

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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AUG 15 2014

PUBLIC SERVICE
COMMISSION

In the Matter of:

THE APPLICATION OF KENTUCKY POWER COMPANY)
FOR AUTHORITY PURSUANT TO KRS 278.300 TO ISSUE)
AND SELL PROMISSORY NOTES OF ONE OR MORE)
SERIES, AND FOR OTHER AUTHORIZATIONS)

CASE NO.
2014-00210

ATTORNEY GENERAL'S DATA REQUESTS

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits these Requests for Information to Kentucky Power Company [hereinafter referred to as "Kentucky Power" or "KPCo" or "the company"] to be answered by the date specified in the Commission's Order of Procedure, and in accord with the following:

(1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.

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

(3) Please repeat the question to which each response is intended to refer. The Office of the Attorney General can provide counsel for KPCo with an electronic version of these questions, upon request.

(4) These requests shall be deemed continuing so as to require further and supplemental responses if the company 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.

(5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, be accompanied by a signed certification of the preparer or 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.

(6) If you believe any request appears confusing, please request clarification directly from Counsel for the Office of Attorney General.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self-evident to a person not familiar with the printout.

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

(10) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts

thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other

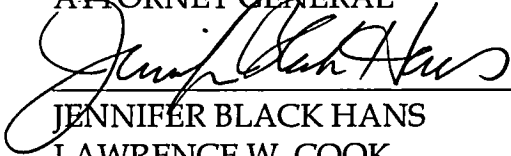
forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information regardless of the media or format in which they are stored, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(13) Please provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

Respectfully submitted,
JACK CONWAY
ATTORNEY GENERAL



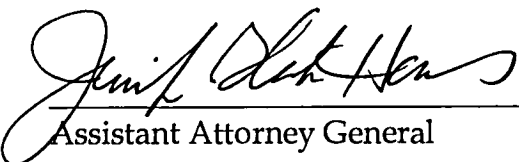
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Certificate of Service and Filing

Counsel certifies that an original and ten photocopies of the foregoing were served and filed by hand delivery to Jeff Derouen, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; counsel further states that true and accurate copies of the foregoing were mailed via First Class U.S. Mail, postage pre-paid, to:

Hon. Mark R. Overstreet
Stites & Harbison
P. O. Box 634
Frankfort, KY 40602-0634

this 15th day of August, 2014



Assistant Attorney General

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1. Reference Kentucky Power's Response to Commission Staff's ("PSC") 1-1, Attachment 1. Please confirm that the \$312.5 million in projected capital spending for the projects listed constitutes Kentucky Power's allocated costs and sole responsibility, and does not include any allocation as to the Mitchell generating station that may be shared with any other AEP-affiliated company.
 - a. As an addendum to Attachment 1, please provide the total "all-in" costs for all of the capital projects for which an allocation or sharing mechanism is in place for Kentucky Power.
 - b. Please provide Attachment 1 in response to PSC 1-1 and the addendum requested in response to 1a. above in electronic format with data including formulae in all cells and rows intact and fully accessible
2. Reference Kentucky Power's Response to PSC 1-1, Attachment 1, where under "Environmental Generation" a sub-category is identified as "Other Environmental Projects." Do any of the capital projects in 2014 through 2016 relate in any way to the costs identified, planned or otherwise expended relating to Kentucky Power's proposal in Case No. 2011-00401 to retrofit the Big Sandy Unit 2 with scrubbers and related environmental controls? Please provide any and all documentation to support your response.
3. Were any of the capital expenditures planned for the Mitchell generating station in calendar year 2014 factored into the net book value of \$536 million for which Kentucky Power paid a fifty percent (50%) interest in the facility?
 - a. If yes, please identify in detail the planned 2014 expenditures that were considered in assessing the value of Mitchell.
4. Reference Kentucky Power's Response to PSC 1-1, Attachment 1, where under "Environmental Generation" three (3) sub-categories are "Mitchell New Landfill," "Mitchell U1&U2 Dry Fly Ash Conversion," and "Mitchell New Landfill Haul Road." As to these projects, please respond to the following:
 - a. Please confirm that the total capital spending for these three (3) projects total \$26.2 million.

