

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE  
COMMISSION

The Matter Of:

The Application Of Kentucky Power Company )  
For An Order Approving Accounting Practices )  
To Establish Regulatory Assets And Liabilities )  
Related To The Extraordinary Expenses ) Case No. 2012-00445  
Incurred By Kentucky Power Company )  
In Connection With Four 2012 Major Storm Events )

**AMENDED APPLICATION**

Kentucky Power Company (“Kentucky Power”) moves the Commission pursuant to KRS 278.030, KRS 278.040, and KRS 278.220 for an Order permitting Kentucky Power to accumulate and defer for review and recovery in its next base rate proceeding before the Commission those extraordinary and incremental net operation and maintenance costs incurred by Kentucky Power in connection with the five 2012 “Major Event Day” Storms in Kentucky Power’s service territory. In support thereof Kentucky Power states:

**Applicant**

1. Kentucky Power is an electric utility organized as a corporation under the laws of the Commonwealth of Kentucky in 1919. A certified copy of Kentucky Power’s Articles of Incorporation and all amendments thereto was attached to the Joint Application in Case No. 99-149<sup>1</sup> as Exhibit 1. The post office address of Kentucky Power is 101A Enterprise Drive, P.O. 5190, Frankfort, Kentucky 40602-5190. Kentucky Power is engaged in the generation, purchase, transmission, distribution and sale of electric power. Kentucky Power serves approximately

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<sup>1</sup> *In the Matter of: The Joint Application Of Kentucky Power Company, American Electric Power Company, Inc. And Central And South West Corporation Regarding A Proposed Merger, P.S.C. Case No. 99-149.*

173,000 customers in the following 20 counties of eastern Kentucky: Boyd, Breathitt, Carter, Clay, Elliott, Floyd, Greenup, Johnson, Knott, Lawrence, Leslie, Letcher, Lewis, Magoffin, Martin, Morgan, Owsley, Perry, Pike and Rowan. Kentucky Power also supplies electric power at wholesale to other utilities and municipalities in Kentucky for resale. Kentucky Power is a utility as that term is defined at KRS 278.010.

2. Kentucky Power is a wholly-owned subsidiary of American Electric Power Company, Inc. (“AEP”). The AEP System is a multi-state public utility holding company system that provides electric service to customers in parts of eleven states – Arkansas, Indiana, Kentucky, Louisiana, Michigan, Ohio, Oklahoma, Tennessee, Texas, Virginia and West Virginia.

#### **Kentucky Power’s Transmission and Distribution Facilities**

3. In January, 2012, Kentucky Power owned 1,251 miles of transmission lines. Kentucky Power’s transmission system is designed and constructed to meet heavy loading criteria. The transmission system comprises approximately 2,000 metal structures and 12,000 wooden structures.

4. The Company also owned 9,999 miles of distribution lines in January, 2012. Of these, 171 miles were underground. Kentucky Power’s distribution system is designed and constructed to meet medium loading criteria. The distribution system also includes approximately 150,000 overhead service drops.

5. Kentucky Power’s service territory includes some of the most rugged and difficult topography in the Commonwealth. Its distribution and lower voltage transmission facilities in particular cross mountainous and heavily-wooded terrain.

### **The 2012 “Major Event Day” Storms**

6. Under IEEE Standard 1366, a Major Event is one that exceeds reasonable design and or operational limits of the electric power system. IEEE Standard 1366 statistically defines a “Major Event Day” as any day in which the system’s SAIDI (“System Average Interruption Duration Index”) exceeds the threshold value of  $T_{med}$ . That threshold value in turn is calculated at the end of each reporting period (typically a single calendar year) using data from the previous five years. It is calculated by taking the average of the natural logarithm of each daily SAIDI during the previous five year period. The standard deviation of the five-year data set is then determined and the threshold value of  $T_{med}$  is set at 2.5 standard deviations. Any day in the subsequent reporting period that exceeds  $T_{med}$  is classified as a Major Event Day.

7. Between January 1, 2012 and November 3, 2012 Kentucky Power’s service territory experienced five storms involving Major Event Days as defined by IEEE Standard 1366. They were the February 19, 2012 Snow Storm (February 19, 2012-February 23, 2012), the March 2, 2012 Tornadoes and Windstorms (March 2, 2012-March 7, 2012), the June “Derecho” and July 1, 2012 Storms (June 29, 2012-July 4, 2012), the July 5, 2012 Thunderstorms (July 5, 2012-July 8, 2012), and the October 29, 2012 Hurricane Sandy Snowstorm (October 29, 2012-November 2, 2012).

#### **A. The February 19, 2012 Snow Storm.**

8. Beginning Sunday, February 19, 2012, a snow storm hit Kentucky Power’s service territory. By the time the storm left the Company’s service territory five to eight inches of heavy, wet snow had accumulated in the Pikeville and Hazard Districts.<sup>2</sup>

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<sup>2</sup> See generally <http://www.crh.noaa.gov/jkl/stormreports/index.php?yr=2012&mo=02&dy=19&enum=17>

9. Both before and during the snow storm, Kentucky Power's Distribution Dispatch Center in Ashland, Kentucky monitored weather-related information sources, including the Weather Channel, the National Weather Service's web-site and several weather radar online sites. In addition, the Center was advised by the AEP meteorologist both before and during the storm. This information was relayed by the Dispatch Center to Kentucky Power management so that informed decisions could be made to call-in personnel, and to schedule the workforce during restoration efforts.

10. The accumulated snow caused significant damage to Kentucky Power's system, resulting in the loss of power to thousands of Kentucky Power customers. At the height of the outages, 11:00 a.m. on February 20, 2012, 34,375 Kentucky Power customers were known to the Company to be without power

11. There were a total of 908 outages experienced on Kentucky Power's distribution system as a result of this storm. Nearly all outages were caused by the heavy snow and snow-laded trees making contact with the distribution line. Kentucky Power replaced 38 poles and 51 distribution transformers as a result of the February 19, 2012 snow storm.

12. In response to weather forecasts calling for heavy snow fall, the Company scheduled its line and support personnel to work on Sunday afternoon, February 19, 2012. Kentucky Power also began mobilizing restoration crews on February 19, 2012, which was the first day of the snow storm. In addition to its employee crews, 65 existing contract right-of-way crews (196 persons) were assigned to restoration efforts on February 19, 2012. The first contract line crews from other utilities arrived the next day. A total of 926 non-Company personnel (422 contract line and support personnel, 144 line personnel from other AEP companies, 360 contract right-of-way personnel), and Kentucky Power employees worked to restore Kentucky Power's

system following the February 19, 2012 snow storm. The restoration efforts, which concluded at approximately 9:30 p.m. on February 23, 2012, required 34,640 employee hours and 32,514 contractor hours of work.

13. As of December 5, 2012, the total actual-to-date operational and maintenance expenses associated with the February 19, 2012 snow storm restoration effort were \$4,153,443.<sup>3</sup> But for the February 19, 2012 snow storm, \$3,640,215 of these operation and maintenance costs would not have been incurred. By this application, Kentucky Power seeks authority to accumulate and defer for consideration in its next rate proceeding that portion of the incremental operation and maintenance expenses that (in conjunction with the incremental operation and maintenance expenses incurred in connection with the other four 2012 Major Event storms) exceed the storm-related operation and maintenance expense in Kentucky Power’s base rates.

14. Kentucky Power recorded its total operation and maintenance expenses for the February 19, 2012 Snow Storm repair and restoration efforts in the following FERC accounts:<sup>4</sup>

Account No.	Expenditure
5800000	\$ 445
5880000	\$ 83,892
5930000	\$ 4,065,437
9030001	\$ 2,824
9350001	\$ 845
<b>Total</b>	<b>\$ 4,153,443</b>

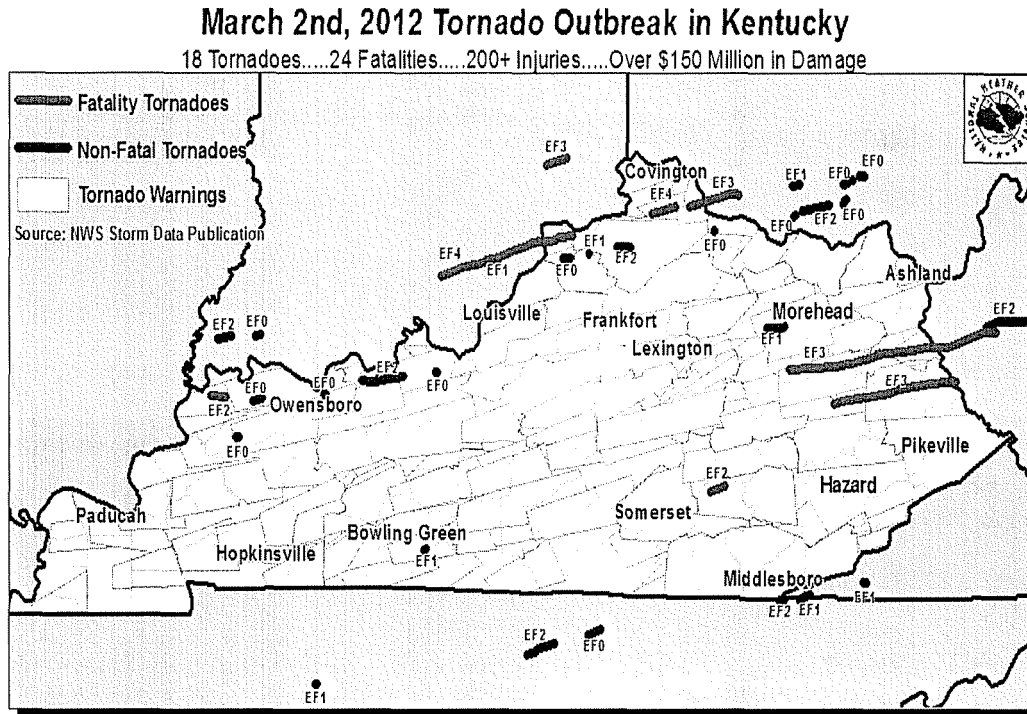
**B. The March 2, 2012 Tornadoes And Wind Storms.**

15. On March 2, 2012, a line of wind storms moved west to east through Kentucky Power’s service territory. The storms, which also involved several “supercells,” were marked by

<sup>3</sup> Kentucky Power will promptly supplement the total and incremental operation and maintenance expenses associated with the February 19, 2012 snow storm restoration efforts if any additional expenses are booked.

