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October 12, 2009

Mark R. Overstreet  
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**HAND DELIVERED**

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

**Re: Case No. 2009-00235**

Dear Mr. Derouen:

Enclosed please find and accept for filing the original and seven copies of Kentucky Power Company's Responses to the Commission Staff's First Set of Data Requests in this matter.

By copy of this letter, the Responses also are being served on counsel for Kentucky Industrial Utility Customers, Inc. and the Office of the Attorney General .

Please do not hesitate to contact me if you have any questions.

Sincerely,

STITES & HARBISON, PLLC

  
Mark R. Overstreet

cc: Michael L. Kurtz  
Dennis G. Howard, II

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE**  
**PUBLIC SERVICE COMMISSION OF KENTUCKY**

**IN THE MATTER OF**

**APPLICATION OF KENTUCKY POWER            )**  
**COMPANY FOR AN ORDER APPROVING    )**  
**ACCOUNTING PRACTICES TO ESTABLISH )**  
**REGULATORY ASSETS AND LIABILITIES )Case No. 2009-00352**  
**RELATED TO THE EXTRAORDINARY        )**  
**EXPENSES INCURRED BY KENTUCKY        )**  
**POWER COMPANY IN CONNECTION WITH )**  
**THREE MAJOR EVENT STORMS IN 2009    )**

**KENTUCKY POWER COMPANY**  
**RESPONSES TO COMMISSION STAFF'S FIRST SET OF DATA REQUESTS**

**October 12, 2009**





## **Kentucky Power Company**

### **REQUEST**

Refer to Section 6 of Kentucky Power's Application. Kentucky Power has classified three storms as major events under IEEE Standard 1366. As stated by Kentucky Power, a major event is defined as any day in which their System Average Interruption Duration Index exceeds the threshold value of T<sub>med</sub>.

- a. What is Kentucky Power's T<sub>med</sub> value? Did each day indicated in the time periods for each major event cited exceed Kentucky Power's value?
- b. Is Kentucky Power aware of any other utilities that use this classification to determine major events?

### **RESPONSE**

a. The T<sub>med</sub> threshold value for the calendar year of 2009 is calculated from the reliability data for the previous 5 years (2004 through 2008). The threshold value for 2009 is 4,235,276 customer minutes of interruption for all outages occurring on a single day. This value is used for the entire calendar year.

Once this threshold value is exceeded, a major event is declared. The duration of the major event is the period required to restore service to each customer who lost service on the date(s) qualifying as a Major Event.. Below are the customer minutes of interruption for outages starting on each day of our 3 major events in 2009.

b. Kentucky Power Company as well as all other AEP operating companies use the IEEE Standard 1366 to determine major events.

**WITNESS:** Errol K Wagner

**Kentucky Power Company**

<b>January 27, 2009 Ice Storm</b>	
1/27/2009	73,172,624
1/28/2009	32,088,913
1/29/2009	580,943
1/30/2009	285,773
1/31/2009	358,006
2/1/2009	422,481
2/2/2009	211,232
2/3/2009	80,162
2/4/2009	142,063

<b>February 11, 2009 Wind Storm</b>	
2/11/2009	67,768,360
2/12/2009	915,367
2/13/2009	106,996
2/14/2009	58,522
2/15/2009	48,489
2/16/2009	44,267

<b>May 8, 2009 Thunder Storm</b>	
5/8/2009	24,281,774
5/9/2009	13,274,934
5/10/2009	134,735
5/11/2009	73,305
5/12/2009	44,913



**Kentucky Power Company**

**REQUEST**

Refer to Sections 13, 18 and 22 of Kentucky Power's Application. Kentucky Power provides the number of contract persons used to restore the system for each major event identified in the Application. Provide the total number of Kentucky Power employees that were utilized in the restoration efforts, by department, for each major event.

**RESPONSE**

The number of Kentucky Power employees that were utilized in the restoration efforts, by department, for each major event as shown on the attached Page 2 of 2.

**WITNESS:** Errol K Wagner



**Kentucky Power Company**

<b>January 27, 2009 Ice Storm</b>	
Ashland District Line	36
Ashland District Support	23
Hazard District Line	31
Hazard District Support	13
Pikeville District Line	42
Pikeville District Support	34
Central Groups Support	63
Total	242

<b>February 11, 2009 Wind Storm</b>	
Ashland District Line	33
Ashland District Support	17
Hazard District Line	31
Hazard District Support	25
Pikeville District Line	41
Pikeville District Support	31
Central Groups Support	67
Total	245

<b>May 8, 2009 Thunder Storm</b>	
Ashland District Line	7
Ashland District Support	5
Hazard District Line	31
Hazard District Support	24
Pikeville District Line	39
Pikeville District Support	24
Central Groups Support	39
Total	169



**Kentucky Power Company**

**REQUEST**

Refer to Section 27 of Kentucky Power's Application.

- a. There is no deduction from Total Expenses Recorded of any property and casualty insurance proceeds. Does Kentucky Power maintain property and casualty insurance on its distribution and transmission systems? If yes, provide the amount of proceeds it can expect to receive for the storm damage.
- b. If no, explain why Kentucky Power does not carry property and casualty insurance and the most recent quotes for such insurance.
- c. The calculation of Total Expense Recorded contains an amount for Estimated Billings Yet to be Recorded of \$2,004,935. What is Kentucky Power's expectation of when the final actual costs related to the three major events cited will be known?
- d. Explain why the Storm Expense Currently In Base Rates is being subtracted from the storm costs.

**RESPONSE**

- a. Yes. The Company purchases property and casualty insurance for its substations and generating stations and for all transmission and distribution facilities within 1,000 ft. of these stations and substations. Kentucky Power did not reflect any insurance proceeds because the covered damage did not exceed the Company's deductible.
- b. The purchase of additional insurance covering such facilities has not been cost effective for the Company due to high rates, high deductibles and modest limits of liability.
- c. The Company believes all actual costs have been booked as of September 30, 2009. Please see the Company response to Item No. 5 for the final updated costs.
- d. In its last application to adjust its rates, Kentucky Power included \$2.117 million for storm-related expenses in its test year. Although the case was settled for less than the total requested amount, the Company believes that the test year amount is reasonable. This amount is "built-in" existing rates, and any deferral of extraordinary expenses should be net of this amount.

**WITNESS:** Errol K Wagner



**Kentucky Power Company**

**REQUEST**

Refer to Section 32 of Kentucky Power's Application. Kentucky Power states that it is requesting relief from the Commission by December 31, 2009 in order to maintain accurate financial statements. Provide the date by which Kentucky Power will close its books for the calendar year 2009.

**RESPONSE**

Kentucky Power plans to close its books for the calendar year 2009 on January 11, 2010.

**WITNESS:** Errol K Wagner



**Kentucky Power Company**

**REQUEST**

Refer to Exhibit I of Kentucky Power's Application.

