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Via Overnight Mail

March 11, 2010

Mr. Jeff Derouen, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

RECEIVED

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**PUBLIC SERVICE
COMMISSION**

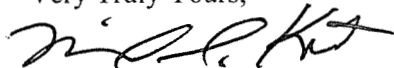
Re: Case No. 2009-00459

Dear Mr. Derouen:

Please find enclosed the original and twelve (12) copies of the SUPPLEMENTAL DATA REQUESTS OF KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC. TO KENTUCKY POWER COMPANY filed in the above-referenced matter. By copy of this letter, all parties listed on the Certificate of Service have been served.

Please place this document of file.

Very Truly Yours,



David F. Boehm, Esq.
Michael L. Kurtz, Esq.

BOEHM, KURTZ & LOWRY

MLKkew
Attachment

cc: Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served by mailing a true and correct copy via electronic mail (when available) and by first-class postage prepaid mail, (unless otherwise noted) to all parties on the 11th day of March, 2010.

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David F. Boehm, Esq.
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**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

IN THE MATTER OF: :
THE APPLICATION FOR GENERAL ADJUSTMENT :
OF ELECTRIC RATES OF KENTUCKY POWER : **Case No. 2009-00459**
COMPANY :

**SUPPLEMENTAL DATA REQUESTS OF
KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.
TO KENTUCKY POWER COMPANY**

Dated: March 11, 2010

DEFINITIONS

1. “Document” means the original and all copies (regardless of origin and whether or not including additional writing thereon or attached thereto) of memoranda, reports, books, manuals, instructions, directives, records, forms, notes, letters, notices, confirmations, telegrams, pamphlets, notations of any sort concerning conversations, telephone calls, meetings or other communications, bulletins, transcripts, diaries, analyses, summaries, correspondence investigations, questionnaires, surveys, worksheets, and all drafts, preliminary versions, alterations, modifications, revisions, changes, amendments and written comments concerning the foregoing, in whatever form, stored or contained in or on whatever medium, including computerized memory or magnetic media.
2. “Study” means any written, recorded, transcribed, taped, filmed, or graphic matter, however produced or reproduced, either formally or informally, a particular issue or situation, in whatever detail, whether or not the consideration of the issue or situation is in a preliminary stage, and whether or not the consideration was discontinued prior to completion.
3. “Person” means any natural person, corporation, professional corporation, partnership, association, joint venture, proprietorship, firm, or the other business enterprise or legal entity.
4. A request to identify a natural person means to state his or her full name and residence address, his or her present last known position and business affiliation at the time in question.
5. A request to identify a document means to state the date or dates, author or originator, subject matter, all addressees and recipients, type of document (e.g., letter, memorandum, telegram, chart, etc.), number of code number thereof or other means of identifying it, and its present location and custodian. If any such document was, but is no longer in the Company’s possession or subject to its control, state what disposition was made of it.
6. A request to identify a person other than a natural person means to state its full name, the address of its principal office, and the type of entity.
7. “And” and “or” should be considered to be both conjunctive and disjunctive, unless specifically stated otherwise.
8. “Each” and “any” should be considered to be both singular and plural, unless specifically stated otherwise.
9. Words in the past tense should be considered to include the present, and words in the present tense include the past, unless specifically stated otherwise.
10. “You” or “your” means the person whose filed testimony is the subject of these interrogatories and, to the extent relevant and necessary to provide full and complete answers to any request, “you” or “your” may be deemed to include any person with information relevant to any interrogatory who is or was employed by or otherwise associated with the witness or who assisted, in any way, in the preparation of the witness’ testimony.
11. “AEP” means American Electric Power and/or any of their officers, directors, employees, or agents who may have knowledge of the particular matter addressed.
12. “Company” means Kentucky Power Co. d/b/a American Electric Power, and/or any of their officers, directors, employees or agents who may have knowledge of the particular matter addressed.

