

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

In the Matter of:

THE APPLICATION OF KENTUCKY UTILITIES )  
COMPANY FOR CERTIFICATES OF PUBLIC ) CASE NO.  
CONVENIENCE AND NECESSITY AND APPROVAL ) 2016-00026  
OF ITS 2016 COMPLIANCE PLAN FOR RECOVERY )  
BY ENVIRONMENTAL SURCHARGE )

**ATTORNEY GENERAL’S SUPPLEMENTAL 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 Supplemental Data Requests to Kentucky Utilities Company [hereinafter “KU”] 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) Please identify the witness who will be prepared to answer questions concerning each request.
- (3) Please repeat the question to which each response is intended to refer. The Office of the Attorney General can provide counsel for KU 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, please 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, please 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, please 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, please 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) 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, in compliance with Kentucky Public Service Commission Regulations.

Respectfully submitted,

ANDY BESHEAR  
ATTORNEY GENERAL



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*Certificate of Service and Filing*

Counsel certifies that: (a) the foregoing is a true and accurate copy of the same document being filed in paper medium; (b) pursuant to 807 KAR 5:001 § 8(7)(c), there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and (c) the original and copy in paper medium is being filed with the Commission on April 11, 2016.

I further certify that in accordance with 807 KAR 5:001 § 4 (8), the foregoing is being contemporaneously provided via electronic mail to:

Hon. Allyson Sturgeon  
[allyson.sturgeon@lge-ku.com](mailto:allyson.sturgeon@lge-ku.com)

Hon. Kendrick Riggs  
[kendrick.riggs@skofirm.com](mailto:kendrick.riggs@skofirm.com)

Robert Conroy  
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Hon. Michael Kurtz  
[mkurtz@bkllawfirm.com](mailto:mkurtz@bkllawfirm.com)

this 8<sup>th</sup> day of April, 2016



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Assistant Attorney General

Application of Kentucky Utilities Company for Certificates of Public Convenience  
and Necessity and Approval of its 2016 Compliance Plan for Recovery  
by Environmental Surcharge  
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1. Regarding the discussion of Project 39, the closure of surface impoundments at the Green River, Tyrone, and Pineville stations as discussed in the Direct Testimony of Gary H. Revlett and in responses to numerous first round data requests<sup>1</sup> there appears to be a concern that current sump pump effluent from the plant could be subject to future ELG regulations.
  - a. Provide all studies, evaluations and analyzes, both internal and external, that have led KU to conclude there is a possibility that water from sump pumps at these facilities could become subject to ELG regulations.
  - b. If the water from sump pumps were subject to ELG regulations, provide the cost of complying with those regulations.
  - c. Has KU collected net salvage value in its depreciation rates for these facilities, and if so, what is the current balance?
  - d. Does KU propose to rehabilitate the plant sites? If so, when and how?
  - e. Does any such rehabilitation assume continuous operation of sump pumps?
  
2. Regarding the discussion of Project 39, the closure of surface impoundments at the Green River, Tyrone, and Pineville stations as discussed in the Direct Testimony of Gary H. Revlett and in responses to numerous first round data requests<sup>2</sup> there appears to be a recurring theme that delaying the closure would create a large cost increase later on.
  - a. Provide a management plan detailing how KU plans to prudently manage all of the projects proposed in the filings as well as project 39 within roughly the same timeframe.
  - b. Has KU concluded that it will have no lessons learned or experience gained from the surface impoundment closures at Ghent, Trimble County and Brown that could lead to cost savings for Project 39?
  - c. Will closing multiple surface impoundments at once, particularly when other utilities are trying to achieve the same regulatory compliance, inflate the bids of contractors and engineers for Project 39? Provide any and all analyses or studies KU has performed regarding this issue.
  - d. Explain any conclusions you have regarding any possible cost savings, both internal and external, resulting from performing this quantity of

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<sup>1</sup> Among the responses was AG 1-13, PSC 1-22 and KIUC 1-1 and 1-2.

<sup>2</sup> Ibid.

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- projects simultaneously. Provide any and all analyses or studies you have performed regarding this issue.
- e. Please explain in detail how any engineering cost escalation for this project will be greater than inflation, the efficiency gained from knowledge of doing other surface impoundment projects, savings from leveling the work load of KU staff and opportunistic timing of contracts for engineering and construction when required CCR workload has been completed.
3. Regarding Project 37 as discussed in Exhibit CRS-2 please provide the following:
    - a. Explain why a 30 year project life was assumed.
    - b. Provide and explain the discount rate used in the PVRR analysis in tables 4, 5 and 6.
  4. Regarding Project 38 as discussed in Exhibit CRS-2 please provide a detailed explanation of the following statement on p. 9: "The option to use PAC or coal and FGD additives will enable the Companies' [sic] to have greater control over where mercury is captured – either in the unit's fly ash or gypsum."
  5. Regarding the response to PSC first data request question 34 and the proposed use of organo-sulfide and halogenated liquid chemicals:
    - a. What hazards does the use of these chemicals add to the plant?
    - b. Are these chemicals toxic?
    - c. Do these chemicals represent additional safety concerns and if so what are they?
    - d. Are these chemicals hazardous and do they require special spill and disposal procedures?
  6. Referring to the discussion in JNV-6 and Project 40 please explain the following:
    - a. As described in Section 2 of the report it appears that once ATB1 is reactivated in 2017 that ATB2 is no longer needed. Given that, if ATB2 were merely monitored by groundwater monitoring wells ("GMWs") and a problem was identified, isn't it true that the Ghent units will not need to be shut down while ATB2 is closed?

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- b. Why would ATB2 need to be closed immediately after ATB1 is reactivated? What is the advantage?
  - c. Are there other ways the project could be extended without undue risk that the Ghent units could be shut down? Wouldn't this allow for a more complete plan to be formulated?
- 7. Referring to the statement on Page 3 of 38 of Exhibit JNV-7, during the discussion of the BAP and Gypsum Storage Pond at the Trimble County Generation Station (Section 2.2) the following statement was made: "... This accumulated water will need to be removed in order to close this ponds [sic]. Costs associated with development of this approach and implementation of the approach are not included in this project or cost estimate. ..."
  - a. What does this statement mean?
  - b. What costs are not considered or estimated?
- 8. Georgia Power Company ("GPC") recently announced <sup>3</sup> that it will be closing 29 ash ponds in the next ten years at an approximate cost of \$1 billion. Given that the total number of KU's impoundments are significantly fewer than GPC's, does KU still maintain that its proposals as outlined in the application are still least-cost?

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<sup>3</sup> See, e.g.: <http://www.utilitydive.com/news/georgia-power-to-close-half-of-its-coal-ash-ponds-in-2-years/416598/>