

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION FOR APPROVAL OF RENEWABLE )  
ENERGY PURCHASE AGREEMENT FOR WIND ) CASE NO.  
ENERGY RESOURCES BETWEEN KENTUCKY ) 2009-00545  
POWER COMPANY AND FPL ILLINOIS WIND, LLC. )

FIRST DATA REQUEST OF COMMISSION STAFF  
TO KENTUCKY POWER COMPANY

Kentucky Power Company ("Kentucky Power"), pursuant to 807 KAR 5:001, is to file with the Commission the original and 10 copies of the following information, with a copy to all parties of record. The information requested herein is due no later than February 12, 2010. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to 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 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 it obtains information which indicates that 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, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied 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.

1. Refer to page 3, paragraph 5 of Kentucky Power's December 29, 2009 application ("the application"), which states that NextEra, the parent of FPL Wind, is the largest generator of wind power in the United States, with over 6,200 MW of wind generation resources in operation at the end of 2008. Provide the amount of NextEra's wind capacity located within the region that contains the PJM grid.

2. Refer to page 4, paragraph 10, of the application. Explain how American Electric Power Service Corporation ("AEPSC") developed the 60/40 weighting percentages for price and non-price factors in ranking the proposals received in response to its June 1, 2009 Request for Proposals for renewable energy resources.

3. Refer to page 8, paragraph 24, of the application. Of the 24 states and the District of Columbia that have adopted a Renewable Portfolio Standard, provide the number and names of states that no longer have a traditional cost-based regulatory environment such as exists in Kentucky.

4. Refer to page 12, paragraph 37, of the application, which states that the federal production tax credits for wind developers offers benefits over the ten-year credit eligibility period. Explain how benefits over a ten-year period will be captured “[f]or Kentucky Power’s customers over the 20-year term” of the wind power agreement with FPL Wind.

5. Refer to the cover page of the Direct Testimony of Jay. F. Godfrey (“Godfrey Testimony”). Explain whether this testimony is identical to the testimony of Mr. Godfrey submitted in Kentucky Power’s pending rate case, Case No. 2009-00459.<sup>1</sup>

6. Refer to page 6 of the Godfrey Testimony. Provide the locations of the Trent Mesa Wind Project and Desert Sky Wind Farm which are owned by American Electric Power (“AEP”).

7. Refer to page 8, Table 1, in the Godfrey Testimony.

a. Provide the location of the NextEra wind generation facilities under which an AEP affiliate of Kentucky Power is purchasing energy under an existing contract.

b. Identify any projects in Table 1 under which the developer is an affiliate of NextEra or FPL Wind.

8. Refer to page 9, lines 16–19, of the Godfrey Testimony. Provide cites to any authoritative source which supports the statement that the area of the wind project from which Kentucky Power would purchase power under the proposed agreement “[i]s generally acknowledged as having the best wind resources within the thirteen (13) states plus the District of Columbia which comprise the PJM grid.”

---

<sup>1</sup> Case No. 2009-00459, Application of Kentucky Power Company for a General Adjustment of Electric Rates, filed January 15, 2010.

9. Refer to pages 10–11 of the Godfrey Testimony. Provide evidence which supports the statement that a capacity factor of 25 to 45 percent is common for wind generators.

10. Refer to pages 11–12 of the Godfrey Testimony. The wind facilities from which Kentucky Power will purchase power under the proposed wind power contract will have a capacity of 217.5 MW in its first phase. Aside from the 100 MW assigned to Kentucky Power, what are FPL Wind's plans for the remainder of the facility's capacity?

11. Refer to page 19 of the Godfrey Testimony, which indicates that, starting on January 1, 2012, the price under the proposed wind contract will escalate annually by 2.25 percent. This is identical to the escalation percentage in a wind power contract presently pending before the Commission in another case. Explain whether 2.25 is a standard escalation rate for such contracts or if the fact that the escalation rates in these contracts are identical is merely coincidence.

12. Refer to page 20 of the Godfrey Testimony, which indicates that the 20-year term of the proposed wind contract “[i]s also the expected life of the technology.” If the specific technology utilized in the pertinent FPL Wind facilities has been commercially available for less than 20 years, describe how its expected life was determined to be that length of time.

13. Refer to page 2 of Exhibit JFG-1 to the Godfrey Testimony, specifically, the section “Purchaser’s Right to Curtail Renewable Energy.” Explain whether the proposed wind contract’s terms cause it to be what is typically referred to as a “take-or-pay” contract.

14. Refer to page 5 of Exhibit JFG-1 to the Godfrey Testimony and page 1 of Exhibit JFG-3. Provide the calculations, plus a narrative description of said calculations, that show how the period-based prices of the proposed wind contract shown in Exhibit JFG-1 are converted to the weighted average price shown in Exhibit JFG-3.

15. Refer to page 23 of Exhibit JFG-2 to the Godfrey Testimony, which deals with the general design of the FPL wind generation facility. Provide the height of the facility and the length of the turbine blades.


16. Refer to Section 4.7.A of Exhibit JFG-2 to the Godfrey Testimony. Given that the capacity available to Kentucky Power under the proposed wind contract is 100 MW, explain why the amount of capacity that must be tested and commissioned at the generation facility established as a commercial operation milestone is substantially greater than 100 MW.

17. Refer to Section 7.2.C of Exhibit JFG-2 to the Godfrey Testimony. Given that the term of the proposed wind contract is 20 years, explain why the aggregate amount that FPL Wind can be required to pay Kentucky Power for not meeting its availability requirement is only equal to 10 times the aggregate amount it can be required to pay in any calendar year.

18. Refer to page 9 of the Direct Testimony of Scott C. Weaver ("Weaver Testimony"), specifically, the discussion of co-firing biomass in the Rockport units and in Kentucky Power's Big Sandy Unit 2. Although the indicative planning is characterized as very preliminary, describe why the target date for the Rockport units is not until 2013 and, for Big Sandy Unit 2, not until 2015.

19. Refer to the text at the beginning of page 13 of the Weaver Testimony, which refers to "Company witness Mosher." Explain whether this refers to testimony by Tim Mosher in Case No. 2009-00459 and if this means that the Weaver Testimony in this case is identical to the testimony of Scott Weaver filed in 2009-00459.

20. Refer to Footnote 9 on pages 21 and 22 of the Weaver Testimony, which refers to an estimated 39.3 percent annual capacity factor for the FPL Wind project from which Kentucky Power would purchase power under the proposed wind contract. Describe how this estimate was derived and how it compares to the capacity factors of other wind facilities owned and/or operated by NextEra, FPL Wind or wind developers affiliated with either of those developers which are located in the northern Illinois area.



---

Jeff Derouen  
Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, Ky. 40602

DATED JAN 29 2010

cc: Parties of Record

Lawrence W Cook  
Assistant Attorney General  
Office of the Attorney General Utility & Rate  
1024 Capital Center Drive  
Suite 200  
Frankfort, KY 40601-8204

Honorable Michael L Kurtz  
Attorney at Law  
Boehm, Kurtz & Lowry  
36 East Seventh Street  
Suite 1510  
Cincinnati, OH 45202

Honorable Mark R Overstreet  
Attorney at Law  
Stites & Harbison  
421 West Main Street  
P. O. Box 634  
Frankfort, KY 40602-0634