VERIFICATION

The undersigned, David L. Mell being duly sworn, deposes and says he is the Energy Production Superintendent- Big Sandy 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

David L. Mell

COMMONWEALTH OF KENTUCKY)
) Case No. 2016-00230
COUNTY OF BOYD)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by David L. Mell, this the 25th day of August 2016.

Diana K Thrasher
Notary Public

My Commission Expires: 03-21-2017

VERIFICATION

The undersigned, Daniel L. Moyer, being duly sworn, deposes and says he is the Plant Manager-Kammer/Mitchell 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

Daniel L Moyer

Daniel L. Moyer

STATE OF WEST VIRGINIA)
) Case No. 2016-00230
COUNTY OF MARSHALL)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Daniel L. Moyer this the 23 day of August 2016.

Notary Public

My Commission Expires: Feb. 10, 2021

OFFICIAL SEAL
STATE OF WEST VIRGINIA
NOTARY PUBLIC
Rita Kramer
AEP Kammer Mitchell Plant
P.O. Box K
Moundsville, WV 26041
My Commission Expires Feb. 10, 2021

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. 2016-00230
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 26th day of August 2016.

Judy K Rosquist 481393
Notary Public

My Commission Expires: January 23, 2017

Kentucky Power Company

REQUEST

For the period from November 1, 2015, through April 30, 2016, list each vendor from whom coal was purchased and the quantities and the nature of each purchase (i.e., spot or contract). For the period under review in total, provide the percentage of purchases that were spot versus contract. For contract purchases, state whether the contract has been filed with the Commission. If no, explain why it has not been filed.

RESPONSE

Please see KPCO_R_PSC_1_1_Attachment1 to this response for a listing of each vendor from which coal was purchased, the quantities, the nature of each coal purchase, and the percentage of purchases that were spot versus contract during the period from November 1, 2015 to April 30, 2016. All coal purchase contracts have been filed.

WITNESS: Charles F West

Kentucky Power Company

REQUEST

For the period from November 1, 2015, through April 30, 2016, list each vendor from whom natural gas was purchased for generation and the quantities and the nature of each purchase (i.e., spot or contract). For contract purchases, state whether the contract has been filed with the Commission. If no, explain why it has not been filed.

RESPONSE

Kentucky Power did not purchase natural gas for generation during the review period of November 1, 2015 to April 30, 2016.

WITNESS: John A Rogness

Kentucky Power Company

REQUEST

State whether Kentucky Power engages in hedging activities for its coal or natural gas purchases used for generation. If yes, describe the hedging activities in detail.

RESPONSE

Kentucky Power does not engage in hedging activities for its coal purchases used for generation.

Kentucky Power did not purchase natural gas for generation during the review period of November 1, 2015 to April 30, 2016. Kentucky Power has no plans to engage in natural gas hedging activities.

WITNESS: Charles F West

Kentucky Power Company

REQUEST

For each generating station or unit for which a separate coal pile is maintained, state, for the period from November 1, 2015, through April 30, 2016, the actual amount of coal burned in tons, the actual amount of coal deliveries in tons, the total kWh generated, and the actual capacity factor at which the plant operated.

RESPONSE

Big Sandy

Coal Burned, tons	19,354
Coal Delivered, tons	6,279
Total Generated MWh	56,590
Capacity Factor	28.17%

Mitchell

Coal Burned, tons	733,402
Coal Delivered, tons	754,612
kWH Net Generated	1,816,911,500
Capacity Factor	53.33%

WITNESS: Daniel L Moyer/David L Mell

Kentucky Power Company

REQUEST

List all firm power commitments for Kentucky Power from November 1, 2015, through April 30, 2016, for (a) purchases and (b) sales. This list shall identify the electric utility, the amount of commitment in MW, and the purpose of the commitment (i.e., peaking, emergency).

RESPONSE

(a) Firm power purchases for Kentucky Power for the period from November 1, 2015 through April 30, 2016:

AEP Generating Company (Unit Power Agreement - Rockport Plant Base Load)	393 MW

(b) Firm power sales: Commitments for Kentucky Power Company, other than retail jurisdictional customers, are the Cities of Olive Hill and Vanceburg, Kentucky as shown below. The numbers listed below represent the customer's peak load during the review period from November 1, 2015 through April 30, 2016. The cities use the power for load-following service to their citizens.

