witness Clark Note: Sacre, Candace	Assets in US?
3:32:10 PM	Atty Cmar Joint Intervenors - witness Clark Note: Sacre, Candace	Response, AG/KIUC 1-19, referencing Eastern Kentucky Concentrated Employment?
3:32:41 PM	Atty Cmar Joint Intervenors - witness Clark Note: Sacre, Candace	Job descriptions?
3:32:48 PM	Atty Cmar Joint Intervenors - witness Clark Note: Sacre, Candace	Attached is flyer?
3:32:58 PM	Atty Cmar Joint Intervenors - witness Clark Note: Sacre, Candace	Know if East Kentucky Concentrated done anything?
3:34:09 PM	Atty Cmar Joint Intervenors - witness Clark Note: Sacre, Candace	Visited web site in flyer?
3:34:12 PM	Atty Cmar Joint Intervenors - witness Clark Note: Sacre, Candace	QR code also links to website?
3:34:35 PM	Atty Cmar Joint Intervenors - witness Clark Note: Sacre, Candace	Page 2, Attachment 2, job descriptions?
3:34:45 PM	Atty Cmar Joint Intervenors - witness Clark Note: Sacre, Candace	Within each of descriptions, states be located in US?
3:34:55 PM	Atty Cmar Joint Intervenors - witness Clark Note: Sacre, Candace	Do not mention Kentucky?

3:35:02 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace Go to web site, no mention of Kentucky?

3:35:27 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace Because not official announcement?

3:35:42 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace Ky Power requested commitments jobs stem from community?

3:36:04 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace Commitment in contract?

3:36:13 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace Ky Power take steps verify Ebon claim bringing 100 or more jobs?

3:36:27 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace Response, Joint Inter 2-1, standard industry practice?

3:36:55 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace Subpart B, Response reads, reading (click on link for further comments)?

3:37:07 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace Taking what company says as true?

3:37:20 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace Numbers cited what evidence Ebon provided be number of jobs?

3:37:50 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace Look at list, Attachment JI 1-6, higher salary jobs, not necessarily located at facility?

3:38:33 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace Software job often done remotely?

3:38:54 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace Said that in writing?

3:39:18 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace If exist be in record?

3:39:26 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace Map of site, attached to PSC 1-2, recall?

3:40:20 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace Asking about map and whether representation proposed facility?

3:40:33 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace Know answer?

3:41:08 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace Buildings planned not reflected?

3:41:26 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace Know if Ebon build office building?

3:41:37 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace Assume but not aware specific?

3:41:53 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace What buildings included in lease?

3:41:59 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace Reflected in map?

3:42:13 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace Aware Ebon intending build parking lot?

3:42:30 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace Not have evidence build offices for 125 employees or parking lot?

3:42:40 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace Plan for 24-hour operation?

3:42:45 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace Plans have lighting?

3:43:07 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace Negotiations lease of property?

3:43:47 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace Supplemental Response Joint Inter 1-8, lease, familiar?

3:44:02 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace Said any rent received credited to account included retail cost of service?

3:44:21 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace Benefit ratepayers?

3:44:29 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace Failed maximize revenue adversely affect ratepayers?

3:44:41 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace Leaving money on table?

3:44:52 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace Cover property taxes after leased?

3:45:00 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace If property taxes go up Kentucky Power responsible?

3:45:23 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace Conversations with judge, what say?

3:45:37 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace In future?

3:45:41 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace If were increase, discussions whether be abated?

3:45:49 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace Reduced to writing?

3:46:02 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace No guarantee fiscal court approve?

3:46:30 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace Consideration company give benefits amount of revenue lease of property negotiating with Ebon?

3:48:08 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace Agree lease another benefit providing to Ebon?

3:48:40 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace Response Joint Inter 2-1, list inquiries received from cryptocurrency companies?

3:49:06 PM Atty Cmar Joint Intervenors - witness Clark
Note: Sacre, Candace How many located in Ky Power territory?

3:49:39 PM Chairman Chandler
Note: Sacre, Candace Staff?

3:49:43 PM Staff Atty Young PSC - witness Clark
Note: Sacre, Candace Cross Examination. None of discounts conditioned upon job creation?

3:50:03 PM Chairman Chandler
Note: Sacre, Candace Questions?

3:50:16 PM Vice Chairman Hatton - witness Clark
Note: Sacre, Candace Examination. Other contracts, more information believe lead to econ development?

3:52:03 PM Vice Chairman Hatton - witness Clark
Note: Sacre, Candace Extent rely upon granting contract but more like convenience?

3:52:34 PM Vice Chairman Hatton - witness Clark
Note: Sacre, Candace Involved projecting what might be requested in rate cases?

3:52:47 PM Vice Chairman Hatton - witness Clark
Note: Sacre, Candace When customers see application for rate decrease?

3:54:05 PM Vice Chairman Hatton - witness Clark
Note: Sacre, Candace Achieving balance bringing extra people and load bringing right price and capacity?

3:55:06 PM Chairman Chandler
Note: Sacre, Candace Commissioner?

3:55:09 PM Commissioner Regan - witness Clark
Note: Sacre, Candace Examination. Walk through how Ky Power does due diligence putting together and asking for special contract?

3:57:14 PM Commissioner Regan - witness Clark
Note: Sacre, Candace If Ebon goes away, ratepayers take increased pricing?

3:57:37 PM Commissioner Regan - witness Clark
Note: Sacre, Candace Talked about information into IMPLAN, not use cryptocurrency information?

3:58:08 PM Commissioner Regan - witness Clark
Note: Sacre, Candace Know if planning team looked at other crypto locations?

3:58:38 PM Chairman Chandler - witness Clark
Note: Sacre, Candace Examination. Been to Big Sandy?

3:58:43 PM Chairman Chandler - witness Clark
Note: Sacre, Candace 765 kV substation up street?

3:58:55 PM Chairman Chandler - witness Clark
Note: Sacre, Candace Big Sandy I coal facility converted to gas?

3:59:00 PM Chairman Chandler - witness Clark
Note: Sacre, Candace Big Sandy 2 retired and demolished?

3:59:06 PM Chairman Chandler - witness Clark
Note: Sacre, Candace Talking about demolition occurring around time discussing this, when would have been?

3:59:21 PM Chairman Chandler - witness Clark
Note: Sacre, Candace Cooling towers down in '16, demolition occurred throughout and until 2021?

3:59:30 PM Chairman Chandler - witness Clark
Note: Sacre, Candace Coal ash pond remediation finished '20 or '21?

3:59:37 PM Chairman Chandler - witness Clark
Note: Sacre, Candace About that time?

3:59:39 PM Chairman Chandler - witness Clark
Note: Sacre, Candace No more construction?

3:59:43 PM Chairman Chandler - witness Clark
Note: Sacre, Candace Heard name Greg Pauley?

3:59:52 PM Chairman Chandler - witness Clark
Note: Sacre, Candace Article middle 2016 discussing Big Sandy, quote, reading (click on link for further comments), potential be industrial site?

4:02:18 PM Chairman Chandler - witness Clark
Note: Sacre, Candace AEP own or Ky Power?

4:02:36 PM Chairman Chandler - witness Clark
Note: Sacre, Candace Rebuttal, bottom 16 on to 17, using term testimony, contemplated protections for customers, remember, Line 15?

4:03:00 PM Chairman Chandler - witness Clark
Note: Sacre, Candace Discuss contemplated protections for customers unlikely event of migrating quickly, remember that?

4:03:30 PM Chairman Chandler - witness Clark
Note: Sacre, Candace Read West testimony this case?

4:03:35 PM Chairman Chandler - witness Clark
Note: Sacre, Candace Internal process vetting other potential customers?

4:03:53 PM Chairman Chandler - witness Clark
Note: Sacre, Candace Have special process cryptocurrency customers?

4:05:25 PM Chairman Chandler - witness Clark
Note: Sacre, Candace Pay CIAC, pay regulation required 2/12 annual bill?

