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Via Overnight Mail

March 8, 2013

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

Re: Case No. 2012-00578

Dear Mr. Derouen:

Please find enclosed the original and ten (10) copies of KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.'s SUPPLEMENTAL 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 8th day of March, 2013.

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COMMONWEALTH OF KENTUCKY
BEFORE THE 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 RULINGS; (4) DEFERRAL OF COSTS INCURRED IN CONNECTION WITH THE COMPANY'S EFFORTS TO MEET FEDERAL CLEAN AIR ACT AND RELATED REQUIREMENTS; AND (5) FOR ALL OTHER REQUIRED APPROVALS AND RELIEF	:	**Case No. 2012-00578**

SUPPLEMENTAL DATA REQUESTS OF KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC. TO KENTUCKY POWER COMPANY

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COUNSEL FOR KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.

Dated: **March 8, 2013**

DEFINITIONS

1. "Document" means the original and all copies (regardless of origin and whether or not including additional writing thereon or attached thereto) of memoranda, reports, books, manuals, instructions, directives, records, forms, notes, letters, notices, confirmations, telegrams, pamphlets, notations of any sort concerning conversations, telephone calls, meetings or other communications, bulletins, transcripts, diaries, analyses, summaries, correspondence investigations, questionnaires, surveys, worksheets, and all drafts, preliminary versions, alterations, modifications, revisions, changes, amendments and written comments concerning the foregoing, in whatever form, stored or contained in or on whatever medium, including computerized memory or magnetic media.

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.

3. "Person" means any natural person, corporation, professional corporation, partnership, association, joint venture, proprietorship, firm, or the other business enterprise or legal entity.

4. 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.

5. 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.

6. 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.

7. "And" and "or" should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.

8. "Each" and "any" should be considered to be both singular and plural, unless specifically stated otherwise.

9. 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.

10. "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.

11. "AEP" means American Electric Power and/or any of their officers, directors, employees, or agents who may have knowledge of the particular matter addressed.

12. "Company" means Kentucky Power Co. d/b/a American Electric Power, 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.

KIUC's SUPPLEMENTAL DATA REQUESTS
TO KENTUCKY POWER COMPANY
PSC CASE NO. 2012-00578

Q2.1. Refer to the Company's response to KIUC 1-54d. The response states that it used the same commodity forecasts as in Virginia and West Virginia. It appears that is not the case as the Company's testimony in West Virginia indicates that the CO_2 forecasts used in that case are the same for the Base, Low and High forecast.

a. What did the Company mean when it said they were the same, and why didn't it consider this to be a difference in forecasts?

b. Do the forecasts in West Virginia imply that in that proceeding the Company did not believe that CO_2 prices would change when natural gas forecasts changed, but in the Kentucky proceeding it does? Please explain.

Q2.2. Refer to the Company's response to KIUC 1-55. The Bletzacker testimony at page 4, line 20, states that an analysis is performed producing a "price elasticity of supply over time." The Company's answer states that this work did not necessitate the creation of workpapers, yet there is a mathematical formula representing the correlation between increases and decreases in natural gas consumption and natural gas prices. The answer states that no workpapers had to be created, and refers to KPSC 1-31d. KPSC 1-31d provides no additional insight. Even if there are no workpapers there had to be a method used with inputs and outputs that led to the elasticity data as discussed in Mr. Bletzacker's testimony, "elasticity, when applied to AuroraXMP." The Company should provide the elasticity information that was created, and the analysis and workpapers created when the elasticity data was applied to the AuroraXMP natural gas burn that produced a corresponding change in gas prices.

Q2.3. Refer to the Company's response to KIUC 1-58. This response indicates that Mr. Bletzacker's chart on page 5 of his testimony includes more than 2 year old data, since the response indicates that the EIA data is from the AEO 2011, which normally has a first release in December of the prior year, in this case, December 2010.

a. Why didn't the Company show the latest forecast, AEO 2013, or at a minimum the AEO 2012 forecast?

b. Please provide an updated graph, electronically in spreadsheet format, as found on page 5, but with the AEO 2013 forecast.

c. If the Company has in its possession more up-to-date CERA, PIRA, and WoodMackenzie forecasts, please supply those forecasts electronically, spreadsheet format preferred, and also provide another graph with those updated forecasts, and the updated AEO forecast compared to the Company's forecasts.