- a. The schedules in Exhibit 1 provide year-to-date costs through July, 2009. Provide an update of actual costs and estimated costs through the most recent date for which the information is available as of the due date for the response to this request.
- b. Provide the location in Exhibit I of costs to house and feed crews working to restore service and include a detailed breakdown of these costs. If these costs are not included in the Application, explain why they are not included.
- c. Provide a detailed breakdown of the Other Costs Category-Employee/Contractor Expense for all the three major event storms.

**RESPONSE**

a. Upon reviewing the filed Exhibit 1, it was determined that we overstated the expected capital portion of the total storm restoration costs and under estimated total O&M costs. The net result was to overstate the overall total cost of the three storms. An updated Exhibit 1 through September, 2009 is shown on pages 2 through 14 of this response. This updated Exhibit revises our O&M expense deferral request to \$10,306,227 as shown on page 2 of this response. (The Company reported \$9,813,278 in the original filing.). The revised Capital expenditures are \$4,527,992. (The Company reported \$7,084,839 in the original filing.) The revised total cost of all three storms is \$18,922,728 compared to \$20,739,943 as originally filed.

b. All costs to house and feed crews are shown in the "Other Costs Category - Employee/Contractor Expenses. The breakdown by storm is as follows:

<u>Ice</u>	<u>Wind</u>	<u>Thunder</u>
Housing - \$ 210,253	\$ 92,582	\$ 33,781
Meals - \$ 88,822	\$ 50,853	\$ 18,501
Other - <u>\$ 4,467</u>	<u>\$ 5,325</u>	<u>\$ 203</u>
Total - \$ 303,542	\$148,760	\$ 52,485

c. Please see response to b above.

**WITNESS:** Ranie K Wohnhas

**KENTUCKY POWER COMPANY  
2009 MAJOR STORMS  
EXPENSE DEFERRAL REQUEST  
YTD SEPTEMBER**

Exhibit 1  
Page 1 of 13

<u>Major Storms</u>	<u>Source</u>	<u>Incremental O&amp;M</u>
ICE STORM	Exhibit 1; Page 5 of 13	\$ 7,678,410
WIND STORM	Exhibit 1; Page 9 of 13	\$ 3,405,215
THUNDER STORM	Exhibit 1; Page 13 of 13	<u>\$ 1,339,469</u>
TOTAL MAJOR STORMS 2009		\$ 12,423,094
BASE CASE STORM EXPENSE	Exhibit 2; Page 1 of 1	<u>\$ 2,116,867</u>
MAJOR STORM DEFERRAL REQUEST		<u><u>\$ 10,306,227</u></u>



Kentucky Power Company  
 2009 Ice Storm  
 Detailed Restoration Costs - Total  
 YTD September

		A	B	C	D	A+B+C+D	
		Capitalized	Accumulated	Expensed	Deferred	Total Cost	
		(Capital)	(Removal)	(O&M)	Asset	to Restore	
<b>In House Costs</b>	Regular Time	Dollars	\$ 56,380	\$ 13,495	\$ 226,983	\$ -	\$ 296,858
		Hours	1,749.6	482.2	7,047.0	0.0	9,278.8
	Overtime	Dollars	\$ 157,131	\$ 36,910	\$ 557,959	\$ -	\$ 752,000
		Hours	4,874.0	1,130.4	17,088.8	0.0	23,093.2
	Salary & Wage Overheads	ST Fringes	\$ 22,592	\$ 5,437	\$ 11,588	\$ -	\$ 39,617
		OT Fringes	\$ 18,691	\$ 4,391	\$ 9,826	\$ -	\$ 32,908
		Other Labor Fringes	\$ 1,089	\$ 252	\$ 311	\$ -	\$ 1,652
		Incentives	\$ 7,574	\$ 1,733	\$ 27,065	\$ -	\$ 36,372
		Construction/Retirement	\$ 206,857	\$ 43,992	\$ -	\$ -	\$ 250,849
		All Other Overheads	\$ 12,975	\$ 2,778	\$ 267,232	\$ -	\$ 282,985
<b>Total Salary &amp; Wages</b>		<b>\$ 483,289</b>	<b>\$ 108,988</b>	<b>\$ 1,100,964</b>	<b>\$ -</b>	<b>\$ 1,693,241</b>	
<b>Transportation</b>	Fleet	\$ 41,193	\$ 9,134	\$ 149,160	\$ -	\$ 199,487	
	<b>Total Transportation</b>	<b>\$ 41,193</b>	<b>\$ 9,134</b>	<b>\$ 149,160</b>	<b>\$ -</b>	<b>\$ 199,487</b>	
<b>Other Cost Category</b>	Cell Phone	\$ 1,694	\$ 375	\$ 10,461	\$ -	\$ 12,530	
	External Communications	\$ -	\$ -	\$ 8,036	\$ -	\$ 8,036	
	Employee/Contractor Exps	\$ 56,179	\$ 13,858	\$ 233,505	\$ -	\$ 303,542	
<b>Total Other Cost Category</b>		<b>\$ 57,873</b>	<b>\$ 14,233</b>	<b>\$ 252,002</b>	<b>\$ -</b>	<b>\$ 324,108</b>	
<b>Materials &amp; Supplies</b>	Towers, Poles, & Fixtures	Poles	\$ 72,070	\$ -	\$ -	\$ -	\$ 72,070
		Cross arms	\$ 6,903	\$ -	\$ -	\$ -	\$ 6,903
	Overhead Conductors & Devices	Wire	\$ 93,640	\$ -	\$ -	\$ -	\$ 93,640
		Cutouts	\$ 15,220	\$ -	\$ -	\$ -	\$ 15,220
		Splices	\$ 23,073	\$ -	\$ -	\$ -	\$ 23,073
		Other	\$ 56,804	\$ (5,761)	\$ 12,548	\$ -	\$ 63,591
	Line Transformers		\$ 105,460	\$ (4,704)	\$ -	\$ -	\$ 100,756
	Services		\$ -	\$ -	\$ -	\$ -	\$ -
	Meters		\$ -	\$ -	\$ -	\$ -	\$ -
	Lighting & Signal Systems		\$ -	\$ -	\$ -	\$ -	\$ -
	Other		\$ 54,999	\$ (2,083)	\$ 20,214	\$ -	\$ 73,130
	<b>Total Materials</b>		<b>\$ 428,169</b>	<b>\$ (12,548)</b>	<b>\$ 32,762</b>	<b>\$ -</b>	<b>\$ 448,383</b>
	Cost of Providing Temporary Electric Svc		\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL IN HOUSE COSTS</b>		<b>\$ 1,010,524</b>	<b>\$ 119,807</b>	<b>\$ 1,534,888</b>	<b>\$ -</b>	<b>\$ 2,665,219</b>	

Kentucky Power Company  
 2009 Ice Storm  
 Detailed Restoration Costs - Total  
 YTD September

