

421 West Main Street
Post Office Box 634
Frankfort, KY 40602-0634
15021 223-3477
15021 223-4124 Fax
www.stites.com

August 5, 2005

Judith A. Villines
(502) 209-1230
(502) 223-4389 FAX
jvillines@stites.com

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

FILED

AUG 8 2005

PUBLIC SERVICE
COMMISSION

Re: Kentucky Power Company
PSC Case No. 2005-00068

Dear Ms. O'Donnell:

At the formal hearing in this case, held on July 28, 2005, the Hearing Officer directed Kentucky Power Company to make an additional search for any written evaluation or analysis of the AEP System's NO_x control selection process. The Company has conducted this search and has been able to find two additional written analyses which it hereby submits. One is a written document prepared for the System's Ohio-based companies. It refers to "Unregulated Generation." This document was prepared for the AEP companies located in Ohio during the period when the System was considering corporate separation. Thus, the references to "unregulated generation" refer only to the fact that for purposes of Ohio utility regulation, generation facilities are not regulated; it does not mean that the generation facilities owned by these Ohio companies are deregulated in the sense that they are not part of the interstate pool that is governed by the FERC-approved Interconnection Agreement.

It is important to note that both documents are "snapshot" views of the compliance plan on the date of the document. The final combination of NO_x projects that comprises the compliance plan for the AEP System is one that has developed over time and was continually influenced by new knowledge as it became available.

The Company further wishes to make clear that it has previously provided the written analyses for the generation facilities at issue herein by means of the Capital Improvement Requests ("CIs") which were provided in their entirety by disc. As explained in the testimony and data responses, AEP uses an optimization model which allows it to rank possible NO_x reduction options at a given point in time according to NO_x reduction level and cost-effectiveness. The results from the runs of this model are written up in the form of a CI that is presented to the AEP Board for approval. The modeling process is explained in detail in the Certificate of Need case for the Big Sandy SCR. (Please note that the written analysis now being

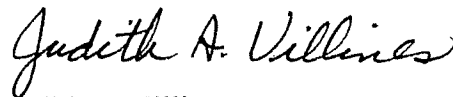
Beth O'Donnell
Executive Director
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provided specifically references the filing in that case for information on the modeling process.)
The modeling results for the generating facilities at issue in this case are set forth in the CIs.
Thus the written analyses and evaluations that the Commission seeks have already been provided
in the form of the CIs.

Please advise us if the Commission needs any further information, or if the Company has
misunderstood the Hearing Officer's directive.

Sincerely,

STITES & HARBISON, PLLC



Judith A. Villines

JAV:las

cc: Michael L. Kurtz
Elizabeth E. Blackford
Richard G. Raff

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED
AUG - 8 2005
PUBLIC SERVICE
COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY POWER COMPANY)
FOR APPROVAL OF AN AMENDED COMPLIANCE)
PLAN FOR PURPOSES OF RECOVERING)
ADDITIONAL COSTS OF POLLUTION CONTROL)
FACILITIES AND TO AMEND ITS ENVIRONMENTAL)
COST RECOVERY SURCHARGE TARIFF)

CASE NO.
2005-00068

**KENTUCKY POWER COMPANY'S
PETITION FOR CONFIDENTIAL TREATMENT
AND REQUEST FOR DEVIATION FROM THE RULES**

Kentucky Power Company moves the Commission pursuant to 807 KAR 5:001, Section 7 and KRS 61.878(1)(c) for an Order granting confidential treatment to the attached February 28, 2003 document re the AEP Unregulated Generation NO_x SIP Call Compliance Plan. In support Kentucky Power states:

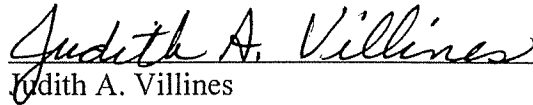
At the public hearing held on July 28, 2005 in this matter, the Hearing Officer directed Kentucky Power Company to search for further written documents that may relate to the decisions of the AEP companies subject to the AEP Interconnection Agreement regarding the installation of the NO_x control equipment at issue in this case. That search was conducted and the attached document was determined to meet the criteria established by the Hearing Officer for producing additional documents. This document relates to the "unregulated" facilities of Kentucky Power Company's sister companies located in Ohio. (These facilities are "unregulated" only in the sense that they are not regulated under Ohio law by the Ohio Public Utility Commission; they are regulated in the sense that they remain part of the facilities covered by the AEP Interconnection Agreement that has been approved by FERC.) This document is

considered proprietary and confidential by the American Electric Power Company and its subsidiaries because it is a strategy document discussing the market impacts of the matters discussed in the document. Accordingly, this document is exempt from the Kentucky Open Records Law and entitled to confidential treatment by the requesting agency, the Kentucky Public Service Commission, pursuant to KRS 61.878(c)(1).

