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 Attorney General's Initial Set of Data Requests

February 11, 2015

VERIFICATION

The undersigned, Gregory G. Pauley, being duly sworn, deposes and says he is the President and Chief Operating Officer for Kentucky Power Company, that he has personal knowledge of the matters set forth in the forgoing responses for which he is the identified witness and that the information contained therein is true and correct to the best of his information, knowledge and belief

Gregory G. Pauley

Gregory G. Pauley

COMMONWEALTH OF KENTUCKY	)	
	)	Case No. 2014-00396
COUNTY OF FRANKLIN	)	

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Gregory G. Pauley, this the 16th day of February, 2015.

Judy K Rosquist 481393

Notary Public

My Commission Expires: January 23, 2017

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)

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

Robert Middelton Avera
Notary Public,
State of Texas
Expires:06-17-2018

My Commission Expires: ____________________

VERIFICATION

The undersigned, Jeffrey B. Bartsch, being duly sworn, deposes and says he is the Director, Tax Accounting and Regulatory Services for American Electric Power Service Corporation and that he has personal knowledge of the matters 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.

Jeffrey B. Bartsch

Jeffrey B. Bartsch

STATE OF OHIO	)	
	)	Case No. 2014-00396
COUNTY OF FRANKLIN	)	

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Jeffrey B. Bartsch, this the 4th day of February, 2015.

J K. Nicol

Notary Public

My Commission Expires: 12/14/15

VERIFICATION

The undersigned, Andrew R. Carlin, being duly sworn, deposes and says he is the Director, Compensation and Executive Benefits for American Electric Power Service Corporation and that he has personal knowledge of the matters 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.

Andrew R. Carlin

Andrew R. Carlin

STATE OF OHIO)
) Case No. 2014-00396
COUNTY OF FRANKLIN)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Andrew R. Carlin, this the 3rd day of February, 2015

NOTARIAL SEAL STATE OF OHIO

Cheryl L. Strawser
Notary Public, State of Ohio
My Commission Expires 10-01-2016

Cheryl L. Strawser
Notary Public

My Commission Expires: October 1st 2016

VERIFICATION

The undersigned, David A. Davis, being duly sworn, deposes and says he is the Manager, Property Accounting Policy and Research that he has personal knowledge of the matters set forth in the forgoing responses for which he is identified as the witness contained therein is true and correct to the best of his information, knowledge and belief.

David A. Davis

David A. Davis

STATE OF OHIO)
) Case No. 2014-00396
COUNTY OF FRANKLIN)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by David A. Davis, this the 3rd day of February, 2015

Kathy L Messer

Notary Public

My Commission Expires: Aug 18, 2017

VERIFICATION

The undersigned, Amy J. Elliott, being duly sworn, deposes and says she is a Regulatory Consultant Sr. in Regulatory Services for Kentucky Power, that she has personal knowledge of the matters set forth in the forgoing responses for which she is the identified witness and that the information contained therein is true and correct to the best of her information, knowledge, and belief

Amy J. Elliott

Amy J. Elliott

COMMONWEALTH OF KENTUCKY)
) Case No. 2014-00396
COUNTY OF FRANKLIN)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Amy J. Elliott, this 10th day of February, 2015.

Judy K Rosquist 481393

Notary Public

My Commission Expires: January 23, 2017

VERIFICATION

The undersigned, Jeffery D. LaFleur, being duly sworn, deposes and says he is Vice President Generating Assets APCO/KY, that he has personal knowledge of the matters set forth in the forgoing responses for which he is the identified witness and that the information contained therein is true and correct to the best of his information, knowledge, and belief

Jeffery D. LaFleur

JEFFERY D. LAFLEUR

STATE OF WEST VIRGINIA	)	
	)	Case No. 2014-00396
COUNTY OF KANAWHA	)	

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Jeffery D. LaFleur, this the 3rd day of February, 2015.

Dorothy E. Philyaw

Notary Public

OFFICIAL SEAL
STATE OF WEST VIRGINIA
NOTARY PUBLIC
DOROTHY E. PHILYAW
APPALACHIAN POWER
PO BOX 1986
CHARLESTON, WV 25327-1986
My commission expires October 2, 2019

My Commission Expires: October 2, 2019

VERIFICATION

The undersigned, Shannon R. Listebarger, being duly sworn, deposes and says she is a Regulatory Consultant Sr. in Pricing and Analysis for American Electric Power Service Corporation and that she has personal knowledge of the set forth in the forgoing responses for which she is identified as the witness and the information contained therein is true and correct to the best of his information, knowledge and belief.

Shannon R. Listebarger
Shannon R. Listebarger

STATE OF OHIO)
) Case No. 2014-00396
COUNTY OF FRANKLIN)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Shannon R. Listebarger, this the 3rd day of February, 2015.

Amanda E Owen
Notary Public

AMANDA E. OWEN NOTARY PUBLIC STATE OF OHIO

My Commission Expires: Never

VERIFICATION

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

Hugh E. McCoy

Hugh E. McCoy

STATE OF OHIO)
) Case No. 2014-00396
COUNTY OF FRANKLIN)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Hugh E. McCoy, this the 3rd day of February, 2015.

Kathy L. Meeker

Notary Public

My Commission Expires: Aug 18, 2017

VERIFICATION

Adrien M. McKenzie being duly sworn deposes and says he is the Vice President of FINCAP, Inc., and that he has personal knowledge of the matters set forth in the forgoing responses and the information contained therein is true and correct to the best of his information, knowledge, and belief.

Adrien M .McKenzie

STATE OF TEXAS)
) CASE NO. 2014-00396
COUNTY OF TRAVIS)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by, Adrien M .McKenzie this 5 day of February, 2015.

BRYAN ANDERSON
NOTARY PUBLIC
STATE OF TEXAS
EXPIRES
10/03/2017

Notary Public

My Commission Expires: 10/03/2017

VERIFICATION

The undersigned, John M. McManus, being duly sworn, deposes and says he is Vice President Environmental Services for American Electric Power Service Corporation, that he has personal knowledge of the matters set forth in the forgoing responses for which he is the identified witness and that the information contained therein is true and correct to the best of his information, knowledge and belief.

John M. McManus

John M. McManus

STATE OF OHIO)
) CASE NO. 2014-00396
COUNTY OF FRANKLIN)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by John M. McManus, this the 3rd day of February, 2015.

Charmaine S. Hamilton

Notary Public

My Commission Expires:

CHARMAINE S. HAMILTON
Notary Public, State of Ohio
My Commission Expires 05-14-2017

NOTARIAL SEAL STATE OF OHIO

VERIFICATION

The undersigned Everett G. Phillips, being duly sworn, deposes and says he is the Managing Director, Distribution Region Operations for Kentucky Power Company, 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.

Everett G. Phillips

Everett G Phillips

COMMONWEALTH OF KENTUCKY)
) CASE NO. 2014-00396
COUNTY OF BOYD)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by, Everett G. Phillips, this the 3 day of February, 2015.

Notary Public

My Commission Expires: 4-5-2015

VERIFICATION

The undersigned, Marc D. Reitter, being duly sworn, deposes and says he is the Managing Director, Corporate Finance for American Electric Power Service Corporation and that he has personal knowledge of the matters set forth in the forgoing responses and the information contained therein is true and correct to the best of his information, knowledge and belief.

Marc D. Reitter

STATE OF OHIO)
) Case No. 2014-00396
COUNTY OF FRANKLIN)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Marc D. Reitter, this the 3rd day of February, 2015.

Notary Public

NOTARIAL SEAL STATE OF OHIO

David C. House, Attorney At Law
NOTARY PUBLIC - STATE OF OHIO
My commission has no expiration date
Sec. 147.03 R.C.

My Commission Expires

VERIFICATION

The undersigned, John A. Rogness III, being duly sworn, deposes and says he is the Director Regulatory Services for Kentucky Power, that he has personal knowledge of the matters set forth in the forgoing responses for which he is the identified witness and that the information contained therein is true and correct to the best of his/her information, knowledge and belief.

John A. Rogness III

COMMONWEALTH OF KENTUCKY)
) Case No. 2014-00396
COUNTY OF FRANKLIN)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by John A. Rogness III, this the 10th day of February, 2015.

Judy K Rosquist 48393
Notary Public

My Commission Expires: ___________________

VERIFICATION

The undersigned, Jason M. Stegall, being duly sworn, deposes and says he is the a Regulatory Consultant for American Electric Power Service Corporation and that he has personal knowledge of the matters set forth in the forgoing response and the information contained therein is true and correct to the best of his information, knowledge and belief.

Jason M. Stegall

STATE OF OHIO)
) Case No. 2014-00396
COUNTY OF FRANKLIN)

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

Notary Public

My Commission Expires: May 11, 2016

NOTARIAL SEAL STATE OF OHIO

ELLEN A. MCANINCH
NOTARY PUBLIC
STATE OF OHIO
Recorded in
Franklin County
My Comm. Exp. 5/11/16

VERIFICATION

The undersigned, H. Kevin Stogran, being duly sworn, deposes and says he is the Managing Director, Cyber Risk and Security Services 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.

H. Kevin Stogran

STATE OF OHIO)
) Case No. 2014-00396
COUNTY OF FRANKLIN)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by H. Kevin Stogran, this the 3rd day of February, 2015.

Notary Public

NOTARIAL SEAL STATE OF OHIO

Cheryl L. Strawser
Notary Public, State of Ohio
My Commission Expires 10-01-2016

My Commission Expires: October 1st 2016

VERIFICATION

The undersigned, Alex E. Vaughan, being duly sworn, deposes and says he is the Manager, Regulatory Pricing and Analysis that he has personal knowledge of the matters set forth in the forgoing responses and the information contained therein is true and correct to the best of his information, knowledge and belief.

Alex E. Vaughan

STATE OF OHIO)
) Case No. 2014-00396
COUNTY OF FRANKLIN)

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

Amanda E Owen
Notary Public

AMANDA E. OWEN NOTARY PUBLIC STATE OF OHIO

My Commission Expires: Never

VERIFICATION

The undersigned, Ranie K. Wohnhas, being duly sworn, deposes and says he is the Managing Director Regulatory and Finance for Kentucky Power, that he has personal knowledge of the matters set forth in the forgoing responses for which he is the identified witness and that the information contained therein is true and correct to the best of his information, knowledge, and belief

Ranie K. Wohnhas

Ranie K. Wohnhas

COMMONWEALTH OF KENTUCKY)
) Case No. 2014-00396
COUNTY OF FRANKLIN)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Ranie K. Wohnhas, this the 10th day of February 2015.

Judy K Rosquist 481393

Notary Public

My Commission Expires: January 23, 2017

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

Jason M. Yoder

STATE OF OHIO)
) Case No. 2014-00396
COUNTY OF FRANKLIN)

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.

Sheryl J. Cleaver

Notary Public

SHERYL J. CLEAVER
NOTARY PUBLIC, STATE OF OHIO
MY COMMISSION EXPIRES

My Commission Expires: 6/13/2017

Kentucky Power Company

REQUEST

Please provide any and all workpapers KPCo used to produce the schedules in the Company's filing, testimony exhibits, and Filing Requirements. To the extent they are in Excel (or similar spreadsheet program), please provide such workpapers electronically, with formulas and calculations intact.

RESPONSE

Please see the Company's response to KIUC 1-17.

WITNESS: Ranie K Wohnhas

Kentucky Power Company

REQUEST

Please provide the Excel files, with formulas and calculations intact that were used to produce the Company's filing, testimony, exhibits, studies and workpapers.

RESPONSE

Please see the Company's response to KIUC 1-17.

WITNESS: Ranie K Wohnhas

Kentucky Power Company

REQUEST

For each KPCo witness that filed testimony, please provide a complete set of workpapers supporting the witness's testimony and exhibits.

RESPONSE

Please see the Company's response to KIUC 1-17.

WITNESS: Ranie K Wohnhas

Kentucky Power Company

REQUEST

For each KPCo witness that filed testimony, please identify all documents relied upon by the witness.

RESPONSE

Please see the schedules, workpapers and computations provided in response to KIUC 1-17. Beyond these documents the witnesses, who also relied upon their general and industry knowledge and experience, are unable to provide further detail.

WITNESS: Ranie K Wohnhas

Kentucky Power Company

REQUEST

To the extent not already provided in response to discovery or other filings made in the current KPCo rate case, or in the witness' workpapers being provided in response to data requests, please provide a copy of the documents relied upon by each KPCo witness.

RESPONSE

Please see the schedules, workpapers and computations provided in response to KIUC 1-17. Beyond these documents the witnesses, who also relied upon their general and industry knowledge and experience, are unable to provide further detail.

WITNESS: Ranie K Wohnhas

Kentucky Power Company

REQUEST

For each KPCo witness filing testimony, please provide the testimony electronically in native format (e.g., Word) and provide all exhibits and supporting calculations electronically in native format (e.g., Excel).

RESPONSE

In conformity with the 807 KAR 5:001, Section 8 Kentucky Power is filing its responses electronically. 807 KAR 5:001, Section 8(9)(a) provides that "[u]nless a party objects to the use of electronic filing procedures in the party's motion for intervention, the party shall be deemed to have consented to the use of electronic filing procedures and the service of all papers, including orders, of the commission, by electronic means…." The Attorney General did not object to the use of electronic filing and service in its November 18, 2014 motion for intervention. . 807 KAR 5:001, Section 8(4)(b) requires that electronic filings, except for audio files, visual files, and electronic spreadsheets, be provided in portable document format only. Notwithstanding this objection, the Company will provide the requested Word documents on a CD.

Please see the Company's response to KIUC 1-17 for the Excel files.

WITNESS: Ranie K Wohnhas

Kentucky Power Company

REQUEST

Please reference the Testimony of Gregory Pauley, p. 12, lines 11-13 wherein he asserts that, "even with the proposed increase, the customers of Kentucky Power will continue to enjoy electricity priced below the national average." Using data regarding the average level of consumption for the residential class, provide:

a. How Kentucky Power residential customers rank in electricity prices compared to the national average residential customer.

b. The most recent comparison of residential bills of KPCo, Duke Energy (Kentucky), Louisville Gas & Electric Co., and Kentucky Utilities, displayed in $/month, based on 1,000 kWh consumption per month, as provided in the format set forth in KPCo's response to AG 1-2 in Case No. 2013-00197, Attachment 1, p. 57 of 158.

c. How Kentucky Power customers rank in electricity prices in comparison to non-investor owned electricity providers in the state of Kentucky, including TVA.

RESPONSE

a. According to EEI's Typical Bill and Average Rates Report, Summer 2014, the U.S. average for a residential bill of 1000 kWh was $138.10. A Kentucky Power bill to a residential customer using 1,000 kWh per month was $117.35.

b. Comparison of Residential Electric Bills, 1000 kWh, Rates Effective 1/1/2015
Source: EEI Typical Bills and Average Rates Report, Winter 2015

Kentucky Power	$ 96.16
Duke Energy Kentucky	$ 86.19
Kentucky Utilities	$ 97.22
Louisville Gas & Electric	$103.20

c. See AG_1_7c_Attachment1.xls.

WITNESS: Gregory G Pauley

Kentucky Power Company

REQUEST

Please reference the Testimony of Gregory Pauley, p. 9, lines 21-24 and p. 10, lines 1-10. Explain why the Company will not continue to fund the KPCo Economic Advancement Program ("EAP") through shareholder funds, instead of proposing that the customers be forced to contribute to the surcharge.

