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JUL 22 2014

PUBLIC SERVICE
COMMISSION

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July 22, 2014

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HAND DELIVERED

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

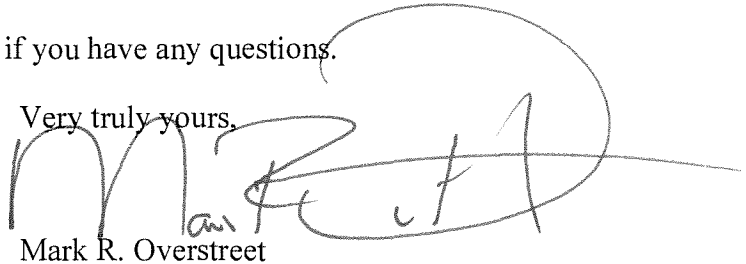
RE: Kentucky Power Company's Application For \$200 Million Financing Authority –
Case No. 2014-00210

Dear Mr. Derouen:

Enclosed please find and accept for filing the original and ten copies of Kentucky Power Company's response to Staff's July 15, 2014 data request.

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

Very truly yours,

A handwritten signature in black ink, appearing to read 'Mark R. Overstreet', is written over a large, faint circular stamp or watermark.

Mark R. Overstreet

MRO

RECEIVED

JUL 22 2014

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
KENTUCKY PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

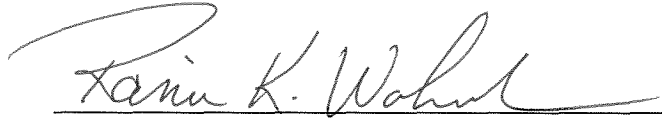
THE APPLICATION OF KENTUCKY POWER COMPANY)
FOR AUTHORITY PURSUANT TO KRS 278.300 TO ISSUE)
AND SELL PROMISSORY NOTES OF ONE OR MORE) CASE NO. 2014-00410
SERIES, AND FOR OTHER AUTHORIZATIONS)

KENTUCKY POWER COMPANY'S RESPONSE TO
COMMISSION STAFF'S FIRST SET OF DATA REQUESTS

July 22, 2014

VERIFICATION

The undersigned, Ranie K. Wohnhas, being duly sworn, deposes and says he is the Managing Director, Regulatory and Finance, that he has personal knowledge of the matters set forth in the forgoing responses for which he is the identified witness and that the information contained therein is true and correct to the best of his information, knowledge and belief.



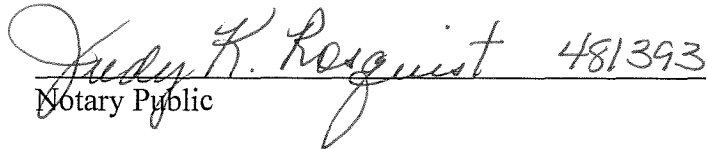
Insert Name

COMMONWEALTH OF KENTUCKY)

) CASE NO. 2014-00210

County of FRANKLIN)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Ranie K. Wohnhas, this the 22nd day of July 2014.



Notary Public

My Commission Expires:

January 23, 2017



Kentucky Power Company

REQUEST

1. Refer to Exhibit D, page 4 of 4, of the application.
 - a. Provide an explanation of each estimated capital requirements function for 2014 through 2016, along with support for the amounts shown.
 - b. State whether any projects represented by the estimates in Exhibit D were approved by the Commission. If so, provide the case numbers in which the projects were approved. If not, confirm that Kentucky Power believes there is no need for Certificates of Public Convenience and Necessity for any project.

RESPONSE

- a. Attachment 1 to this response details Kentucky Power Company's proposed capital projects during the period (2014-2016) for which the requested financing authority is being sought, along with their estimated costs. The total capital expenditures during the period are projected to be \$312.5 million and thus exceed by nearly 60% the total debt financing authorization being sought in this proceeding. To the extent internally-supplied funds are available, the projects will be initially financed using such funds. To the extent internally-supplied funds are not available, the Company will use the proceeds of the financing authority being sought in this proceeding, which in no event will exceed \$200 million, for the proposed capital expenditures as and when required.