Q2.4. Refer to the Company's response to KIUC 1-60. This was responsive to a request for workpapers that derived the high and low gas forecasts (and other forecasts) from the base case. The Company responded that it did develop the high and low from the mean. The Company was asked to provide all analyses, yet only pasted in results were included in the supplied spreadsheet. The Company indicated that a statistical analysis was performed, though none was supplied. Please provide the detailed analyses as requested, electronically, in spreadsheet format with no values pasted in. Also, please supply a narrative description in detail that explains the process followed (step-by-step) to create the forecasts.

Q2.5. Refer to the Company's response to KIUC 1-62. Please explain how market prices of capacity are derived in Aurora.

a. For instance, does Aurora develop a long term expansion plan for the entire PJM region based on certain reserve margin criteria?

b. If Aurora does develop a market price forecast based on a reserve margin criteria, would that imply that when Aurora added enough capacity to meet the reserve margin the market would then be in equilibrium and the market cost as reported in SCW-3 would just be equal to the cost of a new resource?

c. Then is it true that after it reached equilibrium, the cost would just escalate at inflation over time as Aurora would keep adding enough capacity as needed to meet reserve margin?

d. What does the market capacity value correspond to in the PJM construct?

e. Please supply the model used for developing the cost of that new resource. Please supply the workpapers for this electronically with all formulas intact.

Q2.6. Refer to the Capacity Value table in Exhibit SCW-3:

a. The table indicates a drop of market prices in half from 2012 to 2013. Please explain what caused that drop and supply the workpapers that contain the analysis/assumptions, etc that led to that drop. Please supply this electronically with all formulas intact.

b. The table indicates a rise to a peak by 2016, and then a drop once again. Please describe/characterize what happens by 2016 such that the market prices peak in that year, and explain why the market prices drop off for about 5 years before reaching the same point as 2016 once again. Please supply the workpapers that contain the analysis/assumptions, etc that develop the values indicating this behavior. Please supply this electronically with all formulas intact.

Q2.7. Refer to the Company's response to KIUC 1-9. This question asked for the revenue requirement models for the 20 and 50 percent Mitchell acquisition configuration. The response indicated the information is located within Strategist. The information in Strategist appears to be Base Cost Without AFUDC ($/kW) and Levelized Charge Rate (%). Those essentially are the assumptions used in Strategist for producing capital revenue requirements but those values most likely were the result of other analyses. This is to request all analyses, workpapers, memos, and documentation of any kind that exists concerning the development of the Base Cost Without AFUDC ($/kW) and Levelized Charge Rate for each such inputs found in any of the Strategist databases, including the inputs associated with the Mitchell 20% and 50% options. Please supply this information electronically with all formulas intact.

Q2.8. Please supply all tools used to extract data from Strategist and then enter that data into the spreadsheet used to create net present value analyses. This could include templates, spreadsheets, programs, templates for the Strategist Report Agent. Please provide these tools electronically in native format.

Q2.9. Please provide step by step instructions of the process used to extract the output from Strategist to input into the net present value spreadsheets. For example, is it necessary to extract results for Ohio Power or only KPCO? This should explain what spreadsheet, what tabs, what tools, and what cells need to be filled in once a Strategist run has been completed.

Q2.10. Consider the following Net Present Value spreadsheet, #5A BS1 Gas Convert + Retire BS2 + 50% ML under FT_CSAPR.xls. It is clear where Fuel Costs, Contract Revenue, Market Revenue/Cost, and Fuel & Transactions come from, as those values can be traced to Strategist outputs. However, for Carrying Charges, Incremental Fixed & Var Costs, do those values transfer from the same Strategist run? For example, Incremental Fixed & Var Costs in the tab KPCO sources to a tab identified as Base2 and there is no indication where that data might come from. Please provide a "road map" and a description that sources the origin of the data found in the WorkTab KPCO and the data in columns:

a. Carrying Charges,

b. Incremental Fixed & Var Costs

c. Post Process Adjustment (Carrying Chgs)

d. Base Case O&M 2011 -2040 (cell J45) and (cell r45)

Include in the description the purpose of each component included in these values. Also provide a copy of all precursor source documents and electronic spreadsheets with formulas intact.

