

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

In the Matter of:

ELECTRONIC TARIFF FILING OF)	
KENTUCKY UTILITIES COMPANY)	CASE NO. 2022-00371
FOR APPROVAL OF AN ECONOMIC)	
DEVELOPMENT RIDER SPECIAL)	
CONTRACT WITH BITIKI-KY, LLC)	

**TENDERED INITIAL DATA REQUESTS OF JOINT MOVANTS FOR
INTERVENTION AS JOINT INTERVENORS KENTUCKIANS FOR THE
COMMONWEALTH, KENTUCKY SOLAR ENERGY SOCIETY, MOUNTAIN
ASSOCIATION, AND KENTUCKY RESOURCES COUNCIL, INC.**

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as Joint Intervenors Kentuckians for the
Commonwealth, Kentucky Solar Energy
Society, Mountain Association, and Kentucky
Resources Council, Inc.*

Dated: November 18, 2022

DEFINITIONS

1. “Document” means the original and all copies (regardless of origin and whether or not including additional writing thereon or attached thereto) of any memoranda, reports, books, manuals, instructions, directives, records, forms, notes, letters, or notices, in whatever form, stored or contained in or on whatever medium, including digital media.
2. “Study” means any written, recorded, transcribed, taped, filmed, or graphic matter, however produced or reproduced, either formally or informally, a particular issue or situation, in whatever detail, whether or not the consideration of the issue or situation is in a preliminary stage, and whether or not the consideration was discontinued prior to completion.
3. “Person” means any natural person, corporation, professional corporation, partnership, association, joint venture, proprietorship, firm, or the other business enterprise or legal entity.
4. A request to identify a natural person means to state his or her full name and business address, and last known position and business affiliation at the time in question.
5. A request to identify a document means to state the date or dates, author or originator, subject matter, all addressees and recipients, type of document (e.g., letter, memorandum, telegram, chart, etc.), identifying number, and its present location and custodian. If any such document was but is no longer in the Company’s possession or subject to its control, state what disposition was made of it and why it was so disposed.
6. A request to identify a person other than a natural person means to state its full name, the address of its principal office, and the type of entity.
7. “And” and “or” should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.
8. “Each” and “any” should be considered to be both singular and plural, unless specifically stated otherwise.
9. Words in the past tense should be considered to include the present, and words in the present tense include the past, unless specifically stated otherwise.

10. “You” or “your” means the person whose filed testimony is the subject of these data requests and, to the extent relevant and necessary to provide full and complete answers to any request, “you” or “your” may be deemed to include any other person with information relevant to any interrogatory who is or was employed by or otherwise associated with the witness or who assisted, in any way, in the preparation of the witness’ testimony.

11. “KU” or “the Company” means Kentucky Utilities Company and/or any of its officers, directors, employees or agents who may have knowledge of the particular matter addressed, and affiliated companies.

12. “Proposed Joint Intervenors” means the Mountain Association, Kentuckians for the Commonwealth, Kentucky Solar Energy Society, and Kentucky Resources Council, Inc., who have moved the Commission for the status of full joint intervention in this matter.

13. “Proposed Special Contract” means the proposed special contract between KU and Bitiki-KY that is at issue in this proceeding.

14. “Proposed Facility” means the facility to be constructed by Bitiki-KY in Waverly, Kentucky that is the subject of the Proposed Special Contract.

15. “Bitiki-KY” means Bitiki-KY, LLC and/or any of its officers, directors, employees or agents who may have knowledge of the particular matter addressed, as well as any affiliated companies (including Bitiki Blockchain, LLC).

16. “CC” means combined cycle.

17. “CCGT” means combined cycle gas turbine.

INSTRUCTIONS

1. If any matter is evidenced by, referenced to, reflected by, represented by, or recorded in any document, please identify and produce for discovery and inspection each such document.

2. These requests for information are continuing in nature, and information which the responding party later becomes aware of, or has access to, and which is responsive to any request is to be made available to Proposed Joint Intervenors. Any studies, documents, or other subject matter not yet completed that will be relied upon during the course of this case should be so identified and provided as soon as they are completed. The Respondent is obliged to change, supplement and correct all answers to interrogatories to conform to available information, including such information as it first becomes available to the Respondent after the answers hereto are served.

3. Unless otherwise expressly provided, each data request should be construed independently and not with reference to any other interrogatory herein for purpose of limitation.
4. The answers provided should first restate the question asked and also identify the person(s) supplying the information.
5. Please answer each designated part of each information request separately. If you do not have complete information with respect to any interrogatory, so state and give as much information as you do have with respect to the matter inquired about, and identify each person whom you believe may have additional information with respect thereto.
6. In the case of multiple witnesses, each interrogatory should be considered to apply to each witness who will testify to the information requested. Where copies of testimony, transcripts or depositions are requested, each witness should respond individually to the information request.
7. The interrogatories are to be answered under oath by the witness(es) responsible for the answer.

