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October 27, 2017

VIA E-MAIL
VIA U.S. MAIL

Katherine Collier, Esq., Executive Secretary
Mississippi Public Service Commission
501 North West Street, Suite 201A
Jackson, MS 39201

Re: **Encouraging Stipulation of Matters In Connection With
The Kemper County IGCC Project
Docket No.: 2017-AD-112**

Dear Katherine:

On behalf of Mississippi Power Company I have enclosed the original and twelve (12) copies of the Company's Motion to Strike in the above-referenced matter. I have also included a copy of this letter, which I appreciate you file-stamping and returning to me in the enclosed, self-addressed, stamped envelope.

Thank you for your assistance in this matter.

Very truly yours,

A handwritten signature in black ink, appearing to be "Ben H. Stone".

Ben H. Stone

BHS:tjb

Enclosure

cc: All Parties of Record
Mr. Virden Jones
Frank Farmer, Esq.
Chad Reynolds, Esq.
Mr. Billy Thornton
Mr. Stephen Stiglets
Mr. Ben Vance

BEFORE THE MISSISSIPPI PUBLIC SERVICE COMMISSION

MISSISSIPPI POWER COMPANY
EC-120-0097-00

DOCKET NO. 2017-AD-112

**IN RE: ENCOURAGING STIPULATION OF MATTERS IN
 CONNECTION WITH THE KEMPER COUNTY IGCC PROJECT**

MOTION TO STRIKE

COMES NOW, Mississippi Power Company (“Company” or “MPC”) and pursuant to RP 12 of the Mississippi Public Service Commission’s (“Commission”) Rules of Practice and Procedure files this Motion to Strike certain testimony filed on behalf of the Mississippi Public Utilities Staff (“Staff”) and Mr. Thomas Blanton (“Blanton”) with the Commission in the above referenced docket:

REQUEST FOR EXPEDITED REVIEW

1. Given the time sensitive nature of this request and the deadlines applicable to the parties for the submission of rebuttal testimony on November 6, 2017, MPC respectfully requests that this Commission review, hear (as necessary), and rule on this Motion to Strike on an expedited basis, as soon as possible. As explained below, MPC specifically requests that the Commission strike:

- (i) Sections V, VI, and Appendix A of Dr. Dismukes’ testimony (and related exhibits), which includes detailed information the Staff refused to address or provide during discovery and which is otherwise outside the scope of this docket;
- (ii) Section IV, Appendix A, Appendix B and certain portions from page 19 through 24 of Dr. Roach’s testimony, which improperly attempts to re-litigate the Kemper Project’s certificate case and which is also outside the scope of this docket; and

- (iii) all of the testimony incorporated by Mr. Blanton into this docket, which relates entirely to the Kemper County IGCC Project's lignite-fueled operation and which therefore is irrelevant to these proceedings.

BACKGROUND

2. The Kemper County IGCC Project ("Kemper," the "Kemper Project," or the "Project") has been subject to regulatory oversight for years. The Kemper Project's certificate of public convenience and necessity was issued in 2010, and was subsequently appealed, remanded, and re-issued on remand. The Project's certificate is now final and, during the seven years since Kemper was approved, the Project's design, construction, economics, and rate recovery have been at issue in numerous Kemper proceedings. The Commission's Order Establishing Discovery Docket recognized this fact when the Commission noted that it had, to date, "overseen more than one dozen regulatory and judicial proceedings seeking Kemper-related relief" and that the "scrutiny applied by [the] Commission to Kemper has been unprecedented."¹

3. These regulatory and judicial proceedings referenced above have been conducted and prosecuted over extended time frames which permitted broad inquiry into a wide range of Kemper topics.² By comparison—and by any objective standard—the scope of this docket, and the time available to the parties in this case, is very limited.

¹ Order Establishing Discovery Docket, MPSC Docket No. 2016-AD-161, p. 1 (Aug. 17, 2016).

