

**COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION**

<b>ELECTRONIC INVESTIGATION</b>	)	
<b>OF THE SERVICE, RATES AND</b>	)	<b>Case No. 2021-00370</b>
<b>FACILITIES OF KENTUCKY POWER</b>	)	
<b>COMPANY</b>	)	

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**ATTORNEY GENERAL AND KIUC RESPONSES TO DATA REQUESTS  
OF KENTUCKY POWER**

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Come now the intervenors, the Attorney General of the Commonwealth of Kentucky, by his Office of Rate Intervention (“Attorney General”) and Kentucky Industrial Utility Customers (“KIUC”), and submit these Responses to Data Requests offered by Kentucky Power Company (hereinafter “Kentucky Power” or “company”) on January 17, 2024.

Respectfully submitted,

RUSSELL COLEMAN  
ATTORNEY GENERAL



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*Certificate of Service and Filing*

Pursuant to the Commission's Orders and in accord with all other applicable law, Counsel certifies that, on February 7, 2024, an electronic copy of the foregoing was served via the Commission's electronic filing system.

this 7th day of February, 2024.

A handwritten signature in blue ink, appearing to read "J. Michael West". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

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Assistant Attorney General

**Responses to Data Requests**

Q.1 Please provide all schedules, tables, and charts included in the testimony and exhibits to the testimony of Lane Kollen in electronic format, with formulas intact and visible, and no pasted values.

**Response:**

Refer to attached electronic files.

Provided by: Mr. Lane Kollen

Q.2 Please provide all workpapers, source documents, and electronic spreadsheets used in the development of the testimony of Lane Kollen. The requested information, if so available, should be provided in an electronic format, with formulas intact and visible, and no pasted values.

**Response:**

Refer to the response to Question 1.

Provided by: Mr. Lane Kollen

Q.3 Please state whether it is the position of the Attorney General that Kentucky Power has failed to render adequate, efficient, or reasonable service.

**Response:**

Objection. Counsel Kentucky Power has failed to identify a witness to respond to this question, but instead is posing the question to the Attorney General. Pursuant to the Kentucky Supreme Court Rule 3.130, Rules of Professional Conduct Rule 3.130(3.7), a lawyer shall not act as an advocate at a trial in which the lawyer is likely to be a necessary witness. Thus, counsel for the Attorney General cannot testify in this proceeding. Additionally, this question seeks materials covered by the work product and/or attorney client privilege(s) pursuant to the Kentucky Supreme Court Rule 3.130, Rules of Professional Conduct Rule 3.130 (1.6). The Attorney General will state its position on this issue at the appropriate point in this proceeding should he choose to do so.

Provided by: Attorney General Counsel

Q.4 Please state whether it is the position of KIUC that Kentucky Power has failed to render adequate, efficient, or reasonable service.

**Response:** Objection. Counsel for Kentucky Power has failed to identify a witness to respond to this question, but instead is posing the question to KIUC counsel. Pursuant to the Kentucky Supreme Court Rule 3.130, Rules of Professional Conduct Rule 3.130(3.7), a lawyer shall not act as an advocate at a trial in which the lawyer is likely to be a necessary witness. Thus, counsel for KIUC cannot testify in this proceeding. Additionally, this question seeks materials covered by the work product and/or attorney client privilege(s) pursuant to the Kentucky Supreme Court Rule 3.130, Rules of Professional Conduct Rule 3.130 (1.6). KIUC will state its position on this issue at the appropriate point in this proceeding should it choose to do so.

Provided by: Counsel for KIUC

Q.5 Please state whether it is the position of the Attorney General that Kentucky Power should own or contract for generation resources sufficient to meet its customers' maximum estimated requirements instead of Kentucky Power's historical and current strategy of relying on its membership in the PJM Interconnection to do so.

**Response:**

Objection. Counsel Kentucky Power has failed to identify a witness to respond to this question, but instead is posing the question to the Attorney General. Pursuant to the Kentucky Supreme Court Rule 3.130, Rules of Professional Conduct Rule 3.130(3.7), a lawyer shall not act as an advocate at a trial in which the lawyer is likely to be a necessary witness. Thus, counsel for the Attorney General cannot testify in this proceeding. Additionally, this question seeks materials covered by the work product and/or attorney client privilege(s) pursuant to the Kentucky Supreme Court Rule 3.130, Rules of Professional Conduct Rule 3.130 (1.6). The Attorney General will state its position on this issue at the appropriate point in this proceeding should he choose to do so.