Q2.11. In Strategist, the peak load input, installed capacity, % firm, capability adjustment, peak adjustment, and possibly other Strategist inputs, control the calculation of the reserve margin that is used to decide if capacity must be added in the given year.

a. Please reconcile the inputs in Strategist to the Internal Demand column in Table SCW-1. Include in this an explanation the purpose of the Strategist Peak Demand Adjustment input.

b. Please reconcile the Installed Capacity in Strategist to the Existing Capacity and Planned Changes column in Exhibit SCW-1. Include in this an explanation of the purpose of the Strategist Capability Adjustment input.

Q2.12. In Strategist, under GAF.Parameter.Seasonal Profile Entry, what are the following inputs used for:

a. Tpool11 through Tpool40

b. Tdelv11 through Tdelv40

Q2.13. In response to KIUC 1-31, the Company supplied information that was used to create capital/revenue requirement inputs into Strategist. With regard to the file supplied concerning Mitchell:

a. Please provide a narrative explanation of the file explaining each of the worktabs and how the data entered into Strategist was created.

b. On the tab Combined, please provide a detailed explanation of the derivation of row 42, and supply all assumptions and calculations that led to the creation of the pasted in values.

c. Please state where the values that were entered into Strategist are and trace that to the inputs in Strategist.

Q2.14. In response to KIUC 1-33, the Company supplied commodity forecast information that was converted to be entered into Strategist.

a. The annual peak and average purchase running rate values are identical between the purchases and sales except some amount has been added to the purchase values. Please explain the reason for the difference and the derivation of the value added to the purchase values.

b. Please identify the specific Strategist inputs where the typical week running rate shape has been loaded into Strategist.

c. Please identify the specific Strategist inputs where the peak and average running rate monthly values have been loaded into Strategist.

Q2.15. In response to KIUC 1-33, the following file was supplied: 2011_09_23_Carbon_Adjusted 2011-2040 RLIB_RDAT Typ Week.xlsx. Please discuss the following:

a. In the origTypWk Worktab, how were the hourly typical week profiles (168 hourly values) derived for the period of Jan 2010 through Dec 2040? Was the data for the period going back to 2010 actual historic data, or was it a forecast from data prior to 2010? Please supply the workpapers used to create this data electronically, with all formulas intact.

b. In Tab, origTypWk, please explain what Thru 2010 ADHUB UnCorrelated Typ Week means, particularly explain what is meant by uncorrelated.

c. In Tab, origTypWk, please explain where the Target Fundamentals data comes from and the purpose of those values. Please provide all workpapers, in electronic spreadsheet format that was used to develop that data.

d. In Tab, origTypWk, please explain what Delta Ops-Fcst data is used for. Please provide all workpapers, in electronic spreadsheet format that used those values in any calculation of data that was turned into Strategist input.
e. It appears RLIB and RDAT information was created and loaded into the database in .GAF files. Please supply all .GAF and .LFA files for the 55 cases.

Q2.16. KIUC 1-32 requested the information to create SCW-3. The response indicated that the answer would be found in the response to KPSC 1-29. In the file supplied in response to that DR, Price_Forecast_Nominal_FTCA_CSAPR_2011_09_23.xlsx, the worktab Annual Prices Nominal contained annual on and off peak nominal PJM-AEP Gen Hub energy prices that matched what was in SCW-3. However, the values were pasted in and this requests the analysis used to derive the annual values. Please supply this electronically in spreadsheet format.

Q2.17. In response to KIUC 1-33, the following file was supplied: Long-term fcst_July 2012(distributed 20121106).xls. Please discuss the following:

a. Explain what the purpose of this file is.

b. Explain why there appears to be a July 2012 forecast, when the Company has explained that its latest forecast was from 2011.

c. Please provide a narrative description of the process of converting information in this file to the fuel price inputs in Strategist. If this is not the file used to create fuel cost inputs to Strategist from Commodity forecasts from Mr. Bletzacker, please supply the files in electronic spreadsheet format and explain the process that was used to convert data to Strategist. Also, provide the specific inputs in Strategist where the data was loaded in.

Q2.18. If the information that was provided in response to KIUC 1-44 and 1-48 is available electronically in spreadsheet format, please provide in such format.

Q2.19. Refer to the Company's response to Staff 1-7a Attachment 1. The following table summarizes the monthly information provided in that Attachment 1.

