

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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JUN 28 2013

**PUBLIC SERVICE
COMMISSION**

In the Matter of:

**THE APPLICATION FOR A GENERAL)
ADJUSTMENT OF ELECTRIC RATES)
OF KENTUCKY POWER COMPANY)**

Case No. 2013-00197

SECTION IV AND V



KENTUCKY POWER COMPANY
807 KAR 5:001 SECTION 12
FINANCIAL EXHIBIT
March 31, 2013

1. Amounts and kinds of stock authorized.

2,000,000 Shares of Common Stock, \$50 par value.

2. Amounts and kinds of stock issued and outstanding.

1,009,000 Shares of Common Stock, \$50 par value, recorded at \$50,450,000.

3. Terms of preference of preferred stock whether cumulative or participating, or on dividends or assets or otherwise.

The Company has no preferred stock authorized or outstanding.

4. Brief description of each mortgage on property of applicant, giving date of execution, name of mortgagor, name of mortgagee, or trustee, amount of indebtedness authorized to be secured thereby, and the amount of indebtedness actually secured, together with any sinking funds provisions.

None

5. Amount of bonds authorized, and amount issued, describing each class separately, and giving date of issue, face value, rate of interest, date of maturity and how secured, together with the amount of interest paid thereon during the last fiscal year.

None

6. Each note outstanding, giving date of issue, amount, date of maturity, rate of interest, in whose favor, together with amount of interest paid thereon during the twelve months ending March 31, 2013.

Date of Issue	Date of Maturity	Rate of Interest	Principal	Principal	Interest Expense	Interest Expense
			Amount as of December 31, 2012	Amount as of March 31, 2013	12 Months Ending December 31, 2012	12 Months Ending March 31, 2013
<u>Senior Notes</u>						
06/13/2003	12/01/2032	5.625%	\$75,000,000	\$75,000,000	\$4,218,750	\$4,218,750
09/11/2007	09/15/2017	6.000%	\$325,000,000	\$325,000,000	\$19,500,000	\$19,500,000
06/18/2009	06/18/2021	7.250%	\$40,000,000	\$40,000,000	\$2,900,000	\$2,900,000
06/18/2009	06/18/2029	8.030%	\$30,000,000	\$30,000,000	\$2,409,000	\$2,409,000
06/18/2009	06/18/2039	8.130%	\$60,000,000	\$60,000,000	\$4,878,000	\$4,878,000
<u>Promissory Notes</u>						
02/05/2004	06/01/2015	5.250%	\$20,000,000	\$20,000,000	\$1,050,000	\$1,050,000

Short Term Borrowings

The Company participates in the AEP System Corporate Borrowing Program.

As of December 31, 2012, the Company had \$13,358,856 of Short Term Debt borrowing, the interest expense was \$601,526 and the Weighted Average Interest Rate was 0.4199%.

As of March 31, 2013, the Company had \$11,039,250 of Short Term Debt borrowing, the interest expense was \$656,149 and the Weighted Average Interest Rate was 0.3843%.

The Company was in a borrowed position for 97 days in the last twelve months.

Note: The Senior Notes in 2003 and 2007 were issued in a public offering. The Senior Notes in 2009 were issued in a private offering to qualified institutional investors. The Promissory Notes were issued to American Electric Power, Inc.

KENTUCKY POWER COMPANY
FINANCIAL EXHIBIT
March 31, 2013

7. Other indebtedness, giving same by classes and describing security, if any, with a brief statement of the devolution of assumption of any portion of such indebtedness upon or by person or corporation if the original liability has been transferred, together with amount of interest paid thereon during the twelve months ending March 31, 2013.

The Company has no other indebtedness.

8. Rate and amount of dividends paid during the five previous calendar years, and the amount of capital stock on which dividends were paid each year:

<u>Year</u>	<u>Common Dividend Amount</u>	<u>Common Shares Outstanding</u>	<u>Dividend per Common Share</u>
2012	\$32,000,000	1,009,000	\$31.72
2011	\$28,000,000	1,009,000	\$27.75
2010	\$21,000,000	1,009,000	\$20.81
2009	\$19,500,000	1,009,000	\$19.33
2008	\$14,000,000	1,009,000	\$13.88

9. Detailed income statement and balance sheet (see attached pages 3 - 16).

KENTUCKY POWER COMPANY
BALANCE SHEET
JURISDICTIONAL ASSETS
MARCH 31, 2013

Line No. (1)	Description (2)	Per Books as of March 31, 2013 (3)	Eliminating Adjustments (4)	Jurisdictional Rate Case Adjustments (Schedule 4) (5)	Adjusted as of March 31, 2013 (Schedule 4) (5) (C3 + C4 + C5)
ELECTRIC UTILITY PLANT:					
1	In Service	\$1,694,066,063	(\$19,225,793)	\$879,473,092	\$2,554,313,362
2	Property Under Capital Leases	5,276,427	(5,276,427)	0	0
3	Electric Plant Held for Future Use	7,436,551	(6,779,441)	0	657,110
4	Construction Not Classified	66,530,624	(755,050)	0	65,775,574
5	Accrued Capital Leases	236,396	(236,396)	0	0
6	Construction Work In Progress	43,807,564	(525,753)	39,608,974	82,890,785
7	TOTAL ELECTRIC UTILITY PLANT	1,817,353,625	(32,798,860)	919,082,066	2,703,636,831
8	Accumulated Provision for Depreciation of Electric Utility Plant In Service	(\$609,523,458)	4,789,974	(302,907,362)	(907,640,846)
9	Accumulated Provision for Amortization of Electric Utility Plant In Service	(24,047,611)	188,980	0	(23,858,631)
10	NET ELECTRIC UTILITY PLANT	1,183,782,556	(27,819,906)	616,174,704	1,772,137,354
OTHER PROPERTY AND INVESTMENTS:					
11	Non-Utility Property	5,699,503	(5,699,503)	0	0
12	Accumulated Provision for Depreciation and Amortization	(209,953)	209,953	0	0
13	Non-Utility Property WIP	(453,701)	453,701	0	0
14	Other Investments	259,312	(259,312)	0	0
15	SO2 Allowance Inventory	2,361,233	(2,361,233)	0	0
16	Long Term Energy Trading Contracts	4,948,523	(4,948,523)	0	0
17	TOTAL OTHER PROPERTY AND INVESTMENTS	12,604,917	(12,604,917)	0	0
CURRENT AND ACCRUED ASSETS:					
18	Cash and Cash Equivalents	1,100,170	(1,100,170)	0	0
19	Advances to Affiliates (Notes Receivables to Associated Companies)	0	0	0	0
Accounts Receivable:					
20	Customers	14,939,790	(14,939,790)	0	0
21	Miscellaneous	3,775,647	(3,775,647)	0	0
22	Uncollectible Accounts	(9,818)	9,818	0	0
23	Associated Companies	4,407,243	(4,407,243)	0	0
24	Accounts Receivable - Net	23,112,862	(23,112,862)	0	0
Materials and Supplies:					
25	Fuel	47,168,830	(660,364)	7,407,383	53,915,849
26	SO2 Allowance Inventory - Current	9,127,503	(127,785)	3,660,585	12,660,303
27	CO2 Allowance Inventory - Current	0	0	0	0
28	Urea	96,885	(1,356)	0	95,529
29	Other Accounts	13,200,829	(516,417)	9,329,591	22,014,003
30	Total Material and Supplies	69,594,047	(1,305,922)	20,397,559	88,685,684
31	Accrued Utility Revenues	1,794,374	(1,794,374)	0	0
32	Energy Trading Cont Current Asset	4,621,886	(4,621,886)	0	0
33	Prepayments & Other Current Assets	3,211,040	(1,755,971)	26,308,055	27,763,124
34	TOTAL CURRENT AND ACCRUED ASSETS	103,434,379	(33,691,185)	46,705,614	116,448,808
35	Regulatory Assets	215,382,947	(215,382,947)	0	0
Deferred Charges					
36	Other Deferred Charges	69,644,269	(62,452,661)	3,878,001	11,069,609
37	TOTAL REGULATORY ASSETS AND DEFERRED CHARGES	285,027,216	(277,835,608)	3,878,001	11,069,609
38	TOTAL ASSETS AND OTHER DEBITS	\$1,584,849,068	(\$351,951,616)	\$666,758,319	\$1,899,655,771
Reconcile:					
39	Per Jurisdictional Balance Sheet - Assets - Line 38				\$1,899,655,771
Add:					
40	Section V, Schedule 4, Column 5, Line 21 - Cash Working Capital				55,912,969
Less:					
41	Section V, Schedule 4, Column 5, Line 23 - Customer Advances & Deposits				23,869,093
42	Section V, Schedule 4, Column 5, Line 24 - Accumulated Deferred Income Taxes				393,641,411
43	DFIT - Account 190 included in line 36 from above				11,069,609
44	Section V, Schedule 4, Column 5, Line 28 - Total Rate Base (Ln 39 + Ln 40 - Ln 41 - Ln 42)				\$1,526,988,627