City of Olive Hill	5.5 MW
City of Vanceburg	13.0 MW

WITNESS: John A Rogness

Kentucky Power Company

REQUEST

Provide a monthly billing summary of sales to all electric utilities for the period November 1, 2015, through April 30, 2016.

RESPONSE

Please see KPCO_R_PSC_1_6_Attachment1.xls for this response.

WITNESS: John A Rogness

Kentucky Power Company

REQUEST

List Kentucky Power's scheduled, actual, and forced outages from November 1, 2015, through April 30, 2016.

RESPONSE

Please see KPCO_R_PSC_1_7_ Attachment1.xls for this response.

WITNESS: Daniel L Moyer and David L Mell

Kentucky Power Company

REQUEST

List all existing fuel contracts categorized as long-term (i.e., one year or more in length). Provide the following information for each contract:

a. Supplier's name and address;
b. Name and location of production facility;
c. Date when contract was executed;
d. Duration of contract;
e. Date(s) of each contract revision, modification, or amendment;
f. Annual tonnage requirements;
g. Actual annual tonnage received since the contract's inception;
h. Percentage of annual requirements received during the contract's term;
i. Base price in dollars per ton;
j. Total amount of price escalations to date in dollars per ton; and
k. Current price paid for coal under the contract in dollars per ton (i + j).

RESPONSE

Please see KPCO_R_PSC_1_8_ Attachment1.pdf for the requested information.

WITNESS: Charles F West

Kentucky Power Company

REQUEST

a. State whether Kentucky Power regularly compares the price of its coal purchases to those paid by other electric utilities.

b. If yes, state:

(1) How Kentucky Power's prices compare with those of other utilities. If the comparison includes months outside of the review period, a comparison limited to the review period should be provided separately. Provide a copy of the source documents and calculations used to support the amounts used in the comparison and include all prices used in the comparison in cents per MMbtu.

(2) The utilities that is included in this comparison and their locations.

RESPONSE

a. The Company performs a comparison of its coal purchases at least twice a year. Additionally, all purchase decisions are evaluated against the market at the time of the purchase to ensure the competitiveness of the purchase.

b. (1) and (2): KPCO_R_PSC_1_9_ Attachment1.pdf and KPCO_R_PSC_1_9_ Attachment2.pdf contain comparisons of Kentucky Power's fuel prices to fuel prices of other utilities that are consistent with what has been examined in previous filings. The fuel cost data was obtained from Velocity Suite which is a search engine that, in this case, used monthly fuel cost information from the U.S. Energy Information Agency Form 923 for the period of November 1, 2015 through April 30, 2016.

KPCO_R_PSC_1_9_ Attachment1.pdf compares fuel costs for six utilities in the eastern half of the United States having similar coal quality (heat content and SO2) as Kentucky Power, as in previous filings. For the companies included in the comparison, Kentucky Power had fuel costs lower than five of the companies and higher than two of the companies for the review period on a calculated cents per million British Thermal Units (MMBtu) basis. The fuel being delivered to the comparison facilities may not be of the same quality or mixture as that being delivered to Kentucky Power. A review of the sulfur data shows that Kentucky Power purchased coal with the second lowest sulfur content of all of the companies included in the comparison.

For additional reference, KPCO_R_PSC_1_9 Attachment2.pdf compares the fuel costs companies purchasing a lower sulfur coal than the first comparison group. In this comparison, Kentucky Power had the lowest fuel costs in the review period on a calculated cents per MMBtu basis. However, it should be noted that the fuel being delivered to these facilities may not be of the same quality or mixture as that being delivered to Kentucky Power. A review of the sulfur data shows that Kentucky Power purchased coal with sulfur content higher than all of the companies included in the comparison group.

Please see KPCO_R_PSC_1_9_Attachment3.xlsx for the data from the U.S. Energy Information Agency (EIA) Form 923 for the period of November 1, 2015 through April 30, 2016. This data was obtained via Velocity Suite, which is a search engine that gathers publicly available information. The averages and totals presented in Attachment 3 are a function of pivot tables applied to the Velocity Suite data.

WITNESS: Charles F West

Kentucky Power Company

REQUEST

State the percentage of Kentucky Power's coal, as of the date of this Order, that is delivered by:

a. Rail;
b. Truck; or
c. Barge.