<sup>4</sup> The values listed have been updated from the Company’s September 28, 2012 filing and correspond to the values most recently provided by the Company in its December 7, 2012 Supplemental Response to Commission Staff’s Second Set of Data Requests, Item No. 5.

high winds, heavy rain, and hail. Accompanying the storms were at least three tornadoes, two of which were rated 3 on the Enhanced Fujita Scale (EF-3) during a portion of their path. The third tornado was rated 1 on the Enhanced Fujita Scale (EF-1). The storms were described as the worst to hit Eastern Kentucky in almost 25 years.<sup>5</sup> The National Oceanic and Atmospheric Administration map below<sup>6</sup> details the March 2, 2012 tornado activity in Kentucky:



EF-3 storms are characterized by severe damage and winds measuring 136-165 m.p.h. EF-1 tornadoes produce significant damage and are characterized by 86-110 m.ph. winds.<sup>7</sup>

16. One of the EF-3 tornadoes began in Menifee County, Kentucky with touchdown about two miles southwest of Mariba in Menifee County at 5:39 P.M. EST. The tornado moved east and struck West Liberty in Morgan County, Kentucky at approximately 5:58 P.M. EST. The EF-3 tornado continued east from West Liberty through the remainder of Morgan County

<sup>5</sup> <http://www.kentucky.com/2012/03/03/2093069/death-toll-rises-to-14-at-least.html>

<sup>6</sup> [http://www.crh.noaa.gov/jkl/?n=20120302\\_torsummary](http://www.crh.noaa.gov/jkl/?n=20120302_torsummary)

<sup>7</sup> <http://www.crh.noaa.gov/arx/efscale.php>

into Lawrence and Johnson Counties, Kentucky, after which the tornado continued into West Virginia. Maximum wind speed was estimated to be 160 m.p.h.<sup>8</sup>

17. The damage path through Morgan County was approximately one mile in width.<sup>9</sup> The path extended 36 miles in Menifee, Morgan, and Johnson Counties, Kentucky, and in total stretched approximately 60 miles across Kentucky. The tornado killed two people in Menifee County and six people in West Liberty.<sup>10</sup> Much of downtown West Liberty was destroyed or suffered significant damage.<sup>11</sup> Over 700 residences were destroyed or damaged in Morgan County.<sup>12</sup>

18. The second EF-3 tornado touched downtown along Highway 1094 southeast of Burkhart in Wolfe County, Kentucky around 6:50 P.M. EST. The tornado traveled east-northeast before striking Salyersville in Magoffin County at around 7:03 P.M. EST. The tornado continued east-northeast through Johnson and Martin Counties, Kentucky before entering West Virginia at 7:38 P.M. EST. The tornado was classified as an EF-3 while traveling through Magoffin and Johnson Counties. Its maximum wind speed was estimated to be 160 m.p.h.<sup>13</sup>

19. The second tornado's damage path stretched 48 miles in Kentucky and was 0.75 miles at its maximum width.<sup>14</sup>

20. The second tornado caused extensive damage to Salyersville where more than 70 buildings were damaged or destroyed.<sup>15</sup>

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<sup>8</sup> [http://www.crh.noaa.gov/jkl/?n=20120302\\_torsummary](http://www.crh.noaa.gov/jkl/?n=20120302_torsummary)

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

<sup>11</sup> <http://www.kentucky.com/2012/03/06/2097434/numbers-without-power-in-storm.html>

<sup>12</sup> <http://www.kentucky.com/2012/09/02/2320374/survivors-of-march-tornadoes-putting.html#storylink=misearch>

<sup>13</sup> <http://www.kentucky.com/2012/03/06/2097434/numbers-without-power-in-storm.html>

<sup>14</sup> *Id.*

<sup>15</sup> <http://www.kentucky.com/2012/09/02/2320374/survivors-of-march-tornadoes-putting.html#storylink=misearch>

21. Although the tornadoes and wind storms produced damage throughout Kentucky Power's 20-county service area, Morgan, Johnson, Lawrence, Magoffin, and Martin Counties sustained the worst damage. Throughout the course of the storm, there were 165 outages recorded on Kentucky Power's system. At the height of the outages, 15,363 Kentucky Power customers were known to the Company to be without power. A total of 458 poles, 639 cross arms, 204 transformers and 620,047 feet of wire were replaced or installed in Kentucky Power's three districts as a result of the storm damage. Approximately 300 customers could not be returned to service due to their structures being damaged or destroyed. Numerous spans of downed wire also were repaired and re-installed.

22. Kentucky Power immediately dispatched restoration crews following the tornadoes. In addition to Kentucky Power employees, a total of 718 non-Company personnel (476 contract line personnel, 66 AEP line personnel, and 176 contract right-of-way workers) participated in the restoration efforts. The restoration efforts to date required 30,721 employee hours and 57,419 contractor hours of work.

23. As of December 5, 2012, the total actual-to-date operation and maintenance expenses associated with the March 2, 2012 tornado and wind storm restoration effort were \$3,353,981.<sup>16</sup> But for the March 2, 2012 tornadoes and windstorms, \$3,118,182 of these operational and maintenance expenses would not have been incurred. By this application, Kentucky Power seeks authority to accumulate and defer for consideration in its next base rate proceeding that portion of the incremental operation and maintenance expenses that (in conjunction with the incremental operation and maintenance expenses incurred in connection

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<sup>16</sup> This value has been updated from the Company's September 28, 2012 filing. Kentucky Power will promptly supplement the total and incremental operation and maintenance expenses associated with the March 2, 2012 tornado and windstorm restoration efforts if any additional expenses are booked.



with the other four 2012 Major Event storms) exceed the storm-related operation and maintenance expense in Kentucky Power’s base rates.

24. Kentucky Power recorded its total actual-to-date operation and maintenance expenses for the March 2, 2012 tornado and wind storm repair and restoration efforts in the following FERC accounts:<sup>17</sup>

Account No.	Expenditure
5830000	\$ 16,662
5880000	\$ 258,102
5930000	\$ 3,076,393
5970000	\$ 1,820
5980000	\$ 269
9030001	\$ 735
<b>Total</b>	<b>\$ 3,353,981</b>

**C. The June 29, 2012 “Derecho” And July 1, 2012 Storms.**

25. On June 29, 2012, an intense long-lived windstorm (categorized as a “Derecho”<sup>18</sup>) formed in northwest Indiana and proceeded along a 600 mile path through Indiana, Ohio, West Virginia, Virginia, and portions of eastern Kentucky, including parts of Kentucky Power’s service territory.<sup>19</sup> Wind gusts of 80-100 m.p.h. were reported. This storm at its peak affected 63,800 Kentucky Power customers, mostly in the Ashland and Pikeville districts.

26. By Sunday, July 1, 2012 service had been restored to approximately 70% of the customers who lost service as a result of the June 29, 2012 Derecho when another round of

<sup>17</sup> The values listed have been updated from the Company’s September 28, 2012 filing and correspond to the values most recently provided by the Company in its December 7, 2012 Supplemental Response to Commission Staff’s Second Set of Data Requests, Item No. 5.

<sup>18</sup> A derecho “is a widespread, long-lived wind storm that is associated with a band of rapidly moving showers or thunderstorms. Although a “derecho” can produce destruction similar to that of tornadoes, the damage typically is directed in one direction along a relatively straight swath. As a result, the term “straight-line wind damage” sometimes is used to describe derecho damage. By definition, if the wind damage swath extends more than 240 miles (about 400 kilometers) and includes wind gusts of at least 58 mph (93 km/h) or greater along most of its length, the event may be classified as a “derecho.”  
<http://www.spc.noaa.gov/misc/AbtDerechos/derechofacts.htm#definition>

<sup>19</sup> [http://www.crh.noaa.gov/iwx/?n=june\\_29\\_derecho](http://www.crh.noaa.gov/iwx/?n=june_29_derecho)

severe weather entered Kentucky Power's service territory on July 1, 2012.<sup>20</sup> An additional 23,500 customers lost service as a result of the July 1, 2012 storms.

27. These storms caused extensive damage to Kentucky Power's electrical facilities, including downed power lines, broken utility poles, and downed trees and limbs across power lines. Heavily rain-saturated soils led to mudslides that also caused extensive damage to the company's facilities. Kentucky Power restored 1,771 outages affecting a total of 122,490 customers, many of whom experienced more than one outage during the restoration effort. A total of 78 poles, 252 cross arms, 77 transformers, and 172,417 feet of distribution wire located in Kentucky Power's Ashland and Pikeville Districts were replaced or installed. Numerous spans of wire also were repaired and re-installed.

28. Kentucky Power immediately deployed restoration crews following the initial June 29, 2012 storm. In addition to Kentucky Power employees, a total of 1,133 non-Company (814 contract line and support personnel and 319 contract right-of-way personnel) were involved in the restoration efforts. The restoration efforts required 15,580 employee hours and approximately 68,090 contractor hours of work.

29. The severity of the June 2012 "Derecho," the wide area affected by it and lack of warning to utilities of its approach, coupled with the later storms and excessive heat in the affected areas hindered restoration efforts.<sup>21</sup>

30. As of December 5, 2012, the total operational and maintenance expenses associated with the June 29, 2012 "Derecho" and July 1, 2012 storm restoration efforts were

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<sup>20</sup> <http://www.crh.noaa.gov/jkl/stormreports/index.php?yr=2012&mo=07&dy=01&enum=4>

<sup>21</sup> [http://energy.gov/sites/prod/files/Derecho%202012\\_%20Review\\_0.pdf](http://energy.gov/sites/prod/files/Derecho%202012_%20Review_0.pdf)

estimated to be \$5,832,292.<sup>22</sup> But for the June 29, 2012 “Derecho” and the July 1, 2012 storms, \$5,430,039 of these operational and maintenance expenses would not have been incurred. By this application, Kentucky Power seeks authority to accumulate and defer for consideration in its next base rate proceeding that portion of the incremental operation and maintenance expenses that (in conjunction with the incremental operation and maintenance expenses incurred in connection with the other four 2012 Major Event storms) exceed the storm-related operation and maintenance expense in Kentucky Power’s base rates.

31. Kentucky Power recorded its total estimated operation and maintenance expenses for the June 29, 2012 “Derecho” and July 1, 2012 storm repair and restoration efforts in the following FERC accounts:<sup>23</sup>

Account No.	Expenditure
5630000	\$ 1,505
5730000	\$ 1,898
5800000	\$ 525
5880000	\$ 257,988
591000	\$ 5,783
5930000	\$ 5,561,954
9030001	\$ 1,792
9210001	\$ 34
9220001	\$ (732)
9350013	\$ 1,545
<b>Total</b>	<b>\$ 5,832,292</b>

**D. The July 5, 2012 Thunderstorms.**

32. As Kentucky Power was completing its restoration efforts in connection with the June 29, 2012 “Derecho” and the July 1, 2012 storms (service to approximately 700 customers

<sup>22</sup> This value has been updated from the estimates contained in the Company’s September 28, 2012 filing. Kentucky Power will promptly supplement the total and incremental operation and maintenance expenses associated with the June 29, 2012 Derecho and July 1, 2012 thunderstorm restoration efforts if any additional expenses are booked.

<sup>23</sup> The values listed have been updated from the Company’s September 28, 2012 filing and correspond to the values most recently provided by the Company in its December 7, 2012 Supplemental Response to Commission Staff’s Second Set of Data Requests, Item No. 5.

remained to be restored) another severe thunderstorm passed through Kentucky Power's service territory on July 5, 2012.<sup>24</sup> This storm caused 485 outage cases that affected 27,319 customers in all three Districts.

33. Damage resulting from the July 5, 2012 thunderstorms included downed power lines, broken poles, and downed trees and limbs across power lines. A total of 12 poles, 32 cross arms and 1,595 feet of wire were replaced or installed. Numerous spans of wire also were repaired and re-installed.

34. Because Kentucky Power was completing its restoration efforts in connection with the previous storms the necessary resources were available. In addition to KPC employees, a total of 1,133 non-Company personnel (814 contract line and support personnel and 319 contract right-of-way personnel) were utilized in the restoration. The restoration efforts required 2,494 employee hours and approximately 13,430 contractor hours.

35. As of December 5, 2012, the total operational and maintenance expenses associated with the July 5, 2012 thunderstorm restoration effort were estimated to be \$943,407.<sup>25</sup> But for the July 5, 2012 thunderstorm, \$863,038 of these operational and maintenance expenses would not have been incurred. By this application, Kentucky Power seeks authority to accumulate and defer for consideration in its next base rate proceeding that portion of the incremental operation and maintenance expenses that (in conjunction with the incremental operation and maintenance expenses incurred in connection with the other four 2012 Major Event storms) exceed the storm-related operation and maintenance expense in Kentucky Power's base rates.

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<sup>24</sup> <http://www.crh.noaa.gov/jkl/stormreports/index.php?yr=2012&mo=07&dy=05&enum=1>

<sup>25</sup> This value has been updated from the estimates provided in the Company's September 28, 2012 filing. Kentucky Power will promptly supplement the total and incremental operation and maintenance expenses associated with the July 5, 2012 thunderstorm restoration efforts if any additional expenses are booked.