Provided by: Attorney General Counsel



Q.6 Please state whether it is the position of KIUC that Kentucky Power should own or contract for generation resources sufficient to meet its customers' maximum estimated requirements instead of Kentucky Power's historical and current strategy of relying on its membership in the PJM Interconnection to do so.

**Response:** Objection. Counsel for Kentucky Power has failed to identify a witness to respond to this question, but instead is posing the question to KIUC counsel. Pursuant to the Kentucky Supreme Court Rule 3.130, Rules of Professional Conduct Rule 3.130(3.7), a lawyer shall not act as an advocate at a trial in which the lawyer is likely to be a necessary witness. Thus, counsel for KIUC cannot testify in this proceeding. Additionally, this question seeks materials covered by the work product and/or attorney client privilege(s) pursuant to the Kentucky Supreme Court Rule 3.130, Rules of Professional Conduct Rule 3.130 (1.6). KIUC will state its position on this issue at the appropriate point in this proceeding should it choose to do so. Without waiving any objection, as an FRR entity Kentucky Power is required to meet its capacity obligations with owned or contracted for resources, and cannot rely on the PJM RPM capacity market. Therefore, the premise of the question is not correct. As for energy, customers are entitled to the lower of cost or market. Customers are also entitled to margins from market energy sales. All of this assumes that the power plants in rate base or contractual generation being recovered in rates are reasonably and prudently operated and maintained.

Provided by: Counsel for KIUC

Q.7 Please refer to page 7, line 1, of Lane Kollen's testimony. Please identify and provide copies of all studies, documents, or other information that Lane Kollen reviewed to support his conclusion that Kentucky Power "historically has underinvested in its distribution system."

**Response:**

Mr. Kollen relied on the public record and information in Case 2021-00481 and the public record and information in Case 2022-0179 as to the present condition of the Company's distribution system and the future required capital investment and operation and maintenance expenses necessary to improve the reliability and resiliency of the distribution system. These capital and O&M costs include the scope of work for this purpose and the incremental costs the Company plans to recover through its distribution reliability rider. The public record and information, including studies, documents, and other information in the two referenced proceedings were created by the Company or are otherwise available to the Company.

Provided by: Mr. Lane Kollen

Q.8 To the extent Lane Kollen relied on the Commission's Final Order in Case No. 2021-00481 and its reliance on Liberty Utility Co.'s due diligence materials to support his conclusion that Kentucky Power "historically has underinvested in its distribution system," please confirm whether Lane Kollen reviewed Liberty Utility Co.'s due diligence materials.

**Response:**

Mr. Kollen reviewed Liberty Utility Company's due diligence materials in conjunction with his work on behalf of the AG and KIUC in Case 2021-00481 and reviewed the Commission's final Order in that proceeding. Mr. Kollen did not rely on Liberty Utility Company's confidential due diligence materials in Case 2021-00481 for his testimony in this proceeding.

Provided by: Mr. Lane Kollen

Q.9 To the extent Lane Kollen relied on the Commission's Final Order in Case No. 2021-00481 and its reliance on Liberty Utility Co.'s due diligence materials to support his conclusion that Kentucky Power "historically has underinvested in its distribution system," please confirm that Liberty Utility Co.'s due diligence materials were confidential and unavailable for review by Kentucky Power.

**Response:**

To the best of Mr. Kollen's recollection, Liberty Utility Co.'s due diligence materials were confidential and unavailable for review by the Company in Case 2021-00481. Nevertheless, witnesses for the Joint Applicants addressed in public responses to discovery, public prefiled rebuttal testimony, and live testimony at hearing certain aspects of Liberty's due diligence materials and conclusions.

Provided by: Mr. Lane Kollen

Q.10 Please refer to the table on page 8 of Lane Kollen's testimony. Please confirm that a generating unit's capacity factor is calculated as the ratio of the actual energy produced by the generating unit to the maximum amount of energy that can be produced by the generating unit.

**Response:**

Denied. The definition proffered in the question is incomplete because it does not include the required period of time component in the standard definition of capacity factor. The US EIA defines capacity factor as "The ratio of the electrical energy produced by a generating unit for the period of time considered to the electrical energy that could have been produced at continuous full power operation during the same period."

Provided by: Mr. Lane Kollen

Q.11 Please refer to the table on page 8 of Lane Kollen's testimony. Please confirm that when a generating unit does not operate because it would be uneconomic to do so, such failure to operate would reduce the unit's capacity factor.

