

421 West Main Street  
Post Office Box 634  
Frankfort, KY 40602-0634  
[502] 223-3477  
[502] 223-4124 Fax  
www.stites.com

January 23, 2006

Ms. Beth O'Donnell  
Executive Director  
Public Service Commission of Kentucky  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602-0615

Mark R. Overstreet  
(502) 209-1219  
(502) 223-4387 FAX  
moverstreet@stites.com

RECEIVED

JAN 23 2006

PUBLIC SERVICE  
COMMISSION

**RE: P.S.C. Case No. 2005-00341**

Dear Ms. O'Donnell:

Enclosed please find and accept for filing the original and 8 copies of Kentucky Power Company's responses to Staff's Fourth Set of Data Requests.

Please let me if you have any questions. By this letter, copies are being served on parties of record.

Sincerely yours,

STITES & HARBISON, PLLC

  
Mark R. Overstreet

cc: Michael L. Kurtz.  
Elizabeth E. Blackford  
Gardner F. Gillespie  
Joe F. Childers

KE057:KE180:13558:1:FRANKFORT

**BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION**

**RECEIVED**

**JAN 23 2006**

**PUBLIC SERVICE  
COMMISSION**

**IN THE MATTER OF:**

**GENERAL ADJUSTMENT OF ELECTRIC )  
RATES OF KENTUCKY POWER COMPANY )   CASE NO. 2005 -00341**

**KENTUCKY POWER COMPANY  
RESPONSES TO COMMISSION STAFF'S  
FOURTH SET OF DATA REQUEST**

**January 23, 2006**



## **Kentucky Power Company**

### **REQUEST**

Refer to the response to the Commission Staff's Third Data Request dated December 12, 2005, Item 39. Kentucky Power was asked if it was proposing that the environmental surcharge billed to customers should be determined by the formula "CRR-MEBC" rather than the current approach of "CRR-BRR." Kentucky Power responded by saying this was its initial proposal, but upon reflection it "believes it is appropriate to continue with the current approach of CRR-BRR once the BRR is updated to reflect the base period revenue requirement for the test year in this case." In light of this response, provide Kentucky Power's current proposed adjustment concerning its environmental surcharge. Include all workpapers, calculations, assumptions and other supporting documentation used to determine the proposed adjustment.

### **RESPONSE**

Page 3 is a copy of the revised Tariff Sheet No. 29-2 which eliminates the MEBC from the formula in paragraph 4.

Page 4 is a copy of the Company's proposed Tariff Sheet No. 29-5. Paragraph 6 contains the Company's revised base monthly net costs from environmental compliance (Brr) contained in base rates. The monthly amounts agree with the amounts on Exhibit EKW-11, Revised 01/23/06, Column 5 (See page 6).

Page 5 demonstrates that the Company is proposing to replace the amount currently shown on Line 2 (\$15,785) with the respective monthly amount shown on the Company's proposed Tariff Sheet 29-5 (\$2,833,997) (See page 4).

Page 6 is Exhibit EKW-11, Revised 01/23/06.

Pages 7 through 18 demonstrates the source for the amounts shown on Exhibit EKW-11, Revised 01/23/06, Column 3.

Pages 19 supports the calculations for the monthly amounts shown on Exhibit EKW-11, Revised 01/23/06, Column 4.

See pages 20 through 28 for the portion of weighted average capacity rate attributed to the different generating plants, as follows:

Page 20, line 19	Page 21, line 17	Page 22, line 22
Page 23, line 17	Page 24, line 17	Page 25, line 17
Page 26, line 17	Page 27, line 18	Page 28, line 17

The weighted average capacity rates shown on the above pages/line numbers agree with the rate shown on page 19, Columns titled "July thru December 2004" and "January thru June 2005" with the exception of Gavin and Rockport plants. At the Gavin Plant, Trona investment facilities placed in service March and July 2004 were \$11,027,779 (see page 22). The Rockport Unit No. 2 investment in Low NOx Burners placed in service during April 2004 was in the amount of \$16,714,682 (see page 27). Due to the fact that the environmental investment at these two generating plants increased in 2004, the weighted average capacity rate associated with these two plants also increased.

**WITNESS:** Errol K Wagner

KENTUCKY POWER COMPANY

CANCELING ORIGINAL SHEET NO. 29-2  
SHEET NO. 29-2

P.S.C. Electric No. 8

**ENVIRONMENTAL SURCHARGE (E.S.) (Cont'd)**

**RATE (Cont'd)**

The Rate of Return for Kentucky Power is a weighted average cost of capital calculation, reflecting the cost of debt as of June 30, 2005 and the rate of return on common equity authorized in Case No. 2005-00068. The Kentucky Power component in the Base Period Revenue Requirement is a result of the adoption of the Commission's Order in Case No. 2005-00341. As Kentucky Power's last general rate case had been settled, Kentucky Power proposed and the Commission accepted the use of the rate of return on common equity established in Case No. 2005-00068. (T)

The Rate of Return for Rockport should reflect the requirements of the Rockport Unit Power Agreement.

The Base Period Revenue Requirement will remain fixed until either a) a 2-year review case results in the roll-in of the surcharge into existing base rates, or b) further retirements or replacements of pollution control utility plant occur due to the installation of new pollution control utility plant associated with the approved compliance plan.

4. Current Period Revenue Requirement, CRR

$$CRR = [((RB_{KP(C)}) (ROR_{KP(C)}) / 12) + OE_{KP(C)} + ((RB_{IM(C)}) (ROR_{IM(C)}) / 12) + OE_{IM(C)}] (.15) - AS$$

Where:

- RB<sub>KP(C)</sub> = Environmental Compliance Rate Base for Big Sandy.
- ROR<sub>KP(C)</sub> = Annual Rate of Return on Big Sandy Rate Base;  
Annual Rate divided by 12 to restate to a Monthly Rate of Return.
- OE<sub>KP(C)</sub> = Monthly Pollution Control Operating Expenses for Big Sandy.
- RB<sub>IM(C)</sub> = Environmental Compliance Rate Base for Rockport.
- ROR<sub>IM(C)</sub> = Annual Rate of Return on Rockport Rate Base;  
Annual Rate divided by 12 to restate to a Monthly Rate of Return.
- OE<sub>IM(C)</sub> = Monthly Pollution Control Operating Expenses for Rockport.
- AS = Net proceeds from the sale of SO<sub>2</sub> emission allowances, ERCs, and NO<sub>x</sub> emission allowances, reflected in the month of receipt. The SO<sub>2</sub> allowance sales can be from either EPA Auctions or the AEP Interim Allowance Agreement Allocations.

"KP(C)" identifies components from the Big Sandy Units -- Current Period, and "IM(C)" identifies components from the Indiana Michigan Power Company's Rockport Units -- Current Period.