The timing of the Company's receipt of internally-supplied funds, as well as the payment for its capital expenditures, cannot be determined with complete certainty. As a result, and because funds are fungible, Kentucky Power Company is providing all of its proposed capital expenditures during the period for which the financing authority is being sought in the interest of complete disclosure. Nevertheless, the Company anticipates that many of the projects, such as the conversion of Big Sandy Unit 1, will be initially financed in whole or part through internally-supplied funds.

- b. The capital projects listed on Attachment 1 requiring a certificate of public convenience and necessity are: (a) the conversion of Big Sandy Unit 1 to a natural gas-fired generating unit (Environmental Generation); and (b) the Bonnyman-Soft Shell transmission line (Transmission Reliability). The Company currently has pending in Case No. 2013-00430 its application for a certificate of public convenience and necessity for the conversion of Big Sandy Unit 1. The Commission by Order dated January 26,

KPCO Case No. 2014-00210
Commission's Staff First Set of Data Requests
Dated July 15, 2014
Item No. 1
Page 2 of 2

2012 in Case No. 2011-00295 granted the Company a certificate of public convenience and necessity for the construction of the Bonnyman-Soft Shell transmission line.

The Mitchell generating station-related projects listed above were approved and in process on December 31, 2013 when Kentucky Power acquired its fifty percent undivided interest in the station.

The Company confirms the remaining projects do not require a certificate of public convenience and necessity.

WITNESS: Ranie K Wohnhas

Kentucky Power Post Allocated Capital Project Detail

Dollars in millions

Project	2014	2015	2016
Environmental Generation			
Big Sandy U1 Gas Conversion	3.5	24.5	23.4
Mitchell New Landfill	8.3	4.7	0.7
Mitchell U1&2 Dry Fly Ash Conversion	12.0	0.0	0.0
Mitchell U0 Cooling Tower Blow Down	2.4	0.9	0.0
Mitchell Conners Run Expansion	1.9	0.0	0.0
Mitchell U2 ESP Upgrades	0.5	1.3	0.0
Mitchell U1 V CATALYST REPLACEMENT 1 L	0.8	0.3	1.0
Mitchell U2 V CATALYST REPLACEMENT 1 L	0.3	1.0	0.0
Mitchell Hg Monitoring - MATS	0.7	0.0	0.0
Mitchell EV FUEL OIL PIPING RPL	0.0	0.0	0.6
Mitchell New Landfill Haul Road	0.5	0.0	0.0
Other Environmental Projects	1.2	0.2	0.9
Environmental Generation Total	32.1	33.0	26.6
Other Generation			
Mitchell Coping Power	4.0	0.9	0.0
Mitchell U2 S COAL PIPE REPLACEMENT	1.7	3.1	0.0
Mitchell U1 E PURCHASE CAP SPARE GSU TR	0.0	0.0	2.3
Mitchell U1 S COAL PIPE REPLACEMENT	0.0	0.0	2.0
Mitchell Car Dumper Rebuild	0.0	0.0	2.0
Mitchell U 1&2 E QLINE OI CABINET REPLAC	0.7	0.5	0.0
Mitchell U2 HP & 2nd RH TURB INSPECT	0.0	1.2	0.0
Big Sandy U1 Reb #14 Pulv Grinding Zone	0.6	0.0	0.0
Mitchell U1 SPRING OUTAGE PPB I	0.0	0.0	0.6
Other Generation Projects	2.1	5.1	4.8
Other Generation Total	9.0	10.8	11.6
Transmission			
Bonnyman Soft Shell	6.5	0.0	0.0
Reliability	3.7	16.0	6.2
Asset Replacement	7.1	7.9	9.1
Customer Service	1.2	3.3	0.0
Other	0.9	0.7	0.8
Transmission Total	19.4	27.9	16.1
Reliability/Asset Program	12.0	6.5	8.4
Customer Service	12.0	12.5	12.8
Capacity Additions	7.6	9.3	8.2
Meters and Transformers	3.4	3.6	3.6
ROW Clearing	1.2	1.3	1.3
System Restoration	2.0	2.1	2.1
Facility Relocations	0.8	0.2	0.2
Other	1.6	1.7	1.7
Distribution Total	40.6	37.2	38.4
Software	3.2	2.9	2.5
Telecom	0.4	0.4	0.4
Facilities	0.0	0.0	0.0
Corporate/Other Total	3.6	3.3	2.9
Total Capital	104.8	112.2	95.5