² For instance, the Kemper Project's design, construction, economics, and rate recovery (or some combination of these topics, among others) have been at issue in the Kemper Project's prudence docket (2013-UA-189), intended to determine whether costs related to the Kemper Project had been prudently incurred, which spanned from June 2013 until August 2017; the Kemper Combined Cycle docket (2014-UA-195), created by the Commission *sua sponte* to determine whether it was appropriate to place the completed Kemper Combined Cycle into service, and which was opened in August 5, 2014 and remains open today; and the Kemper discovery docket, created by the Commission *sua sponte* to allow for Kemper-related discovery in support of a forthcoming rate request, which was opened in August 2016 and which remains open today.

4. The Commission's, MPC's, and the Staff's familiarity with the Kemper Project apparently laid the groundwork for this docket, the Kemper Settlement Docket, which the Commission created *sua sponte* on July 6, 2017. In a deviation from standard practice, the Commission established this Kemper Settlement Docket "to encourage a settlement of all issues associated with the Kemper Project." The Commission clearly intended for this case to be pursued on an expedited basis, and, also, to be premised on good faith negotiation, reasonable compromise and a stipulated resolution of the difficult, global issues regarding the Kemper Project's future treatment and cost recovery which currently face the stakeholders in this docket.³ This is not a traditional rate case by any measure, nor MPC submits, was it intended to be a rate case for Kemper cost recovery. MPC has a rate case pending in a separate proceeding, which the Commission could have used as the vehicle to encourage settlement, while still giving effect to the various statutory time frames and due process protections afforded parties to a "rate case". Instead, in this truncated docket—in order to encourage settlement of the Kemper Project issues—the Commission allowed only 90 days, initially, for the parties to negotiate and for the Commission to hold hearings whereby the Commission could review and consider any settlements presented to the Commission.

5. While the Commission's September 12, 2017 Order apparently abandoned any requirement that the parties reach a settlement, that Order nevertheless "encourage[d] the parties to *expedite* any necessary discovery" in order to resolve issues "*as quickly and as thoroughly as possible*."⁴ Despite several extensions to this docket's deadlines, the initial desire for a timely resolution to Kemper-related issues continues to govern these proceedings and, in light of this

³ Order Opening Docket, MPSC Docket No. 2017-AD-112, p. 33 (July 6, 2017).

⁴ Order Setting Hearing and Scheduling Order, MPSC Docket No. 2017-AD-112 (Sept. 12, 2017)(emphasis added).

fact, the Commission must ensure that the scope of issues presented in this docket are appropriately limited, as contemplated by the Commission's own September 12 Order.

6. The Commission's September 12 Order allowed the Staff, Company, and intervenors to file direct testimony "specifically including, but not limited to, testimony *in support of the terms of its most recent proposed stipulation offer and why it opposes the most recent rejected stipulation offer from each other party ...*"⁵ While MPC understands that the Commission may have intended to allow parties to also address issues that are ancillary to, but not necessarily included within, stipulation offers or corresponding revenue requirement calculations, the Company now asks that the Commission draw a clear line. Several parties have submitted testimony that is well outside the scope of any of the issues relevant to a settlement and which, moreover, is inconsistent with the letter and spirit of the Commission's Order establishing this docket. Testimony outside the scope of this docket is not only inconsistent with the limited scope established by the Commission, but is also inconsistent with the Commission's expectations for a timely resolution of this docket. MPC would ask that the Commission affirmatively strike the below-described testimony in order to limit the issues in this docket and to ensure the timely and full resolution of all matters important to the settlement of these proceedings.

REQUEST TO STRIKE

7. On October 23, 2017, two weeks before final testimony is due, the Staff attempted to dramatically expand the scope of this docket to re-litigate the Project's certificate case and to address issues such as the impact of MPC's projected rates on Mississippi's economy 40 years in the future. Again, at the risk of repetition, this is not a "rate case" to establish

⁵ Order Setting Hearing and Scheduling Order, MPSC Docket No. 2017-AD-112, p. 3 (Sept. 12, 2017)(emphasis added).

