

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

In the Matter of:

An Examination Of The Application Of)
The Fuel Adjustment Clause Of Kentucky)
Power Company From November 1, 2012)
Through October 31, 2014)

Case No. 2014-00450

**KENTUCKY POWER COMPANY'S DATA REQUESTS TO KENTUCKY
INDUSTRIAL UTILITY CUSTOMERS, INC. AND THE ATTORNEY GENERAL**

* * * * *

Pursuant to the Commission's Order dated March 9, 2015, Kentucky Power Company propounds the following data requests to be answered by the Attorney General and Kentucky Industrial Customers, Inc. and each its members participating in this proceeding:

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 of 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 KIUC'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 by and through his Office of Rate Intervention.
13. "KIUC" means Kentucky Industrial Utility Customers, Inc., its employees, agents, and its members identified in paragraph 1 of its February 5, 2015 petition to intervene in this proceeding, Lane Kollen, and J. Kennedy and Associates, Inc.
14. "PJM" means PJM Interconnection.
15. "Company" means Kentucky Power Company.
16. "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. Kollen 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. Kollen. The requested information should be provided in an electronic format, with formulas intact and visible, and no pasted values.

3. Please reference page 5, lines 1-3, of the testimony of Mr. Kollen. Please provide all workpapers, source documents, and electronic spreadsheets used in the calculation of fuel expenses referenced therein. The requested information should be provided in an electronic format, with formulas intact and visible, and no pasted values.
4. Please reference page 5, lines 7-16, of the testimony of Mr. Kollen. Please provide all workpapers, source documents, and electronic spreadsheets used in the calculation of values listed below. The requested information should be provided in an electronic format, with formulas intact and visible, and no pasted values.
 - a. The percentage of total system no load costs allocated to off-system sales during the review period.
 - b. The percentage of off-system sales during the review period;
 - c. The actual fuel and purchased power expense during the review period;
 - d. The fuel and purchased power expense allocated to native load customers during the review period under the "Commission methodology"; and
 - e. The fuel and purchased power expense allocated to off system sales during the review period under the "Commission methodology."
5. Please reference the graph titled "Monthly Reserve Margin" on page 8 of the testimony of Mr. Kollen. Please provide all workpapers, source documents, and electronic spreadsheets used in the development of this graph. The requested information should be provided in an electronic format, with formulas intact and visible, and no pasted values.
6. Please reference page 9, lines 1-8, of the testimony of Mr. Kollen. Please provide all workpapers, source documents, and electronic spreadsheets used in the calculation of off-system sales percentages contained therein. The requested information should be provided in an electronic format, with formulas intact and visible, and no pasted values.
7. Please reference the graph titled "Comparison of Percentage of Costs and Percentage of Energy Allocated between OSS and NL" on page 11 of the testimony of Mr. Kollen. Please provide all workpapers, source documents, and electronic spreadsheets used in the development of this graph. The requested information should be provided in an electronic format, with formulas intact and visible, and no pasted values.
8. Please reference the table titled "Allocation of Fuel Costs and Purchase Power by Method (Jan-Oct 2014)" on page 12 of the testimony of Mr. Kollen.
 - a. Please provide all workpapers, source documents, and electronic spreadsheets used in the development of this table. The requested information, if so available, should be provided in an electronic format, with formulas intact and visible, and no pasted values.

