STITES & HARBISON PLLC

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RECEIVED

APR 29 2009

PUBLIC SERVICE COMMISSION

April 29, 2009

Mark R. Overstreet
(502) 209-1219
(502) 223-4387 FAX
moverstreet@stites.com

Jeff R. Derouen
Executive Director
Public Service Commission of Kentucky
P.O. Box 615
Frankfort, KY 40602-0615

RE: ***Administrative Case No. 387***

Dear Mr. Derouen:

Pursuant to the Commission's October 7, 2005 Order in the above case please find enclosed and accept for filing original and ten copies of the 2008 Annual Resource Assessment for Kentucky Power Company. Also enclosed are one copy of the Kentucky Power Company 2008 FERC Form No. 1 and one copy of the 2008 Annual Public Service Commission Utility Financial Report for Kentucky Power Company.

If you have any questions, please do not hesitate to contact me.

Sincerely yours,

STITES & HARBISON PLLC

Mark R. Overstreet

cc: Errol K. Wagner
Parties of Record

KE057:00KE4:12126.3:FRANKFORT

RECEIVED

APR 29 2009

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF :

A REVIEW OF THE ADEQUACY OF	)	
KENTUCKY'S GENERATION	)	
CAPACITY AND TRANSMISSION	)	ADMINISTRATIVE
SYSTEM	)	CASE NO. 387

****

RESPONSE OF KENTUCKY POWER COMPANY

TO

COMMISSION ORDER DATED DECEMBER 20, 2001

April 29, 2009

Kentucky Power Company

REQUEST

Actual and weather-normalized monthly coincident peak demands for the just completed calendar year. Demands should be disaggregated into (a) native load demand (firm and non-firm) and (b) off-system demand (firm and non-firm). Please provide the information for both Kentucky Power Company individually and the AEP-East Power Pool (pursuant to the Commission's December 13, 2004 Order in the Rockport UPSA extension, Case No. 2004-00420).

RESPONSE

Page 2 of this response provides actual and weather normalized 2008 monthly peak internal demands for Kentucky Power Company and AEP System-East. Kentucky Power Company and AEP System-East had 0 and 1,019 MW of contractual interruptible capacity, respectively.

Page 3 of this response provides actual 2008 monthly system demands for Kentucky Power and AEP System-East. The system demands include internal load and off-system sales. Weather-normalized monthly peak system demands for Kentucky Power Company and AEP System-East have not been developed and therefore, are not available.

WITNESS: Errol K Wagner

Kentucky Power Company and AEP System-East Zone
Actual and Weather Normalized Peak Internal Demand (MW)
2008

	Kentucky Power Company				AEP System-East Zone			
Month	Peak	Peak Day	Peak Hour	Normalized Peak	Peak	Peak Day	Peak Hour	Normalized Peak
January	1,678	1/25/2008	9	1,568	21,977	1/25/2008	8	20,848
February	1,437	2/11/2008	8	1,419	20,533	2/11/2008	8	20,258
March	1,304	3/9/2008	8	1,333	18,390	3/10/2008	7	18,996
April	1,100	4/15/2008	7	1,087	16,962	4/15/2008	7	15,973
May	986	5/31/2008	17	1,057	16,187	5/30/2008	14	17,088
June	1,249	6/9/2008	14	1,210	21,608	6/9/2008	14	20,406
July	1,247	7/21/2008	16	1,286	21,078	7/17/2008	16	21,798
August	1,170	8/21/2008	15	1,243	20,728	8/1/2008	15	20,877
September	1,204	9/2/2008	16	1,121	20,667	9/3/2008	16	18,768
October	1,212	10/30/2008	8	1,077	17,775	10/30/2008	7	16,432
November	1,392	11/22/2008	9	1,261	18,960	11/19/2008	8	17,973
December	1,527	12/22/2008	9	1,398	20,612	12/22/2008	9	19,938

Kentucky Power Company and AEP System-East Zone
Actual Peak System Demand (MW)
2008

	Kentucky Power Company			AEP System-East Zone		
Month	**Peak**	**Peak Day**	**Peak Hour**	**Peak**	**Peak Day**	**Peak Hour**
January	1,830	1/25/2008	9	24,361	1/25/2008	7
February	1,578	2/11/2008	8	22,796	2/11/2008	7
March	1,438	3/9/2008	8	20,390	3/25/2008	7
April	1,202	4/15/2008	7	18,693	4/15/2008	7
May	1,136	5/30/2008	16	18,653	5/30/2008	16
June	1,409	6/9/2008	14	24,136	6/9/2008	14
July	1,514	7/21/2008	16	25,086	7/21/2008	16
August	1,379	8/1/2008	15	23,992	8/1/2008	15
September	1,376	9/2/2008	16	23,439	9/3/2008	16
October	1,321	10/30/2008	7	19,530	10/30/2008	7
November	1,490	11/22/2008	9	21,130	11/19/2008	8
December	1,687	12/22/2008	9	23,070	12/22/2008	9

Kentucky Power Company

REQUEST

Load shape curves that show actual peak demands and weather-normalized peak demands (native load demand and total demand) on a monthly basis for the just competed calendar year. Please provide the information for both Kentucky Power Company individually and the AEP-East Power Pool (pursuant to the Commission's December 13, 2004 Order in the Rockport UPSA extension, Case No. 2004-00420).

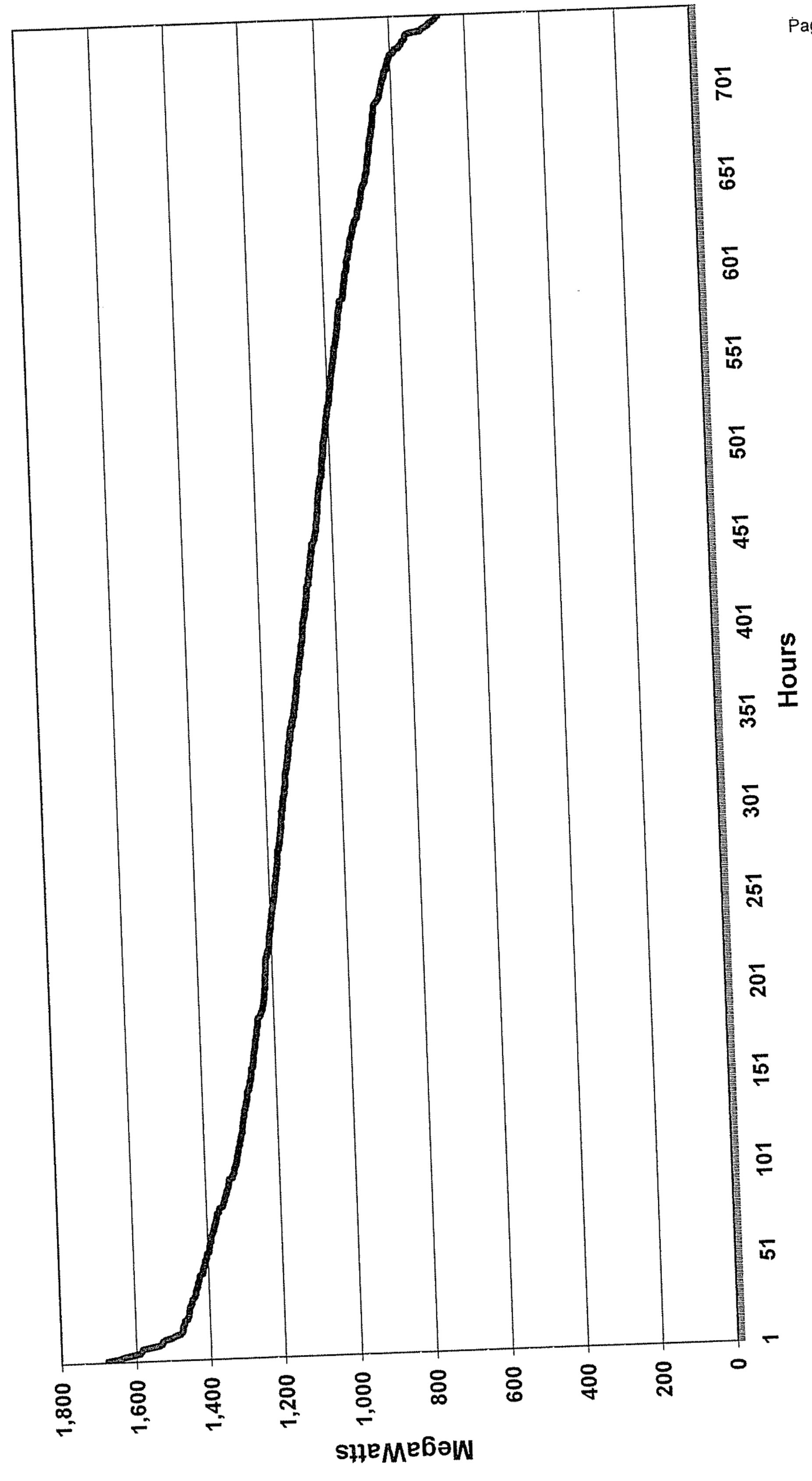
RESPONSE

Pages 2 through 13 provide 2008 monthly load duration curves for Kentucky Power Company's internal load. Pages 14 through 25 provide 2008 monthly load duration curves for Kentucky Power Company's system load. Pages 26 through 37 provide 2008 monthly load duration curves for AEP System-East's internal load. Pages 38 through 49 provide 2008 monthly load duration curves for AEP System-East's system load. The system load, for both Kentucky Power Company and AEP System-East, includes internal load and off-system sales.

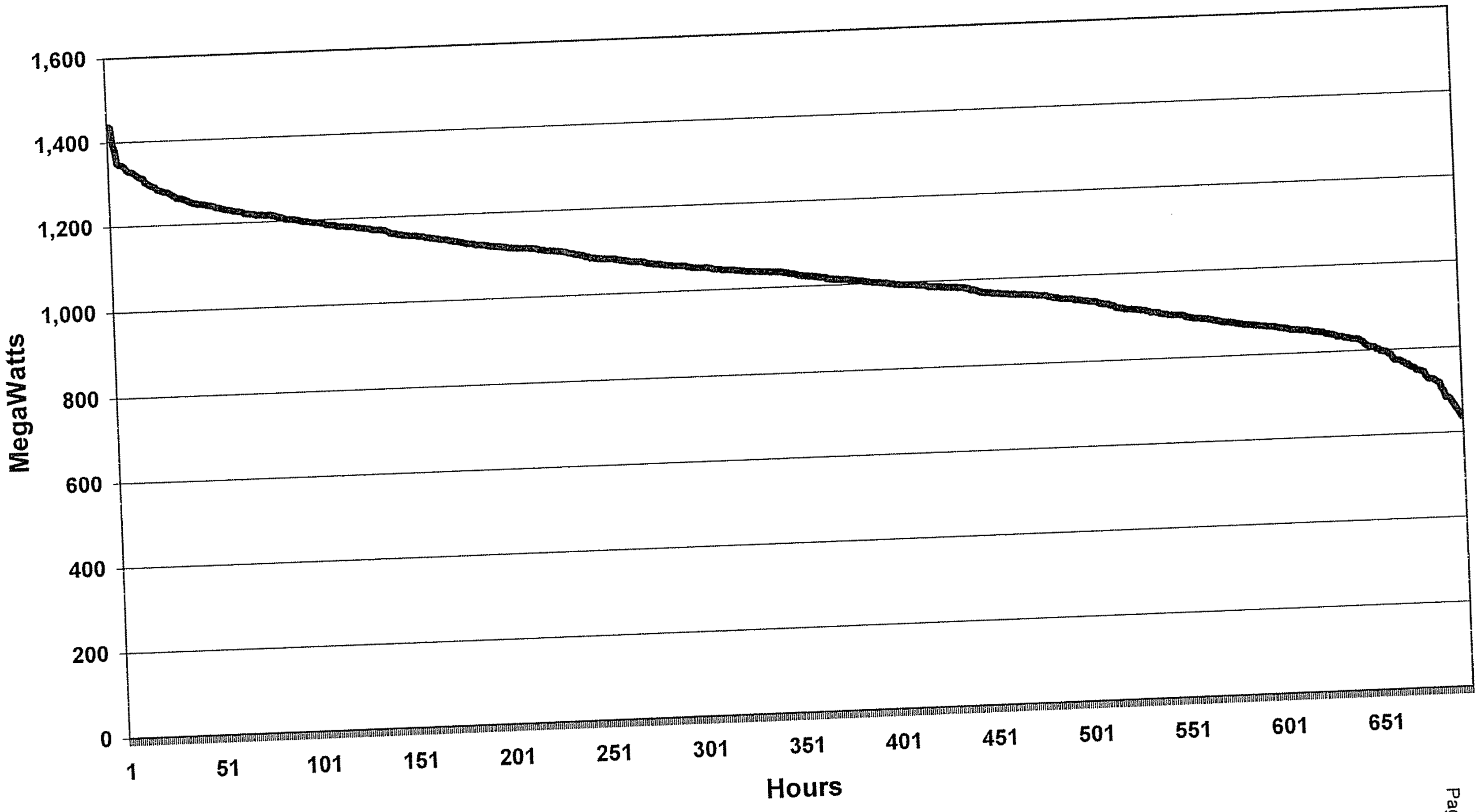
Weather-normalized monthly internal peaks for Kentucky Power Company and AEP System-East are provided on Page 2 of Item Number 1. Weather normalized system peaks have not been developed and therefore, are not available.

WITNESS: Errol K Wagner

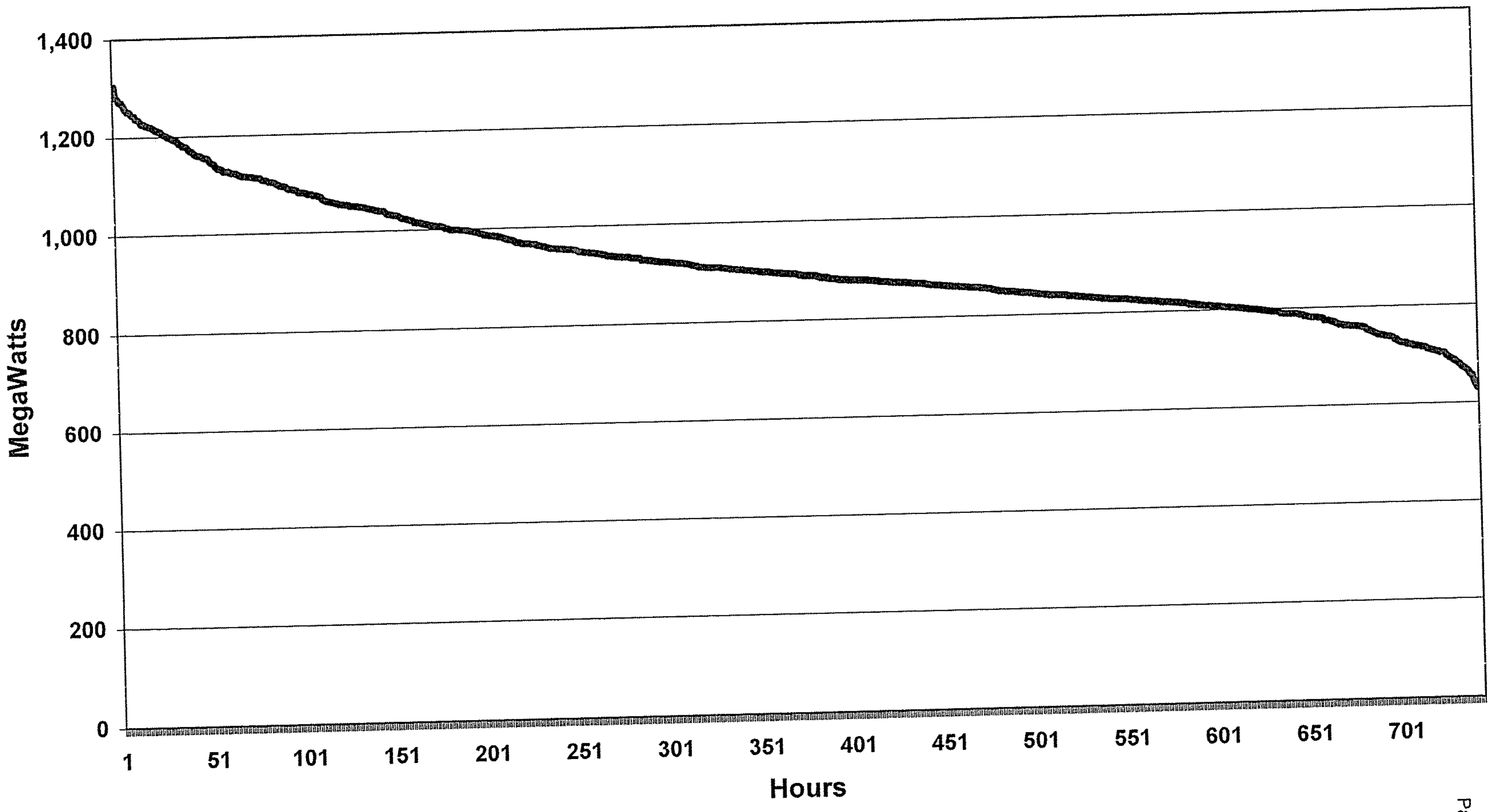
Kentucky Power Company
January 2008 Load Duration Curve
(Internal Load)



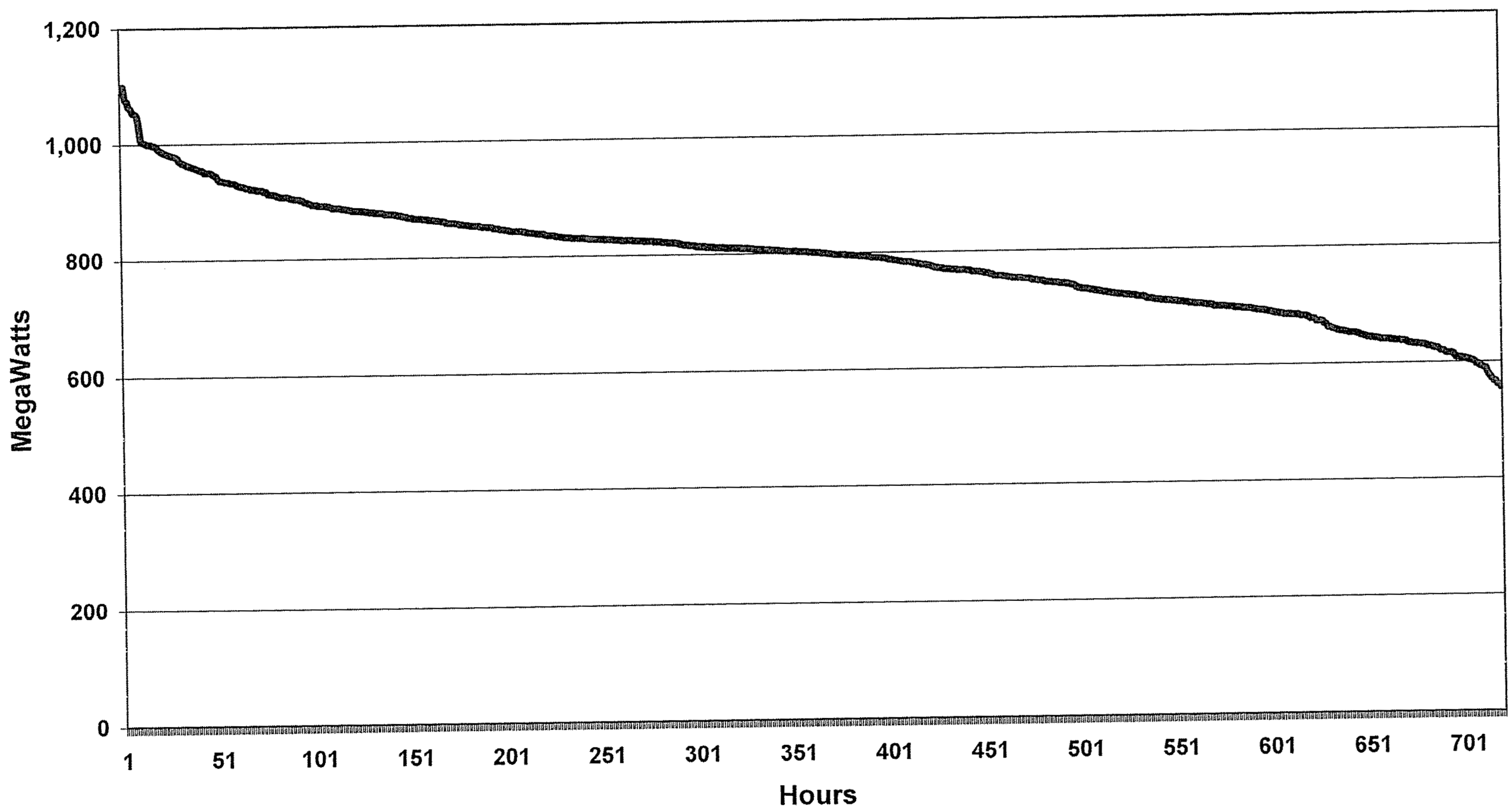
Kentucky Power Company
February 2008 Load Duration Curve
(Internal Load)

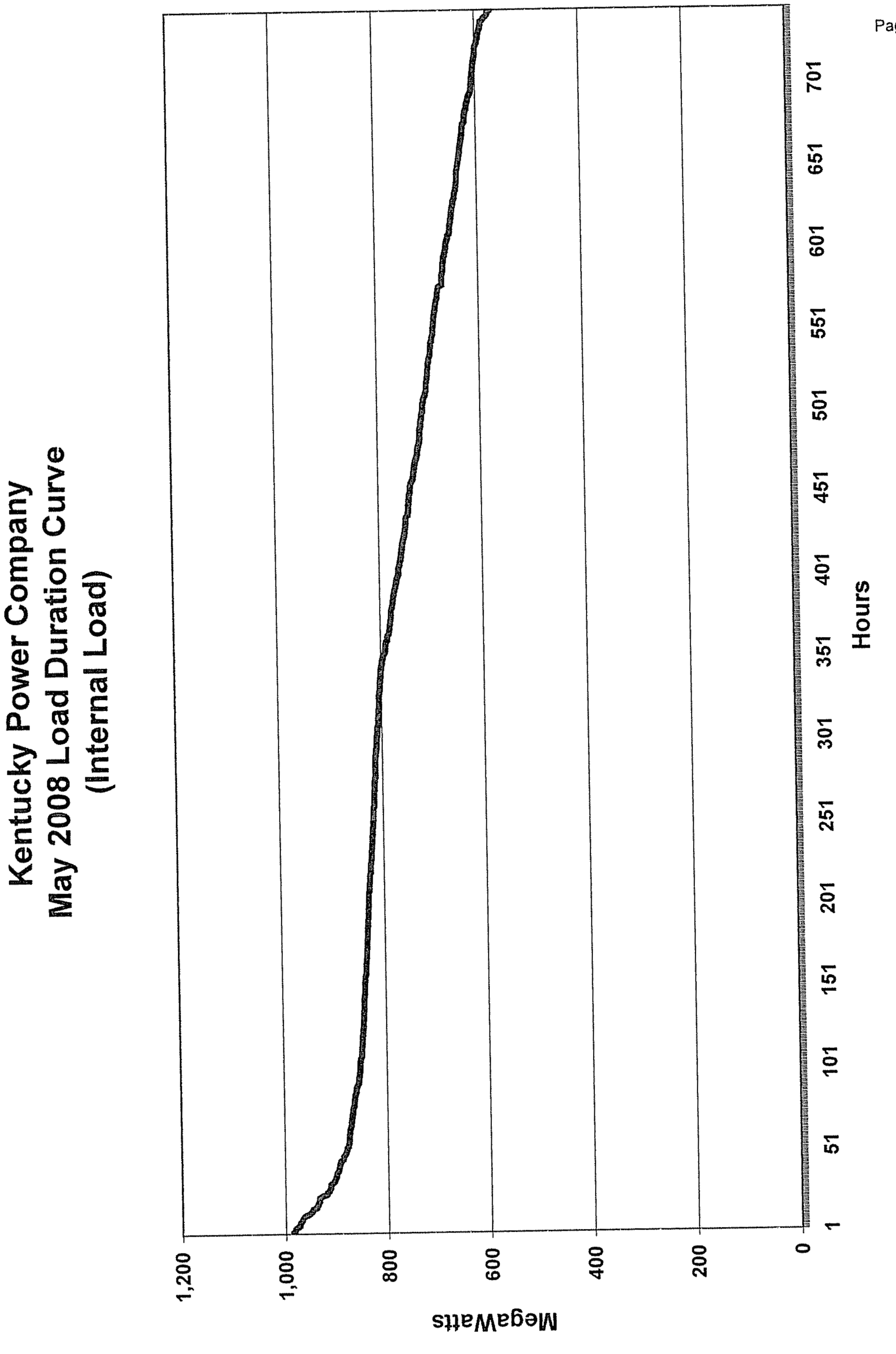


Kentucky Power Company
March 2008 Load Duration Curve
(Internal Load)

