COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE COMMISSION OF THE ENVIRONMENTAL SURCHARGE MECHANISM OF KENTUCKY POWER COMPANY FOR THE SIX-MONTH BILLING PERIODS ENDING DECEMBER 31, 2002, DECEMBER 31, 2003, JUNE 30, 2004, DECEMBER 31, 2004, AND DECEMBER 31, 2005, AND FOR THE TWO-YEAR BILLING PERIODS ENDING JUNE 30, 2003 AND JUNE 30, 2005	)	CASE NO. 2006-00128

SECOND DATA REQUEST OF COMMISSION STAFF TO KENTUCKY POWER COMPANY

Kentucky Power Company ("Kentucky Power"), pursuant to 807 KAR 5:001, is requested to file with the Commission the original and 6 copies of the following information, with a copy to all parties of record. The information requested herein is due on or before June 28, 2006. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information requested herein has been provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request.

1. Refer to the Direct Testimony of Errol K. Wagner, page 10. Kentucky Power has determined that it has experienced a net under-recovery of its environmental

surcharge in the amount of $110,756. How many billing periods does Kentucky Power propose the $110,756 should be spread over to recover the amount from ratepayers? Explain the response.

2. Refer to the response to the Staff's First Data Request dated April 25, 2006, Item 16(c). Kentucky Power has determined that its weighted average cost of capital as of December 31, 2005 is 7.61 percent. Using the approach described in Case No. 2005-00068,[1] determine the weighted average cost of capital reflecting the application of the income tax gross-up factor. Include all calculations and assumptions used in the determination.

Beth O'Donnell
Executive Director
Public Service Commission
P. O. Box 615
Frankfort, KY 40602

DATED June 13, 2006

cc: All Parties

[1] Case No. 2005-00068, Application of Kentucky Power Company for Approval of an Amended Compliance Plan for Purposes of Recovering Additional Costs of Pollution Control Facilities and to Amend Its Environmental Cost Recovery Surcharge Tariff, final Order dated September 7, 2005.