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April 12, 2007

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Beth O' Donnell
Executive Director
Public Service Commission of Kentucky
P.O. Box 615
Frankfort, KY 40602-0615

RE: ***Administrative Case No. 387***

Dear Ms. O'Donnell:

Please find enclosed and accept for filing Kentucky Power Company's Responses to the Commission's December 20, 2001 Order.

If you have any questions, please do not hesitate to contact me.

Sincerely yours,

STITES & HARBISON PLLC

Mark R. Overstreet

cc: Errol K. Wagner
Parties of Record

KE057:00KE4:12126:3:FRANKFORT

PSC ADMINISTRATIVE CASE NO. 387
SERVICE LIST

I hereby certify that a true and accurate copy of the foregoing was served by United States First Class Mail, postage prepaid, upon the following:

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Frankfort, Kentucky 40601

On this the 12th day of April, 2007.

Mark R. Overstreet

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF :

A REVIEW OF THE ADEQUACY OF KENTUCKY'S GENERATION CAPACITY AND TRANSMISSION SYSTEM	))))	ADMINISTRATIVE CASE NO. 387

****

RESPONSE OF KENTUCKY POWER COMPANY D/B/A AMERICAN ELECTRIC POWER TO COMMISSION ORDER DATED DECEMBER 20, 2001

April 13, 2007

Kentucky Power Company

REQUEST

Actual and weather-normalized monthly coincident peak demands for the just completed calendar year. Demands should be disaggregated into (a) native load demand (firm and non-firm) and (b) off-system demand (firm and non-firm). Please provide the information for both Kentucky Power Company individually and the AEP-East Power Pool (pursuant to the Commission's December 13, 2004 Order in the Rockport UPSA extension, Case No. 2004-00420).

RESPONSE

Page 2 of this response provides actual and weather normalized 2006 monthly peak internal demands for Kentucky Power Company and AEP System-East. Kentucky Power Company and AEP System-East had 0 and 936 MW of contractual interruptible capacity, respectively.

Page 3 of this response provides actual 2006 monthly system demands for Kentucky Power and AEP System-East. The system demands include internal load and off-system sales. Weather-normalized monthly peak system demands for Kentucky Power Company and AEP System-East have not been developed and therefore, are not available.

WITNESS: Errol K. Wagner

Kentucky Power Company and AEP System-East
Actual and Weather Normalized Peak Internal Demand (MW)
2006

	Kentucky Power Company				AEP System-East			
Month	Peak	Peak Day	Peak Hour	Normalized Peak	Peak	Peak Day	Peak Hour	Normalized Peak
January	1,441	1/27/2006	9	1,620	18,066	1/27/2006	8	19,577
February	1,468	2/7/2006	9	1,490	18,113	2/9/2006	8	18,927
March	1,342	3/23/2006	8	1,368	17,278	3/21/2006	20	17,773
April	1,153	4/10/2006	7	1,123	15,405	4/10/2006	7	14,973
May	1,256	5/30/2006	16	1,085	19,379	5/30/2006	16	17,072
June	1,293	6/22/2006	17	1,211	19,349	6/22/2006	13	19,137
July	1,362	7/31/2006	15	1,334	21,521	7/31/2006	14	21,113
August	1,388	8/2/2006	15	1,303	21,898	8/2/2006	16	20,478
September	1,087	9/18/2006	15	1,150	16,193	9/8/2006	14	17,740
October	1,242	10/25/2006	8	1,119	16,602	10/25/2006	7	15,196
November	1,310	11/21/2006	9	1,290	16,926	11/21/2006	8	16,951
December	1,636	12/8/2006	8	1,496	19,343	12/8/2006	8	18,901

Kentucky Power Company and AEP System-East
Actual Peak System Demand (MW)
2006

	Kentucky Power Company			AEP System-East		
Month	**Peak**	**Peak Day**	**Peak Hour**	**Peak**	**Peak Day**	**Peak Hour**
January	1,640	1/27/2006	9	20,906	1/27/2006	8
February	1,709	2/7/2006	9	21,429	2/13/2006	20
March	1,515	3/27/2006	8	19,469	3/23/2006	8
April	1,325	4/10/2006	7	17,895	4/10/2006	7
May	1,424	5/30/2006	16	21,809	5/30/2006	16
June	1,522	6/22/2006	17	22,894	6/22/2006	13
July	1,626	7/18/2006	14	25,196	7/31/2006	14
August	1,630	8/2/2006	15	25,511	8/2/2006	17
September	1,304	9/18/2006	15	19,888	9/11/2006	17
October	1,380	10/25/2006	8	18,771	10/25/2006	7
November	1,513	11/21/2006	9	19,753	11/21/2006	9
December	1,784	12/8/2006	9	21,652	12/8/2006	9

Kentucky Power Company

REQUEST

Load shape curves that show actual peak demands and weather-normalized peak demands (native load demand and total demand) on a monthly basis for the just competed calendar year. Please provide the information for both Kentucky Power Company individually and the AEP-East Power Pool (pursuant to the Commission's December 13, 2004 Order in the Rockport UPSA extension, Case No. 2004-00420).

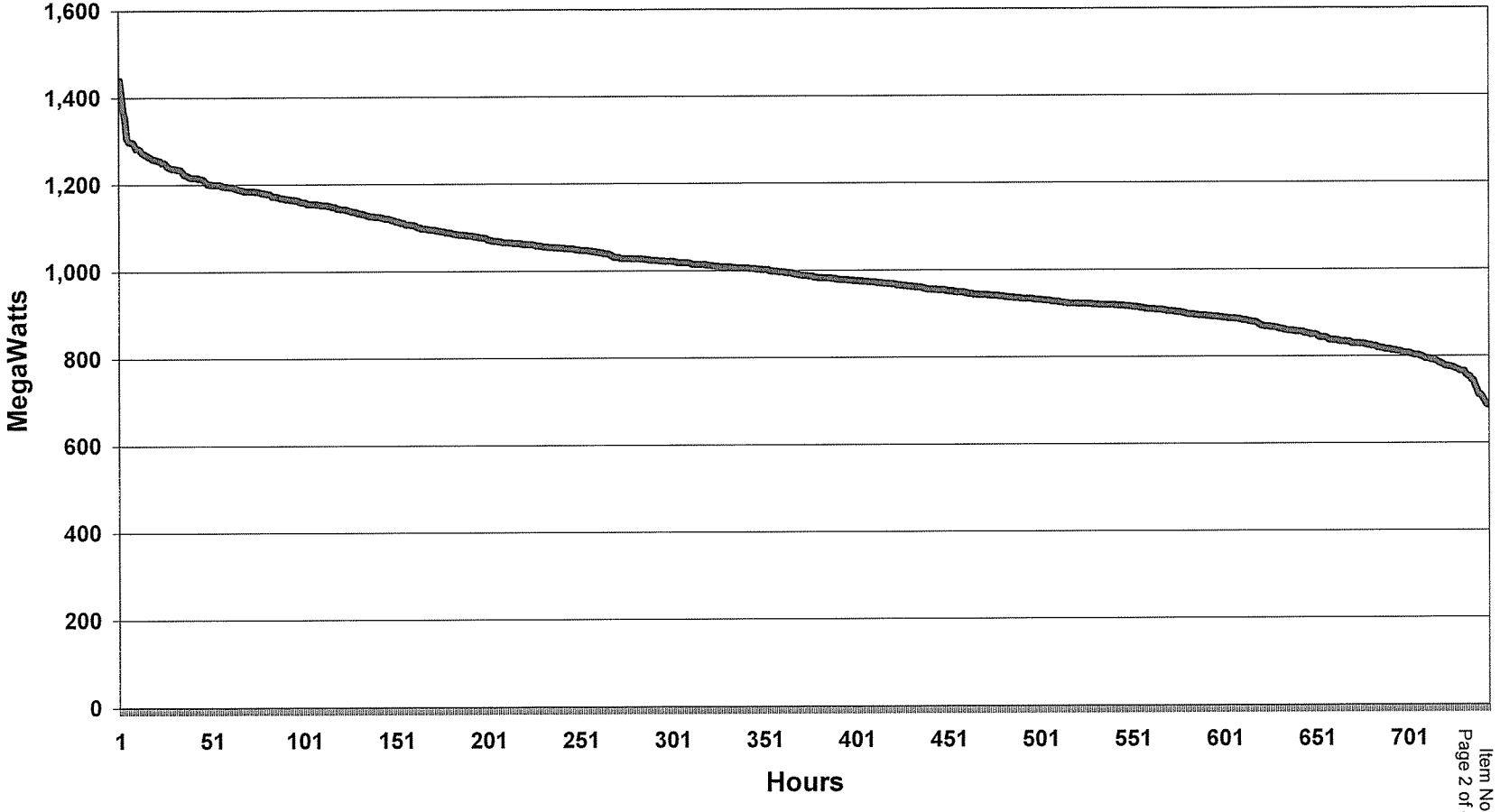
RESPONSE

Pages 2 through 13 provide 2006 monthly load duration curves for Kentucky Power Company's internal load. Pages 14 through 25 provide 2006 monthly load duration curves for Kentucky Power Company's system load. Pages 26 through 37 provide 2006 monthly load duration curves for AEP System-East's internal load. Pages 38 through 49 provide 2006 monthly load duration curves for AEP System-East's system load. The system load, for both Kentucky Power Company and AEP System-East, includes internal load and off-system sales.

Weather-normalized monthly internal peaks for Kentucky Power Company and AEP System-East are provided on Page 2 of Item Number 1. Weather normalized system peaks have not been developed and therefore, are not available.

WITNESS: Errol K Wagner

Kentucky Power Company
January 2006 Load Duration Curve
(Internal Load)



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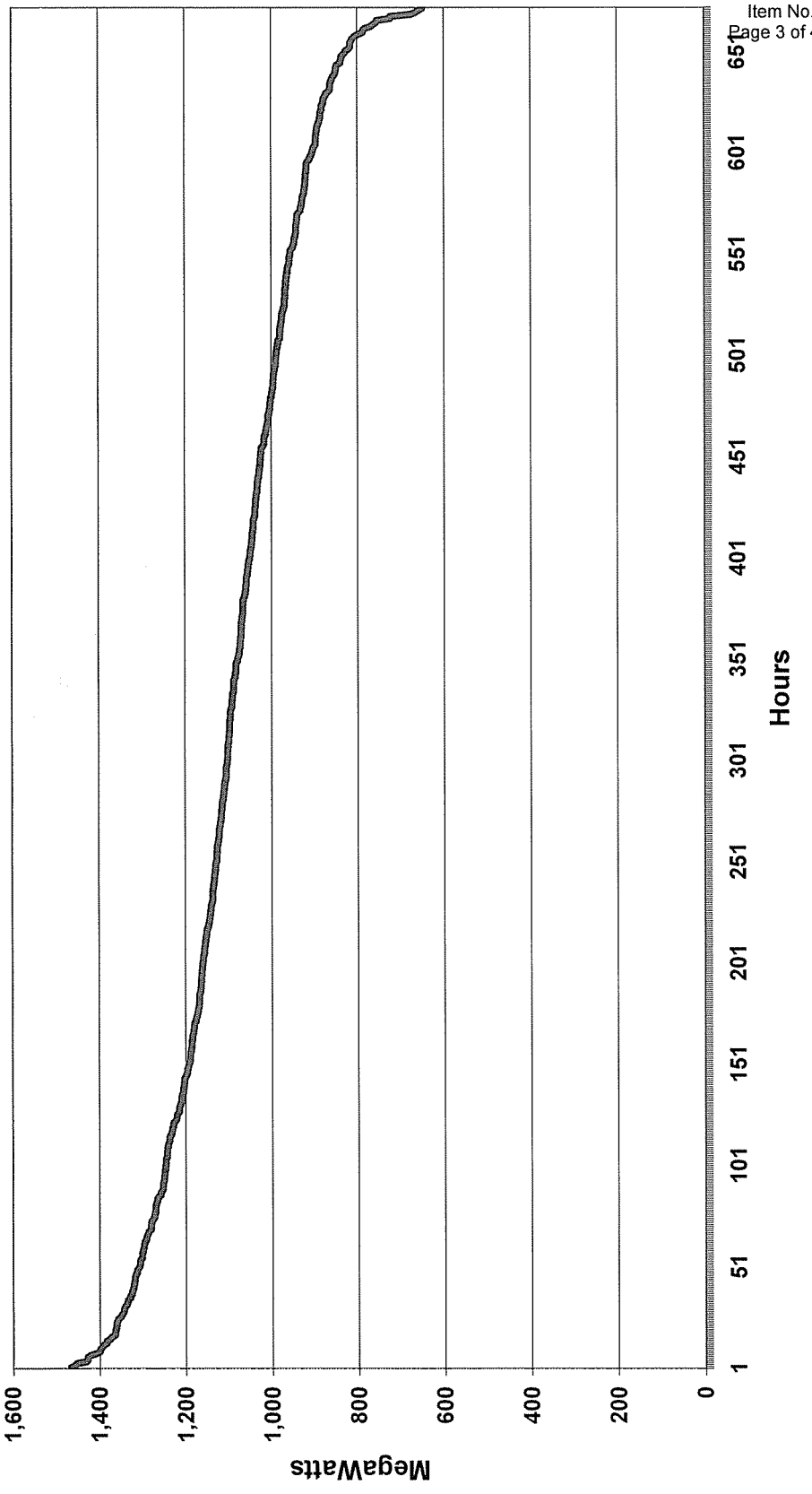
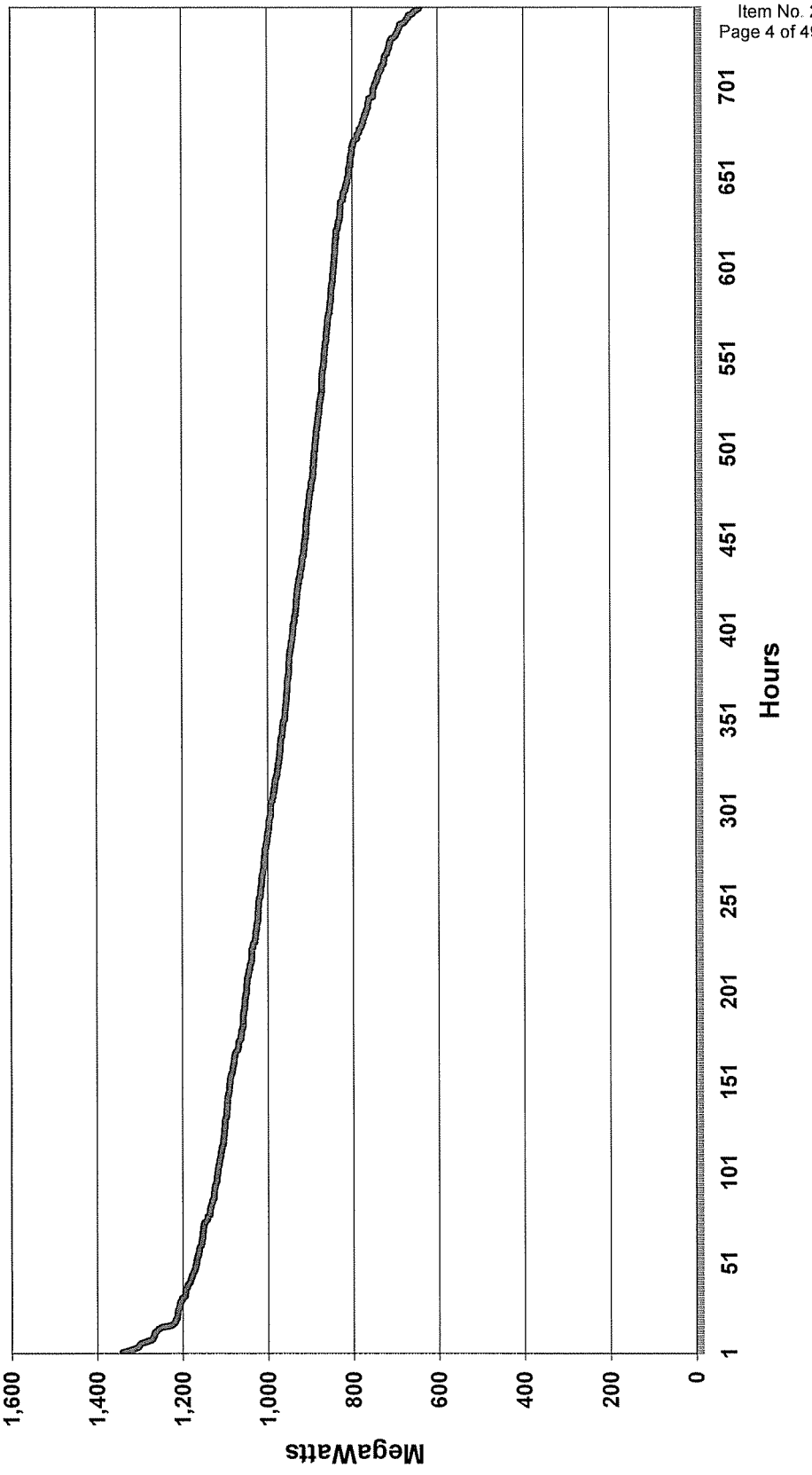
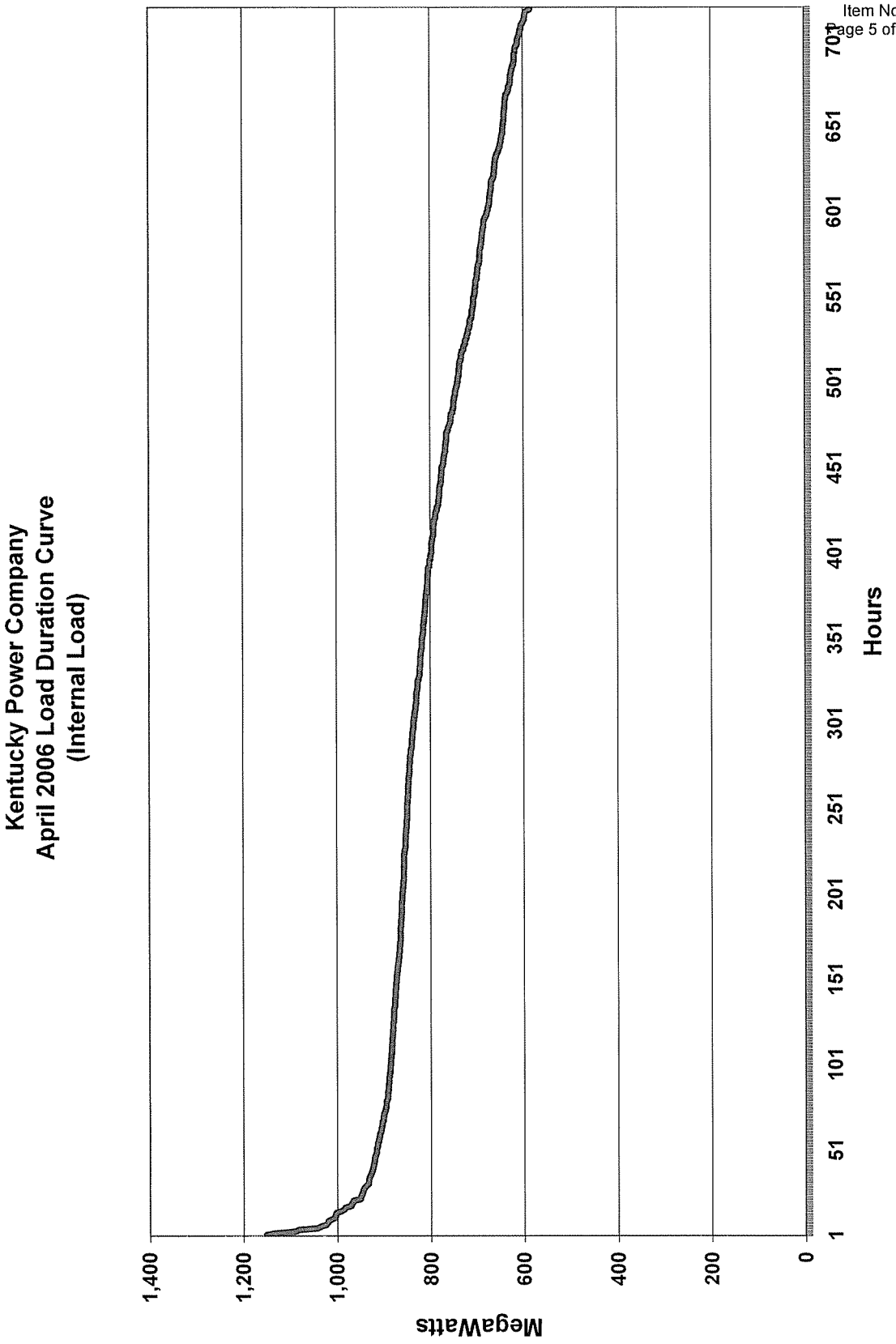
Kentucky Power Company
February 2006 Load Duration Curve
(Internal Load)

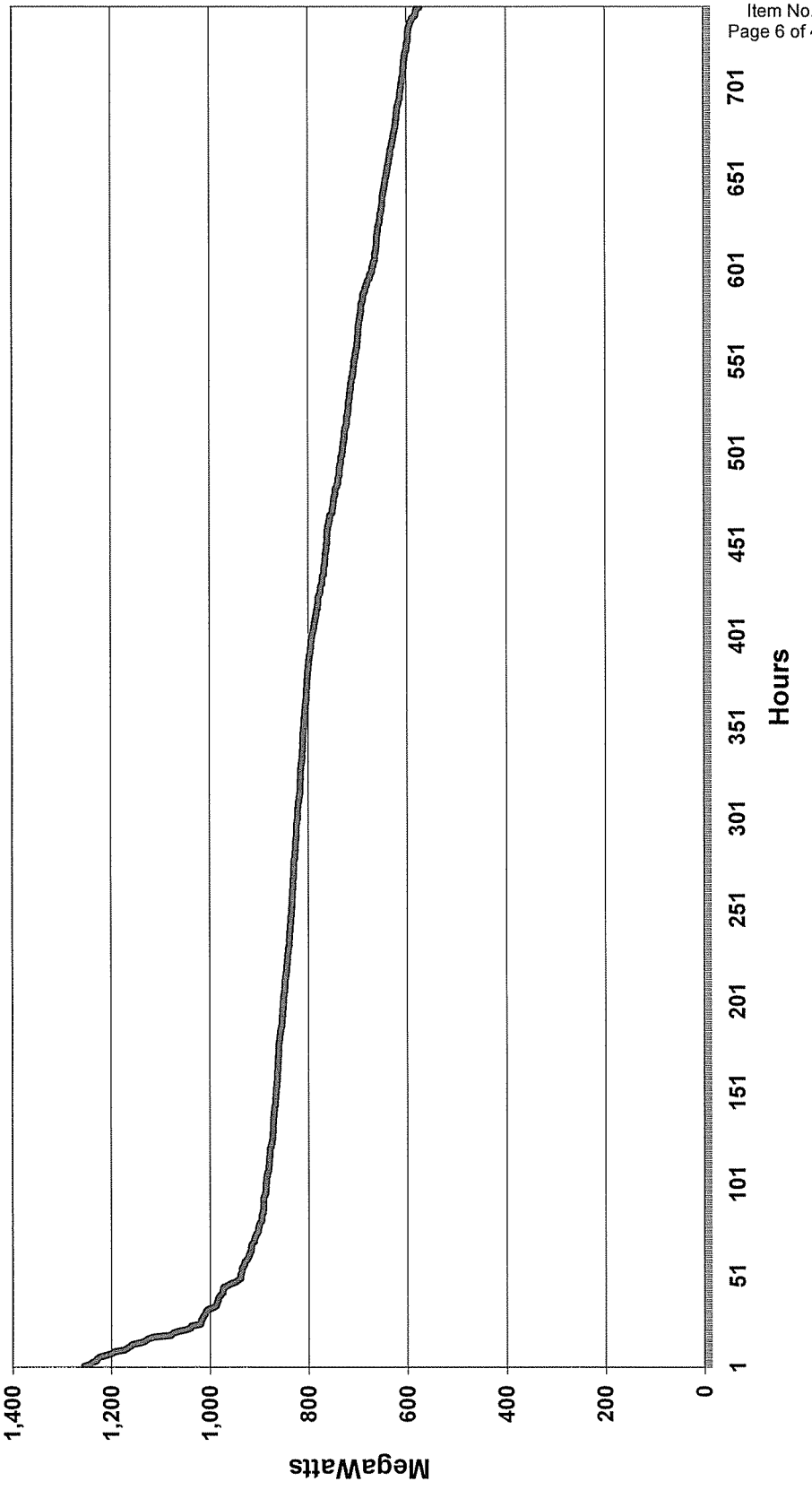


Kentucky Power Company
March 2006 Load Duration Curve
(Internal Load)

