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FEB 20 2013

PUBLIC SERVICE
COMMISSION

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February 20, 2013

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Jeff R. Derouen
Executive Director
Public Service Commission
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Mark R. Overstreet
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RE: Case No. 2012-00578

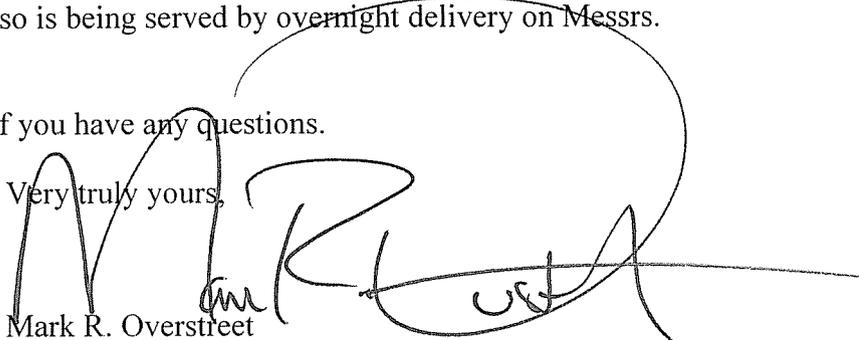
Dear Mr. Derouen:

Enclosed please find and accept for filing the original and eight copies of Kentucky Power Company's responses to the requests for information propounded by Commission Staff, Kentucky Industrial Utility Customers, Inc., the Office of the Attorney General, and the Sierra Club.

A copy of this letter and the Company's responses is being served by overnight delivery on the individuals indicated below and their associated counsel. Further, in accordance with Mr. Nguyen's request, a copy of the responses also is being served by overnight delivery on Messrs. Drabinski, Boismenu, and Buechel.

Please do not hesitate to contact me if you have any questions.

Very truly yours,


Mark R. Overstreet

MRO

cc: Michael L. Kurtz
Jennifer Black Hans
Shannon Fisk
Joe F. Childers
Robb Kapla

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PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In The Matter Of:

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) ALL OTHER REQUIRED APPROVALS AND RELIEF

CASE NO. 2012-00578

MOTION OF KENTUCKY POWER COMPANY FOR LEAVE TO DEVIATE FROM FILING REQUIREMENTS

Kentucky Power Company ("Kentucky Power") moves the Commission pursuant to 807 KAR 5:001, Section 21, for leave to deviate from the filing requirements of the Commission's February 6, 2013 Order and 807 KAR 5:001, Section 13(2)(b). Specifically, Kentucky Power requests that it be excused from filing the requisite paper copies of its responses to the following data requests because of their voluminous nature:

- (a) Staff 1-33(e)-(h), Attachments 3-16;
- (b) AG 1-12; and

(c) KIUC 1-22.

In support of its motion, Kentucky Power states:

Pursuant to the Commission's February 6, 2013 Order Kentucky Power is required to file an original and eight copies of all data responses and attachments, along with a service copy to all parties of record. In addition, 807 KAR 5:001, Section 13(2)(b) requires that an original and ten copies be filed of all materials for which confidential treatment is sought. Certain of the responses and attachments to the responses are voluminous. For example, a single copy of the response to AG 1-12 is more than 40,000 pages. An original and eight copies would require more than 360,000 pages of that single response to be filed .

The Commission addressed the issue of voluminous filings in *In the Matter of: Application of Kentucky Power Company for Approval of its 2011 Environmental Compliance Plan, for Approval of its Amended Environmental Cost Recovery Surcharge Tariff, and for the Granting of a Certificate of Public Convenience and Necessity for the Construction and Acquisition of Related Facilities*, Case No. 2011-00401. In an Order entered April 24, 2012, the Commission authorized Kentucky Power to file in electronic format the required number of copies of each data response containing 500 or more pages.

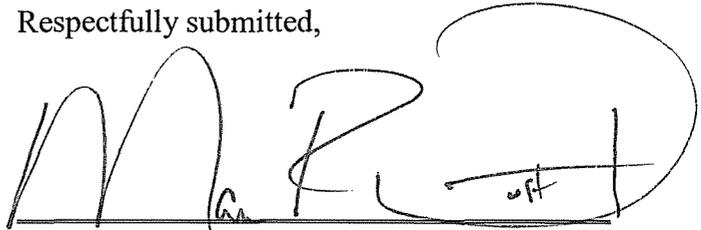
With today's filings, Kentucky Power is providing a single paper copy of the Company's voluminous responses to AG 1-12 (highlighted and redacted) and Attachments 3-16 of Commission Staff 1-33(e)-(h). The remaining required copies, and all service copies, are being provided in electronic form on the enclosed CDs.