RESPONSE

From November 1, 2015 through April 30, 2016, the percentage of Kentucky Power's coal delivery method* is as follows:

a. Rail: 0%
b. Truck: 0%**
c. Barge: 52%

*Please note that 47% of the Mitchell generating station's coal is delivered by a belt conveyor system from an adjacent mine and is not accounted for in the methods shown above.

**Big Sandy received, by truck, less than 1% of the total Company tons during the review period.

WITNESS: Charles F West

Kentucky Power Company

REQUEST

a. State Kentucky Power's coal inventory level in tons and in number of days' supply as of April 30, 2016. Provide this information by generating station and in the aggregate.

b. Describe the criteria used to determine number of days' supply.

c. Compare Kentucky Power's coal inventory as of April 30, 2016, to its inventory target for that date for each plant and for total inventory.

d. If actual coal inventory exceeds inventory target by ten days' supply, state the reasons for excessive inventory.

e. (1) State whether Kentucky Power expects any significant changes in its current coal inventory target within the next 12 months.

(2) If yes, state the expected change and the reasons for this change.

RESPONSE

a. As of April 30, 2016 Kentucky Power's actual coal inventory levels (company share) were as follows:

Mitchell High Sulfur: 190,500 tons, or 50 days of supply
Mitchell Low Sulfur: 159,000 tons, or 42 days of supply

b. Days' supply is determined by dividing the tons of coal in storage by the full load burn rate (tons per day).

For Mitchell High Sulfur, $\dfrac{\text{190,500 tons in storage as of 4/30/2016}}{\text{3,810 (full load burn rate* – tons/day)}}$ = 50 days

For Mitchell Low Sulfur, $\dfrac{\text{159,000 tons in storage as of 4/30/2016}}{\text{3,810 (full load burn rate* – tons/day)}}$ = 42 days

*Company share of full load burn rate.

c. As of April 30, 2016,

Mitchell High Sulfur: Target Inventory Days = 15 days, Actual Inventory Days = 50 days (35 days over target)
Mitchell Low Sulfur: Target Inventory Days = 30 days, Actual Inventory Days = 42 (12 days over target)

d. Maintenance outages during the six-month period at the Mitchell plant, along with low power prices and continued weak demand for energy, markedly reduced coal consumption. In addition, the high sulfur inventory increased due to contractual supply commitments.

e. (1) Kentucky Power does not expect any significant changes in the coal inventory target for the Mitchell plant within the next 12 months.

(2) N/A

WITNESS: Charles F West

Kentucky Power Company

REQUEST

a. State whether Kentucky Power has audited any of its coal contracts during the period from November 1, 2015, through April 30, 2016.

b. If yes, for each audited contract:

(1) Identify the contract;
(2) Identify the auditor;
(3) State the results of the audit; and
(4) Describe the actions that Kentucky Power took as a result of the audit.

RESPONSE

a. Kentucky Power did not audit any of its coal contracts during the review period from November 1, 2015 to April 30, 2016.

b. N/A.

WITNESS: Charles F West

Kentucky Power Company

REQUEST

a. State whether Kentucky Power has received any customer complaints regarding its FAC during the period from November 1, 2015, through April 30, 2016.

b. If yes, for each complaint, state:

(1) The nature of the complaint; and
(2) Kentucky Power's response.

RESPONSE

The Company did not receive any complaints regarding its FAC during the review period.

WITNESS: John A Rogness

Kentucky Power Company

REQUEST

a. State whether Kentucky Power is currently involved in any litigation with its current or former coal suppliers.

b. If yes, for each litigation:

(1) Identify the coal supplier;
(2) Identify the coal contract involved;
(3) State the potential liability or recovery to Kentucky Power;
(4) List the issues presented; and

(5) Provide a copy of the complaint or other legal pleading that initiated the litigation and any answers or counterclaims. If a copy has previously been filed with the Commission, provide the date on which it was filed and the case in which it was filed.

c. State the current status of all litigation with coal suppliers.

