

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. 2014-00225
NOVEMBER 1, 2013 THROUGH APRIL 30, 2014)

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

September 15, 2014

Kentucky Power Company

REQUEST

With respect to Kentucky Power's sales to its two FERC all-requirements wholesale customers City of Olive Hill and City of Vanceburg), please provide the following information.

- a) For FAC purposes, are these sales classified as native load or off-system sales? Please explain the basis for your classification.
- b) Please provide the fuel adjustment billings to Olive Hill and Vanceburg for each of the six months under review. Please provide this electronically, with all formulas attached.
- c) Please provide the fuel adjustment clause filings with FERC used to determine the fuel adjustment billings to Olive Hill and Vanceburg for each of the six months under review.
- d) For each of the six FAC review months, please indicate whether the FAC rate for retail load in Kentucky was more, less or the same as the FAC rate for Olive Hill and Vanceburg. Please provide the analysis used to support this answer electronically, with all formulas attached. Reconcile and explain all differences between the FAC rate for retail load and the FAC rate for Olive Hill and Vanceburg.
- e) Please provide the most recent audit by FERC Staff of the fuel adjustment charges to the Cities of Olive Hill and Vanceburg.
- f) Are the Cities of Olive Hill and Vanceburg charged "no-load" fuel costs in the same manner as retail load in Kentucky? If no, then please explain why not.

Kentucky Power Company

REQUEST

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- c) Please provide the fuel adjustment clause filings with FERC used to determine the fuel adjustment billings to Olive Hill and Vanceburg for each of the six months under review.
- d) For each of the six FAC review months, please indicate whether the FAC rate for retail load in Kentucky was more, less or the same as the FAC rate for Olive Hill and Vanceburg. Please provide the analysis used to support this answer electronically, with all formulas attached. Reconcile and explain all differences between the FAC rate for retail load and the FAC rate for Olive Hill and Vanceburg.
- e) Please provide the most recent audit by FERC Staff of the fuel adjustment charges to the Cities of Olive Hill and Vanceburg.
- f) Are the Cities of Olive Hill and Vanceburg charged "no-load" fuel costs in the same manner as retail load in Kentucky? If no, then please explain why not.

RESPONSE

- a. Sales to FERC all-requirements wholesale customers are classified as native load. These sales are classified as native load because they occur under firm contracts with terms and conditions established by tariff.
- b. An index of the Attachments to this response has been included as KIUC 1-1 Attachment 1. Please refer to the Olive Hill and Vanceburg invoices on Attachments KIUC 1-1 Attachment 2 through KIUC 1-1 Attachment 13. Confidential treatment is being sought for the entirety of the invoices.
- c. Please see Attachments KIUC 1-1 Attachment 14 and KIUC 1-1 Attachment 15 for the monthly fuel adjustment calculations filed and approved by FERC in Docket ER06-340 and ER06-358 for the City of Olive Hill and the City of Vanceburg.
- d. The Company cannot prepare the requested reconciliation of these two fuel adjustment calculations because the two fuel adjustment calculations are not comparable. The two calculations differ based on the manner in which the relevant regulatory authorization - - the Public Service Commission of Kentucky and FERC - - approved recovery of the costs: either in base rates, energy rates and/or fuel adjustment clause. Please refer to Attachment KIUC 1-1 Attachment 16 CONFIDENTIAL for the wholesale FAC calculation and the retail FAC calculations that are included with the response to KIUC 1-22.
- e. The Company is not aware of any audits by FERC Staff of the fuel adjustment charges to the City of Olive Hill or the City of Vanceburg.
- f. Yes. The cities of Olive Hill and Vanceburg are allocated no-load fuel costs along with the remainder of the internal load of the Company. These resulting costs are charged to the Company's internal customers, albeit the mechanisms may be somewhat different, (i.e., base versus fuel) between the two municipalities and the remaining internal load as described in subpart (d) above.

