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RECEIVED

AUG 27 2013

PUBLIC SERVICE
COMMISSION

Via Overnight Mail

August 26, 2013

Mr. Jeff Derouen, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

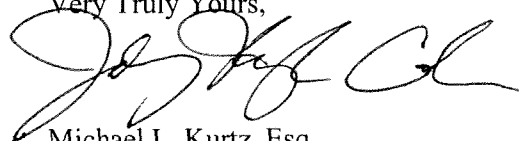
Re: Case No. 2013-00197

Dear Mr. Derouen:

Please find enclosed the original and ten (10) copies of KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC's FIRST SET OF DATA REQUESTS TO KENTUCKY POWER COMPANY for filing in the above-referenced docket.

By copy of this letter, all parties listed on the Certificate of Service have been served. Please place this document of file.

Very Truly Yours,



Michael L. Kurtz, Esq.

Kurt J. Boehm, Esq.

Jody Kyler Cohn, Esq.


BOEHM, KURTZ & LOWRY

MLKkew
Attachment

cc: Certificate of Service
Quang Nyugen, Esq.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served by mailing a true and correct copy via electronic mail (when available) and regular U.S. Mail to all parties on this 26th day of August, 2013.



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Jody Kyler Cohn, Esq.

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

AUG 27 2013

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF: THE APPLICATION OF KENTUCKY
POWER COMPANY FOR GENERAL ADJUSTMENT OF ITS
EXISTING RATES

:
:
:

Case No. 2013-00197

KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.'s
FIRST SET OF DATA REQUESTS
TO
KENTUCKY POWER COMPANY

Dated: August 26, 2013

DEFINITIONS

1. "Document(s)" is used in its customary broad sense and includes electronic mail and all written, typed, printed, electronic, computerized, recorded or graphic statements, memoranda, reports, communications or other matter, however produced or reproduced, and whether or not now in existence, or in your possession.
2. "Study" means any written, recorded, transcribed, taped, filmed, or graphic matter, however produced or reproduced, either formally or informally, a particular issue or situation, in whatever detail, whether or not the consideration of the issue or situation is in a preliminary stage, and whether or not the consideration was discontinued prior to completion whether preliminary or final, and whether or not referred to in Big Rivers' direct testimony.
3. If any document requested herein was at one time in existence, but has been lost, discarded or destroyed, identify such document as completely as possible, including the type of document, its date, the date or approximate date it was lost, discarded or destroyed, the identity of the person (s) who last had possession of the document and the identity of all persons having knowledge of the contents thereof.
4. "Person" means any natural person, corporation, professional corporation, partnership, association, joint venture, proprietorship, firm, or the other business enterprise or legal entity.
5. A request to identify a natural person means to state his or her full name and residence address, his or her present last known position and business affiliation at the time in question.
6. A request to identify a document means to state the date or dates, author or originator, subject matter, all addressees and recipients, type of document (e.g., letter, memorandum, telegram, chart, etc.), number of code number thereof or other means of identifying it, and its present location and custodian. If any such document was, but is no longer in the Company's possession or subject to its control, state what disposition was made of it.
7. A request to identify a person other than a natural person means to state its full name, the address of its principal office, and the type of entity.
8. "And" and "or" should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.
9. "Each" and "any" should be considered to be both singular and plural, unless specifically stated otherwise.
10. Words in the past tense should be considered to include the present, and words in the present tense include the past, unless specifically stated otherwise.
11. "You" or "your" means the person whose filed testimony is the subject of these interrogatories and, to the extent relevant and necessary to provide full and complete answers to any request, "you" or "your" may be deemed to include any person with information relevant to any interrogatory who is or was employed by or otherwise associated with the witness or who assisted, in any way, in the preparation of the witness' testimony.
12. "Kentucky Power" means Kentucky Power Company and/or any of their officers, directors, employees, or agents who may have knowledge of the particular matter addressed.

