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**PUBLIC SERVICE
COMMISSION**

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

In the Matter of:

THE APPLICATION FOR APPROVAL OF) **Case No. 2009-00545**
RENEWABLE ENERGY PURCHASE AGREEMENT)
FOR WIND ENERGY RESOURCES BETWEEN)
KENTUCKY POWER COMPANY AND FPL)
ILLINOIS)

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

Dated: April 9, 2010

Kentucky Power Company ("Kentucky Power" or "Company" for its data requests to Kentucky Industrial Utility Customers, Inc. ("KIUC")) states:

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, 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, on 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 Mr. Kollen's direct testimony herein.

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. "You" or "your" means Kentucky Industrial Utility Customers, Inc., the person whose filed testimony is the subject of these requests 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 request 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.

INSTRUCTIONS

1. The Requests shall be deemed continuing so as to require prompt further and supplemental production if at any time during this proceeding in the event you locate or obtain possession, custody or control of additional responsive documents.
2. Any studies, documents, or other subject matter not yet completed that will be relied upon during the course of this proceeding should be provided as soon as they are completed. You are obliged to change, supplement and correct all answers to these Requests to conform to available information, including such information as it first becomes available to you 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 should 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. If you believe any Request is unclear or ambiguous please consult with counsel for Kentucky Power for clarification.
7. If assert any privilege with respect to each document or communication please identify the privilege, all facts supporting your assertion of the privilege, and all persons who were provided access to the document or communication.

Data Requests

1. Has Mr. Kollen provided testimony in any proceeding in which he offered an opinion with respect to an application or other request to construct, purchase, lease, finance or enter into a power purchase agreement or other agreement with respect to a renewable energy generating source? If the answer is yes, for each such proceeding please provide the following:
 - (a) The style, jurisdiction and case number of the proceeding;
 - (b) A copy of any testimony filed in the proceeding by Mr. Kollen, along with all exhibits and supporting work papers. Exhibits or workpapers that exist in an electronic format should be provided in such format; and
 - (c) The final decision in the proceeding.

2. Has Mr. Kollen provided testimony in any proceeding in which he offered an opinion with respect to congestion pricing, financial transmission rights, and auction revenue rights within PJM? If the answer is yes, for each such proceeding please provide the following:
 - (a) The style, jurisdiction and case number of the proceeding;
 - (b) A copy of any testimony filed in the proceeding by Mr. Kollen, along with all exhibits and supporting work papers. Exhibits or workpapers that exist in an electronic format should be provided in such format;
 - (c) The final decision in the proceeding; and
 - (d) Please identify any other experience or expertise Mr. Kollen claims with respect to congestion pricing, financial transmission rights, and auction revenue rights within PJM.

3. Please refer to page 4. lines 14-15 of Mr. Kollen's testimony. Mr. Kollen testifies that "[t]here is significant uncertainty as to whether there ever will be a federal or Kentucky legislative mandate to acquire ... [renewable] resources...."
 - (a) Please quantify what Mr. Kollen means by the phrase "significant uncertainty."
 - (b) What is the likelihood there will be a Kentucky **executive branch** mandate requiring Kentucky Power to acquire renewable generating resources?
 - (c) Please provide the basis, including any studies, reports or other documentation for Mr. Kollen's testimony and his quantification of the phrase "significant uncertainty" as used in his testimony and responses to this data request.
 - (d) Does Mr. Kollen believe it is prudent for Kentucky Power to wait to acquire any renewable generating resources until it is required to do so by federal or state mandate?

