

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION OF THE APPLICATION OF)	
THE FUEL ADJUSTMENT CLAUSE OF)	CASE NO.
AMERICAN ELECTRIC POWER COMPANY FROM)	2002-00431
NOVEMBER 1, 2000 TO OCTOBER 31, 2002)	

COMMISSION STAFF S INTERROGATORIES AND REQUESTS
FOR PRODUCTION OF DOCUMENTS TO
AMERICAN ELECTRIC POWER COMPANY

Pursuant to 807 KAR 5:001, Commission Staff requests that American Electric Power Company (AEP) file the original and 8 copies of the following information with the Commission by February 7, 2003, with a copy to all parties of record. Each copy of the information 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 its legibility. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information should be provided for total company operations and jurisdictional operations, separately.

1. Provide the following information for the 2-year review period ending October 31, 2002:

a. Describe the extent to which AEP purchased synfuel products to burn as a fuel in its generating units. Include AEP's assessment of its experience with burning synfuel in its generating units.

b. If applicable, provide a schedule of all AEP synfuel purchases, on a monthly basis, in the same format as the analysis of fuel purchases included in AEP's monthly FAC backup report filed with the Commission. The schedule should also identify the location / point of origin of the synfuel as reported on AEP's Federal Energy Regulatory Commission (FERC) Form 423.

2. Provide the following information for the 2-year review period ending October 31, 2002:

a. Describe the extent to which AEP purchased petroleum coke to burn as a fuel in its generating units. Include AEP's assessment of its experience with burning petroleum coke in its generating units.

b. If applicable, provide a schedule of all AEP petroleum coke purchases, on a monthly basis, in the same format as the analysis of fuel purchases included in AEP's monthly FAC backup report filed with the Commission. The schedule should also identify the location / point of origin of the petroleum coke as reported on AEP's FERC Form 423.

3. Refer to the direct testimony of Stephen D. Baker (Baker Testimony) filed with the responses to the Commission's December 13, 2002 Order.

a. Page 5 of the Baker Testimony indicates that Kentucky Power/AEP is evaluating its options concerning its claims against AEI/Horizon Resources. Identify

and describe additional developments, if any, that have occurred concerning Kentucky Power's claims against AEI/Horizon Resources since the testimony was prepared.

b. Page 6 of the Baker Testimony indicates that Kentucky Power/AEP is evaluating its options concerning its claims against Pen Coal Corporation. Identify and describe additional developments, if any, that have taken place concerning Kentucky Power's claims against Pen Coal Corporation since the testimony was prepared.

4. Refer to pages 7-8 of the Baker Testimony.

a. Page 7, lines 3-5, indicate that Kentucky Power/AEP's inventory level at the end of December 2002 was 40 days, the winter target level. With the below normal temperatures experienced during much of January 2003, what is the inventory level at the end January 31, 2003?

b. Page 7, lines 20-22, refer to proposals and discussions regarding efforts to promote the use of Kentucky coal through incentives for utilities. Identify and describe all specific proposals and/or incentives to which Mr. Baker is referring.

c. Page 8, lines 11-20, refer to how risk management has become a fundamental factor in coal purchasing decisions. Explain how AEP views the use of performance bonds as a risk management tool. In the explanation, include AEP's assessment of the potential cost to ratepayers of this risk management tool.

5. Refer to page 3 of the direct testimony of Errol K. Wagner and to Item 1 of the response to the Commission's December 13, 2002 Order. With projected fuel costs for 2003 and 2004 of 1.27 and 1.30 cents, respectively, explain in detail why AEP is proposing to increase its base fuel cost to only 1.20 cents per Kwh.

6. Refer to Item 5 of the response to the Commission's December 13, 2002 Order, which includes AEP's projected fuel requirements for 2003 and 2004.

a. Describe the reasons for the projected increases in AEP's fuel requirements.

b. Provide a comparison of AEP's fuel requirements, in tons and dollars, for 2001 and 2002 and its projected fuel requirements for 2003 and 2004.

7. Refer to page 2 in Item 15 of the response to the Commission's December 13, 2002 Order. Provide the June 27, 2002 settlement with Onyx Coal Sales.

8. Refer to page 2 in Item 15 of the response to the Commission's December 13, 2002 Order, which identifies one long-term coal purchase contract was in effect at the end of the reporting period, October 31, 2002.

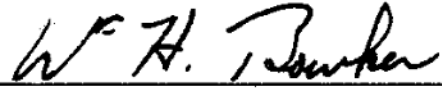
a. Describe any long-term coal purchases made by AEP since October 31, 2002.

b. Explain whether AEP is making any attempts to purchase coal on a contract basis for periods of one year or longer. Include in the explanation AEP's view of an appropriate mix of spot and long-term coal purchases.

9. Refer to Item 18 of the response to the Commission's December 13, 2002 Order. Provide an updated response that includes the results of AEP's comparison of its coal prices with those of other utilities for September and October of 2002.

10. Refer to Items 32 and 33 of the response to the Commission's December 13, 2002 Order, which address the issue of line losses associated with intersystem sales. AEP has recently filed an application seeking Commission approval to transfer control of its transmission facilities to PJM Interconnection, L.L.C. (PJM). Describe the

impact such a transfer would have on the determination and calculation of line losses associated with Kentucky Power/AEP s intersystem sales.



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DATED: January 27, 2003

cc: Parties of Record