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PUBLIC SERVICE
COMMISSION

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

In The Matter Of:

The Application Of Kentucky Power Company For:)
(1) The Approval Of The Terms And Conditions Of The)
Renewable Energy Purchase Agreement For Biomass)
Energy Resources Between The Company And)
ecoPower Generation-Hazard LLC; (2) Authorization)
To Enter Into The Agreement; (3) The Grant Of Certain)
Declaratory Relief; And (4) The Grant Of All)
Other Required Approvals and Relief)

Case No. 2013-00144

**KENTUCKY POWER COMPANY’S DATA REQUESTS TO KENTUCKY
INDUSTRIAL UTILITY CUSTOMERS, INC.**

* * * * *

Pursuant to the Commission’s Order dated June 27, 2013, Kentucky Power Company propounds the following data requests to be answered by Kentucky Industrial Customers, Inc. and each of its members participating in this proceeding:

DEFINITIONS

1. “Document(s)” is used in its customary broad sense and includes electronic mail and all written, typed, printed, electronic, computerized, recorded or graphic statements, memoranda, reports, communications or other matter, however produced or reproduced, and whether or not now in existence, or in your possession.

2. “Study” means any written, recorded, transcribed, taped, filmed, or graphic matter, however produced or reproduced, either formally or informally, a particular issue or situation, in whatever detail, whether or not the consideration of the issue or situation is in a preliminary stage, and whether or not the consideration was discontinued prior to completion whether preliminary or final, and whether or not referred to in KIUC’s direct testimony.

3. If any document requested herein was at one time in existence, but has been lost, discarded or destroyed, identify such document as completely as possible, including the type of document, its date, the date or approximate date it was lost, discarded or destroyed, the identity of the person(s) who last had possession of the document and the identity of all persons having knowledge of the contents thereof.

4. “Person” means any natural person, corporation, professional corporation, partnership, association, joint venture, proprietorship, firm, or the other business enterprise or legal entity.
5. A request to identify a natural person means to state his or her full name and residence address, his or her present last known position and business affiliation at the time in question.
6. A request to identify a document means to state the date or dates, author or originator, subject matter, all addressees and recipients, type of document (e.g., letter, memorandum, telegram, chart, etc.), number or code number thereof or other means of identifying it, and its present location and custodian. If any such document was, but is no longer in the Company’s possession or subject to its control, state what disposition was made of it.
7. A request to identify a person other than a natural person means to state its full name, the address of its principal office, and the type of entity.
8. “And” and “or” should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.
9. “Each” and “any” should be considered to be both singular and plural, unless specifically stated otherwise.
10. Words in the past tense should be considered to include the present, and words in the present tense include the past, unless specifically stated otherwise.
11. “You” or “your” means the person whose filed testimony is the subject of these interrogatories and, to the extent relevant and necessary to provide full and complete answers to any request, “you” or “your” may be deemed to include any person with information relevant to any interrogatory who is or was employed by or otherwise associated with the witness or who assisted, in any way, in the preparation of the witness’ testimony.
12. “KIUC” means Kentucky Industrial Utility Customers, Inc., its employees, agents, and its members identified in paragraph 1 of its April 11, 2013 petition to intervene in this proceeding, Lane Kollen, Alan S. Taylor, Paul Coomes, J. Kennedy and Associates, Inc., and Sedway Consulting, Inc.
13. “PJM” means PJM Interconnection.
14. “Company” means Kentucky Power Company.
15. “ecoPower” means ecoPower Generation-Hazard LLC and/or any of their officers, directors, employees, or agents who may have knowledge of the particular matter addressed.
16. “REPA” means the Renewable Energy Purchase Agreement for Biomass Energy Resources between ecoPower and Kentucky Power.

17. The "Facility" means the ecoPower Facility to be located in the Coal Fields Regional Industrial Park in Perry County, Kentucky.

INSTRUCTIONS

1. If any matter is evidenced by, referenced to, reflected by, represented by, or recorded in any document, please identify and produce for discovery and inspection each such document.

2. These interrogatories are continuing in nature, and information which the responding party later becomes aware of, or has access to, and which is responsive to any request is to be made available to Kentucky Power. Any studies, documents, or other subject matter not yet completed that will be relied upon during the course of this case should be so identified and provided as soon as they are completed. The Respondent is obliged to change, supplement and correct all answers to interrogatories to conform to available information, including such information as it first becomes available to the Respondent after the answers hereto are served.

