

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY)	
POWER COMPANY FOR (1) A GENERAL)	
ADJUSTMENT OF ITS RATES FOR ELECTRIC)	
SERVICE; (2) APPROVAL OF TARIFFS AND)	CASE NO.
RIDERS; (3) APPROVAL OF CERTAIN)	2025-00257
REGULATORY AND ACCOUNTING)	
TREATMENTS; AND (4) ALL OTHER REQUIRED)	
APPROVALS AND RELIEF)	

**KENTUCKY SOLAR INDUSTRIES ASSOCIATION, INC.
RESPONSE TO COMMISSION STAFF'S FIRST REQUEST
FOR INFORMATION TO KENTUCKY SOLAR INDUSTRIES
ASSOCIATION, INC.**

Comes now the Kentucky Solar Industries Association, Inc. ("KYSEIA"), by and through counsel, and respectfully tenders its Response to Commission Staff's First Request for Information to Kentucky Solar Energy Industries Association.

WHEREFORE, KYSEIA respectfully submits its Response to Commission's Staff's First Request for Information to KYSEIA.

Respectfully submitted,

/s/ David E. Spenard

Randal A. Strobo
David E. Spenard
STROBO BARKLEY PLLC
730 West Main Street, Suite 202
Louisville, Kentucky 40202
Phone: 502-290-9751
Facsimile: 502-378-5395
Email: rstrobo@strobobarkley.com
Email: dspenard@strobobarkley.com
Counsel for KYSEIA

NOTICE AND CERTIFICATION FOR FILING

Undersigned counsel provides notices that the electronic version of the paper has been submitted to the Commission by uploading it using the Commission's E-Filing System on this 8th day of December 2025. Pursuant to the Commission's July 22, 2021 Order in Case No. 2020-00085 (Electronic Emergency Docket Related to the Novel Coronavirus COVID-19), the paper, in paper medium, is not required to be filed.

/s/ David E. Spenard

NOTICE CONCERNING SERVICE

The Commission has not yet excused any party from electronic filing procedures for this case.

/s/ David E. Spenard

**Response to Commission's Staff's First Request for Information to KYSEIA
Case Number 2025-00257**

- 1. Refer to the Direct Testimony of Justin R. Barnes (Barnes Direct Testimony) page 28, lines 16–19. Provide examples of specific documentation that should satisfy criteria associated with a Qualifying Facility (QF) having undertaken efforts to obtain site control and secure requisite permits.**

Response by Witness Justin R. Barnes:

As Mr. Barnes described in his direct testimony, any facility that would have qualified for net metering should not be required to submit any additional documentation beyond that which would have been required for net metering enrollment. Relevant examples for other projects are detailed below.

Site control: One or more of the following: lease, option for lease, letter of intent (“LOI”), deed/property record, or relevant correspondence with the property owner, inclusive of electronic communications. For behind-the-meter (“BTM”) systems the electric customer’s signature on an interconnection application should constitute sufficient evidence of efforts to obtain site control.

Permitting: Permitting requirements differ by technology, project size, and location, and could evolve as development of the project proceeds. The list of permits and status or intended application dates should be waived or determined unnecessary for applications for 1 MW or less and for BTM projects. For systems larger than 1 MW, the QF should be permitted to satisfy such a requirement by providing a plan that demonstrates knowledge of what permits are required (and the relevant agency) and an expected timeline for making those applications. This plan could include, as applicable, proof of any application that has been submitted and payment of application fees, and the identification of individuals working on a permit application. However, the minimum threshold should not require actual submittal of permit applications, only documentation of a plan for doing so.

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- 2. Refer to the Barnes Direct Testimony at 31, lines 6–10. Explain what would be considered a reasonable amount of time Kentucky Power should be given to provide information on estimated study costs to prospective QFs.**

Response by Witness Justin R. Barnes:

A utility should have 30 business days from the date that an interconnection application is deemed complete to provide estimated study costs to a QF. However, in order for this deadline to be meaningful, there must be a standard process and timelines governing the application complete determination. For this purpose, a utility should have a period of 5 business days to review a submitted application and determine whether the application is complete. If the utility states that the application is not sufficient, it should document in detail any claim of insufficiency and the exact steps necessary to satisfy the claim and communicate the claims and steps required in writing to the applicant by no later than the fifth business day after submission. Upon the submission of information necessary to correct an insufficiency, the utility should have 3 business days to review the updated application and determine whether the application is sufficient and communicate the results of the review in writing to the applicant by no later than the third business day after submission.

An application should stand as submitted to the utility on the date it is first submitted and any required application fee is paid. A QF should have a 30 business day window to cure any deficiencies identified by the utility according to the process outlined above without affecting the submission date for the purposes of forming a legally enforceable obligation.

In addition, once the estimate of study costs is provided, the applicant should have 30 business days to either contest the study costs, or make any required deposit or payment for the study.

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- 3. Refer to the Barnes Direct Testimony at 32, lines 7–13. Explain whether the same objections would be present if Kentucky Power was not proposing to combine COGEN/SPP I and COGEN/SPP II.**

Response by Witness Justin R. Barnes:

Mr. Barnes's objections would be the same, given that the limitation currently applies within the existing COGEN/SPP I tariff.

