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## COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

AUG 17.2015

PUBLIC SERVICE COMMISSION

#### IN THE MATTER OF:

THE APPLICATION OF EAST KENTUCKY POWER	)	
COOPERATIVE, INC. FOR APPROVAL OF THE	)	
ACQUISITION OF EXISTING COMBUSTION	)	
TURBINE FACILITIES FROM BLUEGRASS	)	CASE NO.
GENERATION COMPANY, LLC AT THE	)	2015-00267
BLUEGRASS GENERATING STATION IN	)	*
LAGRANGE, OLDHAM COUNTY, KENTUCKY	)	
AND FOR APPROVAL OF THE ASSUMPTION OF	)	
CERTAIN EVIDENCES OF INDEBTEDNESS	)	

#### ATTORNEY-GENERAL'S INITIAL DATA REQUESTS

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits these Requests for Information to East Kentucky Power Cooperative, Inc. [hereinafter referred to as "EKPC"] 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 EKPC 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, 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 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) 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.

Respectfully submitted,

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### Certificate of Service and Filing

Counsel certifies that an original and ten photocopies of this Motion to Intervene 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 prepaid, to:

East Kentucky Power Cooperative, Inc. 4775 Lexington Road P. O. Box 707 Winchester, KY 40392-0707

Hon. David S. Samford Goss Samford, PLLC 2365 Harrodsburg Road, Suite B325 Lexington, KY 40504

Hon. Michael L. Kurtz Boehm, Kurtz & Lowry 36 E. 7th St. Ste. 1510 Cincinnati, Ohio 45202

Hon. Allyson K. Sturgeon Sr. Corp. Attorney LG&E and KU Services Co. 220 W. Main St. Louisville, KY 40202

this 17th day of August, 2015

Lawrence W. Cook

Assistant Attorney General

## Application of EKPC for Approval of the Acquisition of Existing Combustion Turbine Facilities From Bluegrass Generation Company, LLC at the Bluegrass Generating Station in Lagrange, Oldham County, Kentucky and for Approval of the Assumption of Certain Evidences of Indebtedness

### Case No. 2015-00267 Attorney General's Initial Data Requests

- 1. In its application and testimony, EKPC mentions a growing demand in its service region. Please explain how this is demonstrated in its customer base.
- 2. If the Commission should approve the application, please confirm that with regard to Bluegrass Unit 3, it is EKPC's intention to cancel the tolling agreement with LG&E-KU at its currently scheduled cancellation date of April 30, 2019.
- 3. Please state whether any or all three of the Bluegrass units have back-up fuel capability. If so, please identify: (i) the type of back-up fuel; and (ii) the capacity of fuel storage for the back-up fuel storage.
  - a. Does EKPC believe that it will be necessary to add additional back-up fuel storage in order to comply with PJM's Capacity Performance rules?
- 4. Reference the petition, numbered paragraph 26. Explain why EKPC and Navigant believe that the capacity factors for each of the Bluegrass units are expected to increase substantially after the 2016-2022 timeframe as federal carbon policy is implemented.
  - a. Does EKPC believe that any of the premises of Navigant's study need to be re-evaluated in light of the EPA's issuance of the final draft of the Clean Power Plan? Please explain in detail.
- 5. Reference the petition, numbered paragraph 32. Please provide a copy, if available, of the "updated operating guideline" under which EKPC intends to operate the Bluegrass Station.
- 6. Reference the Mosier testimony, p. 5, lines 9-12. Please provide the names and titles of those individuals comprising EKPC's Power Supply Planning Group, and the Power Production Group.
- 7. Reference the Mosier testimony, p. 5, line 10. Please provide a copy of the Burns and McDonnell Engineering report.
  - a. Were there any flaws noted in that report of a non-material nature which could or will require further inspection or testing? If so, please identify same and provide any documentation associated therewith.

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- 8. Reference the Mosier testimony, p. 9, line 19. Please provide a copy of the most recent version of EKPC's Strategic Plan.
- 9. Reference the Mosier testimony, p. 10, lines 6-16. Please state whether the anticipated increased usage and consequent increased non-fuel O & M, and increased employee head-count at the Bluegrass station were taken into consideration when performing EKPC's "RFP Refresh."
  - a. Please state whether the anticipated increased usage of the Bluegrass units means that the units' projected life span will decrease, and if so, by how much. If the anticipated usage will result in decreased lifespan, please state whether this was taken into consideration in the "RFP Refresh" analysis.
  - b. Will the depreciation rates which EKPC expects to use for the Bluegrass units be different than those used by L.S. Power? Regardless of the response, please provide the depreciation rates that EKPC plans to use for the Bluegrass units, if they are available.
- 10. Please state whether the engineering congestion studies will take (or have taken) into consideration the anticipated increased usage which EKPC anticipates from the Bluegrass station.
- 11. Reference the Mosier testimony, p. 12, line 1. If EKPC's application is approved, please describe the benefits EKPC will achieve by obtaining greater geographical diversity of its generation fleet.
- 12. Reference the Mosier testimony, p. 12, lines 4-5. Will the addition of the Bluegrass units eliminate the need for any market-based PPAs?
  - a. Will the addition of the Bluegrass units allow EKPC to meet its new winter peak demand?
- 13. Please the Mosier testimony, p. 12, lines 17-18.
  - a. What is the age of the Bluegrass Unit's CTs in comparison to the Smith Station CTs?

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- b. Will the generation assets at these two stations be aging on the same replacement schedule?
- 14. Reference the Crews testimony, p. 7, lines 15-17, wherein Mr. Crews states that EKPC's 2015 IRP indicates that EKPC's total energy requirement will increase by 1.4% year-over-year, over a twenty-year period.
  - a. During that twenty-year period, will there be a point in time that the combination of the Bluegrass units and EKPC's other existing peaking units will no longer be able to meet EKPC's peaking needs?
  - b. During the same period, will the Bluegrass units have exceeded their expected lifespan?
- 15. Please provide a copy of EKPC's 2012 RFP.
- 16. Please provide a list of all entities responding to EKPC's 2012 RFP, together with the short list which Brattle prepared (Read testimony, p. 12, line 3).
  - a. Of those entities responding to the 2012 RFP, please identify which ones offered gas-fired generation.
- 17. Please provide a list of the firms which responded to EKPC's invitation to submit updated or new proposals as part of the "RFP Refresh."
  - a. Of those entities which responded to the "RFP Refresh," please identify those whose proposals differed from the proposals in the original 2012 RFP.
- 18. Please provide a list of all options other than the purchase of Bluegrass station that were presented to EKPC's Board of Directors following the "RFP Refresh."
- 19. Reference the Crews testimony, p. 10, lines 12-13. With regard to the short list that Brattle prepared following the 2012 RFP, please identify the other alternatives included on that list, and state whether the Board of Directors considered those alternatives.

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### Attorney General's Initial Data Requests

- 20. Reference the Adams testimony, p. 10. Please confirm that EKPC's RFP process and analysis took into consideration the fact that EKPC will have to pay increased transmission rates to KU-LG&E for network service under that company's OATT. If EKPC cannot so confirm, will those increased costs change any conclusions EKPC reached as a result of those analyses? Please describe.
- 21. Explain why EKPC did not conduct an entirely new RFP.
- 22. Reference the Purvis testimony, p. 29, lines 11-12. Please state when EKPC's environmental compliance plan for the CCR Rule will be complete. Will the company submit it to the Commission?