RESPONSE

a. Kentucky Power is not currently involved in any litigation with its current or former coal suppliers.

b. N/A.

c. N/A

WITNESS: Charles F West

Kentucky Power Company

REQUEST

a. During the period from November 1, 2015, through April 30, 2016, have there been any changes to Kentucky Power's written policies and procedures regarding its fuel procurement?

b. If yes:

(1) Describe the changes;
(2) Provide the written policies and procedures as changed;
(3) State the date(s) the changes were made; and
(4) Explain why the changes were made.

c. If no, provide the date Kentucky Power's current fuel procurement policies and procedures were last changed, when they were last provided to the Commission, and identify the proceeding in which they were provided.

RESPONSE

a. Changes were made to Kentucky Power's Fuel Procurement Policy. Please see KPCO_R_PSC_1_15_Attachment1 for the updated manual.

. (1)-(2) The August 2015 Fuel Procurement Policy manual was approved by the Vice President, Fuel Procurement, on August 31, 2015. The changes are described in KPCO_R_PSC_1_15_Attachment2.pdf.

b. (3)-(4) The prior policy manual was amended to conform to operational changes as a result of Ohio deregulation and the Company strategic cost reduction initiative.

c. N/A

WITNESS: Charles F West

Kentucky Power Company

REQUEST

a. State whether Kentucky Power is aware of any violations of its policies and procedures regarding fuel procurement that occurred prior to or during the period from November 1, 2015, through April 30, 2016.

b. If yes, for each violation:

(1) Describe the violation;

(2) Describe the action(s) that Kentucky Power took upon discovering the violation; and

(3) Identify the person(s) who committed the violation.

RESPONSE

a. Kentucky Power is not aware of any violations of its policies and procedures regarding fuel procurement prior to or during the period from November 1, 2015 to April 30, 2016.

b. N/A.

WITNESS: Charles F West

Kentucky Power Company

REQUEST

Identify and explain the reasons for all changes in the organizational structure and personnel of the departments or divisions that are responsible for Kentucky Power's fuel procurement activities that occurred during the period from November 1, 2015, through April 30, 2016.

RESPONSE

During the period November 1, 2015 through April 30, 2016 the number of coordinators reporting to the Senior Manager, Coal Procurement was reduced from three to two persons as part of the Company's coordinated cost reduction initiatives. Additionally, an existing Fuel Buyer position was assigned, reporting directly to the Vice President, Fuel Procurement, to assist in special projects.

Please see KPCO_R_PSC_1_17_Attachment1.pdf for the most recent organizational chart.

WITNESS: Charles F West

Kentucky Power Company

REQUEST

a. Identify all changes that Kentucky Power has made during the period under review to its maintenance and operation practices that also affect fuel usage at Kentucky Power's generation facilities.

b. Describe the impact of these changes on Kentucky Power's fuel usage.

RESPONSE

Big Sandy Unit 1 was in the process of being converted to natural gas during this review period. There were no other changes at Big Sandy or Mitchell during the review period involving maintenance and operation practices that would affect fuel usage.

WITNESS: Daniel L Moyer/David L Mell

Kentucky Power Company

REQUEST

List each written coal-supply solicitation issued during the period from November 1, 2015, through April 30, 2016.

a. For each solicitation, provide the date of the solicitation, the type of solicitation (contract or spot), the quantities solicited, a general description of the quality of coal solicited, the time period over which deliveries were requested, and the generating unit(s) for which the coal was intended.

b. For each solicitation, state the number of vendors to whom the solicitation was sent, the number of vendors who responded, and the selected vendor. Provide the bid tabulation sheet or corresponding document that ranked the proposals.

   (This document should identify all vendors who made offers.) State the reasons for each selection. For each lowest-cost bid not selected, explain why the bid was not selected.

RESPONSE

(a) and (b) Please see KPCO_R_PSC_1_19_ Attachment1.pdf for the requested information.

Confidential treatment is being sought for indicated portions of the KPCO_R_PSC_1_19 Attachment 2_CONFIDENTIAL.pdf for the list of offering vendors, analyses, ranked proposals and selected vendor/supplier.

WITNESS: Charles F West

Kentucky Power Company

REQUEST

List each oral coal-supply solicitation issued during the period from November 1, 2015, through April 30, 2016.

a. For each solicitation, state why the solicitation was not written, the date(s) of the solicitation, the quantities solicited, a general description of the quality of coal solicited, the time period over which deliveries were requested, and the generating unit(s) for which the coal was intended.

b. For each solicitation, identify all vendors solicited and the vendor selected. Provide the tabulation sheet or other document that ranks the proposals. (This document should identity all vendors who made offers.) State the reasons for each selection. For each lowest-cost bid not selected, explain why the bid was not selected.

