

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ELECTRONIC APPLICATION OF EAST	)	
KENTUCKY POWER COOPERATIVE, INC.	)	
FOR A GENERAL ADJUSTMENT OF RATES,	)	CASE NO.
APPROVAL OF DEPRECIATION STUDY,	)	2025-00208
AMORTIZATION OF CERTAIN REGULATORY	)	
ASSETS AND OTHER GENERAL RELIEF	)	

EAST KENTUCKY POWER COOPERATIVE’S FIRST REQUEST TO
THE ATTORNEY GENERAL AND NUCOR
DATED NOVEMBER 10, 2025

I. DEFINITIONS AND INSTRUCTIONS

1. With respect to each discovery request, all information is to be divulged that is within the knowledge, possession or control of the parties to whom it is addressed, including their agents, employees, advisors, consultants, attorneys and/or investigators.

2. Please identify the witness(es) who will be prepared to answer questions concerning each request.

3. These requests shall be deemed continuing so as to require further and supplemental responses if the party receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

4. All answers must be separately and fully stated in writing under oath.

5. Where a data request calls for an answer in more than one part, each part should be separated in the answer so that the answer is clearly understandable.

6. If any request appears confusing, please request clarification directly from counsel for East Kentucky Power Cooperative, Inc. ("EKPC").

7. For purpose of these discovery requests, the following terms shall have meanings set forth below:

- (a) As used herein, "document," "documentation" and/or "record," whether stated as the singular or the plural, means any course of binders, book, pamphlet, periodical, letter, correspondence, memoranda, including but not limited to, any memorandum or report of a meeting or telephone or other conversation, invoice, account, credit memo, debit memo, financial statement, general ledger, ledger, journal, work papers, account work papers, report, diary, telegram, record, contract, agreement, study, draft,

telex, handwritten or other note, sketch, picture, photograph, plan, chart, paper, graph, index, tape, data processing card, data processing disc, data cells or sheet, check acceptance draft, e-mail, studies, analyses, contracts, estimates, summaries, statistical statements, analytical records, reports and/or summaries of investigations, opinions or reports of consultants, opinions or reports of accountants, trade letters, comparisons, brochures, pamphlets, circulars, bulletins, notices, forecasts, electronic communication, printouts, all other data compilations from which information can be obtained (translated if necessary by defendants into usable form), any preliminary versions, drafts or revisions of any of the foregoing, and/or any other written, recorded, transcribed, punched, taped, filmed or graphic matter, however produced or reproduced and regardless of origin or location, in the possession, custody and/or control of the defendant and/or their agents, accountants, employees, representatives and/or attorneys. "Document" and "record" also mean all copies of documents by whatever means made, if the copy bears any other markings or notations not found on the original.

- (b) The terms "relating to," "referring to," "referred to," "pertaining to," "pertained to" and "relates to" means referring to, reporting, embodying, establishing, evidencing, comprising, connected with, commenting on, responding to, showing, describing, analyzing, reflecting, presenting and/or constituting and/or in any way involving.

- (c) The terms “and,” “or,” and “and/or” within the meaning of this document shall include each other and shall be both inclusive and disjunctive and shall be construed to require production of all documents, as above-described, in the broadest possible fashion and manner.
- (d) The term “Commission” shall mean the Kentucky Public Service Commission.
- (e) To “identify” shall mean:
 - (1) With respect to a document, to state its date, its author, its type (for example, letter, memorandum, chart, photograph, sound reproduction, etc.), its subject matter, its present location, and the name of its present custodian. The document may be produced in lieu of supplying the foregoing information. For each document which contains information as privileged or otherwise excludable from discovery, there shall be included a statement as to the basis for such claim of privilege or other grounds for exclusion.
 - (2) With regard to a natural person, to state his or her full name, last known employer or business affiliation, title and last known home address.
 - (3) With regard to a person other than a natural person, state the title of that person, any trade name, or corporate name or partnership name used by that person, and the principal business address of that person.

- (f) To “produce” or to “identify and produce,” shall mean that Company shall produce each document or other requested tangible thing. For each tangible thing which Company contends is privileged or otherwise excludable from discovery, there shall be included a statement as to the basis for such claim of privilege or other grounds for exclusion.
 - (g) The terms “Party or Parties” shall mean any organization, person, corporation, entity, etc., which intervened in the above-captioned proceeding and shall further include the Commission Staff.
8. The information requested herein shall be filed no later than November 10, 2025.

1. Refer to Kollen Direct Testimony, page 8. Do you agree that a gas utility is operationally different than an electric utility? If so, explain why it is appropriate to utilize a gas utility as a comparison for a revenue weather normalization adjustment considering an electric generating utility is operationally different than a gas utility. If not, explain how they are operationally similar and how the weather normalization adjustment proposed by the AG-Nucor is similar to the one that Delta Natural Gas Company (“Delta”) proposed.

2. Refer to Kollen Direct Testimony, pages 15-16. Explain why it would be reasonable for a Kentucky utility to request Commission approval to retire a fossil fuel fired generator with an anticipated depreciable life date of 2040 or longer.

3. Refer to Kollen Direct Testimony, pages 24-25. Also refer to Case Nos. 2022-00372 and 2024-00354 and KRS 278.264.

a. Considering the Commission’s recent decisions in Case No. 2022-00372 and Case No. 2024-00354 regarding KRS 278.264, explain how extending the depreciable lives of EKPC’s generation units aligns with recent Commission precedent.

b. Are rules and regulations surrounding fossil fuel fired generation likely to be changed or amended in the next 5-10 years? If not, explain why it would be appropriate to amend and extend nearly all of EKPC’s depreciable lives of its generation units. If so, explain why the AG-Nucor believes the rules and regulations will not change or be amended.

c. Provide any documents that support the AG-Nucor’s position to extend EKPC’s existing generation assets depreciable lives.

d. Would extending the useful life of assets result in additional decommissioning costs for future rate payers? Why or why not?

e. If decommissioning costs are not recovered during the useful life of the generating unit, is it fair, just and reasonable for future rate payers to pay those decommissioning costs on assets they did not receive the benefit of?

