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PUBLIC SERVICE  
COMMISSION

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January 17, 2013

VIA E-MAIL

Michael L. Kurtz  
Boehm, Kurtz & Lowry  
36 East Seventh Street, Suite 1510  
Cincinnati, OH 45202

RE: Case No. 2012-00578

Dear Mike:

Thank you for your letter of January 7, 2013. Kentucky Power joins Kentucky Industrial Utility Customers, Inc. ("KIUC") in seeking to avoid any discovery disputes that might delay the Commission's timely consideration of the Company's filing. To aid the Commission and expected parties to prepare for the application, and thereby to advance the Commission's consideration of the case, we met with Commission Staff and representatives of KIUC and the Attorney General on November 20, 2012 to brief Staff and likely intervenors on the then yet-to-be filed application. Further, and without proposing a debate on the matter, the Company respectfully disagrees with the characterization in the first paragraph of your letter of the discovery dispute between Kentucky Power and the Sierra Club in Case No. 2011-00401.

Kentucky Power does not own, but instead licenses, both the Ventyx Strategist and EPIS, Inc. AURORA<sup>xmp</sup><sup>1</sup> software used in connection with the Company's application in this matter. As such, there are legally enforceable limitations on what information, including certain input and output files, Kentucky Power can provide to persons or entities not possessing the appropriate software license.

Prior to responding to your letter, Kentucky Power contacted Ventyx and EPIS representatives to ensure the Company's understanding of its obligations under its licenses was both current and correct. If KIUC elects to obtain an appropriate Strategist license, Kentucky Power will be able to provide the files identified in the first sentence of the second paragraph of your letter. If KIUC elects not to obtain an appropriate Strategist license it is the Company's understanding that it is prohibited, with a single exception, from providing KIUC any of the identified files. That exception is .REP files, which Kentucky Power understands can be

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<sup>1</sup> Your letter refers to both Aurora and Aurora<sup>xmp</sup>. The Company understands that the EPIS, Inc. software is named Aurora<sup>xmp</sup>, and that there is no separate or distinct AURORA software or model licensed by EPIS, Inc. As a result, the term Aurora<sup>xmp</sup> will be used in this letter. In doing so, Kentucky Power is not attempting to limit its response to your letter, or otherwise distinguish between Aurora and Aurora<sup>xmp</sup>.

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provided to persons not licensed by Ventyx. These files provide all standard input summary and output reports produced by Strategist. Finally, the Company can provide to unlicensed persons and entities “two-pagers,” which are Excel files created by Kentucky Power that report output data extracted from Strategist.

Kentucky Power’s license with EPIS for AURORA<sup>xmp</sup> prohibits the Company from providing user’s manuals, diagnostic reports, and input files in AURORA<sup>xmp</sup> format (.APZ files) to unlicensed persons or entities. If KIUC elects to obtain the appropriate license the requested information can be made available. Output files in AURORA<sup>xmp</sup> format can be provided to unlicensed persons or entities. In the absence of a license, the Company can provide, in a non-proprietary format, the input data used by the Company in connection with the AURORA<sup>xmp</sup> modeling, but you and the other parties may not find the format useful.

A complete listing of all reports created by or for Kentucky Power from the version of the two models licensed by it and used in the transfer analysis is enclosed with this letter. The contact persons listed below may be able to provide a complete list of available reports. Please note that Kentucky Power’s license with Ventyx prohibits it from furnishing a description of diagnostic reports except to persons who possess the appropriate license.

You may contact the persons below to discuss licensing:

Ventyx

Eric Hughes  
Vice President - Advisors  
Ventyx  
3301 Windy Ridge Parkway Suite 200  
Atlanta, Georgia 30339  
(o) 678-830-1049 | (c) 404-849-7013  
[eric.hughes@ventyx.abb.com](mailto:eric.hughes@ventyx.abb.com)

EPIS, Inc.

