

January 27, 2012

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HAND DELIVERED

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

RECEIVED

JAN 27 2012

PUBLIC SERVICE
COMMISSION

Re: **Case No. 2011-00401**

Dear Mr. Derouen:

Enclosed please find and accept for filing in the above matter the following:

- (a) An original and eleven copies of Kentucky Power Company's responses to Commission Staff's data requests;
- (b) An original and eleven copies of Kentucky Power Company's responses to the Attorney General's data requests;
- (c) An original and eleven copies of Kentucky Power Company's responses to the data requests propounded by Kentucky Industrial Utility Customers, Inc.; and
- (d) An original and eleven copies of Kentucky Power Company's responses to the data requests propounded by the Sierra Club and associated parties.

Certain of the more voluminous identified attachments are provided on the accompanying CD and do not follow the response.

In accordance with my telephone conversation this morning with Mr. Nguyen, eleven copies are being filed instead of the 15 copies identified in Commission's Order. The other four copies are being served on the Commission Staff's consultants.

Also presented for filing is Kentucky Power Company's motion for confidential treatment. In accordance with 807 KAR 5:001, Section 1 an unredacted but highlighted copy of the material for which confidential treatment is being sought is being filed separately. The Company also is filing a motion to deviate from certain of the filing requirements established in this case.

Jeff R. Derouen
January 27, 2012
Page 2

Copies of all filings are being served by overnight or hand delivery on counsel for all parties and their identified consultants.

Very truly yours,

STITES & HARBISON, PLLC

Mark R. Overstreet

MRO

cc: Counsel of Record

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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

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JAN 27 2012

**PUBLIC SERVICE
COMMISSION**

**MOTION OF KENTUCKY POWER COMPANY FOR LEAVE TO DEVIATE FROM
FILING REQUIREMENTS WITH RESPECT TO FILINGS**

Kentucky Power Company (“Kentucky Power”), moves the Public Service Commission of Kentucky (“Commission”) pursuant to 807 KAR 5:001, Section 14 for leave to deviate from the filing requirements in this proceeding. Kentucky Power requests that it be excused from filing paper copies of certain of its responses and attachments because of their voluminous nature. In support of its motion, Kentucky Power states:

1. Pursuant to the Commission’s January 13, 2012 Order in this matter, Kentucky Power is required to file an original and fifteen (15) copies of all data responses and attachments, along with a service copy to all parties of record. Certain of the responses and attachments to the responses are voluminous. For example, the attachment to Sierra Club 1-1 is 9, 552 pages. An original and 15 copies would require 152,832 pages to be filed. KIUC 1-41 is 650 pages. An original and 15 copies would require 10,400 pages. One of the attachments to the Company’s

Response to Sierra Club 1-5 requires more than 480 MB of electronic storage.

Kentucky Power requests permission to deviate from the Commission's Order and other filing requirements as follows:

(1) A paper original and 15 paper copies will be filed of all documents less than 100 pages;

(2) A paper "original" will be filed of all documents 100-499 pages in size, The remaining copies will be provided as electronic files.

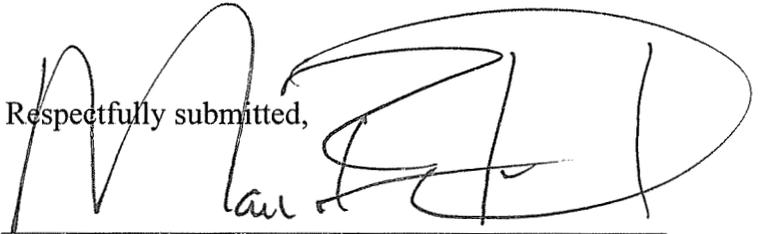
(3) Electronic originals and copies will be filed of all copies 500 pages or larger.

Kentucky Power also requests leave to serve electronic copies of those documents being provided electronically to the Commission.

WHEREFORE, Kentucky Power requests leave to file electronic copies of its responses to the data requests in the manner set forth above.

This the 27th day of January, 2012.