The Rate Base for both Kentucky Power and Rockport should reflect the current costs associated with the 1997 Plan and the 2003 Plan. The Rate Base for Kentucky Power should also include a cash working capital allowance based on the 1/8 formula approach, due to the inclusion of Kentucky Power's accounts receivable financing in the capital structure and weighted average cost of capital. The Operating Expenses for both Kentucky Power and Rockport should reflect the current operating expenses associated with the 1997 Plan, the 2003 Plan and the 2005 Plan. (T)

The Rate of Return for Kentucky Power is the weighted average cost of capital as authorized by the Commission in Case No. 2005-00341. (T)

(Cont'd on Sheet 29-3)

DATE OF ISSUE October 7, 2005 DATE EFFECTIVE Service rendered on or after October 27, 2005

ISSUED BY E.K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY  
NAME TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission in Case No. 2005-00341 dated

KPSC Case No. 2005-00341  
Commission Staff 4th Set Data Requests  
Ordered Dated January 9, 2006  
Item No. 1  
Page 3 of 28

KENTUCKY POWER COMPANY

ORIGINAL SHEET NO. 29-5  
CANCELING SHEET NO. 29-5

P.S.C. Electric No. 8

**ENVIRONMENTAL SURCHARGE (E.S.)**

- Tanners Creek Unit No 1 Low NO<sub>x</sub> Burners, with Modifications and Low NO<sub>x</sub> Burners Leg Replacement
- Tanners Creek Unit No 2 and 3 Low NO<sub>x</sub> Burners with Modifications
- Tanners Creek Unit No 4 Over Fire Air, Low NO<sub>x</sub> Burners and ESP Controls Upgrade
- Tanners Creek Common CEMS
- Title V Air Emission Fees at Amos, Cardinal, Gavin, Kammer, Mitchell, Muskingum River, Phillip Sporn, Rockport and Tanners Creek plants.

6. The base monthly net cost from environmental compliance (Brr) is as follows:

<u>Billing Month</u>	<u>Base Net Environmental Costs</u>
JANUARY	\$2,547,569
FEBRUARY	3,019,780
MARCH	2,860,851
APRIL	2,111,320
MAY	1,530,644
JUNE	1,929,363
JULY	2,833,997
AUGUST	2,358,668
SEPTEMBER	2,868,090
OCTOBER	2,197,760
NOVEMBER	2,614,307
DECEMBER	<u>1,423,754</u>
<b>TOTAL</b>	<b>\$28,296,103</b>

(N)  
|  
(N)

7. The monthly environmental surcharge shall be filed with the Commission ten (10) days before it is scheduled to go into effect, along with all necessary supporting data to justify the amount of the adjustments which shall include data and information as may be required by the Commission.

DATE OF ISSUE October 7, 2005 DATE EFFECTIVE Service rendered on or after October 27, 2005

ISSUED BY E. K. WAGNER DIRECTOR OF REGULATORY SERVICES FRANKFORT, KENTUCKY  
NAME TITLE ADDRESS

Issued by authority of an order of the Public Service Commission in Case No. 2005-0000 dated

KPSC Case No. 2005-00341  
Commission Staff 4th Set Data Requests  
Ordered Dated January 9, 2006  
Item No. 1  
Page 4 of 28

Exhibit EKW - 12 (Revised)  
 Page 1 of 1

ES FORM 1.00

AMERICAN ELECTRIC POWER - ENVIRONMENTAL SURCHARGE REPORT  
 CALCULATION OF E(m) and SURCHARGE FACTOR  
 For the Expense Month of July 2005

<u>CALCULATION OF E(m)</u>		
E(m) = CRR - BRR		
LINE 1	CRR from ES FORM 3.00	\$2,844,388
* LINE 2	Base Month Tariff 29-5 Environmental Surcharge	\$2,833,997
* LINE 3	Increase/(Decrease) of Monthly Environmental Surcharge	\$10,391
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	64.6%
LINE 5	KY Retail E(m) (LINE 3 * LINE 4)	\$6,713
LINE 6	Over/(Under) Recovery Adjustment from ES FORM 3.30	(\$43,922)
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	(\$37,209)
<u>SURCHARGE FACTOR</u>		
LINE 8	Net KY Retail E(m) (Line 7)	(\$37,209)
LINE 9	KY Retail R(m) from ES FORM 3.30	\$28,766,132
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	-0.1294%

\* New Lines Added

Effective Date for Billing: September 2005

Submitted By : \_\_\_\_\_

Title : Director Regulatory Services

Date Submitted : August 19, 2005



**Kentucky Power Company  
Monthly Environmental Costs  
for the Twelve Months Ending June 30, 2005**

**Exhibit EKW-11  
Revised 01/23/06**

Ln No (1)	Month / Year (2)	Monthly Environmental Costs* (3)	Monthly Environmental Costs Per KPSC Order Dated August 7-Sep-05 (4)	Monthly Environmental Costs Included In Base Rates (5)
1	July 2004	\$2,697,197	\$138,800	\$2,833,997
2	August 2004	\$2,221,868	\$136,800	\$2,358,668
3	September 2004	\$2,701,726	\$166,364	\$2,868,090
4	October 2004	\$2,030,484	\$167,276	\$2,197,760
5	November 2004	\$2,447,031	\$167,276	\$2,614,307
6	December 2004	\$1,256,487	\$167,267	\$1,423,754
7	January 2005	\$2,316,299	\$231,270	\$2,547,569
8	February 2005	\$2,757,466	\$262,314	\$3,019,780
9	March 2005	\$2,598,537	\$262,314	\$2,860,851
10	April 2005	\$1,849,006	\$262,314	\$2,111,320
11	May 2005	\$1,268,330	\$262,314	\$1,530,644
12	June 2005	<u>\$1,667,049</u>	<u>\$262,314</u>	<u>\$1,929,363</u>
13	Total	<u>\$25,811,480</u>	<u>\$2,484,623</u>	<u>\$28,296,103</u>

\* Per Monthly ES Form 1.00, Line 1

AMERICAN ELECTRIC POWER - ENVIRONMENTAL SURCHARGE REPORT  
 CALCULATION OF E(m) and SURCHARGE FACTOR  
 For the Expense Month of July 2004

<u>CALCULATION OF E(m)</u>		
E(m) = CRR - BRR		
LINE 1	CRR from ES FORM 3.00	\$2,697,197
LINE 2	Brr from ES FORM 2.00	\$15,785
LINE 3	E(m) (LINE 1 - LINE 2)	\$2,681,412
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	65.2%
LINE 5	KY Retail E(m) (LINE 3 * LINE 4)	\$1,748,281
LINE 6	Over/(Under) Recovery Adjustment from ES FORM 3.30	(\$94,941)
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	\$1,653,340
<u>SURCHARGE FACTOR</u>		
LINE 8	Net KY Retail E(m) (Line 7)	\$1,653,340
LINE 9	KY Retail R(m) from ES FORM 3.30	\$26,765,554
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	6.1771%

