

421 West Main Street
Post Office Box 634
Frankfort, KY 40602-0634
[502] 223-3477
[502] 223-4124 Fax
www.stites.com

December 16, 2011

Mark R. Overstreet
(502) 209-1219
(502) 223-4387 FAX
moverstreet@stites.com

HAND DELIVERED

Jeff R. Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602-0615

RECEIVED

DEC 16 2011

PUBLIC SERVICE
COMMISSION

RE: Case No. 2011-00295

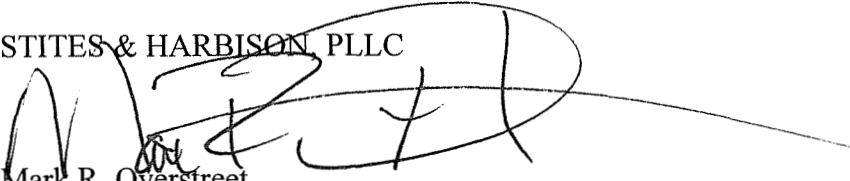
Dear Mr. Derouen:

Enclosed please find and accept for filing the original and eight copies of Kentucky Power Company's Responses to Staff's Second Set of Data Requests.

Please do not hesitate to contact me if you have any questions.

Very truly yours,

STITES & HARBISON PLLC


Mark R. Overstreet

MRO

COMMONWEALTH OF KENTUCKY
BEFORE THE
PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF

APPLICATION OF KENTUCKY POWER COMPANY)
FOR A CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY TO CONSTRUCT A 138 KV)
TRANSMISSION LINE AND ASSOCIATED) CASE NO. 2011-00295
FACILITIES IN BREATHITT, KNOTT AND)
PERRY COUNTIES, KENTUCKY (BONNYMAN)
SOFT SHELL LINE)

RESPONSES OF KENTUCKY POWER COMPANY TO
COMMISSION STAFF'S SECOND SET OF DATA REQUESTS

December 16, 2011

VERIFICATION

The undersigned, GEORGE T. REESE being duly sworn, deposes and says he is the Senior Environmental Manager that he has personal knowledge of the matters set forth in the forgoing data requests and the information contained therein is true and correct to the best of his information, knowledge, and belief.

GEORGE T. REESE

COMMONWEALTH OF PENNSYLVANIA)
) CASE NO. 2011-00295
COUNTY OF ALLEGHENY)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by, George T. Reese, this the 14th day of December, 2011.

Notary Public

My Commission Expires: 9-4-2012

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Janet L. Toth, Notary Public
Homestead Boro, Allegheny County
My Commission Expires Sept. 4, 2012
Member: Pennsylvania Association of Notaries

VERIFICATION


The undersigned, Ranie K. Wohnhas, being duly sworn, deposes and says he is the Managing Director Regulatory and Finance for Kentucky Power, that he has personal knowledge of the matters set forth in the forgoing responses for which he is the identified witness and that the information contained therein is true and correct to the best of his information, knowledge, and belief.



Ranie K. Wohnhas

COMMONWEALTH OF KENTUCKY)
) CASE NO. 2011-00295
COUNTY OF FRANKLIN)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Ranie K. Wohnhas, this the 15th day of December, 2011.


Notary Public

My Commission Expires: January 23, 2013

Kentucky Power Company

REQUEST

Refer to Exhibit 9 of the application and Kentucky Power's response to Item 24 of Commission Staff's First Information Request. Kentucky Power's response provided the status of easement acquisition of the necessary rights-of-way for the preferred alternative as of November 18, 2011. Provide an update regarding the acquisition of the necessary rights-of-way for the preferred alternative.

RESPONSE

As of December 16, 2011, Kentucky Power Company has acquired 24 of the 64 easements, or almost 40% of the total easements, required to construct the transmission line on the Preferred Alternative Route. Please see pages 2 through 8 of this response for additional detail.

WITNESS: Ranie K Wohnhas

Easement Acquisition Status						
Bonnyman - Soft Shell 138 kV Project						
As of December 16, 2011						
Tax Map No.	Parcel Ref for Map	Name & Address	Phone No.	County	Survey Permission Signed	Easement Status
074-30-02011.00 074-30-02011.1001	1	Ronnie Couch 117 Typo Road Bonnyman KY 41719	[REDACTED]	Perry	Under Contract	Under Contract to Purchase
074-30-02-010.00	2	Genevieve Stewart Coal Bowling, Inc. 68 Wabacco Circle Hazard, KY 41701	[REDACTED]	Perry	Signed	Signed
Ky. Hwy. Route 15	3	Ky. Hwy. Route 15				
074-00-00-083.00	4	ACIN, LLC P.O. Box 1267 Hazard, KY 41702	[REDACTED] Paul Sebastian	Perry	Verbal	
Jimmy Darrell Way	5	Jimmy Darrell Way				
KY. Hwy. Route 276	6	Ky. Hwy. Route 276				
074-00-00-081.00	7	Hershell and Margaret Dixon P.O. Box 91 Bonnyman, KY 41719	[REDACTED]	Perry	Verbal	
074-00-00-091.00	8	Linda Buckner and Vickie Buckner P.O. Box 127 Bonnyman, KY 41719	[REDACTED]	Perry	Signed	Signed
not on tax map	9	Kentucky Prince Coal Corporation P.O. Box 450 Dwarf, Ky 41739	[REDACTED] Leroy Lackey	Perry	Signed	
074-00-00-093.00	10	Edith Campbell & Balis Campbell 52 Hunter Church Rd. Hazard, KY 41701	[REDACTED]	Perry	Signed	
074-00-00-096.00	11	Michael Dean Fugate, etal 162 Crawford Vally Dr. P.O. Box 499 Bonnyman, KY 41719	[REDACTED]	Perry	Signed	
074-00-00-090.00	12	Kentucky River Properties, LLC 250 West Main Suite 1823 Lexington, KY 40507	[REDACTED]	Perry	Signed	
unknown	13	Timberlands, LLC P.O. Box 269 Hazard, KY 41702	[REDACTED]	Perry	Signed	
073-00-00-097.00	14	Kentucky River Properties, LLC 250 West Main Suite 1823 Lexington, KY 40507	[REDACTED]	Perry	Signed	
unknown	15	Timberlands, LLC P.O. Box 269 Hazard, KY 41702		Perry	Signed	
073-00-00-097.00	16	Kentucky River Properties, LLC 250 West Main Suite 1823 Lexington, KY 40507	[REDACTED]	Perry	Signed	

Easement Acquisition Status						
Bonnyman - Soft Shell 138 kV Project						
As of December 16, 2011						
Tax Map No.	Parcel Ref for Map	Name & Address	Phone No.	County	Survey Permission Signed	Easement Status
099-00-00-001.00	17	Begley Properties, LLC and B&W Resources P.O. Box 2800 London, KY 40743	Curtis Asher [REDACTED] Deaton [REDACTED]	Perry	Verbal	Existing Easement
099-00-00-002.00	18	Wilma Jean Miller Singleton and Steve Miller 1065 Ky Hwy 28 Hazard, KY 41701	[REDACTED]	Perry	Signed	Existing Easement
Darfork Hollow	19	Darfork Hollow				
099-00-00-004.08	20	Community Trust Bank Escrow Scottie & Rebecca Stacy (foreclosure) Dept. P.O. Box 2947 Pikeville, KY 41502	[REDACTED] Will D. Fugate	Perry	Signed	Existing Easement
099-00-00-002.00	21	Wilma Jean Miller Singleton 1065 Ky Hwy 28 Hazard, KY 41701	[REDACTED]	Perry	Signed	Existing Easement
099-00-00-006.00	22	Mark and Tammy D. Stacy 133 Wabaco Circle Hazard, KY 41701	[REDACTED]	Perry	Signed	Existing Easement
not on tax map	23	Susan L. Stacy 181 Pine Cone Rd. Hazard, KY 41701	[REDACTED]	Perry	Signed	Existing Easement
099-00-00-006.02	24	Ishmal Stacy and Marie Stacy, etal 125 Wabaco Circle Hazard, KY 41701	[REDACTED]	Perry	Signed	Existing Easement
100-00-00-071.00	25	Kentucky River Properties, LLC 250 West Main Suite 1823 Lexington, KY 40507	[REDACTED]	Perry	Signed	
KY. HWY. Route 1146	26	KY. HWY. Route 1146				
100-00-00-071.00	27	Kentucky River Properties, LLC 250 West Main Suite 1823 Lexington, KY 40507	[REDACTED]	Perry	Signed	
115-00-00-024.01 & 115-00-00-024.02	28	Edgar Caines and Mabel Caines 55 Edgar Lane Bulan, KY 41722	[REDACTED]	Perry	Signed	
KY. HWY. Route 80	29	KY. HWY. Route 80				
115-00-00-017.00	30	Kentucky River Properties, LLC 250 West Main Suite 1823 Lexington, KY 40507	[REDACTED]	Perry	Signed	
115-00-00-025.00	31	Timberlands, LLC P.O. Box 269 Hazard, KY 41702	[REDACTED]	Perry	Signed	