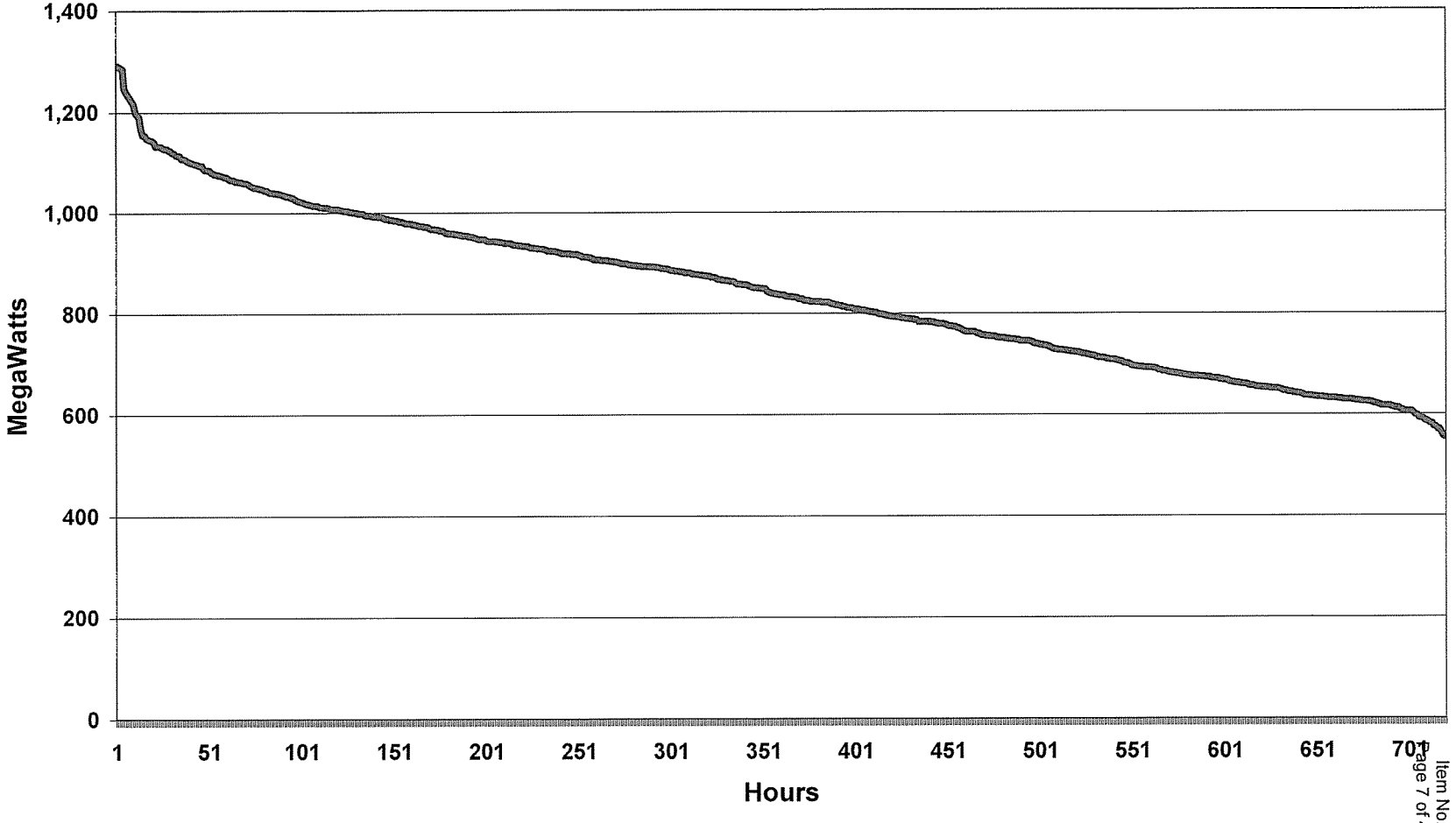



Kentucky Power Company
April 2006 Load Duration Curve
(Internal Load)
MegaWatts
1,400
1,200
1,000
800
600
400
200
0
Hours
1
51
101
151
201
251
301
351
401
451
501
551
601
651
701

Kentucky Power Company
May 2006 Load Duration Curve
(Internal Load)



Kentucky Power Company
June 2006 Load Duration Curve
(Internal Load)



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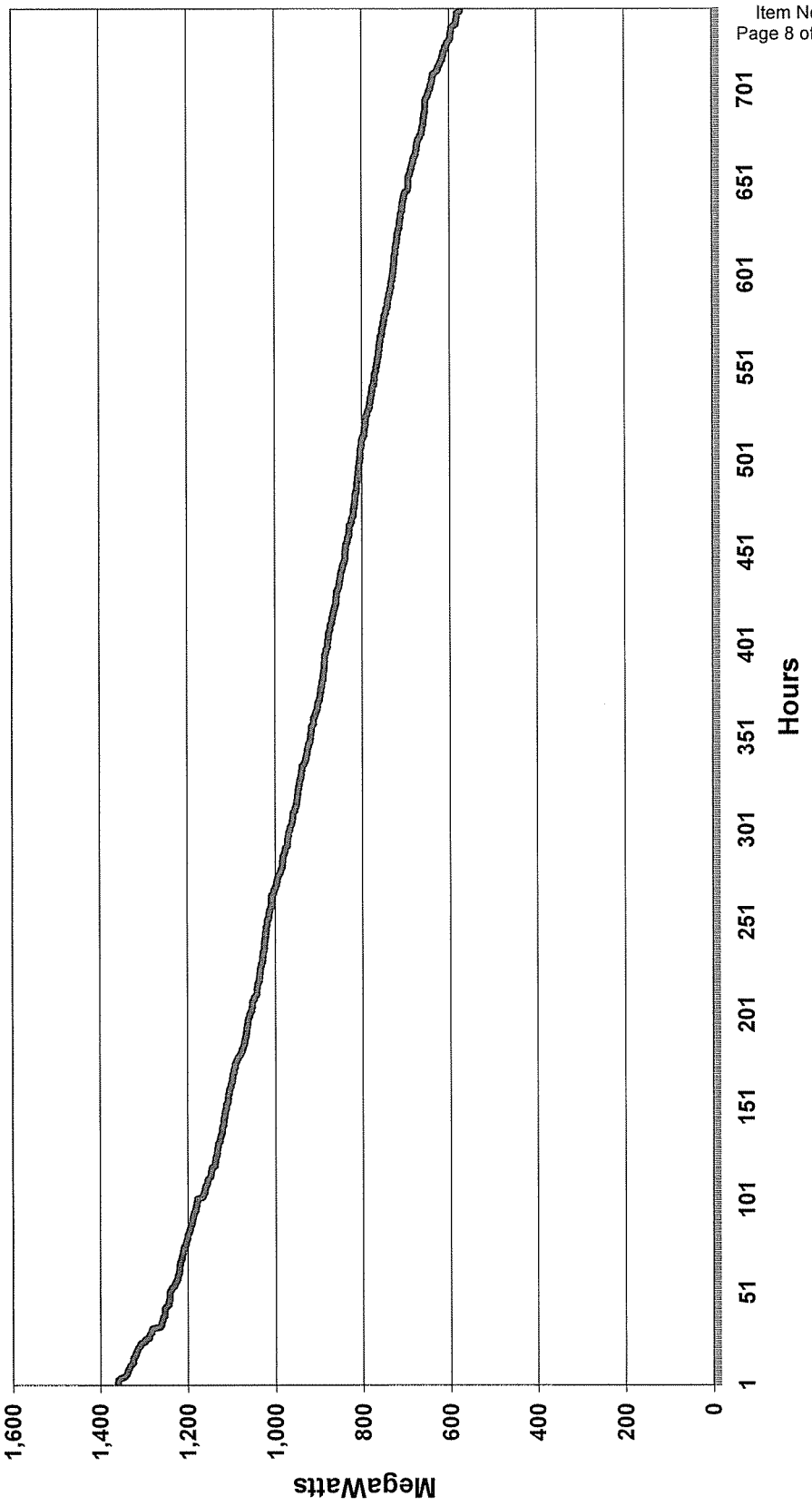
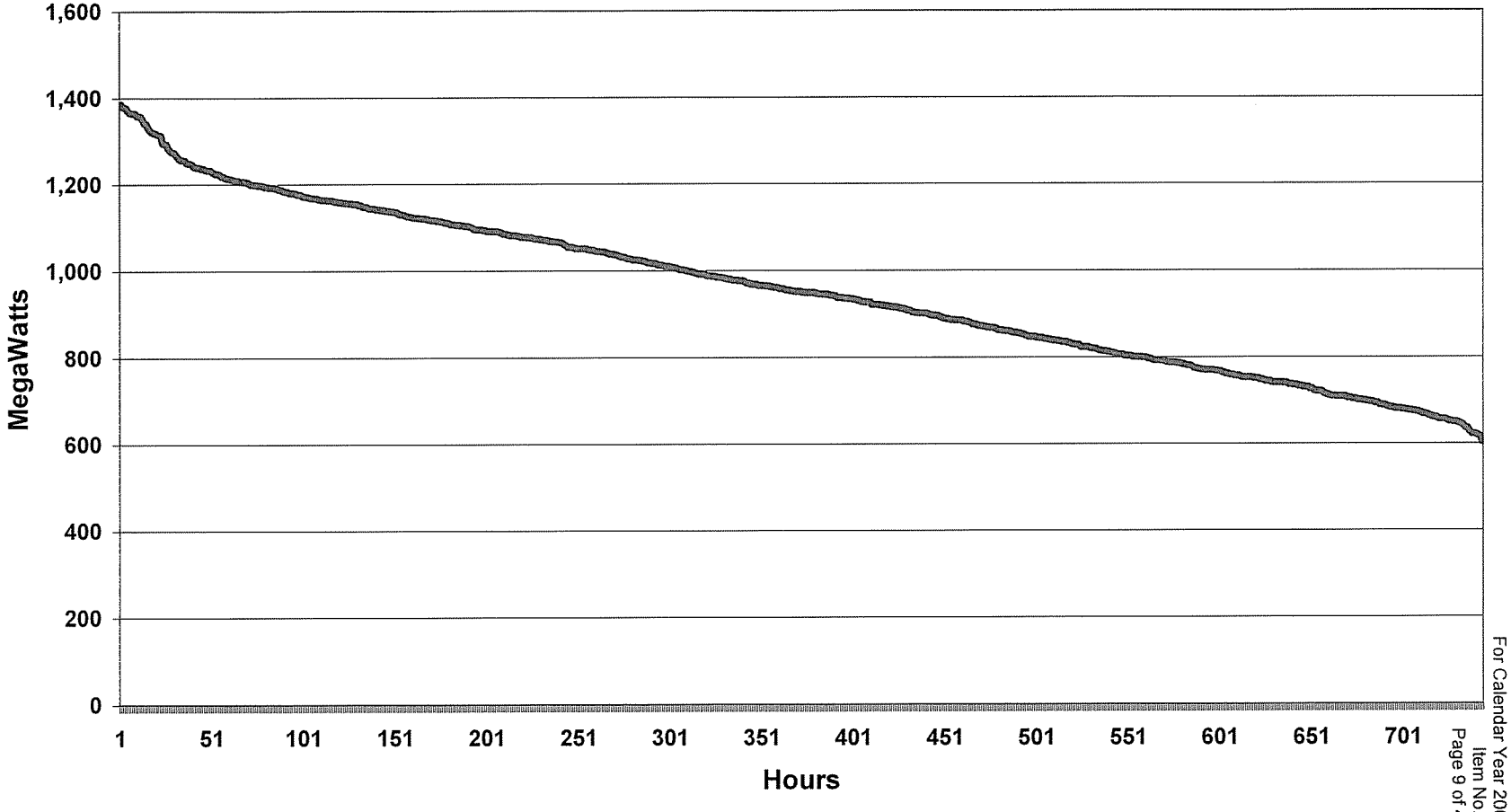
Kentucky Power Company
July 2006 Load Duration Curve
(Internal Load)



Kentucky Power Company
August 2006 Load Duration Curve
(Internal Load)



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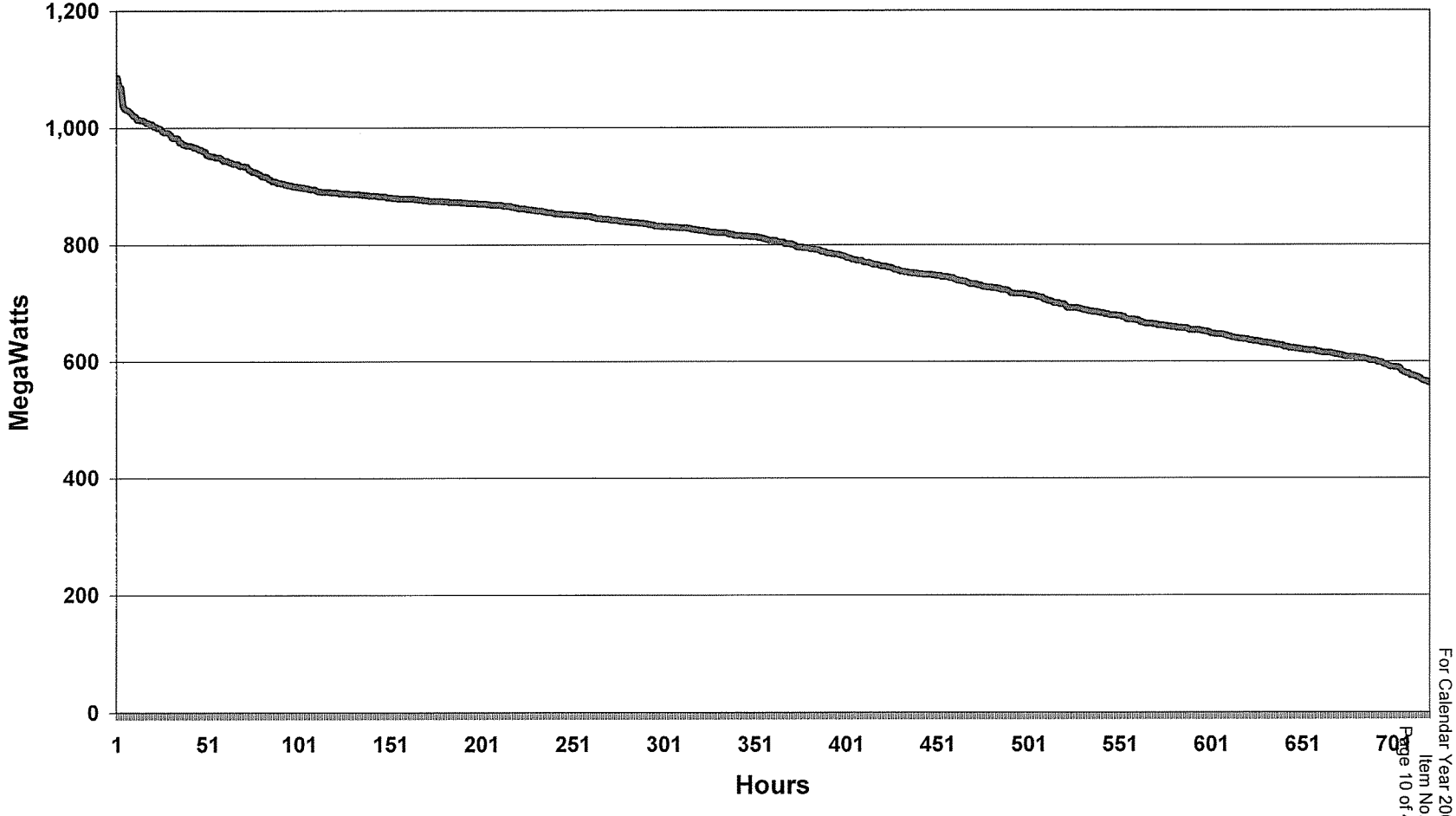
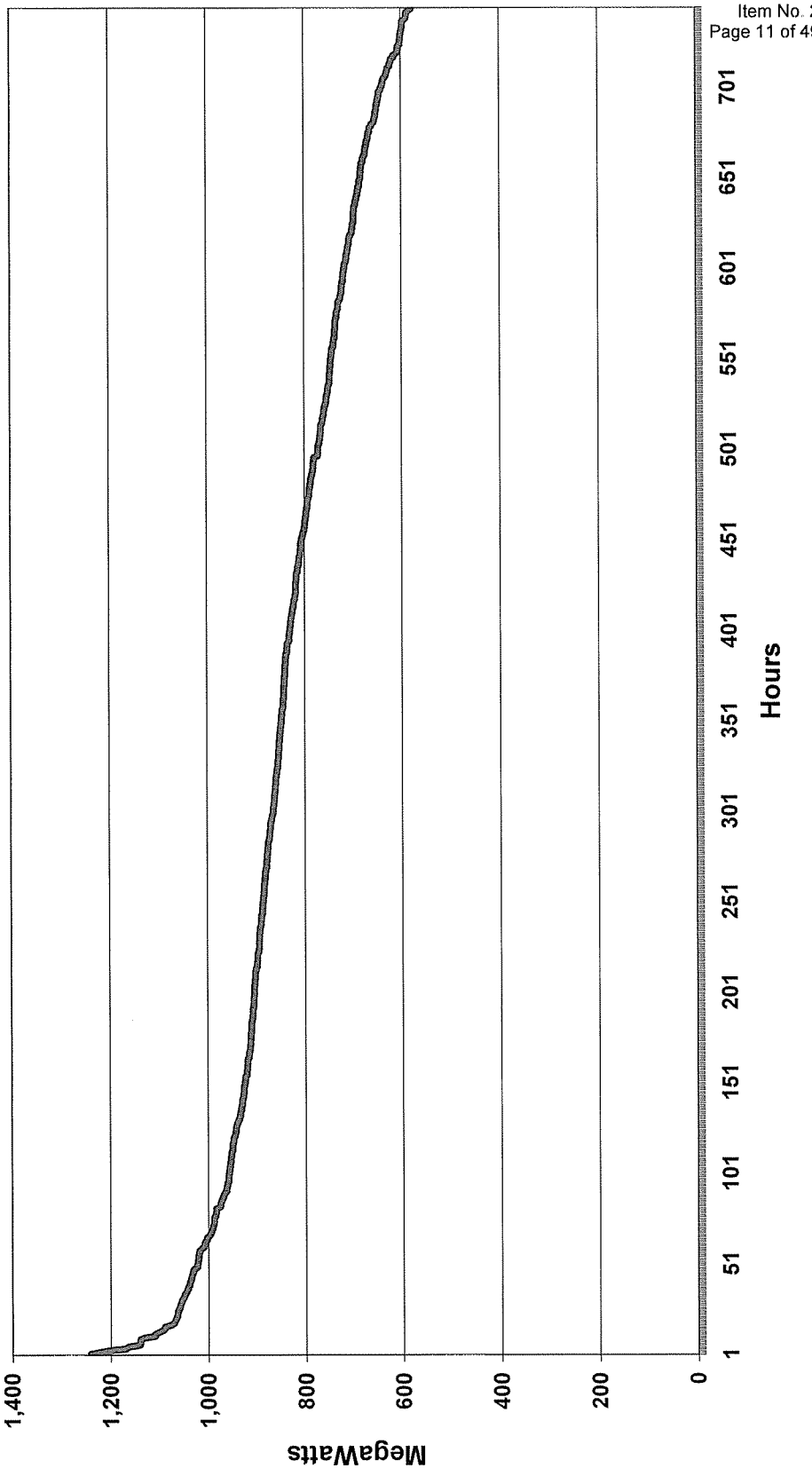
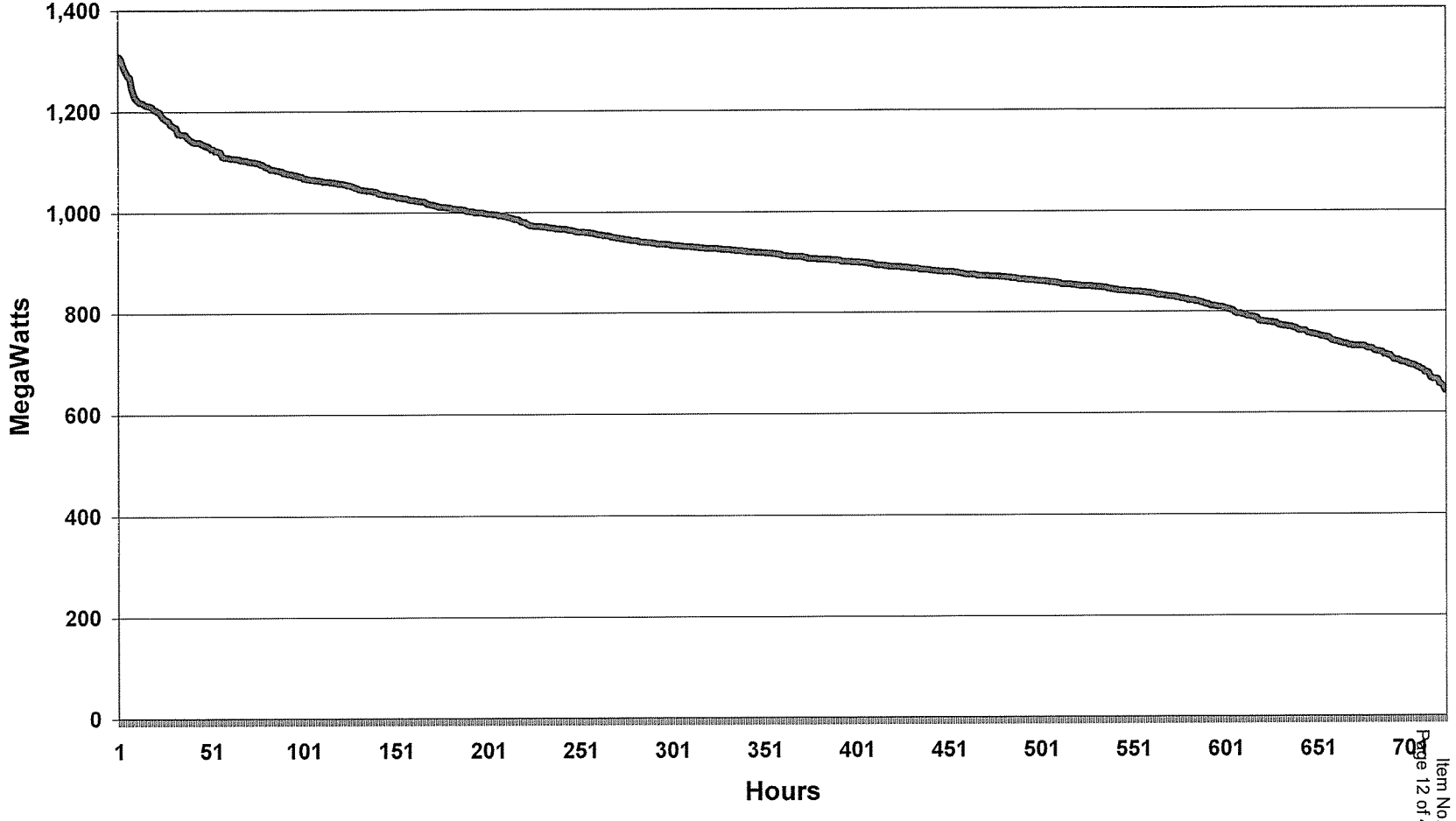
Kentucky Power Company
September 2006 Load Duration Curve
(Internal Load)



Kentucky Power Company
October 2006 Load Duration Curve
(Internal Load)



Kentucky Power Company
November 2006 Load Duration Curve
(Internal Load)



