

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY	)	
POWER COMPANY FOR (1) A GENERAL	)	
ADJUSTMENT OF ITS RATES FOR ELECTRIC	)	
SERVICE; (2) APPROVAL OF TARIFFS AND	)	
RIDERS; (3) APPROVAL OF ACCOUNTING	)	CASE NO.
PRACTICES TO ESTABLISH REGULATORY	)	2020-00174
ASSETS AND LIABILITIES; (4) APPROVAL OF	)	
A CERTIFICATE OF PUBLIC CONVENIENCE	)	
AND NECESSITY; AND (5) ALL OTHER	)	
REQUIRED APPROVALS AND RELIEF	)	

**KENTUCKY SOLAR INDUSTRIES ASSOCIATION, INC.  
REQUESTS FOR INFORMATION TO THE ATTORNEY GENERAL  
OF THE COMMONWEALTH OF KENTUCKY, BY AND  
THROUGH HIS OFFICE OF RATE INTERVENTION, AND  
KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.**

Comes now the Kentucky Solar Industries Association, Inc. (KYSEIA), by and through counsel, and in accordance with the Public Service Commission's Order dated July 14, 2020, submits its requests for information to the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention (OAG) and Kentucky Industrial Utility Customers, Inc. (KIUC) (collectively OAG/KIUC).

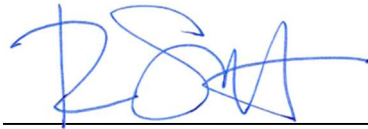
- 1) In each case in which a request seeks information provided in response to a request of Commission Staff, reference to the OAG/KIUC response to the appropriate Staff request will be deemed a satisfactory response.
- 2) Please identify the OAG/KIUC witness who will be prepared to answer questions concerning the request during an evidentiary hearing.

- 3) These requests shall be deemed continuing so as to require further and supplemental responses if OAG/KIUC receives or generates additional information within the scope of these request between the time of the response and the time of any evidentiary hearing held by the Commission.
- 4) If any request appears confusing, please request clarification directly from Counsel for KYSEIA.
- 5) To the extent that the specific document, workpaper, or information as requested does not exist, but a similar document, workpaper, or information does exist, provide the similar document, workpaper, or information.
- 6) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self-evident to a person not familiar with the printout.
- 7) If OAG/KIUC has any objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify Counsel for KYSEIA as soon as possible.
- 8) For any document withheld on the basis of privilege, state the following: Date; author; addressee; indicated or blind copies; all person to whom distributed, shown, or explained; and the nature and legal basis for the privilege asserted.
- 9) In the event that any document called for has been destroyed or transferred beyond the control of OAG/KIUC, state: The identity of the person by whom it was destroyed or transferred and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the policy.

10) As OAG/KIUC Power discovered errors in its filing and/or responses, please provide an update as soon as reasonable that identifies such errors and provide the document to support any changes.

WHEREFORE, KYSEIA submits its Requests for Information to OAG/KIUC.

Respectfully submitted,



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Randal A. Strobo  
Clay A. Barkley  
David E. Spenard  
STROBO BARKLEY PLLC  
239 S. Fifth Street, Suite 917  
Louisville, Kentucky 40202  
Phone: 502-290-9751  
Facsimile: 502-378-5395  
Email: rstrobo@strobobarkley.com  
Email: cbarkley@strobobarkley.com  
Email: dspenard@strobobarkley.com  
*Counsel for KYSEIA*

#### NOTICE AND CERTIFICATION FOR FILING

Undersigned counsel provides notice that the electronic version of the paper has been submitted to the Commission by uploading it using the Commission's E-Filing System on this 21<sup>st</sup> day of October, 2020, and further certifies that the electronic version of the paper is a true and accurate copy of each paper filed in paper medium. Pursuant to the Commission's March 16, 2020, and March 24, 2020, Orders in Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus Covid-19*, the paper, in paper medium, will be filed at the Commission's offices within 30 days of the lifting of the state of emergency.



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Randal A. Strobo

## CERTIFICATE OF SERVICE

Undersigned counsel certifies that it has transmitted on this 21<sup>st</sup> day of October 2020, via electronic mail messages, these Requests for Information and the accompanying Read1st file for the electronic filing to the parties of record at the electronic mail addresses listed below. The Commission has not excused any party from electronic filing procedures for this case.

