

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION  
TO KENTUCKY POWER COMPANY

Kentucky Power Company (Kentucky Power), pursuant to 807 KAR 5:001E, is to file with the Commission an electronic version of the following information. The information requested is due on January 27, 2023. The Commission directs Kentucky Power to the Commission's July 22, 2021 Order in Case No. 2020-00085<sup>1</sup> regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the

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<sup>1</sup> Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Kentucky Power shall make timely amendment to any prior response if Kentucky Power obtains information that indicates the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Kentucky Power fails or refuses to furnish all or part of the requested information, Kentucky Power shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Kentucky Power shall, in accordance with 807 KAR 5:001E, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to Kentucky Power's response to Commission Staff's First Request for Information (Staff's First Request), Item 3. Explain whether Ebon's security deposit is calculated as 2/12ths of its estimated annual bill at full tariffed rates or discounted rates.

2. Refer to Kentucky Power's response to Staff's First Request, Item 4. Provide Attachment 2 in Excel spreadsheet format, with all formulas, columns, and rows unprotected and fully accessible.

3. Refer to Kentucky Power's response to Staff's First Request, Item 5. To the extent that Ebon is operating during a time when Kentucky Power makes a capacity purchase, explain the rate or rates to which the contract discount will apply and how the rate is calculated.

4. Refer to Kentucky Power's response to Staff's First Request, Item 4, Attachment 1, Attachment 2, and Attachment 3.

a. Comparing the winter peaks in Attachments 1 and 2, explain why they do not match and which is the correct estimated winter peak.

b. Assuming that Kentucky Power is planning to satisfy its PJM summer capacity requirements, explain why the estimated load obligation in Attachment 3 does not match the summer peaks in Attachments 1 or 2 and which is the correct estimated summer peak / load obligation.

c. Comparing the energy additions in Attachments 1 and 2, explain why they do not match and which is the correct load addition.

d. In addition to this proceeding, Kentucky Power has two other ongoing proceedings involving economic development contract riders (EDRs). Explain whether the estimated energy additions and peak demands and load obligations in Attachments 1-3 include the anticipated load of these three new contracts. For this proceeding alone, Ebon's contracted total capacity reservation is 90 MW in phase 1 and 250 MW in phase two. If Attachments 1-3 do not include the anticipated load of all three new contracts, provide updated exhibits that include the anticipated load additions and for each EDR, explain the amount of the load that is included in the peak and load obligation.

e. Comparing the estimated available capacity in Attachment 3 to the summer and winter peak demands in Attachment 2, the estimated available capacity in summer is short and extremely short in winter. Explain how the amount of Short Term Market Purchases was determined and why it is considered sufficient to satisfy capacity obligations.

f. Explain how the estimated Demand Response amounts in Attachment 3 were determined and whether the three EDR contract interruptible amounts are included in the estimates. If not, provide an updated Attachment or explain why the EDR interruptible amounts should not be included.

5. Refer to Kentucky Power's response to Staff's First Request, Item 4, Attachment 1 and Item 6. The 80 MW purchase satisfies the PJM FRR capacity requirement for the summer reserve requirement and does not appear to satisfy Kentucky Power's estimated winter peak demand. Explain the contract terms for the 80 MW purchase.

6. Refer to Kentucky Power's response to Staff's First Request, Item 9(a-b) and Item 9(f), Attachment 2. Explain whether Ebon's charges under Tariff Purchase Power Adjustment will at least equal the capacity purchase costs identified in Item 9(f). Provide any supporting calculations in Excel spreadsheet format, with all formulas, columns, and rows unprotected and fully accessible.

7. Refer to Kentucky Power's response to Staff's First Request, Item 9(c). Explain why Kentucky Power is interpreting "incremental cost" to mean "incremental to costs under the Rockport Unit Power Agreement (UPA)" given that Kentucky Power's base rates will be reset in the first year of the contract to exclude the Rockport UPA costs.

8. Refer to Kentucky Power's response to Staff's First Request, Item 9, Attachment 1 and to Case No. 2022-00424,<sup>2</sup> Kentucky Power's Notice of Filing Errata, Attachment 3, filed January 10, 2023.

a. Comparing the two filings, the day ahead locational marginal prices (DA LMP) used in the calculations are different. Reconcile the differences and explain why a consistent DA LMP should not be used in all three of Kentucky Power's EDR proceedings.

b. Explain how the incremental generation costs in each study was derived.

9. Refer to Kentucky Power's Response to Staff's First Request, Item 13. Confirm that Ebon will be subject to all riders and surcharges applicable to Tariff Industrial General Service. If not, provide a list of all riders and surcharges that will not be charged.



Linda C. Bridwell, PE  
Executive Director  
Public Service Commission  
P.O. Box 615  
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DATED     JAN 17 2023    

cc: Parties of Record

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<sup>2</sup> Case No. 2022-00424, *Electronic Tariff Filing of Kentucky Power Company for Approval of a Special Contract Under Its Economic Development Rider and Demand Response Service Tariffs with Cyber Innovation Group, LLC* (filed Nov. 16, 2022).

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