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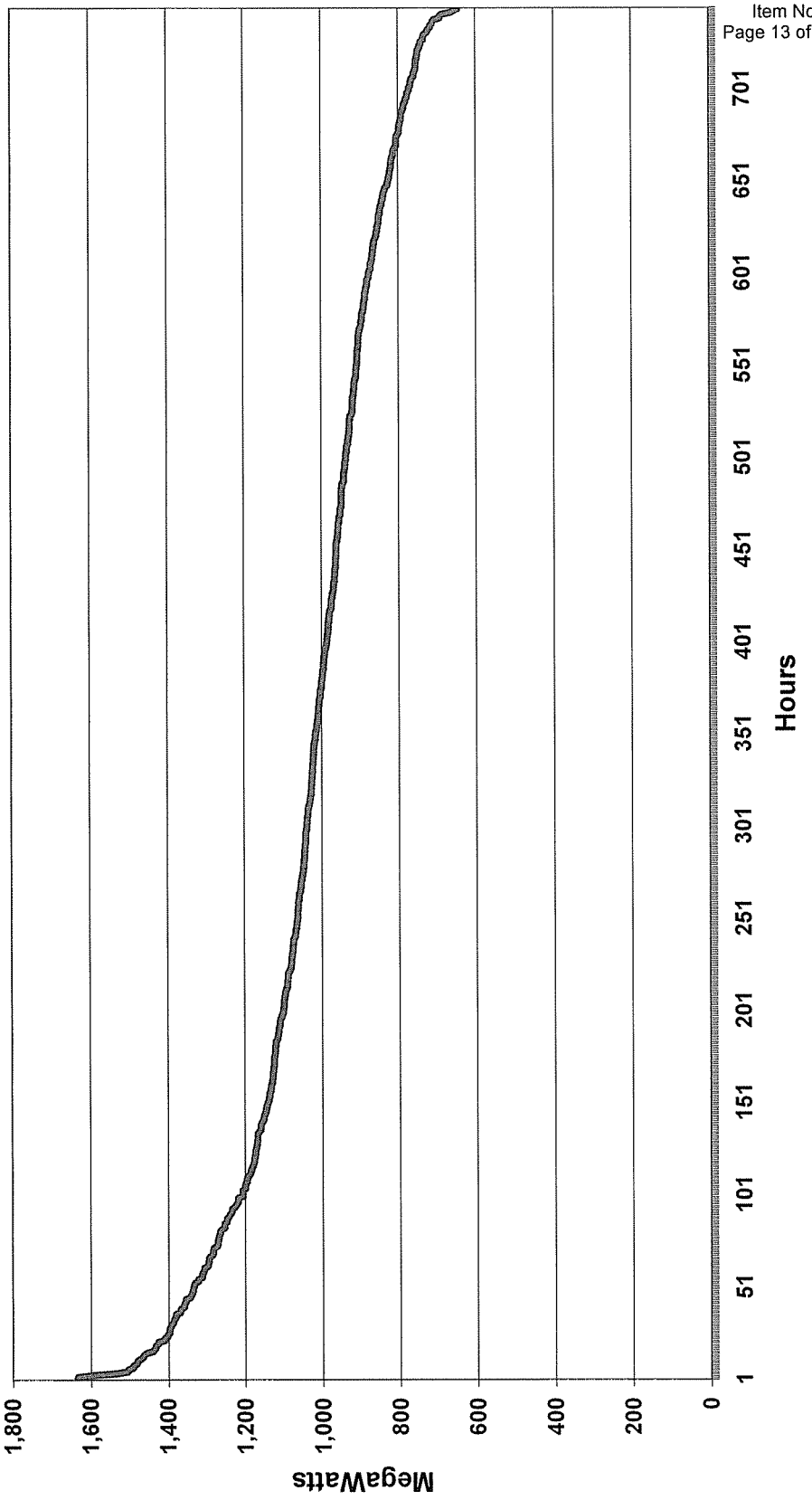
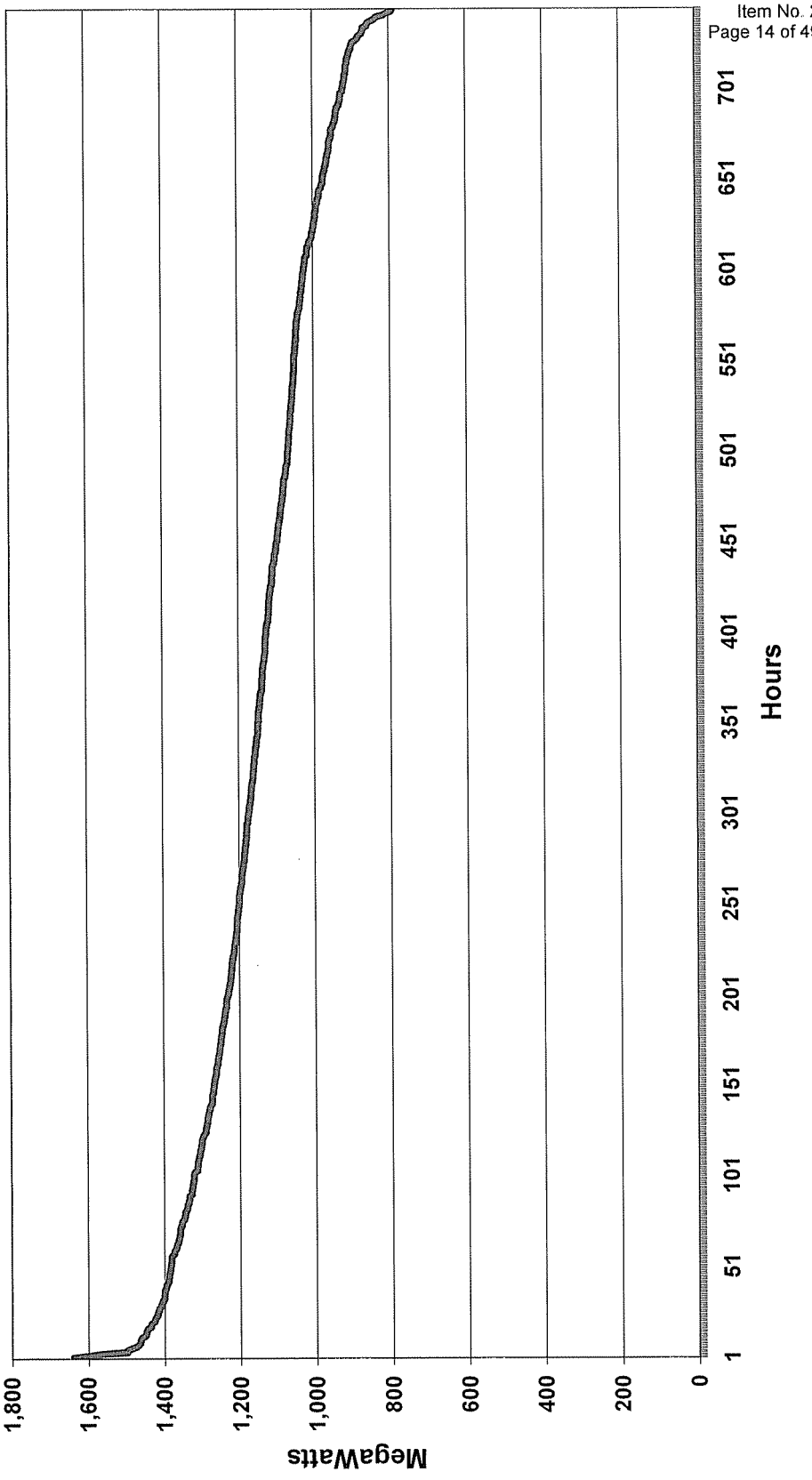
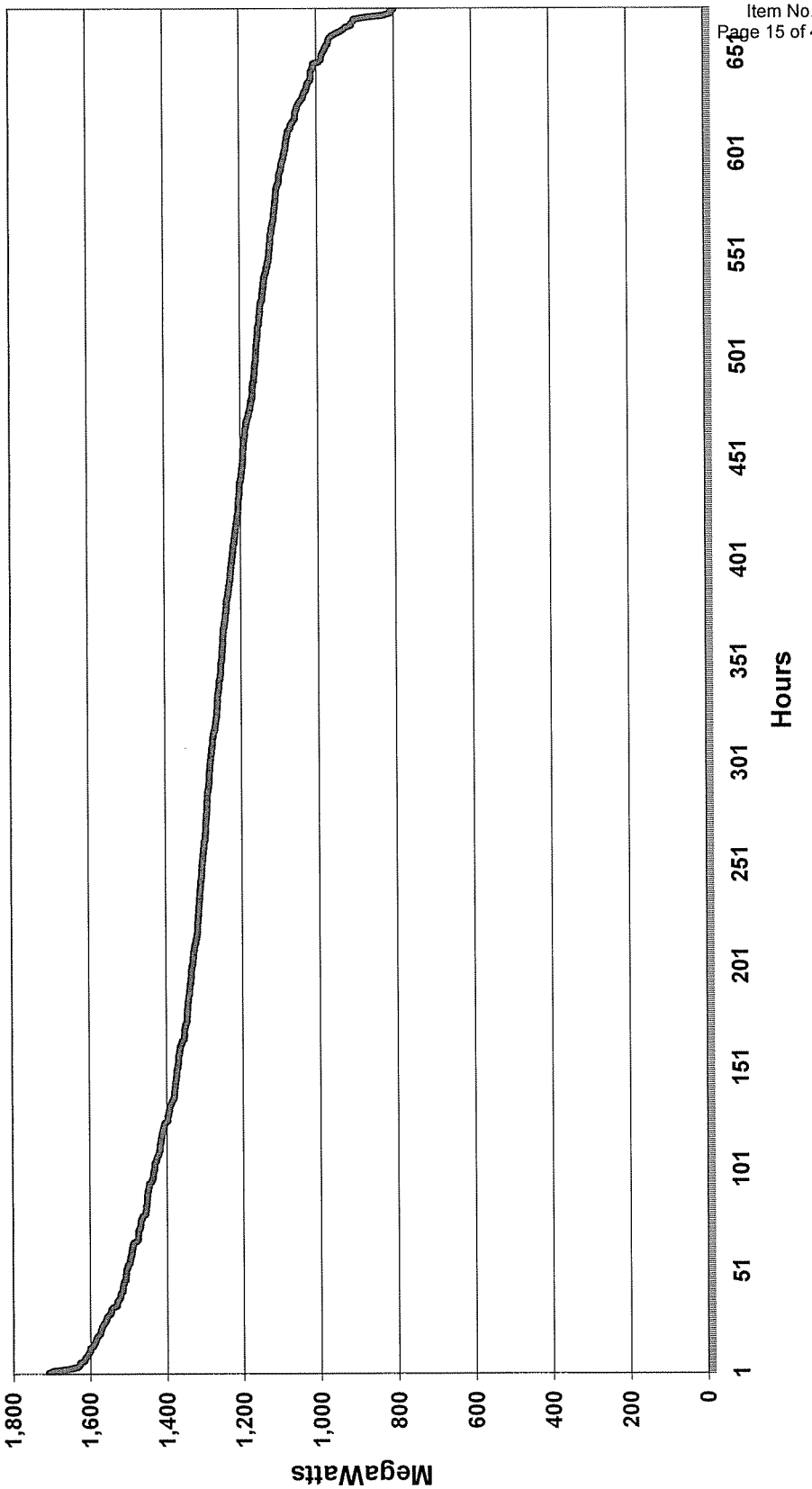
Kentucky Power Company
December 2006 Load Duration Curve
(Internal Load)



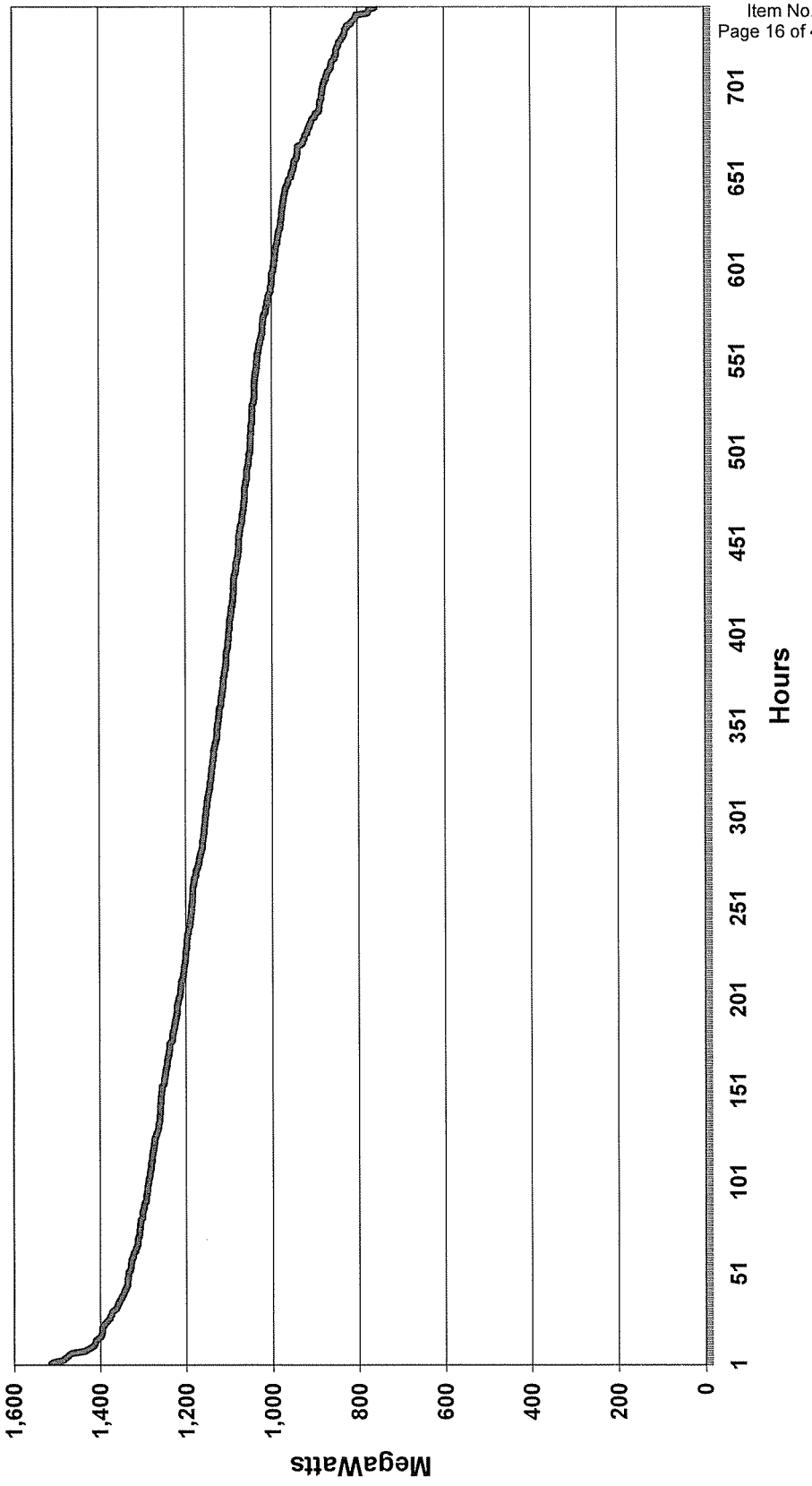
Kentucky Power Company
January 2006 Load Duration Curve
(System Load)



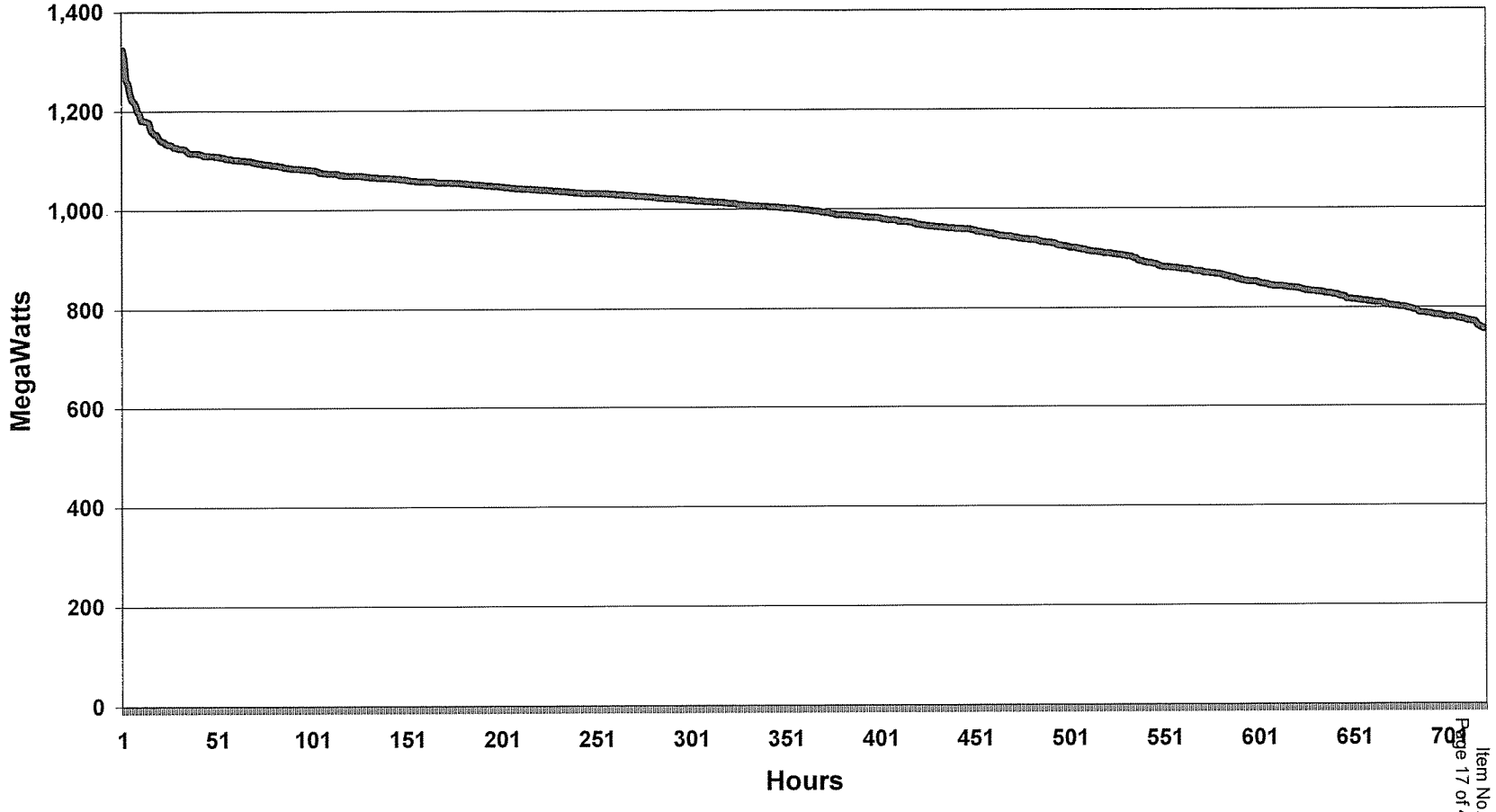
Kentucky Power Company
February 2006 Load Duration Curve
(System Load)



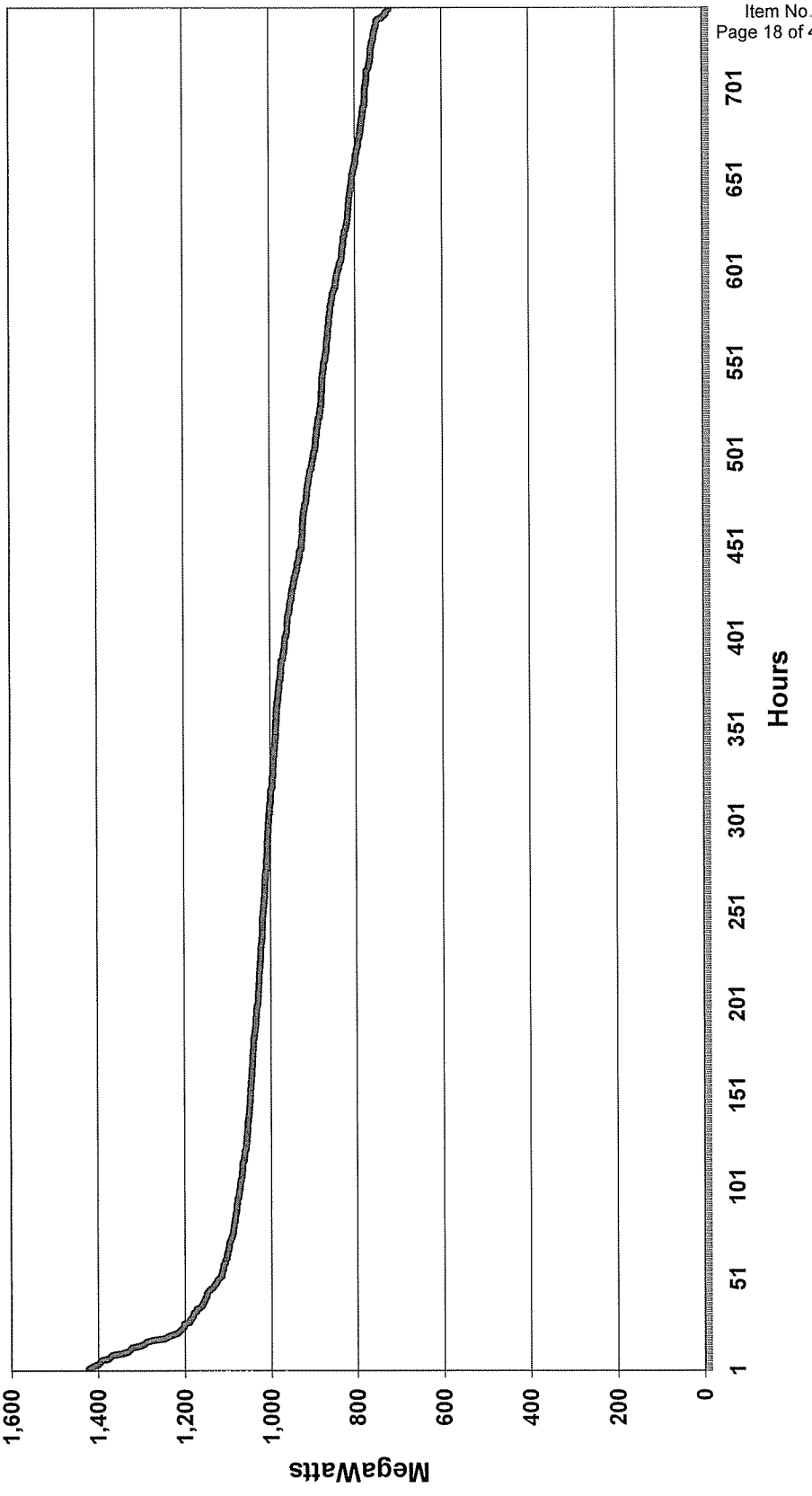
Kentucky Power Company
March 2006 Load Duration Curve
(System Load)



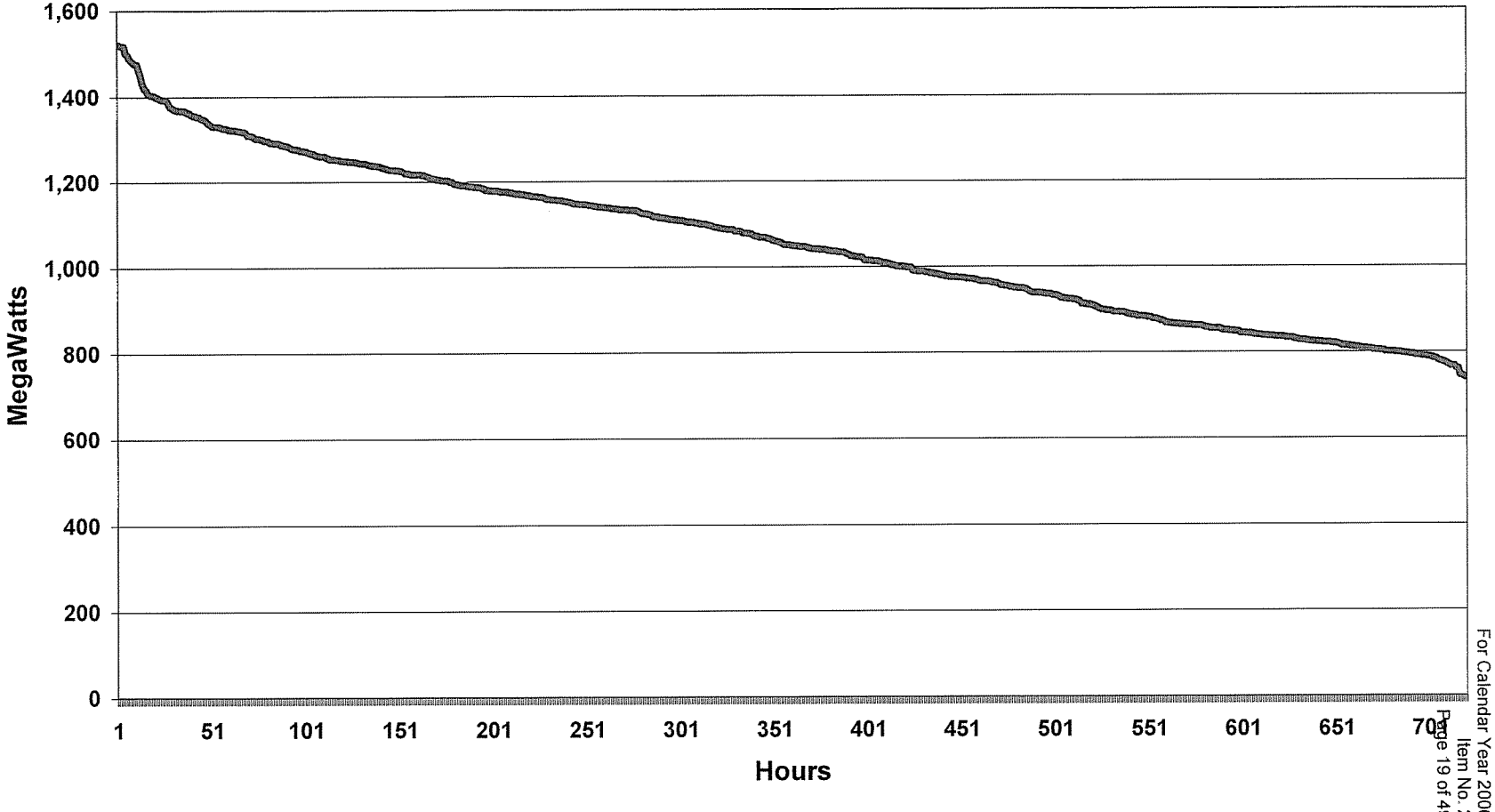
Kentucky Power Company
April 2006 Load Duration Curve
(System Load)



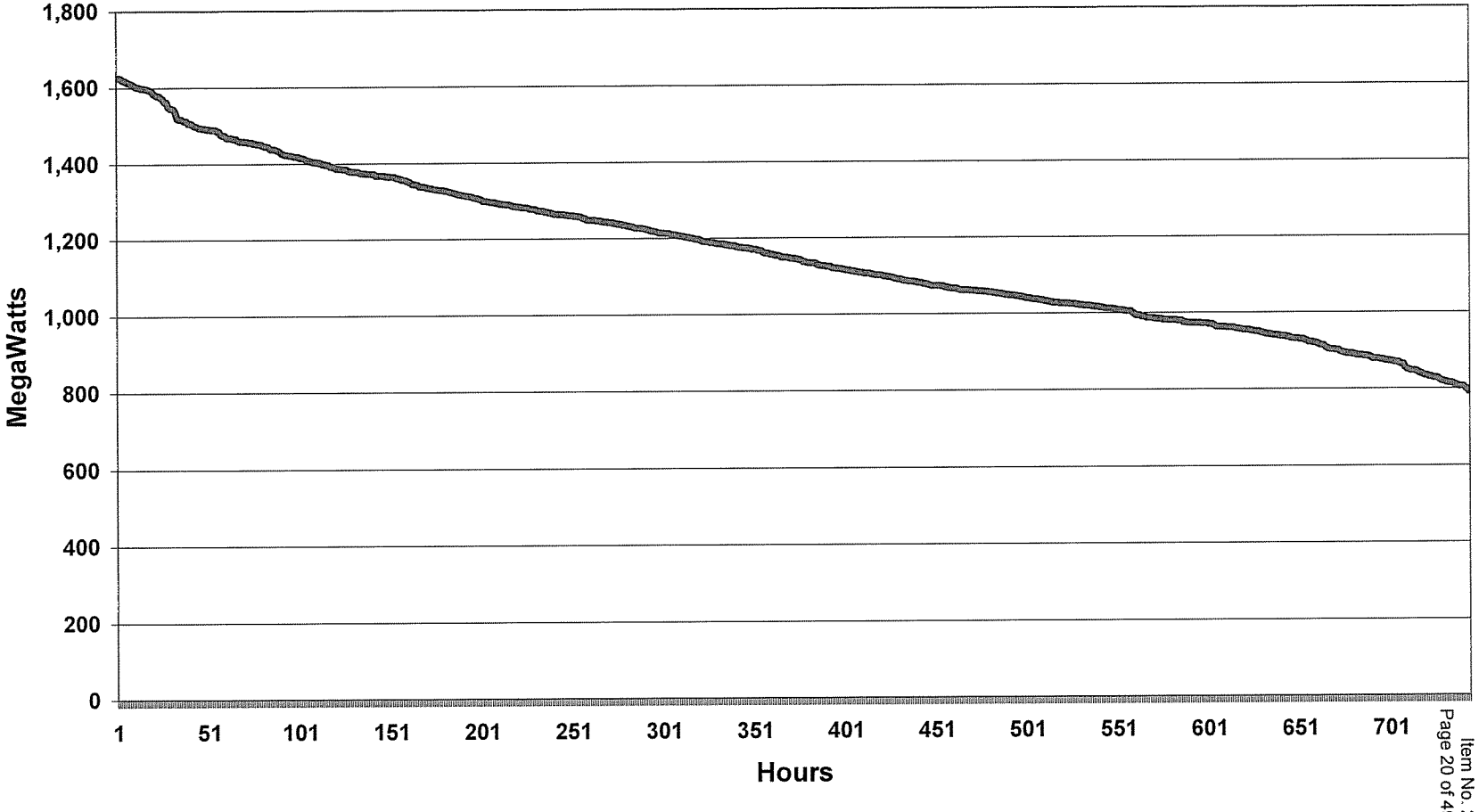
Kentucky Power Company
May 2006 Load Duration Curve
(System Load)