		<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>A+B+C+D</b>
		<b>Capitalized</b>	<b>Accumulated</b>	<b>Expensed</b>	<b>Deferred</b>	<b>A+B+C+D</b>
		<b>(Capital)</b>	<b>(Removal)</b>	<b>(O&amp;M)</b>	<b>Asset</b>	<b>Total Cost</b>
						<b>to Restore</b>
<b>Outside Contracted Services</b>						
Asplundh Tree Expert	Dollars	\$ -	\$ -	\$ 1,413,897	\$ -	\$ 1,413,897
	Hours	0.0	0.0	39,936.0	0.0	39,936.0
ACRT Inc.	Dollars	\$ 694	\$ 131	\$ 4,211	\$ -	\$ 5,036
	Hours	0.0	0.0	0.0	0.0	0.0
Area Wide Protective	Dollars	\$ 14,329	\$ 2,709	\$ 87,016	\$ -	\$ 104,054
	Hours	0.0	0.0	0.0	0.0	0.0
BFD Power Services Inc.	Dollars	\$ 159,732	\$ 30,195	\$ 969,971	\$ -	\$ 1,159,898
	Hours	987.1	186.6	5,994.3	0.0	7,168.0
Consumer's Energy (EST)	Dollars	\$ 197,909	\$ 37,412	\$ 1,201,800	\$ -	\$ 1,437,121
	Hours	925.4	174.9	5,619.6	0.0	6,720.0
Davis H. Elliot	Dollars	\$ 110,571	\$ 20,902	\$ 671,441	\$ -	\$ 802,914
	Hours	1,374.9	259.9	8,349.2	0.0	9,984.0
Hydaker Wheatlake Co.	Dollars	\$ 262,734	\$ 49,666	\$ 1,595,452	\$ -	\$ 1,907,852
	Hours	1,894.9	358.2	11,506.9	0.0	13,760.0
Lee Electrical Construction	Dollars	\$ 5,449	\$ 1,030	\$ 33,087	\$ -	\$ 39,566
	Hours	66.1	12.5	401.4	0.0	480.0
Mastec North America Inc	Dollars	\$ 6,780	\$ 1,282	\$ 41,170	\$ -	\$ 49,231
	Hours	105.8	20.0	642.2	0.0	768.0
Midwest Electric	Dollars	\$ 71,916	\$ 13,595	\$ 436,709	\$ -	\$ 522,220
	Hours	581.7	110.0	3,532.3	0.0	4,224.0
New River Electrical Corp	Dollars	\$ 10,331	\$ 1,953	\$ 62,735	\$ -	\$ 75,019
	Hours	37.5	7.1	227.5	0.0	272.0
Pike Electric Inc	Dollars	\$ 81,797	\$ 15,462	\$ 496,710	\$ -	\$ 593,969
	Hours	1,059.8	200.3	6,435.8	0.0	7,696.0
C.W. Wright Construction	Dollars	\$ 19,477	\$ 3,682	\$ 118,276	\$ -	\$ 141,435
	Hours	138.8	26.2	842.9	0.0	1,008.0
Other Contractors (i.e. excavating, environmental)	Dollars	\$ 33,654	\$ 6,362	\$ 204,366	\$ -	\$ 244,382
<b>TOTAL OUTSIDE CONTRACTED SERVICES</b>	Dollars	<b>\$ 975,373</b>	<b>\$ 184,380</b>	<b>\$ 7,336,841</b>	<b>\$ -</b>	<b>\$ 8,496,594</b>
	Hours	<b>7,172.0</b>	<b>1,355.8</b>	<b>83,488.1</b>	<b>0.0</b>	<b>92,015.9</b>
<b>Recorded Restoration Costs</b>		<b>\$ 1,985,897</b>	<b>\$ 304,187</b>	<b>\$ 8,871,729</b>	<b>\$ -</b>	<b>\$ 11,161,813</b>
<b>Estimated Cost Yet To Be Recorded</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Restoration Costs</b>		<b>\$ 1,985,897</b>	<b>\$ 304,187</b>	<b>\$ 8,871,729</b>	<b>\$ -</b>	<b>\$ 11,161,813</b>

Kentucky Power Company  
 2009 Ice Storm  
 Detailed Restoration Costs - O&M  
 YTD September

		<b>A</b>		<b>B</b>		<b>C</b>	
		<b>Expensed Total (O&amp;M)</b>		<b>Expensed Incremental (O&amp;M)</b>		<b>Expensed Non-Incremental (O&amp;M)</b>	
<b>In House Costs</b>	Regular Time	Dollars	\$ 226,983	\$ -	\$ -	\$ 226,983	
	Salary & Wages	Hours	7,047.0	0.0		7,047.0	
	Overtime	Dollars	\$ 557,959	\$ 557,959	\$ -	-	
		Hours	17,088.8	17,088.8		0.0	
	Salary & Wage	ST Fringes	\$ 11,588	\$ -	\$ -	\$ 11,588	
	Overheads	OT Fringes	\$ 9,826	\$ 9,826	\$ -	-	
		Other Labor Fringes	\$ 311	\$ -	\$ -	\$ 311	
		Incentives	\$ 27,065	\$ -	\$ -	\$ 27,065	
		Construction/Retirement	\$ -	\$ -	\$ -	-	
		All Other Overheads	\$ 267,232	\$ -	\$ -	\$ 267,232	
	<b>Total Salary &amp; Wages</b>		<b>\$ 1,100,964</b>	<b>\$ 567,785</b>	<b>\$ 533,179</b>		
	<b>Transportation</b>	Fleet	\$ 149,160	\$ 4,047	\$ -	\$ 145,113	
	<b>Total Transportation</b>		<b>\$ 149,160</b>	<b>\$ 4,047</b>	<b>\$ 145,113</b>		
	<b>Other Cost Category</b>	Cell Phone	\$ 10,461	\$ -	\$ -	\$ 10,461	
		External Communications	\$ 8,036	\$ 8,036	\$ -	-	
		Employee/Contractor Exps	\$ 233,505	\$ 233,505	\$ -	-	
	<b>Total Other Cost Category</b>		<b>\$ 252,002</b>	<b>\$ 241,541</b>	<b>\$ 10,461</b>		
	<b>Materials &amp; Supplies</b>	Towers, Poles, & Fixtures	Poles	\$ -	\$ -	\$ -	-
			Cross arms	\$ -	\$ -	\$ -	-
				-		-	
		Overhead Conductors & Devices	Wire	\$ -	\$ -	\$ -	-
			Cutouts	\$ -	\$ -	\$ -	-
			Splices	\$ -	\$ -	\$ -	-
			Other	\$ 12,548	\$ 12,548	\$ -	-
		Line Transformers		\$ -	\$ -	\$ -	-
		Services		\$ -	\$ -	\$ -	-
		Meters		\$ -	\$ -	\$ -	-
		Lighting & Signal Systems		\$ -	\$ -	\$ -	-
		Other		\$ 20,214	\$ 20,214	\$ -	-
	<b>Total Materials</b>		<b>\$ 32,762</b>	<b>\$ 32,762</b>	<b>\$ -</b>		
	<b>Cost of Providing Temporary Electric Svc</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		
	<b>TOTAL IN HOUSE COSTS</b>		<b>\$ 1,534,888</b>	<b>\$ 846,135</b>	<b>\$ 688,753</b>		

