

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE APPLICATION OF)
THE FUEL ADJUSTMENT CLAUSE OF)
KENTUCKY POWER COMPANY FROM MAY 1,) CASE NO. 2016-00001
2015 THROUGH OCTOBER 31, 2015)

NOTICE OF FILING

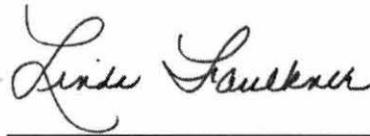
Notice is given to all parties that the following materials have been filed into the record of this proceeding:

- The digital video recording of the evidentiary hearing conducted on April 7, 2016 in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- All exhibits introduced at the evidentiary hearing conducted on April 7, 2016 in this proceeding;
- A written log listing, *inter alia*, the date and time of where each witness' testimony begins and ends on the digital video recording of the evidentiary hearing conducted on April 7, 2016.

A copy of this Notice, the certification of the digital video record, hearing log, and exhibits have been electronically served upon all persons listed at the end of this Notice. Parties desiring an electronic copy of the digital video recording of the hearing in Windows Media format may download a copy at http://psc.ky.gov/av_broadcast/2016-00001-thru-00025/2016-00001-thru-00025_07Apr16_Inter.aspx. Parties wishing an

annotated digital video recording may submit a written request by electronic mail to pscfilings@ky.gov. A minimal fee will be assessed for a copy of this recording.

Done at Frankfort, Kentucky, this 20th day of April 2016.

A handwritten signature in cursive script that reads "Linda Faulkner".

Linda Faulkner
Director, Filings Division
Public Service Commission of Kentucky

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

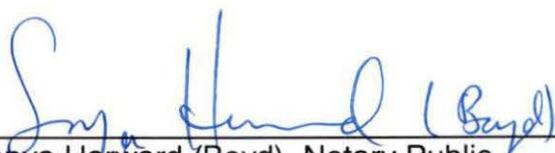
AN EXAMINATION OF THE APPLICATION OF)
THE FUEL ADJUSTMENT CLAUSE OF) CASE NO. 2016-00001
KENTUCKY POWER COMPANY FROM MAY 1,)
2015 THROUGH OCTOBER 31, 2015)

CERTIFICATE

I, Sonya Harward, hereby certify that:

1. The attached DVD contains a digital recording of the Hearing conducted in the above-styled proceeding on April 7, 2016. Hearing Log, Exhibits, Exhibit List, and Witness List are included with the recording on April 7, 2016 (excluding confidential segments).
2. I am responsible for the preparation of the digital recording.
3. The digital recording accurately and correctly depicts the Hearing of April 7, 2016 (excluding confidential segments).
4. The Exhibit List attached to this Certificate correctly lists all Exhibits introduced at the Hearing of April 7, 2016 (excluding confidential segments).
5. The Hearing Log attached to this Certificate accurately and correctly states the events that occurred at the Hearing of April 7, 2016 (excluding confidential segments) and the time at which each occurred.

Given this 14th day of April, 2016.


Sonya Harward (Boyd), Notary Public
State at Large
My commission expires: August 27, 2017



Session Report - Detail

2016-00001thru2016-00025_7Apr2016

FAC Hearings

Date:	Type:	Location:	Department:
4/7/2016	Fuel Adjustment Clause	Public Service Commission	Hearing Room 1 (HR 1)

Judge: Jim Gardner; Dan Logsdon; Roger Thomas

Witness: Lawrence Baronowsky - Big Rivers Electric Corporation; Bob Brunner - KY Utilities/Louisville Gas & Electric; Scott Burnside - Duke Energy Kentucky; Michelle Carpenter - East Kentucky Power Cooperative; Nicholas Castlen - Big Rivers Electric Corporation; Theodore Czupik - Duke Energy Kentucky; Mike Dotson - KY Utilities/Louisville Gas & Electric; Mark Horn - East Kentucky Power Cooperative; Craig Johnson - East Kentucky Power Cooperative; Mark McAdams - Big Rivers Electric Corporation; David Mell - Kentucky Power Company; David Moyer - Kentucky Power Company; Wayne O'Bryan - Big Rivers Electric Corporation; Brett Phipps - Duke Energy Kentucky; Derek Rahn - KY Utilities/Louisville Gas & Electric; John Rogness - Kentucky Power Company; Eileen Saunders - KY Utilities/Louisville Gas & Electric; Charles Schram - KY Utilities/Louisville Gas & Electric; John Swez - Duke Energy Kentucky; Julia Tucker - East Kentucky Power Cooperative; Charles West - Kentucky Power Company; Patrick Woods - East Kentucky Power Cooperative

Clerk: Sonya Harward

Event Time	Log Event
8:52:49 AM	Session Started
8:52:52 AM	Session Paused
8:55:07 AM	Session Resumed
8:55:09 AM	CASE NO. 2016-00001, KENTUCKY POWER COMPANY
8:55:30 AM	Chairman Jim Gardner Note: Harward, Sonya Introduces Vice Chairman Dan Logsdon and Commissioner Roger Thomas.
8:55:43 AM	Atty. Mark Overstreet - Kentucky Power
8:55:57 AM	Atty. Jeb Pinney - PSC Staff Note: Harward, Sonya Introduces Staff Attys. Molly Katen and John Park, and Financial Analysis Staff Matthew Baer and Chris Whelan
8:56:19 AM	Notice was filed and there are no outstanding motions.
8:56:32 AM	No Public present for comments.
8:56:41 AM	Atty. Overstreet introduces KY Power's Witnesses Note: Harward, Sonya Charles West, John Rogness, David Moyer, and David Mell
8:57:04 AM	Chairman Gardner swears in KY Power's Witnesses
8:57:22 AM	Atty. Overstreet - Direct Exam of KY Power's Witnesses
8:58:21 AM	Witness Rogness - Correction to Testimony Note: Harward, Sonya Staff's Third Request for Information, Item 1, page 2 of 2, the witness is listed as Charles West, but it should be John Rogness.
9:00:06 AM	Atty. Pinney Cross Exam of KY Power Note: Harward, Sonya Informs the utility that he will primarily be referencing their responses to Staff's First and Third Requests for Information.
9:00:33 AM	Atty. Pinney Cross Exam and Response by Witness West Note: Harward, Sonya Asking what, if any, effect the stay of the Clean Power Plan has had on KY Power's generation fleet.
9:01:35 AM	Atty. Pinney Cross Exam and Response by Witness West Note: Harward, Sonya Referencing the response to Staff's First Request, Item 1, regarding the difference between contract and spot purchases.
9:03:41 AM	Atty. Pinney Cross Exam and Response by Witness Mell Note: Harward, Sonya Referencing the response to Staff's First Request, Item 2, regarding when the conversion of Big Sandy Unit 1 will be completed and operational. Also asks if KY Power will have firm natural gas transportation service to Big Sandy Unit 1.