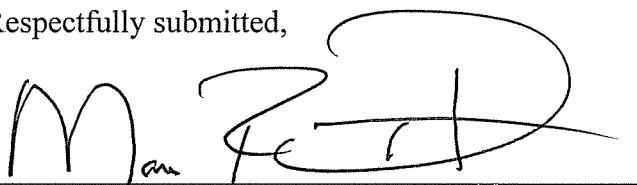
- (e) Please provide the facts, studies, reports and other documentation supporting Mr. Kollen's response to subpart (d) of this data request.
4. Please refer to Page 4, lines 21-23 of Mr. Kollen's testimony.
- (a) Was H.B. 3 the only bill introduced in the 2010 Session of the Kentucky General Assembly relating the use of renewable energy resources by Kentucky-based utilities?
 - (b) Is Mr. Kollen familiar with other legislation dealing with renewable generation requirements introduced in the Kentucky General Assembly?
 - (c) Did the legislation identified in your answer to subpart(b) of this Request limit the renewable resources that could be used to meet the requirements that would have been imposed by the legislation to renewable generation resources located in Kentucky?
 - (d) Did the proposed federal legislation referred to at page 11 of Mr. Weaver's testimony in this proceeding specify the location of the generation used to satisfy the renewable portfolio standard to be imposed by the legislation?
5. Please refer to page 3, lines 11-14 of Mr. Kollen's testimony.
- (a) Are there advantages to Kentucky Power having access to diverse energy sources?
 - (b) If the answer to subpart (a) of this Request is "yes," please identify the advantages.
 - (c) If the answer to subpart (a) of this Request is "no," please provide the basis for the answer and all facts, studies, reports and other documentation supporting Mr. Kollen's response to subpart (a) of this data request.
6. Please refer to page 6, lines 18-22 of Mr. Kollen's testimony. Mr. Kollen filed testimony on behalf of KIUC in Case No. 2009-00459.
- (a) Is Mr. Kollen familiar with Kentucky Power's response to Request No. 15, KIUC's First Set of Data Requests in Case No. 2009-00459?
 - (b) Is Mr. Kollen familiar with Kentucky Power's response to Request No. 1, KIUC Second Set of Data Requests in Case No. 2009-00459?
 - (c) Does Mr. Kollen agree that the responses referred to in subparts (a) and (b) of this data represent evidence that the contract at issue in this proceeding is at a lesser cost than the supply-supply resources addressed in those responses?
 - (d) Please provide all facts, studies, reports and other data supporting Mr. Kollen's response to subpart (c) of this Request.
7. Please refer to page 7, lines 4-9 of Mr. Kollen's testimony. With respect to that testimony:

- (a) Provide copies of orders of the Kentucky Public Service Commission employing the referenced “least cost” standard in connection with renewable energy sources.
 - (b) At lines 6-9 of page 7 of Mr. Kollen’s testimony reference is made by Mr. Kollen to “other state commissions where this traditional [“least cost”] standard is not overridden by the requirements of a renewable mandate.” Please identify all such jurisdictions referred to in Mr. Kollen’s referenced testimony.
 - (c) Provide copies of the orders from the jurisdictions identified in your response to subpart (b) of this Response in which the state public utility regulatory commission employed the the referenced “least cost” standard in connection with renewable energy sources.
 - (d) Provide copies of any orders with which you are familiar in which the public utility regulatory commission in a jurisdiction lacking renewable portfolio standards or mandates declined to employ the “least cost” standard in connection with renewable generation or purchase power agreements involving renewable generation.
8. Please refer to page 8, lines 16-22 and page 9, lines 1-2, of Mr. Kollen’s testimony.
- (a) Would the enactment or promulgation of federal and/or Kentucky renewable standards likely cause the price of renewable energy certificates to increase?
 - (b) What is the projected cost of renewable energy certificates each year over the next 20 years? If the information is not available on a yearly basis, or for the next 20 years, please provide the cost for such period and upon such periodic basis the information is available.
 - (c) Please provide all facts, studies, reports or other data supporting your response to subpart (b) of this data request.
9. Please refer to page 10, lines 19-23, and page 11, lines 1-22 of Mr. Kollen’s testimony. Please detail all criteria or factors utilized by debt rating agencies in their consideration of purchased power agreements in fixing a utility’s debt rating.
10. Please refer to page 11, lines 1-22 of Mr. Kollen’s testimony.
- (a) Will all major credit rating agencies calculate the debt equivalency for the contract at issue in this proceeding as indicated in your testimony?
 - (b) Please provide all facts, studies, reports or other information supporting your answer to subpart (a) of this data request.
 - (c) If your answer to subpart (a) of this data request is “no,” please identify which credit rating agencies will calculate the debt equivalency for the contract at issue in this proceeding in a fashion different than indicated in your testimony.