Mississippi Power's overall rates—it is a docket to encourage settlement of Kemper-related issues, one of which is the rates for Kemper-related costs. The Staff has raised issues which have either already been decided or which are not yet “ripe,” and which, in all cases, are irrelevant to the various settlement offers the parties were ordered to address.⁶

8. The issues now raised by the Staff were not contemplated by the Commission's September 12 Order. Additionally, the Staff's insistence to withhold any and all information in discovery concerning the subject matters that are the basis of the Staff's controversial testimony means that MPC has not been able to conduct any meaningful discovery and is now severely limited in its ability to adequately prepare a response in the time frame contemplated by the Commission's procedural order. Therefore, this information is not only irrelevant, but is also prejudicial to MPC's ability to fairly present a case on the relevant issues.

9. Further, the testimony submitted by Blanton is also wholly irrelevant to this proceeding and should therefore also be stricken in order to limit the scope of these proceedings and to ensure that all relevant issues may be appropriately addressed in the limited time frame available to MPC.

10. Based upon the irrelevance of the above-referenced testimony and the unfair, “trial by ambush,” tactics at the foundation of this testimony, the Company hereby requests that the Commission strike (i) sections V, VI, and Appendix A of Dr. Dismukes' testimony (and related exhibits); (ii) Section IV, Appendix A, Appendix B and certain portions from page 19 through 24 of Dr. Roach's testimony, and (iii) all of the testimony incorporated by Mr. Blanton into this docket. Striking this testimony will appropriately limit this proceeding to those issues

⁶ To be clear, the Company's position is that the portions of testimony cited above are inappropriate and out of place in the context of the present proceedings. Some, if not all, of that testimony may be within the scope of a different docket, such as a full rate case.

which fit within the scope of the Commission's orders and which MPC has had adequate time to review.

Dr. Dismukes' Testimony

11. MPC specifically objects to sections V ("Mississippi Power Company's Retail Rate and Cost Trends"), VI ("Economic Impacts Associated with Proposed Stipulation"), and Appendix A ("Rate and Operating Cost Trends and Comparisons") of Dr. Dismukes' direct testimony in this docket.

12. The Commission should strike the above testimony because: (1) the testimony at issue is beyond the scope of these proceedings in that it was not relied upon by the Staff during negotiations; (2) the Staff's refusal to provide the information at issue through discovery has prejudiced MPC; (3) the Staff agrees that Dr. Dismukes' supplied information is irrelevant to this case; and (4) Dr. Dismukes' information concerns subject matters that are wholly unrelated to the Kemper Project, and, therefore irrelevant on their face.

13. First, material supporting these sections of testimony was not provided during discovery on the basis that research or analysis supporting these topics had not yet been conducted. MPC's discovery requests were made after the Commission's initial August 21, 2017 settlement deadline and even after the September 8 settlement deadline the Staff has been previously ordered to address through testimony. Therefore, the Staff could not have relied upon it to support its positions during settlement negotiations. Instead, the information was clearly developed as a *post-hoc* justification for the Staff's negotiation positions.

14. Second, in light of this docket's limited scope and time frame for discovery and rebuttal testimony and the fact that the Staff failed to share this information at any time prior to its filing of testimony, MPC lacks adequate time to review and rebut the detailed models

submitted by Dr. Dismukes, and will be prejudiced by reliance upon these *post-hoc* 11th hour justifications for the Staff's August and September negotiations. This information is outside the scope of testimony contemplated by the Commission's September 12, 2017 Order and should be stricken on these grounds.

15. Third, although MPC requested material supporting these sections during discovery, requesting, for instance, "any and all electric utility cost benchmarking analyses prepared by or for the Staff during the last five years," the Staff objected on the basis that it was "not relevant and beyond the scope of this docket." See Attachment A. MPC agrees, and the Staff is collaterally estopped from now taking an opposed position concerning this evidence. It is appropriate to strike the above identified testimony on this independent ground.

16. Finally, many of the issues and facts raised by Dr. Dismukes are so speculative as to not yet be ripe and, therefore, not properly before the Commission.

i. Dr. Dismukes' Testimony Strays Outside the Scope of this Docket

17. Dr. Dismukes has provided very speculative testimony as to the effect of MPC's stipulation on the Mississippi economy. Dr. Dismukes' testimony regarding the economic impact of MPC's stipulation relies upon facts outside the scope of this docket.