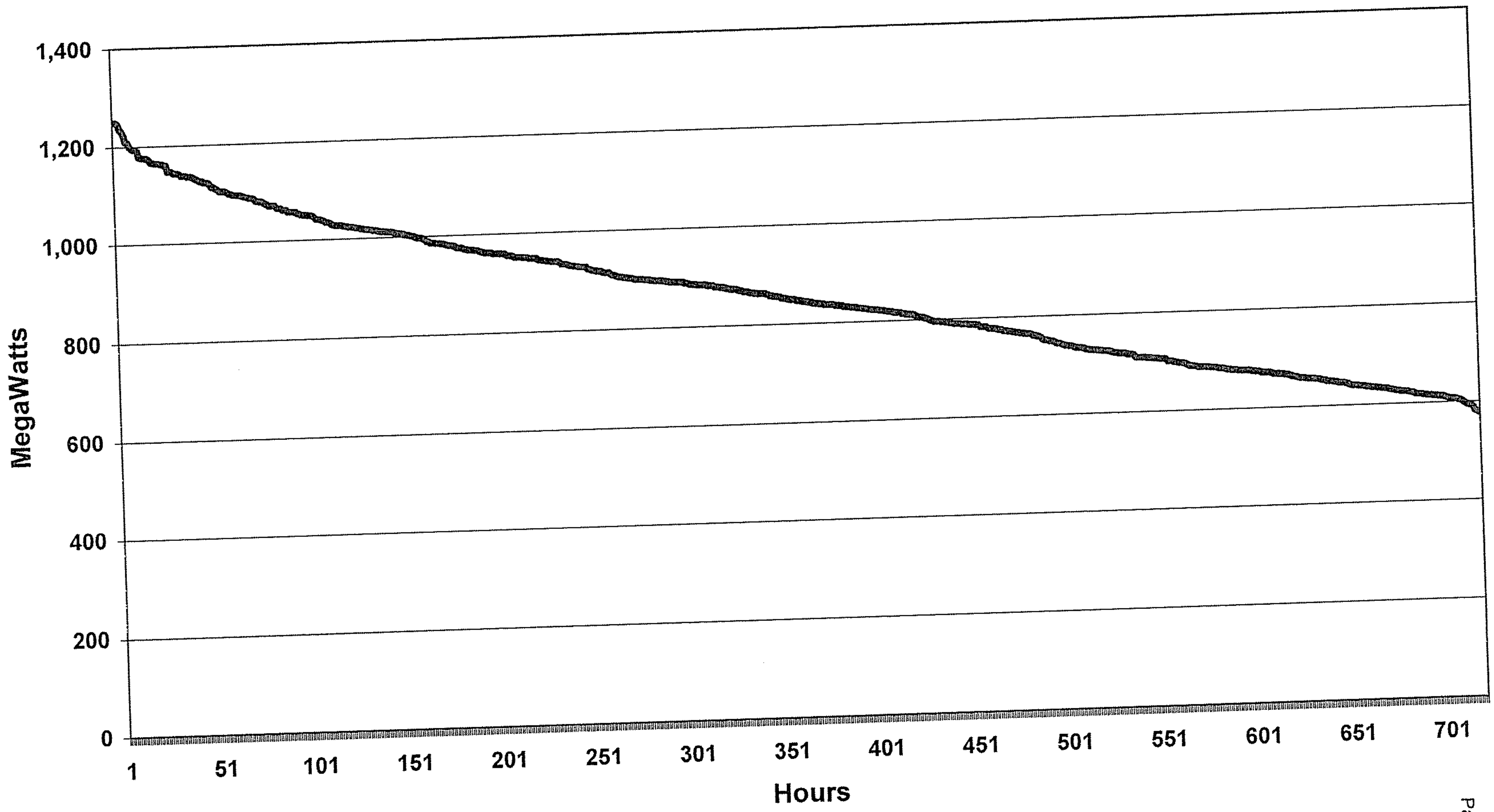


Kentucky Power Company
April 2008 Load Duration Curve
(Internal Load)

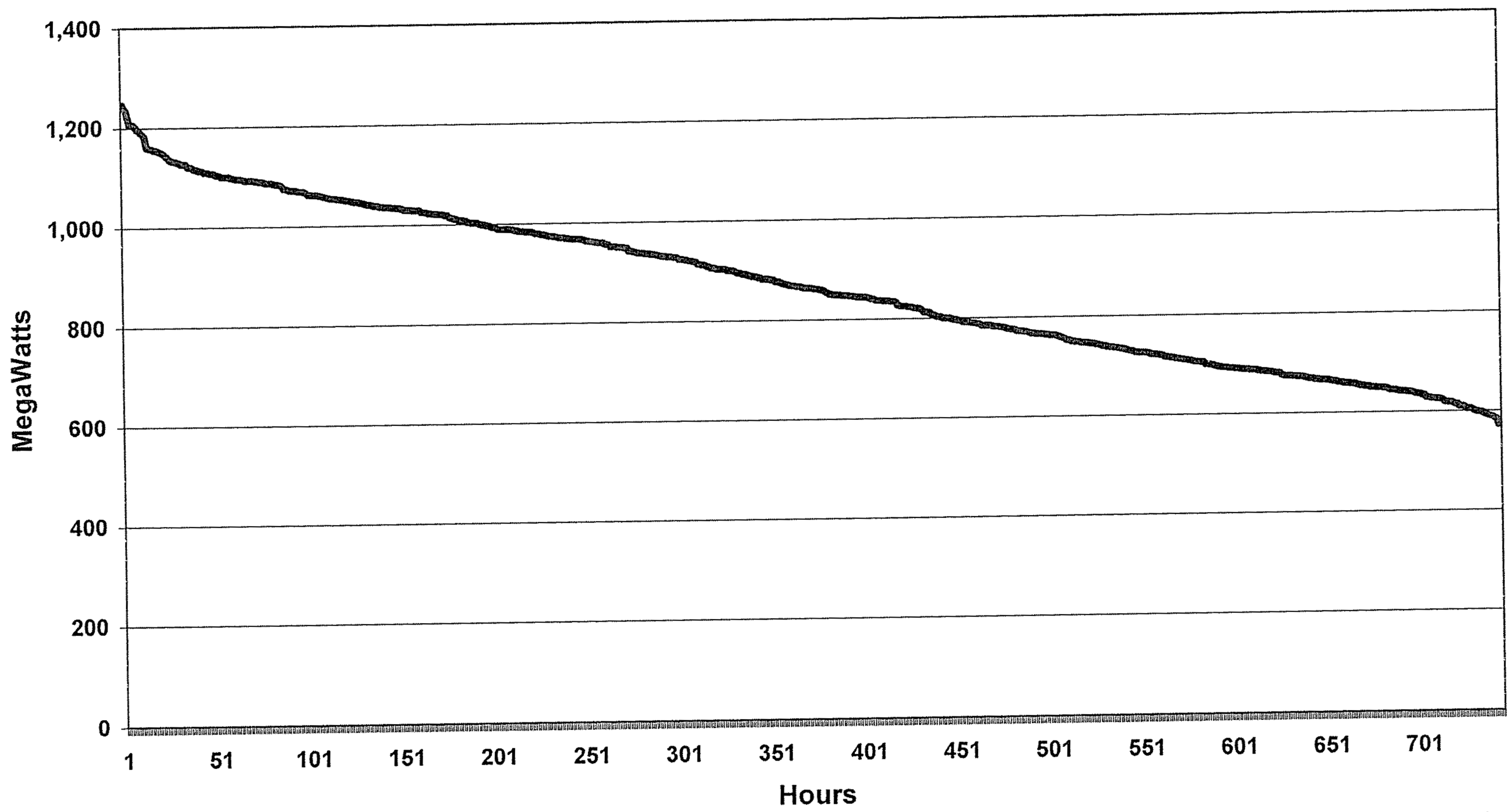



Kentucky Power Company
May 2008 Load Duration Curve
(Internal Load)
MegaWatts
1,200
1,000
800
600
400
200
0
1
51
101
151
201
251
301
351
401
451
501
551
601
651
701
Hours

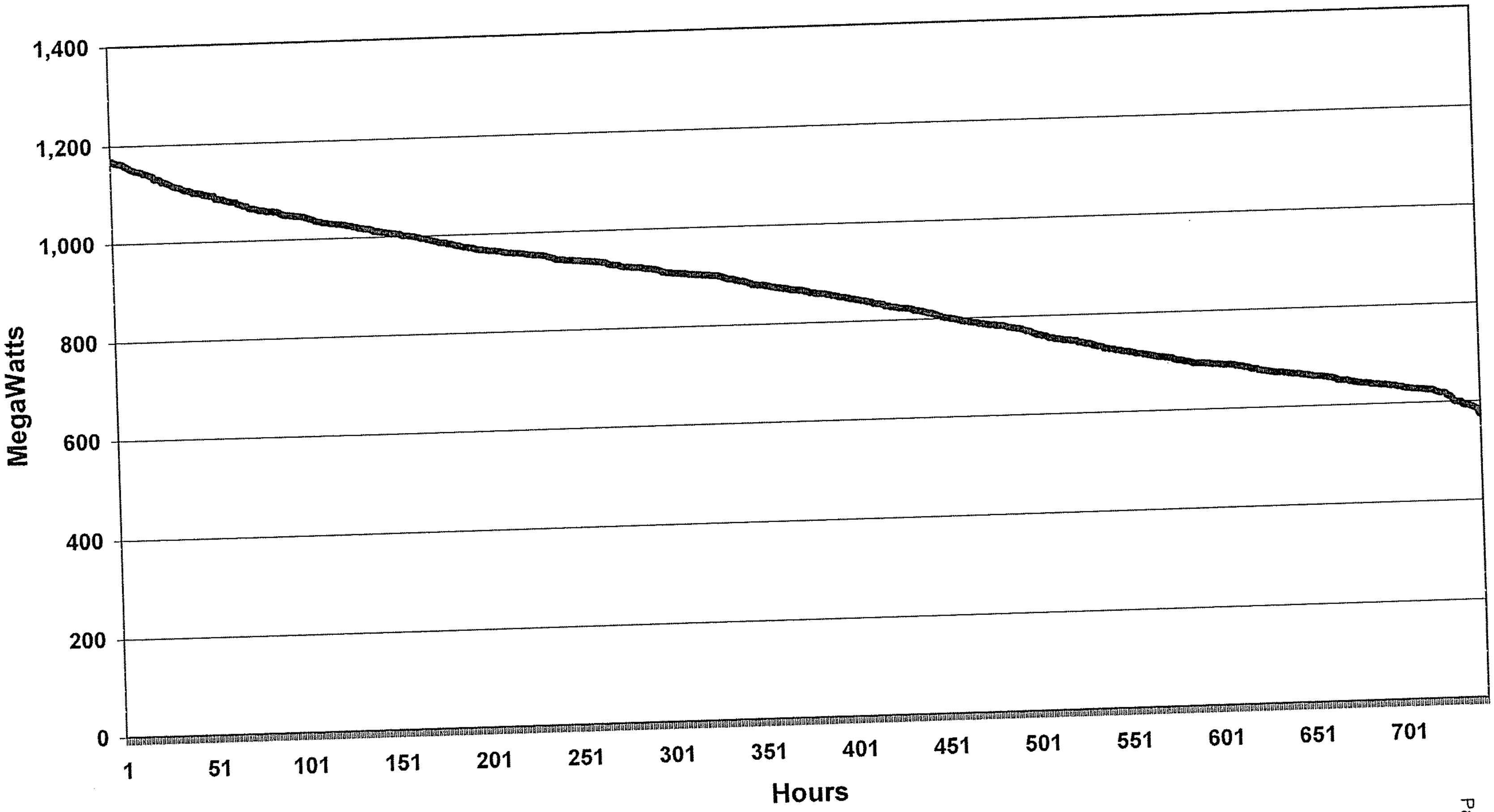
Kentucky Power Company
June 2008 Load Duration Curve
(Internal Load)

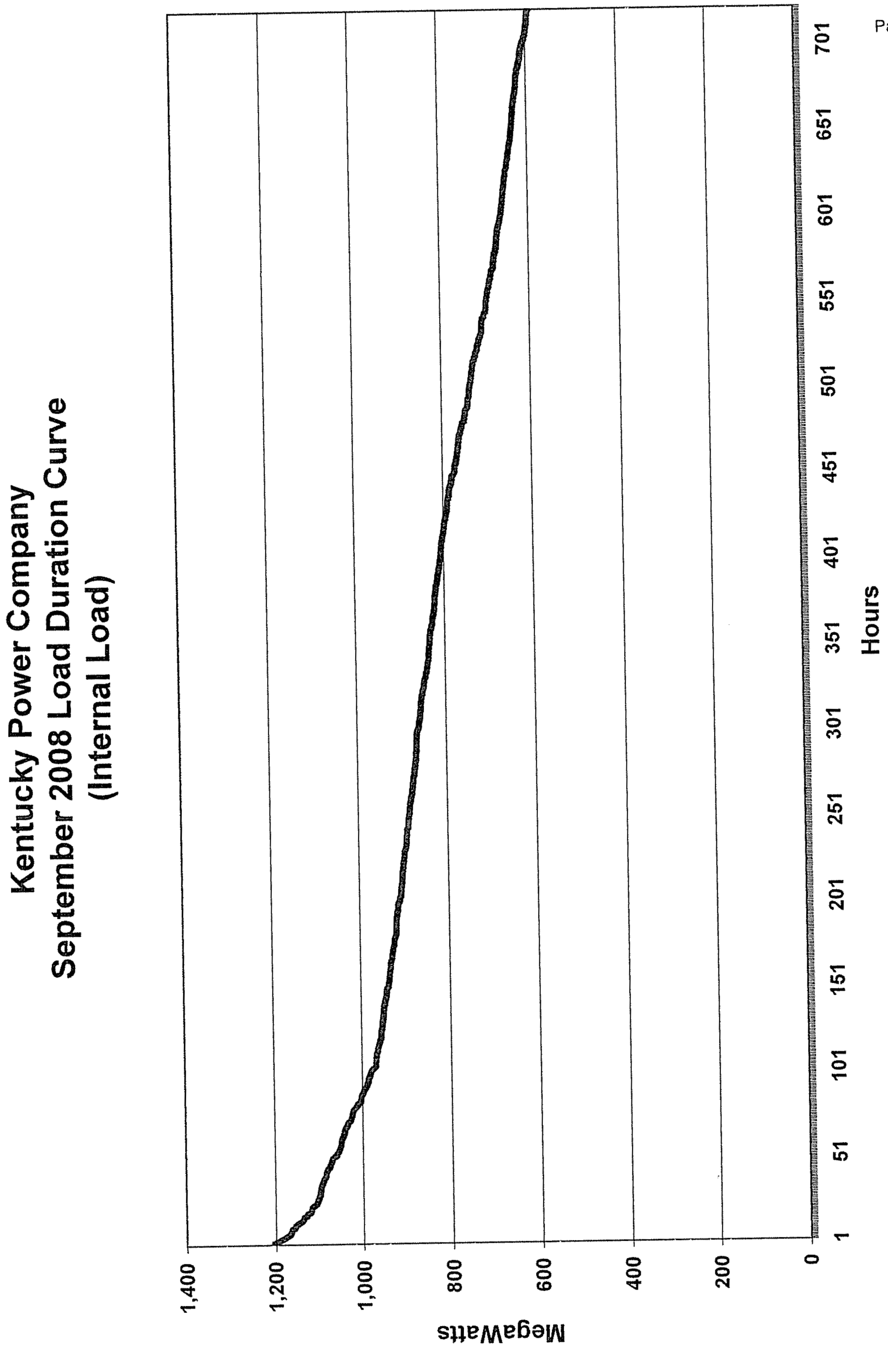


Kentucky Power Company
July 2008 Load Duration Curve
(Internal Load)

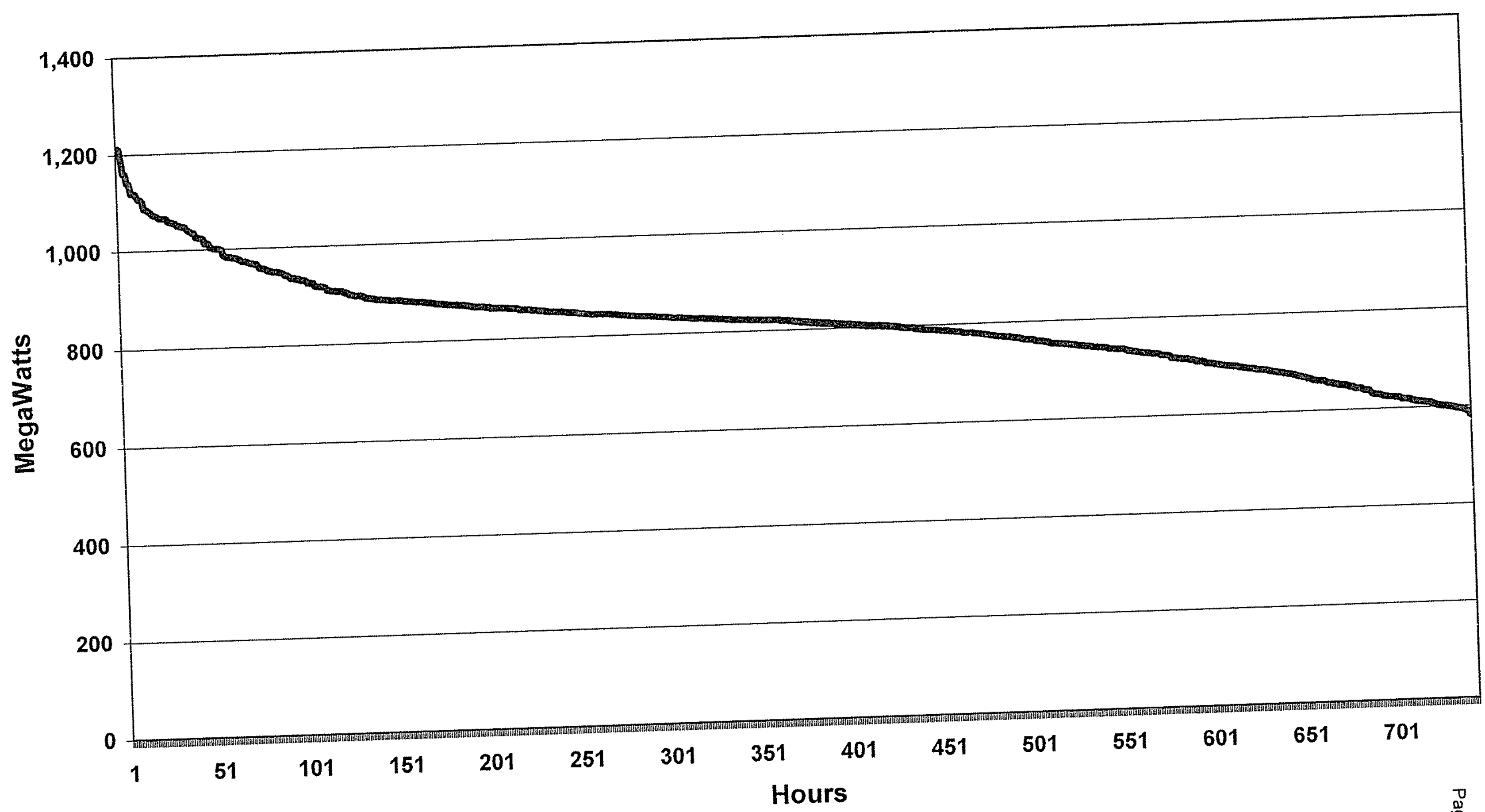


Kentucky Power Company
August 2008 Load Duration Curve
(Internal Load)

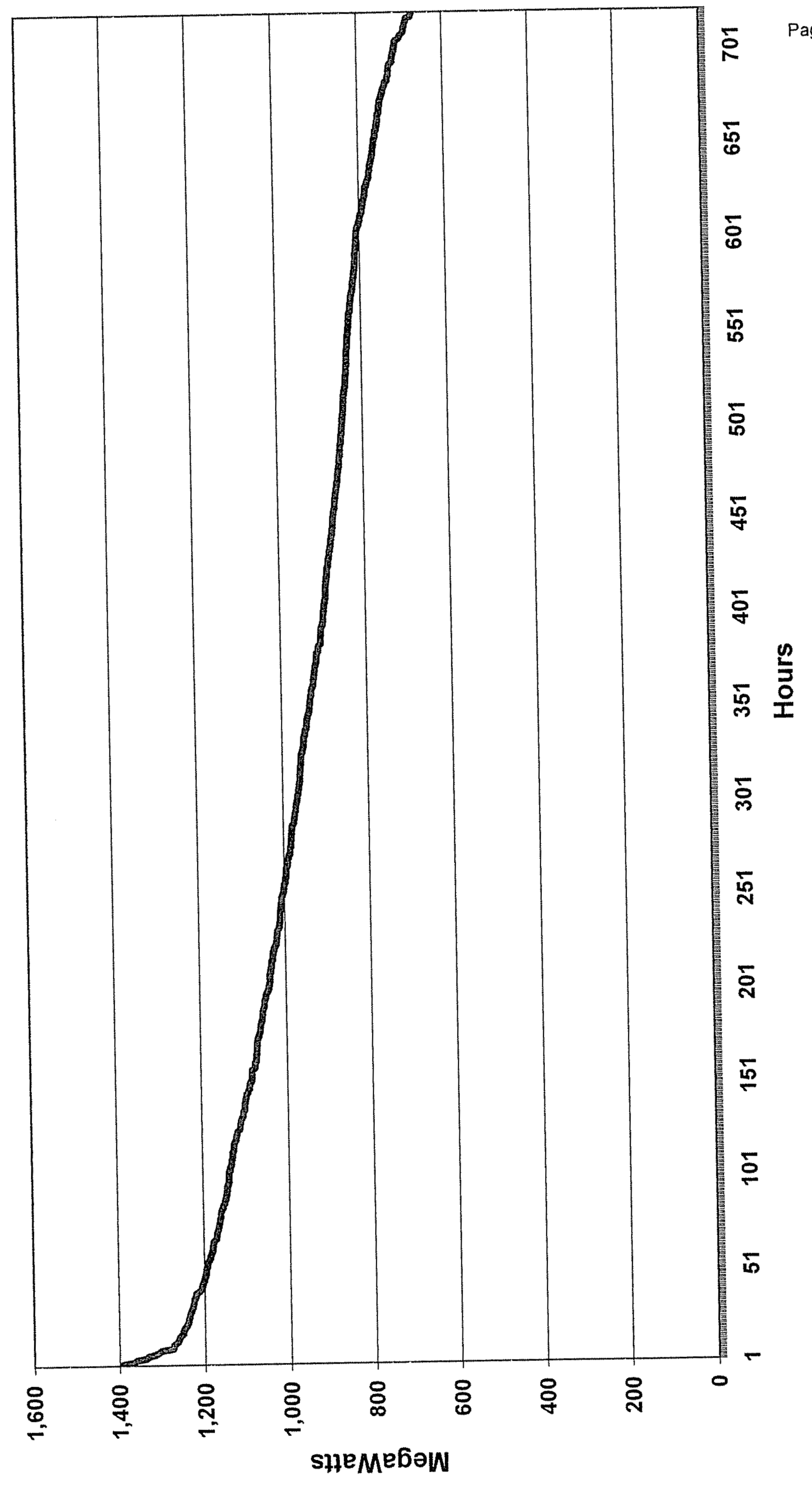



Kentucky Power Company
September 2008 Load Duration Curve
(Internal Load)
MegaWatts
1,400
1,200
1,000
800
600
400
200
0
Hours
1
51
101
151
201
251
301
351
401
451
501
551
601
651
701

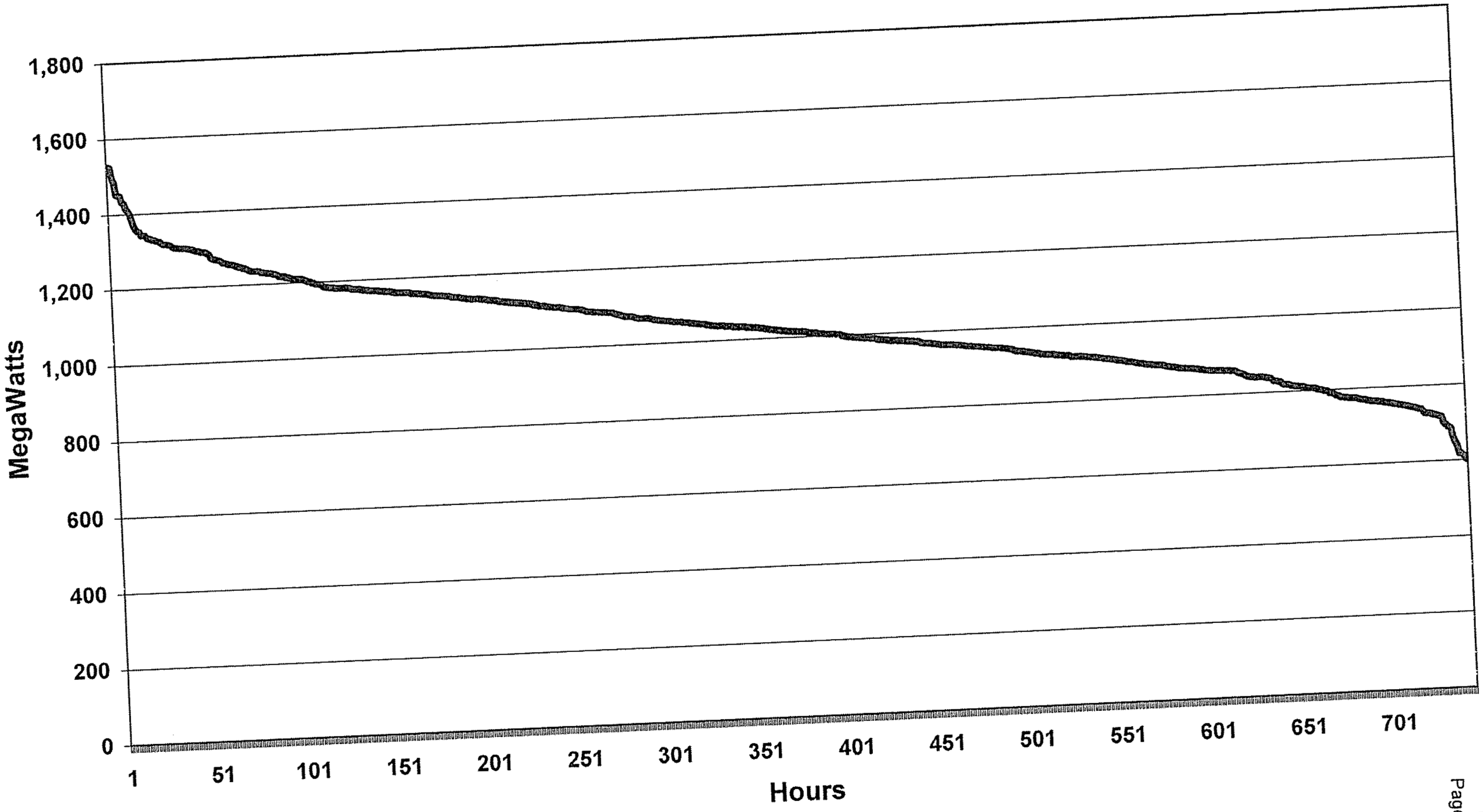
Kentucky Power Company
October 2008 Load Duration Curve
(Internal Load)