INITIAL DATA REQUESTS PROPOUNDED TO KENTUCKY UTILITIES COMPANY BY
PROPOSED JOINT INTERVENORS

- 1.1. Did the Company review any documents or other information from Bitiki-KY substantiating the “approximately 5 new jobs” that would be created by Proposed Facility, as referenced in the Proposed Special Contract? Please produce copies of any such documents or, in the case of any information that is not in the form of a document, please describe what information was reviewed. If the Company did not review any such documents or information, please explain why not.
- 1.2. Please describe in detail any information in the Company’s possession concerning the types of jobs that will be created by the Proposed Facility, their anticipated annual starting salary, any educational requirements or other prerequisites, and whether the jobs will be performed in person at the Proposed Facility or could be performed remotely. Please produce copies of any documents in the Company’s possession concerning these issues.
- 1.3. Did the Company review any documents or other information from Bitiki-KY substantiating the \$25 million in anticipated investment in the Proposed Facility that is referenced in the Proposed Special Contract? Please produce copies of any such documents or, in the case of any information that is not in the form of a document, please describe what information was reviewed. If the Company did not review any such documents or information, please explain why not.
- 1.4. Please produce copies of any documents in the Company’s possession concerning the size, location, and/or the design of the Proposed Facility, including which cryptocurrencies will be mined and which other services will be provided by the Proposed Facility.
- 1.5. Please produce copies of any documents in the Company’s possession, other than those produced in response to previous data requests, concerning the potential economic development benefits of the Proposed Facility.
- 1.6. Please produce copies of any documents in the Company’s possession concerning applications for permits to construct the Proposed Facility, or permits issued, including but not limited to any permit applications to or permits issued by the Kentucky Energy & Environment Cabinet or any of its departments or divisions.
- 1.7. Please identify any transmission, grid, or infrastructure investments that the Company would incur to provide service to the Proposed Facility. For any such investment identified, please (a) explain in detail the nature of the investment; (b) identify the anticipated capital expenditure required; (c) identify the timing of the investment; and (d) identify whether the Company anticipates that it will seek to

recover the investment from customers, and if so, by what mechanism. If there are no such investments identified, please explain why not.

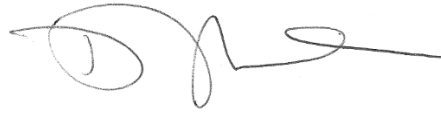
- 1.8. Please identify any fixed costs other than those provided in response to DR 1.7 that the Company would incur to provide service to the Proposed Facility. For any such fixed cost identified, please (a) explain in detail the nature of the fixed cost; (b) identify the anticipated expenditure(s) required; (c) identify the timing of the expenditure(s); and (d) identify whether the Company anticipates that it will seek to recover the expenditure(s) from customers, and if so, by what mechanism. If there are no such fixed costs identified, please explain why not.
- 1.9. Please identify whether the Company anticipates that the Proposed Facility will participate in any demand response or demand flexibility programs. If yes, please identify the program and explain in detail the terms under which the Company anticipates that the Proposed Facility will participate. If no, please explain why not.
- 1.10. Please identify whether the Company anticipates that Bitiki-KY will participate in any of the following.
 - a. MISO markets
 - b. KU Business Demand Conservation for large commercial and industrial customers
 - c. Curtailable Service Rider-1
 - d. Curtailable Service Rider-2
 - e. If Bitiki-KY is participating in the Company's interruptible tariffs or demand conservation program, will they be prohibited from participating in MISO markets?
- 1.11. Did the Company have any discussions with Bitiki-KY about whether it would construct the Proposed Facility if it did not receive the discounted rates in the Proposed Special Contract? If yes, please describe those discussions and produce copies of any documents reflecting those discussions. If no, please explain why not.
- 1.12. Refer to Finding 12 on pages 26-27 of the Commission's September 24, 1990 order in Administrative Case No. 327.
 - a. Please identify and explain the "minimum usage level" that is assumed for the Proposed Facility in the Proposed Special Contract.
 - b. Please explain how the applicable level of demand for the economic development discount was calculated.
- 1.13. Please refer to Appendix A of the Proposed Special Contract.

- a. Please identify where the numbers listed for projected reserve margins for the first five years of the Proposed Special Contract were taken from and explain how they were determined.
 - b. Please identify where the number for “reserve margin considered essential for system reliability” was taken from and explain how that number was determined.
 - c. Please explain whether the number for “reserve margin considered essential for system reliability” is expected to change over the first five years of the Proposed Special Contract. If it is expected to change, please identify the Company’s current projections for “reserve margin considered essential for system reliability” in each of the first five years of the Proposed Special Contract and explain how those numbers are determined.
- 1.14. Please identify any provisions in the Proposed Special Contract that protect the Company’s existing customers from the risk that Bitiki-KY will default or otherwise not complete the initial term of the contract. For any such provisions identified, please explain how they protect the Company’s existing customers from risk, particularly in the event of a default, bankruptcy, or disappearance by the customer.
- 1.15. Has the Company had any communications with Bitiki-KY concerning the possibility of it providing some form of security or collateral to protect against risk? If yes, please describe those communications and produce copies of any documents reflecting those communications. If no, please explain why not.
- 1.16. Please refer to the comments of Kentucky Resources Council, et al. (dated October 27, 2022) on the Proposed Special Contract, which were attached to the Commission’s November 4, 2022 *Order* opening this proceeding.
- a. Does the Company agree that the marginal cost analysis prepared by The Prime Group LLC should be corrected, particularly in how it characterizes the Company’s 2021 IRP, as described in the Kentucky Resources Council comments? Please explain in detail why or why not.
 - b. Does the Company believe that the Commission Staff’s report on its 2021 IRP in Case No. 2021-0393 warrants any updates or revisions to its marginal cost analysis for the Proposed Special Contract? Please explain in detail why or why not.
 - c. Does the Company intend to offer in this proceeding an updated, revised, or corrected marginal cost analysis for the Proposed Special Contract? Please explain in detail why or why not. If the answer is yes, please produce a copy of such an analysis or identify a date by which the Company intends to produce such an analysis.