Effective Date for Billing: September 2004

Submitted By :

*Euro H. Wagner*

Title :

Director Regulatory Services

Date Submitted :

August 17, 2004

AMERICAN ELECTRIC POWER - ENVIRONMENTAL SURCHARGE REPORT  
 CALCULATION OF E(m) and SURCHARGE FACTOR  
 For the Expense Month of August 2004

<u>CALCULATION OF E(m)</u>		
E(m) = CRR - BRR		
LINE 1	CRR from ES FORM 3.00	\$2,221,868
LINE 2	Brr from ES FORM 2.00	\$15,785
LINE 3	E(m) (LINE 1 - LINE 2)	\$2,206,083
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	66.1%
LINE 5	KY Retail E(m) (LINE 3 * LINE 4)	\$1,458,221
LINE 6	Over/(Under) Recovery Adjustment from ES FORM 3.30	\$128,631
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	\$1,586,852
<u>SURCHARGE FACTOR</u>		
LINE 8	Net KY Retail E(m) (Line 7)	\$1,586,852
LINE 9	KY Retail R(m) from ES FORM 3.30	\$24,627,178
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	6.4435%

Effective Date for Billing: October 2004

Submitted By: *E. K. Wagner*

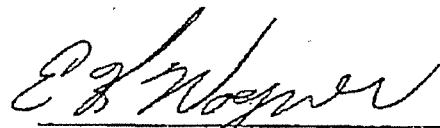
Title: Director Regulatory Services

Date Submitted: September 17, 2004

AMERICAN ELECTRIC POWER - ENVIRONMENTAL SURCHARGE REPORT  
 CALCULATION OF E(m) and SURCHARGE FACTOR  
 For the Expense Month of September 2004

<u>CALCULATION OF E(m)</u>		
E(m) = CRR - BRR		
LINE 1	CRR from ES FORM 3.00	\$2,701,726 ✓
LINE 2	Brr from ES FORM 2.00	\$15,785
LINE 3	E(m) (LINE 1 - LINE 2)	\$2,685,941
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	66.8%
LINE 5	KY Retail E(m) (LINE 3 * LINE 4)	\$1,794,209
LINE 6	Over/(Under) Recovery Adjustment from ES FORM 3.30	\$245,826
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	\$2,040,035
<u>SURCHARGE FACTOR</u>		
LINE 8	Net KY Retail E(m) (Line 7)	\$2,040,035
LINE 9	KY Retail R(m) from ES FORM 3.30	\$24,193,765
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	8.4321%

Effective Date for Billing: November 2004

Submitted By : 

Title : Director Regulatory Services

Date Submitted : October 18, 2004

KPSC Case No. 2005-00341  
 Commission Staff 4th Set Data Requests  
 Ordered Dated January 9, 2006  
 Item No. 1  
 Page 9 of 28

AMERICAN ELECTRIC POWER - ENVIRONMENTAL SURCHARGE REPORT  
 CALCULATION OF E(m) and SURCHARGE FACTOR  
 For the Expense Month of October 2004

<u>CALCULATION OF E(m)</u>		
E(m) = CRR - BRR		
LINE 1	CRR from ES FORM 3.00	\$2,030,484
LINE 2	Brr from ES FORM 2.00	\$15,785
LINE 3	E(m) (LINE 1 - LINE 2)	\$2,014,699
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	69.7%
LINE 5	KY Retail E(m) (LINE 3 * LINE 4)	\$1,404,245
LINE 6	Over/(Under) Recovery Adjustment from ES FORM 3.30	\$242,579
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	\$1,646,824
<u>SURCHARGE FACTOR</u>		
LINE 8	Net KY Retail E(m) (Line 7)	\$1,646,824
LINE 9	KY Retail R(m) from ES FORM 3.30	\$22,117,947
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	7.4456%

Effective Date for Billing: December 2004

Submitted By : 

Title : Director Regulatory Services

Date Submitted : November 19, 2004

AMERICAN ELECTRIC POWER - ENVIRONMENTAL SURCHARGE REPORT  
 CALCULATION OF E(m) and SURCHARGE FACTOR  
 For the Expense Month of November 2004

<u>CALCULATION OF E(m)</u>		
$E(m) = GRR - BRR$		
LINE 1	CRR from ES FORM 3.00	\$2,447,031 ✓
LINE 2	Brr from ES FORM 2.00	\$15,785
LINE 3	E(m) (LINE 1 - LINE 2)	\$2,431,246 ✓
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	66.7% ✓
LINE 5	KY Retail E(m) (LINE 3 * LINE 4)	\$1,621,641
LINE 6	Over/(Under) Recovery Adjustment from ES FORM 3.30	\$95,130 ✓
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	\$1,716,771
<u>SURCHARGE FACTOR</u>		
LINE 8	Net KY Retail E(m) (Line 7)	\$1,716,771
LINE 9	KY Retail R(m) from ES FORM 3.30	\$25,019,832
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	6.8616%

Effective Date for Billing: January 2005

Submitted By : 

Title : Director Regulatory Services

Date Submitted : December 19, 2004

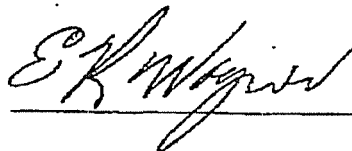
AMERICAN ELECTRIC POWER - ENVIRONMENTAL SURCHARGE REPORT  
 CALCULATION OF E(m) and SURCHARGE FACTOR  
 For the Expense Month of December 2004

<u>CALCULATION OF E(m)</u>		
E(m) = CRR - BRR		
LINE 1	CRR from ES FORM 3.00	\$1,256,487 ✓
LINE 2	Brr from ES FORM 2.00	\$15,785
LINE 3	E(m) (LINE 1 - LINE 2)	\$1,240,702
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	71.5%
LINE 5	KY Retail E(m) (LINE 3 * LINE 4)	\$887,102
LINE 6	Over/(Under) Recovery Adjustment from ES FORM 3.30	(\$600,614)
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	\$286,488
<u>SURCHARGE FACTOR</u>		
LINE 8	Net KY Retail E(m) (Line 7)	\$286,488
LINE 9	KY Retail R(m) from ES FORM 3.30	\$32,351,686
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	0.8855%

Effective Date for Billing:

February 2005

Submitted By :



Title :

Director Regulatory Services

Date Submitted :

January 21, 2005

KPSC Case No. 2005-00341  
 Commission Staff 4th Set Data Requests  
 Ordered Dated January 9, 2006  
 Item No. 1  
 Page 12 of 28

