

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 SUPPLEMENTAL 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 Supplemental 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 discovery requests on or before the due date specified in the Commission's procedural schedule.

Respectfully submitted,

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ATTORNEY GENERAL



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1. Reference Kentucky Power's response to the Attorney General's Initial Request for Information, Question Number 1 to answer the following questions:
 - a. Kentucky Power states that between 2012 and 2016 the AEP Economic and Business Development group has allocated over \$300,000 in shareholder funds for economic and development activities. Provide a detailed list of each recipient of the funds, monetary amount provided to each recipient, the goal that the recipient planned to achieve with the funds, and any and all economic development goals that have been achieved.
 - b. Kentucky Power asserts that beginning in 2014, in connection to the Stipulation and Settlement Agreement in Case No. 2012-00578, the Company has provided \$200,000 in grants annually through the Kentucky Economic Advancement Program for economic development efforts in Lawrence, Boyd, Carter, Elliott, Johnson, Martin, and Morgan Counties. Provide a detailed list of each recipient of the funds, monetary amount provided to each recipient, the goal that the recipient planned to achieve with the funds, and any and all economic development goals that have been achieved.
 - c. Kentucky Power states that the Kentucky Economic Advancement Program is scheduled to end in 2018. Has the Company considered extending this program due to the ongoing economic decline of its service territory? Explain the answer in full detail.
 - d. Kentucky Power asserts that the Kentucky Power Economic Growth Grant program, that is a joint effort between the Company and its ratepayers, has approved twelve program grants totaling \$652,500.

- i. Provide a detailed list of each recipient of the funds, monetary amount provided to each recipient, the goal that the recipient planned to achieve with the funds, and any and all economic development goals that have been achieved.
 - ii. Provide the total monetary amount that has been collected through the Kentucky Economic Development Surcharge since its inception.
 - iii. Provide the total monetary amount that has been collected in the above referenced surcharge from the ratepayers. Further, provide the total monetary amount that has been collected in the above referenced surcharge from the shareholders.
2. Reference Kentucky Power's response to the Attorney General's Initial Request for Information, Question Number 1. Kentucky Power provided promotional materials for the portion of the Big Sandy plant property that it is being redeveloped for economic development purposes in KPCO_R_AG_1_1_Attachment1.pdf. On page 3 of 9 of the promotional material, it appears that the Company designated the Bert T. Combs Mountain Parkway as a four-lane highway running between US 23 and Interstate 64. Since the Mountain Parkway is not currently a four-lane highway, and any expansions are still under construction, does the Company intend to correct this information?
3. Reference Kentucky Power's response to the Attorney General's Initial Request for Information, Question Number 2(c).
 - a. Confirm that Kentucky Power participates in the PJM Interconnection ("PJM") as a Fixed Resource Request ("FRR") entity.

- b. State whether Kentucky Power participates in the PJM capacity market auctions, and if so, discuss the types of auctions that the Company participates in and basis on which it participates.
4. Reference Kentucky Power's response to the Attorney General's Initial Request for Information, Question Number 2(e), wherein Kentucky Power states that "[i]n 2026, solar becomes a least cost resource based on the assumptions within this IRP." Explain in full detail whether the assumptions in Kentucky Power's IRP filing are premised upon the continuation of the Investment Tax Credit.
 5. Reference Kentucky Power's response to the Attorney General's Initial Request for Information, Question Number 3. If the United States Environmental Protection Agency's Clean Power Plan is not implemented, will the additional resources that the Company plans to add, such as wind and solar, still be the lowest cost resource? Explain the answer in full detail.
 6. Reference Kentucky Power's response to the Attorney General's Initial Request for Information, Question Number 4. Confirm that in 2013, the Indiana Regulatory Commission authorized Indiana Michigan Power Company to earn a Return on Equity ("ROE") of 10.2%, and considered a reasonable range for the cost of equity to be 9.5% to 10.50%.¹
 7. Reference Kentucky Power's response to the Attorney General's Initial Request for Information, Question Number 6. Kentucky Power states that American Electric Power's ("AEP") subsidiaries, Indiana Michigan Power Company and AEP Generating Company,