KENTUCKY POWER COMPANY
BALANCE SHEET -
JURISDICTIONAL CAPITALIZATION, LONG-TERM DEBT AND LIABILITIES
MARCH 31, 2013

Line No. (1)	Description (2)	Per Books as of March 31, 2013 (3)	Elimination Adjustments (4)	Rate Case Adjustments (Schedules 3 & 4) (5)	Adjusted as of March 31, 2013 (6) (C3 + C4 + C5)
CAPITALIZATION AND LONG TERM DEBT					
1	Common Stock - Par Value \$50				
2	Authorized: 2,000,000 Shares				
3	Outstanding: 1,009,000 Shares	\$50,450,000	(\$3,229,704)	\$24,202,002	\$71,422,298
4	Paid-In Capital	238,559,501	(15,272,082)	114,442,367	337,729,786
5	Retained Earnings	201,330,503	(12,888,759)	96,582,778	285,024,521
6	Common Shareowners Equity	<u>490,340,004</u>	<u>(31,390,545)</u>	<u>235,227,146</u>	<u>694,176,605</u>
7	Advances from Associated Companies	20,000,000	(1,342,131)	11,022,280	29,680,149
8	Senior Unsecured Notes	530,000,000	(34,374,320)	264,534,713	760,160,393
9	Unamortized Discount LTD - Senior Unsecured Note	(736,369)	736,369	0	0
10	Long Term Debt	<u>549,263,631</u>	<u>(34,980,082)</u>	<u>275,556,993</u>	<u>789,840,542</u>
11	TOTAL CAPITALIZATION AND LONG TERM DEBT	<u>1,039,603,635</u>	<u>(66,370,627)</u>	<u>510,784,139</u>	<u>1,484,017,147</u>
OTHER NONCURRENT LIABILITIES					
12	Obligations Under Capital Lease	1,965,664	(1,965,664)	0	0
13	Accumulated Provisions - Rate Relief	1,635,430	(1,635,430)	0	0
	Accumulated Provisions - Miscellaneous	35,182,965	(35,182,965)	0	0
14	TOTAL OTHER NONCURRENT LIABILITIES	<u>38,784,059</u>	<u>(38,784,059)</u>	<u>0</u>	<u>0</u>
CURRENT AND ACCRUED LIABILITIES					
15	Long-Term Debt Due within 1 Year	0	0	0	0
16	Short-Term Debt	11,039,250	(1,430,129)	(22,550,607)	(12,941,486)
17	Accounts Payable	21,552,562	(21,552,562)	0	(0)
18	Accounts Payable to Associated Companies	18,771,631	(18,771,631)	0	0
19	Customer Deposits	23,957,664	(146,524)	0	23,811,140
20	Taxes Accrued	7,926,267	(7,926,267)	0	0
21	Interest Accrued	5,273,482	(5,273,482)	0	(0)
22	Dividends Declared	0	0	0	0
23	Obligations Under Capital Lease	1,351,691	(1,351,691)	0	(0)
24	Risk Management Liabilities	2,379,578	(2,379,578)	0	(0)
25	Other Current and Accrued Liabilities	14,208,318	(14,208,318)	0	(0)
26	TOTAL CURRENT AND ACCRUED LIABILITIES	<u>106,460,443</u>	<u>(73,040,182)</u>	<u>(22,550,607)</u>	<u>10,869,654</u>
DEFERRED CREDITS AND OPERATING RESERVES					
27	Accumulated Deferred Income Taxes	387,286,310	(143,608,258)	161,032,966	404,711,018
28	Accumulated Deferred Investment Tax Credit	298,257	0	(298,257)	0
29	Regulatory Liabilities	5,368,521	(5,368,521)	0	0
30	Long-Term Risk Management Liabilities	2,630,080	(2,630,080)	0	0
31	Customer Advances for Construction	57,952	0	0	57,952
32	Other Deferred Credits	4,359,811	(4,359,811)	0	0
33	TOTAL DEFERRED CREDITS AND OPERATING RESERVES	<u>400,000,931</u>	<u>(155,966,670)</u>	<u>160,734,709</u>	<u>404,768,970</u>
34	TOTAL LIABILITIES AND OTHER CREDITS	<u>\$1,584,849,068</u>	<u>(\$334,161,538)</u>	<u>\$648,968,241</u>	<u>\$1,899,655,771</u>

KENTUCKY POWER COMPANY
STATEMENT OF RETAINED EARNINGS
AND OTHER PAID-IN CAPITAL
FOR THE TWELVE MONTHS ENDED MARCH 31, 2013

Line
No.

