**COMMONWEALTH OF KENTUCKY**
**BEFORE THE PUBLIC SERVICE COMMISSION**

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| IN THE MATTER OF: THE APPLICATION OF KENTUCKY POWER COMPANY FOR (1) GENERAL ADJUSTMENT OF ITS RATERS FOR ELECTRIC SERVICE; (2) AN ORDER APPROVING ITS 2014 ENVIRONMENTAL COMPLIANCE PLAN; (3) AN ORDER APPROVING ITS TARIFFS AND RIDERS; AND (45) AN ORDER GRANTING ALL OTHER REQUIRED APPROVALS AND RELIEF | : | **Case No. 2014-00396** |

# KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.'s FIRST SET OF DATA REQUESTS TO KENTUCKY POWER COMPANY


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Dated: January 29, 2015

## DEFINITIONS

1. "Document(s)" is used in its customary broad sense and includes electronic mail and all written, typed, printed, electronic, computerized, recorded or graphic statements, memoranda, reports, communications or other matter, however produced or reproduced, and whether or not now in existence, or in your possession.

2. "Study" means any written, recorded, transcribed, taped, filmed, or graphic matter, however produced or reproduced, either formally or informally, a particular issue or situation, in whatever detail, whether or not the consideration of the issue or situation is in a preliminary stage, and whether or not the consideration was discontinued prior to completion whether preliminary or final.

3. If any document requested herein was at one time in existence, but has been lost, discarded or destroyed, identify such document as completely as possible, including the type of document, its date, the date or approximate date it was lost, discarded or destroyed, the identity of the person (s) who last had possession of the document and the identity of all persons having knowledge of the contents thereof.

4. "Person" means any natural person, corporation, professional corporation, partnership, association, joint venture, proprietorship, firm, or the other business enterprise or legal entity.

5. A request to identify a natural person means to state his or her full name and residence address, his or her present last known position and business affiliation at the time in question.

6. A request to identify a document means to state the date or dates, author or originator, subject matter, all addressees and recipients, type of document (e.g., letter, memorandum, telegram, chart, etc.), number of code number thereof or other means of identifying it, and its present location and custodian. If any such document was, but is no longer in the Company's possession or subject to its control, state what disposition was made of it.

7. A request to identify a person other than a natural person means to state its full name, the address of its principal office, and the type of entity.

8. And" and "or" should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.

9. "Each" and "any" should be considered to be both singular and plural, unless specifically stated otherwise.

10. Words in the past tense should be considered to include the present, and words in the present tense include the past, unless specifically stated otherwise.

11. "You" or "your" means the person whose filed testimony is the subject of these interrogatories and, to the extent relevant and necessary to provide full and complete answers to any request, "you" or "your" may be deemed to include any person with information relevant to any interrogatory who is or was employed by or otherwise associated with the witness or who assisted, in any way, in the preparation of the witness' testimony.

12. "Kentucky Power" or "KPCo" means Kentucky Power Company and/or any of their officers, directors, employees or agents who may have knowledge of the particular matter addressed.

## INSTRUCTIONS

1. If any matter is evidenced by, referenced to, reflected by, represented by, or recorded in any document, please identify and produce for discovery and inspection each such document.

2. These interrogatories are continuing in nature, and information which the responding party later becomes aware of, or has access to, and which is responsive to any request is to be made available to Kentucky Industrial Utility Customers. Any studies, documents, or other subject matter not yet completed that will be relied upon during the course of this case should be so identified and provided as soon as they are completed. The Respondent is obliged to change, supplement and correct all answers to interrogatories to conform to available information, including such information as it first becomes available to the Respondent after the answers hereto are served.

3. Unless otherwise expressly provided, each interrogatory should be construed independently and not with reference to any other interrogatory herein for purpose of limitation.

4. The answers provided should first restate the question asked and also identify the person(s) supplying the information.

5. Please answer each designated part of each information request separately. If you do not have complete information with respect to any interrogatory, so state and give as much information as you do have with respect to the matter inquired about, and identify each person whom you believe may have additional information with respect thereto.

6. In the case of multiple witnesses, each interrogatory should be considered to apply to each witness who will testify to the information requested. Where copies of testimony, transcripts or depositions are requested, each witness should respond individually to the information request.