Kentucky Power Company - Capacity Equalization Payments

Jan-08	($3,714,122)		Jan-10	($5,970,139)		Jan-12	($2,633,449)	
Feb-08	($3,827,012)		Feb-10	($4,896,445)		Feb-12	($3,061,188)	
Mar-08	($3,915,346)		Mar-10	($5,173,477)		Mar-12	($1,462,620)	
Apr-08	($4,138,446)		Apr-10	($4,883,278)		Apr-12	($1,454,640)	
May-08	($4,194,177)		May-10	($4,942,396)		May-12	($1,463,760)	
Jun-08	($3,959,874)		Jun-10	($5,909,940)		Jun-12	($1,418,160)	
Jul-08	($4,157,357)		Jul-10	($5,344,809)		Jul-12	($1,467,180)	
Aug-08	($4,075,591)		Aug-10	($4,199,672)		Aug-12	($1,878,148)	
Sep-08	($4,865,078)		Sep-10	($4,216,537)		Sep-12	($1,840,098)	
Oct-08	($4,793,805)		Oct-10	($4,167,274)		Oct-12	($1,854,699)	
Nov-08	($4,751,761)		Nov-10	($4,202,670)		Nov-12	($1,888,117)	
Dec-08	($5,276,715)		Dec-10	($4,507,572)		Dec-12	($1,895,396)	
Total		($51,669,284)	Total		($58,414,209)	Total		($22,317,455)
Jan-09	($4,678,080)		Jan-11	($4,785,665)				
Feb-09	($4,265,617)		Feb-11	($4,716,261)				
Mar-09	($4,476,614)		Mar-11	($4,886,856)				
Apr-09	($4,478,997)		Apr-11	($4,914,969)				
May-09	($4,702,227)		May-11	($4,844,515)				
Jun-09	($4,480,173)		Jun-11	($4,786,681)				
Jul-09	($4,740,041)		Jul-11	($4,810,752)				
Aug-09	($4,917,888)		Aug-11	($3,861,944)				
Sep-09	($4,798,246)		Sep-11	($6,196,900)				
Oct-09	($5,010,477)		Oct-11	($3,574,142)				
Nov-09	($4,925,341)		Nov-11	($3,679,275)				
Dec-09	($5,787,837)		Dec-11	($3,464,791)				
Total		($57,261,538)	Total		($54,522,751)			

a. Please provide a detailed explanation for the reduction in capacity equalization payments from 2011 to 2012. To the extent possible, quantify each major reason for the reduction.

b. Please provide the capacity equalization amounts each month that were included in the Company's ECR surcharge net of any amounts rolled-in to base rates.

Q2.20. Refer to the Company's response to Staff 1-10(a).

a. Please provide the projected consumables expense by unit for each of the years 2013, 2014, and 2015.

b. Please list and describe the components of the consumables expense.

c. Please provide the amount by FERC expense account for each component of the consumables expense identified in response to part (b) of this question for each year 2010, 2011, and 2012.

d. Refer to the list provided in response to part (b) of this question. Does the Company plan to seek recovery of any of the components of the consumables expense through the ECR? If so, please identify each component which the Company plans to recover through the ECR and provide a projection of the component expense and total aggregate consumables expense for each of the years 2013, 2014, and 2015.

e. Please list and describe the components of the environmental expense. Please explain why this expense in the aggregate is minimal and why there is no environmental expense included for the individual units.

Q2.21. Refer to the OSS tab on the spreadsheet provided as Attachment 1 to the Company's response to Staff 1-12, which provided the following support for the OSS margins reflected in the amounts on Exhibit Wohnhas-4.

KENTUCKY POWER COMPANY
OSS MARGIN SHARING

	KPCo		
	Kentucky Retail	FERC	Total
Demand-Production	0 986	0 014	1 000
Energy	0 987	0 013	1 000

	Kentucky Retail	**Wholesale**	**Total**
Current Pool			
OSS Margins	$23,580,190	$334,810	$23,915,000
Remove Financial Margins	$7,147,514	$101,486	$7,249,000
OSS Revenues excl. financial	$16,432,676	$233,324	$16,666,000
Base Credit	$15,290,363	$0	$15,290,363
Remainder Available for Sharing	$1,142,313	$233,324	$1,375,637
KPCo Retained percent	40.0%	75.0%	
KPCo Retained Amount	**$456,925**	**$174,993**	**$631,918**
Shared Amount	**$15,975,751**	**$58,331**	**$16,034,082**
PCA with Asset Transfers			
OSS Margins	$95,489,363	$1,257,712	$96,747,075
PJM Capacity Revenues	$35,406,087	$466,342	$35,872,428
PJM Cost Allocated to OSS	($28,468,458)	($374,964)	($28,843,422)
Net OSS Margins	$102,426,992	$1,349,089	$103,776,081
Base Credit	$15,290,363	$0	$15,290,363
Remainder Available for Sharing	$87,136,629	$1,349,089	$88,485,718
KPCo Retained	40.0%	75.0%	
KPCo Retained Amount	**$34,854,652**	**$1,011,817**	**$35,866,469**
Shared Amount	**$67,572,341**	**$337,272**	**$67,909,613**