RESPONSE

The Company is continuing to fund the KEAP program with shareholder funds through 2018. The KEDS program is in addition to the KEAP. The Company will match KEDS funds collected from customers with shareholder funds.

WITNESS: Gregory G Pauley

Kentucky Power Company

REQUEST

Please reference the Testimony of Gregory Pauley, p. 9, lines 21-24 and provide a detailed list of the three projects that were awarded $200,000 in EAP development grants, and what each project entails.

RESPONSE

Big Sandy Area Development District: An $8,000 award for advanced economic training for three individuals from all three local area development district offices: Big Sandy ADD; FiveCo ADD and Gateway ADD. The training is part of the Certified Economic Developer Program through the University of Oklahoma.

City of Paintsville: A $100,000 award to further develop and enhance the Teays Branch economic development site at 120 Scott Perry Drive. The funds will be used primarily to facilitate the construction of adequate parking space to better market the site for potential development.

Louisa Chapter Southeast Kentucky Chamber of Commerce: A $92,000 award to assist in the development of a start-up business – a metal, roofing and building-supply company – based in Louisa that is expected to have a near-term benefit of 10-20 new, skilled labor positions.

WITNESS: Gregory G Pauley

Kentucky Power Company

REQUEST

Please reference the Testimony of Gregory Pauley, p. 9, lines 24-26 and provide a list of the twelve (12) local banks that the Company partnered with to provide $75 million in local bank financing for upcoming capital projects.

a. Please also provide a detailed list of all capital projects included in the $75 million loans.

RESPONSE

The twelve banks that participated in the local bank financing were:

Community Trust Bank
Fifth Third Bank
Citizens National Bank of Paintsville
Peoples Bank & Trust Co.
First Commonwealth Bank
First & Peoples Bank and Trust Co.
Town Square Bank
Kentucky Farmers Bank
Commercial Bank (West Liberty)
Hyden Citizens Bank
Inez Deposit Bank
The Commercial Bank of Grayson

a. The Company does not assign debt financing to any specific capital projects.

WITNESS: Gregory G Pauley

Kentucky Power Company

REQUEST

Please reference KPCo's Application generally. Provide the rationale and justification for applying a large bulk of the rate increase upon the customer charge instead of upon the usage charge.

a. Does the Company admit that by placing a large percentage of the rate increase upon the customer charge it will deprive its customers of the monetary incentive for conserving energy through less usage?

b. Please identify what incentives residential customers will have to conserve energy if the Company's requested rate design is approved.

c. Does the Company acknowledge that many, if not most of its residential members would prefer to retain the ability to control the amount of the bill they owe, and that many are likely to view the company's proposal to place a large majority of the proposed increase on the monthly customer charge as an attempt to eliminate their ability to control the amount of their bill? Cite all studies the Company has conducted of its own ratepayer base to support the Company's decision to seek the proposed rate design in the instant case.

RESPONSE

The Company is not "applying a large bulk of the rate increase upon the customer charge" through the proposed customer charge increase. The Company estimates that 90 % of the average customer's bill will be calculated on either a $/kWh energy charge or on a % of revenues basis.

a. The Company denies. Furthermore, if customers use less electricity they will see a decrease in their monthly bills.

b. The continued use of a residential percentage of revenues and $/kWh energy charges will provide customers with a continuing incentive to conserve energy while at the same time receiving a more accurate price signal that eliminates a portion of the current intra-class subsidy included in the Company's current residential rate structure. Further, an improved price signal will help to avoid customers making irrational economic decisions. See also the direct testimony of Company witness Vaughan beginning on page 11 at line 19, ending on page 13, at line 13. Further, the Company offers a number of DSM programs and has committed to increased funding of those programs in the Settlement in Case No. 2012-00578.

c. The Company denies. The Company acknowledges that many, if not most of its residential customers would prefer to receive a lower monthly bill which is possible through energy conservation under the Company's current and proposed residential rate structures. The Company further acknowledges that many, if not most customers, would prefer not to subsidize or pay for the costs of providing service to another customer.

The Company's proposed residential rate structure does not eliminate or reduce customers' ability to control the amount of their monthly bill. Instead, it provides a more accurate price signal to customers and eliminates intra-class subsidies.

For studies of the Company's ratepayer base and distribution infrastructure that support the Company's proposal to raise the basic service charge to $16 per customer per month, see the direct testimony of Company witness Vaughan at page 8, lines 5-15. See also Exhibits AEV-2 and AEV-3, along with the corresponding testimony on pages 9-13 of Company witness Vaughan's direct testimony.

WITNESS: Alex E Vaughan

Kentucky Power Company

REQUEST

Provide copies of all studies that the Company has conducted addressing the impact that the proposed rate design will have on the elderly, low income, fixed income and home bound segments of its ratepayer base. Please provide detailed information for each specified group.

RESPONSE

See the direct testimony of Company witness Vaughan at page 8, lines 5-15 for an analysis concerning lower income customers. The Company has not performed studies concerning the other types of ratepayers mentioned in the question.

WITNESS: Alex E Vaughan

Kentucky Power Company

REQUEST

Please reference the Testimony of Everett Phillips, p. 11, lines 8-10 and explain if the Company has complied with the Distribution Vegetation Management Plan approved by the Commission in Case No. 2009-00459. If yes, please explain in full detail. If no, please explain in full detail why the Company has not fulfilled its obligations under the plan.

RESPONSE

Yes. As summarized in the Commission's Order approving the Unanimous Settlement Agreement in Case No. 2009-00459, the plan imposed additional spending and reporting requirements on the Company:

- The agreed-upon increase is based on increased reliability expenditures of $10 million annually, which will be in addition to $7,237,965 expended in the test year. The agreement states how the increased funding will be used by Kentucky Power, that it will file an annual work plan with the Commission outlining its planned reliability expenditures for the next year, and identifies annual reports it will file with the Commission and the AG on its actual reliability expenditures.

As indicated in the Direct Testimony of Everett G. Phillips in Case No. 2014-00396, at page 14, Table 4, the Company satisfied the spending requirements. Further, the Company complied with the reporting requirements. As stated in the 2014 September Vegetation Plan, please see attachment AG_16a_Attachment6.pdf, the Company's efforts have reduced the Customer Minutes Interrupted for tree inside the right of way by more than 34 percent, a significant improvement in vegetation-related reliability in just over four years.

WITNESS: Everett G Phillips

Kentucky Power Company

REQUEST

Reference the Direct Testimony of Everett G. Phillips, Page 21, Lines 3 to 5. Please explain the following:

a. Are tree removals inside the previous ROW boundaries capitalized if the ROW is widened? If so, please show the capitalized amounts, by account, for each year during which the Distribution Vegetation Management Plan approved by the Commission in Case No. 2009-00459 has been in effect through calendar year 2014.

b. Please elaborate regarding how the crews determine and report whether or not tree removal activities are capitalized.

c. Please provide the detailed company policy on capitalization of tree removal costs from widened ROW.

d. For each response in subparts (a) through (c), above, explain how Appalachian Power Company ("APCo") treats each item.

RESPONSE

a. If a tree inside of the rights-of-way is larger than 18 inches diameter, then its removal would be capitalized. All capitalized tree trimming is charged to the same account and the amounts cannot be segregated between inside the right-of-way and outside the right-of-way. Please refer to attachment AG_1_314a_Attachment2.pdf for expenses.

b. If tree removals are larger than 18 inches diameter, then the associated charges would be capitalized. If the right of way is widened beyond the established width for an entire span, then the associated charges are capitalized. The removals and associated labor & equipment for capital work are reported by the crew foreperson on a separate timesheet.

c. Please see attachment AG_1_14c_Attachment1.pdf

d. APCO and all other AEP operating companies utilize the same accounting guidelines for Vegetation Management.

WITNESS: Everett G Phillips

Kentucky Power Company

REQUEST

Reference the Direct Testimony of Everett G. Phillips, Section VII, and the four (4) scenarios discussed for implementing KPCo's 2015 Distribution Vegetation Management Plan.

a. Please provide any studies, analyses or reports estimating the effect of each scenario on CAIDI, SAIFI and SAIDI for each year from 2016 to 2023.

b. For each scenario please break down annual costs in table 10 into O&M expense and capital costs.

c. For each year please show the miles of ROW widened under each scenario.

d. For each year please show the additional acres of ROW obtained to widen ROW under each scenario.

e. For each year, please show the assumed average cost per acre for additional ROW obtained to widen ROW under each scenario

RESPONSE

a. The requested analysis is not available. The Company employed Customer Minutes Interrupted (CMI) to reflect the Vegetation Management progress during the transition to a four year cycle. Please reference the attachment KPSC_2_5m_Attachment.xlsx (Sheet labeled "Scenario Comparison 4yr") to Kentucky Public Service Commission second set of data request for question 5(m) for reliability improvements.

b. All annual costs associated in Table 10 are O&M expenses.

c-e. Expenditures to widen the right-of-way are a capital expenditure and not included in the operating and maintenance expenses shown in Table 10. Further, the Company cannot with any certainty estimate the miles of right-of-way to be widened, the corresponding acreage, or the cost per acre in connection with its distribution vegetation management program. With those caveats, the Company anticipates that right-of-way widening will comprise only a small portion of the program capital expenditure and is unlikely to vary materially among the scenarios.

WITNESS: Everett G Phillips

Kentucky Power Company

REQUEST

Reference the Direct Testimony of Everett G. Phillips, Page 12 and 13 where the settlement agreement in Case No. 2009-00459 is discussed. Please provide copies of:

a. all work plans provided to the Commission since 2010; and

b. all reports on "system reliability and the expenditure of funds for the previous year" since 2010.

RESPONSE

a. Please see attachments AG_16a_Attachment1.pdf through AG_1_16a_Attachment6.pdf.

b. Please see attachments AG_16b_Attachment1.pdf through G_1_16b_Attachment4.pdf.

WITNESS: Everett G Phillips

Kentucky Power Company

REQUEST

Reference the Direct Testimony of Everett G. Phillips, Page 15, lines 2 to 10 where the vegetation contract issues are discussed.

a. Please provide the current contracts in effect with all vegetation contractors.

b. Please provide all training materials, handbooks, and standards regarding vegetation management practices and expectations provided to vegetation contractors.

c. Please provide the KPCo management structure and policy for oversight of vegetation contractors.

d. Please provide a list of all vegetation contractors and describe any ownership or organizational relationship to KPCo.

e. With regard to your responses to subparts (b) and (c), above, provide the similar materials utilized by APCo. Please provide any and all workpapers KPCo used to produce the schedules in the Company's filing, testimony exhibits, and Filing Requirements. To the extent they are in Excel (or similar spreadsheet program), please provide such workpapers electronically, with formulas and calculations intact.

RESPONSE

a. See attachments AG_1_17a_Confidential_Attachment1.pdf through AG_1_17a_Confidential_Attachment3.pdf. (Redacted versions are also attached.)

b. See attachments AG_1_17b_Attachment1.pdf and AG_1_17b_Attachment2.pdf.

c. Kentucky Power Vegetation Management Program consists of three Kentucky Power utility foresters and three Davey contractor utility foresters that are responsible for managing the forestry program for their assigned area. The six utility foresters report to the Forestry Supervisor, who manages the Kentucky Power's vegetation management program. The Forestry Supervisor reports to the Distribution Region Support Manager who works under the direction of the Managing Director of Distribution Region Operations.

d. Kentucky Power's vegetation contractors: Asplundh Tree Expert Co., Wright Tree Service, Nelson Tree Service, Aerial Solutions Inc., and Davey Tree Expert Co. Kentucky Power has no organizational or ownership relationships with these contractors.

e. Kentucky Power objects to this subpart. APCo is a separate entity and is not a party to this proceeding. Without waiving this objection, the materials utilized by APCo in subpart (b) are the same. For subpart (c), APCo has a similar management structure and policy for oversight. APCo has one additional layer of management that allows for the difference between state jurisdiction. This layer, Region Forestry Lead, is between the Utility Foresters and the Forestry Supervisor.

Please see the Company's response to KIUC 1-17.

WITNESS: Everett G. Phillips

Kentucky Power Company

REQUEST

Reference the Direct Testimony of Jeffery D. LaFleur on page 4 regarding Kentucky Power's 50% ownership in the Mitchell Plant. Please provide the following:

a. Current ownership agreement or any other related documents that detail how management decisions are made among the owners of the Mitchell Plant.

b. A complete list of all owners, with percentage ownership.

c. Any affiliates of each owner and the related organization structure.

d. Membership of plant ownership management committee or equivalent owners' representative organization.

e. Minutes, agendas, handouts and presentations from all meetings of the ownership management committee (or equivalent) for the last 3 years.

RESPONSE

a. Please see AG_1_18 Attachment1.pdf

b. 50% of the Mitchell Plant is owned by Wheeling Power Company and 50% is owned by Kentucky Power Company.

c. Both Wheeling Power Company and Kentucky Power are subsidiaries of American Electric Power, Inc. A full list of AEP subsidiaries and affiliates can be found in the answer to KPSC 1-2.

d. Since a portion of the Mitchell Plant has only recently been transferred to Wheeling Power Company, there has not yet been a meeting with the new ownership.

e. Please see AG_1_18 Attachment2.pdf

WITNESS: Jeffery D LaFleur

Kentucky Power Company

REQUEST

Reference the Direct Testimony of Jeffery D. LaFleur on page 4 regarding Kentucky Power's 15% ownership in the Rockport Plant. Please provide the following:

a. Current ownership agreement or any other related documents that detail how management decisions are made among the owners of the Rockport Plant.

b. A complete list of all owners, with percentage ownership.

c. Any affiliates of each owner and the related organization structure.

d. Membership of plant ownership management committee or equivalent owners' representative organization.

e. Minutes, agendas, handouts and presentations from all meetings of the ownership management committee (or equivalent) for the last 3 years.

f. The amount of the demand charge KPCo pays for power produced at the Rockport plant. Confirm this sum is paid regardless of whether KPCo uses any power from Rockport.

g. Complete supporting information for the return on equity that KPCo is requesting in the current rate case on its 15% ownership in the Rockport Plant.

RESPONSE

a-e. The Company does not have an ownership interest in the Rockport Plant. Kentucky Power has a unit power agreement for 15% of the generation from the Rockport Plant. The Rockport Plant is maintained and operated solely by Indiana Michigan Power Company.

Please see the Company's response to AG 1-375 for a copy of the unit power agreement.

Kentucky Power Company

f. Confirmed. Please see AG_1_19_Attachment1.xls for the demand charges for 2014.

g. Kentucky Power does not own a share of the Rockport Plant. Please see the Company's responses to AG 1-375 and AG 1-394 for additional detail regarding the Unit Power Agreement for Rockport.

WITNESS: Jeffery D LaFleur

Kentucky Power Company

REQUEST

Reference the Mitchell Plant Maintenance Normalization, Adjustment W34 of Section V, Exhibit 2. Please provide the following:

a. A detailed list of all Mitchel maintenance activities, the associated costs, and the expected frequency of the maintenance activity for 2012, 2013, and 2014.

b. A detailed list of all major scheduled maintenance activities and expected frequency of these maintenance activities.

c. Maintenance activity costs for 2010 and 2011.

d. Justification for a 3-year average.

