

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In The Matter Of: Electronic Application of Kentucky :
Power Company for Approval of Affiliate Agreements : **Case No 2021-00421**
Related to the Mitchell Generating Station. :

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

Come now the intervenors, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention (“Attorney General”), and Kentucky Industrial Utility Customers (“KIUC”) and submit these Data Requests to Kentucky Power Company (“Kentucky Power”) to be answered 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

DEFINITIONS

1. “Document(s)” is used in its customary broad sense and includes electronic mail and all written, typed, printed, electronic, computerized, recorded or graphic statements, memoranda, reports, communications or other matter, however produced or reproduced, and whether or not now in existence, or in your possession.
2. “Correspondence” is used in its customary broad sense and includes electronic email, including all attachments, and all written mail, messages and communications between the persons or parties named in the request.
3. “Study” means any written, recorded, transcribed, taped, filmed, or graphic matter, however produced or reproduced, either formally or informally, a particular issue or situation, in whatever detail, whether or not the consideration of the issue or situation is in a preliminary stage, and whether or not the consideration was discontinued prior to completion whether preliminary or final, and whether or not referred to in Big Rivers’ direct testimony.
4. If any document requested herein was at one time in existence, but has been lost, discarded or destroyed, identify such document as completely as possible, including the type of document, its date, the date, or approximate date it was lost, discarded or destroyed, the identity of the person (s) who last had possession of the document and the identity of all persons having knowledge of the contents thereof.
5. “Person” means any natural person, corporation, professional corporation, partnership, association, joint venture, proprietorship, firm, or the other business enterprise or legal entity.
6. A request to identify a natural person means to state his or her full name and residence address, his or her present last known position and business affiliation at the time in question.
7. A request to identify a document means to state the date or dates, author or originator, subject matter, all addressees and recipients, type of document (e.g., letter, memorandum, telegram, chart, etc.), number of code number thereof or other means of identifying it, and its present location and custodian. If any such document was, but is no longer in the Company’s possession or subject to its control, state what disposition was made of it.
8. A request to identify a person other than a natural person means to state its full name, the address of its principal office, and the type of entity.
9. “And” and “or” should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.

10. "Each" and "any" should be considered to be both singular and plural, unless specifically stated otherwise.
11. Words in the past tense should be considered to include the present, and words in the present tense include the past, unless specifically stated otherwise.
12. "You" or "your" means the person whose filed testimony is the subject of these interrogatories and, to the extent relevant and necessary to provide full and complete answers to any request, "you" or "your" may be deemed to include any person with information relevant to any interrogatory who is or was employed by or otherwise associated with the witness or who assisted, in any way, in the preparation of the witness' testimony.
13. "American Electric Power Company, Inc." or "AEP" means American Electric Power Company, Inc. and/or any of their officers, directors, employees, or agents who may have knowledge of the particular matter addressed.
14. "Kentucky Power Company" or "Kentucky Power" means Kentucky Power Company and/or any of their officers, directors, employees, or agents who may have knowledge of the particular matter addressed.
15. "Liberty Utilities Co." or "Liberty" means Liberty Utilities Co. and/or any of their officers, directors, employees, or agents who may have knowledge of the particular matter addressed as well as Algonquin Power and Utilities Corp. and/or any of their officers, directors, employees, or agents who may have knowledge of the particular matter addressed.
16. "Commission" means "Kentucky Public Service Commission"

**SUPPLEMENTAL DATA REQUESTS OF
ATTORNEY GENERAL AND KIUC TO KENTUCKY POWER
Case No. 2021-00421**

- Q.2-1. Please confirm that the Mitchell units have never been transferred among AEP affiliates at any price other than Net Book Value.
- Q.2-2. How does the new Mitchell Operating Agreement account for the possibility that Kentucky Power or Liberty may exit PJM prior to 2028 while Wheeling Power Company remains in PJM?
- Q.2-3. How would the owner of Kentucky Power's 50% interest in the Mitchell plant satisfy its NERC reliability requirements if Kentucky Power/Liberty exit PJM prior to 2028?
- Q.2-4. Refer to Section 6.9 of the proposed Mitchell Plant Ownership Agreement. Is this provision intended to preempt any Commission decision disallowing, limiting, or deferring rate recovery or the costs and expenses paid or payable to an Owner under the Agreement?
- Q.2-5. Identify the persons, including their positions and employers, who drafted the proposed Mitchell Agreements. For each such person, describe their areas of responsibility and specific roles in drafting the Agreements, including specific sections. Finally, identify the persons, including their positions and employers, who approved the proposed Mitchell Agreements as drafts to present to the two state commissions and the FERC.
- Q.2-6. Describe in detail Liberty's and/or Algonquin's role(s) in the substantive content in the proposed Mitchell Agreements.
- Q.2-7. Confirm that the approval of the Mitchell Agreements by the two state commissions and the FERC is a closing condition pursuant to the Stock Purchase Agreement between AEP, AEP Transmission, and Liberty.
- Q.2-8. Refer to the Company's response to AG-KIUC 1-47, which provided the net book value at November 30, 2021 and the estimated net book value at December 31, 2028.
- a. Provide the net book value at December 31, 2021 and any change in the estimated net book value at December 31, 2028.
 - b. Provide the tax basis of the Mitchell Plant at December 31, 2021 and the estimated tax basis at December 31, 2028. Provide all calculations in live Excel format with all formulas intact.
- Q.2-9. Provide the ADIT by temporary difference for the Mitchell Plant at December 31, 2020 and each month thereafter for which actual information is available and a forecast for each month after that through December 31, 2028. Provide all calculations in live Excel format with all formulas intact. If this information cannot be provided for each and every ADIT by temporary difference, then provide it for the accelerated tax depreciation temporary difference.
- Q.2-10. Provide a detailed description of the federal and state income tax consequences of a sale of the Mitchell Plant assets and liabilities on Kentucky Power Company's accounting