18. For instance, in support of his analysis, Dr. Dismukes has testified to matters such as the Company's request for advanced metering infrastructure (at issue in Docket No. 2009-UA-398), which has been pending since 2009,⁷ and the Company's upcoming annual 2017 PEP filing (which Dr. Dismukes testifies will "seek substantial rate increases").⁸ Aside from being unnecessary, these matters are also clearly outside the scope of this docket and should be addressed in the appropriate docket—MPC's advanced metering infrastructure docket, which has

⁷ See Direct Testimony of David E. Dismukes, MPSC Docket No. 2017-AD-112, p. 27 (Oct. 23, 2017).

⁸ *Id.*

been open for eight (8) years without any Staff testimony being filed, or in response to MPC's PEP filing, which will be made in November. Indeed, with respect to MPC's PEP filing, these matters should not only be addressed in the proper docket, but should also be addressed at the appropriate time—this issue is not “ripe,” given that MPC has not even filed for any PEP relief. When filed, MPC expects that the Commission and Staff will be able to review MPC's needs on the merits of that request, but it is improper to punish MPC in this “Kemper Settlement Docket” based upon extraneous facts and speculation about issues not currently before the Commission.

19. Dr. Dismukes' testimony also provides projections about MPC's rates 40 years into the future, including a 10 percent PEP rate increase in the next year, despite the fact that PEP restricts any annual increase to 4 percent.⁹ These projections are also well outside the scope of the Company's and Staff's August and September settlement offers—the only topics identified by the Commission as being appropriately within the scope of this proceeding.

ii. The Staff Objected to Providing this Information During Discovery

20. MPC issued discovery related to topics addressed in Dr. Dismukes' testimony which the Staff, nevertheless, argued was “irrelevant” and “beyond the scope of this proceeding” several weeks ago. The Staff should be prohibited from testifying to issues which it did not address in discovery and which it argued were not relevant.

21. For instance, MPC issued data request MPC-MPUS 2-20 on October 12, 2017. Copies of the Staff's initial objection and subsequent response to MPC-MPUS 2-20 are provided as Exhibit “A.” This request asked the Staff to:

[p]lease provide any and all electric utility cost benchmarking analyses prepared by or for the Staff during the last five years.

⁹ *Id.* at 34.

22. On October 17, 2017 (and, again, in a supplemental response on October 24, 2017, a day after filing its testimony), the Staff objected on the following grounds:

MPUS objects to the request for “all electric utility cost benchmarking analyses” prepared during the last five years because it is overbroad and encompasses analyses that are completely unrelated to the instant proceeding and therefore the question seeks information that is not relevant and is not likely to lead to the discovery of admissible evidence.

23. On October 23, 2017, the Staff submitted Dr. Dismukes’ testimony, which included thirteen pages of testimony in Appendix A regarding cost benchmarking analyses supported by almost a dozen exhibits. Section V of Dr. Dismukes’ testimony also relates to benchmarking and comparisons of utility costs. The Staff should not be permitted, at the 11th hour to rely upon detailed analyses which it has contemporaneously argued are irrelevant and which it has withheld from the Company during discovery.

Dr. Roach’s Testimony

24. MPC specifically objects to (i) page 19, line 15 through page 24, line 7, as well as (ii) Section IV (“Options for the Commission to Consider for Kemper CC Prudence and Cost Recovery”), (iii) Appendix A (“The Policy Standard for Judging Prudence and Cost Recovery”), and (iv) Appendix B (“Southern’s and MPC’s Choices on Risk and Risk Mitigation”) of Dr. Roach’s testimony. Aside from the fact that judgments of “prudence” and “cost recovery” are governed by legal standards rather than policy standards—as addressed in MPC’s Supplemental Filing—MPC objects to the foregoing testimony, because it is well beyond the scope of this proceeding. The Commission directed MPC and the Staff to attempt to negotiate a settlement and, when settlement discussions broke down, the Commission asked MPC and the Staff to submit testimony addressing their offers and disagreements.¹⁰ The Commission did not request