	RETAINED EARNINGS:	
1	BALANCE AT APRIL 1, 2012	\$174,858,865
2	BALANCE TRANSFERRED FROM (NET) INCOME	56,721,637
3	TOTAL	<u>231,580,503</u>
4	CASH DIVIDENDS DECLARED ON COMMON STOCK	<u>30,250,000</u>
5	BALANCE AT MARCH 31, 2013	<u>\$201,330,503</u> =====
	OTHER PAID-IN CAPITAL:	
6	DONATIONS RECEIVED FROM SHAREHOLDERS	\$238,750,000
7	ACCUMULATED OTHER COMPREHENSIVE INCOME	<u>(\$190,499)</u>
8	TOTAL OTHER PAID-IN CAPITAL	<u>\$238,559,501</u> =====

KENTUCKY POWER COMPANY
 OPERATING REVENUES BY REVENUE CLASS
 FOR THE TWELVE MONTHS ENDED MARCH 31, 2013

Line No.	FERC Account No.	Title	
	Sales of Electricity		
1	440	Residential Sales	\$212,640,093
	442	Commercial & Industrial Sales:	
2		Commercial	126,908,442
3		Industrial	162,261,057
4	444	Public Street & Highway Lighting	1,535,553
5	445	Other Sales to Public Authorities	0
6		Subtotal - Total Sales - Ultimate Customers	<u>503,345,145</u>
7	447	Sales for Resale	116,663,103
8		Subtotal Sales of Electricity	<u>\$620,008,248</u>
9	449	Provision for Rate Refund	(\$1,635,430)
10		Total Sales of Electricity	<u>\$618,372,818</u> =====
	Other Operating Revenues		
11	411	Gain / Loss on Disposition of Allowances	\$70,522
12	450	Forfeited Discounts	3,262,936
13	451	Miscellaneous Service Revenues	358,931
14	454	Rent form Electric Property	7,037,977
15	456	Other Electric Revenues	20,317,795
16		Total Other Operating Revenues	<u>\$31,048,161</u> =====

KENTUCKY POWER COMPANY
STATEMENT OF INCOME
FOR THE TWELVE MONTHS ENDED MARCH 31, 2013

Section IV
Page 7 of 19

Line No.		
	OPERATING REVENUE - ELECTRIC	
1	Operating Revenue - Sales To Non Affiliates	\$605,659,299
2	Operating Revenue - Sales To Affiliates	45,397,109
3	Provision for Rate Refund	(1,635,430)
4	TOTAL OPERATING REVENUES	<u>649,420,979</u>
	OPERATING EXPENSES - ELECTRIC	
5	Operating Expense	425,070,099
6	Maintenance Expense	39,367,685
7	TOTAL OPERATION & MAINTENANCE	<u>464,437,784</u>
8	Depreciation and Amortization	55,919,561
9	Taxes Other Than Income Taxes	12,101,669
10	State Income Taxes	2,745,199
11	Federal Income Taxes - Current and Deferred	22,728,221
12	TOTAL OPERATING EXPENSES	<u>557,932,434</u>
13	NET OPERATING INCOME	<u>91,488,544</u>
	OTHER INCOME AND DEDUCTIONS	
14	Other Income (Includes Allowance for Funds Used During Construction)	1,871,878
15	Other Income Deductions	(776,410)
16	Taxes Applicable to Other Income & Deductions	35,953
17	TOTAL OTHER INCOME AND DEDUCTIONS	<u>1,131,421</u>
18	INCOME BEFORE INTEREST CHARGES	<u>92,619,965</u>
19	INTEREST CHARGES (Net of Allowance for Borrowed Funds Used During Construction)	35,898,328
20	NET INCOME	<u>56,721,637</u>
21	EARNINGS FOR COMMON STOCK	<u>56,721,637</u>
22	DIVIDENDS DECLARED ON COMMON STOCK	<u>30,250,000</u>
23	UNDISTRIBUTED NET INCOME	<u>\$26,471,637</u> =====

KENTUCKY POWER COMPANY
 OPERATING EXPENSES - FUNCTIONAL DETAILS
 FOR THE TWELVE MONTHS ENDED MARCH 31, 2013

Line
 No.

OPERATING EXPENSES (OPERATION & MAINTENANCE)		
POWER PRODUCTION EXPENSES		
1	Operation - Fuel	\$108,590,961
2	Operation - Other	17,443,342
		<hr/>
3	Total Operation	126,034,303
4	Maintenance	9,113,205
		<hr/>
5	TOTAL STEAM POWER GENERATION	135,147,508
		<hr/>
TOTAL OTHER POWER GENERATION		
OTHER POWER SUPPLY EXPENSES:		
6	Purchase Power Expense	\$176,293,837
7	Interchange Power Net - System Account	72,760,014
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8	Total - Purchased Power	249,053,851
9	System Control & Load Dispatch	153,090
10	Other Expenses	1,270,210
		<hr/>
11	TOTAL OTHER POWER SUPPLY EXPENSES	250,477,151
		<hr/>
12	TOTAL POWER PRODUCTION - OPERATION	376,511,454
13	TOTAL POWER PRODUCTION - MAINTENANCE	9,113,204
		<hr/>
14	TOTAL POWER PRODUCTION EXPENSES	385,624,658
		<hr/>
15	TRANSMISSION - Operation	9,118,135
16	- Maintenance	3,054,057
		<hr/>
17	TOTAL TRANSMISSION EXPENSES	12,172,192
		<hr/>
18	REGIONAL MARKET EXPENSES	
19	Regional Market Operation Expenses	1,128,532
		<hr/>
20	TOTAL REGIONAL MARKET EXPENSES	1,128,532
		<hr/>
21	DISTRIBUTION - Operation	8,571,892
22	- Maintenance	25,401,823
		<hr/>
23	TOTAL DISTRIBUTION EXPENSES	33,973,715
		<hr/>
24	CUSTOMER ACCOUNTS EXPENSE - OPERATION	6,265,291
		<hr/>
25	CUSTOMER SERVICE & INFORMATION EXPENSES - OPERATION	2,955,120
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26	SALES EXPENSES - OPERATION	4,184
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27	ADMINISTRATIVE & GENERAL EXPENSES - Operation	18,269,587
28	- Maintenance	1,798,601
		<hr/>
29	TOTAL ADMINISTRATIVE & GENERAL EXPENSES	20,068,188
		<hr/>
30	SUBTOTAL OPERATION & MAINTENANCE EXPENSES	462,191,880
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31	GAINS FROM DISPOSITION OF UTILITY PLANT	(3,212)
32	FACTORED CUSTOMER A/R EXPENSE	853,455
33	FACTORED CUSTOMER A/R BAD DEBT	1,395,661
		<hr/>
34	TOTAL OPERATION & MAINTENANCE EXPENSES	\$464,437,784
		=====

Kentucky Power Company
Computation of Adjusted
Current Federal Income Tax Expense
Historical Test Year - As Adjusted
Twelve Months Ended March 31, 2013