RESPONSE

Kentucky Power did not issue oral coal supply solicitations during the period from November 1, 2015 to April 30, 2016.

WITNESS: Charles F West

Kentucky Power Company

REQUEST

a. List all intersystem sales during the period under review in which Kentucky Power used a third party's transmission system.

b. For each sale listed above:

(1) Describe the effect on the FAC calculation of line losses related to intersystem sales when using a third party's transmission system; and

(2) State the line-loss factor used for each transaction and describe how that line-loss factor was determined.

RESPONSE

a. Kentucky Power sells 100% of its generation to PJM. These sales are made at the generation station and do not use a third party transmission system.

b. Beginning on June 1, 2007, based on FERC Order EL06-055, PJM modified the Locational Marginal Pricing (LMP) approach to calculate transmission line loss costs on a marginal basis. The new LMP calculation reflects the full marginal cost of serving an increment of load at each bus from each resource associated with an eligible energy offer. The LMP price will be the sum of three separate components: System Energy Price, Congestion Price and Loss Price. Therefore, each spot market energy customer pays an energy price that includes the full marginal cost of energy for delivering an increment of energy to the purchaser's location. Market buyers are assessed for their incremental impact on transmission line losses resulting from total load scheduled to be served from the PJM Spot Energy Market in the day-ahead energy market at the same day-ahead loss price applicable at the relevant load bus.

Market sellers are assessed for their incremental impact on transmission line losses resulting from energy scheduled for delivery in the day-ahead market at the day-ahead loss prices applicable to the relevant resource bus.

Transactions are balanced in the real-time market using the same calculation, but are based on deviation at each bus from the day-ahead using the real time loss price.

WITNESS: John A Rogness

Kentucky Power Company

REQUEST

a. Describe the effect on the FAC calculation of line losses related to intersystem sales when not using a third party's transmission system.

b. Describe each change that Kentucky Power made to its methodology for calculating intersystem sales line losses during the period under review.

RESPONSE

a. Line losses related to intersystem sales are excluded from the FAC calculation and thus do not affect it.

b. Kentucky Power did not make any changes to its methodology for calculating intersystem sales line losses during the review period.

WITNESS: John A Rogness

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Kentucky Power Company

REQUEST

State whether, during the period under review, Kentucky Power has solicited bids for coal with the restriction that it was not mined through strip mining or mountaintop removal. If yes, explain the reasons for the restriction on the solicitation, the quantity in tons and price per ton of the coal purchased as a result of this solicitation, and the difference between the price of this coal and the price it could have obtained for the coal if the solicitation had not been restricted.

RESPONSE

No. During the review period, Kentucky Power did not solicit bids for coal with the restriction that it was not mined through strip mining or mountaintop removal.

WITNESS: Charles F West

Kentucky Power Company

REQUEST

Provide a detailed discussion of any specific generation efficiency improvements Kentucky Power has undertaken during the period under review.

RESPONSE

The Company made no efficiency improvements at Big Sandy or Mitchell during the review period.

WITNESS: Daniel L Moyer and David L Mell

Kentucky Power Company

REQUEST

State whether all fuel contracts related to commodity and/or transportation have been filed with the Commission. If any contracts have not been filed, explain why they have not been filed and provide a copy.

RESPONSE

All fuel contracts related to commodity and/or transportation have been filed with the Commission.

WITNESS: John A Rogness

Kentucky Power Company

REQUEST

Refer to 807 KAR 5:056, Sections 1 (3)(a), 1 (3)(b) , and 1 (4), relating to forced outages. State whether Kentucky Power interprets these sections of the regulation to mean that, during a forced outage (as defined by the regulation), the amount recoverable through the FAC is the lesser of the assigned cost of power (the cost of fuel that would have been used in plants suffering a forced outage) and the substitute cost of power. If yes, explain in detail how Kentucky Power calculates the assigned cost of fuel during a forced outage. If no, explain in detail how Kentucky Power interprets the regulation related to forced outages and how it calculates the assigned cost of fuel during a forced outage.