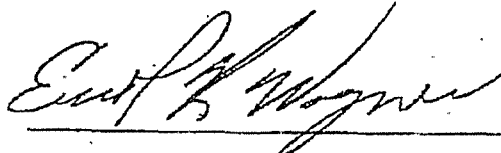
AMERICAN ELECTRIC POWER - ENVIRONMENTAL SURCHARGE REPORT  
 CALCULATION OF E(m) and SURCHARGE FACTOR  
 For the Expense Month of January 2005

<u>CALCULATION OF E(m)</u>		
E(m) = CRR - BRR		
LINE 1	CRR from ES FORM 3.00	\$2,316,299
LINE 2	Brr from ES FORM 2.00	\$15,785
LINE 3	E(m) (LINE 1 - LINE 2)	\$2,300,514
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	70.6%
LINE 5	KY Retail E(m) (LINE 3 * LINE 4)	\$1,624,163
LINE 6	Over/(Under) Recovery Adjustment from ES FORM 3.30	(\$637,515)
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	\$986,648
<u>SURCHARGE FACTOR</u>		
LINE 8	Net KY Retail E(m) (Line 7)	\$986,648
LINE 9	KY Retail R(m) from ES FORM 3.30	\$36,533,089
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	2.7007%

Effective Date for Billing:

March 2005

Submitted By :



Title :

Director Regulatory Services

Date Submitted :

February 18, 2005



AMERICAN ELECTRIC POWER - ENVIRONMENTAL SURCHARGE REPORT  
 CALCULATION OF E(m) and SURCHARGE FACTOR  
 For the Expense Month of February 2005

<u>CALCULATION OF E(m)</u>		
$E(m) = CRR - BRR$		
LINE 1	CRR from ES FORM 3.00	\$2,757,466 ✓
LINE 2	Brr from ES FORM 2.00	\$15,785
LINE 3	E(m) (LINE 1 - LINE 2)	\$2,741,681
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	70.2%
LINE 5	KY Retail E(m) (LINE 3 * LINE 4)	\$1,924,660
LINE 6	Over/(Under) Recovery Adjustment from ES FORM 3.30	\$42,520
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	\$1,967,180
<u>SURCHARGE FACTOR</u>		
LINE 8	Net KY Retail E(m) (Line 7)	\$1,967,180
LINE 9	KY Retail R(m) from ES FORM 3.30	\$29,485,503
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	6.6717%

Effective Date for Billing: April 2005

Submitted By : *E. K. Wagner*

Title : Director Regulatory Services

Date Submitted : March 21, 2005

AMERICAN ELECTRIC POWER - ENVIRONMENTAL SURCHARGE REPORT  
 CALCULATION OF E(m) and SURCHARGE FACTOR  
 For the Expense Month of March 2005

<u>CALCULATION OF E(m)</u>		
E(m) = CRR - BRR		
LINE 1	CRR from ES FORM 3.00	\$2,598,537 ✓
LINE 2	Brr from ES FORM 2.00	\$15,785
LINE 3	E(m) (LINE 1 - LINE 2)	\$2,582,752
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	61.7%
LINE 5	KY Retail E(m) (LINE 3 * LINE 4)	\$1,593,558
LINE 6	Over/(Under) Recovery Adjustment from ES FORM 3.30	\$184,624
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	\$1,778,182
<u>SURCHARGE FACTOR</u>		
LINE 8	Net KY Retail E(m) (Line 7)	\$1,778,182
LINE 9	KY Retail R(m) from ES FORM 3.30	\$29,204,488
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	6.0887%

Effective Date for Billing: May 2005

Submitted By : *Eric B. Wagner*

Title : Director Regulatory Services

Date Submitted : April 19, 2005

AMERICAN ELECTRIC POWER - ENVIRONMENTAL SURCHARGE REPORT  
 CALCULATION OF E(m) and SURCHARGE FACTOR  
 For the Expense Month of April 2005

<u>CALCULATION OF E(m)</u>		
E(m) = CRR - BRR		
LINE 1	CRR from ES FORM 3.00	\$1,849,006
LINE 2	Brr from ES FORM 2.00	\$15,785
LINE 3	E(m) (LINE 1 - LINE 2)	\$1,833,221
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	68.2%
LINE 5	KY Retail E(m) (LINE 3 * LINE 4)	\$1,250,256
LINE 6	Over/(Under) Recovery Adjustment from ES FORM 3.30	\$293,256
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	\$1,543,512
<u>SURCHARGE FACTOR</u>		
LINE 8	Net KY Retail E(m) (Line 7)	\$1,543,512
LINE 9	KY Retail R(m) from ES FORM 3.30	\$27,098,598
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	5.6959%

Effective Date for Billing: June 2005

Submitted By : *E. J. Woyner*

Title : Director Regulatory Services

Date Submitted : May 20, 2005

AMERICAN ELECTRIC POWER - ENVIRONMENTAL SURCHARGE REPORT  
 CALCULATION OF E(m) and SURCHARGE FACTOR  
 For the Expense Month of May 2005

<u>CALCULATION OF E(m)</u>		
E(m) = CRR - BRR		
LINE 1	CRR from ES FORM 3.00	\$1,268,330
LINE 2	Brr from ES FORM 2.00	\$15,785
LINE 3	E(m) (LINE 1 - LINE 2)	\$1,252,545
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	68.6%
LINE 5	KY Retail E(m) (LINE 3 * LINE 4)	\$859,246
LINE 6	Over/(Under) Recovery Adjustment from ES FORM 3.30	\$228,952
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	\$1,088,198
<u>SURCHARGE FACTOR</u>		
LINE 8	Net KY Retail E(m) (Line 7)	\$1,088,198
LINE 9	KY Retail R(m) from ES FORM 3.30	\$26,583,929
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	4.0934%

Effective Date for Billing: July 2005

Submitted By : *E. A. Wagner*

Title : Director Regulatory Services

Date Submitted : June 17, 2005

AMERICAN ELECTRIC POWER - ENVIRONMENTAL SURCHARGE REPORT  
 CALCULATION OF E(m) and SURCHARGE FACTOR  
 For the Expense Month of June 2005

<u>CALCULATION OF E(m)</u>		
E(m) = CRR - BRR		
LINE 1	CRR from ES FORM 3.00	\$1,667,049
LINE 2	Brr from ES FORM 2.00	\$15,785
LINE 3	E(m) (LINE 1 - LINE 2)	\$1,651,264
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	63.6%
LINE 5	KY Retail E(m) (LINE 3 * LINE 4)	\$1,050,204
LINE 6	Over/(Under) Recovery Adjustment from ES FORM 3.30	\$223,742
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	\$1,273,946
<u>SURCHARGE FACTOR</u>		
LINE 8	Net KY Retail E(m) (Line 7)	\$1,273,946
LINE 9	KY Retail R(m) from ES FORM 3.30	\$24,364,990
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	5.2286%