- 1.17. Does the Company have internal criteria or an internal process for determining which new or existing customers are eligible to receive special contracts under its Economic Development Rider? If yes, please produce copies of any documents reflecting such internal criteria or process, and please describe how such internal criteria or process were applied to Bitiki-KY. If no, please explain why not.
- 1.18. Please provide the scope of work, methodology requirements, and any related documents transmitted to The Prime Group for purposes of executing the Marginal Cost of Service Study.
- 1.19. Please refer to Table ES-1 on page 2 of the Marginal Cost of Service Study. Please provide the supporting workbooks, with all formulas and links intact, used to develop the results presented in Table ES-1.
- 1.20. Please refer to page 3 of the Marginal Cost of Service study where it says “Marginal production energy costs are derived from the Companies’ forecasted marginal variable costs for each hour for the twelve months ended December 2023.” Please provide the hourly marginal variable costs in machine readable format.
- 1.21. Please refer to page 7 of the Marginal Cost of Service Study. Please provide the annual energy and demand forecast for the planning period evaluated in the IRP.
- 1.22. Please refer to page 9 of the Marginal Cost of Service Study where it says “Because the fixed O&M expenses were negligible in comparison to the asset costs, they were not included in this analysis.” Please provide the fixed O&M expense dollar amounts that were considered for this analysis.
- 1.23. Please refer to Attachment B to the Marginal Cost of Service study.
 - a. Please provide the supporting calculations, with all formulas and links intact, used to develop the calculations shown on pages 1-5 of Attachment B.
 - b. Please provide the source of the capital cost investment assumed for the CCGT addition.
 - c. In Table 5-15, page 5-40, of Volume I of the 2021 IRP, a firm gas cost was reported for new thermal resources. Please explain if this analysis considers the costs for firm gas for the CCGT addition. If not, why not?
 - d. If the answer to subpart c is yes, please provide all spreadsheets with formulas and links intact showing how firm gas transport was included in these calculations.
- 1.24. Please refer to Attachment C to the Marginal Cost of Service study.

- a. Please provide the supporting calculations, with all formulas and links intact, used to develop the average marginal cost.
 - b. Please provide the marginal costs for each month broken out by fuel, consumables, ash and waste disposal, and emission allowances.
- 1.25. Please refer to Attachment D to the Marginal Cost of Service study. Please provide the supporting calculations, with all formulas and links intact, for each of the calculations shown in Attachment D.
- 1.26. Please refer to the page titled “Comparison of KU Standard Retail Transmission Service Rate with Economic Development Rider to Marginal Cost” included as the last page in the Marginal Cost of Service Study. Please provide the supporting workpapers, with all formulas and links intact, used for each calculation shown on this page.
- 1.27. Given that the Companies have not yet received approval to construct the proposed CCGT why, in the Companies’ judgment, is the CC the appropriate benchmark for the marginal cost study?
- 1.28. Has the Company attempted to quantify any projected benefits to existing customers from the Proposed Special Contract, in the form of reductions in fixed costs or otherwise? If yes, please provide that quantification and produce copies of any workpapers, with all formulas and links intact, supporting that quantification. If no, please explain why not.
- 1.29. Does the Proposed Special Contract include any provisions to address the possibility that Bitiki-KY will not produce the full load of 13,000 kVa identified in the Proposed Special Contract? If yes, please identify the provisions in the Proposed Special Contract that address this situation and explain how they address it. If not, please explain why not.

Respectfully submitted,

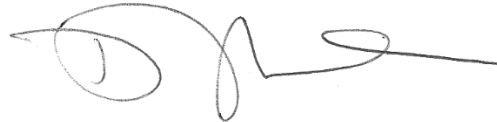


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CERTIFICATE OF SERVICE

In accordance with the Commission's July 22, 2021 Order in Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19*, this is to certify that this electronic filing was tendered to the Commission on November 18, 2022; that the documents in this electronic filing are a true representations of the materials prepared for the filing; and that the Commission has not excused any party from electronic filing procedures for this case at this time.

A handwritten signature in black ink, appearing to read 'Tom Fitzgerald', with a long horizontal stroke extending to the right.

Tom FitzGerald