Respectfully submitted,

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

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R. Benjamin Crittenden
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Telephone: (502) 223-3477
COUNSEL FOR KENTUCKY POWER
COMPANY

CERTIFICATE OF SERVICE

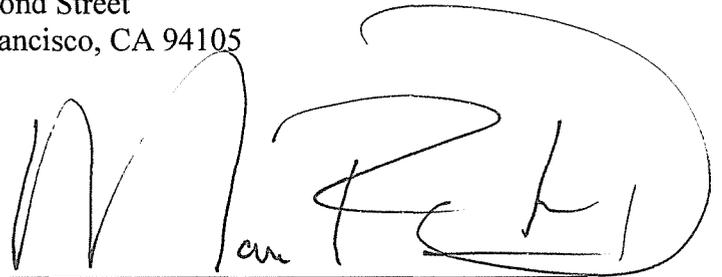
I hereby certify that a copy of the foregoing was served by first class mail, postage prepaid, upon the following parties of record, this 27th day of January, 2012.

Michael L. Kurtz
Kurt J. Boehm
Boehm, Kurtz & Lowry
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Cincinnati, OH 45202

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Joe F. Childers & Associates
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201 West Short Street
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Kristin Henry
Sierra Club
85 Second Street
San Francisco, CA 94105

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

Mark R. Overstreet

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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

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PUBLIC SERVICE
COMMISSION

PETITION FOR CONFIDENTIAL TREATMENT

Kentucky Power Company (“Kentucky Power”) moves the Commission pursuant to 807 KAR 5:001, Section 7, for an Order granting confidential treatment for the identified portions of Kentucky Power’s responses to:

- (a) Commission Staff 1-10;
- (b) Commission Staff 1-30;
- (c) Commission Staff 1-39(d);
- (d) Commission Staff 1-93;
- (e) KIUC 1-5;
- (f) KIUC 1-19 [because of its voluminous nature provided in electronic format only as Sierra Club 1-3];
- (g) KIUC 1-28;
- (h) KIUC 1-37;

- (i) Sierra Club 1-1
- (j) Sierra Club 1-3 [because of its voluminous nature provided in electronic format only];
- (k) Sierra Club 1-4 and 1-5 [because of its voluminous nature Sierra Club 1-5 is provided in electronic format only];
- (l) Sierra Club 1-36;
- (m) AG 1-22 and AG 1-23.

Pursuant to 807 KAR 5:001, Kentucky Power is filing an unredacted response to the identified data requests and with ten redacted copies.

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 who 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:

(a) Commission Staff 1-10.

Kentucky Power seeks confidential treatment for the variable production costs of Big Sandy Unit 1 and Big Sandy Unit 2 between December, 2010 and November, 2011 provided in response to this request. 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.

(b) **Commission Staff 1-30.**

Kentucky Power seeks confidential treatment for the identified capital and operational information. The identified information, if publicly disclosed, would allow counter-parties to future acquisitions of such equipment to use the confidential information to increase their offer price and adjust their performance guarantees.

(c) **Commission Staff 1-39(c).**

Kentucky Power seeks confidential treatment for information regarding the heat rate of Big Sandy Units 1 and 2, as well as plant conditions and outage probabilities. 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.

(d) **Commission Staff 1-93.**

Kentucky Power seeks confidential protection for the projected number of CSAPR SO₂ emission allowances to be acquired and the price at which the Company forecasts it will be able to purchase the allowances. Such information is market-sensitive and if disclosed publicly would allow parties selling such allowances to adjust the offer price to the detriment of Kentucky Power and its ratepayers.

Confidential treatment also is sought for the projected number of CSAPR NO₃ emission allowances the Company expects to offer for sale and the forecasted market price for such allowances. Such information is market-sensitive and if disclosed publicly would allow parties purchasing such allowances to adjust their offer price to the detriment of Kentucky Power and its ratepayers.

(e) **KIUC 1-5.**

Kentucky Power is seeking confidential treatment for the forecasted financial information provided to Moody's and Standard & Poor in presentations concerning the Company's credit ratings from the companies. It is common during the credit rating process for companies, including Kentucky Power, to provide rating agencies with nonpublic information, such as budgets and forecasts, financial statements, internal capital allocation schedules, contingent risk analyses, and information relating to new financings, acquisitions and dispositions. This information is provided by companies, including Kentucky Power, only to credit rating agencies, who have strict policies of keeping such information confidential. These credit rating agencies play a critical role in a capital-raising efforts, with a company's ability to issue debt dependent upon the investment grade ratings it obtains from the credit rating agencies.