INSTRUCTIONS

1. If any matter is evidenced by, referenced to, reflected by, represented by, or recorded in any document, please identify and produce for discovery and inspection each such document.
2. These interrogatories are continuing in nature, and information which the responding party later becomes aware of, or has access to, and which is responsive to any request is to be made available to Kentucky Industrial Utility Customers. Any studies, documents, or other subject matter not yet completed that will be relied upon during the course of this case should be so identified and provided as soon as they are completed. The Respondent is obliged to change, supplement and correct all answers to interrogatories to conform to available information, including such information as it first becomes available to the Respondent after the answers hereto are served.
3. Unless otherwise expressly provided, each interrogatory should be construed independently and not with reference to any other interrogatory herein for purpose of limitation.
4. The answers provided should first restate the question asked and also identify the person(s) supplying the information.
5. Please answer each designated part of each information request separately. If you do not have complete information with respect to any interrogatory, so state and give as much information as you do have with respect to the matter inquired about, and identify each person whom you believe may have additional information with respect thereto.
6. In the case of multiple witnesses, each interrogatory should be considered to apply to each witness who will testify to the information requested. Where copies of testimony, transcripts or depositions are requested, each witness should respond individually to the information request.
7. The interrogatories are to be answered under oath by the witness(es) responsible for the answer.
8. Responses to requests for revenue, expense and rate base data should provide data on the basis of Total Company as well as Intrastate data, unless otherwise requested.

**KIUC SUPPLEMENTAL DATA REQUESTS TO KENTUCKY POWER COMPANY
PSC CASE NO. 2009-00459**

- Q2-1. Refer to the Company's response to KIUC 1-15.
- a. Please provide the entirety of the analysis summarized in the response, including all assumptions, data, computations and spreadsheets with formulas intact. This includes, but is not limited to, the effects of all emission costs on the CCCT and CT life cycle analyses.
 - b. Please provide all assumptions regarding carbon costs included in the CCCT and CT life cycle analyses.
 - c. Please provide all assumptions and computations of AEP pool capacity value reflected in each supply side alternative.
- Q2-2. Refer to the Company's response to KIUC 1-16(b). Please confirm that the monthly capacity value will not vary by month depending on actual or expected seasonal wind conditions. If this is not correct, then please provide the information originally requested.
- Q2-3. Refer to the Company's response to KIUC 1-17.
- a. Please provide the computations for column E on page 2 of 6, including all assumptions, data, and electronic spreadsheets with formulas intact.
 - b. Please provide the transmission costs for the wind power purchases for each year. Provide the assumptions, data, computations and electronic spreadsheets with formulas intact.
- Q2-4. Refer to the Company's response to KIUC 1-21.
- a. Please confirm that the availability and value of RECs are assumptions at this time.
 - b. Please identify and describe the source(s) of the Company's assumption as to the value of RECs. Provide a copy of all source documents and computations relied on for the Company's assumption, if any.
- Q2-5. Refer to the Company's response to KIUC 1-24(c). Please provide the information requested without reference to whether the "avoided variable non-FAC expenses" are reflected in Exhibit SCW-3.
- Q2-6. Refer to the Company's response to KIUC 1-24(e) and (f). Please identify each of the amounts that are responsive these requests that were provided in response to KIUC 1-17.
- Q2-7. Refer to the Adjustment 46 and the Company's response to KIUC 1-26. Please provide a computation of the amount of the wind power capacity costs that the Company projects will be incurred in 2010. In addition, please provide the date at which the Company projects that it will incur the purchased power expense pursuant to the wind power PPA.