a. Please describe the source of the financial margins under the current pool paradigm, including, but not limited to, the specific types of transactions that generate financial margins.

b. Please indicate whether the financial margins are arbitrage or brokered sales whereby AEP enters into multiple buy/sell transactions. If so, please describe these types of transactions and how the transactions resulting in financial margins are different than other OSS transactions that are subject to the SSC sharing provisions.

c. Please indicate if the financial margins are based on transactions entered into by AEP on behalf of all operating companies and are then allocated to the operating companies on MLR. Please describe this process.

d. Please explain why the financial margins were removed from the OSS margins under the current pool paradigm. Cite and/or provide a copy of each authority relied on for the exclusion of the financial margins from the sharing formula, including relevant portions of each Commission Order.

e. Please describe the Company's accounting for the financial margins. Provide the FERC account(s) in which such margins are recorded and provide a description of the amounts that are recorded in each account if multiple accounts are used.

f. Please explain why there are no financial margins reflected under the PCA with Asset transfers paradigm.

g. Does the Company anticipate that it still will earn financial margins under the PCA with Asset Transfers paradigm? If so, then please explain how it will continue to earn financial margins under this paradigm and describe any differences in the manner in which it will earn such margins under this paradigm compared to the current pool paradigm. If not, then please explain why it will not earn financial margins under this paradigm.

h. Indicate if the financial margins are included in the OSS margins under the PCA with Asset Transfers paradigm shown on the preceding table or if they will be in addition to these amounts.

i. Please provide a quantification of the financial margins the Company will earn under the PCA with Asset Transfers paradigm. Provide all assumptions, data, and calculations, including electronic spreadsheets with formulas intact used to provide the quantification in response to this question.

j. Please describe the derivation of the OSS margins under the PCA with Asset Transfers paradigm shown on the preceding table. For example, were the OSS margins quantified through a production cost model, such as PROMOD or Strategist, or were they developed using some other software, such as Excel? If the OSS margins were developed using Excel or some other spreadsheet-based software, then please provide a copy of the spreadsheet with all formulas intact. Regardless of the software used, provide all assumptions, including, but not limited to, hourly market prices and hourly costs to generate used to quantify the OSS margins under this paradigm.

k. Please separate the OSS margins under the PCA with Asset Transfers paradigm shown on the preceding table into three categories: i) Mitchell, ii) replacement of Current Pool paradigm with PCA, and iii) other. Provide all assumptions, data, and computations, including electronic spreadsheets with formulas intact, along with a copy of all precursor source documents and all precursor computations, including electronic spreadsheets with cell formulas intact.

l. Please confirm that the Company estimates that its retained share of OSS margins under the PCA with Asset Transfers paradigm will be $35.866 million (retail and wholesale) compared with $0.632 million under the current pool paradigm.

m. Does the Company agree that the Commission should revisit the SSC sharing provisions in order to mitigate the cost of the proposed Asset Transfers to retail customers? If so, please provide all reasons why the Commission should do so, along with a detailed explanation for each reason cited. If not, please provide all reasons why the Commission should not do so, along with a detailed explanation for each reason cited.

Q2.22. Refer to the MI Retail Transfer tab on the spreadsheet provided as Attachment 1 to the Company's response to Staff 1-12, which provided the following support for the Mitchell rate base as of December 31, 2011.

a. Please explain why there is no ADIT related to the repair allowance.

b. Please provide confirm that there is an ADIT related to the repair allowance and provide the actual quantifications as of December 31, 2011 and December 31, 2012 and the projected quantification as of December 31, 2013 by FERC account.