Because a paper copy of the Company's response to KIUC 1-22 is not available for today's filing, Kentucky Power is filing and serving today an electronic copy of its response to

KIUC 1-22. The Company will promptly supplement this motion with a filed paper copy (redacted and highlighted) of its response to KIUC 1-22.

Wherefore, Kentucky Power respectfully requests the Commission grant the Company leave to deviate from the Commission's regulations, and the Commission further authorize Kentucky Power to file a single paper copy of its responses and to provide and to serve the remaining copies in electronic form.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Mark R. Oversfreet', written over a horizontal line. The signature is stylized and somewhat cursive.

Mark R. Oversfreet
R. Benjamin Crittenden
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COUNSEL FOR KENTUCKY POWER
COMPANY

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served by first class mail, postage prepaid, upon the following parties of record, this 20th day of February, 2013.

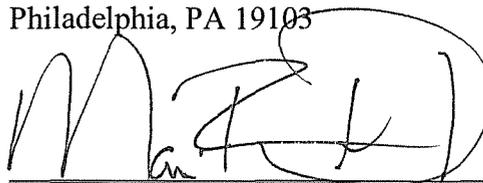
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Mark R. Overstreet

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE
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In The Matter Of:

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) ALL OTHER REQUIRED APPROVALS AND RELIEF

CASE NO. 2012-00578

**MOTION OF KENTUCKY POWER COMPANY
FOR CONFIDENTIAL TREATMENT**

Kentucky Power Company ("Kentucky Power") moves the Commission pursuant to 807 KAR 5:001, Section 13(2), for an Order granting confidential treatment for the identified portions of Kentucky Power's responses to:

- (a) Commission Staff 1-10(b);
- (b) Commission Staff 1-11;
- (c) Commission Staff 1-33 (a);
- (d) KIUC 1-14;

- (e) KIUC 1-22;
- (f) KIUC 1-44;
- (g) KIUC 1-47;
- (h) Sierra Club 1-8;
- (i) Sierra Club 1-18;
- (j) Sierra Club 1-19; and
- (k) AG 1-12.

Pursuant to 807 KAR 5:001, Section 13, and the Commission's February 6, 2013 Order Kentucky Power is filing highlighted unredacted responses to the identified data requests along with eight redacted copies.¹

The Company requests that confidential treatment be indefinitely accorded the identified portions of the above data request responses. The contractual obligations requiring confidential treatment for KIUC 1-14, KIUC 1-22, KIUC 1-47, and Sierra Club 1-8 require that confidentiality be so maintained. A shorter period of confidential treatment would result in the Company's violation of the agreements and the consequent impairment of the Company's ability to obtain the benefit of such contracts in the future. In addition, the confidential information has utility for an indefinite period (and thus its disclosure could result in competitive disadvantage to Kentucky Power and its customers for a like period.) Likewise, although certain of the forecasts that are subject of this motion are for a definite period (*e.g.* Staff 1-10(b) and Commission Staff 1-11) the forecasts themselves may be useful to suppliers and competitors in determining the Company's forecasting methodology. The confidential information contained in the remaining

¹ Kentucky Power acknowledges that 807 KAR 5:001, Section 13(2)(b) requires that ten redacted copies be filed with a motion for confidential treatment. The Commission's February 6, 2013 Order in this proceeding directs the Company to file an original and eight copies of the requested information. In keeping with practice under the former regulation governing motions for confidential treatment, the Company is filing the same number of redacted

requests has utility for an indefinite period and its disclosure would result in competitive disadvantage to the Company for a like period.

Kentucky Power will notify the Commission when it determines the information for which confidential treatment is sought is no longer confidential.

A. The Requests And The Statutory Standard.

Kentucky Power does not object to filing the identified information for which it is seeking confidential treatment, but requests that the identified portions of the responses be excluded from the public record and public disclosure. The Company does not object to providing the identified information to those parties to this proceeding that execute an appropriate confidentiality agreement.

