

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

In the Matter of:

The Application of Kentucky Power Company for:)
(1) A General Adjustment of Its Rates for Electric)
Service; (2) An Order Approving Its 2014) Case No. 2014-00396
Environmental Compliance Plan; (3) An Order)
Approving Its Tariffs and Riders; and (4) An Order)
Granting All Other Required Approvals and Relief)

**KENTUCKY POWER COMPANY'S DATA REQUESTS TO
THE ATTORNEY GENERAL OF THE COMMONWEALTH OF KENTUCKY**

* * * * *

Pursuant to the Commission's Order dated January 13, 2015, Kentucky Power Company propounds the following data requests to be answered by the Attorney General of the Commonwealth of Kentucky:

DEFINITIONS

1. "Document" means the original and all copies (regardless of origin and whether or not including additional writing thereon or attached thereto) of memoranda, reports, books, manuals, instructions, directives, records, forms, notes, letters, notices, confirmations, telegrams, pamphlets, notations of any sort concerning conversations, telephone calls, meetings or other communications, bulletins, transcripts, diaries, analyses, summaries, correspondence investigations, questionnaires, surveys, worksheets, and all drafts, preliminary versions, alterations, modifications, revisions, changes, amendments and written comments concerning the foregoing, in whatever form, stored or contained in or on whatever medium, including computerized memory or magnetic media.
2. "Study" means any written, recorded, transcribed, taped, filmed, or graphic matter, however produced or reproduced, either formally or informally, 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.
3. "Person" means any natural person, corporation, professional corporation, partnership, association, joint venture, proprietorship, firm, or the other business enterprise or legal entity.

4. A request to identify a natural person means to state his or her full name and residence address, his or her present last known position and business affiliation at the time in question.
5. A request to identify a document means to state the date or dates, author or originator, subject matter, all addressees and recipients, type of document (e.g., letter, memorandum, telegram, chart, etc.), number or code number thereof or other means of identifying it, and its present location and custodian. If any such document was, but is no longer in the Attorney General's possession or subject to its control, state what disposition was made of it.
6. A request to identify a person other than a natural person means to state its full name, the address of its principal office, and the type of entity.
7. "Identify" used in a fashion other than as described in instructions 3-6 above means to provide in detail, including all assumptions, bases, facts considered, and rationale if not called for in another part of the data request, the requested information.
8. "And" and "or" should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.
9. "Each" and "any" should be considered to be both singular and plural, unless specifically stated otherwise.
10. Words in the past tense should be considered to include the present, and words in the present tense include the past, unless specifically stated otherwise.
11. "You" or "your" means the person whose filed testimony is the subject of these interrogatories 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 interrogatory 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.
12. "Attorney General" means the Attorney General of the Commonwealth of Kentucky, to Attorney General's Office of Rate Intervention, its employees, its agents, J. Randall Woolridge, Ralph C. Smith, and Larkin & Associates, PLLC.
13. "PJM" means PJM Interconnection.
14. "Company" means Kentucky Power Company.
15. "AEP" means American Electric Power Company, Inc.

INSTRUCTIONS

1. If any matter is evidenced by, referenced to, reflected by, represented by, or recorded in any document, please identify and produce for discovery and inspection each such document.
2. These interrogatories are continuing in nature, and, without regard to the date created or obtained, information which the responding party later becomes aware of, or has access to, and which is responsive to any request is to be made available to Kentucky Power. Any studies, evaluations, analyses, documents, or other subject matter not yet completed that will be relied upon during the course of this case should be so identified and provided as soon as they are completed. The Respondent is obliged to change, supplement and correct all answers to interrogatories to conform to available information, including such information as it first becomes available to the Respondent 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 provided should first restate the question asked and also 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. In the case of multiple witnesses, each interrogatory should be considered to apply to each witness who will testify to the information requested. Where copies of testimony, transcripts or depositions are requested, each witness should respond individually to the information request.
7. The interrogatories are to be answered under oath by the witness(es) responsible for the answer.
8. Please furnish any non-disclosure or other required for disclosure of any information or response for which confidential treatment provided.

Data Requests

1. Please provide all schedules, tables, and charts included in the testimony and exhibits to the testimony of Mr. Smith in electronic format, with formulas intact and visible, and no pasted values.
2. Please provide all workpapers, source documents, and electronic spreadsheets used in the development of the testimony of Mr. Smith. The requested information, if so available,

should be provided in an electronic format, with formulas intact and visible, and no pasted values.

