

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC JOINT APPLICATION OF)
EAST KENTUCKY POWER COOPERATIVE, INC.)
AND INTER-COUNTY ENERGY COOPERATIVE)
CORPORATION FOR APPROVAL OF AN) Case No. 2020-00193
INDUSTRIAL POWER AGREEMENT WITH)
ECONOMIC DEVELOPMENT RIDER AND)
RENEWABLE ENERGY PURCHASES)

ATTORNEY GENERAL’S INITIAL DATA REQUESTS

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention (“Attorney General”), and submits these Data Requests to East Kentucky Power Cooperative, Inc. (hereinafter “EKPC”) and Inter-County Energy Cooperative, Inc. (“Inter-County”) (collectively “parties” or “companies”) to be answered by August 17, 2020 and in accord with the following:

- (1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate requested item will be deemed a satisfactory response.
- (2) Identify the witness who will be prepared to answer questions concerning each request.
- (3) Repeat the question to which each response is intended to refer.
- (4) These requests shall be deemed continuing so as to require further and supplemental responses if the companies receive or generate additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

(6) If you believe any request appears confusing, please request clarification directly from undersigned Counsel for the Office of Attorney General.

(7) 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.

(8) 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.

(9) If the companies have objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, notify the Office of the Attorney General as soon as possible, and in accordance with Commission direction.

(10) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance

policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information regardless of the media or format in which they are stored, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) For any document withheld on the basis of privilege, state the following: date; author;

addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the control of the company, please 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 retention policy.

(13) Provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

(14) “And” and “or” should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.

(15) “Each” and “any” should be considered to be both singular and plural, unless specifically stated otherwise.

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Respectfully submitted,

DANIEL J. CAMERON
ATTORNEY GENERAL



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Certificate of Service and Filing

Pursuant to the Commission's Order dated March 17, 2020 in Case No. 2020-00085, and in accord with all other applicable law, Counsel certifies that, On August 6, 2020, an electronic copy of the forgoing was served and filed by e-mail to the following. A physical copy of the filing will be submitted to the Commission once the State of Emergency has ceased.

David S. Samford

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L. Allyson Honaker

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this 6th day of August, 2020



Assistant Attorney General

ELECTRONIC JOINT APPLICATION OF EAST KENTUCKY POWER COOPERATIVE, INC. AND INTER-COUNTY ENERGY COOPERATIVE CORPORATION FOR APPROVAL OF AN INDUSTRIAL POWER AGREEMENT WITH ECONOMIC DEVELOPMENT RIDER AND RENEWABLE ENERGY PURCHASES

Data Requests

1. Confirm that there is no subsidization by non-party customers of the utilities for the energy purchased pursuant to the power purchase agreements (“PPAs”).
2. Explain how the parties insure there is no subsidization by non-party customers of the utilities.
 - a. In the event EKPC and/or Inter-County RECC have to procure any additional physical, software, or firmware infrastructure components to prevent any such subsidization, describe in full who will pay the costs of such installations and related costs, and whether ratepayers would be responsible for any portion of such costs.
3. Regarding the tariffs described in numerical paragraph 13 of the application, state whether any portion of those tariffs will not be followed or adhered to in the event the proposed transaction is approved.
4. Reference paragraph 15. Explain whether Diageo’s contemplated purchase of at least 42,000 MW hours from PPAs, “or,” physical renewable resources, is intended to be conjunctive; i.e., whether Diageo will make use of a combination of both such resources, or alternatively only one or the other.
 - a. Explain which of the Joint Applicants will make the determination of the sources to pursue (i.e., PPAs, physical renewable sources, or RECs); in other words, whether it will be EKPC, Inter-County RECC, Diageo, all of the above or any portion thereof.
 - b. Explain whether there is any possibility that Diageo’s purchase of RECs would, or could conceivably become the sole means by which Diageo meets its self-imposed renewable energy consumption requirement.
 - c. Provide a discussion regarding how the Agreement addresses the variable nature of renewable power resources; in other words, what resources the Joint Parties will utilize to meet Diageo’s load due to solar intermittency.
 - d. Explain whether EKPC has or will conduct any analyses to determine whether any potential renewable self-build options could provide a

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lower cost resource to Diageo than potential PPAs. Include in your response whether any appropriately sized and scaled options could also provide power to EKPC's member-owners.

5. Reference Application numerical paragraph 19. In the event EKPC is required to obtain a market purchase to meet Diageo's load, regardless of whether during summer or winter operating conditions, explain whether EKPC could conceivably incur any PJM penalties for doing so, and if so, who would pay the cost of any such penalty.
6. Reference Application numerical paragraph 21. Provide a discussion of how EKPC will recover its future marginal costs for both energy and capacity associated with serving the proposed project.
7. Provide a discussion of whether any prospective or contemplated PJM policy changes would or could in any manner impact the proposed agreement and the proposed project. If so, describe in full and explain whether any modifications to the agreement would be necessary.
8. Explain whether Diageo's proposed subscription to EKPC's Community One Solar Project would, or could trigger any plans on EKPC's part, to construct any additional solar facilities for the benefit and use of its member-owners.
 - a. Provide the percentage of EKPC's Community One Solar Project that Diageo's subscription will represent.
9. Reference the Agreement, paragraph 3 (b)(1). Given that no demand ratchet would apply, in the event Diageo's facility is for any reason unable to operate, explain whether ratepayers would remain insulated from the costs of serving Diageo's facility.
10. Explain whether the Joint Parties anticipate filing copies of the PPAs contemplated in the Agreement. If not, why not?
11. Explain whether as a result of the proposed Agreement, EKPC may have to construct new or modified transmission facilities in order to serve Diageo's load.

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- a. If so, or if that possibility exists, explain what measures EKPC will take in order to determine what portion of the projected costs of such

facilities that Diageo would pay for, and what portion other customers would pay for.

12. Reference the Agreement, Appendix A. Given the current lack of any wind resources in the Commonwealth, can EKPC confirm that Diageo would be responsible for any and all transmission costs associated with the import of any power from wind resources, including any potential congestion charges?
13. Provide a forecast for the cost of RECs to the extent and duration for which one has already been obtained or calculated by the parties for utilization under Option A of EKPC Rate H.
14. Discuss whether Diageo's utilization of Community Solar One requires the construction of additional solar facilities.
15. Please discuss the factors EKPC will consider in analyzing whether to self-supply. See Testimony of David Crews at page 10.
 - a. Please fully discuss whether such self-supply would require production of additional facilities.
 - b. Please fully discuss whether additional construction and/or self-supply would cause additional costs, fixed or variable, to be borne by EKPC's general rate base.
16. See Testimony of David Crews at page 15¹ where he states, "the discounted demand rate charged to Diageo was less than the capacity price established by the BRA for 2021-22 in the first two years of the discount period and higher in the last three years of the discount period. Overall, the total discounted demand exceeded marginal costs over the full discount period." Based on this analysis, is Diageo being subsidized by other ratepayers during the first two years of the contract?

¹ See also Marginal Cost Analysis at Page 4.