

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)
COMMISSION OF THE APPLICATION OF THE)
FUEL ADJUSTMENT CLAUSE OF AMERICAN) CASE NO. 2002-00222
ELECTRIC POWER COMPANY FROM)
NOVEMBER 1, 2002 TO APRIL 30, 2002)

COMMISSION STAFF S INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS TO
AMERICAN ELECTRIC POWER COMPANY

Pursuant to Administrative Regulation 807 KAR 5:001, Commission Staff requests that American Electric Power Company d/b/a Kentucky Power Company ("AEP/KY") file the original and 8 copies of the following information with the Commission no later than August 9, 2002, with a copy to all parties of record. Each copy of the information requested shall 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 shall 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 location of that information in responding to this request.

1. Refer to Direct Testimony of Stephen D. Baker at 3, lines 7 19.
 - a. State whether AEP Coal Sales, with operations in Pike County, Kentucky is an affiliate of AEP/KY.

b. Identify all AEP/KY-affiliated coal producers in eastern Kentucky and West Virginia who supply the type of coal that AEP/KY uses at its Big Sandy station.

2. Refer to Direct Testimony of Stephen D. Baker at 4, lines 1 10.

a. State which, if any, of the four coal suppliers listed still supply coal to AEP/KY as of the date of this Request.

b. State and describe all problems with the delivery of coal that AEP/KY has experienced with these coal suppliers during the period under review.

c. State and describe all problems with deliveries of coal that AEP/KY has any reason to expect to occur under any contracts that are in effect as of the date of this request.

3. Refer to AEP/KY's Response to the Commission's Order of June 27, 2002, Item 8. Describe how AEP/KY intends to replace the tonnage currently supplied under its contract with Pevler Coal Sales Company, Inc. (Pevler) when the current contract expires on December 31, 2002. In its response, AEP/KY should indicate the type of purchase (e.g., long-term contracts or spot market purchases) that it intends to use.

4. Refer to AEP/KY's Response to the Commission's Order of June 27, 2002, Item 1.

a. Describe AEP/KY's concerns, if any, over the limited number of responses made to its sole written solicitation during the review period.

b. Describe AEP/KY's concerns, if any, over the present number of active coal suppliers.

5. At page 3 of its Response to the Commission's Order of June 27, 2002, Item 7, AEP/KY states that Big Sandy Unit 2 experienced a scheduled outage of 342 hours for SCR modifications in November 2001.

- a. Describe the effect of this outage on AEP/KY's fuel costs.
- b. State whether additional SCR-related outages are planned and the estimated duration of such outages.
- c. State the estimated effect on AEP/KY's fuel costs of additional planned SCR-related outages.

6. In its response to the Commission's Order of June 27, 2002, Item 11(e), AEP/KY states that no changes are planned in AEP/KY's coal inventory target over the next 12 months. State whether AEP/KY expects any changes to its actual inventory level over that time period. If changes are expected, provide an estimate of projected inventory levels for the next 12 months.

7. Provide AEP/KY's current fuel procurement policies and procedures.

8. Refer to AEP/KY's Response to the Commission's Order of June 27, 2002, Item 17.

- a. Describe the changes in reporting responsibilities and explain why these changes were made.

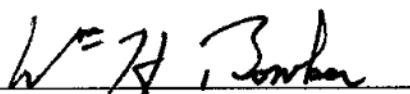
- b. Provide an organizational chart showing the individuals involved in AEP/KY's coal procurement activities before and after the reporting responsibility changes referred to in AEP/KY's response. This chart should identify the name, title, and employer of the person in each position responsible for coal procurement activities and contain a brief description of the activities for which the individual is responsible.

9. In its Response to the Commission's Order of June 27, 2002, Item 19, AEP/KY indicates that for transmission purposes as well as for line-losses considerations, all intersystem sales terminate at the interconnection point between the AEP system and a direct-connect transmission entity.

a. State whether fuel costs for all intersystem sales made by AEP/KY during the review period were increased 3.3 percent to account for line losses in its system or its affiliate's systems.

b. State whether the costs of line losses beyond the termination point of the AEP system are covered in separation transactions between the third-party transmission provider and the power purchaser.

10. In its Response to the Commission's Order of June 27, 2002, Item 20, AEP/KY refers to the 3.3 percent line loss factor that the Federal Energy Regulatory Commission (FERC) approved for wheeling services. Describe the conditions under which this factor may be changed or revised. Include in the response a description of the process for revising the factor and any limits on the frequency of such revisions.


William H. Bowker
Deputy Executive Director
Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, Kentucky 40602

DATED: JULY 26, 2002

cc: Parties of Record