Effective Date for Billing: August 2005

Submitted By : *E. H. Wagner*

Title : Director Regulatory Services

Date Submitted : July 15, 2005

Kentucky Power company  
 Monthly AEP Pool Capacity Costs  
 Based on Cost of Environmental Facilities

Month	Year	KPCo Monthly Deficit	OPCo Surplus Capacity %	I&M Surplus Capacity %	Monthly AEP Pool Capacity Rate (Cost of Environmental Facilities)	Total Monthly AEP Pool Capacity Cost (Cost of Environmental Facilities)
July	2004	180,000	85.51%	14.49%	\$0.76	\$136,800
August	2004	180,000	85.51%	14.49%	\$0.76	\$136,800
September	2004	218,900	82.13%	17.87%	\$0.76	\$166,364
October	2004	220,100	82.19%	17.81%	\$0.76	\$167,276
November	2004	220,100	82.19%	17.81%	\$0.76	\$167,276
December	2004	220,100	82.19%	17.81%	\$0.76	\$167,276
January	2005	296,500	78.71%	21.29%	\$0.78	\$231,270
February	2005	336,300	78.49%	21.51%	\$0.78	\$262,314
March	2005	336,300	78.49%	21.51%	\$0.78	\$262,314
April	2005	336,300	78.49%	21.51%	\$0.78	\$262,314
May	2005	336,300	78.49%	21.51%	\$0.78	\$262,314
June	2005	336,300	78.49%	21.51%	\$0.78	\$262,314
<b>Total</b>						<b>\$2,484,632</b>
<b>Plant</b>		<b>July thru December 2004</b>			<b>January thru June 2005</b>	
Amos		\$0.13			\$0.13	
Cardinal		\$0.12			\$0.12	
Gavin		\$0.40			\$0.41	
Kammer		\$0.01			\$0.01	
Mitchell		\$0.02			\$0.02	
Muskingum		\$0.04			\$0.04	
Sporn		\$0.02			\$0.02	
Rockport		\$0.01			\$0.02	
Tanners Creek		\$0.01			\$0.01	
<b>Total</b>		<b>\$0.76 1/</b>			<b>\$0.78 2/</b>	

1/ Based on Environmental Investment as of December 31, 2003

2/ Based on Environmental Investment as of December 31, 2004

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT  
CURRENT PERIOD REVENUE REQUIREMENT  
OHIO POWER COMPANY (OPCo) - AMOS PLANT UNIT NO. 3

For the Expense Month of August 2005

LINE NO.	COST	AMOUNTS
1	Utility Plant at Original Cost	\$89,749,584
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>1.37%</u>
3	Total Rate Base	\$1,229,589
4	Ohio Power Company's Percentage Ownership - Environmental Investment	<u>100.00%</u>
5	OPCo's Share of Cost Associated with Amos Unit No. 3 (11) X (12)	\$1,229,569
	Operations :	
6	Urea (5020002)	\$316,730
7	Trona (5020003)	\$0
8	Air Emission Fee	<u>\$5,859</u>
9	Total Operations (4) + (5) + (6)	\$322,589
	Maintenance :	
10	SCR Maintenance (5120000)	\$0
11	1/2 of Maintenance (7) * 50%	<u>\$0</u>
12	Fixed O&M (9) + (11)	\$322,589
13	Ohio Power Company's Percentage Ownership - O&M Cost	<u>66.67%</u>
14	OPCo's Share of O&M Cost Associated with Amos Unit No. 3 (12) X (13)	<u>\$215,070</u>
	Total Revenue Requirement,	
15	Cost Associated with Amos Unit No. 3 (5) + (14)	\$1,444,639
16	Ohio Power Company Steam Capacity (kw)	8,472,000
17	Amos Unit No. 3 Environmental Rate (\$/kw)	\$0.17
18	Ohlo Power Surplus Weighing	<b>74.00%</b>
19	Portion of Weighted Average Capacity Rate Attributed to Amos Unit No. 3 SCR (\$/kw) (17) * (18)	\$0.13
	Amos Unit No. 3 Costs to Kentucky Power :	
20	Amos Unit No. 3 Portion (\$/kw) (19)	\$0.13
21	Kentucky Power Capacity Deficit (kw)	<u>287,600</u>
	Amos Unit No. 3 Environmental Cost to Kentucky Power (20) * (21)	
22	(ES FORM 3.14, Page 1 of 10, Line 1)	\$37,388

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT  
CURRENT PERIOD REVENUE REQUIREMENT  
OHIO POWER COMPANY (OPCo) - CARDINAL UNIT 1

For the Expense Month of August 2005

LINE NO.	COST	AMOUNTS
1	Utility Plant at Original Cost	\$97,226,884
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>1.37%</u>
3	Total Rate Base	\$1,332,008
	Operations :	
4	Urea (5020002)	\$53,629
5	Trona (5020003)	\$0
6	Air Emission Fee	<u>\$2,871</u>
7	Total Operations (4) + (5) + (6)	\$56,500
	Maintenance :	
8	SCR Maintenance (5120000)	\$0
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>
10	Fixed O&M (7) + (9)	\$56,500
	Total Revenue Requirement,	
11	Cost Associated with Cardinal Unit No. 3 (3) + (10)	<u>\$1,388,508</u>
12	Ohio Power Company's Percentage Ownership	100.00%
13	OPCo's Share of Cost Associated with Cardinal Unit No. 1 (11) X (12)	\$1,388,508
14	Ohio Power Company Steam Capacity (kw)	8,472,000
15	Cardinal Unit No. 1 (\$/kw)	\$0.16
16	Ohio Power Surplus Weighing	74.00%
17	Portion of Weighted Average Capacity Rate Attributed to Cardinal Unit No. 1 (\$/kw) (15) X (16)	\$0.12
	Cardinal Unit No. 1 Costs to Kentucky Power :	
18	Cardinal Unit No. 1 Portion (\$/kw) (17)	\$0.12
19	Kentucky Power Capacity Deficit (kw)	<u>287,600</u>
20	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (18) * (19) (ES FORM 3.14, Page 1 of 10, Line 2)	\$34,512



KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT  
CURRENT PERIOD REVENUE REQUIREMENT  
OHIO POWER COMPANY (OPCo) - GAVIN PLANT (UNITS 1 & 2)

