

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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COMMISSION

In the Matter of:

THE APPLICATION FOR APPROVAL OF)
RENEWABLE ENERGY PURCHASE AGREEMENT)
FOR WIND ENERGY RESOURCES BETWEEN) CASE NO. 2009-00545
KENTUCKY POWER COMPANY AND FPL ILLINOIS)
WIND, LLC)

ATTORNEY GENERAL'S INITIAL REQUESTS FOR INFORMATION

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits these Initial Requests for Information to Kentucky Power Company [hereinafter referred to as "KP"] 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) Please identify the witness 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 KP 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 any request appears confusing, please request clarification directly from 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.

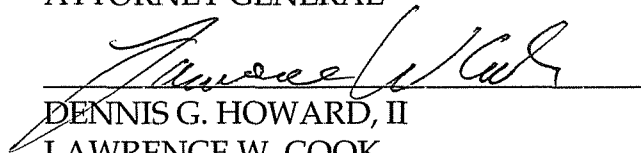
(10) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(11) 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.

(12) 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.

Respectfully submitted,

JACK CONWAY
ATTORNEY GENERAL

A handwritten signature in black ink, appearing to read "Dennis G. Howard, II", is written over a horizontal line.

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CERTIFICATE OF SERVICE AND NOTICE OF FILING

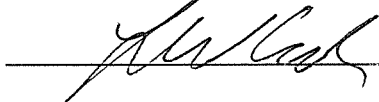
Counsel certifies that an original and ten photocopies of the foregoing were served and filed by hand delivery to Jeff Derouen, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; counsel further states that true and accurate copies of the foregoing were mailed via First Class U.S. Mail, postage pre-paid, to:

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This 28th day of January, 2010



Assistant Attorney General

APPLICATION OF KENTUCKY POWER COMPANY
FOR APPROVAL OF RENEWABLE ENERGY PURCHASE
AGREEMENT FOR WIND ENERGY
Case No. 2009-00545
ATTORNEY GENERAL'S INITIAL DATA REQUESTS

1. If the PSC does not grant approval, or if either or both of the contracting parties decide to not pursue the contract, does the contract contain any type or sort of penalty clauses requiring Kentucky Power to pay any sums to the owners of the wind farms and/or the transmission regulators / regional ISOs?
 - a. If so, identify the specific contract language, and please provide any and all applicable amount(s).
 - b. If so, identify whether the company will pass those costs to its shareholders, or its ratepayers.
2. Assuming KP receives regulatory approval, and assuming it proceeds with the contract, please state whether the company will incur any additional maintenance costs to its generating fleet when wind-generated power flows into its transmission / distribution grid. What additional costs will the company incur in order to insure reliability in the event it proceeds with the contract?
3. What type and amount of start-up costs will the company incur if it proceeds with the proposed contract? How and when does the company intend to pass these costs on to its customers?
4. If the company proceeds with the contract, will it incur any costs for locational marginal pricing ("LMP") associated with PJM transmission costs? If so, provide the best estimates for each year of the proposed contract. If the company will not incur any LMP costs, state in detail why not.
5. Will KP seek any type of hedging for the costs to be incurred under the proposed contract? State to what extent the company investigated whether wind-generated power can be hedged. Do any other utilities utilizing wind-generated power employ any hedging tools? Discuss in detail.
6. Assuming the PSC grants approval for the contract, and that KP proceeds with it, for each year of the contract period what percentage of the company's combined total electric service costs will be attributed to wind-generated power?
7. Assuming the PSC grants approval for the contracts, and assuming KP proceeds with it, will the wind-generated power be used for peak power, base load or both?

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8. Provide the current differential for prices KP charges for on-system sales as opposed to amounts it receives for off-system sales.
9. Confirm that in the event the PSC grants approval for the contract, and assuming KP proceeds with it, when the wind-generated power enters the company's transmission / distribution grids, the power being generated by the company's own generation fleet in excess of its customers' needs will be sold in off-system sales.
10. Will or could the PJM economic dispatch rules take precedence over the contract? Could any other PJM rules supersede the terms of the proposed contract? If so, could there be instances in which PJM will dictate that the wind farms' generation be directed elsewhere? If so, what types of costs will the company incur to replace that power?
11. Is the utility from which KP intends to purchase the wind-generated power a merchant, or does it have some regulated sales? If so, identify the agencies that regulate it. Will the laws of that jurisdiction have any control so as to supersede the terms under which the wind farm agrees to supply KP with wind-generated power?
12. State whether FERC will have to approve any portion(s) of the proposed contract. If so, what could their decision(s) entail, and how long will those decisions take? Will there be any future financial ramifications if these contracts are subject to FERC?