WITNESS: Kelly D Pearce

Kentucky Power Company

REQUEST

Please refer to your response to Staff 1-25.

- a) During the period under review please identify all credits, rebates, reimbursements or payments received by Kentucky Power from PJM. If any such credits, rebates, Reimbursements or payments were not credited to the FAC then please explain why not.
- b) Are any of the PJM charges included in Kentucky Power's FAC subject to reconciliation or true up? If yes, does Kentucky Power flow through to the FAC any such reconciliation or true up?
- c) Please describe how the PIM charge for marginal line losses is calculated?
- d) Are the mWh level of off-system sales a factor in PJM's calculation of Kentucky Power's allocated share of marginal line losses? If yes, please explain.
- e) Please provide complete copies of the monthly billing statements received by Kentucky Power from PJM.
- f) The Marginal Line Loss dollar amounts shown on Response to Staff 1 -25 Attachment 1 page 1 of 1 sum to \$10, 203, 602 for the six month review period. Is this Marginal Line Loss dollar provided by PJM? If yes, then please break out the dollar amounts into gross and net marginal loses. If no, then please identify the Marginal Loss Credits received by or on behalf of Kentucky Power for each month of the review period.
- g) For each month of the period January 2103 through April 2014, please identify the Marginal Loss Credits received by or on behalf of Kentucky Power from PJM.
- h) If Marginal Loss Credits are provided to Kentucky Power on other than a monthly basis, then please provide the Marginal Loss Credits that Kentucky Power will receive or has received for operations over the six month review period.

- i) Does the FAC billings to Kentucky Power's two FERC all-requirements wholesale customers reflect Marginal Loss Credits received from PJM? Please explain.
- j) Please refer to the attached pages from the 2014 Quarterly State of the Market Report for PJM. The Report indicates that for the first six months of 2014 Total Marginal Loss Costs in PJM increased by 103.5% from the prior year. The Report also states that Marginal Loss Credits for the same period increased by 101.6%. If Kentucky Power is not crediting the FAC for the Marginal Loss Credits received from PJM, then please provide a detailed explanation of why not.

RESPONSE

- a. Please see KIUC 1-2 Attachment 1 to this response for a listing of PJM credits, rebates reimbursements, or payments that were flowed through the FAC. These credits may have been offset by later debits or charges.
- b. The PJM charges that are included in Kentucky Power's FAC may be subject to reconciliation or true-up. Kentucky Power flows through any such reconciliation through the FAC by booking the adjustment to the same account in a following month.
- c. Please see the response to KPSC 1-21. Marginal line losses are calculated by PJM.
- d. Yes. Marginal losses are computed by PJM at each generation node (i.e., "busbar") and its PJM load delivery nodes. The net charges and credits of the PJM marginal losses are then assigned by PJM to KPCo. The PJM marginal losses are subsequently allocated to internal load only at the volume of the internal load. Consequently, the volume of OSS is not a factor in the net charge to the Company's internal load.
- e. Billing statements are rendered by PJM to American Electric Power Service Corporation, in the name of Appalachian Power Company. Prior to January 1, 2014 Kentucky Power received its Member Load Ratio of PJM charges and credits. Beginning January 1, 2014 PJM directly assigns PJM charges and credits to a Kentucky Power subaccount. Please see KIUC 1-2 Attachment 2 through KIUC 1-2 Attachment 29 to this response for complete copies of the monthly billing statements.

- f. No, the total amount is provided by PJM and subsequently allocated by the Company. The marginal line loss amount is net of marginal line loss credits. Please see KIUC 1-2 Attachment 30 to this response for a listing of marginal line loss charges (account 4470207) and marginal line loss credits (account 4470208).
- g. Please see KIUC 1-2 Attachment 30 to this response for marginal line loss credits.
- h. AEP settles with PJM on a weekly basis. Please see KIUC 1-2 Attachment 30 for the marginal line loss credits during the six-month review period.
- i. Yes, both marginal line loss charges and credits are part of the monthly fuel calculations for the all requirements wholesale customers.
- j. Kentucky Power is crediting the FAC for marginal line loss credits.

