

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

**In the Matter Of:**

**AN EXAMINATION OF THE APPLICATION )**  
**OF THE FUEL ADJUSTMENT CLAUSE OF )**  
**KENTUCKY POWER COMPANY FROM ) Case No. 2014-00450**  
**NOVEMBER 1, 2012 THROUGH OCTOBER )**  
**31, 2014 )**

**KENTUCKY POWER COMPANY'S RESPONSES TO COMMISSION STAFF'S**  
**THIRD SET OF DATA REQUESTS**

**July 17, 2015**





**KENTUCKY POWER COMPANY**

**REQUEST**

Refer to Kentucky Power's response to the May 27, 2015 Informal Conference Information Request ("IC Request), Item 3, filed on June 4, 2015. Attachment 3 of that response identifies General Ledger account 4470089 as a Load Serving Entity, or LSE, account. Refer also to the revised response to Item 12 of Commission Staff's Second Request for Information, Item 12, filed on June 2, 2015. Attachment 1 to Item 12 shows account 4470089 as an off-system sales, or OSS, account.

- a. Explain the discrepancy.
- b. If account 4470089 is an LSE account, explain where the "Total August KPCo" amount of (\$7,976,482) in Attachment 3 to the IC Request is recorded in the fuel adjustment clause calculation filed for the expense month of August 2014. If it is an LSE account but is not included in the fuel adjustment clause calculation, explain why it is not included.

**RESPONSE**

a. and b. Account 4470089 is an Off System Sales account. In KPSC\_IC\_1\_Attachment3.xlsx, there was a typographical error in the labeling of Accounts 4470089 - Spot Market Energy Sales Margins and 4470103 - Spot Market Energy Sales Fuel Cost. Account 4470089 should be labeled OSS and Account 4470103 should be labeled LSE. Please see KPSC\_IC\_1\_Attachment3\_Revised.xls for a corrected chart.

KPSC\_2\_12\_Attachment1\_Revised filed on June 2, 2015 properly identifies Account 4470089 in the OSS portion of the spreadsheet. However, Account 4470103 should have been included in the LSE portion of the spreadsheet.

In addition, the data for Account 5550001 have been revised. The original data were pulled from the incorrect source. The updated data correspond to the ledger numbers identified in KPSC\_IC\_1\_Attachment3\_Revised. KPSC\_2\_12\_Attachment1\_Revised\_Corrected.xls contains the updated information.

**WITNESS:** John A Rogness

**KENTUCKY POWER COMPANY**

**REQUEST**

Refer to Kentucky Power's response to the Commission's Post-Hearing Information Request, Item 3.b. The response states that Kentucky Power purchased coal from Alpha for the year 2016 at \$59.00 per ton from the bidders shown on Attachment 2 in response to the Commission's February 5, 2015 Information Request, Item 25. That attachment shows a lower bid than the Alpha bid. Explain why the lower bid was not chosen for 2016.

**RESPONSE**

The "Argus Coal Daily 11/7/14" line from Attachment 2 in response to the Commission's February 5, 2015 Information Request, Item 25 is simply information from an industry publication that attempts to represent current market pricing and was used for comparison purposes only. The "Argus Coal Daily 11/7/14" line did not represent an actual offer. Alpha Coal Sales submitted the lowest bid for the 2016 volumes.

**WITNESS:** Charles F West

**KENTUCKY POWER COMPANY**

**REQUEST**

State whether purchase power costs in excess of Kentucky Power's "peaking unit equivalent" limitation were recovered through the fuel adjustment clause for the expense months of November 2012 through October 2013. If so, provide the amounts in excess by month.

**RESPONSE**

During the expense months of November 2012 through October 2013, there were no purchased power costs that required exclusion from the FAC because of the peaking unit equivalent limitation.

**WITNESS:** John A Rogness