9:04:50 AM Atty. Pinney Cross Exam and Response by Witness West
Note: Harward, Sonya Asking about spot or market natural gas purchases at Big Sandy Unit 1.

9:05:55 AM Atty. Pinney Cross Exam and Response by Witness West
Note: Harward, Sonya Asking if Big Sandy Unit 1 will be the highest cost unit.

9:06:06 AM Atty. Pinney Cross Exam and Response by Witness Mell
Note: Harward, Sonya Asking how Big Sandy Unit 1 will differ from a typical combustion turbine.

9:08:03 AM Atty. Pinney Cross Exam and Response by Witness West
Note: Harward, Sonya Asking whether KY power will use Big Sandy Unit 1, after it is operational, to determine its highest cost unit.

9:09:08 AM Atty. Pinney Cross Exam and Response by Witness Rogness
Note: Harward, Sonya Asking if Big Sandy Unit 1 is the lowest cost unit, then will KY Power continue using its peaking unit equivalent for its highest cost.

9:09:58 AM Atty. Pinney Cross Exam and Response by Witness Moyer
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 7, the excel spreadsheet, and what is meant by 'GBIR,' which is listed for one of the outages.

9:11:09 AM Atty. Pinney Cross Exam and Response by Witness West
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 8, p. 2 of 2, regarding the current status of the Ohio Valley Resources contract.

9:12:06 AM Atty. Pinney Cross Exam and Response by Witness West
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 9, Attachment 3, and asking why there is no data for the Green and Wilson Stations.

9:13:11 AM POST-HEARING DATA REQUEST to KY Power
Note: Harward, Sonya Provide data for the response to Staff's First Request, Item 9, Attachment 3, for the Green and Wilson Stations.

9:13:39 AM Atty. Pinney Cross Exam and Response by Witness West
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 11.c. and 11.d., regarding options to reduce the level of inventory at these stations.

9:15:24 AM Atty. Pinney Cross Exam and Response by Witness Rogness
Note: Harward, Sonya Referencing the response to Staff's Third Request, Item 1, p. 1 of 2, asking for a description of account nos. 4470001 and 4470151, and whether fiscal or non-fiscal transactions are recorded in these accounts.

9:16:59 AM 2016-00001 - KY Power - PSC Staff - Exhibit 1
Note: Harward, Sonya KY Power's Response to a Post-Hearing Data Request from the FAC Hearing in CN 2015-00232, Item 2.

9:17:54 AM Atty. Pinney Cross Exam and Response by Witness Rogness
Note: Harward, Sonya Asking why account nos. 4470001 and 4470151 are not included in the list presented as Exhibit 1, and why they shouldn't have been included in the system sales calculation.

9:18:48 AM 2016-00001 - KY Power - PSC Staff - Exhibit 2
Note: Harward, Sonya Copy of KY Power's December filing for the November expense month.

9:20:01 AM Atty. Pinney Cross Exam and Response by Witness Rogness
Note: Harward, Sonya Asking where the \$3.3 million adjustment is on the filing presented as Exhibit 2.

9:20:53 AM Atty. Pinney Cross Exam and Response by Witness Rogness
Note: Harward, Sonya Referencing the response to Staff's Third Request, Item 1, the reconciled tab attachment, regarding the totals shown in the column for accounts 4470001 and 4470151 being \$3,617,665.

9:23:23 AM Vice Chairman Logsdon Cross Exam and Response by Witness Mell
Note: Harward, Sonya Asking about firm gas delivery on the pipeline.

9:23:47 AM Atty. Overstreet Re-Direct Exam to Witness Mell
Note: Harward, Sonya Asking about there being firm gas transportation to Big Sandy Unit 1. Confirming that Big Sandy Unit 1 will not burn coal. Asking how much coal was on the ground when the unit as shut down for conversion.

9:24:49 AM Atty. Overstreet Re-Direct Exam to Witness Rogness
Note: Harward, Sonya Asking about accounts 4470001 and 4470151, regarding why they had not been listed in the filing of the previous case and when the Ohio Dereg. Market became active. Asking why the reconcil tab sums for accounts 4470001 and 4470151 do not add up to the \$3.3 million adjustment.

9:28:22 AM RESPONSES TO POST-HEARING DATA REQUESTS DUE IN 5 BUSINESS DAYS
9:28:38 AM KY Power dismissed.
9:29:31 AM CASE NO. 2016-00002, EAST KENTUCKY POWER COOPERATIVE, INC.
9:29:47 AM Atty. David Samford - EKPC
9:29:55 AM Atty. Jeb Pinney - PSC Staff
Note: Harward, Sonya Introduces Staff Attys. Molly Katen and John Park, and Financial Analysis Staff Matthew Baer and Chris Whelan.

9:30:08 AM Notice was filed and there are no outstanding motions.
9:30:21 AM No Public present for comments in this case or for the distribution cooperatives of EKPC.
9:30:57 AM Chairman Gardner swears in EKPC's Witnesses
9:31:11 AM Atty. Samford - Direct Exam of EKPC's Witnesses
Note: Harward, Sonya Mark Horn, Michelle Carpenter, Julia Tucker, Craig Johnson, and Patrick Woods

9:33:31 AM Atty. Pinney Cross Exam of KY Power
Note: Harward, Sonya Informs the utility that he will primarily be referencing their responses to Staff's First and Third Requests for Information.

9:33:43 AM Atty. Pinney Cross Exam and Response by Witness Johnson
Note: Harward, Sonya Asking what, if any, effect the stay of the Clean Power Plan has had on EKPC's generation fleet.

9:34:16 AM Atty. Pinney Cross Exam and Response by Witness Horn
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 1, p. 2-3 of 7, regarding whether the percentages will change when the tie-in of Cooper Units 1 and 2 are complete.

9:35:49 AM Atty. Pinney Cross Exam and Response by Witness Johnson
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 7, p. 2 of 54, regarding Dale Units 3 and 4 about being conditioned for indefinite storage.

9:36:52 AM Atty. Pinney Cross Exam and Response by Witness Johnson
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 7, p. 3-4 of 54, regarding teh Cooper units tie-ins being completed and units being returned to service.

9:38:27 AM Atty. Pinney Cross Exam and Response by Witness Johnson
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 7, p. 9-10 of 54, regarding an inspection type.

9:39:01 AM Atty. Pinney Cross Exam and Response by Witness Johnson
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 7, p. 17 of 54, regarding a forced outage.

9:39:53 AM Atty. Pinney Cross Exam and Response by Witness Johnson
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 7, p. 18-54, regarding outages due to lack of fuel and an employee having to start the units when fuel becomes available.

9:41:12 AM Atty. Pinney Cross Exam and Response by Witness Horn
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 8, p. 2 of 7, regarding the status of a contract.