7. The interrogatories are to be answered under oath by the witness(es) responsible for the answer.

8. Responses to requests for revenue, expense and rate base data should provide data on the basis of Total Company as well as Intrastate data, unless otherwise requested.

**KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.'s**
**FIRST SET OF DATA REQUESTS TO**
**KENTUCKY POWER COMPANY**
**Docket No. 2014-00396**

Q.1-1. Please provide electronic spreadsheets for each of the following exhibits, with all formulas intact:

a. AEV-1 through AEV-7

b. JMS-1 through JMS-3

Q.1-2. For each of the spreadsheets/exhibits identified in the previous question, please provide all supporting workpapers, studies, schedules, in electronic spreadsheet format with formulas intact, where applicable.

Q.1-3. Please provide the complete class cost of service study in electronic spreadsheet format with formulas intact. Also provide all supporting schedules and workpapers, including, but not limited to:

a. The development of all external allocation factors, including rate class demand and energy allocation factors

b. Energy and demand loss factors

Q.1-4. Please provide an electronic spreadsheet, with formulas intact, containing the proof of revenues for each rate schedule, showing present rate revenues, proposed rate revenues and the revenue increase.

Q.1-5. Please provide the following information related to the Company's proposal to charge customers for Network Integrated Transmission rates ("NITS" rates).

a. Total test year amount of KPCo Transmission Owner ("TO") revenues and the allocated amount of such TO revenues for each rate class in the Class Cost of Service Study

b. The test year amount of NITS expenses for KPCo and the amount allocated to each rate class in the Class Cost of Service Study

Q.1-6. Please provide all workpapers, including electronic spreadsheets with formulas intact, supporting the Company's proposed "Transmission Adjustment." Include all supporting documents from the AEP OATT and AEP transmission rate filings at the FERC associated with the development of NITS and all other transmission expenses reflected in the Company's filing in this case.

Q.1-7. If not provided in response to the previous question, please identify each line in the class cost of service study which includes transmission revenue requirements being "removed from the required sales revenue" (Stegall-24, line 4), and the amount of the adjustment to each line.

Q.1-8. For each item of PJM charges and credits identified on Exhibit AEV 5, Page 2 of 5, please identify the specific line in the class cost of service study (Exhibit JMS 2) where that PJM item is included and allocated to classes.

Q.1-9. To the extent not provided in response to a previous question, please provide an electronic spreadsheet, with formulas intact, showing the following information by month for the 12 months ending September 30, 2014:

a. Coincident peak demand for each rate class/rate schedule modeled in the class cost of service study, at the generation voltage level (include losses shown separately).

b. mWh energy for each rate class/rate schedule modeled in the class cost of service study, at the generation voltage level (include losses shown separately).

c. Class maximum diversified demand (class NCP) for each rate class/rate schedule modeled in the class cost of service study at the generation voltage level (include losses shown separately).

Q.1-10. Please provide a detailed explanation and description of the adjustment and all workpapers, schedules (including electronic spreadsheets with formulas intact) supporting the "Adjust to Trans to OATT," Column (10) of Exhibit JMS-3, Page 1 of 3.

Q.1-11. Please explain the basis for eliminating the equipment credit currently applicable to CIP and QP transmission voltage service, relative to subtransmission voltage service.

Q.1-12. Please provide all workpapers associated with the Company's proposed rate design, in electronic format with formulas intact if available.

Q.1-13. To the extent not provided in response to the previous questions, please provide electronic spreadsheet versions of the attachments to the responses to the Commission Staff's 1st set of Data Requests, KPSC_1_8_Attachment1 and KPSC_1_8_Attachment2.

Q.1-14. With regard to the Company's proposed tariff C.S.-IRP, please provide the following:

a. The criteria governing *"interruptible load that qualifies under PJM's rules as capacity for the purposes of the Company's FRR obligation"*. Include each and every criteria, including, but not limited to notice provisions, number of hours of interruption, the number of interruptions by season (e.g., summer months only), the maximum number of hours of any single interruption.

b. To the extent that any of the criteria identified in (a) above are expected to change as a result of PJM's January 9, 2015 filing (ER15-135-001) on demand response and its January 14, 2015 filing revising the PJM OATT, please identify each such change that the Company is aware of, assuming that PJM's filing is approved.