36. Kentucky Power recorded its total estimated operation and maintenance expenses for the July 5, 2012 thunderstorm repair and restoration efforts in the following FERC account:<sup>26</sup>

Account No.	Expenditure
5930000	\$ 943,407
<b>Total</b>	<b>\$ 943,407</b>

**E. The October 29, 2012 Hurricane Sandy Snow Storm.**

37. Beginning Monday, October 29, 2012, Hurricane Sandy brought a snow storm into the higher elevations of Kentucky Power's service territory. The associated storm system produced accumulations of up to 18 inches of heavy wet snow in areas near the Virginia and West Virginia borders of the Company's service territory.

38. The heavy, wet snow accumulation produced significant damage to Kentucky Power's system and caused 373 outage cases on Kentucky Power's system. Most of the outages resulted from heavy snow accumulation on the Company's distribution facilities, and snow-laden trees coming into contact with distribution lines. Kentucky Power was required to replace 15 poles, 37 cross arms, seven arrestors, 36 cutouts, 178 insulators, nine transformers, 550 tension splices, and approximately 18,089 feet of distribution wire as a result of snow-related damage.

39. The snow-related damage interrupted service to thousands of the Company's customers. At the height of the outages, at 10:00 a.m. on October 29, 2012, 11,942 Kentucky Power customers were known to the Company to be without service. Service to all but a few customers was restored by 11:48 p.m. on November 1, 2012. Service to the final 19 customers was restored the following day.

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<sup>26</sup> The values listed have been updated from the Company's September 28, 2012 filing and correspond to the values most recently provided by the Company in its December 7, 2012 Supplemental Response to Commission Staff's Second Set of Data Requests, Item No. 5.

40. Kentucky Power deployed 467 employees and contractors in its storm restoration efforts including 133 company employees, 10 Ohio Power Company employees, 143 contract line employees, 16 Asplundh Tree Expert employees, and 16 AWP contract traffic control employees.

41. As of December 4, 2012, the total operational and maintenance expenses associated with the October 29, 2012 Hurricane Sandy Snowstorm restoration effort were estimated to be \$893,400.<sup>27</sup> But for the October 29, 2012 Hurricane Sandy Snowstorm, \$702,525 of these operational and maintenance expenses would not have been incurred. By this application, Kentucky Power seeks authority to accumulate and defer for consideration in its next base rate proceeding that portion of the incremental operation and maintenance expenses that (in conjunction with the incremental operation and maintenance expenses incurred in connection with the other four 2012 Major Event storms) exceed the storm-related operation and maintenance expense in Kentucky Power’s base rates.

42. Kentucky Power recorded its total estimated operation and maintenance expenses for the October 29, 2012 Hurricane Sandy Snowstorm repair and restoration efforts in the following FERC accounts:

Account No.	Expenditure
5880000	\$ 10,859
5930000	\$ 882,299
9030001	\$ 242
<b>Total</b>	<b>\$ 893,400</b>

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<sup>27</sup> Kentucky Power will promptly supplement the total and incremental operation and maintenance expenses associated with the October 29, 2012 Hurricane Sandy Snowstorm restoration efforts if any additional expenses are booked.

The Amount To Be Accumulated And Deferred.

43. The total incremental operation and maintenance costs associated with the five 2012 Major Event storms that would not have been incurred but for the storms is estimated to be \$13,753,999.

44. Kentucky Power recorded its total estimated operation and maintenance expenses for the repair and restoration efforts associated with its five 2012 Major Event storm repair and restoration efforts in the following FERC accounts:

<u>Account No.</u>	<u>Account</u>	<u>First Four 2012 Major Storms</u>	<u>Hurricane Sandy Snowstorm</u>	<u>Total Expenditures</u>
5630000	Overhead Line Expense	\$ 1,505		\$ 1,505
	Maint. Of Misc. Trans.			
5730000	Plant	\$ 1,898		\$ 1,898
	Oper. Supervision &			
	Engineering	\$ 970		\$ 970
5830000	Overhead Line Expense	\$ 16,662		\$ 16,662
5880000	Miscellaneous Distrib. Exp.	\$ 599,982	\$ 10,859	\$ 610,841
5910000	Maint. Of Structures	\$ 5,783		\$ 5,783
5930000	Maint. Of Overhead Lines	\$ 13,647,192	\$ 882,299	\$ 14,529,491
5970000	Maint. Of Meters	\$ 1,820		\$ 1,820
	Maint. Of Misc. Distrib.			
	Plant	\$ 269		\$ 269
	Customer Orders &			
	Inquiries	\$ 5,351	\$ 242	\$ 5,593
	Office Supply & Exp. --			
	Not Associated	\$ 34		\$ 34
	Admin. Exp. Trsfed. To			
	Constr.	\$ (732)		\$ (732)
	Maint. Of Structures-			
	Owned	\$ 845		\$ 845
	Maint. Of Comm. Equip.			
	Unallocated	\$ 1,545		\$ 1,545
Total		\$ 14,283,124	\$ 893,400	\$ 15,176,524

45. Kentucky Power's base rates contain operation and maintenance storm-related expenses totaling \$904,953. See **EXHIBIT 1**.

46. Kentucky Power seeks authorization from the Commission to accumulate and defer for review and recovery in Kentucky Power’s next base rate proceeding the net actual costs (total incremental storm-related O&M expenses less the amount of storm-related O&M expenses currently in its base rates) of extraordinary operation and maintenance expenses incurred to repair damaged facilities and restore service to customers following the February 19, 2012 Snow Storm, the March 2, 2012 Tornadoes and Windstorms, the June “Derecho” and July 1, 2012 Storms, the July 5, 2012 Thunderstorms, and the October 29, 2012 Hurricane Sandy Snow Storm. The amount to be established as a regulatory asset in Account No. 182 is \$12,849,046. That amount was calculated as follows:

	<b>First Four 2012 Major Storms</b>	<b>Hurricane Sandy Snow Storm</b>	<b>Total</b>
Total Expenses Recorded	\$11,812,124	\$ 425,900	\$ 12,238,024
Estimate Of Billings Yet To Be Received	\$ 2,471,000	\$ 467,500	\$ 2,938,500
Subtotal:	\$14,283,124	\$ 893,400	\$ 15,176,524
Less: Normal Dist. O&M Expense	\$ 1,231,650	\$ 190,875	\$ 1,422,525
Less: Storm Expense Currently In Base Rates	\$ 904,953	\$ -	\$ 904,953
Total Deferral Requested	\$12,146,521	\$ 702,525	\$ 12,849,046

Basis For The Requested Accounting Treatment

47. Financial Accounting Standards Board Standards Codification 980-340-25-1 (“FASB Codification 980-340-25-1”) provides for the creation under prescribed circumstances of a regulatory asset such as Kentucky Power proposes. FASB Codification 980-340-25-1 states in pertinent part:



Rate actions of a regulator can provide reasonable assurance of the existence of an asset. *An enterprise shall capitalize all or part of an incurred cost that would otherwise be charged to expense if both of the following criteria are met:*

- a. It is probable (as defined in Topic 450) that future revenue in an amount at least equal to the capitalized cost will result from the inclusion of that cost in the allowable costs for ratemaking purposes.
- b. Based on the available evidence, the future revenue will be provided to permit recovery of the previously incurred cost rather than to provide for expected levels of similar future costs....<sup>28</sup>

48. Traditionally, the Commission has exercised its discretion to approve a regulatory asset upon demonstration that the expenses to be deferred fall into one of four categories:

- (1) an extraordinary nonrecurring expense which could not have reasonably been anticipated or included in the utility's planning; (2) an expense resulting from a statutory or administrative directive; (3) an expense in relation to an industry sponsored initiative; or (4) an extraordinary nonrecurring expense that over time will result in a savings that fully offsets the costs.<sup>29</sup>

43. The Commission has exercised its discretion in the past to approve a regulatory asset capitalizing major storm-related costs, to the extent such costs exceed the amount of storm-related costs contained in base rates, under the first category identified above. To be approved, the costs must be found to be extraordinary<sup>30</sup> and "sufficiently significant."<sup>31</sup> These determinations in turn involve consideration of the magnitude of the storm expenses,<sup>32</sup> their size

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<sup>28</sup> (emphasis supplied).

<sup>29</sup> *In The Matter Of: The Application of East Kentucky Power Cooperative, Inc. For An Order Approving Accounting Practices To Establish A Regulatory Asset Related To Certain Replacement Power Costs Resulting From Generation Forced Outages*, Case No. 2008-00436 at 4 (Ky. P.S.C. December 23, 2012),

<sup>30</sup> *In The Matter Of: Application Of Kentucky Power Company For An Order Approving Accounting Practices To Establish Regulatory Assets And Liabilities Related To Extraordinary Expenses Incurred By Kentucky Power Company In Connection With Three Major Storm Events In 2009*, 2009-00352 (Ky. P.S.C. December 22, 2009).

<sup>31</sup> *In The Matter Of: Application Of Kentucky Utilities Company For An Order Approving The Establishment Of A Regulatory Asset*, Case No. 2008-00457 at 5 (Ky. P.S.C. December 22, 2008).

<sup>32</sup> *In The Matter Of: Application Of Kentucky Power Company For An Order Approving Accounting Practices To Establish Regulatory Assets And Liabilities Related To Extraordinary Expenses Incurred By Kentucky Power Company In Connection With Three Major Storm Events In 2009*, 2009-00352 (Ky. P.S.C. December 22, 2009) ("Kentucky Power's damage and service restoration costs related to the cumulative effects of the 2009 Storms are

in relation to the amount of storm related costs built in the utility's base rates,<sup>33</sup> and the effect a refusal to capitalize the expense would have on the utility's current year financial results.<sup>34</sup> The incremental Major Event storm-related expenses for which the Company seeks deferral total approximately \$12,849,046, an amount 14 times greater than the operation and maintenance storm-related expenses included in Kentucky Power's base rates.

49. In accordance with FASB Codification 980-340-25-1 and Commission precedent, Kentucky Power requests the Commission to exercise its authority under KRS 278.220 to prescribe the manner in which the Company keeps its accounts by entering an order permitting Kentucky Power to accumulate and defer for review and recovery in its next base rate proceeding the currently estimated \$12,849,046 in incremental and extraordinary operation and maintenance expenses incurred by the Company in repairing damage and restoring service in connection with the five 2012 Major Event storms. If the requested relief is granted, Kentucky Power will record the regulatory asset in FERC Account No. 182.

#### Exhibits

50. The following exhibits are incorporated in this application:

(a) The pertinent page from Kentucky Power's last base rate case, Case No. 2009-00459, demonstrating the calculation of the Company's three-year level of storm-related expense is attached hereto as [EXHIBIT 1.]

(b) A summary sheet and supporting calculations illustrating the derivation of the amount of the requested regulatory asset is attached hereto as [EXHIBIT 2.]

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clearly extraordinary in nature based on their absolute magnitude and the amount of storm damage expense built into Kentucky Power's base rates.")

<sup>33</sup> *Id.*

<sup>34</sup> *In The Matter Of: Application Of Kentucky Utilities Company For An Order Approving The Establishment Of A Regulatory Asset*, Case No. 2008-00174 at 3-4 (Ky. P.S.C. December 22, 2008) ("Reflecting the 2009 Winter Storm costs as expenses on KU's 2009 books would have a significant impact on its 2009 financial results.")

### Communications

51. Kentucky Power respectfully requests that all communications in this proceeding be addressed to the following:

Ranie K. Wohnhas  
101A Enterprise Drive  
P.O. Box 5190  
Frankfort, Kentucky 40602-5190

Mark R. Overstreet  
Stites & Harbison PLLC  
421 West Main Street  
P.O. Box 634  
Frankfort, Kentucky 40602-0634

### Timing of Requested Approval

52. Because of the importance of maintaining accurate financial statements, and the fact that Kentucky Power's fiscal year ends December 31, 2012, Kentucky Power Company respectfully requests that the Commission grant the requested relief on or before December 31, 2012.