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- 4. Refer to the Barnes Direct Testimony at 33, line 22, through page 34, lines 1–3. Explain the appropriate limit, if any, for customer participation in the single demand-metered residential tariff that would meet the standard for a non-discriminatory rate.**

Response by Witness Justin R. Barnes:

Any limitation would be discriminatory because any limitation could potentially deprive a residential customer of their ability to enroll in the COGEN/SPP tariff and therefore exercise their rights under PURPA. A QF should be able to select the base/default rate for their customer class – or any rate available to the QF's customer class for which they qualify – and that restriction on the selection of a retail rate solely because of the customer's status as a QF is discriminatory against QFs because it denies QFs the choice of retail rates that are available to all other customers with similar consumption characteristics. Even if the quantity limit were removed for the demand-metered residential rate such a requirement would still be discriminatory.

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- 5. Refer to the Barnes Direct Testimony at 36, lines 2–7. Given that the deployment of advanced metering infrastructure (AMI) meters has not yet been completed by Kentucky Power, conduct an evaluation on the cost basis of metering charges.**

Response by Witness Justin R. Barnes:

As acknowledged in his testimony, Mr. Barnes has not conducted an evaluation of the cost-basis for the present metering charges reflected in the COGEN/SPP I and COGEN/SPP II tariffs, nor can he do so with readily available information that he is aware of. To be clear, Mr. Barnes is not contesting the present metering charges precisely because he has not conducted such an analysis. His positions are that: (i) AMI-based metering that should be fully capable of the requisite measurements eliminates any incremental metering cost that might presently exist, and (ii) it would be reasonable for any future meter replacements that are necessary for QFs to use AMI-based meters so as to avoid the inefficiencies associated with multiple meter change outs.

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- 6. Refer to the Barnes Direct Testimony at 37, lines 12–16. Explain why a 20-year contract term would be necessary to support a QF seeking financing or other financial arrangements.**

Response by Witness Justin R. Barnes:

The testimony Mr. Barnes offered on this topic starting at page 37 and continuing through page 38, line 2 of his Direct Testimony states that a 20-year contract term is “of sufficient length” (page 37, line 13) to provide certainty as to the terms and conditions of the business relationship and support QF financing or other financial arrangements. The testimony is in response to the Company’s proposal to set a maximum contract term of 20 years, and KYSEIA supports the proposal. The maximum contract term should be no less than 20 years. So, Mr. Barnes does not object to the proposal and requests the Commission require a modification in the tariff terms to explicitly state that the QF may choose a contract term length within the 5- to 20-year range the Company has proposed. It should be a matter of the QF’s choice within this range, and a 20-year term within this range is permissible although not required as the only option.

With respect to the specific importance of contract length for financing, the terms and conditions under which a QF makes purchases and sales are important contractual elements and certainty regarding those terms and conditions reduces risk for the QF. The price at which a QF sells its output to the Company is only one aspect of a PPA contract, and even if the price may vary periodically throughout the contract term - as is an option under the Legally Enforceable Obligation of PURPA, the need for certainty regarding other terms and conditions remains significant. In the absence of non-price terms and conditions for the period, the QFs are subject to a greater risk of modifications through tariff changes.

Such changes are potential risks to a QF, risks often not present for a utility. For instance, in their recent rate cases, the Louisville Gas and Electric Company and Kentucky Utilities Company proposed changes that would eliminate the Companies’ liability for mere negligence and only make the Companies liable for gross negligence. While I am not an attorney, it appears to me that this would mean the Companies are only liable for willful deliberate acts that caused harm. Such an unexpected change to the terms and conditions of the business relationship with a QF might be interpreted by an insurance company to mean a lower likelihood of recovery of damages from the utility or a lower recovery of damages in general and may result in higher insurance premiums for the QF. Higher insurance premiums would reduce the QF’s cash flow, which in turn could negatively impact aspects of a QF’s financing arrangements. Other forms of contract risk would also likely be considered by potential lenders and investors that preclude the investment or loan altogether or increase the cost of both debt and equity.

Furthermore, utility rate recovery occurs over extended periods consistent with the reasonable expectation of the life of the utility-owned asset, and with a near-certainty of recovery. Shorter PPA periods create risks for a QF, which ultimately results in a risk premium that increases costs in one way or another. Such an outcome frustrates PURPA's objective of creating a level playing field between utility-owned and non-utility-owned generation as a means of getting the best deal for ratepayers through constructive competition.

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**AFFIDAVIT OF JUSTIN R. BARNES
VERIFICATION**

JURISDICTION)
)
County of Franklin, Ohio)

The undersigned, Justin R. Barnes, being first duly sworn, states the following: The prepared Responses to Commission Staff's First Request for Information to Kentucky Solar Industries Association, Inc., constitute the testimony of Affiant in the above-styled case. Affiant states that he would give the answers set forth in the Responses if asked the questions propounded therein. Affiant further states that, to the best of his belief and knowledge, his statements made are true and correct. Further, Affiant saith not.

Justin Barnes 
Name of Witness

SUBSCRIBED AND SWORN to before met this 8th day of December, 2025.


NOTARY PUBLIC

My Commission Expires: 03/31/2030

