

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

**IN THE MATTER OF: ELECTRONIC 2016)
INTEGRATED RESOURCE PLANNING REPORT OF)
KENTUCKY POWER COMPANY TO THE) CASE NO. 2016-00413
PUBLIC SERVICE COMMISSION OF KENTUCKY)**

**JIM WEBB AND SIERRA CLUB’S REQUESTS FOR INFORMATION TO
KENTUCKY POWER COMPANY**

Intervenors Jim Webb and Sierra Club (collectively “Environmental Intervenors”) pursuant to the Kentucky Public Service Commission’s (“Commission”) January 19, 2017 Order (“January 19 Order”), propound the following requests for information on the Kentucky Power Company’s (“KPC”) integrated resource planning (“IRP”) report filed in the above-captioned proceeding.

KPC shall answer these requests for information in the manner set forth in the January 19 Order and by no later than the March 10, 2017 deadline set forth in the Appendix of the January 19 Order. Please produce the requested documents in electronic format to:

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Wherever the response to a request consists of a statement that the requested information is already available to the Environmental Intervenors, provide a detailed citation to the document that contains the information. This citation shall include the title of the document, relevant page number(s), and to the extent possible paragraph number(s) and/or chart/table/figure number(s).

In the event that any document referred to in response to any request for information has been destroyed, specify the date and the manner of such destruction, the reason for such destruction, the person authorizing the destruction and the custodian of the document at the time of its destruction.

The Environmental Intervenors reserve the right to serve supplemental, revised, or additional discovery requests as permitted in this proceeding.

DEFINITIONS

Unless otherwise specified in each individual interrogatory or request, “you,” “your,” “KPC,” or “Company” refers to Kentucky Power Company, and its affiliates, employees, and authorized agents.

“And” and “or” shall be construed either conjunctively or disjunctively as required by the context to bring within the scope of these interrogatories and requests for production of documents any information which might be deemed outside their scope by another construction.

“Any” means all or each and every example of the requested information.

“CO₂” means carbon dioxide

“Communication” means any transmission or exchange of information between two or more persons, whether orally or in writing, and includes, without limitation, any conversation or

discussion by means of letter, telephone, note, memorandum, telegraph, telex, telecopy, cable, email, or any other electronic or other medium.

“Document” refers to written matter of any kind, regardless of its form, and to information recorded on any storage medium, whether in electrical, optical or electromagnetic form, and capable of reduction to writing by the use of computer hardware and software, and includes all copies, drafts, proofs, both originals and copies either (1) in the possession, custody or control of the Companies regardless of where located, or (2) produced or generated by, known to or seen by the Companies, but now in their possession, custody or control, regardless of where located whether or still in existence.

Such “documents” shall include, but are not limited to, applications, permits, monitoring reports, computer printouts, contracts, leases, agreements, papers, photographs, tape recordings, transcripts, letters or other forms of correspondence, folders or similar containers, programs, telex, TWX and other teletype communications, memoranda, reports, studies, summaries, minutes, minute books, circulars, notes (whether typewritten, handwritten or otherwise), agenda, bulletins, notices, announcements, instructions, charts, tables, manuals, brochures, magazines, pamphlets, lists, logs, telegrams, drawings, sketches, plans, specifications, diagrams, drafts, books and records, formal records, notebooks, diaries, registers, analyses, projections, email correspondence or communications and other data compilations from which information can be obtained (including matter used in data processing) or translated, and any other printed, written, recorded, stenographic, computer-generated, computer-stored, or electronically stored matter, however and by whomever produced, prepared, reproduced, disseminated or made.

Without limitation, the term “control” as used in the preceding paragraphs means that a document is deemed to be in your control if you have the right to secure the document or a copy

thereof from another person or public or private entity having actual possession thereof. If a document is responsive to a request, but is not in your possession or custody, identify the person with possession or custody. If any document was in your possession or subject to your control, and is no longer, state what disposition was made of it, by whom, the date on which such disposition was made, and why such disposition was made.

For purposes of the production of “documents,” the term shall include copies of all documents being produced, to the extent the copies are not identical to the original, thus requiring the production of copies that contain any markings, additions or deletions that make them different in any way from the original

“DSM” means demand-side management programs including demand-response, interruptible load, and energy efficiency programs.

