

COMMONWEALTH OF KENTUCKY
BEFORE THE
PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF:

ADJUSTMENT OF RATES OF)
KENTUCKY POWER COMPANY) **Case No. 2009-00459**

**KENTUCKY POWER RESPONSES TO COMMUNITY ACTION KENTUCKY'S
FIRST SET OF DATA REQUESTS**

February 26, 2010

AFFIDAVIT

Timothy C. Mosher, upon first being duly sworn, hereby makes oath that if the foregoing questions were propounded to him at a hearing before the Public Service Commission of Kentucky, he would give the answers recorded following each of said questions and that said answers are true.

T.C. Mosher
Timothy C. Mosher

Commonwealth of Kentucky)
) Case No. 2009-00459
County of Franklin)

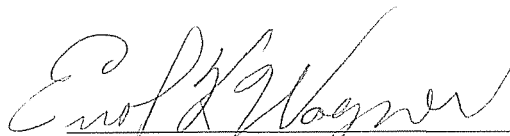
Subscribed and sworn to before me, a Notary Public, by Timothy C. Mosher this
24th day of February 2010.

Judith R. Requist
Notary Public

My Commission Expires January 23, 2013

AFFIDAVIT

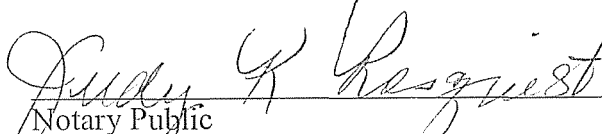
Errol K. Wagner, upon first being duly sworn, hereby makes oath that if the foregoing questions were propounded to him at a hearing before the Public Service Commission of Kentucky, he would give the answers recorded following each of said questions and that said answers are true.



 Errol K. Wagner

Commonwealth of Kentucky)
) Case No. 2009-00459
 County of Franklin)

Subscribed and sworn to before me, a Notary Public, by Errol K. Wagner this 24th day of February 2010.



 Notary Public

My Commission Expires January 23, 2013

Kentucky Power Company

REQUEST

For residential customers of Kentucky Power Company, please provide the following information:

- a) The total number of residential customers whose service has been disconnected in each of the years 2007, 2008, and 2009, broken down by county;
- b) The total number of residential customers for each of the years 2007, 2008, and 2009, broken down by county;
- c) The total number of disconnections of service of residential customers (some customers' service may have been disconnected multiple times) for each of the years 2007, 2008, and 2009, broken down by county;
- d) The rate of disconnection of service of residential customers for each of the years 2007, 2008, and 2009, broken down by county.

RESPONSE

The requested information is provided on the attached Page 2.

WITNESS: Errol K Wagner

KENTUCKY POWER RESIDENTIAL ACCOUNT INFORMATION

County	2007		Total Number Disconnected For Nonpayment	Disconnect Rate *
	Unique Number of Customers Disconnected for Nonpayment	Customer Count		
Boyd	1,411	21,885	1,688	0.08
Breathitt	255	5,198	318	0.06
Carter	545	8,025	647	0.08
Clay	2	20	4	0.20
Elliott	2	23	2	0.09
Floyd	1,095	14,334	1,354	0.09
Greenup	913	13,628	1,158	0.08
Johnson	567	6,438	751	0.12
Knott	478	8,185	595	0.07
Lawrence	436	6,857	519	0.08
Leslie	373	6,204	457	0.07
Letcher	801	11,423	1,009	0.09
Lewis	16	246	18	0.07
Magoffin	223	2,432	293	0.12
Martin	405	4,826	506	0.10
Morgan	91	1,033	125	0.12
Owsley	0	13	0	0.00
Perry	1,184	14,567	1,451	0.10
Pike	2,086	32,256	2,627	0.08
Rowan	80	1,043	95	0.09
TOTAL	10,963	158,636	13,617	0.09