Q.1-15. Please provide a copy of all AEP and KPCo reports, memoranda, emails that discuss the implications of the two PJM filings referenced in the previous question, with regard to changes that KPCo would be required to make to its tariff C.S.-IRP to comply with the revised PJM rules and tariffs.

Q.1-16. Is it KPCo's position at the present time that its tariff C.S.-IRP will meet the requirements of the proposed PJM rule/tariff changes associated with demand response? If not, please explain the changes that KPCo believes will be required to tariff C.S.-IRP.

Q.1-17. Provide all schedules, workpapers, and computations in electronic spreadsheet format with all formulas intact. For all input values, provide the source documents and/or calculations, including all electronic spreadsheets with all formulas intact.

Q.1-18. Please refer to the Direct Testimony of Mr. Pauley at page 6, lines 9-12. Please provide the calculation for the determination that the Mitchell Transfer and the Big Sandy retirements account for an increase in the revenue requirement of $37.7 million. Please provide in electronic format with all formulas intact.

Q.1-19. Please provide a trial balance of all income statement and balance sheet accounts for each month January 2013 through January 2015. Please provide a detailed description of the costs included in each account not specifically listed in the FERC Uniform System of Accounts ("USAOA"), including all subaccounts whether listed in the USOA or not.

Q.1-20. Refer to Adjustment 50 on Tab W50 of Section V Exhibit 2 showing the calculation of the three-year average of the Section 199 deduction that the Company proposes.

a. Please provide the comparable information for 2014 used in developing the tax estimate when the Company closed its accounting books for 2014.

b. Please confirm that if the Company is granted a rate increase that its taxable income and its Section 199 deduction will increase, all else equal. Please explain your response.

Q.1-21. In a pending rate case before the West Virginia Public Service Commission Case No. 14-1152-E-42T, Appalachian Power Company proposed that income tax expense be reduced by the parent company loss adjustment ("PCLA").

a. Please describe the PCLA.

b. Please confirm that the PCLA is a reduction to the Company's income tax expense set forth in the AEP Tax Agreement.

c. Please confirm that the Company agrees that income tax expense should reflect a reduction for the PCLA. If the Company does not agree, then please provide all reasons why it does not agree and why the Company believes this Commission should treat it differently than Appalachian Power Company's proposal in West Virginia.

d. Please confirm that Mr. Bartsch is a witness in the Appalachian Power Company proceeding in West Virginia and is familiar with Appalachian Power Company's proposal in West Virginia.

e. Please provide a quantification of the PCLA for this proceeding, a description of the data and sources of data that were used, and a narrative description of each step in the calculation.

Q.1-22. Please confirm that the Company is not now or in the future obligated to pay the Ohio income tax expense that had been deferred on Ohio Power Company's accounting books for the Mitchell Plant before the transfer of 50% of the plant and the ADSIT to Kentucky Power Company. If this is not correct, then please provide a detailed description of this obligation and the manner in which the Company will pay Ohio income taxes.

Q.1-23. Please provide the account in which the Ohio ADSIT resides on the Company's accounting books.

Q.1-24. Please confirm that the Company agrees that the ADSIT is more akin to a regulatory liability than a deferred state income tax expense.

Q.1-25. Please confirm that the amortization period for the ADSIT is within the discretion of the Commission even though the Company proposes the remaining life of the Mitchell units.

Q.1-26. Refer to Adjustment 49 on Tab W49 of Section V Exhibit 2 showing the calculation of the three-year average of the removal cost Schedule M deduction that the Company proposes.

a. Please provide the comparable information for each year 2009, 2010, and 2014.

b. Please confirm that the removal cost deduction is a temporary difference and there should be a related effect on ADIT, i.e., if there is a change in a Schedule M deduction, there is an offsetting change in deferred tax expense so that there is no net change in total income tax expense. Please explain your response.

c. Please identify where in its filing the Company made an adjustment to reduce deferred tax expense to reflect the proposed reduction in the removal cost Schedule M.

Q.1-27. Please confirm that in December 2014, 50% bonus tax depreciation was "extended" to the entire 2014 tax year. If confirmed, please provide a narrative description of the property to which the extension applies. For example, does it apply to all property additions in 2014? Does it apply to any property additions in 2015, e.g., construction dollars incurred in 2014? Please provide a copy of sources relied on for your response.