Easement Acquisition Status						
Bonnyman - Soft Shell 138 kV Project						
As of December 16, 2011						
Tax Map No.	Parcel Ref for Map	Name & Address	Phone No.	County	Survey Permission Signed	Easement Status
115-00-00-049.00	32	Woodson Hoskins and Dorothy Hoskins 186 Lovins Lane Bulan, KY 41722	[REDACTED]	Perry	Signed	Signed
115-00-00-050.00	33	Clyde Miller & Janice Miller 1860 Carol Dr. Piqua, OH 45356	[REDACTED]	Perry	Signed	
115-00-00-044.00	34	David Lovins and Johnnie Lovins P.O. Box 4 Dwarf, KY 41739	[REDACTED]	Perry	Signed	
115-00-00-034.02	35	Robin & Karen Stacy P.O. Box 121 Dwarf, Ky 41739	[REDACTED]	Perry	Signed	Signed
115-00-00-036.00	36	Bobby Ray Walker, etal P.O. Box 89 Dwarf, KY 41739	[REDACTED]	Perry	Signed	
115-00-00-035.00	37	Betty Childers 9475 Synder Rd, Mason, OH 45040	[REDACTED]	Perry	Verbal	
115-00-00-033.00	38	James Jones and Mable Jones 2823 N. Woodard Chicago, IL 60618	[REDACTED]	Perry	Signed	
134-00-00-001.00	39	James Horn and Brenda Horn P.O. Box 443 Dwarf, KY 41739	[REDACTED]	Perry	Signed	Signed
134-00-00-009.00	40	Vernia Brewer Heirs P.O. Box 296 Dwarf, KY 41739	[REDACTED]	Perry	Signed	
134-00-00-015.00	41	Bryan Messer and Mary Messer P.O. Box 3 Dwarf, KY 41739	[REDACTED]	Perry	Signed	
133-00-00-075.00	42	Appalachian Enterprises LLC P.O. Box 685 Hazard, KY 41702	[REDACTED]	Perry	Signed	
133-00-00-071.00	43	Leona Embry Combs 106 Memory Mt. Ln. Hazard, KY 41701	[REDACTED]	Perry	Signed	
133-00-00-071.08	44	Tami Jett and Dwight Jett 64 Jett Lane Hazard, KY 41701	[REDACTED]	Perry	Signed	
133-00-00-037.02	45	Campbell Investments, LLC. 201 Mt. Shadows Dr. Hazard, KY 41701	[REDACTED] Steve Campbell	Perry	Signed	
133-00-00-015.00	46	Nancy Napier 19971 Ky Hwy 476 Hazard, KY 41701	[REDACTED]	Perry	Signed	Signed

Easement Acquisition Status						
Bonnyman - Soft Shell 138 kV Project						
As of December 16, 2011						
Tax Map No.	Parcel Ref for Map	Name & Address	Phone No.	County	Survey Permission Signed	Easement Status
133-00-00-032.00	47	Estill & Fern Fugate 10310 Ky Hwy 476 Hazard, KY 41701	[REDACTED]	Perry	Signed	Signed
KY HWY Route 476	48	KY HWY Route 476				
133-00-00-032.02	49	Phenoix Development Company P.O. Box 450 Dwarf, KY 41739	[REDACTED]	Perry	Signed	Signed
KY HWY Route 80	50	KY HWY Route 80				
133-00-00-027.00	51	Carlos Huff and Chandler Gayheart c/o Square Deal Motors P.O. Box 146 Hindman, KY 41822	[REDACTED]	Perry	Signed	
133-00-00-004.00	52	Kentucky River Properties, LLC 250 West Main Suite 1823 Lexington, KY 40507	[REDACTED]	Perry	Signed	
133-00-00-028.00 133-00-00-029.01	53	Timberlands, LLC P.O. Box 269 Hazard, KY 41702	[REDACTED]	Perry	Signed	
006-00-00-033.00	54	Kentucky River Properties, LLC 250 West Main Suite 1823 Lexington, KY 40507	[REDACTED]	Knott	Signed	
KY HWY Route 80	55	KY HWY Route 80				
006-00-00-17.00 016-00-00-001.00	56	Kentucky River Properties, LLC 250 West Main Suite 1823 Lexington, KY 40507	[REDACTED]	Knott	Signed	
Beech Creek Rd.	57	Beech Creek Rd.				
016-00-00-001.00	58	Kentucky River Properties, LLC 250 West Main Suite 1823 Lexington, KY 40507	[REDACTED]	Knott	Signed	
016-00-00-003.00	59	Sam Godsey and Pat Godsey P.O. Box 1377 Hindman, KY 41822	[REDACTED]	Knott	Signed	Requested Payment in 2012
KY HWY Route 80	60	KY HWY Route 80				
015-00-00-048.03	61	Larry Keck and Nellie Keck 90 Dans Branch Emmalena, KY 41740	[REDACTED]	Knott	Signed	Signed
015-00-00-048.04	62	Burton and Ellie May Patrick, etal 54 Bluegrass Way Emmalena, KY 41740	[REDACTED]	Knott	Signed	Signed
015-00-00-050.05	63	Jon Amburgey 224 Bearville Road Emmalena, KY 41740	[REDACTED]	Knott	Signed	Signed

Easement Acquisition Status						
Bonnyman - Soft Shell 138 kV Project						
As of December 16, 2011						
Tax Map No.	Parcel Ref for Map	Name & Address	Phone No.	County	Survey Permission Signed	Easement Status
015-00-00-048.00	64	Samantha Anthony & Doris Shepherd P.O. Box 245 Fisty, KY 41743	██████████	Knott	Signed	
015-00-00-048.01	65	Samantha Anthony and Tommy Dewayne Estep P.O. Box 245 Fisty, KY 41743	██████████	Knott	Signed	
015-00-00-050.08	66	Ralph Creech 424 Log Branch Road Emmalena, KY 41740	██████████	Knott	Signed	
015-00-00-050.07	67	Sammie Creech 3096 Evelyn St. Portage, IN 46368	██████████	Knott	Signed	
025-00-00-005.05	68	Mountain Properties, Inc. 122 Roy Campbell Drive Hazard, KY 41701	██████████	Knott	Signed	
025-00-00-039.00	69	Lloyd Richie Estate c/o Roger Richie 690 Easter Drive Carisle, OH 45005	██████████	Knott	Signed	
025-00-00-40.00 025-00-00-041.00 025-00-00-071.02	70	Mountain Properties, Inc. 122 Roy Campbell Drive Hazard, KY 41701	██████████	Knott	Signed	
071-00-00-001.00	70A	Daniel Gayheart P.O. Box 619 Hindman, KY 41822	██████████	Knott	Signed	
025-00-00-038.01	71	Thomas C. Combs Estate c/o Doris Donseman, etal P.O. Box 21 Cave City, KY 42127	██████████	Knott	Signed	
Laurel Fork Rd.	72	Laurel Fork Rd.				
025-00-00-038.01	73	Thomas C. Combs Estate c/o Doris Donseman, etal P.O. Box 21 Cave City, KY 42127	██████████	Knott	Signed	
037-00-00-081.00	74	Daniel Gayheart P.O. Box 619 Hindman, KY 41822	██████████	Knott	Signed	
037-00-00-080.00	75	Sally Rose Estate 1531 Sylvester Br. P.O. Box 44 Emmalena, KY 41740	██████████	Knott	Signed	
036-00-00-043.00	76	Woodrow Bailey - Estate c/o Vivian Jo Bailey P.O. Box 358 Leburn, KY 41831	██████████	Knott	Signed	
KY HWY Route 160	77	KY HWY Route 160				

