

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF KENTUCKY POWER)	
COMPANY D/B/A AMERICAN ELECTRIC POWER)	
FOR APPROVAL OF AN AMENDED COMPLIANCE)	
PLAN FOR PURPOSES OF RECOVERING THE)	CASE NO.
COSTS OF NEW AND ADDITIONAL POLLUTION)	2002-00169
CONTROL FACILITIES AND TO AMEND ITS)	
ENVIRONMENTAL COST RECOVERY)	
SURCHARGE TARIFF)	

FIRST DATA REQUEST OF COMMISSION STAFF
TO THE ATTORNEY GENERAL

The Attorney General, pursuant to 807 KAR 5:001, is requested to file with the Commission the original and 8 copies of the following information, with a copy to all parties of record. The information requested herein is due on or before January 23, 2003. 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 herein has been previously 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 page 10 of the Direct Testimony of Dr. Carl Weaver (Weaver Testimony). Dr. Weaver states on lines 11 through 13 that *Value Line* did not recommend the purchase of the stock of 9 of the 61 companies that it classifies as electric utilities. Explain the significance of *Value Line* s position in his analysis.

2. Refer to page 35 of the Weaver Testimony where he discusses how deregulation has lessened the effect of changes in the dividend policies of electric utilities.

a. Explain why deregulation would have this effect.

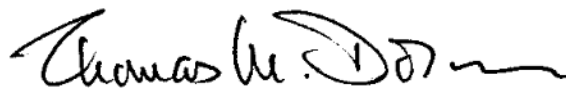
b. Provide an estimate of the effect on Dr. Weaver's recommendation if he had used his old method.

3. Refer to page 39 of the Weaver Testimony. Explain why Dr. Weaver included an analysis using historical growth and forecasted growth if the historical results were not given any weight in the final DCF recommendation and why averaging the one historical DCF result and the three forecasted results would not be appropriate.

4. Refer to page 46 of the Weaver Testimony where Dr. Weaver discusses the capital structure of Kentucky Power. Explain the effect of including Kentucky Power's accounts receivable financing in the capital structure.

5. Refer to page 47 of the Weaver Testimony. Dr. Weaver disagrees with the inclusion of some of Mr. Moul's barometer group companies. Explain the effect on Mr. Moul's results if these companies were not included in the barometer group.

6. Refer to page 51 of the Weaver Testimony. Dr. Weaver discusses the inflated effect of Mr. Moul's assumptions on Kentucky Power's proposed leverage adjustment. Provide an estimate of the amount of the overstatement.



Thomas M. Dorman
Executive Director
Public Service Commission
211 Sower Boulevard
Post Office Box 615
Frankfort, Kentucky 40602-0615

DATED: January 13, 2003

cc: All parties