4:06:00 PM	Chairman Chandler - witness Clark Note: Sacre, Candace	Refer to response Joint Inter 1-35 remedies should default?
4:06:13 PM	Chairman Chandler - witness Clark Note: Sacre, Candace	Not respondent to 1-35?
4:06:17 PM	Chairman Chandler - witness Clark Note: Sacre, Candace	Neither was West?
4:06:23 PM	Chairman Chandler - witness Clark Note: Sacre, Candace	Surprised counsel was respondent?
4:06:25 PM	Chairman Chandler - witness Clark Note: Sacre, Candace	Surprise you?
4:06:28 PM	Chairman Chandler - witness Clark Note: Sacre, Candace	Clawback provision, subsequently filed?
4:06:47 PM	Chairman Chandler - witness Clark Note: Sacre, Candace	Response could not have covered provision?
4:07:14 PM	Chairman Chandler - witness Clark Note: Sacre, Candace	Feel Response 1-35 protection contemplated for customers?
4:07:30 PM	Chairman Chandler - witness Clark Note: Sacre, Candace	Important safeguard?
4:08:01 PM	Chairman Chandler Note: Sacre, Candace	New proposed addendum to contract clawback if changes Response to 1-35 supplement response. (Click on link for further comments.)
4:09:00 PM	Chairman Chandler Note: Sacre, Candace	Post-hearing data request confirmation how implemented tariff EDR do anything differently for IBDD or SBDD than do prospective security paid for service. (Click on link for further comments.)
4:09:01 PM	POST-HEARING DATA REQUEST Note: Sacre, Candace Note: Sacre, Candace	CHAIRMAN CHANDLER - WITNESS CLARK CONFIRMATION HOW IMPLEMENTED TARIFF EDR
4:10:26 PM	Chairman Chandler - witness Clark Note: Sacre, Candace	Examination (cont'd). 2/12ths deposit based on billing customer, how often recalculate those?
4:11:32 PM	Chairman Chandler - witness Clark Note: Sacre, Candace	Do this for other territories?
4:11:56 PM	Chairman Chandler Note: Sacre, Candace	Redirect?
4:12:15 PM	Atty Glass Kentucky Power - witness Clark Note: Sacre, Candace	Redirect Examination. Bring people and jobs?
4:12:22 PM	Atty Glass Kentucky Power - witness Clark Note: Sacre, Candace	Economic dev for Ky Power?
4:12:29 PM	Atty Glass Kentucky Power - witness Clark Note: Sacre, Candace	Discounted rates significant?
4:12:44 PM	Atty Glass Kentucky Power - witness Clark Note: Sacre, Candace	Company able offer those through contracts?
4:12:56 PM	Atty Glass Kentucky Power - witness Clark Note: Sacre, Candace	Econ dev more important Ky Power territory?
4:14:18 PM	Atty Glass Kentucky Power - witness Clark Note: Sacre, Candace	How big opportunity Ebon is?
4:15:45 PM	Atty Glass Kentucky Power - witness Clark Note: Sacre, Candace	Another project?
4:15:59 PM	Atty Glass Kentucky Power - witness Clark Note: Sacre, Candace	Effect be service territory, other customers contract not approved?
4:16:14 PM	Atty Glass Kentucky Power - witness Clark Note: Sacre, Candace	Ebon not relocate if contract not approved?

4:16:33 PM Atty Glass Kentucky Power - witness Clark
Note: Sacre, Candace Explain constraints territory has as far as attracting industries?

4:17:25 PM Atty Glass Kentucky Power - witness Clark
Note: Sacre, Candace Not only is it important have econ dev also hard because of constraints?

4:17:27 PM Atty Glass Kentucky Power - witness Clark
Note: Sacre, Candace Important have econ dev also hard because constraints in territory?

4:17:45 PM Atty Glass Kentucky Power - witness Clark
Note: Sacre, Candace Ebon well suited for territory?

4:18:35 PM Atty Glass Kentucky Power - witness Clark
Note: Sacre, Candace Explain benefits Ebon locating have for Lawrence County?

4:19:43 PM Atty Glass Kentucky Power - witness Clark
Note: Sacre, Candace How long in talks with Ebon?

4:19:54 PM Atty Glass Kentucky Power - witness Clark
Note: Sacre, Candace Long time to be in talks?

4:20:04 PM Atty Glass Kentucky Power - witness Clark
Note: Sacre, Candace Length of time shows Ebon commitment?

4:20:47 PM Atty Glass Kentucky Power - witness Clark
Note: Sacre, Candace Jobs, Ebon estimates 100 and 125 jobs?

4:21:02 PM Atty Glass Kentucky Power - witness Clark
Note: Sacre, Candace Guideline estimating, .5 jobs per megawatt?

4:21:11 PM Atty Glass Kentucky Power - witness Clark
Note: Sacre, Candace Based on amount of people operate facility based on size?

4:21:26 PM Atty Glass Kentucky Power - witness Clark
Note: Sacre, Candace More megawatts larger operation more people to run?

4:21:37 PM Atty Glass Kentucky Power - witness Clark
Note: Sacre, Candace Jobs end up 100 still significant for territory?

4:21:52 PM Atty Glass Kentucky Power - witness Clark
Note: Sacre, Candace Significant even if 50?

4:21:55 PM Atty Glass Kentucky Power - witness Clark
Note: Sacre, Candace Under tariff EDR, receive discounts only bring five jobs?

4:22:08 PM Atty Glass Kentucky Power - witness Clark
Note: Sacre, Candace Even five jobs meaningful?

4:22:12 PM Atty Glass Kentucky Power - witness Clark
Note: Sacre, Candace Ebon represented bring between 100 and 125?

4:22:19 PM Atty Glass Kentucky Power - witness Clark
Note: Sacre, Candace Reason believe not true?

4:22:43 PM Atty Glass Kentucky Power - witness Clark
Note: Sacre, Candace Offered same terms other company?

4:23:04 PM Atty Glass Kentucky Power - witness Clark
Note: Sacre, Candace IMPLAN instructive tool?

4:23:21 PM Atty Glass Kentucky Power - witness Clark
Note: Sacre, Candace Not used verify econ benefits?

4:23:31 PM Atty Glass Kentucky Power - witness Clark
Note: Sacre, Candace Offices, know whether all jobs require office?

4:24:16 PM Chairman Chandler
Note: Sacre, Candace Recess until 4:35.

4:24:30 PM Session Paused

4:42:11 PM Session Resumed

4:42:20 PM Chairman Chandler
Note: Sacre, Candace Back on the record.

4:42:23 PM Chairman Chandler
Note: Sacre, Candace Next witness?

4:42:26 PM	Atty Glass Kentucky Power Note: Sacre, Candace	Lerah Kahn.
4:42:37 PM	Chairman Chandler Note: Sacre, Candace	Witness is sworn.
4:42:44 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Examination. Name and address?
4:43:16 PM	Atty Garcia Santana Kentucky Power - witness Kahn Note: Sacre, Candace	Direct Examination. Submit rebuttal testimony?
4:43:27 PM	Atty Garcia Santana Kentucky Power - witness Kahn Note: Sacre, Candace	Also submit answers to discovery?
4:43:32 PM	Atty Garcia Santana Kentucky Power - witness Kahn Note: Sacre, Candace	Prepared by you?
4:43:35 PM	Atty Garcia Santana Kentucky Power - witness Kahn Note: Sacre, Candace	Asked same questions, answers same?
4:43:41 PM	Atty Garcia Santana Kentucky Power - witness Kahn Note: Sacre, Candace	Corrections?
4:43:50 PM	Chairman Chandler Note: Sacre, Candace	Mr. Kurtz?
4:43:52 PM	Atty Kurtz KIUC - witness Kahn Note: Sacre, Candace	Cross Examination. At 83-acre site, if 55 acres leased to Ebon, enough room build combined cycle plant?
4:44:22 PM	Atty Kurtz KIUC - witness Kahn Note: Sacre, Candace	Asked as to combustion turbine or combined cycle?
4:44:29 PM	Atty Kurtz KIUC Note: Sacre, Candace	Ask that in post-hearing data request.
4:44:34 PM	POST-HEARING DATA REQUEST Note: Sacre, Candace	ATTY KURTZ KIUC - WITNESS KAHN AMOUNT OF LAND SUFFICIENT TO BUILD COMBINED CYCLE PLANT
4:44:34 PM	Atty Kurtz KIUC - witness Kahn Note: Sacre, Candace	Turn to Exhibit 1 of rebuttal?
4:44:44 PM	Atty Garcia Santana Kentucky Power Note: Sacre, Candace	Exhibit confidential. (Click on link for further comments.)
4:45:10 PM	Atty Kurtz KIUC - witness Kahn Note: Sacre, Candace	Public version, line 2, DALMP, day ahead energy price?
4:45:47 PM	Atty Kurtz KIUC - witness Kahn Note: Sacre, Candace	What assumed marginal cost study company purchase power?
4:46:06 PM	Atty Kurtz KIUC - witness Kahn Note: Sacre, Candace	Ebon pay full market price so cost and revenues offset?
4:46:42 PM	Atty Kurtz KIUC - witness Kahn Note: Sacre, Candace	Assumed Ebon purchase two billion kilowatt hours from PJM?
4:46:59 PM	Atty Kurtz KIUC - witness Kahn Note: Sacre, Candace	Not what happen in reality?
4:47:29 PM	Atty Kurtz KIUC - witness Kahn Note: Sacre, Candace	In reality, two billion kilowatt hours market purchases, Ebon pay share?
4:48:26 PM	Atty Kurtz KIUC - witness Kahn Note: Sacre, Candace	Everybody have greater percent of bill at market pricing?
4:48:38 PM	Atty Kurtz KIUC - witness Kahn Note: Sacre, Candace	Saw what happened when relying on market purchases in 2022?
4:48:53 PM	Atty Kurtz KIUC - witness Kahn Note: Sacre, Candace	Fuel adjustment way up?
4:49:09 PM	Atty Kurtz KIUC - witness Kahn Note: Sacre, Candace	Adding two billion kilowatt hours serve Ebon, pay share of, other ratepayers pay more?