Easement Acquisition Status						
Bonnyman - Soft Shell 138 kV Project						
As of December 16, 2011						
Tax Map No.	Parcel Ref for Map	Name & Address	Phone No.	County	Survey Permission Signed	Easement Status
036-00-00-043.00	78	Woodrow Bailey - Estate c/o Vivian Jo Bailey P.O. Box 358 Leburn, KY 41831	[REDACTED]	Knott	Signed	
036-00-00-044.00	79	Lloyd & Carolyn Woods 1629 Ogden Vest Road Vest, KY 41772	[REDACTED]	Knott	Signed	Signed
036-00-00-047.00	80	James Clemons & Patricia Clemons P.O. Box 73 Vest, KY 41772	[REDACTED]	Knott	Signed	Survey determined does not affect this property
Pond Branch Rd.	81	Pond Branch Rd.				
036-00-00-048.00	82	Sally Owsley Heirs c/o Catherine Walters 22719 Blank Pike Rd. Wapakoneta, OH 45895	[REDACTED]	Knott	Signed	
036-00-00-028.00	83	Ida Patrick - Heirs 41 Patrick Ln. Leburn, KY 41831	[REDACTED] (Easter Banks)	Knott	Signed	
047-00-00-029.00	84	Albert Calhoun Estate Sharlene Calhoun, etal 75 Softshell Lane Leburn, KY 41831	[REDACTED]	Knott	Signed	Signed
047-00-00-010.00	85	University Of Kentucky c/o Frank A. Butler 107 Main Bldg, Lexington, KY 40506	[REDACTED]	Knott	Signed	
Terry Branch Rd.	86	Terry Branch Rd.				
047-00-00-010.00	87	University Of Kentucky c/o Frank A. Butler 107 Main Bldg, Lexington, KY 40506	[REDACTED]	Knott	Signed	
KY. HWY. Route 80	88	KY. HWY. Route 80				
047-00-00-011.00	89	Consol of Kentucky Inc. Kentucky Fuels Corporation P.O. Box 130 Mousie, KY 41839	[REDACTED]	Knott	Signed	
047-00-00-003.01	90	Kinzer Business Realty LTD. P.O. Box 460 Allen, KY 41601	[REDACTED]	Knott	Signed	
047-00-00-002.00	91	George T. Combs P.O. Box 35 Mousie, KY 41839	[REDACTED]	Knott	Signed	

Easement Acquisition Status						
Bonnyman - Soft Shell 138 kV Project						
As of December 16, 2011						
Tax Map No.	Parcel Ref for Map	Name & Address	Phone No.	County	Survey Permission Signed	Easement Status
047-00-00-003.06	92	Curtis Smith and Karla Marie Smith 4525 Possom Trot Rd. P.O. Box 631 Hindman, KY 41822	[REDACTED]	Knott	Signed	
046-00-00-022.00	93	Orville Smith 173 Ky. Hwy. 1087E P.O. Box 145 Leburn, KY 41831	[REDACTED]	Knott	Signed	
KY HWY Route 1087	94	KY HWY Route 1087				
046-00-00-022.00	95	Orville Smith 173 Ky. Hwy. 1087E P.O. Box 145 Leburn, KY 41831	[REDACTED]	Knott	Signed	
046-00-00-027.00	96	Darrell Handshoe 202 Saint Barts Hazard, KY 41701	[REDACTED]	Knott	Signed	
046-00-00-029.03	97	Brandon Bentley P.O. Box 182 Mousie, KY 41839	[REDACTED] Lula Hoffman	Knott	Signed	
046-00-00-017.10	98	Norman Thomas 4454 Ky Hwy 80E Leburn, KY 41831	[REDACTED]	Knott	Signed	Signed
046-00-00-005.06	99	David Smith 3291 Possom Trot Rd. Leburn, KY 41831	[REDACTED]	Knott	Signed	Signed
046-00-00-005.03	100	Jimmy Campbell and Donna Campbell 178 Raymond Smith Dr. P.O. Box 15 Hindman, KY 41822	[REDACTED]	Knott	Signed	Signed

Kentucky Power Company

REQUEST

Refer to Exhibit 9 of the application.

- a. Pages 9-11 of Exhibit 9 of the application indicate that the persons or entities listed were notified per the Property Valuation Administrator tax roll to ensure that a landowner was not left out of the notification process, but indicate that, according to the 2011 ground survey, an easement is not expected from those persons or entities. Explain why notice was given or attempted to the persons identified if an easement was not expected.
- b. Pages 9-12 of Exhibit 9 of the application identify seven names for which the box for "Survey Permission Signed" is left blank. Those names include: Bobby Combs, Daniel & Misty Miller, David Justice Caines, Mid State Homes II , Lonnie Bryant, Robert L. Holiday, and Thurman Bud Gayheart.
 - (1) Subsequent to September 21, 2011, has Kentucky Power attempted to have survey permission granted from these persons or entities?
 - (2) If, yes, what is the status of such attempts?
 - (3) If no, why not?
- c. Page 12 of Exhibit 9 of the application identifies mineral owners. Provide an update for each entry on page 12 that identifies the current status of easement acquisition with mineral owners and lessees.

RESPONSE

- a. At the time the application was filed, the ground survey, along with title work, was still being completed. It was Kentucky Power's intent to ensure that all persons whose property interests might be affected by the line receive notice of the filing. Because the final line path had not been determined, and could not be determined in some instances until engineering was complete and discussions were undertaken with landowners, Kentucky Power notified some adjoining landowners whose property lines were within the 500 foot corridor of the proposed centerline to ensure they received timely notice if it subsequently became necessary to obtain a right-of-way (which was not anticipated) from them.

- b. (1) No.

(2) N/A

(3) It was subsequently determined that easements were not required from these individuals or entities.

- c. An updated Application Exhibit 9 page 12 is attached as page 3 of this response. No additional easements from coal owners have been acquired since the application was filed. Kentucky Power continues to negotiate with Kentucky River Properties, LLC, Arch Coal, Inc., WPP, LLC and ESSAR Minerals North America, Inc. Information has been exchanged and Kentucky Power Company has submitted a relocation clause for consideration by the coal owners.

WITNESS: Ranie K. Wohnhas

Easement Acquisition Status			
Bonnyman - Soft Shell 138 kV Project			
As of December 16, 2011			
Reference Number	MINERALS OWNERS (Coal and Gas) and LESSEES	Surface owner overlying the mineral owner	Easement Status
MO-001	Kentucky River Properties, LLC 250 West Main Suite 1823 Lexington, KY 40507		Ongoing negotiations; easement presented
MO-002	Kinzer Business Realty LTD. P.O. Box 460 Allen, KY 41601		Title opinion completed; will not require easement
MO-003	M.D. & E. P. Hill, LLC c/o Sallye Hill Stumbo 1022 Aderly Lane Frankfort, KY 40601	Mineral Owner of George Combs	Title opinion completed; will not require easement
MO-004	Woodrow Preston 1026 Celia Lane Lexington Ky 40504	Mineral Owner of George Combs	Title opinion completed; will not require easement
MO-005	WPP LLC 1035 Third Avenue, Suite 300 Cabell County, WV 25701		Ongoing negotiations
MO-006	Methodist Hospital of Kentucky n/k/a Pikeville Medical Center 911 South ByPass Rd. Pikeville, KY 41501	Curtis Smith	Title opinion completed; will not require easement
MO-007	KYCOAGA Company, LLC L. D. Gorman, Registered Agent 480 Main Street Hazard, Ky 41701	Jimmy Campbell	Title opinion completed; will not require easement from this coal owner;
MO-008	Pilgram Energy, Inc, etal P.O. Box 89 Pikeville, KY 41501	Ky River 1077A	Title opinion completed; will not require easement
MO-009	EQT Headquarters 625 Liberty Avenue Suite 1700 Pittsburg, PA 15222		Title opinion completed; will not require easement;
MO-010	Kentucky Fuel Corporation P.O. 130 Mousie, KY 41839		Title opinion completed, they do not own any mineral
MO-011	Arch Coal 300 Corporate Center Dr. Scott Depot, WV 25560		A Kentucky River Lessee; ongoing negotiations
MO-012	Essar Minerals North America, Inc. Frasure Creek Mining, LLC 930 Allen-Banner Road Allen, Ky 41601		A Kentucky River Lessee; ongoing negotiations

Kentucky Power Company

REQUEST

Refer to Kentucky Power's application, page 5. At paragraph 12, Kentucky Power states that it has contacted all property owners over whose property the line is expected to cross in connection with obtaining permission to survey their property. Kentucky Power further states that, as of the date of the filing of the application, only four property owners had expressed objections to the line.