Q2.23. Refer to the Inputs tab on the spreadsheet provided as Attachment 1 to the Company's response to Staff 1-12, which lists the sources for the quantifications.

a. Please provide a copy of each of these source documents and spreadsheets with all cell formulas intact and any precursor source documents and spreadsheets used for these sources.

b. The Staff request sought all "assumption(s) used in the analysis." KIUC 1-75 sought all support for RKW-Exhibit 4, including "all source documents relied on for the assumptions or other inputs to the calculations and workpapers." The Company's only response was to refer to its response to Staff 1-12, which did not include all source documents or other inputs. Please explain why the Company did not provide the information requested in response to Staff 1-12 or KIUC 1-75. Please provide the requested information.

Q2.24. Refer to RKW-Exhibit 4. Has the Company prepared a similar analysis and quantification for a no PCA with Asset Transfers paradigm? If so, please provide this analysis, along with a copy of all source documents, assumptions, data, and calculations, including electronic spreadsheets with cell formulas intact. This request extends to precursor source documents, analyses, and calculations, the results of which were used in the final calculations.

Q2.25. Refer to the Company's response to Staff 1-14(a).

a. Is the $65 million presently outstanding?

b. Is the $65 million included in the $275 million or not?

c. Is the total amount of debt $340 million ($65 million plus $275 million)?

Q2.26. Refer to the Company's response to Staff 1-15(a).

a. Please provide the projected capacity by unit (in mW), retail firm load (in mW, not mWh), retail interruptible load (in mW), and wholesale all requirements load and/or firm contract load (in mW), by month from January 2014 through December 2015.

b. Please provide the Company's calculation of its reserve margin on a mW and % basis by month from January 2014 through December 2015.

Q2.27. Refer to the Company's response to Staff 1-15(b).

a. Please explain the Company's response. Please respond to the question of whether Kentucky Power will have surplus generating capacity from January 2014 through May 2015 based on its capacity compared to its load in mW.

b. Please identify all "PJM capacity sales already committed during this period."

c. Please explain how PJM capacity sales committed during this period will be determined and sourced to the operating companies that own the capacity.

d. Please explain why the Company proposes that PJM capacity sales already committed during this period will be allocated among the operating companies based upon final MLR when the current pool agreement will not be effective during this period. In addition, please explain why the Company believes this proposal is equitable when there no longer are any capacity equalization payments and receipts among the AEP companies.

e. Please identify the specific provisions in all documents where the Company's proposal is set forth that PJM capacity sales already committed during this period will be allocated among the operating companies based upon final MLR.

Q2.28. Refer to the Company's response to Staff 1-24(b).

a. Please provide a copy of the RFP when it is issued.

b. Provide a copy of the self-bid/conversion option against which the bids will be evaluated.

Q2.29. Refer to the Company's response to Staff 1-37(b).

a. Please explain how and indicate when Dr. McDermott became aware that such assets exist and describe all investigations conducted by Dr. McDermott as to the availability of these assets to the Company and the costs to acquire, modify as necessary, and operate those units.

b. Please provide a copy of the most recent analyses conducted by and/or for AEP of the availability (for acquisition or contract), cost (of acquisition or contract purchases), and operation (physical characteristics and costs) of the Riverside Generating assets. If AEP has not investigated the Riverside Generating assets since it made an indicative bid and then withdrew it, please explain why it has not done so.

c. To AEP's best knowledge, are the Riverside Generating assets available for acquisition or an intermediate or long-term purchased power contract? Provide a description of all efforts by AEP to ascertain the status of those assets and all contacts that AEP has had with the owners and/or operators of those assets within the last three years.

d. Please provide a copy of all information that AEP has related to the Riverside Generating assets and provide the date at which it acquired this information.

e. Please provide a copy of the most recent analyses conducted by and/or for AEP of the availability (for acquisition or contract), cost (of acquisition or contract purchases), and operation (physical characteristics and costs) of generating assets not presently owned by any AEP operating company or affiliate. This request includes generating assets owned by other regulated utilities and merchants.

f. To AEP's best knowledge, are there other generating assets available for acquisition or an intermediate or long-term purchased power contract? Provide a description of all efforts by AEP to ascertain the status of those assets and all contacts that AEP has had with the owners and/or operators of those assets within the last three years.

Q2.30. Please provide a copy of the most recent depreciation study that addressed the service lives and probable retirement dates for each of the Mitchell units.