WITNESS: Kelly D Pearce and John A Rogness

Kentucky Power Company

REQUEST

Please refer to your response to Staff 1-29(e).

a) Please answer the question as originally posed by Staff.

RESPONSE

The Company believes it fairly answered the question posed in KPSC 1-29(e). "No load" costs are essentially "fixed fuel." Because they are independent of unit output, they cannot be utilized in an economic dispatch.

The Commission Staff subsequently requested a specific allocation of "no load" costs not based on economic dispatch. Please see the Company's response to KPSC 2-4 and KPSC 2-4 Attachment 3.

WITNESS: Kelly D Pearce

Kentucky Power Company

REQUEST

With respect to Kentucky Power's 15% interest in Rockport Units 1 and 2, please provide the following:

- a) For each of the six months under review, please provide the monthly billing statements and all supporting documentation received by Kentucky Power for its 15% interest in Rockport Units 1 and 2.
- b) Does Kentucky Power have any control over the dispatch of the Rockport units? If yes, then please identify the individual employee(s) of Kentucky Power with such control and please explain how that control is used.
- c) For each hour over the six-month review period, please identify the mWh provided by each Rockport unit and the associated fuel cost.
- d) Please provide copies of the lease agreements for each of the Rockport Units.

RESPONSE

- a. Please see Attachments KIUC 1- 4 Attachment 1.
- b. No.
- c. Please see response to KIUC 1-12 e and i.
- d. Please see Attachment KIUC 1-4 Attachment 2.

WITNESS: Kelly D Pearce and John A Rogness

Kentucky Power Company

REQUEST

With respect to the margins from off-system sales earned by Kentucky Power for each month over the six-month review period, please provide the following.

- a) How many mWh were sold off-system?
- b) How much revenue was received?
- c) What was the total fuel cost?
- d) What was the fuel cost per mWh?
- e) What was the total variable cost for each mWh sold?
- f) What was Kentucky Power's total margin from off-system sales for each month?

Provide all after the fact (cost reconstruction settlement) analyses and calculations performed to quantify these margins, including the calculations of the credits to fuel and purchased power expense reflected in the FAC. Please provide this electronically with all formulas intact.

RESPONSE

- a. Please see Attachment 1 to this response.
- b. Please see Attachment 2 to this response.
- c. Please see Attachment 1 to this response.
- d. Please see Attachment 1 to this response.
- e.

Month/Year	Total Variable Cost
November 2013	\$1,687,260
December 2013	\$13,675,252
January 2014	\$19,141,936
February 2014	\$15,467,295
March 2014	\$13,155,588
April 2014	\$16,365,647

- f. Please see Attachment 2 to this response and the response to KIUC 1-22.

WITNESS: John A Rogness

Kentucky Power Company

REQUEST

Please explain Kentucky Power's method for allocating Marginal Loss Costs and Marginal Loss Credits between:

- 1) retail native load;
- 2) FERC all-requirements wholesale customers; and
- 3) offsystem sales.

RESPONSE

PJM marginal loss costs and credits are allocated hourly to off-system sales based on the PJM Marginal Loss cost or credit component associated with the generation that was used to generate the off-system sales. The remaining PJM marginal loss costs or credits are allocated to internal load (which would encompass retail native load and FERC all-requirements wholesale customers).

WITNESS: John A Rogness

Kentucky Power Company

REQUEST

Please refer to your answer to Staff 1-29(a). With respect to "no-load" fuel costs, please provide the following information for each month of the six-month review period, for each unit including Rockport 1 & 2, Mitchell 1 & 2, and Big Sandy 1 and 2.

- a) The dollar amount of no-load fuel costs assigned to: 1) Kentucky native load; 2) the two FERC all-requirements wholesale customers; and 3) off-system sales.