3. Unless otherwise expressly provided, each interrogatory should be construed independently and not with reference to any other interrogatory herein for purpose of limitation.

4. The answers provided should first restate the question asked and also identify the person(s) supplying the information.

5. Please answer each designated part of each information request separately. If you do not have complete information with respect to any interrogatory, so state and give as much information as you do have with respect to the matter inquired about, and identify each person whom you believe may have additional information with respect thereto.

6. In the case of multiple witnesses, each interrogatory should be considered to apply to each witness who will testify to the information requested. Where copies of testimony, transcripts or depositions are requested, each witness should respond individually to the information request.

7. The interrogatories are to be answered under oath by the witness(es) responsible for the answer.

Data Requests

1. Please refer to page 3, lines 18 through 19, of Mr. Kollen's testimony.

(a) Please provide all work papers, spreadsheets, and calculations electronically, with formulas intact and visible, and no pasted values, used by Mr. Kollen in calculating the amount the Company requests to recover through a proposed rider relating to the REPA.

(b) Please identify separately each assumption relied upon by Mr. Kollen in connection with his calculations and all authority relied upon by Mr. Kollen in electing to use any such assumptions.

(c) Please identify the value(s) Mr. Kollen assumed or used, if any, for Section 45 production tax credits in calculating the amount referenced in part (a) above.

(d) If Mr. Kollen assumed a value for Section 45 production tax credits in calculating the amount referenced in part (a) above, please identify the amount and all authority relied upon by Mr. Kollen in selecting the value(s) assumed or used.

(e) If Mr. Kollen did not assume a value for Section 45 production tax credits in calculating the amount referenced in part (a) above, please explain why no value was assumed or used and all authority relied upon by Mr. Kollen in failing to use or assume a value.

(f) Please identify and provide all additional support relied on by Mr. Kollen in calculating the amount referenced in part (a) above.

2. Please refer to page 5, lines 7 through 9, of Mr. Kollen's testimony. Please identify by location in the record of this proceeding all record evidence upon which Mr. Kollen relies in stating that the "Company readily acknowledges" that the capacity and energy from the REPA is not least cost. If Mr. Kollen relies upon any matter outside the record of this proceeding please identify the matter and provide a copy.

3. Please refer to page 6, lines 1 through 3, of Mr. Kollen's testimony.

(a) Please provide all work papers, spreadsheets, and calculations electronically, with formulas intact and visible, and no pasted values, used by Mr. Kollen in calculating an initial rate increase of \$39.284 million.

(b) Please identify separately each assumption relied upon by Mr. Kollen in connection with his calculations referenced in part (a) above and all authority relied upon by Mr. Kollen in electing to use any such assumptions.

(c) Please identify and provide all additional support relied on by Mr. Kollen in calculating the amount described in part (a) above.

4. Please refer to page 6, lines 6 through 7, of Mr. Kollen's testimony.

(a) Please provide all work papers, spreadsheets, and calculations electronically, with formulas intact and visible, and no pasted values, used by Mr. Kollen in his calculation of "yet another 5.3% to the total rate increases over the term of the REPA."

(b) Please identify separately each assumption relied upon by Mr. Kollen in connection with his calculations referenced in part (a) above and all authority relied upon by Mr. Kollen in electing to use any such assumptions.

(c) Please identify and provide all additional support relied on by Mr. Kollen in making the calculations referenced in part (a) above.

5. Please refer to page 9, line 1, of Mr. Kollen's testimony. Please identify by location in the record of this proceeding all record evidence upon which Mr. Kollen relies in

stating the “Company readily admits that the REPA is not needed.” If Mr. Kollen relies upon any matter outside the record of this proceeding please identify the matter and provide a copy.

6. Please refer to page 16, line 8 through page 17, line 1, of Mr. Kollen’s testimony.

(a) Please identify the elements of the strict scrutiny test advocated by Mr. Kollen.

(i) Please provide a citation to, and copy of, each Kentucky Public Service Commission decision applying the strict scrutiny test advocated by Mr. Kollen whether in the context of a biomass REPA or otherwise.

(ii) Please identify and provide the relevant statutory, case law, and Commission decisional basis supporting Mr. Kollen’s contention that the Commission is to apply the “strict scrutiny” standard advocated by Mr. Kollen.

(b) Please identify and provide all support for Mr. Kollen’s assertion that the Kentucky Legislature, through enacting SB 46, has given the developers of biomass power plants an undue advantage.

