

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF KENTUCKY POWER)	
COMPANY FOR AUTHORITY TO ISSUE AND)	
SELL FIRST MORTGAGE BONDS OF ONE OR)	CASE NO. 92-289
MORE NEW SERIES)	

O R D E R

IT IS ORDERED that Kentucky Power Company ("Kentucky Power") shall file an original and six copies of the following information with this Commission, with a copy to all parties of record, within ten days from the date of this Order. If the information cannot be provided by this date, Kentucky Power should submit a motion for an extension of time stating the reason a delay is necessary and include a date by which it will be furnished. Such motion will be considered by the Commission.

1. Could Kentucky Power issue both first mortgage bonds and medium term notes or are the two financing options mutually exclusive?

2. Reference page 6 of Kentucky Power's application, paragraph (f). What other funds are being referenced here?

3. Kentucky Power has accounted for approximately \$40 million of the proposed \$50 million issuance. What specifically will the remaining \$10 million be used for and in what amounts?

4. Why is Kentucky Power continually refinancing \$35 million in debt? Are the revenues received through depreciation insufficient to retire the debt at maturity? Explain.

5. How did Kentucky Power determine the interest rate terms set forth in Exhibit A and Exhibit B and, in particular, the 3 percent ceiling above U.S. Treasury Bonds?

6. At what interest rate(s) does Kentucky Power currently expect to issue the proposed securities?

7. Should the proposed securities be issued through a private placement, describe the analysis that would be performed to assure the issuance was more cost-effective than a public offering.

Done at Frankfort, Kentucky, this 13th day of August, 1992.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director