- Q2-8. Refer to the Company's response to KIUC 1-26. Please confirm yes or no that the annualized amount will not be incurred until calendar year 2011.
- Q2-9. Refer to the Company's response to KIUC 1-29. Please provide the information requested by incentive compensation plan. The Company should be able to disaggregate the monthly expense accruals based on the amounts or percentages included in the labor loading rates. The information requested does not have to be provided by department.
- Q2-10. Refer to Workpaper S-4 page 33.
- a. Please describe how the Company computed the amounts in the column entitled "Monthly Increase Granted" and describe the data and source of the data utilized in the computations. Please indicate if the information in this column includes AEPSC.
 - b. Please provide a computation of annualized wages and salaries using the pay periods ending in September 2009 on both a total and expense basis. If this amount is different than the amount shown on Workpaper S-4 page 34 line 1, then please provide a reconciliation.
 - c. Please provide the actual test year wages and salaries in the test year on both a total and expense basis.
 - d. Please provide a schedule showing the Company's full-time equivalent employees at the end of each month by department during the test year, the thirteen months preceding the test year, and all months for which actual information is available subsequent to the test year.
- Q2-11. Refer to Workpaper S-3 page 34.
- a. Please provide the computation of the amount shown on line 1.
 - b. Please provide the Company's budgeted wages and salaries for calendar year 2010 on both a total and expense basis.
 - c. Please provide a schedule showing the Company's budgeted FTEs at the end of each month by department for calendar year 2010.
- Q2-12. Refer to the Company's response to KIUC 1-37(c). Please respond yes or no to the question. The Company's response does not address the question that was asked.
- Q2-13. Refer to the Company's response to KIUC 1-38(d).
- a. Please provide the Company's actual income statement in the same amount of detail for the twelve months ending September 30, 2009 in excel with formulas intact.
 - b. Please provide the Company's actual income statement in the same amount of detail for the calendar year 2009 in excel with formulas intact.
- Q2-14. Refer to the Company's response to KIUC 1-39.
- a. If the Company retained a portion of the SIA trading margins from July 2000 through March 2006, then please explain why ratepayers should be responsible for 100% of the refunds rather than the Company assuming responsibility for the same percentage of the margins that it retained during those months?
 - b. Please provide the SSC sharing percentages for each month July 2000 through March 2006, the months "at issue," according to the response to part (a) of KIUC 1-39.

- Q2-15. Refer to the Company's response to KIUC 1-43.
- a. Please provide the fuel expense on a per mWh basis for the expired 250 mW sale to CP&L by I&M during the test year.
 - b. Please provide the non-fuel incremental variable expense on a per mWh basis for the expired 250 mW sale to CP&L by I&M during the test year.
 - c. Please provide the capacity factor, energy generation (mWh), and the energy sales (mWh) on the 250 mW sale to CP&L by I&M during the test year.
- Q2-16. Refer to the Company's response to KIUC 1-44. Please explain how the Company accounts for the difference between the accrual expense and the revenue amounts, including account numbers used to account for the monthly revenue or expense deferrals, if any.
- Q2-17. Refer to the excel spreadsheet provided in response to KIUC 1-46(b).
- a. Please provide the name of account 447004 and describe the amounts that were subtracted on Line 7.
 - b. Please provide the Company's support, including references to specific pages in relevant Commission orders that authorized the Company to subtract the amounts on Line 7.
 - c. Please provide the name of account 447005 and describe the amounts that were subtracted on Line 8.
 - d. Please provide the Company's support, including references to specific pages in relevant Commission orders that authorized the Company to subtract the amounts on Line 8
 - e. Please provide a schedule in the same format and in the same level of detail for the twelve months ending September 30, 2009.
- Q2-18. Refer to the Company's response to KIUC 1-46(c). Please provide the assumptions, data, computations and electronic spreadsheets with formulas intact used to develop the 2010 OSS margin of \$26.8 million. In addition, please indicate if this amount includes additional OSS margins due the termination of the sale to CP&L by I&M.
- Q2-19. Refer to the Company's response to KIUC 1-46(f). Please provide a response to the question asked. The response did not address why the Commission should retain the SSC; it only addressed why the Company believes the Commission should modify the SSC.
- Q2-20. Refer to the Company's response to KIUC 1-59. Please respond to the question. Is the cited testimony a "general" observation or a "specific" concern regarding deterioration that is outside the normal wear and tear? The cited testimony on page 10 did not address deterioration in reliability; it addressed a "deteriorating distribution system."
- Q2-21. Refer to the Company's response to KIUC 1-60. Please confirm that the Company's response is complete and comprehensive. i.e., it provides "all evidence relied on by Mr. Phillips" for the cited testimony. If not, then please supplement the response. If so, then so state.
- Q2-22. Refer to the Company's response to KIUC 1-61(a). The question requested "all evidence that a cycle based program will increase reliability compared to a performance based approach." The response referred to the Company's response to AG 1-32, which asked for "all studies, analyses, and