For the Expense Month of August 2005

LINE NO.	COST	AMOUNTS
1	Utility Plant at Original Cost	\$236,101,680
2	Member Primary Capacity Investment Rate (16.44% / 12)	1.37%
3	Total Rate Base	\$3,234,593
	Operations :	
4	Sludge Disposal (5010000)	\$0
5	Lime (5020000)	\$0
6	Urea (5020002)	\$1,045,603
7	Trona (5020003)	\$270,932
8	Air Emission Fee	\$27,758
9	Lease (5070000)	\$0
10	Total Operations (4) + (5) + (6) + (7) + (8) + (9)	\$1,344,293
	Maintenance :	
11	SCR Maintenance (5120000)	\$38,277
12	Scrubber Maintenance (5120000)	\$0
13	Total Maintenance (11) + (12)	\$38,277
14	1/2 of Maintenance (13) * 50%	\$19,139
15	Fixed O&M (10) + (14)	\$1,363,432
	Total Revenue Requirement,	
16	Cost Associated with Gavin Plant (3) + (15)	\$4,598,025
17	Ohio Power Company's Percentage Ownership	100.00%
18	OPCo's Share of Cost Associated with Gavin Plant (16) X (17)	\$4,598,025
19	Ohio Power Company Steam Capacity (kw)	8,472,000
20	Gavin Plant (\$/kw)	\$0.54
21	Ohio Power Surplus Weighing	74.00%
22	Portion of Weighted Average Capacity Rate Attributed to Gavin Plant (\$/kw) (20) X (21)	\$0.40
	Gavin Plant Costs to Kentucky Power :	
23	Gavin Plant Portion (\$/kw) (22)	\$0.40
24	Kentucky Power Capacity Deficit (kw)	287,600
	Gavin Plant Environmental Cost to Kentucky Power (23) * (24)	
25	(ES FORM 3.14, Page 1 of 10, Line 3)	\$115,040

297,129,779

*TRONA INVESTMENT FACILITIES IN SERVICE MARCH AND JULY 2004 IN  
THE AMOUNT OF \$11,027,779*

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT  
CURRENT PERIOD REVENUE REQUIREMENT  
OHIO POWER COMPANY (OPCo) - KAMMER PLANT (UNITS 1, 2 & 3)

For the Expense Month of August 2005

LINE NO.	COST	AMOUNTS
1	Utility Plant at Original Cost	\$6,392,799
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>1.37%</u>
3	Total Rate Base	\$87,581
	Operations :	
4	Urea (5020002)	\$0
5	Trona (5020003)	\$0
6	Air Emission Fee	<u>\$17,113</u>
7	Total Operations (4) + (5) + (6)	\$17,113
	Maintenance :	
8	SCR Maintenance (5120000)	\$0
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>
10	Fixed O&M (7) + (9)	<u>\$17,113</u>
	Total Revenue Requirement,	
11	Cost Associated with Kammer Plant (3) + (10)	<u>\$104,694</u>
12	Ohio Power Company's Percentage Ownership	100.00%
13	OPCo's Share of Cost Associated with Kammer Plant (11) X (12)	\$104,694
14	Ohio Power Company Steam Capacity (kw)	8,472,000
15	Kammer Plant (\$/kw)	\$0.01
16	Ohio Power Surplus Weighing	74.00%
17	Portion of Weighted Average Capacity Rate Attributed to Kammer Plant (\$/kw) (15) X (16)	\$0.01
	Kammer Plant Costs to Kentucky Power :	
18	Kammer Plant Portion (\$/kw) (17)	\$0.01
19	Kentucky Power Capacity Deficit (kw)	<u>287,600</u>
	Kammer Plant Environmental Cost to Kentucky Power (18) * (19)	
20	(ES FORM 3.14, Page 1 of 10, Line 4)	\$2,876

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT  
CURRENT PERIOD REVENUE REQUIREMENT  
OHIO POWER COMPANY (OPCo) - MITCHELL PLANT (UNITS 1 & 2)

For the Expense Month of August 2005

LINE NO.	COST	AMOUNTS
1	Utility Plant at Original Cost	\$18,641,937
2	Member Primary Capacity Investment Rate (16.44% / 12)	1.37%
3	Total Rate Base	\$255,395
	Operations :	
4	Urea (5020002)	\$0
5	Trona (5020003)	\$0
6	Air Emission Fee	<u>\$21,712</u>
7	Total Operations (4) + (5) + (6)	\$21,712
	Maintenance :	
8	SCR Maintenance (5120000)	\$0
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>
10	Fixed O&M (7) + (9)	<u>\$21,712</u>
	Total Revenue Requirement,	
11	Cost Associated with Mitchell Plant (3) + (10)	<u>\$277,107</u>
12	Ohio Power Company's Percentage Ownership	100.00%
13	OPCo's Share of Cost Associated with Mitchell Plant (11) X (12)	\$277,107
14	Ohio Power Company Steam Capacity (kw)	8,472,000
15	Mitchell Plant (\$/kw)	\$0.03
16	Ohio Power Surplus Weighing	74.00%
17	Portion of Weighted Average Capacity Rate Attributed to Mitchell Plant (\$/kw) (15) X (16)	\$0.02
	Mitchell Plant Costs to Kentucky Power :	
18	Mitchell Plant Portion (\$/kw) (17)	\$0.02
19	Kentucky Power Capacity Deficit (kw)	<u>287,600</u>
	Mitchell Plant Environmental Cost to Kentucky Power (18) * (19)	
20	(ES FORM 3.14, Page 1 of 10, Line 5)	\$5,752

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT  
CURRENT PERIOD REVENUE REQUIREMENT  
OHIO POWER COMPANY (OPCo) - MUSKINGUM PLANT (UNITS 1, 2, 3, 4 & 5)

For the Expense Month of August 2005

LINE NO.	COST	AMOUNTS
1	Utility Plant at Original Cost	\$11,878,068
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>1.37%</u>
3	Total Rate Base	\$162,730
	Operations :	
4	Urea (5020002)	\$252,037
5	Trona (5020003)	\$0
6	Air Emission Fee	<u>\$27,267</u>
7	Total Operations (4) + (5) + (6)	\$279,304
	Maintenance :	
8	SCR Maintenance (5120000)	\$0
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>
10	Fixed O&M (7) + (9)	\$279,304
	Total Revenue Requirement,	
11	Cost Associated with Muskingum Plant (3) + (10)	<u>\$442,034</u>
12	Ohio Power Company's Percentage Ownership	100.00%
13	OPCo's Share of Cost Associated with Muskingum Plant (11) X (12)	\$442,034
14	Ohio Power Company Steam Capacity (kw)	8,472,000
15	Muskingum Plant (\$/kw)	\$0.05
16	Ohio Power Surplus Weighing	74.00%
17	Portion of Weighted Average Capacity Rate Attributed to Muskingum Plant (\$/kw) (15) X (16)	\$0.04
	Muskingum Plant Costs to Kentucky Power :	
18	Muskingum Plant Portion (\$/kw) (17)	\$0.04
19	Kentucky Power Capacity Deficit (kw)	<u>287,600</u>
20	Muskingum Plant Environmental Cost to Kentucky Power (18) * (19) (ES FORM 3.14, Page 1 of 10, Line 6)	\$11,504