Q.1-28. Please confirm that the Company's filing assumes that the 50% bonus depreciation was not extended to 2014 or later years in any manner. Please explain how this assumption affected the accumulated deferred income taxes reflected in the Company's filing. Also, please explain how this assumption affected the capitalization reflected in the Company's filing.

Q.1-29. Please provide a quantification of the effects of the 50% bonus depreciation extension on the Company's accumulated deferred income taxes and capitalization reflected in the Company's filing. Please provide revised schedules and calculations in electronic spreadsheet format with all formulas intact.

Q.1-30. Please confirm that the Company agrees that the additional ADIT resulting from the extension should be reflected as an adjustment in its filing. If not, then please provide all reasons why the Company disagrees.

Q.1-31. Please provide a copy of each incentive compensation plan that was in effect during the test year.

Q.1-32. Please provide the amount of incentive compensation expense pursuant to the Long Term Incentive Plan included in the test year revenue requirement for each target metric used for this plan during the test year. Separately provide the costs incurred directly by the Company and the costs incurred through AEPSC affiliate charges. In addition, please provide these amounts by FERC O&M and/or A&G expense account.

Q.1-33. Please provide the LTIP target metrics for the Company and AEPSC applicable to the test year, describe how they are calculated and the source of the data used for the calculations, and provide the Company and AEPSC's actual performance against each of these metrics in the test year.

Q.1-34. Please provide a schedule of the amortization expense associated with each regulatory asset for each year 2010 through 2014 and the test year. Provide the balance of each regulatory asset at the beginning and end of each of those years, the amortization period that was used in each of those years. In addition, please source the amortization period to the Case No. in which the Commission approved the recovery and the amortization period, if any.

Q.1-35. Please refer to Exhibit DAD-2, page 24 which shows the Net Salvage rates used in existing rates and those computed for the proposed depreciation rates.

a. Please provide a copy of the order from Case No. 91-066 mentioned in the Note on that page.

b. Please provide all workpapers used to compute the proposed net salvage factor in electronic spreadsheet format with all formulas intact. This includes the 2000-2013 data derived from the PowerPlant Software discussed in Exhibit DAD-2, pages 14-15.

Q.1-36. Please refer to the Direct Testimony of Mr. Davis at page 9. Please provide all calculations and workpapers, including all electronic spreadsheets with formulas intact, used to compute the net negative salvage ratio for the Mitchell units showing the use of the Sargent and Lundy estimates and application of the proposed 2.35% inflation factor.

Q.1-37. Please refer to the Direct Testimony of Mr. Pauley at page 6, lines 13-15. Refer also to the Direct Testimony of Mr. Davis at page 6, lines 1-4. Mr. Pauley refers to a revenue requirement increase due to depreciation expense of $12.8 million while Mr. Davis states that the annual depreciation accrual should be increased by $5.6 million based on depreciable asset values as of December 31, 2013. Please reconcile these two amounts and explain in detail all reasons for each reconciling item.

Q.1-38. Refer to Schedule 3, which shows $0 for short-term debt on a per books basis. Please provide all decision criteria that led to this amount of short-term debt rather than some greater amount on this schedule for the test year. If the Company has reduced the decision criteria to some formula that is solved in the Company's budgeting software, then provide the specific formula. If the decision criteria are subjective and the result is directly input into the budgeting software, then describe how the criteria are applied and by whom.

Q.1-39. Please provide a copy of the Company's guidelines and/or all written criteria that describe when, what (type), how, and how much short-term debt will be issued and outstanding at any time. If the Company has no written guidelines and/or written criteria, then please state.

Q.1-40. Please confirm that the Company participates in the AEP Utility Money Pool.

Q.1-41. Please provide a schedule in electronic spreadsheet format showing the Company's daily investments in the AEP Utility Money Pool and the interest rates applicable to those balances for the test year.

Q.1-42. Please provide a schedule in electronic spreadsheet format showing the Company's daily borrowings from the AEP Utility Money Pool and the interest rates applicable to those balances for the test year.

Q.1-43. Please provide the fees and other expenses associated with the Company's credit facility, commercial paper program, and letters of credit by FERC O&M/A&G and/or other FERC account for each calendar year 2010 through 2014 and the test year. Provide the calculation of the expenses for the test year. In addition, please describe how the Company reflected these costs in its filing.