(c) Does Mr. Kollen contend that the claimed “undue advantage” for biomass power plants is illegal, unconstitutional or results in rates that are not fair, just and reasonable? If so, please identify and provide all authority relied upon by Mr. Kollen in so contending.

7. Please refer to page 4, lines 5 through 14, of Dr. Coomes’ testimony.

(a) Please confirm there would be a positive net regional economic impact from the Facility if it were to be compared to the regional economic implications of purchasing an equivalent amount of capacity and energy from the PJM spot-market.

(b) If the answer to this data request is anything but an unqualified “yes,” please provide each fact relied upon by KIUC in failing to answer with an unqualified “yes.”

(c) If the answer to this data request is anything but an unqualified “yes,” please provide each document relied upon by KIUC in failing to answer with an unqualified “yes.”

8. Please refer to page 2 of the Exhibit to the testimony of Dr. Coomes labeled “Net economic impacts of the proposed ecoPower plant.”

(a) Please identify each “existing coal-fired power plant” or “coal-fired alternative” Dr. Coomes utilizes for comparison in his study. For each “existing coal-fired power plant” or “coal-fired alternative” utilized by Dr. Coomes please identify the following:

(i) The plant or unit names;

(ii) The owner;

- (iii) The plant or unit location;
- (iv) The RTO in which the plant or unit is located;
- (v) The amount of available capacity and energy from that plant or unit;
- (vi) The percentage of coal used by that plant or unit that is mined in the economic region modeled by Dr. Coomes; and
- (vii) The ability of the plant or unit to comply with all known environmental regulations, including without limitation the mercury and air toxics standard (“MATS”)

(b) If the units or plants are located outside PJM, please identify whether those plants or units have firm long-term transmission rights into PJM.

(c) Please identify the Kentucky counties that comprise the “region” used by Dr. Coomes in his study.

9. Please provide in machine readable, executable format all input and output files used or produced by Dr. Coomes as part of the IMPLAN modeling relied upon by Dr. Coomes in his testimony or the exhibits thereto.

10. Please refer to page 11 of the Exhibit to the testimony of Dr. Coomes labeled “Net economic impacts of the proposed ecoPower plant.” Please provide a copy of the “Regional Differences in the Price-Elasticity of Demand for Energy,” by Mark Bernstein and James Griffin, RAND Technical Report, dated 2005.

11. Does KIUC contend that an increase in electricity rates would result in no long-term reduction in the amount of electricity used by Kentucky Power’s customers?

(a) If the answer to this data request is anything but an unqualified “yes,” please provide each fact relied upon by KIUC in failing to answer with an unqualified “yes.”

(b) If the answer to this data request is anything but an unqualified “yes,” please provide each document relied upon by KIUC in failing to answer with an unqualified “yes.”

12. Please refer to page 6, lines 1 through 3, of Mr. Taylor’s testimony.

(a) Please identify and provide all support relied upon by Mr. Taylor in stating “Over the same time period, renewable technology costs in the broader market have declined substantially,…”

(b) Please identify all proposals, including the parties, all relevant proposal terms, and whether the proposals resulted in contracts, referenced by Mr. Taylor in stating “I

have seen 20-year REPA proposals offered at contract prices that are less than a third of the ecoPower REPA's price."

13. Please refer to page 15 of Mr. Taylor's testimony.

(a) Please provide all work papers, spreadsheets, and calculations electronically, with formulas intact and visible, and no pasted values, used by Mr. Taylor in his calculation of a base case average renewable energy credit (REC) price of over \$50/REC over the life of the REPA.

(b) Please identify each assumption relied upon by Mr. Taylor in connection with his calculation referenced in part (a) above and all authority relied upon by Mr. Taylor in electing to use any such assumptions.

(c) Please identify and provide all additional support for Mr. Taylor's calculation referenced in part (a) above.

(d) Please provide all work papers, spreadsheets, and calculations electronically, with formulas intact and visible, and no pasted values, used by Mr. Taylor in his calculation of a "highest energy and capacity price scenario" average REC price of over \$38/REC over the life of the REPA.

(e) Please identify each assumption relied upon by Mr. Taylor in connection with his calculation referenced in part (d) above and all authority relied upon by Mr. Taylor in electing to use any such assumptions.

(f) Please identify and provide all additional support for Mr. Taylor's calculation referenced in part (d) above.

