

421 West Main Street  
Post Office Box 634  
Frankfort, KY 40602-0634  
[502] 223-3477  
[502] 223-4124 Fax  
www.stites.com

October 28, 2011

**HAND DELIVERED**

Jeff R. Derouen  
Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602-0615

RECEIVED

OCT 28 2011

PUBLIC SERVICE  
COMMISSION

Mark R. Overstreet  
(502) 209-1219  
(502) 223-4387 FAX  
moverstreet@stites.com

Re: Case No. 2011-00245

Dear Mr. Derouen:

Enclosed please find the original and ten copies of Kentucky Power Company's Responses to the October 18, 2011 Hearing Data Requests of Staff.

A copy also is being served on the persons below.

Very truly yours,

STITES & HARBISON, PLLC

  
Mark R. Overstreet

MRO

Enclosures

cc: Dennis G. Howard, II  
Michael L. Kurtz

COMMONWEALTH OF KENTUCKY  
BEFORE THE  
PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF

AN EXAMINATION OF THE APPLICATION )  
OF THE FUEL ADJUSTMENT CLAUSE OF )  
KENTUCKY POWER COMPANY FROM ) CASE NO. 2011-00245  
NOVEMBER 1, 2010 THROUGH APRIL 1, 2011 )

KENTUCKY POWER COMPANY RESPONSES TO  
COMMISSION STAFF'S  
OCTOBER 18, 2011 HEARING DATA REQUESTS

October 28, 2011







Kentucky Power Company

REQUEST

Please refer to the response to Item No. 7 of the Commission's First Set of Data Requests.

- a. Is it common for the Big Sandy fuel cost to be higher than the substitute energy cost?
- b. Is it becoming more frequent that economy purchases of power are a realistic option to Big Sandy generation?

RESPONSE

- a. Yes. The primary energy rate that is referred to as "substitute energy" on the monthly Kentucky Power Company (KPCo) Power Transaction Schedules is the fuel expense and one-half of the maintenance expense (variable costs) of the energy surplus companies in the AEP East Pool. This generally includes the DC Cook nuclear units and the 1300 MW super-critical coal units of KPCo's sister companies which generally have lower variable costs.
- b. Primary energy is not an option instead of Big Sandy generation but rather a back up in case of outages to Big Sandy or KPCo's share of the Rockport units.

WITNESS: Lila P Munsey



KENTUCKY POWER COMPANY

Request

Does KP sell all of its generation into the PJM Market?

Response

All of Kentucky Power's generation is sold by AEP into the PJM market. AEP purchases Kentucky Power's load obligation from PJM. To the extent that AEP sells more into PJM than it buys, KPCo is credited its MLR share of these off system sales. The Pool settlement between the AEP East Operating Companies occurs monthly after the fact.

WITNESS: Lila P. Munsey





**Kentucky Power Company**

**REQUEST**

Please provide names for the organizational chart that is provided on Page 15 of Item No. 19 of the Commission's First Set of Data Requests.

**RESPONSE**

Page 2 of this response contains an organizational chart for the Fuel Emission & Logistics (FEL) group within the American Electric Power Service Corporation. This is an updated version of Attachment A to the FEL Procurement Policy, which was provided in response to Item No. 19 of the Commission's First Set of data requests. This version addresses a minor reorganization of the Land & Mineral Development organization that does not affect the activities of FEL associated with Kentucky Power Company, and contains the names of the employees currently in each role.

**WITNESS:** Kimberly K Chilcote

