

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 D/B/A AMERICAN ELECTRIC	)	
POWER FOR THE SIX-MONTH BILLING PERIODS	)	CASE NO.
ENDING JUNE 30, 2000, DECEMBER 31, 2000,	)	2002-00393
DECEMBER 31, 2001, AND JUNE 30, 2002 AND	)	
FOR THE TWO-YEAR BILLING PERIOD ENDING	)	
JUNE 30, 2001	)	

SECOND DATA REQUEST OF COMMISSION STAFF  
TO KENTUCKY POWER COMPANY

Kentucky Power Company, d/b/a American Electric Power ( Kentucky Power ), 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 February 18, 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 the responses to the Commission Staff's First Data Request dated November 21, 2002, Items 2, 12, 21, 30, and 41. In each of these items Kentucky Power was requested to describe the transaction(s) that were the source of the gain on the sale of SO<sub>2</sub> emission allowances. The responses did not provide this information. The request was seeking a general description of the types of transactions reflected by the sales of SO<sub>2</sub> emission allowances under the American Electric Power Interim Allowance Agreement. Given this clarification, provide the originally requested information.

2. Refer to the responses to the Commission Staff's First Data Request dated November 21, 2002, Items 27, 37, and 47. In each of these items Kentucky Power provided explanations concerning SO<sub>2</sub> emission allowance inventory adjustments. Would Kentucky Power be willing in future monthly surcharge filings to provide a narrative explanation of inventory adjustments reflected on its ES Form 3.12, Emissions Allowance Inventory?

3. Refer to the response to the Commission Staff's First Data Request dated November 21, 2002, Item 38. The request asked for selected financial information as of December 31, 1999. The request should have asked for the selected financial information as of June 30, 2002. With this clarification, provide the selected financial information as of June 30, 2002.

4. Kentucky Power has pending before the Commission Case No. 2002-00169,<sup>1</sup> which includes proposed amendments to its current environmental compliance plan and surcharge mechanism. The weighted average cost of capital for Kentucky Power is an issue in Case No. 2002-00169. It is possible that the weighted average cost of capital for Kentucky Power authorized in the final Order in Case No. 2002-00169 could reflect a time period more current than June 30, 2002. Would Kentucky Power agree that the more current period information should be used to determine the going forward weighted average cost of capital for the surcharge calculations?



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Thomas M. Dorman  
Executive Director  
Public Service Commission  
Post Office Box 615  
Frankfort, KY 40602-0615

DATED: February 4, 2003

cc: All Parties

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<sup>1</sup> Case No. 2002-00169, The Application of Kentucky Power Company d/b/a American Electric Power for Approval of an Amended Compliance Plan for Purposes of Recovering the Costs of New and Additional Pollution Control Facilities and to Amend Its Environmental Cost Recovery Surcharge Tariff.