- a. Provide a copy of all of permission forms in which the property owner has registered project opposition.
- b. Since the date the application was filed, have any persons, in addition to the four property owners, expressed project opposition to Kentucky Power?
 - (1) If yes, provide the names of the persons registering objections.
 - (2) If project opposition was expressed in writing, provide a copy of the written objection or objections.

RESPONSE

- a. Please see pages 2 through 5 of this response. Since the filing of the application, one of the four owners that objected, Jon Amburgey, indicated he no longer objects and has signed the easement. James and Mabel Jones, Daniel Gayheart, unmarried, and Margaret Dixon, widow, have not withdrawn their objections. Ms. Dixon consented to the survey, but verbally objected to the construction of the line. Attached are the forms that have been submitted by the objecting landowners, except for Ms. Dixon who offered only verbal comments.
- b. (1) J.C. Brewer (owner of a 1/7 undivided interest), has verbally objected because of a contested will involving the estate of his mother, Vernia Brewer. Ms. Brewer passed away after the filing.
 - (2) There are no responsive documents.

WITNESS: Ranie K. Wohnhas

Tract 63

Line Name: Bonnyman - Softshell 138KV
Line No. TLN384:OK408 Easement No. ____

PERMISSION TO SURVEY

I/We hereby give to Kentucky Power Company, a Kentucky corporation, a unit of American Electric Power, its affiliates, agents, employees, contractors and to the appropriate federal, state and local agencies, permission to enter upon my/our premises to conduct civil surveys, environmental surveys, cultural resource surveys and all other surveys and tests necessary, including the right to drill holes for testing soil and bedrock, for the proposed electric transmission line route. Kentucky Power Company will have the rights to trim or cut vegetation necessary for survey purposes and will be responsible for any damage done to such property and further agrees to pay the prevailing market price for standing timber for any marketable trees cut down in the course of such survey.

Property Location: KNOTT County, Kentucky

Parcel Identification Number 15-0000-050.05

Dated: 5/2, 2010

[Signature]
Owner(s) of Record (Signed Name)

Jane Yonnette Amburgey
(Print/Type Name)

Address: 224 Beemville Rd. Emmelenburg, KY 41134

Phone Number: [REDACTED]

Notes/Special Conditions/Restrictions:

Preferred alternate route, do not want
property split. Do not want poles on property.
Please notify when surveying around
my property. I DO NOT want the ROW
on my property!

1323 + 1464

Line Name: BONNYMAN - SOFTSHELL 138KV
Line No. TLN384:0K408 Easement No. _____

PERMISSION TO SURVEY

I/We hereby give to Kentucky Power Company, a Kentucky corporation, a unit of American Electric Power, its affiliates, agents, employees, contractors and to the appropriate federal, state and local agencies, permission to enter upon my/our premises to conduct civil surveys, environmental surveys, cultural resource surveys and all other surveys and tests necessary, including the right to drill holes for testing soil and bedrock, for the proposed electric transmission line route. Kentucky Power Company has the rights to trim or cut vegetation necessary for survey purposes and will be responsible for any damage done to such property and further agrees to pay the prevailing market price for standing timber for any marketable trees cut down in the course of such survey.

Property Location: Knott, County of Kentucky.

Dated: 2/23, 2011

[Signature]
Owner(s) of Record (Signed Name)

Daniel Gayheart
(Print/Type Name)

Address: Po Box 619
Hardman, Ky 41822

Phone Number: [Redacted]

Notes/Special Conditions/Restrictions: FEE OWNER WANTS ALTERNATIVE
Route Selected. Present Route will Impact
Current coal (deep + surface) mining activity.
Pooler a southern is cleanup and avoid
his land/mining operations.

Also, objects to herbicide spraying, affecting
his water supply.

412

PVA: 115-000-033
DB 226/281

Line Name: BONNYMAN - SOFTSHELL 138KV
Line No. TLN384:0K408 Easement No. _____

PERMISSION TO SURVEY

I/We hereby give to Kentucky Power Company, a Kentucky corporation, a unit of American Electric Power, its affiliates, agents, employees, contractors and to the appropriate federal, state and local agencies, permission to enter upon my/our premises to conduct civil surveys, environmental surveys, cultural resource surveys and all other surveys and tests necessary, including the right to drill holes for testing soil and bedrock, for the proposed electric transmission line route. Kentucky Power Company has the rights to trim or cut vegetation necessary for survey purposes and will be responsible for any damage done to such property and further agrees to pay the prevailing market price for standing timber for any marketable trees cut down in the course of such survey.

Property Location: PERRY, County of Kentucky.

Dated: 8-14, 2011

Mabel Jones
Owner(s) of Record (Signed Name)

MABEL JONES
(Print/Type Name)

Address: 2823 N WOODARD
CHIL 60618

Phone Number: [REDACTED]

Notes/Special Conditions/Restrictions: SEE THE LETTER
ATTACHED

Mabel Jones

KY Power Company

Hello,

I grant permission to KY Power Company to enter my property to survey and complete any necessary testing to determine if Electric lines single pole structures can be placed at appropriate location, access points within the property lines, due to right-of-way width limitations(80 – 140 feet) and environmental consideration . Please keep in mind this is not approval to install the electrical structure, such as power stations or HIGH VOLTAGE Circuit Transmission Structures.

Once you have completed your testing and determined you want to purchase a right-of-way. Please send me your survey for my final review. I'll let you know if I have any issues with the placement of the pole structures. I would prefer these placed on the property in an area that is not buildable, such as the property line running along the highway, do not place the power lines running down the center of the property. I do plan on selling a portion of the property if not all within the next couple of years.

If you need additional information please let me know

Thanks

James Jones

Matife Jones

Kentucky Power Company

REQUEST

Refer to Kentucky Power's response to Item 9(c) of Commission Staffs First Information Request regarding relocation risk.

- a. Provide a copy of a line relocation clause in an easement agreement that Kentucky Power has used within the last ten years where:
 - (1) Existing mineral extraction activities have been present;
 - (2) Future mineral extraction activities are planned.
- b. Identify any differences in current relocation clauses and the relocation clause involved in Case No. 2009-00235,¹
- c. Explain the cost differential involved in easements that contain a relocation clause versus those easements that do not contain a relocation clause.

¹Case No. 2009-00235, Application of Kentucky Power Company for a Certificate of Public Convenience and Necessity to Construct a 138 kV Transmission Line in Perry County, Kentucky (Ky. PSC Nov. 6, 2009)

RESPONSE

- a. The line relocation clause used in the last ten years is the same for both (1) and (2) above. The Right of Way and Easement - Coal Agreement is attached as pages 3 through 7 of this response with the standard relocation clause shaded.
- b. The easement agreement that required Kentucky Power to relocate its 138 kV transmission line in Case No. 2009-00235 was part of an April 1, 1930 agreement that provided in pertinent part:

“It is further covenanted between the parties hereto that should the parties of the first part (Colony Coal & Coke Corporation, a Virginia corporation, and its lessee, Kenmont Coal Company, Inc.), its lessees, successors or assigns, or either of them, the owners or lessees of the land through which said line passes, ever desire, or from time to time should want to use or occupy said land, or any portion thereof, occupied

by said powerline for any purpose, which would in the judgment of the parties of the first part, its lessees, successors or assigns, or either of them, reasonably require a change of location of said powerline, then and in that event the said parties of the second part (Kentucky & West Virginia Power Company, Inc., a Kentucky corporation) shall, upon being requested by either of the parties of the first part, the lessees, successors or assigns, or any of them, at its own expense, change said powerline as may be required by said party of the first part, its lessees, successors or assigns, or either of them, within a reasonable time and to another reasonably suitable location of first parties' property."

