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January 8, 2010

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PUBLIC SERVICE
COMMISSION

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Jeff R. Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602-0615

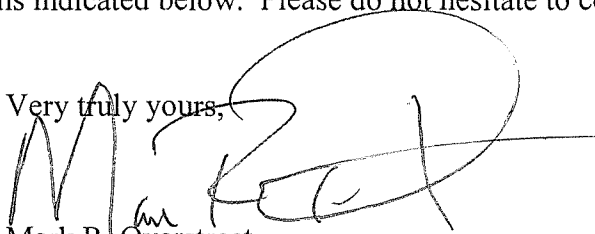
RE: P.S.C. Case No. 2009-00339 (Kentucky Power 2009 I.R.P.)

Dear Mr. Derouen:

Enclosed please find and accept for filing the original and ten copies of Kentucky Power Company's responses to Staff's Supplemental Data Requests dated December 18, 2009.

Copies are being served on the persons indicated below. Please do not hesitate to contact me if you have any questions.

Very truly yours,


Mark R. Overstreet

cc: Michael L. Kurtz
John Davies

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JAN 08 2010

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE
PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF

**2009 INTEGRATED RESOURCE PLAN OF
KENTUCKY POWER COMPANY**

)
)

**CASE NO.
2009-00339**

KENTUCKY POWER COMPANY


RESPONSES TO COMMISSION STAFF SUPPLEMENT DATA REQUESTS

January 8, 2010

VERIFICATION

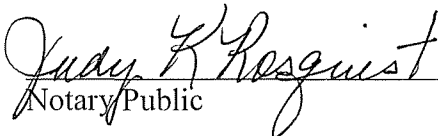
COMMONWEALTH OF KENTUCKY)
COUNTY OF FRANKLIN) CASE NO. 2009-00339

The undersigned, **Errol Wagner**, being duly sworn, states he is the Director of Regulatory Services for Kentucky Power Company, that he has personal knowledge of the matters set forth in the Data Responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.



ERROL K. WAGNER

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 8th day of January 2010.

 (SEAL)

Notary Public

My Commission Expires:
January 23, 2013

Kentucky Power Company

REQUEST

Refer to the response to Item 1.a. of Commission Staff's November 13, 2009 data request ("Staff's First Request"), which states that Kentucky Power anticipates filing demand response programs, including air conditioning and hot water heating direct load control programs, in February of 2010.

- a. The phrasing of the response implies that programs other than the two specifically identified will also be filed in February of 2010. Identify any other new programs Kentucky Power anticipates filing at that time.

- b. The other three jurisdictional investor-owned electric utilities already have air conditioning and water heating direct load control programs in effect. Describe (1) the extent to which Kentucky Power is familiar with the programs of Duke Energy Kentucky, Inc., Kentucky Utilities Company, and Louisville Gas and Electric Company and (2) the extent the programs it anticipates filing next year are patterned after any other [of] those companies' programs.

RESPONSE

- a. In addition to the demand response program targeting air conditioning and hot water heating, the Company, with Collaborative approval, plans on filing the following new programs: Residential and Small Commercial HVAC Tune - Up Program, Commercial Incentive Program, Small Commercial High Efficiency Heat Pump / Air Conditioning Program and Residential Efficient Products Program.

- b. (1) The Company is familiar with the programs of Kentucky Utilities Company and the Louisville Gas and Electric Company and unfamiliar with the program of Duke Energy Kentucky, Inc. KPCo is also familiar with the air conditioning and water heating direct load control programs of East Kentucky Power Cooperative.

(2) Kentucky Power is in the final stages of the Residential and Commercial Load Management Program. Kentucky Power's demand response program is patterned after the Kentucky Utilities, Louisville Gas and Electric and East Kentucky Power Cooperative demand response programs. However, Kentucky Power's unique operating characteristics (such as the final number of control days per year, the saturation percentage, the incentive for each switch option and the incentive associated with the programmable thermostat option) all have yet to be finalized.

WITNESS: Errol K Wagner

Kentucky Power Company

REQUEST

Refer to the response to Item No. 2 of Staff's First Request, which states that Kentucky Power does not anticipate being involved in non-utility generation projects other than those identified in its Integrated Resource Plan ("IRP") during the next two years. Explain whether Kentucky Power expects to be involved, as a transmission service provider, with any non-utility/merchant generators during that time period.

RESPONSE

PJM serves as the Transmission Service Provider for the AEP Transmission System for the AEP East Zone, and also administers the Generator Interconnection Process, as governed by the PJM Open Access Transmission Tariff. AEP is currently aware of three (3) merchant generation projects, located in Kentucky, which have requested connection to AEP-owned transmission facilities. They are:

PJM Queue position R44: A 485 MW IGCC facility in Henderson County, which has requested connection to the Rockport 765 kV station in Southern Indiana. The requested in-service date is in 2014.

PJM Queue position U2-080: A 134 MW waste heat facility in Greenup County, which has requested connection to the Millbrook Park-Argentum 138 kV line. The requested in-service date is in 2011.

PJM Queue position V3-055: A 50 MW biomass facility in Perry County, which has requested connection to the Engle 69 kV substation. The requested in-service date is 2013.

The likelihood of each of these facilities being constructed is unknown at this time.

WITNESS: Errol K Wagner

Kentucky Power Company

REQUEST

Refer the response to Item No. 4.a. of Staff's First Request. It appears that the date of the final report is November 20, 2008. Explain whether Kentucky Power expects to have results from the Indiana programs available as it develops its expanded demand-side management, energy efficiency and demand response programs.

RESPONSE

Programs filed and awaiting approval in Indiana for 2010 implementation include the C&I Incentives, C&I Rebates, Residential Whole House, Residential Rebates, Residential Appliance Recycling and Residential Low and Moderate Income. Because of the lengthy process to get programs approved in the Indiana jurisdiction, results from these programs will be limited during the time Kentucky Power is developing its expanded programs. However, Kentucky Power will be able to draw on the experience and results of other AEP affiliates with active programs, notably in Ohio, Texas, Arkansas, and Oklahoma.

WITNESS: Errol K Wagner

Kentucky Power Company

REQUEST

Refer to the response to Item No. 4.b. of Staff's First Requests. Explain why the demand response programs on pages 4-9 of the final report were not depicted in Exhibit 3.3 of Kentucky Power's IRP.

RESPONSE

The program costs were presented on a \$/MWh basis, and the demand response programs are assumed to have no energy conservation effect, the demand response programs have an "infinite" cost for each MWh conserved and cannot be depicted on the figure. When evaluating the demand response assets, their costs were compared to the energy and demand (capacity) savings they effected.

WITNESS: Errol K Wagner