**Response:**

Neither confirmed nor denied. There are multiple factors that affect the generation from the unit, the value used in the numerator of the capacity factor calculation. One of those factors is the dispatch of the generating unit; however, the economics may not be a factor or the only factor in the dispatch of the generating unit if it is designated as must run or if it is not operated at its maximum capacity. Another factor is that the pricing curve submitted to PJM may reflect a premium over the Company's cost curve, which may preclude the dispatch of the generating unit even though it may have been economic to do so based on the cost curve.

Provided by: Mr. Lane Kollen

Q.12 Please refer to the table on page 8 of Lane Kollen's testimony. For each of the Spurlock generating units, please provide the following hourly information for 2018-2022 including the source of such information. If not available at an hourly scale, provide at the most temporally granular scale available.

- a. Price (\$/MWh) of offers submitted into the PJM energy market.
- b. Quantity (MW) of offers submitted into the PJM energy market.
- c. For each offer, whether that offer was accepted by PJM.
- d. Day-ahead generator commitment status, including economic dispatch, self-schedule (must-run), self-schedule (must-run) at minimum operating level and dispatch economic above, emergency, unavailable (outage), or other recorded purpose.
- e. Real-time generator commitment status, including economic dispatch, self-schedule (must-run), emergency, unavailable (outage), or other recorded purpose.
- f. Locational marginal price received (\$/MWh).
- g. Economic minimum level (MW).

**Response:**

Mr. Kollen does not have the information requested. However, Mr. Kollen notes that certain of the requested information may be available on the PJM website.

Provided by: Mr. Lane Kollen

Q.13 Please refer to the table on page 8 of Lane Kollen's testimony. Please confirm that East Kentucky Power Cooperative ("EKPC") commits the Spurlock Station coal fired units as self schedule (must run) status in the PJM energy market.

**Response:**

Refer to the response to Question 12.

Provided by: Mr. Lane Kollen



Q.14 Please refer to page 11 of Lane Kollen's testimony. Please confirm that the Commission's Final Order in Case No. 2021-004211 states that December 31, 2028 is the "date when Kentucky Power's interest in Mitchell must terminate in accordance with the July 15, 2021 Order in Case No. 2021-00004."

**Response:**

Neither confirmed nor denied. The Order in Case 2021-00421 speaks for itself and must be considered in its entirety, including the relevance of the reference to the Order in Case 2021-00004. In addition, the Order in Case 2021-00004 speaks for itself and must be considered in its entirety, although Mr. Kollen notes that the only reference in that Order to the term "terminate" is the following statement: "Regarding the revised ELG rules, Kentucky Power explained that, without the proposed ELG compliance projects, it would have to terminate coal-fired operations and retire Mitchell by December 31, 2028." Wheeling Power Company, the operator and 50% co-owner of the Mitchell generating units, is proceeding with the ELG compliance projects, and thus, the co-owners will not "have to terminate coal-fired operations and retire Mitchell by December 31, 2028" regardless of the interpretation of the Commission's Orders in the two cases.

Provided by: Mr. Lane Kollen

Q.15 Please refer to pages 13 and 14 of Lane Kollen's testimony regarding a joining of the Company with EKPC. Please provide all studies, documents, or other information that Lane Kollen reviewed to support his testimony that such joining would be feasible.

**Response:**

Mr. Kollen did not review any studies, documents, or information other than that provided by the Company in the form of testimony, exhibits, and responses to testimony in other proceedings, and information available on the PJM website, including the PJM OATT. Nevertheless, Mr. Kollen notes that EKPC and its members and the Company have contiguous service territories, that both EKPC and the Company are members of PJM, and that EKPC has a PJM zone separate from that of AEP. In addition, Mr. Kollen notes that Section 1.89 of the PJM OATT states: "*Zone shall mean an area within the PJM Region, as set forth in Schedule 15, or as such areas may be (i) combined as a result of mergers or acquisition. . .*"

Provided by: Mr. Lane Kollen

Q.16 Please refer to pages 13 and 14 of Lane Kollen's testimony regarding a joining of the Company with EKPC. Please identify and provide copies of all documents relating to any communication between the Attorney General and EKPC regarding the potential joining of the Company with EKPC.

**Response:**

Objection. The request seeks information which may be confidential attorney work product. Nonetheless, without waiving the objection, respondent has been unable to identify any documents responsive to this request.