Wherefore Kentucky Power Company respectfully requests the Commission enter an Order:

1. Authorizing Kentucky Power Company in accordance with FASB Codification 980-340-25-1 and Commission precedent to accumulate and defer for review and recovery in the Company's next base rate proceeding the currently estimated amount of \$12,849,046 in incremental and extraordinary operation and maintenance expenses incurred by the Company in repairing damage and restoring service in connection with the five 2012 Major Event storms. The estimated amounts would be adjusted to actual costs once they are known;

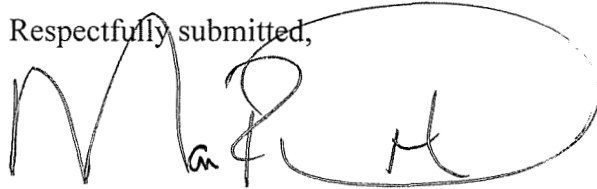
2. Authorizing Kentucky Power to record the deferred amount as a regulatory asset to be recorded in FERC Account No. 182;

3. Granting the requested relief by Order dated on or before December 31, 2012; and

4. Granting Kentucky Power all additional relief to which it may be entitled.

This 21<sup>st</sup> day of December, 2012.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'M. R. Overstreet', enclosed within a large, hand-drawn oval.

Mark R. Overstreet  
STITES & HARBISON PLLC  
421 West Main Street  
P.O. Box 634  
Frankfort, Kentucky 40602-0634  
Telephone: (502) 223-3477  
Facsimile: (502) 223-4387  
[moverstreet@stites.com](mailto:moverstreet@stites.com)

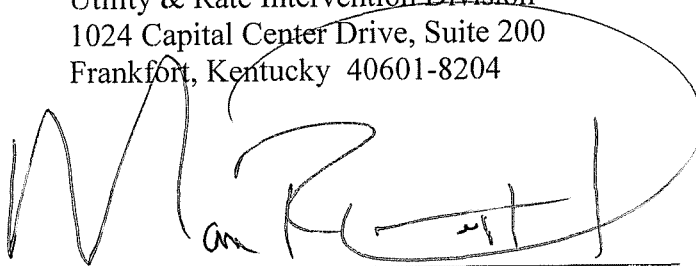
**CERTIFICATE OF SERVICE**

I hereby certify that a true and accurate copy of the foregoing was served by United States Mail, Postage Pre-paid, upon:

Michael L. Kurtz  
Kurt J. Boehm  
Jody M. Kyler  
Boehm, Kurtz & Lowry  
36 East Seventh Street, Suite 1510  
Cincinnati, Ohio 45202

Jennifer Black Hans  
Dennis G. Howard II  
Lawrence W. Cook  
Office of the Attorney General  
Utility & Rate Intervention Division  
1024 Capital Center Drive, Suite 200  
Frankfort, Kentucky 40601-8204

on this the 21<sup>st</sup> day of December, 2012.

A large, stylized handwritten signature in black ink, appearing to read "Mark R. Overstreet". The signature is written over a horizontal line.

Mark R. Overstreet



**Kentucky Power Company  
Normalization of Major Storms Adjustment  
Test Year Twelve Months Ended 9/30/2009**

**Section V  
Workpaper S-4  
Page 15**

Ln No (1)	Description (2)	Storm Damage Expense Excl. In-House Labor (3)	Constant Dollar Index <sup>1/</sup> (4)	Expense in 2009 Dollars (5)
1	12 ME September 30, 2009	\$2,116,867	1.00	\$2,116,867
2	12 ME September 30, 2008	\$51,497	1.03	\$53,042
3	12 ME September 30, 2007	\$461,822	1.18	<u>\$544,950</u>
4	Three Year Total Storm Damage			<u>\$2,714,859</u>
5	Three Year Average (Ln 4/ 3)			\$904,953
6	Test Year Storm Damage Expense			<u>\$2,116,867</u>
7	Adjustment to O&M for Storm Damage Normalization			(\$1,211,914)
8	Allocation Factor - GP-TOT			<u>0.991</u>
9	KPSC Jurisdictional Amount (Ln 7 X Ln 8)			<u>(\$1,201,007)</u>

<sup>1/</sup> Handy-Whittman Contract Labor Index  
Reference E-2 Line 42  
January, 2009                   535  
January, 2008                   518  
January, 2007                   453





**Kentucky Power**

**Major Event Cost Recap**

Hazard/Pikeville Snow Storm: 02/19/2012

**Detailed Restoration Costs**  
As of 12/05/12

		02/19/12 SNOW STORM TOTAL COST					02/19/12 SNOW STORM INCREMENTAL COST				
		A	B	C	D	A+B+C+D	A	B	C	D	A+B+C+D
		Capitalized	Accumulated Depreciation	Expensed	Unallocated	Total Cost	Capitalized	Accumulated Depreciation	Expensed	Unallocated	Total Cost
		(Capital)	(Removal)	(O&M)		to Restore	(Capital)	(Removal)	(O&M)		to Restore
<b>In House Costs</b>	Regular Time	Dollars \$ 7,292	\$ 1,823	\$ 112,228	\$ -	\$ 121,343	\$ -	\$ -	\$ -	\$ -	\$ -
	Hours	288.7	72.2	3,773.6	0.0	4,134.5	288.7	72.2	3,773.6	0.0	4,134.5
<b>Salary &amp; Wages</b>	Overtime	Dollars \$ 58,940	\$ 14,923	\$ 675,929	\$ 826	\$ 750,618	\$ 58,940	\$ 14,923	\$ 675,929	\$ 826	\$ 750,618
	Hours	2,427.6	612.6	27,465.5	0.0	30,505.7	2,427.6	612.6	27,465.5	0.0	30,505.7
	Salary & Wage	ST Fringes \$ 3,598	\$ 1,101	\$ 12,454	\$ -	\$ 17,153	\$ -	\$ -	\$ -	\$ -	\$ -
	Overheads	OT Fringes \$ 6,735	\$ 1,706	\$ 39,832	\$ -	\$ 48,273	\$ 6,735	\$ 1,706	\$ 39,832	\$ -	\$ 48,273
		Other Labor Fringes \$ (22)	\$ (204)	\$ (317)	\$ -	\$ (543)	\$ -	\$ -	\$ -	\$ -	\$ -
		Incentives \$ (2,185)	\$ (528)	\$ (33,962)	\$ -	\$ (36,675)	\$ -	\$ -	\$ -	\$ -	\$ -
		Construction/Retirement \$ 36,188	\$ 10,634	\$ -	\$ -	\$ 46,822	\$ 36,188	\$ 10,634	\$ -	\$ -	\$ 46,822
		All Other Overheads \$ (1,253)	\$ (354)	\$ 49,360	\$ -	\$ 47,753	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Total Salary &amp; Wages</b>	<b>\$ 109,293</b>	<b>\$ 29,101</b>	<b>\$ 855,524</b>	<b>\$ 826</b>	<b>\$ 994,744</b>	<b>\$ 101,863</b>	<b>\$ 27,263</b>	<b>\$ 715,761</b>	<b>\$ 826</b>	<b>\$ 845,713</b>
<b>Transportation</b>	Fleet	\$ 22,468	\$ 4,350	\$ 263,693	\$ -	\$ 290,511	\$ 1,732	\$ 640	\$ 20,439	\$ -	\$ 22,811
	<b>Total Transportation</b>	<b>\$ 22,468</b>	<b>\$ 4,350</b>	<b>\$ 263,693</b>	<b>\$ -</b>	<b>\$ 290,511</b>	<b>\$ 1,732</b>	<b>\$ 640</b>	<b>\$ 20,439</b>	<b>\$ -</b>	<b>\$ 22,811</b>
<b>Other Cost Category</b>	Cell Phone	\$ 426	\$ 78	\$ 5,265	\$ -	\$ 5,769	\$ -	\$ -	\$ -	\$ -	\$ -
	Lump Sum Pmts	\$ 1,184	\$ 296	\$ 13,594	\$ -	\$ 15,074	\$ 1,184	\$ 296	\$ 13,594	\$ -	\$ 15,074
	External Communications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Employee Expenses	\$ 9,557	\$ 2,393	\$ 107,386	\$ 249	\$ 119,585	\$ 9,557	\$ 2,393	\$ 107,386	\$ 249	\$ 119,585
	Misc	\$ 29	\$ 7	\$ 322	\$ -	\$ 358	\$ 29	\$ 7	\$ 322	\$ -	\$ 358
<b>Total Other Cost Category</b>	<b>\$ 11,196</b>	<b>\$ 2,774</b>	<b>\$ 126,567</b>	<b>\$ 249</b>	<b>\$ 140,786</b>	<b>\$ 10,770</b>	<b>\$ 2,696</b>	<b>\$ 121,302</b>	<b>\$ 249</b>	<b>\$ 135,017</b>	
<b>Materials &amp; Supplies</b>	Towers, Poles, & Fixtures	Poles \$ 12,283	\$ -	\$ -	\$ -	\$ 12,283	\$ 12,283	\$ -	\$ -	\$ -	\$ 12,283
		Cross arms \$ 3,399	\$ -	\$ -	\$ -	\$ 3,399	\$ 3,399	\$ -	\$ -	\$ -	\$ 3,399
	Overhead Conductors & Devices	Wire \$ 45,397	\$ -	\$ -	\$ -	\$ 45,397	\$ 45,397	\$ -	\$ -	\$ -	\$ 45,397
		Cutouts \$ 7,640	\$ -	\$ -	\$ -	\$ 7,640	\$ 7,640	\$ -	\$ -	\$ -	\$ 7,640
		Splices \$ 40,122	\$ -	\$ -	\$ -	\$ 40,122	\$ 40,122	\$ -	\$ -	\$ -	\$ 40,122
	Other \$ 50,039	\$ -	\$ -	\$ -	\$ 50,039	\$ 50,039	\$ -	\$ -	\$ -	\$ 50,039	
	<b>Line Transformers</b>	\$ 57,641	\$ -	\$ -	\$ -	\$ 57,641	\$ 57,641	\$ -	\$ -	\$ -	\$ 57,641
	<b>Services</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Meters</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Lighting &amp; Signal Systems</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Other</b>	\$ (64,099)	\$ (274)	\$ 106,980	\$ (718)	\$ 41,889	\$ (64,099)	\$ (274)	\$ 106,980	\$ (718)	\$ 41,889
	<b>Total Materials</b>	<b>\$ 152,422</b>	<b>\$ (274)</b>	<b>\$ 106,980</b>	<b>\$ (718)</b>	<b>\$ 258,410</b>	<b>\$ 152,422</b>	<b>\$ (274)</b>	<b>\$ 106,980</b>	<b>\$ (718)</b>	<b>\$ 258,410</b>
<b>Cost of Providing Temporary Electric Svc</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL IN HOUSE COSTS</b>		<b>\$ 295,379</b>	<b>\$ 35,951</b>	<b>\$ 1,352,764</b>	<b>\$ 357</b>	<b>\$ 1,684,451</b>	<b>\$ 266,787</b>	<b>\$ 30,325</b>	<b>\$ 964,482</b>	<b>\$ 357</b>	<b>\$ 1,261,951</b>

**Kentucky Power**  
**Major Event Cost Recap**  
 Hazard/Pikeville Snow Storm: 02/19/2012  
**Detailed Restoration Costs**  
*As of 12/05/12*