RESPONSE

a. – c. Please see AG_1_20_Attachment1.xls for this response.

d. Maintenance activities vary annually primarily due to scheduled outages for each of the two Mitchell units. Typically, one unit will have an outage over a given three year period, so two years will have scheduled outages and a third year will have no scheduled outages. Also, forced outages have to be addressed and will contribute to additional costs. Looking at cost over a three year period for a given plant provides a better indicator of what production costs should be. Three year averaging has been used in prior rate cases for the Big Sandy plant to better align revenues with costs.

WITNESS: J D LaFleur/R K Wohnhas

Kentucky Power Company

REQUEST

Reference the Direct Testimony of Andrew R. Carlin in regard to incentive compensation. Please provide the following:

a. 2014 and 2015 version of Exhibit ARC-5 for KPCo employees and AEP shared employees.

b. Are there any incentive compensation adjustments for 2015 directly related to distribution reliability? If so please provide details. If not, why not?

c. Are there any incentive compensation adjustments for 2015 directly related to improvements in SAIDI, CAIDI and SAIFI? If so please provide details. If not, why not?

d. Are there any incentive compensation adjustments for 2015 related to vegetation management and miles of ROW clearing? If so please provide details. If not, why not?

e. Are there any incentive compensation adjustments for 2015 directly related to generation plant performance? If so please provide details. If not, why not?

f. Are there any incentive compensation adjustments for 2015 directly related to providing safe and reliable service to customers? If so please provide details. If not, why not?

g. Are there any incentive compensation adjustments for 2015 directly related to environmental performance and compliance? If so please provide details. If not, why not?

h. With regard to each response in subparts (a) through (g), above, provide responses as to how APCo treats each item.

RESPONSE

a. Please see AG_1_21_Attachment.pdf for the 2014 version of Exhibit ARC-5. The 2015 version has not been finalized and approved as of the date of this response. Note that exhibit ARC-5 addresses the performance measures that determine the overall incentive funding available for all AEP operating companies and business units. There are separate performance measures for distribution, generation and transmission employees as well as several other business units. The allocation of the overall incentive funding available to each group with separate performance measures is based on how well they perform with respect to these separate performance measures.

b. AEP's 2015 Incentive compensation plans have not been finalized and approved as of the date of this response.

c. See response to AG_1_21 b.

d. See response to AG_1_21 b.

e. See response to AG_1_21 b.

f. See response to AG_1_21 b.

g. See response to AG_1_21 b.

h. APCo participates in the same incentive structure with performance measures and weights similar to KPCo. The 2015 measures have not yet been approved.

WITNESS: Andrew R Carlin

Kentucky Power Company

REQUEST

Reference the Direct Testimony of Amy J. Elliott on page 4. With regard to the AEP East-System
Pool, please provide the following:

a. A comprehensive description of the AEP East-System Pool.

b. The AEP East System Pool agreement.

c. Any assets or allowances that were dispersed upon termination of the AEP East-System Pool and how these were dispersed, together with any agreements relevant thereto.

d. Costs incurred by KPCo in each of the years 2012, and 2013 as a direct result of participation in the AEP East-System Pool.

e. Costs incurred by KPCo in 2014, by account, that relate to KPCo's participation through December 31, 2013 in the AEP East System Pool but which were not recorded on KPCo's books until 2014.

RESPONSE

a.& b. The AEP East-System Pool is comprehensively described in the AEP Interconnection Agreement. The AEP East System Pool Agreement is contained in AG_1_22_Attachment 1.pdf.

c. There were no such dispersals.

d. Please refer to the 2012 and 2013 Interchange Power Statements contained in the attached files
AG_1_22_Attachment2.pdf thru AG_1_22_Attachment25.pdf for costs incurred.

e. Please refer to KIUC_1_17_Attachment37 for the requested information.

WITNESS: Alex E Vaughan

Kentucky Power Company

REQUEST

Reference the Direct Testimony of Jeffery D. LaFleur in regard to the economic operation of KPCo's and APCo's generating facilities. Please provide the following:

a. Net Capability rating of each facility included in KPCo's rates for each year, 2009 through 2014.

b. Annual Equivalent Availability of each facility included in KPCo's rates for each year, 2009 through 2014.

c. Annual Net Capacity Factor of each facility included in KPCo's rates for each year, 2009 through 2014.

d. Annual Forced Outage Rate of each facility included in KPCo's rates for each year, 2009 through 2014.

e. Annual Average variable O&M cost (without fuel) per MWH of each facility included in KPCo's rates for each year, 2009 through 2014.

f. Annual Average fuel cost per MWH of each facility included in KPCo's rates for each year, 2009 through 2014.

g. All studies or reports KPCo or APCo have prepared comparing performance metrics of each facility included in KPCo's rates in 2009 through 2014.

RESPONSE

a-f. Please see AG_1_23_Confidential_Attachment1.pdf.

g. The Company objects to the request to the extent it seeks information concerning the past performance of units that will not be used to provide service to Kentucky Power's customers during the period the rates are in effect. Additionally, the Company has not developed any studies or reports comparing performance metrics since 2011. The Company does rely on GADS data, similar to that provided in AG_1_23_Confidential_Attachment1.pdf, in evaluating its units. Please see AG_1_Confidential_Attachment2.pdf for performance metrics comparisons of the Mitchell, Rockport, and Big Sandy units.

WITNESS: Jeffery D LaFleur

Kentucky Power Company

REQUEST

Reference the Direct Testimony of Jason Yoder on Page 17 lines 7 through 14. Please provide the detailed historical Big Sandy Plant M&S inventory results used in Mr. Yoder's review.

RESPONSE

The Company reviewed usage information for Big Sandy and other affiliate units for a twelve month period. Based on review of this historical inventory usage and discussions with plant personnel, the Company determined a 15% usage/transfer rate for Big Sandy materials and supplies. This 15% rate is comprised of 10% for Big Sandy usage and 5% for transfer to other facilities. See AG_1_24_Attachment1.xls for the inventory reports utilized for review
Please see the Company's response to KIUC 1-17.

WITNESS: Jason M. Yoder

Kentucky Power Company

REQUEST

State whether the proposed enhancements to the company's vegetation management program will:

a. reduce O&M expense, and if so, by what amount;

b. reduce both recurring annual transmission and distribution plant investment and removal costs due to longer line and equipment life; and

c. increase revenues due to increased usage which otherwise would have been foregone during outages.

RESPONSE

a. After the first full cycle-based maintenance is fully achieved the O&M expense should be reduced because less vegetative mass must be removed to maintain the distribution system. Refer to Direct Testimony of Everett G. Phillips, Table 10 - Scenario 2, page 30, for the O&M reduction from $27,661,060 in year 2015 to $20,251,822 in year 2019. This projects a savings of $7,409,238 if Scenario 2 is fully approved.

b. Kentucky Power is not aware of a correlation between vegetation management and life expectancy of line equipment assets.

c. Tree caused outages, due to trees located in the rights of way, accounted for approximately 8.6 million customer minutes of interruption (major storms excluded) during 2014. It is not realistic to anticipate that 100% of these outages will be eliminated. But even if the outages were completely eliminated, the increased revenues, due to increased usage, would be minimal.

WITNESS: Everett G Phillips

Kentucky Power Company

REQUEST

For each $1 million spent in the proposed enhancement program, state the percentage improvement the company expects to receive in the CAIDI, SAIFI, SAIDI indices.

RESPONSE

The Company cannot correlate improvements to CAIDI, SAIFI, and SAIDI to $1 million increments spent on the proposed enhancement plan.

WITNESS: Everett G Phillips

Kentucky Power Company

REQUEST

Will the company's proposed enhancements give any priority to its ten (10) worst-performing circuits, or would all circuits receive the same priority?

RESPONSE

Yes. Kentucky Power Company has focused on many of the worst-performing circuits, as well as circuits with a large number of customers. The circuits that have been re-cleared are documented in the Vegetation Plan Summary filed annually with the Commission. These filings are provided in the response to AG 1-16b. The most recent improvement summary is provided in AG_1_16a_Attachment6.pdf.

WITNESS: Everett G Phillips

Kentucky Power Company

REQUEST

Provide the company's line loss figures for each of the past ten (10) years.

RESPONSE

AG_1_28_Attachment 1.pdf provides the derivation of Company losses and unaccounted for energy for 2005 through 2014.

WITNESS: Ranie K Wohnhas

Kentucky Power Company

REQUEST

Provide the annual actual late payment revenues for each year 2011 through 2012, and through the end of test year.

RESPONSE

Please see Attorney_General_1_29_Attachment1.xls.

WITNESS: John A Rogness

Kentucky Power Company

REQUEST

Please confirm that in 2014, the Public Service Commission of West Virginia in Case No. 14-0546-E-PC entered an order that: (i) transferred only 82.5% of the remaining undivided interest of the Mitchell Plant to Wheeling Power Co. ("WPCo") for ratemaking purposes; and (b) that the remaining 17.5% interest constituted excess capacity and would not be allowed into WPCo's ratebase until January 1, 2020.

a. Please provide the status of WPCo's attempted merger with APCo.

b. Please confirm that in West Virginia, both WPCo and APCo charge the same rates. Identify which AEP entity (if any) will own the remaining 17.5% interest of the Mitchell Plant until it is allowed to be included in WPCo's rate base.

RESPONSE

(i) Confirmed

(b) It was not determined to be "excess capacity" but was agreed to not transfer into rate base until January 1, 2020 or earlier if there was a need for additional capacity.

a. The merger of APCo and WPCo is no longer before the Commission.

b. Both WPCo and APCo do charge the same rates. WPCo will own 50% of the Mitchell Plant (Kentucky Power owns the other 50%). The 17.5% is included in WPCo's 50% share of Mitchell but is not recoverable through rates.

WITNESS: Ranie K Wohnhas

Kentucky Power Company

REQUEST

State the consequences that: (a) the closing of Big Sandy Unit 2; (b) the re-firing of Big Sandy Unit 1 to eliminate coal as a fuel source, and (c) obtaining the 50% undivided interest in the Mitchell Plant will have on KPCo in regard to the Consent Decree entered by the United States District Court for the Southern District of New York in United States
v. American Electric Power Service Corp., Civil Action C2-99-1250. Please provide any savings or additional costs in a monetary quantification.

RESPONSE

The Consent Decree into which AEP entered, and its subsequent modifications, placed specific requirements on individual power plants, and also created a system-wide cap on emissions of SO2 and NOx. The relative economic benefits of the Mitchell Transfer and the conversion of Big Sandy Unit 1 to natural gas were identified in Case Nos. 2012-00578 and 2013-00430, respectively

a. The closing of Big Sandy Unit 2 is included as an option under the terms of the Consent Decree, which requires that AEP retire, retrofit, or repower by December 31, 2015.

b. The conversion of Big Sandy Unit 1 to natural gas will permit this unit to operate in compliance with the Mercury and Air Toxics (MATS) Rule and is not a requirement of the Consent Decree. The conversion was approved by the Commission in Case No. 2013-00430.

c. The Mitchell Plant is compliant with the Consent Decree with respect to the installation and operation of environmental controls, and will continue to be included in the fleet caps on emissions. The acquisition of an undivided 50% interest in the Mitchell Plant was approved by the Commission in Case No. 2012-00578 .

WITNESS: John M McManus

Kentucky Power Company

REQUEST

With regard to the proposed Kentucky Economic Development Surcharge, please confirm that all funds collected will go solely toward economic development, and exclusively within the KPCo service territory. If not, why not?

RESPONSE

Kentucky Power confirms the statement. All funds collected through the K.E.D.S. tariff will be directed to economic development in the Company's service territory.

WITNESS: John A Rogness

Kentucky Power Company

REQUEST

Please reference the Testimony of John Rogness, p. 17, lines 1-3 and explain whether the company would be willing to increase the shareholder funding of the Kentucky Economic Development Surcharge. If not, explain fully why not.

RESPONSE

No. The Company has proposed matching the customer funds because as stated in the testimony of Company Witness Pauley, page 10, lines 9-10, "The K.E.D.S. will allow the Company to partner with its customers in supporting needed economic development in its service territory. A provision requiring contributions by shareholders and customers is a reasonable means of funding a program that has as much if not more benefit for customers as the Company.

WITNESS: Gregory G Pauley

Kentucky Power Company

REQUEST

Does the AEPSC currently provide the services, personnel and funding for KPCo to achieve and maintain: (i) NERC compliance; and (ii) compliance with applicable cybersecurity standards? If so:

a. Provide the annual sum AEPSC charges for these services; and

b. b. Why is KPCo, through means of the proposed NERC Compliance and Cybersecurity Rider, seeking to take this function from the Servco? Would doing so not constitute duplication of services? Please explain.

RESPONSE

AEPSC provides compliance services and technical expertise to Kentucky Power to achieve and maintain NERC compliance and compliance with applicable cybersecurity standards.

a. AEPSC does not charge specifically for compliance services. The compliance programs and functions costs are spread over many departments and business units that provide a larger service to Kentucky Power. These include IT infrastructure, telecommunications, applications, and information security with compliance services included in each unit's overall cost structure. Therefore, it is not possible to accurately segregate and report those costs specific to compliance activities.

b. Kentucky Power is not taking NERC Compliance and Cybersecurity services over from AEPSC through the NCCR. AEPSC currently provides centralized NERC Compliance and Cybersecurity services to Kentucky Power and all AEP operating companies. The NCCR is simply designed to allow the Company to recover its share of the costs incurred to maintain compliance with NERC standards and to maintain cybersecurity in a timely fashion.

WITNESS: H Kevin Stogran

Kentucky Power Company

REQUEST

With regard to the proposed NERC Compliance and Cybersecurity Rider, explain why the AEPSC would not be better situated to provide centralized services for KPCo and the other AEP-East Operating Companies.

RESPONSE

Kentucky Power is not taking NERC Compliance and Cybersecurity services over from AEPSC through the NCCR. AEPSC currently provides centralized NERC Compliance and Cybersecurity services to Kentucky Power and all AEP operating companies. The NCCR is simply designed to allow the Company to recover its share of the costs incurred to maintain compliance with NERC standards and to maintain cybersecurity in a timely fashion.

WITNESS: H Kevin Stogran

Kentucky Power Company

REQUEST

Reference the Elliott testimony at pp. 5-6. With regard to projects scheduled for the Mitchell plant, state the date when each such project had been identified and approved for scheduling.

RESPONSE

The projects listed for the Mitchell Plant on pages 5-6 of the testimony of Company Witness Elliott were previously approved under prior versions of the Company's Environmental Compliance Plan and are not scheduled projects to be completed at the Mitchell Plant. While additional future work under these projects may be necessary to ensure the environmental systems continue to operate satisfactorily, the projects listed in witness Elliott's testimony are in-service and currently contributing to the Mitchell Plant's environmental compliance.

WITNESS: Jeffery D LaFleur

Kentucky Power Company

REQUEST

Reference the Davis testimony at p. 3, wherein he states, "The revised depreciation rates are primarily required due to changes in investment and changes in the expected life and net salvage of Kentucky Power's property that takes into account the December 2013 transfer of a 50% undivided interest in the Mitchell generating station." For each change regarding Mitchell plant depreciation (including but not necessarily limited to curves, net salvage, expected lives, and methodologies), provide the depreciation treatment that was in place prior to the transfer of the 50% undivided interest in Mitchell to KPCo.