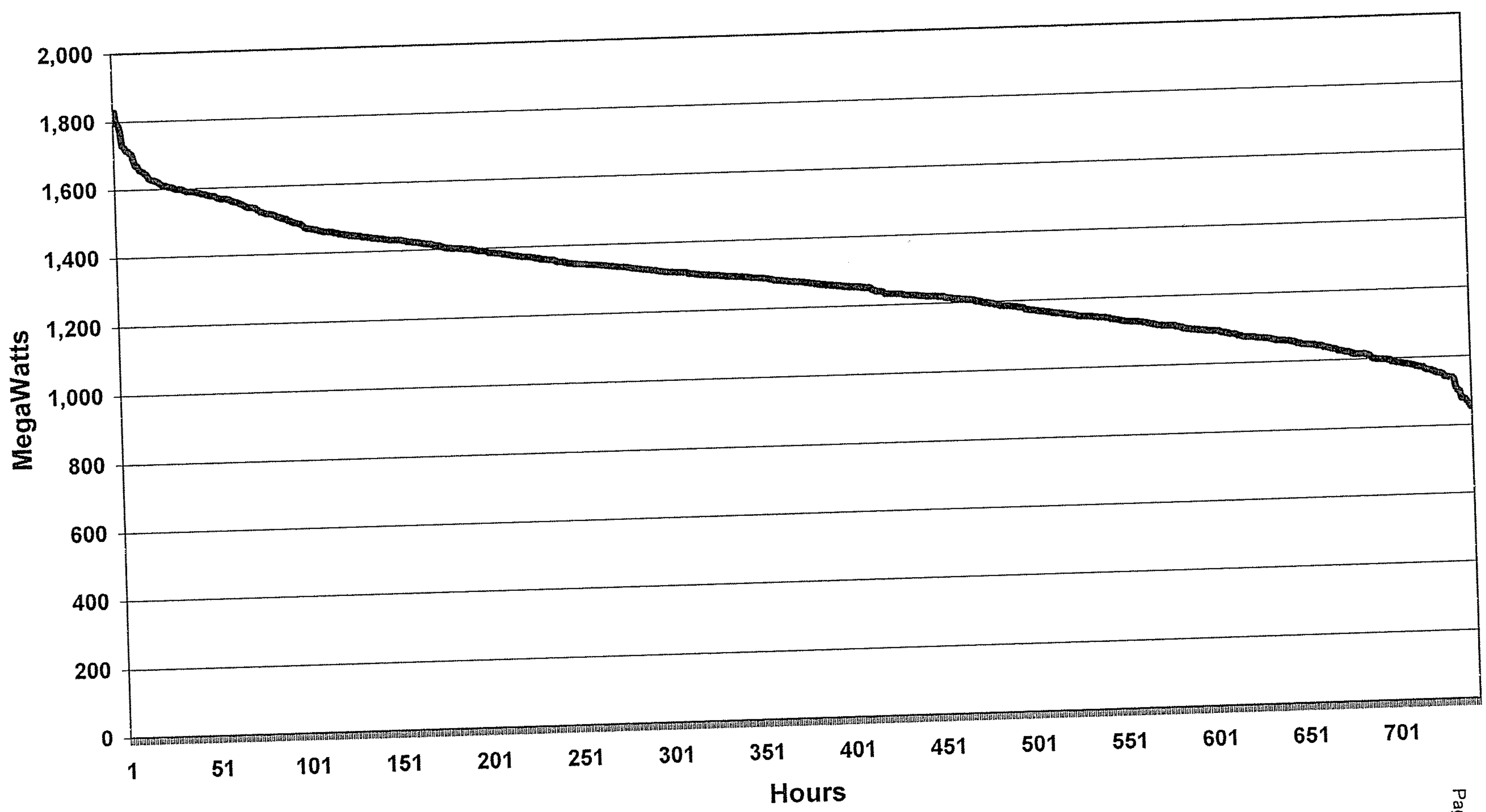
Kentucky Power Company
November 2008 Load Duration Curve
(Internal Load)



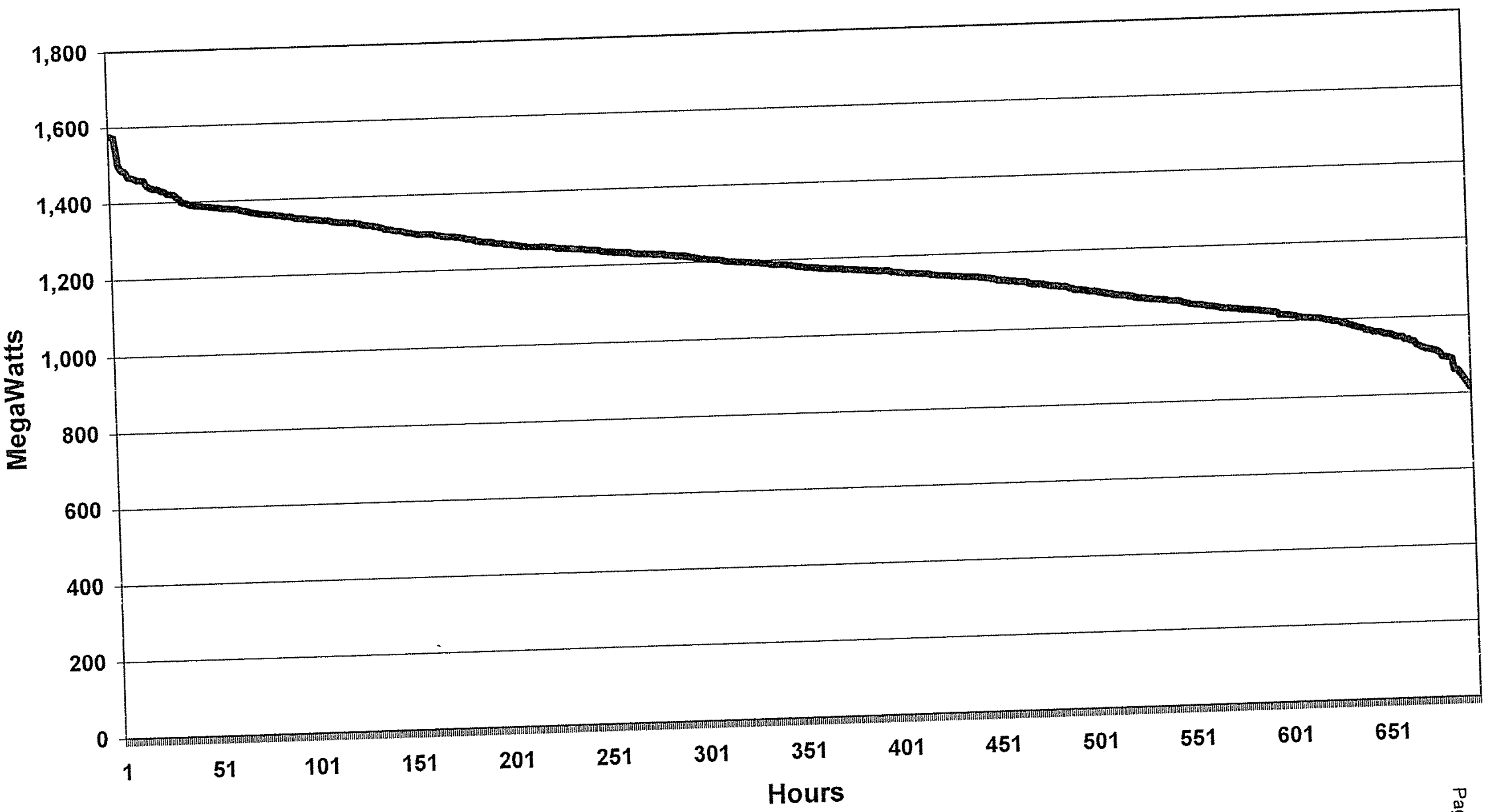
Kentucky Power Company
December 2008 Load Duration Curve
(Internal Load)



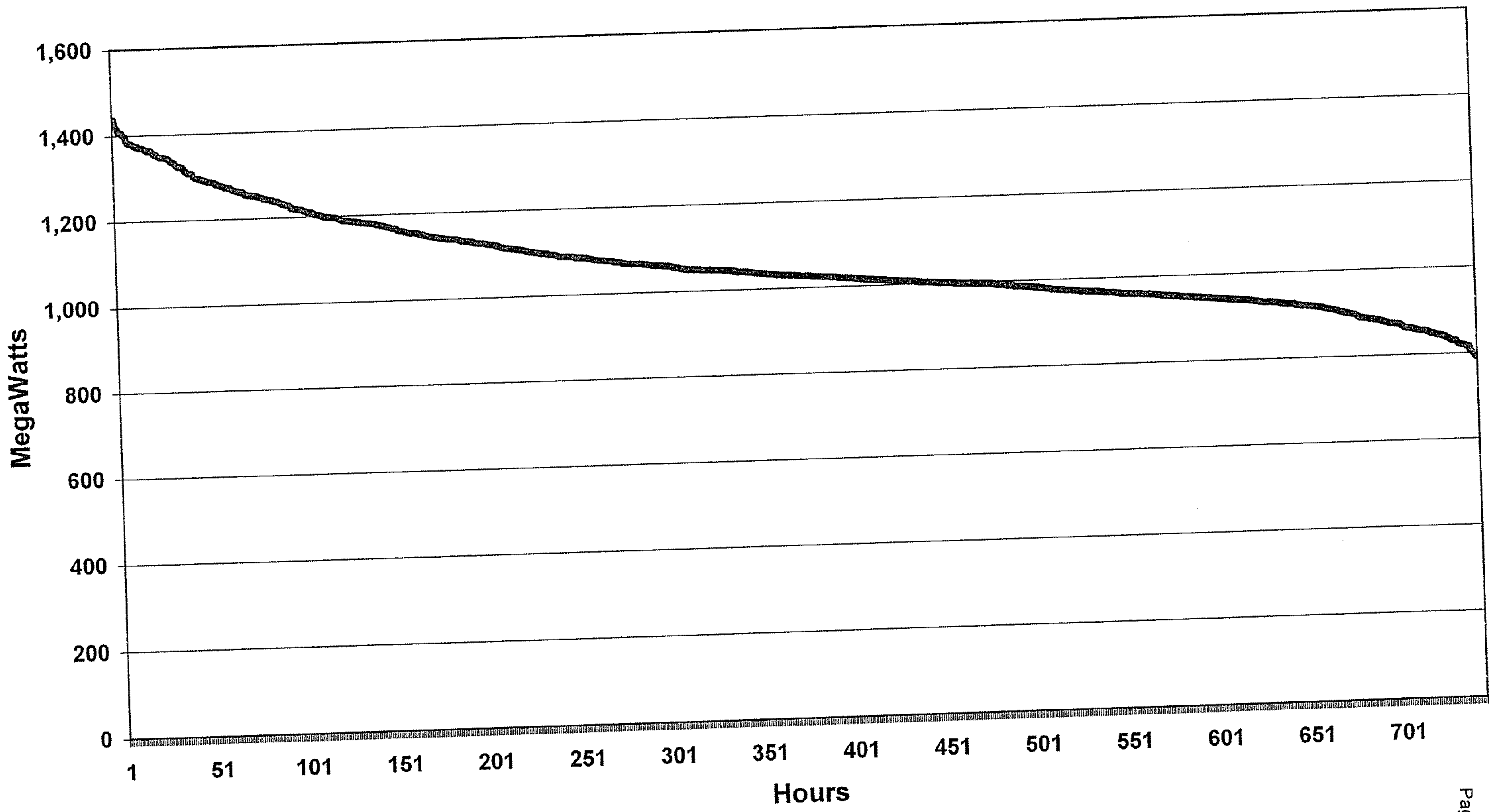
Kentucky Power Company
January 2008 Load Duration Curve
(System Load)



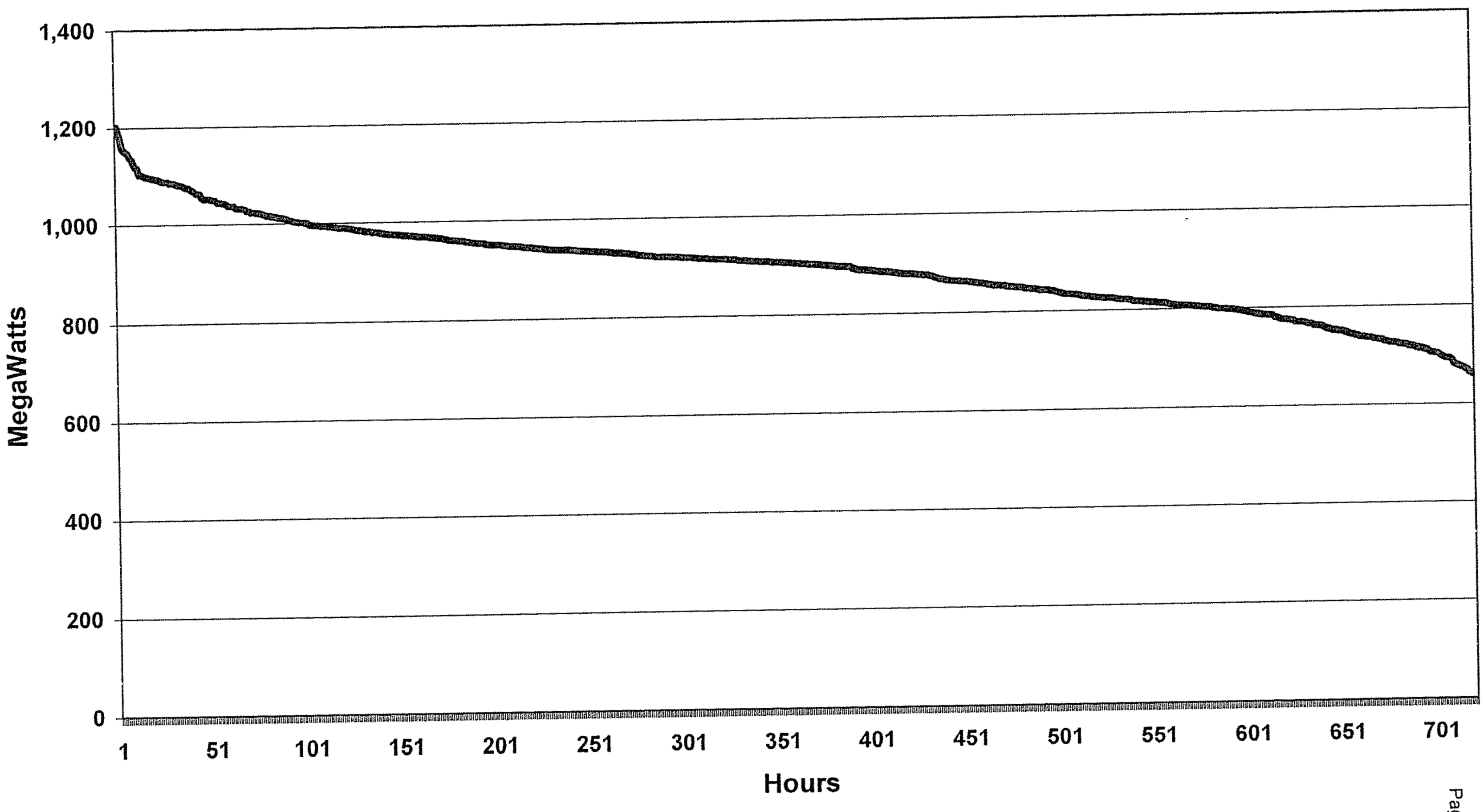
Kentucky Power Company
February 2008 Load Duration Curve
(System Load)



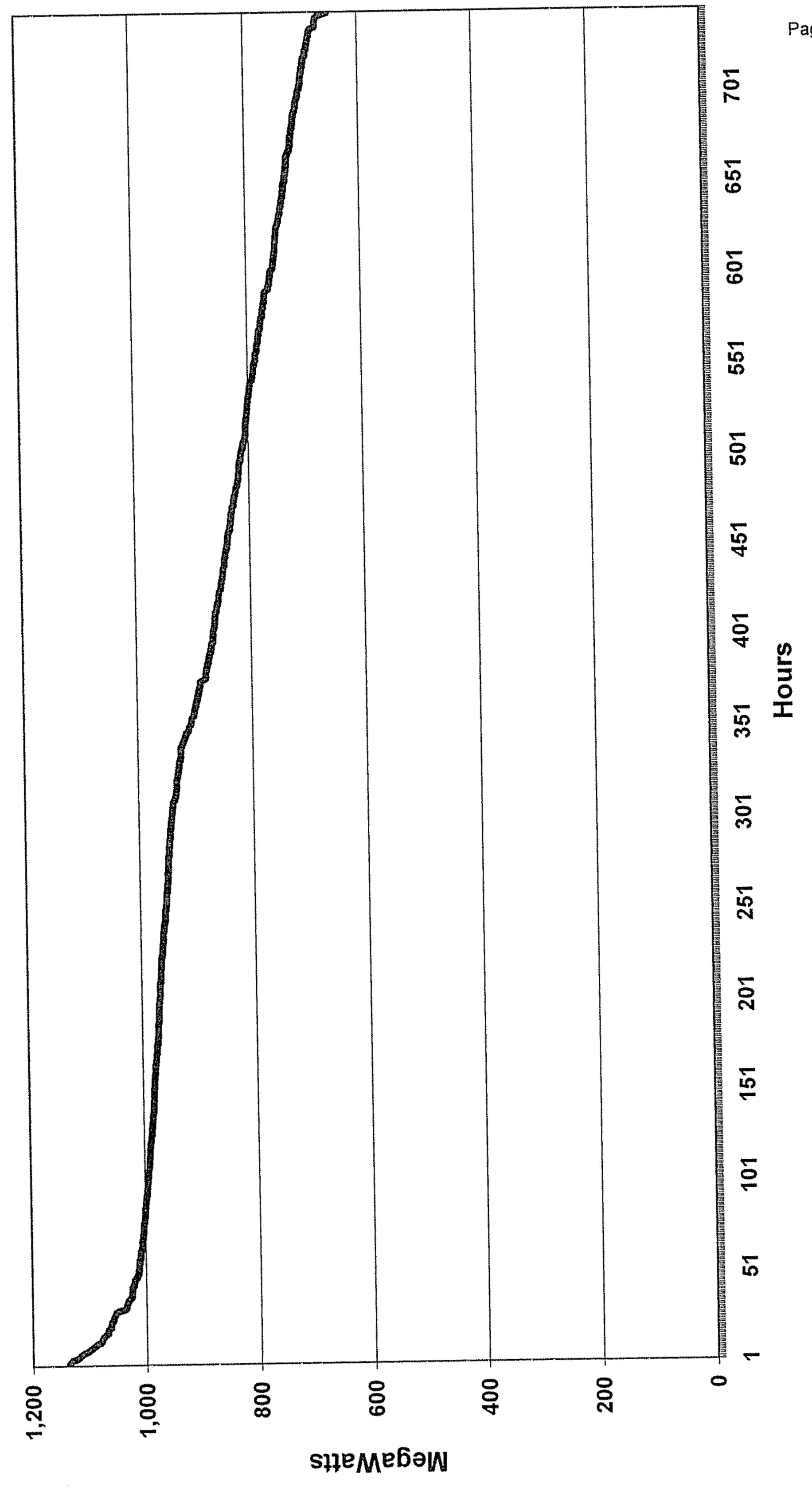
Kentucky Power Company
March 2008 Load Duration Curve
(System Load)



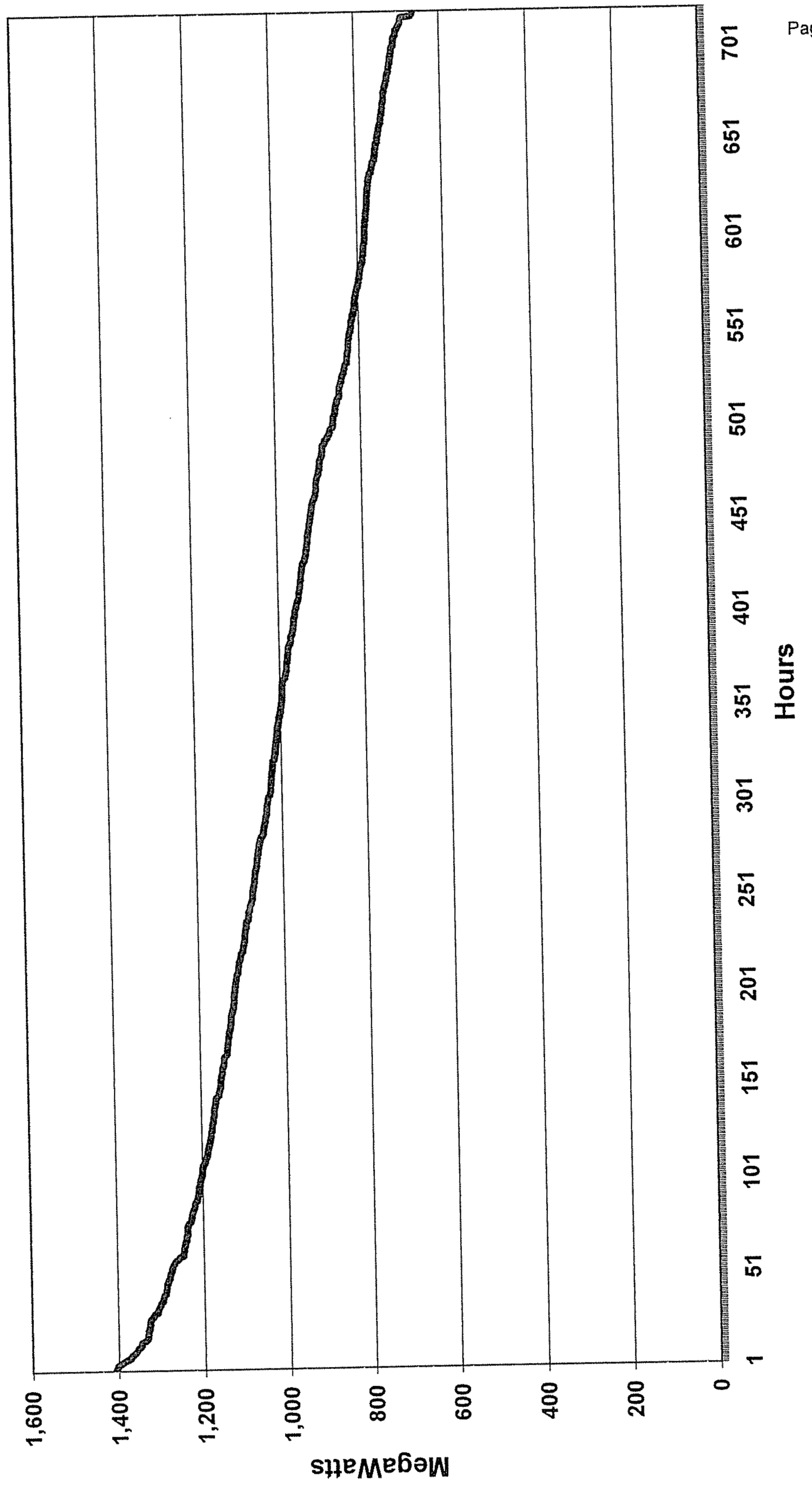
Kentucky Power Company
April 2008 Load Duration Curve
(System Load)



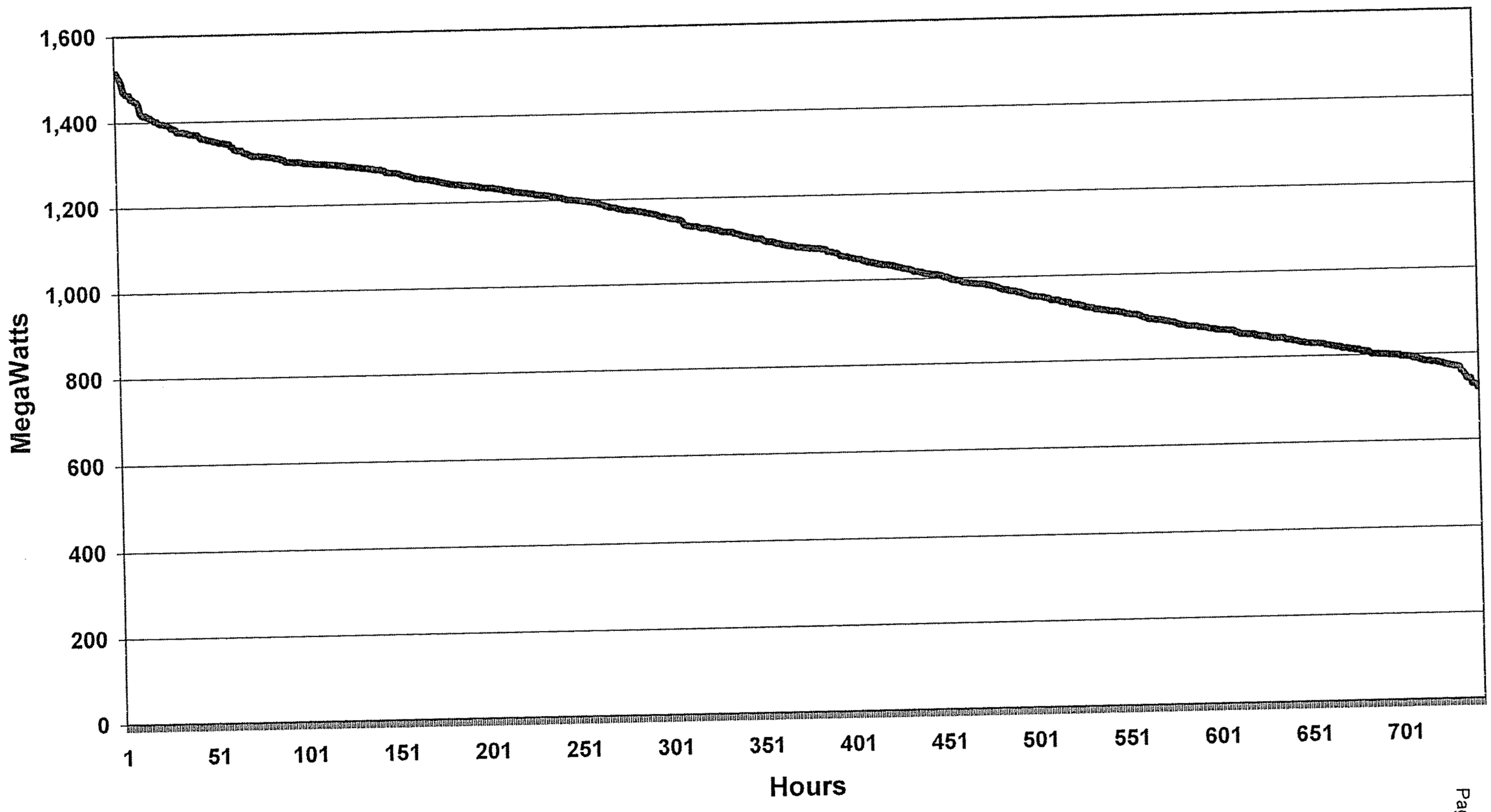
Kentucky Power Company
May 2008 Load Duration Curve
(System Load)