	02/19/12 SNOW STORM TOTAL COST					02/19/12 SNOW STORM INCREMENTAL COST				
	A	B	C	D	A+B+C+D	A	B	C	D	A+B+C+D
	Capitalized (Capital)	Accumulated Depreciation (Removal)	Expensed (O&M)	Unallocated	Total Cost to Restore	Capitalized (Capital)	Accumulated Depreciation (Removal)	Expensed (O&M)	Unallocated	Total Cost to Restore
<b>Outside Contracted Services</b>										
Asplundh Tree Expert	Dollars \$ -	\$ -	\$ 458,263	\$ -	\$ 458,263	Dollars \$ -	\$ -	\$ 458,263	\$ -	\$ 458,263
	Hours 0.0	0.0	0.0	0.0	0.0	Hours 0.0	0.0	0.0	0.0	0.0
D.H. Elliott	Dollars \$ 83,543	\$ 30,844	\$ 985,691	\$ -	\$ 1,100,078	Dollars \$ 72,953	\$ 26,934	\$ 860,745	\$ -	\$ 960,632
	Hours 0	0	0	0.0	0.0	Hours 0.0	0.0	0.0	0.0	0.0
ACRT Inc	Dollars \$ 572	\$ 211	\$ 6,745	\$ -	\$ 7,528	Dollars \$ 572	\$ 211	\$ 6,745	\$ -	\$ 7,528
	Hours 0	0	0	0.0	0.0	Hours 0.0	0.0	0.0	0.0	0.0
Area Wide Protective	Dollars \$ 3,952	\$ 1,459	\$ 46,632	\$ -	\$ 52,044	Dollars \$ 3,952	\$ 1,459	\$ 46,632	\$ -	\$ 52,044
	Hours 0	0	0	0.0	0.0	Hours 0.0	0.0	0.0	0.0	0.0
Bowlin Energy LLC	Dollars \$ 1,632	\$ 603	\$ 19,259	\$ -	\$ 21,494	Dollars \$ 1,632	\$ 603	\$ 19,259	\$ -	\$ 21,494
	Hours 0	0	0	0.0	0.0	Hours 0.0	0.0	0.0	0.0	0.0
Fischel Company	Dollars \$ 19,086	\$ 7,047	\$ 225,188	\$ -	\$ 251,320	Dollars \$ 19,086	\$ 7,047	\$ 225,188	\$ -	\$ 251,320
	Hours 0	0	0	0.0	0.0	Hours 0.0	0.0	0.0	0.0	0.0
Kentucky Utilities	Dollars \$ 3,797	\$ 1,402	\$ 44,796	\$ -	\$ 49,994	Dollars \$ 3,797	\$ 1,402	\$ 44,796	\$ -	\$ 49,994
	Hours 0	0	0	0.0	0.0	Hours 0.0	0.0	0.0	0.0	0.0
Mastec North America Inc	Dollars \$ 5,537	\$ 2,044	\$ 65,325	\$ -	\$ 72,906	Dollars \$ 5,537	\$ 2,044	\$ 65,325	\$ -	\$ 72,906
	Hours 0	0	0	0.0	0.0	Hours 0.0	0.0	0.0	0.0	0.0
Pike Electric	Dollars \$ 63,469	\$ 23,433	\$ 748,852	\$ -	\$ 835,755	Dollars \$ 63,469	\$ 23,433	\$ 748,852	\$ -	\$ 835,755
	Hours 0	0	0	0.0	0.0	Hours 0.0	0.0	0.0	0.0	0.0
Thayer Power & Comm Line Cnstr	Dollars \$ 5,519	\$ 2,038	\$ 65,122	\$ -	\$ 72,679	Dollars \$ 5,519	\$ 2,038	\$ 65,122	\$ -	\$ 72,679
	Hours 0	0	0	0.0	0.0	Hours 0.0	0.0	0.0	0.0	0.0
William E Groves Construction Inc	Dollars \$ 8,838	\$ 3,263	\$ 104,278	\$ -	\$ 116,379	Dollars \$ 8,838	\$ 3,263	\$ 104,278	\$ -	\$ 116,379
	Hours 0	0	0	0.0	0.0	Hours 0.0	0.0	0.0	0.0	0.0
Other Contractor	Dollars \$ 2,587	\$ 955	\$ 30,528	\$ -	\$ 34,071	Dollars \$ 2,587	\$ 955	\$ 30,528	\$ -	\$ 34,071
<b>TOTAL OUTSIDE CONTRACTED SERVICES</b>	Dollars \$ 198,533	\$ 73,299	\$ 2,800,679	\$ -	\$ 3,072,511	Dollars \$ 187,943	\$ 69,389	\$ 2,675,733	\$ -	\$ 2,933,065
	Hours 0	0	0	0	0.0	Hours 0	0	0	0	0.0
<b>Total Restoration Costs</b>	\$ 493,912	\$ 109,250	\$ 4,153,443	\$ 357	\$ 4,756,962	\$ 454,730	\$ 99,714	\$ 3,640,215	\$ 357	\$ 4,195,016

**Kentucky Power**

**Major Event Cost Recap**

Ashland/Pikeville Tornado/Wind Storm: 03/02/2012

**Detailed Restoration Costs**

As of 12/05/12

		03/02/12 TORNADO TOTAL COST					03/02/12 TORNADO INCREMENTAL COST				
		A	B	C	D	A+B+C+D	A	B	C	D	A+B+C+D
		Capitalized	Accumulated Depreciation	Expensed	Unallocated	Total Cost	Capitalized	Accumulated Depreciation	Expensed	Unallocated	Total Cost
		(Capital)	(Removal)	(O&M)		to Restore	(Capital)	(Removal)	(O&M)		to Restore
<b>In House Costs</b>	Regular Time	Dollars \$ 101,321	\$ 22,516	\$ 105,257	\$ -	\$ 229,094	\$ -	\$ -	\$ -	\$ -	\$ -
	Hours	2,856.7	636.7	3,131.7	0.0	6,625.1	2,856.7	636.7	3,131.7	0.0	6,625.1
<b>Salary &amp; Wages</b>	Overtime	Dollars \$ 307,037	\$ 66,696	\$ 304,988	\$ -	\$ 678,721	\$ 307,037	\$ 66,696	\$ 304,988	\$ -	\$ 678,721
	Hours	11,024.0	2,343.7	10,748.0	0.0	24,115.7	11,024.0	2,343.7	10,748.0	0.0	24,115.7
	ST Fringes	\$ 53,808	\$ 11,957	\$ 3,047	\$ -	\$ 68,812	\$ -	\$ -	\$ -	\$ -	\$ -
	OT Fringes	\$ 35,013	\$ 7,606	\$ 13,334	\$ -	\$ 55,953	\$ 35,013	\$ 7,606	\$ 13,334	\$ -	\$ 55,953
	Other Labor Fringes	\$ (998)	\$ (238)	\$ (1,928)	\$ -	\$ (3,164)	\$ -	\$ -	\$ -	\$ -	\$ -
	Incentives	\$ (13,874)	\$ (3,316)	\$ (18,197)	\$ -	\$ (35,387)	\$ -	\$ -	\$ -	\$ -	\$ -
	Construction/Retirement	\$ 436,407	\$ 41,687	\$ -	\$ -	\$ 478,094	\$ 436,407	\$ 41,687	\$ -	\$ -	\$ 478,094
	All Other Overheads	\$ (3,608)	\$ (1,235)	\$ (1,230)	\$ -	\$ (6,073)	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Total Salary &amp; Wages</b>	\$ 915,106	\$ 145,673	\$ 405,271	\$ -	\$ 1,466,050	\$ 778,457	\$ 115,989	\$ 318,322	\$ -	\$ 1,212,768
	Fleet	\$ 119,030	\$ 25,489	\$ 119,829	\$ -	\$ 264,348	\$ 12,193	\$ 1,969	\$ 6,595	\$ -	\$ 20,756
	<b>Total Transportation</b>	\$ 119,030	\$ 25,489	\$ 119,829	\$ -	\$ 264,348	\$ 12,193	\$ 1,969	\$ 6,595	\$ -	\$ 20,756
	Cell Phone	\$ 2,312	\$ 486	\$ 2,407	\$ -	\$ 5,205	\$ -	\$ -	\$ -	\$ -	\$ -
	Lump Sum Prmts	\$ 6,861	\$ 1,519	\$ 6,834	\$ -	\$ 15,214	\$ 6,861	\$ 1,519	\$ 6,834	\$ -	\$ 15,214
	External Communications	\$ -	\$ -	\$ 1,047	\$ -	\$ 1,047	\$ -	\$ -	\$ -	\$ -	\$ -
	Employee Expenses	\$ 75,874	\$ 16,651	\$ 76,758	\$ -	\$ 169,283	\$ 75,874	\$ 16,651	\$ 76,758	\$ -	\$ 169,283
	Misc	\$ 190	\$ 42	\$ 190	\$ -	\$ 422	\$ 190	\$ 42	\$ 190	\$ -	\$ 422
	<b>Total Other Cost Category</b>	\$ 85,237	\$ 18,698	\$ 87,236	\$ -	\$ 191,171	\$ 82,925	\$ 18,212	\$ 83,782	\$ -	\$ 184,919
	Poles	\$ 144,958	\$ -	\$ -	\$ -	\$ 144,958	\$ 144,958	\$ -	\$ -	\$ -	\$ 144,958
	Cross arms	\$ 18,414	\$ -	\$ -	\$ -	\$ 18,414	\$ 18,414	\$ -	\$ -	\$ -	\$ 18,414
	Wire	\$ 191,452	\$ -	\$ -	\$ -	\$ 191,452	\$ 191,452	\$ -	\$ -	\$ -	\$ 191,452
	Cutouts	\$ 32,906	\$ -	\$ -	\$ -	\$ 32,906	\$ 32,906	\$ -	\$ -	\$ -	\$ 32,906
	Splices	\$ 70,155	\$ -	\$ -	\$ -	\$ 70,155	\$ 70,155	\$ -	\$ -	\$ -	\$ 70,155
	Other	\$ 379,431	\$ -	\$ -	\$ -	\$ 379,431	\$ 379,431	\$ -	\$ -	\$ -	\$ 379,431
	<b>Line Transformers</b>	\$ 231,517	\$ -	\$ -	\$ -	\$ 231,517	\$ 231,517	\$ -	\$ -	\$ -	\$ 231,517
	<b>Services</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Meters</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Lighting &amp; Signal Systems</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Other</b>	\$ (8,813)	\$ (5,225)	\$ 565,932	\$ (108)	\$ 551,786	\$ (8,813)	\$ (5,225)	\$ 565,932	\$ (108)	\$ 551,786
	<b>Total Materials</b>	\$ 1,060,020	\$ (5,225)	\$ 565,932	\$ (108)	\$ 1,620,619	\$ 1,060,020	\$ (5,225)	\$ 565,932	\$ (108)	\$ 1,620,619
	<b>Cost of Providing Temporary Electric Svc</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>TOTAL IN HOUSE COSTS</b>	\$ 2,179,393	\$ 184,635	\$ 1,178,268	\$ (108)	\$ 3,542,188	\$ 1,933,595	\$ 130,945	\$ 974,631	\$ (108)	\$ 3,039,062