- b. Please explain the bases for the difference in the values in the Total column between the rows labeled "Company Methodology," "Commission Methodology," and "EKPC Restack."
9. Please reference page 20, lines 3-4, of the testimony of Mr. Kollen where Mr Kollen states, "No other utility in the Commonwealth uses the Kentucky Power allocation methodology, including EKPC and Duke, which also are PJM members."
 - a. On a utility by utility basis, provide all evidence and support relied upon by Mr. Kollen to make this statement.
10. Please reference page 20, line 19, through page 21, line 5, of the testimony of Mr. Kollen. Please provide all workpapers, source documents, and electronic spreadsheets used in the development of the fuel and purchase power expense contained therein. The requested information should be provided in an electronic format, with formulas intact and visible, and no pasted values.
11. Please reference the table titled "Kentucky Power Company Allocation of Unit Fuel Costs to Native Load and Off System Sales (\$/MWh)" on page 21 of the testimony of Mr. Kollen. Please provide all workpapers, source documents, and electronic spreadsheets used in the development of this table. The requested information should be provided in an electronic format, with formulas intact and visible, and no pasted values.
12. Please reference page 23, lines 12-25, of the testimony of Mr. Kollen. Please provide all workpapers, source documents, and electronic spreadsheets used in the calculation of the values listed below. The requested information should be provided in an electronic format, with formulas intact and visible, and no pasted values.
 - a. The percentage of hours during the review period when off-system sales were made.
 - b. The percentage of hours when "the native load was the sum of the unit minimums and the Company sold this generation and more off-system."
13. Please confirm that during the review period the Company's customers benefited from the additional generation provided by the Company's ownership of both its undivided 50% interest in the Mitchell generating station and Big Sandy Unit 2 through the avoidance of fuel costs and market purchases that would have exceeded the Mitchell fuel costs, including the no load fuel costs, during that same period. If you cannot confirm this statement, please explain the basis for your inability to confirm.
14. Please refer to page 28, lines 1-10, of the testimony of Mr. Kollen.
 - a. Please confirm that a representative from LG&E and KU testified in Case Nos. 2014-00228 (LG&E) and 2014-00227 (KU) that while those companies do not separately identify no load costs, they "utilize the heat rate curves and the fuel

cost to calculate an incremental cost for the highest cost units that are allocated to off-system sales.”

- b. If you cannot confirm the statement in subpart a, please explain the basis for your inability to confirm.
- c. Please confirm that in its December 10, 2014 response to a post-hearing data request in Case No. 2014-00227 (Attachment A to these data requests) KU confirmed its representative testified “ that Mr. Conroy’s testimony indicates that, for KU’s coal units, the minimum costs to operate the units are paid for by native load customers.”
- d. If you cannot confirm the statement in subpart c, please explain the basis for your inability to confirm.
- e. Please confirm that in its December 10, 2014 response to a post-hearing data request in Case No. 2014-00228 (Attachment B to these data requests) LG&E confirmed its representative testified “ that Mr. Conroy’s testimony indicates that, for LG&E’s coal units, the minimum costs to operate the units are paid for by native load customers.”
- f. If you cannot confirm the statement in subpart e, please explain the basis for your inability to confirm.
- g. Please confirm that the Company, LG&E, and KU each allocate costs to off-system sales based on incremental fuel costs and not average costs.
- h. If you cannot confirm the statement in subpart g, please explain the basis for your inability to confirm.
- i. Please confirm that the minimum costs to operate the Company’s coal-fired generating units remain with its native load customers.
- j. If you cannot confirm the statement in subpart i, please explain the basis for your inability to confirm.
- k. Please confirm that the minimum costs to operate KU’s coal-fired generating units remain with its native load customers.
- l. If you cannot confirm the statement in subpart k, please explain the basis for your inability to confirm.
- m. Please confirm that the minimum costs to operate LG&E’s coal-fired generating units remain with its native load customers.
- n. If you cannot confirm the statement in subpart m, please explain the basis for your inability to confirm.

- o. Please provide a copy of the agreement referenced on page 28, lines 7-9 of the testimony of Mr. Kollen.
- 15. Please refer to page 29, lines 13-14, of the testimony of Mr. Kollen and the claimed \$2.872 million due in interest.
 - a. Please provide all workpapers, source documents, and electronic spreadsheets used in the calculation of the claimed interest amount. The requested information should be provided in an electronic format, with formulas intact and visible, and no pasted values.
 - b. Please identify and provide each source for the values used in computing the \$2.872 million value.
 - c. Please provide Mr. Kollen's basis for using the Company's weighted cost of capital in calculating the interest claimed due, including, but not limited to, all statutes, regulations, and orders of the Public Service Commission of Kentucky relied upon by Mr. Kollen in doing so.