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- b. Please confirm that of this total, \$20.8 million or approximately 80% of this capital spending is planned for calendar year 2014.
 - c. Please identify the environmental rulemaking or other requirement for which these specific projects are required for compliance.
 - d. When did Kentucky Power or any predecessor in interest to the Mitchell generating station plan or otherwise begin the process for this \$26.2 million in capital spending relating to Mitchell? Please provide any and all documentation to support your response.
5. Reference Kentucky Power's Response to PSC 1-1(b), where it is stated: "The capital projects listed on Attachment 1 requiring a certificate of public convenience and necessity are: (a) the conversion of Big Sandy Unit 1 to natural gas-fired generating unit (Environmental Generation); and (b) the Bonnyman-Soft Shell Transmission line (Transmission Reliability) ... The Mitchell generating station-related projects listed above were approved and in process on December 31, 2013 when Kentucky Power acquired its fifty percent undivided interest in the station." Notwithstanding the Attorney General's pending appeal of the Commission's Order in Case No. 2012-00578, please respond to the following:
- a. Please provide a specific citation by page, paragraph and quotation to the Commission's Final Order dated October 7, 2013, in Case No. 2012-00578, upon which Kentucky Power relies for the assertion quoted above.
 - b. Reconcile your response to 5a. with the Commission's Final Order dated October 7, 2013, in Case No. 2012-00578, at page 39-40, in which it states:

"The Commission finds that Kentucky Power's request to assume an undivided 50 percent interest in the liabilities associated with the Mitchell acquisition is for lawful objects within the corporate purposes of Kentucky Power, is necessary and appropriate for and consistent with the proper performance by Kentucky Power of its service to the public, will not impair its ability to perform that service, is reasonable, necessary, and appropriate for such purposes, and should be approved. *In arriving at this decision, the Commission relied upon the testimony of witnesses for Kentucky Power who indicated that no environmental liabilities are known at*

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this time as a result of environmental retrofits to the Mitchell Station. Additionally, the Commission relied upon Kentucky Power's testimony that because of prior maintenance and upgrades to the Mitchell Station, there are no known liabilities or repairs needed at the current time, and with only normal maintenance the Commission can expect the Mitchell Station to be operational in 2040." (Emphasis supplied.)

- c. As to your responses to 5a. and 5b., if Kentucky Power relies on data or information extraneous to the four corners of the Commission's October 7, 2014 Final Order in Case No. 2012-00578, and/or extraneous to those documents and video transcripts which comprise the official record of that case, to support any possible, anticipated, considered or assumed environmental controls for Mitchell that Kentucky Power considered "approved and in process," please state so, identify each such extraneous source, and provide copies of same.
 - d. As to your responses to 5c., if yes please provide specific citations to the record in Case No. 2012-00578 upon which Kentucky Power relies to base its assertion that the capital expenditures were "approved and in process," and therefore, no CPCN is required.
6. Reference Kentucky Power's Response to PSC 1-1(b), Attachment 1. Under the heading "Transmission," KPCo indicates it plans capital spending in excess of \$25 million during the 2014-2016 period for what it terms "reliability." Provide a detailed list of each project which falls under the "reliability" category, together with a reason for each project.
 7. Reference Kentucky Power's Response to PSC 1-1(b), Attachment 1. Under the heading "Transmission," KPCo indicates it plans \$4.5 million in capital spending for "customer service." Explain why KPCo's retail customers should have to pay for transmission-level customer service.
 8. Reference Kentucky Power's Response to PSC 1-1(b), Attachment 1. Under the heading "Reliability/Asset Program," KPCo indicates it plans capital spending in excess of \$26 million over the 2014-2016 time period. Provide a detailed list of

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each project which falls under this category, together with a reason for each project under the "Reliability/Asset Program."

9. Reference Kentucky Power's Response to PSC 1-1(b), Attachment 1. Under the heading "Customer Service," KPCo indicates it plans in excess of \$36 million in capital spending during the 2014-2016 time period. Provide a detailed list of each project which falls under this category, together with a reason for each project.
10. For each item of proposed capital spending identified in KPCo's response to PSC 1-1(b), Attachment 1, state whether KPCo in any prior proceeding sought Commission approval for any such project, or any project similar to it, but in which approval for such spending was denied. In each such case, provide a citation to the specific case number.