INSTRUCTIONS

1. If any matter is evidenced by, referenced to, reflected by, represented by, or recorded in any document, please identify and produce for discovery and inspection each such document.
2. These interrogatories are continuing in nature, and information which the responding party later becomes aware of, or has access to, and which is responsive to any request is to be made available to Kentucky Industrial Utility Customers. Any studies, documents, or other subject matter not yet completed that will be relied upon during the course of this case should be so identified and provided as soon as they are completed. The Respondent is obliged to change, supplement and correct all answers to interrogatories to conform to available information, including such information as it first becomes available to the Respondent after the answers hereto are served.
3. Unless otherwise expressly provided, each interrogatory should be construed independently and not with reference to any other interrogatory herein for purpose of limitation.
4. The answers provided should first restate the question asked and also identify the person(s) supplying the information.
5. Please answer each designated part of each information request separately. If you do not have complete information with respect to any interrogatory, so state and give as much information as you do have with respect to the matter inquired about, and identify each person whom you believe may have additional information with respect thereto.
6. In the case of multiple witnesses, each interrogatory should be considered to apply to each witness who will testify to the information requested. Where copies of testimony, transcripts or depositions are requested, each witness should respond individually to the information request.
7. The interrogatories are to be answered under oath by the witness(es) responsible for the answer.
8. Responses to requests for revenue, expense and rate base data should provide data on the basis of Total Company as well as Intrastate data, unless otherwise requested.

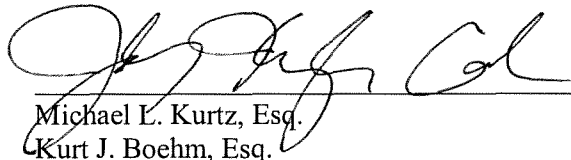
KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.’s
FIRST SET OF DATA REQUESTS TO
KENTUCKY POWER COMPANY
Docket No. 2013-00197

- Q.1-1. Please provide a copy of all workpapers and schedules used in the preparation of the Company’s filing in electronic format with all cell formulas intact and no pasted in values. In addition, please provide all supporting documents and workpapers used to develop input amounts on the primary workpapers and schedules.
- Q.1-2. Please quantify the Mitchell revenue requirement as a separate component of the Company’s request. Provide all assumptions, computations and workpapers, including electronic spreadsheets with formulas intact.
- Q.1-3. Refer to pages 9-11 of Mr. Bartsch’s Direct Testimony wherein he describes the accounting for the post-retirement prescription drug benefits and the federal tax treatment of those benefits.
- a. Please provide the monthly accounting journal entries (accounts and amounts) for the PRB drug benefit expense, current tax expense, deferred tax expense, amortization expense, deferred tax asset, contra-liability, and regulatory asset accounts starting with the month prior to the date at which the Company “created a contraliability account to record the expected subsidy related to the accrued in the PRB account described above” and extending through the most recent month for which actual information is available.
 - b. Please provide the dates and the amounts when “the increase in the contra liability account was included as a reduction to the PRB accruals included in cost of service.” More specifically, for each base rate proceeding that was affected, please identify the Case number, the effective date of the rates that were set after a final order in that case, and the amount of the reduction to the PRB accruals included in cost of service on an annual basis starting on the effective date. Please provide a copy of the relevant pages of the Company’s filing and/or the Commission order used to determine the amount of the reduction reflected in the Company’s revenue requirement in each case.
 - c. Please provide the monthly savings in PRB expense since the Company switched to the EGWP.
 - d. Please indicate if the Company had a deferred gain or a reduction in the PRB liability from the switch to the EGWP and whether it is amortizing that gain.
 - e. Please provide all accounting journal entries (by account and amount) the Company made to implement the switch to the EGWP, including the termination of the Medicare Part D plan.
- Q.1-4. Please provide the tax depreciation deduction for the test year assuming that no bonus depreciation was available.
- Q.1-5. Please provide the long-term incentive plan compensation expense included in the Company’s revenue requirement.
- Q.1-6. Please provide the actual daily balances of short-term debt by type of debt (revolver, Money Pool, etc.), the daily interest rates by type of debt, and the daily interest expense in electronic spreadsheet format for the test year.
- Q.1-7. Please identify and describe each source of short-term debt available to the Company during the test year, the terms of such short-term borrowings, including, but not limited to, the basis for the interest rates and the fees related to any revolvers.