RESPONSE

Please see KIUC 1-7 Attachment 1 to this response for the amount of "no-load" fuel costs assigned to native load and the two FERC all-requirements wholesale customers.

"No-load" costs are not associated with specific increments of generation, and thus are not allocated to off-system sales. They thus remain with native load costs.

WITNESS: Kelly D Pearce

Kentucky Power Company

REQUEST

For each month of the review period, please provide the peak demand and total kWh usage for: 1) Kentucky native load; 2) the two FERC all-requirements wholesale customers and 3) off-system sales.

RESPONSE

Please see KIUC 1-8 Attachment 1 to this response. Confidential treatment is being sought for portions of KIUC 1-8 Attachment 1.

WITNESS: John A Rogness

Kentucky Power Company
Internal Energy Sales (MWh) and System Sales (MWh)

Year	Month	Residential	Commercial	Industrial	Other Retail	Total Retail			Losses	Total Internal	System Sales	Total Sales
2013	11	197,831	116,964	254,661	1,086	570,541			35,212	613,623	108,481	722,104
2013	12	261,079	107,579	231,529	1,082	601,269			71,394	681,680	235,725	917,405
2014	1	338,050	139,506	248,421	1,119	727,096			87,175	825,318	438,205	1,263,523
2014	2	270,774	107,164	211,383	893	590,213			68,334	667,703	428,613	1,096,316
2014	3	257,962	123,379	243,891	943	626,175			4,495	639,276	393,527	1,032,803
2014	4	129,727	84,318	225,849	764	440,659			45,339	492,390	570,803	1,063,193

**Kentucky Power Company
Coincident Peak Demand (MW)***

Year	Month	Retail	[REDACTED]	Total Internal	System Sales	Total Demand
2013	11	1,178.7	[REDACTED]	1,194.4	108.9	1,303.3
2013	12	1,257.1	[REDACTED]	1,274.7	428.8	1,703.4
2014	1	1,622.2	[REDACTED]	1,645.4	41.0	1,686.4
2014	2	1,375.8	[REDACTED]	1,396.9	493.2	1,890.1
2014	3	1,351.2	[REDACTED]	1,370.3	88.5	1,458.8
2014	4	1,036.9	[REDACTED]	1,051.4	863.3	1,914.7

Note: * Load coincident with Kentucky Power Company's peak internal demand.

Kentucky Power Company

REQUEST

In response to Staff 1-1, the Company provided a monthly billing summary of sales to all electric utilities for the period November 1, 2013 through April 30, 2014. Please provide the same information, but expand the period to January 1, 2013 through April 30, 2014, and also indicate if the sale was firm or non-firm. Also, provide the information electronically in spreadsheet format.

RESPONSE

The question refers to the response to KPSC 1-1. The Company believes that the reference should be to KPSC 1-6. Please see KIUC 1-9 Attachment 1 for the requested monthly billing summary of sales to all electric utilities for the period January 1, 2013 through April 30, 2014 in electronic format. These sales are all non-firm.

WITNESS: John A Rogness

Kentucky Power Company

REQUEST

Please provide a monthly billing summary of purchases (in the same format as provided in response to Staff 1-1) made from all electric utilities for the period January 1, 2013 through April 30, 2014, and also indicate if the purchase was firm or non-firm. Please provide the information electronically in spreadsheet format.

RESPONSE

The question refers to the response to KPSC 1-1. The Company believes that the reference should be to KPSC 1-6. Please see KIUC 1-10 Attachment 1 for the requested monthly billing summary of purchases made from all electric utilities for the period January 1, 2013 through April 30, 2014 in electronic format.

WITNESS: John A Rogness

Kentucky Power Company

REQUEST

Please provide the hourly load requirements (sales + losses), and also separately, hourly sales data for the period of January 1, 2013 through April 30, 2014, as used in the post-period cost reconstruction settlement process for:

- a) Kentucky Power retail load requirements by hour.
- b) City of Olive Hill load requirements by hour.
- c) City of Vanceburg requirements by hour.