Q.1-44. Refer to Schedule 3 and the adjustments to reduce the $0 per books amount of short-term to negative amounts shown in columns (5), (6), (7), (8), and (9) for Big Sandy coal stock, Big Sandy coal related assets, Big Sandy M&S, Big Sandy CWIP, and Mitchell FGD from base to environmental, respectively.

a. Is it the Company's position that it used short term debt to finance Big Sandy coal stock, Big Sandy coal related assets, Big Sandy M&S, Big Sandy CWIP, and the Mitchell FGD? Provide all evidence that the Company believes supports this position in light of the $0 per books balance of short-term debt.

b. Please explain the Company's rationale for the proposition that any of the amounts reflected in these adjustments were financed by short-term debt.

Q.1-45. Please confirm that the amount of its Company's receivables financing will not be reduced due to the retirement of Big Sandy 2 and conversion of Big Sandy 1, all else equal.

Q.1-46. Please confirm that the amount of the Company's receivables financing does not vary based on fluctuations in the Company's coal inventories or its materials and supplies inventories. If the Company disagrees, then provide all evidence in support of the Company's position.

Q.1-47. Please identify and quantify all costs incurred by the Company during the test year through affiliate charges from AEPSC and other affiliates that were directly assigned or allocated as a result of the Company's ownership of the Big Sandy 1 and Big Sandy 2 generating units and that were not necessarily accounted for in the steam production O&M expense accounts. This includes, but is not limited to, charges that were size-based, such as A&G expenses that were based on MWs, O&M expenses, payroll dollars or other total expenses, among other allocators. This includes, but is not limited to, costs associated with the logistics and transportation of coal to the Big Sandy plant site.

Q.1-48. Please confirm and provide documentation that the Company removed all costs identified in response to the immediately preceding question from the test year base revenue requirement. If that is not correct, then please provide all additional adjustments that are necessary and provide the supporting documentation, including, but not limited to, all workpapers, calculations, assumptions, and electronic spreadsheets with formulas intact.

Q.1-49. Please confirm that the Company has written off the deferred Big Sandy 2 FGD investigation costs that it seeks to recover in this proceeding.

Q.1-50. Please provide a copy of the accounting journal entries for the write-off of the Big Sandy 2 FGD investigation costs.

Q.1-51. Please provide a copy of all analyses and accounting research that led to the decision to write-off the Big Sandy 2 investigation costs after the Commission issued its order in Case No. 2012-00578 and the Company's acceptance of the Commission's conditions set forth in that order.

Q.1-52. Please provide a copy of the Company's written acceptance of the Commission's conditions set forth in its order in Case No. 2012-00578.

Q.1-53. In its order in Case No. 2012-00578, the Commission stated the following:

> *"The Commission likewise finds the potential imposition of the Scrubber Study Costs on ratepayers not reasonable due to the fact that a study of this magnitude did not result in the addition of a scrubber of other pollution control facilities at Big Sandy Unit 2."*

Is the Company seeking a reversal of the referenced finding in this proceeding?

Q.1-54. Please explain why the Company seeks to retain 40% of all off-system sales margins above the amount included in base rates. In your response, please explain whether the sharing percentage will affect how the Company's generation is dispatched into PJM.

Q.1-55. Please describe the Company's proposal to include retirement costs, such as dismantling and site remediation in the BSRR.

Q.1-56. Please indicate where in the Company's filing it discusses the proposal provided in response to the immediately preceding question.

Q.1-57. Please confirm that the Company agrees that it must and that it will first seek Commission authorization for dismantling and site remediation plans for the Big Sandy site before it enters any contracts or incurs any costs so that the Commission can assess the economics of retirement in place versus other alternatives and approve the appropriate alternative.

Q.1-58. Please confirm that the Company will not include in the BSRR any costs to dismantle the facilities or remediate the Big Sandy site prior to first seeking and obtaining approval from the Commission for the appropriate alternative.

Q.1-59. Refer to the $43.798 million shown on the table at Yoder-16 for Big Sandy removal cost and salvage.

a. Please provide a narrative description of the Company's plans for the Big Sandy plant facilities and site.

b. Please provide all cost/benefit studies of the Company's plans and alternatives for the removal of the Big Sandy facilities and remediation of the site, including a retirement in place alternative. If the Company did not perform or does not plan to consider a retirement in place alternative, then please explain why not and provide all supporting documentation relied on for this decision.

c. Please provide the source documents for the amount shown on the table.