County	2008		Total Number Disconnected For Nonpayment	Disconnect Rate
	Unique Number of Customers Disconnected for Nonpayment	Customer Count		
Boyd	1,814	21,803	2,371	0.11
Breathitt	325	5,100	398	0.08
Carter	686	7,988	886	0.11
Clay	1	21	1	0.05
Elliott	2	23	2	0.09
Floyd	1,308	14,301	1,733	0.12
Greenup	962	13,576	1,237	0.09
Johnson	656	6,371	940	0.15
Knott	568	8,166	749	0.09
Lawrence	492	6,885	622	0.09
Leslie	427	6,153	520	0.08
Letcher	887	11,369	1,205	0.11
Lewis	10	243	14	0.06
Magoffin	282	2,441	411	0.17
Martin	443	4,816	583	0.12
Morgan	84	1,031	110	0.11
Owsley	0	13	0	0.00
Perry	1,319	14,488	1,754	0.12
Pike	2,499	32,113	3,400	0.11
Rowan	117	1,039	161	0.15
TOTAL	12,882	157,940	17,097	0.11

County	2009		Total Number Disconnected For Nonpayment	Disconnect Rate
	Unique Number of Customers Disconnected for Nonpayment	Customer Count		
Boyd	1,861	21,692	2,403	0.11
Breathitt	295	5,044	365	0.07
Carter	670	7,920	844	0.11
Clay	0	21	0	0.00
Elliott	1	22	1	0.05
Floyd	1,253	14,197	1,598	0.11
Greenup	1,038	13,510	1,351	0.10
Johnson	540	6,328	748	0.12
Knott	595	8,065	752	0.09
Lawrence	489	6,846	580	0.08
Leslie	405	6,057	485	0.08
Letcher	819	11,315	1,081	0.10
Lewis	11	247	19	0.08
Magoffin	225	2,430	305	0.13
Martin	441	4,741	565	0.12
Morgan	75	1,032	90	0.09
Owsley	0	12	0	0.00
Perry	1,233	14,435	1,555	0.11
Pike	2,236	31,862	2,899	0.09
Rowan	112	1,033	133	0.13
TOTAL	12,299	156,809	15,774	0.10

* Disconnect Rate = Total Number of DNP/Total Number of Customers

Kentucky Power Company

REQUEST

Does the company plan to expand its Home Energy Assistance (HEA) program as part of this rate increase request, either by:

- a) Proposing to increase the residential low income energy assistance surcharge from ten cents (\$.10) per meter per month to a higher charge; or
- b) Reinstating its prior program of matching shareholder dollars to total dollars collected from residential customers, as existed in the first two years of the energy assistance program; or
- c) Doing both?

If your answer to any of the three questions posed by 2(a)(b) or (c) is Yes, please provide a full explanation of the proposal to be presented by Kentucky Power Company as part of this case. If your answer to any of the three questions posed by 2(a)(b) or (c) is No, please provide a full explanation as to why Kentucky Power Company is taking the position that expansion of the HEA program is not warranted, given the size of the residential rate increase requested by the Company.

RESPONSE

- a. Kentucky Power has requested the authority to continue collecting a HEAP charge of 10 cents, (\$0.10), per meter per month from customers served on tariffs R.S., R.S.-L.M.-T.O.D., R.S.T.O.D., and R.S.T.O.D.-2. The Company is not seeking authority to increase this surcharge.
- b. The Company does not intend to reinstate its prior program of using shareholder dollars to match the total dollars collected from the residential customers.
- c. See responses to (a) and (b) above.

Considering all factors, the Company believes that the 10 cents per meter per month surcharge is the appropriate amount. The Company is not opposed to an increased surcharge ordered by the Commission.

The Company agreed to to the shareholder contribution to the home energy assistance program for the first two years following the last increase as a "jump start" to aid the community action agencies defray their start-up costs. Kentucky Power continues to support the communities in which we serve our customers by contributing stockholder funds to local civic organizations. The total costs of all these contributions fall to the shareholders of Kentucky Power Co. As these funds are limited, shifting available monies to the community action agencies would mean a reduction to other groups.

WITNESS: Timothy C Mosher

Kentucky Power Company

REQUEST

Please explain in laymen's terms why Kentucky Power Company is seeking a Thirty Five Percent (35%) residential rate increase just four years after it sought a Thirty Five Percent (35%) residential rate increase?

RESPONSE

The reasons for the proposed rate increase, along with a description of the major components of the increase in the instant matter, can be found in the Testimony of Timothy C. Mosher at page 6.

WITNESS: Timothy C. Mosher