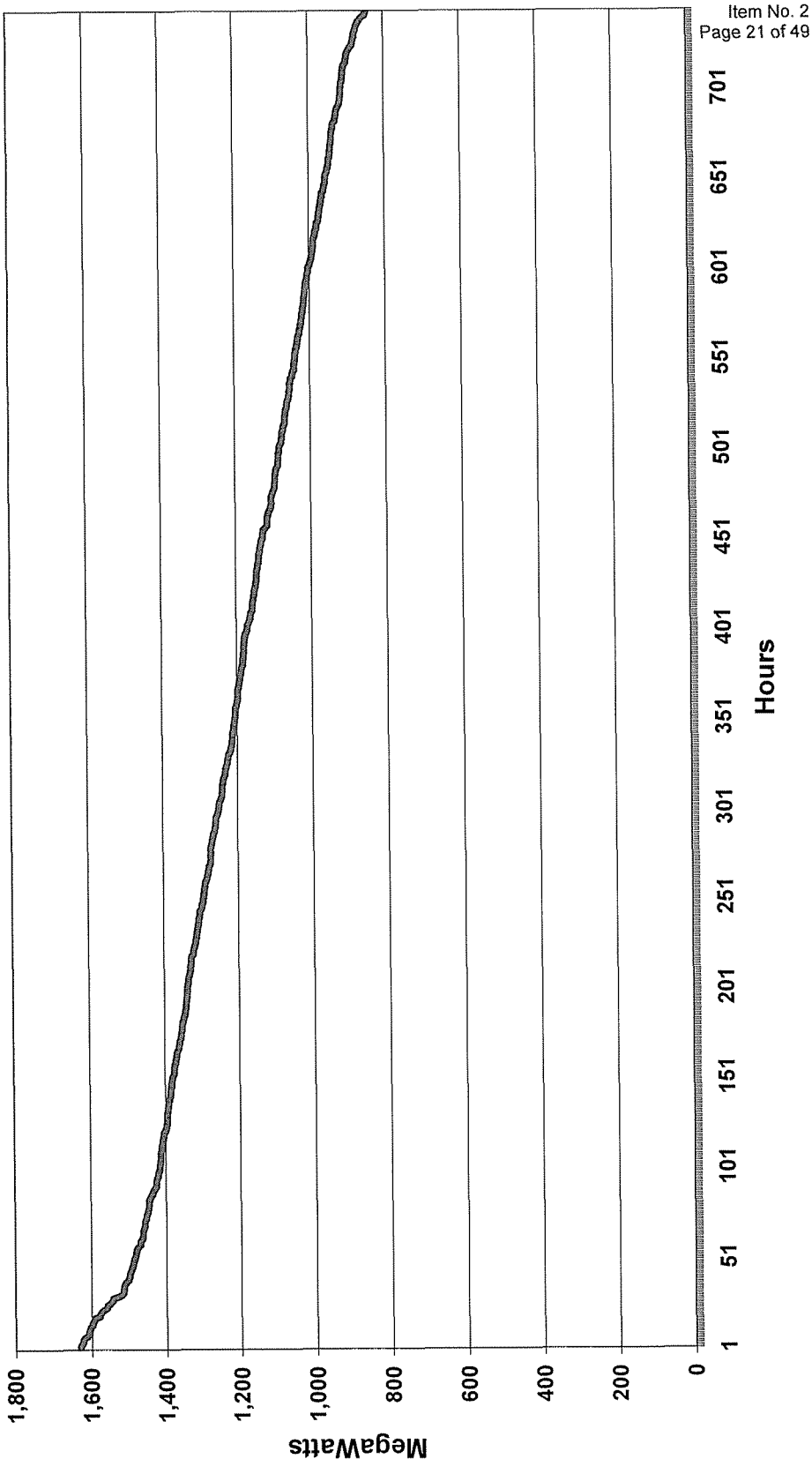
Kentucky Power Company
June 2006 Load Duration Curve
(System Load)



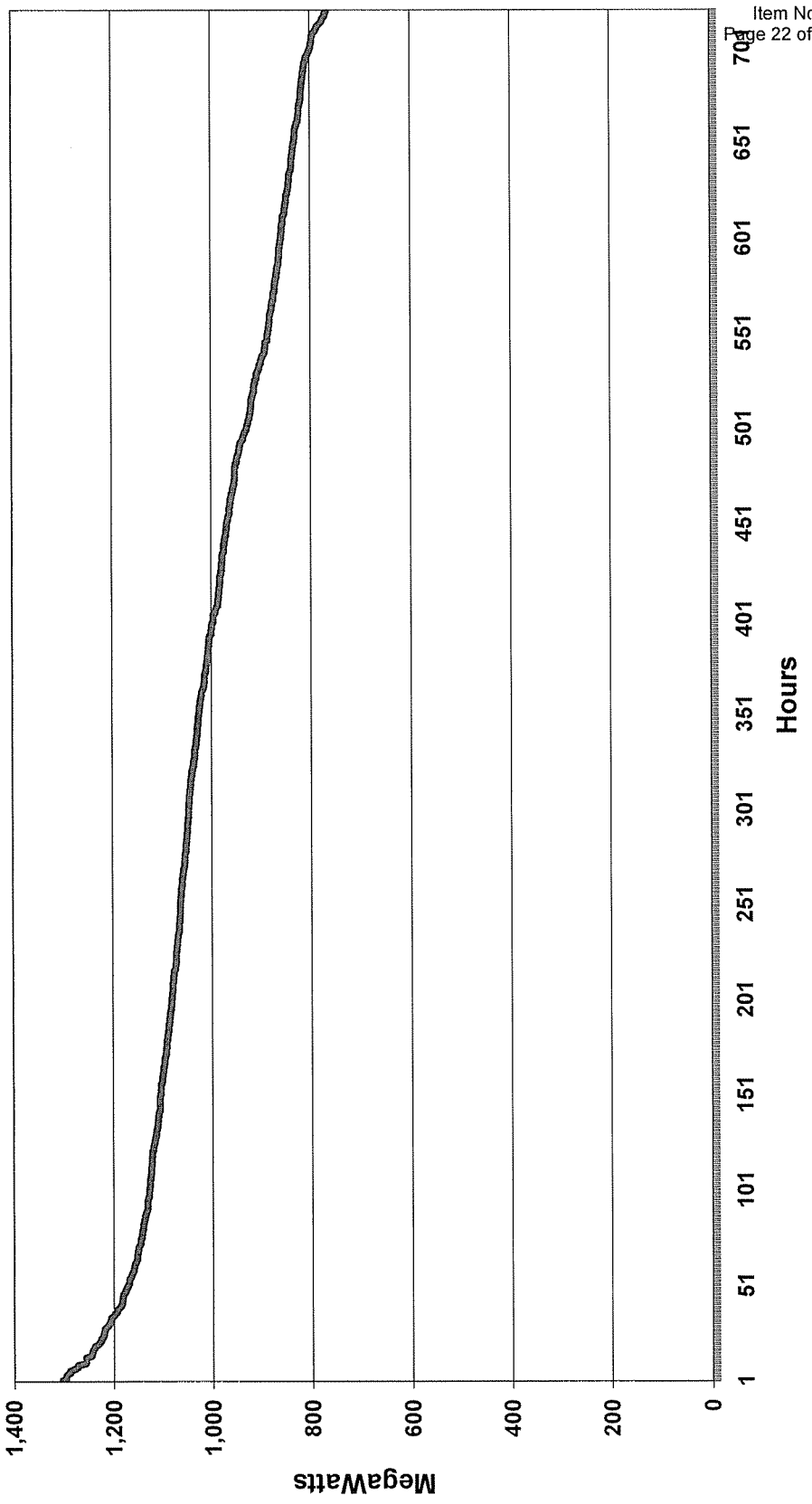
Kentucky Power Company
July 2006 Load Duration Curve
(System Load)



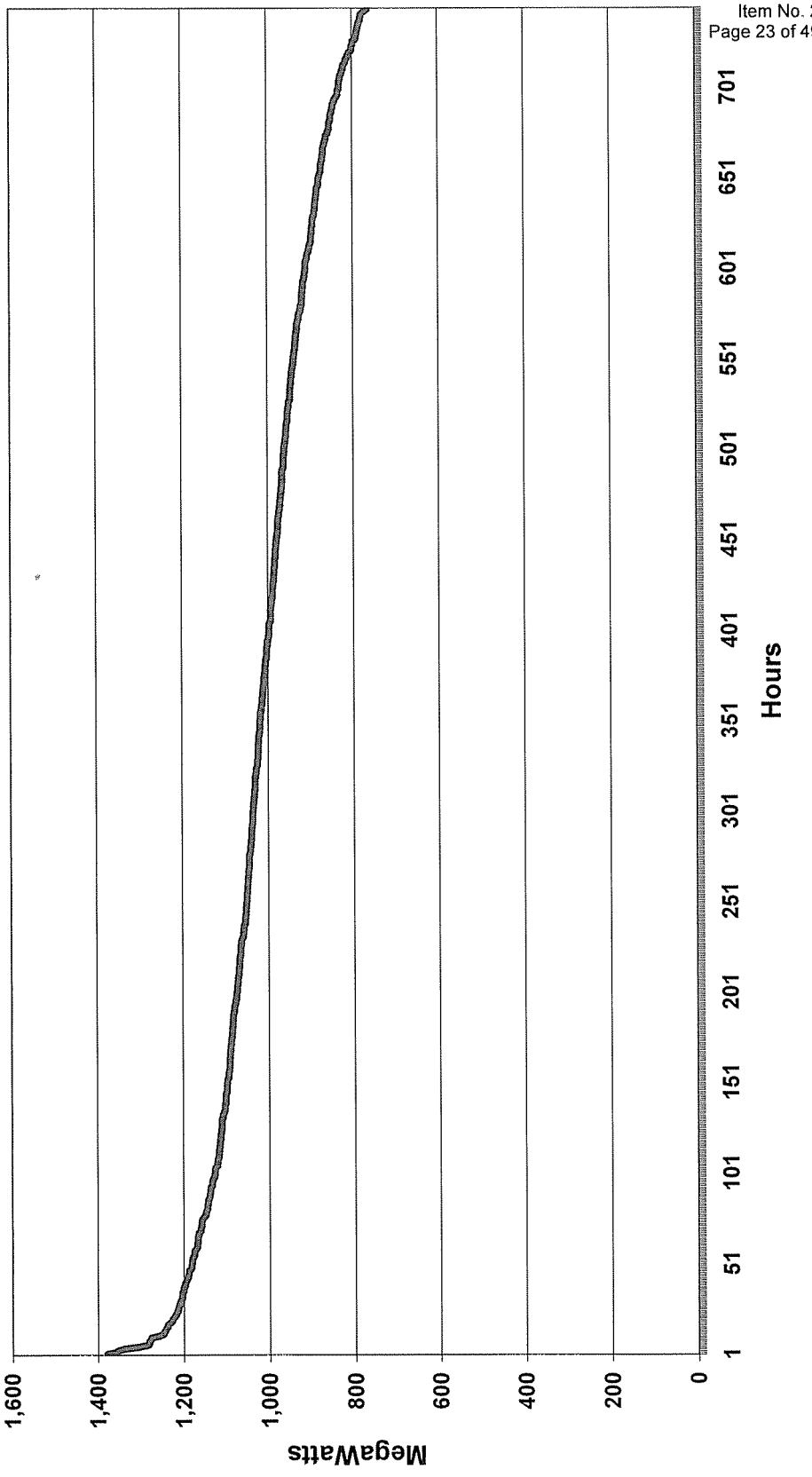
Kentucky Power Company
August 2006 Load Duration Curve
(System Load)



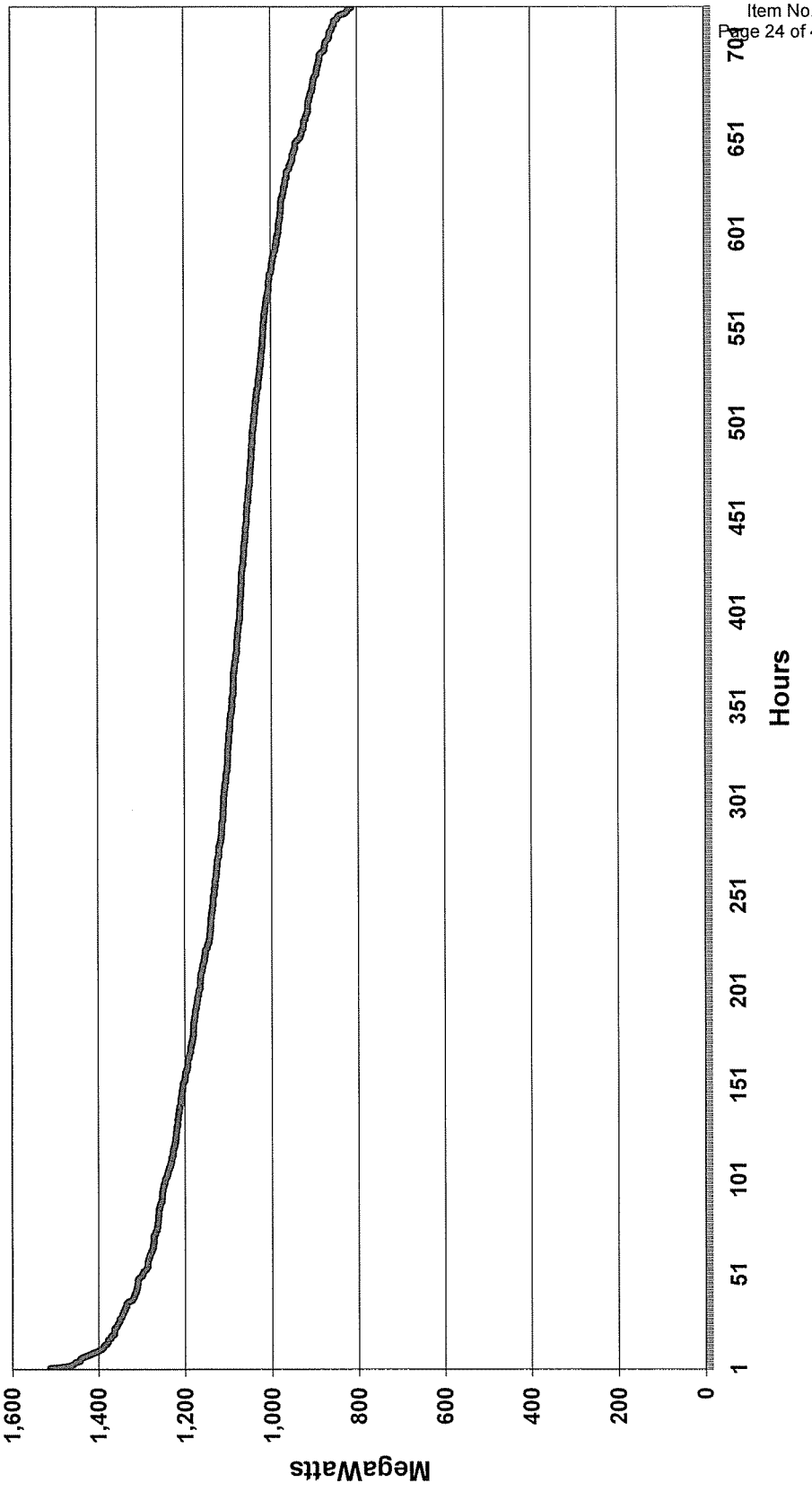
Kentucky Power Company
September 2006 Load Duration Curve
(System Load)



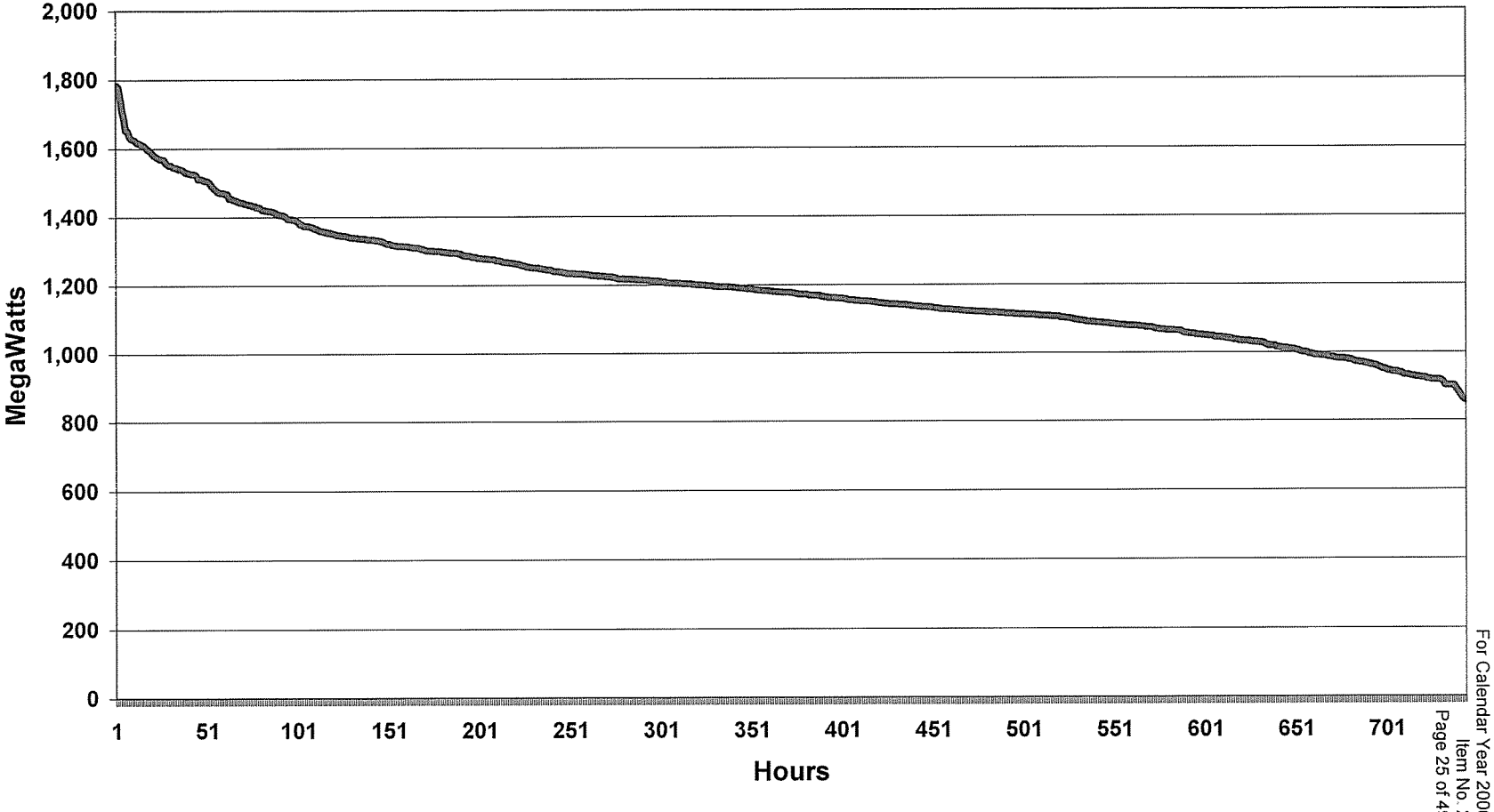
Kentucky Power Company
October 2006 Load Duration Curve
(System Load)



Kentucky Power Company
November 2006 Load Duration Curve
(System Load)



Kentucky Power Company
December 2006 Load Duration Curve
(System Load)



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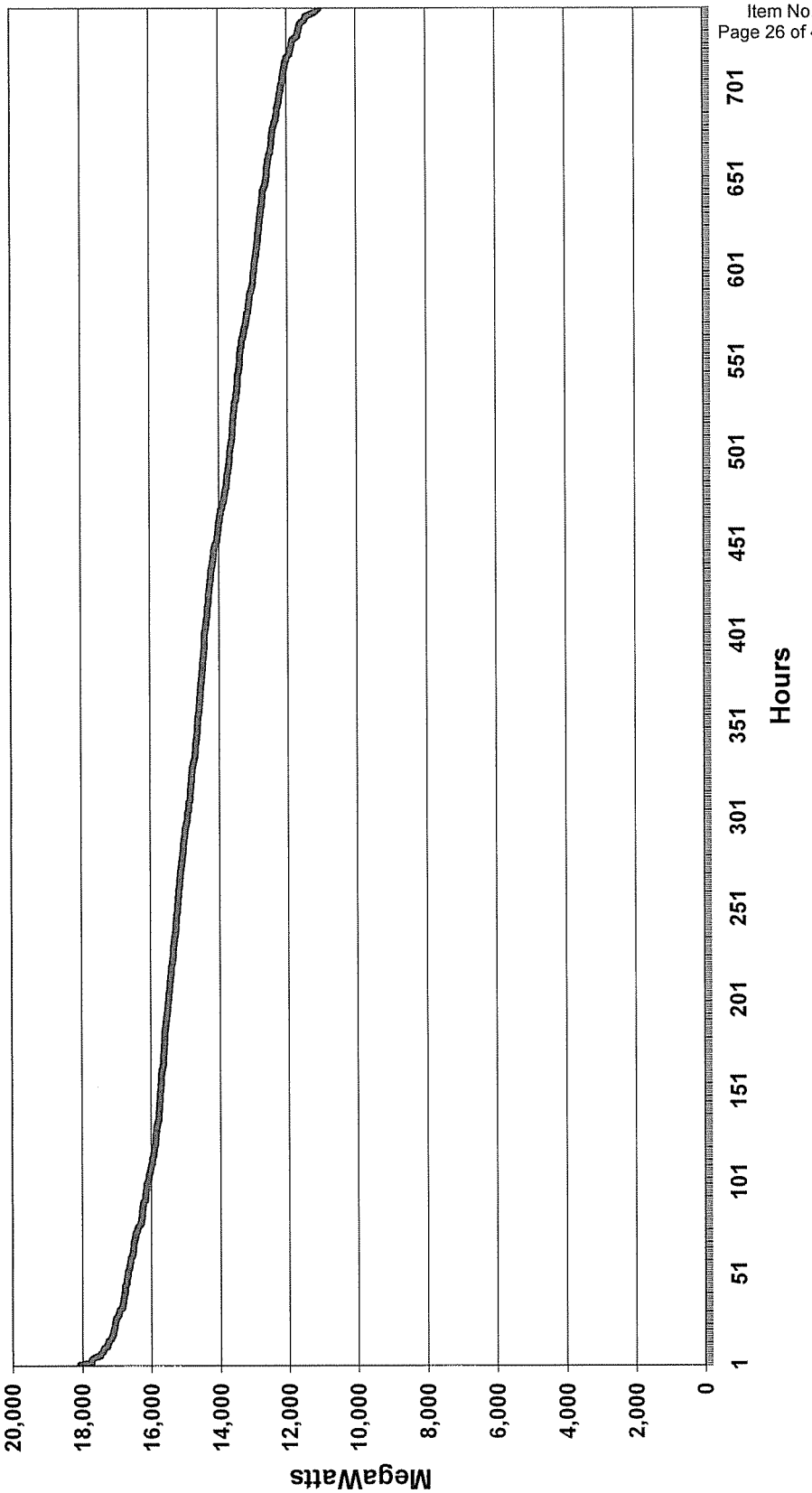
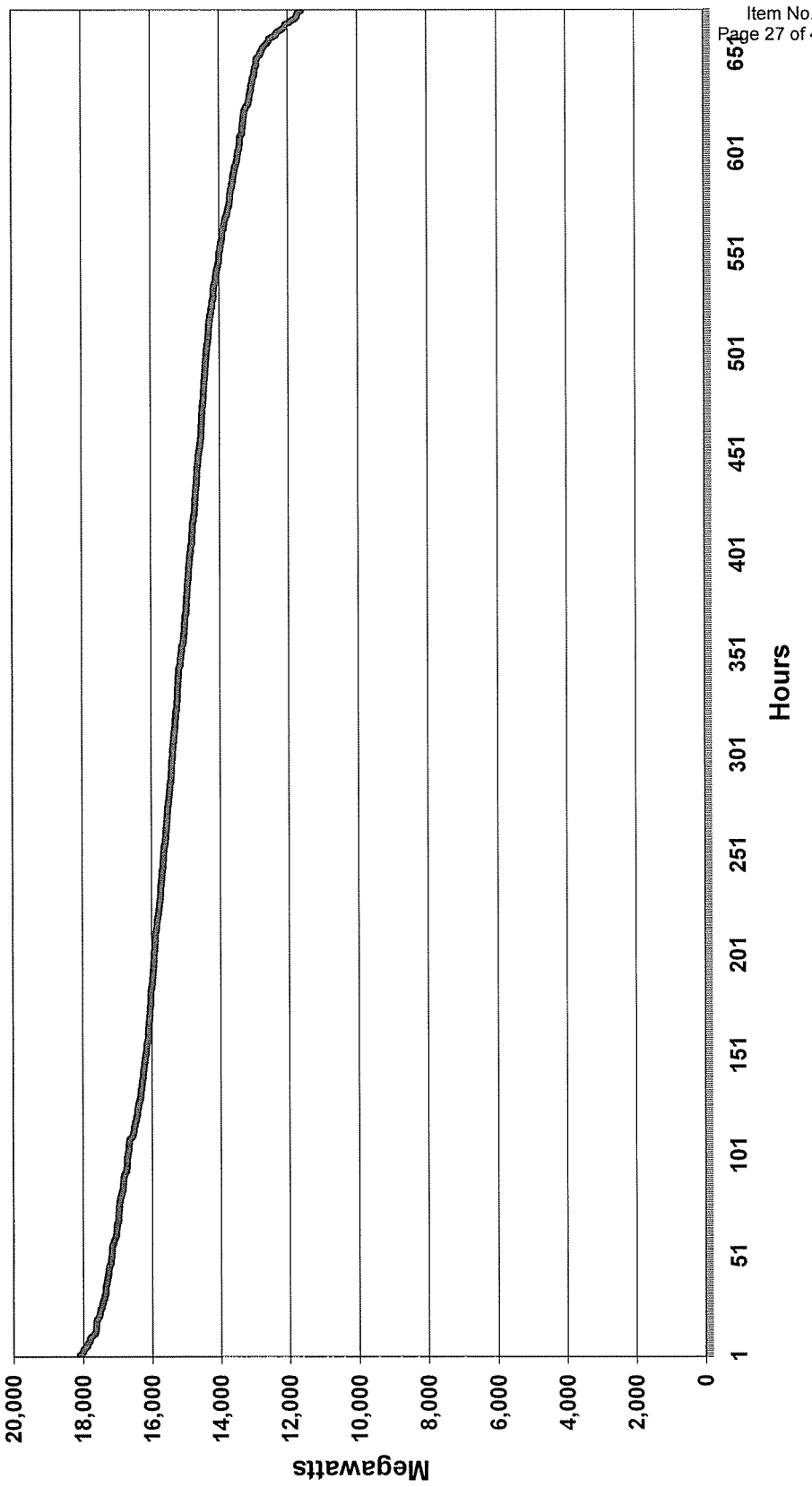
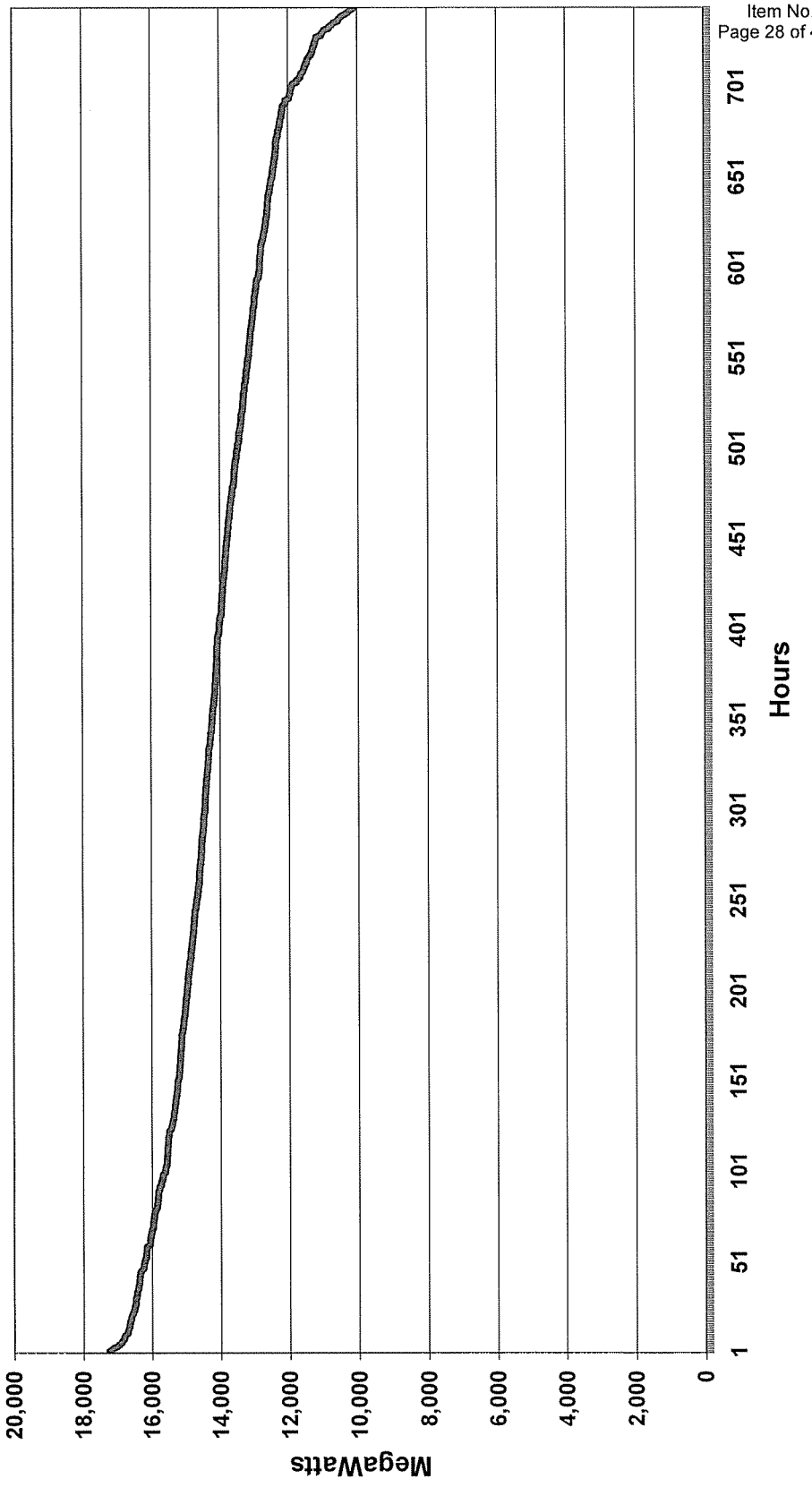
American Electric Power System - East Zone
January 2006 Load Duration Curve
(Internal Load)