Q2.31. Please provide the present depreciation rates by jurisdiction for each of the Mitchell units by FERC plant account. Provide a copy of the relevant sections of each rate order that approved these present depreciation rates and a copy of the study used to derive those approved depreciation rates.

Q2.32. Please provide the Company's estimate of the remaining service lives of each of the Mitchell units as of December 31, 2013. Provide all support relied on for your response, including any studies and/or workpapers.

Q2.33. If the Commission does not approve the acquisition of 50% of each of the Mitchell units, then what will Ohio Power or AEP Generation Resources do with this capacity? List each option available and how Ohio Power or AEP Generation Resources will proceed.

Q2.34. If Ohio Power or AEP Generation Resources does not sell the 50% of each Mitchell unit to another entity and does not enter into a unit power sale or another form of bilateral sales agreement, then what will it do with the capacity and energy? Is this the default option? If not, then please identify the default option and provide all reasons why Ohio Power or AEP Generation Resources plans to proceed with a non-default option.

Q2.35. Refer to the Company's response to KIUC 1-50(a) and the statement that there "are no 'categories' of off-system sales and refer to the Company's response to KIUC 1-50(c), which states OSS margins include "margins from financial products." Please reconcile the statements in response to KIUC 1-50(a) and (c) with the removal of "financial margins" from the OSS margins sharing calculations shown on the OSS tab of the electronic spreadsheet provided in response to Staff 1-12.

Q2.36. Refer to the Company's response to KIUC 1-52, which states there "has been no attempt to sell the Mitchell generating units or the entire plant to non-affiliated entities during the last three years." Please explain why not. In addition, please provide all documents that address the disposition of the Mitchell units prepared within the last three years, including, but not limited to, studies, analyses, and correspondence, including emails.

Q2.37. Refer to the Company's response to KIUC 1-68 in which Dr. McDermott states that "The opportunity cost is either the cost to build and operate a new plant or the price that can be obtained in the market place (whichever is larger)."

a. Please explain why Dr. McDermott believes this statement is true and why it should not be "whichever is smaller."

b. Provide all reasons why the citied statement is economically rational and provide a copy of all authorities relied on for the cited statement.

Q2.38. Refer to the Company's response to KIUC 1-69. Please describe the present status of the engagement letter and why this response has not yet been supplemented.

Q2.39. Refer to the Company's response to KIUC 1-72(b), which states that the question misstates Dr. McDermott's testimony. Please explain why Dr. McDermott believes that the question misstates his testimony.

Q2.40. Refer to the Company's response to KIUC 1-76.

a. Please confirm that the amounts shown in the "current" column of RKW- Exhibit 4 represent actual amounts taken from the Company's accounting books and records.

b. Please describe any "analysis" or calculations that was performed on the actual data taken from the Company's accounting books and records in order to populate the "current" column of RKW-Exhibit 4 for 2011.

c. Please provide the information that was requested for the years 2007 through 2010.

Q2.41. Refer to the Company's response to KIUC 1-77 and the request to provide a version of RKW-Exhibit 4 using 2012 information.

a. Please provide the underlying electronic spreadsheet with all formulas intact for the 2012 analysis that has been or will be provided in response to AG 1-37 along with a copy of all precursor source documents and calculations, including electronic spreadsheets in sufficient detail to review all assumptions, data, and calculations that were performed for each line item.

b. Please provide a quantification of the financial margins the Company will earn under the PCA with Asset Transfers paradigm. Provide all assumptions, data, and calculations, including electronic spreadsheets with formulas intact used to provide the quantification in response to this question.

c. Please describe the derivation of the OSS margins under the PCA with Asset Transfers paradigm shown on the OSS tab of the spreadsheet provided in response to part (a) of this question. For example, were the OSS margins quantified through a production cost model, such as PROMOD or Strategist, or were they developed using some other software, such as Excel? If the OSS margins were developed using Excel or some other spreadsheet-based software, then please provide a copy of the spreadsheet with all formulas intact. Regardless of the software used, provide all assumptions, including, but not limited to, hourly market prices and hourly costs to generate used to quantify the OSS margins under this paradigm.

d. Please separate the OSS margins under the PCA with Asset Transfers paradigm shown on the OSS tab into three categories: i) Mitchell, ii) replacement of Current Pool paradigm with PCA, and iii) other. Provide all assumptions, data, and computations, including electronic spreadsheets with formulas intact, along with a copy of all precursor source documents and all precursor computations, including electronic spreadsheets with cell formulas intact.

