

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

**ELECTRONIC TARIFF FILING OF)
KENTUCKY POWER COMPANY)
FOR APPROVAL OF A SPECIAL) Case No. 2022-00387
CONTRACT WITH EBON)
INTERNATIONAL, LLC)**

INITIAL DATA REQUESTS OF THE ATTORNEY GENERAL AND KIUC

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 Data Requests to Kentucky Power Company (hereinafter “Kentucky Power” or “company”) to be answered by December 28, 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.

(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 undersigned Counsel 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.

Respectfully submitted,

DANIEL J. CAMERON
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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 December 8, 2022, an electronic copy of the foregoing was served via the Commission's electronic filing system.

this 8th day of December, 2022.

A handwritten signature in blue ink, appearing to read "J. Michael New". The signature is written in a cursive style with a long horizontal stroke at the end.

Assistant Attorney General

Data Requests

1. Please provide all supporting workpapers used to develop the “Summary of Incremental Costs and Revenues” attached to Mr. West’s testimony (Exhibit 2). Include all Excel workbooks/spreadsheets, with formulas used to develop each of the items in the summary. Also provide a narrative explaining the methodology and the underlying assumptions made by the Company for each of the investment, expense and revenue amounts included in the analysis. These workpapers should include, but not be limited to, the following:
 - a. The assumed on and off-peak kWh usage of the Ebon load by month each year of the 10-year contract.
 - b. The workpapers supporting the DA-LMP price of 0.0389/kWh. Show all calculations used to develop this price. Please provide the hourly load shape assumed by the Company for the full Ebon load together with the hourly LMPs by month used to develop the DA-LMP price.
 - c. An explanation for the methodology used to develop the distribution marginal costs, together with all calculations and assumptions. This should include the basis for the levelized carrying cost of 10.15%.
 - d. The expected kW load, by month, during the on peak period, for each year of the contract. Include both the load subject to interruption and the firm load, separately stated.
 - e. Provide the workpapers used to develop the PJM LSE transmission charges for each year of the contract. Identify each such charge included in the \$28,626,639 amount shown on line 9 of the marginal cost analysis. Also provide a narrative explaining how the Company developed its 10-year projection of transmission costs for KPCo, as used in this analysis.
 - f. Please provide a narrative explaining why there are no generation capacity costs associated with the assumed 25 MW of firm load associated with Ebon.
 - g. Please provide the workpapers used to calculate the “Incremental Revenue” shown on line 11 of the marginal cost analysis. Please explain whether this incremental revenue is the forecasted levelized revenue that will be produced by Ebon under the contract or some other amount?
2. Please provide, in Excel, the most recent version of AEP’s Fundamental Forecast. To the extent that the Company has hourly LMP projections that support the Fundamental Forecast (or as part of the forecast), please provide the hourly LMP projections that are available in an Excel workbook, with formulas.
3. With regard to the recent bankruptcy filing the cryptocurrency exchange FTX, please provide the following:

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- a. Any written communication from Ebon to KPCo indicating any change in Ebon's Kentucky project plans as a result of the FTX bankruptcy.
 - b. Any notes, memoranda or other writings in the possession of KPCo and/or AEP documenting any oral communication with representatives of Ebon regarding any change in Ebon's Kentucky project plans as a result of the FTX bankruptcy.
 - c. Any notes, memoranda or other writings in the possession of KPCo and/or AEP regarding the potential impact of the FTX bankruptcy on the Ebon project.
4. With regard to Mr. West's testimony on page 8 beginning at line 10 ("Thus, of Ebon's Total Capacity Reservation of 250 MW, Kentucky Power will be required to acquire only 25 MW to meet the Company's PJM capacity requirements."), please confirm that the Company would also be required to acquire additional capacity above the 25 MW of load to meet its FRR obligation, which includes reserves. If the Company cannot confirm this, please provide a full explanation for your response.
5. How much capacity would the Company require to serve the additional 25 MW of Ebon firm load, including reserves?
6. Please explain why Mr. West's marginal cost analysis did not include any costs for the assumed 25 MW of firm Ebon load?
7. Please provide the marginal capacity cost to serve the 25 MW of Ebon firm load. Provide all supporting workpapers, in Excel, for the analysis.
8. On page 8 of Mr. West's testimony, he states that the revenues paid by Ebon are sufficient to cover all of the marginal costs associated with supplying Ebon's load. Is it the Company's position that there are no additional costs associated with supplying the additional 25 MW of Ebon firm load? Please provide a full explanation for your response.
9. On page 8 of the redacted contract, it states "Any increase to the Total Capacity Reservation is subject to the availability and cost of incremental Capacity from the Company, and to the receipt of any necessary regulatory approvals." Please reconcile this contract provision with Mr. West's testimony on page 9 ("The cost of capacity needed to serve new load has never been directly assigned only to new customers.").
10. Refer to Section 3.3 of the contract ("The Customer's Metered Demand shall not exceed, and the Company shall not be required to supply capacity in excess of, one hundred twenty percent (120%) of the Total Capacity Reservation, except by mutual written agreement of the Parties."). If the load exceeds 250 MW by 50 MW (20%), would this load be fully interruptible pursuant to Schedule DRS? If not, please explain how a 50 MW increase in load would impact the Company's FRR capacity plan in any delivery year.