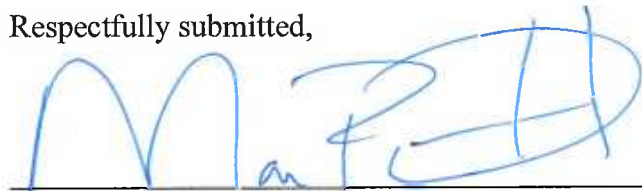
3. Please provide all schedules, tables, and charts included in the testimony and exhibits to the testimony of Mr. Woolridge in electronic format, with formulas intact and visible, and no pasted values.
4. Please provide all workpapers, source documents, and electronic spreadsheets used in the development of the testimony of Mr. Woolridge. The requested information, if so available, should be provided in an electronic format, with formulas intact and visible, and no pasted values.
5. Please provide all testimony of Mr. Smith and Dr. Woolridge, including exhibits, in native format (e.g. Word).
6. Please reference page 27 of the testimony of Mr. Smith. Please explain why it is appropriate to reduce the Company's per book balances of long-term debt and common equity for adjustments to items financed with short term debt.
7. Please reference pages 37 through 42 of the testimony of Mr. Smith.
 - a. Please confirm that it is the position of the Attorney General that costs prudently incurred by a utility in evaluating a generation resource alternative are recoverable only if the utility's evaluation results in the construction or acquisition of the resource evaluated.
 - b. If you confirm the position identified in subpart a, please explain the basis for that position.
 - c. If you cannot confirm the statement in subpart a, please explain the basis for your inability to confirm.
 - d. Please confirm that it is the position of the Attorney General that costs prudently incurred by a utility in evaluating a generation resource alternative cannot be recovered if the utility's evaluation demonstrates lower cost alternatives to meet its customer needs exist and the company pursues the lower cost alternative.
 - e. If you confirm the position identified in subpart d, please explain the basis for that position.
 - f. If you cannot confirm the statement in subpart d, please explain the basis for your inability to confirm.
8. Please reference pages 43 to 45 of the testimony of Mr. Smith.
 - a. Please confirm that the Commission never found that the Big Sandy Unit 2 FGD study costs were imprudently incurred in its order in Case No. 2012-00578.

- b. If you cannot confirm the statement in subpart a, please explain the basis for your inability to confirm.
 - c. Please confirm that it is the Attorney General's position that costs incurred by a utility in evaluating an option to address emerging environmental regulations cannot be recovered unless that option is selected.
 - d. If you cannot confirm the statement in subpart c, please explain the basis for your inability to confirm.
 - e. If the Attorney General confirms the statement in subpart c, please confirm that this is the case even when as a result of the evaluation, a lower costs alternative is discovered and selected by the utility.
 - f. If you cannot confirm the statement in subpart e, please explain the basis for your inability to confirm.
9. Please reference page 60 of the testimony of Mr. Smith.
- a. Please confirm that the rider effective January 1, 2014 designed to collect \$44 million annually for a partial recovery of costs relating to the Mitchell transfer is the Asset Transfer Rider ("ATR") and not the Asset Transfer Rider – 2 ("ATR-2").
 - b. If you cannot confirm the statement in subpart a, please explain the basis for your inability to confirm.
10. Please reference pages 63 to 64 of the testimony of Mr. Smith.
- a. Please confirm that any Big Sandy Retirement costs tracked in the deferral accounts proposed by the Attorney General would be recovered through a period that ends in 2040 regardless of when they were incurred.
 - b. If you cannot confirm the statement in subpart a, please explain the basis for your inability to confirm.
11. Please reference page 67 of the testimony of Mr. Smith.
- a. Please identify all support for Mr. Smith's testimony that the recovery of PJM costs through the BS1OR could lead to abuse by the Company.
 - b. Please confirm that the Company provided hourly test year detail for the PJM charges and credits that the Company proposes to include in the BS1OR in its response to KIUC 1-17.
 - c. If you cannot confirm the statement in subpart b, please explain the basis for your inability to confirm.

- d. Please confirm that the PJM charges and credits relating to Big Sandy Unit 1 while operating as a coal fired generation plant are operating expenses.
 - e. If you cannot confirm the statement in subpart d, please explain the basis for your inability to confirm.
12. Please reference page 72 of the testimony of Mr. Smith. Please supply all calculations and other evidence to support the basis for your statement "Transmission cost recovery should continue in KPCo's base rates, and this KPCo proposed adjustment, which reduced KPCo's requested revenue requirement by the \$126,908, is not needed."
13. Please reference page 76 of the testimony of Mr. Smith.
- a. Please provide all support for the claim that the Company "has abundant generation, more than sufficient to serve its own load" after the Mitchell Transfer.
 - b. Please confirm whether this statement accounts for the retirement of Big Sandy Unit 2 no later than May 31, 2015 and the derating of Big Sandy Unit 1 following the approved natural gas conversion.
 - c. If you cannot confirm the statement in subpart b, please explain the basis for your inability to confirm.
14. Please reference page 77 of the testimony of Mr. Smith.
- a. Please confirm that the values represented in the table on Page 77 reflect the Company's generation capacity during the period following the Mitchell Transfer but prior to the retirement of Big Sandy Unit 2.
 - b. If you cannot confirm the statement in subpart a, please explain the basis for your inability to confirm.
 - c. Please also confirm that during the interim period, in accordance with the Commission-approved Stipulation and Settlement Agreement in Case No. 2012-00578, the Company retains all off system sales margin partially in exchange for only recovering \$44 million annually for its share of the Mitchell plant.
 - d. If you cannot confirm the statement in subpart c, please explain the basis for your inability to confirm.
15. Please identify all proceedings in Ohio, West Virginia, Virginia, Michigan and Indiana where Mr. Smith provided testimony in opposition to the inclusion of PJM charges and credits in riders.
- a. Please provide copies of all testimony offered by Mr. Smith in those proceedings.