Kentucky Power Company  
2009 Ice Storm  
Detailed Restoration Costs - O&M  
YTD September

		<b>A</b>			<b>B</b>			<b>C</b>
		<b>Expensed Total (O&amp;M)</b>			<b>Expensed Incremental (O&amp;M)</b>			<b>Expensed Non-Incremental (O&amp;M)</b>
<b>Outside Contracted Services</b>								
Asplundh Tree Expert	Dollars	\$ 1,413,897	\$	1,120,043	\$	293,854		
	Hours	39,936.0		31,636.0		8,300.0		
ACRT Inc.	Dollars	\$ 4,211	\$	4,211	\$	-		
	Hours	0.0		0.0		0.0		
Area Wide Protective	Dollars	\$ 87,016	\$	87,016	\$	-		
	Hours	0.0		0.0		0.0		
BFD Power Services Inc.	Dollars	\$ 969,971	\$	969,971	\$	-		
	Hours	5,994.3		5,994.3		0.0		
Consumer's Energy	Dollars	\$ 1,201,800	\$	1,201,800	\$	-		
	Hours	5,619.6		5,619.6		0.0		
Davis H. Elliot	Dollars	\$ 671,441	\$	460,729	\$	210,712		
	Hours	8,349.2		5,729.0		2,620.2		
Hydaker Wheatlake Co.	Dollars	\$ 1,595,452	\$	1,595,452	\$	-		
	Hours	11,506.9		11,506.9		0.0		
Lee Electrical Construction	Dollars	\$ 33,087	\$	33,087	\$	-		
	Hours	401.4		401.4		0.0		
Mastec North America Inc	Dollars	\$ 41,170	\$	41,170	\$	-		
	Hours	642.2		642.2		0.0		
Midwest Electric	Dollars	\$ 436,709	\$	436,709	\$	-		
	Hours	3,532.3		3,532.3		0.0		
New River Electrical Corp	Dollars	\$ 62,735	\$	62,735	\$	-		
	Hours	227.5		227.5		0.0		
Pike Electric Inc	Dollars	\$ 496,710	\$	496,710	\$	-		
	Hours	6,435.8		6,435.8		0.0		
C.W. Wright Construction	Dollars	\$ 118,276	\$	118,276	\$	-		
	Hours	842.9		842.9		0.0		
Other Contractors (i.e. excavating, environmental)	Dollars	\$ 204,366	\$	204,366	\$	-		
<b>TOTAL OUTSIDE CONTRACTED SERVICES</b>		Dollars	\$	<b>7,336,841</b>	\$	<b>6,832,275</b>	\$	<b>504,566</b>
		Hours		<b>83,488.1</b>		<b>72,567.9</b>		<b>10,920.2</b>
<b>Recorded Restoration Costs</b>			\$	<b>8,871,729</b>	\$	<b>7,678,410</b>	\$	<b>1,193,319</b>
<b>Estimated Cost Yet To Be Recorded</b>			\$	<b>-</b>	\$	<b>-</b>	\$	<b>-</b>
<b>Total Restoration Costs</b>			\$	<b>8,871,729</b>	\$	<b>7,678,410</b>	\$	<b>1,193,319</b>

Kentucky Power Company  
 2009 Wind Storm  
 Detailed Restoration Costs - Total  
 YTD September

		A	B	C	D	A+B+C+D	
		Capitalized	Accumulated	Expensed	Deferred	Total Cost	
		(Capital)	(Removal)	(O&M)	Asset	to Restore	
<b>In House Costs</b>	Regular Time	Dollars	\$ 16,457	\$ 7,527	\$ 132,864	\$ -	\$ 156,848
		Hours	549.1	267.3	4,769.5	0.0	5,585.9
	Overtime	Dollars	\$ 51,350	\$ 9,629	\$ 580,267	\$ -	\$ 641,246
		Hours	1,890.2	903.8	21,199.2	0.0	23,993.2
	Salary & Wage Overheads	ST Fringes	\$ 6,626	\$ 3,032	\$ 9,841	\$ -	\$ 19,499
		OT Fringes	\$ 6,123	\$ 2,917	\$ 31,542	\$ -	\$ 40,582
		Other Labor Fringes	\$ 378	\$ 194	\$ 2,121	\$ -	\$ 2,693
		Incentives	\$ 2,778	\$ 1,451	\$ 34,618	\$ -	\$ 38,847
		Construction/Retirement	\$ 125,806	\$ 8,747	\$ -	\$ -	\$ 134,553
		All Other Overheads	\$ 3,202	\$ 1,566	\$ 84,671	\$ -	\$ 89,439
<b>Total Salary &amp; Wages</b>		<b>\$ 212,720</b>	<b>\$ 35,063</b>	<b>\$ 875,924</b>	<b>\$ -</b>	<b>\$ 1,123,707</b>	
<b>Transportation</b>	Fleet	\$ 14,557	\$ 5,998	\$ 147,692	\$ -	\$ 168,247	
	<b>Total Transportation</b>	<b>\$ 14,557</b>	<b>\$ 5,998</b>	<b>\$ 147,692</b>	<b>\$ -</b>	<b>\$ 168,247</b>	
<b>Other Cost Category</b>	Cell Phone	\$ 4,045	\$ 1,485	\$ 9,912	\$ -	\$ 15,442	
	External Communications	\$ -	\$ -	\$ -	\$ -	\$ -	
	Employee/Contractor Exps	\$ 13,838	\$ 6,011	\$ 128,911	\$ -	\$ 148,760	
	<b>Total Other Cost Category</b>	<b>\$ 17,883</b>	<b>\$ 7,496</b>	<b>\$ 138,823</b>	<b>\$ -</b>	<b>\$ 164,202</b>	
<b>Materials &amp; Supplies</b>	<b>Towers, Poles, &amp; Fixtures</b>	Poles	\$ 27,359	\$ -	\$ -	\$ -	\$ 27,359
		Cross arms	\$ 3,201	\$ -	\$ -	\$ -	\$ 3,201
	<b>Overhead Conductors &amp; Devices</b>	Wire	\$ 20,992	\$ -	\$ -	\$ -	\$ 20,992
		Cutouts	\$ 7,833	\$ -	\$ 227	\$ -	\$ 8,060
		Splices	\$ 16,121	\$ -	\$ 4,235	\$ -	\$ 20,356
		Other	\$ 21,421	\$ -	\$ 11,709	\$ -	\$ 33,130
	<b>Line Transformers</b>		\$ 61,759	\$ -	\$ -	\$ -	\$ 61,759
	<b>Services</b>		\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Meters</b>		\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Lighting &amp; Signal Systems</b>		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Other</b>		\$ 18,455	\$ (1,920)	\$ 28,452	\$ -	\$ 44,987	
<b>Total Materials</b>		<b>\$ 177,141</b>	<b>\$ (1,920)</b>	<b>\$ 44,623</b>	<b>\$ -</b>	<b>\$ 219,844</b>	
<b>Cost of Providing Temporary Electric Svc</b>		\$ -	\$ -	\$ -	\$ -	\$ -	
<b>TOTAL IN HOUSE COSTS</b>		<b>\$ 422,301</b>	<b>\$ 46,637</b>	<b>\$ 1,207,062</b>	<b>\$ -</b>	<b>\$ 1,676,000</b>	