Respectfully submitted,



Mark R. Overstreet
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

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

I hereby certify that 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
Jody Kyler Cohn
Boehm, Kurtz & Lowry
36 East Seventh Street, Suite 1510
Cincinnati, Ohio 45202
mkurtz@bkllawfirm.com
KBoehm@bkllawfirm.com
jkylercohn@bkllawfirm.com

Jennifer Black Hans
Gregory T. Dutton
Lawrence W. Cook
Kentucky Attorney General's Office
1024 Capital Center Drive, Suite 200
Frankfort, Kentucky 40601-8204
jennifer.hans@ag.ky.gov
larry.cook@ag.ky.gov
Gregory.Dutton@ag.ky.gov

this 22nd day of April, 2015.



Mark R. Overstreet

Attachment A

KENTUCKY UTILITIES COMPANY

Response to Staff's Second Request for Information

Date December 1, 2014

Case No. 2014-00227

Question No. 1

Witness: Robert M. Conroy

- Q-1. Refer to testimony of Robert Conroy at the November 12, 2014 hearing in this matter at 12:05:00 through 12:06:36 of the video hearing. Confirm that Mr. Conroy's testimony indicates that, for KU's coal units, the minimum costs to operate the units are paid for by native load customers. If this cannot be confirmed, explain what is meant by Mr. Conroy's testimony.
- A-1. Yes, Mr. Conroy's testimony is confirmed. KU's coal units are operated to serve native load customers and all fuel costs of those units, which have not been allocated to off-system sales or otherwise excluded from Fuel Adjustment Clause ("FAC") recovery due to a forced outage, are recovered from native load customers through the FAC. As noted in the Company's October 31, 2001 AFB Presentation for PSC Informal Conference¹, the minimum blocks of each generating unit are stacked at the bottom and the incremental cost for each source (generation or purchases) is then stacked from lowest to highest on a MW by MW basis. The highest incremental costs are allocated to off-system sales for exclusion from the FAC.

¹ *In the Matter of: An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Kentucky Utilities Company from November 1, 2000 to April 30, 2001, Case No. 2000-00497-A; and In the Matter of: An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Louisville Gas and Electric Company from November 1, 2000 to April 30, 2001, Case No. 2000-00498-A.* The Informal Conference was held at the Companies' offices for the purpose of reviewing the detailed AFB data provided to the Commission on September 25, 2001 in response to a Staff request at the hearing of September 4, 2001 in the above referenced cases.

Attachment B

LOUISVILLE GAS AND ELECTRIC COMPANY

Response to Staff's Second Request for Information

Date December 1, 2014

Case No. 2014-00228

Question No. 1

Witness: Robert Conroy

Q-1. Refer to testimony of Robert Conroy at the November 12, 2014 hearing in this matter at 12:05:00 through 12:06:36 of the video hearing. Confirm that Mr. Conroy's testimony indicates that, for LG&E's coal units, the minimum costs to operate the units are paid for by native load customers. If this cannot be confirmed, explain what is meant by Mr. Conroy's testimony.

A-1. Yes, Mr. Conroy's testimony is confirmed. LG&E's coal units are operated to serve native load customers and all fuel costs of those units, which have not been allocated to off-system sales or otherwise excluded from Fuel Adjustment Clause ("FAC") recovery due to a forced outage, are recovered from native load customers through the FAC. As noted in the Company's October 31, 2001 AFB Presentation for PSC Informal Conference¹, the minimum blocks of each generating unit are stacked at the bottom and the incremental cost for each source (generation or purchases) is then stacked from lowest to highest on a MW by MW basis. The highest incremental costs are allocated to off-system sales for exclusion from the FAC.

¹ *In the Matter of: An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Kentucky Utilities Company from November 1, 2000 to April 30, 2001, Case No. 2000-00497-A; and In the Matter of: An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of Louisville Gas and Electric Company from November 1, 2000 to April 30, 2001, Case No. 2000-00498-A.* The Informal Conference was held at the Companies' offices for the purpose of reviewing the detailed AFB data provided to the Commission on September 25, 2001 in response to a Staff request at the hearing of September 4, 2001 in the above referenced cases.