RESPONSE

As per the Order from Case No. 2012-00578, KPCo is using the Ohio Power Company depreciation rates for Mitchell Units 1 and 2 until such rates are changed in a base rate case. The Ohio Power depreciation rates were calculated based on plant in service balances at December 31, 2007 versus the revised depreciation rates that use plant in service balances at December 31, 2013. Additional detail regarding the differences in the depreciation treatment include the following:

I. The estimated retirement date used for the Ohio Power depreciation rates for Mitchell plant was 2031 versus the 2040 estimated retirement date used to calculate the revised depreciation rates.

II. The 50% interest in Mitchell Plant's depreciable steam production plant was approximately $793,451,993 at December 2007 versus $893,905,077 at December 2013 for an increase of more than $100 million.

I. Since Ohio Power Company's generation property was deregulated when the December 2007 depreciation rates were calculated, the depreciation rate calculation at that point in time included only salvage versus the regulated December 2013 depreciation rate calculation that included both salvage and removal.

WITNESS: David A Davis

Kentucky Power Company

REQUEST

Reference the Davis testimony at p. 6, wherein he states he recommended an increase in depreciation rates because of changes in average service lives and the net salvage estimates used to calculate the Company's depreciation rates. Explain how the transfer of the 50% undivided interest in Mitchell to KPCo caused a change in average service lives.

RESPONSE

The transfer of 50% undivided interest in the Mitchell plant to KPCo did not cause a change in the end of service date for the Mitchell plant. The current rates being used for the Mitchell plant were calculated using an end of service date of 2031. Based on updated estimates and information, the end of service life should be changed from 2031 to 2040.

WITNESS: David A Davis

Kentucky Power Company

REQUEST

Reference the Davis testimony at pp. 8-9, wherein he discusses a dismantling study performed for the Mitchell Plant by S & L. Provide any dismantling studies performed by Ohio Power Company ("OPCo"). If OPCo did not perform any such study, why not?

RESPONSE

Ohio Power Company ("OPCo") did not perform any dismantling studies. All dismantling studies are performed by outside engineering professionals, such as Sargent & Lundy (S&L).

WITNESS: David A Davis

Kentucky Power Company

REQUEST

Reference the LaFleur testimony at p. 7, wherein he states that KPCo proposes to normalize the annualized Mitchell Steam Maintenance expense using the average for a three year period as adjusted for inflation, which will increase the proposed revenue requirement by approximately $3 million. If KPCo is allowed to do so, explain how much WPCo (and/or any other affiliates receiving the other undivided 50% interest in the Mitchell Plant) will pay for this same purpose, and whether its sums will also be normalized over a three-year period.

RESPONSE

Kentucky Power objects to this data request as irrelevant and not seeking informationreasonably calculated to lead to the discovery of admissible evidence. The transfer of the remaining 50% of the Mitchell generating station not owned by Kentucky Power, to an entity other than Kentucky Power, or the ratemaking treatment accorded such transferred interest, is not before the Commission in this proceeding where the Companyis not seeking to recover the expenses associated with the 50% undivided interest it does not own. Further, and without waiving the objection, the costs borne by WPCo are governed by the FERC Mitchell Operating Agreement. Any ratemaking treatment of those costs will, subject to the settlement agreement approved by the West Virginia Public Service Commission, be proposed by WPCo and not Kentucky Power and determined by the West Virginia Commission.

WITNESS: Ranie K Wohnhas

Kentucky Power Company

REQUEST

Please reference the Testimony of John Rogness, p. 21, lines 15-19 and elaborate on what initiatives have been created and/or implemented by SOAR thus far, that intends to improve the economy and quality of life in Eastern Kentucky.

RESPONSE

Details regarding what SOAR initiatives have been created and / or implemented can be found at www.soar-ky.org.

WITNESS: John A Rogness

Kentucky Power Company

REQUEST

Please reference the Application generally. How many Kentucky Power customer complaints has the Company received in the past five (5) years? Please provide the specific number of customer complaints for 2014, 2013, 2012, 2011, and 2010.

a. How many customer complaints has the Company received specifically upon electricity outages?

b. How many customer complaints has the Company received specifically upon the processes to report an electricity outage?

RESPONSE

Kentucky Power has received the following number of complaints for the past 5 years:

2010 - 229
2011 - 288
2012 - 163
2013 - 159
2014 - 156

a. Listed below are the number of complaints Kentucky Power has received for the past 5 years specifically for outages:

2010 - 62
2011 - 66
2012 - 75
2013 - 25
2014 - 24

b. Listed below are the number of complaints Kentucky Power has received for the past 5 years specifically on reporting an electric outage:

2010 - 1
2011 - 0
2012 - 0
2013 - 0
2014 - 1

WITNESS: John A Rogness

Kentucky Power Company

REQUEST

Please reference the Application generally. What process(es) does Kentucky Power have in place to address customer complaints? Please explain in full detail.

RESPONSE

The Company assumes this question is limited to informal complaints made to the Commission. With respect to such complaints, Kentucky Power follows the rules and regulations set forth by the Kentucky Public Service Commission in 807 KAR 5:001, Section 21.

WITNESS: John A Rogness

Kentucky Power Company

REQUEST

Please reference the Application generally. What process(es) does Kentucky Power have in place for a customer to alert the Company that there is an electricity power outage?

RESPONSE

To alert the Company of a power outage, customers' can call Kentucky Power at 1-800-572-1113. In addition, customers' can also go online to www.kentuckypower.com, and report their outage through the web and view our service map to see where current outages are occurring. Finally, Kentucky Power is in the process of piloting a new program that will allow customers the opportunity to receive alerts via text message or email about outages and restoration information. This pilot program is scheduled to begin in 2015.

WITNESS: John A Rogness

Kentucky Power Company

REQUEST

Lead-Lag Study. Please provide the electronic Excel files, with formulas and calculations intact, which were used to produce the lead-lag study that was used for the current rate case.

RESPONSE

The Company did not perform a lead-lag study.

WITNESS: Shannon R Listebarger

Kentucky Power Company

REQUEST

Data requests of others: With regard to all data requests served on the Company concerning the testimony of KPCo witnesses and other issues being addressed in this proceeding and to the extent that any of the responses to these data requests involve calculations using a program such as Microsoft Excel or Access, provide a complete copy of the electronic files, with formulas, calculations, macros, and cell references intact.

RESPONSE

The Company will comply with the Attorney General's request and makes a similar request to the Attorney General with respect to any data requests served on the Attorney General by other parties.

WITNESS: Ranie K Wohnhas

Kentucky Power Company

REQUEST

Chart of Accounts. Please provide the detailed chart of accounts used by the Company during the test year, and how the accounts used by the Company relate to and correspond with the FERC Uniform System of Accounts. Update for any subsequent changes.

RESPONSE

Please see AG_1_47_Attachment1.pdf.

WITNESS: Jason M Yoder

Kentucky Power Company

REQUEST

Please provide a complete copy of KPCo's detailed general ledger for 2011, 2012, 2013, and 2014 and for the period ended September 30, 2014. In addition, please provide new monthly data as it becomes available through the course of this proceeding.

RESPONSE

See AG_1_48_Attachment1.pdf, AG_1_48_Attachment2.pdf, AG_1_48_Attachment3.pdf and AG_1_48_Attachment4.pdf for 2011, 2012, 2013 and 2014 detailed KPCo general ledger activity, respectively.

General ledger detail in attachment AG_1_48_Attachment3.pdf does not reflect KPCo's 50% acquisition of Mitchell Plant on December 31, 2013.

December 31, 2013 balance sheet detail of KPCo's 50% acquisition of Mitchell Plant are included in Attachment AG_1_48_Attachment5.pdf.

WITNESS: Jason M Yoder

Kentucky Power Company

REQUEST

Please provide a copy of KPCo's trial balances for 12/31/2011, 12/31/2012, 12/31/2013 and 12/31/2014. In addition, please provide new monthly data as it becomes available throughout the course of this proceeding.

RESPONSE

See AG_1_49_Attachment1.pdf, AG_1_49_Attachment2.pdf, AG_1_49_Attachment3.pdf and AG_1_49_Attachment4.pdf for 12/31/2011, 12/31/2012, 12/31/2013 and 12/31/2014 trial balances, respectively. The Company will supplement this response during the pendency of this case as monthly ledgers are closed.

The trial balance in attachment AG_1_49_Attachment3.pdf does not reflect KPCo's 50% acquisition of Mitchell Plant on December 31, 2013.

December 31, 2013 balance sheet detail of KPCo's 50% acquisition of Mitchell Plant are included in Attachment AG_1_49_Attachment5.pdf.

WITNESS: Jason M Yoder

Kentucky Power Company

REQUEST

Accounting Manuals. Please provide a complete copy of all of the Company's internal accounting manuals, directives, policies and procedures.

RESPONSE

The Company's significant accounting policies are included in Kentucky Power's 2013 Audited Annual Report that was prepared in accordance with Accounting Principles Generally Accepted in the United States of America. Kentucky Power's 2013 Audited Annual Report is posted to AEP's website at the following address:

http://www.aep.com/investors/FinancialFilingsAndReports/Filings/docs/2013subsidiaries/4Q13-KPCo.pdf.

WITNESS: Jason M Yoder

Kentucky Power Company

REQUEST

Please provide a list of all internal audit reports for 2012, 2013, 2014 and 2015 to date, for departments and/or operations which charge costs to KPCo.

RESPONSE

Please see AG_1_51_Attachment1.xlsx for a list of audit reports issued from 2012 through January 2015 for areas that are either directly charged or have costs allocated to KPCO.

WITNESS: Ranie K Wohnhas

Kentucky Power Company

REQUEST

Gross Revenue Conversion Factor (GRCF). Refer to Section V, Exhibit 1, Workpaper S-2. Please show in detail how the KPSC Maintenance Fee percentage of 0.1952% was derived. Include all supporting calculations electronically in Excel and include all supporting workpapers and documentation.

RESPONSE

The KPSC Maintenance Fee is set by the Kentucky Public Service Commission. Please see AG_1_52_Attachment1.pdf.

WITNESS: Ranie K Wohnhas

Kentucky Power Company

REQUEST

Please provide the monthly level of prepaid taxes by type of tax for 2011, 2012, 2013, 2014, and for the 12 months ending 9/30/2014.

RESPONSE

Kentucky Power Company makes prepayments for both Kentucky sales tax and Kentucky use tax. See attached files AG_1_53_Attachment1.pdf for sales tax and AG_1_53_Attachment2.pdf for use tax.

WITNESS: Jeffrey B Bartsch

Kentucky Power Company

REQUEST

Please provide the monthly level of Materials and Supplies in total and by type for 2011, 2012, 2013, 2014, and for the 12 months ending 9/30/2014.

RESPONSE

Please see AG_1_54_Attachment1.pdf.

WITNESS: Jason M Yoder

Kentucky Power Company

REQUEST

Please provide the monthly level of Contributions in Aid of Construction for 2011, 2012, 2013, 2014, and for the 12 months ending 9/30/2014.

RESPONSE

See AG_1_55_Attachment1.xls.

WITNESS: Jason M Yoder

Kentucky Power Company

REQUEST

Please provide the monthly level of Customer Advances for 2011, 2012, 2013, 2014 and for the 12 months ending 9/30//2014.

RESPONSE

Refer to AG_1_56_Attachment1.xls.

WITNESS: Ranie K. Wohnhas

Kentucky Power Company

REQUEST

Please provide the monthly level of Deferred Maintenance by component for 2011, 2012, 2013, 2014, and for the 12 months ending 9/30/2014.

a. Please identify and explain each item of Deferred Maintenance, when it first arose, when amortization commenced, when amortization will be completed, why the maintenance was deferred, and commission authorization for each maintenance item that is being deferred.

RESPONSE

Kentucky Power does not defer maintenance costs.

WITNESS: Jeffery D LaFleur

Kentucky Power Company

REQUEST

Please provide the monthly level of Deferred Debits by component for 2011, 2012, 2013, 2014, and for the 12 months ending 9/30/2014.

a. Please, identify and explain each item of Deferred Debits, when it first arose, when amortization commenced, when amortization will be completed, why the cost was deferred, and commission authorization for each Deferred Debit item that is being requested for inclusion in rate base.

RESPONSE

Refer to AG_1_58_Attachment1.xls for the requested data. Only Account 190 Accumulated Deferred Income Taxes is traditionally in rate base, which is offset by Accounts 281, 282, and 283; Accumulated Deferred Income Taxes - Accelerated Amortization Property, Accumulated Deferred Income Taxes - Other Property and Accumulated Deferred Income Taxes - Other, respectively.

WITNESS: Jason M Yoder

Kentucky Power Company

REQUEST

Please provide the monthly level of Prepaid Pension for 2011, 2012, 2013, 2014, and for the 12 months ending 9/30/2014.

RESPONSE

In accordance with generally accepted accounting principles under FAS 87, the cumulative difference between cash pension contributions to the trust fund and pension cost recorded on the Company's books is recorded as a prepaid pension asset for cash contributions that exceed pension cost or as an accrued pension liability for pension cost that exceeds cash contributions. During 2011 through 2014 the cumulative cash contributions always exceeded pension cost, so the difference throughout this period was always a prepaid pension asset. As such, the amount of accrued pension liability from 2011 through 2014 was always zero. The monthly amount of prepaid pension asset for 2011, 2012, 2013, 2014, and the 12 months ending September 30, 2014 is shown on AG_1_59_Attachment1.xlsx.

WITNESS: Hugh E McCoy

Kentucky Power Company

REQUEST

Please provide the monthly level of Accrued Pension for 2011, 2012, 2013, 2014, and for the 12 months ending 9/30/2014.

RESPONSE

Please see the Company's response to AG 1-59.

WITNESS: Hugh E McCoy

Kentucky Power Company

REQUEST

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.

RESPONSE

Confirmed. The $72.189 million assumes that the tax basis is zero at the date of retirement.

WITNESS: Jason M Yoder

Kentucky Power Company

REQUEST

Accumulated Deferred Income Taxes (ADIT).

a. Please provide a detailed itemization of each item of ADIT, in total, as of 12/31/2011, 12/31/2012, 12/31/2013, and as of 9/30/2014.

b. Please provide the monthly level of Accumulated Deferred Income Taxes, by timing difference item, for 2011, 2012, 2013, 2014, and for the 12 months ending 9/30/2014.

c. For each item, identify the book/tax-timing difference that causes the ADIT, explain when that temporary timing difference first arose, identify the amount of the timing difference as of each date, and describe in detail whether and how that particular timing difference relates to an item of utility rate base, utility revenue and/or utility expense, and how the related item has been reflected in the Company's filing for ratemaking purposes.

RESPONSE

a. Please see attachment AG_1_62Attachment1.xlsx for a detailed itemization of each item of ADIT as of the requested dates.

b. This information is voluminous. It is contained in the PowerPlan Tax Provision System and can be made available at a mutually agreed upon time in Columbus, Ohio.

c. ADFIT balances change from year-to-year based on the annual Schedule M adjustments that are made in the Federal income tax returns. Information regarding when amounts were included in book and in tax returns is not tracked and is not readily available. All ADIT with the exception of SFAS 109 ADIT was included in the rate case. See Section V Exhibit 5 Summary for items included in Cost of Service.