“ELG” means Effluent Limitation Guidelines

“Identify” means:

- (a) With respect to a person, to state the person’s name, address and business relationship (e.g., “employee”) to Big Rivers;
- (b) With respect to a document, to state the nature of the document in sufficient detail for identification in a request for production, its date, its author, and to identify its custodian. If the information or document identified is recorded in electrical, optical or electromagnetic form, identification includes a description of the computer hardware or software required to reduce it to readable form.

“IRP” means the Integrated Resource Plan, and all supporting exhibits and appendices, filed by KPC in this proceeding

“Relating to” or “concerning” means and includes pertaining to, referring to, or having as a subject matter, directly or indirectly, expressly or implied, the subject matter of the specific request.

“Workpapers” are defined as original, electronic, machine-readable, unlocked, Excel format (where possible) with formulas intact

PRIVILEGE

If you claim a privilege including, but not limited to, the attorney-client privilege or the work product doctrine, as grounds for not fully and completely responding to any request for information, describe the basis for your claim of privilege in sufficient detail so as to permit the Environmental Intervenors or the Commission to evaluate the validity of the claim. With respect to documents for which a privilege is claimed, produce a “privilege log” that identifies the author, recipient, date and subject matter of the documents or answers for which you are asserting a claim of privilege and any other information pertinent to the claim that would enable the Environmental Intervenors or the Commission to evaluate the validity of such claims.

To the extent that you can legitimately claim that any response or responsive document is entitled to confidentiality, the Environmental Intervenors are willing to enter into a confidentiality agreement that would protect such response or document from public disclosure.

TIME

Unless otherwise provided, the applicable time period for each of these requests for information is January 1, 2014 to the present.

REQUESTS FOR INFORMATION

1. Refer to page 14 of the IRP. With regards to the Rockport Plant UPA:
 - a. Explain why the IRP assumes that the UPA will be renewed and continue through the planning period;
 - b. Explain why the IRP does not model any scenarios in which the UPA is not renewed beyond its current end of 2022 expiration;
 - c. Identify the time frame in which the decision whether to renew or extend the UPA will be made;
 - d. State whether the Company intends to seek Commission approval before making a final decision whether to renew or extend the UPA. If not, explain why not;
 - e. Produce any analyses the Company has produced or reviewed regarding whether to renew or extend the UPA beyond the end of 2022, including any workpapers or other documents regarding such analyses;
 - f. Produce any analysis the Company has produced or reviewed regarding the economics of continued operation versus retirement in any year through 2031 of either or both of the Rockport units;
 - g. Produce a copy of the UPA; and
 - h. Identify the cost of the UPA per year.

2. Refer to page 16 of the IRP. With regards to the elements of the Preferred Plan listed in the 9 bullet points on that page:

- a. Identify whether each such element was selected by the Plexos modeling discussed on page 15 of the IRP;
 - b. For each element that was not selected by the Plexos modeling, explain the basis upon which it was decided to include the element in the Preferred Plan; and
 - c. Explain why Big Sandy Unit 1 ceases operation after 2030 in the Preferred Plan.
3. Refer to Table 1 on page 32 of the IRP. Explain why the 2016 forecasted capacity prices are lower than the 2013 forecasted capacity prices for each year of 2020 through 2031.
4. Refer to page 33 of the IRP. Explain why the forecasted level of distributed generation dropped from 48 MW by 2028 in the 2013 IRP to 1 MW in the 2016 IRP.
5. Refer to pages 41 to 42 of the IRP.
 - a. Identify what percent of the Company's total load and energy demand was for coal mining in 2010 and in 2015; and
 - b. Identify what percent of load and energy demand in the Company's load forecast is for coal mining in each of the years 2017 through 2031.
6. Refer to page 67 of the IRP. With regards to ELG compliance at the Mitchell Plant:
 - a. Identify each of the "necessary plant modifications" that you anticipate will need to be carried out to bring the Mitchell Plant into compliance with the ELG Rule;
 - b. Identify the estimated capital cost of each of the "necessary plant modifications" identified in response to subpart a above; and

- c. Explain how ELG compliance costs at the Mitchell Plant were incorporated into the Plexos modeling discussed in this IRP, including the date of compliance assumed in that modeling.