Mark R. Overstreet  
Katie M. Glass  
Stites & Harbison  
421 West Main Street  
P. O. Box 634  
Frankfort, Kentucky 40602-0634  
moverstreet@stites.com  
kglass@stites.com

Christen M. Blend  
American Electric Power Service Corporation  
1 Riverside Plaza, 29th Floor  
Post Office Box 16631  
Columbus, Ohio 43216  
cblend@aep.com  
*Counsel for Kentucky Power Company*

J. Michael West, Assistant Attorney General  
Lawrence W. Cook, Assistant Attorney General  
John G. Horne II, Assistant Attorney General  
Angela M. Goad, Assistant Attorney General  
Office of the Attorney General  
700 Capital Avenue, Suite 20  
Frankfort, Kentucky 40601  
Michael.West@ky.gov  
Larry.Cook@ky.gov  
John.Horne@ky.gov  
Angela.Goad@ky.gov  
*Counsel for the Attorney General, Daniel J. Cameron*

Michael L. Kurtz  
Kurt J. Boehm  
Jody Kyler Cohn  
Boehm, Kurtz & Lowry  
36 East Seventh Street, Suite 1510  
Cincinnati, Ohio 45202  
mkurtz@BKLawfirm.com  
kboehm@BKLawfirm.com

jkylercohn@BKLawfirm.com  
*Counsel for KIUC*

Joe F. Childers  
Joe F. Childers & Associates  
300 Lexington Building  
201 West Short Street  
Lexington, Kentucky 40507  
joe@childerslaw.com

Matthew E. Miller  
Sierra Club  
2528 California Street  
Denver, Colorado 80205  
matthew.miller@sierraclub.org  
*Counsel for Sierra Club*

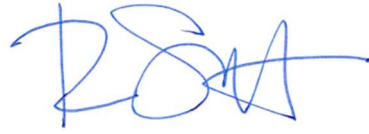
Thomas J. FitzGerald  
Counsel & Director  
Kentucky Resources Council, Inc.  
Post Office Box 1070  
Frankfort, Kentucky 40602  
fitzkrc@aol.com  
*Counsel for Joint Intervenors Mountain Association, Kentuckians for the Commonwealth, and  
Kentucky Solar Energy Society*

Michael A. Frye  
Jenkins Fenstermaker, PLLC  
325 Eight Street  
Huntington, WV 25701  
maf@JenkinsFenstermaker.com  
lal@JenkinsFenstermaker.com  
*Counsel for SWVA Kentucky, LLC*

Don C. A. Parker  
Spilman Thomas & Battle, PLLC  
300 Kanawha Blvd, East  
Charleston, WV 25301  
dparker@spilmanlaw.com

Barry A. Naum  
Spilman Thomas & Battle, PLLC  
1100 Bent Creek Blvd., Suite 101  
Mechanicsburg, PA 17050  
bnaum@spilmanlaw.com

Carrie H. Grundmann  
Spilman Thomas & Battle, PLLC  
110 Oakwood Drive, Suite 500  
Winston-Salem, NC 27103  
cgrundmann@spilmanlaw.com  
*Counsel for Walmart Inc.*



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Randal A. Strobo

**KENTUCKY SOLAR INDUSTRIES ASSOCIATION, INC.**  
**REQUESTS FOR INFORMATION TO OAG/KIUC**

1. Refer to the Direct Testimony of Stephen J. Baron (“Baron Direct”) Exhibit SJB-1.
  - a. Please identify all pieces of testimony sponsored by Witness Baron which address issues related to customer-sited generation, including net metering policy and rate design for customers with distributed generation.
  - b. Please identify all pieces of testimony sponsored by Witness Baron which address rate design for residential and/or small commercial customers.
  - c. Please provide copies or links to all pieces of testimony identified in subparts (a) and (b) of this request.
  
2. Refer to Baron Direct at p. 23, line 1 stating “Ideally, a solar customer should have a 100% buy/sell rate.”
  - a. Is it Witness Baron’s opinion that Kentucky’s net metering law permits the Commission to establish a 100% buy/sell rate as the only option available to solar or other distributed generation customers? Explain the basis for the position.
  - b. Is it Witness Baron’s opinion that Kentucky’s administrative regulations implementing the Public Utility Regulatory Policies Act (“PURPA”) permit the Commission to establish a 100% buy/sell rate as the only option available to solar or other distributed generation customers? Explain the basis for the position.
  - c. Is it Witness Baron’s opinion that PURPA regulations developed by the Federal Energy Regulatory Commission (“FERC”) permit a 100% buy/sell rate to be adopted as the only option available to solar or other distributed generation customers? Explain the basis for the position.
  - d. Is it Witness Baron’s position that a large industrial customer that installs a cogeneration unit should not be permitted to use that unit to service on-site load but should instead be subject to a 100% buy/sell rate? Explain the basis for the position.
  - e. Is it Witness Baron’s position that a reduction in a customer’s contribution to peak demands (i.e., reducing metered demand during peak periods) affects the electric system differently depending on whether that demand reduction is accomplished using on-site solar, or some other mechanism (e.g., demand management tools, more efficient equipment)? Explain the basis for the position.
  - f. Kentucky Power’s current Schedule L.G.S. charges an energy rate of 6.853 cents/kWh for Primary Voltage Service. Would it be more “ideal” for a Schedule L.G.S. customer that reduces its monthly energy needs by 1 kWh receive monetary savings for this usage reduction at the L.G.S. energy rate (6.853 cents/kWh) or Kentucky Power’s avoided cost rate? Identify the “ideal” option under this scenario and explain the basis for the position.
  
