

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

In the Matter of:

**Application Of Kentucky Power Company For)
A General Adjustment Of Its Rates For Electric)
Service; (2) An Order Approving Its 2014)
Environmental Compliance Plan; (3) An Order) Case No. 2014-00396
Approving Its Tariffs And Riders; And (4) An)
Order Granting All Other Required Approvals)
And Relief)**

**Kentucky Power Company Responses
To KBSA First Set of Data Requests**

February 11, 2015

VERIFICATION

Dr. William E. Avera being duly sworn deposes and says he is the President of FINCAP, Inc., and that he has personal knowledge of the matters set forth in the forgoing data requests and the information contained therein is true and correct to the best of his information, knowledge, and belief.



Dr. William E. Avera

STATE OF TEXAS

)

) CASE NO. 2014-00396

COUNTY OF HAYS

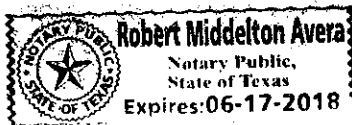
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Subscribed and sworn to before me, a Notary Public in and before said County and State, by, Dr. William E. Avera this 5 day of February, 2015.



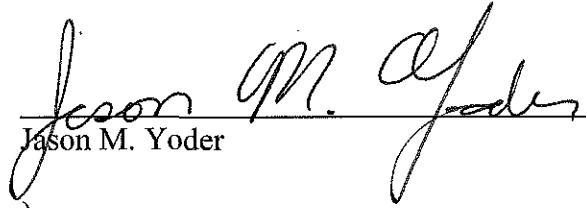
Notary Public

My Commission Expires: _____



VERIFICATION

The undersigned, Jason M. Yoder, being duly sworn, deposes and says he is Staff Accountant Accounting Policy and Research for American Electric Power Service Corporation and that he has personal knowledge of the set forth in the forgoing responses for which he is identified as the witness and the information contained therein is true and correct to the best of his information, knowledge and belief.



Jason M. Yoder

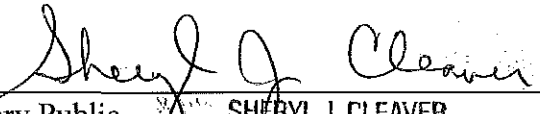
STATE OF OHIO

)
) Case No. 2014-00396

COUNTY OF FRANKLIN

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Subscribed and sworn to before me, a Notary Public in and before said County and State, by Jason M. Yoder, this the 5th day of February, 2015.



Notary Public **SHERYL J. CLEAVER**
NOTARY PUBLIC, STATE OF OHIO
MY COMMISSION EXPIRES _____

My Commission Expires: 6/13/2017

**KPSC Case No. 2014-00396 General Rate Adjustment
KSBA First Set of Data Requests
Dated January 29, 2015
Item No. 1
Page 1 of 1**

Kentucky Power Company

REQUEST

Please provide copies all calculations, work papers and any other supporting documents including but not limited to load research reports used to develop the Allocation Factor Tables in Exhibit JMS-2.

RESPONSE

The Class Cost-of-Service workpapers are being provided as KIUC_1_17_Attachment33_Stegall_CCOS_Workpapers.xlsx.

WITNESS: Jason M Stegall

Kentucky Power Company

REQUEST

Please provide copies of all available peak day load profiles for any school accounts recorded in the last five years.

RESPONSE

The Company did not prepare load profiles for any specific customers. The class load profiles, however, are included in KIUC_1_17_Attachment33_Stegall_CCOS_Workpapers.xlsx.

WITNESS: Jason M Stegall

Kentucky Power Company

REQUEST

Please provide a copy of all class loss factors used in the development of JMS-2 and any supporting studies and documentation.

RESPONSE

The class loss factors were included in KIUC_1_17_Attachment33_Stegall_CCOS_Workpapers.xlsx. The list below provides the applicable tab names and indicates the loss factor that can be found on that tab.

Tab Name	Loss Factor
CPG	Generation Demand Loss Factor
ENER	Generation Energy Loss Factor
CPT	Transmission Demand Loss Factor
CPST	Subtransmission Demand Loss Factor
ENER_SUB	Subtransmission Energy Loss Factor
CPD	Distribution Demand Loss Factor

WITNESS: Jason M Stegall

Kentucky Power Company

REQUEST

Please provide load profiles for each monthly peak day as listed on the 2013 FERC Form 1 page 401b and as would be listed on that page for 2014.