If disclosure of otherwise-confidential information to credit rating agencies results in public disclosure of the information, such action will affect Kentucky Power's ability to provide confidential information, including forecasted financial information. This in turn will result in limitations on Kentucky Power's ability to obtain credit ratings.

Without these credit ratings, Kentucky Power's ability to secure affordable debt will be jeopardized. This result will leave Kentucky Power at a competitive disadvantage as compared to other market participants who are able to provide confidential information to credit rating agencies without having the information disclosed publicly.

(f) **KIUC 1-19** (provided in response to Sierra Club 1-3.)

Confidential treatment is being sought for Volume D of the Company's 2009 Integrated Resources Plan. The information to be protected includes projected financial information, projected average fuel costs through 2020, projected variable production costs through 2020, projected non-fuel O&M through 2020, along with other projected operating data. Disclosure of the projected financial information could result in unwarranted public reliance on the information. The projected operational information establishes bench marks for the units that could be used, in conjunction with publicly available information, to determine the Company's costs with greater accuracy. 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. The identified information also would permit other participants in the PJM daily energy markets to adjust their offers to the disadvantage of Kentucky Power.

The information for which confidential treatment was sought was accorded confidential treatment by letter from the Commission Staff dated December 11, 2009 in Case No. 2009-00339.

(g) **KIUC 1-28.**

Included as part of the Company's response are the following files:

(i) *BS Studies A.* This file contains forecasted information, heat rates, and the company's strategic plans. The public disclosure of such information unfairly advantage competitors of Kentucky Power for the reasons set forth herein in connection with requests for the same or similar information.

(ii) *Preliminary__Relative BS2 Unit Disposition Alt Economics.* Sheet 6 (0th Parameters) contains confidential forecasts of transportation costs. Sheet 7 (BS Gas Price) contains confidential forecasts of gas prices. Sheet 9 (Capacity Positions) contains information concerning proprietary and confidential forecasts of AEP operating company capacity. The identified information has actual and potential independent economic value to Kentucky Power and its customers. If publicly disclosed, it will be available to Kentucky Power's competitors, including Duke Energy Corporation. Such disclosure confers an unfair competitive advantage on the Company's competitors (and results in an unfair commercial disadvantage to Kentucky Power and its customers) by allowing any competitors to acquire the Company's property at no or significantly reduced cost.

(h) **KIUC 1-37.**

The information to be protected is a confidential competitive offer from Exelon to AEP. It was confidentially provided to AEP with the expectation that AEP would not make the information public. If made public in breach of that understanding, parties such as Exelon likely will be less willing to make such offers, thereby decreasing the ability of AEP operating companies to make capacity sales.

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

The Company is seeking confidential treatment for pages 22 of 9,556; 52 of 9,556; and 88 of 9,556 of the attachment to the Company's response. The identified information contains forecasted financial information provided to financial rating companies in presentations concerning the Company's credit ratings from the companies. It is common during the credit rating process for companies, including Kentucky Power, to provide rating agencies with nonpublic information, such as budgets and forecasts, financial statements, internal capital allocation schedules, contingent risk analyses, and information relating to new financings, acquisitions and dispositions. This information is provided by companies, including Kentucky Power, only to credit rating agencies, who have strict policies of keeping such information confidential. These credit rating agencies play a critical role in a capital-raising efforts, with a company's ability to issue debt dependent upon the investment grade ratings it obtains from the credit rating agencies.

If disclosure of otherwise-confidential information to credit rating agencies results in public disclosure of the information, such action will affect Kentucky Power's willingness to provide confidential information, including forecasted financial information. This in turn will result in limitations on Kentucky Power's ability to obtain credit ratings.

Without these credit ratings, Kentucky Power's ability to secure affordable debt will be jeopardized. This result will leave Kentucky Power at a competitive disadvantage as compared to other market participants who are able to provide confidential information to credit rating agencies without having the information disclosed publicly.