WITNESS: Jeffrey B Bartsch

Kentucky Power Company

REQUEST

Accumulated Deferred Income Taxes (ADIT). Please identify by amount and account, the corresponding regulatory asset/(liability) and/or other deferred debit/(credit) relating to each item that comprises the total ADIT of that KPCo has included in rate base. For each component of ADIT, please provide the following information:

a. Description of each item of ADIT that comprises the total amount KPCo has reflected in rate base.

b. Balance sheet account in which KPCo recorded the ADIT.

c. Related deferred asset, deferred credit or liability account for each component of ADIT.

d. Identification of whether and where the related deferred asset, deferred credit or liability account for each component of ADIT is included in KPCo's proposed rate base, and for each item, if not, a detailed explanation of why not.

RESPONSE

Please see the Company's response to AG 1-62. All ADIT items (excluding SFAS 109 ADIT) having balances as of September 30, 2014 were included in rate base.

WITNESS: Jeffrey B Bartsch

Kentucky Power Company

REQUEST

Please provide the following monthly KPCo labor data, in total, for December 31, 2009 through September 30, 2014, showing annual totals:

a. Number of actual employees broken down between type (e.g. salaried, hourly, union, non-union, temporary, etc.).

b. Number of authorized employees broken down between type (e.g. salaried, hourly, union, non-union, temporary, etc.).

c. Regular payroll broken down between expensed, capitalized and other.

d. Overtime payroll broken down between expensed, capitalized and other.

e. Temporary payroll broken down between expensed, capitalized and other; and

f. Other payroll (specify).

RESPONSE

a. See AG_1_64_Attachment2.xls for KPCo actual headcount by month for December 2009 to September 2014.

b. See to AG_1_64_Attachment3.xls for total budgeted number of KPCo employees. The budget is not broken down between the different types of employees.

c-f. See AG_1_64_Attachment1.xls. Temporary payroll is included as part of the regular and overtime payroll identified in this attachment.

WITNESS: Ranie K Wohnhas

Kentucky Power Company

REQUEST

Please provide the following monthly AEPSC labor data, in total, for December 31, 2009 through September 30, 2014, showing annual totals:

a. Number of actual employees broken down between type (e.g. salaried, hourly, union, non-union, temporary, etc.).

b. Number of authorized employees broken down between type (e.g. salaried, hourly, union, non-union, temporary, etc.).

c. Regular payroll broken down between expensed, capitalized and other.

d. Overtime payroll broken down between expensed, capitalized and other.

e. Temporary payroll broken down between expensed, capitalized and other; and

f. Other payroll (specify).

RESPONSE

a. See AG_1_65_Attachment1.xls for AEPSC headcount by month for December 2009 to September 2014.

b. Refer to AG_1_65_Attachment3.xls for total budgeted number of AEPSC employees. The budget is not broken down between the different types of employees.

c.d.f. See AG_1_65_Attachment2.xlsx for AEPSC labor data for 12 months ended December 31, 2009, 2010, 2011, 2012, 2013 and 12 months ended September 30, 2014.

e. Temporary payroll is included in parts c. and d.

WITNESS: Ranie K Wohnhas

Kentucky Power Company

REQUEST

Please provide the actual number of KPCo employees for each month in 2011, 2012, and 2013, 2014, and for the 12 months ending 9/30/2014.

RESPONSE

Please see the Company's response to AG 1-64(a).

WITNESS: Ranie K. Wohnhas

Kentucky Power Company

REQUEST

Please provide the actual number of AEPSC employees for each month in 2011, 2012, and 2013, 2014, and for the 12 months ending 9/30/2014.

RESPONSE

Please see the Company's response to AG 1-65(a).

WITNESS: Ranie K. Wohnhas

Kentucky Power Company

REQUEST

Provide the budgeted number of KPCo employees for each month in 2011, 2012, and 2013, 2014, and for the 12 months ending 9/30/2014.

RESPONSE

Please see AG_1_68_Attachment1.

WITNESS: Ranie K. Wohnhas

Kentucky Power Company

REQUEST

Provide the budgeted number of AEPSC employees for each month in 2011, 2012, and 2013, 2014, and for the 12 months ending 9/30/2014.

RESPONSE

Please see the response to AG-1-68.

WITNESS: Ranie K. Wohnhas

Kentucky Power Company

REQUEST

Provide a detailed explanation of all variations between actual and budgeted employee counts for 2010 through 9/30/2014.

RESPONSE

Variances between actual and budgeted employee counts is routinely due to turnover. The budget assumes a full complement each month. However, it takes time to fill a vacant position and thus actual employee counts lag behind budgeted. Specific to 2014 data, the Mitchell Plant employees were not budgeted to Kentucky Power Company resulting in a variation.

WITNESS: Ranie K Wohnhas

Kentucky Power Company

REQUEST

Please provide the wage rate increases granted by KPCo by date and employee category for 2010, 2011, 2012, 2013, and 2014.

RESPONSE

Please see attached response AG_1_71_Attachment.xls for wage rate increases by category for the requested period.

WITNESS: Andrew R Carlin

Kentucky Power Company

REQUEST

Please provide the wage rate increases granted by AEPSC by date and employee category for 2010, 2011, 2012, 2013, and 2014.

RESPONSE

Please see the response to AG 1-71 for wage rate increases by category for the requested period. The same increases were used for both companies for the time periods.

WITNESS: Andrew R Carlin

Kentucky Power Company

REQUEST

Please indicate if the employee positions used in the Company's labor calculations are authorized or actually filled positions. Identify, quantify and explain all labor-related costs in KPCo's filing that is for positions that had not been filled as of September 30, 2014.

RESPONSE

The Company's labor calculations were based on the actual number of employees as of September 26, 2014.

WITNESS: Jason M Yoder

Kentucky Power Company

REQUEST

Please provide a detailed list of responsibilities and duties that eligible incentive compensation employees must have or perform in addition to those necessary to meet the standards for base salary compensation in order to receive incentive compensation.

RESPONSE

See Company's response to KIUC_1_31 for a detailed list of goals that determine the variable ICP portion of employee compensation during the test year.

WITNESS: Andrew R Carlin

Kentucky Power Company

REQUEST

Please explain what adjustments, if any, were made to base salary compensation levels of eligible incentive compensation employees at the time any such incentive compensation plan(s) were initiated.

RESPONSE

The variable portion of employee compensation for AEP employees has been in place for several years. AEP's short-term incentive program has been in place for all employees since 1997, and for management employees for many years prior to that. AEP's long-term incentive program has been in place since 1990. Companies that AEP has acquired had similar incentive programs in place for unknown periods. Participation and target incentive levels for various job grade levels have both changed many times during the period of time in which these plans have been in place, to bring variable and total compensation in line with market-competitive compensation. To the extent the Company is aware, these plans and programs were generally implemented, expanded in participation, and increased in target value at times when employee total compensation was below market-competitive levels. As such, it was not necessary to reduce base salary levels in order to maintain total compensation within a market-competitive range when these programs were implemented, expanded, or increased in value.

WITNESS: Andrew R Carlin

Kentucky Power Company

REQUEST

Please explain how the Company determines that the achievements of any incentive compensation goals are reached as a result of the incentive compensation plan, as opposed to other reasons. Provide all supporting empirical data.

RESPONSE

Because of the significant time and expense that would be required, the Companies have not undertaken a study to empirically determine that the Companies' incentive compensation goals are met due to their inclusion in incentive compensation plans or for other reasons. Empirical data demonstrating the benefits of incentive compensation in general is, however, provided in Witness Carlin's Testimony, Exhibit ARC-6: "*Is it Worth it to Win the War on Talent" Evaluating the Utility of Performance Based Pay,*Center for Advanced Human Resources Studies (CAHRS), Cornell University, 2003. This study suggests that, even under conservative assumptions, there is a substantial financial benefit to linking pay to performance (p. 37).

WITNESS: Andrew R Carlin

Kentucky Power Company

REQUEST

Please provide a description of KPCo's merit and cost of living wage rate increase policies.

RESPONSE

See response for AG_1_78 for a description of KPCo's wage increase policies.

WITNESS: Andrew R Carlin

Kentucky Power Company

REQUEST

Please provide a description of AEPSC's merit and cost of living wage rate increase policies.

RESPONSE

AEPSC maintains a pay for performance approach. A merit pay program is used that differentiates employee salary increases based on management's assessment of each employee's job performance relative to the AEPSC's expectations for their position and the performance of other employees in their department. Managers are expected to differentiate merit increases for salaried employees to reflect differences in employee job performance. Job performance is periodically evaluated using formal performance assessments, informal performance coaching and other performance comparisons. Employee performance is measured relative to AEPSC's and the manager's expectations for a fully competent performer in each position. The length of time an employee has been in a position may enable employees to perform better in their position but is not, in and of itself, a measure of performance. Management determines merit increases for each salaried employee in their purview based on these assessments.

AEPSC targets average salaries to the midpoint of the assigned salary range for each job, although budget constraints and economic conditions are also considered and may result in salaries falling short of this target. AEPSC grades benchmark jobs to provide market median compensation that attracts and retains employees with the skills and experience needed to efficiently, effectively and safely serve its customers.

AEPSC also annually negotiates a general wage increase for its hourly employees with the labor unions that represent these employees based on the cost of labor for these types of positions. In the past, the same percentage increase has been provided to unrepresented hourly employees. AEPSC does not provide cost of living adjustments.

WITNESS: Andrew R Carlin

Kentucky Power Company

REQUEST

Does the Company anticipate reducing the number of employees, including any voluntary early retirement or other force reduction programs, during 2015 or 2016? If yes, state the timing and number of affected employees. Also state the projected costs and savings of any such plan

RESPONSE

The Company currently is only anticipating employee reductions due to announced plant cutbacks during this time period. Some of these affected employees could be repositioned to other work locations.

WITNESS: Andrew R Carlin

Kentucky Power Company

REQUEST

Does AEPSC anticipate reducing the number of employees, including any voluntary early retirement or other force reduction programs, during 2015 or 2016? If yes, state the timing and number of affected employees. Also state the projected costs and savings of any such plan.

RESPONSE

Please see response to AG 1-79.

WITNESS: Andrew R Carlin

Kentucky Power Company

REQUEST

Provide the staffing as of September 30, 2014 at the Big Sandy Plant.

RESPONSE

As of September 30, 2014 Big Sandy Plant was staffed with 69 full-time employees.

WITNESS: Jeffery D LaFleur

Kentucky Power Company

REQUEST

Provide the anticipated staffing at the Big Sandy plant as of each of the following dates:

a. June 30, 2015

b. December 31, 2015

c. December 31, 2016

RESPONSE

a. As of June 30, 2015 it is anticipated that Big Sandy Plant will be staffed with 40 full-time employees.

b. As of December 31, 2015 it is anticipated that Big Sandy Plant will be staffed with 40 full-time employees.

c. As of December 31, 2016 it is anticipated that Big Sandy Plant will be staffed with 33 full-time employees.

WITNESS: Jeffery D LaFleur

Kentucky Power Company

REQUEST

Payroll. Please explain how the Company determines that its work force level is not excessive and provide all related supporting documentation.

RESPONSE

The Company's work-force planning contributes to the successful accomplishment of the Company's strategic goals and business objectives. Every strategic goal and business objective has a human element that is identified and provided for in the Company's business plan. The Company must maintain a degree of employment stability in order to service its customers. To determine work force levels, the Company reviews current work load requirements, backlog, and anticipated projects to be completed in the near future. In addition, anticipated future openings in the work force, diversity statistics, customer population demographics, health and safety statistics, and turnover rates with their causes are reviewed. Additionally, action plans (e.g. recruiting or training plans) are used to develop special programs. The specific needs of the Company's various businesses are also considered and addressed.

WITNESS: Andrew R Carlin

Kentucky Power Company

REQUEST

Payroll. Please provide complete calculations, documents and supporting workpapers for the pro forma amount of payroll cost, by account, by position, that KPCo has reflected in its filing.

RESPONSE

See KIUC_1_17_Attachment65_26_30_AnnualizationEmployeeRelatedExpenses.xls.

WITNESS: Jason M Yoder

Kentucky Power Company

REQUEST

Executive Compensation. Please explain fully and in detail how KPCo and separately, AEPSC determine that the total compensation package for executives, and/or separate parts thereof, reasonably compare with the competitive markets for such executives. In addition, provide copies of all related surveys, analyses, studies, etc.

RESPONSE

For executive compensation, AEP utilizes several survey sources as outlined in Witness Carlin's testimony, Exhibit ARC-1. Additionally, AEP contracted with Meridian Compensation Partners, LLC in 2013 and 2014 to perform a market analysis study. Meridian utilized Towers Watson Executive Compensation Survey to assess competitiveness of AEP's current target total compensation opportunities compared to the market 50^{th} percentile, with a few positions compared to the 25^{th} or 75^{th} percentiles as appropriate. Regression analysis was completed against AEP's defined peer group. Revenue scope was referenced to estimate market values that reflect differences in the scope of responsibility.

The study and supporting surveys prepared on behalf of the Company are confidential and proprietary and protected by non-disclosure agreements and/or intellectual property rights agreements.

Because of its voluminous nature, the Company is filing AG_1_85_Attachment1 on CD.

The Company will make available for inspection at its offices in Frankfort, Kentucky, subject to confidential treatment under the applicable non-disclosure agreement in this case, Confidential AG_1_85_Attachment1, containing the study and supporting surveys.

WITNESS: Andrew R. Carlin

Kentucky Power Company

REQUEST

Stock-Based Compensation.

a. List, by amount and account, all stock-based compensation expense charged to KPCo during the test year, including but not limited to executive stock options, performance share awards, accruals made pursuant to ASC 718 (formerly SFAS 123R) and any other stock-based compensation awards that resulted in cost being charged to KPCo during the test year.

b. Please provide a description of each distinct stock-based compensation program that resulted in charges to KPCo during the test year.

c. List, by amount and account, all stock-based compensation expense in KPCo's cost of service for the rate effective period, including but not limited to executive stock options, performance share awards, accruals made pursuant to ASC 718 (formerly SFAS 123R) and any other stock-based compensation awards that were charged to KPCo during the rate effective period.

d. Please provide a description of each distinct stock-based compensation program that is included in the charges to KPCo during the test year ended September 30, 2014.

RESPONSE

a. Refer to the Companies' response to KIUC_1_32 for the requested information.

b. The variable portion of compensation that is stock-based is described in these two plans, Restricted Stock Units and Performance Units. They are earned upon achievement of Company goals.

Restricted Stock Units

Restricted Stock Units (RSU) are a type of variable long-term incentive compensation. An Award of Restricted Stock represents shares of Common Stock that are issued subject to such restrictions on transfer and other incidents of ownership and such forfeiture conditions as the Human Resources Committee (Committee) may determine. The Committee may grant and designate awards of restricted stock that are intended to qualify for exemption under Section 162(m), as well as awards of restricted stock that are not intended to so qualify. Upon vesting, RSUs are converted to AEP common stock (except to the extent otherwise specified under certain circumstances for Section 16 Officers) and delivered to the employees in accordance with the other terms and provisions of the award agreement. RSUs have no voting rights and are not entitled to receive any dividend declared on AEP common stock. However, RSUs are entitled to additional RSUs ("Dividend Equivalent RSUs") of an equal value to dividends paid on AEP common stock.

