

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION OF KENTUCKY POWER)
COMPANY D/B/A AMERICAN ELECTRIC)
POWER, AMERICAN ELECTRIC POWER)
COMPANY, INC. AND CENTRAL AND SOUTH)
WEST CORPORATION FOR (1) APPROVAL OF THE)
CHANGES TO THE SYSTEM SALES)
CLAUSE TARIFF; (2) ENTRY OF CERTAIN)
FINDINGS PURSUANT TO 15 U.S.C. 97Z;)
(3) ENTRY OF CERTAIN FINDINGS PURSUANT)
TO 17 C.F.R. 200.53;)
(4) THE ENTRY OF AN ORDER)
DECLARING THAT THE TRANSFER OF THE)
STOCK OF KENTUCKY POWER COMPANY)
FROM AMERICAN ELECTRIC POWER COMPANY,)
INC. TO ITS WHOLLY OWNED SUBSIDIARY,)
CENTRAL AND SOUTH WEST CORPORATION)
MAY BE CONSUMMATED WITHOUT APPROVAL)
BY THE COMMISSION; OR, ALTERNATIVELY,)
APPROVING THE TRANSFER PURSUANT TO)
KRS 278.020(4) AND KRS 278.020(5); AND)
(5) FOR RELATED RELIEF)

CASE NO.
2002-00039

COMMISSION STAFF S FIRST DATA REQUEST
TO KENTUCKY POWER COMPANY

Pursuant to Administrative Regulation 807 KAR 5:001, Commission Staff requests that Kentucky Power Company (Kentucky Power) file with the Commission, no later than August 23, 2002, the original and 5 copies of the following information, 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.

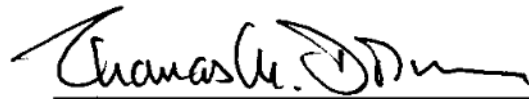
1. On May 7, 2002, American Electric Power (AEP) Service Corporation entered into a Memorandum of Understanding with PJM Interconnection, L.L.C. (PJM), which refers to the negotiation of future agreements to re-evaluate the existing PJM generating capacity reserve requirements. Assuming that AEP's corporate restructuring is completed as proposed in this case, provide a detailed explanation of the following:

a. The annual financial impact on Kentucky Power's retail cost of service through 2010 due to membership in PJM.

b. Whether Kentucky Power's generating capacity with the proposed extensions of the Rockport unit power agreements (i.e., Unit No. 1 through 2009 and Unit No. 2 through 2022) will be sufficient to satisfy PJM's existing reserve requirements for all hours of the year through 2010. If yes, explain why it is necessary to negotiate future agreements to re-evaluate PJM's existing reserve requirement. If not, provide an estimate of the cost for Kentucky Power to purchase the required reserve capacity for each year through 2010.

c. Whether the proposed three-member AEP power pool will collectively have sufficient generating capacity to satisfy PJM's reserve requirements for all hours of the year through 2010. If yes, explain why it is necessary to negotiate future

agreements to re-evaluate PJM's existing reserve requirement. If not, provide an estimate of the cost to Kentucky Power for each year through 2010 that the three-member AEP power pool will have to purchase reserve capacity.

A handwritten signature in black ink, appearing to read "Thomas M. Dorman", written over a horizontal line.

Thomas M. Dorman
Executive Director
Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40602

DATED: August 9, 2002

cc: Parties of Record