4. Refer to Kollen Direct Testimony, pages 25-27.

a. Provide any documentation supporting the claim that EKPC's "proposed life spans are at the lower end of a reasonable range for coal-fired and gas-fired generating units are not consistent with the present economic realities that argue for longer life spans..."

b. Explain why it is appropriate to make an adjustment to depreciation expense for EKPC utilizing "estimated" interim retirements, but the AG-Nucor also estimated the life spans for EKPC's gas-fired turbines at Smith Station and estimated the life spans for coal-fired generating units at the Spurlock Station. Include in the response all documentation supporting the AG-Nucor's arguments.

5. Refer to Kollen Direct Testimony, page 28. Also refer to the Direct Testimony of Jacob R. Watson, pages 29-30. Explain how the deferral mechanism proposed is structurally different than the Rate EM.

6. Refer to Kollen Direct Testimony, pages 29-30. Refer also to the Commission's final Order in Case No. 2025-00193.

a. Explain whether the AG-Nucor were aware that EKPC was granted a regulatory asset for RTEP expenses through December 31, 2025.

b. The Commission's final Order in that Case No. 2025-00193 states that

"The Commission notes that its historic authorization of requests to establish regulatory assets has typically been in response to requests by investor-owned utilities (IOU) rather than that of a cooperative

utility. Unlike an IOU, EKPC has no shareholders to absorb the costs associated with RTEP expenses and has TIER metrics to achieve in order to prevent default. The financial consequences of a default will fall squarely upon EKPC's member distribution cooperatives and, ultimately, upon ratepayers. The Commission finds that the regulatory asset authorized herein should be for the amount of RTEP expenses in excess of what is recovered through base rates through December 31, 2025, or approximately \$20,145.367. The Commission notes that the authorization of regulatory asset treatment for 2025 RTEP expenses does not constitute authorization for subsequent years, and the Commission reserves the evaluation of the deferral of all subsequent years of RTEP expenses in excess of the amount established in base rates for EKPC's rate case."

Explain whether the AG-Nucor agree with the Commission's findings above. If not, explain why. If so, explain why EKPC's request for a deferral mechanism for future RTEP expenses is unreasonable considering the Commission granted EKPC the ability to defer RTEP expenses through December 31, 2025. Include in the response why the AG-Nucor did not choose to intervene in that proceeding.

7. Refer to the Direct Testimony of Stephen J. Baron (Baron Direct Testimony), pages 18-19 and Table 5. Explain whether combining both seasons into a single annual figure could mask class-level or regional effects.

8. Refer to Baron Direct Testimony, page 25 and Table 8.

a. Confirm that the \$34.3 million (756,662 MWh) weather-normalization adjustment is based on a system-wide normalization of EKPC's 2023 total energy requirements.

b. State whether this adjustment is based on a single aggregate model rather than class- or member-specific normalization models.

c. State whether the analysis distinguishes between heating- and cooling-season contributions to the total 756,662 MWh adjustment.

9. Provide the workpaper or spreadsheet that shows how the 756,662 MWh and 2,926 MW adjustment is distributed among classes and owner-member cooperatives. Include in the response any documentation describing the rationale for proportional allocation and any validation or sensitivity analyses that were performed. Refer to Baron Direct Testimony, page 24.

a. Confirm that the weather-normalization adjustment allocation is not applied to the Large Special Contract class, the Special Pumping rate class, or the Steam rate class.

b. Explain specifically how the Large Special Contract, the Special Pumping, and the Steam rate classes are not considered weather sensitive. Was a regression analysis conducted to determine how these rate classes relate to weather?

c. Explain the basis for determining which classes receive or do not receive an allocation of the weather-normalization adjustment, and explain the criteria or reasoning used to exclude any consumer or class from the allocation. Were any statistical models ran to determine the relationships between weather and demand or energy by rate class?

d. Provide all analyses and workpapers supporting the decision not to allocate the weather adjustment to these consumers.

10. Refer to Baron Direct Testimony, pages 28-29 and Table 11.

- a. Confirm that the underlying normalization analysis is developed to establish a system-level normal energy baseline rather than class- or member-level adjustments.
- b. Explain the rationale for applying the aggregate normalization result to the class cost-of-service study.
- c. Indicate whether you evaluate or test differences in temperature sensitivity among rate classes.
- d. Identify whether allocation is based solely on test-year sales or also considers other factors such as demand or load factor.
- e. Indicate whether any alternative allocation methods were considered, including but not limited to weighting by temperature-sensitive share.
- f. Confirm whether the same normalization adjustment is applied uniformly across all 16 owner-member cooperatives.
- g. Describe how the total normalized energy difference is distributed among rate classes and owner-member cooperatives.
- h. Explain what validation was performed to ensure that the allocation method reasonably represents each class or member's historical response to weather variation. Include in the response all correspondence, documents, and analyses that discuss whether class-specific or member-specific normalization is considered or evaluated.
- i. Describe how geographic variation in weather patterns and consumer composition among owner-members is reflected in the allocation, if at all.
- j. State whether there was any analysis to verify that the aggregate normalization produces equitable results among owner-members with differing temperature exposure, end-use mixes, or consumer composition. If not, explain why not. If so, explain how.

k. Describe any independent verification you perform to determine how applying the system-level result affects class or member allocations.

l. Provide all analyses, maps, and documents that show temperature variation or degree-day differentials among EKPC's 16 owner-member territories that relate to the normalization allocation.