The restrictions imposed on an Award of Restricted Stock shall lapse in accordance with the vesting requirements specified by the Committee in the award agreement. Such vesting requirements may be based on the continued employment of the participant with AEP or its subsidiaries for a specified time period or periods. Such vesting requirements may also be based on the attainment of specified business goals or measures established by the Committee in its sole discretion.

Performance Units

Performance Units are a type of variable long-term incentive compensation. They do not convey to employees any voting, dividend, or other rights associated with shares of AEP common stock, but they do accrue dividend credits that are generally equal to the value of dividends paid on shares of AEP common stock. The value of each performance unit that employees may ultimately earn is dependent on the value of AEP common stock, while the number of performance units that employees may ultimately earn is dependent on the overall performance score, which may range from 0% to 200% and is contingent on the vesting of your performance units. The overall performance score is based on the achievement of the performance measures established by the HR Committee of the Board of Directors for this performance period. These performance units generally will vest subject to the employee's continuous AEP employment through the vesting date.

At the end of the performance period, these performance units entitles the employees to a cash payment, to the extent they are not voluntarily or mandatorily deferred, equal to the number of vested performance units, including dividend credits, multiplied by the overall performance Score and multiplied by the average closing price of AEP common stock for the last 20 trading days of the Performance Period.

The performance unit payment will be deferred if the employees have made a valid deferral election or if they are subject to an unsatisfied minimum stock ownership requirement pursuant to the American Electric Power System Stock Ownership Requirement Plan (currently applicable only to salary grade 36 and higher employees). If the employee has an unsatisfied minimum stock ownership requirement, their vested performance units will be mandatorily deferred into AEP career shares to the extent needed to satisfy their applicable requirement. The remainder will be paid to them in cash (less applicable taxes).

c. Refer to the Companies' response to KIUC_1_32 for the requested information.

d. Please see response to AG 1-86 b. above.

WITNESS: Andrew R Carlin

Kentucky Power Company

REQUEST

Stock-Based Compensation.

a. List, by amount and account, all AEPSC stock-based compensation expense charged to KPCo during the test year, including but not limited to executive stock options, performance share awards, accruals made pursuant to ASC 718 (formerly SFAS 123R) and any other stock-based compensation awards that resulted in cost being charged or allocated to KPCo during the test year.

b. Please provide a description of each distinct AEPSC stock-based compensation program that resulted in charges or allocations to KPCo during the test year.

c. List, by amount and account, all stock-based compensation expense in AEPSC's cost of service for the rate effective period, including but not limited to executive stock options, performance share awards, accruals made pursuant to ASC 718 (formerly SFAS 123R) and any other stock-based compensation awards that were charged or allocated to KPCo during the rate effective period.

d. Please provide a description of each distinct AEPSC stock-based compensation program that is included in the charges or allocations to KPCo during the test year ended September 30, 2014.

RESPONSE

a. Refer to the Companies' response to KIUC 1-32 for the requested AEPSC information.

b. Refer to the Companies' response to AG 1-86 and KIUC 1-31 for the requested information.

c. Refer to the Companies' response to KIUC 1-32 for the requested AEPSC information.

d. Refer to the Companies' response to AG 1-186 and KIUC 1-31 for the requested information.

WITNESS: Andrew R Carlin

Kentucky Power Company

REQUEST

Supplemental Executive Retirement Program (SERP).

a. Please provide the level of SERP expense, by account, included in the Company's cost of service for the test year.

b. Please provide the level of SERP expense, by account, included in the Company's cost of service for the rate effective period.

c. Please provide the comparable SERP expense for each calendar year, 2011, 2012, 2013 and 2014.

d. Provide the most recent three actuarial reports for SERP.

e. Provide all actuarial studies, reports and estimates used for SERP for the rate effective period.

f. If different for AEPSC SERP costs charged or allocated to KPCo, also answer parts a-e above for AEPSC SERP costs.

RESPONSE

a-b. SERP cost is recorded in Account 9260037. Please see Exhibit HEM-1 to Witness McCoy's direct testimony for the Company's SERP cost for the 12 months ended September 2014 test year and for the calendar year 2014 amount included in the Company's filing.

c. The Company's SERP cost amounts for the calendar years 2011 and 2012 were $1,381 and $722, respectively. Please see Exhibit HEM-1 to Witness McCoy's direct testimony for the Company's SERP cost for 2013 and 2014.

d. The three most recent annual actuarial reports for SERP are for calendar years 2014, 2013, and 2012. The 2014 actuarial report was previously provided as Exhibit HEM-2B to Witness McCoy's direct testimony. The actuarial reports for 2013 and 2012 are provided as AG_1_88_Attachment1.pdf and AG_1_88_Attachment2.pdf.

e. Please see the Company's response to items b. and d. above.

f. AEPSC SERP costs are not separately addressed in the Company's rate filing, but each actuarial report discussed above includes AEPSC costs separately.

WITNESS: Hugh E. McCoy

Kentucky Power Company

REQUEST

Defined Benefit Plan pension expense.

a. Please provide the level of Defined Benefit Plan pension expense, by account, included in the Company's cost of service for the test year.

b. Please provide the comparable Defined Benefit Pension Plan expense for each year, 2011, 2012, 2013, 2014, and for the 12 months ending 9/30/2014.

c. Provide the most recent three actuarial reports for Defined Benefit Pension Plan.

d. Provide all actuarial studies, reports and estimates used for Defined Benefit Pension Plan for the test year.

RESPONSE

Defined benefit plan pension cost includes both the qualified pension plan and the nonqualified pension plan, which is also referred to as the supplemental employee retirement plan or SERP. The SERP was addressed in the Company's response to AG 1-88. The following answers address the qualified pension plan.

a. Qualified pension cost is recorded in Account 9260003. Please see Exhibit HEM-1 to Witness McCoy's direct testimony for the Company's qualified pension cost for the 12 months ended September 2014 test year and for the calendar year 2014 amount included in the Company's filing. The T&D total company amount of $2,567,219 on Exhibit HEM-1 is added to the total Company Mitchell Generation amount of $611,745 (as shown in Section V, Exhibit 2 W33) for a total Company amount in the cost of service of $3,178,964.

b. The Company's qualified pension cost amounts for the calendar years 2011 and 2012 were $2,894,613 and $3,244,941, respectively. Please see Exhibit HEM-1 to Witness McCoy's direct testimony for the Company's qualified pension cost for 2013, 2014 and for the 12 months ended September 2014.

c. The three most recent annual actuarial reports for qualified pension are for calendar years 2014, 2013, and 2012. The 2014 actuarial report was previously provided as Exhibit HEM-2A to Witness McCoy's direct testimony. The actuarial reports for 2013 and 2012 are provided as AG_1_89_Attachment1.pdf and AG_1_89_Attachment2.pdf.

d. Please see the Company's response to item c. above.

WITNESS: Hugh E McCoy

Kentucky Power Company

REQUEST

Other Post-Employment Benefits (OPEB) expense..

a. Please provide the level of OPEB expense, by account, included in the Company's cost of service for the test year.

b. Please provide the level of OPEB expense, by account, included in the Company's cost of service for the rate effective period.

c. Please provide the comparable OPEB expense for each year, 2011, 2012, 2013, 2014, and for the 12 months ending 9/30/2014.

d. Provide the most recent three actuarial reports for OPEB.

e. Provide all actuarial studies, reports and estimates used for OPEB for the test year.

RESPONSE

a-b FAS 106 OPEB cost is recorded in Accounts 9260021 and 9260057. Please see Exhibit HEM-1 to Witness McCoy's direct testimony for the Company's OPEB cost for the 12 months ended September 2014 test year and for the calendar year 2014 amount included in the Company's filing.

c. The Company's OPEB cost amounts for the calendar years 2011 and 2012 were $1,539,231 and $1,994,927, respectively. Please see Exhibit HEM-1 to Witness McCoy's direct testimony for the Company's OPEB cost for 2013, 2014, and the 12 months ended September 2014.

d. The three most recent annual actuarial reports for OPEB are for calendar years 2014, 2013, and 2012. The 2014 actuarial report was previously provided as Exhibit HEM-2C to Witness McCoy's direct testimony. The actuarial reports for 2013 and 2012 are provided as AG_1_90_Attachment1.pdf and AG_1_90_Attachment2.pdf.

e. Please see the Company's response to items b. and d. above.

WITNESS: Hugh E McCoy

Kentucky Power Company

REQUEST

Please provide the following for each employee position during the test year and the actual periods 2013 and 2014, that experienced a change of incumbent:

a. Position title;
b. Employee replaced;
c. Annual salary of replaced employee;
d. Replacement employee;
e. Annual salary of replacement employee; and
f. Date of replacement

RESPONSE

Please see the information requested in AG_1_91_Attachment.xlsx.

WITNESS: Andrew R. Carlin and Ranie K. Wohnhas

Kentucky Power Company

REQUEST

Please provide a description of each employee benefit program or plan.

a. Also show the related test year cost.
b. Provide this information:
   i. For KPCo employees
   ii. For AEPSC employees that had charged or allocated cost to KPCo during the test year.

RESPONSE

For a description of each employee benefit program, please see AG_1_92_Attachment1.pdf. For a description of non-qualified plans, please see AG_1_92_Attachment2.pdf.

a. See the response to b. below.

b. i. The related test year costs for KPCo employees are as follows:

Description	Test Year Costs ($)
Group Life Insurance	138,900
Group Medical Insurance	4,766,154
Group LTD Insurance	14,516
Group Dental Insurance	198,317
Pension	4,818,306
OPEB	(2,317,983)
Savings Plan	1,993,864
Incentive Compensation Deferral Plan	20,151

b. ii. Refer to AG_1_92_Attachment3.xls for the AEPSC employee benefit expenses billed to KPCo for the test year.

As AEPSC incurs actual fringe benefits costs during the year, these costs are deferred on AEPSC's balance sheet. In order to charge for the full cost of an employee, a fringe benefit rate is applied to labor costs, which are billed to the AEP subsidiaries based upon the underlying labor transaction. AEPSC's total benefit expense is billed during the calendar year, but not necessarily in the same month that the original expense was incurred. All employees complete timesheets and charge allowable FERC accounts (including CWIP and other appropriate FERC accounts) based upon the job function being performed. The billings for the fringe benefit rate applied to labor offset the deferral of actual AEPSC fringe benefit costs. These base labor costs and fringe benefit costs are then billed to the AEP subsidiary benefitting from the service.
Please see the information requested in AG_1_91_Attachment.xlsx.

WITNESS: Andrew R. Carlin and Ranie K. Wohnhas

Kentucky Power Company

REQUEST

Concerning worker's compensation expense:

a. Please provide the most current workers' compensation premiums and related invoices.

b. Show in detail how the current workers' compensation premiums and/or invoices were used to derive KPCo's requested amount of workers' compensation cost.

c. Reconcile the amount of KPCo's requested amount of workers' compensation cost to the most current invoices. Identify, quantify and explain all differences.

RESPONSE

a. See AG_1_93_ConfidentialAttachment1.pdf for response regarding premiums and related invoices.

b. As self-insured entity, the Company receives a quarterly assessment from the Commonwealth as well as a premium invoice for excess workers compensation insurance. This excess coverage attaches above the qualified self-insurance in Kentucky. The Company's excess worker's compensation premium is derived using payroll as an allocation basis. Payroll is categorized by class code to differentiate high and low hazard employees. Class codes and rates are factors used to calculate the insurance premium. This rate is multiplied by payroll (per hundred of payroll) to determine the cost.

c. AG_1_93_ConfidentialAttachment1.pdf shows the total premium charge for all AEP entities covered under the excess workers compensation insurance program. An allocation based on payroll is used to determine Kentucky Power's portion of the premium costs, which is reflected in AG_1_93_Attachment2.pdf.

WITNESS: Andrew R. Carlin

Kentucky Power Company

REQUEST

a. Concerning health care cost:

b. Please provide the most current health care premiums and related invoices

c. Show in detail how the current health care premiums and/or invoices were used to derive KPCo's requested amount of health care cost.

d. Reconcile the amount of KPCo's requested amount of health care cost to the most current invoices. Identify, quantify and explain all differences.

RESPONSE

a. The AEP Medical Plan is self-insured, meaning the Company is financially responsible for paying all claims incurred under the plan. As a result, there are no health care premiums and related invoices paid to insurance companies for this coverage.

b. N/A.

c. N/A.

WITNESS: Jason M Yoder

Kentucky Power Company

REQUEST

Please provide the basis for the Company's cost of each separate employee benefit (e.g., flat rate per employee, percentage of payroll, claims experience, etc.), and provide the most current known cost rate for each separate benefit.

RESPONSE

The basis for the Company's cost of employee benefits is provided below, along with the cost rate method for each benefit.

1. Pension plan: the entire cost for this plan is paid by the Company, and is an actuarially determined amount based on the anticipated costs of providing benefits as specified under the plan.

2. Savings plan: the Company's cost for this plan is based on the cumulative company match provided to all employees based on their individual payroll deferrals into the plan.

3. Medical plan: For the Company's self-funded medical plan, annually the Company has a third party actuary project what anticipated total medical costs will be for the coming year based on the design of the plan and past claims experience. This total amount is then divided by the number of covered employees to derive an appropriate per employee amount, and then employees pay approximately 20% of this amount through payroll deduction with the company covering the remainder through monthly contributions to a medical benefits trust.

4. Dental plan: For the Company's self-funded dental plan, annually the Company has a third party actuary project what anticipated total dental costs will be for the coming year based on the design of the plan and past claims experience. This total amount is then divided by the number of covered employees to derive an appropriate per employee amount, and then employees pay approximately 30% of this amount through payroll deduction with the Company covering the remainder through monthly contributions to a dental benefits trust.

5. LTD plan: For Company's self-funded LTD plan the entire cost of providing future projected LTD benefits is covered by the Company through annual actuarially determined contributions made to the LTD benefits trust.

6. Life insurance plan: For Company's fully insured life insurance plan, the Company provides for the basic benefits (2x salary) by paying a premium to the life insurance company which is based on the overall volume of coverage provided.

7. OPEB: this cost is actuarially determined and is based on the projected costs of providing retiree medical and life insurance benefits.

WITNESS: Andrew R. Carlin

Kentucky Power Company

REQUEST

Please provide the monthly level of each separate benefit cost broken down between expensed, capitalized and other for 2012, 2013 and 2014 with annual totals.

RESPONSE

See AG_1_96_Attachment1.xls.

WITNESS: Jason M Yoder

Kentucky Power Company

REQUEST

Please provide the level of accumulated pension plan funding at December 31, 2013 and December 31, 2014 and explain how such amounts are treated for ratemaking purposes, and why.

RESPONSE

Accumulated pension plan funds include both cash contributions plus investment earnings. The Company's accumulated pension fund assets at December 31, 2013 and 2014 were $176,357,941 and $184,842,195, respectively. These fair market value amounts are used under FAS 158 to mark-to-market the balance sheet only (but not the income statement) to the net funded position. The FAS 158 adjustment has no effect on cash investments nor on the cost of service, so this non-cash accrual adjustment should have no effect for ratemaking purposes.