Kentucky Power Company  
 2009 Wind Storm  
 Detailed Restoration Costs - Total  
 YTD September

		<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>A+B+C+D</b>
		<b>Capitalized</b>	<b>Accumulated</b>	<b>Expensed</b>	<b>Deferred</b>	<b>Total Cost</b>
		<b>(Capital)</b>	<b>(Removal)</b>	<b>(O&amp;M)</b>	<b>Asset</b>	<b>to Restore</b>
<b>Outside Contracted Services</b>						
Asplundh Tree Expert	Dollars	\$ -	\$ -	\$ 539,579	\$ -	\$ 539,579
	Hours	0.0	0.0	22,784.0	0.0	22,784.0
ACRT Inc.	Dollars	\$ 482	\$ 57	\$ 1,532	\$ -	\$ 2,072
	Hours	0.0	0.0	0.0	0.0	0.0
Area Wide Protective	Dollars	\$ 15,329	\$ 1,817	\$ 48,683	\$ -	\$ 65,830
	Hours	0.0	0.0	0.0	0.0	0.0
Entergy Arkansas	Dollars	\$ 95,125	\$ 11,278	\$ 302,104	\$ -	\$ 408,507
	Hours	1,199.7	142.2	3,810.1	0.0	5,152.0
Entergy Mississippi	Dollars	\$ 97,013	\$ 11,502	\$ 308,097	\$ -	\$ 416,611
	Hours	1,207.2	143.1	3,833.7	0.0	5,184.0
Davis H. Elliot	Dollars	\$ 137,119	\$ 16,256	\$ 435,470	\$ -	\$ 588,846
	Hours	1,512.7	179.3	4,804.0	0.0	6,496.0
Entergy Texas	Dollars	\$ 2,355	\$ 279	\$ 7,480	\$ -	\$ 10,115
	Hours	27.7	3.3	88.0	0.0	119.0
Gulf States Power	Dollars	\$ 40,592	\$ 4,813	\$ 128,915	\$ -	\$ 174,320
	Hours	551.4	65.4	1,751.2	0.0	2,368.0
Mastec North America Inc	Dollars	\$ 31,165	\$ 3,695	\$ 98,974	\$ -	\$ 133,833
	Hours	279.4	33.1	887.4	0.0	1,200.0
Henkels & McCoy Inc.	Dollars	\$ 105,105	\$ 12,461	\$ 333,796	\$ -	\$ 451,362
	Hours	633.4	75.1	2,011.5	0.0	2,720.0
New River Electrical Corp	Dollars	\$ 4,392	\$ 521	\$ 13,950	\$ -	\$ 18,863
	Hours	0.0	0.0	0.0	0.0	0.0
Pike Electric Inc	Dollars	\$ 61,894	\$ 7,338	\$ 196,567	\$ -	\$ 265,800
	Hours	819.7	97.2	2,603.2	0.0	3,520.0
Riggs Distler & Company	Dollars	\$ 64,365	\$ 7,631	\$ 204,415	\$ -	\$ 276,411
	Hours	376.3	44.6	1,195.1	0.0	1,616.0
Killen Contractors Inc.	Dollars	\$ 38,244	\$ 4,534	\$ 121,458	\$ -	\$ 164,237
	Hours	361.4	42.8	1,147.8	0.0	1,552.0
Other Contractors (i.e. excavating, environmental)	Dollars	\$ 17,800	\$ 2,110	\$ 56,531	\$ -	\$ 76,442
<b>TOTAL OUTSIDE CONTRACTED SERVICES</b>	Dollars	<b>\$ 710,983</b>	<b>\$ 84,292</b>	<b>\$ 2,797,553</b>	<b>\$ -</b>	<b>\$ 3,592,828</b>
	Hours	<b>6,968.8</b>	<b>826.2</b>	<b>44,916.0</b>	<b>0.0</b>	<b>52,711.0</b>
<b>Recorded Restoration Costs</b>		<b>\$ 1,133,284</b>	<b>\$ 130,929</b>	<b>\$ 4,004,615</b>	<b>\$ -</b>	<b>\$ 5,268,828</b>
<b>Estimated Cost Yet To Be Recorded</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Total Restoration Costs</b>		<b>\$ 1,133,284</b>	<b>\$ 130,929</b>	<b>\$ 4,004,615</b>	<b>\$ -</b>	<b>\$ 5,268,828</b>

Kentucky Power Company  
 2009 Wind Storm  
 Detailed Restoration Costs - O&M  
 YTD September

Exhibit 1  
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		A		B		C		
		Expensed Total (O&M)		Expensed Incremental (O&M)		Expensed Non-Incremental (O&M)		
<b>In House Costs</b>	Regular Time	Dollars	\$ 132,864	\$ -	\$ -	\$ 132,864		
	Salary & Wages	Hours	4,769.5	0.0	4,769.5			
	Overtime	Dollars	\$ 580,267	\$ 580,267	\$ -			
		Hours	21,199.2	21,199.2	0.0			
Salary & Wage Overheads	ST Fringes	\$	9,841	\$ -	\$ 9,841			
	OT Fringes	\$	31,542	\$ 31,542	\$ -			
	Other Labor Fringes	\$	2,121	\$ -	\$ 2,121			
	Incentives	\$	34,618	\$ -	\$ 34,618			
	Construction/Retirement	\$	-	\$ -	\$ -			
	All Other Overheads	\$	84,671	\$ -	\$ 84,671			
<b>Total Salary &amp; Wages</b>		\$	<b>875,924</b>	\$ <b>611,809</b>	\$ <b>264,115</b>			
<b>Transportation</b>	Fleet	\$	147,692	\$ 12,284	\$ 135,408			
	<b>Total Transportation</b>	\$	<b>147,692</b>	\$ <b>12,284</b>	\$ <b>135,408</b>			
<b>Other Cost Category</b>	Cell Phone	\$	9,912	\$ -	\$ 9,912			
	External Communications	\$	-	\$ -	\$ -			
	Employee/Contractor Exps	\$	128,911	\$ 128,911	\$ -			
<b>Total Other Cost Category</b>	\$	<b>138,823</b>	\$ <b>128,911</b>	\$ <b>9,912</b>				
<b>Materials &amp; Supplies</b>	Towers, Poles, & Fixtures	Poles	\$ -	\$ -	\$ -			
		Cross arms	\$ -	\$ -	\$ -			
	Overhead Conductors & Devices	Wire	\$	-	\$ -	\$ -		
		Cutouts	\$	227	\$ 227	\$ -		
		Splices	\$	4,235	\$ 4,235	\$ -		
		Other	\$	11,709	\$ 11,709	\$ -		
	Line Transformers	\$	-	\$ -	\$ -			
	Services	\$	-	\$ -	\$ -			
	Meters	\$	-	\$ -	\$ -			
	Lighting & Signal Systems	\$	-	\$ -	\$ -			
	Other	\$	28,452	\$ 28,452	\$ -			
<b>Total Materials</b>	\$	<b>44,623</b>	\$ <b>44,623</b>	\$ -				
<b>Cost of Providing Temporary Electric Svc</b>	\$	-	\$ -	\$ -				
<b>TOTAL IN HOUSE COSTS</b>	\$	<b>1,207,062</b>	\$ <b>797,627</b>	\$ <b>409,435</b>				

