

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF)
KENTUCKY POWER COMPANY FOR)
APPROVAL OF A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY FOR)
ENVIRONMENTAL PROJECT CONSTRUCTION) Case No. 2021-00004
AT THE MITCHELL GENERATING STATION,)
AN AMENDED ENVIRONMENTAL COMPLIANCE)
PLAN, AND REVISED ENVIRONMENTAL)
SURCHARGE TARIFF SHEETS)

**JOINT SUPPLEMENTAL DATA REQUESTS OF KIUC AND THE ATTORNEY
GENERAL**

The Attorney General of the Commonwealth of Kentucky, through his Office of Rate Intervention (“Attorney General”), and Kentucky Industrial Utility Customers (“KIUC”) submit these Supplemental Data Requests to Kentucky Power Company (hereinafter “Kentucky Power” or the “Company”) to be answered by May 5, 2021 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 requested 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.
- (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 undersigned Counsel for the Office of Attorney General and KIUC.

(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, notify the Office of the Attorney General and KIUC as soon as possible, and in accordance with Commission direction.

(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, 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) 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,

DANIEL J. CAMERON
ATTORNEY GENERAL



J. MICHAEL WEST
LAWRENCE W. COOK
JOHN G. HORNE II
ANGELA M. GOAD
ASSISTANT ATTORNEYS GENERAL
700 CAPITAL AVE, SUITE 20
FRANKFORT, KY 40601-8204
PHONE: (502) 696-5433
FAX: (502) 573-1005
Michael.West@ky.gov
Larry.Cook@ky.gov
John.Horne@ky.gov
Angela.Goad@ky.gov

/s/ Michael L. Kurtz
Michael L. Kurtz, Esq.
Kurt J. Boehm, Esq.
Jody Kyler Cohn, Esq.
BOEHM, KURTZ & LOWRY
36 East Seventh Street, Suite 1510
Cincinnati, Ohio 45202
Ph: 513.421.2255 fax: 513.421.2764
mkurtz@bkllawfirm.com
kboehm@BKLawfirm.com
jkylercohn@BKLawfirm.com

Certificate of Service and Filing

Pursuant to the Commission's Order dated March 17, 2020 in Case No. 2020-00085, and in accord with all other applicable law, Counsel certifies that, on April 19, 2021, an electronic copy of the forgoing was served by e-mail to the following. A physical copy of the filing will be submitted to the Commission once the State of Emergency has ceased.

Mark R. Overstreet
Katie M. Glass
moverstreet@stites.com
kglass@stites.com

Christen M. Blend
Jennifer J. Fredrick
Tanner Wolfram
cblend@aep.com
jfredrick@aep.com
tswolfram@aep.com

Matthew E. Miller
Joe F. Childers
matthew.miller@sierraclub.org
joe@jchilderslaw.com

this 19th day of April, 2021.



Assistant Attorney General

ELECTRONIC APPLICATION OF KENTUCKY POWER COMPANY FOR APPROVAL OF A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR ENVIRONMENTAL PROJECT CONSTRUCTION AT THE MITCHELL GENERATING STATION, AN AMENDED ENVIRONMENTAL COMPLIANCE PLAN, AND REVISED ENVIRONMENTAL SURCHARGE TARIFF SHEETS