3. Witness Baron uses the term “subsidy” at ten different points throughout his testimony (e.g., p. 10, lines 7-8, Table 1 at p. 8).

- a. Please provide an explicit definition of the term “subsidy” as used by Witness Baron.
  - b. Is it Witness Baron’s position that the existence of a “subsidy” should be determined by the results of the Company’s class cost of service study, as implied in Table 1 at p. 8 of Baron Direct? Explain the basis for the position.
4. Refer to Baron Direct at p. 24 discussing the reasonableness of the Company’s proposed excess energy payment for the N.M.S. II Tariff, and lines 7-10 stating “While there certainly could be more detailed and comprehensive methodologies used to develop an excess energy avoided cost rate, I believe that the Company’s calculation is reasonable and provides solar customers a fair compensation for their excess energy.”
  - a. Please identify and describe the other “more detailed and comprehensive methodologies” that Witness Baron reviewed in his analysis of the reasonableness of the Company’s proposed methodology.
  - b. Please provide all such studies and any analysis that Witness Baron performed in order to reach the conclusion that the Company’s proposed methodology is reasonable.
  - c. Please provide any studies that Witness Baron has himself performed for the purpose of establishing the value of energy generated and exported by distributed generation customers.
5. Did Witness Baron perform an analysis of the Company’s costs to serve net metering customers to determine if the costs exceed what those same net metering customers pay towards their cost of service? If so, please provide the results of Witness Baron’s cost of service analysis and all associated workpapers in executable spreadsheet format with all formulas and file linkages intact. If not, please explain why Witness Baron did not perform such an analysis as part of his evaluation of the Company’s N.M.S. II tariff proposal.
6. Refer to Baron Direct at p. 7 discussing the factors the Commission should consider in establishing rates. Starting at p. 7, line 7 Witness Baron states: “While it [the class cost of service study] is an important factor, it is not the only factor. First, there can be legitimate disagreements on the appropriate methodology that should be used to allocate costs to rate classes. Moreover, such factors as gradualism, economic impact and hardship, rate shock, the impact on competitiveness of industry and other policy considerations should also be considered by the Commission. In particular, the Company is proposing a substantial increase during a period of unprecedented economic disruption in Kentucky and throughout the country. AG KIUC witness Lane Kollen addresses the Company’s overall requested revenue increase; however, notwithstanding the AG-KIUC adjustments to the Company’s request, the likely increase in this case will still be significant. As such, as I will discuss subsequently, this case presents a situation wherein subsidy reductions that would otherwise be entirely appropriate can be temporarily suspended.”

Witness Baron goes on to state at p. 10, line 18 through p. 11, line 2 “Given the unique, and unprecedented economic environment in Kentucky, and the fact that any base rate increase may be suspended, the AG-KIUC propose that the Commission adopt the



Company's proposed revenue allocation, which maintains current subsidies at proposed rates."

- a. Are the "current subsidies" that Mr. Baron proposes to "maintain" at the current rates the amounts identified in Table 1 at p. 8? If not, identify the amounts.
- b. Identify Mr. Baron's estimate of the annual subsidy that exists from non-participants to net metered solar customers and explain how this amount compares to the "subsidies" identified in Table 1?
- c. Is it correct that Witness Baron recommends that all existing purported rate subsidies be maintained unchanged *except* the subsidy he believes is being provided by the current net metering structure? If yes, it is correct, please explain why the result would not be arbitrary and discriminatory.
- d. It is Witness Baron's position that the Company's N.M.S. II Tariff proposal will not negatively affect the future economic prospects of the distributed solar industry in Kentucky Power's territory? Explain the basis for the position.
- e. Is it Witness Baron's position that the distributed solar industry is not already being affected by the "unprecedented economic disruption in Kentucky and throughout the country." associated with COVID-19? Explain the basis for the position.
- f. Please explain Witness Baron's position on how the principle of "gradualism" should affect Commission consideration of the current N.M.S. II tariff proposal and any changes to the N.M.S. II tariff that Kentucky Power may propose in subsequent applications for a change in rates.