Provided by: Attorney General Counsel

Q.17 Please refer to pages 13 and 14 of Lane Kollen's testimony regarding a joining of the Company with EKPC. Please identify and provide copies of all documents relating to any communication between KIUC and EKPC regarding the potential joining of the Company with EKPC.

**Response:** Objection. This question seeks materials outside the scope of this proceeding and covered by the work product and/or attorney client privilege(s) pursuant to the Kentucky Supreme Court Rule 3.130, Rules of Professional Conduct Rule 3.130 (1.6). Without waiving such objections, as a basis for the cited testimony, Mr. Kollen relied upon the attached documents - the PJM OATT and the PJM Consolidated Transmission Owners Agreement (COTA). The CTOA and PJM OATT appear to allow existing areas to be combined into a larger Zone as a result of mergers or acquisitions. Zone is defined in Section 1.89 of the OATT as: "*Zone shall mean an area within the PJM Region, as set forth in Schedule 15, or as such areas may be (i) combined as a result of mergers or acquisitions...*" Therefore, it appears that if East Kentucky Power Cooperative (EKPC) acquired Kentucky Power, then Kentucky Power could be combined into the EKPC Transmission Zone. This would largely solve the problem of Kentucky Power subsidizing the transmission costs of non-Kentucky entities and would allow Kentucky to control its own transmission spending, making a purchase by EKPC highly desirable from a Kentucky perspective.

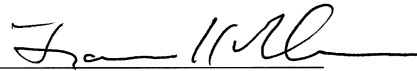
Provided by: Counsel for KIUC

**AFFIDAVIT**

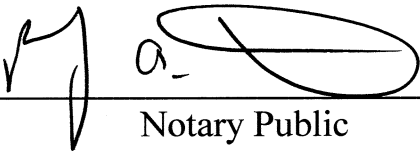
STATE OF GEORGIA        )

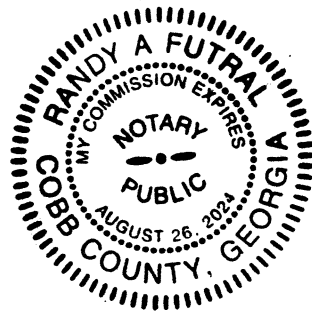
COUNTY OF FULTON        )

LANE KOLLEN, being duly sworn, deposes and states: that the attached are his sworn responses and that the statements contained are true and correct to the best of his knowledge, information and belief.

  
Lane Kollen

Sworn to and subscribed before me on this  
7th day of February 2024.

  
Notary Public



**CONSOLIDATED TRANSMISSION OWNERS AGREEMENT**

**RATE SCHEDULE FERC No. 42**

Effective Date: 06/12/2013

#### **7.4 Transmission Rate Zone Size.**

For purposes of developing rates for service under the PJM Tariff, transmission rate Zones smaller than those shown in Attachment J to the PJM Tariff, or subzones of those Zones, shall not be permitted within the current boundaries of the PJM Region; provided, however, that additional Zones may be established if the current boundaries of the PJM Region is expanded to accommodate new Parties to this Agreement.

Effective Date: 9/17/2010 - Docket #: ER10-2713-000

does not file a Form 1 or 1F in which case, the net book value of a Party's Transmission Facilities shall be determined based on a certification from the Party's independent auditor submitted to the Administrative Committee by April 1 of each year under oath by an officer of such Party without any claim of confidentiality. Such certification shall state specific values for electric transmission plant in service, accumulated depreciation, and the net book value of Transmission Facilities.

### **1.32 Zero Revenue Requirement Party**

Zero Revenue Requirement Party means a Party that is a Transmission Owner solely by virtue of Transmission Facilities used to provide transmission services within the PJM Region under the PJM Tariff for which it does not have a cost-of-service rate for such services set forth in Schedules 7 and 8 and Attachment H of the PJM Tariff.

### **1.33 Zone**

Zone shall have the meaning defined in the PJM Tariff.