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT  
CURRENT PERIOD REVENUE REQUIREMENT  
OHIO POWER COMPANY (OPCo) - SPORN PLANT (UNITS 2, 3, 4 & 5)

For the Expense Month of August 2005

LINE NO.	COST	AMOUNTS
1	Utility Plant at Original Cost	\$14,515,989
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>1.37%</u>
3	Total Rate Base	\$198,869
	Operations :	
4	Urea (5020002)	\$683
5	Trona (5020003)	\$0
6	Air Emission Fee	<u>\$13,484</u>
7	Total Operations (4) + (5) + (6)	\$14,167
	Maintenance :	
8	SCR Maintenance (5120000)	\$0
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>
10	Fixed O&M (7) + (9)	\$14,167
	Total Revenue Requirement,	
11	Cost Associated with Sporn Plant (3) + (10)	<u>\$213,036</u>
12	Ohio Power Company's Percentage Ownership	100.00%
13	OPCo's Share of Cost Associated with Sporn Plant (11) X (12)	\$213,036
14	Ohio Power Company Steam Capacity (kw)	8,472,000
15	Sporn Plant (\$/kw)	\$0.03
16	Ohio Power Surplus Weighing	74.00%
17	Portion of Weighted Average Capacity Rate Attributed to Sporn Plant (\$/kw) (15) X (16)	\$0.02
	Sporn Plant Costs to Kentucky Power :	
18	SpornGavin Plant Portion (\$/kw) (17)	\$0.02
19	Kentucky Power Capacity Deficit (kw)	<u>287,600</u>
20	Sporn Plant Environmental Cost to Kentucky Power (18) * (19) (ES FORM 3.14, Page 1 of 10, Line 7)	\$5,752

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT  
CURRENT PERIOD REVENUE REQUIREMENT  
INDIANA MICHGAN POWER COMPANY (I&M) - ROCKPORT PLANT (UNITS 1 & 2)

For the Expense Month of August 2005

LINE NO.	COST	UNIT 1 AMOUNTS	UNIT 2 AMOUNTS	TOTAL
(1)	(2)	(3)	(4)	(5)
1	Utility Plant at Original Cost	\$10,544,676	\$0	
2	Member Primary Capacity Investment Rate (16.44% / 12)	1.37%	1.37%	
3	Total Rate Base	\$144,462	\$0	
	Operations :			
4	Urea (5020002)	\$0	\$0	
5	Trona (5020003)	\$0	\$0	
6	Air Emission Fee	\$6,250	\$6,250	
7	Total Operations (4) + (5) + (6)	\$6,250	\$6,250	
	Maintenance :			
8	SCR Maintenance (5120000)	\$0	\$0	
9	1/2 of Maintenance (8) * 50%	\$0	\$0	
10	Fixed O&M (7) + (7)	\$6,250	\$6,250	
	Total Revenue Requirement,			
11	Cost Associated with Rockport Plant (7) + (9)	\$150,712	\$6,250	
12	Indiana Michigan Power Company's Percentage Ownership	85.00%	65.08%	
13	I&M's Share of Cost Associated with Rockport Plant (11) X (12)	\$128,105	\$4,068	
14	Total Rockport Units 1 & 2			\$132,173
15	Indiana Michigan Power Company Steam Capacity (kw)			5,089,000
16	Rockport Plant (\$/kw) (14) / (15)			\$0.03
	Kentucky Power Portion of Rockport Plant /			
17	Indiana Michigan Power Surplus Welghing			26.00%
18	Portion of Weighted Average Capacity Rate Attributed to Rockport Plant (\$/kw) (17) X (18)			\$0.01
	Rockport Plant Costs to Kentucky Power :			
19	Rockport Plant Portion (\$/kw) (18)			\$0.01
20	Kentucky Power Capacity Deficit (kw)			287,600
	Rockport Units 1 & 2 Environmental to Kentucky Power (19) * (20)			
21	(ES FORM 3.14, Page 1 of 10, Line 8)			\$2,876

*UNIT No. 2 Low NOx Burners In service 4/04 \$16,714,682*

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT  
CURRENT PERIOD REVENUE REQUIREMENT  
INDIANA MICHIGAN POWER COMPANY (I&M) - TANNERS CREEK (UNITS 1, 2, 3 & 4)

For the Expense Month of August 2005

LINE NO.	COST	AMOUNTS
1	Utility Plant at Original Cost	\$13,108,546
2	Member Primary Capacity Investment Rate (16.44% / 12)	1.37%
3	Total Rate Base	\$179,587
	Operations :	
4	Urea (5020002)	\$0
5	Trona (5020003)	\$0
6	Air Emission Fee	\$12,500
7	Total Operations (4) + (5) + (6)	\$12,500
	Maintenance :	
8	SCR Maintenance (5120000)	\$0
9	1/2 of Maintenance (8) * 50%	\$0
10	Fixed O&M (7) + (9)	\$12,500
	Total Revenue Requirement,	
11	Cost Associated with Tanners Creek Plant (3) + (10)	\$192,087
12	Indiana Michigan Power Company's Percentage Ownership	100.00%
13	I&M's Share of Cost Associated with Tanners Creek Plant (11) X (12)	\$192,087
14	Indiana Michigan Power Company Steam Capacity (kw)	5,089,000
15	Tanners Creek Plant (\$/kw)	\$0.04
16	Indiana Michigan Power Surplus Weighing	26.00%
17	Portion of Weighted Average Capacity Rate Attributed to Rockport Plant (\$/kw) (15) X (16)	\$0.01
	Tanners Creek Plant Costs to Kentucky Power :	
18	Tanners Creek Plant Portion (\$/kw) (17)	\$0.01
19	Kentucky Power Capacity Deficit (kw)	287,600
20	Tanners Creek Plant Environmental Cost to Kentucky Power (18) * (19) (ES FORM 3.14, Page 1 of 10, Line 9)	\$2,876





## Kentucky Power Company

### REQUEST

For each of the respondents to data requests listed below, provide the individual's current job title, educational background, and work experience. If individuals, other than those listed below or who have filed direct testimony, submit data responses during the proceeding, provide the same information. All respondents to data requests are expected to be present at the public hearing scheduled to begin on February 7, 2006, unless their presence is waived by mutual agreement.

- a. Sandra S. Bennett
- b. Hugh McCoy
- c. Sandra Keller
- d. Jeffrey Bartsch.

### RESPONSE

Please see the attached pages for individual information for:

- a. Sandra S. Bennett
- b. Hugh McCoy
- c. Sandra Keller
- d. Jeffrey Bartsch

**WITNESS:** Hugh E McCoy, Jeffrey B Bartsch, Sandra L Keller, Sandra S Bennett

**Sandra S. Bennett**

- Q. Please state your name, current job title and principal areas of responsibility, educational background, work experience and previous testimony before any regulatory commission.
- A. Sandra S. Bennett, Assistant Controller, Regulated Accounting for American Electric Power Service Corporation (AEPSC), 1 Riverside Plaza, Columbus, Oh 43215.