¹⁰ Mr. Grace, Mr. Smith, and Mr. Dady’s testimony relate in large part to the Commission’s request and the parties’ settlement discussions. While MPC has not objected to Dr. Roach’s and Dr.

briefing regarding all of the options that may have been available to it in a certificate case (the Kemper Project's certificate is final) or may be available to it in a full, contested rate case (which has not been filed, but which may become necessary if no settlement is approved).

i. Dr. Roach does not Address any Settlement Offer Made by the Staff

25. As alluded to above, Dr. Roach's testimony is not supportive of any settlement or even any settlement offer but, rather, appears to advocate for possible "worst case" treatment of MPC in the event a settlement is not reached. In other words, Dr. Roach presents a buffet of options (not agreed to by any party) presumably for the Commission to adopt in this proceeding. This includes, for instance, Dr. Roach's presentation of a revenue requirement significantly below the actual revenue requirement included in the Staff's "last settlement offer" and the proposed imposition of performance requirements on MPC's ultimate cost recovery. Because this entire discussion is unrelated to any party's settlement offers, MPC moves the Commission to strike Dr. Roach's testimony from page 19, line 15 through page 24, line 7. If the Company's stipulation is not approved, the Company may eventually seek additional recovery, at which point Dr. Roach would appropriately be permitted to testify to all issues related to other, non-settled Kemper Project outcomes.

26. To be clear, MPC is not arguing that some of Dr. Roach's proposals were not available to the Staff during negotiations. Indeed, the Staff could have proposed one or more of the scenarios outlined in Section IV of Dr. Roach's testimony, and, had the Staff done so, Dr. Roach's testimony would be proper. The Staff did not take these positions, however, and it is now improper for the Staff to attempt to "stuff the record" with proposals which were never made to MPC, do not represent "settlement agreements" proper for consideration and adoption

Dismukes' testimony in full, it is clear that these two witnesses have very little to say regarding the parties' settlement discussions or offers. Instead, these two witnesses attempt to justify the Staff's position with irrelevant materials and arguments created after settlement discussions broke down.

by the Commission in this proceeding, and which MPC does not now have time to address, research, and rebut. Although MPC has maintained that the Staff has taken several unreasonable positions throughout its settlement negotiations, MPC spent months researching reasonable negotiating positions and, ultimately, preparing its direct and supplemental direct testimony. The Company has been deprived of its ability to meaningfully address the new terms and revenue requirement calculations proposed by Dr. Roach's expansive testimony. The Commission should strike Section IV and Appendix A of Dr. Roach's testimony for being outside the scope of this docket, and for being raised after the Commission's settlement deadline, thereby depriving MPC of a chance to form a full and adequate rebuttal.

27. MPC would also move the Commission to strike this testimony on the independent grounds that, because this is a "settlement docket" rather than a full rate case, it would be improper for the Commission lacks to adopt any of the alternative cases presented by Dr. Roach. As MPC argued on multiple occasions in this docket, the only options currently before the Commission are to approve or reject MPC's stipulation agreement, either as initially filed on August 21, 2017 or as modified in MPC's October 23, 2017 filing. The Commission's procedure in this docket does not permit its consideration of unsolicited, unilateral offers that have not been agreed to by MPC and another party to this case.

ii. Dr. Roach Improperly Attempts to Re-Litigate the Certificate Case

28. Appendix B to Dr. Roach's testimony attempts to re-litigate the certificate case despite the fact that the Kemper Project's certificate has been issued, appealed, re-issued, and is now final. Dr. Roach is familiar with this fact, given his participation in those proceedings as the Commission's "advisor," a role now confused by his current role advocating in a related matter before the Commission as a party's hired consultant.