Kentucky Power Company  
2009 Wind Storm  
Detailed Restoration Costs - O&M  
YTD September

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		<b>A</b>		<b>B</b>		<b>C</b>	
		<b>Expensed Total (O&amp;M)</b>		<b>Expensed Incremental (O&amp;M)</b>		<b>Expensed Non-Incremental (O&amp;M)</b>	
<b>Outside Contracted Services</b>							
	Asplundh Tree Expert	Dollars	\$ 539,579	\$ 437,212	\$ 102,367		
		Hours	22,784.0	18,461.5	4,322.5		
	ACRT Inc.	Dollars	\$ 1,532	\$ 1,532	\$ -		
		Hours	0.0	0.0	0.0		
	Area Wide Protective	Dollars	\$ 48,683	\$ 48,683	\$ -		
		Hours	0.0	0.0	0.0		
	Entergy Arkansas	Dollars	\$ 302,104	\$ 302,104	\$ -		
		Hours	3,810.1	3,810.1	0.0		
	Entergy Mississippi	Dollars	\$ 308,097	\$ 308,097	\$ -		
		Hours	3,833.7	3,833.7	0.0		
	Davis H. Elliot	Dollars	\$ 435,470	\$ 347,874	\$ 87,596		
		Hours	4,804.0	3,837.7	966.3		
	Entergy Texas	Dollars	\$ 7,480	\$ 7,480	\$ -		
		Hours	88.0	88.0	0.0		
	Gulf States Power	Dollars	\$ 128,915	\$ 128,915	\$ -		
		Hours	1,751.2	1,751.2	0.0		
	Mastec North America Inc	Dollars	\$ 98,974	\$ 98,974	\$ -		
		Hours	887.4	887.4	0.0		
	Henkels & McCoy Inc.	Dollars	\$ 333,796	\$ 333,796	\$ -		
		Hours	2,011.5	2,011.5	0.0		
	New River Electrical Corp	Dollars	\$ 13,950	\$ 13,950	\$ -		
		Hours	0.0	0.0	0.0		
	Pike Electric Inc	Dollars	\$ 196,567	\$ 196,567	\$ -		
		Hours	2,603.2	2,603.2	0.0		
	Riggs Distler & Company	Dollars	\$ 204,415	\$ 204,415	\$ -		
		Hours	1,195.1	1,195.1	0.0		
	Killen Contractors Inc.	Dollars	\$ 121,458	\$ 121,458	\$ -		
		Hours	1,147.8	1,147.8	-		
	Other Contractors (i.e. excavating, environmental)	Dollars	\$ 56,531	56,531	\$ -		
<b>TOTAL OUTSIDE CONTRACTED SERVICES</b>			<b>\$ 2,797,553</b>	<b>\$ 2,607,588</b>	<b>\$ 189,965</b>		
			<b>44,916.0</b>	<b>39,627.2</b>	<b>5,288.8</b>		
<b>Recorded Restoration Costs</b>			<b>\$ 4,004,615</b>	<b>\$ 3,405,215</b>	<b>\$ 599,400</b>		
<b>Estimated Cost Yet To Be Recorded</b>			<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		
<b>Total Restoration Costs</b>			<b>\$ 4,004,615</b>	<b>\$ 3,405,215</b>	<b>\$ 599,400</b>		



Kentucky Power Company  
2009 Thunder Storm  
Detailed Restoration Costs - Total  
YTD September

		A	B	C	D	A+B+C+D	
		Capitalized	Accumulated	Expensed	Deferred	Total Cost	
		(Capital)	(Removal)	(O&M)	Asset	to Restore	
<b>In House Costs</b>	Regular Time	Dollars	\$ 10,960	\$ 3,098	\$ 38,627	\$ -	\$ 52,685
		Hours	372.0	105.0	1,341.9	0.0	1,818.9
	Overtime	Dollars	\$ 58,284	\$ 16,506	\$ 183,788	\$ -	\$ 258,578
		Hours	1,401.2	396.5	4,640.3	0.0	6,438.0
	Salary & Wage	ST Fringes	\$ 4,248	\$ 1,201	\$ 946	\$ -	\$ 6,395
	Overheads	OT Fringes	\$ 6,480	\$ 1,835	\$ 2,081	\$ -	\$ 10,396
		Other Labor Fringes	\$ 9	\$ 3	\$ 1	\$ -	\$ 13
		Incentives	\$ 943	\$ 259	\$ 3,178	\$ -	\$ 4,380
		Construction/Retirement	\$ 107,274	\$ 17,340	\$ -	\$ -	\$ 124,614
		All Other Overheads	\$ (439)	\$ (124)	\$ 7,182	\$ -	\$ 6,619
<b>Total Salary &amp; Wages</b>		<b>\$ 187,759</b>	<b>\$ 40,118</b>	<b>\$ 235,803</b>	<b>\$ -</b>	<b>\$ 463,680</b>	
<b>Transportation</b>	Fleet	\$ 16,528	\$ 4,413	\$ 54,391	\$ -	\$ 75,332	
	<b>Total Transportation</b>	<b>\$ 16,528</b>	<b>\$ 4,413</b>	<b>\$ 54,391</b>	<b>\$ -</b>	<b>\$ 75,332</b>	
<b>Other Cost Category</b>	Cell Phone	\$ 332	\$ 85	\$ 1,228	\$ -	\$ 1,645	
	External Communications	\$ -	\$ -	\$ -	\$ -	\$ -	
	Employee/Contractor Exps	\$ 16,761	\$ 4,770	\$ 30,954	\$ -	\$ 52,485	
<b>Total Other Cost Category</b>		<b>\$ 17,093</b>	<b>\$ 4,855</b>	<b>\$ 32,182</b>	<b>\$ -</b>	<b>\$ 54,130</b>	
<b>Materials &amp; Supplies</b>	<b>Towers, Poles, &amp; Fixtures</b>	Poles	\$ 26,496	\$ -	\$ -	\$ -	\$ 26,496
		Cross arms	\$ 5,712	\$ -	\$ -	\$ -	\$ 5,712
	<b>Overhead Conductors &amp; Devices</b>	Wire	\$ 19,160	\$ -	\$ -	\$ -	\$ 19,160
		Cutouts	\$ 6,544	\$ -	\$ -	\$ -	\$ 6,544
		Splices	\$ 8,332	\$ -	\$ -	\$ -	\$ 8,332
		Other	\$ 44,897	\$ -	\$ 10,074	\$ -	\$ 54,971
	<b>Line Transformers</b>		\$ 36,699	\$ -	\$ -	\$ -	\$ 36,699
	<b>Services</b>		\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Meters</b>		\$ -	\$ -	\$ -	\$ -	\$ -
	<b>Lighting &amp; Signal Systems</b>		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Other</b>		\$ 60,233	\$ (5,057)	\$ 1,686	\$ -	\$ 56,862	
<b>Total Materials</b>		<b>\$ 208,073</b>	<b>\$ (5,057)</b>	<b>\$ 11,760</b>	<b>\$ -</b>	<b>\$ 214,776</b>	
<b>Cost of Providing Temporary Electric Svc</b>		\$ -	\$ -	\$ -	\$ -	\$ -	
<b>TOTAL IN HOUSE COSTS</b>		<b>\$ 429,453</b>	<b>\$ 44,329</b>	<b>\$ 334,136</b>	<b>\$ -</b>	<b>\$ 807,918</b>	