- (d) Please detail the manner in which the debt rating agencies identified in response to subpart (c) of this data request will calculate the debt equivalency for the contract at issue in this proceeding.
11. Please refer to Mr. Kollen's Confidential Exhibit LK-10.
- (a) Is Mr. Kollen aware that Standard & Poor's includes a capacity factor in its evaluation of all-in energy purchase power agreements such as the contract that is the subject of this proceeding?
 - (b) Did Mr. Kollen assume a capacity factor in connection with the calculation presented in Confidential Exhibit LK-10?
 - (c) If Mr. Kollen assumed a capacity factor in connection with the calculation presented in Confidential Exhibit LK-10 please identify the source of the capacity factor used.
 - (d) If Mr. Kollen assumed a capacity factor in connection with the calculation presented in Confidential Exhibit LK-10 please detail the basis for using the selected capacity factor, including all facts, studies, reports or other information supporting its use.
 - (e) If Mr. Kollen did not assume a capacity factor in connection with the calculation presented in Confidential Exhibit LK-10 please detail the basis for not doing so, including all facts, studies, reports or other information supporting Mr. Kollen's decision not to assume a capacity factor.
12. Please refer to Mr. Kollen's Confidential Exhibit LK-10.
- (a) Please provide the basis for Mr. Kollen's use of a 50/50 debt/equity capital structure in the calculation on Confidential Exhibit LK-10.
 - (b) What is the source of the debt/equity capital structure used in the calculation in Confidential Exhibit LK-10?
 - (c) Does Mr. Kollen contend that Kentucky Power's rates should be determined using a 50/50 debt/equity capital structure?
13. Please refer to Mr. Kollen's testimony at page 5, lines 1-23, and page 6, lines 1-13.
- (a) Has Mr. Kollen reviewed the Interconnection Agreement Between Appalachian Power Company, Kentucky Power Company, Ohio Power Company, Columbus Southern Power Company, Indiana & Michigan Electric Company with the American Electric Power Service Company as Agent, dated July 6, 1951, as modified ("AEP Pool Agreement")?
 - (b) Please confirm that Kentucky Power is a capacity deficit member under the terms of the AEP Pool Agreement.

- (c) Please confirm that by entering into the wind purchase power agreement that is the subject of this proceeding Kentucky Power will reduce the amount of capacity charge payments it makes under the AEP Pool Agreement.
 - (d) Please confirm that the wind purchase power agreement that is the subject of this proceeding will increase the amount of primary energy receipts received by Kentucky Power from other AEP-East companies under the AEP Pool Agreement.
14. Please refer to page 11, lines 18-22. Mr. Kollen filed testimony on behalf of KIUC in Case No. 2009-00459.
- (a) Please identify where in Kentucky Power's application in Case No. 2009-00459 Kentucky Power is seeking "an increase in the common equity ratio and a reduction in the debt ratio," as a result of the proposed wind power purchase agreement that is the subject of this proceeding.
 - (b) Please calculate any increase in the Company's revenue requirement in Case No. 2009-00459 as a result of the claimed increase in the common equity ratio and a reduction in the debt ratio," as a result of the proposed wind power purchase agreement that is the subject of this proceeding.
15. Please refer to page 10, lines 4-11 of Mr. Kollen's testimony. Please provide copies of all orders of the Kentucky Public Service Commission where the Commission applied the Kentucky Power System Sales Clause with respect to energy generated by some but not all generation sources.
16. Please refer to page 7, lines 16-23 and page 8, lines 1-6 of Mr. Kollen's testimony. Does Mr. Kollen intend that SCW-3 fails to recognize transmission costs as they relate to point-to-point service?

Respectfully submitted,



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COUNSEL FOR KENTUCKY POWER COMPANY

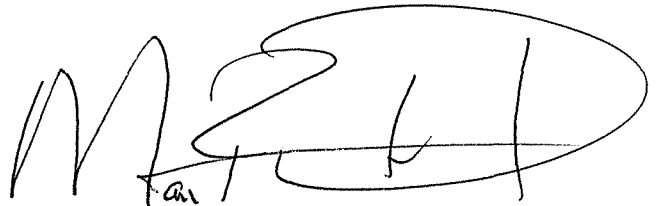
CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served by first class mail, postage prepaid, and by e-mail transmission, upon the following parties, this 9th day of April, 2010.

Dennis G. Howard, II
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A handwritten signature in black ink, appearing to read 'Mark R. Overstreet', written over a horizontal line. The signature is stylized and somewhat cursive.

Mark R. Overstreet