#### **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 NOVEMBER 1, 2012 THROUGH OCTOBER 31, 2014 ) ) ) Case No. 2014-00450 ) )

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

July 17, 2015

#### 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 )

COUNTY OF FRANKLIN

) Case No. 2014-00450

Subscribed and sworn to before me, a Notary Public in and before said County and State, by John A. Rogness III, this the 16 % day of July, 2015.

Notary Public Kasquest 481393

anuary 23, 2017 My Commission Expires:

### VERIFICATION

The undersigned, Charles F. West, being duly sworn, deposes and says he is the Manager, Coal Procurement, for American Electric Power Service Corporation, that he has personal knowledge of the matters set forth in the forgoing data response for which he is identified as the witness and that the information contained therein is true and correct to the best of his information, knowledge and belief

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Charles F. West

STATE OF OHIO

COUNTY OF FRANKLIN

) ) Case No. 2014-00450

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Charles F. West, this the  $\cancel{12^{\cancel{4}}}$  day of July 2015.

Rouse Aug Notary Public

4/2019

My Commission Expires:

Donna J. Stephens Wy Commission Expires 01-04-2019



# 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

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# **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 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

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# **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