Q2.42. Refer to the Company's response to KIUC 1-78. Please provide all source documents and electronic spreadsheets used to make each calculation described in this response for 2011 and in response to AG1-37 for 2012.

Q2.43. Refer to the Company's response to KIUC 1-84.

a. Please confirm that the Company can provide the requested information. If it cannot, then please explain why it cannot provide the information or make the requested calculations.

b. Please confirm that no party other than the Company can provide the requested information or make the requested calculation without the requested information.

c. Please provide the requested information for 2011 and for 2012. Provide all assumptions, data, and calculations, including electronic spreadsheets with formulas intact.

Q2.44. Refer to the Company's response to KIUC 1-85. Please provide the information requested at the most detailed level available. Please note that the request was for the Company's 2013 and 2014 operating budgets and/or forecasts and was not limited to O&M expense or O&M expense by function.

Q2.45. Please provide a copy of the Interchange Power Statements for each month January 2008 through December 2010.

Q2.46. Refer to the Company's response to KIUC 1-97.

a. Please confirm that the Company has the information necessary to respond to this request.

b. Please confirm that no other party other than the Company has the information necessary to respond to this request. If this is not correct, then identify each party who has this information and the source of this information. Please provide a copy of this information if it is in the Company's possession.

Q2.47. Refer to the Company's response to KIUC 1-98 and KIUC 1-99. KIUC did not specifically identify the "transferor." Based on the Company's response to KIUC 1-98, the Company does not believe that AEP Generation Resources, Inc. and NEWCO Kentucky are anything other than temporary intermediaries. The Mitchell units are presently owned by Ohio Power Company. Thus, KIUC will accept the proposition that Ohio Power Company is the "transferor" for purposes of the following questions and that AEP is the parent company and sole shareholder of Ohio Power Company.

a. Does AEP and/or Ohio Power Company plan to indemnify the Company against liability for Ohio Power Company's acts and omissions related to the Mitchell Plant that originated prior to the proposed transfer to the Company? If not, then please explain why not. If so, then please identify the specific provision of each draft agreement wherein such indemnification is addressed.

b. Is it the intent of AEP and/or Ohio Power Company that the Company assume the liability for Ohio Power Company's acts and omissions related to the Mitchell Plant that originated prior to the transfer? If so, what is the basis for this proposition? Please identify the specific provisions of each draft agreement wherein the assumption of liability is addressed. If none, then please so state.

Q2.48. Please provide a copy of each of the most recent draft agreements necessary to effectuate the transfer of the 50% of each of the Mitchell Plant units 1 and 2 from Ohio Power Company to Kentucky Power Company.

Q2.49. Refer to the Company's response to KIUC 1-100. Please respond to the question that was asked, i.e., please provide all reasons why the Company considers the deferral and creation of a regulatory asset for the Phase I investigation expenditures to be in the best interest of the Company's *customers*, according to the cited portion of Mr. Pauley's Direct Testimony.

Q2.50. Please refer to the Company's response to KIUC 1-101(b). Please provide a copy of the referenced "press release" and highlight where it states that it "was not necessarily the final plan."

Q2.51. Refer to the Company's response to KIUC 1-102. Please confirm that there were no other documents relied on by Mr. Pauley to make the decision and/or communicate the decision to acquire 50% of the Mitchell units. Please supplement this response if there are additional documents, such as emails or correspondence between Mr. Pauley and Mr. Patton. If none, then please so state.

Q2.52. Refer to the Company's response to Sierra Club 1-4(a). Please identify and provide a copy of all studies, memoranda, emails, or other writings (including notes) reviewed, relied upon, and/or prepared by the listed members of AEP Management (Charles Patton, Robert Power, Mark McCullough, Richard Munczinkski, and Philip Nelson) related to the decision to acquire 50% of the Mitchell units.

Q2.53. Refer to the Company's response to Staff 1-21. Would Kentucky Power be willing to negotiate with AEP Generation Resources, Inc. to acquire the Mitchell units at a later date?

Q2.54. Please identify where the coal supplied to the Mitchell units is purchased from. Please identify the portion of coal supplied to the Mitchell units that comes from Kentucky and the portion that comes from any other state(s).

Q2.55. Please provide any impairment analyses the Company has conducted regarding the Mitchell units.

Respectfully submitted,

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