Line No.	Item Description	(1) Total Company Per Books 12 Mo. 03/31/13	(2) Loss Non-Utility/ Non-Applicable	(3) Total Company Electric Utility Before Rate Case Adjustments	(4) Elimination Adjustments	(5) Total Company Electric Utility After Rate Case Adjustments	(6) Rate Case / Mitchell Plant Adjustments	(7) Total Co Electric Utility After Rate & Mitchell Adjust. 12 Mo. 03/31/13	(8) KY Jurisdictional Allocation Factor	(9) KY Jurisdictional Allocated Amount	(10) Allocation Basis	(11) Kentucky Jurisdictional Adjustments	(12) KY Jurisdictional Adjusted Amount
1	NET ELECTRIC OPERATING INCOME BEFORE INCOME TAX	116,961,965	-	116,961,965	5,556,477	122,518,442	-	0.990000	119,817,720	SPECIFIC	(64,799,475)	55,018,245	
2	Interest Expense Synchronized	35,898,328	-	35,898,328	-	35,898,328	-	0.990000	35,539,345	GROSS PLT	12,997,183	48,536,528	
3	Other Income & Deductions (Before Income Tax)	1,095,468	1,095,468	-	-	-	-	NON-UTIL	-	NON-UTIL	-	-	
4	PRE-TAX BOOK INCOME BEFORE STATE INCOME TAX	82,159,105	1,095,468	81,063,637	5,556,477	86,620,114	-	-	84,278,375	CALCULATED	(77,796,658)	6,481,717	
5	Current State Income Tax Expense	2,754,086	(299,594)	3,053,680	299,753	3,353,433	-	SIT CALC	3,236,053	-	(1,974,748)	1,261,306	
6	PRE-TAX BOOK INCOME BEFORE FEDERAL INCOME TAX	79,405,019	1,395,062	78,009,957	5,256,724	83,266,681	-	-	81,042,322	-	(75,821,910)	5,220,411	
7													
8	EXCESS TAX vs BOOK DEPRECIATION												
9	210A LIBERALIZED DEPR-REG	24,000	-	24,000	-	24,000	-	0.990000	23,760	GROSS PLT	-	23,760	
10	210A-XS EXCESS DFIT - LIBERALIZED DEPR-REG	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-	
11	230A ACRS BENEFIT NORMALIZED	(48,192,000)	-	(48,192,000)	-	(48,192,000)	-	0.990000	(47,710,080)	GROSS PLT	21,013,058	(26,697,022)	
12	230A-XS EXCESS DIT - ACRS NORM REVERSAL	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-	
13	230I CAPD INTEREST-SECTION 481(a)-CHANGE IN METHD	1,049	-	1,049	-	1,049	-	0.990000	1,039	GROSS PLT	-	1,039	
14	230J RELOCATION CST-SECTION 481(a)-CHANGE IN METHD	17,244	-	17,244	-	17,244	-	0.990000	17,072	GROSS PLT	-	17,072	
15	230K PJM INTEGRATION-SEC 481(a)-INTANG-DFD LABOR	27,695	-	27,695	-	27,695	-	0.985000	27,280	TRAN PLT	-	27,280	
16	230X R&D DEDUCTION - SECTION 174	-	-	-	-	-	-	0.990000	-	PROD PLT	-	-	
17	232A ACRS TAX DEPRECIATION - HRJ	588,000	-	588,000	-	588,000	-	0.985000	579,180	TRAN PLT	-	579,180	
18	232A-XS EXCESS DIT - ACRS TAX DEPR - HRJ	-	-	-	-	-	-	0.985000	-	TRAN PLT	-	-	
19	280A EXCESS TX VS S/L BK DEPR	10,875,000	-	10,875,000	-	10,875,000	-	0.990000	10,766,250	GROSS PLT	4,171,193	14,937,443	
20	280H BK PLANT IN SERVICE - SFAS 143 - ARO	(509,878)	-	(509,878)	-	(509,878)	-	0.990000	(504,779)	PROD PLT	-	(504,779)	
21	295A GAIN/LOSS ON ACRS/MACRS PROPERTY	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-	
22	295A GAIN/LOSS ON ACRS/MACRS PROPERTY - DFIT FBK	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-	
23	295C GAIN/LOSS ACRS/MACRS-BK/TX UNIT PROPERTY	1,761,128	-	1,761,128	-	1,761,128	-	0.990000	1,743,517	PROD PLT	-	1,743,517	
24	390A CIAC - BOOK RECEIPTS	(689,149)	-	(689,149)	-	(689,149)	-	0.999000	(688,460)	DIST PLT	-	(688,460)	
25	Total EXCESS TAX vs BOOK DEPRECIATION	(36,096,911)	-	(36,096,911)	-	(36,096,911)	-	-	(35,745,221)	-	25,184,251	(10,560,970)	
26													
27	AFUDC / INTEREST CAPITALIZED												
28	310A AOFUDC	(1,136,313)	(1,136,313)	-	-	-	-	0.000000	-	NON-APPLIC	-	-	
29	310D AOFUDC - HRJ POST-IN-SERVICE	11,364	-	11,364	-	11,364	-	1.000000	11,364	SPECIFIC	-	11,364	
30	320A ABFUDC	(805,299)	-	(805,299)	-	(805,299)	-	0.990000	(797,246)	GROSS PLT	-	(797,246)	
31	320A ABFUDC - DFIT FBK	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-	
32	320J ABFUDC - HRJ - DFIT FBK	-	-	-	-	-	-	0.985000	-	TRAN PLT	-	-	
33	320I ABFUDC - HRJ POST-IN-SERVICE	21,954	-	21,954	-	21,954	-	0.985000	21,625	TRAN PLT	-	21,625	
34	320I ABFUDC - HRJ POST-IN-SERVICE - DFIT FBK	-	-	-	-	-	-	0.985000	-	TRAN PLT	-	-	
35	380J INT EXP CAPITALIZED FOR TAX	1,577,020	-	1,577,020	-	1,577,020	-	0.990000	1,561,250	GROSS PLT	-	1,561,250	
36	380J INT EXP CAPITALIZED FOR TAX - DFIT FBK	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-	
37	Total AFUDC / INTEREST CAPITALIZED	(331,274)	(1,136,313)	805,039	-	805,039	-	-	796,993	-	-	796,993	
38													
39	MISC OVERHEADS CAPITALIZED												
40	350A TXS CAPD	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-	
41	360A PENS CAPD	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-	
42	360J SEC 481 PENS/OPEB ADJUSTMENT	826	-	826	-	826	-	0.992000	819	LABOR	-	819	
43	370A SAV PLAN CAPD	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-	
44	Total MISC OVERHEADS CAPITALIZED	826	-	826	-	826	-	-	819	-	-	819	
45													
46	PERCENT REPAIR ALLOWANCE												
47	532A PERCENT REPAIR ALLOWANCE	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-	
48	532A PERCENT REPAIR ALLOWANCE - DFIT FBK	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-	
49	532C BOOK/TAX UNIT OF PROPERTY ADJ	(3,280,989)	-	(3,280,989)	-	(3,280,989)	-	0.990000	(3,248,179)	PROD PLT	-	(3,248,179)	
50	532D BK/TX UNIT OF PROPERTY ADJ - SECTION 481	2,853,000	-	2,853,000	-	2,853,000	-	0.990000	2,824,470	PROD PLT	-	2,824,470	
51	534A CAPITALIZED RELOCATION COSTS	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-	
52	534A CAPITALIZED RELOCATION COSTS - DFIT FBK	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-	
53	Total PERCENT REPAIR ALLOWANCE	(427,989)	-	(427,989)	-	(427,989)	-	-	(423,709)	-	-	(423,709)	
54													

Kentucky Power Company
 Computation of Adjusted
 Current Federal Income Tax Expense
 Historical Test Year - As Adjusted
 Twelve Months Ended March 31, 2013