correspondence” that demonstrated that the superiority of a cycle based program compared to a performance based approach. The Company provided no studies in response to AG 1-32. Please confirm that the Company’s responses to KIUC 1-61(a) and AG 1-32 are complete and comprehensive. i.e., the responses provides “all evidence” and “all studies, analyses and correspondence” relied on by Mr. Phillips for this claim. If not, then please supplement the response. If so, then so state.

Q2-23. Refer to the Company’s response to KIUC 1-75 for account 314.

- a. Please describe in detail the Big Sandy Unit 1 turbine retrofit, including, but not limited to, the scope of work performed and the start and completion dates.
- b. Please describe in detail any resulting increases in output as a result of the turbine retrofit and quantify any increases in mW capacity and in energy output on an annualized basis.
- c. Please provide the fuel expense on a per mWh basis for all energy produced by Big Sandy 1 and by Big Sandy 2 during the test year.
- d. Please provide the non-fuel incremental variable expense on a per mWh basis for all energy produced by Big Sandy 1 and by Big Sandy 2 during the test year.
- e. Please provide the capacity factor, capacity in mW, and energy generation (mWh) for each month at Big Sandy 1 and at Big Sandy 2 from January 2004 through January 2010.

Q2-24. Refer to the Company’s response to AG 1-9 pages 2 and 3 of 3.

- a. Please explain why the OSS margins increase in every year compared to the prior year 2010 through 2013.
- b. Separate the annual increases into market price increases and volume increases. Provide all assumptions, data, including mWh volumes and forward price curves, computations and electronic spreadsheets with formulas intact.

Q2-25. Refer to the Company’s response to AG 1-28(a) and the reference to AEP “models.”

- a. Please describe each of these “models” and how they are or would be used.
- b. Please provide a copy of each of these “models.”
- c. Please provide a copy of each of the studies “to estimate the costs in transitioning to a cycle-based approach to vegetation management.”

Q2-26. Refer to the Company’s response to AG 1-32. Please describe and identify the baseline and metrics proposed by the Company to measure “the cost effectiveness” of the Company’s Enhanced Vegetation Management Initiative. Please do not cite reliability indices or customer satisfaction unless the Company can convert these reliability and satisfaction metrics into “cost effectiveness” metrics.

Q2-27. Refer to the Company’s response to AG 1-35. Please confirm that the new software and the effort to inventory all vegetation could be implemented regardless of whether the Company maintained its performance based vegetation management program or transitioned to a cycle-based program? Please explain your response.

Q2-28. Refer to the Company’s response to AG 1-36(c). Please confirm that the Company presently gives priority to “those circuits that have the highest volume of customer and/or tree-related outage concerns.” Please explain your response.

Q2-29. Refer to the Company's response to Staff 2-10(a).

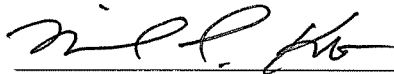
- a. Please describe the Company's tree trimming efforts using a "four year cycle within the station zones."
- b. Does the Company consider its "four year cycle within the station zones" a cycle based vegetation management approach or a cycle based vegetation management approach? Please explain your response.
- c. How will the Company change its present "four year cycle within the station zones" if it changes to a cycle based vegetation management approach?

Q2-30. Refer to the Company's response to Staff 2-47(b). Please explain how this approach differs from the present performance based approach, if in fact it does differ.

Q2-31. Please provide a trial balance at September 2008 and September 2009.

Q2-32. Refer to the Company's response to Staff 2-79. Please provide the balance of the unfunded OPEB liability at September 30, 2009 and indicate if this balance was used to reduce prepayments or any other component of rate base in any manner.

Respectfully submitted,



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