4:49:52 PM	Atty Kurtz KIUC - witness Kahn Note: Sacre, Candace	Analysis assumes pay 100 percent market purchases but not happen in reality?
4:50:24 PM	Atty Kurtz KIUC - witness Kahn Note: Sacre, Candace	Generation cost of Mitchell?
4:50:32 PM	Atty Kurtz KIUC - witness Kahn Note: Sacre, Candace	Only go one way?
4:50:58 PM	Atty Kurtz KIUC - witness Kahn Note: Sacre, Candace	Result of contract greater risk market exposure?
4:51:12 PM	Atty Kurtz KIUC - witness Kahn Note: Sacre, Candace	Balances out?
4:51:42 PM	Chairman Chandler Note: Sacre, Candace	Questions?
4:51:46 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Examination. Heard questions asked today?
4:51:57 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Work for Kentucky Power?
4:52:08 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Do a lot of rates/regulatory work?
4:52:24 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Aware tariff PPA?
4:52:28 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Help processing filings?
4:52:31 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Have appreciation for cost components?
4:52:36 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	See allocated bills from AEPSC to Kentucky Power?
4:52:53 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Aware PJM LSE OATT expenses?
4:53:00 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	You are?
4:53:03 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Increased, decreased, stayed same?
4:53:31 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Third set, responses filed two weeks ago?
4:54:17 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	More than twice five percent?
4:54:20 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Explain response at bottom?
4:55:20 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	What five percent estimated assumption based off?
4:55:50 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Talking about Kentucky Power Company R-KPSC 3-2, Attachment1?
4:56:17 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Percentage changed prior year?
4:56:30 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Mentioned one year only 2.2 percent?
4:56:45 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	See the 2022 is 2019 PTRR?
4:56:55 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Know why only 2.2 percent that year?
4:57:02 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	When arrive at Kentucky Power?

4:57:14 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	In 2017 rate case, Ky Power permitted track increment/decrement 80 percent base tariff PPA, remember that?
4:57:40 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	FERC case reduced ROE?
4:58:01 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Remember Kentucky Power requested not pass back savings?
4:58:15 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Asking hold on to savings additional year?
4:58:27 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	One-off situation why that year 2.2 percent?
4:58:34 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	2.2 percent being one off issue brings down average?
4:58:57 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Based on anything allocated to transmission expense?
4:59:24 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Appropriate escalation factor for transmission expenses?
4:59:40 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Done that with 10-15 percent escalation other revenues?
4:59:51 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Reduce economic benefit margins produced?
5:00:22 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Not remember whatever current analysis higher or lower?
5:00:35 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	What current analysis best version analysis this contract on system?
5:00:56 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Updated original analysis three times?
5:01:27 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Study did for Staff incremental cost of capacity?
5:01:41 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Cost additional 25 MW capacity?
5:02:04 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Not one depending on?
5:02:41 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Provided marginal cost study customer energy cost, not ascribe energy cost to customers?
5:03:06 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Why make sense include marginal cost of energy in analysis but not marginal cost of capacity?
5:03:26 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Is avoided cost to capacity?
5:03:50 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Get tariff PPA inputs after allocation done or see ICP basis and reallocate on 12CP basis, see cost at both points?
5:04:32 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Given that by AEPSC or at Ky Power figure out if appropriate application?
5:05:03 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Tariff PPA how allocated customer classes?
5:05:37 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Split residential and commercial, total allocated done on revenue basis or kWh basis?
5:06:10 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Know whether tariff PPA is?

5:06:27 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Based on factor?
5:06:38 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Tariff PPA broken out in that way?
5:07:20 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Any other tariffs, riders company has affected by contract?
5:07:50 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Allocated based on revenues first?
5:08:20 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Think should be present value analysis or net present value analysis?
5:08:37 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Bankable dollars?
5:08:47 PM	Chairman Chandler Note: Sacre, Candace	Concept is public? (Click on link for further comments.)
5:09:12 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Real-time value of money component customer dollars and utility investments?
5:09:22 PM	Chairman Chandler - witness Kahn Note: Sacre, Candace	Given discount for dollar year one contract worth more than dollar in year 10 all else being equal?
5:09:50 PM	Chairman Chandler Note: Sacre, Candace	Redirect?
5:10:00 PM	Atty Garcia Kentucky Power - witness Kahn Note: Sacre, Candace	Redirect Examination. Time value of money require assumptions?
5:10:37 PM	Atty Garcia Kentucky Power - witness Kahn Note: Sacre, Candace	Required make assumptions?
5:11:01 PM	Atty Garcia Kentucky Power - witness Kahn Note: Sacre, Candace	What purpose of conducting calculation?
5:11:57 PM	Atty Garcia Kentucky Power - witness Kahn Note: Sacre, Candace	Use of assumptions received reasonable for this purpose?
5:12:39 PM	Atty Garcia Kentucky Power - witness Kahn Note: Sacre, Candace	One of measures asked about locational marginal pricing LMPs
5:12:57 PM	Atty Garcia Kentucky Power - witness Kahn Note: Sacre, Candace	Occasion check what direction moved compared to what assumptions Baron did?
5:13:30 PM	Chairman Chandler Note: Sacre, Candace	Other questions?
5:13:40 PM	Chairman Chandler Note: Sacre, Candace	Anything else?
5:13:50 PM	Chairman Chandler Note: Sacre, Candace	Procedural discussion. (Click on link for further comments.)
5:15:35 PM	Chairman Chandler Note: Sacre, Candace	Any other questions?
5:16:01 PM	Atty Kurtz KIUC Note: Sacre, Candace	Move introduce KIUC 6.
5:16:02 PM	KIUC HEARING EXHIBIT 6 Note: Sacre, Candace Note: Sacre, Candace	ATTY KURTZ KIUC - WITNESS CLARK CONTRACT FOR FIRM ELECTRIC SERVICE BETWEEN KENTUCKY POWER COMPANY AND EBON INTERNATIONAL, LLC
5:16:15 PM	Chairman Chandler Note: Sacre, Candace	Mr. Kurtz, call your witness?
5:16:17 PM	Atty Kurtz KIUC Note: Sacre, Candace	Stephen Baron.

5:16:39 PM	Chairman Chandler Note: Sacre, Candace	Witness is sworn.
5:16:46 PM	Chairman Chandler - witness Baron Note: Sacre, Candace	Examination. Name and address?
5:17:22 PM	Atty Kurtz KIUC - witness Baron Note: Sacre, Candace	Direct Examination. Have direct testimony and exhibits?
5:17:37 PM	Atty Kurtz KIUC - witness Baron Note: Sacre, Candace	Prepared by you?
5:17:39 PM	Atty Kurtz KIUC - witness Baron Note: Sacre, Candace	Corrections or additions?
5:17:42 PM	Atty Kurtz KIUC - witness Baron Note: Sacre, Candace	Asked same questions, answers be same?
5:18:00 PM	Chairman Chandler Note: Sacre, Candace	Questions?
5:18:08 PM	Chairman Chandler - witness Baron Note: Sacre, Candace	Examination. Where get information escalation of transmission expenses?
5:18:45 PM	Chairman Chandler - witness Baron Note: Sacre, Candace	Do work in Texas?
5:18:58 PM	Chairman Chandler Note: Sacre, Candace	Questions?
5:19:08 PM	Atty Kurtz KIUC - witness Baron Note: Sacre, Candace	Redirect Examination. 2.2 percent transmission increase anomaly result of Tax Cuts and Jobs Act of 2017?
5:19:32 PM	Atty Kurtz KIUC - witness Baron Note: Sacre, Candace	2.2 percent anomaly result of tax change?
5:19:49 PM	Chairman Chandler Note: Sacre, Candace	Ms. Glass?
5:19:51 PM	Chairman Chandler Note: Sacre, Candace	Any additional questions?
5:20:10 PM	Chairman Chandler Note: Sacre, Candace	Anything else?
5:20:25 PM	Chairman Chandler Note: Sacre, Candace	First witness?
5:20:28 PM	Atty Cmar Joint Intervenors Note: Sacre, Candace	Stacy Sherwood.
5:20:38 PM	Chairman Chandler Note: Sacre, Candace	Witness is sworn.
5:20:46 PM	Chairman Chandler - witness Sherwood Note: Sacre, Candace	Examination. Name and address?
5:21:05 PM	Atty Cmar Joint Intervenors - witness Sherwood Note: Sacre, Candace	Direct Examination. Same Stacy Sherwood cause be filed testimony?
5:21:16 PM	Atty Cmar Joint Intervenors - witness Sherwood Note: Sacre, Candace	Cause be filed corrected version?
5:21:28 PM	Atty Cmar Joint Intervenors - witness Sherwood Note: Sacre, Candace	Also cause be filed responses to data requests?
5:21:36 PM	Atty Cmar Joint Intervenors - witness Sherwood Note: Sacre, Candace	Asked same questions today, answers be same?
5:21:55 PM	Atty Cmar Joint Intervenors - witness Sherwood Note: Sacre, Candace	Any other corrections?
5:22:05 PM	Chairman Chandler Note: Sacre, Candace	Questions?