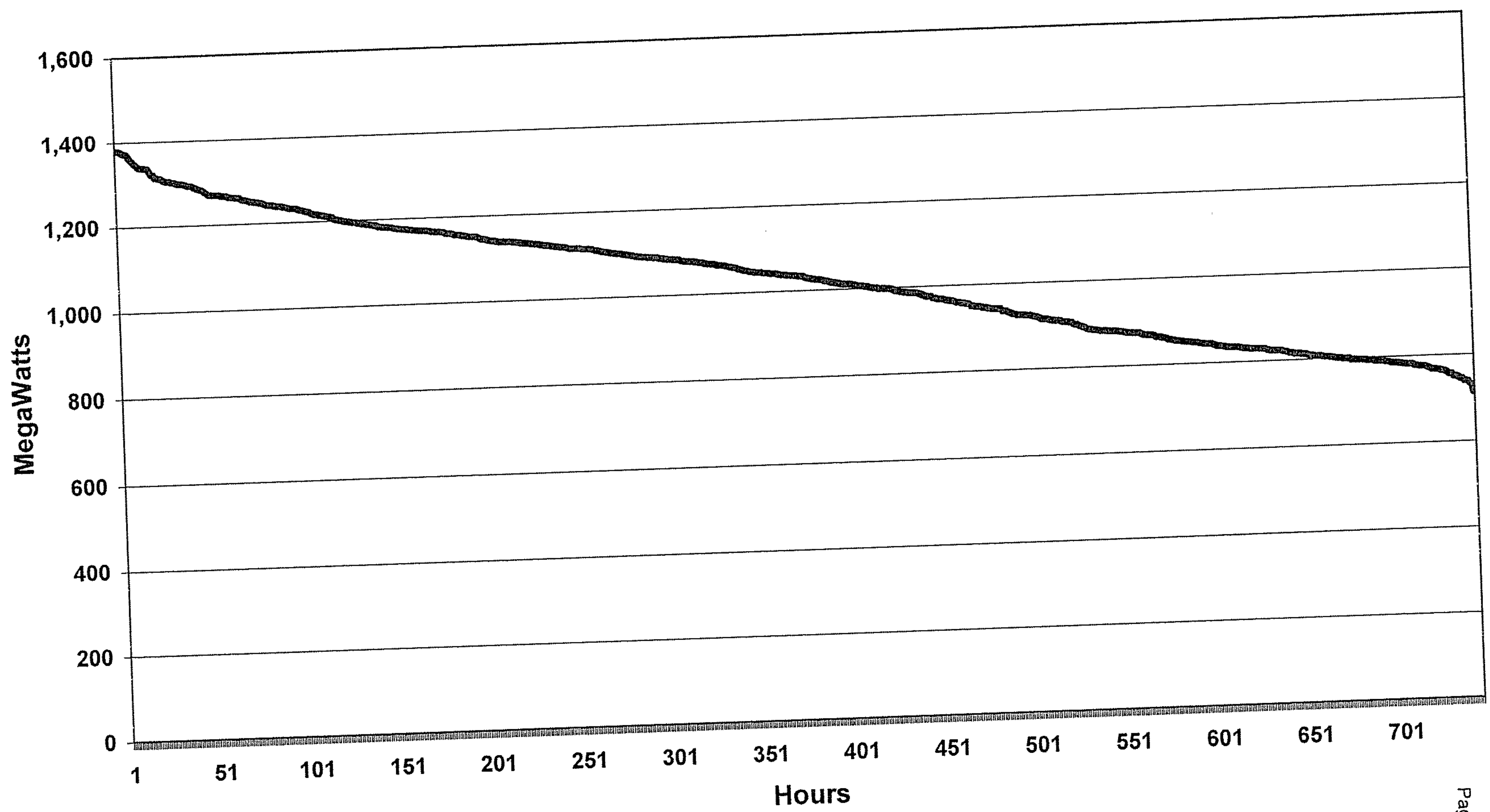
Kentucky Power Company
June 2008 Load Duration Curve
(System Load)



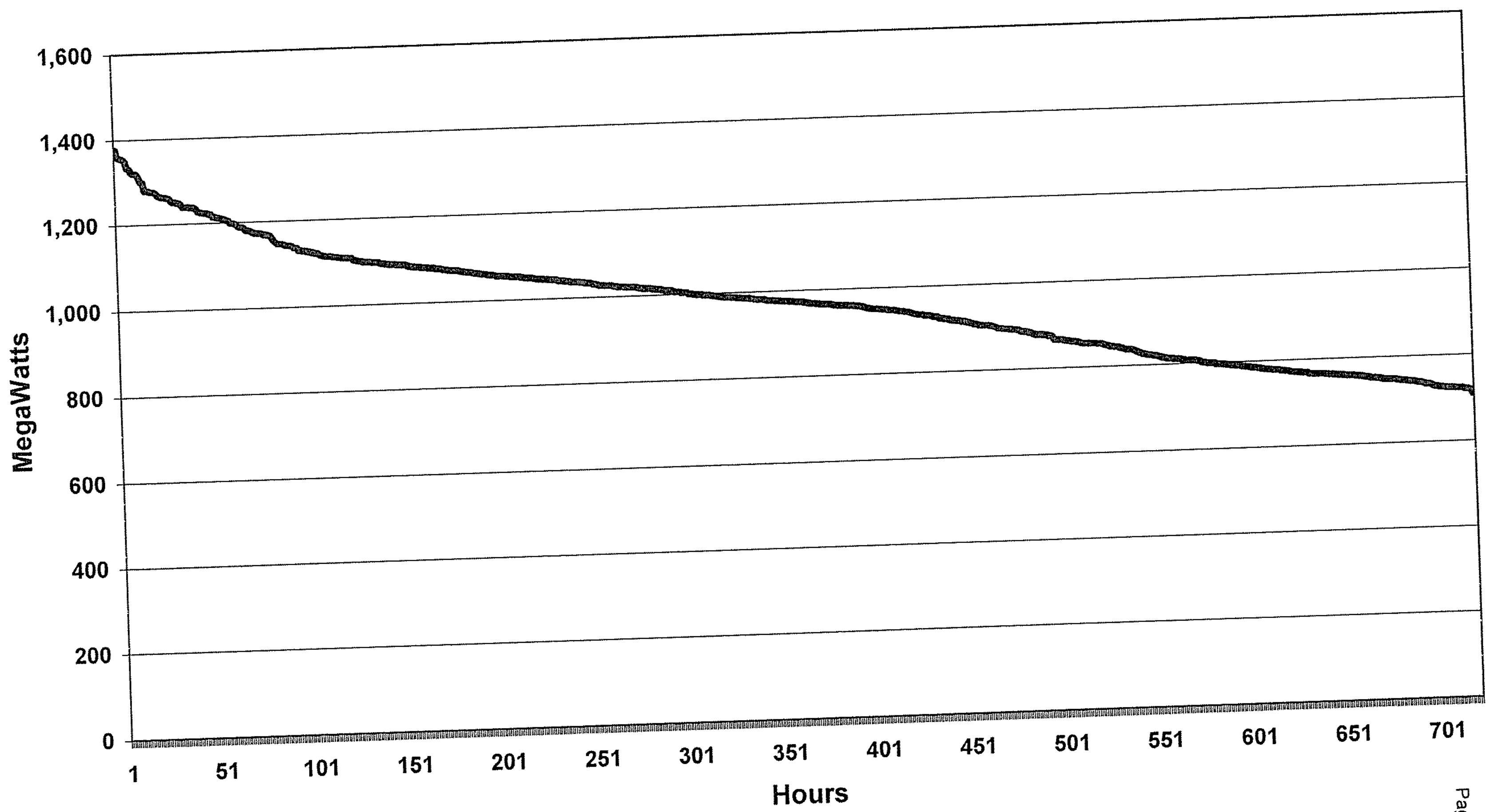
Kentucky Power Company
July 2008 Load Duration Curve
(System Load)



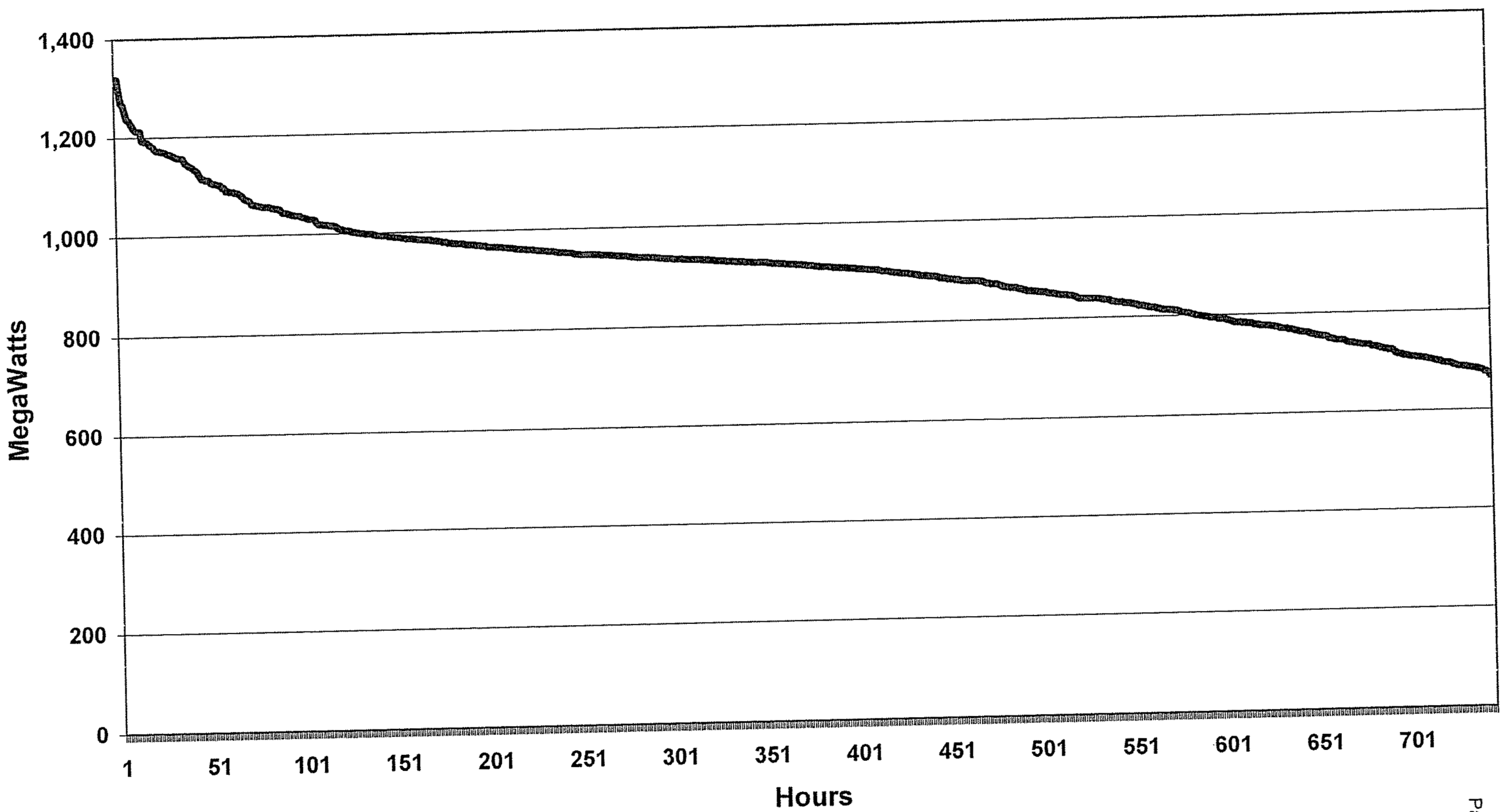
Kentucky Power Company
August 2008 Load Duration Curve
(System Load)



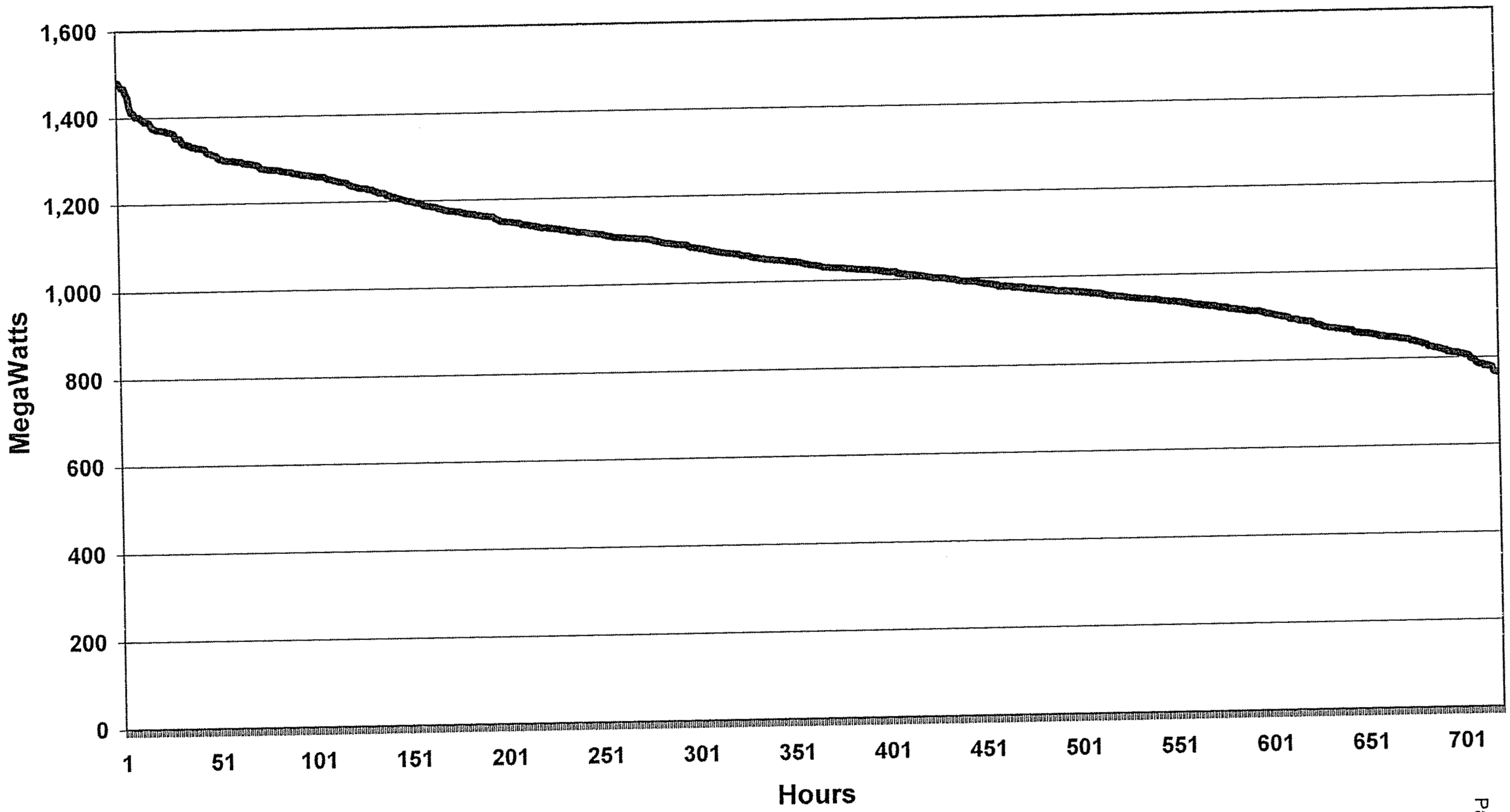
Kentucky Power Company
September 2008 Load Duration Curve
(System Load)



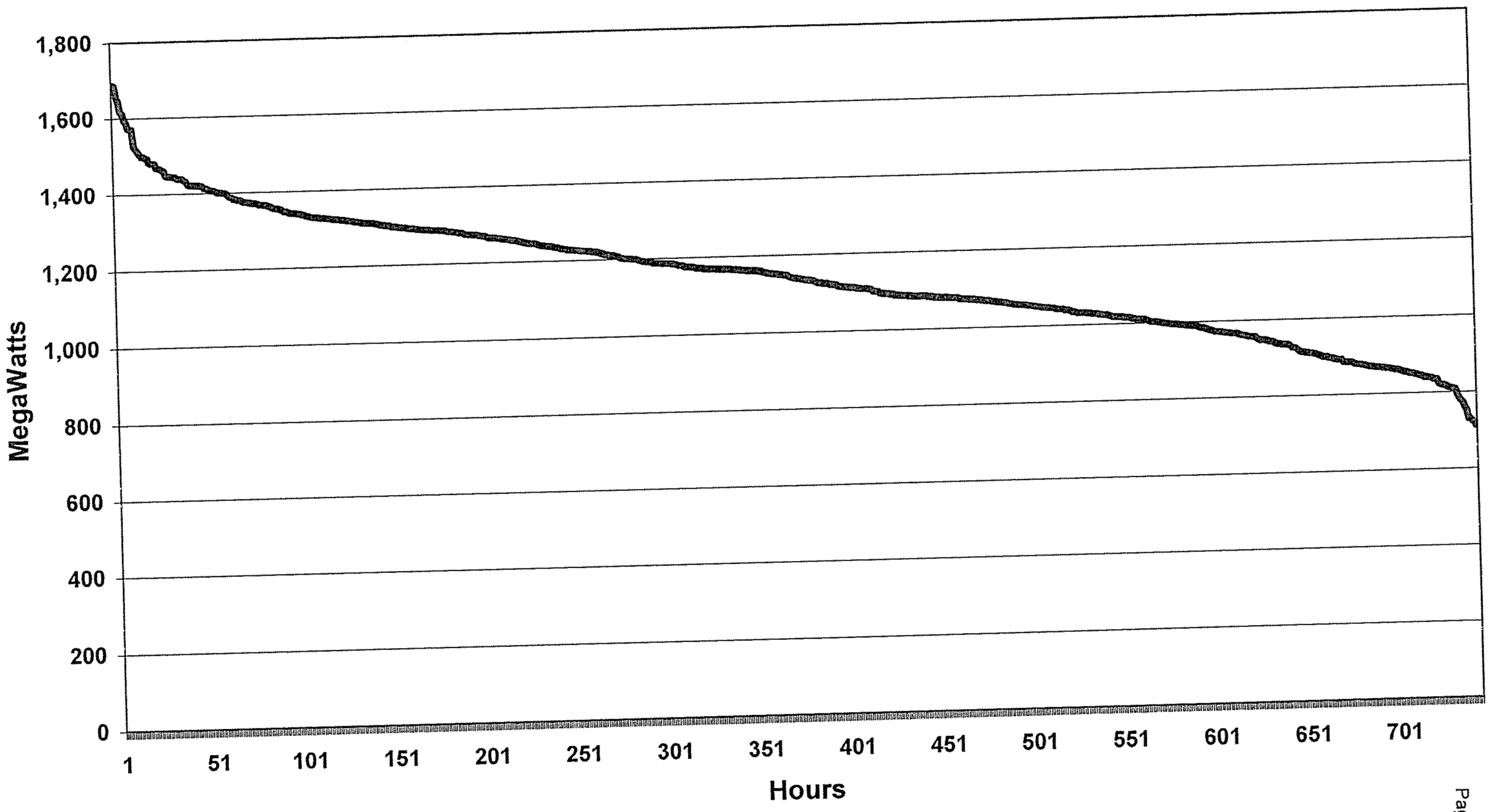
Kentucky Power Company
October 2008 Load Duration Curve
(System Load)



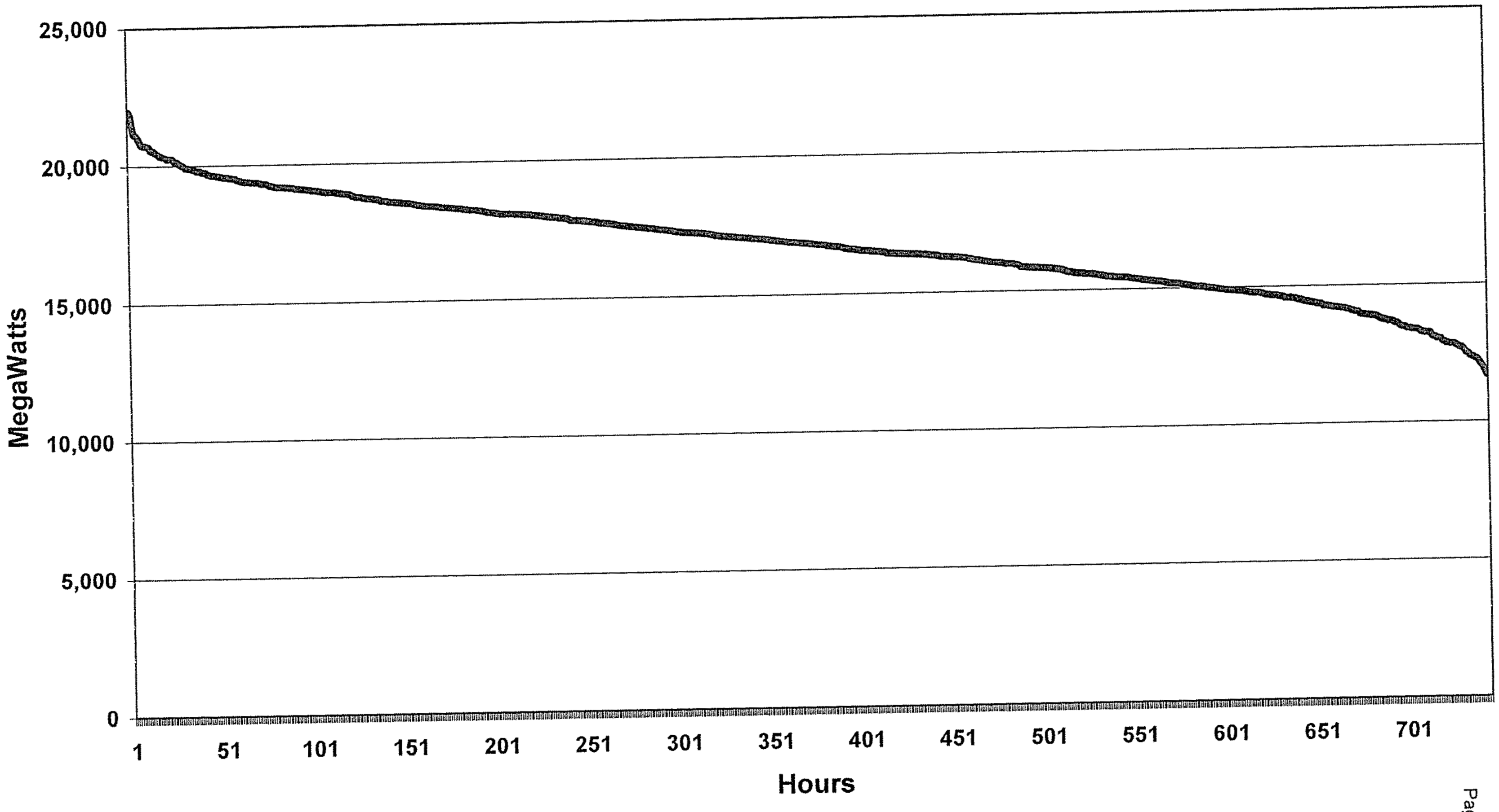
Kentucky Power Company
November 2008 Load Duration Curve
(System Load)



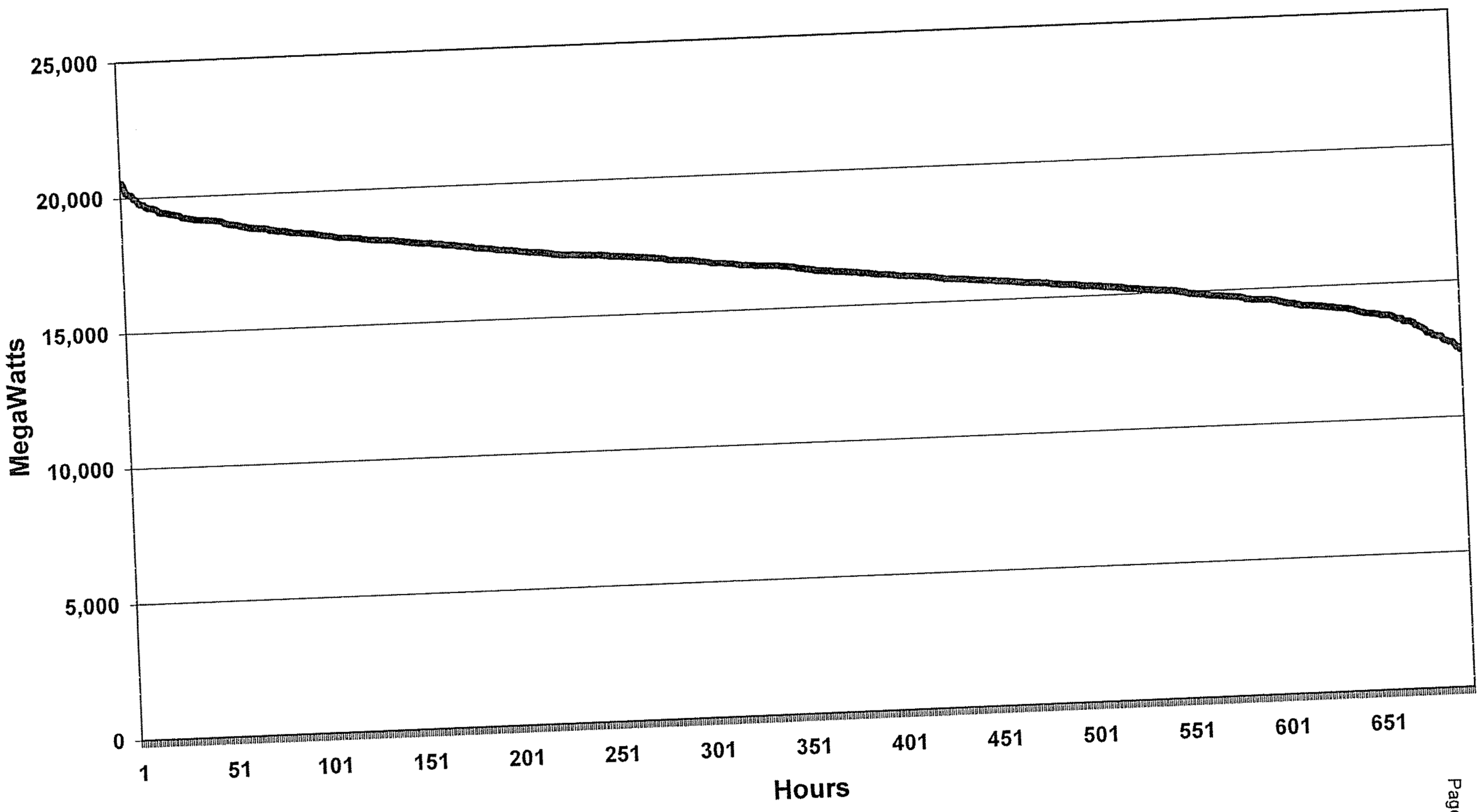
Kentucky Power Company
December 2008 Load Duration Curve
(System Load)