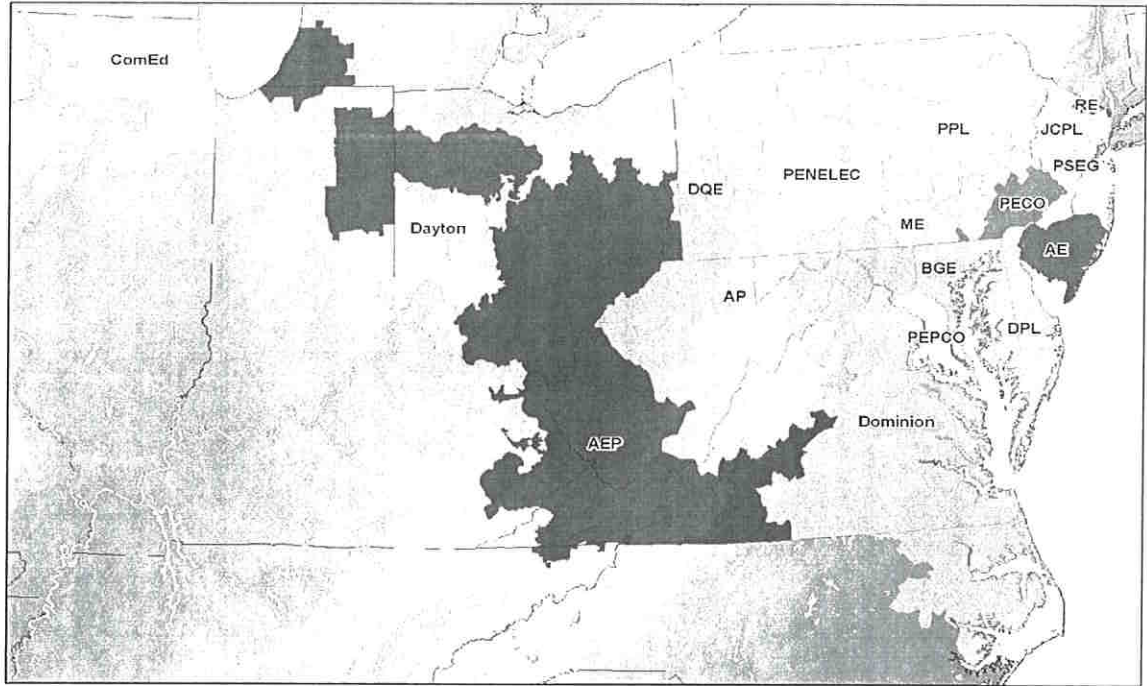
Effective Date: 11/19/2011 - Docket #: ER11-4578-000



**PJM OPEN ACCESS  
TRANSMISSION TARIFF**

## ATTACHMENT J

### PJM Transmission Zones



#### **FULL NAME**

Pennsylvania Electric Company  
Allegheny Power  
PPL Electric Utilities Corporation  
Metropolitan Edison Company  
Jersey Central Power and Light Company  
Atlantic City Electric Company  
PECO Energy Company  
Baltimore Gas and Electric Company  
Delmarva Power and Light Company  
Potomac Electric Power Company  
Rockland Electric Company  
Commonwealth Edison Company