Line No	Item Description	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
		Total Company Per Books 12 Mo. 03/31/13	Less Non-Utility/ Non-Applicable	Total Company Electric Utility Before Rate Case Adjustments	Elimination Adjustments	Total Company Electric Utility After Rate Case Adjustments	Rate Case / Mitchell Plant Adjustments	Total Co Electric Utility After Rate & Mitchell Adjust. 12 Mo. 03/31/13	KY Jurisdictional Allocation Factor	KY Jurisdictional Allocated Amount	Allocation Basis	Kentucky Jurisdictional Adjustments	KY Jurisdictional Adjusted Amount
55	REMOVAL COSTS												
56	910K REMOVAL CST	(6,239,000)	-	(6,239,000)	-	(6,239,000)	-	(6,239,000)	0.990000	(6,176,610)	GROSS PLT	1,681,071	(4,495,539)
57	Total REMOVAL COSTS	(6,239,000)	-	(6,239,000)	-	(6,239,000)	-	(6,239,000)		(6,176,610)		1,681,071	(4,495,539)
58	=====												
59	ACCELERATED AMORTIZATION												
60	533A TX AMORT POLLUTION CONT EQPT	4,503,000	-	4,503,000	-	4,503,000	-	4,503,000	0.990000	4,457,970	PROD PLT	-	4,457,970
61	Total ACCELERATED AMORTIZATION	4,503,000	-	4,503,000	-	4,503,000	-	4,503,000		4,457,970		-	4,457,970
62	=====												
63	PROPERTY TAX ADJUSTMENTS												
64	510H PROPERTY TAX-NEW METHOD-BOOK	-	-	-	-	-	-	-	0.990000	-	NET PLANT	-	-
65	Total PROPERTY TAX ADJUSTMENTS	-	-	-	-	-	-	-		-		-	-
66	=====												
67	REVENUE REFUNDS												
68	520A PROVS POSS REV REFS	1,940,096	-	1,940,096	-	1,940,096	-	1,940,096	1.000000	1,940,096	SPECIFIC	(1,635,430)	304,666
69	Total REVENUE REFUNDS	1,940,096	-	1,940,096	-	1,940,096	-	1,940,096		1,940,096		(1,635,430)	304,666
70	=====												
71	DEFERRED FUEL COSTS												
72	410A DEFD FUEL EXP - CUR DEFL SET UP	(5,654,010)	-	(5,654,010)	-	(5,654,010)	-	(5,654,010)	1.000000	(5,654,010)	SPECIFIC	1,367,443	(4,286,567)
73	410B DEFD FUEL ADJ - ACCRD UTIL REVS	142,665	-	142,665	-	142,665	-	142,665	1.000000	142,665	SPECIFIC	-	142,665
74	410E DEFD FUEL ADJ - REG	(2,749,584)	-	(2,749,584)	-	(2,749,584)	-	(2,749,584)	1.000000	(2,749,584)	SPECIFIC	-	(2,749,584)
75	411A DEFD FUEL CUR SET UP - A/C 283	(1,446,372)	-	(1,446,372)	-	(1,446,372)	-	(1,446,372)	1.000000	(1,446,372)	SPECIFIC	-	(1,446,372)
76	411B DEFD FUEL ACC REVS - A/C 283	768,631	-	768,631	-	768,631	-	768,631	1.000000	768,631	SPECIFIC	-	768,631
77	Total DEFERRED FUEL COSTS	(8,938,670)	-	(8,938,670)	-	(8,938,670)	-	(8,938,670)		(8,938,670)		1,367,443	(7,571,227)
78	=====												
79	EQUITY IN EARNINGS OF SUBSIDIARIES												
80	531A EQTY IN SUBSIDIARIES (US)	-	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
81	Total EQUITY IN EARNINGS OF SUBSIDIARIES	-	-	-	-	-	-	-		-		-	-
82	=====												
83	BOOK ACCRUALS												
84	602A PROV WORKER'S COMP	(174,002)	-	(174,002)	-	(174,002)	-	(174,002)	0.992000	(172,610)	LABOR	-	(172,610)
85	605B ACCRUED BK PENSION EXPENSE	(1,094,456)	-	(1,094,456)	-	(1,094,456)	-	(1,094,456)	0.992000	(1,085,700)	LABOR	375,137	(710,563)
86	605C ACCRUED BK PENSION COSTS - SFAS 158	1,054,892	-	1,054,892	-	1,054,892	-	1,054,892	0.992000	1,046,453	LABOR	-	1,046,453
87	605E SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN	1,515	-	1,515	-	1,515	-	1,515	0.992000	1,503	LABOR	-	1,503
88	605F ACCRD SUP EXEC RETIRE PLAN COSTS-SFAS 158	(131)	-	(131)	-	(131)	-	(131)	0.992000	(130)	LABOR	-	(130)
89	605I ACCRD BK SUP. SAVINGS PLAN EXP	(90,937)	-	(90,937)	-	(90,937)	-	(90,937)	0.992000	(90,210)	LABOR	-	(90,210)
90	605O ACCRUED PSI PLAN EXP	23,305	-	23,305	-	23,305	-	23,305	0.992000	23,119	LABOR	-	23,119
91	610A BK PROV UNCOLL ACCTS	(627,698)	-	(627,698)	-	(627,698)	-	(627,698)	1.000000	(627,698)	SPECIFIC	-	(627,698)
92	612Y ACCRD COMPANYWIDE INCENT PLAN	620,713	-	620,713	-	620,713	-	620,713	0.992000	615,747	LABOR	-	615,747
93	613E ACCRUED BOOK VACATION PAY	(19,287)	-	(19,287)	-	(19,287)	-	(19,287)	0.992000	(19,133)	LABOR	-	(19,133)
94	613K (ICDP) INCENTIVE COMP DEFERRAL PLAN	(60,252)	-	(60,252)	-	(60,252)	-	(60,252)	0.992000	(59,770)	LABOR	-	(59,770)
95	613Y ACCRD BK SEVERANCE BENEFITS	1,425	-	1,425	-	1,425	-	1,425	0.992000	1,414	LABOR	-	1,414
96	614L PROVISION FOR POTENTIAL LOSS	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
97	615A ACCRUED INTEREST EXP -STATE	-	-	-	-	-	-	-	0.988000	-	REVENUE	-	-
98	615B ACCRUED INTEREST-LONG-TERM - FIN 48	12,872	-	12,872	-	12,872	-	12,872	0.000000	-	NON-APPLIC	-	-
99	615C ACCRUED INTEREST-SHORT-TERM - FIN 48	4,285	-	4,285	-	4,285	-	4,285	0.000000	-	NON-APPLIC	-	-
100	615E ACCRUED STATE INCOME TAX EXP	-	-	-	-	-	-	-	0.988000	-	REVENUE	-	-
101	615R REG ASSET - DEFERRED RTO COSTS	194,062	-	194,062	-	194,062	-	194,062	0.985000	191,151	TRAN PLT	-	191,151
102	625A FEDERAL MITIGATION PROGRAMS	(199,951)	-	(199,951)	-	(199,951)	-	(199,951)	1.000000	(199,951)	SPECIFIC	-	(199,951)
103	625B STATE MITIGATION PROGRAMS	(157,237)	-	(157,237)	-	(157,237)	-	(157,237)	1.000000	(157,237)	SPECIFIC	-	(157,237)
104	Total BOOK ACCRUALS	(510,882)	-	(510,882)	-	(510,882)	-	(510,882)		(533,052)		375,137	(157,915)

Kentucky Power Company
Computation of Adjusted
Current Federal Income Tax Expense
Historical Test Year - As Adjusted
Twelve Months Ended March 31, 2013

