

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC 2016 INTEGRATED RESOURCE)
PLANNING REPORT OF KENTUCKY POWER COMPANY) CASE NO.
TO THE PUBLIC SERVICE COMMISSION OF KENTUCKY) 2016-00413

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO KENTUCKY POWER COMPANY

Kentucky Power Company ("Kentucky Power"), pursuant to 807 KAR 5:001, is to file with the Commission the original and six copies in paper medium and an electronic version of the following information. The information requested herein is due on or before April 7, 2017. Responses to requests for information in paper medium shall be appropriately bound, tabbed and indexed. Each response shall include the name of the individual responsible for responding to questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the 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.

Kentucky Power shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which

Kentucky Power fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Kentucky Power shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the 2016 Integrated Resource Plan ("IRP"), page 13 of 1497. Also refer to Kentucky Power's 2013 IRP, page 5. The 2016 IRP states that Kentucky Power's all-time highest recorded peak demand was 1,685 MW, which occurred in January 2005, and the highest recorded summer peak was 1,358 MW, which occurred in July 2005. The 2013 IRP states that the all-time peak internal demand of 1,678 MW occurred on January 25, 2008, and the highest all-time summer peak demand was 1,358 MW which occurred on August 24, 2007.

a. Explain the discrepancies between the winter and summer peak demands between the 2013 and 2016 IRPs.

b. Identify and provide the definitions of any distinctions between the calculation of the winter and summer peak demands for 2013 and 2016 IRPs.

2. Refer to the IRP, page 21 of 1497, Table ES-1; page 60 of 1497, the discussion of reserve margin; and page 239 of 1497, Exhibit G-11.

a. Explain why the reserve margin increases dramatically in 2020 and decreases dramatically in 2031 in Table ES-1.

b. Describe in greater detail the basis and significance of the reserve margin in each of these three scenarios.

c. Provide any information or documents that Kentucky Power used in developing its reserve margin(s).

3. Refer to the IRP, page 45 of 1497, Section 2.4.4.5, All Other Energy Sales. Explain if lagged energy sales are an input for the forecasted sales for public-street and highway lighting.

4. Refer to the IRP, page 61 of 147.

a. Provide the cost of the Dry Sorbent Injection ("DSI") systems for Rockport Units 1 and 2 and the impact their deployment has had on Kentucky Power's power bills since they have been in operation.

b. State when or if Kentucky Power's costs associated with the DSI systems were modeled in its IRPs.

5. Refer to Kentucky Power's Response to Staff's First Data Request ("Staff's First Request"), Item 1. Provide the additional resource choices and least cost alternatives that will replace the Rockport Plant capacity.

6. Refer to Kentucky Power's Response to Staff's First Request, Item 3. There was no response provided to Item 3. Provide an appropriate response.

7. Refer to Kentucky Power's Response to Staff's First Request, Item 4.

a. Confirm that the increased demand charge resulting from the upgrades at the Rockport Plant have not been included in Kentucky Power's modeling for its Preferred Plan.

b. Does Kentucky Power intend to include the increased demand charge in its 2019 IRP modeling?

c. Identify and explain how the efficiency improvements at the Rockport Plant are expected to affect its fuel rates.

8. Refer to Kentucky Power's Response to Staff's First Request, Item 5.

a. Provide an estimate of the difference in the cost of Kentucky Power's plan for acquiring wind energy as compared to that of the plan recommended by the Southern Wind Energy Association based on current projected costs.

b. Given that the wind resources will be added beginning in 2018, provide a schedule for the requests for proposal.

9. Refer to Kentucky Power's Response to Staff's First Request, Item 8.

a. Provide the annual distributed generation ("DG") growth assumption for the 2016 IRP forecast.

b. Explain why it is slower than the annual DG growth assumption of 40 percent in the 2013 IRP.

10. Refer to Kentucky Power's Response to Staff's First Request, Item 11, KPCO_R_KPSC_1_11_Attachment1.xls, lines 140–144.

a. The spreadsheet indicates that the results are from the 2015 survey. Provide the correct year.

b. Refer to the results for Solar Power (panels). It states that one percent of Kentucky Power's residential customers plan to purchase solar panels in the next 2 years. Explain if Kentucky Power has modeled any residential solar generation.

11. Refer to Kentucky Power's Response to Staff's First Request, Item 20.

a. For the Inflection point in manufacturing sales due to an expected recovery, explain if the forecast adjustment was an increase or decrease.

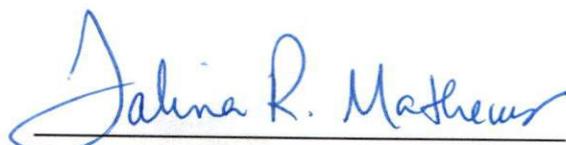
b. Explain what professional judgment was applied and how it altered the forecasted coal mining stability

12. Refer to the Kentucky Power's Response to the Attorney General's First Set of Data Requests, Item 1.

a. State the total amount of funds that have been collected through the joint efforts of Kentucky Power and its customers in the Kentucky Power Economic Growth Grant ("K-PEGG") program to date.

b. Provide the impacts the K-PEGG program has had on economic development in terms of new businesses, employment, and Kentucky Power's retail sales to date.

c. Provide the impacts of all of Kentucky Power's economic development programs in terms of new businesses, employment, and its retail sales since 2012.



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DATED **MAK 23 2017**

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