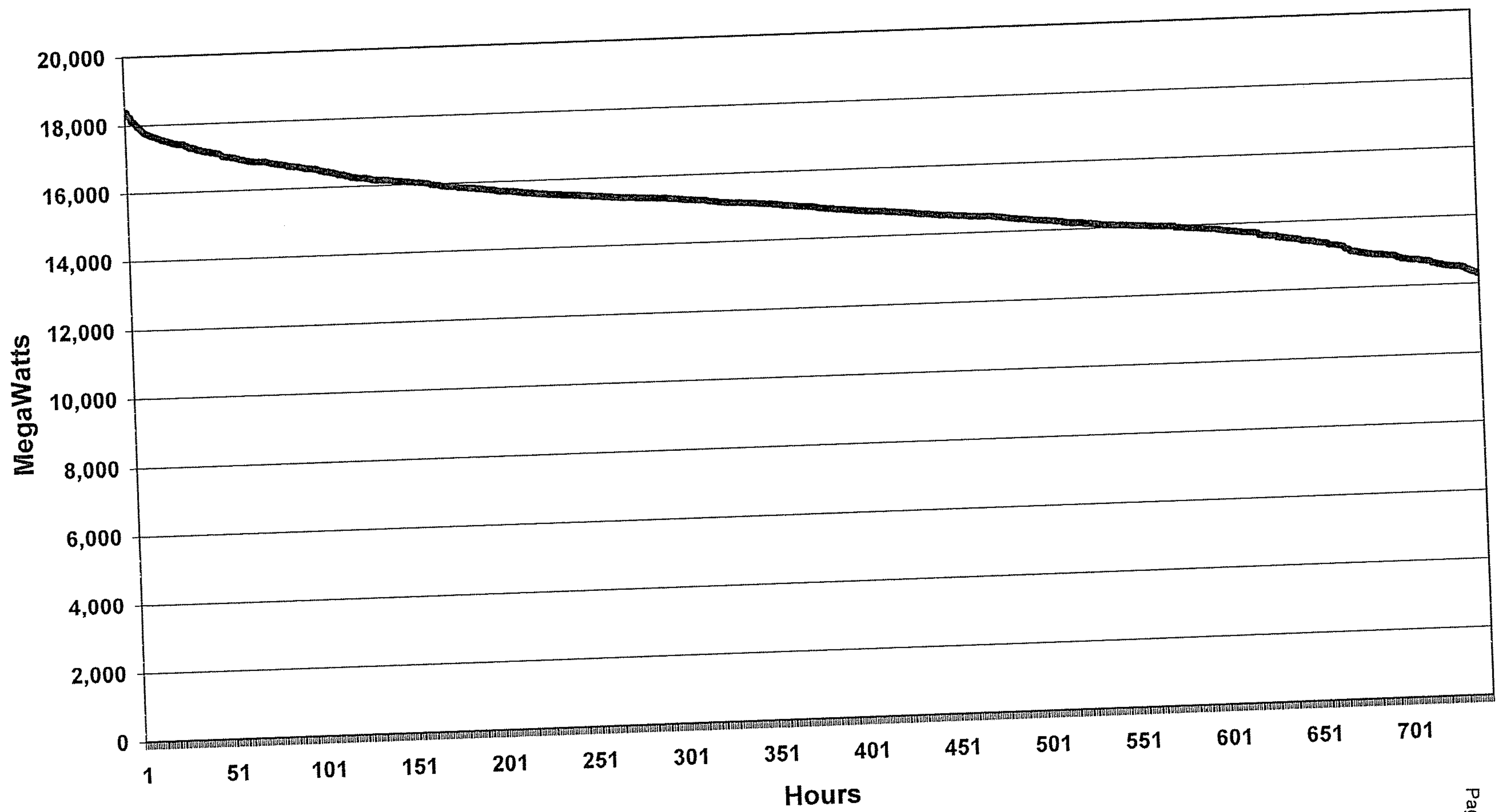
AEP System-East Zone
January 2008 Load Duration Curve
(Internal Load)



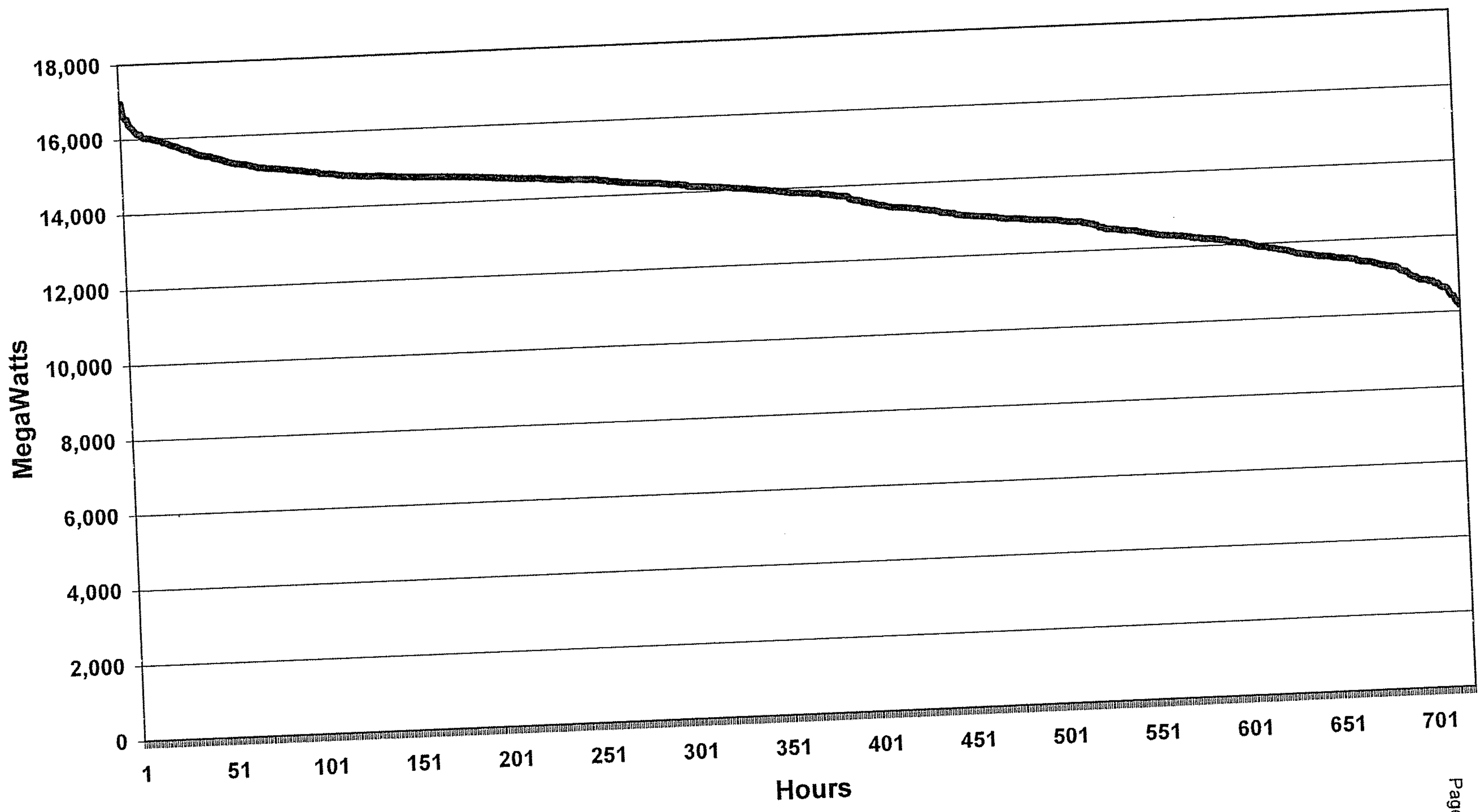
AEP System-East Zone
February 2008 Load Duration Curve
(Internal Load)



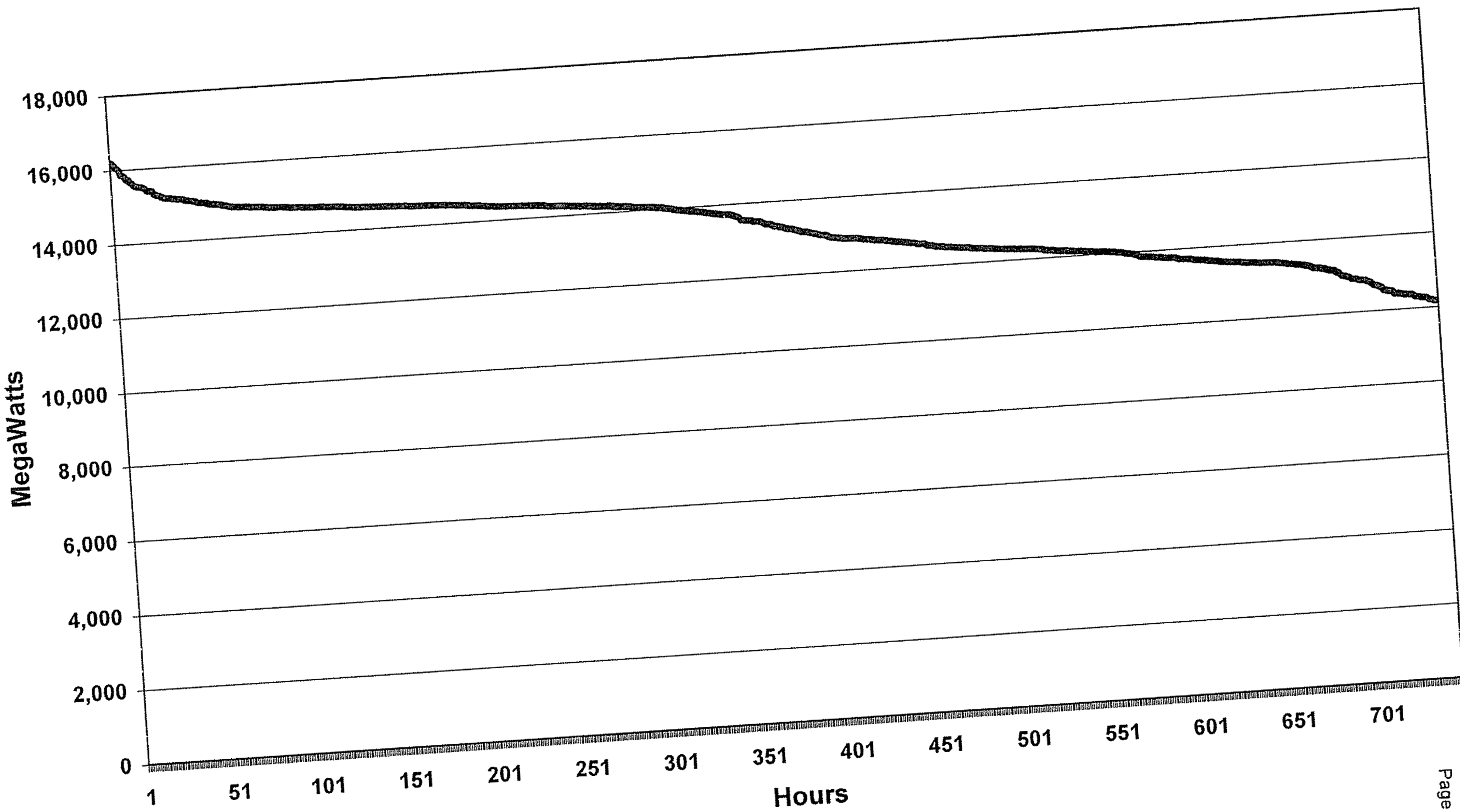
AEP System-East Zone
March 2008 Load Duration Curve
(Internal Load)



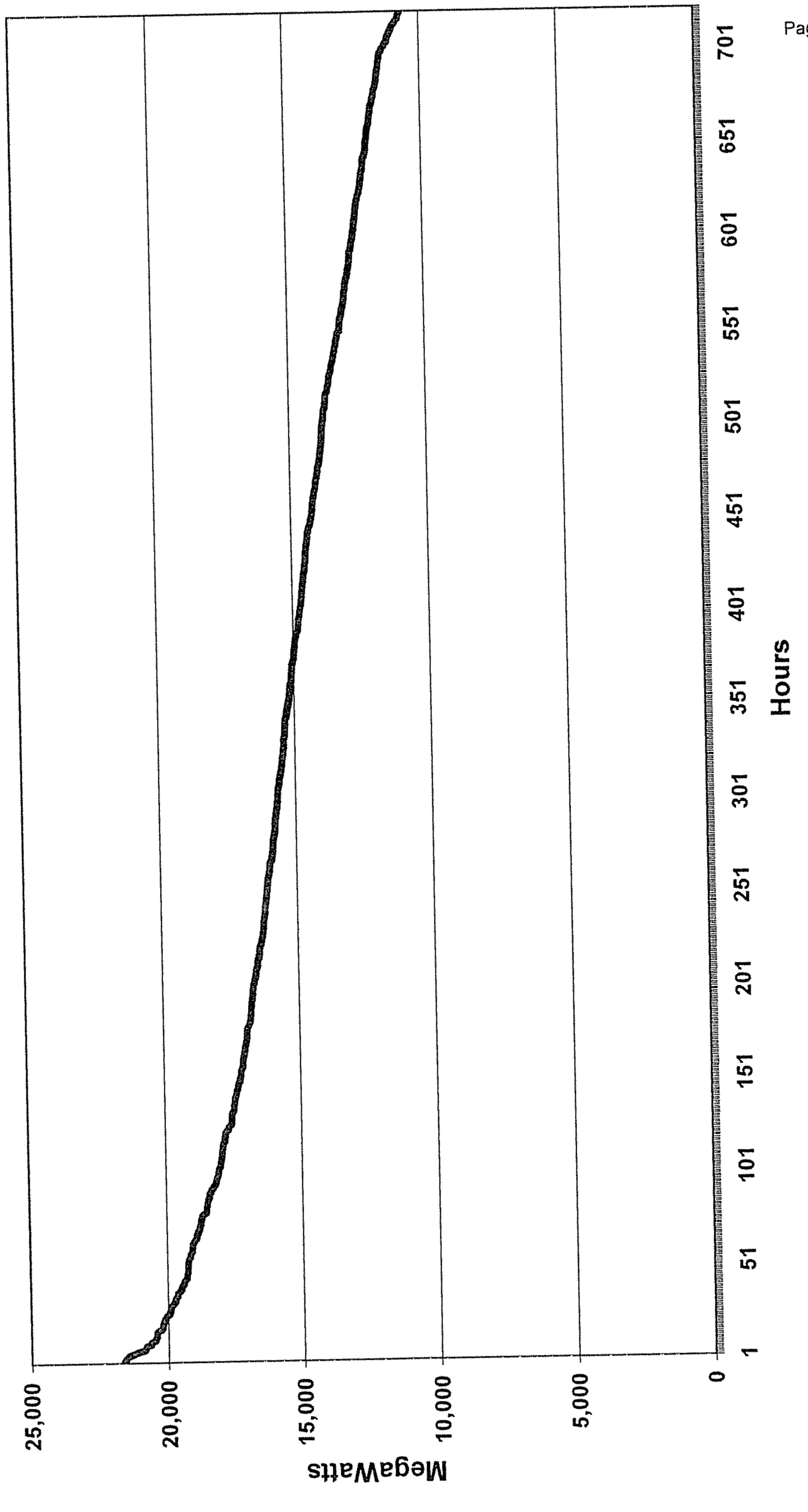
AEP System-East Zone
April 2008 Load Duration Curve
(Internal Load)

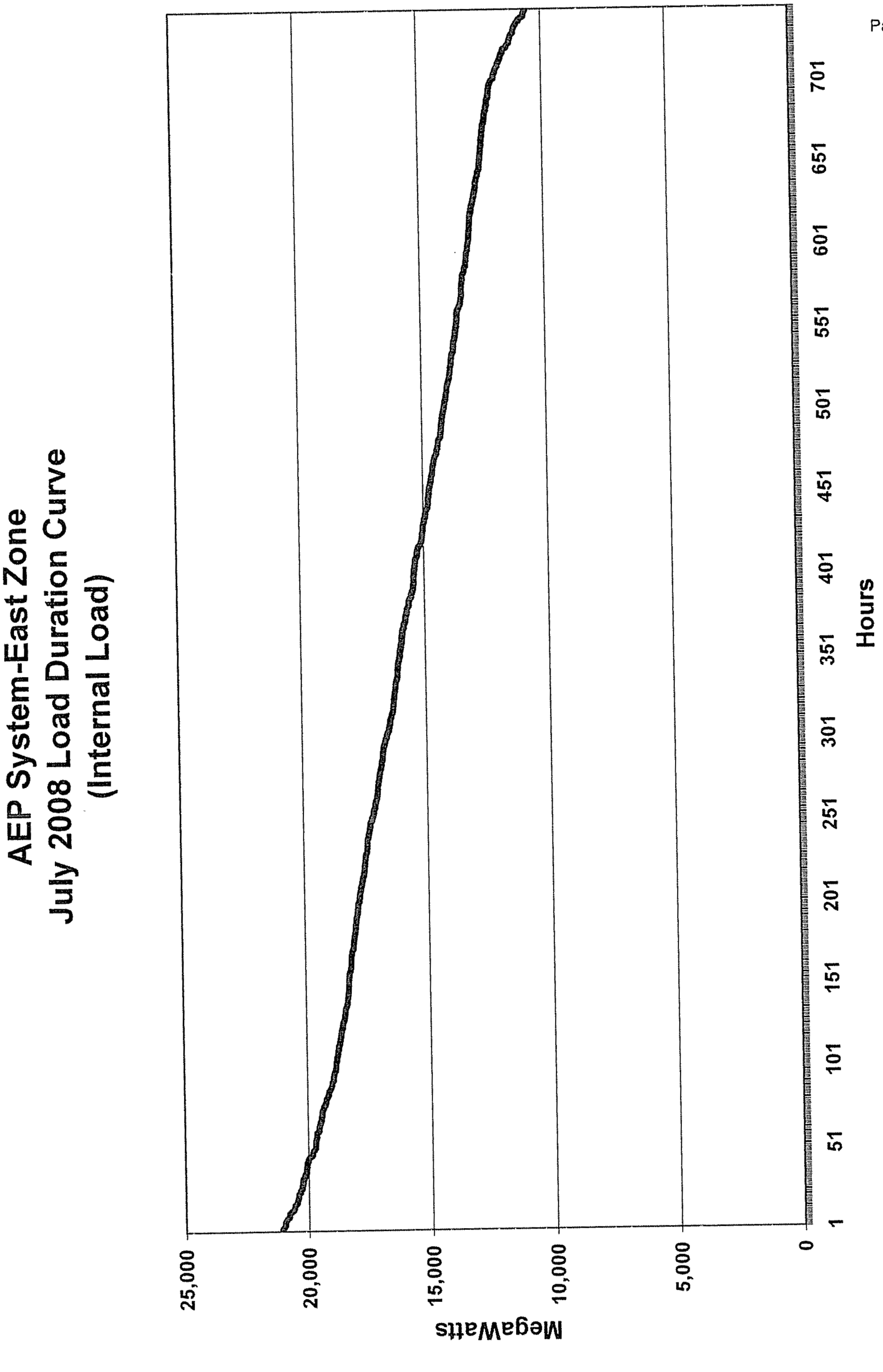


AEP System-East Zone
May 2008 Load Duration Curve
(Internal Load)

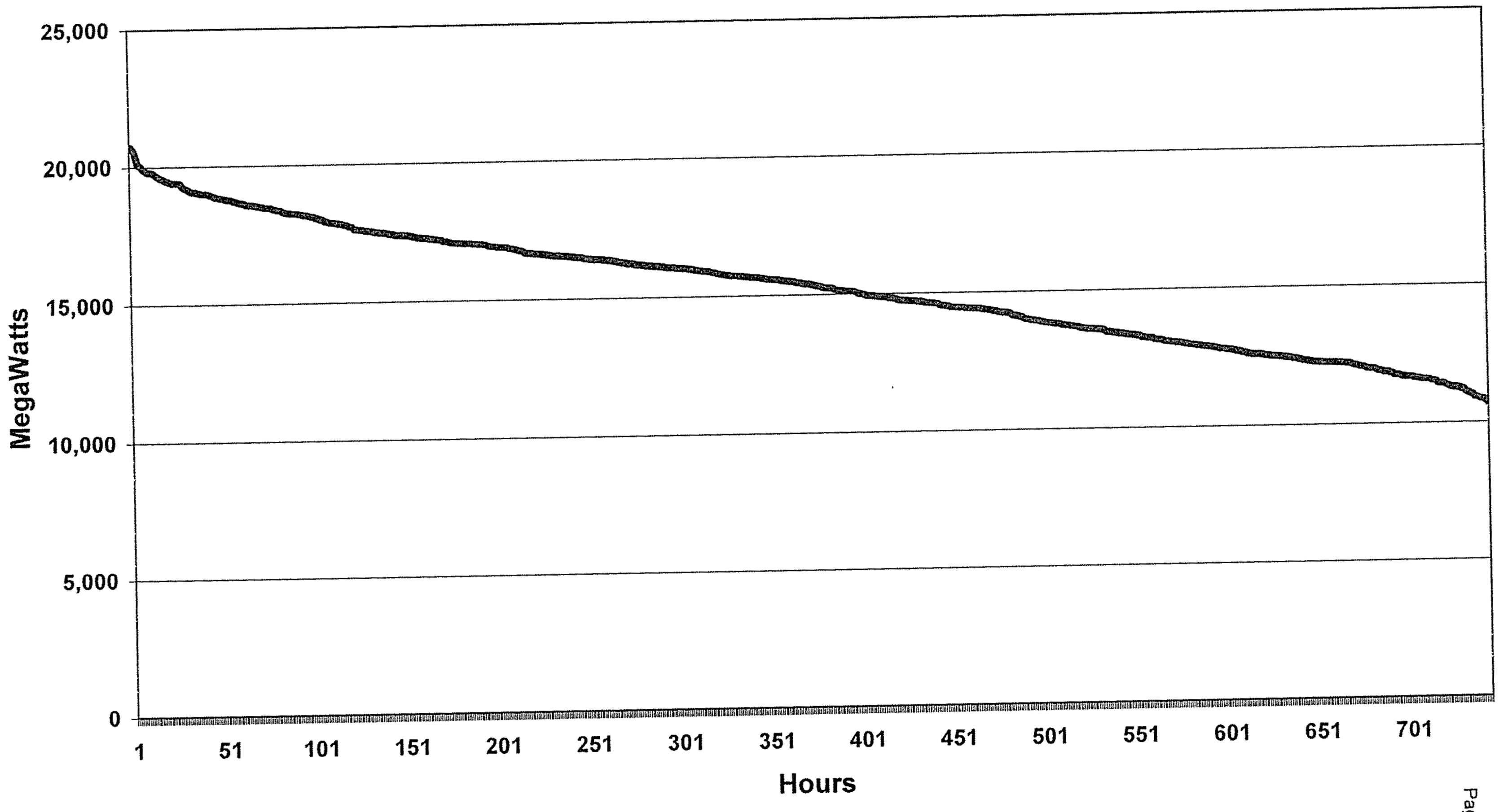


AEP System-East Zone
June 2008 Load Duration Curve
(Internal Load)

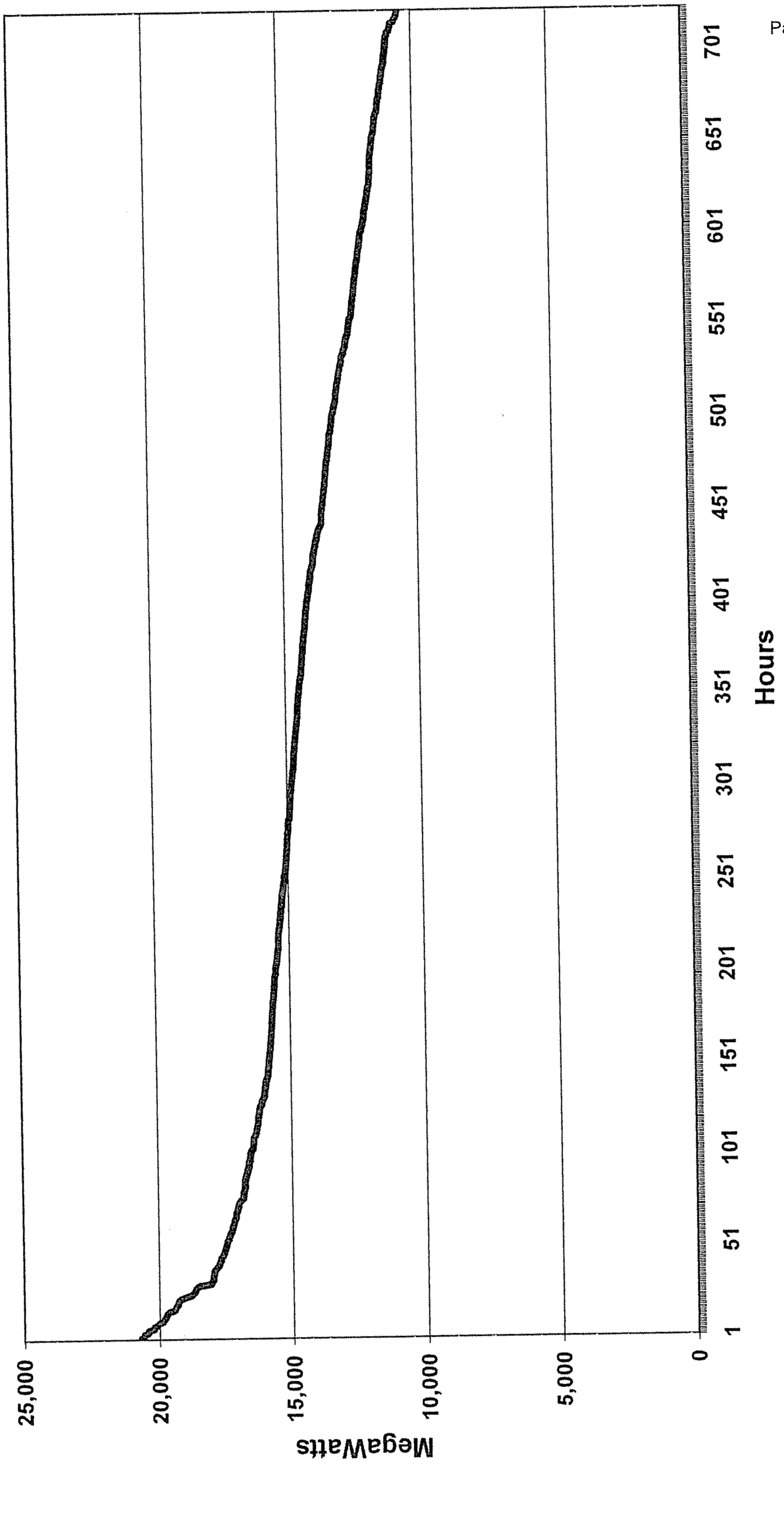



AEP System-East Zone
July 2008 Load Duration Curve
(Internal Load)
MegaWatts
25,000
20,000
15,000
10,000
5,000
0
1
51
101
151
201
251
301
351
401
451
501
551
601
651
701
Hours

