

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

**ATTORNEY GENERAL'S INITIAL REQUEST FOR INFORMATION**

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits this Initial Request for Information to Kentucky Power Company ("Kentucky Power" or "Company") to be answered by the date specified in the Commission's Order of Procedure, and in accord with the following instructions:

- (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 (es) 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 Kentucky Power with an electronic version of these data requests, 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, 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.

(14) The Attorney General reserves the right to pose additional preliminary data requests on or before the due date specified in the Commission's procedural schedule.

Respectfully submitted,

ANDY BESHEAR  
ATTORNEY GENERAL



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1. Reference Kentucky Power's Integrated Resource Plan ("IRP"), Executive Summary, page 12. Provide a detailed explanation as to how Kentucky Power plans to "aggressively pursue economic development throughout its service territory."
2. Reference Kentucky Power's "Preferred Plan" to answer the following questions:
  - a. Explain in full detail why Kentucky Power plans to continue to invest \$6 million per year in demand side management ("DSM") through 2024, instead of taking steps to reduce the large DSM charge that its customers are currently forced to pay.
  - b. Provide a detailed explanation as to why Kentucky Power plans to add 75 MW of wind resources beginning in 2018 for a total of 300 MW through 2021, and include whether it would represent the least-cost energy option.
  - c. With regard to any potential wind power purchase agreement ("PPA"), state the type(s) of back-up power PPAs which Kentucky Power is prepared to enter into when wind power is unavailable, together with projected prices for any such back-up power PPA.
  - d. With regard to any potential PPAs, does Kentucky Power agree that Kentucky is a least-cost state, requiring the company to provide the least-cost generation resources for its retail ratepayers? If Kentucky Power does not agree, explain fully why not.
  - e. Provide a detailed explanation as to why Kentucky Power plans to add utility scale solar, beginning with 10 MW in 2019, for a total of 130 MW by 2031, and include whether it would be the least-cost option.

- f. Provide a detailed explanation of the proposed Combined Heat and Power project to be implemented by 2022.
    - g. Explain in full detail why Kentucky Power only plans to operate Big Sandy Unit 1 through 2030.
3. Refer to the IRP filing generally, which states that Kentucky Power's residential customer count has decreased by 6%, and further, that from 2017-2031 :
  - population and non-farm employment in Kentucky Power's service territory is expected to decline by 0.1%, per year, year-over-year;
  - customer count will decline 0.2% per year, year-over-year;
  - residential class will decline 0.5% per year, year-over-year;
  - retail sales will decline by 0.2%, per year, year-over-year;
  - a. Given these factors, explain fully why Kentucky Power foresees any need for additional supply-side resources at all.
4. State the Return on Equity ("ROE") percentage that Kentucky Power pays under the purchase power agreement (also known as the Unit Power Agreement, or "UPA") for all power purchased from the Rockport Units.
5. Provide a copy of the Rockport UPA, and any amendments of the same.
6. Provide the name of the entity that owns the Rockport Units.
7. Provide the case number(s) under which the Commission approved the ROE for the Kentucky Power purchases from the Rockport Units. If the case(s) are not provided on the Commission's website, provide hard copies of the final order(s) approving the ROE percentage.

8. Provide the docket number(s) of any and all FERC dockets in which the ROE governing the Rockport PPA/UPA was decided or otherwise at issue.
9. Reference Kentucky Power's IRP, page 63 where the Company states that the, "Rockport Plant UPA expires at the end of 2022. While KPCo is assuming for purposes of this IRP, that the UPA will be renewed and continue through the planning period, the actual decision to extend the UPA will be made in the future. KPCo is currently committed to this purchase through 2022..."
  - a. Provide a detailed explanation of the criteria that Kentucky Power will utilize to determine if the Rockport Plant UPA should be extended past 2022.
  - b. Provide a detailed explanation as to whether Kentucky Power has made any attempt to amend/modify the Rockport UPA in order to reduce the ROE. Explain why or why not.
10. Provide the following:
  - a. A copy of the most recent power purchase agreement (possibly also referred to as a UPA) that any American Electric Power ("AEP") operating company entered into with any other utility, load serving entity ("LSE"), or merchant generator.
  - b. If the ROE is not provided in the PPA/UPA described in subpart (a) above, provide that figure separately.
11. Has Kentucky Power considered becoming a Reliability Pricing Model ("RPM") member of PJM Interconnection ("PJM"), thus enabling it to participate in the PJM capacity markets?

- a. Provide copies of any and all studies that Kentucky Power and/or its affiliates have prepared in this regard.
  - b. If Kentucky Power can be eligible to become an RPM member of PJM, state whether Kentucky Power would agree to return any and all proceeds earned under participation in the PJM capacity markets to its ratepayers. If not, explain why not.
12. Provide copies of any and all demand response tariffs Kentucky Power has in place, including but not limited to any air conditioning load control devices.
13. Does Kentucky Power have any plans to introduce Advanced Metering Infrastructure in its service territory? Discuss in full detail.
14. Reference Kentucky Power's IRP, page 155 to answer the following questions:
- a. Provide a detailed explanation as to what "green power tariff alternatives" Kentucky Power has reviewed.
  - b. Kentucky Power states that it will seek green power tariff alternatives for the "growing number of customers who seek green power." Provide the specific number of customers that are seeking green power, explain how Kentucky Power obtained this information, and provide copies of any surveys/studies that have been performed.
  - c. Kentucky Power states that it will monitor renewable resource costs, and based on consumer demand for green energy and or other economic/strategic factors determine the appropriate schedule to pursue cost-effective solicitations that would include self-build or acquisition options.

- i. Provide any and all studies or analyses that have been performed in regards to the renewable resources described above.
- ii. Provide a detailed explanation of the economic/strategic factors that Kentucky Power is referencing.
- iii. Would the green energy tariff customers be allocated 100% of the costs for the renewable resource option? Explain the answer in full detail.