9:41:48 AM Atty. Pinney Cross Exam and Response by Witness Horn
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 8, p. 6 of 7, regarding shortfalls being made up.

9:42:28 AM Atty. Pinney Cross Exam and Response by Witness Horn
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 9.

9:43:15 AM POST-HEARING DATA REQUEST TO EKPC
Note: Harward, Sonya Regarding the response to Staff's First Request, Item 9, in the future, can EKPC provide the comparisons for the entire review period. Also, the source documents were not included in this response -- provide those in excel spreadsheet format.

9:43:32 AM Atty. Pinney Cross Exam and Response by Witness Horn
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 11.c., regarding the reason for the increase.

9:44:36 AM Atty. Pinney Cross Exam and Response by Witness Horn
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 15, the red-lined Manual attached to the response, p. 23, Section 2.14, the second sentence. Asking whether the sentence is complete as written or if a change is required.

9:48:17 AM Atty. Pinney Cross Exam and Response by Witness Horn
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 15, red-lined Manual, page 150, Section 4.8.6, regarding the reason for the deletion in first sentence.

9:49:34 AM POST-HEARING DATA REQUEST TO EKPC
Note: Harward, Sonya Provide the reason for the deletion in the first sentence in red-lined Manual attached to EKPC's response to Staff's First Request, Item 15, page 150, Section 4.8.6.

9:49:47 AM POST-HEARING DATA REQUEST TO EKPC
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 19, p. 3 of 5. Provide more detailed information to expand on the reasons for not selecting the first three bidders listed.

9:50:40 AM Atty. Pinney Cross Exam and Response by Witness Carpenter
Note: Harward, Sonya Referencing the response to Staff's First Request, Items 26 and 27, regarding billing codes.

9:52:05 AM Atty. Pinney Cross Exam and Response by Witness Horn
Note: Harward, Sonya Referencing the response to Staff's Third Request, Item 1.b., regarding whether EKPC believed that FERC was requiring the use of numbers from the Mine Safety and Health Administration for the form 423.

9:54:29 AM Atty. Pinney Cross Exam and Response by Witness Horn
Note: Harward, Sonya Referencing the response to Staff's Third Request, Item 1.e., regarding use of current monthly MSHA coal district numbers.

9:55:04 AM Atty. Pinney Cross Exam and Response by Witness Johnson
Note: Harward, Sonya Referencing the response to Staff's Third Request, Item 3.e., 3.f., and 3.g., regarding how minimal level is determined.

9:56:29 AM Atty. Pinney Cross Exam and Response by Witness Carpenter
Note: Harward, Sonya Referencing the response to Staff's Third Request, Item 4, regarding the calculation of the highest cost unit.

9:57:13 AM POST-HEARING DATA RESPONSE TO EKPC
Note: Harward, Sonya Using the actual cost of gas paid while the unit operated at minimum load, provide the amount of power purchases that would have been excluded compared to the amount that was excluded.

9:57:32 AM POST-HEARING DATA REQUEST TO EKPC
Note: Harward, Sonya Provide the calculations of the power purchases that would have been excluded for recovery through the FAC compared to what was excluded if EKPC would have used as the cost of the highest cost unit for each month of the review period an average of the cost to operate the unit at minimum load and full load and using the natural gas costs that were used in response to Item 3.b. of Staff's Third Request (in excel and hardcopy formats).

9:58:55 AM POST-HEARING DATA REQUEST TO EKPC
Note: Harward, Sonya Same as the previous question, except, for the natural gas price, use the average of the highest and lowest costs of gas for each month (in excel and hardcopy formats).

9:59:34 AM Commissioner Thomas Cross Exam and Response by Witness Horn
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 1, pp. 5 and 7, regarding differences between Spurlock 1 and 2 versus Spurlock 3 and 4 and the spot purchase contracts.

10:01:20 AM Chairman Gardner Cross Exam and Response by Witness Horn
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 11, regarding inventory target changes.

10:02:06 AM RESPONSES TO POST-HEARING DATA REQUESTS DUE IN 10 BUSINESS DAYS
10:02:22 AM POST-HEARING BRIEF DUE FROM EKPC IN 20 BUSINESS DAYS
10:03:15 AM EKPC dismissed.
10:03:22 AM Session Paused
10:04:03 AM Session Resumed
10:04:04 AM CASE NO. 2016-00003, KENTUCKY UTILITIES COMPANY, AND CASE NO. 2016-00004, LOUISVILLE GAS & ELECTRIC COMPANY
10:04:15 AM Atty. Allyson Sturgeon - KU and LG&E
10:04:30 AM Atty. Jeb Pinney - PSC Staff
Note: Harward, Sonya Introduces Staff Attys. Molly Katen and John Park, and Financial Analysis Staff Matthew Baer and Chris Whelan

10:04:42 AM Notice was filed and there are no outstanding motions.
10:04:59 AM No Public present for comments.
10:05:07 AM Chairman Gardner swears in KU/LG&E's Witnesses
10:05:24 AM Atty. Sturgeon - Direct Exam of KU/LG&E's Witnesses
Note: Harward, Sonya Mike Dotson, Derek Rahn, Eileen Saunders, Charles Schram, and Bob Brunner

10:07:23 AM Atty. Pinney Cross Exam of KU/LG&E
Note: Harward, Sonya Informs the utility that he will primarily be referencing their responses to Staff's First and Third Requests for Information.

10:07:35 AM Atty. Pinney Cross Exam and Response by Witness Saunders
Note: Harward, Sonya Asking what, if any, effect the stay of the Clean Power Plan has had on KU/LG&E's generation fleet.

10:07:59 AM Atty. Pinney Cross Exam and Response by Witness Brunner
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 2, p. 1 of 2, regarding special contracts.

10:09:13 AM Atty. Pinney Cross Exam and Response by Witness Brunner
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 3, regarding the use of the word 'may' in the context of physical hedging.

10:09:52 AM Atty. Pinney Cross Exam and Response by Witness Saunders
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 7, regarding Trimble Units 5 and 8 outages labeled as generator protection upgrade.

10:10:55 AM Atty. Pinney Cross Exam and Response by Witness Dotson
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 8, page 4, regarding base price being mislabeled as 2015 instead of 2016.

10:12:22 AM Atty. Pinney Cross Exam and Response by Witness Dotson
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 8, regarding the status of the Rhino contract.

10:13:29 AM Atty. Pinney Cross Exam and Response by Witness Dotson
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 9, regarding price comparisons,

10:14:03 AM POST-HEARING DATA REQUEST TO KU/LG&E
Note: Harward, Sonya Provide a price comparison for the current review period using combined single price for all purchases regardless of the SO2 content (in excel with raw data used for each company).