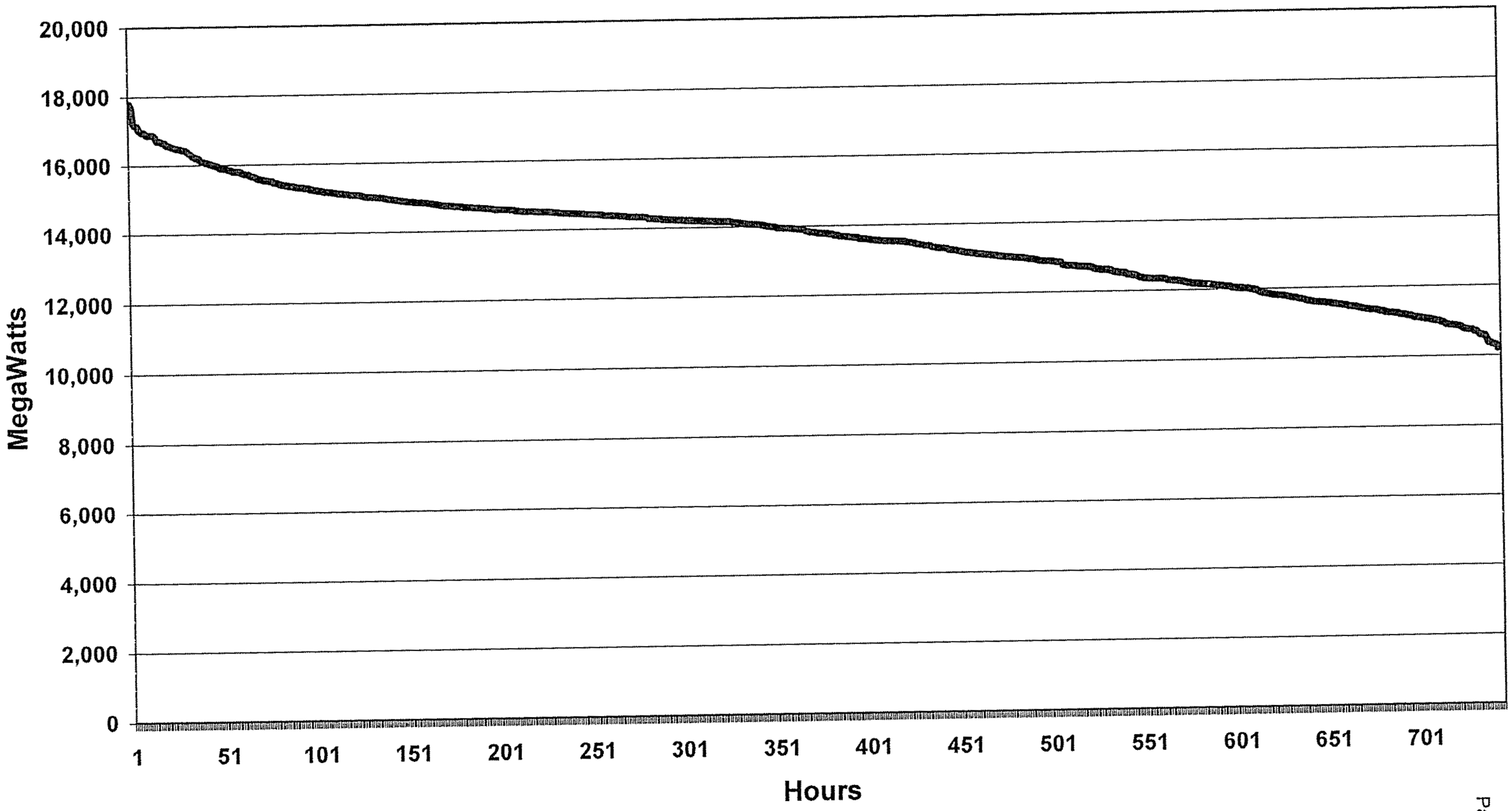
AEP System-East Zone
August 2008 Load Duration Curve
(Internal Load)



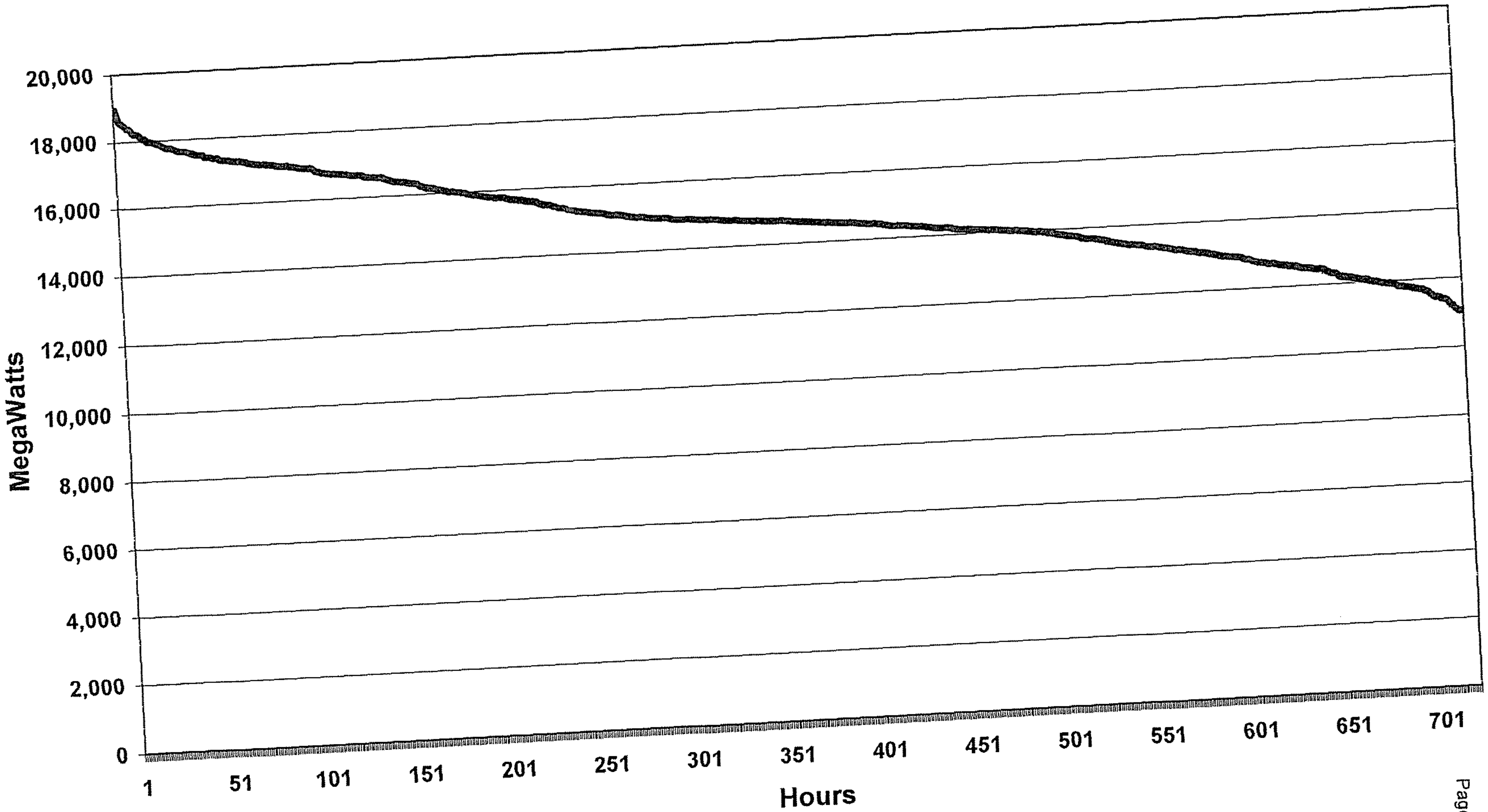
AEP System-East Zone
September 2008 Load Duration Curve
(Internal Load)



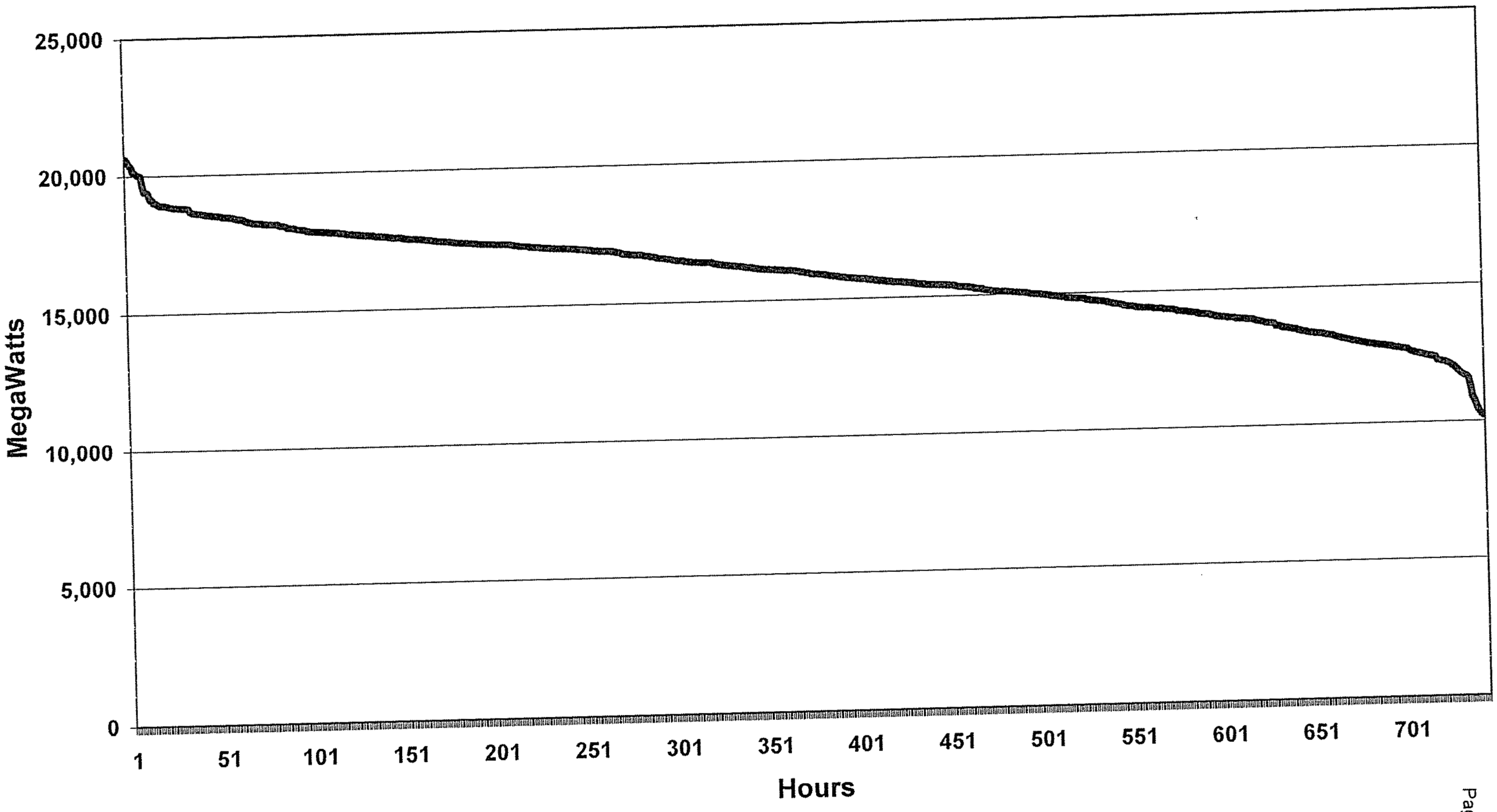
AEP System-East Zone
October 2008 Load Duration Curve
(Internal Load)



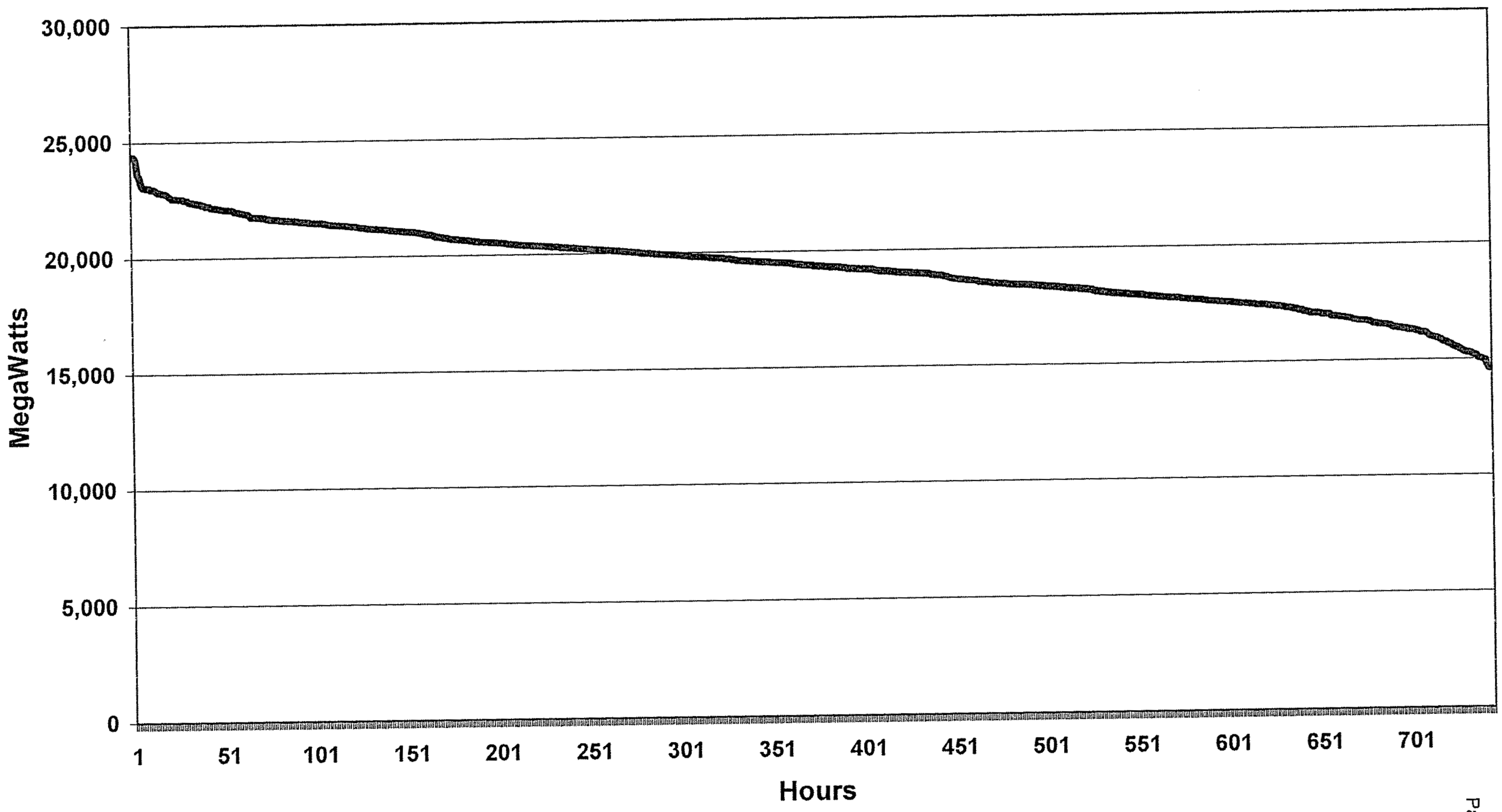
AEP System-East Zone
November 2008 Load Duration Curve
(Internal Load)



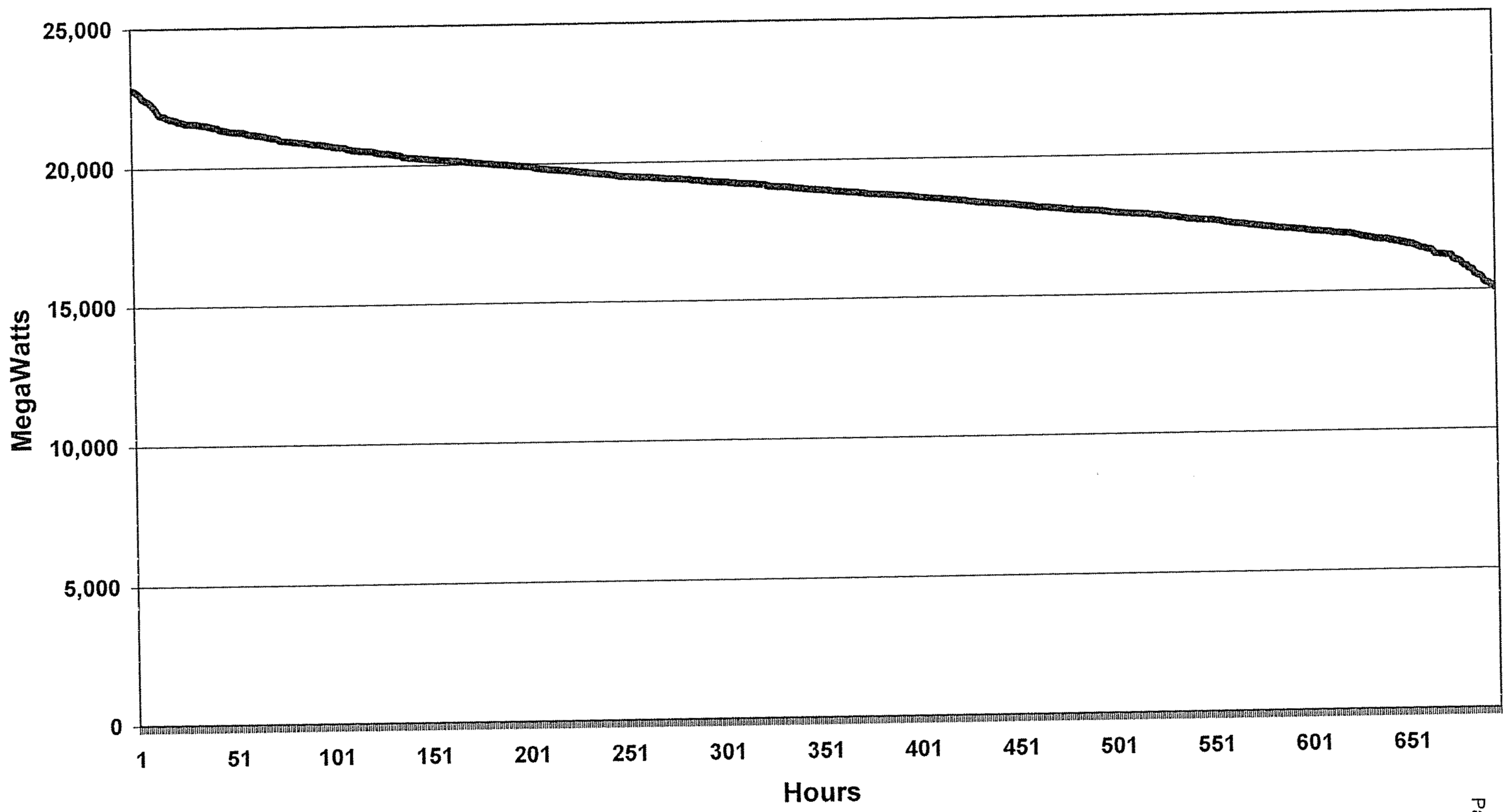
AEP System-East Zone
December 2008 Load Duration Curve
(Internal Load)

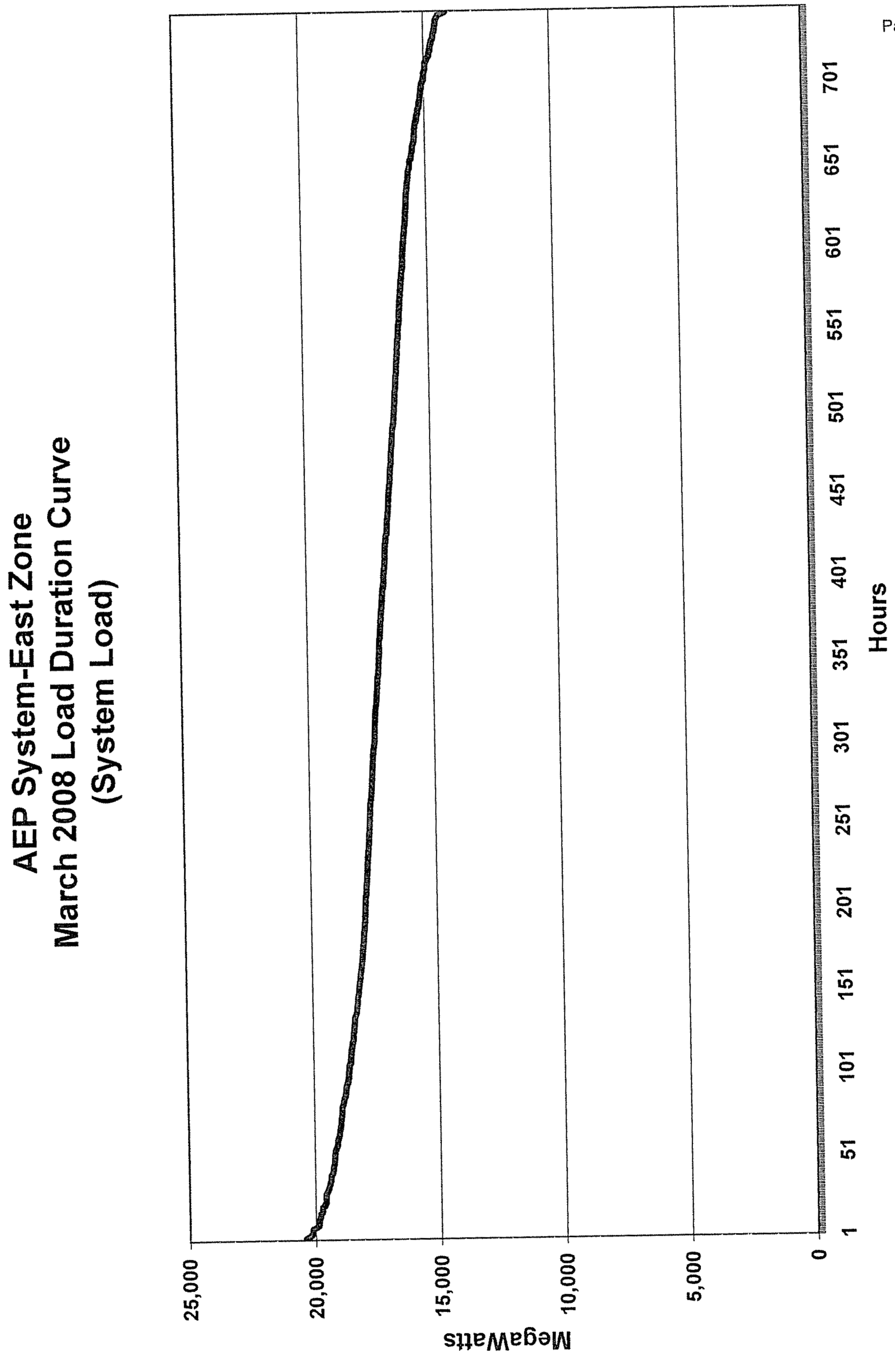


AEP System-East Zone
January 2008 Load Duration Curve
(System Load)

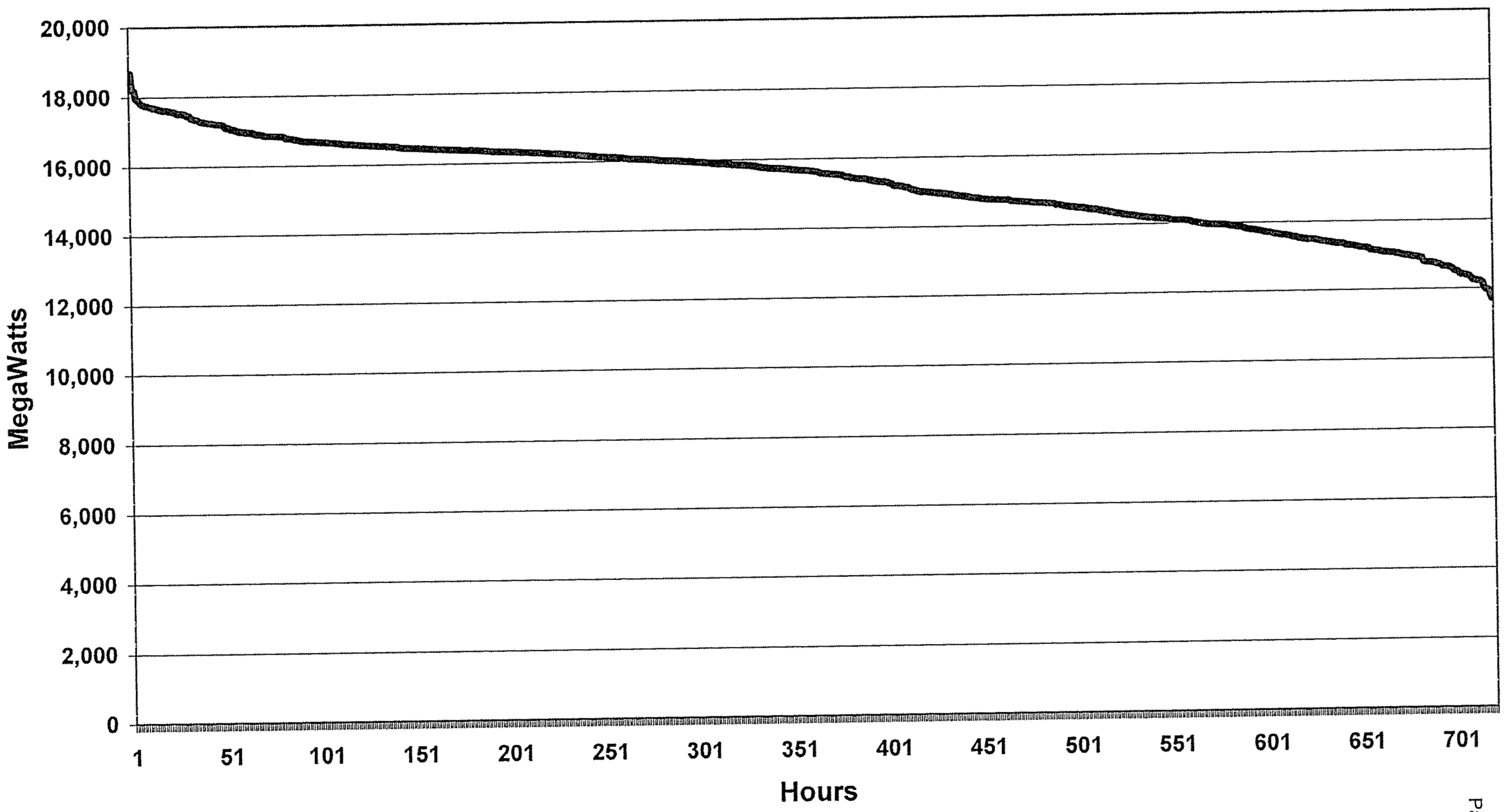


AEP System-East Zone
February 2008 Load Duration Curve
(System Load)