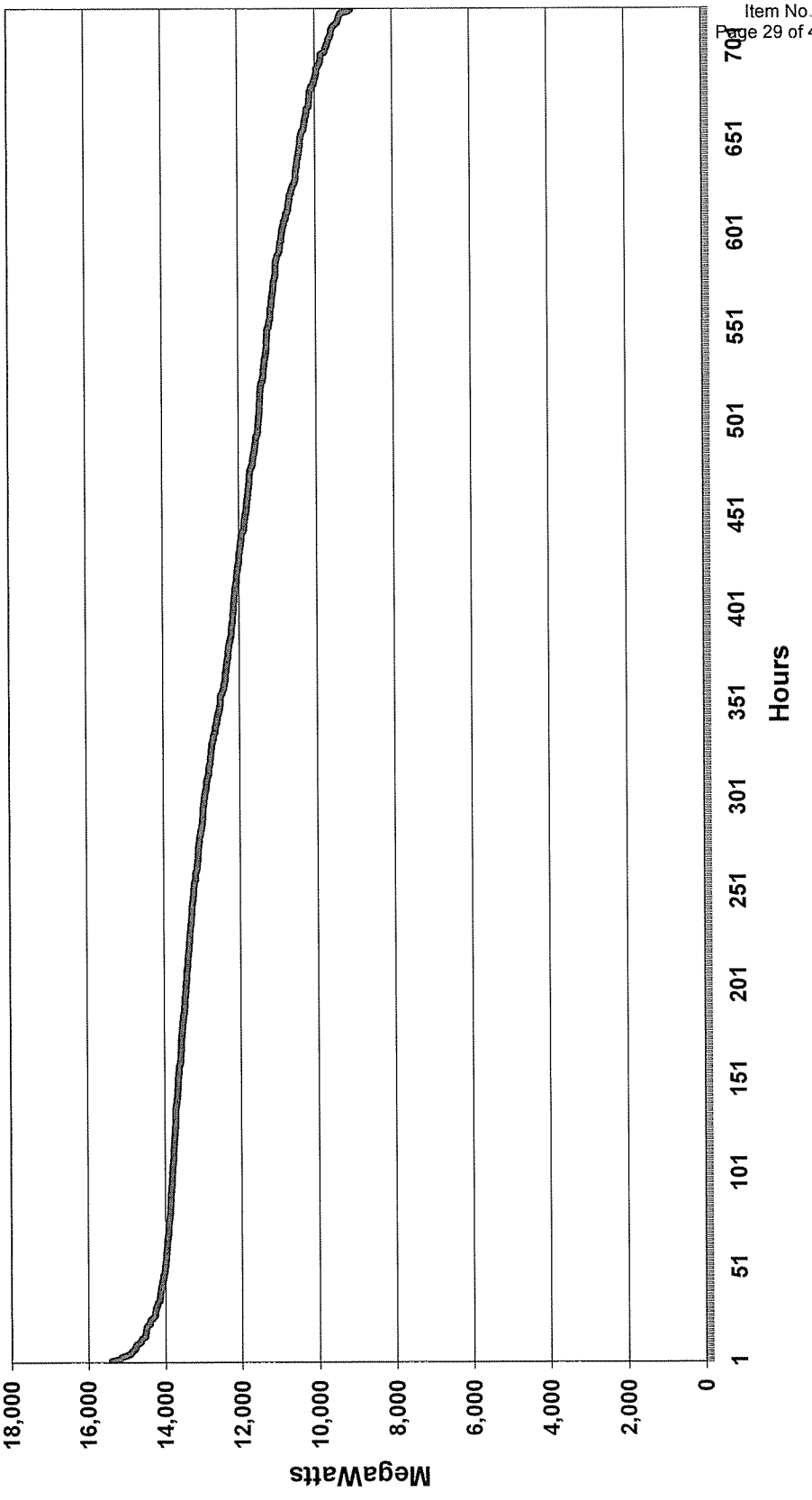
American Electric Power System - East Zone
February 2006 Load Duration Curve
(Internal Load)



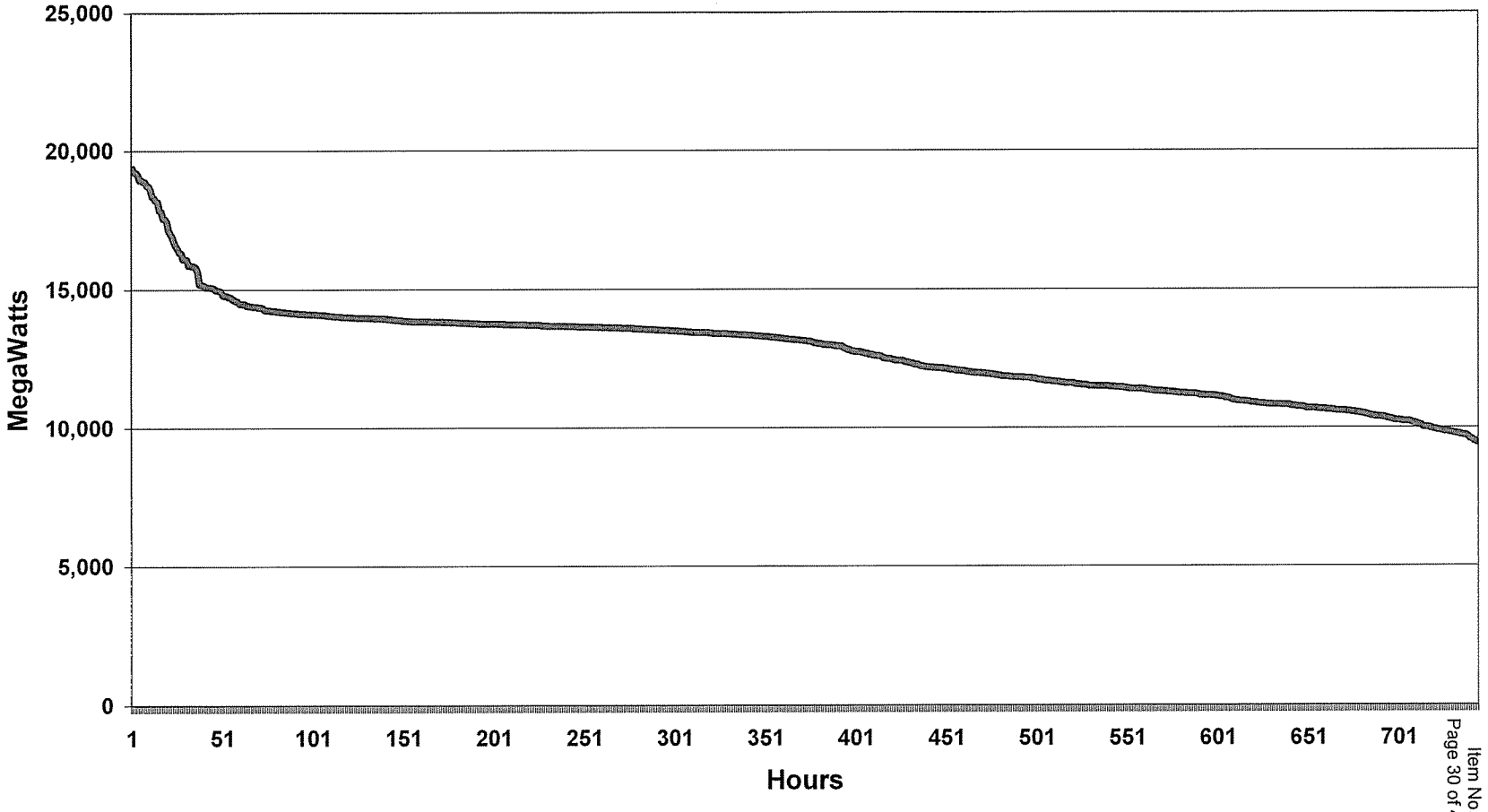
American Electric Power System - East Zone
March 2006 Load Duration Curve
(Internal Load)



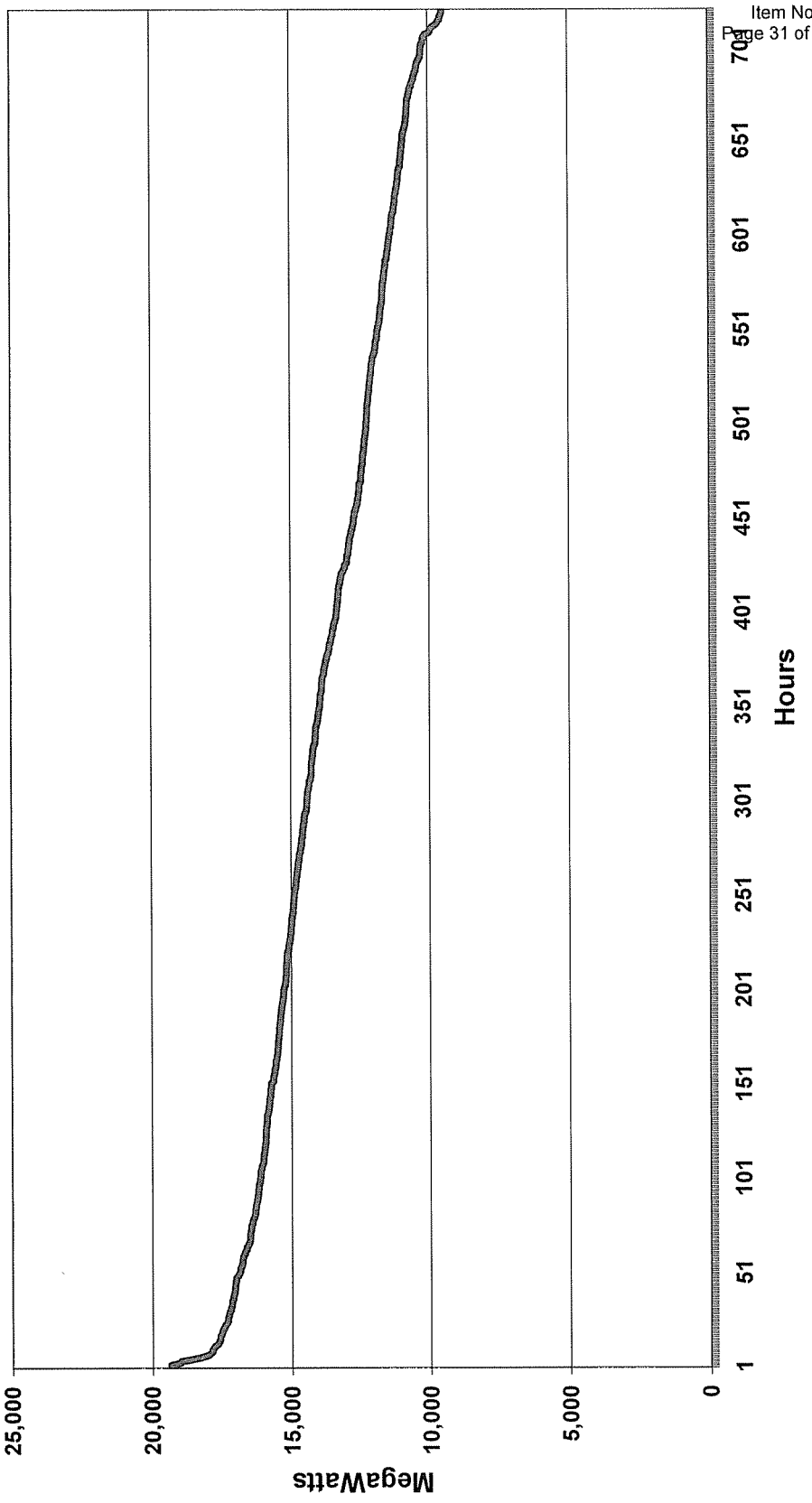
American Electric Power System - East Zone
April 2006 Load Duration Curve
(Internal Load)



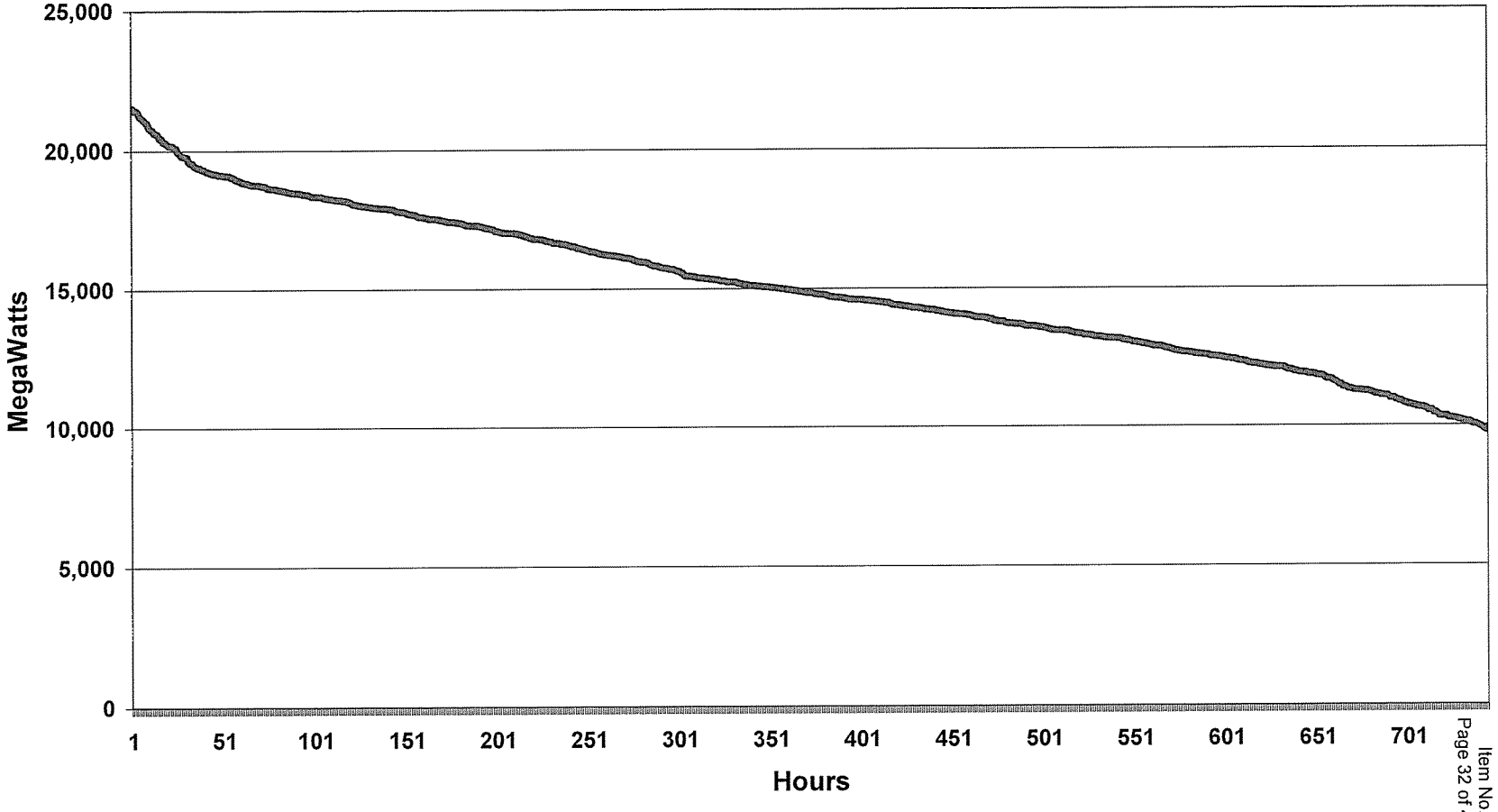
American Electric Power System - East Zone
May 2006 Load Duration Curve
(Internal Load)



American Electric Power System - East Zone
June 2006 Load Duration Curve
(Internal Load)



American Electric Power System - East Zone
July 2006 Load Duration Curve
(Internal Load)



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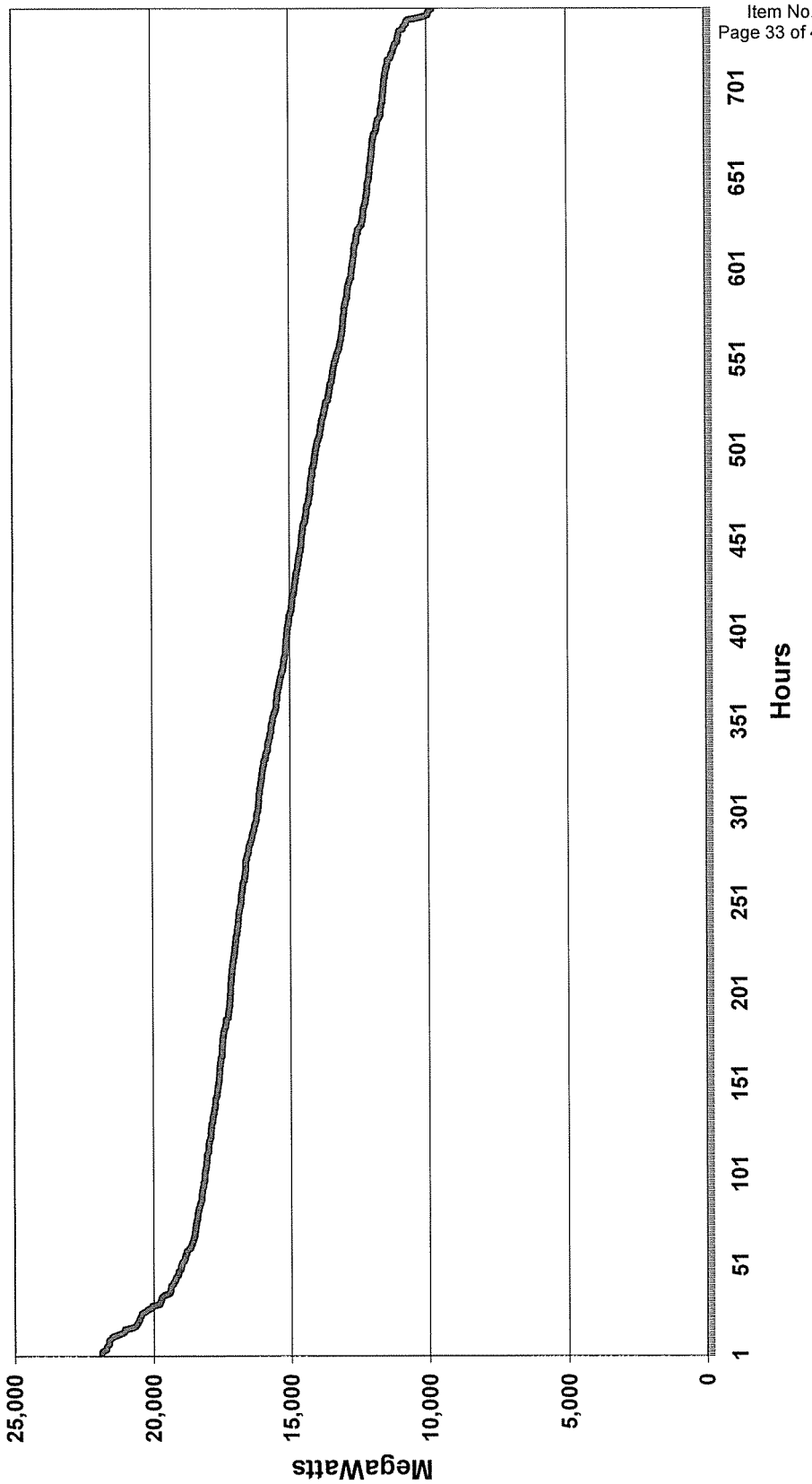
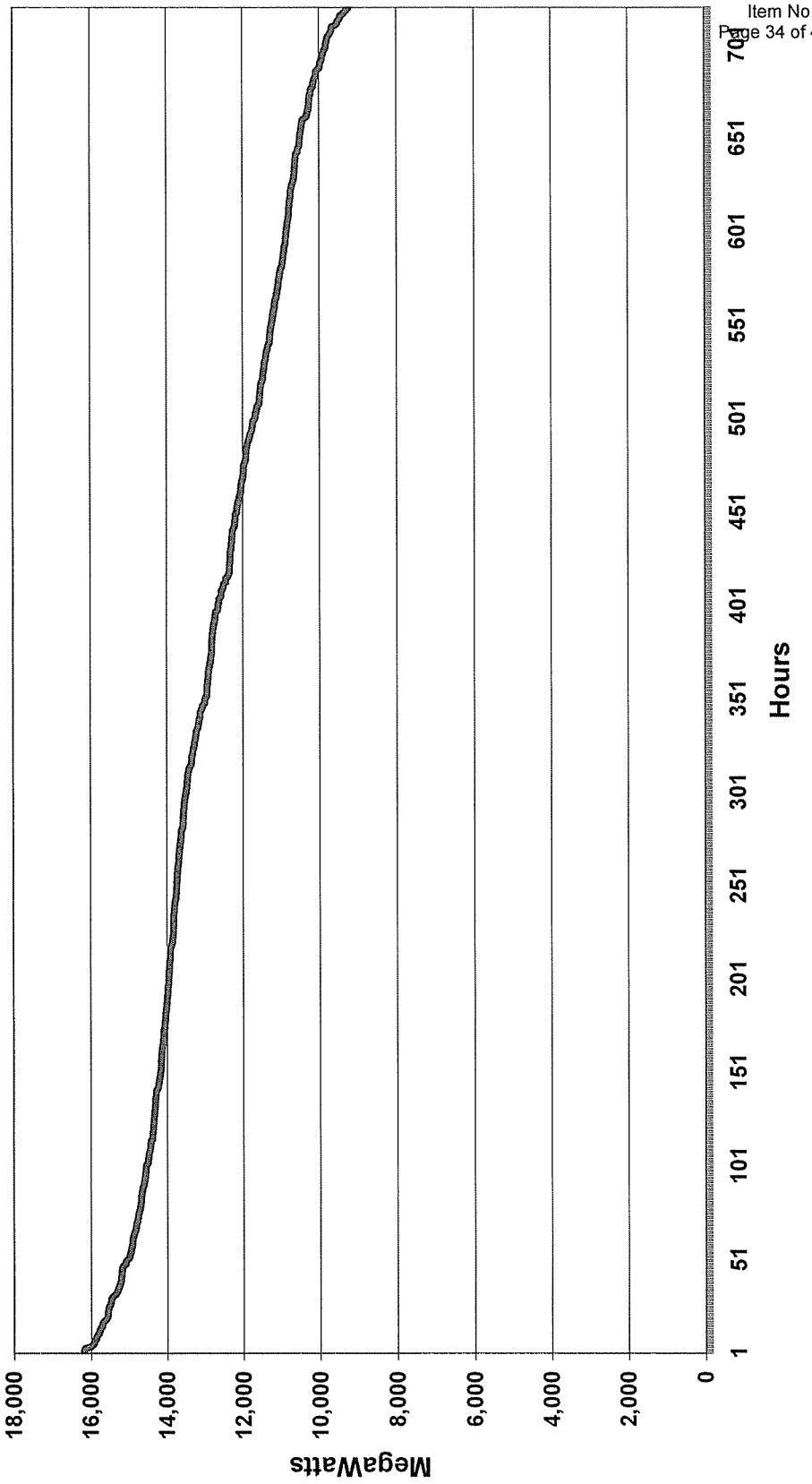
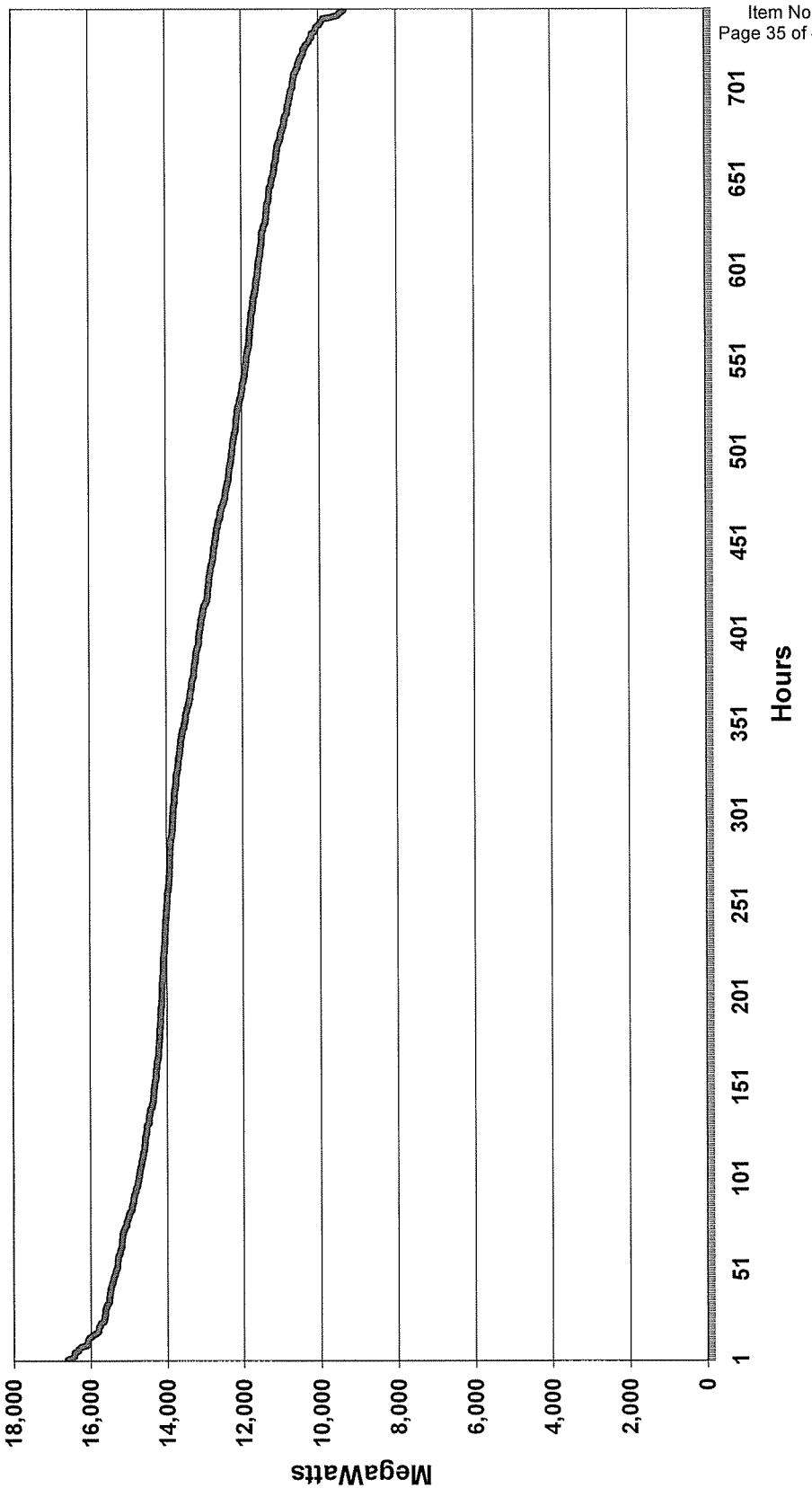
American Electric Power System - East Zone
August 2006 Load Duration Curve
(Internal Load)