As is described in detail on pages 14 through 18 of the direct testimony of Company Witness McCoy, the cumulative amount of cash pension contributions beyond the cumulative amount of pension cost recorded on the Company's books is recorded as a prepaid pension asset. The additional contributions create investment earnings which significantly reduce the amount of pension cost included in cost of service. The prepaid pension asset should be included in rate base so that the Company has the opportunity to recover its cost of funds on this prudent investment in utility operations.

WITNESS: Hugh E McCoy

Kentucky Power Company

REQUEST

Please provide an analysis (description, dates and amounts) of any gains or losses on utility property sold during 2011, 2012, 2013, and by month through 9/30/2014. Also, please explain how such amounts have been treated for ratemaking purposes.

RESPONSE

Refer to AG_1_98_Attachment1.xls

These amounts were not included in the cost of service for ratemaking purposes.

WITNESS: Jason M Yoder

Kentucky Power Company

REQUEST

Please provide the level of country club dues incurred in the test year by account and indicate how they have been treated for ratemaking purposes.

a. Also, show amounts of AEPSC costs charged to KPCo.

RESPONSE

Country club dues for KPCo totaled $14,071 for the test period all of which were included in the cost of service calculation. Refer to AG_1_99_Attachment1.xls

a. There were no country club dues billed from AEPSC to KPCo included in cost of service for the test year.

WITNESS: Jason M Yoder

Kentucky Power Company

REQUEST

Please provide the level of lobbying included in cost of service by separate payee, along with a description of each payee. In addition, indicate how lobbying expense has been treated for ratemaking purposes.

a. Also, show amounts of AEPSC costs charged to KPCo.

RESPONSE

Refer to the Company's response to KPSC_1_33 for the requested information.

WITNESS: Jason M Yoder

Kentucky Power Company

REQUEST

Please provide the requested level of self-funded reserve accruals and balances for all types of injuries, claims and damages by type of item.

RESPONSE

Please see the Company's response to AG 1-102.

WITNESS: Jason M..Yoder

Kentucky Power Company

REQUEST

Does KPCo have any self-funded reserves? If so, please provide the following monthly data for each separate type of self-funded reserve for injuries, claims and damages in 2012, 2013, and through 9/30/2014, by account, and provide the level reflected in revenue requirement and
explain how such amounts have been treated for ratemaking purposes. Also, please provide new monthly data as it becomes available through the course of this proceeding.

a. Accruals;
b. Actual claims; and
c. Balance

RESPONSE

Yes. KPCo has self-funded reserves. Please refer to AG_1_102_Attachment1.

WITNESS: Jason M Yoder

Kentucky Power Company

REQUEST

Please identify the amounts included in cost of service during the test year for the following items:

a. Membership dues in service, social and professional organizations (identify);
b. Lobbying expenses;
c. Charitable contributions;
d. Investor relations expenses; and
e. Public relations expense, including an explanation of the nature and purpose of the activities

RESPONSE

Listed below are KPCo directly incurred costs from October 1, 2013 through September 30, 2014 that were included in cost of service:

a) Membership Dues - $47,932
b) Lobbying Expenses - $2,958
c) Charitable Contributions - $12,875
d) Investor Relations Expenses - $0
e) Public Relations Expenses - $248,158

WITNESS: Jason M Yoder

Kentucky Power Company

REQUEST

Rate Case Expense.

a. Please identify the test year, filing date and rate effective date for the Company's last five rate cases.

b. Please provide the level of rate case expense incurred for the last five rate cases broken down by payee or type of activity.

   i. Also, indicate which cases were settled and which were litigated. For the settled cases, please also indicate at which stage they were settled (e.g., after KPCo rebuttal, before hearings, etc.).

c. Please explain fully and in detail why the Company normalized rate case expense over three years versus some other period.

RESPONSE

a. See AG_1_104_Attachment1.xls.

b. See AG_1_104_Attachment2.xls for the level of rate case expense incurred for the last three rate cases by type of activity and AG_1_104_Attachment3.xls for a list of the available payees for the last three rate cases. The level of rate case expense incurred for Case Nos. 90-00061 and 91-066 is not available to answer this response.

   i. See the response to part a above.

c. A three year rate case expense amortization period represents a reasonable amount of time period to recover expenses.

WITNESS: John A Rogness

Kentucky Power Company

REQUEST

Please provide, in list form, the details of all judgments and/or settlements resulting from suits brought which involved the Company, its parent (American Electric Power Company, Inc.), its affiliated service company (American Electric Power Service Company), or any other affiliates that charge cost to KPCo, as a defendant in 2013 or 2014, which resulted in the payment during agreement to pay or being ordered to pay an amount in excess of $10,000, including but not limited to:

a. The case name;
b. The date filed;
c. The date of settlement or the date of judgment; and
d. The amount the Company was ordered or agreed to pay
e. Provide this information even if appeals are pending and note every instance of an appeal.

RESPONSE

Please see AG 1_1_105 Attachment 1.pdf

WITNESS: Ranie K Wohnhas

Kentucky Power Company

REQUEST

Outside Services Expense. Please provide an itemization of outside services expense in excess of $20,000 for 2012, 2013, 2014, and for the 12 months ending 9/30/2014. Indicate in what accounts the amounts are recorded, or would be recorded when incurred for the budgeted/forecast items

RESPONSE

Attachments AG_1_106_Attachment1.pdf, AG_1_106_Attachment2.pdf, and AG_1_106_Attachment3.pdf include an itemized list of outside services that were charged to expense for the years ended December 31, 2012, 2013 and 2014, respectively. All billings included in these three attached lists are in excess of $20,000.

Attachment AG_1_106_Attachment4.pdf includes an itemized list of outside services that were charged to expense for the twelve months ended September 30, 2014. All billings included in this attached list are also in excess of $20,000.

WITNESS: Jason M Yoder

Kentucky Power Company

REQUEST

Please provide the test year, and if different, the most recent actual property tax assessments, rates, and property tax payment amounts and payment dates.

RESPONSE

Property taxes are assessed on an annual basis (either 12/31 or 1/1 of each year). Therefore, the "Test Year" is difficult to show meaningful results due to cross-over of multiple tax years.

AG_1_107_Attachments1-7 shows the Kentucky information, AG_1_107_Attachments8-10 show the WV information. AG_1_107_Attachment8.pdf shows the Kentucky Power Co. (KPCo) WV assessment for Tax Year 2014 - payments will not be due for that assessment until 9/2015 and 3/2016. It is the most recent WV-only assessment for KPCo to-date. AG_1_107_Attachment9.pdf shows the Ohio Power total state assessment for the 2013 year. AG_1_107_Attachment10.pdf shows the Ohio Power total state assessment for the 2012 year. AG_1_107_Attachment11.xlsx shows the calculation of the Mitchell Plant payment amounts, transferred from Ohio Power in February 2014, based on the overall state assessment. AG_1_107_Attachment12.xlsx shows the calculation of the Mitchell Plant payment amounts, transferred from Ohio Power in July 2014, based on the overall state assessment.

WITNESS: John A Rogness

Kentucky Power Company

REQUEST

Uncollectibles. Please provide the following annual data related to uncollectible accounts for 2011, 2012, 2013, 2014, and for the 12 months ending 9/30/2014 :

a. Bad debt expense;
b. Bad debt write-offs;
c. Collections of written-off accounts;
d. Billed revenues

RESPONSE

Please see AG_1_108_Attachment1.xls for the answer to this response.

WITNESS: John A Rogness

Kentucky Power Company

REQUEST

Uncollectibles. Please provide the net charge-off percentage for uncollectibles for 2011, 2012, 2013, 2014, and for the 12 months ending 9/30/2014. Explain any material variations in the percentage between years.

RESPONSE

Please see AG 1-108 for the answer to this response.

WITNESS: John A Rogness

Kentucky Power Company

REQUEST

Filing Information. As the Company discovers errors in its filing, identify such errors and provide documentation to support any changes. Please update this response as additional information becomes available.

RESPONSE

The Company has identified, through discovery responses, where updates to the filing are appropriate.

WITNESS: Ranie K Wohnhas

Kentucky Power Company

REQUEST

Precedent. Are there any aspects of the Company's accounting adjustments and revenue requirement claim which represents a conscious deviation from the principles and policies established in prior Commission Orders? If so:

a. Identify each area of deviation, and for each deviation, explain the Company's perception of the principle established in the prior Commission Orders.

b. Explain how the Company's proposed treatment in this rate case deviates from the principles established in the prior Commission Orders.

c. Explain the dollar impact resulting from such deviation. Show which accounts are affected and the dollar impact on each account for each such deviation.

RESPONSE

a. To the best of the Company's knowledge, the only requested area of deviation from the prior Commission principles is the requested removal of the Section 199 from the gross revenue conversion factor calculation in the environmental surcharge.

b. The Company is proposing to exclude the Section 199 deduction from its gross revenue conversion factor and include the Section 199 deduction in the income tax computations. Please see the testimony of Company Witness Bartsch for additional detail.

c. Please see the Company's response to KPSC 1-20 for the change in the gross revenue conversion factor used in previous reviews of the environmental surcharge due to the removal of the Section 199 deduction.

WITNESS: Ranie K Wohnhas

Kentucky Power Company

REQUEST

Injuries and Damages. State the amount of injuries and damages expense for 2012, 2013, 2014, and for the 12 months ending 9/30/2014.

RESPONSE

Injuries and damages expense is recorded in account 9250000. The injuries and damages expense for the time periods requested are as follows:

- Calendar Year 2012: $1,135,754.95
- Calendar Year 2013: $1,095,780.89
- Calendar Year 2014: $1,270,466.63
- Twelve Months ended September 30, 2014: $1,187,048.08

WITNESS: Jason M Yoder

Kentucky Power Company

REQUEST

Insurance Expense. Itemize each component of insurance expense included in the test year, and provide comparative information for calendar years 2012 through 2014. Indicate the accounts and
amounts in which each item of insurance is recorded

RESPONSE

See AG_1_113_Attachment1.pdf which includes insurance expense amounts recorded in the twelve months ended December 31, 2012, 2013 and 2014 and the twelve months ended September 30, 2014.

WITNESS: Jason M Yoder

Kentucky Power Company

REQUEST

Legal Expense. Please itemize the amount of non-rate case legal expense, by account, for the test year. For each distinct item over $20,000, show payee, amount, account, and indicate what services were performed and what the subject matter of the services was.

RESPONSE

Please see AG_1_114_Attachment1.pdf.

WITNESS: Jason M Yoder

Kentucky Power Company

REQUEST

Are any one time or non-recurring expenses included in the test year? If so, provide the dollar amount, account and a brief description of the expense.

RESPONSE

There were no significant non-recurring or one time expenses in the test year.

WITNESS: Jason M Yoder

Kentucky Power Company

REQUEST

Pension Expense.

a. Please reconcile the amount of pension expense in the test year to the most recent actuarial reports concerning the determination of the net periodic benefit cost for each pension plan in which KPCo employees participate. Identify, quantify and explain each reconciling item.

b. Please reconcile the amount of pension expense in the test year to the most recent actuarial reports concerning the determination of the net periodic benefit cost for each pension plan in which AEPSC employees charging cost to KPCo participate. Identify, quantify and explain each reconciling item.

RESPONSE

a. Please see Exhibit HEM-1 to Witness McCoy's direct testimony, which includes amounts directly from the most recent actuarial report in the second section labeled "Calendar Year 2014 Actual per Actuarial Report." Each amount as labeled is directly from the 2014 actuarial report without reconciliation except that the amount labeled "50% of Mitchell" equals one-half of the amount in the actuarial report, representing the portion of Mitchell Plant employee cost that is not billed to an affiliate.

b. AEPSC costs are not separately addressed in the Company's rate filing, but each actuarial report includes AEPSC costs separately.

WITNESS: Hugh E McCoy

Kentucky Power Company

REQUEST

OPEB Expense.

a. Please reconcile the amount of OPEB expense in the test year to the most recent actuarial reports concerning the determination of the net periodic benefit cost for each Postretirement Benefit Plan in which KPCo employees participate. Identify, quantify and explain each reconciling item.

b. Please reconcile the amount of OPEB expense in the test year to the most recent actuarial reports concerning the determination of the net periodic benefit cost for each Postretirement Benefit Plan in which AEPSC employees charging cost to KPCo participate. Identify, quantify and explain each reconciling item.

RESPONSE

Please see the Company's response to AG 1-116.

WITNESS: Hugh E McCoy

Kentucky Power Company

REQUEST

Is KPCo using outside service providers for any services that the AEP Service Company is capable of providing? If so, please explain why and identify the specific services, their cost by account, and how they were accounted for in the test year ending 9/30/14.

RESPONSE

AEPSC supplies engineering, financing, accounting, and planning and advisory services to the electric operating companies of the American Electric Power System, one of which is Kentucky Power Company. At times there is a need to supplement the services performed by AEPSC. See the Company's response to KPSC-1-31 and KPSC 2-110.

WITNESS: Ranie K Wohnhas

Kentucky Power Company

REQUEST

Does KPCo or its affiliates including AEPSC have any information concerning how KPCo's expenses in total or on a per customer basis compare with other American Electric Power Company electric utility subsidiaries? If not, explain fully why not. If so, please provide all such information for 2013, and 2014 that KPCo and its affiliates have.

RESPONSE

No. Differences, including service territories, terrain, generation mix, state regulatory regimes and mandates, and customer mix, among the operating companies renders such comparisons inappropriate.

WITNESS: Ranie K Wohnhas

Kentucky Power Company

REQUEST

Please provide consolidating accounting information for American Electric Power for 2012, 2013, and 2014. Please show the amounts for each subsidiary by account and all eliminations and adjustments in the consolidation.

RESPONSE

Kentucky Power objects to this question to the extent it seeks information regarding entities other than Kentucky Power on the grounds that the request is overbroad and seeks information about entities not party to this proceeding. Further it seeks information irrelevant to the issues before the Commission and which is not reasonably calculated to lead to the discovery of admissible evidence. Responsive information relating to Kentucky Power is included in AG_1_120_Attachment1.pdf.

WITNESS: Jason M Yoder

Kentucky Power Company

REQUEST

Please provide the consolidation pages and schedules for the AEP federal income tax returns for tax years 2008 through 2013.

RESPONSE

As the requested tax returns are voluminous and confidential, these returns will be made available for inspection during regular business hours at the offices of American Electric Power in Columbus, Ohio, by arrangement.

WITNESS: Jeffrey B Bartsch

Kentucky Power Company

REQUEST

For each KPCo and American Electric Power pension plan for 2012, 2013, and 2014, please provide a list of the pension plan investments by category or type of investment, and please provide the earned return for each investment category for 2012, 2013 and 2014, and in total.

RESPONSE

Please see AG_1_122_Attachment1.xlsx for the requested information.

WITNESS: Hugh E McCoy

Kentucky Power Company

REQUEST

Please explain fully and in detail why KPCo is requesting CWIP in rate base in the current rate case.

RESPONSE

The request is consistent with Company practice since at least the early 1980s.

WITNESS: Ranie K Wohnhas

Kentucky Power Company

REQUEST

Provide an itemization of each project that is included in KPCo's test year request for inclusion of CWIP in rate base.