The current line relocation clause language (identified in a. above) provides Kentucky Power with the option of purchasing the coal in situ if advantageous to do so in lieu of relocating the line.

- c. Upon initial procurement of the easement, there is no difference in the cost for an easement with or without the relocation clause. Additional costs may be incurred at a later date if relocation is required.

WITNESS: Ranie K. Wohnhas

Eas. No.:
TLN 150: R/W Map No.:
Line:

RIGHT OF WAY AND EASEMENT – COAL AGREEMENT

THIS RIGHT OF WAY AND EASEMENT, made this ___ day of _____, 2011, by and between _____ insofar as their interests are concerned, herein called "Grantor", whether one or more persons, and **KENTUCKY POWER COMPANY**, a Virginia corporation, a unit of American Electric Power, whose principal business address is 1 Riverside Plaza, Columbus, Ohio 43215, herein called "Grantee".

WITNESSETH:

WHEREAS, _____ is the fee owner of a tract of land located in the _____ District of _____ County, Kentucky, and;

WHEREAS, _____ is the owner of the minerals underlying said tract of land, and;

WHEREAS, _____ is the lessee of the minerals underlying said tract of land, and;

WHEREAS, _____ is the sub lessee of the minerals underlying said tract of land, and;

WHEREAS, _____ is the lessee of gas and/or oil underlying said tract of land, and;

WHEREAS, _____ is the sub lessee of gas and/or oil underlying said tract of land, and;

That in consideration of Ten and NO/100 Dollars (\$10.00), and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and the covenants hereinafter set forth, Grantor hereby grants, conveys, and warrants to the Grantee, its successors, assigns, lessees, tenants and licensees, a permanent right of way and easement, herein called "Easement", for electric transmission, distribution, and/or communication lines (hereinafter called "Facilities"), being _____ Hundred (_____) feet in width in, on, over, under, through and across the following described lands of the Grantor.

Grantor claims title by the instrument recorded in Deed Book _____, Page _____, of the _____ County Clerk's office.

The Easement shall be as shown on a print of Grantee's Drawing No. _____ dated ___/___/20___, labeled as Exhibit "A", attached hereto and made a part hereof.

GRANTOR ALSO GRANTS TO GRANTEE THE FOLLOWING RIGHTS:

Grantee has the right to construct, reconstruct, operate, maintain, alter, inspect, patrol, protect, repair, replace, renew, upgrade, relocate within the Easement or along the centerline of the Easement, remove and replace poles, towers, and structures, made of wood, metal, concrete or other materials, including crossarms, guys, anchors, anchoring systems, grounding systems, counterpoises, and all other appurtenant equipment and fixtures, and to string conductors, wires and cables, together with the right to add to said facilities from time to time, and the right to do anything necessary, useful or convenient for the enjoyment of the Easement herein granted, together with the privilege of removing at any time any or all of said facilities erected on the Easement.

GRANTOR FURTHER GRANTS TO GRANTEE the right in Grantee's discretion to cut down, trim, and otherwise control, using tree growth regulators, or other means, and at the Grantee's option, to remove from the Easement any and all trees, overhanging branches, vegetation, brush, or other obstructions. Grantee shall also have the right to cut down, trim, remove, and otherwise control trees situated on lands of the Grantor which adjoin the Easement, when in the opinion of the Grantee those trees may endanger the safety of, or interfere with the construction, operation or maintenance of Grantee's facilities or ingress or egress to, from or along the Easement.

GRANTOR FURTHER GRANTS TO GRANTEE the right in Grantee's discretion to remove buildings, structures, or other obstructions in the Easement when in the opinion of the Grantee those improvements may endanger the safety of, or interfere with the construction, operation or maintenance of Grantee's facilities or ingress or egress to, from or along the Easement.

GRANTOR FURTHER GRANTS TO GRANTEE the right of unobstructed access, at any and all times, over, across and along the Easement, and the right of ingress and egress to and from the Easement from a public road in, on, over and across existing or future access roads and lanes and other reasonable routes outside the Easement across Grantor's adjoining land. In the event there is no existing access road or lane to the Easement, the Grantor will provide a mutually agreed upon reasonable ingress and egress route over the Grantor's lands, and any of the adjoining lands of the Grantor, for the purpose of exercising and enjoying the rights granted herein.

THIS GRANT IS FURTHER SUBJECT TO THE FOLLOWING CONDITIONS:

The Grantor reserves the right to cultivate, pasture or otherwise use the lands encumbered by this Easement in any way not inconsistent with the rights herein granted. However, Grantor shall not place, construct, install, erect or permit any temporary or permanent building, advertising device, sign, dumpster, light pole, swimming pool, deep well, storage tank, structure or obstruction, or use or store any hazardous/flammable material within the Easement. No shed, road, driveway, mounding, fill, excavation, water impoundment or tree plantings shall be permitted within the Easement without the written permission of the Grantee. Grantee shall also have the right to install guy wires, anchors, and anchoring systems outside the Easement, together with the right to cut and

clear any trees and brush which in the Grantee's opinion may endanger or interfere with said guy wires, anchors, and anchoring systems. Grantee agrees to repair or pay the Grantor for damage to growing crops, fences, gates, field tile, drainage ways, drives, lawns, or structures caused by the Grantee in the exercise of the rights herein granted. Grantee further agrees to pay the prevailing market price for standing timber, based on Board Measure at local prices for like grade standing timber, for any marketable trees cut down outside the Easement during construction or maintenance of Grantee's facilities.

GRANTOR hereby excepts and reserves unto itself the entire ownership of said Easement lands and the right to convey, lease or use the same or any part thereof, subject to the rights herein granted and conveyed, **TOGETHER WITH** the right to mine and remove all the coal and other minerals in and underlying said lands and adjacent lands. **PROVIDED, HOWEVER**, that if Grantor or its coal mining lessee or lessees shall desire to commence operations for the recovery of said coal or other minerals by any method of mining from the premises over which said Easement is hereby granted and conveyed, Grantor or its coal mining lessee or lessees shall give to Grantee six (6) months written notice of such proposed operations and provide Grantee with a valid mining permit to conduct mining operations, together with a mining plan map and a general plan of mining operations, which, among other things, shall show the general sequence of extraction, the method and system of mining, any entries and air courses and general plans of development of the property, probable limits of any adjacent mining operations, and such other reasonable detail, and an estimate of the coal reserves affected and the compensation demanded therefore should Grantee elect to purchase said coal as outlined in section (c) below. It is understood between the parties that a blasting waiver does not constitute written notice. All such information supplied by Grantor shall be held in confidence by Grantee. Within sixty (60) days after receipt of said notice, Grantee shall determine if any part of its facilities may be endangered by such operations and shall:

- (a) Specifically release in writing Grantor's obligation not to cause the loss of lateral or subjacent support with respect to, endanger the safety of, or interfere with said facilities, or;
- (b) Relocate said facilities to another suitable right of way to be supplied by the Grantor, or;
- (c) Purchase from the Grantor such mineable and merchantable coal or other minerals in place, as Grantee may deem reasonably necessary to prevent the loss of lateral or subjacent support with respect to, the endangerment of the safety of, or interference with the construction, operation or maintenance of said facilities in their then existing locations.