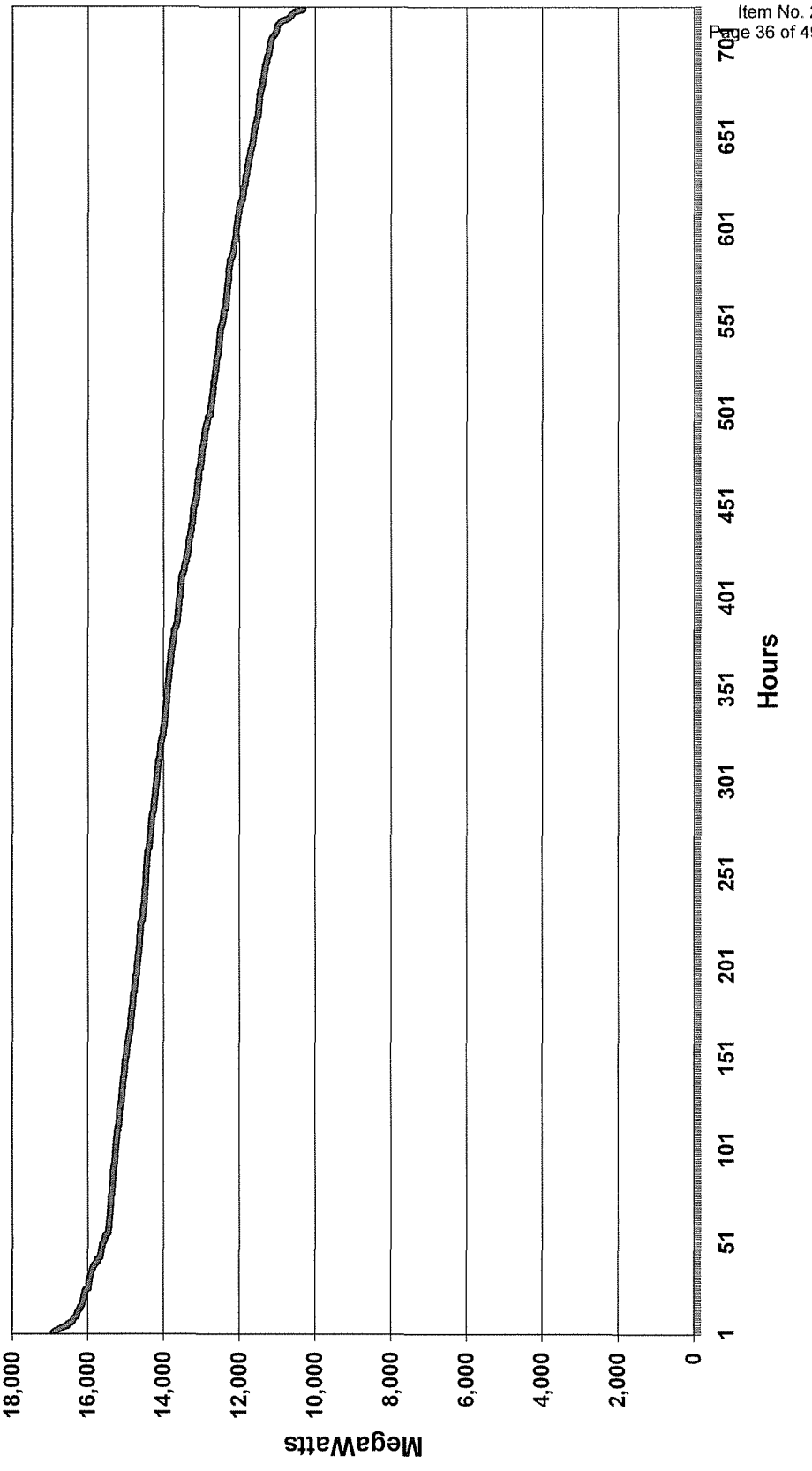
American Electric Power System - East Zone
September 2006 Load Duration Curve
(Internal Load)



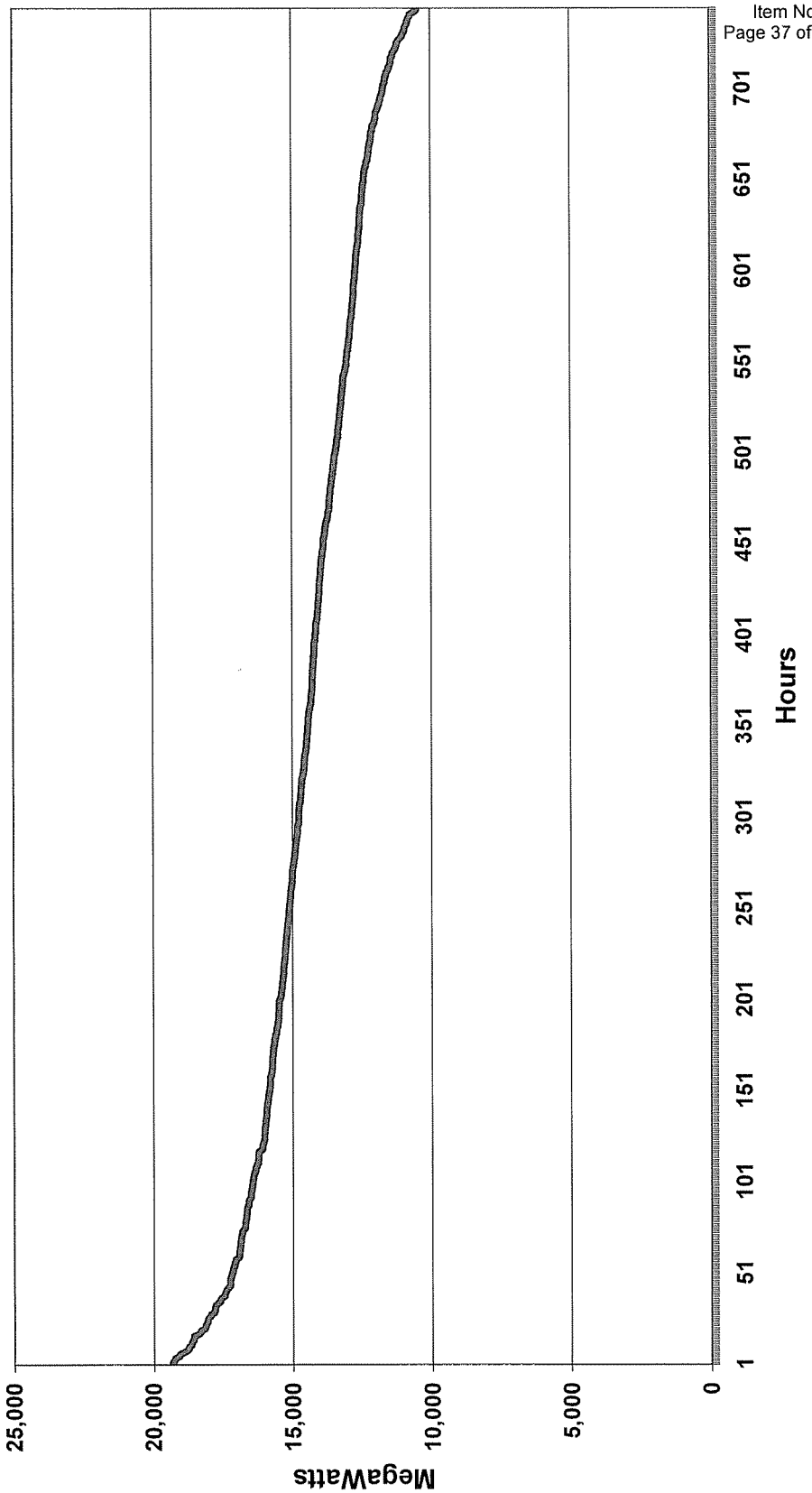
American Electric Power System - East Zone
October 2006 Load Duration Curve
(Internal Load)



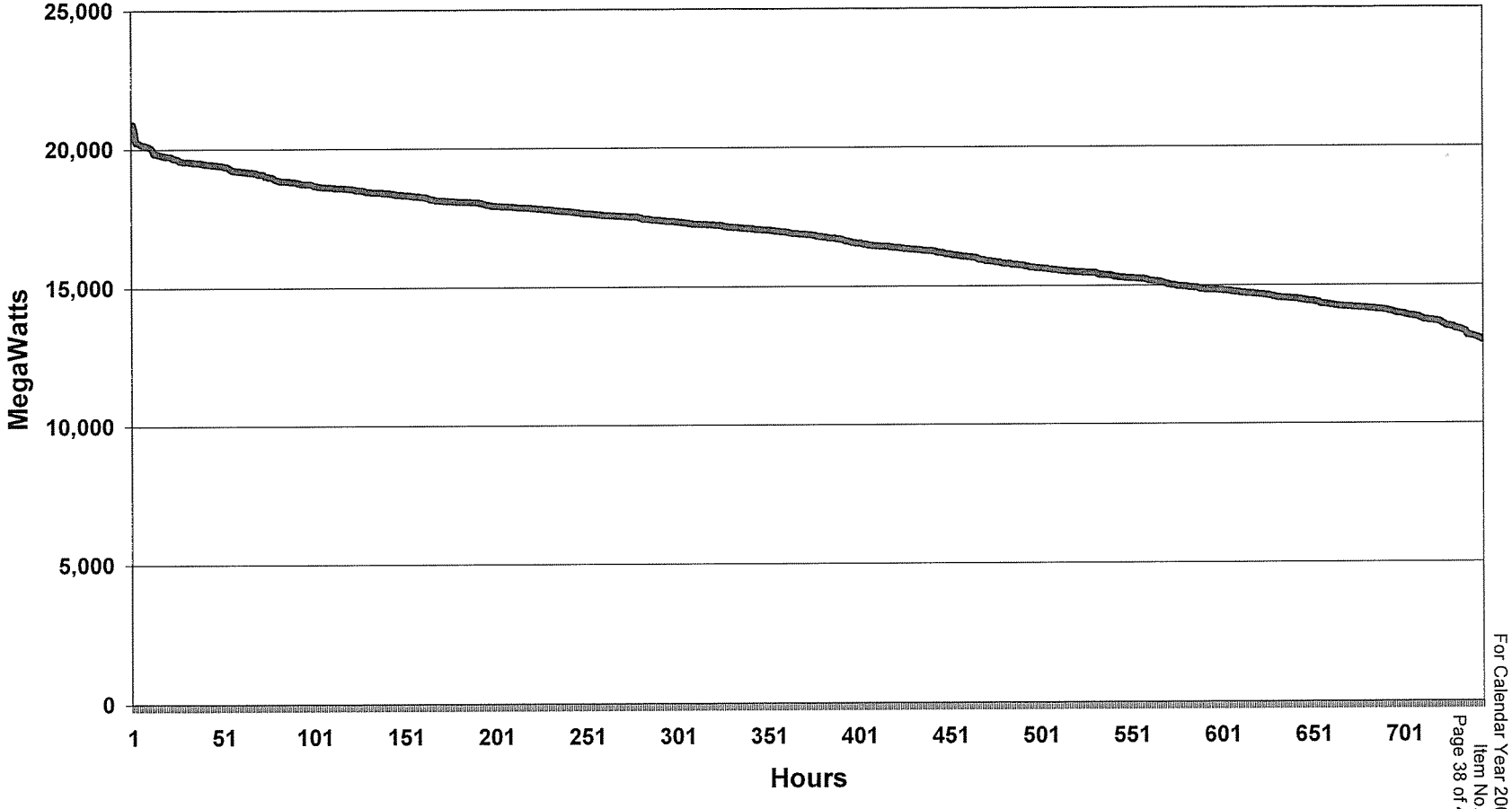
American Electric Power System - East Zone
November 2006 Load Duration Curve
(Internal Load)



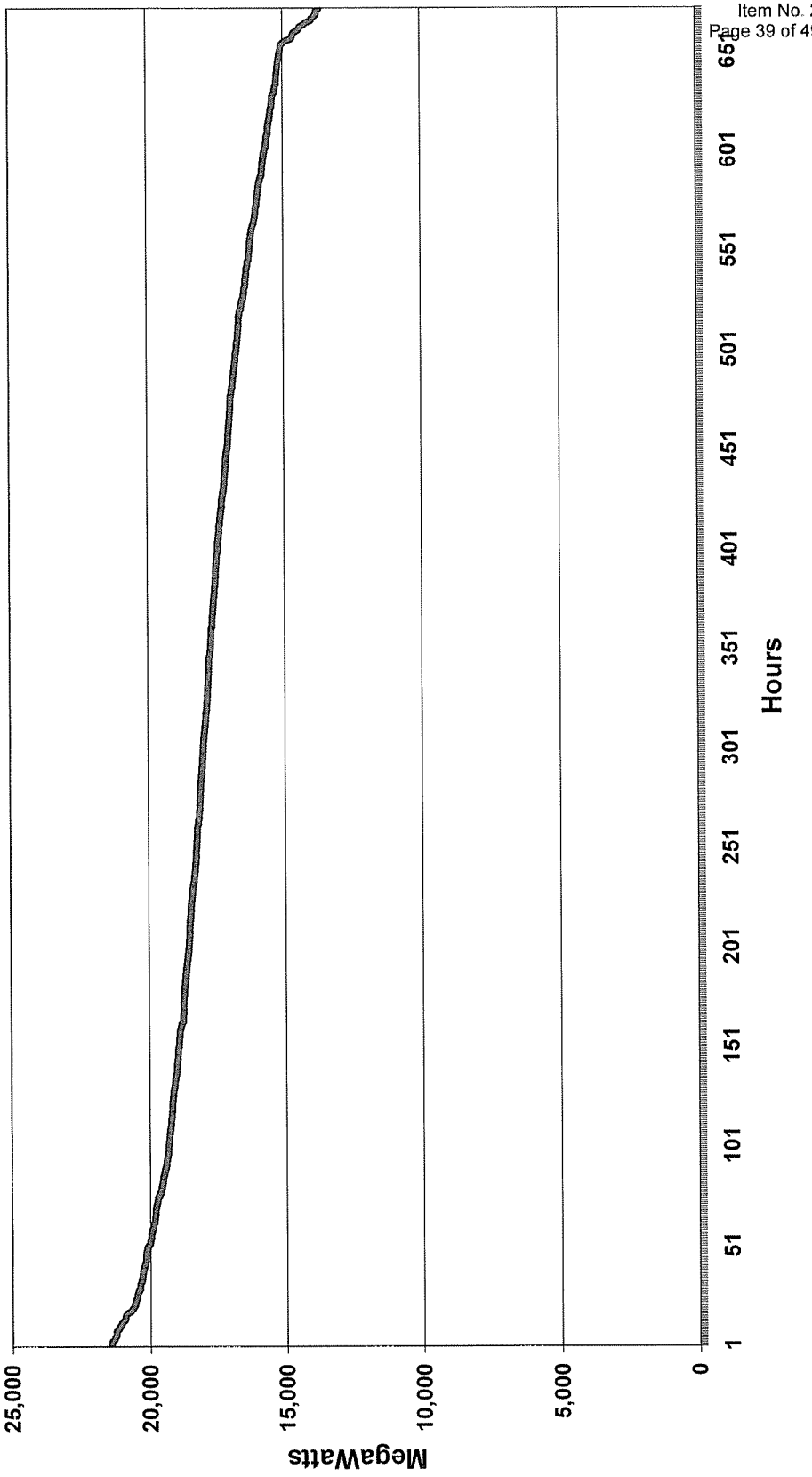
American Electric Power System - East Zone
December 2006 Load Duration Curve
(Internal Load)



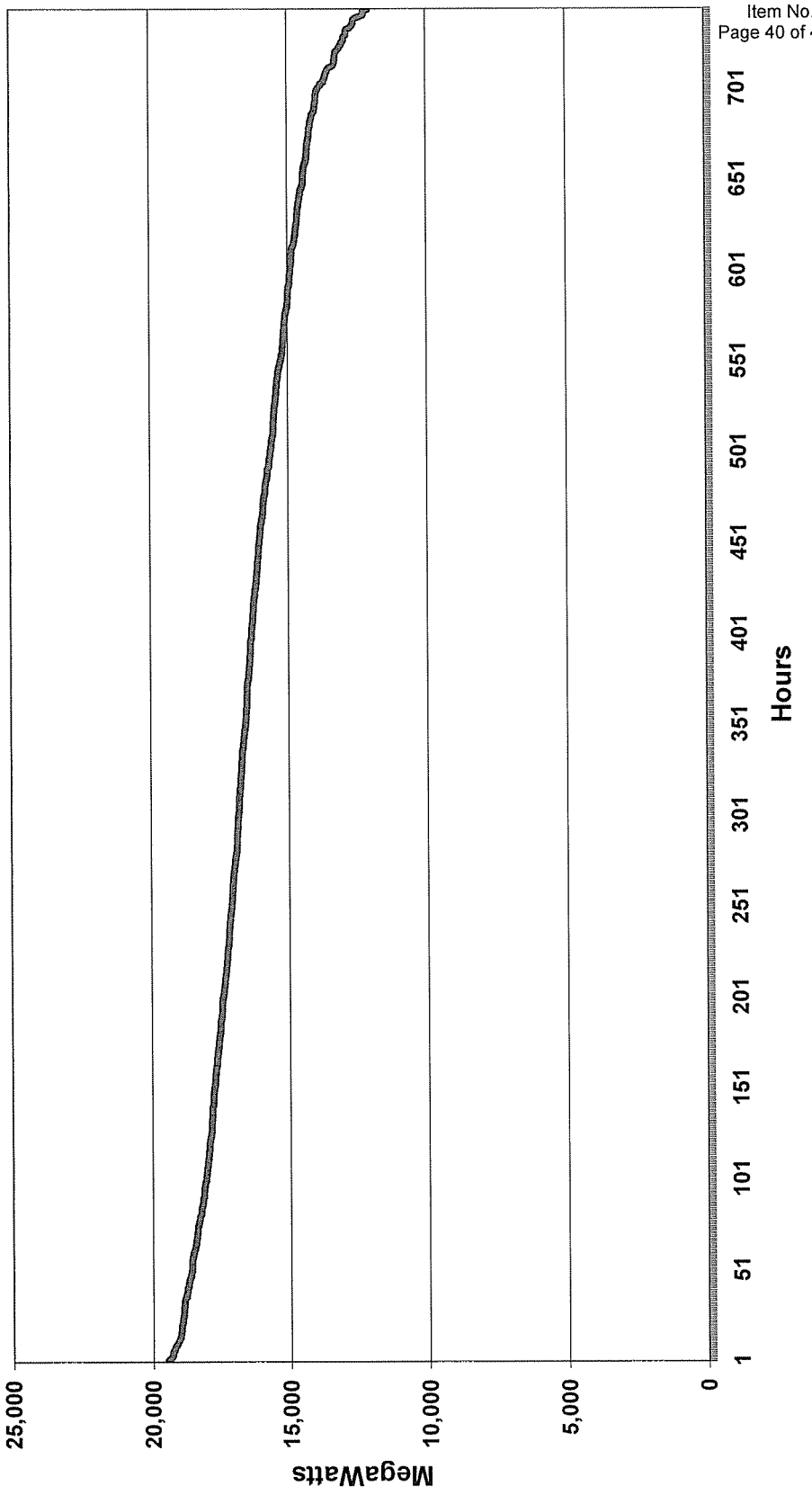
American Electric Power System - East Zone
January 2006 Load Duration Curve
(System Load)