Q.1-60. Refer to the $54.552 million shown on the table at Yoder-16 for the Big Sandy ARO.

a. Please provide a narrative description of these costs and how they differ from the $43.798 million shown on the table for removal cost and salvage.

b. Please provide the source documents for the amount shown on the table.

Q.1-61. Refer to the negative $72.189 million shown on the table at Yoder-16. Please confirm that this reflects the ADIT related to the tax abandonment loss for the remaining tax basis at the date of retirement. Please explain.

Q.1-62. Please refer to the Sargent and Lundy study, the cost estimate, and the escalation that was performed as described at Yoder-18. Please provide a copy of the study, the detailed cost estimate, including contingency amounts, and the escalation calculations, all in electronic spreadsheet format with all formulas intact.

Q.1-63. Refer to Exhibit JMY 1. Please explain why the Company did not reflect ADIT on the "Additions" shown on that schedule in Years 1-17, including the removal and salvage costs shown in Year 17 or on the deferred carrying costs accumulated each year.

Q.1-64. Please provide all documents or studies which support the level of margins from off-system sales included in the test year.

Q.1-65. Please provide all forecasts of wholesale energy prices prepared by or for the Company over the last two years.

Q.1-66. Please provide all emails in the possession of any of the witnesses in this case which discuss the expected level of off-system sales margins for Kentucky Power after Big Sandy 2 is retired.

Q.1-67. Please provide a schedule showing the assumed generation from each of the Company's units for 2015 and 2016 compared to assumed Kentucky retail sales, all-requirements wholesale sales, and off-system sales.

Q.1-68. Has PJM approached the Company bout keeping Big Sandy 2 operating past April 2015 because of reliability concerns? Is it still the Company's intent to retire Big Sandy 2 in April 2015?

Q.1-69. Please provide Exhibit JAS-3 electronically with all formulas intact, and include all workpapers used to develop that exhibit.

Q.1-70. For each month of the Test Year (Oct 2013 – Sept 2014), please provide a complete energy balance accounting, which would include at a minimum:

a. Generation by generating unit by month;

b. Purchases by month;

c. Off-System Sales by month;

d. Retail Sales by month;

e. Olive Hill/Vanceburg sales by month;

f. Losses by month;

Q.1-71. For each month of the Test Year, please provide a breakdown of the costs that have been included in column 7 of Exhibit JAR-3, labeled Total Company Fuel Cost. This breakdown should be provided by month, by generating unit/purchase, and should be provided by major categories of costs that sum to the monthly value shown in column 7.

Q.1-72. For each month of the Test Year, provide:

a. Monthly off-system sales revenue ($), off-system sales energy (MWH), and revenue rate ($/MWH);

b. Monthly generating unit cost to serve OSS by generating unit ($), energy by generating unit to make OSS (MWH), and generating unit fuel cost rate by generating unit to make OSS ($/MWH);

c. Monthly purchase power cost to make OSS ($), purchase power energy to make OSS (MWH), and purchase power cost rate ($/MWH).

Q.1-73. For each month between October 2013 and September 2014, concerning column 4 of Exhibit JAR-3, titled Generation Month KWH Sales, and concerning column 8, titled Juris Fuel Cost, please reconcile those columns to the information that the Company provided for the same months in response to DR KIUC 1-5, in row 5, titled Fuel Identified for NER ($, MWH, and $/MWH) supplied in Case No. 2014-00225. The reconciliation should show why the data in those documents appears to be different. If the data is not different please explain.

Q.1-74. Please provide the peak demand for: 1) Kentucky Power retail sales; 2) the two FERC all-requirements wholesale customers; and 3) off-system sales for each month of the Test Year.

Q.1-75. Concerning column 9 of Exhibit JAR-3, please provide a workpaper demonstrating what this is and how it was derived. Please provide this electronically with all formulas intact.

Q.1-76. Regarding Section V, Exhibit 2, W31 sponsored by Company Witness Yoder,

a. Please provide a copy electronically, with all associated workpapers that were used to prepare the exhibit;

b. Please provide the same information, also electronically, but for each line item, show the information by month.

