

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY POWER	)	
COMPANY FOR: (1) A CERTIFICATE OF	)	
PUBLIC CONVENIENCE AND NECESSITY	)	CASE NO.
AUTHORIZING THE COMPANY TO CLOSE	)	2015-00152
THE BIG SANDY PLANT COAL ASH	)	
IMPOUNDMENT; AND (2) FOR ALL OTHER	)	
REQUIRED APPROVALS AND RELIEF	)	

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

Kentucky Power Company ("Kentucky Power" or "the Company"), pursuant to 807 KAR 5:001, is to file with the Commission the original in paper medium and an electronic version of the following information. The information requested herein is due on or before September 17, 2015. Responses to requests for information in paper medium shall be appropriately bound, tabbed, and indexed. Each response 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 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, Kentucky Power shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should 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 filing a paper containing personal information, Kentucky Power shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Application, paragraph 1. Provide the current status of the Big Sandy Unit 1 conversion project.

2. Refer to the Application, paragraph 8. Explain whether the discharge pipe into Blaine Creek will be disabled or modified once the Big Sandy ash pond is closed and capped.

3. Refer to the Application, paragraph 10. Explain what is meant by a specific pond closure permitting protocol and how it differs from the Kentucky Division of Waste Management ("KDWM") closure permitting process.

4. Refer to the Application, paragraph 12.

a. State whether the Horseshoe Creek Dam is a high-hazard dam.

b. State whether the U.S. Environmental Protection Agency (“EPA”) has performed an assessment of the Big Sandy ash pond. If so, provide the final EPA report and pond rating.

c. Refer also to the Application, Exhibit 3, regarding the extension of the revised permit from the Kentucky Department of Water’s Dam Safety Section. Explain why this permit was extended.

5. Refer to the Application, paragraph 13, concerning the flexible membrane liner.

a. Explain whether there are any other feasible options to the flexible membrane liner that have been chosen.

b. Provide justification for the belief that the flexible membrane liner is the least-cost option.

c. Confirm that the flexible membrane liner complies with the final Coal Combustion Residuals (“CCR”) rule.

6. Refer to the Application, paragraph 14. Confirm that construction will not begin in early 2016 if all permits have not been secured. If this cannot be confirmed, explain.

7. Refer to the Application, paragraph 30. Confirm that the annual operation and maintenance cost of approximately \$110,000 after the Big Sandy ash pond is closed in place will be deferred and recovered through the Big Sandy Retirement Rider. If this cannot be confirmed, explain.

8. Refer to the Direct Testimony of Joseph G. DeRuntz ("DeRuntz Testimony"), page 2, regarding the ash pond closure projects at the John Amos Plant and the Gavin Plant.

a. Provide the projected costs to close the Amos and Gavin ash ponds.

b. Provide the reasons for the closures of the Amos and Gavin ash ponds.

c. Provide any similarities and differences in the closing procedures for Amos and Gavin ash ponds to the closing procedures of the Big Sandy ash pond.

9. Refer to the DeRuntz Testimony, page 5, concerning the Special Waste Landfill permitting process.

a. Explain why Kentucky Power's Application for a Special Waste Landfill Permit will take over two years to complete.

b. State the length of time allowed for the public comment period.

c. Provide a status update of the Special Waste Landfill Permit application.

d. State the basis for Kentucky Power's expectation that the permit will be issued by the end of 2015.

10. Refer to the DeRuntz Testimony, page 6, regarding the need to obtain a Section 404 Permit from the U.S. Army Corps of Engineers and a water quality certification from the Kentucky Division of Water.

a. Provide the status of the two permitting processes.

b. With respect to the water quality certification, provide the following:

(1) Explain why Kentucky Power is waiting until the end of 2015 to submit this request.

(2) Explain what Kentucky Power will do if the permit is denied.

11. Refer to the DeRuntz Testimony, page 6, regarding whether the proposed closure of the Big Sandy ash pond would comply with the CCR rule. Identify the CCR rule requirements for closing an ash pond and the steps that Kentucky Power is taking to comply with those requirements in closing the Big Sandy ash pond.