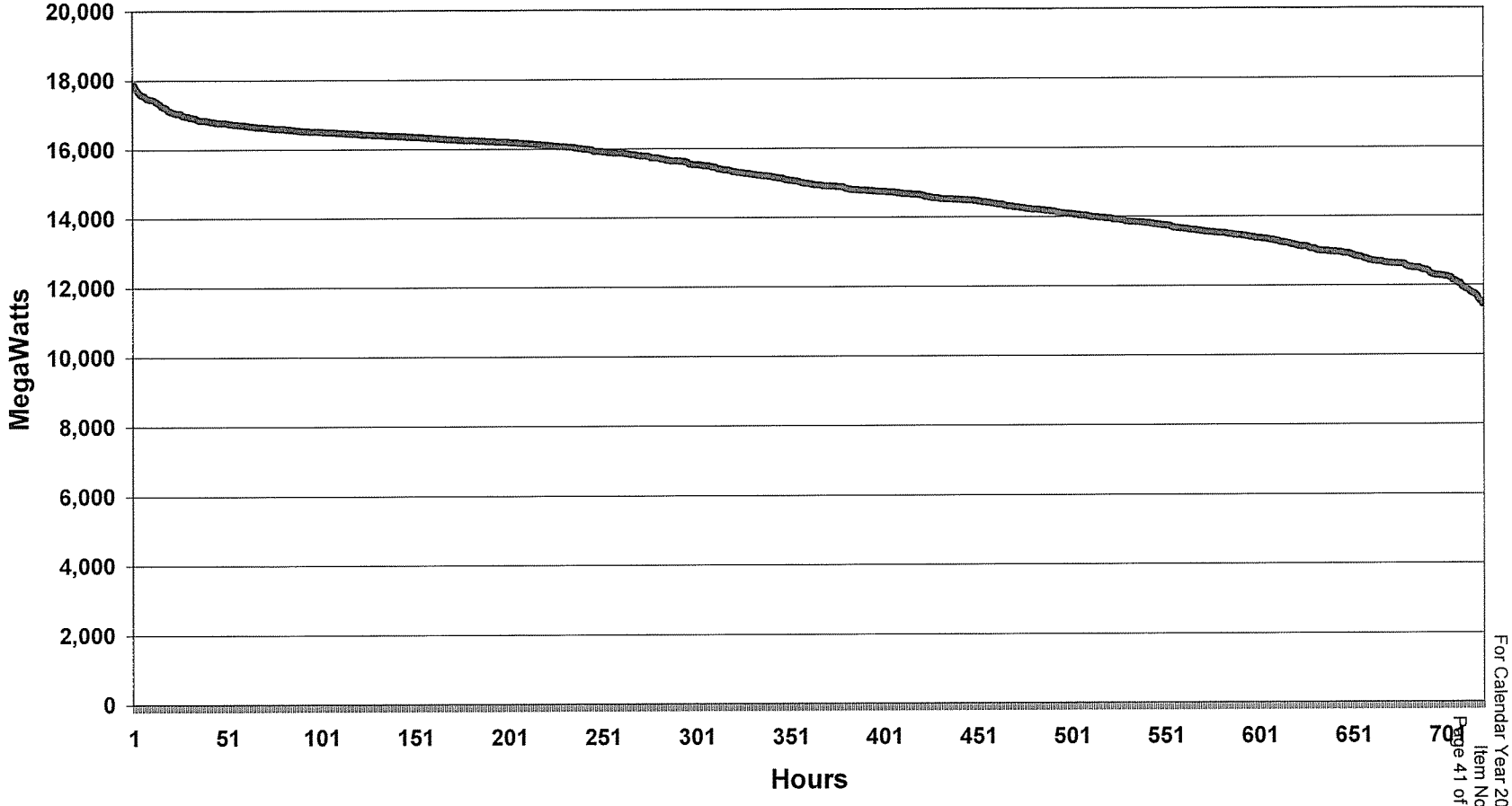
American Electric Power System - East Zone
February 2006 Load Duration Curve
(System Load)



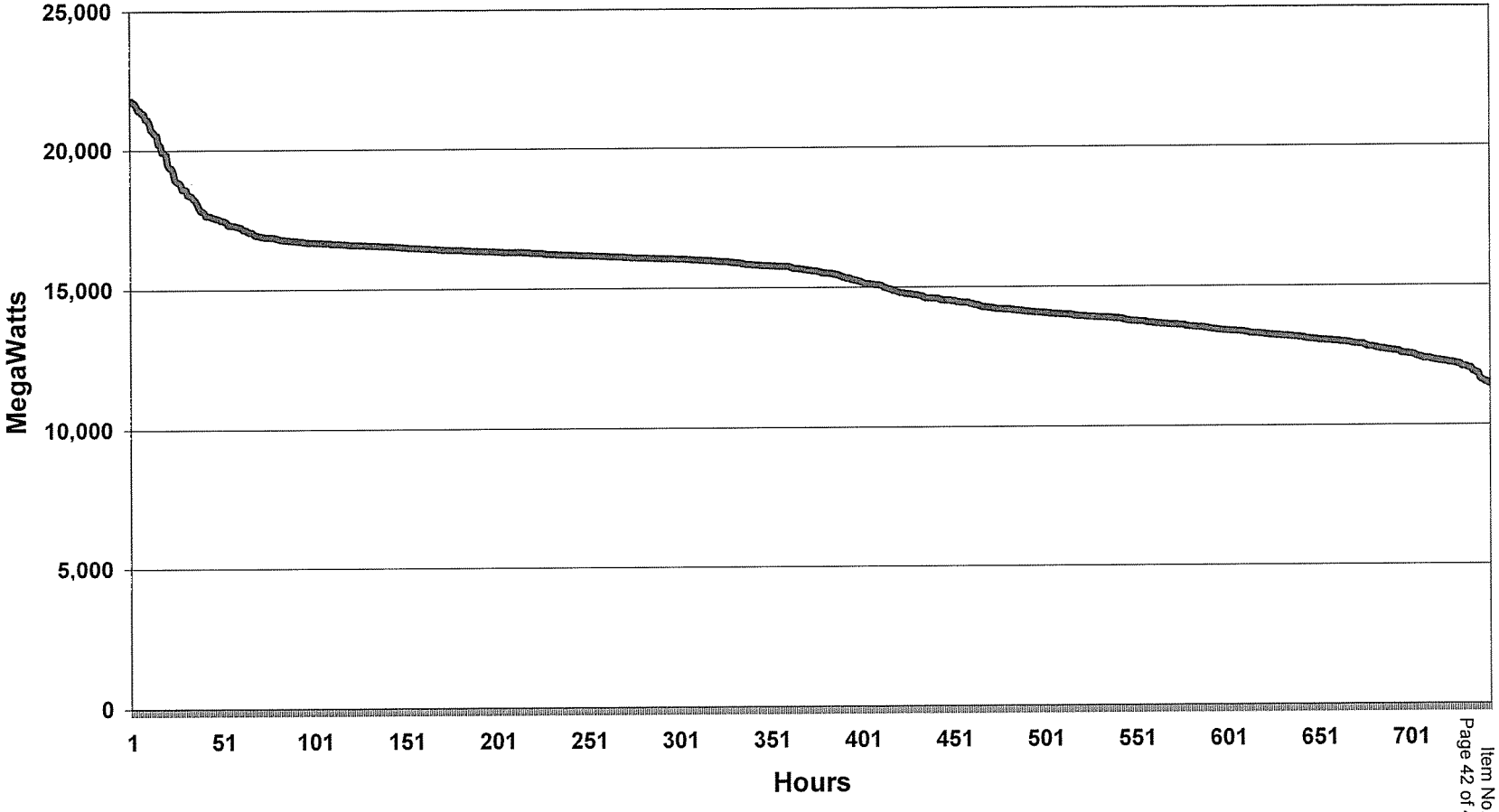
American Electric Power System - East Zone
March 2006 Load Duration Curve
(System Load)



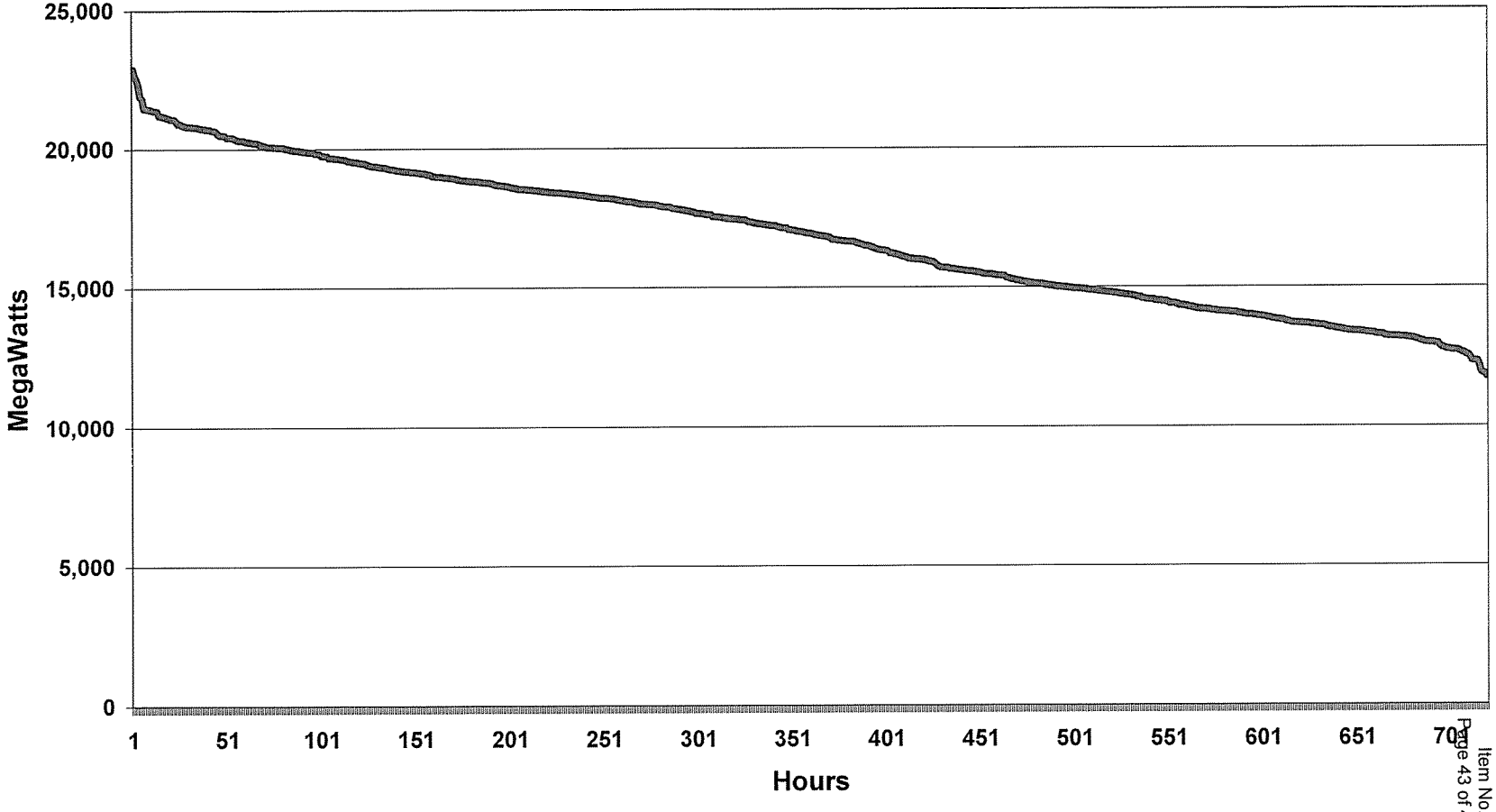
American Electric Power System - East Zone
April 2006 Load Duration Curve
(System Load)



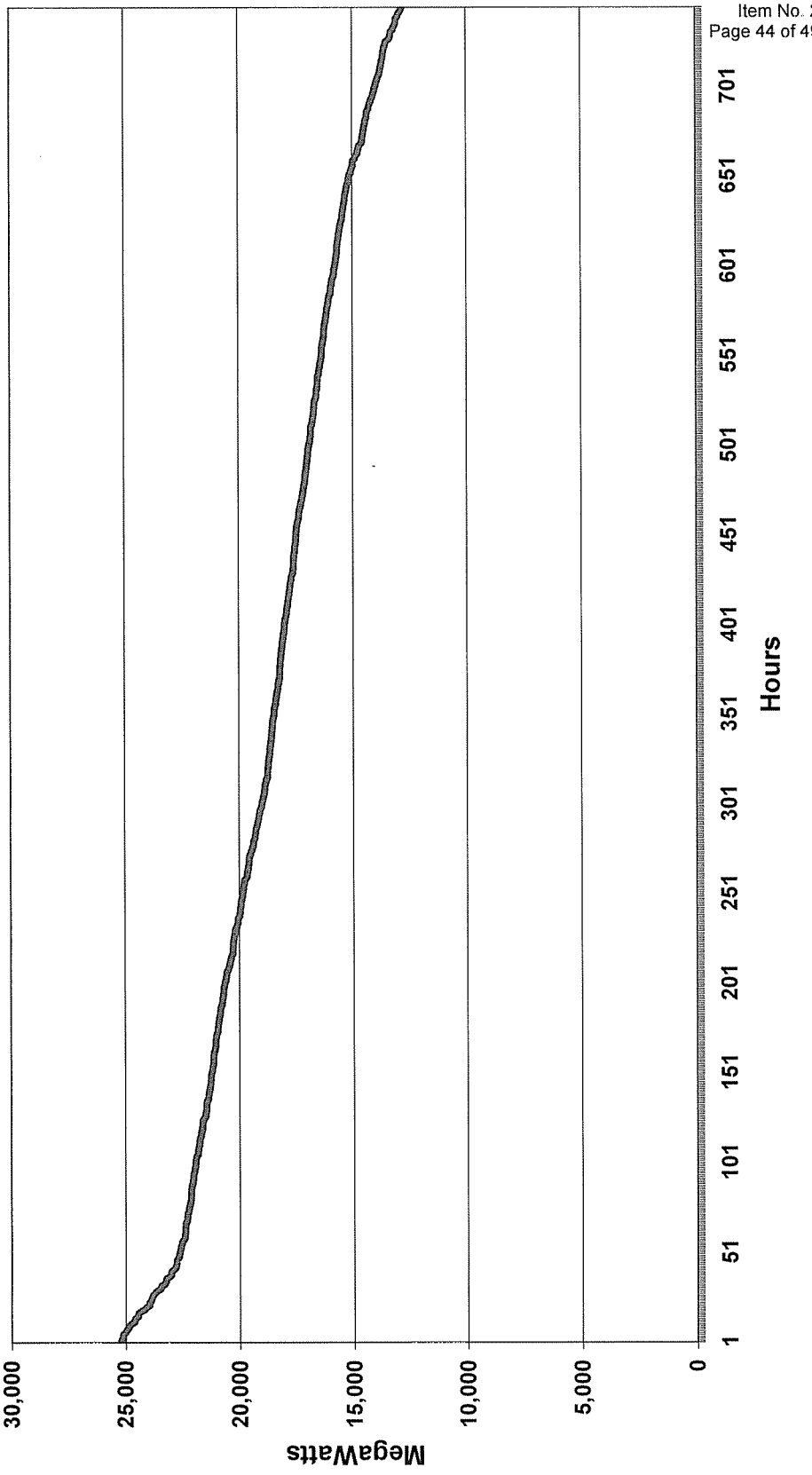
American Electric Power System - East Zone
May 2006 Load Duration Curve
(System Load)



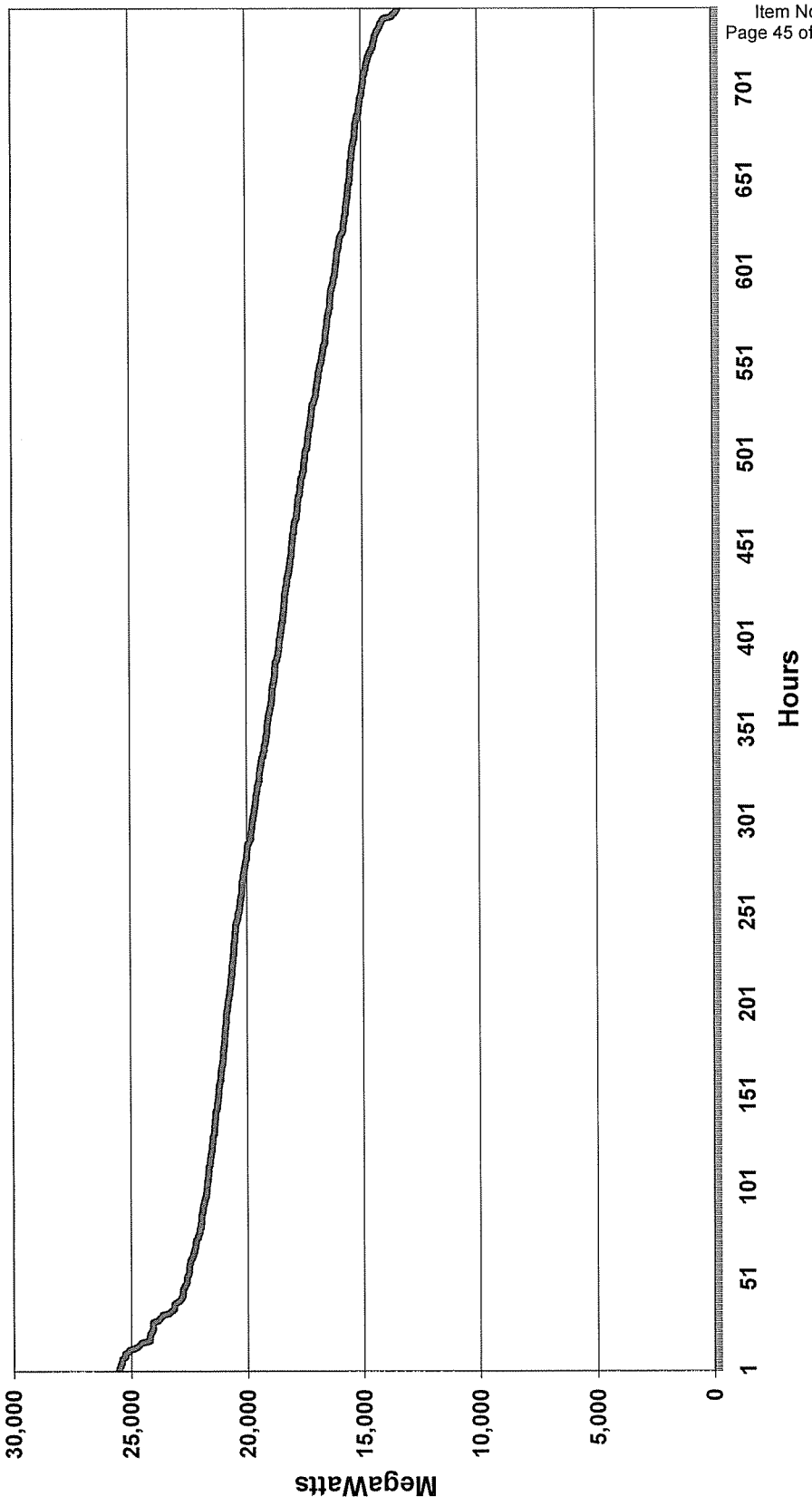
American Electric Power System - East Zone
June 2006 Load Duration Curve
(System Load)



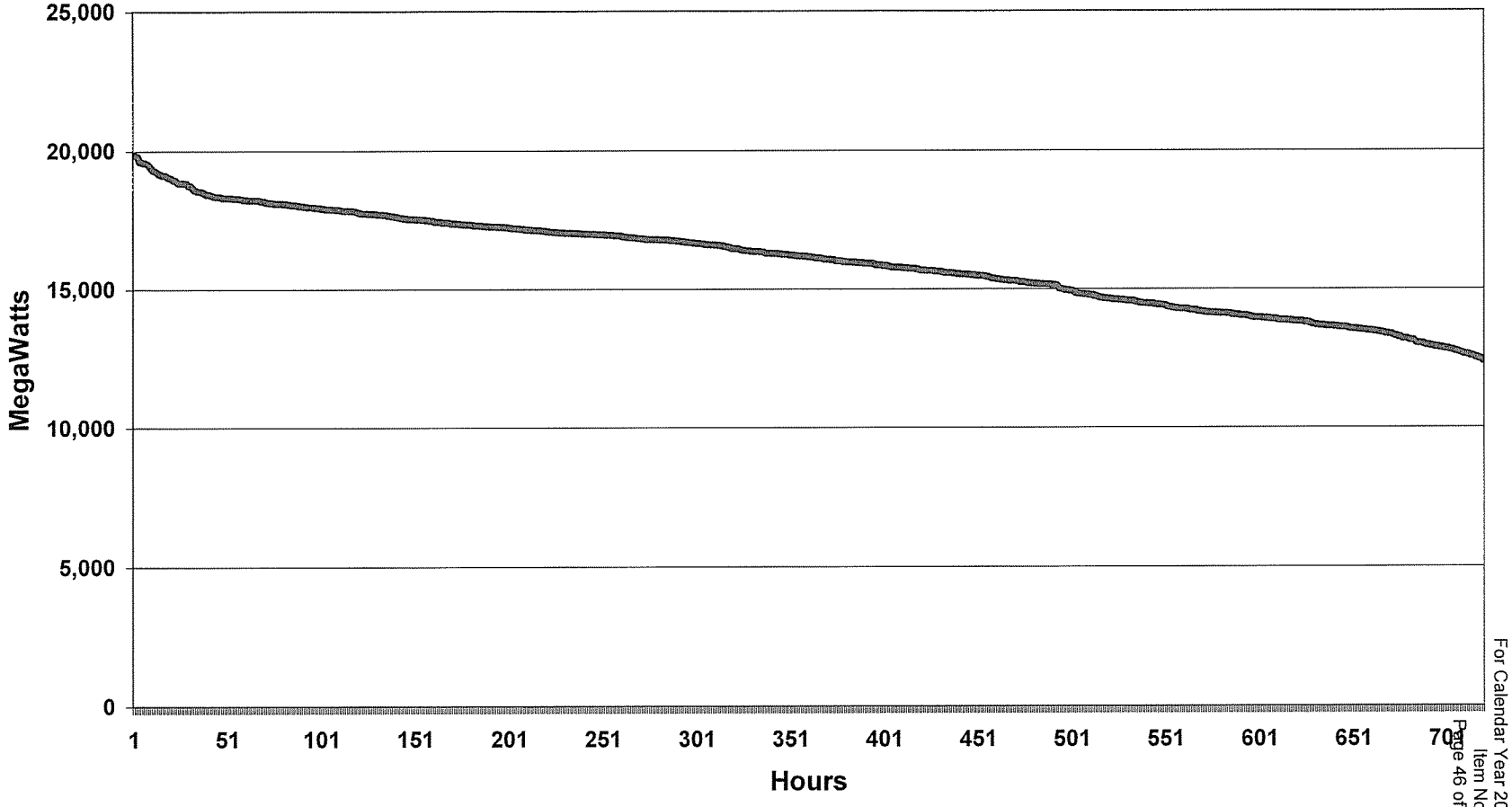
American Electric Power System - East Zone
July 2006 Load Duration Curve
(System Load)



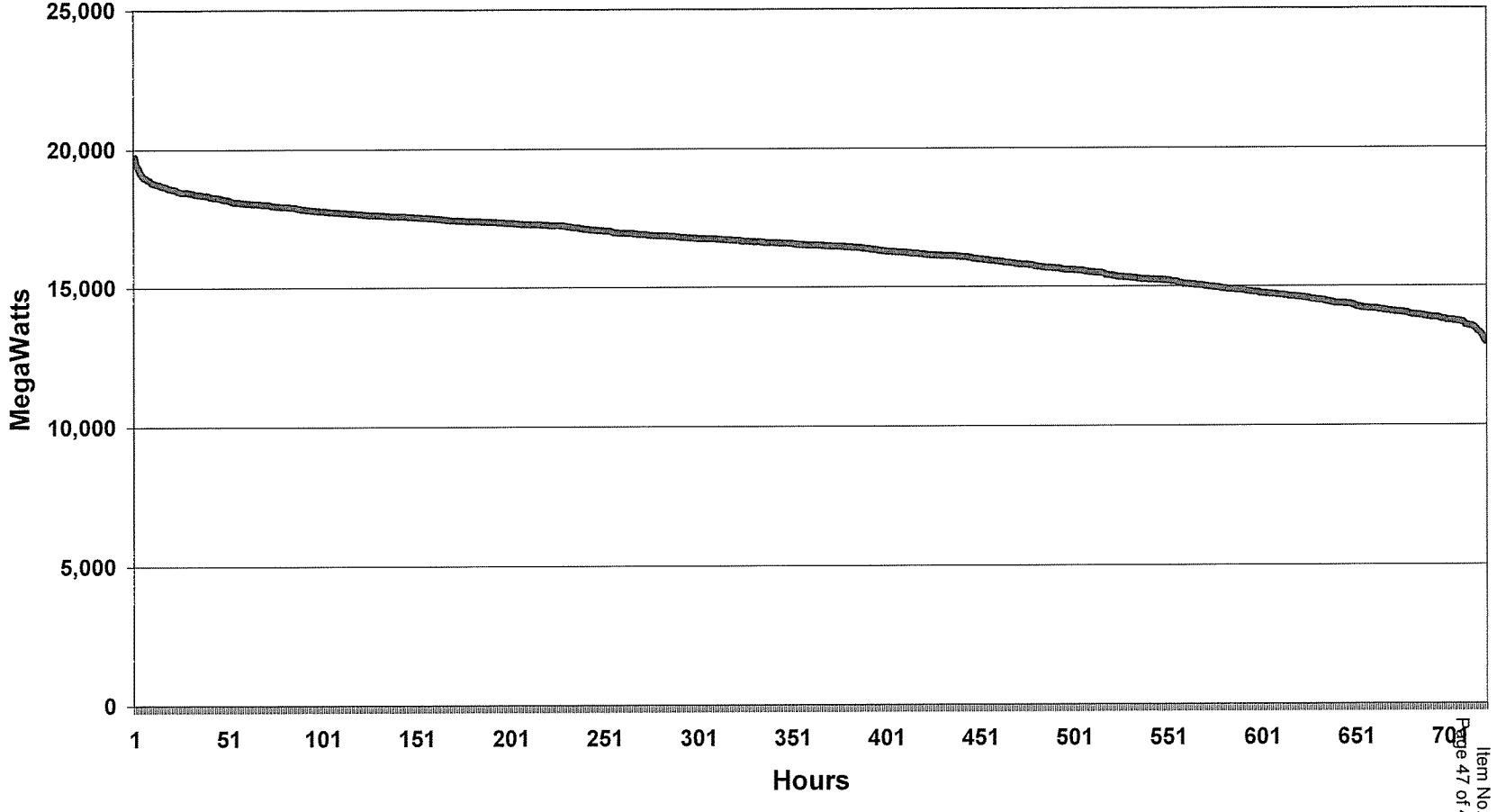
American Electric Power System - East Zone
August 2006 Load Duration Curve
(System Load)



