

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF KENTUCKY POWER )  
COMPANY, D/B/A AMERICAN ELECTRIC POWER )  
COMPANY FOR AUTHORIZATION TO ISSUE AND ) CASE NO. 2001-035  
SELL SECURED OR UNSECURED PROMISSORY )  
NOTES OF ONE OR MORE NEW SERIES )

FIRST DATA REQUEST OF COMMISSION STAFF TO  
AMERICAN ELECTRIC POWER

American Electric Power ("AEP") is requested, pursuant to 807 KAR 5:001, to file with the Commission the original and five copies of the following information, with a copy to all parties of record. The information requested herein is due on or before March 28, 2001. 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 person 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. In its letter citing deficiencies in AEP's application, the Commission requested "Other Indebtedness: Interest Paid in Last Fiscal Yr. (not for long-term debt)." The Commission Staff recognizes that clarification of this phrasing is necessary. The interest paid in the last fiscal year reported in the application did not include the interest paid on the long-term debt. Provide the interest paid in the last fiscal year for the long-term notes listed on the third page of Exhibit G.

2. If AEP were to use the proceeds to purchase outstanding long-term debt, provide the maximum interest rate that AEP could pay and still obtain net savings. Provide all supporting calculations.

3. Provide the prospective collateral for secured promissory notes issued upon the approval of this application. Explain whether or not the collateral's remaining life could be shorter than the note's maturity, such as in the case of a 50-year note.

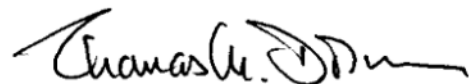
4. Provide a comparison of the interest rate on a 50-year note with interest rates on notes of shorter terms, such as 10, 20 or 30 years.

5. Identify and describe the conditions that could exist to make one maturity date more attractive than another.

6. Refer to page 7 of the application which indicates that AEP will use the proceeds from the sale of the bonds or notes to purchase outstanding long-term debt, to repay short-term debt, to fund construction programs, or for other corporate purposes.

a. Identify and describe "other corporate purposes" as used in this part of the application.

b. Explain whether or not other corporate purposes would include payment of general operating expenses.



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Thomas M. Dorman  
Executive Director  
Public Service Commission  
211 Sower Boulevard  
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Frankfort, Kentucky 40602

DATED March 15, 2001

cc: All Parties