- 7. Refer to page 67 of the IRP. With regards to ELG compliance at the Rockport Plant:
 - a. Identify each plant modifications that you anticipate will need to be carried out to bring the Rockport Plant into compliance with the ELG Rule;
 - b. Identify the estimated capital cost of each of the modifications identified in response to subpart a above; and
 - c. Explain how ELG compliance costs at the Rockport Plant were incorporated into the Plexos modeling discussed in this IRP, including the date of compliance assumed in that modeling.

- 8. Refer to pages 73 to 79 of the IRP. For each of the years 2017 through 2031, identify the level of demand (in MWs) and energy (in MWhs) savings embedded in the Company's load forecast from:
 - a. the Company's previously approved DSM programs;
 - b. existing codes and standards;
 - c. future codes and standards;
 - d. existing demand response programs; and
 - e. existing energy efficiency programs.

9. Refer to page 83 of the IRP. Identify and describe any efforts by the Company to recruit CHP customers or otherwise encourage the implementation of CHP programs within its service territory, and explain the results of such efforts.

10. Refer to page 89 of the IRP.
 - a. Explain why the IRP assumes that the Company will continue to be a Fixed Resource Requirement participant in the PJM capacity market; and
 - b. Produce the most recent analysis that the Company carried out or reviewed of whether to continue to be a Fixed Resource Requirement participant.

11. Refer to page 101 of the IRP. Produce a complete copy of the AEP Fundamentals Analysis completed in October 2016.

12. Refer to page 107 of the IRP. With regards to the forecasted capacity prices identified in Figure 23:
 - a. Explain how you developed the capacity price forecasts set forth in Figure 23 and identify any assumptions that went into those forecasts.
 - b. Explain why the forecasted capacity price drops to \$25/MW-day in 2021 and, depending on the scenario, stays at that level for two to five years.
 - c. Explain what “*Prices constrained to greater than \$25/MW-day” refers to and means.

- d. Confirm that your forecasted capacity prices do not approach the PJM Cost of New Entry (“CONE”) or Net CONE in any of the forecasted scenarios in any year of the forecast.
 - d.i. If confirmed, explain why the forecasted prices do not approach CONE or Net CONE.
 - d.ii. If not confirmed, explain why not.

- 13. Refer to page 108 of the IRP. Explain the basis for the assumption that wind resources will be valued at only 5% of nameplate capacity rating under PJM’s Capacity Performance Rule. Identify and produce any document supporting that 5% assumption.

- 14. Refer to page 108 of the IRP. Explain how your reasoning for not developing or modeling industrial energy efficiency programs is consistent with the results of the efficiency potential for the industrial sector identified in Table 12 on page 88 of the IRP.

- 15. Refer to page 123 of the IRP. Produce the BNEF solar pricing forecast referenced therein. Identify the date of that forecast.

- 16. Refer to Figure 28 on page 127 of the IRP. Explain why the forecasted LCOE for wind resources increases from just over \$50/MWh for a 2022 year of commercial operation to more than \$70/MWh for a 2024 year of commercial operation.

17. Refer to pages 141-142 of the IRP. Identify each environmental control on the Rockport units included in Table 22, and the Company's share of the cost of each of those controls.

18. Refer to Table 24 on page 145 of the IRP. For each correlation between coal, gas, power, and CO2 prices, explain the basis for the identified correlation, and produce any studies, analyses, or other documents supporting such correlation.

19. Refer to pages 134 to 135 of the IRP. Produce the workpapers, modeling input and output files, and revenue requirement results for the Plexos modeling of each of the six scenarios listed in Table 18 and for the Preferred Plan and the Do-Nothing Plan.

Respectfully submitted,

/s/ Joe F. Childers

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Dated: February 24, 2017

CERTIFICATE OF SERVICE

This is to certify that the foregoing copy of the REQUESTS FOR INFORMATION in this action is a true and accurate copy of the document being filed in paper medium; that the electronic filing was transmitted to the Commission on February 24, 2017; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that a copy of the filing in paper medium is being sent to the Commission via Federal Express.

/s/ Joe F. Childers
JOE F. CHILDERS