RESPONSE

- a.-c. Please see KIUC 1-11 Attachment 1 to this response for the hourly load data.
Confidential treatment is being sought for portions of KIUC 1-11 Attachment 1.

WITNESS: Kelly D Pearce

Kentucky Power Company

REQUEST

For Big Sandy 1 & 2, Rockport 1 & 2, Mitchell 1 & 2, during the period of January 1, 2013 through April 30, 2014, provide the following that was used in the post-period cost reconstruction settlement process and used to develop fuel adjustment costs.

- a) Minimum operating capacity. Provide revised values if and when any changes occurred during the specified period.
- b) Maximum operating capacity. Provide revised values if and when any changes occurred during the specified period.
- c) Unit heat rate curve coefficients (see also Kentucky Power Response to Staff 1-29 a). Provide revised values if and when any changes occurred during the specified period.
- d) Unit Fuel cost (\$). Provide hourly values.
- e) Unit O&M cost (\$) Provide hourly values.
- f) Unit Emissions costs (\$). Provide this by emissions type and provide hourly values.
- g) Unit environmental consumable costs (\$) (see also Kentucky Power Response to Staff 1-29 (f)) Provide this by type of environmental consumable cost and provide hourly values.
- h) Any other type of cost not addressed in parts a through g above (\$). Provide this by type of cost and provide hourly values.
- i) Unit generation by unit by hour during the specified period (MWH).
- j) Unit MBTU consumption by unit by hour during the specified period (MBTU).

RESPONSE

- a & b. Please see KIUC 1-12 Attachment 1 for the minimum and maximum operating capacity for the period of January 1, 2013 through April 30, 2014.
- c. Please see KIUC 1-12 Attachment 2 CONFIDENTIAL for the unit heat rate curve coefficients. Confidential treatment is being sought for portions of Attachment 2.
- d-j. Please see KIUC 1-12 Attachment 3 for the unit fuel cost, unit O & M cost, unit emissions costs, unit environmental consumable costs, other costs (handling), and unit MBTU consumption. Confidential treatment is being sought for portions of Attachment 3.

WITNESS: Kelly D Pearce

Kentucky Power Company

REQUEST

Please provide hourly sales information for sales made to all electric utilities for the period January 1, 2013 through April 30, 2014. For each hour and for each sale, identify the hour, name of the party energy was sold to, sale energy for the hour (MW), sale rate for the hour (\$/MWH), and sale dollars for the hour. Provide this information electronically in spreadsheet format.

RESPONSE

Please see KIUC 1-13 Attachment1 and KIUC 1-13 Attachment 2 to this response.

WITNESS: John A Rogness

Kentucky Power Company

REQUEST

Please provide hourly purchase information for purchases made from all electric utilities for the period January 1, 2013 through April 30, 2014. For each hour and for each purchase, identify the hour, name of the party energy was purchased from, purchase energy for the hour (MW), purchase rate for the hour (\$/MWH), and purchase dollars for the hour. Provide this information electronically in spreadsheet format.

RESPONSE

Please see KIUC 1-14 Attachment 1 and KIUC 1-14 Attachment 2 to this response.

WITNESS: John A Rogness

Kentucky Power Company

REQUEST

Please provide a comparison of the most recent energy budget covering the forecasted period of November 1, 2013 to April 30, 2014, to the actual results for that same period. In providing the comparison, please include the following data by month:

- a) Kentucky Power retail load requirements (MWH)
- b) Kentucky Power wholesale all-requirements load requirements (MWH)
- c) Energy produced by unit (MWH)
- d) MBTUs consumed by unit (MBTU)
- e) Cost of energy by unit, by cost component (fuel, emissions, O&M, etc)
- f) Off System Energy sales and any other sales made by energy sales type (MWH)
- g) Revenue received by each energy sales, and broken down by capacity vs energy (\$)
- h) Purchases by purchase type (MWH)
- i) Cost paid for each purchase, and broken down by capacity vs energy (\$)

RESPONSE

Forecasted Data

- a-i. Please see KIUC 1-15 Attachment 1 to this response for the forecasted information. Confidential treatment is being sought for portions of KIUC 1-15 Attachment 1.

