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September 25, 2013

PUBLIC SERVICE COMMISSION

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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

**RE:** Case No. 2013-00197

Dear Mr. Derouen:

Enclosed please find and accept for filing the original and ten copies of the Company's supplemental responses to:

- (a) KPSC 2-64; and
- (b) KIUC 1-1 and KIUC 1-13.

A copy of this letter and the supplemental response are being served by overnight delivery on counsel of record.

Mark R Overstreet

Very truly/yours

**MRO** 

cc: Michael L. Kurtz

Jennifer B. Hans

Derrick Price Williamson

J. Randall Woolridge

Lane Kollen

Alexandria, VA. Atlanta, GA. Frankfort, KY. Franklin, TN. Jeffersonville, IN. Lexington, KY. Louisville, KY. Nashville, TN.



# COMMONWEALTH OF KENTUCKY

# BEFORE THE

# PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF:

APPLICATION OF KENTUCKY POWER COMPANY )
FOR ADJUSTMENT OF ELECTRIC RATES ) CASE NO. 2013-00197

KENTUCKY POWER COMPANY SUPPLEMENTAL RESPONSE TO COMMISSION STAFF'S SECOND SET OF DATA REQUESTS ITEM NO. 64

**September 25, 2013** 

The undersigned, Thomas E. Mitchell, being duly sworn, deposes and says he is Managing Director, Regulatory Accounting Services for American Electric Power Service Corporation and that he has personal knowledge of the matters set forth in the forgoing responses and the information contained therein is true and correct to the best of his information, knowledge and belief.

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Thomas E. Mitchell	
) Case No. 2013-00197	

STATE OF OHIO

County of FRANKLIN

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Thomas E. Mitchell, this the Abyron day of September, 2013.

Notary Public

My Commission Expires: 6 13 2017

The undersigned, Lila P. Munsey, being duly sworn, deposes and says she is the Manager, Regulatory Services for Kentucky Power, that she has personal knowledge of the matters set forth in the forgoing responses for which she is the identified witness and that the information contained therein is true and correct to the best of her information, knowledge, and belief

	Lila P. Musey
	Lila P. Munsey
COMMONWEALTH OF KENTUCKY	)
COUNTY OF FRANKLIN	) Case No. 2013-00197 )

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Lila P. Munsey, this 15<sup>th</sup> day of September 2013.

Motary Public Pasquist 48 393

My Commission Expires: January 23, 3017

The undersigned, Marc D. Reitter, being duly sworn, deposes and says he is the Director, Corporate Finance for American Electric Power Service Corporation and that he has personal knowledge of the matters set forth in the forgoing responses and the information contained therein is true and correct to the best of his information, knowledge and belief.

STATE OF OHIO

) Case No. 2013-00197
County of FRANKLIN
)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Marc D. Reitter, this the 24<sup>9</sup> day of September, 2013.

Notary Public

JOSEPHINE CONER Notary Public, State of Ohlo My Commission Expires 09-20-16

My Commission Expires: <u>09-20-2016</u>

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

	Kanie K. Wohnl
	Ranie K. Wohnhas
COMMONWEALTH OF KENTUCKY	) Cara No. 2012 00107
COUNTY OF FRANKLIN	) Case No. 2013-00197 )

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Ranie K. Wohnhas, this the day of September 2013.

Jaldy. K. Rosquest 481393 Notary Rublic

My Commission Expires: January 23 2017

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# **Kentucky Power Company**

## **REQUEST**

Refer to Kentucky Power's confidential response to Item 24 of the Commission's First Request. Provide attachments 24-1 and 24-6 in ascending order of lowest evaluated cost. For all bids lower than those selected by Kentucky Power, include the reason the lower bid was not selected.

#### **RESPONSE**

The requested exhibits can be found electronically on the attached CD as:

- a. KPSC 2-64 Attachment 1
- b. KPSC 2-64 Attachments 2a, 2b, 2c (requires Excel option "iterations" to be on)
- c. KPSC 2-64 Attachment 3
- d. KPSC 2-64 Attachment 4
- e. KPSC 2-64 Attachment 5

## Supplemental Response dated September 25, 2013

The Company supplements its response to KPSC 2-64(e) to present revised Section V. The supplemental response consists of two Excel files included on the attached CD:

- I. KPSC 2-64 Attachment 5.1 Revised 09-25-2013 (Revised Section V); and
- II. KPSC 2-64 Attachment 5.2 Revised 09-25-2013 (Workpapers for Schedule 10).

Revised Section V reflects the specific revisions identified below and all follow-along revisions:

- Accounts Receivable Financing annual cost percentage rate was adjusted from 2.99% to 1.11%, thereby decreasing the weighted average cost percent from 8.08% to 8.03%. (See Schedule 2 and supporting workpaper S-2, page 1 of 3.)
- Adjustment 9 Revised Annualization of KPSC Maintenance Assessment for Fiscal 2012-2013 (See Schedule 4 and supporting workpaper S-4, page 9);

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- Adjustment 13 Revised Postage Rate Increase (See Schedule 4 and supporting workpaper S-4, page 13);
- Adjustment 37 Revised AFUDC Offset Adjustment (See Schedule 4 and supporting workpaper S-4, page 37);
- Adjustment 58 Revised Mitchell AFUDC Offset Adjustment (See Schedule 4 and supporting workpaper S-4, page 58);
- Adjustment 67 Revised Annual Amortization of Big Sandy Depreciation and O&M (See Schedule 4 and supporting workpaper S-4, page 67); and
- Tax adjustments (See Schedule 4, pages 1, 2, 4, 5, 9, 10, 12, and Schedule 10 Current and Deferred Income Tax supporting workpapers.)

**WITNESS:** Jeffrey B. Bartsch/Thomas E. Mitchell/ Lila P. Munsey/ Marc D. Reitter/ Ranie K. Wohnhas