Supplemental Data Requests

- 2-1. Refer to the response to Staff 1-1. For each month of 2019 and 2020, please provide all meeting minutes and notes of the Mitchell Operating Committee.
- 2-2. Refer to the response to AG-KIUC 1-31. Please provide all non-privileged internal correspondence that was reviewed by Mr. Mattison since January 1, 2020 related to the decision to proceed with the CCR and ELG at Mitchell.
- 2-3. Has the Company engaged in any discussions with Wheeling Power about buying out Kentucky Power's share of Mitchell? If yes, please describe the discussions and provide all documents relevant to those discussions.
- 2-4. Has the Company engaged in any discussions with other Kentucky utilities about joint ownership of new or existing generation located in Kentucky as part of its Mitchell CCR/ELG analysis? If yes, please describe the discussions and provide all documents relevant to those discussions.
- 2-5. Please provide all studies conducted by Kentucky Power about extending the life of Big Sandy 1 beyond 2030.
- 2-3. Refer to the response to AG-KIUC 1-27. The Company was asked to provide the Mitchell plant-related balances by unit for gross plant, accumulated depreciation, ADIT, fuel inventories, M&S inventories and each other balance sheet account at December 31, 2020 and rolled forward through 2028. The Company provided only the gross plant, accumulated depreciation, fuel inventories, and M&S inventories at December 31, 2020.
 - a. Provide the tax basis and ADIT balances by temporary difference for each Mitchell unit and the Mitchell plant at December 31, 2020. If the Company asserts that it cannot provide the requested information, then provide the following:
 1. Identify and describe the Company's fixed asset software used to track its plant-related costs and balances, including the calculation of book and tax basis differences, book depreciation expense, accelerated tax depreciation deduction, temporary difference between accelerated tax depreciation and straight-line tax depreciation on an actual basis in the current period and on a budget and/or forecast basis for the runout period.
 2. Confirm that the Company does not maintain and/or cannot calculate the tax basis and the ADIT due to the temporary differences for accelerated tax depreciation in excess of straight-line depreciation for each Mitchell unit

ELECTRONIC APPLICATION OF KENTUCKY POWER COMPANY FOR APPROVAL OF A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR ENVIRONMENTAL PROJECT CONSTRUCTION AT THE MITCHELL GENERATING STATION, AN AMENDED ENVIRONMENTAL COMPLIANCE PLAN, AND REVISED ENVIRONMENTAL SURCHARGE TARIFF SHEETS

and/or the Mitchell plant in total at December 31, 2020. If confirmed, then explain why the Company does not maintain and/or cannot calculate these amounts at December 31, 2020.

- c. Provide a runout of the accelerated tax depreciation, straight-line tax depreciation, book depreciation, and ADIT for each Mitchell unit and the Mitchell plant for each year 2021 through 2040 starting with the tax basis, ADIT balances by temporary difference, and gross plant at December 31, 2020, assuming no future capital additions or retirements.
 - d. Provide the Company's budgeted/forecast capital additions for each Mitchell unit and the Mitchell plant for each year 2021 through 2040 by major project, specifically including separately, but not limited to, the CCR costs and ELG costs, reflected in the economic analyses supporting continued operation of Mitchell through 2040.
 - e. Provide the Company's budgeted/forecast depreciation expense, accumulated depreciation, accelerated tax depreciation, straight line tax depreciation, and ADIT related to the capital additions provided in response to part (e) of this question for each year 2020 through 2040 by major project, specifically including separately, but not limited to, the CCR costs and ELG costs reflected in the Company's economic analyses supporting continued operation of Mitchell through 2040.
 - f. Provide the Company's best forecast of the net book value and all other rate base components of the Mitchell plant at the end of 2028 under the CCR only Case 2. Provide all supporting workpapers and calculations, including all electronic spreadsheets in live format with all formulas intact.
 - g. Provide the Company's best forecast of the net book value and all other rate base components of the Mitchell plant at the end of 2028 and 2040 under the CCR/ELG Case 1. Provide all supporting workpapers and calculations, including all electronic spreadsheets in live format with all formulas intact.
- 2-4. Refer to the response to AG-KIUC 1-29.
- a. Confirm that the Company calculates AFUDC on CWIP.
 - b. Confirm that the "overnight" costs of the new resources shown on Attachment 1 provided in the response do not include AFUDC. If this is not correct, then identify the workpaper(s) where the AFUDC is calculated for each new resource.