10:15:02 AM POST-HEARING DATA REQUEST TO KU/LG&E
Note: Harward, Sonya Provide a price comparison for the previous review period using combined single price for all purchases regardless of the SO2 content (in excel with raw data used for each company).

10:15:50 AM Atty. Pinney Cross Exam and Response by Witness Dotson
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 12, regarding how payments made under the settlement agreements are accounted for.

10:16:31 AM Atty. Pinney Cross Exam and Response by Witness Dotson
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 19, page 3 of 6 (15-05) of the confidential attachment, just below table, regarding why lowest cost option was not accepted, and asking for an explanation of why coal was not able to be used.

10:18:21 AM Atty. Pinney Cross Exam and Response by Witness Dotson
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 20, regarding the request for midlings coal.

10:20:30 AM Atty. Pinney Cross Exam and Response by Witnesses Dotson and Rahn
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 25, regarding contracts being timely filed in the future.

10:22:04 AM Atty. Pinney Cross Exam and Response by Witness Dotson
Note: Harward, Sonya Referencing the response to Staff's Third Request, Item 1.b., regarding whether the Companies believed that FERC was requiring the use of numbers from the Mine Safety and Health Administration for the form 423.

10:24:15 AM Atty. Pinney Cross Exam and Response by Witness Schram
Note: Harward, Sonya Referencing the response to Staff's Third Request, Item 4.d., regarding amounts being forecasted, when actual costs are known.

10:25:51 AM POST-HEARING DATA REQUEST TO KU/LG&E
Note: Harward, Sonya Referencing the response to Staff's Third Request, Item 4.b., provide for each company a breakdown showing the natural gas price and the cost of delivery for each month of the review period.

10:26:07 AM POST-HEARING DATA REQUEST TO KU/LG&E
Note: Harward, Sonya Referencing the response to Staff's Third Request, Item 4.e., for each company, provide the highest generating cost actually incurred for May and July 2015 for both units in \$/mwh.

10:26:39 AM POST-HEARING DATA REQUEST TO KU/LG&E
Note: Harward, Sonya Each company, using the \$/mwh from the previous question, provide the amount of effect it would have on power purchases excluded from recovery during those two months if that \$/mwh had been used rather than what the Companies used (in hardcopy and excel format).

10:27:22 AM POST-HEARING DATA REQUEST TO KU/LG&E
Note: Harward, Sonya Provide the calculations of the power purchases that would have been excluded for recovery through the FAC compared to what was excluded if the Companies would have used as the cost of the highest cost unit for each month of the review period an average of the cost to operate the unit at minimum load and full load and using the natural gas costs that were used in the responses to Item 4.b. of Staff's Third Request (in excel and hardcopy formats).

10:27:54 AM POST-HEARING DATA REQUEST TO KU/LG&E
Note: Harward, Sonya Same as the previous question, except, for the natural gas price, use the average of the highest and lowest costs of gas for each month (in excel and hardcopy formats).

10:28:33 AM CASE NO. 2016-00003, KENTUCKY UTILITIES COMPANY ONLY
10:28:50 AM POST-HEARING DATA REQUEST TO KU
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 7, p. 1 of 5, regarding outages for installation of the mercury monitors in October at Brown Units 1 and 2. Provide a response to whether this was performed as a result of the MATS.

10:30:14 AM Atty. Pinney Cross Exam and Response by Witnesses Saunders and Schram
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 7, regarding definite plans for the future of these units.

10:30:37 AM Atty. Pinney Cross Exam and Response by Witness Dotson
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 8, p. 16 of 25, regarding status of contract.

10:31:49 AM Atty. Pinney Cross Exam and Response by Witness Dotson
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 8, p. 24 of 25, Section I, regarding whether the last two years listed should be 2016 and 2017.

10:32:38 AM Atty. Pinney Cross Exam and Response by Witness Dotson
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 19.b., p. 2 of 3, regarding issue with railway.

10:34:05 AM CASE NO. 2016-00004, LOUISVILLE GAS & ELECTRIC COMPANY ONLY
10:34:06 AM Atty. Pinney Cross Exam and Response by Witnesses Saunders and Schram
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 7, p. 4 of 4, regarding outages at Zorn Unit 1.

10:34:56 AM Atty. Sturgeon Re-Direct Exam to Witness Brunner
Note: Harward, Sonya Follow-up question about gas special contracts.

10:35:59 AM Atty. Sturgeon Re-Direct Exam to Witness Dotson
Note: Harward, Sonya Follow-up question related to Item 20.

10:36:19 AM POST-HEARING DUE IN 10 BUSINESS DAYS
Note: Harward, Sonya Reviewed all DRs.

10:40:25 AM POST-HEARING BRIEF DUE IN 20 BUSINESS DAYS
10:40:40 AM KU/LG&E dismissed.
10:40:47 AM Session Paused
10:41:38 AM Session Resumed

10:41:43 AM CASE NO. 2016-00006, BIG RIVERS ELECTRIC CORPORATION
10:41:54 AM Atty. Tyson Kamuf - Big Rivers
10:42:04 AM Atty. Jeb Pinney - PSC Staff
Note: Harward, Sonya Introduces Staff Attys. Molly Katen and John Park, and Financial Analysis Staff Matthew Baer and Chris Whelan

10:42:18 AM Notice was filed and there are outstanding confidential motions only.
10:42:44 AM No Public present for comments in this case or for the distribution cooperatives of Big Rivers.
10:43:02 AM Chairman Gardner swears in Big Rivers' Witnesses

10:43:15 AM Atty. Kamuf - Direct Exam of Big Rivers' Witnesses
Note: Harward, Sonya Mark McAdams, Lawrence Baronowsky, Wayne O'Bryan, Nicholas Castlen

10:43:42 AM Witness McAdams - Correction to Testimony
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 11, p. 3 of 5, line 4, should be "through Dec. 15, 2015," not December 5, 2015.

10:45:39 AM Atty. Pinney Cross Exam of Big Rivers
Note: Harward, Sonya Informs the utility that he will primarily be referencing their responses to Staff's First and Third Requests for Information.

10:45:52 AM Atty. Pinney Cross Exam and Response by Witness Baronowsky
Note: Harward, Sonya Asking what, if any, effect the stay of the Clean Power Plan has had on Big Rivers' generation fleet.

10:46:17 AM Atty. Pinney Cross Exam and Response by Witness McAdams
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 4, regarding reason for petroleum coke amount being doubled.

10:47:19 AM Atty. Pinney Cross Exam and Response by Witness O'Bryan
Note: Harward, Sonya Referencing the response to Staff's First Request, Item Item 5, p. 1 of 4, regarding contact with Southeastern Power Administration.

10:47:59 AM Atty. Pinney Cross Exam and Response by Witness Baronowsky
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 7, p. 2-4 of 14, regarding an outage at a unit from September to April.