5:22:33 PM	Chairman Chandler Note: Sacre, Candace	Next witness?
5:22:36 PM	Atty Cmar Joint Intervenors Note: Sacre, Candace	Chelsea Hotaling.
5:23:38 PM	Chairman Chandler Note: Sacre, Candace	Short recess. (Technical difficulties.)
5:23:39 PM	Session Paused	
5:27:49 PM	Session Resumed	
5:28:11 PM	Chairman Chandler Note: Sacre, Candace	Back on the record. (Click on link for further comments.)
5:29:58 PM	Chairman Chandler Note: Sacre, Candace	Like to make a motion Hotaling be excused. (Click on link for further comments.)
5:30:12 PM	Chairman Chandler Note: Sacre, Candace	And that her testimony be adopted as filed in record. (Click on link for further comments.)
5:30:51 PM	Chairman Chandler Note: Sacre, Candace	Anything else?
5:31:04 PM	Chairman Chandler Note: Sacre, Candace	Post-hearing data requests, procedural schedule. (Click on link for further comments.)
5:32:01 PM	Chairman Chandler Note: Sacre, Candace	Briefs. (Click on link for further comments.)
5:35:00 PM	Chairman Chandler Note: Sacre, Candace	Anything else?
5:35:14 PM	Chairman Chandler Note: Sacre, Candace	Hearing adjourned.
5:35:29 PM	Session Ended	



Name:	Description:
KIUC CONFIDENTIAL HEARING EXHIBIT 4	EBON ECONOMIC DEVELOPMENT AND INCREMENTAL DISCOUNTS - COMPOSITE EXHIBIT
KIUC HEARING EXHIBIT 1	ADMINISTRATIVE CASE NO. 327 AN INVESTIGATION INTO THE IMPLEMENTATION OF ECONOMIC DEVELOPMENT RATES BY ELECTRIC AND GAS UTILITIES
KIUC HEARING EXHIBIT 2	S&P CAPITAL IQ KENTUCKY POWER COMPANY ELECTRIC SALES DETAIL
KIUC HEARING EXHIBIT 3	COMPOSITE EXHIBIT WEST TESTIMONY AND RESPONSES
KIUC HEARING EXHIBIT 5	ADDED GENERATION AND TRANSMISSION OBLIGATIONS IF KENTUCKY POWER MISSES ONE PEAK YEARS 2-10
KIUC HEARING EXHIBIT 6	CONTRACT FOR FIRM ELECTRIC SERVICE BETWEEN KENTUCKY POWER COMPANY AND EBON INTERNATIONAL, LLC

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION INTO THE IMPLEMENTATION)
OF ECONOMIC DEVELOPMENT RATES BY ELECTRIC) ADMINISTRATIVE
AND GAS UTILITIES) CASE NO. 327

O R D E R

On February 10, 1989, the Commission initiated this proceeding to examine its guidelines regarding economic development rates and to seek comments and recommendations from the major gas and electric utilities in the state on the use of these special rates. For the purposes of this investigation, an economic development rate ("EDR") is considered to be a gas or electric rate discount, offered to large commercial and industrial customers, which is intended to stimulate the creation of new jobs and capital investment both by encouraging existing customers to expand their operations and by improving the likelihood that new large commercial and industrial customers will locate in Kentucky.

The Commission's EDR guidelines were outlined in its July 1, 1988 Order in Case No. 10064¹. As stated in that Order, any utility wishing to offer economic development rates to specific customers should satisfy the following six guidelines:²

¹ Case No. 10064, Adjustment of Gas and Electric Rates of Louisville Gas and Electric Company.

² Case No. 10064, Order dated July 1, 1988, pages 93-94.

1. EDRs will provide important incentives to new large commercial and industrial customers to locate facilities in Kentucky and to existing large commercial and industrial customers to expand their operations, thereby bringing much needed jobs and capital investment into Kentucky.

2. Utilities should have the flexibility to design EDRs according to the needs of their customers and service areas and to offer EDRs to those new and existing customers who require such an incentive to locate new facilities in the state and to expand existing ones.

3. EDRs should be implemented by special contracts negotiated between the utilities and their large commercial and industrial customers.

4. An EDR contract should specify all terms and conditions of service including, but not limited to, the applicable rate discount and other discount provisions, the number of jobs and capital investment to be created as a result of the EDR, customer-specific fixed costs associated with serving the customer, minimum bill, estimated load, estimated load factor, and length of contract.

5. EDRs should only be offered during periods of excess capacity. Utilities should demonstrate, upon submission of each EDR contract, that the load expected to be served during each year of the contract period will not cause them to fall below a reserve margin that is considered essential for system reliability. Such a reserve margin should be identified and justified with each EDR contract filing.

This IRP also considers the potential cost associated with some form of future regulation of carbon emissions, during the planning period, even though there is considerable uncertainty as to the timing and form future carbon regulation may take.

Kentucky Power defined four objectives for the 2022 IRP that align to customer and corporate priorities, these are: customer affordability, rate stability, maintaining reliability, and sustainability. Kentucky Power evaluated resource portfolios against these four objectives using the IRP Scorecard and considered trade-offs to identify the Preferred Plan. This report sets out how the Company is planning to meet the four objectives over the 15-year planning period for the benefit of its customers.

Reliable and Affordable Power

The Company’s customers have come to expect reliable and affordable power and this IRP outlines how the Company intends to deliver on customers’ needs. In this IRP, Kentucky Power started from evaluating a known “going-in” capacity position that shows current expectations about existing owned resources and contracts. Figure ES - 2 summarizes the “going-in” position.

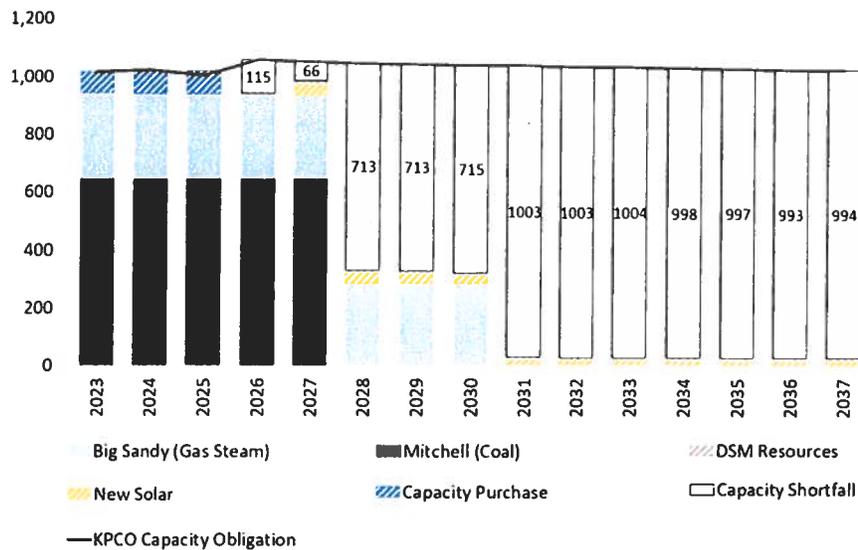


Figure ES - 1. Kentucky Power "Going-In" Capacity Position throughout Planning Period (MW-UCAP)

Kentucky Power Company | Electric Sales Detail

(MI KEY: 4057006; SPCIQ KEY: 3097793)

Periods: Last Five Years

	2018 Y	2019 Y	2020 Y	2021 Y	2022 Y
Date Ended	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022
Revenues (\$000)					
Residential Electric Revenue, Total	261,174	246,422	236,963	281,788	315,955
Commercial Electric Revenue, Total	157,624	151,079	139,364	159,834	196,025
Industrial Electric Revenue, Total	159,883	151,268	123,054	142,303	183,906
Public St & Hghwy, Oth Auth, Rails Rev	1,977	1,984	1,898	2,032	2,193
Total Retail Electric Revenue	580,658	550,753	501,279	585,957	698,079
Electric Sales for Resale	42,090	37,853	18,775	43,088	59,734
Total Sales of Electricity Revenue	622,748	588,606	520,054	629,045	757,814
Less Prov for Rate Refund Revenue	8,033	95	0	0	5,999
Net Sales of Electricity Revenue	614,715	588,511	520,054	629,045	751,815
Total Other Operating Revenue	37,422	37,876	32,702	30,503	50,310
Total Electric Operating Revenue	652,137	626,387	552,756	659,548	802,124

Electricity (MWh)