**Kentucky Power**

**Major Event Cost Recap**

Ashland/Pikeville Tornado/Wind Storm: 03/02/2012

**Detailed Restoration Costs**

As of 12/05/12

**03/02/12 TORNADO TOTAL COST**

**03/02/12 TORNADO INCREMENTAL COST**

**Outside Contracted Services**

		03/02/12 TORNADO TOTAL COST					03/02/12 TORNADO INCREMENTAL COST				
		A	B	C	D	A+B+C+D	A	B	C	D	A+B+C+D
		Capitalized	Accumulated Depreciation	Expensed	Unallocated	Total Cost	Capitalized	Accumulated Depreciation	Expensed	Unallocated	Total Cost
		(Capital)	(Removal)	(O&M)		to Restore	(Capital)	(Removal)	(O&M)		to Restore
Asplundh Tree Expert	Dollars	\$ -	\$ -	\$ 363,881	\$ -	\$ 363,881	\$ -	\$ -	\$ 363,881	\$ -	\$ 363,881
	Hours	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
D.H. Elliott	Dollars	\$ 1,045,067	\$ 168,730	\$ 565,304	\$ -	\$ 1,779,101	\$ 985,610	\$ 159,130	\$ 533,142	\$ -	\$ 1,677,882
	Hours	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ACRT Inc	Dollars	\$ 1,553	\$ 251	\$ 840	\$ -	\$ 2,644	\$ 1,553	\$ 251	\$ 840	\$ -	\$ 2,644
	Hours	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Area Wide Protective	Dollars	\$ 59,423	\$ 9,594	\$ 32,143	\$ -	\$ 101,160	\$ 59,423	\$ 9,594	\$ 32,143	\$ -	\$ 101,160
	Hours	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bluegrass Central Construction	Dollars	\$ 142,888	\$ 23,070	\$ 77,292	\$ -	\$ 243,250	\$ 142,888	\$ 23,070	\$ 77,292	\$ -	\$ 243,250
	Hours	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bowlin Energy LLC	Dollars	\$ 191,106	\$ 30,855	\$ 103,374	\$ -	\$ 325,335	\$ 191,106	\$ 30,855	\$ 103,374	\$ -	\$ 325,335
	Hours	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Lee Electrical Construction Inc	Dollars	\$ 6,833	\$ 1,103	\$ 3,696	\$ -	\$ 11,633	\$ 6,833	\$ 1,103	\$ 3,696	\$ -	\$ 11,633
	Hours	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mastec North America Inc	Dollars	\$ 186,531	\$ 30,116	\$ 100,900	\$ -	\$ 317,547	\$ 186,531	\$ 30,116	\$ 100,900	\$ -	\$ 317,547
	Hours	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New River Electrical Corp	Dollars	\$ 81,102	\$ 13,094	\$ 43,870	\$ -	\$ 138,066	\$ 81,102	\$ 13,094	\$ 43,870	\$ -	\$ 138,066
	Hours	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pike Electric	Dollars	\$ 550,128	\$ 88,820	\$ 297,579	\$ -	\$ 936,527	\$ 550,128	\$ 88,820	\$ 297,579	\$ -	\$ 936,527
	Hours	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Southern Electric Corp	Dollars	\$ 69,654	\$ 11,246	\$ 37,678	\$ -	\$ 118,577	\$ 69,654	\$ 11,246	\$ 37,678	\$ -	\$ 118,577
	Hours	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Enviro-Pro (Environmental contractor)	Dollars	\$ 870,267	\$ 140,508	\$ 470,750	\$ -	\$ 1,481,525	\$ 870,267	\$ 140,508	\$ 470,750	\$ -	\$ 1,481,525
	Hours	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pro Force (Environmental contractor)	Dollars	\$ 117,451	\$ 18,963	\$ 63,532	\$ -	\$ 199,946	\$ 117,451	\$ 18,963	\$ 63,532	\$ -	\$ 199,946
	Hours	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Weavertown (Environmental contractor)	Dollars	\$ 11,690	\$ 1,887	\$ 6,323	\$ -	\$ 19,900	\$ 11,690	\$ 1,887	\$ 6,323	\$ -	\$ 19,900
	Hours	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Contractor	Dollars	\$ 15,806	\$ 2,552	\$ 8,550	\$ -	\$ 26,908	\$ 15,806	\$ 2,552	\$ 8,550	\$ -	\$ 26,908
<b>TOTAL OUTSIDE CONTRACTED SERVICES</b>	Dollars	\$ 3,349,499	\$ 540,788	\$ 2,175,713	\$ -	\$ 6,066,000	\$ 3,290,042	\$ 531,188	\$ 2,143,551	\$ -	\$ 5,964,781
	Hours	0	0	0	0	0.0	0	0	0	0	0.0
<b>Total Restoration Costs</b>		\$ 5,528,892	\$ 725,423	\$ 3,353,981	\$ (108)	\$ 9,608,188	\$ 5,223,636	\$ 662,133	\$ 3,118,182	\$ (108)	\$ 9,003,843

**Kentucky Power**  
**Major Event Cost Recap**

Ashland/Pikeville Derecho Storm: 06/29/2012

**Detailed Restoration Costs**

As of 12/05/12

**06/29/12 DERECHO STORM TOTAL COST**

**06/29/12 DERECHO STORM INCREMENTAL COST**

		A	B	C	D	A+B+C+D	A	B	C	D	A+B+C+D
		Capitalized	Accumulated Depreciation	Expensed	Unallocated	Total Cost	Capitalized	Accumulated Depreciation	Expensed	Unallocated	Total Cost
		(Capital)	(Removal)	(O&M)		to Restore	(Capital)	(Removal)	(O&M)		to Restore
<b>In House Costs</b>	Regular Time	Dollars \$ 83,614	\$ 51,216	\$ (49,695)	\$ -	\$ 85,135	\$ -	\$ -	\$ -	\$ -	\$ -
	Hours	442.1	110.5	2,091.0	0.0	2,643.6	442.1	110.5	2,091.0	0.0	2,643.6
<b>Salary &amp; Wages</b>	Overtime	Dollars \$ 111,969	\$ 27,993	\$ 441,783	\$ -	\$ 581,745	\$ 111,969	\$ 27,993	\$ 441,783	\$ -	\$ 581,745
	Hours	2,422.2	606.2	9,966.1	0.0	12,994.5	2,422.2	606.2	9,966.1	0.0	12,994.5
<b>Overheads</b>	ST Fringes	\$ 8,310	\$ 2,077	\$ 6,319	\$ -	\$ 16,706	\$ -	\$ -	\$ -	\$ -	\$ -
	OT Fringes	\$ 13,367	\$ 3,342	\$ 3,671	\$ -	\$ 20,380	\$ 13,367	\$ 3,342	\$ 3,671	\$ -	\$ 20,380
	Other Labor Fringes	\$ 1,464	\$ 366	\$ 807	\$ -	\$ 2,637	\$ -	\$ -	\$ -	\$ -	\$ -
	Incentives	\$ 13,064	\$ 3,258	\$ 54,086	\$ -	\$ 70,408	\$ -	\$ -	\$ -	\$ -	\$ -
	Construction/Retirement	\$ 64,608	\$ 17,952	\$ -	\$ -	\$ 82,560	\$ 64,608	\$ 17,952	\$ -	\$ -	\$ 82,560
	All Other Overheads	\$ (2,108)	\$ (695)	\$ 161,430	\$ -	\$ 158,627	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Total Salary &amp; Wages</b>	\$ 294,288	\$ 105,509	\$ 618,401	\$ -	\$ 1,018,198	\$ 189,944	\$ 49,287	\$ 445,454	\$ -	\$ 684,685
<b>Transportation</b>	Fleet	\$ 41,513	\$ 9,798	\$ 160,746	\$ -	\$ 212,057	\$ 2,818	\$ 779	\$ 13,054	\$ -	\$ 16,650
	<b>Total Transportation</b>	\$ 41,513	\$ 9,798	\$ 160,746	\$ -	\$ 212,057	\$ 2,818	\$ 779	\$ 13,054	\$ -	\$ 16,650
<b>Other Cost Category</b>	Cell Phone	\$ 812	\$ 183	\$ 17,033	\$ -	\$ 18,028	\$ -	\$ -	\$ -	\$ -	\$ -
	Lump Sum Pmts	\$ 3,196	\$ 799	\$ 11,985	\$ -	\$ 15,980	\$ 3,196	\$ 799	\$ 11,985	\$ -	\$ 15,980
	External Communications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Employee Expenses	\$ 37,004	\$ 9,251	\$ 141,284	\$ 35,317	\$ 222,856	\$ 37,004	\$ 9,251	\$ 141,284	\$ 35,317	\$ 222,856
	Misc	\$ 120	\$ 30	\$ 450	\$ (600)	\$ -	\$ 120	\$ 30	\$ 450	\$ (600)	\$ -
<b>Total Other Cost Category</b>	\$ 41,132	\$ 10,263	\$ 170,752	\$ 34,717	\$ 256,864	\$ 40,320	\$ 10,080	\$ 153,719	\$ 34,717	\$ 238,836	
<b>Materials &amp; Supplies</b>	Towers, Poles, & Fixtures	Poles \$ 24,342	\$ -	\$ -	\$ -	\$ 24,342	\$ 24,342	\$ -	\$ -	\$ -	\$ 24,342
	Cross arms	\$ 6,084	\$ -	\$ -	\$ -	\$ 6,084	\$ 6,084	\$ -	\$ -	\$ -	\$ 6,084
<b>Overhead Conductors &amp; Devices</b>	Wire	\$ 66,048	\$ -	\$ -	\$ -	\$ 66,048	\$ 66,048	\$ -	\$ -	\$ -	\$ 66,048
	Cutouts	\$ 14,254	\$ -	\$ -	\$ -	\$ 14,254	\$ 14,254	\$ -	\$ -	\$ -	\$ 14,254
	Splices	\$ 50,421	\$ -	\$ -	\$ -	\$ 50,421	\$ 50,421	\$ -	\$ -	\$ -	\$ 50,421
	Other	\$ 84,082	\$ -	\$ -	\$ -	\$ 84,082	\$ 84,082	\$ -	\$ -	\$ -	\$ 84,082
<b>Line Transformers</b>	\$ 67,923	\$ -	\$ -	\$ -	\$ 67,923	\$ 67,923	\$ -	\$ -	\$ -	\$ 67,923	
<b>Services</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Meters</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Lighting &amp; Signal Systems</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Other</b>	\$ (37,207)	\$ (3,809)	\$ 163,156	\$ (35,317)	\$ 86,823	\$ (37,207)	\$ (3,809)	\$ 163,156	\$ (35,317)	\$ 86,823	
<b>Total Materials</b>	\$ 275,947	\$ (3,809)	\$ 163,156	\$ (35,317)	\$ 399,977	\$ 275,947	\$ (3,809)	\$ 163,156	\$ (35,317)	\$ 399,977	
<b>Cost of Providing Temporary Electric Svc</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>TOTAL IN HOUSE COSTS</b>	\$ 652,880	\$ 121,761	\$ 1,113,055	\$ (600)	\$ 1,887,096	\$ 509,029	\$ 56,337	\$ 775,383	\$ (600)	\$ 1,340,148	

**Kentucky Power  
Major Event Cost Recap**

Ashland/Pikeville Derecho Storm: 06/29/2012  
Detailed Restoration Costs  
As of 12/05/12