Actual Data

- a & b. Please see the response to KIUC 1-8 for load requirements.
- c. Please see the response to KIUC 1-5.
- d. Please see the response to KIUC 1-12.
- e. Please see the response to KIUC 1-20.
- f. Please see the response to KIUC 1-5, KIUC 1-9, and KIUC 1-13.
- g. Please see the response to KIUC 1-5 and KIUC 1-13.
- h & i. Please see the response to KIUC 1-5, KIUC 1-14, and KIUC 1-20.

WITNESS: Kelly D Pearce and John A Rogness

	Cost Comp	Unit/Transaction	Date					
			11/1/2013	12/1/2013	1/1/2014	2/1/2014	3/1/2014	4/1/2014
Q.1-15a+b	Kentucky Power load requirements; Retail + Wholesale (MWH)		565,704	664,473	707,726	594,415	579,593	500,232
Q.1-15c	Energy produced by unit (MWH)	BS1		60,691	105,953	71,449	57,007	
		BS2	52,074	213,089	228,317	57,524	70,958	
		ML1			168,302	181,067	175,639	184,623
		ML2			205,870	185,191	220,480	217,820
		RP1	131,510	93,425	124,832	121,250	127,887	103,308
		RP2	123,646	120,019	117,430	119,596	121,502	80,197
Q.1-15d	MBTUs consumed by unit (MBTU)	BS1	-	609,909	1,062,076	718,603	574,676	-
		BS2	528,194	2,100,633	2,276,567	592,491	709,384	-
		ML1			1,710,290	1,826,599	1,785,365	1,888,333
		ML2			1,951,953	1,747,238	2,084,208	2,069,251
		RP1	1,256,446	894,248	1,178,348	1,144,136	1,215,054	984,009
		RP2	1,203,217	1,168,569	1,133,216	1,153,770	1,186,212	786,177
Q.1-15e	Cost of energy by unit, by cost component (\$)	Fuel		2,029,173	3,440,059	2,326,867	1,900,695	
		BS2	1,797,540	6,957,465	7,524,687	2,007,809	2,346,559	
		ML1			4,777,359	5,014,516	4,872,879	5,139,557
		ML2			5,453,334	4,820,952	5,675,209	5,597,798
		RP1	2,997,588	2,127,359	2,940,339	2,852,924	3,044,779	2,467,163
		RP2	2,867,780	2,773,954	2,825,957	2,868,209	2,975,729	1,975,663
		VOM		79,384	138,587	93,456	74,566	
		BS2	65,978	269,983	289,277	72,884	89,903	
		ML1			401,844	432,191	419,391	440,971
		ML2			462,991	416,389	495,805	489,955
		RP1	238,334	169,316	241,570	234,654	248,210	200,670
		RP2	230,284	223,429	232,561	236,895	241,850	159,865
		Fuel Handling		54,728	95,432	64,567	51,543	
		BS2	47,353	188,736	204,357	53,071	63,683	
		ML1			128,104	136,926	133,710	141,501
		ML2			146,199	130,918	156,140	155,095
		RP1	108,198	76,879	101,301	98,375	104,465	84,598
		RP2	103,636	100,497	97,457	99,218	101,972	67,601
		Consumables						
		BS1	-	-	-	-	-	-
		BS2	81,571	326,367	359,446	92,832	112,007	-
		ML1	-	-	373,625	401,163	390,808	412,755
		ML2	-	-	418,810	376,892	449,349	445,362
		RP1	-	-	-	-	-	-
		RP2	-	-	-	-	-	-
		Emission Inventory		177,103	91,711	62,829	52,025	-
		BS2	70,997	609,133	196,361	51,636	64,270	-
		ML1	-	-	13,528	14,529	14,154	14,943
		ML2	-	-	15,439	13,892	16,529	16,379
		RP1	78,903	119,608	51,023	48,383	51,997	42,609
		RP2	75,574	156,352	49,086	48,798	50,756	34,049
Q.1-15f	Off System Energy sales by energy sales type (MWH)	Generation	37,978	132,862	292,977	187,514	224,344	120,282
		PJM Mkt Pur Required	431	334	4,438	3,636	3,875	3,680
		MONE1-3	839	1,518	-	-	-	-
		Real Time Purchases	15,096	14,958	12,469	11,866	12,657	11,433
Q.1-15g	Revenue received by each energy sales by sales type (\$)	Energy						
		Generation	1,263,407	5,372,015	11,096,047	6,548,030	8,193,239	4,091,195
		PJM Mkt Pur Required	10,545	8,707	145,681	114,461	104,962	111,574
		MONE1-3	46,018	83,700	-	-	-	-
		Real Time Purchases	517,024	537,487	444,988	398,996	432,472	377,051
Q.1-15g	Revenue received by each energy sales by sales type (\$)	Capacity						
		PJM RPM Auction Revenue	37,720	39,014	34,952	31,227	34,551	33,405
			1,818	1,876	1,681	1,501	1,662	1,610
			226	233	209	183	206	201
			-	-	-	384	424	407
Q.1-15h	Purchases by purchase type (MWH)	PJM Mkt Pur Required	3,072	13,885	49,049	45,225	29,140	32,398
		MONE1-3	839	1,518	-	-	-	-
		Real Time Purchases	18,659	19,255	17,856	16,128	17,856	17,280
Q.1-15i	Cost paid for each purchase; Energy (\$)	PJM Mkt Pur Required	77,457	330,762	1,549,428	1,467,674	811,008	943,983
		MONE1-3	37,610	71,070	-	-	-	-
		Real Time Purchases	607,309	642,971	611,580	525,712	567,847	540,422