Residential Electric Volume, Total	2,158,539	2,051,369	1,990,290	1,979,060	1,968,490
Commercial Electric Volume, Total	1,280,235	1,250,640	1,152,737	1,144,445	1,344,936
Industrial Electric Volume, Total	2,398,544	2,319,294	1,963,685	1,960,411	2,068,484
Public St & Hghwy, Oth Auth, Rails Vol, Total	10,310	10,467	9,765	9,393	9,388
InterDept Sales Vol, Total	0	0	0	0	0
Total Retail Electric Volume, Total	5,847,628	5,631,770	5,116,477	5,093,309	5,391,298
Sales for Resale Volume	983,701	958,632	469,831	887,455	610,474
Total Sales of Electricity Volume (MWh)	6,831,329	6,590,402	5,586,308	5,980,764	6,001,772

Customers

Residential Electric Customers, Total	134,959	133,978	134,284	133,805	132,619
Commercial Electric Customers, Total	30,158	29,967	30,041	30,222	30,207
Industrial Electric Customers, Total	1,149	1,187	1,120	1,079	1,049
Public St & Hghwy, Oth Auth, Rails Customers, Total	337	329	317	310	309

Kentucky Power Company | Electric Sales Detail

	2018 Y	2019 Y	2020 Y	2021 Y	2022 Y
Interdepartmental Sales Customers	0	0	0	0	0
Total Retail Electric Customers, Total	166,603	165,461	165,762	165,416	164,184
Sales for Resale Customers	24	0	0	12	10
Total Sales of Electricity Customers	166,627	165,461	165,762	165,428	164,194

Prices (cents/kWh)

Residential Electric Price	12.10	12.01	11.91	14.24	NA
Commercial Electric Price	12.31	12.08	12.09	13.97	NA
Industrial Electric Price	6.67	6.52	6.27	7.26	NA
Avg Price Charged to Ultimate Customers	9.93	9.78	9.80	11.50	NA
Avg Price for Resale Customers	4.28	3.95	4.00	4.86	NA
Avg Price Total Sales of Elec	9.12	8.93	9.31	10.52	12.63

Data is sourced from the FERC Form 1/1-F, FERC Form 3/3-A or EIA 861 filings.
Energy Company Regulatory Filings

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Summary of Incremental Costs and Revenues

Ln No.	Marginal Costs - Energy	
(1)	Annual kWh	1,971,000,000
(2)	DA LMP \$/kWh	0.03890
(3)	Marginal Costs - Energy	\$76,674,933
=(1)*(2)		
Marginal Costs - Distribution		
(4)	Distribution WO Total	\$4,801,185
(5)	Levelized Carrying Cost	10.15%
(6)	Annual Dist Incremental Cost	\$487,230
=(4)*(5)		
Summary of Incremental Costs and Revenues		
(7)	Energy	\$76,674,933
(8)	Distribution	\$487,230
(9)	PJM LSE Transmission	\$28,626,639
(10)	Generation Capacity	\$0
(11)	Total Incremental Costs	\$105,788,801
=(7)+(8)+(9)+(10)		
(12)	<u>Incremental Revenue</u>	<u>\$124,643,645</u>
(13)	Net Revenue (Cost)	\$18,854,844
=(12)-(11)		

Periods : Last Five Years

	2018 Y	2019 Y	2020 Y	2021 Y	2022 Y
Operational Statistics					
Operating Capacity (MW)	1,560.00	1,560.00	1,560.00	1,560.00	1,560.00
Summer Peak Capacity (MW)	1,560.00	1,560.00	1,560.00	1,560.00	1,560.00
Winter Peak Capacity (MW)	1,560.00	1,560.00	1,560.00	1,560.00	1,560.00
Net Generation (MWh)	5,503,291	5,040,707	3,611,720	4,769,104	3,501,887
Capacity Factor (%)	40.27	36.89	26.36	34.90	25.63
Heat Rate	10,800	10,713	10,576	10,506	10,878

50% 2,242,670

Reported Plant Production Costs

Fuel Expenses

Fuel Expense (\$000)	138,915	114,815	98,304	126,220	113,323
Fuel Expense (\$/MWh)	25.24	22.78	27.22	26.47	32.36
Estimated Fuel Cost?	No	No	No	No	No

Non-Fuel Operating & Maintenance Expenses

Operating Supervision and Engineering (\$)	5,870,496	6,902,227	5,200,429	4,880,365	5,647,624
Steam Expense (\$)	12,028,935	11,279,527	8,740,584	13,936,526	11,393,278
Steam Transferred (Credit) (\$)	0	0	0	0	0
Electric Expense (\$)	406	(345)	0	617,495	364,110
Miscellaneous Power Expenses (\$)	7,699,289	9,968,027	7,212,158	4,922,690	6,054,364
Rental Expense (\$)	0	1	0	0	0
Allowance Expense (\$)	229,881	163,431	53,256	63,878	45,601
Non-fuel Operating Expense (\$)	25,829,007	28,312,868	21,206,427	24,420,954	23,504,977
Maintenance Supervision Expense (\$)	3,611,675	3,242,600	2,708,653	2,481,768	2,485,554
Maintenance of Structures (\$)	2,159,066	979,991	2,657,491	1,858,071	1,404,040
Maintenance of Boiler Plant (\$)	24,046,191	21,985,931	17,200,004	16,874,897	21,350,030
Maintenance of Electric Plant (\$)	8,284,434	7,434,345	4,392,680	5,266,469	5,035,310
Maintenance of Other Plant (\$)	1,534,765	1,617,974	2,054,978	1,630,538	1,427,781
Total Maintenance Expense (\$)	39,636,131	35,260,841	29,013,806	28,111,743	31,702,715

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Mitchell (WV) | Plant Financials

	2018 Y	2019 Y	2020 Y	2021 Y	2022 Y
Maintenance Expense (\$/MWh)	7.20	7.00	8.03	5.89	9.05
Unit Non-Fuel O&M (\$/MWh)	11.90	12.61	13.90	11.02	15.77
Estimated Non-Fuel O&M Cost?	No	No	No	No	No

Production Costs and Ratios

Total Operating & Maintenance Expense (\$000)	204,381	178,388	148,525	178,753	168,530
Total O&M Expenses per MWh (\$/MWh)	37.14	35.39	41.12	37.48	48.13
Variable Production Expense (\$000)	152,192	127,660	108,391	136,778	124,401
Fixed Production Expense (\$000)	52,188	50,728	40,134	41,975	44,130
Variable Production Expense per MWh (\$/MWh)	27.65	25.33	30.01	28.68	35.52
Fixed Production Expense per kW-yr (\$/kW-year)	33.45	32.52	25.73	26.91	28.29

SNL Modeled Production Costs

Non-Fuel Non-Allowance Variable O&M Cost (\$)	19,728,630	21,247,209	15,952,742	19,476,711	17,811,752
Allowance Costs (\$)	229,881	163,431	53,256	63,878	45,601
Non-Fuel Variable O&M Cost (\$)	19,958,511	21,410,640	16,005,998	19,540,589	17,857,353
Fuel Costs (\$)	143,162,219	118,851,321	89,904,905	108,488,287	102,394,657
Variable O&M Cost (\$)	163,120,730	140,261,961	105,910,903	128,028,876	120,252,010
Non-Fuel Variable O&M Costs per MWh (\$/MWh)	3.63	4.25	4.43	4.10	5.10
Fuel Cost per MWh (\$/MWh)	26.01	23.58	24.89	22.75	29.24
Fixed O&M Cost (\$)	45,506,627	42,163,069	34,214,235	32,992,108	37,350,339
Fixed O&M Cost per kW-Year (\$/kW-year)	29.17	27.03	21.93	21.15	23.94
Total Operating & Maintenance Expense (\$)	208,627,357	182,425,030	140,125,138	161,020,984	157,602,349
Total Operating & Maintenance Expense per MWh (\$/MWh)	37.91	36.19	38.80	33.76	45.00

Note: S&P Global Market Intelligence reports generation and fuel consumption at the power plant and prime mover level, gathered from the Energy Information Administration forms 923 and 906 (EIA 923/906). Data from these forms is provided in both a preliminary/monthly report and a final annual report. The EIA does not provide a formal deadline for publication. Monthly reports are published 3 to 6 months after month-end, and annual data may not be published for 24 months from year-end.

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Mitchell (WV) | Plant Financials

In the case of pumped storage facilities, Net Generation (MWh) represents the total generation before energy used for pumping.

Additional data is sourced from the Federal Energy Regulatory Commission Form 1 (FERC Form 1) and the Environmental Protection Agency's Continuous Emissions Monitoring Systems (CEMS). In the absence of current-year filings, S&P Global Market Intelligence utilizes regression analysis to generate cost estimates. Inputs to the model are taken from the EIA 923, FERC Form 1 and CEMS.