books, including, but not limited to, the effects on current income tax expense, deferred income tax expense, income taxes payable, liability accumulated deferred income taxes (ADIT) related to accelerated tax depreciation, asset net operating loss ADIT, if any, at the date of the sale.

- Q.2-11. Confirm that Kentucky Power will have a taxable loss or gain upon the sale of its share of the Mitchell Plant equivalent to the sale price (net of deductible expenses) less the tax basis under a sale/purchase of assets and liabilities transaction structure. Provide an illustration of the accounting entries under a taxable loss scenario and under a taxable gain scenario.
- Q.2-12. Refer to the Company's response to AG-KIUC 1-15 wherein it states: "A form of Mitchell Interest Purchase Agreement is not included as an exhibit to the Mitchell Plant Ownership Agreement because it does not yet exist; it will be prepared close to the time of transfer rather than today." Confirm that the form of the Mitchell Interest Purchase Agreement necessarily will reflect the transaction structure, i.e., sale and purchase of assets and liabilities, Kentucky Power Company's contribution to a separate entity and the sale to or merger of that entity into Wheeling Power Company, or some other structure and/or form.
- Q.2-13. Refer to the Company's response to AG-KIUC 1-31 wherein it claims that the question inaccurately characterized the transactions.
- a. Provide a version of the question in statement form that correctly describes the transactions whereby Kentucky Power Company and Wheeling Power Company each acquired a 50% share of the Mitchell Plant.
 - b. Provide a copy of the agreements whereby Wheeling Power Company acquired its 50% share of the Mitchell Plant.
- Q.2-14. Refer to the Company's response to AG-KIUC 1-15. The question addressed the potential transaction structures for the sale/purchase/transfer of the KPCo Mitchell Plant interest to/by WPCo, meaning transaction structures other than the outright sale/purchase of assets and liabilities, such as the use of intermediate entities in the same manner as the Mitchell Plant was sold by AEP Generation Resources Inc. to Newco Kentucky Inc. and then merged into Kentucky Power Company (refer to the Company's response to AG-KIUC 1-32). Indicate whether the Company considered and/or evaluated a transaction structure similar to that undertaken by AEP Generation Resources Inc., Newco Kentucky Inc., and Kentucky Power when it acquired a 50% share of the Mitchell Plant or some variation of a transaction structure other than a straight sale and purchase of assets and liabilities. If so, then provide a copy of all memos, emails, and all other documentation of the Company's identification and evaluation of each potential transaction structure, including any assessments of the advantages or disadvantages of a specific transaction structure. If none, then explain why it or AEP did not undertake such an analysis and evaluation of potential transaction structures.
- Q.2-15. Refer to the Company's response to AG-KIUC 1-42.
- a. Confirm that the Company reports the accumulated cost of removal for decommissioning expense as a regulatory liability for GAAP financial reporting purposes. If confirmed, indicate whether the Company records the accumulated

cost of removal for decommissioning expense in account 108 or account 253 or makes a “topside” entry to reclassify the amount from account 108 for GAAP financial reporting purposes.

- b. Describe how the Company calculates and tracks the accumulated cost of removal for decommissioning expense for the Mitchell Plant.

Q.2-16. Refer to the Company’s response to AG-KIUC 1-43.

- a. Provide all actual balance sheet amounts (assets and liabilities) by FERC account for the Mitchell Plant at December 31, 2021 or the most recent month for which actual information is available.
- b. Provide all actual income statement amounts (revenues and expenses) by FERC revenue, functional O&M expense accounts, A&G expense accounts, and other taxes expense accounts for the Mitchell Plant for calendar year 2021 or the most recent twelve months for which actual information is available.

Respectfully submitted,

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