Kentucky Power Company

REQUEST

The response to Staff 1-26 discussed the exclusion of purchase power when forced outages occurred. Please provide an analysis showing how replacement power costs were identified for forced outages and removed from the fuel adjustment for the period of November 1, 2013 to April 30, 2014. Please provide this electronically, with all formula intact.

RESPONSE

Please see KIUC 1-16 Attachment 1 to this response.

WITNESS: Kelly D Pearce

Kentucky Power Company

REQUEST

Please provide any unit commitment and dispatch logs the Company developed for dispatching its units (including the Rockport units) for the period November 1, 2013 through April 30, 2014.

RESPONSE

Please refer to KIUC 1-17 Attachment 1 to this response for the unit dispatch logs. The Company does not maintain unit commitment logs.

WITNESS: Kelly D Pearce

Kentucky Power Company

REQUEST

Please provide the Company's GADS database including information about the Company's units (including the Rockport units) covering the period November 1, 2013 through April 30, 2014.

RESPONSE

The GADS (Generation Availability Database System) database stores the generation availability for the entire AEP system. Due to the size and competitively-sensitive nature of the GADS database, as well as the Company's inability to segregate the Kentucky Power units from the entirety of the GADS database, including those units owned by unregulated AEP subsidiaries, the Company is unable to file the database and is seeking a deviation. The Company will make the database available to representatives of any party who have signed the non-disclosure agreement at the AEPSC offices in Columbus, Ohio. The representatives may take notes on the database and make copies of information contained in the database relating to the Kentucky Power units.

The Company is seeking confidential treatment for the material contained in the GADS database.

WITNESS: Kelly D Pearce

Kentucky Power Company

REQUEST

Please provide any documentation manuals, reports, memos, power point presentations, testimony, etc, documenting the operation of the Company's FAC cost reconstruction settlement process. If documentation has changed or was updated over the period of November 1, 2013 and April 30, 2014, please provide both the original and the updated documentation. The response to this question should include the internal accounting documents used by AEP or Kentucky Power to develop its Kentucky FAC filings.