(j) **Sierra Club 1-3.**

Confidential treatment is being sought for Volume D of the Company's 2009 Integrated Resources Plan. The information to be protected includes projected financial information, projected average fuel costs through 2020, projected variable production costs through 2020, projected non-fuel O&M through 2020, along with other projected operating data. Disclosure of the projected financial information could result in unwarranted public reliance on the information. The projected operational 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. 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.

The information for which confidential treatment was sought was accorded confidential treatment in Case No. 2009-00339 by letter from the Commission Staff dated December 11, 2009.

(k) **Sierra Club 1-4 and Sierra Club 1-5.**

The requested information includes strategic and technical documents regarding the Company's environmental compliance plans. The information to be protected was developed by Kentucky Power and AEPSC only through a substantial financial investment funded by the Company and its customers. The identified information has actual and potential independent economic value to Kentucky Power and its customers. If publicly disclosed, it will be available to Kentucky Power's competitors, including Duke Energy Corporation. Such disclosure confers an unfair competitive advantage on the Company's competitors (and results in an unfair

commercial disadvantage to Kentucky Power and its customers) by allowing any competitors to acquire the Company's property at no or significantly reduced cost. By avoiding such costs, the Company's competitors will be unfairly positioned to compete with Kentucky Power in the sale of wholesale power.

(l) **Sierra Club 1-36(d)**.

Kentucky Power seeks confidential treatment of the heat rate information assumed in Mr. Weaver's evaluation of Option 2 and Option 3. The information was developed by Sargent & Lundy and purchased by the Company. Because it was purchased, the identified information has actual and potential independent economic value to Kentucky Power and its customers. If publicly disclosed, it will be available to Kentucky Power's competitors, including Duke Energy Corporation. Such disclosure confers an unfair competitive advantage on the Company's competitors (and results in an unfair commercial disadvantage to Kentucky Power and its customers) by allowing any competitors to acquire the Company's property at no or significantly reduced cost. By avoiding such costs, the Company's competitors will be unfairly positioned to compete with Kentucky Power in the sale of wholesale power.

(m) **AG 1-22 and AG 1-23**.

The requested information is the subject of a non-disclosure agreement between American Electric Power Service Corporation and LS Equity Advisors, LLC. Such confidentiality agreements 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.

- 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.

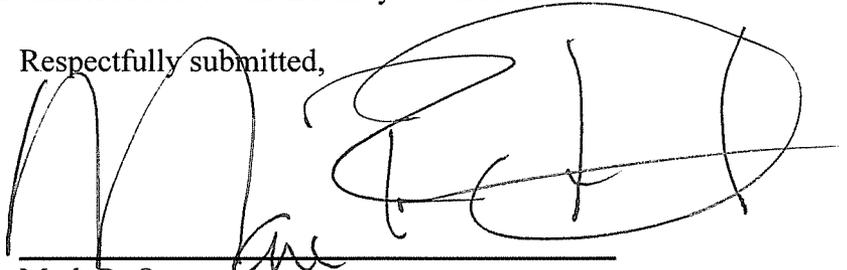
The identified information is by the terms of the Data Requests and Commission practice required to be disclosed to the Commission. The Commission is a "public agency" as that term is defined at KRS 61.870(1). Any filing should be subject to a confidentiality order and any party requesting such information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



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COUNSEL FOR KENTUCKY POWER
COMPANY

CERTIFICATE OF SERVICE

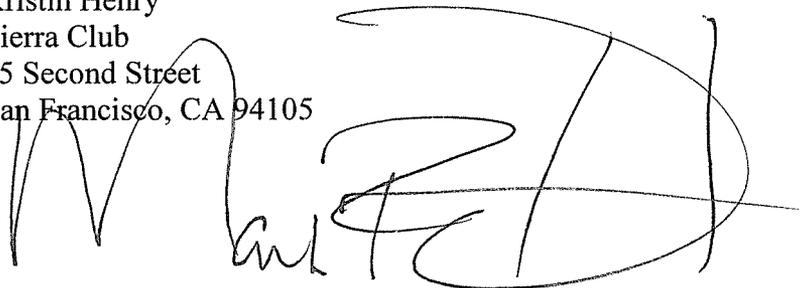
I hereby certify that a copy of the foregoing was served by first class mail, postage prepaid, upon the following parties of record, this 27th day of January, 2012.

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