

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter or

APPLICATION OF KENTUCKY POWER COMPANY FOR )  
AUTHORITY TO ISSUE AND SELL UNSECURED ) CASE NO.  
PROMISSORY NOTES OF ONE OR MORE NEW SERIES ) 2008-00442

FIRST DATA REQUEST OF COMMISSION STAFF  
TO KENTUCKY POWER COMPANY

Kentucky Power Company ("Kentucky Power"), pursuant to 807 KAR 5:001, is to file with the Commission the original and 7 copies of the following information, with a copy to all parties of record. The information requested herein is due within 10 days from the date of this request. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Kentucky Power shall make timely amendment to any prior responses if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Kentucky Power fails or refuses to furnish all or part of the requested information, it shall

provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. 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 shall be separately provided for total company operations and jurisdictional operations.

1. Refer to page 3 of Kentucky Power's October 14, 2008 application. Explain how the yield to maturity on fixed rates of interest not to exceed 550 basis points the yield to maturity on United States Treasury bonds of comparable maturity at the time of pricing was determined.

2. In Case No. 2006-00034,<sup>1</sup> the yield to maturity on fixed rates of interest was not to exceed 4 percent the yield to maturity on United States Treasury bonds of comparable maturity at the time pricing was determined. Explain to the best of Kentucky Power's knowledge the reasons for the change from 4 percent in Case No. 2006-00034 to a spread of 550 basis points in Kentucky Power's current application.

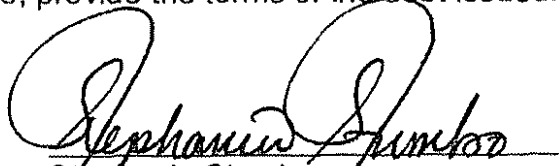
3. Provide the Treasury bond rates at the time of issue for the notes issued that resulted from the Commission's authorization in Case No. 2006-00034.

4. Provide the applicable Treasury bond rates as of the date of Kentucky Power's response to this data request.

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<sup>1</sup> Case No. 2006-00034, Application of Kentucky Power Company for Authority To Issue and Sell Secured or Unsecured Promissory Notes of One or More New Series.

5. Explain whether AEP subsidiaries other than Kentucky Power have issued long-term debt in the past 6 months and, if so, provide the terms of the debt issued.



Stephanie Stumbo  
Executive Director  
Public Service Commission  
P. O. Box 615  
Frankfort, Kentucky 40602

DATED November 14, 2008

cc: All Parties