

Kentucky Power Company
KPSC Case No. 2022-00387
Joint Intervenor's First Set of Data Requests
Dated December 9, 2022
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DATA REQUEST

- 1_8** Please produce copies of any documents in the Company's possession concerning the 55-acre land lease between Ebon and the Company for the Proposed Facility and any accompanying facilities, including any documents concerning potential government tax revenue estimates and estimated property tax increases or decreases. Include any discounts that Ebon or KPCO is projected to receive related to taxes and other grants because of locating the Proposed Facility in KPCO's service territory.
- a. Please describe in detail the terms under which Ebon will compensate the Company for leasing 55 acres of land and produce any documents in the Company's possession reflecting those terms.
 - b. Provide a good faith tax estimate to be recognized by the local government because of the Proposed Facility. Please explain in detail how building improvements on KPCO's land will impact local tax revenues and clarify if there is an increased tax payment whether it will be paid for by KPCO or from Ebon.
 - c. Please describe in detail how any compensation received by the Company for leasing land to Ebon will be accounted for by the Company, including whether that compensation will be put toward reducing the costs for the Company's other customers. Please produce copies of any documents in the Company's possession concerning this issue.

RESPONSE

- a. Please see KPCO_R_JI_1_8_PublicAttachment1 for a copy of the lease. The terms of the lease speak for themselves.
- b. The Company is not aware as to whether an estimated tax assessment has been prepared by the county at this time. Please see the Company's response to JI 1-6 for the estimated school tax impact. Any other impact to local tax revenues is unknown at this time.
- c. The lease is recorded in a Non-Utility Plant account (FERC Account 121) that is excluded from the Kentucky Power retail revenue requirement. The rent would be credited to a FERC Other Income Account and excluded from retail cost of service.

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c. The leased land is recorded in a Utility Plant account (FERC Account 101) that is included in the calculation of Kentucky Power's retail revenue requirement. Therefore, the rent would be credited to a FERC O&M account, and included in the retail cost of service, if recorded during a base case test year.

Witness: Amanda C. Clark (subparts a and b)
Brian K. West (subpart c)