- b. Please provide copies of the State Commission Orders in those proceedings where the State Commissions agreed with the testimony of Mr. Smith opposing the inclusion of PJM charges and credits in riders.
 - c. Please confirm that the Company's affiliates in Ohio, West Virginia, Virginia, Michigan, and Indiana, all collect their PJM charges and credits through riders, or track the actual annual PJM charges above and below an amount in base rates.
 - d. If you cannot confirm the statement in subpart c, please explain the basis for your inability to confirm.
16. Please reference page 29, lines 24-25, of the testimony of Mr. Woolridge. Please provide copies of all documents supporting Dr. Woolridge's position that the "three-stage DCF" is a "common application" for investment firms.
17. Is Dr. Woolridge aware of any current allowed ROEs for electric utilities in the U.S. at or below 8.65%? If so, please identify the utility and state jurisdiction.
18. Please reference Exhibit JRW-10, page 5, of the testimony of Mr. Woolridge.
- a. Please indicate the number of analysts estimates included in the consensus growth rates reported from Yahoo, Reuters, and Zacks. If Dr. Woolridge did not review this information or does not have it in his possession, please so state.
 - b. Does Dr. Woolridge contend that a negative growth rate reflects a meaningful estimate of investors' long-term expectations for purposes of applying the constant growth DCF model? If yes, provide a complete explanation and all materials relied on by Dr. Woolridge to support his opinion.
19. Please reference Exhibit JRW-11, pages 5 and 6, of the testimony of Mr. Woolridge. Please provide copies of each of the referenced studies supporting the reported risk premiums.

Respectfully submitted,



Mark R. Overstreet
R. Benjamin Crittenden
STITES & HARBISON PLLC
421 West Main Street
P.O. Box 634
Frankfort, Kentucky 40602-0634
Telephone: (502) 223-3477
Facsimile: (502) 223-4124
moverstreet@stites.com
bcrittenden@stites.com

Kenneth J. Gish, Jr.
STITES & HARBISON PLLC
250 West Main Street, Suite 2300
Lexington, Kentucky 40507
Telephone: (859) 226-2300
Facsimile: (859) 253-9144
kgish@stites.com

COUNSEL FOR
KENTUCKY POWER COMPANY

Certificate of Service

A copy of the foregoing was filed using the Public Service Commission of Kentucky's electronic filing service, which will send an e-mail message to:

Michael L. Kurtz
Kurt J. Boehm
Jody Kyler Cohn
Boehm, Kurtz & Lowry
36 East Seventh Street, Suite 1510
Cincinnati, Ohio 45202
mkurtz@bkllawfirm.com
kBoehm@bkllawfirm.com
jkylercohn@bkllawfirm.com

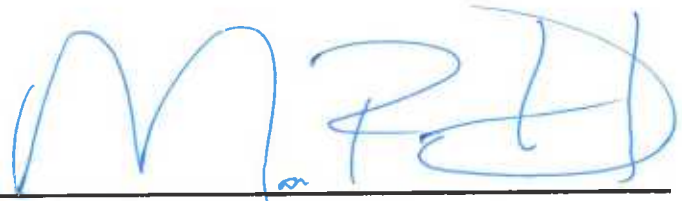
Don C. A. Parker
Spilman Thomas & Battle, PLLC
300 Kanawha Blvd., East
Charleston, WV 25301
dparker@spilmanlaw.com

Matthew R. Malone
William H. May, III
Hurt, Crosbie & May PLLC
127 West Main Street
Lexington, Kentucky 40507
mmalone@hcm-law.com
bmay@hcm-law.com

this the 6th day of April, 2015.

Jennifer Black Hans
Angela Goad
Lawrence W. Cook
Kentucky Attorney General's Office
1024 Capital Center Drive, Suite 200
Frankfort, Kentucky 40601-8204
jennifer.hans@ag.ky.gov
angela.goad@ag.ky.gov
larry.cook@ag.ky.gov

Derrick Price Williamson
Carrie M. Harris
Spilman Thomas & Battle, PLLC
1100 Bent Creek Blvd., Suite 101
Mechanicsburg, PA 17050
dwilliamson@spilmanlaw.com
charris@spilmanlaw.com



Mark R. Overstreet