29. Dr. Roach now appears in a Kemper proceeding for a “new” client and testifies that MPC’s “original estimates could be considered imprudent” because MPC failed to disclose or appropriately react to risks known at the time of the Project’s approval. The sufficiency and prudence of MPC’s Kemper Project estimate as well as any risks associated with the development and operation of the Kemper Project were fully litigated and resolved by the Commission in the certificate case. Dr. Roach’s attempt to re-litigate and collaterally attack these issues is out of time, heavily relies upon hindsight, and is totally unrelated to any of the settlement offers currently before the Commission. MPC objects to any party’s attempts, including the Staff, to re-litigate the Kemper certificate case—an exercise that will unavoidably and improperly be tainted by hindsight.

Blanton’s Testimony

30. In support of a “Motion to Deny,” Mr. Blanton filed testimony from two witnesses—Charles Grayson and Paul B. Johnson, III—in MPSC Docket No. 2015-UN-80 on June 16, 2017. Blanton has advised that he intends to rely upon the same testimony at a hearing in this case. Blanton’s testimony is totally irrelevant to this case.

31. The Company announced the suspension of the gasifier-related portions of the Kemper Project on June 28, 2017, and the Commission created this docket—which requests a settlement that would remove the risk of the gasifier from MPC’s retail customers—on July 6, 2017. Because the nature of the matters before the Commission have changed significantly since June 16, 2017, Blanton’s testimony no longer has any bearing on the topics before the Commission. In order to simplify the issues addressed by this Commission, MPC would ask that the Commission strike Blanton’s witnesses’ testimony from this case in their entirety.

32. Mr. Grayson’s two-page testimony can be summarized by the following excerpt:

2. What is purpose [sic] of your testimony?

ANSWER: My conclusion is that the lignite portions of the Kemper County IGCC plant are not Useful.

The entire scope of Mr. Grayson's testimony is now irrelevant to this case, because the suspension of the gasifier and the complete removal of all gasifier risk from customers was a pre-condition to participation in this case. Without agreeing to the above terms, at a minimum, the settlement agreement would not be compliant with the Commission's goals and directives set out at the creation of these proceedings.

33. Mr. Johnson's testimony is also irrelevant. In his testimony, Mr. Johnson identifies sixteen (16) oilfields in the state of Mississippi where CO₂ injection has occurred and addresses "blowouts" at several of those fields, as well as corresponding remediation efforts. While professing "not to have information to answer" or otherwise being able to answer roughly a third of the questions in his pre-filed testimony, the information Mr. Johnson *has* provided simply has no application to this case, because the gasifier is in suspended operation pending the outcome of this proceeding.

34. As discussed in detail above, this docket was created to promote a settlement of outstanding Kemper Project issues, consistent with specific guidelines established by the Commission. As a result, every party to this case to submit a settlement offer has based its offer upon amendment of the Project's certificate to prohibit or otherwise prevent MPC's operation of the lignite portions of the Kemper County IGCC plant. The "usefulness" of the lignite portions of the Kemper County IGCC plant is not at issue in this docket, nor is the process of carbon capture and sequestration, which Kemper cannot participate in without operating the lignite portions of the Kemper County IGCC plant. While Blanton or his attorney will, of course, be permitted to participate in the Commission's hearing, Blanton's witnesses add nothing of

relevance to this case at this stage. Of course, if the Company's stipulation is not approved, the Company may eventually seek additional recovery, at which point Mr. Blanton would appropriately be permitted to present the testimony of Mr. Grayson and Mr. Johnson to testify to all issues related to other, non-settled Kemper Project outcomes. However, the procedure and limited scope contemplated in this proceeding requires that Blanton's filed testimony in this proceeding be stricken from the record in its entirety.

WHEREFORE, PREMISES CONSIDERED, Mississippi Power Company respectfully requests that the Commission strike from the record the above-referenced testimony provided by Mr. Thomas Blanton and the Mississippi Public Utilities Staff and that the Commission rule on this Motion on an expedited basis given the short timeframe when rebuttal testimony is due on November 6, 2017.

Respectfully submitted on this, the 27th day of October, 2017.