The statute provides protection from disclosure by an agency if a record is “confidentially disclosed to an agency or required by an agency to be disclosed to it,” and is “generally recognized as confidential or proprietary,” and “if openly disclosed would permit an unfair commercial advantage to competitors of the entity that disclosed the records.” The attached document is being disclosed to the Commission at its direction and is generally recognized as confidential or proprietary and has been treated as such by the AEP companies. Additionally, because this document is an internal policy and strategy document, if openly disclosed, the competitors of the Ohio companies would have an unfair commercial advantage because of the information contained in this document. Accordingly, the document is entitled to confidential treatment.

Wherefore, Kentucky Power respectfully requests Public Service Commission of Kentucky to issue an Order protecting the attached document (described above) from public disclosure.

Respectfully submitted,



Judith A. Villines
Bruce F. Clark
STITES & HARBISON, PLLC
421 West Main Street
P.O. Box 634
Frankfort, Kentucky 40602-0634
Telephone: 502-223-3477
COUNSEL FOR:
KENTUCKY POWER COMPANY

CERTIFICATE OF SERVICE

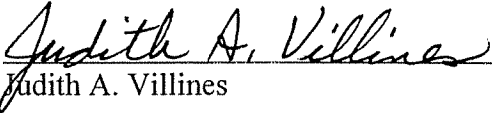
I hereby certify that a true and accurate copy of the foregoing Petition for Confidential Treatment and Request for Deviation from the Rules of Kentucky Power Company was served via United States Postal Service, First Class Mail, postage prepaid, upon:

Michael L. Kurtz
Boehm, Kurtz & Lowry
2110 CBLD Center
36 East Seventh Street
Cincinnati, Ohio 45202

Elizabeth E. Blackford
Kentucky Attorney General's Office
Suite 800
1024 Capital Center Drive
Frankfort, Kentucky 40601-8204

Richard G. Raff
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

on this the 5th day of August, 2005.



Judith A. Villines

KE057:KE113:12877:1:FRANKFORT

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY POWER COMPANY)
FOR APPROVAL OF AN AMENDED COMPLIANCE)
PLAN FOR PURPOSES OF RECOVERING) CASE NO.
ADDITIONAL COSTS OF POLLUTION CONTROL) 2005-00068
FACILITIES AND TO AMEND ITS ENVIRONMENTAL)
COST RECOVERY SURCHARGE TARIFF)

Affidavit of Errol K. Wagner

Affiant, Errol K. Wagner, after first being duly sworn states and deposes as follows:

1. I am the Director of Regulatory Services for Kentucky Power Company (“KPCo” or “Company”). My business address is 101 A Enterprise Drive, Frankfort, Kentucky 40602.

2. I supervise and direct the Regulatory Services of the Company, which has the responsibility for rate and regulatory matters affecting KPCo’s Kentucky jurisdiction. This includes the preparation of and coordination of the Company’s exhibits and testimony in rate cases and any other formal filings before state and regulatory bodies.

3. In this proceeding the Company seeks approval of its Second Amended Environmental Compliance Plan and to amend its Environmental Cost Recovery Surcharge Tariff to recover certain environmental costs incurred pursuant to the FERC-approved Interconnection Agreement that governs the AEP System’s generation pool.

4. At the formal hearing held in this matter on July 28, 2005, the Hearing Officer directed the Company to conduct a further search for documents that may present a written analysis or evaluation of the AEP System’s NO_x compliance process. At my direction, that

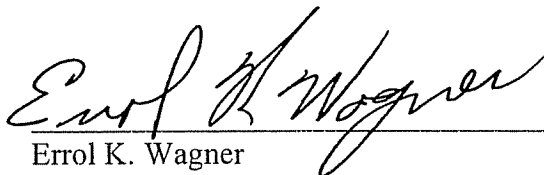
search has been undertaken and two documents that the Company believes are responsive to the Commission's Hearing Officer's directive have been located.

5. The Company seeks confidential treatment for one of the two documents it has found because that document is a strategy and policy document discussing the effect of the company's NO_x compliance plan on AEP's "unregulated" generation fleet in Ohio and West Virginia. (The term "unregulated" refers to the fact that Ohio does not regulate generating facilities through its utility regulatory commission; these facilities are regulated in the sense that they are part of the FERC-approved Interconnection Agreement.)

6. I have personally confirmed through conversations with the author of the document at issue, that it contains information considered proprietary and confidential by the companies at issue and treated as proprietary and confidential by the AEP System generally. If this information were to be made public, it would give competitors of the System's Ohio-based companies an unfair competitive advantage.

7. Having made the appropriate inquiries, Kentucky Power believes that the information contained in the document at issue is proprietary and confidential that this document is entitled to confidential and proprietary treatment pursuant to 401 KAR 5:001 Section 7 and KRS 61.878(1)(c).


Further Affiant sayeth naught.


Errol K. Wagner

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF FRANKLIN) SS

The foregoing affidavit was signed and sworn to before me this 5th day of August, 2005
by Errol K. Wagner, a person known to me.

My commission expires: April 7, 2007



Notary Public State at Large