

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

ELECTRONIC APPLICATION OF KENTUCKY)	
POWER COMPANY FOR AN ORDER)	
APPROVING THE COMPANY'S AMENDED)	Case No. 2022-00181
TARIFF E.D.R. TO INCREASE CAPACITY)	
AVAILABLE TO BE SERVICED UNDER THE)	
TARIFF AND FOR REQUIRED DEVIATIONS)	
FROM THE COMMISSION'S SEPTEMBER 24,)	
1990 ORDER IN ADMINISTRATIVE CASE)	
NO. 327)	

INITIAL DATA REQUESTS OF THE ATTORNEY GENERAL

Comes now intervenor, the Attorney General of the Commonwealth of Kentucky, by his Office of Rate Intervention (“Attorney General”), and submit these Data Requests to Kentucky Power Company (hereinafter “Kentucky Power” or “company”) to be answered by July 1, 2022, 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 company has 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.

SPACE INTENTIONALLY LEFT BLANK

Respectfully submitted,

DANIEL J. CAMERON
ATTORNEY GENERAL



J. MICHAEL WEST
LAWRENCE W. COOK
ANGELA M. GOAD
JOHN G. HORNE II
ASSISTANT ATTORNEYS GENERAL
1024 CAPITAL CENTER DRIVE, SUITE 200
FRANKFORT, KY 40601-8204
PHONE: (502) 696-5433
FAX: (502) 573-1005
Michael.West@ky.gov
Larry.Cook@ky.gov
Angela.Goad@ky.gov
John.Horne@ky.gov

Certificate of Service and Filing

Pursuant to the Commission's Orders and in accord with all other applicable law, Counsel certifies that, on June 23, 2022, an electronic copy of the forgoing was served by e-mail to the following.

moverstreet@stites.com
hgarcia1@aep.com
mkurtz@bkllawfirm.com
jkylercohn@bkllawfirm.com
kboehm@bkllawfirm.com

this 23rd day of June, 2022.

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.

Assistant Attorney General

ELECTRONIC APPLICATION OF KENTUCKY POWER COMPANY FOR AN ORDER APPROVING THE COMPANY'S AMENDED TARIFF E.D.R. TO INCREASE CAPACITY AVAILABLE TO BE SERVICED UNDER THE TARIFF AND FOR REQUIRED DEVIATIONS FROM THE COMMISSION'S SEPTEMBER 24, 1990 ORDER IN ADMINISTRATIVE CASE NO. 327, Case No. 2022-00181

Data Requests

1. In its application at 15-16, Kentucky Power states:

[T]he Company will continue to demonstrate through a current marginal cost analysis submitted with each proposed Tariff E.D.R. agreement “that the discounted [Tariff E.D.R.] rate exceeds the total short-run (marginal) costs associated with serving that customer for each year of the discount period.” The Company also will include as part of its ongoing annual Tariff E.D.R. reports the incremental costs and revenues associated with each Tariff E.D.R. customer.

...

These provisions, as was the case with the Nucor agreements, will help ensure that any Tariff E.D.R. agreement “exceed variable costs [associated with the agreement]” and contribute to a portion of the utility’s fixed costs that otherwise would have been paid by nonparticipating ratepayers.

- a. Describe precisely how Kentucky Power will calculate the marginal costs for a prospective EDR customer in order to make the demonstration required by Finding 6 of Administrative Order 327.
 - b. Confirm that agreements to be entered with prospective EDR customers will require that customer to cover the actual and entire marginal costs for service of that load including capacity and energy purchases necessitated by that service.
 - c. Confirm that costs associated with capacity and/or energy purchases made in order to serve new EDR clients will not be averaged and spread across the customer base through the fuel adjustment clause or some other mechanism.
 - d. Confirm that if capacity and/or energy costs for procurements necessitated by additional EDR load were averaged across the entire customer base, during times of relatively high market prices, this could increase costs on non-EDR ratepayers.
2. In its application at 14, Kentucky Power states:

Because Kentucky Power will be capacity short even in the absence of the Tariff E.D.R. agreements being negotiated, the Company will be unable to address its urgent need for additional load and customers to allow it to spread fixed costs over a larger base absent a waiver of the Commission’s Administrative Case No. 327 Order (and related tariff provisions) limiting the offer of economic development rates to “periods of excess capacity.