Line No	Item Description	(1) Total Company Per Books 12 Mo. 03/31/13	(2) Less Non-Utility/ Non-Applicable	(3) Total Company Electric Utility Before Rate Case Adjustments	(4) Elimination Adjustments	(5) Total Company Electric Utility After Rate Case Adjustments	(6) Rate Case / Mitchell Plant Adjustments	(7) Total Co Electric Utility After Rate & Mitchell Adjust.	(8) KY Jurisdictional Allocation Factor	(9) KY Jurisdictional Allocated Amount	(10) Allocation Basis	(11) Kentucky Jurisdictional Adjustments	(12) KY Jurisdictional Adjusted Amount
106	BOOK DEFERRALS												
107	390F CUST ADV INC FOR TAX	(30,515)	-	(30,515)	-	(30,515)	-	(30,515)	0.999000	(30,484)	DIST PLT	-	(30,484)
108	630F DEFD BK CONTRACT REVENUE	(13,556)	-	(13,556)	-	(13,556)	-	(13,556)	0.988000	(13,393)	REVENUE	-	(13,393)
109	630J DEFD STORM DAMAGE	(7,447,556)	-	(7,447,556)	-	(7,447,556)	-	(7,447,556)	0.985000	(7,335,843)	DEMAND	(649,818)	(7,985,661)
110	632U BK DEFL - DEMAND SIDE MANAGEMENT	(1,480,170)	-	(1,480,170)	-	(1,480,170)	-	(1,480,170)	0.992000	(1,468,329)	LABOR	-	(1,468,329)
111	641I ADVANCE RENTAL INC (CUR MO)	(23,419)	-	(23,419)	-	(23,419)	-	(23,419)	0.988000	(23,138)	REVENUE	-	(23,138)
112	660X REG ASSET - DEFERRED PJM FEES	-	-	-	-	-	-	-	0.985000	-	TRAN PLT	-	-
113	660Z REG ASSET - DEFERRED EQUITY CARRYING CHGS	(22,428)	(22,428)	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
114	661R REG ASSET - SFAS 158 - PENSIONS	(1,054,892)	-	(1,054,892)	-	(1,054,892)	-	(1,054,892)	0.992000	(1,046,453)	LABOR	-	(1,046,453)
115	661S REG ASSET - SFAS 158 - SERP	131	-	131	-	131	-	131	0.992000	130	LABOR	-	130
116	661T REG ASSET - SFAS 158 - OPEB	15,236,416	-	15,236,416	-	15,236,416	-	15,236,416	0.992000	15,114,525	LABOR	-	15,114,525
117	663G REG ASSET - UNDERRECOVERY PJM EXPENSES	-	-	-	-	-	-	-	0.985000	-	TRAN PLT	-	-
118	664N REG ASSET - DEFD SEVERANCE COSTS	-	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
119	664V REG ASSET - NET CCS FEED STUDY COSTS	28,123	-	28,123	-	28,123	-	28,123	0.990000	27,842	PROD PLT	31,843	59,685
120	0000 REG ASSET - DEFD BIG SANDY O&M COSTS	-	-	-	-	-	-	-	0.985000	-	DEMAND	6,702,565	6,702,565
121	0000 REG ASSET - DEFD BIG SANDY BOOK DEPR	-	-	-	-	-	-	-	0.985000	-	DEMAND	8,129,400	8,129,400
122	0000 REG ASSET - DEFD BIG SANDY FGD COSTS	-	-	-	-	-	-	-	0.985000	-	DEMAND	1,025,615	1,025,615
123	0000 REG ASSET - DEFD IGCC COSTS	-	-	-	-	-	-	-	0.985000	-	DEMAND	48,732	48,732
124	0000 REG ASSET - DEFD CARRS PLANT SITE COSTS	-	-	-	-	-	-	-	0.985000	-	DEMAND	95,579	95,579
125	0000 REG ASSET - EMPLOYER GROUP WAIVER PLAN	-	-	-	-	-	-	-	0.992000	-	LABOR	214,887	214,887
126													
127	Total BOOK DEFERRALS	5,192,134	(22,428)	5,214,562	-	5,214,562	-	5,214,562		5,224,857		15,598,803	20,823,660
128													
129	BOOK RESERVES								0.000000	-	NON-APPLIC	-	-
130	611Y PROVISION FOR LITIGATION	-	-	-	-	-	-	-	-	-	-	-	-
131	Total BOOK RESERVES	-	-	-	-	-	-	-	-	-	-	-	-
132													
133	OTHER MISCELLANEOUS												
134	900A LOSS ON REACQUIRED DEBT	33,649	-	33,649	-	33,649	-	33,649	0.990000	33,313	GROSS PLT	-	33,313
135	906A ACCRD SFAS 106 PST RETIRE EXP	(388,882)	-	(388,882)	-	(388,882)	-	(388,882)	0.992000	(385,771)	LABOR	-	(385,771)
136	906C DEFD SFAS 106 BOOK COSTS	-	-	-	-	-	-	-	0.992000	-	LABOR	-	-
137	906D SFAS 106 PST RETIRE EXP - NON-DEDUCT CONT	-	-	-	-	-	-	-	0.992000	-	LABOR	-	-
138	906F ACCRD OPEB COSTS - SFAS 158	(15,236,416)	-	(15,236,416)	-	(15,236,416)	-	(15,236,416)	0.992000	(15,114,525)	LABOR	-	(15,114,525)
139	906K ACCRD SFAS 112 PST EMPLOY BEN	2,273,989	-	2,273,989	-	2,273,989	-	2,273,989	0.992000	2,255,797	LABOR	(1,379,919)	875,878
140	906P ACCRD BOOK ARO EXPENSE - SFAS 143	245,241	-	245,241	-	245,241	-	245,241	0.990000	242,789	PROD PLT	-	242,789
141	907A REG ASSET - MEDICARE SUBSIDY - FLOW THRU	310,721	-	310,721	-	310,721	-	310,721	0.992000	308,235	LABOR	-	308,235
142	907B SFAS 106 - MEDICARE SUBSIDY - NORMALIZED	-	-	-	-	-	-	-	0.992000	-	LABOR	-	-
143	910A GAIN ON REACQUIRED DEBT	-	-	-	-	-	-	-	1.000000	-	SPECIFIC	-	-
144	911F FIN 48 DEFERRED STATE INCOME TAXES	-	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
145	911Q DEFERRED STATE INCOME TAXES	-	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
146	911V ACCRD SIT TX RESERVE-LNG-TERM-FIN 48	(18,073)	-	(18,073)	-	(18,073)	-	(18,073)	0.000000	-	NON-APPLIC	-	-
147	911W ACCRD SIT TX RESERVE-SHRT-TERM-FIN 48	143	-	143	-	143	-	143	0.000000	-	NON-APPLIC	-	-
148	9130 CHARITABLE CONTRIBUTION CARRYFWD	322,570	322,570	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
149	914A SFAS 109 - DEFD SIT LIABILITY	1,499,693	-	1,499,693	-	1,499,693	-	1,499,693	0.990000	1,484,696	NET PLANT	-	1,484,696
150	914B REG ASSET - SFAS 109 DSIT LIAB	(1,499,693)	-	(1,499,693)	-	(1,499,693)	-	(1,499,693)	0.990000	(1,484,696)	NET PLANT	-	(1,484,696)
151	914K REG ASSET - ACCRUED SFAS 112	(2,273,989)	-	(2,273,989)	-	(2,273,989)	-	(2,273,989)	0.992000	(2,255,797)	LABOR	-	(2,255,797)
152	940S 1997-2003 IRS AUDIT SETTLEMENT	-	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-
153	940X IRS CAPITALIZATION ADJUSTMENT	(68,737)	-	(68,737)	-	(68,737)	-	(68,737)	0.990000	(68,050)	GROSS PLT	-	(68,050)
154	960E AMT CREDIT DEFERRED	-	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-
155	960Z NOL - DEFERRED TAX ASSET RECLASS	-	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-
156	Total OTHER MISCELLANEOUS	(14,799,784)	322,570	(15,122,354)	-	(15,122,354)	-	(15,122,354)		(14,984,009)		(1,379,919)	(16,363,928)
157													