10:49:39 AM Atty. Pinney Cross Exam and Response by Witness McAdams
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 11, p. 3 of 5, regarding idling Reed stations.

10:50:50 AM Atty. Pinney Cross Exam and Response by Witness Baronowsky
Note: Harward, Sonya Asking about conversion of the Reed unit.

10:51:16 AM Atty. Pinney Cross Exam and Response by Witness McAdams
Note: Harward, Sonya Asking about indefinite idling of a station.

10:52:37 AM Atty. Pinney Cross Exam and Response by Witness McAdams
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 11, p. 3-4 of 5, regarding Big Rivers ceasing to issue solititaions for coal.

10:53:57 AM Atty. Pinney Cross Exam and Response by Witness O'Bryan
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 16, regarding a violation by an ACES trader.

10:56:32 AM Atty. Pinney Cross Exam and Response by Witness McAdams
Note: Harward, Sonya Referencing the response to Staff's Third Request, Item 3, regarding filing all short-term spot fuel contracts.

10:57:47 AM POST-HEARING DATA REQUEST TO BIG RIVERS
Note: Harward, Sonya Provide, on a flashdrive, all spot fuel agreements that have not been previously submitted since July 2009.

10:58:27 AM Atty. Pinney Cross Exam and Response by Witness O'Bryan
Note: Harward, Sonya Referencing the response to Staff's Third Request, Item 6.e., p. 4 of 7, regarding MISO dispatching the Reed unit at minimum load strictly for generation.

10:59:43 AM POST-HEARING DATA REQUEST TO BIG RIVERS
Note: Harward, Sonya Provide the calculations of the power purchases that would have been excluded for recovery through the FAC compared to what was excluded if Big Rivers would have used as the cost of the highest cost unit for each month of the review period an average of the cost to operate the unit at minimum load and full load and using the natural gas costs that were used in the response to Item 6 of Staff's Third Request (in excel and hardcopy formats).

11:00:30 AM POST-HEARING DATA REQUEST TO BIG RIVERS
Note: Harward, Sonya Same as the previous question, except, for the natural gas price, use the average of the highest and lowest costs of gas for each month (in excel and hardcopy formats).

11:00:52 AM Atty. Kamuf Re-Direct to Witnesses McAdams and Baronowsky
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 11, regarding idling Reed 1 only.

11:01:45 AM RESPONSES TO POST-HEARING DATA REQUESTS DUE IN 10 BUSINESS DAYS
11:01:55 AM FILING TO EXPAND ON QUESTIONS DUE WITHIN 10 BUSINESS DAYS
11:02:11 AM Big Rivers dismissed.
11:02:14 AM Session Paused
11:09:12 AM Session Resumed
11:09:18 AM CASE NO. 2016-00005, DUKE ENERGY KENTUCKY, INC.
11:09:34 AM Atty. Rocco D'Ascenzo - Duke Kentucky
11:09:48 AM Atty. Jeb Pinney - PSC Staff
Note: Harward, Sonya Introduces Staff Attys. Molly Katen and John Park, and Financial Analysis Staff Matthew Baer and Chris Whelan

11:10:00 AM Notice was filed and there are outstanding confidential motions only.
11:10:17 AM No Public present for comments in this case.
11:10:27 AM Chairman Gardner swears in Duke Kentucky's Witnesses
11:10:39 AM Atty. D'Ascenzo - Direct Exam of Duke Kentucky's Witnesses
Note: Harward, Sonya Brett Phipps, Scott Burnside, John Swez, and Theodore Czupik

11:11:45 AM Witness Burnside - Correction to Testimony
Note: Harward, Sonya Referencing the response to Staff's Third Request, confidential attachment titled Staff-DR-03-003 B1, "2016" should be replaced everywhere with "2015."

11:13:50 AM Atty. Pinney Cross Exam of Duke Kentucky
Note: Harward, Sonya Informs the utility that he will primarily be referencing their responses to Staff's First and Third Requests for Information.

11:14:03 AM Atty. Pinney Cross Exam and Response by Witness Phipps
Note: Harward, Sonya Asking what, if any, effect the stay of the Clean Power Plan has had on Duke Kentucky's generation fleet.

11:14:28 AM Atty. Pinney Cross Exam and Response by Witness Burnside
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 7, Attachment 2, regarding purchase of power from market when East Bend had an outage and Miami Fort 6 was retired.

11:15:06 AM Atty. Pinney Cross Exam and Response by Witness Swez
Note: Harward, Sonya Asking how long it takes East Bend to ramp up to its operating level when being restarted after an outage.

11:15:36 AM Atty. Pinney Cross Exam and Response by Witness Swez
Note: Harward, Sonya Asking about Smart Gen modifications.

11:16:07 AM Atty. Pinney Cross Exam and Response by Witness Phipps
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 8, regarding long-term contracts for coal purchases after Jan. 31, 2016.

11:17:09 AM POST-HEARING DATA REQUEST TO DUKE ENERGY KENTUCKY
Note: Harward, Sonya Provide the percentage under the contract for the 2016 year.

11:17:31 AM 2016-00005 - Duke - PSC Staff - Exhibit 1
Note: Harward, Sonya Coal agreement filed in 2015 pertaining to coal purchases for 2016, for River View Coal

11:17:36 AM 2016-00005 - Duke - PSC Staff - Exhibit 2
Note: Harward, Sonya Coal agreement filed in 2015 pertaining to coal purchases for 2016, for Foresight Coal Sales

11:18:29 AM Atty. Pinney Cross Exam and Response by Witness Phipps
Note: Harward, Sonya Asking if either of the contracts (presented as Exhibits) were included in the agreement filed in response to Staff's First Request, Item 8.

11:20:01 AM POST HEARING DATA REQUEST TO DUKE ENERGY KENTUCKY
Note: Harward, Sonya Provide a copy of the response to Staff's First Request, Item 9.b., in excel spreadsheet format.

11:20:35 AM POST-HEARING DATA REQUEST TO DUKE ENERGY KENTUCKY
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 19, confidential attachment, the fourth counter party, file this contract with the Commission.

11:22:25 AM Atty. Pinney Cross Exam and Response by Witness Swez
Note: Harward, Sonya Asking about Duke owning 100 percent of the East Bend unit.

11:23:16 AM Atty. Pinney Cross Exam and Response by Witness Phipps
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 20.a., attachment, regarding the first bid.

11:25:08 AM Atty. Pinney Cross Exam and Response by Witness Phipps
Note: Harward, Sonya Referencing the response to Staff's Third Request, Item 1.b., regarding coal district numbers.

11:26:17 AM Atty. Pinney Cross Exam and Response by Witness Phipps
Note: Harward, Sonya Asking whether Duke Kentucky believes that FERC was requiring the use of numbers from the Mine Safety and Health Administration for the form 423.