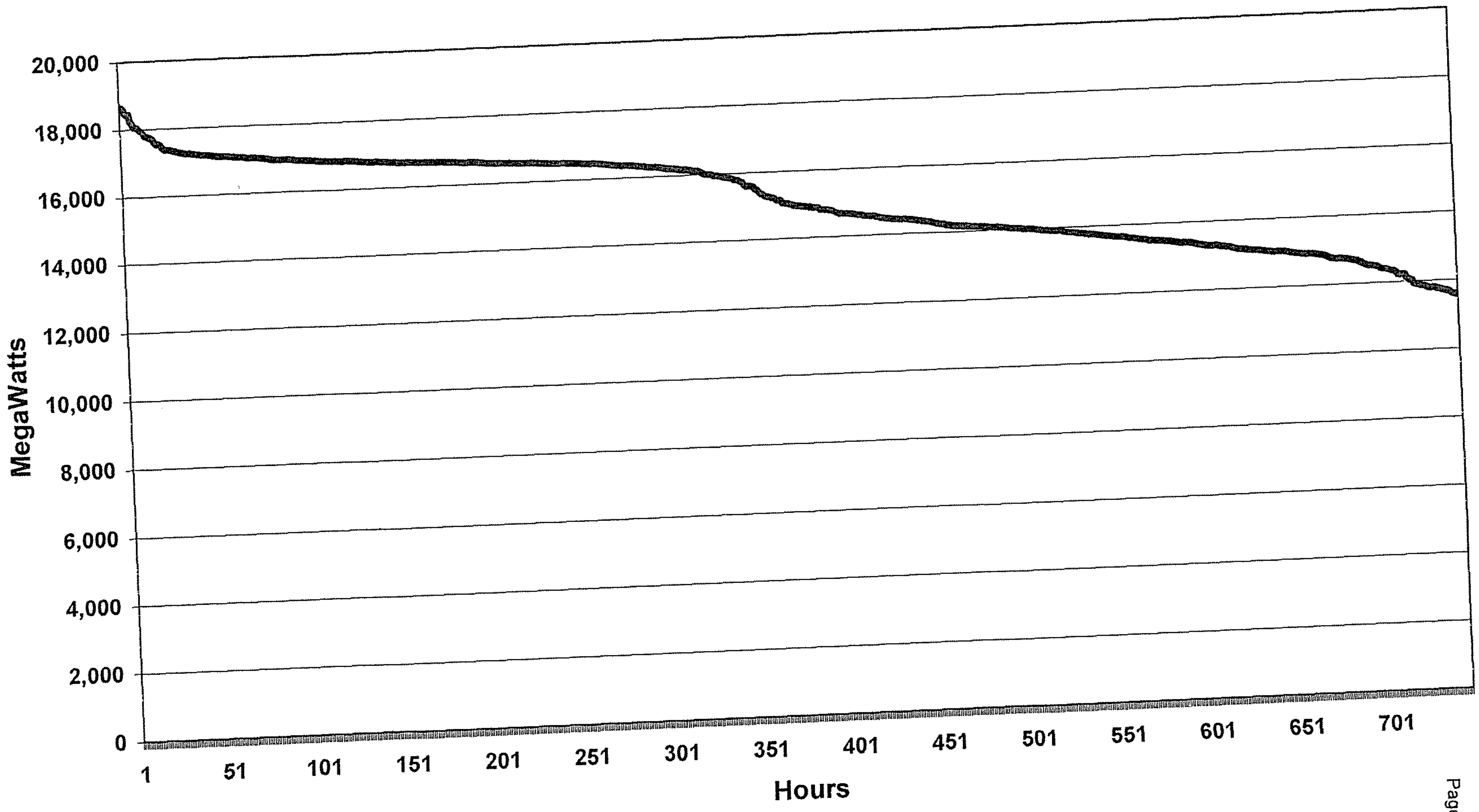



AEP System-East Zone
March 2008 Load Duration Curve
(System Load)
MegaWatts
25,000
20,000
15,000
10,000
5,000
0
1
51
101
151
201
251
301
351
401
451
501
551
601
651
701
Hours

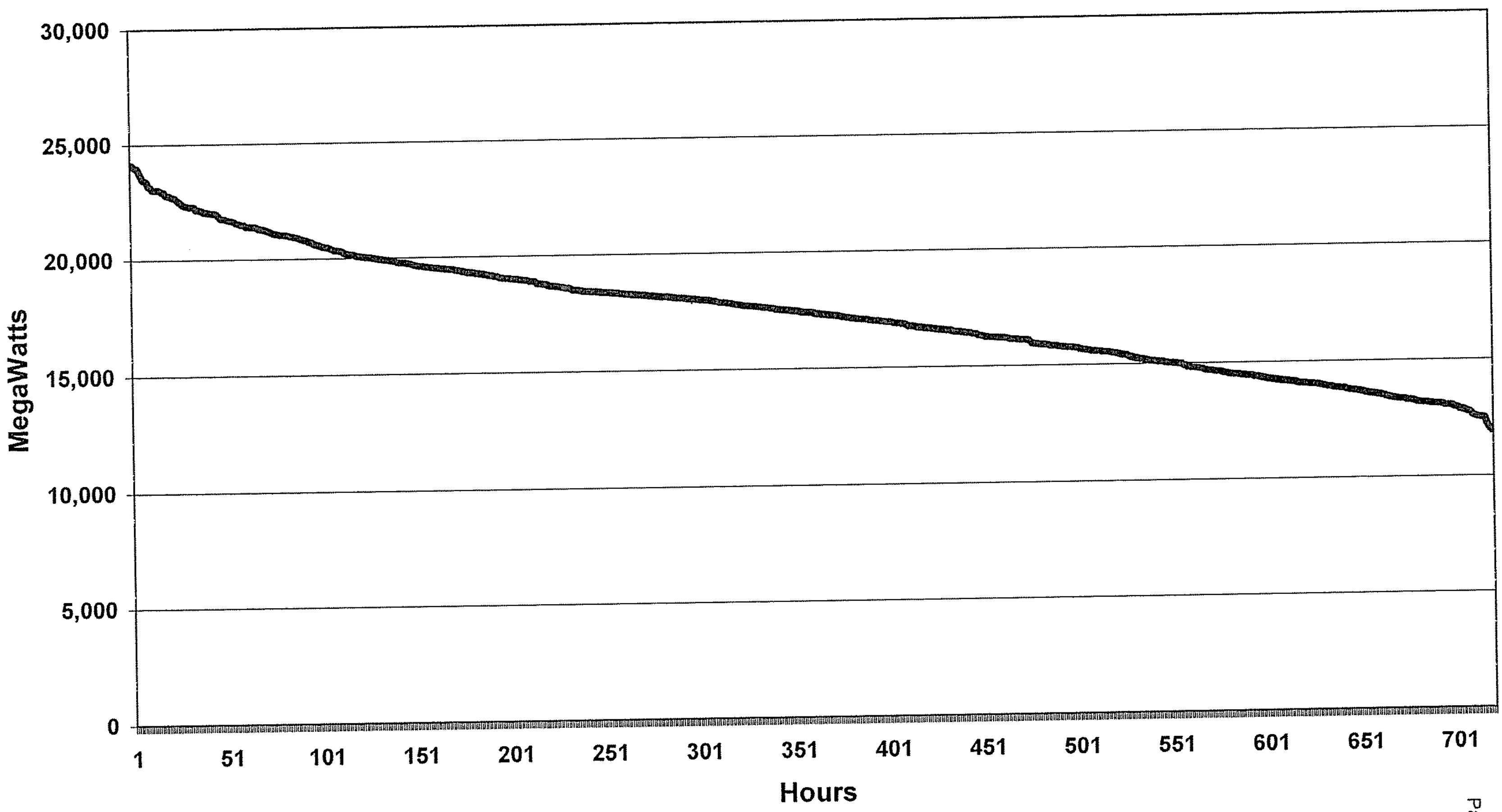
AEP System-East Zone
April 2008 Load Duration Curve
(System Load)



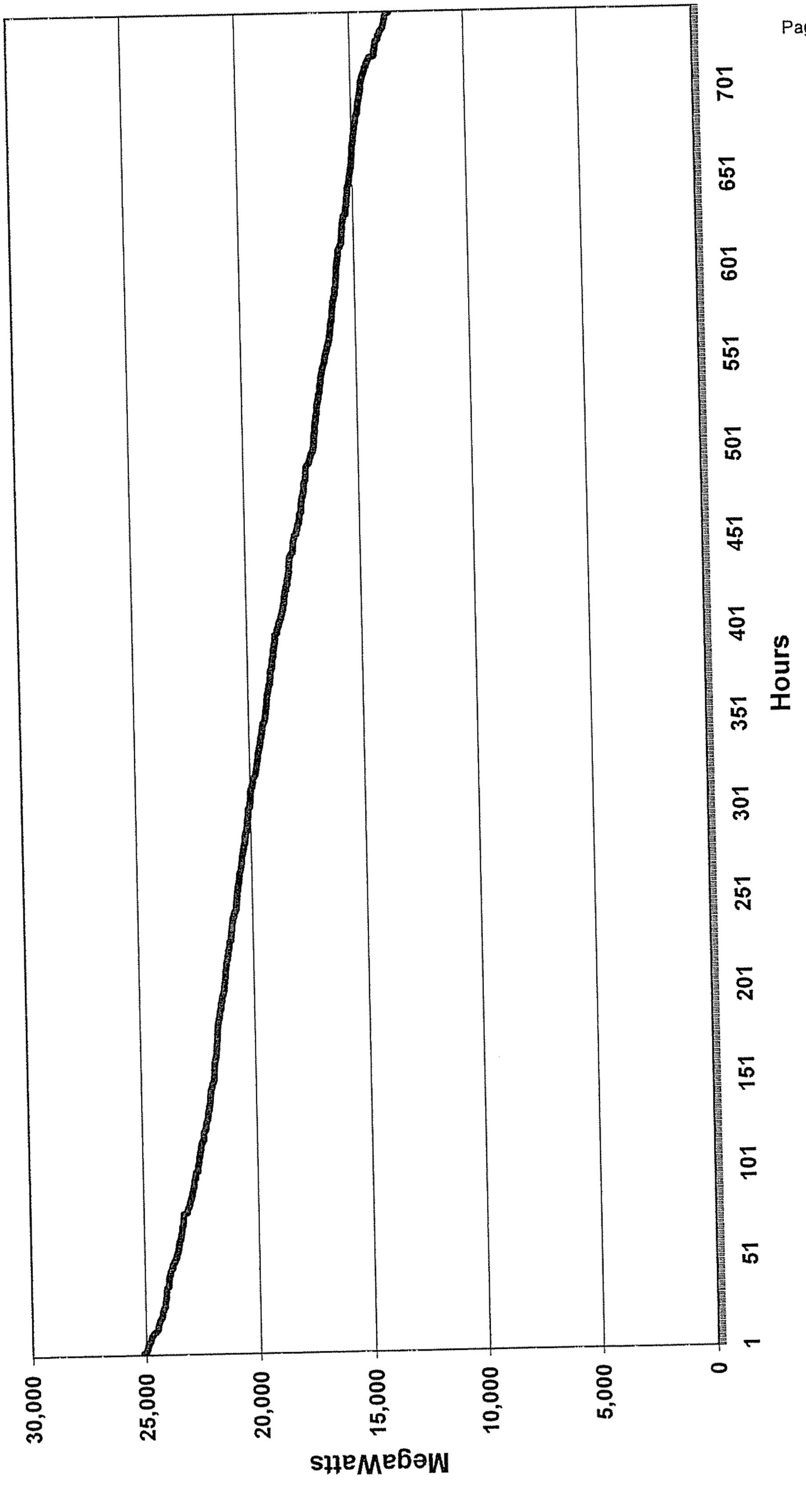
AEP System-East Zone
May 2008 Load Duration Curve
(System Load)



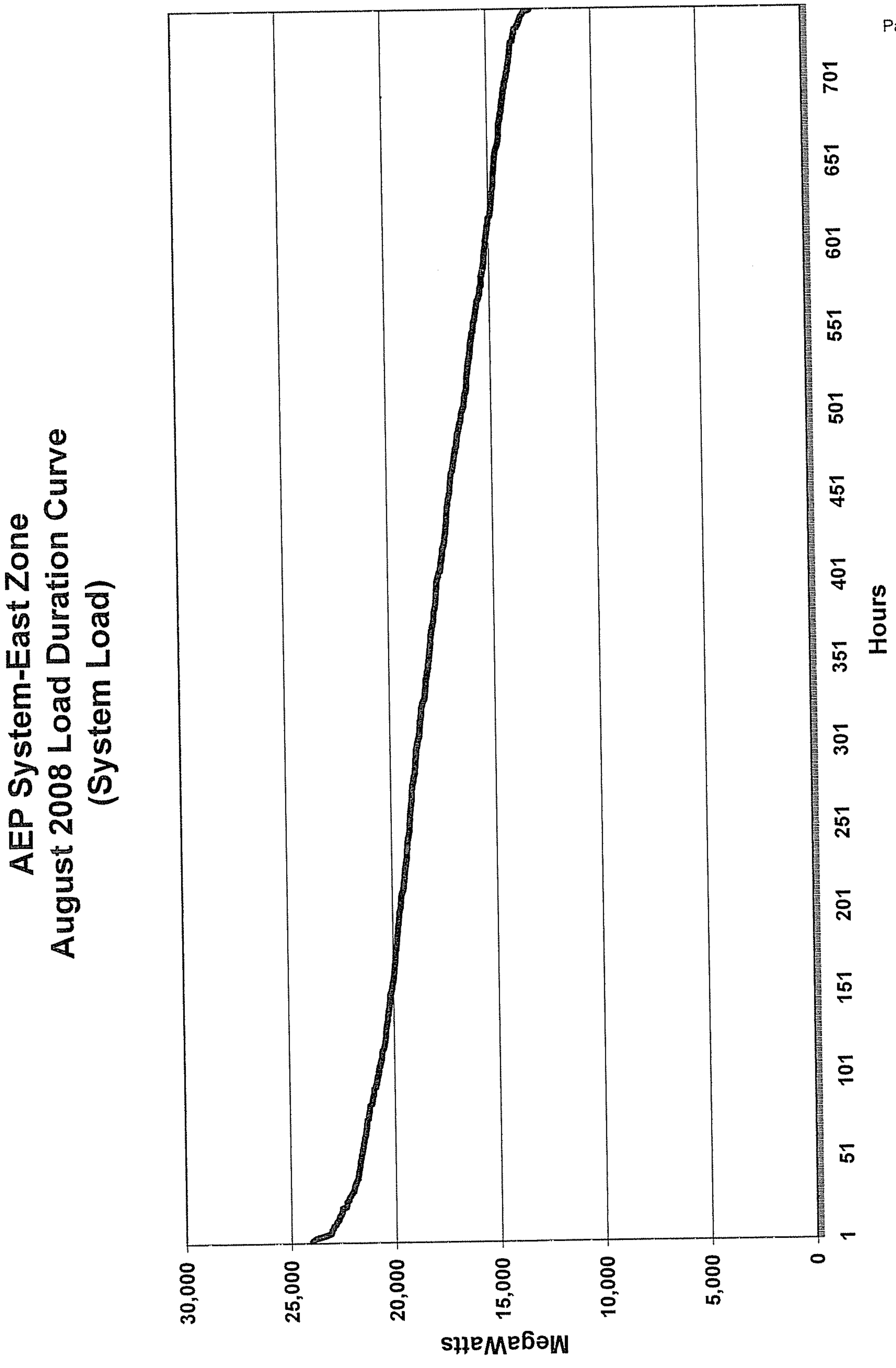
AEP System-East Zone
June 2008 Load Duration Curve
(System Load)



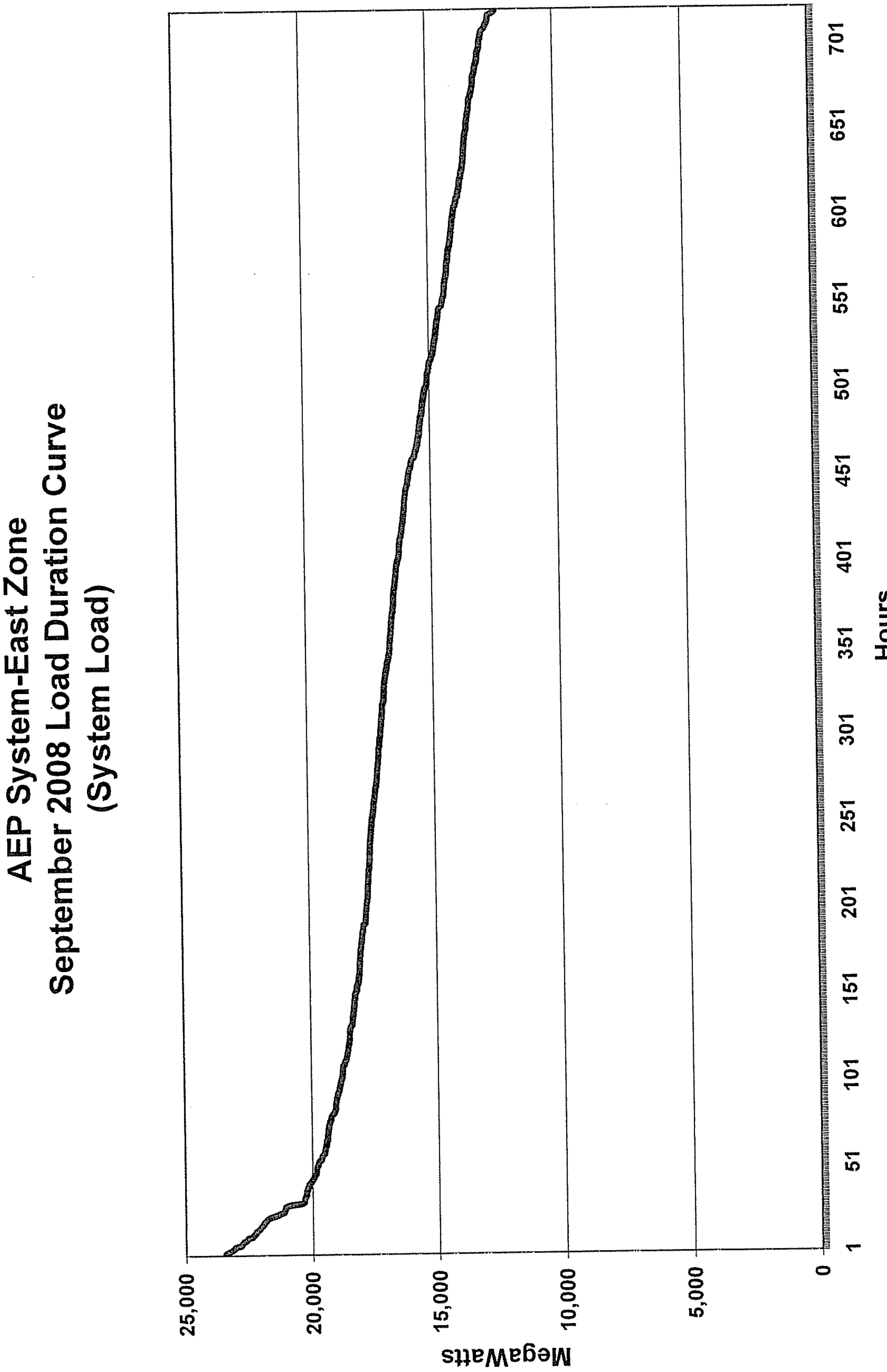
AEP System-East Zone
May 2008 Load Duration Curve
(System Load)



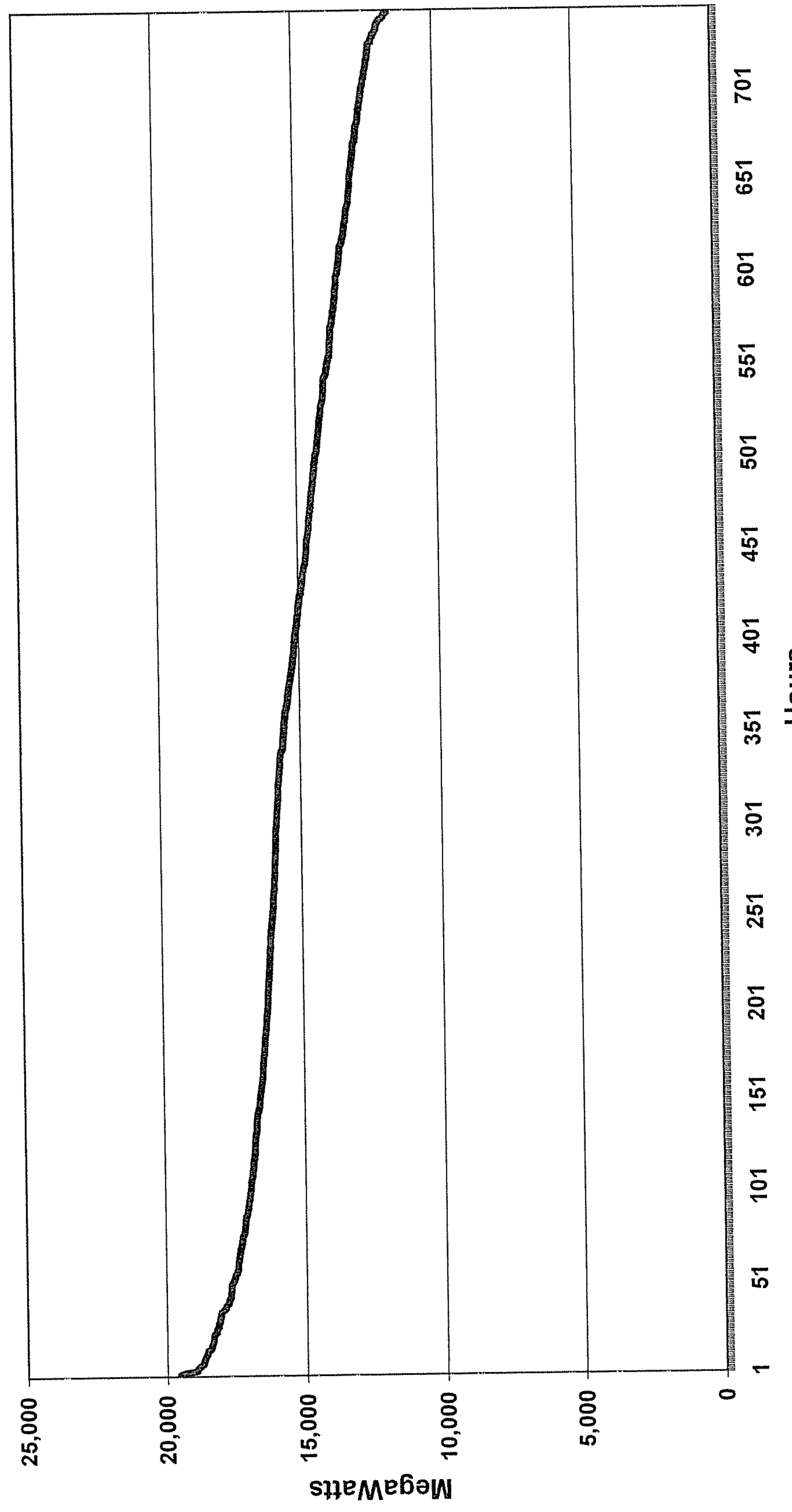
KSPCO Adm. Case No. 387
Order Dated December 20, 2001
for Calendar Year 2008
Item No. 2
Page 45 of 49



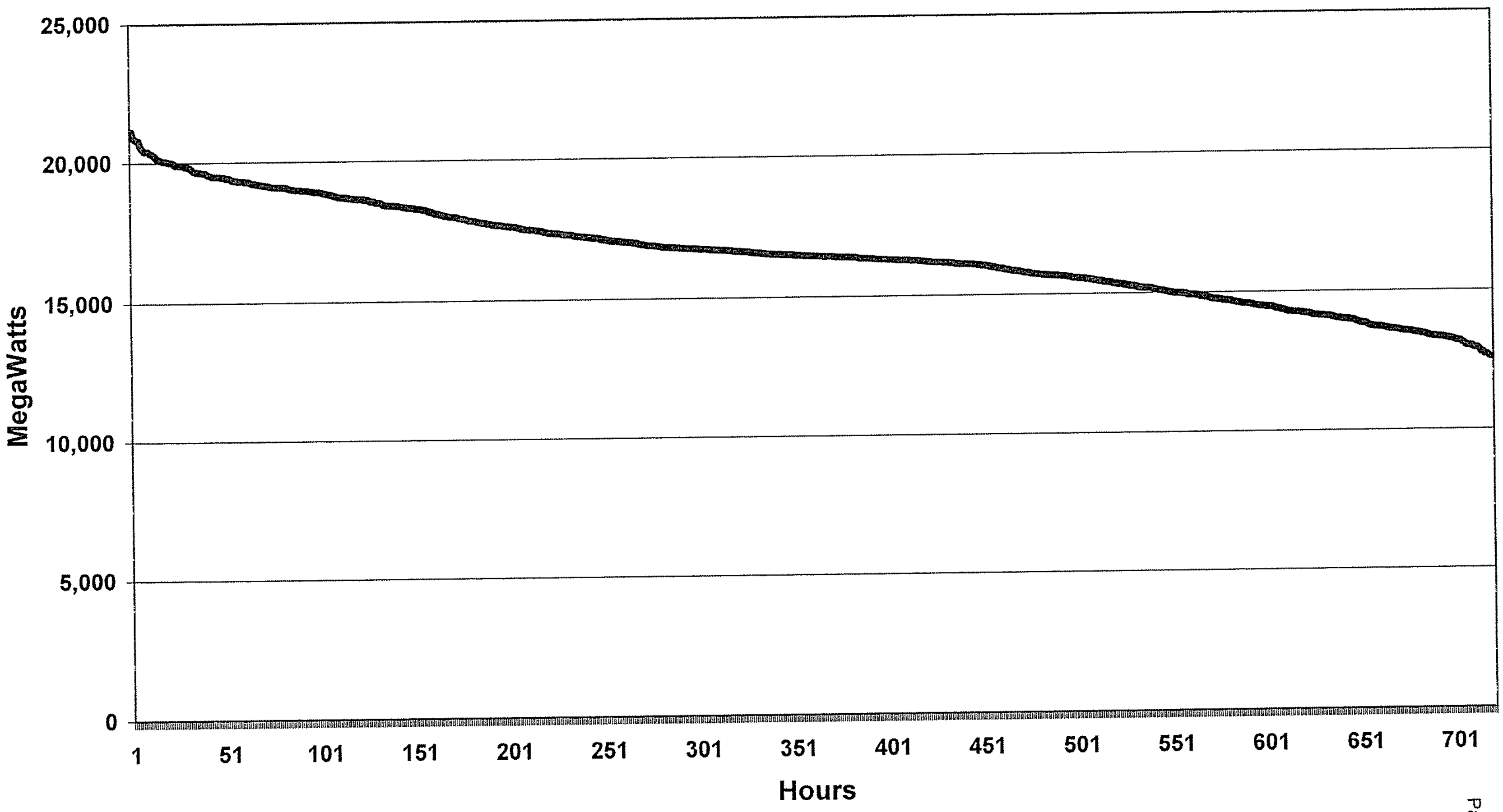
KSPCO Adm. Case No. 387
Order Dated December 20, 2001
for Calendar Year 2008
Item No. 2
Page 46 of 49



