

**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 SUPPLEMENTAL 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 supplemental requests for information regarding Kentucky Power Company’s (“KPC”) integrated resource planning (“IRP”) report filed in the above-captioned proceeding.

KPC shall answer these supplemental requests for information in the manner set forth in the January 19 Order and by no later than the April 7, 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.

“UPA” means the Unit Power Agreement for a 15% share of the energy and capacity from the Rockport plant in Indiana.

“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 your response to SC 1-1(a) and (b). With regards to the “uncertainty associated with planning criteria” referenced therein:
 - a. State whether the referenced uncertainty would require “continual updates” to the results of any evaluation of renewal or continuation of the UPA after its current expiration date.
 - i. If not, explain why not.
 - b. Explain why the referenced uncertainty “makes reliance on the current UPA more reasonable for modeling purposes.”
 - c. State whether the Company could have evaluated any scenarios in which the UPA is not renewed beyond its current expiration date and dealt with the referenced uncertainty through sensitivity analyses.
 - i. If not, explain why not.
2. Refer to your response to SC 1-1(e). State whether the Company has reviewed any analyses, studies, or other documents regarding whether to renew or extend the UPA beyond its current expiration date. If so, produce each such analysis, study, or other document.
3. Refer to your response to SC 1-1(f). State whether the Company has reviewed any analyses, studies, or other documents regarding the economics of continued operation versus retirement in any year through 2031 of either or both of the Rockport units. If so, produce each such analysis, study, or other document.

4. Refer to your response to SC 1-3
 - a. State whether the “approach taken to potential CO2 mitigation policy” in your capacity price forecasts partially or entirely explains why the forecasted 2020 capacity price in your 2016 forecast is less than 25% of the forecasted 2020 capacity price in your 2013 forecast.
 - i. If so, explain how.
 - ii. If partially, identify and explain what other factors explain why the forecasted 2020 capacity price is lower in your 2016 forecast than in your 2013 forecast.
 - iii. If not, identify and explain what factors do explain why the forecasted 2020 capacity price is lower in your 2016 forecast than in your 2013 forecast.
 - b. State whether the “approach taken to potential CO2 mitigation policy” in your capacity price forecasts partially or entirely explains why the forecasted capacity prices for 2021 through 2027 in your 2016 forecast are less than 10% of the forecasted capacity price for 2021 through 2027 in your 2013 forecast.
 - i. If so, explain how.
 - ii. If partially, identify and explain what other factors explain why the forecasted capacity prices for 2021 through 2027 are lower in your 2016 forecast than in your 2013 forecast.
 - iii. If not, identify and explain what factors do explain why the forecasted capacity prices for 2021 through 2027 are lower in your 2016 forecast than in your 2013 forecast.
5. Refer to Attachment 1 to your response to SC 1-5.
 - a. Identify the actual level of mine power energy sales in GWhs for 2016.
 - b. Explain why you forecast that mine power energy sales will decline only 19 GWhs between 2017 through 2031, after falling 442 GWhs from 2010 through 2015.
 - c. Refer to Figure 4 and pages 41 to 42 of the IRP. Identify the forecasted level of Eastern Kentucky coal production for each of the years 2017 through 2031 that was assumed in your mine power energy sales forecast for each of those years. Provide the basis for such forecasted levels.
6. Refer to your response to SC 1-7. Explain why Rockport ELG related capital costs were projected through 2019, as opposed to 2023.
7. Refer to your response to SC 1-11 and Attachments 1 through 4 to that response. Identify and explain the difference in assumptions or scenarios between each of Attachments 1 through 4.

8. Refer to your response to SC 1-14.
 - a. Identify and produce any analysis, study, survey, or other document that you have created or reviewed supporting the assumption that “industrial customers will self-invest in EE measures based on customer-specific economic evaluation regardless of the existence of utility-sponsored energy efficiency programs.”
 - b. For each of the years 2010 through 2015, identify the level in dollars of self-investment in EE measures by the Company’s industrial customers, and the level of energy savings achieved by industrial customers from such investments.
 - c. For each of the years 2017 through 2031, identify the projected level in dollars of self-investment in EE measures by the Company’s industrial customers, and the level of energy savings achieved by industrial customers from such investments.
 - d. Describe the Company’s industrial DSM program referenced therein, and state when the program was initiated, when it was terminated, and the annual budget for the program for each year it was in existence.
 - e. For the year 2015, identify the number of industrial customers that the Company had; the maximum, minimum, and average load of such industrial customers; and the maximum, minimum, and average energy demand of such industrial customers.
 - f. For each of the years 2017 through 2031, identify the forecasted number of industrial customers that the Company had; the forecasted maximum, minimum, and average load of such industrial customers; and the forecasted maximum, minimum, and average energy demand of such industrial customers.

9. Refer to your response to AG 1-2(g). Explain why you assumed for planning purposes in this IRP that Big Sandy Unit 1 will retire in May 2031.

10. Refer to your response to KIUC 1-1(d).
 - a. Identify each other provision of the contract that would be “subject to change” if the Company challenged the ROE in the contract.
 - b. Explain why each provision identified in subsection a would be “subject to change” if the Company challenged the ROE in the contract.
 - c. Identify what the “equity content of the capital structure” would be if the 40% cap were not in effect.
 - d. Identify each “FERC-approved cost-based wholesale power supply agreements to which Kentucky Power is a party” referenced therein, the ROE for each such agreement, and the year in which such ROE was approved or established.

11. Refer to your response to KPSC 1-1. Identify by when the Company would need to start planning to replace the capacity and/or energy from the UPA if the Company were to not renew or extend the UPA beyond its current expiration date. Explain your response.

12. Refer to the IRP, p. 15 of 1497. State whether you considered either in your Plexos modeling or as an addition to the Plexos modeling results, any end-effects beyond the year 2035.
 - a. If so, identify the time period over which such end-effects were considered, and explain how they were considered including each category of costs and revenues that were considered.
 - b. If not, explain why not.

13. Refer to your response to KPSC 1-8(b). Explain why the Company has not considered changes to its net metering tariff to encourage distributed generation.

14. Refer to your response to KPSC 1-14 and Attachment 1 to that Response.
 - a. Confirm that Attachment 1 presents Mine Power Energy Sales, as opposed to Miner Power Energy Sales.
 - b. Identify the Mine Power Energy Sales per month for each month in 2015.

15. Refer to your response to KPSC 1-20. Identify the source for the referenced forecast that coal mining will be more stable after a sharp decline in 2016. Produce any studies, reports, or other documents supporting or regarding that forecast.

16. Refer to your response to KPSC 1-28(c). Produce the modeling analysis for the Mitchell Plant referenced therein.

Respectfully submitted,

/s/ Joe F. Childers

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Dated: March 24, 2017

CERTIFICATE OF SERVICE

This is to certify that the foregoing copy of the SUPPLEMENTAL 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 March 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