11:26:55 AM Atty. Pinney Cross Exam and Response by Witness Phipps
Note: Harward, Sonya Referencing the response to Staff's First Request, Item 1.c., regarding a FERC map of coal districts.

11:27:37 AM Atty. Pinney Cross Exam and Response by Witness Phipps
Note: Harward, Sonya Referencing the response to Staff's Third Request, Item 2, regarding timely filing of future coal contracts.

11:29:03 AM POST-HEARING DATA REQUEST TO DUKE ENERGY KENTUCKY
Note: Harward, Sonya Provide, on a flashdrive, all spot fuel agreements that have not been previously submitted since January 2007.

11:30:13 AM Atty. Pinney Cross Exam and Response by Witness Burnside
Note: Harward, Sonya Asking about Woodsdale's minimum load.

11:31:15 AM Atty. Pinney Cross Exam and Response by Witness Swez
Note: Harward, Sonya Asking whether there is a reason why Woodsdale's minimum load is significantly lower than EKPCs.

11:32:12 AM Atty. Pinney Cross Exam and Response by Witness Swez
Note: Harward, Sonya Asking about Woodsdale units being black start units.

11:32:40 AM Atty. Pinney Cross Exam and Response by Witness Swez
Note: Harward, Sonya Referencing the response to Staff's Third Request, Item 3.b., p. 4, regarding Woodsdale's fast-start and ramp-up rates.

11:34:02 AM Atty. Pinney Cross Exam and Response by Witness Burnside
Note: Harward, Sonya Referencing the response to Staff's Third Request, Item 5.a., p. 3, regarding what a reasonable threshold is for determining that a unit operated at minimal load.

11:36:38 AM Atty. Pinney Cross Exam and Response by Witness Burnside
Note: Harward, Sonya Asking about 5-minute increments at Woodsdale and whether the unit was ramping up or ramping down.

11:40:15 AM Discussion Regarding Confidential Session
Note: Harward, Sonya Those not covered by confidential agreement left the room.

11:41:08 AM Private Recording Activated

11:58:18 AM Public Recording Activated

11:58:29 AM Hearing Resumes in Public Session

11:59:36 AM Atty. D'Ascenzo Re-Direct to Witness Swez
Note: Harward, Sonya Asking follow-up questions about the Woodsdale units.

12:02:27 PM POST-HEARING DATA REQUEST TO DUKE ENERGY KENTUCKY
Note: Harward, Sonya Provide the calculations of the power purchases that would have been excluded for recovery through the FAC compared to what was excluded if Duke Kentucky would have used as the cost of the highest cost unit for each month of the review period an average of the cost to operate the unit at minimum load and full load and using the natural gas costs that were used in the response to Item 27 of Staff's First Request (in excel and hardcopy formats).

12:03:31 PM POST-HEARING DATA REQUEST TO DUKE ENERGY KENTUCKY
Note: Harward, Sonya Same as the previous question, except, for the natural gas price, use the average of the highest and lowest costs of gas for each month (in excel and hardcopy formats).

12:04:18 PM RESPONSES TO POST-HEARING DATA REQUESTS DUE IN 10 BUSINESS DAYS

12:04:32 PM BRIEF DUE 10 DAYS AFTER RECORDING IS RECIEVED ON DISC

12:06:21 PM Hearings adjourned.

12:06:25 PM Session Paused

12:08:00 PM Session Ended



Exhibit List Report

2016-00001thru2016-
00025_7Apr2016
FAC Hearings

Judge: Jim Gardner; Dan Logsdon; Roger Thomas

Witness: Lawrence Baronowsky - Big Rivers Electric Corporation; Bob Brunner - KY Utilities/Louisville Gas & Electric; Scott Burnside - Duke Energy Kentucky; Michelle Carpenter - East Kentucky Power Cooperative; Nicholas Castlen - Big Rivers Electric Corporation; Theodore Czupik - Duke Energy Kentucky; Mike Dotson - KY Utilities/Louisville Gas & Electric; Mark Horn - East Kentucky Power Cooperative; Craig Johnson - East Kentucky Power Cooperative; Mark McAdams - Big Rivers Electric Corporation; David Mell - Kentucky Power Company; David Moyer - Kentucky Power Company; Wayne O'Bryan - Big Rivers Electric Corporation; Brett Phipps - Duke Energy Kentucky; Derek Rahn - KY Utilities/Louisville Gas & Electric; John Rogness - Kentucky Power Company; Eileen Saunders - KY Utilities/Louisville Gas & Electric; Charles Schram - KY Utilities/Louisville Gas & Electric; John Swez - Duke Energy Kentucky; Julia Tucker - East Kentucky Power Cooperative; Charles West - Kentucky Power Company; Patrick Woods - East Kentucky Power Cooperative

Clerk: Sonya Harward

Name:	Description:
2016-00001 - KY Power - PSC Staff - Exhibit 1	KY Power's Response to a Post-Hearing Data Request from the FAC Hearing in CN 2015-00232, Item 2.
2016-00001 - KY Power - PSC Staff - Exhibit 2	Copy of KY Power's December filing for the November expense month.
2016-00005 - Duke - PSC Staff - Exhibit 1	Coal agreement filed in 2015 pertaining to coal purchases for 2016, for River View Coal
2016-00005 - Duke - PSC Staff - Exhibit 2	Coal agreement filed in 2015 pertaining to coal purchases for 2016, for Foresight Coal Sales

Kentucky Power Company

REQUEST

Please refer to the column labeled "account" on KPCo_R_KPSC1_6_Attachment1.xls.

- (a) Please provide all subaccounts associated with each account shown on KPCo_R_KPSC1_6_Attachment1.xls.
- (b) Please provide a description of each subaccount identified in your response to Item 2(a).
- (c) For each subaccount identified in your response to Item 2(a) please indicate whether it reflects a physical or non-physical sale.

RESPONSE

- (a) There are no sub-accounts for the items listed in the column labeled "account" on KPCo_R_KPSC1_6_Attachment1.xls.
- (b)-(c) The Company cannot provide the requested information. Kentucky Power classifies transactions reflected in the accounts shown on KPCo_R_KPSC_Post_Hearing_2_Attachment.xls as physical and trading and not physical and non-physical. As described in the Company's response to KPSC_Post_Hearing_1_ above, accounts labeled physical and trading include both physical and non-physical transactions.

