

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)	CASE NO.
POWER COMPANY FOR THE TWO-YEAR)	2012-00273
BILLING PERIOD ENDING JUNE 30, 2011)	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION
TO KENTUCKY POWER COMPANY

Kentucky Power Company ("Kentucky Power"), pursuant to 807 KAR 5:001, is 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 no later than September 13, 2012. 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 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 response 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 should 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 Kentucky Power's response to Commission Staff's First Request for Information ("Staff's First Request"), Item 1, page 79, line 15, which shows revised and as filed cash working capital allowance amounts of \$376,885 and \$376,592, respectively, for the month of August 2010. On pages 84, 89, 94, 109, 124, 139, 154, and 169, which are the months of September 2010 through April 2011, the amount of cash working capital allowance for August 2010 is shown as \$376,592.

a. Does Kentucky Power agree that the August 2010 cash working capital allowance amounts on pages 84, 89, 94, 109, 124, 139, 154, and 169, for the month of August 2010, should show an amount of \$376,885?

b. If yes, provide updated schedules reflecting the corrected cash working capital allowance amounts for the months of September 2010 through April 2011.

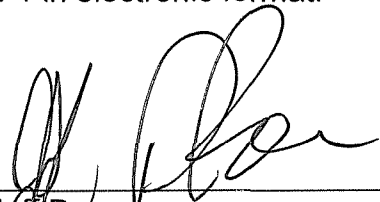
2. Refer to Kentucky Power's response to Staff's First Request, Item 1, page 94, which is the month of November 2010.

a. Explain why the following calculation does not result in the proposed working capital adjustment of \$13,572 for November 2010 as indicated on Exhibit LPM-1:

Revised cash working capital allowance	\$2,057,239
As filed cash working capital allowance	\$ 180,700
Difference	\$1,876,539
Times monthly weighted cost of capital	.0088
Equals	\$ 16,514
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Times Kentucky retail jurisdictional factor	.819
Equals	\$ 13,525

b. Provide an explanation for why the same calculation method noted in Item 2.a. above does not result in the proposed cash working capital adjustments for December 2010 through April 2011.

3. In electronic format, with all formulas intact and unprotected, provide all monthly environmental surcharge filings from May 2009 through the most current month, filed with all revisions and adjustments, including any determined as a result of this request for information. Also provide Exhibit LPM-1 in electronic format.



Jeff Derouen
Executive Director
Public Service Commission
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DATED AUG 30 2012

cc: Parties of Record

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