MISSISSIPPI POWER COMPANY

BY: BALCH & BINGHAM LLP

BY: 
for: BEN H. STONE

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CERTIFICATE OF SERVICE

I, Ben H. Stone, counsel for MPC in the above and foregoing filing with the Mississippi Public Service Commission on even date herewith, do hereby certify that in compliance with Rule 6.112 of the Mississippi Public Service Commission's Public Utilities Rules of Practice and Procedure:

(1) An original and twelve (12) copies of the filing have been filed with the Commission by delivery of the same to:

Katherine Collier, Esq., Executive Secretary
Mississippi Public Service Commission
501 North West Street, Suite 201A
Jackson, MS 39201

(2) An electronic copy of the Notice has been filed with the Commission via e-mail to the following address:

efile.psc@psc.state.ms.us

(3) A copy of the filing has been mailed via U.S. Mail and electronic mail to all parties of record as detailed below:

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East MS Development Corp.
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This the 27th day of October, 2017.



for: BEN H. STONE

MPC-MPUS 2-18 Please reference Attachment B to MPC-MPUS 1-7, wherein the Staff included a credit to revenue requirement for DOE CCPI grant funds received for the Kemper Project. Please explain the Staff's justification for allocating clean coal grant proceeds to the Kemper CC cost. Please identify all federal or state statutes, regulations, agency opinions or orders in support of the Staff's position.

Objection: MPUS objects to this question to the extent it requires performance of legal research for MPCo. MPUS objects to this question because it seeks Privileged Information. MPUS objects to the production of a Privilege Log as set forth above.

Prepared by: Counsel

Date: October 17, 2017

MPC-MPUS 2-19 Please reference Attachment B to MPC-MPUS 1-7, wherein the Staff included a credit to revenue requirement for Kemper CC costs over the \$2.88 construction cost cap. Please explain the Staff's justification for applying the \$2.88 construction cost cap to the Kemper CC costs that in total are below \$2.88 billion. Please provide citations to the relevant Commission orders that support the Staff's position.

Objection: MPUS objects to this question to the extent it requires performance of legal research for MPCo. MPUS objects to this question because it seeks Privileged Information. MPUS objects to the production of a Privilege Log as set forth above.

Prepared by: Counsel

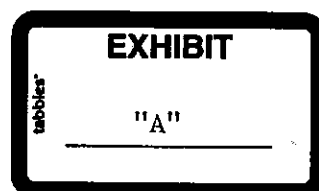
Date: October 17, 2017

MPC-MPUS 2-20 Please provide any and all electric utility cost benchmarking analyses prepared by or for the Staff during the last five years.

Objection: MPUS objects to this question because it seeks Privileged Information. MPUS objects to the production of a Privilege Log as set forth above. MPUS objects to the request for "all electric utility cost benchmarking analyses" prepared during the last five years because it is overbroad and encompasses analyses that are completely unrelated to the instant proceeding and therefore the question seeks information that is not relevant and is not likely to lead to the discovery of admissible evidence.

Prepared by: Counsel

Date: October 17, 2017



MISSISSIPPI PUBLIC UTILITIES STAFF
SECOND SET OF DATA REQUESTS
ENCOURAGING STIPULATION OF MATTERS IN
CONNECTION WITH THE KEMPER COUNTY IGCC PROJECT
DOCKET NUMBER 2017-AD-112
October 24, 2017

Responding Party: Mississippi Public Utilities Staff
Requesting Party: Mississippi Power Company

Question No.: MPC-MPUS 2-20

Page 1 of 1

Question

Please provide any and all electric utility cost benchmarking analyses prepared by or for the Staff during the last five years.

Response

Objection: MPUS objects to this question because it seeks Privileged Information. MPUS objects to the request for “all electric utility cost benchmarking analyses” prepared during the last five years is overbroad and encompasses analyses that are completely unrelated to the instant proceeding and therefore the question seeks information that is not relevant and is not likely to lead to the discovery of admissible evidence.

Response: Without waiving said objection, MPUS had benchmarking discussions with Entergy Mississippi, Inc. and MPC and has been looking into it as an alternative to performance incentives. To MPUS’s knowledge, Dismukes’ analysis is the first time it has done this.

Prepared by: Objection (Counsel) and Response (Virden Jones)

Date: October 24, 2017.