WITNESS: John A Rogness

Account	Acct Name	Acct Description	Physical/Trading
4470006	Sales for Resale-Bookout Sales	Wholesale electric sales from AEPSC to non-associated companies that are scheduled out or for trading purposes	Trading
4470010	Sales for Resale-Bookout Purch	Wholesale electric purchase from AEPSC to non-associated companies that are scheduled out or for trading purposes	Trading
4470081	Financial Spark Gas - Realized	Net realized revenues from settled financial spark gas transactions (Swaps/Futures)	Trading
4470082	Financial Electric Realized	Net realized revenues from settled financial electric transactions (Swaps/Futures)	Trading
4470089	PJM Energy Sales Margin	Physical off system sales margins	Physical
4470098	PJM Oper Reserve Rev-OSS	PJM day ahead and balancing operating reserve charges and credits allocated to off system sales	Physical
4470099	Capacity Cr. Net Sales	Net capacity sales with PJM or other third parties	Physical
4470100	PJM FTR Revenue-OSS	FTR revenue with PJM allocated to off-system sales (OSS).	Physical
4470103	PJM Energy Sales Cost	ECR's derived cost of sales revenue with PJM for spot energy sales to PJM.	N/A
4470107	PJM NITS Purch-NonAff.	PJM transmission related charges allocated to off system sales	Physical
4470109	PJM FTR Revenue-Spec	PJM FTR revenues associated with AEPSC's trading book	Trading
4470110	PJM TO Admin. Exp.-NonAff.	PJM Transmission Owner Scheduling, System Control and Dispatch Service Charges allocated to off system sales	Physical
4470112	Non-Trading Bookout Sales-OSS	Wholesale electric sales (non-trading) from AEPSC to non-associated companies that are scheduled out	Physical
4470115	PJM Meter Corrections-OSS	PJM meter correction charges and credits allocated to off system sales	Physical
4470126	PJM Incremental Imp Cong-OSS	PJM day ahead and balancing congestion charges allocated to off system sales	Physical
4470131	Non-Trading Bookout Purch-OSS	Wholesale (non-trading) electric purchases from AEPSC to non-associated companies that are scheduled out	Physical
4470143	Financial Hedge Realized	Net realized revenues from settled (non-trading) financial electric transactions (Swaps/Futures)	Physical
4470168	Interest Rate Swaps-Power	Interest rate swap trading revenue related to electric	Trading
4470170	Non-ECR Auction Sales-OSS	Sales for resale of Energy Auction Activity	Trading
4470175	OSS Sharing Reclass - Retail	For earnings release reporting only. To record and reflect the estimated amount of OSS margin shared with retail ratepayers. This account is mapped to the retail lines of the earnings release. The amount recorded in the account will be equal to and offsetting of the amount recorded in OSS Sharing Reclass - Reduction.	N/A
4470176	OSS Sharing Reclass-Reduction	For earnings release reporting only. This account will record and reflect the estimated amount of OSS margin shared with retail ratepayers. This account is mapped to the Off-System Sales line of the earnings release in order to reflect that line net of OSS margin sharing. The amount recorded in the account will be equal to and offsetting of the amount recorded in OSS Sharing Reclass - Retail	N/A
4470206	PJM Trans loss credits-OSS	PJM transmission loss credits allocated to off system sales	Physical
4470209	PJM transm loss charges-OSS	PJM day ahead and balancing loss charges allocated to off system sales	Physical
4470214	PJM 30m Suppl Reserve CR OSS	PJM day ahead scheduling reserve credits allocated to off system sales	Physical
4470215	PJM 30m Suppl Reserve CH OSS	PJM day ahead scheduling reserve charges allocated to off system sales	Physical
4470220	PJM Regulation - OSS	PJM net Regulation revenue associated with off-system sales	Physical
4470221	PJM Spinning Reserve - OSS	PJM net Spinning revenue associated with off-system sales	Physical
4470222	PJM Reactive - OSS	PJM net Reactive revenue associated with off-system sales	Physical
5550039	PJM Inadvertent Mtr Res-OSS	PJM inadvertent interchange charges allocated to off system sales	Physical
5550088	Normal Capacity Purchases	PJM or Third Party Purchases of capacity transactions	Physical
5550099	PJM Purchases-non-ECR-Auction	PJM and other third party purchases mainly to serve auction loads	Trading
5550100	Capacity Purchases-Auction	Capacity purchases or associated financial hedges used to serve auction loads	Trading
5550107	Capacity purchases - Trading	Capacity purchases to supply trading contracts	Trading
5570007	Other Pwr Exp - Wholesale RECs	To record expenses related to requirements of wholesale marketing relationships. Includes purchase costs associated with renewable energy credits (RECs), as well as related administrative fees and alternative compliance payments.	N/A
5614000	PJM Admin-SSC&DS-OSS	PJM schedule 9&10 administration fee charges allocated to off system sales	N/A
5614008	PJM Admin Defaults OSS	To record costs in PJM when a market participant defaults on its payment obligations with PJM. These charges are socialized across all participants in PJM. This administrative fee relates to the OSS (Off System Sales).	N/A
5618000	PJM Admin-RP&SDS-OSS	PJM schedule 9&10 administration fee charges allocated to off system sales	N/A
5757000	PJM Admin-MAM&SC- OSS	PJM schedule 9&10 administration fee charges allocated to off system sales	N/A



A unit of American Electric Power

Kentucky Power
101A Enterprise Drive
P.O. Box 5190
Frankfort, KY 40602-5190
KentuckyPower.com

HAND DELIVERED

December 21, 2015

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

RECEIVED

DEC 21 2015

PUBLIC SERVICE
COMMISSION

Attention: Chris Whelan

RE: The Standard Fuel Adjustment Clause

Dear Ms. Whelan,

Kentucky Power Company's Fuel Adjustment Clause Schedules with supporting sales and fuel cost schedules for the January 2016 billing month are attached. These calculations are based on estimated November 2015 fuel costs with an adjustment reflecting actual October 2015 fuel costs.

If you have any questions, please contact me at 502-696-7010.

Sincerely,

John A. Rogness III
Director, Regulatory Services

Attachments

KENTUCKY POWER COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: November 2015

1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	(\$0.00306)
2 System Sales Clause Factor (Page 1 of 2)	(+)	<u>(\$0.0035975)</u>
3 Total Adjustment Clause Factors		<u><u>(\$0.0066575)</u></u>

Effective Month for Billing

January 2016

Submitted by:


(Signature)

Title:

Director, Regulatory Services

Date Submitted:

December 21, 2015

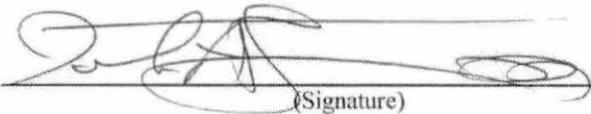
KENTUCKY POWER COMPANY

FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: November 2015

Fuel Fm (Fuel Cost Schedule)	<u>\$11,655,221</u>		
Sales Sm (Sales Schedule)	481,798,000	(+)	0.02419
Fuel (Fb)	<u>\$12,504,307</u>		
Sales (Sb)	458,919,000	(-)	<u>0.02725</u> *
			<u>(0.00306)</u> (\$/KWH)

Effective Month for Billing January 2016

Submitted by:  (Signature)