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Periods : Last Five Years

	2018 Y	2019 Y	2020 Y	2021 Y	2022 Y
Operational Statistics					
Operating Capacity (MW)	260.00	260.00	260.00	260.00	260.00
Summer Peak Capacity (MW)	260.00	260.00	260.00	260.00	260.00
Winter Peak Capacity (MW)	260.00	260.00	260.00	260.00	260.00
Net Generation (MWh)	624,804	1,062,894	912,638	550,541	509,961
Capacity Factor (%)	27.43	46.67	39.96	24.17	22.39
Heat Rate	10,056	9,976	9,908	10,297	10,297

732,167

Reported Plant Production Costs

Fuel Expenses

Fuel Expense (\$000)	22,576	34,166	21,301	25,661	35,170
Fuel Expense (\$/MWh)	36.13	32.14	23.34	46.61	68.97
Estimated Fuel Cost?	No	No	No	No	No

Non-Fuel Operating & Maintenance Expenses

Operating Supervision and Engineering (\$)	666,884	688,937	1,951,886	2,454,899	2,544,916
Steam Expense (\$)	24,606	18,596	13,171	980	162
Steam Transferred (Credit) (\$)	0	0	0	0	0
Electric Expense (\$)	1,102	5,794	7,092	1,011	1
Miscellaneous Power Expenses (\$)	3,603,051	4,403,950	2,264,865	1,601,775	1,633,265
Rental Expense (\$)	0	0	0	0	0
Allowance Expense (\$)	27,047	46,498	18,164	4,563	4,592
Non-fuel Operating Expense (\$)	4,322,690	5,163,775	4,255,178	4,063,228	4,182,936
Maintenance Supervision Expense (\$)	317,944	337,349	371,965	341,137	381,489
Maintenance of Structures (\$)	668,180	935,620	1,046,307	764,631	1,247,275
Maintenance of Boiler Plant (\$)	3,088,296	1,146,617	2,073,487	2,526,988	2,357,333
Maintenance of Electric Plant (\$)	1,350,025	789,518	1,083,391	1,215,477	2,055,817
Maintenance of Other Plant (\$)	869,077	760,373	521,476	616,314	314,569
Total Maintenance Expense (\$)	6,293,522	3,969,477	5,096,626	5,464,547	6,356,483

7

Big Sandy | Plant Financials

	2018 Y	2019 Y	2020 Y	2021 Y	2022 Y
Maintenance Expense (\$/MWh)	10.07	3.73	5.58	9.93	12.46
Unit Non-Fuel O&M (\$/MWh)	16.99	8.59	10.25	17.31	20.67
Estimated Non-Fuel O&M Cost?	No	No	No	No	No

Production Costs and Ratios

Total Operating & Maintenance Expense (\$000)	33,192	43,299	30,653	35,189	45,709
Total O&M Expenses per MWh (\$/MWh)	53.12	40.74	33.59	63.92	89.63
Variable Production Expense (\$000)	24,721	36,030	23,186	27,570	37,282
Fixed Production Expense (\$000)	8,471	7,269	7,467	7,619	8,428
Variable Production Expense per MWh (\$/MWh)	39.57	33.90	25.41	50.08	73.11
Fixed Production Expense per kW-yr (\$/kW-year)	32.58	27.96	28.72	29.30	32.41

SNL Modeled Production Costs

Non-Fuel Non-Allowance Variable O&M Cost (\$)	3,628,759	4,428,340	2,285,128	1,603,766	1,633,428
Allowance Costs (\$)	27,047	46,498	18,164	4,563	4,592
Non-Fuel Variable O&M Cost (\$)	3,655,806	4,474,838	2,303,292	1,608,329	1,638,020
Fuel Costs (\$)	24,074,925	29,422,521	23,634,248	24,674,137	35,169,943
Variable O&M Cost (\$)	27,730,731	33,897,359	25,937,540	26,282,466	36,807,963
Non-Fuel Variable O&M Costs per MWh (\$/MWh)	5.85	4.21	2.52	2.92	3.21
Fuel Cost per MWh (\$/MWh)	38.53	27.68	25.90	44.82	68.97
Fixed O&M Cost (\$)	6,960,406	4,658,414	7,048,512	7,919,446	8,901,399
Fixed O&M Cost per kW-Year (\$/kW-year)	26.77	17.92	27.11	30.46	34.24
Total Operating & Maintenance Expense (\$)	34,691,137	38,555,773	32,986,052	34,201,912	45,709,362
Total Operating & Maintenance Expense per MWh (\$/MWh)	55.52	36.27	36.14	62.12	89.63

Note: S&P Global Market Intelligence reports generation and fuel consumption at the power plant and prime mover level, gathered from the Energy Information Administration forms 923 and 906 (EIA 923/906). Data from these forms is provided in both a preliminary/monthly report and a final annual report. The EIA does not provide a formal deadline for publication. Monthly reports are published 3 to 6 months after month-end, and annual data may not be published for 24 months from year-end.

8

Big Sandy | Plant Financials

In the case of pumped storage facilities, Net Generation (MWh) represents the total generation before energy used for pumping.

Additional data is sourced from the Federal Energy Regulatory Commission Form 1 (FERC Form 1) and the Environmental Protection Agency's Continuous Emissions Monitoring Systems (CEMS). In the absence of current-year filings, S&P Global Market Intelligence utilizes regression analysis to generate cost estimates. Inputs to the model are taken from the EIA 923, FERC Form 1 and CEMS.

9

**CONTRACT FOR
FIRM ELECTRIC SERVICE
BETWEEN KENTUCKY POWER COMPANY
AND EBON INTERNATIONAL, LLC**

This Contract for Firm Electric Service ("Contract") is entered into by and between Kentucky Power Company, a Kentucky corporation (the "Company"), and Ebon International, LLC, a Delaware limited liability company (the "Customer") on the date this Contract is last signed.

RECITALS

1. The Company is a corporation organized and existing under the laws of the Commonwealth of Kentucky that owns and operates facilities for the generation, transmission and distribution of electric power and energy in the Commonwealth of Kentucky.
2. Customer is a limited liability company organized and existing under the laws of the State of Delaware and is registered to do business in Kentucky and New Jersey. Customer's principal place of business in the Commonwealth is located in Lawrence County, Kentucky.
3. The Company's service territory and the entire eastern Kentucky region are struggling economically and is in need of a transformative influx of new industry and jobs for its citizens.
4. In order to foster the fundamental changes necessary to revive the economy of the Company's service territory and the eastern Kentucky region, large industrial development is necessary. Customer is in a unique position to bring significant load to the Company's service territory, along with new jobs, thus assisting the region in its economic development efforts.

5. The Customer plans to invest at a minimum \$50 million at the Customer's Facility and to create at least 50-100 new permanent full-time jobs by June 2024 (or sooner), when the Customer's Facility is expected to begin full operations. The Customer also anticipates that its monthly maximum billing demand will equal or exceed 100,000 kW (100 MW) by June 2024.

6. To facilitate economic development in the Company's service territory through the construction and operation of the Customer's Facility in eastern Kentucky, including the benefits flowing to all customers through spreading fixed costs, the Company is agreeable to providing energy to Customer under the terms and conditions contained in this Contract, subject to approval by the Public Service Commission of Kentucky.

7. The Customer has demonstrated to the Company that absent the availability of the rates provided by this Contract, the Customer's Facility, and its electrical demand, would not be placed in service.

8. In recognition of the need for the efficient use of existing utility generation and transmission facilities, the Company and Customer agree to the special rate design contained in this Contract.

9. The service the Company will provide Customer pursuant to this Contract will provide benefits to the Customer, the Company's other customers, the Company, and the Commonwealth of Kentucky.

10. Customer's anticipated load in the first two years of operation is 100 MW. Thereafter, after a new substation is constructed, Customer's anticipated load is expected to grow to 250 MW. The parties acknowledge that the electrical infrastructure for the Company to

1 A. Ebon proposes to develop, finance, construct, and operate a blockchain data computing
2 complex in Lawrence County, Kentucky, using its proprietary technologies to provide
3 complex network, computational, and storage services. The Ebon Facility will be located
4 at 23250 US Highway 23, Louisa, Kentucky, on a portion of the site of the Company's
5 Big Sandy Generating Station. The Ebon Facility will be located on an approximately
6 55-acre site to be leased from Kentucky Power. Ebon will invest over \$250 million in
7 order to develop and construct the Ebon Facility at the site. The contract capacity for the
8 Ebon Facility is planned for 250 MW in Phase Two but will have an initial contract
9 capacity of approximately 80 MW to 100 MW in Phase One. Among the services that
10 the Ebon Facility will provide are the mining of cryptocurrencies, such as Bitcoin and
11 Ethereum, as well as blockchain and data processing services to be procured by other
12 businesses in support of artificial intelligence, Fintech, and other industrial computer
13 applications.

14 **Q. WHY IS EBON INTERESTED IN DEVELOPING THE EBON FACILITY IN**
15 **THE COMPANY'S SERVICE TERRITORY?**

16 A. It is my understanding that Ebon has been searching throughout the United States for
17 stable infrastructure in a business-friendly economic situation. Beyond the capital cost of
18 developing the Ebon Facility, the cost of power and predictability of its supply are key
19 criteria for locating its facility. In addition, as explained below, Ebon is looking for good
20 employees to operate the Ebon Facility. The Company has worked with Ebon to
21 recognize its service territory as a great place to invest and build its facility.