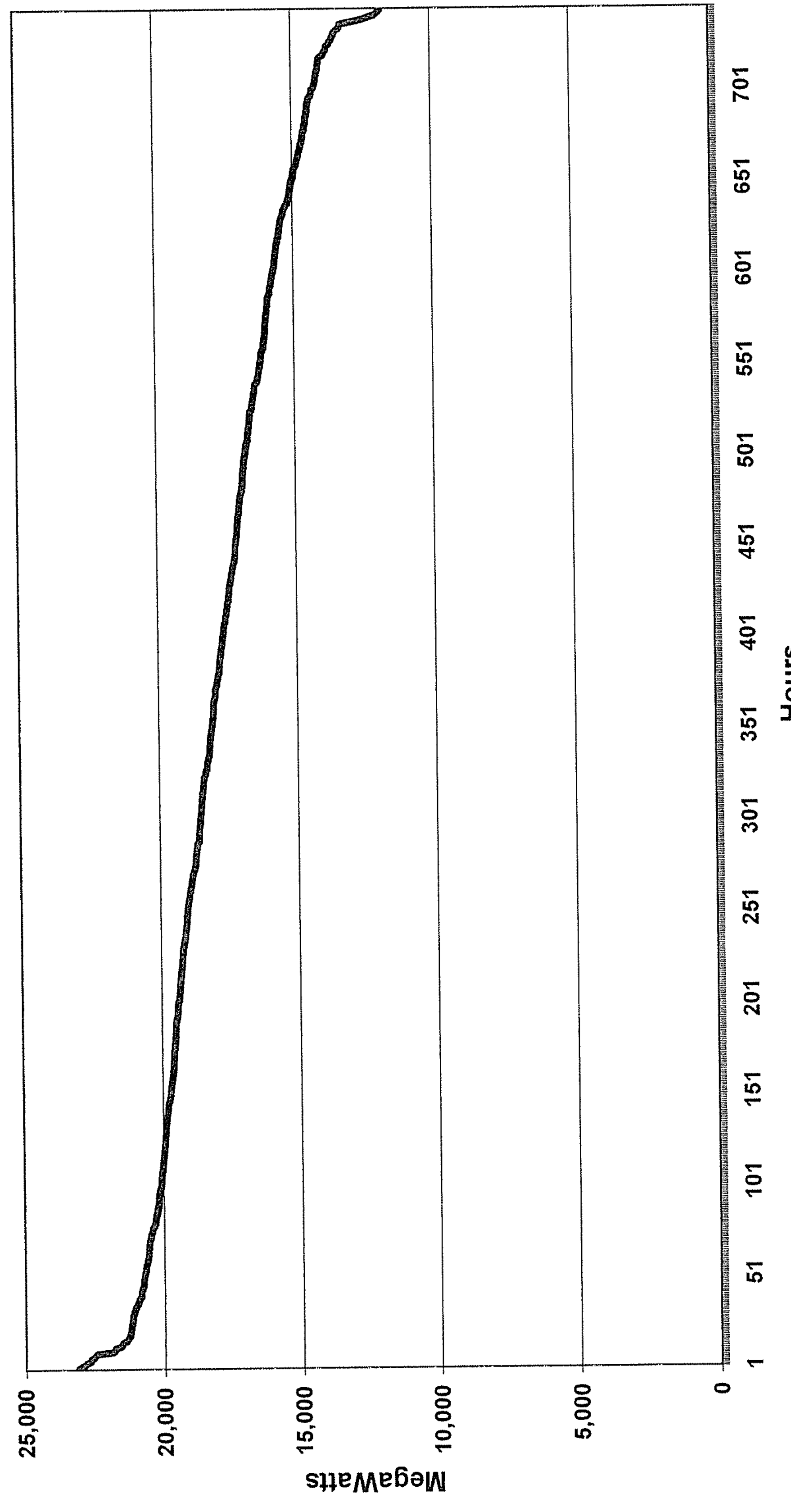
AEP System-East Zone
October 2008 Load Duration Curve
(System Load)



AEP System-East Zone
November 2008 Load Duration Curve
(System Load)



AEP System-East Zone
December 2008 Load Duration Curve
(System Load)



Kentucky Power Company

REQUEST

Based on the most recent demand forecast, the base case demand and energy forecasts and high case demand and energy forecasts for the current year and the following four years. The information should be disaggregated into (a) native load (firm and non-firm demand) and (b) off-system load (both firm and non-firm demand). Please provide the information for both Kentucky Power Company individually and the AEP-East Power Pool (pursuant to the Commission's December 13, 2004 Order in the Rockport UPSA extension, Case No. 2004-00420).

RESPONSE

Page 2 provides Kentucky Power Company's forecast of seasonal peak internal demands and annual internal energy requirements. In addition, the associated high forecast for seasonal peak internal demands and internal energy requirements are provided on this page.

Page 3 provides AEP System-East's forecast of seasonal peak internal demands and annual internal energy requirements. In addition, the associated high forecast for seasonal peak internal demands and internal energy requirements are provided on this page.

The off-system energy sales forecasts for Kentucky Power Company and AEP System-East are provided on Page 4 of this response. Forecasts of off-system peak demand for Kentucky Power Company and AEP System-East have not been developed and therefore, such forecasts are not available. In addition, high forecasts for off-system energy sales and peak demand have not been developed and therefore, such forecasts are not available.

WITNESS: Errol K Wagner

Kentucky Power Company
Base and High Forecast
Energy Sales (GWH) and Seasonal Peak Demand (MW)
2009 - 2013

Year	Energy Sales Base	Energy Sales High	Summer Peak Demand Base	Summer Peak Demand High	Preceding Winter Peak Demand Base	Preceding Winter Peak Demand High
2009	8,375	8,605	1,365	1,403	1,690	1,737
2010	8,431	8,762	1,378	1,432	1,699	1,766
2011	8,472	8,873	1,386	1,451	1,701	1,781
2012	8,560	9,021	1,396	1,471	1,711	1,803
2013	8,603	9,149	1,408	1,497	1,724	1,833

AEP System-East Zone
Base and High Forecast
Energy Sales (GWH) and Seasonal Peak Demand (MW)
2009 - 2013

	Energy Sales		Summer Peak Demand		Preceding Winter Peak Demand	
Year	**Base**	**High**	**Base**	**High**	**Base**	**High**
2009	134,045	137,733	22,409	23,025	21,377	21,965
2010	135,286	140,593	22,590	23,476	21,584	22,430
2011	136,138	142,569	22,761	23,836	21,694	22,719
2012	137,805	145,220	22,947	24,182	21,877	23,054
2013	138,724	147,536	23,174	24,646	22,085	23,488

Kentucky Power Company and AEP-System-East
Forecast Off-System Energy Sales (GWh)
2009 - 2013

Year	KPCo Off-System Sales	AEP-East Off-System Sales
2009	1,393	19,846
2010	1,969	27,769
2011	2,189	31,286
2012	1,722	24,908
2013	1,525	22,103

Kentucky Power Company

REQUEST

The target reserve margin currently used for planning purposes, stated as a percentage of demand. If changed from what was in use in 2001, include a detailed explanation for the change. Please provide the information for both Kentucky Power Company individually and the AEP-East Power Pool (pursuant to the Commission's December 13, 2004 Order in the Rockport UPSA extension, Case No. 2004-00420).

RESPONSE

Due to the October 1, 2004 integration of AEP's Eastern System into the PJM Interconnection, AEP is now required to comply with the PJM mandated reserve margin.

The installed reserve margin requirement is recalculated each year, depending on five-year average generation reliability, PJM load shape, and assistance available from neighboring regions. In addition, AEP's responsibility to PJM depends on its twelve-month history of generator reliability and its peak demand diversity in relation to the PJM total load. The attached Exhibit 4 of this response provides an example of the PJM reserve requirement calculation.

For the June 2009 through May 2010 delivery period, PJM has set the Installed Reserve Margin (IRM) at 15.0%. For the 2010/11 and 2011/12 delivery periods PJM has set the IRM at 15.5%. For the 2012/13 delivery period PJM has set the IRM at 16.2% and for planning purposes AEP has assumed a 16.2% level for future years. The resulting AEP reserve requirement ranges from 12.1% to 17.5%, as shown in Exhibit 5-2 attached to the response to Question 5. (This compares with 12% that AEP used, based on our own determinations, from the late 1990s until 2004, and 15% prior to that.) Note that the reserve requirement appears higher for 2010. This is due to the fact that the actual AEP EFORd rate of 11.24% used to calculate this year's requirement is considerably higher than the EFORds which are used to calculate the requirement in the other years.

Currently, Kentucky Power Company is capacity deficient on a stand-alone basis. The basis of the AEP Interconnection Agreement is that, over time, each member, including Kentucky Power Company, is responsible for installing its share of the System capacity. However, other members of the AEP Interconnection Agreement are more deficient at this time and it is the members with the highest capacity deficiencies that are expected to add capacity first.

WITNESS: Errol K Wagner

PJM Reserve Margin Example For 2009/10 Planning Year

Line			Comment
1	**Factors**		
2	PJM Installed Reserve Margin (IRM) =	15.00%	
3	PJM EFORd =	6.13%	Based on 5-year average PJM EFORd
4	Forecast Pool Requirement (FPR) =	1.0795	FPR = (1 + Line 2) * (1 - Line 3)
5			
6	**Obligations**		
7	Total Load Obligation =	21,189	Coincident peak forecasted by PJM
8	UCAP Obligation =	22,874	Line 4 * Line 7
9	UCAP Market Obligations =	1,391	
10	Total UCAP Obligation =	24,265	Line 8 + Line 9
11			
12	**Resources**		
13	Net ICAP =	27,754	
14	AEP EFORd =	8.47%	MW-weighted average of Unit EFORds
15	Available UCAP =	25,403	Line 13 * (1- Line 14)
16			
17	**Position**		
18	Net UCAP Position =	1,138	Line 15 - Line 10
19	Net ICAP Position =	1,243	Line 18 / (1- Line 14)
20			
21	Reserve Margin Percent =	17.5	Question 5 attached Exhibit 5-2, Column (16)
22	Reserve Percent Required By PJM =	12.1	Line 21 - (Line 19 / Question 5 attached Exhibit 5-2, Column (6)) * 100

Kentucky Power Company

REQUEST

Projected reserve margins stated in megawatts and as a percentage of demand for the current year and the following 4 years. Identify projected deficits and current plans for addressing these. For each year identify the level of firm capacity purchases projected to meet native load demand. Please provide the information for both Kentucky Power Company individually and the AEP-East Power Pool (pursuant to the Commission's December 13, 2004 Order in the Rockport UPSA extension, Case No. 2004-00420)

RESPONSE

The attached Exhibit 5-1 to this response provides projected winter peak demands, capabilities, and margins for KPCo for the winter seasons 2008/09 through 2012/13.

The attached Exhibit 5-2 to this response provides projected summer peak demands, capabilities, and margins for the AEP System - East Zone for the period 2009 through 2013.

WITNESS: Errol K Wagner

KPSC Adm. Case No. 387
Order Dated December 13, 2004
Exhibit 5-1

KENTUCKY POWER COMPANY
Projected Winter Peak Demands, Generating Capabilities, and Margins

	Peak Demand - MW						Capacity - MW						Margin	
							Existing Capacity & Chngs	Sales	Capacity Additions		Purchases			
Winter Season	Internal Demand (a)	DSM (b)	Committed Sales (c)	Total Demand	Inter-ruptible Demand	Total Demand	(d)	Net Sales (e)	Name/ Identifier	MW (f)	Annual Mkt. Purch.	Total Equivalent Capacity	MW	% of Demand
	(1)	(2)	(3)	(4)=(1)-(2+(3)	(5)	(6)=(4)-(5)	(7)	(8)		(9)	(10)	(11)=(7)-(8)+Sum(9)+(10)	(12)=(11)-(6)	(13)=[(12)/(6)]*100
2008/09	1,691	1	16	1,706	0	1,706	1,465	121	No New Build	0	0	1,344	(362)	(21.2)
2009/10	1,700	11	15	1,704	0	1,704	1,465	74	No New Build	0	0	1,391	(313)	(18.4)
2010/11	1,703	32	0	1,671	0	1,671	1,465	72	50 MW Wind	7	0	1,400	(271)	(16.2)
2011/12	1,713	43	0	1,670	0	1,670	1,465	67	No New Build	0	0	1,405	(265)	(15.9)
2012/13	1,726	41	0	1,685	0	1,685	1,465	(9)	No New Build	0	0	1,481	(204)	(12.1)

Notes: (a) Based on Nov. 2008 Load Forecast.

(b) Includes expanded DSM.

(c) Includes companies MLR share of:
NCEMC sale, through 2010 (220 MW)

(d) Reflects winter capability assumptions.

(e) Includes companies MLR share of:
Sale of 100 MW to Wolverine through 2009/10

(e) continued
Purchase from Constellation (315 MW), 2009/10 through 2011/12
Contractual share of remaining Mone capacity
MISO Sale of 25 MW in 2009/10
Sale of 22 MW from Tanners Ck. 4 in 2010/11-2013/14
RPM Auction Sales 2008/09-2011/12 (1406 MW, 1390 MW, 1464 MW, 1405 MW ICAP)
3.6 MW capacity credit from SEPA's Philpot Dam via Blue Ridge contract

(f) New wind capacity value is assumed to be 13% of nameplate

KPSC Adm. Case No. 387
Order Dated December 13, 2004
Item No. 5
Exhibit 5-1

AEP SYSTEM - EAST ZONE
Projected Summer Peak Demands, Generating Capabilities, and Margins

Summer Season	Peak Demand - MW: Internal Demand (a)	Peak Demand - MW: Inter-ruptible Demand (b)	Peak Demand - MW: DSM (c)	Peak Demand - MW: Net AEP Internal Demand	Peak Demand - MW: Net Other Committed Sales (d)	Peak Demand - MW: Total AEP Demand	Capacity - MW: Existing Capacity & Planned Changes (e)	Capacity - MW: Committed Net Sales (f)	Capacity - MW: Planned Capacity Additions: Name/ Identifier	Capacity - MW: Planned Capacity Additions: MW (g)	Capacity - MW: Annual Purch.	Capacity - MW: Total Capacity	Reserve Margin: Before interruptible w/ New Capacity: MW	Reserve Margin: Before interruptible w/ New Capacity: % of Demand	Reserve Margin: After Interruptible w/ New Capacity: MW	Reserve Margin: After Interruptible w/ New Capacity: % of Demand	PJM ICAP Position After interruptible w/ New Capacity: Reserve % Required By PJM	PJM ICAP Position After interruptible w/ New Capacity: Net Position MW
	(1)	(2)	(3)	(4)=sum(1 thru 3)	(5)	(6)=(4)+(5)	(7)	(8)	(9)	(10)	(11)	(12)=(7)-(8)+Sum(10)+(11)	(13)=(12)-(6)-(2))	(14)=(13)/((6)-(2))*100	(15)=(12)-(6)	(16)=(15)/(6)*100		
2009	22,467	(615)	(59)	21,793	1,273	23,066	28,198	1,125	200 MW Wind	26	0	27,099	3,418	14.4	4,033	17.5	12.1	1,243
2010	22,735	(615)	(216)	21,904	1,265	23,169	27,712	1,124	250 MW Wind	33	0	26,646	2,862	12.0	3,477	15.0	17.5	(569)
2011	23,028	(615)	(543)	21,870	1,043	22,913	27,712	1,052	200 MW Wind	26	0	26,744	3,216	13.7	3,831	16.7	15.3	328
2012	23,216	(615)	(676)	21,925	1,043	22,968	27,162	(41)	220 MW Wind	29	0	27,316	3,733	15.8	4,348	18.9	16.6	529
2013	23,445	(615)	(624)	22,206	1,043	23,249	27,162	(43)	540 MW D CC & 100 MW Wind.	553	0	27,871	4,007	16.8	4,622	19.9	15.8	957

Notes:

(a) Based on Nov. 2008 Load Forecast (not coincident with PJM's peak).

(b) Load forecasting view of Interruptible Demand.

(c) Includes expanded DSM.

(d) Includes:
Buckeye-Cardinal commitment
NCEMC sale, through 2010 (220 MW)

(e) Reflects the following summer capability assumptions:
AEP PPR share of OVEC capacity: 951 MW (Summer)
Hydro plants, including Summersville, are rated at average August output.
FGD DERATES:
2009: Amos 3: 35 MW; Kyger Creek 4-5: 3 MW each; Conesville 4: 4 MW
2010: Amos 1: 22 MW; Cardinal 3: 10 MW; Clifty Creek 1-6: 2 MW each;
2010 continued Kyger Creek 1-3: 3 MW each
2011: Amos 2: 22 MW

EFFICIENCY IMPROVEMENTS:
2009: 59 MW
2010: 12 MW
2011: 22 MW
2012: 10 MW

(e) continued
ASSUMED RETIREMENTS FOR PLANNING PURPOSES:
2010: 440 MW
2012: 560 MW

(f) Includes: CPL unit power sale of 250 MW through 2009
Purchase to cover CSP's former Monongahela Power load in 2009
Purchase from Constellation (315 MW), 2009 through 2011
Contractual share of remaining Mone capacity
MISO Sale of 25 MW in 2009
Sale of 22 MW from Tanners Ck. 4 in 2010-2014
RPM Auction Sales 2009-2011 (1390 MW , 1464 MW, 1405 MW ICAP)
3.6 MW capacity credit from SEPA's Philpot Dam via Blue Ridge contract

(g) New wind capacity value is assumed to be 13% of nameplate.

Kentucky Power Company

REQUEST

A list that identifies scheduled outages or retirements of generating capacity during the current year and the following four years.

RESPONSE

Listed below is the outages scheduled for Big Sandy units as of this date.

YEAR	UNIT 1	UNIT 2
2009	Less than 4 weeks	Less than 4 weeks
2010	More than 4 weeks	Less than 4 weeks
2011	Less than 4 weeks	More than 4 weeks
2012	Less than 4 weeks	Less than 4 weeks
2013	Less than 4 weeks	More than 4 weeks

There is no retirement of generating capacity planned for the current year or following four years.

WITNESS: Errol K Wagner

Kentucky Power Company

REQUEST

Identify all planned base load or peaking capacity additions to meet native load requirements over the next 10 years. Show the expected in-service date, size and site for all planned additions. Include additions planned by the utility, as well as those by affiliates, if constructed in Kentucky or intended to meet load in Kentucky. Please provide the information for both Kentucky Power Company individually and the AEP-East Power Pool (pursuant to the Commission's December 13, 2004 Order in the Rockport UPSA extension, Case No. 2004-00420).

RESPONSE

At the present time, AEP is evaluating a mix of generation resources to meet its projected capacity needs through 2019. Although the precise timing, mix of technology, location and size of such additions remain under review, for planning and projection purposes, System expansion plan includes these additions:

Date	Size, MW	Type	Site
2009	200	wind purchase	Indiana
late 2009	100	wind purchase	West Virginia
late 2009	150	wind purchase	Indiana
late 2010	100	wind purchase	Illinois
late 2010	100	wind purchase	unknown
late 2011	220	wind purchase	unknown
2013	540	combined cycle	Dresden, O.
2013	100	wind purchase	unknown
2014	400	wind purchase	unknown
2015	490	combined cycle	unknown
2015	3 x 159	combustion turbines	unknown
2016	500	wind purchase	unknown
2017	623	IGCC	unknown
2017	300	wind purchase	unknown
2018	400	wind purchase	unknown

WITNESS: Errol K Wagner

Kentucky Power Company

REQUEST

The following transmission energy data for the just completed calendar year and the forecast for the current year and the following four years:

a. Total energy received from all interconnections and generation sources connected to the transmission system.

b. Total energy delivered to all interconnections on the transmission system

RESPONSE

Please see Page 2 of this response.

WITNESS: Errol K. Wagner

8(a) All quantities represent metered values.

Received from (MWh):	2003 (Actual)	2004 (Actual)	2005 (Actual)	2006 (Actual)	2007 (Actual)	2008 (Actual)	2009
Appalachian Power (1)	11,353,842	11,066,166	11,871,456	9,485,862	7,280,995	7,826,055	(4)
Ohio Power (1)	8,224,235	9,766,209	8,687,031	9,470,141	7,782,679	8,832,135	(4)
East Ky Power Coop	277,577	279,973	362,963	398,269	324,865	402,847	(4)
LGE(Kentucky Utilities)	91,767	95,146	137,523	330,912	600,592	810,871	(4)
TVA	585,205	700,836	649,374	501,071	390,216	448,365	(4)
Illinois Power Co. (2)	8,866	0	34,647	13,555	38,216	33,190	(5)
Illinois Power Co. (3)	10,190	752	30,508	11,908	24,485	23,629	(5)
Big Sandy Generating Plant	6,170,931	6,550,509	7,345,624	7,171,505	7,533,223	6,021,182	5,851,000

8(b) All quantities represent metered values.

Delivered to (MWh) :	2003	2004	2005	2006	2007	2008	
Appalachian Power (1)	18,721,045	20,152,403	20,485,009	18,982,168	15,501,979	15,917,326	(4)
Ohio Power (1)	235,326	205,829	303,310	215,747	257,462	360,333	(4)
East Ky Power Coop	275,826	314,621	263,853	218,005	277,818	213,189	(4)
LGE(Kentucky Utilities)	1,268	1,205	476	97	370	14	(4)
TVA	13	116	86	70	6,050	62	(4)
Illinois Power Co. (2)	0	1,267	0	0	0	0	(5)
Illinois Power Co. (3)	0	308	0	0	0	0	(5)
Vanceburg and Olive Hill				98,517	101,705	101,657	(6)

Notes: (1) An AEP System company.
(2) At the Riverside independent power producing plant (IPP) in Lawrence County, KY.
(3) At the Foothills independent power producing plant (IPP) in Lawrence County, KY.
(4) The Company does not forecast metered interchange; however, the future years' energy flows are not expected to be materially different from the year 2006 actuals.
(5) The Company does not, and can not, forecast energy production output from an IPP.
(6) This is a 3rd Party Firm Load that is served by Kentucky Power

Kentucky Power Company

REQUEST

The following transmission energy data for the just completed calendar year and the forecast for the current year and the following four years.

c. Peak load capacity of the transmission system.

d. Peak demand for summer and winter seasons on the transmission system.

RESPONSE

8c. The maximum amount of electric energy that can be transmitted through a transmission network is a function of the level of the load and generation connected to the transmission system as well as the level and direction of transmission service into, out of, and through the network. Therefore the 'Peak Load Capacity' of the transmission system cannot be quantified as a single value.

The Kentucky Power transmission system capacity is designed to serve the existing and projected load. It is also designed to reliably serve the load for any single contingency outage of a line, transformer or generator. The existing transmission system together with the capacity additions listed in response to Question 9 will provide adequate capacity to serve the existing and projected loads shown in the table below.

8d. The actual summer and winter peak demands for 2008 and the forecasted summer and winter peak demands for 2009 through 2013 are noted in the table below.

Kentucky Power Company		
Seasonal Peak Demand		
Actual 2008 and Forecast 2009-2013		
Year	Summer	Preceding Winter
	Peak Demand	Peak Demand
	(MW)	(MW)
2008	1249	1678
2009	1365	1690
2010	1378	1699
2011	1386	1701
2012	1396	1711
2013	1408	1724

WITNESS: Errol K Wagner

Kentucky Power Company

REQUEST

Identify all planned transmission capacity additions for the next 10 years. Include the expected in-service date, size and site for all planned additions and identify the transmission need each addition is intended to address.

RESPONSE

The following projects are planned for the Kentucky Power Company transmission system:

- Coalton Area Network Improvement - Tap the Chadwick-KES 138 kV circuit and install a new 138/69 kV 200 MVA transformer at the Coalton station. This project will alleviate thermal overload and heavy loading conditions, improve reliability, and provide margin for future growth in the South Neal-Coalton-Bellefonte area. Current projected in service date is 2012.

- Thelma-Paintsville Area Project - Add a 138/69 kV, 90 MVA transformer at Thelma Station and construct 1.8 miles of 69 kV line from West Paintsville Station to Paintsville Station. Convert Thelma-Paintsville 46 kV line to 69 kV to close the 69 kV loop. This project will provide single contingency reliability to the Paintsville area. Current projected in service date is December 2012-2013.

- Hazard Area Improvements Project – This project will provide another 138 kV source into the Hazard area of eastern Kentucky. Station and line work will be required. This project will provide single contingency reliability to the Hazard area subtransmission system and double contingency reliability to the area 138 kV system. Current projected in service date is 2013-2015.

Note: The current recession has reduced the availability of capital dollars for investment by KPCo. In response, the service dates for these projects have been adjusted to reflect the revised forecast plans.

WITNESS: Errol K Wagner