In no case, however, shall such operations continue in such a way as to cause the loss of lateral or subjacent support with respect to, endanger the safety, or interfere with the construction, operation or maintenance of said facilities, unless the Grantee has specifically released in writing the Grantor's obligation not to cause the loss of lateral or subjacent support with respect to, endanger the safety of, or interfere with the construction, operation, or maintenance of said facilities. In the event that coal or other minerals are purchased by Grantee pursuant to option (c) above, Grantee shall pay for any demonstrated added costs, which the Grantor may sustain by leaving said coal or other minerals in place for the protection of said facilities, which added costs are caused by the results of Grantee exercising option (c) above. Grantee shall be notified by the

Grantor of any operations which may so cause the loss of lateral or subjacent support with respect to, endanger the safety of, or interfere with the construction, operation, or maintenance of said facilities and shall have ninety (90) days within which to exercise either option (a), (b), or (c) above and shall complete the option so exercised, if any, within a reasonable time which in the case of option (b) shall be eighteen (18) months with respect to the first one (1) mile of line, or portion thereof, and an additional sixty (60) days with respect to each additional one thousand (1,000) feet of line, or portion thereof, except that said eighteen (18) months time limitation shall not begin until after Grantor has provided the Easement and a general plan of mining operations as indicated herein. In the event that Grantee exercises option (b) above, Grantor agrees to facilitate negotiations and obtain written permission from all interested parties; surface owners, and any and all mineral interests, to establish a relocation route agreed to by all parties. This item must be completed prior to the initiation of engineering. If agreed upon relocation route is changed for any reason by party requesting relocation after engineering has begun, then party requesting relocation shall be responsible for all costs associated with the required redesign. Grantee agrees to provide reasonable supporting documentation to Grantor, which substantiates Grantee's cost. In the event that Grantee elects option (b) above, that portion of the right of way and easement from which said facilities are removed shall revert to the Grantor upon completion of such removal.

Should Grantee elect to protect its facilities by limiting the recovery of coal, as set forth in section (c) above, it shall, with its notice of such election, specify by appropriate map, with the concurrence of Grantor and its affected coal lessees, with the industry accepted fifteen (15) degree angle of repose from an area defined by the outer limits of a one-half (1/2) acre circle extending from the center of the affected facilities (including but not limited to structure legs, foundations and guys), or the outer limits of an area defined by applying a thirty (30) foot radius circle around any ground penetration from the affected apparatus, whichever yields the greater area, through all seams of coal, to an elevation determined by Grantee, left in place in excess of twelve (12") inch of seam height for contour mined coal, twenty-four (24") inch of seam height for auger mined coal, and twenty-eight (28") inch seam height for deep mined coal, the area of coal to be left unmined.

The price to be paid to Grantor, for such mineable and merchantable coal or other minerals left in place, shall be ten (10) percent of the then current selling price at the tippie for such coal or other minerals of similar grade and quality. The current selling price shall be defined as that price, which Grantor's coal lessees had received, during the six (6) months immediately preceding the notice of election by Grantee to restrict recovery, for coal of similar grade or quality. In the event said mineable and merchantable coal or minerals are under lease to another party or parties at the time Grantee elects to purchase same, then Grantee will make payment for said coal left in place to said party or parties; said party or parties shall be responsible for payments, if any, to its Lessor(s).

Grantor shall estimate the amount of such marketable coal as determined by the following recovery rates: (i) ninety (90) percent for surface mining; (ii) seventy-five (75) percent for deep mining; (iii) sixty (60) percent for highwall mining; and (iv) fifty (50) percent for auger mining, and make demand of Grantee for compensation, and shall, in connection therewith provide Grantee with sufficient data showing the basis for the amount of the demand for compensation. Grantee shall notify Grantor, in writing, within sixty (60) days after receipt of Grantor's demand, to accept or make a counter-offer of

compensation. If Grantee makes a counter-offer to Grantor and Grantor accepts said offer, then Grantee shall pay to Grantor the amount of the counter-offer upon a mutually agreed date after the acceptance.

PROVIDED, FURTHER, that if Grantee shall have once relocated its facilities or paid compensation pursuant to its obligations under this section, then Grantee shall have no further obligation again to relocate or again to pay money to Grantor by reason of that part of the facilities so moved or by reason of which money was paid to Grantor. Should it become necessary for the facilities so removed and relocated under this paragraph to be relocated again, then the party or parties desiring such removal and relocation will undertake in the notice to be served hereunder to reimburse Grantee for the cost of removal and subsequent relocation of any segments of said facilities. After Grantee relocates any portion of its Easement as hereinabove set forth, the Easement abandoned thereby shall revert to Grantor, to the extent that such abandoned Easement is located on lands of Grantor.

Grantee shall and hereby agrees to indemnify and save Grantor and/or its coal mining lessee or lessees, its or their officer, employees and agents harmless from and against any and all claims, demands, suits, judgments, recoveries and liabilities for injury to or death of any person or persons whomsoever and for loss of or damage to any property arising out of the operations or activities of Grantee or in connection with this Easement agreement, provided that nothing shall require Grantee to indemnify against willful or wanton misconduct by Grantor and/or its coal mining lessee or lessees.

In order to expedite the execution of this Easement by numerous parties, it is agreed that said Easement be executed by numerous parties in separate counterparts. If each party has signed at least one counterpart, the failure of one or more parties to sign a particular counterpart shall not invalidate the same, so that all counterparts signed by one or more of the parties may be combined and considered together as one instrument.

This instrument contains the complete agreement, expressed or implied between the parties herein and shall inure to the benefit of and be binding on their respective successors, assigns, heirs, executors, administrators, lessees, tenants, and licensees.

All notices and other communications between the parties provided for in this agreement shall be sent by certified mail, return receipt requested, to the following respective addresses:

Kentucky Power Company
Transmission Line Projects Engineering
Attn: Engineering Manager
1 Riverside Plaza
Columbus, OH 43215

Kentucky Power Company

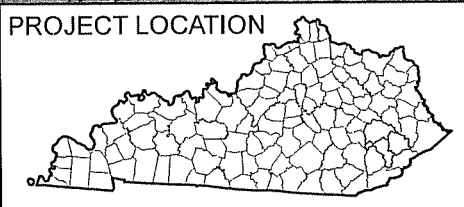
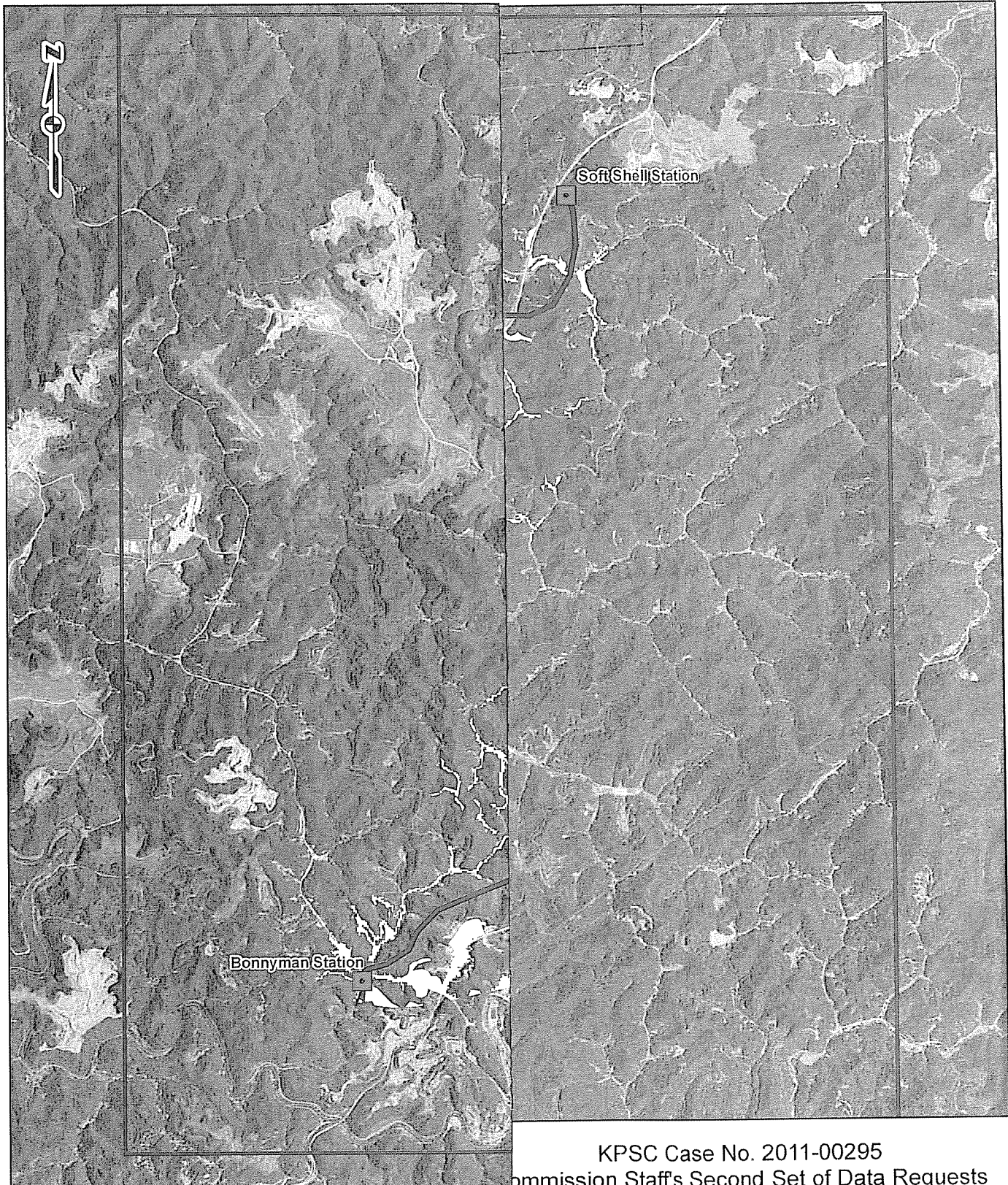
REQUEST