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11. With regard to the contractual obligation of Ebon to construct a 250 MW substation ("B. Customer and the Company will execute a separate contract regarding the Customer's substation. The Customer will provide any substation and transformation equipment and any other facilities including real property required to take delivery of the electric service to be provided by the Company under this Contract at the voltage and at the Delivery Point designated herein."), please provide the following:

- a. The low side voltage of the substation.
- b. A description of where the service will be metered (i.e., whether the meter will be on the high side or the low side of the substation).
- c. The Company's estimate of the cost to construct the substation, assuming that the Company constructed it.
- d. The key provisions or term sheet for the "separate contract regarding the Customer's substation."
- e. Discussion of whether KPCo will finance the construction of the substation. If so, what is the expected monthly carrying charge, including O&M expenses that will be charged to Ebon?
- f. If the Company constructs and finances the substation, provide a discussion of security/credit guarantees to be provided by Ebon.

12. Rider D.R.S. states that it is available for customers that take service under a standard demand metered rate schedule. Is it the Company's position that this would also apply to a non-standard special contract like the Ebon contract?

13. Please confirm that the DRS credit of \$5.50/kW month will be charged to all of the Company's retail customers via Tariff P.P.A. ("Purchase Power Adjustment"). Please provide the amount of the expected charges to Tariff P.P.A. per month as a result of the Ebon DRS credits in both Phase 1 and Phase 2. Please explain whether this cost is included in Mr. West's marginal cost analysis. If it is not included, please explain why it is not included.

14. Please confirm that, pursuant to PJM Manual M-18, Fixed Resource Requirement ("FRR") members of PJM, such as KPCo after the Liberty acquisition, are required to submit an FRR capacity plan that is based on an FRR unforced capacity obligation.

15. Please provide the following information regarding KPCo's FRR unforced capacity obligation, upon the closing of the sale to Liberty. To the extent that the response will be different depending on whether KPCo operates pursuant to the Bridge PCA, please provide the response for the period under the Bridge PCA and without the Bridge PCA.

- a. How will KPCo's FRR unforced capacity obligation be determined (for example, will KPCo be allocated a share of the zonal weather normalized peak

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load of the AEP Zone based on a 5 CP demand allocation (PJM 5 highest summer peaks)? Provide an illustration of how this will be calculated.

b. Please confirm that under Rider D.R.S. ("Demand Response Service"), the Ebon Phase 2 interruptible load of 225 MW will not be eligible to participate in any PJM demand response capacity program. If this cannot be unequivocally confirmed, please provide a complete explanation for your response.

c. Please confirm that KPCo plans to interrupt the 225 MW of Ebon interruptible load so that it will not be included in KPCo's 5 CP allocation of the zonal weather normalized peak load, and therefore will not be included in KPCo's FRR unforced capacity obligation. If this cannot be unequivocally confirmed, please provide a complete explanation for your response.

d. Assuming that the response to Part(c) above is confirmed, please confirm that in order to exclude the 225 MW of Ebon interruptible load from KPCo's 5 CP (PJM 5 highest summer peaks) demands, KPCo would have to insure that it will always be able to call for an interruption in these 5 hours and that Ebon will always reduce its load to only 25 MW.

e. To the extent that Ebon fails to fully reduce its load during a discretionary interruption event (DRS Event Failure), will the Rider D.R.S. Event Failure Charge fully compensate KPCo and its other customers for the PJM FRR Commitment Insufficiency Charge, which is equal to two times the Cost of New Entry (\$/MW-Year) in the zone times the shortage of unforced capacity resources in meeting the obligation?

16. Under Rider D.R.S., is it the Company's intention to interrupt participating customers so that the customer's contractual interruptible load (e.g., 225 MW for Ebon in Phase 2) is not included in the summer peak load of KPCo as reported to PJM for purposes of establishing KPCo's FRR capacity obligation? If this is not correct, please provide an explanation.

17. Please provide the average monthly on peak and off peak LMPs at the AEP-Dayton hub for the most recent 12 months.

18. Refer to Mr. West's Direct Testimony at page 6, line 10.

a. Please provide the support for the statement: "Ebon will invest over \$250 million in order to develop and construct the Ebon Facility at the site."

b. Please reconcile the \$250 million investment amount with the contract provision at paragraph 5 ("The Customer plans to invest at a minimum \$50 million at the Customer's Facility and to create at least 50-100 new permanent full-time jobs by June 2024 (or sooner), when the Customer's Facility is expected to begin full operations.").