Title: Director, Regulatory Services

Date Submitted: December 21, 2015

*Pursuant to PSC Order dated August 11, 2015 in Case No. 2014-00450

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: November 2015

A. Company Generation			
Coal Burned	(+)	\$5,924,078	
Oil Burned	(+)	390,872	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)	(+)	0	
Fuel (substitute for F. O.)	(-)	0	
Sub Total		<u>6,314,950</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	5,885,775	
Identifiable Fuel Cost (substitute for F. O.)	(-)	0	
Sub Total		<u>5,885,775</u>	
C. Inter-System Sales Fuel Costs		<u>948,764</u>	
Sub Total		<u>948,764</u>	
D. Total Fuel Cost (A + B - C)		<u><u>\$11,251,961</u></u>	
E. Adjustment indicating the difference in actual fuel cost for the month of <u>October 2015</u> and the estimated cost originally reported.			
		<u>\$11,387,896</u>	-
	(actual)		<u>\$10,981,439</u>
			(estimated)
			=
			<u>406,457</u>
F. Total Company Over or (Under) Recovery from Page 4, Line 12		<u>475,196</u>	
G. Grand Total Fuel Cost (D + E - F)		<u>\$11,183,222</u>	
H. Net Transmission Marginal Line Loss for month of <u>November 2015</u> (Accounts 4470207, 447208, 5550326, and 5550327)			<u>471,999</u>
I. ADJUSTED GRAND TOTAL FUEL COSTS (G + H - H1)			<u><u>\$11,655,221</u></u>

* Estimated - based on average generation unit cost
November 2015 \$6,314,950
277,953,000 0.02272 /KWH

(1) In accordance with Paragraph 15 of KPSC Order Dated June 22, 2015 in Case No. 2014-00396.

KENTUCKY POWER COMPANY

SALES SCHEDULE

Month Ended: November 2015

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	277,953,000
Purchases Including Interchange In	(+)	<u>259,057,000</u>
Sub Total		537,010,000
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	41,759,000
System Losses	(+)	<u>13,453,000</u> *
Sub Total		<u>55,212,000</u>
Total Sales (A - B)		<u><u>481,798,000</u></u>

* Does not include 231,000 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: November 2015

Line No.			
1	FAC Rate Billed	(+)	(0.00999)
2	Retail KWH Billed at Above Rate	(x)	<u>430,917,400</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>(4,304,865)</u>
4	KWH Used to Determine Last FAC Rate Billed	(+)	484,558,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>6,734,800</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>477,823,200</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		(4,773,454)
8	Over or (Under) Recovery (L3 - L7)		468,589
9	Total Sales (Page 3)	(+)	481,798,000
10	Kentucky Jurisdictional Sales	(/)	<u>475,097,200</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1.01410
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>475,196</u></u>

KENTUCKY POWER COMPANY

FINAL
FUEL COST SCHEDULE

Month Ended: October 2015

A. Company Generation			
Coal Burned		(+)	\$3,321,514
Oil Burned		(+)	109,682
Gas Burned		(+)	0
Fuel (jointly owned plant)		(+)	0
Fuel (assigned cost during F. O.)			
(1,997,193	KWH X		\$0.035331)
		(+)	70,563
Fuel (substitute for F. O.)		(-)	<u>0</u>
	Sub-total		<u>3,501,759</u>
B. Purchases			
Net Energy Cost - Economy Purchases		(+)	0
Identifiable Fuel Cost - Other Purchases		(+)	8,542,217
Identifiable Fuel Cost (substitute for F. O.)			
(1,997,193	KWH X		\$0.042099)
		(-)	84,080
Purchase Adjustment for Peaking Unit Equivalent		(-)	64,857 (1)
	Sub-total		<u>8,393,280</u>
C. Inter-System Sales Fuel Costs			<u>507,143</u>
D. SUB-TOTAL FUEL COST (A + B - C)			<u>\$11,387,896</u>
E. Net Transmission Marginal Line Loss for month	<u>October 2015</u>		413,286
F. GRAND TOTAL FUEL COSTS (D + E)			<u><u>\$11,801,182</u></u>

(1) As calculated in accordance with KPSC Order dated October 3, 2002 in Case No. 2000-495-B.

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE SCHEDULE
Case No. 9061 and
Settlement Agreements in Case Nos. 2009-00459 and 2014-00396

Month Ended: **November 2015**

**Line
No.**

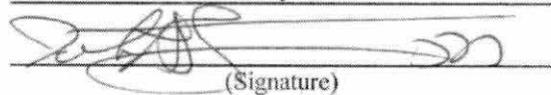
1	Current Month (Tm) Net Revenue Level	(+)	3,499,789	
2	Base Month (Tb) Net Revenue Level (Tariff Sheet No. 19-2, Case No. 2014-00396)	(-)	<u>1,188,760</u>	
3	Increase/(Decrease) of System Sales Net Revenue		2,311,029	
4	Customer 75% Sharing	(x)	<u>75%</u>	
5	Customer Share of Increase/(Decrease) in System Sales Net Revenue		1,733,272	
6	Current Month (Sm) Sales Level (Page 3 of 5)	(/)	<u>481,798,000</u>	
7	System Sales Clause Factor - \$/Kwh (Ln 5 / Ln 6)	(0.0035975)		*

* This factor is a credit to the customer when current month net revenue levels exceed the base month; and a charge when the current month net revenues levels are below the base month.

Effective Month for Billing:

January 2016

Submitted by:



(Signature)

Title:

Director, Regulatory Services

Date Submitted:

December 21, 2015

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Month Ended: November 2015

Line No.		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	TOTAL
1	Sales For Resale Revenues	\$4,677,199	(\$43,184)	\$4,634,015
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	4,677,199	(43,184)	4,634,015
4	Sales For Resale Expenses	\$1,022,083	\$22,182	\$1,044,265
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	89,961	0	89,961
7	Total System Sales Expenses	1,112,044	22,182	1,134,226
8	Total System Sales Net Revenues	<u>\$3,565,155</u>	<u>(\$65,366)</u>	<u>\$3,499,789</u>

*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs

*Amy J Elliott
Kentucky Power Company
101 A Enterprise Drive
P. O. Box 5190
Frankfort, KY 40602

*Kentucky Power Company
101 A Enterprise Drive
P. O. Box 5190
Frankfort, KY 40602

*Judy K Rosquist
Kentucky Power Company
101 A Enterprise Drive
P. O. Box 5190
Frankfort, KY 40602

*Kenneth J Gish, Jr.
Stites & Harbison
250 West Main Street, Suite 2300
Lexington, KENTUCKY 40507

*Honorable Mark R Overstreet
Attorney at Law
Stites & Harbison
421 West Main Street
P. O. Box 634
Frankfort, KENTUCKY 40602-0634