Q.1-77. In his testimony, at page 10, line 9, Mr. Yoder indicated that he performed an analysis that resulted in identifying Big Sandy Plant expenses, which he gave to Company witness Vaughan. Please provide the referenced analysis, electronically with all formulas intact.

Q.1-78. In his testimony, at page 18, line 22, Mr. Vaughan indicated that the Company will recover all operating expenses of Big Sandy 1 that are not otherwise included in the Company's fuel adjustment clause or in the system sales clause through the new BS1OR tariff.

a. Please individually identify all BS1 costs that are on Section V, Exhibit 2, page 31, that flow to the fuel adjustment clause and provide a schedule electronically for the fuel adjustment clause and identify where the BS1 costs may be found;

b. Please individually identify all BS1 costs that are on Section V, Exhibit 2, page 31, that flow to the system sales clause and provide a schedule electronically for the system sales clause and identify where the BS1 costs may be found;

c. Please individually identify all BS1 costs that are on Section V, Exhibit 2, page 31, that flow to the BS1OR tariff and provide a schedule electronically for the BS1OR tariff and identify where the BS1 costs may be found;

Q.1-79. Please provide the cost of service study, electronically, that Mr. Vaughan performed to separate Big Sandy costs, as discussed on page 19 at line 11 of his testimony. Please ensure that all workpapers associated with deriving the $5.65 million of PJM charges and credits are provided electronically.

Q.1-80. Regarding Mr. Vaughan's testimony at page 17, please provide an explanation of the procedure Kentucky Power used to separate PJM charges and credits over the Test Year between the proposed PJM rider and the Company's System Sales Rider. Please provide all workpapers, electronically, that separated the charges and credits between these two riders.

Q.1-81. In the current proceeding, Kentucky Power proposes to include the charges that it incurs as an LSE under PJM's OATT in the new PJM Rider, whereas in the past, Kentucky Power had previously included the embedded cost of transmission service and the PJM OATT transmission owner revenues in the Company's cost of service. (See Vaughan page 20)

a. Please provide a more detailed explanation of how this was previously done and how it compares to the new procedure.

b. Please provide workpapers, electronically with all formulas intact, showing how transmission costs and revenues were removed from the Company's cost of service and identify where these costs and revenues appear in the schedules the Company filed.

c. Please provide an analysis, electronically with all formulas intact, demonstrating whether or not the impact of the transmission costs and revenues removed from the cost of service matches closely with the impact of charging for transmission costs through the new PJM Rate Rider.

Q.1-82. Refer to Vaughan page 21 at line 15, please provide detailed workpapers, electronically with all formulas intact, demonstrating the development of the $126,908 impact, which is the net effect of the Company's change to the treatment of transmission revenues and expenses. Also, please provide a narrative description explaining the calculations.

Q.1-83. Refer to Stegall page 24, at line 1, please provide detailed workpapers, electronically with all formulas intact, demonstrating the development of the $312,820 amount, which was calculated in the Class Cost-of-Service Study. Also, at page 24, line 2, Mr. Stegall implies that value can be found in column 10 of his Exhibit JMS-3. Please explain why that value does not appear in column 10 of the exhibit as stated.

Q.1-84. Explain why a $126,908 transmission adjustment is being made to remove costs in JMS-3, when at the same time $53,779,456 is being added to the PJM Rider.

Q.1-85. Concerning Exhibit AEV 5 page 2 of 5,

a. Please provide all of the test year per book costs for each of the rows shown, but provide them by month for all of the rows in the Exhibit.

b. Please state if it is correct that the per books costs contain costs for the entire year of October 2003 through September 2004.

c. If the per books cost (column A) does not contain costs from the 4th quarter of 2013, then why are costs from the 4th quarter of 2013 in column B subtracted from column A that that did not have 4th quarter 2013 costs included.

d. If the per books cost (column A) does contain costs from the 4th quarter of 2013, then please explain why an annualization adjustment is performed, particularly given that a full year's worth of costs have already been incorporated in the per books costs.

e. If costs from the 4th quarter 2013 were not included in column A, please provide by month and by row the same costs but for the 4th quarter of 2013. Please provide the same information for columns B, C, D, E and F.

f. Please provide AEV-5 workpapers electronically with all formulas intact.