Kentucky Power Company  
2009 Thunder Storm  
Detailed Restoration Costs - Total  
YTD September

	A	B	C	D	A+B+C+D
	Capitalized	Accumulated	Expensed	Deferred	Total Cost
	(Capital)	Depreciation	(O&M)	Asset	to Restore
	(Capital)	(Removal)	(O&M)	Asset	to Restore
<b>Outside Contracted Services</b>					
Asplundh Tree Expert	Dollars \$ -	\$ -	\$ 274,309	\$ -	\$ 274,309
	Hours 0.0	0.0	8,064.0	0.0	8,064.0
Area Wide Protective	Dollars \$ 10,346	\$ 2,921	\$ 24,149	\$ -	\$ 37,416
	Hours 0.0	0.0	0.0	0.0	0.0
Bowlin Energy LLC	Dollars \$ 77,208	\$ 21,800	\$ 180,215	\$ -	\$ 279,223
	Hours 504.4	142.4	1,177.2	0.0	1,824.0
Davis H. Elliot	Dollars \$ 168,306	\$ 47,521	\$ 392,852	\$ -	\$ 608,680
	Hours 1,672.3	472.2	3,903.5	0.0	6,048.0
Fischel	Dollars \$ 25,028	\$ 7,067	\$ 58,419	\$ -	\$ 90,513
	Hours 190.2	53.7	444.0	0.0	688.0
N.G. Gilbert	Dollars \$ 29,222	\$ 8,251	\$ 68,209	\$ -	\$ 105,682
	Hours 207.9	58.7	485.4	0.0	752.0
Mastec North America Inc	Dollars \$ 15,465	\$ 4,366	\$ 36,097	\$ -	\$ 55,928
	Hours 154.8	43.7	361.4	0.0	560.0
New River Electrical Corp	Dollars \$ 692	\$ 195	\$ 1,616	\$ -	\$ 2,504
	Hours 4.7	1.3	11.0	0.0	17.0
Pike Electric Inc	Dollars \$ 60,336	\$ 17,036	\$ 140,833	\$ -	\$ 218,205
	Hours 791.9	223.6	1,848.5	0.0	2,864.0
Other Contractors (i.e. excavating, environmental)	Dollars \$ 3,238	\$ 914	\$ 7,557	\$ -	\$ 11,709
<b>TOTAL OUTSIDE CONTRACTED SERVICES</b>	Dollars \$ <b>389,841</b>	\$ <b>110,072</b>	\$ <b>1,184,256</b>	\$ <b>-</b>	\$ <b>1,684,169</b>
	Hours \$ <b>3,526</b>	\$ <b>996</b>	\$ <b>16,295</b>	\$ <b>-</b>	\$ <b>20,817.0</b>
<b>Recorded Restoration Costs</b>	\$ <b>819,294</b>	\$ <b>154,401</b>	\$ <b>1,518,392</b>	\$ <b>-</b>	\$ <b>2,492,087</b>
<b>Estimated Cost Yet To Be Recorded</b>	\$ <b>-</b>	\$ <b>-</b>	\$ <b>-</b>	\$ <b>-</b>	\$ <b>-</b>
<b>Total Restoration Costs</b>	\$ <b>819,294</b>	\$ <b>154,401</b>	\$ <b>1,518,392</b>	\$ <b>-</b>	\$ <b>2,492,087</b>

Kentucky Power Company  
2009 Thunder Storm  
Detailed Restoration Costs - O&M  
YTD September

Exhibit 1  
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		A		B		C	
		Expensed Total (O&M)		Expensed Incremental (O&M)		Expensed Non-Incremental (O&M)	
<b>In House Costs</b>	Regular Time	Dollars	\$ 38,627	\$ -	\$ 38,627		
	Salary & Wages	Hours	1,341.9	0.0	1,341.9		
	Overtime	Dollars	\$ 183,788	\$ 183,788	\$ -		
		Hours	4,640.3	4,640.3	0.0		
	Salary & Wage	ST Fringes	\$ 946	\$ -	\$ 946		
	Overheads	OT Fringes	\$ 2,081	\$ 2,081	\$ -		
		Other Labor Fringes	\$ 1	\$ -	\$ 1		
		Incentives	\$ 3,178	\$ -	\$ 3,178		
		Construction/Retirement	\$ -	\$ -	\$ -		
		All Other Overheads	\$ 7,182	\$ -	\$ 7,182		
	<b>Total Salary &amp; Wages</b>		<b>\$ 235,803</b>	<b>\$ 185,869</b>	<b>\$ 49,934</b>		
<b>Transportation</b>		Fleet	\$ 54,391	\$ 2,967	\$ 51,424		
	<b>Total Transportation</b>		<b>\$ 54,391</b>	<b>\$ 2,967</b>	<b>\$ 51,424</b>		
<b>Other Cost Category</b>		Cell Phone	\$ 1,228	\$ -	\$ 1,228		
		External Communications	\$ -	\$ -	\$ -		
		Employee/Contractor Exps	\$ 30,954	\$ 30,954	\$ -		
	<b>Total Other Cost Category</b>		<b>\$ 32,182</b>	<b>\$ 30,954</b>	<b>\$ 1,228</b>		
<b>Materials &amp; Supplies</b>	<b>Towers, Poles, &amp; Fixtures</b>	Poles	\$ -	\$ -	\$ -		
		Cross arms	\$ -	\$ -	\$ -		
					\$ -		
	<b>Overhead Conductors &amp; Devices</b>	Wire	\$ -	\$ -	\$ -		
		Cutouts	\$ -	\$ -	\$ -		
		Splices	\$ -	\$ -	\$ -		
		Other	\$ 10,074	\$ 10,074	\$ -		
					\$ -		
	<b>Line Transformers</b>		\$ -	\$ -	\$ -		
					\$ -		
	<b>Services</b>		\$ -	\$ -	\$ -		
					\$ -		
	<b>Meters</b>		\$ -	\$ -	\$ -		
					\$ -		
	<b>Lighting &amp; Signal Systems</b>		\$ -	\$ -	\$ -		
					\$ -		
	<b>Other</b>		\$ 1,686	\$ 1,686	\$ -		
	<b>Total Materials</b>		<b>\$ 11,760</b>	<b>\$ 11,760</b>	<b>\$ -</b>		
<b>Cost of Providing Temporary Electric Svc</b>			\$ -	\$ -	\$ -		
<b>TOTAL IN HOUSE COSTS</b>			<b>\$ 334,136</b>	<b>\$ 231,550</b>	<b>\$ 102,586</b>		