RESPONSE

See AG_1_124_Attachment1.xls.

WITNESS: Ranie K Wohnhas

Kentucky Power Company

REQUEST

Please show in detail how the CWIP included by KPCo in the test year was financed.

RESPONSE

The Company uses a combination of debt and equity to finance its assets.

WITNESS: Ranie K Wohnhas

Kentucky Power Company

REQUEST

Provide the details of KPCo's AFUDC rates for each year, 2011, 2012, 2013, 2014, and for the 12 months ending 9/30/2014.

RESPONSE

See AG_1_126_Attachment1.xls.

WITNESS: Ranie K Wohnhas

Kentucky Power Company

REQUEST

Provide a complete description of KPCo's procedures for accruing AFUDC including how KPCo identifies which construction projects accrue AFUDC.

RESPONSE

See AG_1_127Attachment1.pdf.

WITNESS: Ranie K Wohnhas

Kentucky Power Company

REQUEST

Please provide a detailed breakout of the AEPSC costs included in the KPCo filing, including complete details on the costs included for each AEPSC department and function that has charged or allocated cost to KPCo..

RESPONSE

Please see AG_1_128_Attachment1.xls for the total AEPSC expense billings to Kentucky Power Company for the test year. The requested amount included in the test year revenue requirement has not been calculated since the adjustments for the removal of Big Sandy costs and the annualization of Mitchell Plant costs were prepared at the account number level and not by the types of costs or departmental level within the account numbers.

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WITNESS: Jason M Yoder

Kentucky Power Company

REQUEST

Affiliate management fee charges. (a) Provide the information that underlies the KPCo expenses for affiliate service company cost allocations; (b) Please provide similar information as of each of
the following dates: (1) 12/31/2011; (2) 12/31/2012; (3) 12/31/2013; (4) the test year ended 9/30/2014; and (5) calendar 2014.

RESPONSE

See AG_1_129_Attachment1.xls for the AEPSC expense billings to Kentucky Power by benefitting location and allocation factor. This information represents total AEPSC expense services provided to Kentucky Power for calendar years 2011, 2012, 2013, and 2014 and for the 12 months ended September 30, 2014.

All AEPSC transactions are accounted for through a work order system. Expenditures for support services are accumulated in work orders and are billed to the company benefiting from the service. Each work order designates the company or companies to be billed and the method of allocation to share costs among the companies. Accounting within each work order is in accordance with the FERC Uniform System of Accounts. This helps facilitate both a clearer understanding of the specific service provided and the recording of these charges on the benefiting companies' books.

The costs for services benefiting only one company are directly assigned and are billed 100% to that company. AEPSC employees directly assign costs on time and expense reports to the maximum extent practicable. Certain costs, however, are incurred to perform services that benefit more than one company. When this occurs, the costs for these services are allocated to the benefiting companies using one of the active AEPSC allocation factors. The allocation factor for any given cost is selected for use because it best reflects the cost driver associated with the service provided. Services are billed by AEPSC at cost.

The allocation factors used to bill Kentucky Power and AEPSC's other utility affiliates for services performed by AEPSC are based upon formulae that consider factors such as number of customers, number of employees, number of transmission pole miles, number of invoices, and other factors as shown in section 99-00-04 of the Cost Allocation Manual provided in Section II of this application. The data upon which these formulae are based is updated monthly, quarterly, semi-annually or annually, depending on the particular factor and its volatility.

A volume-driven formula is used in all cases where the cost driver is volume based and the data is available. For example, in allocating costs for processing accounts payable, the number of vendor invoice payments is used; and for the overall management of the customer call centers, AEPSC uses the number of customer calls received.

If a work order does not have a direct volume-based cost driver, the most representative factor for the service provided is used. For example, for administering the employee benefit plans, number of employees is used; for managing and dispatching the transmission system, number of transmission pole miles is used. The allocation factors are designed to ensure that the charges are in proportion to the benefits received by the benefiting companies.

WITNESS: Jason M Yoder

Kentucky Power Company

REQUEST

Please provide the 2012 American Electric Power Service Company results by function, preferably in Excel, and show the charges from each function to KPCo.

RESPONSE

See AG_1_130_Attachment1.xls for the total AEPSC billings by function for the 12 months ended December 31, 2012 and the portion of the AEPSC billings that were to be billed KYPCo.

WITNESS: Jason M Yoder

Kentucky Power Company

REQUEST

Please provide the 2013 American Electric Power Service Company results by function, preferably in Excel, and show the charges from each function to KPCo.

RESPONSE

See AG_1_131_Attachment1.xls for the total AEPSC billings by function for the 12 months ended December 31, 2013 and the portion of the AEPSC billings that were to billed Kentucky Power.

WITNESS: Jason M Yoder

Kentucky Power Company

REQUEST

Please provide the American Electric Power Service Company results by function, preferably in Excel, and show the charges from each function to KPCo for the 12 months ending 9/30/2014.

RESPONSE

See AG_1_132_Attachment1.xls for the total AEPSC expense billings by function for the 12 months ended September 30, 2014 and the portion of the AEPSC expense billings that were billed to KPCo.

WITNESS: Jason M Yoder

Kentucky Power Company

REQUEST

Meter replacements. (a) Please provide the dollar amount and quantity of meters, by type, (1) in service and (2) replaced as of December 31 for each of the past five years through December 31, 2014. (b) Please provide the dollar amount and quantity of meters, by type, for each month of 2013 and 2014 through 9/30/2014

RESPONSE

Please see AG_1_133_Attachment1.xls

WITNESS: John A Rogness

Kentucky Power Company

REQUEST

Please provide a copy of the Company's meter change-out program.

RESPONSE

Kentucky Power does not have a meter change out handbook to provide. Kentucky Power follows rules established under Case No. 2005-00276 for our sample and periodic meter program. It details an annual test program which provides information used to determine if a meter maintenance or change out on a particular type of meter is needed. Please see AG_1_134_Attachment1.pdf for a copy of the order in Case No. 2005-00276.

WITNESS: John A Rogness

Kentucky Power Company

REQUEST

Has the Company included any rate case expense or non-cash items (e.g., depreciation expense, common equity, etc.) in its request for cash working capital? If so, please identify (1) all rate case expense and (2) any and all non-cash expenses included in KPCo's cash working capital calculations.

RESPONSE

The Company includes 1/8 of O&M expense in its calculation of cash working capital based on the FERC functional accounts but excludes depreciation and amortization. Total Company rate case expenses are included in these accounts and therefore are part of the 1/8 O&M cash working capital calculation. This calculation is reflected in the Company's application Section V Exhibit I, Schedule 4, Line 413 and Line 434. To the extent that a non-cash expense (e.g. an accrued expense not yet paid) has been recorded to the functional accounts they have not been identified separately in the cost of service.

WITNESS: Shannon R Listebarger

Kentucky Power Company

REQUEST

Has the Company included any rate case expense in rate base? If so, please explain fully why and identify by amount and account.

RESPONSE

No.

WITNESS: John A Rogness

Kentucky Power Company

REQUEST

Does the Company's request for rate case expense include any amounts related to past cases? If not, explain fully why not. If so, please identify the amount, and identify and explain the basis for including expense for past cases.

RESPONSE

Yes. Please see Rogness' Testimony pages 6-7 and the Application, Section V Exhibit 2 W 12.

WITNESS: John A Rogness

Kentucky Power Company

REQUEST

Please identify each type of revenue based tax and revenue based assessment that was paid during the test year. Also, please provide the related returns, and the amount and date of each such payment, and identification as to which type of revenue-based tax each such payment was for.

RESPONSE

See attached file AG_1_138_Attachment1.pdf. The Kentucky Public Service Commission Assessment Fee in the amount of $1,069,553.31 was paid on June 26, 2014.

WITNESS: Jeffrey B Bartsch

Kentucky Power Company

REQUEST

Has the Company included any plant in rate base for which the Company has not received permits to begin construction? If so, please identify the amounts by account.

RESPONSE

No. The Company has not included any plant in rate base for which it has not received a permit to begin construction.

WITNESS: John A Rogness

Kentucky Power Company

REQUEST

Pension Trust Fund Assets.

Please provide the following:

a. The overall expected rate of return used for pension assets;

b. The expected rates of return for alternative assets classes (long-term bonds, common stock) used in determining the overall expected rate of return used for pension assets; and

c. Copies of all documentation used in determining the expected rates of return for alternative assets classes (long-term bonds, common stock).

RESPONSE

a-b Please see AG_1_140_Attachment1.xlsx for the overall expected rate of return used for pension assets and for the expected return used for each asset class.

c. Please see AG_1_140_Attachment1.xlsx and AG_1_140_Attachment2.pdf for the requested documentation.

WITNESS: Hugh E McCoy

Kentucky Power Company

REQUEST

Please show in detail how KPCo has reflected the inclusion of net negative salvage in accumulated depreciation (a rate base reduction).

RESPONSE

Negative net salvage included in depreciation rates increases the depreciation rates and also increases accumulated depreciation. At September 30, 2014 negative net salvage included in accumulated depreciation was approximately $17.7 million.

WITNESS: David A Davis

Kentucky Power Company

REQUEST

Please provide a list of the items included in the increase to ratebase since the last case. In both cases, show the applicable accounts and amounts.

RESPONSE

The requested analysis and calculation do not exist. AG_1_142_Attachment1.pdf is page 11 of 134 of Section V (Schedule IV) of the Company's application in its most recent previously-filed rate case (Case No. 2013-00197). The requested analysis and calculations may be made by comparing AG_1_142_Attachment1.pdf and Section V, Exhibit 1, Schedule 4, page 11 of 87 of this filing.

WITNESS: Ranie K Wohnhas

Kentucky Power Company

REQUEST

Please identify and explain all new or upgraded software and systems costing over $20,000 per year for KPCo since the last KPCo rate case, including software and systems charged to KPCo from AEPSC or other affiliates. For each new software and system:

a. Please provide all costs and expenses associated with the software since inception. Include both capital costs associated with this software and as well as any O&M expenses. Include a description of each cost or expense.

b. For the costs and expenses shown in part a., please indicate how much of each cost and expense was charged to KPCo.

c. Were any prudence reviews conducted prior to purchasing the software? If yes, please provide those reviews. If not, explain why not.

d. Please provide any cost-benefit studies conducted prior to purchasing such softwar

RESPONSE

Please refer to AG_1_143_Attachment1.xls for a summary of capitalized software charges from AEPSC to KPCo for 2013 and 2014 that exceeded $20,000 per year.

a. Please refer to AG_1_143_Attachment1.xls for the life to date (2007-2014) charges for capitalized software for the projects that exceeded $20,000 billed to KPCo in 2013 and 2014.

   Please refer to AG_1_143_Attachment2.xls for the the life to date (2007-2014) capitalized costs by cost category for the projects that exceeded $20,000 billed to KPCo in 2013 and 2014.

   Please refer to AG_1_143_Attachment3.xls for the O&M expense by FERC account related to the capitalized projects that exceeded $20,000 billed to KPCo in 2013 and 2014.

b. Please refer to AG_1_143_Attachment1.xls for the requested data.

c. Yes, prudence reviews are conducted prior to the purchase of software. The Company's IT procurement policy is attached as AG_1_143_Attachment4.pdf. Due to the voluminous, proprietary and confidential nature of the associated documents, the Company will make these documents available at its offices in Columbus, Ohio on a mutually agreeable date and time.

d. The cost-benefit studies are included as part of the prudence reviews discussed in part c. above.

WITNESS: Jason M Yoder

Kentucky Power Company

REQUEST

Please provide a copy of the KPCo and AEP Board of Directors minutes for 2011, 2012, 2013, and 2014.

RESPONSE

The Company objects to this request to the extent that it seeks information outside the scope of this proceeding, including information concerning entities not party to this proceeding. Without waiving that objection, and because AEP is a non-regulated entity, the Company will make available for inspection at its offices in Frankfort, Kentucky, subject to confidential treatment under the applicable non-disclosure agreement in this case, Confidential AG_1_144 Attachments 1 through 4, containing the minutes of the requested AEP Board of Directors meetings.

See AG 1_1_144 Attachment 5 for the requested Kentucky Power Company Board of Directors minutes.

WITNESS: Gregory G Pauley

Kentucky Power Company

REQUEST

Identify each KPCo and AEP Board committee. Provide a copy of the KPCo and AEP Board committee meeting minutes for 2011, 2012, 2013, and 2014.

RESPONSE

Kentucky Power Company does not have individual board committees. AEP has seven Board Committees: Audit, Directors and Corporate Governance, Policy, Executive, Finance, Human Resources and Nuclear Oversight. More information about these Committees is available on the 2014 AEP Proxy Statement.

The Company objects to this request to the extent that it seeks information outside the scope of this proceeding, including information concerning entities not party to this proceeding. Without waiving that objection, and because AEP is a non-regulated entity, the Company will make available for inspection at its offices in Frankfort, Kentucky, subject to confidential treatment under the applicable non-disclosure agreement in this case, Confidential AG_1_145 Attachments 1 through 4, containing the minutes of the requested AEP Board of Directors Committees.

WITNESS: Gregory G Pauley

Kentucky Power Company

REQUEST

Please list all procedures the Company follows to ensure that there was a proper assignment of costs to the test year and that the test year only includes charges incurred during the test period.

RESPONSE

The Company, in conjunction with AEPSC, and in addition to its accounting procedures, developed a time line which described various tasks and issues in preparation and filing of this instant rate application. Those tasks and issues included the identification of potential test year adjustments, including adjustments for out of period items. The various tasks and issues were addressed in many conversations and meetings over the time line period to ensure that only the appropriate costs were included for recovery.

Please see AG_1_146_Attachment1.xls.

WITNESS: Ranie K Wohnhas

Kentucky Power Company

REQUEST

Provide a copy of each adjusting entry proposed by the Company's independent Auditors in the two most recent audits of the Company, the parent company, and the affiliated service company. Include supporting documentation

RESPONSE

The requested copies of each adjusting entry for KPCo, AEP Parent, and AEP Service Corporation that were proposed by KPCo's independent auditors are the property of Deloitte and Touche LLP (Deloitte) and not KPCo, AEP Parent or AEPSC and are part of an exclusive auditor/client relationship. KPCo has no ability to produce the requested information. Subject to certain conditions mandated by Deloitte, Deloitte will make the requested workpapers available for review at their office in Columbus, Ohio.

WITNESS: Jason M Yoder

Kentucky Power Company

REQUEST

Provide a copy of the Company's (and the parent company's) two most recent management letters and recommendations received from the Company's independent auditors.

RESPONSE

Deloitte and Touche LLP's (Deloitte) two most recently issued management letters and recommendations reflecting observations from their integrated audits of the financial statements of AEP Consolidated and its subsidiary companies for the years ended December 31, 2012 and 2011, respectively, including both KPCo and AEP Parent, are the property of Deloitte and not KPCo or AEP Parent and are part of an exclusive auditor/client relationship. KPCo has no ability to produce the requested information Subject to certain conditions mandated by Deloitte, Deloitte will make the requested workpapers available for review at their office in Columbus, Ohio.

WITNESS: Jason M Yoder

Kentucky Power Company

REQUEST

Provide a copy of the Company's most recent management and operations audit.

RESPONSE

Please see AG_1_149_Attachment1pdf.

WITNESS: John A Rogness