- Q.1-8. Please provide all evidence that the Company's coal inventory is financed with short-term debt.
- Q.1-9. Refer to page 6 lines 12-17 of Mr. Vaughn's Direct Testimony wherein he states that PJM charges and credits can have a material impact on the Company. Please provide a monthly history of all PJM charges and credits incurred by the Company since January 2010 through the most recent month for which actual information is available. Provide this with the same level of detail as on Exhibit AEV-2.
- Q.1-10. Refer to Exhibit AEV-2. Provide a copy of all computations, including all electronic spreadsheets with formulas intact.
- Q.1-11. Refer to page 7 line 20 through page 8 line 3 of Mr. Vaughn's Direct Testimony. Does the Company plan to account for the proposed PJM rider in the same manner as it accounts for the FAC, i.e., it will defer the difference between the PJM revenues and the net charges and credits each month in excess of the amount in base rates? If so, how does the Company plan to address changes in sales compared to the test year that will impact the amount of recoveries each month through base rates?
- Q.1-12. Refer to page 8 lines 4-14 of Mr. Vaughn's Direct Testimony. Please provide the Company's rationale for its proposal to develop a \$/kWh rate for all tariffs within each customer class.
- Q.1-13. Refer to Workpaper S-2 page 1 of 3. Please provide the computations in support of the 2.99% interest rate for accounts receivable financing.
- Q.1-14. Refer to pages 9-10 of Mr. Wohnhas' Direct Testimony.
- a. Please provide a detailed description of the Franklin Realty Company (FRECO) investment, the Carrs Site investment, and the non-utility investment.
 - b. Please provide all reasons why the Company believes that these investments should be removed from all non-receivables capitalization rather than solely from common equity.
- Q.1-15. Refer to page 19 line 18 through page 20 line 4 of Mr. Wohnhas' Direct Testimony wherein he describes the Company's proposal to temporarily modify the SSC.
- a. Please provide all support for the proposed \$30 million threshold.
 - b. Please provide a copy of all internal analyses and communications regarding the proposed \$30 million threshold, including, but not limited to, estimated OSS margins for the temporary period and alternative sharing proposals.
- Q.1-16. Refer to page 28 lines 16-23 of Mr. Wohnhas' Direct Testimony. Please describe the Company's proposal. It isn't clear from this description and it isn't clear why the Company is seeking: a) authority to recover expenses that are not included in the test year and b) such authority in a base rate proceeding when such costs are similar to emission allowances otherwise recovered through the environmental cost recovery rider.
- Q.1-17. Refer to page 30 line 16 through page 31 line 2 of Mr. Wohnhas' Direct Testimony wherein he addresses the costs incurred for a potential IGCC facility in Kentucky.
- a. Please provide a copy of all filings with the Commission seeking approval of such a facility.
 - b. Please confirm that the Company never sought nor obtained a certificate of need for this facility from the Commission.

- c. Please explain why the Company incurred engineering and development costs for this facility when the Kentucky legislature had not adopted legislation that would support recovery of the facility's costs through rates.
- d. Please provide a description of how these engineering and development costs were incurred, e.g., they were incurred by AEPSC generically to assess the technology and in support of potential construction in one or more AEP jurisdictions.
- e. Please confirm that these costs were not incurred specifically by AEPSC or the Company for a specific location under consideration in Kentucky. If they were incurred specifically for a location under consideration in Kentucky, then provide a copy of all documentation in support of this claim.
- f. Please provide the actual journal entries to record the IGCC costs showing the dates of the entries, the accounts and amounts through the most recent month for which actual information is available.

Respectfully submitted,



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August 26, 2013

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