

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

In The Matter Of:

**APPLICATION OF KENTUCKY POWER  
COMPANY FOR APPROVAL OF ITS  
2011 ENVIRONMENTAL COMPLIANCE  
PLAN, FOR APPROVAL OF ITS  
AMENDED ENVIRONMENTAL COST  
RECOVERY SURCHARGE TARIFF, AND  
FOR THE GRANTING OF A  
CERTIFICATE OF PUBLIC  
CONVENIENCE AND NECESSITY FOR  
THE CONSTRUCTION AND  
ACQUISITION OF RELATED  
FACILITIES**

CASE NO. 2011-00401

**RECEIVED**

**MAR 23 2012**

**PUBLIC SERVICE  
COMMISSION**

**Kentucky Power Company Data Requests To  
the Attorney General of the Commonwealth of Kentucky,  
By and Through His Office of Rate Intervention**

Kentucky Power Company propounds the following Data Requests to the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention:

**Instructions And Definitions**

**Instructions**

1. Please identify the witness(es) who will be prepared to testify concerning the responses to each request.
2. 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.

3. If any request appears confusing, or incapable of being fully and completely answered, please request clarification directly from counsel for Kentucky Power.

4. 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.

5. To the extent that any request may be answered by way of a computer printout or electronic document, please identify each variable contained in the printout which would not be self evident to a person unfamiliar with the printout or electronic document.

6. If the Attorney General has objections to any request on the grounds that the requested information is confidential, privileged, proprietary in nature, or for any other reason, please promptly notify counsel for Kentucky Power.

7. 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 include all information regardless of the medium or media in which they are recorded (including electronic media and e-mail), in any written, graphic or other tangible form including, but not necessarily limited to: 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 or 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 / records, 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, 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.

8. 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.

9. In the event any document called for has been destroyed or transferred beyond the control of the Attorney General or his witness:

(a) Please identify: (i) the person by whom it was destroyed and/or transferred; (ii) the transferee; and (iii) the person authorizing the destruction or transfer; and

(b) State: (i) the time, place, and method of destruction or transfer; and, (ii) the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

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

#### Time

Unless otherwise provided, the applicable time period for each of these requests for information is January 1, 2009 to the present.

#### Continuing Nature of Requests

These requests are continuing in nature and the responses shall be promptly and periodically supplemented, amended, or modified, so as to remain at all times current, complete and accurate.

#### Data Requests

1. Please provide in their original form, with all calculations operable and formulas intact and unprotected, all electronic spreadsheets and other calculations used, developed in connection with the preparation of, referenced, or contained in Dr. Woolridge's testimony, analyses, and exhibits filed in this proceeding.

2. Please provide copies of all documents, articles, studies, or other publications referenced in Dr. Woolridge's testimony.

3. Does Dr. Woolridge agree that bond rating agencies, such as Standard & Poor's Corporation, consider the impact of regulation on a utility's risks when evaluating credit ratings?

If the answer is anything other than an unqualified, “yes”, please provide a complete explanation of, and support for, the answer.

4. Does Dr. Woolridge believe that the beta values referenced on Exhibit JRW-11 reflect the market’s assessment of the impact of regulation on the utilities’ relative investment risks? If the answer is anything other than an unqualified, “yes”, please provide a complete explanation of, and support for, the answer.

5. Please refer to page 32, lines 16-17, of Dr. Woolridge’s testimony. Please provide a detailed explanation of, including all support for, the methodology used by Dr. Woolridge in adjusting the DPS growth rate downward from the projected EPS growth rate for each of the companies in his proxy group. For each of the companies in Dr. Woolridge’s proxy group please provide:

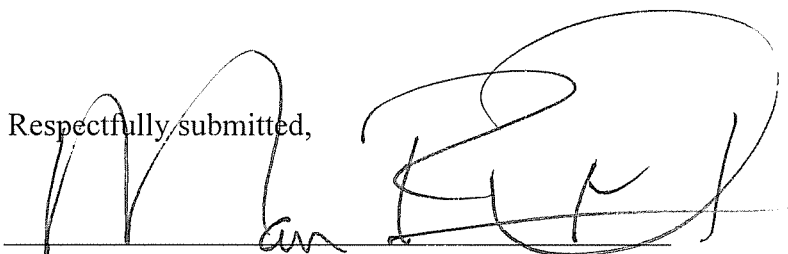
- a. the calculation of the downward adjustment in electronic spreadsheet format, with all calculations operable and formulas intact and unprotected;
- b. the magnitude of the adjustment for each company.

6. Please refer to page 45, lines 1-2, of Dr. Woolridge’s testimony. Did Dr. Woolridge directly rely on this 4.3% equity risk premium in determining his recommended ROE? If the answer is anything other than an unqualified, “No,” please calculate the cost of equity estimate implied by the 4.3% risk premium for Dr. Woolridge’s proxy group.

7. Please refer to page 45, line 11, of Dr. Woolridge’s testimony. Did Dr. Woolridge directly rely on this 2.8% equity risk premium in determining his recommended ROE? If the answer is anything other than an unqualified, “No,” please calculate the cost of equity estimate implied by 2.8% risk premium for Dr. Woolridge’s proxy group.

8. Please refer to page 48, lines 18-21, of Dr. Woolridge's testimony. Please provide all cost of equity estimates, including all calculations and support thereof, developed by or on behalf of Dr. Woolridge using the DCF and CAPM approaches discussed in his testimony for the industry groups presented on JRW-8. If Dr. Woolridge did not perform these analyses, or have them performed in connection with the preparation of his testimony, please indicate in detail, including all support and calculations, how the referenced testimony confirms the reasonableness of his recommended ROE.

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 e-mail and first class mail upon the following parties of record this the 23<sup>rd</sup> day of March, 2012.

Michael L. Kurtz  
Kurt J. Boehm  
Boehm, Kurtz & Lowry  
Suite 1510  
36 East Seventh Street  
Cincinnati, OH 45202

Joe F. Childers  
Joe F. Childers & Associates  
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Kristin Henry  
Sierra Club  
85 Second Street  
San Francisco, CA 94105

Shannon Fisk  
235 Rector St.  
Philadelphia, PA 19128

A handwritten signature in black ink, appearing to read "Mark Overstreet", is written over a horizontal line. The signature is stylized, with the first name "Mark" written in a cursive-like font and "Overstreet" written in a more blocky, capital-letter style. The entire signature is enclosed within a large, hand-drawn oval.

Mark R. Overstreet