06/29/12 DERECHO STORM TOTAL COST

06/29/12 DERECHO STORM INCREMENTAL COST

	06/29/12 DERECHO STORM TOTAL COST					06/29/12 DERECHO STORM INCREMENTAL COST				
	A Capitalized (Capital)	B Accumulated Depreciation (Removal)	C Expensed (O&M)	D Unallocated	A+B+C+D Total Cost to Restore	A Capitalized (Capital)	B Accumulated Depreciation (Removal)	C Expensed (O&M)	D Unallocated	A+B+C+D Total Cost to Restore
<b>Outside Contracted Services</b>										
Asplundh Tree Expert	Dollars \$ -	\$ -	\$ 894,909	\$ -	\$ 894,909	Dollars \$ -	\$ -	\$ 894,909	\$ -	\$ 894,909
Hours	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
D.H. Elliott	Dollars \$ 77,865	\$ 21,527	\$ 360,718	\$ -	\$ 460,110	Dollars \$ 63,925	\$ 17,673	\$ 296,137	\$ -	\$ 377,735
Hours	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ACRT Inc	Dollars \$ 1,408	\$ 389	\$ 6,524	\$ -	\$ 8,322	Dollars \$ 1,408	\$ 389	\$ 6,524	\$ -	\$ 8,322
Hours	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Area Wide Protective	Dollars \$ 13,738	\$ 3,798	\$ 63,641	\$ -	\$ 81,177	Dollars \$ 13,738	\$ 3,798	\$ 63,641	\$ -	\$ 81,177
Hours	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Chain Electric	Dollars \$ 70,570	\$ 19,510	\$ 326,922	\$ -	\$ 417,002	Dollars \$ 70,570	\$ 19,510	\$ 326,922	\$ -	\$ 417,002
Hours	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Entergy AR (ESTIMATED)	Dollars \$ 179,094	\$ 49,513	\$ 829,668	\$ -	\$ 1,058,275	Dollars \$ 179,094	\$ 49,513	\$ 829,668	\$ -	\$ 1,058,275
Hours	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Entergy LA (ESTIMATED)	Dollars \$ 161,375	\$ 44,614	\$ 747,587	\$ -	\$ 953,577	Dollars \$ 161,375	\$ 44,614	\$ 747,587	\$ -	\$ 953,577
Hours	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Entergy MS (ESTIMATED)	Dollars \$ 96,412	\$ 26,654	\$ 446,637	\$ -	\$ 569,703	Dollars \$ 96,412	\$ 26,654	\$ 446,637	\$ -	\$ 569,703
Hours	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Entergy TX (ESTIMATED)	Dollars \$ 38,660	\$ 10,688	\$ 179,097	\$ -	\$ 228,445	Dollars \$ 38,660	\$ 10,688	\$ 179,097	\$ -	\$ 228,445
Hours	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Highline (Utility Lines Construction)	Dollars \$ 56,023	\$ 15,488	\$ 259,533	\$ -	\$ 331,044	Dollars \$ 56,023	\$ 15,488	\$ 259,533	\$ -	\$ 331,044
Hours	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PAR Electric	Dollars \$ 23,933	\$ 6,617	\$ 110,872	\$ -	\$ 141,421	Dollars \$ 23,933	\$ 6,617	\$ 110,872	\$ -	\$ 141,421
Hours	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pike Electric	Dollars \$ 7,492	\$ 2,071	\$ 34,707	\$ -	\$ 44,270	Dollars \$ 7,492	\$ 2,071	\$ 34,707	\$ -	\$ 44,270
Hours	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Southern Electric Corp	Dollars \$ 26,419	\$ 7,304	\$ 122,390	\$ -	\$ 156,113	Dollars \$ 26,419	\$ 7,304	\$ 122,390	\$ -	\$ 156,113
Hours	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
T&D Solutions	Dollars \$ 69,892	\$ 19,323	\$ 323,782	\$ -	\$ 412,997	Dollars \$ 69,892	\$ 19,323	\$ 323,782	\$ -	\$ 412,997
Hours	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Contractor	Dollars \$ 2,644	\$ 731	\$ 12,251	\$ -	\$ 15,626	Dollars \$ 2,644	\$ 731	\$ 12,251	\$ -	\$ 15,626
Other Contractor, Unallocated	Dollars \$ -	\$ -	\$ -	\$ 600	\$ 600	Dollars \$ -	\$ -	\$ -	\$ 600	\$ 600
<b>TOTAL OUTSIDE CONTRACTED SERVICES</b>	Dollars \$ 825,526	\$ 228,228	\$ 4,719,237	\$ 600	\$ 5,773,591	Dollars \$ 811,586	\$ 224,374	\$ 4,654,656	\$ 600	\$ 5,691,216
Hours	0	0	0	0	0.0	0	0	0	0	0.0
<b>Total Restoration Costs</b>	\$ 1,478,406	\$ 349,989	\$ 5,832,292	\$ -	\$ 7,660,687	\$ 1,320,614	\$ 280,711	\$ 5,430,039	\$ -	\$ 7,031,364

**Kentucky Power  
Major Event Cost Recap**

Ashland/Pikeville/Hazard Thunderstorm: 07/05/2012  
Detailed Restoration Costs  
As of 12/05/12

		07/05/12 THUNDERSTORM TOTAL COST					07/05/12 THUNDERSTORM INCREMENTAL COST					
		A	B	C	D	A+B+C+D	A	B	C	D	A+B+C+D	
		Capitalized	Accumulated Depreciation	Expensed	Unallocated	Total Cost	Capitalized	Accumulated Depreciation	Expensed	Unallocated	Total Cost	
		(Capital)	(Removal)	(O&M)		to Restore	(Capital)	(Removal)	(O&M)		to Restore	
<b>In House Costs</b>	Regular Time	Dollars \$ 1,782	\$ 255	\$ 23,790	\$ -	\$ 25,827	\$ -	\$ -	\$ -	\$ -	\$ -	
	Hours	48.0	6.9	629.5	0.0	684.4	48.0	6.9	629.5	0.0	684.4	
<b>Salary &amp; Wages</b>	Overtime	Dollars \$ 5,613	\$ 802	\$ 74,622	\$ -	\$ 81,037	\$ 5,613	\$ 802	\$ 74,622	\$ -	\$ 81,037	
	Hours	126.9	17.7	1,664.5	0.0	1,809.1	126.9	17.7	1,664.5	0.0	1,809.1	
	ST Fringes	\$ 960	\$ 137	\$ -	\$ -	\$ 1,097	\$ -	\$ -	\$ -	\$ -	\$ -	
	OT Fringes	\$ 670	\$ 96	\$ 81	\$ -	\$ 847	\$ 670	\$ 96	\$ 81	\$ -	\$ 847	
	Other Labor Fringes	\$ 37	\$ 5	\$ 24	\$ -	\$ 66	\$ -	\$ -	\$ -	\$ -	\$ -	
	Incentives	\$ 363	\$ 49	\$ 4,958	\$ -	\$ 5,370	\$ -	\$ -	\$ -	\$ -	\$ -	
	Construction/Retirement	\$ 5,661	\$ 1,455	\$ -	\$ -	\$ 7,116	\$ 5,661	\$ 1,455	\$ -	\$ -	\$ 7,116	
	All Other Overheads	\$ (194)	\$ (35)	\$ (1,909)	\$ -	\$ (2,138)	\$ -	\$ -	\$ -	\$ -	\$ -	
	<b>Total Salary &amp; Wages</b>	\$ 14,892	\$ 2,764	\$ 101,566	\$ -	\$ 119,222	\$ 11,944	\$ 2,353	\$ 74,703	\$ -	\$ 89,000	
<b>Transportation</b>	Fleet	\$ 2,078	\$ 64	\$ 31,427	\$ -	\$ 33,569	\$ 316	\$ 38	\$ 2,282	\$ -	\$ 2,636	
	<b>Total Transportation</b>	\$ 2,078	\$ 64	\$ 31,427	\$ -	\$ 33,569	\$ 316	\$ 38	\$ 2,282	\$ -	\$ 2,636	
<b>Other Cost Category</b>	Cell Phone	\$ 34	\$ 1	\$ 584	\$ -	\$ 619	\$ -	\$ -	\$ -	\$ -	\$ -	
	Lump Sum Prmts	\$ 154	\$ 22	\$ 2,021	\$ -	\$ 2,197	\$ 154	\$ 22	\$ 2,021	\$ -	\$ 2,197	
	External Communications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Employee Expenses	\$ 914	\$ 131	\$ 12,017	\$ -	\$ 13,062	\$ 914	\$ 131	\$ 12,017	\$ -	\$ 13,062	
	Misc	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	<b>Total Other Cost Category</b>	\$ 1,102	\$ 154	\$ 14,622	\$ -	\$ 15,878	\$ 1,068	\$ 153	\$ 14,038	\$ -	\$ 15,259	
<b>Materials &amp; Supplies</b>	<b>Towers, Poles, &amp; Fixtures</b>	Poles	\$ 3,548	\$ -	\$ -	\$ -	\$ 3,548	\$ 3,548	\$ -	\$ -	\$ -	\$ 3,548
		Cross arms	\$ 822	\$ -	\$ -	\$ -	\$ 822	\$ 822	\$ -	\$ -	\$ -	\$ 822
	<b>Overhead Conductors &amp; Devices</b>	Wire	\$ 3,219	\$ -	\$ -	\$ -	\$ 3,219	\$ 3,219	\$ -	\$ -	\$ -	\$ 3,219
		Cutouts	\$ 2,312	\$ -	\$ -	\$ -	\$ 2,312	\$ 2,312	\$ -	\$ -	\$ -	\$ 2,312
		Splices	\$ 1,886	\$ -	\$ -	\$ -	\$ 1,886	\$ 1,886	\$ -	\$ -	\$ -	\$ 1,886
		Other	\$ 6,297	\$ -	\$ -	\$ -	\$ 6,297	\$ 6,297	\$ -	\$ -	\$ -	\$ 6,297
		<b>Total</b>	\$ 14,644	\$ -	\$ -	\$ -	\$ 14,644	\$ 14,644	\$ -	\$ -	\$ -	\$ 14,644
	<b>Line Transformers</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	<b>Services</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	<b>Meters</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	<b>Lighting &amp; Signal Systems</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	<b>Other</b>	\$ 3,051	\$ -	\$ 7,486	\$ -	\$ 10,537	\$ 3,051	\$ -	\$ 7,486	\$ -	\$ 10,537	
	<b>Total Materials</b>	\$ 35,779	\$ -	\$ 7,486	\$ -	\$ 43,265	\$ 35,779	\$ -	\$ 7,486	\$ -	\$ 43,265	
	<b>Cost of Providing Temporary Electric Svc</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	<b>TOTAL IN HOUSE COSTS</b>	\$ 53,851	\$ 2,982	\$ 155,101	\$ -	\$ 211,934	\$ 49,107	\$ 2,544	\$ 98,509	\$ -	\$ 150,160	

**Kentucky Power**  
**Major Event Cost Recap**  
Ashland/Pikeville/Hazard Thunderstorm: 07/05/2012  
**Detailed Restoration Costs**  
As of 12/05/12