Q.1-86. Please provide detailed workpapers, electronically with all formulas intact, demonstrating the removal of AEP East Pool Agreement expenses and revenues (col B of AEV 5 page 2 of 5) from the derivation of the PJM Rider. In this analysis prove that expenses and revenues that are included in Adjustments 7, 10, and 32 are not also in column B of AEV 5.

Q.1-87. With respect to AEP East Pool Expenses/Revenues, please provide detailed workpapers, electronically with all formulas intact, showing the development of Adjustment 9 for the 12-month ending 9/30/2014 period based on per books period data from the historic Test Year.

Q.1-88. With respect to AEP East Pool Expenses/Revenues, please provide detailed workpapers, electronically with all formulas intact, showing how the removal of AEP East Pool amounts from the Test year in adjustment 9 can be reconciled or is related to the removal of the 4th Quarter 2013 AEP East Pool amounts in Exhibit AEV-5, column B.

Q.1-89. Please provide detailed workpapers, electronically with all formulas intact, showing how Big Sandy 1 charges and credits (col C AEV-5) and Big Sandy 2 charges and credits (col D AEV-5) were derived.

Q.1-90. Please provide detailed workpapers, electronically with all formulas intact, showing how PJM charges were derived that were added back in that the Company assumed it would incur to serve internal load without having BS2. Also, explain why administrative fees for both BS1 and BS2 were added back in, when Mr. Vaughan at line 7 of page 25 states that administrative fees for just BS2 had to be added back in.

Q.1-91. Please provide the model/workpapers, electronically with all formulas intact, that Mr. Vaughan discusses beginning on page 25 at line 12. Please provide a detailed narrative of how the workpapers are organized, and how the calculations are performed.

Q.1-92. Please explain why in the calculation discussed on page 25 for deriving congestion costs for January and February (when the Polar Vortex occurred) as a replacement for Big Sandy 2, the Company did not perform an analysis using data from prior years similar to what the Company did that Mr. Vaughan discusses beginning at line 4 of page 27 concerning Adjustment 10 that relates to Off-System Sales Margins. For example at line 17 of page 27, Mr. Vaughan points to a reason for not using the January and February 2014 data was that extreme weather and pricing events occurred in January and February of 2014.

Q.1-93. With regard to off-system sales margins, please provide all models, calculations, spreadsheets, documentation, etc. related to the development of Adjustment 10. Please provide this electronically with all formulas intact. Please provide a narrative description of how the workpapers are organized and how the calculations are performed. These instructions documenting the steps performed in the spreadsheets would presumably be consistent with each of the steps discussed beginning at line 19 of page 27 of Mr.

Vaughan's testimony. Please be sure to provide an electronic copy and all workpapers associated with Exhibit AEV-7.

Q.1-94. Regarding Exhibit AEV-7, for each column A through J, please provide the data shown, but broken down by month for each of the rows.

Q.1-95. With respect to Test Year off-system sales margins, please provide another analysis, but instead do not adjust for the impact of the extreme cold weather in January and February 2014. Please provide all workpapers electronically with all formulas intact. Alternatively, please provide the models and all data for the January and February period that would allow the same analysis to be performed, but using the actual January and February data.

Q.1-96. Please provide all workpapers and supporting documentation used by Avera/McKenzie in the preparation of their Direct Testimony and Exhibits. Please provide all spreadsheets with cell formulas intact. Please include all exhibits in native spreadsheets with cell formulas intact.

Q.1-97. Please provide all credit rating and bond rating agency reports (i.e., Standard and Poor's, Moody's, Fitch) for Kentucky Power for the last two years. Please include the most recent reports for 2015, if any.

Q.1-98. Please provide copies of all articles and reports cited by Avera/McKenzie in their Direct Testimony.

Q.1-99. Please provide all credit rating and bond rating agency reports (i.e., Standard and Poor's, Moody's, Fitch) for American Electric Power for the last two years. Please include the most recent reports for 2015, if any.

Q.1-100. Please provide all work papers and supporting documentation used by Mr. Marc Reitter in the preparation of his Direct Testimony and Exhibits. Please provide all spreadsheets with cell formulas intact. Please include all exhibits in native spreadsheets with cell formulas intact.

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