**Kentucky Power Company
Computation of Adjusted
Current Federal Income Tax Expense
Historical Test Year - As Adjusted
Twelve Months Ended March 31, 2013**

Line No	Item Description	(1) Total Company Per Books 12 Mo. 03/31/13	(2) Less Non-Utility/ Non-Applicable	(3) Total Company Electric Utility Before Rate Case Adjustments	(4) Elimination Adjustments	(5) Total Company Electric Utility After Rate Case Adjustments	(6) Rate Case / Mitchell Plant Adjustments	(7) Total Co Electric Utility After Rate & Mitchell Adjust. 12 Mo. 03/31/13	(8) KY Jurisdictional Allocation Factor	(9) KY Jurisdictional Allocated Amount	(10) Allocation Basis	(11) Kentucky Jurisdictional Adjustments	(12) KY Jurisdictional Adjusted Amount
158	PERMANENT SCHEDULE M's												
159	611M NON-TAXABLE DEFD COMP - CSV EARN	12,679	-	12,679	-	12,679	-	0.992000	12,578	LABOR	-	12,578	
160	906B SFAS 106 - POST RETIRE BEN MEDICARE SUBSIDY	-	-	-	-	-	-	0.992000	-	LABOR	-	-	
161	910B NON-DEDUCT MEALS AND T&E	39,558	-	39,558	-	39,558	-	0.992000	39,242	LABOR	-	39,242	
162	910C NON-DEDUCT FINES&PENALTIES	367	367	-	-	-	-	0.000000	-	NON-APPLIC	-	-	
163	910E NON-DEDUCT MISCELLANEOUS	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-	
164	910S NON-DEDUCT LOBBYING	242,972	242,972	-	-	-	-	0.000000	-	NON-APPLIC	-	-	
165	910U MEMBERSHIP DUES	-	-	-	-	-	-	0.992000	-	LABOR	-	-	
166	913A LUXURY AUTO ADJUSTMENT	12,469	-	12,469	-	12,469	-	0.000000	-	NON-APPLIC	-	-	
167	970A MANUFACTURING DEDUCTION	-	-	-	-	-	-	0.990000	-	PROD PLT	(123,293)	(123,293)	
168	999Q FIN-48 DSIT - PERM - FIN 48	14,970	-	14,970	-	14,970	-	0.000000	-	NON-APPLIC	-	-	
169	Total PERMANENT SCHEDULE M's	323,015	243,339	79,676	-	79,676	-		51,820		(123,293)	(71,473)	
170	=====												
171	TAX ACCRUALS												
172	711N CAPITALIZED SOFTWARE COSTS-TAX	(1,043)	-	(1,043)	-	(1,043)	-	0.990000	(1,033)	GROSS PLT	-	(1,033)	
173	711O BOOK LEASES CAPITALIZED FOR TAX	(169,400)	-	(169,400)	-	(169,400)	-	0.990000	(167,706)	GROSS PLT	-	(167,706)	
174	Total TAX ACCRUALS	(170,443)	-	(170,443)	-	(170,443)	-		(168,739)		-	(168,739)	
175	=====												
176	TAX DEFERRALS												
177	712K CAPITALIZED SOFTWARE COST-BOOK	72,982	-	72,982	-	72,982	-	0.990000	72,252	GROSS PLT	-	72,252	
178	Total TAX DEFERRALS	72,982	-	72,982	-	72,982	-		72,252		-	72,252	
179	=====												
180	TAX vs BOOK GAIN / LOSS												
181	562B DEFD BK GAIN-RKPT 2 SALE/LEASE	-	-	-	-	-	-	0.990000	-	PROD PLT	-	-	
182	Total TAX vs BOOK GAIN / LOSS	-	-	-	-	-	-		-		-	-	
183	=====												
184	MARK-TO-MARKET ADJUSTMENTS												
185	575A MTM BK GAIN-B/L-TAX DEFL	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-	
186	575B MTM BK GAIN-A/L-TAX DEFL	5,828,778	-	5,828,778	-	5,828,778	-	0.986000	5,747,175	ENERGY	-	5,747,175	
187	576A MARK & SPREAD-DEFL-283-B/L	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-	
188	576B MARK & SPREAD-DEFL-190-B/L	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-	
189	576C MARK & SPREAD-DEFL-283-A/L	242,028	-	242,028	-	242,028	-	0.986000	238,640	ENERGY	-	238,640	
190	576F MARK & SPREAD-DEFL-190-A/L	(5,752,757)	-	(5,752,757)	-	(5,752,757)	-	0.986000	(5,672,218)	ENERGY	-	(5,672,218)	
191	610U PROV-TRADING CREDIT RISK - A/L	(76,534)	-	(76,534)	-	(76,534)	-	0.986000	(75,463)	ENERGY	-	(75,463)	
192	610V PROV - SFAS 157 - A/L	23,535	-	23,535	-	23,535	-	0.986000	23,206	ENERGY	-	23,206	
193	610W PROV-TRADING CREDIT RISK - B/L	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-	
194	610X PROV - SFAS 157 - B/L	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-	
195	652G REG LIAB-UNREAL MTM GAIN-DEFL	(746,369)	-	(746,369)	-	(746,369)	-	0.986000	(735,920)	ENERGY	-	(735,920)	
196	Total MARK-TO-MARKET ADJUSTMENTS	(481,319)	-	(481,319)	-	(481,319)	-		(474,580)		-	(474,580)	
197	=====												
198	EMISSION ALLOWANCES												
199	638A BOOK > TAX BASIS - EMA-A/C 283	(856,086)	-	(856,086)	-	(856,086)	-	0.986000	(844,101)	ENERGY	-	(844,101)	
200	638C TAX > BOOK BASIS - EMA-A/C 190	-	-	-	-	-	-	0.986000	-	ENERGY	-	-	
201	639M TAX > BOOK BASIS - EMA-A/C 190 (B/L)	17	17	-	-	-	-	0.000000	-	NON-UTILITY	-	-	
202	639O BOOK > TAX BASIS EMA - 283 (B/L)	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-	
203	639Q DEFD TAX GAIN - INTERCO SALE - EMA	-	-	-	-	-	-	0.986000	-	ENERGY	-	-	
204	639S DEFD TAX LOSS - INTERCO SALE - EMA	-	-	-	-	-	-	0.986000	-	ENERGY	-	-	
205	640K DEFD TAX GAIN-EPA AUCTION	-	-	-	-	-	-	0.986000	-	ENERGY	-	-	
206	Total EMISSION ALLOWANCES	(856,069)	17	(856,086)	-	(856,086)	-		(844,101)		-	(844,101)	
207	=====												
208	Total Book/Tax Income Differences	(56,820,288)	(592,815)	(56,227,473)	-	(56,227,473)	-		(55,743,884)		41,068,063	(14,675,821)	
209	=====												