RESPONSE

During a forced outage (as defined by the regulation), the amount recoverable through the FAC is the lesser of the assigned cost of power (the cost of fuel that would have been used in plants suffering a forced outage or, in accordance with the Commission's Order in Case No. 2000-00495-B, the cost derived for the Company's hypothetical Peaking Unit Equivalent) or the substitute cost of power. A detailed calculation is provided in KPCO_R_PSC_1_26_Attachment1_Confidential.xls. Confidential treatment is being sought for the indicated portions of this attachment.

WITNESS: John A Rogness

Kentucky Power Company

REQUEST

State whether Kentucky Power has made, or plans to make, any capital investments in order to comply with PJM Interconnection, Inc. capacity performance standards. If yes, provide details. If no, explain why no capital investments are needed in order for Kentucky Power to comply with the capacity performance standards.

RESPONSE

The Company has not made, nor currently plans to make, any capital investments at its generation units that are intended solely to comply with PJM's capacity performance standards. However, the Company's capital investments in its generating units that are meant to maintain a reliable energy supply and reduce forced outage rates help to support the obligations and requirements under these PJM standards.

WITNESS: John A Rogness

Kentucky Power Company

REQUEST

For each month of the review period, provide Kentucky Power's calculations and supporting data for determining the amount of power purchases in excess of the "peaking unit equivalent" to be excluded from recovery through the FAC

RESPONSE

For the period November 1, 2015 through April 30,2016, Kentucky Power's calculations and supporting data for determining the amount of power purchases in excess of the "peaking unit equivalent" to be excluded from recovery through the FAC are included in KPCO_R_PSC_1_28_Attachment1_Confidential.xls. Confidential treatment is being sought for the indicated portions of this attachment.

Attachment 1 also reflects adjustments to the November 2015 calculation of the amount of power purchases in excess of the PUE to be excluded from recovery through the FAC. Although the Company properly calculated the "'the lower of the actual energy cost of the non-economy purchased energy or the fuel cost of its highest cost generating unit available to be dispatched to serve native load during the reporting expense month,'" Order, *In the Matter of: An Examination Of The Application Of The Fuel Adjustment Clause Of Kentucky Power Company From November 1, 2013 Through April 30, 2014*, Case No. 2014-00225 at 3 (Ky. P.S.C. January 27, 2015). the properly calculated rate was applied to an incorrect number of purchased MWhs during periods of forced outages.

In the as-filed calculations for November 2015 PUE limitation, Kentucky Power excluded from the PUE-limitation the full number of MWH energy purchases made during forced outages. The proper calculation would have included in the PUE limitation those MWhs of purchases required to serve internal demand over and above the MWHs purchased to cover the forced outage. The revised November 2015 calculation properly includes MWHs that would have been required to serve internal load regardless of the forced outage. The result is that for November 2015, Kentucky Power over-collected (under-excluded) through the FAC $75,920.50 of purchased power costs.

	Peaking Unit Equivalent Exclusion As Filed	Peaking Unit Equivalent Exclusion As Revised	Difference
November 2015	$ 345,279.90	$ 421,200.40	$ (75,920.50)

The $75,920.50 over-collection was refunded to customers in the December 2015 FAC filing. The December 2015 FAC filing reflected a total PUE limitation of $152,373.17 ($75,920.50 November revision + $76,452.67 Dec. 2015 PUE limitation).

WITNESS: John A Rogness

Kentucky Power Company

REQUEST

State whether Kentucky Power had any firm natural gas transportation service to any of its generating units during the period under review.

a. If yes, state which, if any, of the following fees and/or adjustments are included for recovery through the FAC: Reservations fees; Transportation Cost Rate Adjustment; Electric Power Costs Adjustment; Operational Transaction Rate Adjustment; and, Capital Cost Recovery Mechanism.

b. If any of the fees listed in subpart a. are included for recovery through the FAC, provide the following:

(1) Whether the amount of the fees/adjustments differ if the generating unit supplied with firm natural gas transportation service operates or does not operate during the month.

(2) Whether these fees/adjustments are allocated to both native load and off-system sales.

RESPONSE

Kentucky Power did not receive any firm natural gas transportation service to any of its generating units during the period under review. The Company has entered into an agreement with Columbia Gas Transmission, LLC for firm natural gas transportation service to Big Sandy Unit 1. The agreement was filed with the Commission on June 23, 2016.

WITNESS: John A Rogness