

COMMONWEALTH OF KENTUCKY
BEFORE THE
PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF

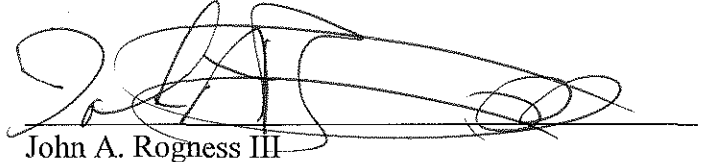
AN EXAMINATION OF THE APPLICATION)
OF THE FUEL ADJUSTMENT CLAUSE OF)
KENTUCKY POWER COMPANY FROM) CASE NO. 2014-00450
MAY 1, 2014 THROUGH NOVEMBER 30, 2014)

KENTUCKY POWER COMPANY RESPONSES TO
COMMISSION STAFF'S JUNE 2, 2015
POST HEARING DATA REQUESTS

June 16, 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)
) Case No. 2014-00450
COUNTY OF FRANKLIN)

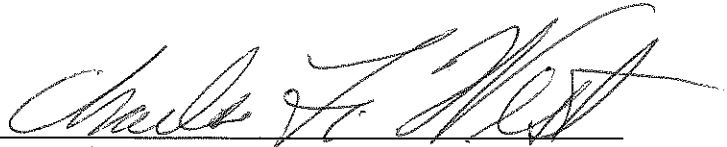
Subscribed and sworn to before me, a Notary Public in and before said County and State, by John A. Rogness III, this the 15th day of June, 2015.


Notary Public

My Commission Expires: January 23, 2017

VERIFICATION

The undersigned, Charles F. West, being duly sworn, deposes and says he is the Manager, Coal Procurement, for American Electric Power, 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



Charles F. West

STATE OF OHIO

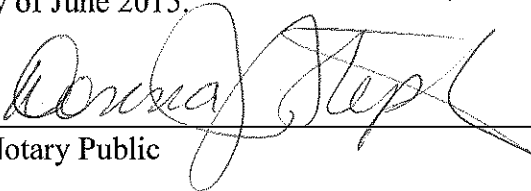
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) Case No. 2014-00450

COUNTY OF FRANKLIN

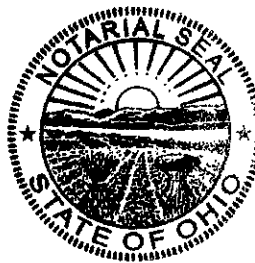
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Subscribed and sworn to before me, a Notary Public in and before said County and State, by Charles F. West, this the 15th day of June 2015.



Notary Public

My Commission Expires: 1/4/2019



Donna J. Stephens
Notary Public, State of Ohio
My Commission Expires 01-04-2019

Kentucky Power Company

REQUEST

Please refer to the Company's response to Commission Staff Data Request 1-12. Identify whether when the Company makes sales to other electric utilities, as identified in Attachment 1, those sales are made to the other electric utilities directly or to the PJM market.

RESPONSE

Sales to third-parties by Kentucky Power may be made either to PJM, for the benefit of an unidentified third-party, to an agent for the benefit of a third-party, or directly to the third-party. The Company does not have any bilateral contracts with other parties.

WITNESS: John A Rogness

Kentucky Power Company

REQUEST

Please refer to the Company's response to Commission Staff Data Request 1-13. Please identify the reason for increase in volatility in the percentage of line loss from the beginning of the review period to the end.

RESPONSE

Included in the calculation of "energy lost and unaccounted" is an estimate of unbilled energy sales. This estimate, which is premised upon multiple inputs such as temperature, weather and number of days in a billing cycle, can vary significantly from month to month. Each month's calculation of "energy lost and unaccounted" included the reversal of the prior month's estimated unbilled energy sales and inclusion of the current month's estimated unbilled energy sales. Significant differences in the amount of the reversal and the current month's estimate accounts for much of the variability in the percentage of line loss shown on the Company's Response to KPSC 1-13. This is illustrated by the large positive value in September 2014 and the negative value for October 2014. For September, the current month unbilled kWh was 77,592,983 kWh and the previous month's unbilled was 136,106,196 kWh. For October, the opposite occurred. The estimated current month's unbilled kWh was 151,169,419 and the previous month's unbilled kWh estimate was 77,592,983 kWh. The changing percentage of losses over time may be related to the Company's changing customer and usage mix. The Company has lost residential customers over the last few years and coal mining load in particular has dropped sharply.

WITNESS: John A Rogness

Kentucky Power Company

REQUEST

Please refer to the Company's response to Commission Staff Data Request 1-25. (a) Please provide Attachment 3 to the Company's response. (b) Please identify which, if any, of the bidders identified in Attachment 2 were selected by the Company.

RESPONSE

- a. Please see KPSC_1_25_Attachment3 for this response
- b. The selected offers (non- redacted) are as follows:
 - 100,000 tons from Alpha from December, 2014 to March 2015 at \$53.00/ton (Order #03-00-14-031)
 - 500,000 tons from Alpha in 2016 at \$59.00/ton (Order #03-00-01-032)

WITNESS: Charles F West

Kentucky Power Company

REQUEST

Please refer to the Company's response to Commission Staff Data Request 1-26. (a) Please confirm why some of the bid information included in Attachment 1 is redacted and some is provided. (b) Please identify which, if any, of the bidders identified in Attachment 1 were selected by the Company.

RESPONSE

(a) The redacted information contains information for offers not selected or vendors who declined to offer a bid during the June oral solicitation for Big Sandy Plant. The non-redacted information represents the selected offers whose contracts have been provided to the Kentucky Public Service Commission in the monthly backup filings.

(b) The selected offers for delivery during the 3rd quarter of 2014 (non- redacted) are as follows:

- 150,000 tons from Producers Coal for \$69.50/ton (Order #03-30-14-004)
- 30,000 tons from Koch Carbon for \$68.00/ton (Order #03-30-14-005)
- 50,000 tons from Rhino Energy for \$63.75/ton (Order #03-30-14-006)

WITNESS: Charles F West