RESPONSE

The Company has only prepared class load profiles for the test year. Those profiles are included in KIUC_1_17_Attachment33_Stegall_CCOS_Workpapers.xlsx. The applicable tab names are listed in the table below.

Tab Name	Load Profile
Metered Loads	Metered Load Profile
Loss Adj Secondary	Loss-Adjusted Load Profile - Secondary Voltage
Loss Adj Primary	Loss-Adjusted Load Profile - Primary Voltage
Loss Adj Subtran	Loss-Adjusted Load Profile - Subtransmission Voltage
Loss Adj Transmission	Loss-Adjusted Load Profile - Transmission Voltage
Loss Adj Generation	Loss-Adjusted Load Profile - Generation Voltage

WITNESS: Jason M Stegall

Kentucky Power Company

REQUEST

Please provide a typical bill analysis for Rate Schedules MGS-sec, MGS-pri, LGS-sec and LGS-pri.

RESPONSE

See KSBA_1_5_Attachment1 for a typical bill analysis that compares going level rates to the Company's proposed rates in this filing. Both going level and proposed include riders and surcharges.

WITNESS: Alex E Vaughan

Kentucky Power Company

REQUEST

Please provide the average annual wage increase provided employees for the last ten years.

RESPONSE

Please see KSBA_1_6_Attachment1.PDF for annual wage increases by year from 2005 through 2014.

WITNESS: Andrew R Carlin

Kentucky Power Company

REQUEST

Please provide a copy of FERC Form 1 page 401b for the years 2004-2012.

RESPONSE

The requested information is publicly available on the FERC's website, ferc.gov.

WITNESS: Jason M Yoder

Kentucky Power Company

REQUEST

Please provide the sales volume, number of customers and billing demands for each rate class for the years 2005 and 2014.

RESPONSE

Please see [KSBA_1_8_Attachment1.pdf](#) for this response.

WITNESS: Jason M Stegall

Kentucky Power Company

REQUEST

Please provide the 2014 monthly system sales volumes, peaks, dates and times in the same format as FERC Form 1 page 401b.

RESPONSE

The 2014 FERC Form 1 has not yet been filed. The requested analysis has not been performed. Furthermore, the Company sells excess generation that is over and above its internal load obligation into PJM's hourly energy markets. These sales of excess generation are not load obligations.

WITNESS: Alex E Vaughan

KPSC Case No. 2014-00396 General Rate Adjustment
KSBA First Set of Data Requests
Dated January 29, 2015
Item No. 10
Page 1 of 1

Kentucky Power Company

REQUEST

Referring to Section II - Application page 348 please provide for the period July 1, 2015 to June 30, 2016 expected revenues by base rates and for each surcharge or rider.

RESPONSE

See the "total" line on Section II - Application page 348. The Company's proforma level of revenue is the level of revenue that the Company expects for the first year of the proposed rates. Actual revenues for base rates, surcharges and riders will vary from these values based upon a variety of factors including but not limited to Commission orders, actual expenses, changes in customer usage etc.

WITNESS: Ranie K Wohnhas

Kentucky Power Company

REQUEST

With reference to the Avera/McKenzie testimony at page 6 do the witnesses give the same weight to the peer group adjustment measures other than the FAC and ECA as they do the KPC's FCA and ECA or the Big Sandy Retirement and Unit 1 Riders? Please explain.

RESPONSE

Dr. Avera and Mr. McKenzie did not assign any weighting scheme to selected adjustment mechanisms in their comparison of Kentucky Power with the proxy group. As explained in the Avera/McKenzie testimony at pages 10-11, adjustment mechanisms, cost trackers, and reliance on forward-looking test periods have been increasingly prevalent in the utility industry in recent years. Similarly, the utilities in the Electric Group benefit from a variety of regulatory mechanisms. Many of these utilities operate under revenue decoupling or other mechanisms that insulate the utility from volatility related to fluctuations in sales volumes. Other adjustments allow for recovery of infrastructure investment outside a formal rate proceeding, as well as the ability to implement periodic rate adjustments to reflect changes in a diverse range of operating and capital costs, including expenditures related to environmental mandates, conservation programs, transmission costs, and storm recovery efforts. Accordingly, there is no basis to differentiate between Kentucky Power and the proxy group, especially considering that the objective measures used to evaluate comparable risk consider the impact of regulatory mechanisms.

WITNESS: Dr. William E Avera and Adrien M McKenzie