KRS 61.878(1)(c)(1) excludes from the Open Records Act:

Upon and after July 15, 1992, records confidentially disclosed to an agency or required to be disclosed to it, generally recognized as confidential or proprietary, which if openly disclosed would permit an unfair commercial advantage to competitors of the entity that disclosed the records.

This exception applies to the following information for which Kentucky Power is seeking confidential treatment:

Commission Staff Data Requests.

(a) **Commission Staff 1-10(b).**

Kentucky Power seeks confidential treatment for the fuel cost projections for the Mitchell Plant for 2013, 2014 and 2015 provided in response to this request. Information about fuel cost projections is not made public by Kentucky Power or other utilities. Disclosure of Kentucky Power's projections will place the Company at a competitive disadvantage in negotiations for fuel supply contracts, as sellers will know what Kentucky Power expects to pay for fuel. This

copies as is required by the data request order. If such practice no longer obtains, the Company will immediately

will make it difficult for Kentucky Power to negotiate for prices lower than those included in the projections. This places Kentucky Power at a competitive disadvantage in comparison to other utilities that do not disclose projected fuel costs. If Kentucky Power is required to disclose this information publicly then ratepayers could be expected to suffer from any unfavorable fuel supply contracts that result.

(b) **Commission Staff 1-11.**

Kentucky Power seeks confidential treatment for the fuel cost projections for the Big Sandy Plant for 2013, 2014 and 2015 provided in response to this request. As grounds for this request, Kentucky Power incorporates by reference the discussion above concerning the response to Commission Staff data request 1-10(b).

(c) **Commission Staff 1-33(a).**

Kentucky Power seeks confidential treatment for information regarding the heat rate and capacity factors for the Mitchell Units. Such information establishes bench marks for the units that could be used, in conjunction with publicly available information, to determine with greater accuracy the Company's costs and when Kentucky Power may be in the market. Disclosure of such per-unit costs would allow counter-parties to wholesale transactions to adjust their offers to minimize the margin above Kentucky Power's per unit costs. Such information also would permit other participants in the PJM daily energy markets to adjust their offers to the disadvantage of Kentucky Power. In both instances, Kentucky Power's ability to make such sales, as well as the margins on the sale, would be compromised.

KIUC Data Requests.

(d) **KIUC 1-14.**

Kentucky Power is seeking confidential treatment of information provided by various third party natural gas transportation companies in response to a Request for Proposals (“RFP”). Kentucky Power has entered into Confidentiality Agreements that preclude public disclosure of the information and the natural gas transportation companies have a valid and reasonable expectation that the Company will not disclose the information. Public disclosure will violate binding Confidentiality Agreements and will severely compromise Kentucky Power’s ability to attract competitive bids going forward, as potential bidders will understand that any information provided to the Company will be subject to public disclosure risks.

(e) **KIUC 1-22**

Kentucky Power is seeking confidential treatment of back-up information on the Big Sandy Combined Cycle Brownfield Build Cost Estimate Study, which contains pricing information from vendors, suppliers and contractors that is protected under a Confidentiality Agreement entered into with the Company. Public disclosure will violate binding Confidentiality Agreements and will severely compromise Kentucky Power’s ability to attract competitive bids going forward, as potential bidders will understand that any information provided to the Company will be subject to public disclosure risks.

(f) **KIUC 1-44.**

Kentucky Power seeks confidential treatment for information regarding the performance data for the Mitchell Units. As grounds for this request, Kentucky Power incorporates by reference the bases set forth above for providing confidential treatment to the Company’s response to Commission Staff data request 1-33.

(g) **KIUC 1-47.**

Kentucky Power seeks confidential treatment for coal price index information provided by third party Argus/McCloskey Coal Price Index Service pursuant a paid subscription. Under the subscription, Kentucky Power has agreed to maintain the confidentiality of this information, and public disclosure will expose the Company and its ratepayers to a number of risks, including possible litigation for breaching the agreement. In addition, suppliers will be unwilling to contract with the Company to provide the information, which is used in the conduct of the Company's business, thereby hindering Kentucky Power's ability to obtain fuel supplies at the most advantageous prices.

Sierra Club Data Requests.