¹ Indiana Utility Regulatory Commission, Cause No. 44075, Order dated Feb. 13, 2013, page 43: [http://www.in.gov/iurc/files/Order_in_Cause_No._44075\(1\).pdf](http://www.in.gov/iurc/files/Order_in_Cause_No._44075(1).pdf)

own an undivided fifty percent share of Rockport Unit 1, and each lease an undivided fifty percent share of Unit 2 that is owned by the Wilmington Trust Company. Explain in full detail how Kentucky Power, an AEP subsidiary, can conduct unbiased contract negotiations with other AEP subsidiaries.

8. Reference Kentucky Power's response to the Attorney General's Initial Request for Information, Question Number 8. Kentucky Power asserts that the Rockport Unit Power Agreement ("UPA") has been supplemented or amended several times and was most recently accepted by the Federal Energy Regulatory Commission ("FERC") in 2013. Explain in full detail why Kentucky Power did not negotiate to reduce the 12.16% ROE included in the UPA during the prior supplements and/or amendments of the contract.
9. Reference Kentucky Power's response to Commission Staff's First Request for Information, Question Number 4. Under the UPA, will the Rockport Plant turbine upgrades not also require Kentucky Power to incur an increased energy charge in addition to an increased demand charge?
 - a. Identify all charges that could potentially be impacted by the Rockport Plant turbine upgrades.
 - b. To what extent have the increased charges that Kentucky Power will incur from the Rockport Plant turbine upgrades been factored into the IRP?
 - c. Once the upgrades are completed, will the increased efficiency improvements not inure solely to the benefit of the owners of the Rockport Plant Units (Indiana Michigan Power Company, AEP Generating Company, and Wilmington Trust Company), with the exception of potentially reduced fuel

prices? If not, provide a complete explanation together with any quantifications that Kentucky Power and/or any of its affiliates have prepared.

- d. Explain whether Kentucky Power has requested any of its affiliates, including Indiana Michigan Power Company, to provide information necessary to the completion of the pending IRP filing.
- e. If Indiana Michigan Power Company and/or any other affiliate refuses to provide information pertaining to the Rockport UPA, explain why the Commission should not institute an investigation as to the propriety of continuing the Rockport UPA.

10. Reference Kentucky Power's response to Commission Staff's First Request for Information, Question Number 5. Describe the process Kentucky Power would follow in making the determination of whether to seek a wind energy Asset Purchase Agreement as opposed to a Purchase Power Agreement. Additionally, provide the criteria that Kentucky Power would analyze in making this decision.

11. Reference Kentucky Power's response to Commission Staff's First Request for Information, Question Number 29. Provide a total dollar amount of the estimated cost that the Coal Combustion Residuals Rule will have on Kentucky Power ratepayers, as was provided in the response to Commission Staff's First Request for Information, Question Number 30(a) regarding costs for complying with the Effluent Limitations Guidelines.

12. Reference Kentucky Power's response to the Commission Staff's First Request for Information, Question Number 32. With regard to the 24 circuits on which VVO/CVR is

enabled, provide the proportion of the 89 MW in total demand side conservation for which the use of VVO/CVR is responsible in achieving.

13. Reference Kentucky Power's response to the Commission Staff's First Request for Information, Question Number 35. Is Kentucky Power's position based in part on the potential future possibility of switching from the Company's current status as an FRR participant to a Reliability Pricing Model ("RPM") participant?

14. Reference Kentucky Power's response to the Commission Staff's First Request for Information, Question Number 49. State whether Kentucky Power's existing meters are Automated Meter Reading, Advanced Metering Infrastructure, or a mixture of both. Explain the answer in full detail.