

October 10, 2013

**ELECTRONICALLY FILED AND  
HAND DELIVERED**

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

**RE: Case No. 2013-00261**

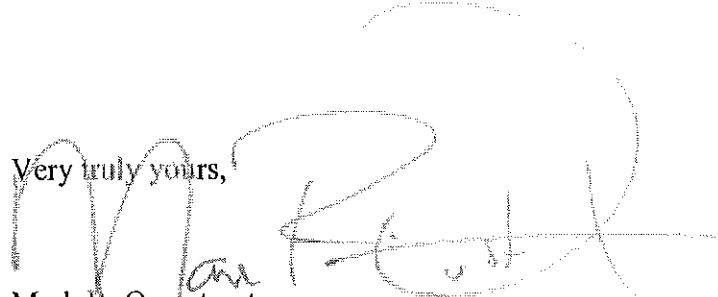
Dear Mr. Derouen:

This letter constitutes the Read1st file required by 807 KAR 5:001, Section 8(5):

- (a) General Description of the Filing – Kentucky Power is electronically filing:
  - (i) The Read1st file required by 807 KAR 5:001, Section 8(5); and
  - (ii) The Company's response to Staff's supplemental data request.
- (b) Materials Not Included In The Electronic Filing – Kentucky Power is filing in paper format only:
  - (i) The paper medium copy of the electronic mail message required to be filed by 807 KAR 5:001, Section 13(12)(2)(b).
- (c) Attestation – The electronically-filed documents are a true representation of the original documents.
- (d) Service – There are no other parties to this proceeding.

Jeff R. Derouen  
October 10, 2013  
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Very truly yours,

  
Mark R. Overstreet

MRO

**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. 2013-00261**  
**NOVEMBER 1, 2012 THROUGH APRIL 30, 2013    )**

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

**October 10, 2013**



**Kentucky Power Company**

**REQUEST**

Refer to Kentucky Power's response to Item 26 of the Commission's August 8, Information Request.

- a. For each amount shown in the table, provide the PJM costs by PJM code and code title that are included in the amount.
- b. Provide a listing of all PJM codes and code titles that Kentucky Power believes are eligible for inclusion in the fuel adjustment clause calculation and an explanation for why they are includible.

**RESPONSE**

a/b. For clarification, PJM costs are billed to American Electric Power Service Corporation ("AEPSC") using PJM billing line items ("BLI") and not PJM "codes." AEPSC assigns PJM costs to off system sales obligations and internal load requirements; then allocates these costs to the four member companies of the AEP-East Pool based on each members' member load ratio share. The PJM BLI detail is not recorded in the Company's general ledger during this process. Accordingly, the requested information is only available by FERC account number and cannot be readily segregated by BLI.

The PJM BLIs listed below are eligible for inclusion in the FAC:

<b>PJM Billing Line Item</b>	<b>PJM Code Title</b>	<b>Type of Charge</b>	<b>FERC Account</b>
1200	Day-ahead Spot Market Energy	Energy Purchases	555
1205	Balancing Spot Market Energy	Energy Purchases	555
1220	Day-ahead Transmission Losses	Marginal Line Losses	4470207
1225	Balancing Transmission Losses	Marginal Line Losses	4470207
1420	Load Reconciliation for Transmission Losses Charge	Marginal Line Losses	4470207
2220	Transmission Losses Credit	Marginal Line Loss Credit	4470208
2420	Load Reconciliation for Transmission Losses Credit	Marginal Line Loss Credit	4470208

Amounts included in the FAC for PJM BLI 1200 and 1205 represent PJM spot market energy purchase amounts allocated to internal load recorded in FERC Account 555.

PJM BLI 1220, 1225, 1420, 2220 and 2420 are for marginal line losses and credits, and are recorded to accounts 4470207 and 4470208. For internal load, these costs are billed and recovered through the FAC in accordance with Commission Order Dated June 12, 2008 in Case No. 2007-00522.

Please see the table below identifying the relevant FERC accounts, the PJM BLIs included in the FERC accounts, and the corresponding costs as set out in the Company's October 10, 2013 revised response to KPSC 1-26.

**WITNESS:** Amy J Elliott