Refer to Exhibit 13 of the application, page 10, and Kentucky Power's response to Commission Staff's First Information Request, Item 14. An area between the central corridor and the southern corridor was not assigned to a corridor and, therefore, was not considered in creating and analyzing segments. This area appears to partly coincide with the area described in Kentucky Power's response to Item 15 of Commission Staff's First Information Request and is described as an area with linear residential developmental and a large subdivision. Provide a map showing the current residential and commercial/industrial land use in all corridors and the area between them. Include the preferred route on the map. Include all future residential and commercial/Industrial sites utilizing information contained in the public record (i.e., information approved by a zoning board or information for which building permits or public roads have been approved).

RESPONSE

All portions of the study area were considered for the initial development of corridors and segments. Please see the attached map showing the current residential and commercial/industrial land use in all corridors and the area between them. This map includes all future residential and commercial/industrial sites utilizing information contained in the public record.

WITNESS: George T. Reese



BREATHITT, KNOTT, AND
PERRY COUNTIES, KENTUCKY

KPSC Case No. 2011-00295
 Commission Staff's Second Set of Data Requests
 Order Dated December 8, 2011
 Item No. 5



BONNYMAN - SOFT SHELL 138kV
 TRANSMISSION LINE PROJECT
 KENTUCKY POWER



BY: AMS DATE: 12/12/2011
 CHECKED: SWW APPROVED: GTR

Kentucky Power Company

REQUEST

Refer to Kentucky Power's response to items 7(a), 7(b), 7(d), and 7(e) and Item 14 of Commission Staff's First Information Request. Provide a map covering all of the corridors and the areas between the corridors, as identified in Kentucky Power's response to Item 14 of Commission Staff's First Information Requests. Create one map showing mine facilities, such as active mine portals or processing facilities, previously mined areas, and areas permitted for mining. Map the information for areas permitted for mining by utilizing data from the Kentucky Mine Mapping System, available at <http://minemaps.ky.gov/>. [At the web site, click on Downloads tab, then download "Statewide Available Mine Maps (All Seams)," which is a GIS layer. Using that layer in a GIS application, select only active permits, and then follow the link for each active permit and download only the most recent map. The maps are georeferenced in the Kentucky State Plane Single Zone NAD83 coordinate system, so that the map images are automatically located correctly in your GIS application. It will be necessary to digitize each permitted area and classify it as surface or underground in order to make the map that is requested.] Include the preferred route on the map.

RESPONSE

Please see the map attached to this response.

WITNESS: George T. Reese

CASE NO: 2011-00295
Kentucky Power Company

CONTAINS
LARGE OR OVERSIZED
MAP(S)

RECEIVED ON: December 16, 2011

Kentucky Power Company

REQUEST

Refer to Kentucky Power's responses to items 23a. and 23d. of Commission Staffs First Information Request.

- a. In the response to part a. regarding Right-Of-Way Acquisition Costs, reference is made to land values increasing due to increasing environmental restrictions on land use.
 - (1) Provide the statutory reference(s) and an explanation of each of the environmental restrictions impacting land costs.
 - (2) Explain in detail why the environmental restrictions have increased land costs.
- b. Refer to the response in item 23d. regarding the 2009-2010 and 2011 estimates of land costs.
 - (1) Provide a list of the credible sources referenced for the specific data gathered to determine the 2011 land costs.
 - (2) Provide the source(s) and the actual information for the comparable sales referenced in the response to the question.
 - (3) Do the comparable sales have the same estate (i.e. surface rights only) as is the case with Kentucky Power's right-of-way acquisitions?
 - (4) If the answer to part 3 above is "no," identify and explain how the sales for different estates were adjusted to the subject property.

RESPONSE

- a. (1). In reference to increasing environmental restrictions, during landowner interviews, coal companies were hesitant to enter into right-of-way agreements over currently permitted reserves in part due to environmental restrictions and uncertainties concerning new mining plans. The intervening land between the Bonnyman and Soft Shell substations, in large part, is presently or previously mined and controlled by the mining companies. Examples of environmental regulatory developments influencing mining and subsequently land costs include, but are not limited to the following:

Recent regulatory developments in connection with federal regulation of mountaintop mining and valley fill have restricted the future availability in the area of the proposed transmission line of the gently rolling or level land required for the project. *See, e.g.*, United States Environmental Protection Agency Memorandum, "Improving EPA Review of Appalachian Surface Coal Mining Operations Under the Clean Water Act, National Environmental Policy Act, and the Environmental Justice Order" (July 21, 2011)
http://water.epa.gov/lawsregs/guidance/wetlands/upload/Final_Appalachian_Mining_Guidance_072111.pdf.

Section 10 of the Rivers and Harbors Appropriation Act of 1899, 33 U.S.C. § 303, grants the United States Army Corps of Engineers authority over the discharges, including fill materials from surface mining operations, into the navigable waters of the United States.

Section 402 of the Clean Water Act, 33 U.S.C. § 1342, imposes a requirement for a National Pollutant Discharge Elimination System permit ("NPDES" or "Section 402" permit for point source discharges. The NPDES program is administered by the United States Environmental Protection Agency ("EPA") in conjunction with the Kentucky Energy and Environmental Cabinet, Department of Environmental Protection, Division of Water Quality. 33 U.S.C. 1342(a)(1); KRS 224.70 *et seq.*; 401 KAR Chapter 5.

Section 404 of the Clean Water Act, 33 U.S.C. § 1344, imposes a requirement for a permit ("Section 404" permit) in connection with the discharge of "dredged or fill materials into navigable waters." The Section 404 program is administered by the Army Corps of Engineers, 33 U.S.C. § 1344(a), (d), subject to review and "veto" by the EPA. 33 U.S.C. § 1344(c); 33 U.S.C. § 1344(b); 40 C.F.R. § 231.1(a) (noting EPA's "veto.")

The definition of what constitutes the navigable waters of the United States under these and other federal statutes and regulations has been increasingly broadened to extend far beyond what previously was understood to be the navigable waters of the United States. *See, e.g.*, "Draft Guidance on Identifying Waters Protected by the Clean Water Act," 76 Fed. Reg. 24479 (May 2, 2011), http://www.epa.gov/indian/pdf/wous_guidance_4-2011.pdf.