RESPONSE

An index of the Attachments to this response is included as KIUC 1-19 Attachment 1.

Please see KIUC 1-19 Attachment 2 through KIUC 1-19 Attachment 7 for internal accounting documents.

WITNESS: Kelly D Pearce

Kentucky Power Company

REQUEST

Please provide the analyses and all workpapers, electronically with all formulas attached, used to perform the Company's cost reconstruction settlement process for the period November 1, 2013 through April 30, 2014.

RESPONSE

An index of the Attachments to this response is included as KIUC 1-20 Attachment 1.

Please see KIUC 1-20 Attachment 2 through KIUC 1-20 Attachment 27 of this response. Please also see the Company's response to KIUC 1-5, KIUC 1-11, KIUC 1-13, KIUC 1-14, and KIUC 1-22.

WITNESS: Kelly D Pearce

Kentucky Power Company

REQUEST

If not provided in response to the preceding question, please provide:

- a) an analysis, electronically with all formulas attached, showing the hourly stacking process used to identify the generation used to serve 1) retail native load, 2) FERC all-requirements wholesale load, and 3) off-system sales; and
- b) an analysis, electronically with all formulas intact, showing the heat rate calculations, the fuel costs, and all other costs used in developing the fuel adjustment clause charges.

RESPONSE

Please see KIUC 1-21 Attachment 1 to this response for a manual example of the stacking process that would normally occur within the PowerTracker system for April 03, 2014 Hour 16.

WITNESS: Kelly D Pearce

Kentucky Power Company

REQUEST

Regarding the Standard Fuel Adjustment Clause filings the Company makes containing estimated data for each month, please provide the following for the months including September 2013 through June 2014.

- a) A copy of the filing letter.
- b) All spreadsheets that are used in creating the filing letter. Please provide these electronically, with all formulas intact.
- c) Any other spreadsheets that are used to develop any data used in the filing. Please provide these electronically, with any formulas intact.
- d) Any documentation that exists that provides further information about the calculations that are performed including any manuals, reports, memos, power point presentations, testimony, etc.

RESPONSE

An index of the attachments to this response is included as KIUC 1-22 Attachment 1.

- a. Please see KIUC 1-12 Attachment 2 through KIUC 1-12 Attachment 11 for a copy of the monthly filing letters.
- b. Please see KIUC 1-12 Attachment 12 through KIUC 1-12 Attachment 21 for a copy of the spreadsheets used to create the monthly filing letter.
- c. Please see KIUC 1-12 Attachment 22 through KIUC 1-12 Attachment 254 for a copy of other spreadsheets used to develop the data in the filing. In addition, please also see KIUC 1-5 Attachment 2 for the monthly system sales tracker.

WITNESS: John A Rogness

Kentucky Power Company

REQUEST

Regarding the Standard Fuel Adjustment Clause Backup filings the Company makes containing actual data for each month, please provide the following for the months including September 2013 through June 2014.

- a) A copy of the filing letter.
- b) All spreadsheets that are used in creating the filing letter. Please provide these electronically, with all formulas intact.
- c) Any other spreadsheets that are used to develop any data used in the filing. Please provide these electronically, with all formulas intact.
- d) Any documentation that exists that provides farther information about the calculations that are performed including any manuals, reports, memos, power point presentations, testimony, etc.

RESPONSE

An index of the attachments to this response is included as KIUC 1-23 Attachment 1.

- a. Please see Attachments KIUC 1-23 Attachment 2 through KIUC 1-23 Attachment 11.
- b-c. Please see Attachments KIUC 1-23 Attachment 12 through KIUC 1-23 Attachment 38.
- d. Please see Attachments KIUC 1-22 Attachment33 through KIUC 1-23 Attachment 254.

WITNESS: John A Rogness