Additionally, I am the Assistant Controller for Kentucky Power Company, Appalachian Power Company, Columbus Southern Power Company, Indiana Michigan Power Company, Kingsport Power Company, Ohio Power Company, Wheeling Power Company, AEP Generating Company, AEP Texas Central Company, AEP Texas North Company, Public Service Company of Oklahoma, and Southwestern Electric Power Company. I am also Assistant Controller for six subsidiary coal companies owned by the above utilities.

Area of Responsibility: I am responsible for the general accounting and accounting records for AEP's regulated utility companies and their subsidiaries. I am also responsible for the accounting for AEPSC and the monthly service billings from AEPSC. My responsibilities for these companies include compliance with the Federal Energy Regulatory Commission (FERC) Uniform System of Accounts, the U.S. Securities and Exchange Commission (SEC) Uniform System of Accounts, and the requirements of other federal and state regulatory agencies.

Educational Background: I received a Bachelor of Business Administration degree with a major in accounting from Northeastern State University at Tahlequah, Oklahoma. I am a Certified Public Accountant and a member of the American Institute of Certified Public Accountants and the Oklahoma Society of Certified Public Accountants.

Work Experience: In 1984, I accepted employment with Public Service Company of Oklahoma (PSO), an AEP subsidiary, where I worked until 1994. While at PSO, I held the positions of financial accountant; Supervisor, Accounting Systems and Controls; Manager, Corporate Accounting; and Acting Controller.

In 1994 I transferred to Central and South West Services Company (the service company owned by Central and South West Corporation prior to the merger with AEP) in the position of Assistant Controller, where I was responsible for the accounting for CSW utility companies, Central Power and Light Company, West Texas Utilities Company, PSO, Southwestern Electric Power Company, and various other subsidiary companies.

**Sandra S. Bennett**

In 1997, I became the Controller of CSW Energy, Inc., and CSW International, Inc., the non-utility development companies owned by CSW. I held that position until the completion of the merger with AEP in 2000, at which time I accepted the position of Managing Director, Wholesale Accounting, where I continued to oversee the accounting for the non-utility investments formerly owned by CSW and the AEP wholesale investments.

In 2002 I accepted my current position of Assistant Controller, Regulated Accounting.

Previous Testimony Before any Regulatory Commissions: I have filed testimony before the Public Utility Commission of Texas in Docket Nos. 13369, 14965 and 28840, and before the Oklahoma Corporation Commission in Cause No. PUD200300076.

**Hugh E. McCoy**

Q. PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS.

A. My name is Hugh E. McCoy. I am a Director of Accounting Policy and Research for the American Electric Power Service Corporation (AEPSC), a subsidiary of American Electric Power Company, Inc. (AEP). My business address is 1 Riverside Plaza, Columbus, Ohio 43215.

Q. WHAT ARE YOUR PRINCIPAL AREAS OF RESPONSIBILITY?

A. I am responsible for performing accounting research, recommending accounting policy and procedures, reporting on the financial effects of potential transactions, and developing accounting instructions for certain non-routine transactions and new accounting rules. In addition, I serve as AEP's primary internal advisor with regard to issues surrounding the accounting for employee benefits, including pensions and postretirement benefits. Finally, I administer the continuing professional education program for AEP's nearly three hundred certified public accountants and other professional accountants and serve as class discussion leader for many technical accounting subjects.

Q. PLEASE OUTLINE YOUR EDUCATIONAL AND PROFESSIONAL EXPERIENCE.

A. I graduated magna cum laude from West Virginia University in 1977, with a Bachelor of Science in Business Administration degree in Accounting.

From 1977 to 1981, I was employed by Peat, Marwick, Mitchell and Co., where I was promoted to Audit Supervising Senior. I have been a Certified

**Hugh E. McCoy**

Public Accountant since 1979, and a member of the American Institute of Certified Public Accountants since 1980.

Since 1981, I have been employed by AEPSC. I served from 1981 to early 1998 in Accounting Policy and Research, initially as a Treasury Staff Accountant and beginning in 1989 as a Senior Treasury Staff Accountant. In 1998, I was promoted to Manager of Utility Ledgers for AEP's operating companies in Ohio. In 2000, I was promoted to Assistant Controller of Non-Regulated Accounting. Following two years in that position and a one-year rotational assignment to Corporate Finance, I returned to Accounting Policy and Research in my current position in 2003.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE ANY REGULATORY COMMISSIONS?

A. Yes, I have previously testified on pension and postretirement benefits before the Indiana Utility Regulatory Commission, the Louisiana Public Service Commission, the Michigan Public Service Commission, the Public Utility Commission of Ohio, the Corporation Commission of the State of Oklahoma, the Tennessee Public Service Commission, the Virginia State Corporation Commission, the Public Service Commission of West Virginia, and the Federal Energy Regulatory Commission.

**Sandra L. Keller**

Q. Please state your name, current job title, educational background, work experience and previous testimony before any regulatory commission.

A. Sandra L. Keller – Manager of State & Local Taxes

American Electric Power Service Corporation, 1 Riverside Plaza, Columbus, Ohio

Educational background:

B.S. Business Administration (Finance/Accounting) – The Ohio State University

J.D. – The Capital University Law School

LL.M. (Taxation) - Widener University School of Law

Certified Public Accountant – Inactive (Ohio)

Employed by Columbia Gas System Service Corporation in 1984, holding various positions in Financial Reporting and Auditing. Accepted a position with American Electric Power Service Corporation in 1996 in the Tax Department, holding various positions until January 2005 when promoted to current position.

Have filed no previous testimony before any regulatory commission

**Jeffrey B. Bartsch**

Q. Please state your name, current job title, educational background, work experience and previous testimony before any regulatory commission.

A. Jeffrey B. Bartsch - Director of Tax Accounting and Regulatory Support

American Electric Power Service Corporation, 1 Riverside Plaza, Columbus, Ohio

Bachelor of Business Administration Degree in Accounting from Ohio University – 1979

Certified Public Accountant – Inactive (licensed in Ohio since 1981)

Employed by Arthur Andersen & Co. in 1979 in the Audit section - assigned to various clients, including those in the electric utility industry. Accepted a position with the Tax Department at AEPSC in 1985. Have held various positions until June 2000 when promoted to current position.

Have filed testimony before the Public Utilities Commission of Ohio on behalf of Columbus Southern Power Company and Ohio Power Company; with the Michigan Public Service Commission on behalf of Indiana Michigan Power Company; with the Public Service Commission of West Virginia on behalf of Appalachian Power Company and Wheeling Power Company and have testified before the Public Utility Commission of Texas on behalf of AEP Texas Central Company.