ELECTRONIC APPLICATION OF KENTUCKY POWER COMPANY FOR APPROVAL OF A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR ENVIRONMENTAL PROJECT CONSTRUCTION AT THE MITCHELL GENERATING STATION, AN AMENDED ENVIRONMENTAL COMPLIANCE PLAN, AND REVISED ENVIRONMENTAL SURCHARGE TARIFF SHEETS

- c. Provide all reasons why the Company seeks to change its historic AFUDC approach on all CWIP projects, including environmental surcharge projects, to a CWIP in rate base approach on Project 22 costs included in the environmental surcharge.
- 2-5. Refer to the Mitchell fixed O&M expense shown on the Attachment 2 Excel workbook provided in response to AG-KIUC 1-2.
- a. Provide the actual variable non-fuel and fixed O&M expense for each Mitchell unit and the Mitchell plant in the test year in the Company's most recent base rate case proceeding by FERC O&M and A&G expense account.
 - b. Provide the actual variable non-fuel and fixed O&M expense for each Mitchell unit and the Mitchell plant incurred in 2020 by FERC O&M and A&G expense account.
 - c. Provide the budget/forecast variable non-fuel O&M expense and total variable and fixed O&M expense for each Mitchell unit and the Mitchell plant by year for 2021 through 2040.
 - d. Provide the actual depreciation expense, property tax expense, and insurance expense for each Mitchell unit and the Mitchell plant in the test year in the Company's most recent base rate case proceeding.
- 2-6. Refer to the response to AG-KIUC 1-17, which addressed the potential conversion of the Mitchell units to gas-fired generation.
- a. Indicate why the Company did not consider the conversion to gas-fired generation in the alternatives to Case 1 that it studied.
 - b. Describe and quantify the change in variable non-fuel O&M expense if the Company converts the Mitchell units to gas-fired generation from coal-fired generation.
 - c. Describe and quantify the change in fixed O&M expense if the Company converts the Mitchell units to gas-fired generation from coal-fired generation. In your response, address the reductions in staffing and payroll expense as well as other changes in other categories of expense.
 - d. Similar to the conversion of Big Sandy 1 to gas-fired generation, provide a forecast of the total net book value remaining at the date of conversion, excluding the capital additions for the conversion, and the amount of the net book value remaining at the

ELECTRONIC APPLICATION OF KENTUCKY POWER COMPANY FOR APPROVAL OF A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY FOR ENVIRONMENTAL PROJECT CONSTRUCTION AT THE MITCHELL GENERATING STATION, AN AMENDED ENVIRONMENTAL COMPLIANCE PLAN, AND REVISED ENVIRONMENTAL SURCHARGE TARIFF SHEETS

date of conversion of the assets that are considered exclusively coal-fired and that will not be used in the plant after the conversion.

- e. Confirm that the Company believes a study of the economics to convert the Mitchell plant to gas-fired generation could provide valuable information that would affect the decision to grant a CPCN for the CCR and ELG expenditures. If the Company denies that such a study could provide valuable information that would affect the decision in this proceeding, then provide all reasons and all support for that position.
 - f. Provide a copy of all studies, including all supporting workpapers and other analyses, to evaluate the conversion of the Mitchell units to gas-fired generation.
 - g. Provide a study whereby the Company converts the Mitchell units to gas-fired generation in lieu of incurring the CCR and ELG expenditures.
- 2-7. Refer to Attachment 4 provided in response to AG-KIUC 1-2, which provides the annual revenue requirements for each Case under various sensitivities.
- a. In Case 1Base wo Carb, the Company projects Mitchell fixed O&M and ongoing capital recovery through 2050. Provide a detailed description of the costs forecast after 2040 and an explanation why recovery would or should continue after 2040.
 - b. Provide the Company's calculations of the costs after 2040.
- 2-8. Provide the Company's estimate of decommissioning for each Mitchell unit and the Mitchell plant in current dollars. Provide all support for these estimates. In addition, provide and source an estimate of the annual escalation rate to calculate future dollars when the decommissioning costs actually will be incurred.