(2) To be clear, and as stated in the first paragraph of the Company's response to 23a., the 2009 estimate was a conceptual estimate (including ROW). Thus, the environmental restrictions listed above and the more detailed 2011 estimate lead to a total increase in land costs for this project. The effect of these and other regulatory developments has been to increase the cost, time required, and complexity of obtaining the necessary permits for mining spoil storage and waste

storage areas. Generally, any restriction, environmental or otherwise, that limits the use that may be made of property can reduce the supply of available land, and, hence, consistent with fundamental principles of economics, increase its costs.

In addition, areas that formerly could be used for mine spoil and waste storage may no longer be available for such purposes. As a result, mining companies now may be required to use land suitable for transmission lines, and which was formerly made available for transmission line right-of-ways, for mine spoilage and waste storage. In addition, certain previously mined lands, that otherwise might have been offered for right-of-way, are being considered for further mining. Finally, because of regulatory costs and uncertainties inherent in obtaining required variances for approved mining plans, coal companies have been hesitant to enter into right-of-way agreements over currently permitted reserves.

Because mining companies and Kentucky Power are now "competing" for the same land, which has become increasingly limited, and which in large part is controlled by the mining companies, the price of right-of-ways in mining regions has increased.

- b. (1) (a) Public records of real estate transactions in the Office of the Knott County Court Clerk;
- (b) Public records of real estate transactions in the Office of the Perry County Court Clerk.
- (2) See response to Item 7(b)(1) and page 4 of this response.
- (3) It is Kentucky Power's understanding from a review of the records that the comparable sales involved the surface estate only.
- (4) N/A

WITNESS: Ranie K. Wohnhas

Bonnyman - Soft Shell 138 kV Project						
Comparable Sales						
Perry & Knott County PVA Records						
Date	Acreage	Consideration	Price Per Acre	Type of Property		Grantee
Perry County						
Hillside						
8/21/1996	30	\$ 15,000.00	\$ 500.00		Coates Br.	Donald & Nellie Stacy
6/27/1997	20	\$ 52,000.00	\$ 2,600.00	terrain unknown		Peoples Bank
2/16/2006	216	\$ 289,000.00	\$ 1,337.96			
2/19/2010	9	\$ 21,000.00	\$ 2,333.33			
10/24/2010	37	\$ 80,000.00	\$ 2,162.16		Rock Lick	Ky Mt Partnership
2/14/2011	0.5	\$ 2,500.00	\$ 5,000.00		Lotts Ck	Charles Fugage
5/13/2011	2	\$ 65,000.00	\$ 5,000.00		Dwarf	Wilus Shepherd
6/1/2011	1.5	\$ 51,143.57	\$ 6,666.67		Pigeon Roost Rd	Charles Stone
Lots Level +/-						
4/25/2000	22	\$ 280,000.00	\$ 12,727.27	terrain unknown		
6/6/2005	1.75	\$ 30,000.00	\$ 17,142.86		Memory Mt Lane	Gary & Wanda Smith
9/20/2005	13.05	\$ 320,000.00	\$ 24,521.07		Elk Run	A & B Enterprise
1/10/2007	0.55	\$ 35,000.00	\$ 35,000.00		Phoenix Place	Dwayne Campbell
4/1/2009	1.1	\$ 46,000.00	\$ 41,818.18		Phoenix Place	Jackie Asher
10/2/2009	2.44	\$ 10,000.00	\$ 4,098.36		Phoenix Place	Phoenix Development
11/3/2009	1.11	\$ 287,500.00	\$ 36,036.04	Includes improv./per acre per tax card	Elk Run	Patrick & Jessica mcGraner
2/18/2010	0.55	\$ 35,000.00	\$ 35,000.00	Includes improv./per acre per tax card	Phoenix Place	James Dawson, Jr.
5/17/2010	0.5	\$ 36,000.00	\$ 72,000.00	Developed Subdivision	Phoenix Place	Edward Johnson
1/25/2011	0.5	\$ 36,000.00	\$ 72,000.00	Developed Subdivision	Phoenix Place	Dwayne & Valarie Campbell
4/29/2011	0.77	\$ 175,000.00	\$ 227,272.73	Commerical		Hazard Fire & Safety
5/26/2011	0.41	\$ 225,000.00	\$ 32,000.00	Developed Subdivision	Phoenix Place	Jimmy & Vanessa Mullins
6/16/2011	0.52	\$ 220,000.00	\$ 28,500.00	Developed Subdivision	Phoenix Place	Bubaker Kablan & Amal Anga
5/20/011	0.28	\$ 195,000.00	\$ 30,000.00	Developed Subdivision	Terrace View	Ricky & Bobbe Sturdivant
Knott County						
Hillside:						
1/11/2007	46	\$ 195,000.00	\$ 4,239.13	Part Level, part hillside	Montgomery Ck	Bill West
1/4/2008	75	\$ 25,000.00	\$ 333.33		Swift Shoal Br.	Jackie & Jamie Combs
5/15/2009		\$ 20,000.00		acreage unknown		Willis Shepherd
6/16/2009	56	\$ 30,000.00	\$ 535.71		Salt Lick Ck	Nichoals & Carolyn Halkias
4/5/2010	71.9	\$ 55,500.00	\$ 771.91		Copperhead Rd	Sam Godsey
6/15/2010	15	\$ 11,000.00	\$ 733.33		Ball Ck	Melissa Rose
7/30/2010		\$ 10,000.00		Tract 5 - lot size unknown	Rt Beaver Ck	Ivan Isaac
10/12/2010	4.54	\$ 2,000.00	\$ 440.53		Balls Br.	Debbie Hicks
9/30/2010	20	\$ 42,000.00	\$ 2,100.00		Stable Br	Phillip & Marlene Combs
11/1/2010	1.46	\$ 7,300.00	\$ 5,000.00		Quicksand Ck	Homer & Barbara Terry
11/24/2010	40	\$ 20,000.00	\$ 500.00		Balls Br.	Janice Campbell & David Smith
11/9/2010	6	\$ 25,000.00	\$ 4,166.67		Troublesome Ck	Douglas & Ginger White
11/12/2010	15	\$ 55,000.00	\$ 3,666.67		Lotts Ck/Clear Fk	Lena Darlene Sheriff
11/24/2010	9.96	\$ 115,000.00	\$ 11,546.18	Part level, part hillside	Carrs Fk	Christoper & Jaimie Coffey
1/26/2011	50	\$ 43,000.00	\$ 860.00		Quicksand Ck	Walter Combs
3/4/2011		\$ 8,581.77		acreage unknown	Owens Br.	James Williams
3/15/2011	10	\$ 12,000.00	\$ 1,200.00		Balls Br.	Carl Watts
Lots (level +/-)						
6/25/2010	0.891	\$ 75,000.00	\$ 84,175.08	(not clear if there are improvements)	Watergap Rd	James Bowling & Dinah Hall
8/12/2010	2.84	\$ 190,000.00	\$ 66,901.41	(not clear if there are improvements)	Balls Fk	Jessica Stone
9/8/2010	1	\$ 34,000.00	\$ 34,000.00	Lot 55	Meadow Subd	Glenn & Christy Cornett
10/19/2010	1.57	\$ 35,000.00	\$ 22,292.99		Hunter Forest	Whitney & George Dalton
11/11/2010	1.5	\$ 55,000.00	\$ 36,666.67	Lot size estimated	Ballard Stone Add	Montlee & Kendra Wickline
11/29/2010	1	\$ 25,000.00	\$ 25,000.00	acres estimated		Katlyn & Kirstin Baum
11/30/2010	1	\$ 36,000.00	\$ 36,000.00	Lot 20, size estimated	Meadow Subd	Richard Adler
12/1/2010	0.537	\$ 32,000.00	\$ 59,590.32		Lakeview Village	Densmore Goodson
1/27/2011	1.02	\$ 35,000.00	\$ 34,313.73		Bearville	Ronnie Bentley
2/2/2011	2.2	\$ 77,030.40	\$ 35,013.82	Est. acres		Michael Fannin
3/16/2011	1	\$ 40,500.00	\$ 40,500.00	Lot 5; lot size estimated	Meadow Subd	Jessica Thacker