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JUL 26 2013

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION PUBLIC SERVICE  
COMMISSION

IN THE MATTER OF:

THE APPLICATION OF KENTUCKY POWER COMPANY FOR: )  
(1) A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY )  
AUTHORIZING THE TRANSFER TO THE COMPANY OF AN )  
UNDIVIDED FIFTY PERCENT INTEREST IN THE MITCHELL )  
GENERATING STATION AND ASSOCIATED ASSETS; (2) APPROVAL )  
OF THE ASSUMPTION BY KENTUCKY POWER COMPANY OF )  
CERTAIN LIABILITIES IN CONNECTION WITH THE TRANSFER OF )  
THE MITCHELL GENERATING STATION; (3) DECLARATORY ) CASE NO. 2012-00578  
RULINGS; (4) DEFERRAL OF COSTS INCURRED IN CONNECTION )  
WITH THE COMPANY'S EFFORTS TO MEET FEDERAL CLEAN AIR )  
ACT AND RELATED REQUIREMENTS; 5) FOR ALL OTHER )  
REQUIRED APPROVALS AND RELIEF )

KENTUCKY POWER COMPANY RESPONSE TO  
KIUC'S POST HEARING DATA REQUESTS

July 26, 2013



**Kentucky Power Company**

**REQUEST**

Please provide a breakdown of page 2 of 2 of Attachment 1 to the Company's response to Staff 5-10 to show stand-alone costs of owning a 50% interest in the Mitchell Generating Station.

**RESPONSE**

Please see Attachment 1 of KIUC PH-1.

**WITNESS:** Ranie K Wohnhas

Mitchell Transfer net of BSU2 O&M and Depreciation

Adjustment from Section V Case No. 2013-00197	Operating Income Adjustments Increase/(Decrease)	Rate Base Adjustments Increase/(Decrease)	Revenue Requirement
Workpaper S-4, Page 68		(\$2,121,105)	(\$279,821) Mitchell ARO
Workpaper S-4, Page 66	(\$26,692,002)	(\$2,452,091)	(\$43,903,517) Big Sandy O&M and Depreciation
Workpaper S-4, Page 65	\$170,885		\$279,004 Depreciation - Schedule M's
Workpaper S-4, Page 61	\$2,555,341	(\$3,533,283)	\$3,705,987 Depreciation Expense
Workpaper S-4, Page 60	\$6,083,567	\$1,236,629	\$10,095,779 PJM Charge and Credit Adjustments
Workpaper S-4, Page 59	\$46,951,763	\$537,878,563	\$147,616,245 Include Mitchell Rate Base and O&M
Workpaper S-4, Page 58	(\$2,832,147)		(\$4,624,046) Mitchell AFUDC Offset
Workpaper S-4, Page 57	(\$124,099)	(\$25,226)	(\$205,944) Mitchell Repositioning Study
Workpaper S-4, Page 56	(\$166,288)	(\$33,802)	(\$275,958) Mitchell Severance Costs
Workpaper S-4, Page 50-55	\$26,227	\$3,797	\$43,322 Annualization of Wages and Salaries
Workpaper S-4, Page 49		(\$1,151,258)	(\$151,876) Mitchell Coal Stock Adjustment
Workpaper S-4, Page 48	(\$301,638)	(\$61,315)	(\$500,573) Mitchell Maintenance Normalization
Workpaper S-4, Page 47	(\$462,238)	(\$93,961)	(\$767,092) Mitchell Incentive Compensation
Estimated Big Sandy Net Book Value		(\$225,795,000)	(\$29,787,364) Big Sandy
<b>Total</b>	<b>\$ 25,209,371</b>	<b>\$ 303,851,948</b>	<b>\$81,244,145</b>
Return on Rate Base @ 8.08%		\$ 24,551,237	
Total Income Requirement		\$ 49,760,608	
Total Revenue Requirement (GRCF @ 1.6327)		\$ 81,244,145	
Plus Big Sandy Unit 2 O&M and Depreciation			\$43,903,517 From Above
Remove PJM Charge and Credit Adjustments			(\$10,095,779) From Above
Plus Return on Net Book Value of Big Sandy Unit 2			\$29,787,364 From Above
Recognize Tax Benefit of Interest Deduction		530,862,410	(\$6,410,264)
Subtotal			<b>\$138,428,983</b>
<b>Mitchell Non-Fuel Costs (A&amp;G 2-12 Attachment 1) - Based upon 2012 Data</b>			
Depreciation			\$32,532,184
Fuel Handling			\$3,042,109
Consumables and Allowances			\$6,349,914
Non-Fuel O&M Expense			\$33,577,100
Taxes Other Than Income			\$5,269,502
Return Requirement (Pre-Tax)			\$57,071,128
Subtotal Mitchell Revenue Requirement			<b>\$137,841,936</b>
Difference			\$587,047
Percentage Difference			0.4%