	07/05/12 THUNDERSTORM TOTAL COST					07/05/12 THUNDERSTORM INCREMENTAL COST				
	A	B	C	D	A+B+C+D	A	B	C	D	A+B+C+D
	Capitalized (Capital)	Accumulated Depreciation (Removal)	Expensed (O&M)	Unallocated	Total Cost to Restore	Capitalized (Capital)	Accumulated Depreciation (Removal)	Expensed (O&M)	Unallocated	Total Cost to Restore
<b>Outside Contracted Services</b>										
Asplundh Tree Expert	Dollars \$ -	\$ -	\$ 95,126	\$ -	\$ 95,126	Dollars \$ -	\$ -	\$ 95,126	\$ -	\$ 95,126
	Hours 0.0	0.0	0.0	0.0	0.0	Hours 0.0	0.0	0.0	0.0	0.0
D.H. Elliott	Dollars \$ 16,745	\$ 2,007	\$ 121,137	\$ -	\$ 139,888	Dollars \$ 13,458	\$ 1,613	\$ 97,359	\$ -	\$ 112,430
	Hours 0	0	0	0.0	0.0	Hours 0.0	0.0	0.0	0.0	0.0
ACRT Inc	Dollars \$ 16	\$ 2	\$ 113	\$ -	\$ 130	Dollars \$ 16	\$ 2	\$ 113	\$ -	\$ 130
	Hours 0	0	0	0.0	0.0	Hours 0.0	0.0	0.0	0.0	0.0
Area Wide Protective	Dollars \$ 3,082	\$ 369	\$ 22,294	\$ -	\$ 25,745	Dollars \$ 3,082	\$ 369	\$ 22,294	\$ -	\$ 25,745
	Hours 0	0	0	0.0	0.0	Hours 0.0	0.0	0.0	0.0	0.0
Entergy LA (ESTIMATED)	Dollars \$ 21,781	\$ 2,610	\$ 157,569	\$ -	\$ 181,960	Dollars \$ 21,781	\$ 2,610	\$ 157,569	\$ -	\$ 181,960
	Hours 0	0	0	0.0	0.0	Hours 0.0	0.0	0.0	0.0	0.0
Entergy TX (ESTIMATED)	Dollars \$ 14,608	\$ 1,751	\$ 105,681	\$ -	\$ 122,040	Dollars \$ 14,608	\$ 1,751	\$ 105,681	\$ -	\$ 122,040
	Hours 0	0	0	0.0	0.0	Hours 0.0	0.0	0.0	0.0	0.0
Highline	Dollars \$ 16,255	\$ 1,948	\$ 117,597	\$ -	\$ 135,800	Dollars \$ 16,255	\$ 1,948	\$ 117,597	\$ -	\$ 135,800
	Hours 0	0	0	0.0	0.0	Hours 0.0	0.0	0.0	0.0	0.0
Southern Electric Corp	Dollars \$ 1,439	\$ 172	\$ 10,409	\$ -	\$ 12,020	Dollars \$ 1,439	\$ 172	\$ 10,409	\$ -	\$ 12,020
	Hours 0	0	0	0.0	0.0	Hours 0.0	0.0	0.0	0.0	0.0
T&D Solutions	Dollars \$ 1,464	\$ 175	\$ 10,591	\$ -	\$ 12,231	Dollars \$ 1,464	\$ 175	\$ 10,591	\$ -	\$ 12,231
	Hours 0	0	0	0.0	0.0	Hours 0.0	0.0	0.0	0.0	0.0
Other Contractor	Dollars \$ 20,429	\$ 2,448	\$ 147,790	\$ -	\$ 170,667	Dollars \$ 20,429	\$ 2,448	\$ 147,790	\$ -	\$ 170,667
Other Contractor Unallocated	Dollars \$ -	\$ -	\$ -	\$ -	\$ -	Dollars \$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL OUTSIDE CONTRACTED SERVICES</b>	Dollars \$ <b>95,818</b>	\$ <b>11,483</b>	\$ <b>788,306</b>	\$ <b>-</b>	\$ <b>895,607</b>	Dollars \$ <b>92,531</b>	\$ <b>11,089</b>	\$ <b>764,528</b>	\$ <b>-</b>	\$ <b>868,149</b>
	Hours <b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	Hours <b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
<b>Total Restoration Costs</b>	\$ <b>149,669</b>	\$ <b>14,465</b>	\$ <b>943,407</b>	\$ <b>-</b>	\$ <b>1,107,541</b>	\$ <b>141,638</b>	\$ <b>13,633</b>	\$ <b>863,038</b>	\$ <b>-</b>	\$ <b>1,018,308</b>



**Kentucky Power**  
**Major Event Cost Recap**

Hurricane Sandy Snow Storm: 10/29/2012

**Detailed Restoration Costs**

As of 12/05/12

10/29/12 HURRICANE SANDY SNOW STORM TOTAL COST

10/29/12 HURRICANE SANDY SNOW STORM INCREMENTAL COST

		A	B	C	D	A+B+C+D	A	B	C	D	A+B+C+D
		Capitalized	Accumulated	Expensed	Unallocated	Total Cost	Capitalized	Accumulated	Expensed	Unallocated	Total Cost
		(Capital)	Depreciation	(O&M)		to Restore	(Capital)	Depreciation	(O&M)		to Restore
			(Removal)					(Removal)			
<b>In House Costs</b>	Regular Time	Dollars \$ 6,357	\$ 3,179	\$ 55,948	\$ -	\$ 65,484	\$ -	\$ -	\$ -	\$ -	\$ -
	Hours	153.5	76.8	1,414.5	0.0	1,644.8	153.5	76.8	1,414.5	0.0	1,644.8
<b>Salary &amp; Wages</b>	Overtime	Dollars \$ 14,527	\$ 7,264	\$ 125,328	\$ -	\$ 147,119	\$ 14,527	\$ 7,264	\$ 125,328	\$ -	\$ 147,119
	Hours	326.2	163.3	2,841.2	0.0	3,330.7	326.2	163.3	2,841.2	0.0	3,330.7
<b>Salary &amp; Wage Overheads</b>	ST Fringes	\$ 3,400	\$ 1,700	\$ 1,351	\$ -	\$ 6,451	\$ -	\$ -	\$ -	\$ -	\$ -
	OT Fringes	\$ 1,735	\$ 867	\$ 193	\$ -	\$ 2,795	\$ 1,735	\$ 867	\$ 193	\$ -	\$ 2,795
	Other Labor Fringes	\$ 174	\$ 87	\$ 86	\$ -	\$ 347	\$ -	\$ -	\$ -	\$ -	\$ -
	Incentives	\$ 1,523	\$ 761	\$ 13,457	\$ -	\$ 15,741	\$ -	\$ -	\$ -	\$ -	\$ -
	Construction/Retirement	\$ 346	\$ -	\$ -	\$ -	\$ 346	\$ 346	\$ -	\$ -	\$ -	\$ 346
	All Other Overheads	\$ (46)	\$ (102)	\$ (1,731)	\$ -	\$ (1,879)	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Total Salary &amp; Wages</b>	\$ 28,016	\$ 13,756	\$ 194,632	\$ -	\$ 236,404	\$ 16,608	\$ 8,131	\$ 125,521	\$ -	\$ 150,260
<b>Transportation</b>	Fleet	\$ 6,126	\$ 2,739	\$ 54,518	\$ -	\$ 63,383	\$ 537	\$ 397	\$ 4,043	\$ -	\$ 4,977
	<b>Total Transportation</b>	\$ 6,126	\$ 2,739	\$ 54,518	\$ -	\$ 63,383	\$ 537	\$ 397	\$ 4,043	\$ -	\$ 4,977
<b>Other Cost Category</b>	Cell Phone	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Lump Sum Pmts	\$ 282	\$ 141	\$ 2,399	\$ -	\$ 2,822	\$ 282	\$ 141	\$ 2,399	\$ -	\$ 2,822
	External Communications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Employee Expenses	\$ 1,505	\$ 752	\$ 13,243	\$ -	\$ 15,500	\$ 1,505	\$ 752	\$ 13,243	\$ -	\$ 15,500
	Misc	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Other Cost Category</b>	\$ 1,787	\$ 893	\$ 15,642	\$ -	\$ 18,322	\$ 1,787	\$ 893	\$ 15,642	\$ -	\$ 18,322	
<b>Materials &amp; Supplies</b>	<b>Towers, Poles, &amp; Fixtures</b>	Poles \$ 4,849	\$ -	\$ -	\$ -	\$ 4,849	\$ 4,849	\$ -	\$ -	\$ -	\$ 4,849
	Cross arms	\$ 986	\$ -	\$ -	\$ -	\$ 986	\$ 986	\$ -	\$ -	\$ -	\$ 986
<b>Overhead Conductors &amp; Devices</b>	Wire	\$ 7,599	\$ -	\$ -	\$ -	\$ 7,599	\$ 7,599	\$ -	\$ -	\$ -	\$ 7,599
	Cutouts	\$ 2,125	\$ -	\$ -	\$ -	\$ 2,125	\$ 2,125	\$ -	\$ -	\$ -	\$ 2,125
	Splices	\$ 2,339	\$ -	\$ -	\$ -	\$ 2,339	\$ 2,339	\$ -	\$ -	\$ -	\$ 2,339
	Other	\$ 9,000	\$ -	\$ -	\$ -	\$ 9,000	\$ 9,000	\$ -	\$ -	\$ -	\$ 9,000
<b>Line Transformers</b>	\$ 6,432	\$ -	\$ -	\$ -	\$ 6,432	\$ 6,432	\$ -	\$ -	\$ -	\$ 6,432	
<b>Services</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Meters</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Lighting &amp; Signal Systems</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Other</b>	\$ (213)	\$ 1	\$ 9,164	\$ -	\$ 8,952	\$ (213)	\$ 1	\$ 9,164	\$ -	\$ 8,952	
<b>Total Materials</b>	\$ 33,117	\$ 1	\$ 9,164	\$ -	\$ 42,282	\$ 33,117	\$ 1	\$ 9,164	\$ -	\$ 42,282	
<b>Cost of Providing Temporary Electric Svc</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>TOTAL IN HOUSE COSTS</b>	\$ 69,046	\$ 17,389	\$ 273,956	\$ -	\$ 360,391	\$ 52,049	\$ 9,422	\$ 154,370	\$ -	\$ 215,841	

**Kentucky Power**

**Major Event Cost Recap**

Hurricane Sandy Snow Storm: 10/29/2012

**Detailed Restoration Costs**

As of 12/05/12

	10/29/12 HURRICANE SANDY SNOW STORM TOTAL COST					10/29/12 HURRICANE SANDY SNOW STORM INCREMENTAL COST				
	A	B	C	D	A+B+C+D	A	B	C	D	A+B+C+D
	Capitalized (Capital)	Accumulated Depreciation (Removal)	Expensed (O&M)	Unallocated	Total Cost to Restore	Capitalized (Capital)	Accumulated Depreciation (Removal)	Expensed (O&M)	Unallocated	Total Cost to Restore
<b>Outside Contracted Services</b>										
Asplundh Tree Expert (ESTIMATED)	Dollars \$ -	\$ -	\$ 252,708	\$ -	\$ 252,708	Dollars \$ -	\$ -	\$ 252,708	\$ -	\$ 252,708
Hours	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
D.H. Elliott (ESTIMATED)	Dollars \$ 33,640	\$ 24,876	\$ 253,267	\$ -	\$ 311,783	Dollars \$ 24,171	\$ 17,874	\$ 181,978	\$ -	\$ 224,024
Hours	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
ACRT Inc	Dollars \$ 134	\$ 99	\$ 1,011	\$ -	\$ 1,244	Dollars \$ 134	\$ 99	\$ 1,011	\$ -	\$ 1,244
Hours	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Area Wide Protective	Dollars \$ 1,502	\$ 1,111	\$ 11,310	\$ -	\$ 13,923	Dollars \$ 1,502	\$ 1,111	\$ 11,310	\$ -	\$ 13,923
Hours	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fischel (ESTIMATED)	Dollars \$ 5,501	\$ 4,068	\$ 41,414	\$ -	\$ 50,982	Dollars \$ 5,501	\$ 4,068	\$ 41,414	\$ -	\$ 50,982
Hours	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pike Electric (ESTIMATED)	Dollars \$ 7,041	\$ 5,206	\$ 53,006	\$ -	\$ 65,253	Dollars \$ 7,041	\$ 5,206	\$ 53,006	\$ -	\$ 65,253
Hours	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Dollars \$ -	\$ -	\$ -	\$ -	\$ -	Dollars \$ -	\$ -	\$ -	\$ -	\$ -
Hours	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Dollars \$ -	\$ -	\$ -	\$ -	\$ -	Dollars \$ -	\$ -	\$ -	\$ -	\$ -
Hours	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Contractor	Dollars \$ 894	\$ 661	\$ 6,729	\$ -	\$ 8,284	Dollars \$ 894	\$ 661	\$ 6,729	\$ -	\$ 8,284
Other Contractor Unallocated	Dollars \$ -	\$ -	\$ -	\$ -	\$ -	Dollars \$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL OUTSIDE CONTRACTED SERVICES</b>	Dollars \$ 48,712	\$ 36,021	\$ 619,444	\$ -	\$ 704,177	Dollars \$ 39,243	\$ 29,019	\$ 548,156	\$ -	\$ 616,418
Hours	0	0	0	0	0.0	0	0	0	0	0.0
<b>Total Restoration Costs</b>	\$ 117,758	\$ 53,410	\$ 893,400	\$ -	\$ 1,064,568	\$ 91,292	\$ 38,441	\$ 702,525	\$ -	\$ 832,259