22 **Q. WILL THE SPECIAL CONTRACT HELP ADDRESS ECONOMIC HARDSHIPS**
23 **IN THE COMPANY'S SERVICE TERRITORY?**

1 Q. CAN YOU DESCRIBE THE TYPES OF POSITIONS EBON WILL HIRE TO
2 OPERATE ITS FACILITY?

3 A. Yes. The highly technical nature of Ebon's operations will necessitate hiring and
4 maintaining approximately 100 positions including project managers, business
5 development managers, electrical engineers, network engineers, facility maintenance
6 engineers and technicians as well as human resources, finance, general maintenance
7 workers and security guards. The majority of these positions are for the most part very
8 technical professional positions ranging in annual compensation from approximately
9 \$44,000 to approximately \$76,000. These jobs are needed in an area suffering from the
10 loss of industry and opportunities. These jobs will be significant for Louisa, Kentucky,
11 where the median household income in 2020 was \$29,167.² Therefore, the establishment
12 of Ebon's operations in Lawrence County will help stabilize the economy in that part of
13 the Company's service territory.

V. SPECIAL CONTRACT OVERVIEW

14 Q. PLEASE DESCRIBE THE SPECIAL CONTRACT.

15 A. The Special Contract sets Ebon's Total Capacity Reservation when Phase Two has been
16 reached at 250 MW with 25 MW of its Total Capacity Reservation designated as its Firm
17 Service Capacity Reservation. Should the Company call for a discretionary interruption
18 event under Rider D.R.S., Ebon will interrupt its operations and shed 90 percent of its
19 load.

20 Q.

Redacted

21

Position	Number of Jobs	Average Salary	Payroll Phase I	Phase I only	Phase II	Payroll Phase II
Project Manager	2	\$72,131.00	\$144,262.00 *			\$ 144,262.00
Business Development Manager	2	\$120,130.00	\$240,260.00 *			\$ 240,260.00
Business Development Associate	2	\$61,570.00	\$123,140.00 *			\$ 123,140.00
HR	1	\$89,707.00	\$89,707.00 *			\$ 89,707.00
Finance Manager	1	\$100,449.00	\$100,449.00 *			\$ 100,449.00
Electrical Engineer	4	\$88,230.00	\$352,920.00		4	\$ 705,840.00
Network Engineer	2	\$74,342.00	\$148,684.00		2	\$ 297,368.00
Warehouse Supervisor	2	\$59,437.00	\$118,874.00 *			\$ 118,874.00
Facilities Engineer	2	\$60,744.00	\$121,488.00 *			\$ 121,488.00
Facilities Technician	5	\$37,518.00	\$187,590.00		5	\$ 375,180.00
General Maintenance Worker	30	\$37,518.00	\$1,125,540.00		45	\$ 2,813,850.00
Security Guard	4	\$29,120.00	\$116,480.00		2	\$ 174,720.00
	57	\$830,896.00	\$2,869,394.00		115	\$ 5,305,138.00

5

DATA REQUEST

- 1_20 Refer to the contract statement (paragraph 5) that the Customer plans to invest at a minimum \$50 million at the Customer's Facility, and Mr. West's testimony that the Customer intends to invest over \$250 million at the facility.
- a. Please describe the investments that Mr. West is referring to and the investments that are referenced in the contract.
 - b. How much of the investment is associated with permanent infrastructure, including the 250 MW substation and related distribution facilities, construction of buildings, etc.?
 - c. How much of the investment is associated with computers and servers that are transferable to another location in the event of a change in plans by Ebon or a successor?
 - d. How much of the investment is comprised of the value of equipment (computers, servers, etc.) that is owned by Ebon and has previously been used at another geographic location?

RESPONSE

- a. The Company has been informed by Ebon that, in general, the investments include engineering services, construction of the customer-owned substation, site preparation and container placement, container cooling system, and distribution network buildout for the container layout.
- b. The Company has been informed by Ebon that the cost of permanent infrastructure is estimated to total approximately \$85 million.
- c., d. The Company has been informed by Ebon that the remainder of the estimated investment in the proposed Ebon Facility, or approximately \$165 million, is attributed to computing equipment that will be delivered, installed, integrated and ultimately electrically interconnected at the Kentucky Power substation. Technically, the computing equipment is transferable to another geographic location; however, at this scale, from a business operations perspective, it is highly unlikely. Ebon has no interest in developing a site and infrastructure at such considerable cost (\$85 million) only to move the equipment

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to another location. Ebon's computing equipment and business model is flexible and the facility's data processing capabilities could be repurposed for other uses in the fintech industry or big data computing should economic opportunities in the cryptocurrency industry become less economic.

Witness: Brian K. West

Added Generation And Transmission Obligations If Kentucky Power Misses One Peak Years 2-10

Customer	Interruptible Load	Firm Load	Added Generation Obligation (PJM 5 PLC)	Added Transmission Obligation (AEP Transmission Agreement 12 CP)
Demand	225 MW	25 MW	45 MW	18.75 MW
250 MW			(plus 15% reserve margin)	

Exhibit C-5

Kentucky Power Company											
Seasonal and Annual Peak Demands, Energy Requirements and Load Factor											
2017-2037											
	Summer Peak			Winter Peak (1)			Annual Peak, Energy and Load Factor				Load Factor %
	Date	MW	% Growth	Date	MW	% Growth	MW	% Growth	GWH	% Growth	
Actual											
2017	07/19/17	1,006	--	01/02/18	1,446	--	1,217	--	6,060	--	56.8
2018	06/19/18	999	-0.7	01/31/19	1,297	-10.3	1,446	18.8	6,346	4.7	50.1
2019	08/19/19	993	-0.6	01/22/20	1,166	-10.0	1,297	-10.3	6,091	-4.0	53.5
2020	07/21/20	961	-3.2	02/08/21	1,065	-8.7	1,166	-10.0	5,571	-8.5	54.5
2021	08/24/21	958	-0.3	01/27/22	1,187	11.4	1,065	-8.7	5,609	0.7	60.1
Forecast											
2022 (2)		996	4.0		1,230	3.6	1,187	11.4	5,740	2.3	55.2
2023		952	-4.4		1,289	4.8	1,230	3.6	5,643	-1.7	52.4
2024		1,033	8.5		1,283	-0.5	1,289	4.8	6,098	8.1	54.0
2025		1,030	-0.3		1,256	-2.2	1,283	-0.5	6,060	-0.6	53.9
2026		1,010	-1.9		1,247	-0.7	1,256	-2.2	5,948	-1.8	54.1
2027		1,006	-0.4		1,235	-1.0	1,247	-0.7	5,918	-0.5	54.2
2028		1,000	-0.6		1,231	-0.3	1,235	-1.0	5,892	-0.4	54.5
2029		997	-0.3		1,223	-0.7	1,231	-0.3	5,872	-0.3	54.4
2030		994	-0.3		1,217	-0.5	1,223	-0.7	5,850	-0.4	54.6
2031		992	-0.2		1,206	-0.9	1,217	-0.5	5,832	-0.3	54.7
2032		987	-0.5		1,205	-0.1	1,206	-0.9	5,814	-0.3	55.0
2033		988	0.0		1,198	-0.5	1,205	-0.1	5,795	-0.3	54.9
2034		983	-0.4		1,193	-0.4	1,198	-0.5	5,780	-0.3	55.1
2035		982	-0.1		1,185	-0.7	1,193	-0.4	5,765	-0.3	55.1
2036		978	-0.3		1,183	-0.2	1,185	-0.7	5,750	-0.3	55.4
2037		979	0.1		1,178	-0.4	1,183	-0.2	5,734	-0.3	55.3
Average Annual Growth Rates:											
	2017-2021		-1.2			-4.8			-3.3		-1.9
	2023-2037		0.2			-0.6			-0.3		0.1

Notes: (1) Actual winter peak for year may occur in the 4th quarter of that year or in the 1st quarter of the following year.
 (2) Data for 2022 are six months actual and six months forecast.

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10. Customer's anticipated load in the first two years of operation is 100 MW. Thereafter, after a new substation is constructed, Customer's anticipated load is expected to grow to 250 MW. The parties acknowledge that the electrical infrastructure for the Company to

1 A private sector company (Ebon) bringing up to 125 jobs at a higher-than-average-
2 wage to diversify the economy and generate tax revenue is the very definition of
3 economic development. The median household income in Lawrence County was
4 \$29,167 in 2020. Ebon's planned wages will range from \$44,000 to \$77,000.⁸ Those
5 higher-than-average wages will benefit the community. Witness Sherwood implies that
6 the jobs created by Ebon will not benefit the local or state economy if residents from
7 Lawrence County are not hired. Ms. Sherwood even goes on to suggest hiring local
8 residents be a requirement in order to receive discounts from the Company.⁹ This
9 argument is not rooted in logic when considering the principles of economic
10 development. Martin County is adjacent to Lawrence County and part of its labor shed.
11 It suffered one of the highest rates of population loss in the state (12.7%) from 2010 to
12 2020.¹⁰ Population losses like those in Martin, Owsley (14.8%), Magoffin (12.7%),
13 Knott (12.8) and Letcher (12.1) counties have caused the Company's fixed costs to be
14 spread among fewer ratepayers, increasing the cost of power for everyone. It is potential
15 projects like this that will bring people back to region to stay and live.