14. Please refer to the last three lines on page 15 of Mr. Taylor's testimony. Does KIUC contend that current spot market prices for RECs are indicative of future REC prices?

(a) If the answer to this data request is anything but an unqualified "yes," please provide each fact relied upon by KIUC in failing to answer with an unqualified "yes."

(b) If the answer to this data request is anything but an unqualified "yes," please provide each document relied upon by KIUC in failing to answer with an unqualified "yes."

15. Please refer to page 16 of Mr. Taylor's testimony.

(a) Please identify all proposed renewable project referenced by Mr. Taylor in stating "In fact, I have seen many proposed renewable projects in recent years that could generate renewable energy and RECs at prices that are less than the forecasted prices for "brown" power." For each renewable project or proposed project referenced by Mr. Taylor please provide the following information:

(i) Project technology type (wind, solar, etc.);

- (ii) State in which the project is located;
- (iii) Name of the RTO in which the project is located;
- (iv) Price of renewable energy; and
- (v) Price of RECs.

(b) Please define “brown power.”

16. Please refer to page 18 of Mr. Taylor’s testimony. Please identify and provide all support relied upon by Mr. Taylor in stating “If the current REPA was approved, that [higher diesel fuel costs] could lead to another regulatory proceeding in the future regarding an amended REPA with yet a higher price.”

17. Please identify and provide copies all testimony filed by Mr. Kollen, on behalf of any client, where he advocated that a utility increase the fuel diversity of its generation resources.

18. Please identify and provide copies of all testimony filed by Dr. Coomes, on behalf of any client, or any articles or other published works, where he advocated that a utility increase the fuel diversity of its generation resources.

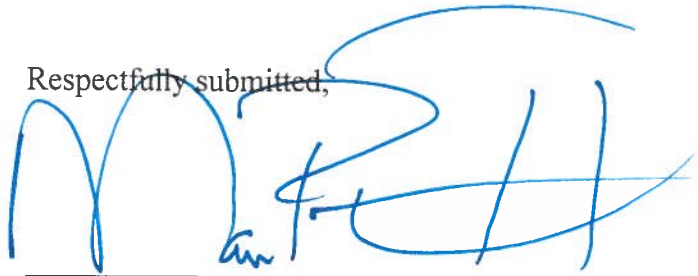
19. Please identify and provide copies of all testimony filed by Mr. Taylor, on behalf of any client, where he advocated that a utility increase the fuel diversity of its generation resources.

20. Please identify and provide copies of all testimony filed by Mr. Kollen, on behalf of any client, where he advocated that a utility increase the amount of renewable generation in its generation portfolio.

21. Please identify and provide copies of all testimony filed by Dr. Coomes, on behalf of any client, where he advocated that a utility increase the amount of renewable generation in its generation portfolio.

22. Please identify and provide copies of all testimony filed by Mr. Taylor, on behalf of any client, where he advocated that a utility increase the amount of renewable generation in its generation portfolio.

Respectfully submitted,



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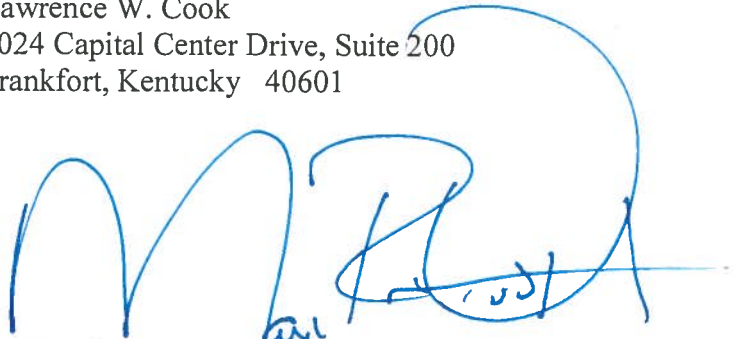
COUNSEL FOR KENTUCKY POWER
COMPANY

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served by e-mail transmission and first class mail, postage prepaid, upon the following parties of record, this 19th day of July, 2013.

Michael L. Kurtz
Jody Kyler Cohn
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, Ohio 45202

Jennifer Black Hans
Dennis G. Howard II
Lawrence W. Cook
1024 Capital Center Drive, Suite 200
Frankfort, Kentucky 40601

A handwritten signature in blue ink, appearing to read 'Mark R. Overstreet', is written over a horizontal line. The signature is stylized and cursive.

Mark R. Overstreet