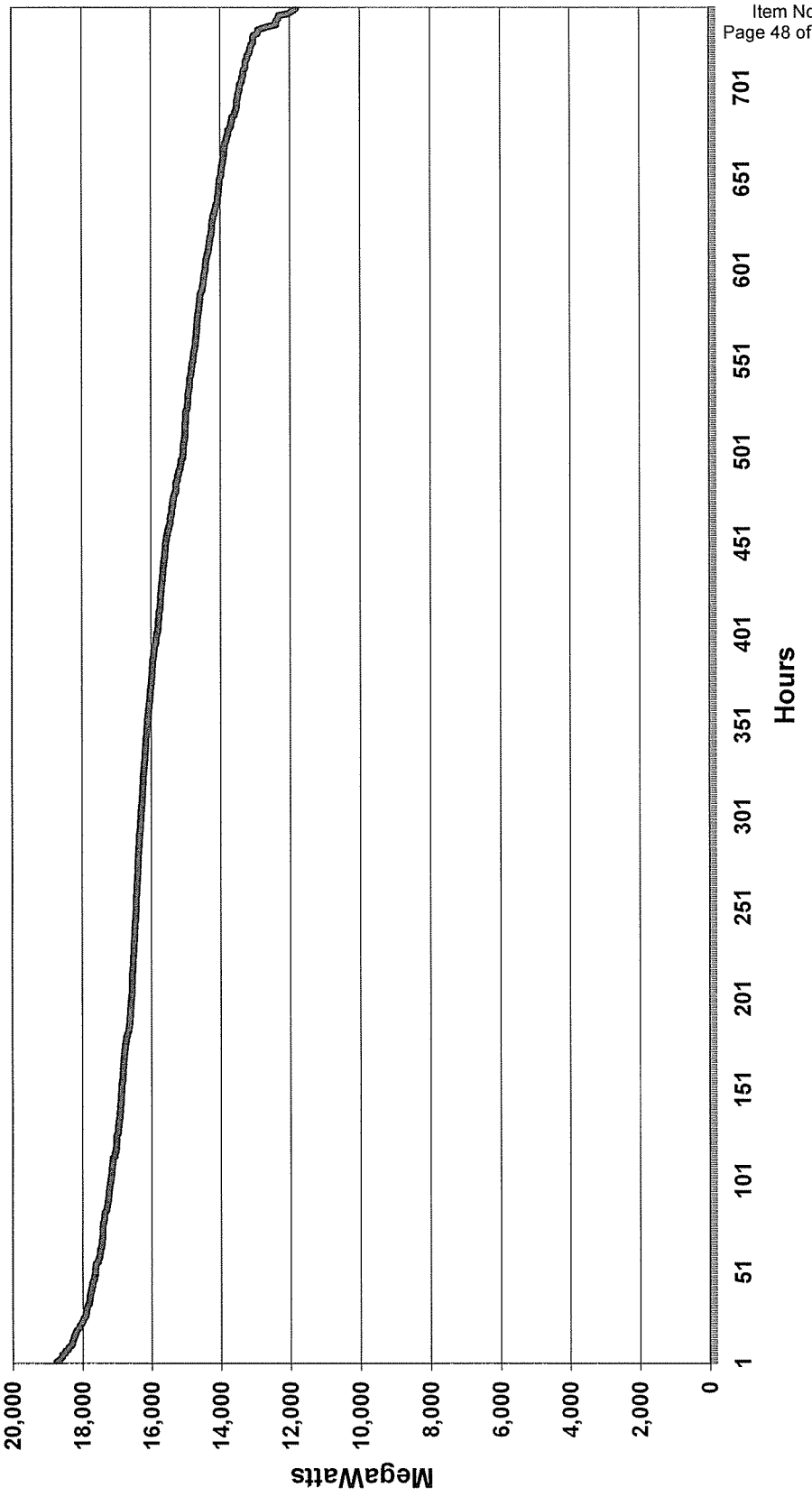
American Electric Power System - East Zone
September 2006 Load Duration Curve
(System Load)



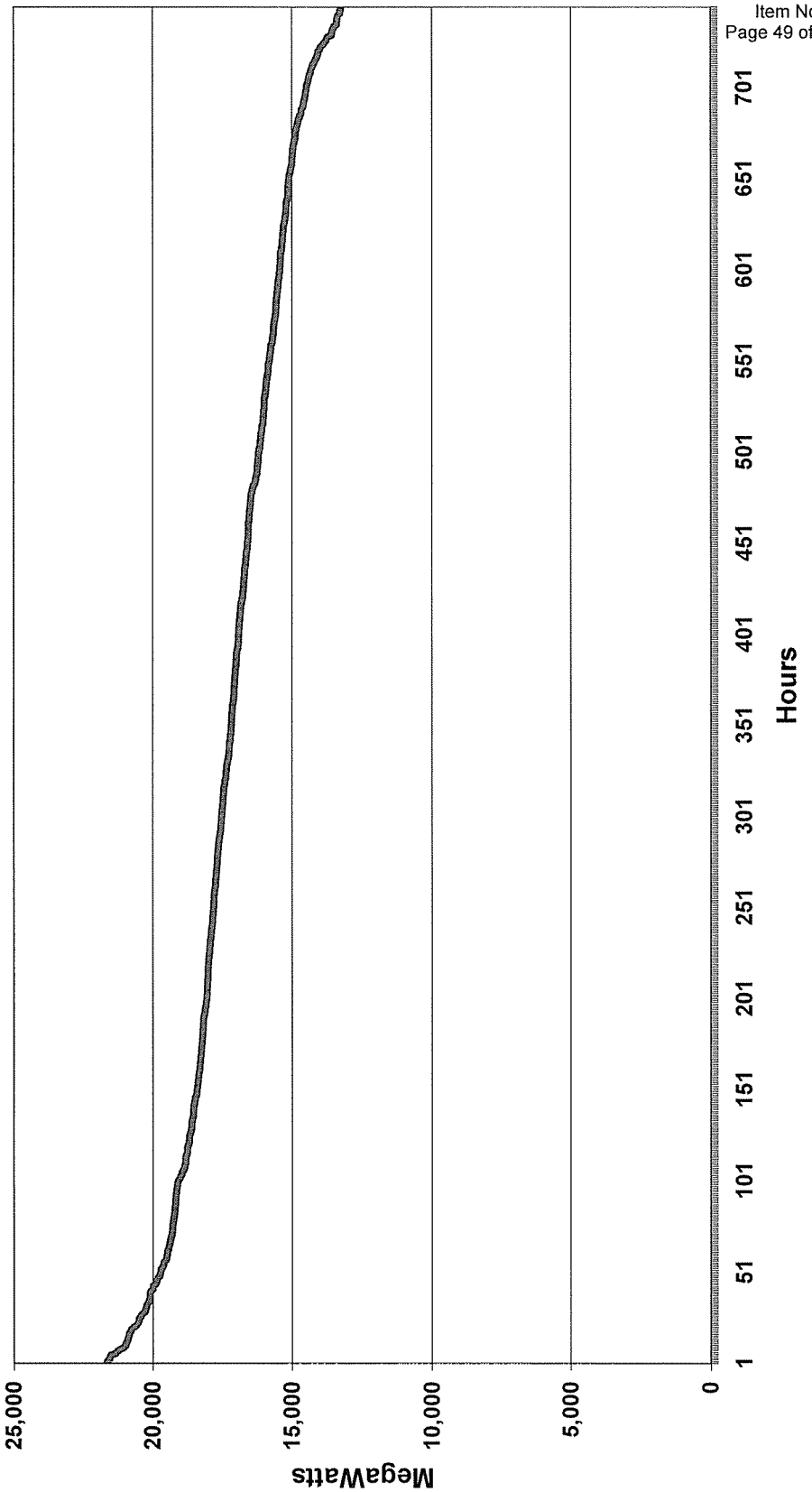
American Electric Power System - East Zone
November 2006 Load Duration Curve
(System Load)



American Electric Power System - East Zone
October 2006 Load Duration Curve
(System Load)



American Electric Power System - East Zone
December 2006 Load Duration Curve
(System Load)



Kentucky Power Company

REQUEST

Based on the most recent demand forecast, the base case demand and energy forecasts and high case demand and energy forecasts for the current year and the following four years. The information should be disaggregated into (a) native load (firm and non-firm demand) and (b) off-system load (both firm and non-firm demand). Please provide the information for both Kentucky Power Company individually and the AEP-East Power Pool (pursuant to the Commission's December 13, 2004 Order in the Rockport UPSA extension, Case No. 2004-00420).

RESPONSE

Page 2 provides Kentucky Power Company's forecast of seasonal peak internal demands and annual internal energy requirements. In addition, the associated high forecast for seasonal peak internal demands and internal energy requirements are provided on this page.

Page 3 provides AEP System-East's forecast of seasonal peak internal demands and annual internal energy requirements. In addition, the associated high forecast for seasonal peak internal demands and internal energy requirements are provided on this page.

The off-system energy sales forecasts for Kentucky Power Company and AEP System-East are provided on Page 4 of this response. Forecasts of off-system peak demand for Kentucky Power Company and AEP System-East have not been developed and therefore, such forecasts are not available. In addition, high forecasts for off-system energy sales and peak demand have not been developed and therefore, such forecasts are not available

WITNESS: Errol K Wagner

Kentucky Power Company
Base and High Forecast
Energy Sales (GWH) and Seasonal Peak Demand (MW)
2007 - 2011

Year	Energy Sales		Summer Peak Demand		Preceding Winter Peak Demand	
	Base	High	Base	High	Base	High
2007	8,140	8,388	1,347	1,388	1,615	1,664
2008	8,358	8,715	1,373	1,432	1,644	1,714
2009	8,409	8,839	1,387	1,459	1,646	1,731
2010	8,450	8,939	1,393	1,474	1,660	1,756
2011	8,499	9,075	1,401	1,496	1,667	1,780

AEP System-East Zone
Base and High Forecast
Energy Sales (GWH) and Seasonal Peak Demand (MW)
2007 - 2011

Year	Energy Sales		Summer Peak Demand		Preceding Winter Peak Demand	
	Base	High	Base	High	Base	High
2007	131,442	135,437	22,355	23,034	20,390	21,010
2008	134,854	140,621	22,588	23,554	21,194	22,100
2009	136,005	142,970	22,838	24,008	21,388	22,484
2010	137,326	145,273	23,083	24,419	21,645	22,897
2011	138,641	148,043	23,331	24,913	21,848	23,329

Kentucky Power Company and AEP-System-East
Forecast Off-System Energy Sales (GWh)
2007 - 2011

Year	KPCo Off-System Sales	AEP-East Off-System Sales
2007	2,045	29,743
2008	1,880	27,300
2009	1,654	24,864
2010	1,525	23,113
2011	1,518	23,098

Kentucky Power Company

REQUEST

The target reserve margin currently used for planning purposes, stated as a percentage of demand. If changed from what was in use in 2001, include a detailed explanation for the change. Please provide the information for both Kentucky Power Company individually and the AEP-East Power Pool (pursuant to the Commission's December 13, 2004 Order in the Rockport UPSA extension, Case No. 2004-00420).

RESPONSE

Due to the October 1, 2004 integration of AEP's Eastern System into the PJM Interconnection, AEP is now required to comply with the PJM mandated reserve margin.

PJM uses a probabilistic model of load levels and generating unit availability to set generation reserve requirements. Its target is a one-day-in-ten-years Loss of Load Expectation, taking import capability into account. The installed reserve margin is recalculated each year, depending on five-year average generation reliability, PJM load shape, and assistance available from neighboring regions. In addition, AEP's responsibility to PJM depends on its twelve-month history of generator reliability and its peak demand diversity in relation to the PJM total load.

For the June 2007 through May 2008 planning period, PJM has set the Installed Reserve Margin at 15.0% and the PJM Pool EFORd at 6.17%. Assuming that these factors remain constant, and using current AEP reliability, this translates into an annual AEP-PJM reserve requirement ranging from 9.7% to 15.5%, as shown in Item No. 5, Page 3. (This compares with 12% that AEP has used, based on our own determinations, since the late 1990s, and 15% prior to that.) Note that the reserve requirement appears low for 2007 and 2008. This is due to the fact that the demand forecast by PJM is considerably lower than the forecast by AEP.

The attachment to this response provides an example PJM reserve requirement calculation.

Currently, Kentucky Power Company is capacity deficient on a stand-alone basis. The basis of the AEP Intereconnection Agreement is that, over time, each member, including Kentucky Power Company, is responsible for installing its share of the System capacity. However, other members of the AEP Interconnection Agreement are more deficient at this time and it is the members with the highest capacity deficiencies that are expected to add capacity first.

WITNESS: Errol K Wagner

PJM Reserve Margin Example For 2007/08 Planning Year

Line				Comment
1	**Factors**			
2	PJM Installed Reserve Margin (IRM)	=	15.00%	
3	PJM EFORd	=	6.17%	Based on 5-year average PJM EFORd
4	Forecast Pool Requirement (FPR)	=	1.0790	FPR = (1 + Line 2) * (1 - Line 3)
5				
6	**Obligations**			
7	Total Load Obligation	=	20,208	Coincident peak forecasted by PJM
8	UCAP Obligation	=	21,805	Line 4 * Line 7
9	UCAP Market Obligations	=	1,618	
10	Total UCAP Obligation	=	23,423	Line 8 + Line 9
11				
12	**Resources**			
13	Net ICAP	=	26,999	
14	AEP EFORd	=	7.50%	MW-weighted average of Unit EFORds
15	Available UCAP	=	24,974	Line 13 * (1- Line 14)
16				
17	**Position**			
18	Net UCAP Position	=	1,551	Line 15 - Line 10
19	Net ICAP Position	=	1,677	Line 18 / (1- Line 14)
20				
21	Reserve Margin Percent	=	16.9	Question 5 Page 2, Column (17)
22	Reserve Percent Required By PJM	=	9.7	Line 21 - (Line 19 / Question 5 Page 2 Column (7)) * 100

Kentucky Power Company

REQUEST

Projected reserve margins stated in megawatts and as a percentage of demand for the current year and the following 4 years. Identify projected deficits and current plans for addressing these. For each year identify the level of firm capacity purchases projected to meet native load demand. Please provide the information for both Kentucky Power Company individually and the AEP-East Power Pool (pursuant to the Commission's December 13, 2004 Order in the Rockport UPSA extension, Case No. 2004-00420)

RESPONSE

Please see Page 2 of this response, which provides projected winter peak demands, capabilities, and margins for KPCo for the period 2006/07 through 2010/11.

Please see Page 3 of this response, which provides projected summer peak demands, capabilities, and margins for the AEP System - East for the period 2007 through 2011.

WITNESS: Errol K. Wagner

KENTUCKY POWER COMPANY
Projected Winter Peak Demands, Generating Capabilities, and Margins

Winter Season	Peak Demand - MW					Capacity - MW						Margin	
	Internal Demand (a)	DSM (b)	Total Demand	Inter-ruptible Demand	Total Demand	Existing Capacity & Chngs (c)	Sales Net Sales (d)	Capacity Additions New Build Additions	Capacity Additions New Build MW	Purchases Annual Mkt. Purch. (e)	Total Equivalent Capacity	MW	% of Demand
	(1)	(2)	(3)=(1)-(2)	(4)	(5)=(3)-(4)	(6)	(7)		(8)	(9)	(10)=(6)-(7)+(8)+(9)	(11)=(10)-(5)	(12)=[(11)/(5)]*100
2006/07	1,615	1	1,614	0	1,614	1,456	38	No New Build	0	0	1,418	(196)	(12.1)
2007/08	1,644	1	1,643	0	1,643	1,456	39	No New Build	0	0	1,417	(226)	(13.8)
2008/09	1,646	1	1,645	0	1,645	1,461	32	No New Build	0	0	1,429	(216)	(13.1)
2009/10	1,660	1	1,659	0	1,659	1,467	11	No New Build	0	0	1,455	(204)	(12.3)
2010/11	1,667	1	1,666	0	1,666	1,467	(3)	No New Build	0	0	1,470	(197)	(11.8)

Notes: (a) Based on 2007 Load Forecast.

(b) Includes expanded DSM.

(c) Reflects the following winter capability assumptions:
6.6% MLR share (2006/07) of total Mone purchase of 94 MW (Winter).
EFFICIENCY IMPROVEMENTS:
2008/09: Rockport 1: 5 MW (valve)
2009/10: Rockport 2: 5 MW (valve)

(d) MLR share of Committed Sales

(e) Actual purchases will be UCAP purchases from PJM Market

AEP SYSTEM - EAST ZONE
Projected Summer 2007 Peak Demands, Generating Capabilities, and Margins

Summer Season	Peak Demand - MW: Internal Demand (a)	Inter-ruptible Demand (b)	DSM (c)	Net AEP Internal Demand	Net Other Committed Sales (d)	Committed Sales Losses Already In Demand	Total AEP Demand	Capacity - MW: Existing Capacity & Planned Changes (e)	Committed Net Sales (f)	Planned Capacity Additions: Capacity Additions (g)	MW	Annual Purch.	Total Capacity	Reserve Margin: Before Interruptible w/ New Capacity: MW	% of Demand	Reserve Margin: After Interruptible w/ New Capacity: MW	% of Demand	PJM ICAP Position After Interruptible w/ New Capacity: Reserve % Required By PJM	Net Position MW
	(1)	(2)	(3)	(4)=sum(1 thru 3)	(5)	(6)	(7)=(4)+(5)-(6)	(8)	(9)	(10)	(11)	(12)	(13)=(8)-(9)+sum(11)+(12)	(14)=(13)-((7)-(2))	(15)=(14)/((7)-(2))*100	(16)=(13)-(7)	(17)=(16)/(7)*100		
2007	22,355	(614)	(1)	21,740	1,537	15	23,262	26,867	119	1 438-MW D CT1	438	0	27,186	3,310	13.9	3,924	16.9	9.7	1,677
2008	22,588	(614)	(1)	21,973	1,527	4	23,496	26,895	(34)	1 1096-MW D CC	1,096	0	28,463	4,353	18.1	4,967	21.1	10.0	2,609
2009	22,838	(614)	(1)	22,223	1,527	3	23,747	26,854	(338)		0	0	28,726	4,365	17.9	4,979	21.0	16.0	1,186
2010	23,083	(614)	(1)	22,468	1,514	0	23,982	26,210	(300)		0	0	28,044	3,448	14.0	4,062	16.9	15.3	388
2011	23,331	(614)	(1)	22,716	1,294	0	24,010	26,315	(300)		0	0	28,149	3,525	14.3	4,139	17.2	15.5	402

Notes:

(a) Based on 2007 Load Forecast that is not coincident with PJM's peak.
Includes Monongahela Power, and Ormet ongoing beyond two years.

(b) Load forecasting view of Interruptible Demand.

(c) Includes expanded DSM.

(d) Includes Buckeye Cardinal entitlement and East-West transfer through 2011.
City of Lebanon, OH removed since supplied through MISO.

(e) Reflects the following summer capability assumptions:
OVEC purchase: 951 MW (Summer).
Mone purchase: 75 MW (Summer).
Summersville purchase: 80 MW (Summer)
FGD DERATES:
2007: Mitchell 1&2: 43 MW each; Mountaineer 1: 55 MW (141 MW Total)
2008: Amos 3: 41 MW; Cardinal 1&2: 19 MW each; Stuart 1,2,3&4: 2 MW each (87 MW Total)
2009: Amos 1&2: 25 MW each; Conesville 4: 18 MW; Kyger Creek 1,2,3,4&5: 4 MW each (88 MW Total)
2010: Cardinal 3: 15 MW; Clifty Creek 1,2,3,4,5&6: 4 MW each (39 MW Total)

(e) continued
ASSUMED RETIREMENTS FOR PLANNING PURPOSES:
2010: 605 MW
2012: 790 MW
EFFICIENCY IMPROVEMENTS:
2007: 70 MW
2008: 90 MW
2009: 47 MW
2011: 105 MW
UNIT RE-RATES:
2008: 25 MW

(f) Includes: Constellation purchase (2009-2011), CP&L Rockport sale, purchase for CSP/Monongahela Power, and Wisconsin Public Service & Wolverine sales.

(g) Reflects the sister company of I&M, Columbus Southern Power's agreement to acquire the existing 438 MW Darby generating station from Dayton Power and Light. This capacity is expected to be available to the East Zone by the summer of 2007.

Also reflects AEP Generating Co.'s agreement to acquire the existing 1,096 MW Lawrenceburg generating station from Public Service Enterprise Group. This capacity is expected to be available to the East Zone by the summer of 2008.

Kentucky Power Company

REQUEST

A list that identifies scheduled outages or retirements of generating capacity during the current year and the following four years.

RESPONSE

Listed below is the outages scheduled for Big Sandy units as of this date.

YEAR	UNIT 1	UNIT 2
2007	Less than 4 weeks	Less than 4 weeks
2008	More than 4 weeks	More than 4 weeks
2009	Less than 4 weeks	Less than 4 weeks
2010	More than 4 weeks	Less than 4 weeks
2011	Less than 4 weeks	More than 4 weeks

There is no retirement of generating capacity planned for the current year or following four years.

WITNESS: Errol K Wagner

Kentucky Power Company

REQUEST

Identify all planned base load or peaking capacity additions to meet native load requirements over the next 10 years. Show the expected in-service date, size and site for all planned additions. Include additions planned by the utility, as well as those by affiliates, if constructed in Kentucky or intended to meet load in Kentucky. Please provide the information for both Kentucky Power Company individually and the AEP-East Power Pool (pursuant to the Commission's December 13, 2004 Order in the Rockport UPSA extension, Case No. 2004-00420).

RESPONSE

In November 2006, AEP announced an agreement for its CSP affiliate in the East Zone to purchase the Darby Generating Station with a summer rating of 438MW. Also, in January of 2007, AEP announced an agreement to purchase the Lawrenceburg Generating Station with a summer rating of 1,096MW. Both purchases are pending the regulatory approval process, which should be completed by mid-2007. At the present time, the AEP System-East is evaluating a mix of generation resources to meet its projected capacity needs through 2017. In the near term, the AEP System-East Zone plans to meet any additional capacity needs through purchases from the market on an as-needed basis. Prior to 2017, the AEP System-East Zone also expects to construct and/or acquire generation facilities, but the precise timing, mix of technology, location and size of such additions remain under review.

WITNESS: Errol K Wagner

Kentucky Power Company

REQUEST

The following transmission energy data for the just completed calendar year and the forecast for the current year and the following four years:

a. Total energy received from all interconnections and generation sources connected to the transmission system.

Total energy delivered to all interconnections on the transmission system.

RESPONSE

Please see attachment.

WITNESS: Errol K Wagner

8(a) All quantities represent metered values.

Received from (MWh):	2003 (Actual)	2004 (Actual)	2005 (Actual)	2006 (Actual)	2007	2008
Appalachian Power (1)	11,353,842	11,066,166	11,871,456	9,485,862	(4)	(4)
Ohio Power (1)	8,224,235	9,766,209	8,687,031	9,470,141	(4)	(4)
East Ky Power Coop	277,577	279,973	362,963	398,269	(4)	(4)
LGE(Kentucky Utilities)	91,767	95,146	137,523	330,912	(4)	(4)
TVA	585,205	700,836	649,374	501,071	(4)	(4)
Illinois Power Co. (2)	8,866	0	34,647	13,555	(5)	(5)
Illinois Power Co. (3)	10,190	752	30,508	11,908	(5)	(5)
Big Sandy Generating Plant	6,170,931	6,550,509	7,345,624	7,171,505	7,464,300	6,624,800

8(b) All quantities represent metered values.

Delivered to (MWh) :	2003	2004	2005	2006	2007	2008
Appalachian Power (1)	18,721,045	20,152,403	20,485,009	18,982,168	(4)	(4)
Ohio Power (1)	235,326	205,829	303,310	215,747	(4)	(4)
East Ky Power Coop	275,826	314,621	263,853	218,005	(4)	(4)
LGE(Kentucky Utilities)	1,268	1,205	476	97	(4)	(4)
TVA	13	116	86	70	(4)	(4)
Illinois Power Co. (2)	0	1,267	0	0	(5)	(5)
Illinois Power Co. (3)	0	308	0	0	(5)	(5)

Notes: (1) An AEP System company.
(2) At the Riverside independent power producing plant (IPP) in Lawrence County, KY.
(3) At the Foothills independent power producing plant (IPP) in Lawrence County, KY.
(4) The Company does not forecast metered interchange; however, the future years' energy flows are not expected to be materially different from the year 2006 actuals.
(5) The Company does not, and can not, forecast energy production output from an IPP.

KPSC Administrative Case No. 387
Annual Resource Assessment
Calendar Year 2006
Order dated December 20, 2001
Item 8c & d
Item No. 1

Kentucky Power Company

REQUEST

The following transmission energy data for the just completed calendar year and the forecast for the current year and the following four years.

c. Peak load capacity of the transmission system.

d. Peak demand for summer and winter seasons on the transmission system.

RESPONSE

c. The maximum amount of electric energy that can be transmitted through a transmission network is a function of the level of the load and generation connected to the transmission system as well as the level and direction of transmission service into, out of, and through the network. Therefore the 'Peak Load Capacity' of the transmission system cannot be quantified as a single value.

The Kentucky Power transmission system capacity is designed to serve the existing and projected load. It is also designed to reliably serve the load for any single contingency outage of a line, transformer or generator. The existing transmission system together with the capacity additions listed in response to Question 9 will provide adequate capacity to serve the existing and projected loads shown in the table below.

d. The actual summer and winter peak demands for 2006 and the forecasted summer and winter peak demands for 2007 through 2011 are noted in the table below.

Kentucky Power Company		
Seasonal Peak Demand		
Actual 2006 and Forecast 2007-2011		
Year	Summer Peak Demand (MW)	Preceding Winter Peak Demand (MW)
2006	1388	1665
2007	1322	1615
2008	1355	1644
2009	1387	1646
2010	1393	1660
2011	1401	1667

WITNESS: Errol K Wagner

Kentucky Power Company

REQUEST

Identify all planned transmission capacity additions for the next 10 years. Include the expected in-service date, size and site for all planned additions and identify the transmission need each addition is intended to address.

RESPONSE

The following projects are planned for the Kentucky Power Company transmission system:

Coalton Area Network Improvement - Tap the Chadwick-KES 138 kV circuit and install a new 138/69 kV 200 MVA transformer at the Coalton station. This project will alleviate thermal overload and heavy loading conditions, improve reliability, and provide margin for future growth in the South Neal-Coalton-Bellefonte area. Current projected in service date is 2009.

Thelma-Paintsville Area Project - Add a 138/69 kV, 90 MVA transformer at Thelma Station and construct 1.8 miles of 69 kV line from West Paintsville Station to Paintsville Station. Convert Thelma-Paintsville 46 kV line to 69 kV to close the 69 kV loop. This project will provide single contingency reliability to the Paintsville area. Current projected in service date is December 2008.

Kentucky Hydrocarbon Project – Construct a 138 kV switching station between Betsy Lane Station and Beaver Creek Station. Construct an 8 mile 138 kV line extension to serve Equitable Gatherings Gas Compressor Plant. This project will provide 138 kV service to the new industrial load as well as transmission capacity for future area load growth. Current projected in service date is June 2008.

WITNESS: Errol K Wagner