#### **SHORT NAME**

PENELEC  
APS  
PPL  
ME  
PSEG  
AEC  
PECO  
BGE  
DPL  
PEPCO  
RE  
ComEd

AEP East Zone

The Dayton Power and Light Company

Duquesne Light Company

Virginia Electric and Power Company

AEP

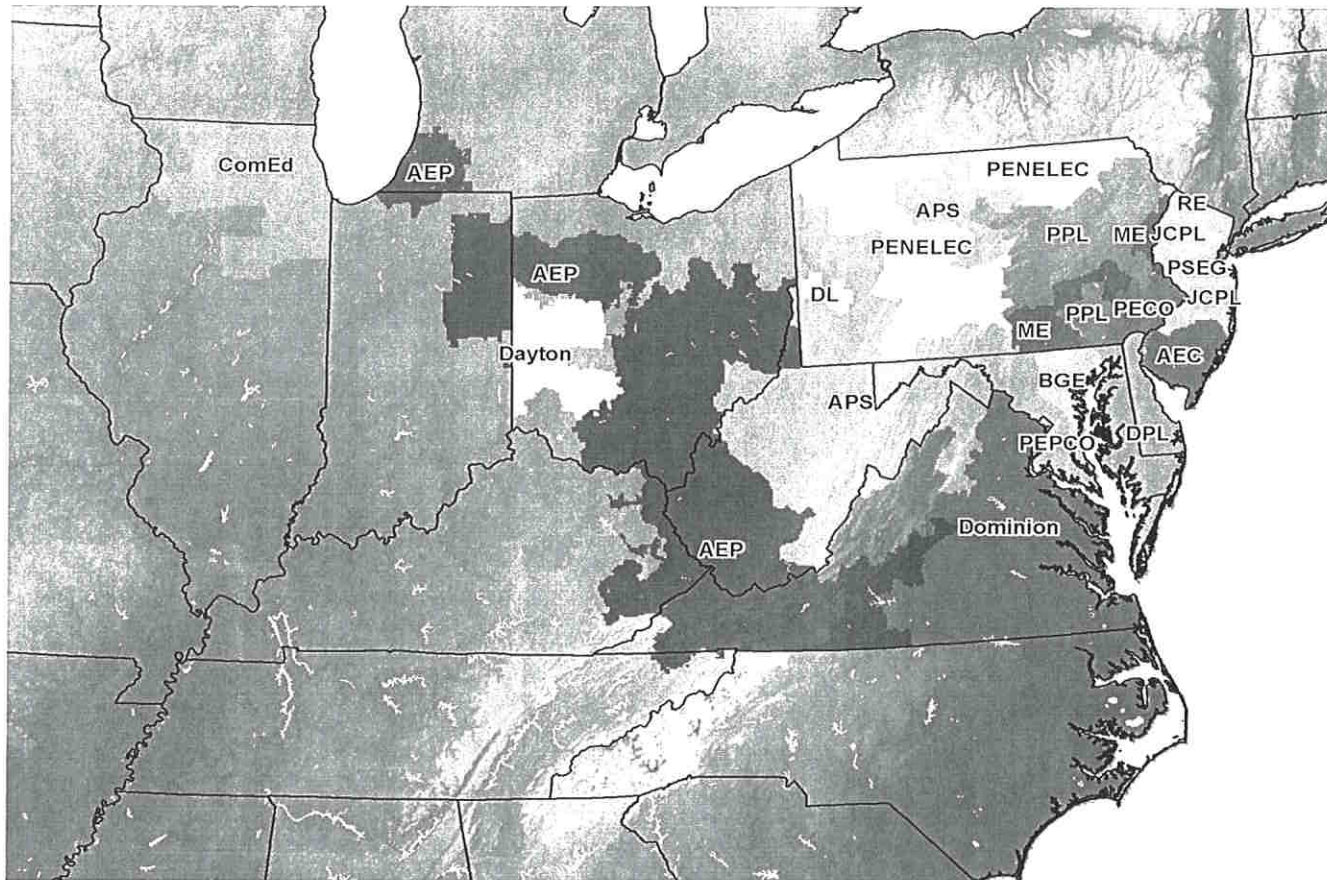
Dayton

DL

Dominion

**SCHEDULE 15**

**ZONES WITHIN THE PJM REGION**



<b>FULL NAME</b>	<b>SHORT NAME</b>
Pennsylvania Electric Company	Penelec
Allegheny Power .....	APS
PPL Group .....	PPL
Metropolitan Edison Company .....	MetEd
Jersey Central Power and Light Company .....	JCPL
Public Service Electric and Gas Company .....	PSEG
Atlantic City Electric Company .....	AEC
PECO Energy Company .....	PECO
Baltimore Gas and Electric Company .....	BGE
Delmarva Power and Light Company .....	DPL
Potomac Electric Power Company .....	PEPCO

Rockland Electric Company .....RE  
 Commonwealth Edison Company ..... ComEd  
 AEP East Zone                              AEP  
 The Dayton Power and Light Company Dayton  
 Virginia Electric and Power Company ..... Dominion  
 Duquesne Light Company ..... DL

the affected Transmission Owners and electric distribution companies shall determine the appropriate peak load responsibility to be used until the annual peaks are determined for the next twelve month period ending October 31.

(b) Nothing herein shall entitle any Transmission Owner or Network Customer to establish a zone that is smaller than or a portion of a Zone set forth in Attachment J.

**1.87 West RAA**

West RAA shall mean the “PJM West Reliability Assurance Agreement among the Load Serving Entities in the PJM West Region,” on file with FERC as PJM Rate Schedule FERC No. 32.

**1.88 Zonal Capacity Price**

Zonal Capacity Price shall mean the price of Unforced Capacity in a Zone that an LSE that has not elected the FRR Alternative is obligated to pay for a Delivery Year as determined pursuant to Attachment DD to the PJM Tariff.

**1.89 Zone**

Zone shall mean an area within the PJM Region, as set forth in Schedule 15, or as such areas may be (i) combined as a result of mergers or acquisitions or (ii) added as a result of the expansion of the boundaries of the PJM Region. A Zone shall include any Non-Zone Network Load (as defined in the PJM Tariff) located outside the PJM Region that is served from such Zone under Schedule H-A of the PJM Tariff.