12. Refer to the DeRuntz Testimony, page 7, lines 8–9, which state that, “there is no existing permitted landfill, owned by the Company, in the vicinity of the Big Sandy Impoundment that could receive the fly ash.” State whether there is an existing landfill in the vicinity of the Big Sandy Impoundment not owned by Kentucky Power that could receive the fly ash.

13. Refer to the DeRuntz Testimony, pages 7–8, concerning Kentucky Power’s review of East Kentucky Power Cooperative, Inc.’s (“EKPC”) plan to close the ash pond at EKPC’s Dale Generating Station. One of the reasons provided in the testimony as to why EKPC’s situation differs from that of Kentucky Power’s is that EKPC would have more regulatory challenges in obtaining a permit from KDWM to close the Dale ash pond due to its location near the Kentucky River. With respect to the locational factor, fully explain how EKPC’s situation differs from that of Kentucky Power’s in light of the fact that the Big Sandy ash pond is located in close proximity to Blaine Creek and to the Big Sandy River.

14. Refer to the DeRuntz Testimony, pages 8–9, regarding the project design.

a. Explain how and why URS was selected as the external consultant to ensure that the proposed closure of the Big Sandy ash pond would be the least-cost option.

b. Provide a copy of any analyses performed by URS with respect to the engineering and design of the cap and associated site drainage in connection with the proposed closure of the Big Sandy ash pond.

c. Provide an estimate of how long it will take to drain water from the impoundment.

15. Refer to the DeRuntz Testimony, page 11.

a. Provide a copy of the Project Charter.

b. Explain the process by which the Project Charter was internally vetted and approved.

16. Refer to the DeRuntz Testimony, page 14, lines 6–7. Provide the following:

a. The estimated date the request for proposal (“RFP”) will be issued.

b. The estimated due date for the RFP responses.

c. The estimated date for awarding the bid.

17. Refer to the DeRuntz Testimony, Exhibit JGD-2, page 1 of 1. Explain what is indicated by the asterisks next to certain dates on this schedule.

18. Refer to the DeRuntz Testimony, Exhibit JGD-3, page 1 of 1. Explain why the Geomembrane cost estimate was revised to include a liner, geocomposite, and separation layer over the entire Big Sandy ash pond.

19. Refer to the DeRuntz Testimony, Exhibit JGD-3, page 1 of 1. Mitigation of Stream Impacts cost is shown as \$4.2 million with a description of “Purchase 5600 wetland credits from area mitigation bank.”

a. Explain what a “wetland credit” is and how it was determined that 5,600 credits would be needed.

b. Explain what a “mitigation bank” is and the requirements for it to be considered an “area mitigation bank.”

c. State whether there are other options available to Kentucky Power for mitigation of stream impacts. If so, describe the options and explain why they were not chosen.

20. Refer to the Direct Testimony of John A. Rogness (“Rogness Testimony”), page 4, lines 15–17, which state, “However, once the station ceases to burn coal and no longer actively deposits fly ash into the ash impoundment, the Company is required by law to store the contents on a permanent basis.” Specify which laws are referred to by use of the term “by law.”

21. Refer to the Rogness Testimony, page 4, in which Mr. Rogness states that once the Big Sandy ash pond is closed, a different set of environmental regulations will govern the site.

a. Describe these different regulations.

b. Describe the environmental and liability concerns once the Big Sandy ash pond is closed and capped with a flexible membrane liner.

c. Provide a copy of any and all reports of any Environmental Assessments regarding the closure of the Big Sandy ash pond.

22. Describe any beneficial reuse projects that have occurred with coal combustion byproducts generated by the Big Sandy Generating Station.

a. Define the percentage of the total coal-combustion byproduct that was used for beneficial reuse and the revenue generated.

b. Explain whether any of the coal combustion byproducts in the Big Sandy ash pond could be beneficially reused.

23. Describe the methods to monitor routine groundwater and surface water once the Big Sandy ash pond is closed.

24. After the Big Sandy Ash pond has been closed in place, explain whether the site could be used for other purposes in the future. If so, provide a list of the purposes that could be considered and an estimate of the benefit of such uses to Kentucky Power.



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DATED SEP 02 2015

cc: Parties of Record

Case No. 2015-00152



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