Deborah Austin-Smith  
EPIS, Inc.  
1218 N. Division Avenue  
Suite 201  
Sand Point, ID 83864  
Phone: (208) 255-3900

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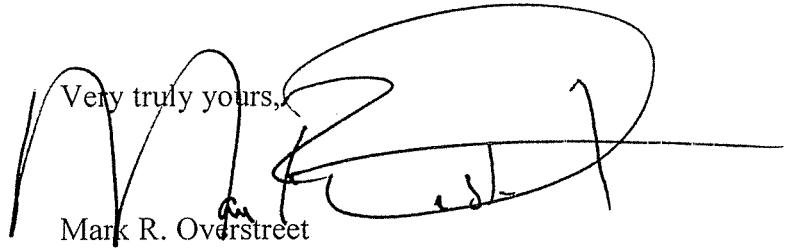
Your letter also refers to the provision of the “Company’s Confidential Information” that may be contained in the requested Strategist and Aurora<sup>xmp</sup> – related information. As you are aware, the Company on its own initiative, provided a proposed non-disclosure agreement on the same day the application in this matter was filed. To date, the agreement has been signed by your law firm on behalf of KIUC, and executed certificates have been returned by you, Ms. Cohn, and Philip Hayet, Director of Consulting, J. Kennedy and Associates, Inc. A fourth executed certificate was returned by the Vice President of J. Kennedy and Associates, Inc. Unfortunately, I cannot read the signature and the J. Kennedy and Associates’ website lists only Mr. Kollen as a vice-president. The signature appended to the fourth certificate does not appear to be Mr. Kollen’s. Would you please confirm the identity of the fourth person to execute the non-disclosure agreement certificate?

In any event, Kentucky Power will make available to those KIUC-related persons executing the non-disclosure agreement certificate all responsive and otherwise non-privileged Kentucky Power confidential information requested by KIUC, the Staff, and other parties. Of course, the disclosure of such confidential information is subject to the terms of the non-disclosure agreement, and the Company will look to you to ensure that only persons executing the required certificate are provided with the confidential information.

Finally, you requested that the Company identify “any other commercial software” it used in support of its filing. The only other commercial software used was Microsoft Office Word and Excel. Because these are widely available programs, and because the Company understands your law firm to have access to the software, I am not providing the other requested information concerning these applications.

It was my intent to respond fully to your request. If I have overlooked something please let me know. The Mitchell transfer will provide important benefits to Kentucky Power’s customers, and the Company intends to use its best efforts to respond appropriately to all discovery requests so as to ensure the transaction may be approved at the earliest possible date.

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Very truly yours,  
  
Mark R. Overstreet

MRO

cc: Kurt J. Boehm  
Jody Kyler Cohn  
Richard G. Raff  
Quang D. Nguyen  
Jennifer B. Hans  
Dennis G. Howard, II  
Lawrence W. Cook

## Strategist Reports

### System Standard Reports (.REP)

- Input Summary
- Dimension

### Load Forecast Adjustment (LFA) Module Standard Reports (.REP)

- Input Summary
- Hourly Load Shape
- System
- Class Sales
- Class Requirements
- Class Detail
- Group Detail

### Generation and Fuel (GAF) Module Standard Reports (.REP)

- Input Summary
- Hourly Input Summary
- System
- Unit
- Hydro Unit
- Storage Unit
- Direct Load Control
- Fuel Class
- Fuel Data
- Seasonal Summary
- System Emissions
- Emissions Released
- Emission Rate LBS/MWH
- Emission Rate LB/MBTU
- Transaction
- Plant
- Loads and Resources Detail
- Loads and Resources Summary
- Unit Profitability

### PROVIEW Standard Reports (.REP)

- Input Summary
- Least Cost Plan Summary

- Demand Side
- Significantly Different Plans
- Integrated Plan
- System Cost
- Tunnel
- Planning Period Emissions Analysis
- Planning Period Plan Comparison
- Study Period Plan Comparison

#### AURORA<sup>xmp</sup> Reports

- KPCOStochastics.xls
- Price\_Forecast\_Nominal\_FTCA\_CSAPR2.xls
- Price\_Forecast\_Real\_FTCA\_CSAPR2.xls
- XMP\_Data\_Gather\_Tool\_FTCA\_CSAPR2.xls
- KPCO\_FTCA\_\*.APZ (Available only to license holders).