19. Refer to the contract statement (paragraph 5) that the Customer plans to create 50-100 new permanent full-time jobs.

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- a. Is the Customer committing to add 50-100 full-jobs, or is this simply a “plan?”
 - b. Are all of the jobs located at the facility? If not, please explain where the jobs will be located.
 - c. Please provide a description of each job and the expected wages that will be paid to the employee.

20. Refer to the contract statement (paragraph 5) that the Customer plans to invest at a minimum \$50 million at the Customer’s Facility, and Mr. West’s testimony that the Customer intends to invest over \$250 million at the facility.
 - a. Please describe the investments that Mr. West is referring to and the investments that are referenced in the contract.
 - b. How much of the investment is associated with permanent infrastructure, including the 250 MW substation and related distribution facilities, construction of buildings, etc.?
 - c. How much of the investment is associated with computers and servers that are transferable to another location in the event of a change in plans by Ebon or a successor?
 - d. How much of the investment is comprised of the value of equipment (computers, servers, etc.) that is owned by Ebon and has previously been used at another geographic location?

21. Please provide a copy of the Company’s most recent IRP.
 - a. Has the Company performed any IRP or long-term planning analyses that reflect the addition of the Ebon load?
 - b. If so, please provide a summary of the analyses that have been performed.

22. Will the Company reflect the Ebon interruptible load as a demand response resource in its FRR capacity plan?

23. The D.R.S. tariff appears to allow for 7 failures of curtailment. If Ebon fails to curtail, are the remaining customers held harmless? Please explain and provide the analysis if such an analysis exists.

24. With regard to the 2022 PJM transmission charges paid, expected to be paid by KPCo, please provide the following, in Excel:
 - a. The total dollars paid, or expected to be paid, in 2022 for each PJM transmission charge allocated to KPCo pursuant to the AEP East Transmission Agreement (e.g., NITS charge)
 - b. The rate/kW or rate/kWh, as applicable for the charge, associated with the amounts in Part(a) above.

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- c. The billing determinants of KPCo, pursuant to the AEP East Transmission Agreement, that were used to determine the amounts in Part(a) and the rates in Part(b).
25. Please provide the same information as requested in the previous question for 2023.
26. Please provide any available forecasts, in Excel, of KPCo's expected transmission charges for the next 10 years, by year, by type of charge (e.g., NITS, etc.).
27. Please identify each investment and material expenditures (in the aggregate), by year, known to KPCo, that it will incur during the first 5 years of the Ebon contract. Provide each amount by year together with a description of the activity or project.
28. With regard to Section 2.2A of the contract (three Capital Spares), please provide the following for each Capital Spare that KPCo expects to furnish to Ebon:
 - a. The expected start date and removal date of the transformer (for each transformer).
 - b. The monthly charge to Ebon for the transformer.
 - c. The high side and low side voltage(s) of the transformer.
 - d. The expected installation cost and the removal cost.
29. Refer to Mr. West's testimony on page 7. Please provide the following:
 - a. KPCo's most recent load and energy forecast for at least the next 10 years. State whether this load and energy forecast includes or excludes any Ebon load.
 - b. A load and capability schedule for the next 10 years, by PJM delivery year, showing KPCo's FRR capacity obligation and each generation resource available to KPCo to meet the obligation. Show separately, resources currently available to KPCo, purchases pursuant to the Bridge PCA and other capacity purchases required to meet the FRR capacity obligation. State whether this load and capability schedule includes or excludes any Ebon load.
30. Refer to Mr. West's testimony on page 12, beginning at line 18 ([REDACTED] [REDACTED] "). Please confirm that Mr. West is referring to the [REDACTED] shown on page 12 of the contract.
31. Please provide a detailed narrative explaining the basis for the [REDACTED] shown on page 12 of the contract. To the extent that these [REDACTED] were derived by, or supported by, projections of PJM market LMP prices, please provide the analysis, in Excel, used to develop the [REDACTED].

32. Please confirm the following. If any of these items cannot be confirmed, please provide an explanation:

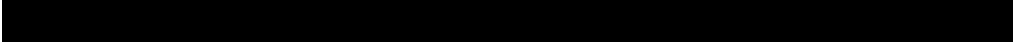
- a. The [REDACTED]
- b. In any month in which the [REDACTED]
- c. The [REDACTED]
- d. The [REDACTED]
- e. In any month in which the [REDACTED]

33. Refer to Confidential Exhibit 1, Tab "[REDACTED]."

- a. Please explain why in Year 1, Month 1, there is [REDACTED]
- b. In year 6, month 1, the [REDACTED]
Please explain the following:
 - i. Is it correct that the customer would pay [REDACTED]
 - ii. Please explain why the example for year 6, month 1 shows that the [REDACTED]
Please reconcile this example calculation with the provision in [REDACTED]

34. Confidential Exhibit 1, [REDACTED]

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 If this cannot be confirmed, please provide an explanation.