16 **Q. ABSENT THE RATES OFFERED, WOULD EBON LOCATE IN THE SERVICE**
17 **TERRITORY?**

18 A. Ebon has informed the Company on multiple occasions that the rate in the contract is
19 imperative to Ebon locating its project in Kentucky Power's service territory. Witness
20 Sherwood's own testimony asserts cryptocurrency projects "seek cheap energy, speed to
21 market (and)... chase the best prices."¹¹ Ebon, although more than a crypto-mining

⁸ West Direct test. at 10 .

⁹ Sherwood Direct Test. at 18 .

¹⁰ <https://apnews.com/article/kentucky-census-2020-cb01a6f4f0c17aee8eb837796adc607a>

¹¹ Sherwood Direct Test. at 6.

Position	Number of Jobs	Average Salary	Payroll Phase I	Phase I only	Phase II	Payroll Phase II
Project Manager	2	\$72,131.00	\$144,262.00 *			\$ 144,262.00
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Business Development Associate	2	\$61,570.00	\$123,140.00 *			\$ 123,140.00
HR	1	\$89,707.00	\$89,707.00 *			\$ 89,707.00
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Electrical Engineer	4	\$88,230.00	\$352,920.00		4	\$ 705,840.00
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Security Guard	4	\$29,120.00	\$116,480.00		2	\$ 174,720.00
	57	\$830,896.00	\$2,869,394.00		115	\$ 5,305,138.00

1 **Table 1** provides IMPLAN's results for the ongoing economic activity associated with
 2 new employment to Kentucky Power's service territory. When in full operation, the
 3 project will create or support 125 direct jobs and 343 total jobs in the local economy.

Table 1

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	125.00	\$8,007,545.63	\$12,643,196.27	\$61,621,128.46
Indirect Effect	166.66	\$7,561,913.60	\$10,791,530.09	\$23,287,078.88
Induced Effect	51.76	\$2,410,833.27	\$4,358,267.32	\$7,892,252.59
Totals	343.42	\$17,980,292.50	\$27,792,993.68	\$92,800,459.93
Type SAM Multiplier	2.75	2.25	2.20	1.51

4 *Direct effect* refers to the employment, labor income, and value-added effects for the jobs
 5 specifically added to operate the Ebon Facility. *Indirect effect* refers to the employment,
 6 labor income, and value-added effects for the business-to-business purchases (goods or
 7 service) within Ebon's supply chain resulting from Ebon locating in the area. *Induced*
 8 *effect* refers to the value added within the local economy stemming from household
 9 spending of labor income, which is generated by the spending of employees.⁴

10 *SAM multiplier* (Regional Social Accounting Matrices) is a metric that is calculated by
 11 dividing the sum of the direct effects, indirect effects, and induced effects by the direct
 12 effects.⁵

⁴ Please see <https://blog.implan.com/understanding-implan-effects> for further information on these terms.

⁵ Please see <https://support.implan.com/hc/en-us/articles/115009674708-Introducing-the-SAM-#:~:text=The%20SAM%20provides%20information%20on%20non-market%20financial%20flows, and%20transfer%20of%20funds%20from%20people%20to%20people>. for further information on the SAM multiplier.

1 the facilities available on its platform.”¹⁷ That is wholly different from Ebon, which not
2 only owns its machines but also owns the technology to adapt those machines to a
3 changing market.¹⁸

4 In Witness Sherwood’s model, it is easy to make the statement “cryptocurrency
5 mining facilities are not tethered to any particular geography.”¹⁹ The project referenced
6 made Compass Mining a landlord of sorts to small investors with leased mining
7 machines. It is also important to note the Compass operation was 15 MW. The Ebon
8 project is entirely different—more than 15 times the size of the Compass operation. Ebon
9 has indicated to the Company that it plans to invest approximately \$250 million in its
10 project at Big Sandy.²⁰ This equates to the engineered placement of 250 containers, a
11 specifically designed system of cooling ponds and the construction of a distribution
12 station and network to supply the containers. “Migrating quickly,” a project of this
13 magnitude, as suggested by Ms. Sherwood, simply would not be feasible or economical
14 for Ebon.

15 **Q. HAS THE COMPANY CONTEMPLATED PROTECTIONS FOR CUSTOMERS**
16 **IN THAT UNLIKELY EVENT?**

17 A. Yes. Kentucky Power has made reasonable efforts to protect its customers. The
18 Company’s response to Joint Intervenors data request 1-18 outlines the internal process
19 for vetting cryptocurrency customers.²¹ Additionally, Ebon will pay an upfront
20 contribution-in-aid-of construction (“CIAC”) to serve the Big Sandy site project and a

¹⁷ Sherwood Direct Testimony at 8 fn. 4.

¹⁸ Company’s response to KPSC data request 1-3; Exhibit ACC-R2.

¹⁹ Sherwood Direct Test. at 6.

²⁰ Company’s response to AG KIUC data request 1-18; Exhibit ACC-R2.

²¹ Company’s response to Joint Intervenors data request 1-18.

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DATA REQUEST

- 1_20** Refer to the contract statement (paragraph 5) that the Customer plans to invest at a minimum \$50 million at the Customer's Facility, and Mr. West's testimony that the Customer intends to invest over \$250 million at the facility.
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 - c. How much of the investment is associated with computers and servers that are transferable to another location in the event of a change in plans by Ebon or a successor?
 - d. How much of the investment is comprised of the value of equipment (computers, servers, etc.) that is owned by Ebon and has previously been used at another geographic location?

RESPONSE

- a. The Company has been informed by Ebon that, in general, the investments include engineering services, construction of the customer-owned substation, site preparation and container placement, container cooling system, and distribution network buildout for the container layout.
- b. The Company has been informed by Ebon that the cost of permanent infrastructure is estimated to total approximately \$85 million.
- c., d. The Company has been informed by Ebon that the remainder of the estimated investment in the proposed Ebon Facility, or approximately \$165 million, is attributed to computing equipment that will be delivered, installed, integrated and ultimately electrically interconnected at the Kentucky Power substation. Technically, the computing equipment is transferable to another geographic location; however, at this scale, from a business operations perspective, it is highly unlikely. Ebon has no interest in developing a site and infrastructure at such considerable cost (\$85 million) only to move the equipment

⑦

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to another location. Ebon's computing equipment and business model is flexible and the facility's data processing capabilities could be repurposed for other uses in the fintech industry or big data computing should economic opportunities in the cryptocurrency industry become less economic.

Witness: Brian K. West

8

1 **Table 2** provides IMPLAN's results demonstrating the tax effects as a result of Ebon's
 2 ongoing activities in Kentucky Power's service territory. The total projected tax effect on
 3 the local economy (sub county and county level) for each year of the Special Contract is
 4 \$451,520.21.⁶ The tax effects at the state and federal level are also detailed further below.

Table 2

Impact Type	Sub County General	Sub County Special	County	State	Federal	Total	State and Local
Direct Effect	\$34,549.62	\$35,876.54	\$23,135.75	\$377,129.86	\$1,846,177.08	\$2,316,868.86	\$ 470,691.78
Indirect Effect	\$54,514.39	\$118,962.37	\$44,362.38	\$651,566.95	\$1,561,975.05	\$2,431,381.13	\$ 869,406.08
Induced Effect	\$29,694.28	\$84,569.97	\$25,854.90	\$382,370.94	\$500,978.39	\$1,023,468.49	\$ 522,490.10
Total Effect	\$118,758.29	\$239,408.89	\$93,353.03	\$1,411,067.75	\$3,909,130.52	\$5,771,718.48	\$ 1,862,587.96

Capital Investment

5 IMPLAN's Capital Investment results consider activities associated with Ebon's capital
 6 investment, construction, and site preparation and equipment supply. **Table 3** and **Table**
 7 **4** (tax impact) provide IMPLAN's results for the economic impacts on the local economy
 8 due to capital investment. It is important to note the economic impact for the capital
 9 investment are only those activities leading up to the operation of the project, and does
 10 not contemplate the 125 jobs to be created to operate the Ebon Facility. The direct effect
 11 jobs are comprised of construction and suppliers.

Table 3

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	743.42	\$36,182,306.48	\$40,735,558.88	\$81,093,173.75
Indirect Effect	110.26	\$5,270,364.39	\$8,311,415.67	\$18,345,469.16
Induced Effect	139.89	\$6,512,153.70	\$11,779,439.63	\$21,325,143.06
Totals	993.58	\$47,964,824.56	\$60,826,414.19	\$120,763,785.97
Type SAM Multiplier	1.34	1.33	1.49	1.49

⁶ Any tax exemptions are not reflected. Taxes reflected are those associated with the industry.

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