

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF SOUTH KENTUCKY RURAL)
ELECTRIC COOPERATIVE CORPORATION FOR) CASE NO.
APPROVAL OF MASTER POWER PURCHASE AND) 2018-00050
SALE AGREEMENT AND TRANSACTIONS)
THEREUNDER)

ATTORNEY GENERAL’S INITIAL DATA REQUESTS TO JOINT INTERVENORS

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits these Initial Data Requests to Big Sandy Rural Electric Cooperative Corporation, Blue Grass Energy Cooperative Corporation, Clark Energy Cooperative, Inc., Cumberland Valley Electric, Inc., Farmer Rural Electric Cooperative Corporation, Fleming-Mason Energy Cooperative, Inc., Inter-County Energy Cooperative Corporation, Jackson Energy Cooperative Corporation, Licking Valley Rural Electric Cooperative Corporation, Nolin Rural Electric Cooperative Corporation, Owen Electric Cooperative Inc., Salt River Electric Cooperative Corporation, Shelby Energy Cooperative Inc., and Taylor County Rural Electric Cooperative Corporation [hereinafter “Joint Intervenors”] 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) Identify the witness who will be prepared to answer questions concerning each request.

(3) Repeat the question to which each response is intended to refer. The Office of the Attorney General can provide counsel for Joint Intervenors 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, 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, 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, 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, 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) 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) “And” and “or” should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.

(15) “Each” and “any” should be considered to be both singular and plural, unless specifically stated otherwise.

Respectfully submitted,

ANDY BESHEAR
ATTORNEY GENERAL



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1. Refer to the direct testimony of Mr. John Wolfram, page 8, wherein he states “South Kentucky failed to adequately consider the long-term costs of membership in PJM.” Identify these costs and provide a discussion of them, including any cost estimates Mr. Wolfram may have prepared.
 - a. Does Mr. Wolfram believe South Kentucky (“SKRECC”) adequately estimated its anticipated exposure to costs for PJM Sub-Regional and supplemental transmission projects?

2. Refer to the direct testimony of Mr. John Wolfram, page 16, numerical paragraph 3. Discuss the cost impact on SKRECC if EKPC exits PJM, including the costs SKRECC could incur in obtaining services from a new market participant to replace those EKPC would have performed.
 - a. Refer to numerical paragraph 4.
 - i. Provide an explanation of additional risk or costs that may be associated with the proposed shortfall of the arrangement in the event Morgan Stanley continually fails to deliver.
 - ii. Confirm that as proposed, Morgan Stanley is not subject to Commission jurisdiction.

3. Reference the direct testimony of Mr. John Wolfram generally.
 - a. Has South Kentucky adequately assessed the risk of additional environmental expense under the proposed transaction(s)? Include in your response a discussion of risks that could arise if the generation plants from which Morgan-Stanley procures its power face coal ash remediation costs.
 - b. Confirm that it is Mr. Wolfram’s estimation, if the proposed transaction is approved, the average retail residential bill in the EKPC system will receive an increase of 1.6%, all else equal.
 - c. Does Mr. Wolfram believe the propose transaction will more likely than not be cost-beneficial to SKRECC’s customers? If not, why not?
 - d. Does Mr. Wolfram believe that it is improper or ill-advised for the Commission to approve a PPA or a transaction similar to the one proposed whereby it has no jurisdiction over the agreement after its approval?
 - i. Is Mr. Wolfram aware of any other PPAs or transaction similar to the one proposed whereby the Commission has no jurisdiction throughout the term? If so, provide a citation to same.