(h) **Sierra Club 1-8.**

Kentucky Power seeks confidential treatment of information regarding the Riverside Generating Station located in Zelda, Kentucky. The requested information is the subject of a non-disclosure agreement between American Electric Power Service Corporation and LS Equity Advisors, LLC. Such confidentiality agreement are common in the electric utility industry and are fundamental prerequisites to most strategic business transactions. If the identified information is required to be publicly disclosed in contravention of the non-disclosure agreement Kentucky Power (and its affiliates) likely will be unable to engage in those strategic business transactions where the counter-party requires the execution and adherence to a non-disclosure agreement. The inability to engage in such transactions is a clear competitive disadvantage to

Kentucky Power and its customers. The Commission afforded confidential treatment to this information in Case No. 2011-00401.²

(i) **Sierra Club 1-18.**

Kentucky Power seeks confidential treatment for information regarding the performance data for the Mitchell Units. As grounds for this request, Kentucky Power incorporates by reference the discussion above concerning the response to Commission Staff data request 1-33.

(j) **Sierra Club 1-19.**

Kentucky Power seeks confidential treatment for information regarding the forecasted performance data for the Mitchell Units for 2013 through 2040. Competitors of Kentucky Power and AEP will be able to use this information, along with other publicly available information, to forecast AEP's price for energy sales into the PJM market. Those competitors will be able to set their prices slightly lower than AEP's price, which will reduce AEP's revenues from sales into the PJM market. This information is not publicly available for other electric utilities, and public disclosure will place Kentucky Power and AEP at a competitive disadvantage in the energy market.

Attorney General Data Requests.

(k) **AG 1-12.**

Kentucky Power seeks confidential treatment for information used in the "long term resource optimization tools" and the "30-year economic study period" referenced in the direct testimony of Company Witness Greg Pauley. Competitors of Kentucky Power and AEP will be able to use this information, along with other publicly available information, to forecast AEP's price for energy sales into the PJM market. Those competitors will be able to set their prices

² *In the Matter of: Application of Kentucky Power Company for Approval of its 2011 Environmental Compliance Plan, for Approval of its Amended Environmental Cost Recovery Surcharge Tariff, and for the Granting of a*

slightly lower than AEP's price, which will reduce AEP's revenues from sales into the PJM market. This information is not publicly available for other electric utilities, and public disclosure will place Kentucky Power and AEP at a competitive disadvantage in the energy market.

- B. The Identified Information is Generally Recognized As Confidential And Proprietary and Public Disclosure Of It Will Result In An Unfair Commercial Advantage for Kentucky Power's Competitors.

The identified information required to be disclosed by Kentucky Power in response to the data requests at issue is highly confidential. Dissemination of the information for which confidential treatment is being requested is restricted by Kentucky Power, AEP, and AEPSC. The Company, AEP and AEPSC take all reasonable measures to prevent its disclosure to the public as well as persons within the Company who do not have a need for the information. The information is not disclosed to persons outside Kentucky Power, AEP or AEPSC. Within those organizations, the information is available only upon a confidential need-to-know basis that does not extend beyond those employees with a legitimate business need to know and act upon the identified information.

- C. The Identified Information Is Required To Be Disclosed To An Agency.

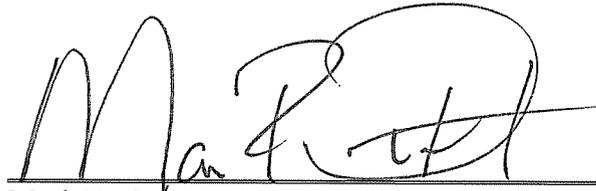
The identified information is by the terms of the Data Requests and Commission practice required to be disclosed to the Commission. The Commission is a "public agency" as that term is defined at KRS 61.870(1). Any filing should be subject to a confidentiality order and any party requesting such information should be required to enter into an appropriate confidentiality agreement.

Wherefore, Kentucky Power Company respectfully requests the Commission to enter an

Order:

1. According confidential status to and withholding from public inspection the identified information; and
2. Granting Kentucky Power all further relief to which it may be entitled.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mark R. Overstreet", written over a horizontal line.

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COUNSEL FOR KENTUCKY POWER
COMPANY

CERTIFICATE OF SERVICE

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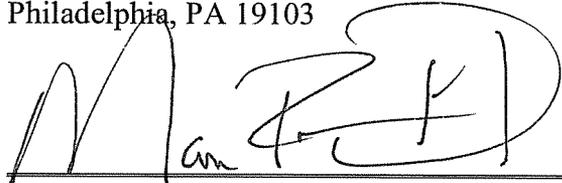
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