

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	)	CASE NO. 98-624
POWER COMPANY d/b/a AMERICAN ELECTRIC	)	
POWER AS BILLED FROM JANUARY 1, 1998	)	
TO JUNE 30, 1998	)	

O R D E R

IT IS ORDERED that Kentucky Power Company ( Kentucky Power ), d/b/a American Electric Power, shall file an original and 8 copies of the following information with the Commission, with a copy to all parties of record. 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 previously, in the format requested herein, reference may be made to the specific location of said information in responding to this information request. The information requested herein shall be filed no later than February 9, 1999.

1. Refer to the response to the Commission's December 21, 1998 Order, Item 1.

a. Explain why Kentucky Power is proposing to spread the \$39,132 under-recovery over three monthly filings. Include the reasoning that supports the three-month period.

b. Refer to page 2 of 2 in the response. The \$55,366 shown on line 16 reflects the sum of the amounts calculated in the response to Item 9, pages 4 through 6 of 7, line 21. The 13-month period covered in this proposal includes expense months prior to, during, and after this six-month review proceeding. Explain why Kentucky Power believes the entire 13 months should be addressed in this proceeding, rather than in subsequent six-month reviews or the two-year review.

2. Refer to the response to the Commission's December 21, 1998 Order, Item 2. Kentucky Power was requested to explain in detail why the monthly depreciation expense and monthly property taxes increased significantly in April 1998. Kentucky Power's response failed to provide these explanations. Provide the information originally requested.

3. Refer to the response to the Commission's December 21, 1998 Order, Item 5(a). Was the purchase of 4,109 allowances related in anyway to the third-party off-system sales and purchases or non-physical transactions discussed in the response to Item 9? If yes, explain the relationship in detail and indicate the amount and cost of the allowances involved.

4. Refer to the response to the Commission's December 21, 1998 Order, Item 7. For each of the accounts listed below, describe the nature of the transactions recorded in the account and explain how Kentucky Power determines that a Sales for

Resale Non-Associated Company transaction should be recorded in one of the listed accounts.

a. Account No. 4470-200 Sales for Resale Non-Associated Company (System Sales).

b. Account No. 4470-220 Sales for Resale Non-Associated Company (Bookout & Commission).

c. Account No. 4470-230 Sales for Resale Non-Associated Company (Options & Puts/Calls).

Done at Frankfort, Kentucky, this 25<sup>th</sup> day of January, 1999.

By the Commission

ATTEST:

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Executive Director