Kentucky Power Company  
 2009 Thunder Storm  
 Detailed Restoration Costs - O&M  
 YTD September

Exhibit 1  
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	<b>A</b>	<b>B</b>	<b>C</b>
	<b>Expensed Total (O&amp;M)</b>	<b>Expensed Incremental (O&amp;M)</b>	<b>Expensed Non-Incremental (O&amp;M)</b>

**Outside Contracted Services**

Asplundh Tree Expert	Dollars	\$ 274,309	\$ 233,764	\$ 40,545
	Hours	8,064.0	6,872.1	1,191.9
Area Wide Protective	Dollars	\$ 24,149	\$ 24,149	\$ -
	Hours	0.0	0.0	0.0
Bowlin Energy LLC	Dollars	\$ 180,215	\$ 180,215	\$ -
	Hours	1,177.2	1,177.2	0.0
Davis H. Elliot	Dollars	\$ 392,852	\$ 357,060	\$ 35,792
	Hours	3,903.5	3,547.4	356.1
Fischel	Dollars	\$ 58,419	\$ 58,419	\$ -
	Hours	444.0	444.0	0.0
N.G. Gilbert	Dollars	\$ 68,209	\$ 68,209	\$ -
	Hours	485.4	485.4	0.0
Mastec North America Inc	Dollars	\$ 36,097	\$ 36,097	\$ -
	Hours	361.4	361.4	0.0
New River Electrical Corp	Dollars	\$ 1,616	\$ 1,616	\$ -
	Hours	11.0	11.0	0.0
Pike Electric Inc	Dollars	\$ 140,833	\$ 140,833	\$ -
	Hours	1,848.5	1,848.5	0.0
Other Contractors (i.e. excavating, environmental)	Dollars	\$ 7,557	\$ 7,557	\$ -

**TOTAL OUTSIDE CONTRACTED SERVICES**

Dollars	\$ 1,184,256	\$ 1,107,919	\$ 76,337
Hours	16,295.0	14,747.0	1,548.0

**Recorded Restoration Costs**

\$ 1,518,392	\$ 1,339,469	\$ 178,923
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**Estimated Cost Yet To Be Recorded**

\$ -	\$ -	\$ -
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**Total Restoration Costs**

\$ 1,518,392	\$ 1,339,469	\$ 178,923
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**Kentucky Power Company**

**REQUEST**

Refer to Exhibit 1, pages 5, 9 and 13.

- a. Provide supporting calculations of the non-incremental amounts shown in Column C of the referenced pages
- b. The amounts for Expenses-Non-Incremental (O&M) pertain only to two contractors, Asplundh Tree Expert and Davis H. Eliot. Provide an explanation why

**RESPONSE**

- a. All supporting calculations shown below tie to the revised Exhibit 1 as shown in response to Item 5a.

For the ice storm on page 5 of Exhibit 1 the calculations are as follows;

For Asplundh, there were 1,464 FTE's over a six day period for 8 hours per day at an average rate of \$25.09 per hour. These employees normally would have been working for Kentucky Power Company and hence this time is non-incremental. Asplundh time was 100% O&M. This calculates to \$293,854 (1,464 X 8 X \$25.09).

For Davis H. Elliott, there were 468 FTE's over a six day period for 8 hours per day at an average rate \$67.30 per hour. These employees normally would have been working for Kentucky Power Company and hence this time is non-incremental. Line Contractor time during the storm was estimated at 83.625545% O&M. This calculates to \$210,712 (468 X 8 X \$67.3 X .83625545).

For the wind storm on page 9 of Exhibit 1 the calculations are as follows;

For Asplundh, there were 510 FTE's over a four day period for 8 hours per day at an average rate of \$25.09 per hour. These employees normally would have been working for Kentucky Power Company and hence this time is non-incremental. Asplundh time was 100% O&M. This calculates to \$102,367 (510 X 8 X \$25.09).

For Davis H. Elliott, there was 220 FTE's over a three day period for 8 hours per day at an average rate of \$67.30 per hour. These employees normally would have been working for Kentucky Power Company and hence this time is non-incremental. Line Contractor time during the storm was estimated at 73.953156% O&M. This calculates to \$87,596 (220 X 8 X \$67.3 X .73953156).

For the thunder storm on page 13 of Exhibit 1 the calculations are as follows:

For Asplundh, there were 202 FTE's over a two day period for 8 hours per day at an average rate of \$25.09 per hour for which these employees. These employees normally would have been working for Kentucky Power Company and hence this time is non-incremental. Asplundh time was 100% O&M. This calculates to \$40,545 (202 X 8 X \$25.09).

For Davis H. Elliott, there were 103 FTE's over a two day period for 8 hours per day at an average rate of \$67.30 per hour. These employees normally would have been working for Kentucky Power Company and hence this time is non-incremental. Line Contractor time during the storm was estimated at 64.541657% O&M. This calculates to \$35,792 (103 X 8 X \$67.3 X .64541657).

b. Asplundh and Davis H. Elliott are the only contractors that have crews assigned to work for Kentucky Power Company every day. All of the other contractors were called in to help specifically for storm restoration efforts and hence were incremental.

**WITNESS:** Ranie K Wohnhas





**Kentucky Power Company**

**REQUEST**

Provide the level of storm-related costs Kentucky Power has incurred, aside from these three major events, for 2009 year to date.

**RESPONSE**

Through September, 2009, storm related costs excluding the three major events are as follows:

O&M -	\$ 5,089,003
Capital -	\$ 880,354
Removal -	<u>\$ 125,243</u>
Total -	\$ 6,094,600

**WITNESS:** Ranie K Wohnhas