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COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

JUN 27 2019

PUBLIC SERVICE  
COMMISSION

In the Matter of:

APPLICATION OF EAST KENTUCKY POWER	)	
COOPERATIVE, INC. FOR AN ORDER	)	Case No.
APPROVING THE ESTABLISHMENT OF	)	2019-00146
REGULATORY ASSETS FOR PRESENT AND	)	
FUTURE MAINTENANCE EXPENSES	)	

**ATTORNEY GENERAL’S INITIAL 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 Initial Data Requests to East Kentucky Power Cooperative, Inc. [hereinafter “EKPC” 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) Identify the witness who will be prepared to answer questions concerning each request.
- (3) Repeat the question to which each response is intended to refer. The Office of the Attorney General can provide counsel for EKPC 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, 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, 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, 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, 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:

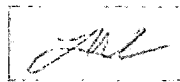
(13) Provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

(14) “And” and “or” should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.

(15) “Each” and “any” should be considered to be both singular and plural, unless specifically stated otherwise.

Respectfully submitted,

ANDY BESHEAR  
ATTORNEY GENERAL



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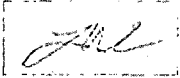
*Certificate of Service and Filing*

Counsel certifies that an original and ten photocopies of the foregoing were served and filed by hand delivery to Ms. Gwen R. Pinson, 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:

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L. Allyson Honaker  
Goss Samford, PLLC  
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Michael L. Kurtz  
Jody Kyler Cohn  
Boehm, Kurtz & Lowry  
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Cincinnati, Ohio 45202

This 27th day of June, 2019.



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Assistant Attorney General

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Application of EKPC for an Order  
Approving the Establishment of Regulatory Assets for Present and  
Future Maintenance Expenses  
Case No. 2019-00146  
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1. Provide the authority for each assertion or statement in paragraphs 14-15 of the Application (e.g., citations to standards, laws, or regulations that support the assertions or statements). Narrative responses as to how a standard supports an assertion are not required, but would be appreciated.
2. Confirm that EKPC's most recent rate case used a future test period.
3. Explain how in EKPC's most-recent rate case, there were no level of expenses assumed and/or included in the test year for the entirety of the categories at issue in this request.
4. Provide the total amount of expenses incurred for the categories at issue in this request that EKPC has incurred since its last base rate case, broken out by year and identified by account and project.
5. Reference the application, wherein EKPC states that since the current process for establishing regulatory assets is, in its opinion "sometimes time consuming," the Company is now seeking authority to establish regulatory assets for "certain costs that would otherwise be accounted for as maintenance expenses."
  - a. Confirm that if approved, placing such costs into regulatory assets would remove the traditional scrutiny applied to O&M expenses received in base rate cases.
6. Confirm that in the instant application, at least one reason why EKPC seeks authority to establish regulatory assets for "certain costs that would otherwise be accounted for as maintenance expenses," is to avoid what the company states are "spikes in operating expenses." Confirm that by definition, such spikes frequently represent extraordinary and non-recurring costs which may qualify for treatment as a regulatory asset under current procedures.
7. Confirm that if approved, EKPC's petition would broaden the category(ies) of expenses that might qualify for regulatory asset treatment.
8. Confirm that should the Commission approve EKPC's application, existing Commission precedent regarding the establishment of regulatory assets would be overturned.
9. Confirm that in Case No. 2008-00436, Commissioner Clay in a dissenting opinion stated in part: "Establishing a regulatory asset for costs that are otherwise normal, routine and ordinary establishes a dangerous precedent. Just because the Commission

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has discretion to approve a regulatory asset, it should not always exercise that discretion.”