- a. Confirm that removal of the limitation of offers of EDR rates to periods of excess capacity could have the effect of raising costs for existing customers if agreements

ELECTRONIC APPLICATION OF KENTUCKY POWER COMPANY FOR AN ORDER APPROVING THE COMPANY'S AMENDED TARIFF E.D.R. TO INCREASE CAPACITY AVAILABLE TO BE SERVICED UNDER THE TARIFF AND FOR REQUIRED DEVIATIONS FROM THE COMMISSION'S SEPTEMBER 24, 1990 ORDER IN ADMINISTRATIVE CASE NO. 327, Case No. 2022-00181

with the EDR customers do not require those customers to cover the full cost of additional capacity and/or energy necessitated to serve that load.

- b. Confirm that, while Kentucky Power may already be capacity short in the near-term, a need to serve additional EDR customers, perhaps at a level of an additional 300 MW, will directly increase any existing deficit.
3. See the Commission's Order of October 14, 2021 in Case No. 2021-00282, at 13-14, which states, "[t]he Commission acknowledges that if additional capacity is needed to serve Blockware's load, BREC can meet this need by making a market purchase, and passing that cost on to Blockware." See also the Commission's Order of July 8, 2019 in 2018-00378, a prior Kentucky Power EDR filing, which states, "[t]o the extent Kentucky Power is required to purchase capacity for Big Run, those costs would be borne by Big Run."
 - a. Identify any and all provisions of the proposed EDR Tariff that requires Kentucky Power to pass all costs related to capacity and energy procurements made to fulfill an EDR agreement along to the EDR customers.
4. Kentucky Power proposes to delete the following language from its the EDR Tariff:
 - (1) ~~The Company will offer the EDR to qualifying customers with new or increased load when the Company has sufficient generating capacity available. When sufficient generating capacity is not available, the Company will procure the additional capacity on the customer's behalf. The cost of capacity procured on behalf of the customer shall reduce on a dollar for dollar basis the customer's IBDD and SBDD. Such reduction shall be capped so that the customer's maximum demand charge shall be the non-discounted tariff demand charge. The reduction will be applied in reverse chronological order beginning with the most recent customer to receive discounted service under this tariff. The last customer to sign up for the EDR tariff would be the first customer responsible for paying the cost of incremental capacity purchases. In any year during the discount period in which the customer pays the full tariff demand charge for all twelve months, the Company will reduce the term of the contract by one year.~~
 - (2) ~~The new or increased load cannot accelerate the Company's plans for additional generating capacity during the period for which the customer receives a demand discount. Customers receiving Temporary Service are not eligible for this EDR.~~
 - a. Why is it necessary to delete the portions of this section which require EDR customers to cover the costs of additional incremental capacity purchases caused by their usage?
 - b. Doesn't the deletion of this requirement run afoul of the Commission's Orders in Case No. 2021-00282 and Case No. 2018-00378 which require EDR customers to cover the full cost of procurement made on their behalf?
5. Has Kentucky Power performed a cost of service analysis which demonstrates that nonparticipating ratepayers would not be adversely affected by the EDR Tariff revisions as required by Finding 8 of Administrative Order 327?
 - a. If not, does Kentucky Power intend to prepare and file an individualized cost of service study for each agreement submitted to the Commission under the proposed EDR Tariff?

6. Does Kentucky Power consider cryptocurrency mining operations "industrial customers"?

ELECTRONIC APPLICATION OF KENTUCKY POWER COMPANY FOR AN ORDER APPROVING THE COMPANY'S AMENDED TARIFF E.D.R. TO INCREASE CAPACITY AVAILABLE TO BE SERVICED UNDER THE TARIFF AND FOR REQUIRED DEVIATIONS FROM THE COMMISSION'S SEPTEMBER 24, 1990 ORDER IN ADMINISTRATIVE CASE NO. 327, Case No. 2022-00181

such that Finding 12 of Administrative Order 327 applies, allowing EDR to apply only “to load which exceeds a minimum base level.”

- a. If not, why not?
 - b. Is yes, how does the proposed EDR Tariff codify this requirement?
7. If the EDR customer defaults on its EDR agreement prior to the end of the agreement’s 10-year term, will the customer be required to reimburse Kentucky Power for the cost of the discount provided?
- a. If yes, how will Kentucky Power ensure that funds are available for that reimbursement?
 - b. Will Kentucky Power require a deposit, letter of credit, insurance, or a surety related to that reimbursement?
 - c. Will any additional, unreimbursed costs of such a default be borne by shareholders or ratepayers?
8. Identify Kentucky Power’s capacity deficit as it relates to its FRR capacity obligations in PJM as of June 1, 2023.