**Kentucky Power Company
Computation of Adjusted
Current Federal Income Tax Expense
Historical Test Year - As Adjusted
Twelve Months Ended March 31, 2013**

Line No	Item Description	(1) Total Company Per Books 12 Mo. 03/31/13	(2) Less Non-Utility/ Non-Applicable	(3) Total Company Electric Utility Before Rate Case Adjustments	(4) Elimination Adjustments	(5) Total Company Electric Utility After Rate Case Adjustments	(6) Rate Case / Mitchell Plant Adjustments	(7) Total Co Electric Utility After Rate & Mitchell Adjust. 12 Mo. 03/31/13	(8) KY Jurisdictional Allocation Factor	(9) KY Jurisdictional Allocated Amount	(10) Allocation Basis	(11) Kentucky Jurisdictional Adjustments	(12) KY Jurisdictional Adjusted Amount
210													
211	State Income Tax Return Adjustment	(302,495)	(302,495)	-	-	-	-	-	-	-	-	-	-
212	Taxable Income	22,282,236	499,752	21,782,484	5,256,724	27,039,208	-	27,039,208	-	25,298,438	-	(34,753,847)	(9,455,410)
213	Statutory Rate	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	-	35.00%	-	35.00%	35.00%
214	Tax Before Credits	7,798,783	174,813	7,623,969	1,839,853	9,463,723	-	9,463,723	-	8,854,453	-	(12,163,846)	(3,309,394)
215	Tax Adjustments	(2,166,101)	(2,166,101)	-	-	-	-	-	-	-	-	-	-
216	Tax Return Adjustments	1,302,852	1,302,852	-	-	-	-	-	-	-	-	-	-
217	NOL - Reclass Adjustment to Deferred Tax Asset	-	-	-	-	-	-	-	-	-	-	-	-
218	Parent Company Loss Allocation	(1,352,000)	(1,352,000)	-	-	-	-	-	0.990000	-	GROSS PLT	-	-
219	Current Tax	5,583,534	(2,040,336)	7,623,869	1,839,853	9,463,723	-	9,463,723	-	8,854,453	-	(12,163,846)	(3,309,394)
220													
221													
222													
223													
224													

ALLOCATION FACTORS:

GROSS PLT	0.9900000
NET PLANT	0.9900000
PROD PLT	0.9900000
TRAN PLT	0.9850000
DIST PLT	0.9990000
T&D PLT	0.9930000
ENERGY	0.9860000
LABOR	0.9920000
O&M EXP	0.9900000
REVENUE	0.9880000
REVENUE-OTH	0.0000000
DEMAND	0.9850000
SPECIFIC	1.0000000
NON-APPLIC	0.0000000
NON-UTILITY	0.0000000

KENTUCKY POWER COMPANY
MONTHLY BEGINNING AND ENDING BALANCES OF ELECTRIC PLANT IN SERVICE
FOR 12 MONTHS ENDED MARCH 31, 2013

Line No.		Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13
Asset Retirement Obligations														
1	31700 - ARO Steam Production Plant	\$3,614,563	\$3,614,563	\$3,614,563	\$3,614,563	\$3,614,563	\$3,614,563	\$3,614,563	\$3,614,563	\$3,614,563	\$3,614,563	\$3,614,563	\$3,614,563	\$3,614,563
2	39919 - ARO General Plant	\$81,054	\$81,054	\$81,054	\$81,054	\$81,054	\$81,054	\$81,054	\$81,054	\$81,054	\$81,054	\$81,054	\$81,054	\$81,054
3	Total Asset Retirement Obligations	\$3,695,618	\$3,695,618	\$3,695,618	\$3,695,618	\$3,695,618	\$3,695,618	\$3,695,618	\$3,695,618	\$3,695,618	\$3,695,618	\$3,695,618	\$3,695,618	\$3,695,618
Intangible Plant														
4	30200 - Franchises and Consents	\$52,919	\$52,919	\$52,919	\$52,919	\$52,919	\$52,919	\$52,919	\$52,919	\$52,919	\$52,919	\$52,919	\$52,919	\$52,919
5	30300 - Intangible Property	\$15,825,959	\$15,961,093	\$16,138,408	\$16,316,522	\$16,441,700	\$16,631,738	\$17,762,193	\$17,920,577	\$16,900,262	\$17,681,117	\$17,699,791	\$18,012,575	\$18,200,506
6	Total Intangible Plant	\$15,878,878	\$16,014,012	\$16,191,328	\$16,369,442	\$16,494,620	\$16,684,657	\$17,815,112	\$17,973,496	\$16,953,181	\$17,734,036	\$17,752,710	\$18,065,494	\$18,253,425
Steam Generation Plant														
7	31000 - Land - Coal Fired	\$1,071,126	\$1,071,126	\$1,071,126	\$1,071,126	\$1,071,126	\$1,071,126	\$1,071,126	\$1,071,126	\$1,071,126	\$1,071,126	\$1,071,126	\$1,748,519	\$1,748,519
8	31010 - Land Rights - Coal Fired	\$5,420	\$5,420	\$5,420	\$5,420	\$5,420	\$5,420	\$5,420	\$5,420	\$5,420	\$5,420	\$5,420	\$5,420	\$5,420
9	31100 - Structures, Improvement-Coal	\$42,601,608	\$42,602,282	\$42,602,282	\$42,623,691	\$43,102,257	\$43,216,888	\$43,130,978	\$43,143,634	\$43,130,405	\$43,159,343	\$43,165,939	\$43,165,939	\$43,256,692
10	31200 - Boiler Plant Equip-Coal	\$366,183,448	\$367,628,424	\$368,049,004	\$368,066,077	\$368,236,853	\$368,211,291	\$368,400,901	\$368,490,619	\$368,918,384	\$368,901,994	\$369,059,565	\$369,361,130	\$369,212,148
11	31400 - Turbo generator Units-Coal	\$110,156,406	\$110,163,481	\$110,173,407	\$110,173,036	\$110,174,442	\$110,464,719	\$110,439,792	\$110,158,606	\$110,147,178	\$110,300,662	\$110,310,584	\$110,315,450	\$110,299,717
12	31500 - Accessory Elect Equip-Coal	\$16,183,015	\$16,372,874	\$16,375,888	\$16,387,765	\$16,387,765	\$16,387,765	\$16,387,765	\$16,387,765	\$16,390,702	\$16,390,876	\$16,434,502	\$16,434,502	\$16,435,057
13	31600 - Misc Pwr Plant Equip-Coal	\$8,033,128	\$8,033,128	\$8,033,128	\$8,028,526	\$8,029,284	\$8,029,295	\$8,029,295	\$8,015,749	\$8,024,464	\$8,029,253	\$8,062,889	\$8,065,054	\$8,067,104
14	Total Steam Generation Plant	\$544,234,151	\$545,876,735	\$546,310,255	\$546,352,958	\$547,007,146	\$547,386,504	\$547,465,277	\$547,272,919	\$547,687,669	\$547,858,672	\$548,110,026	\$549,096,475	\$549,024,657
Transmission Plant														
15	35000 - Land	\$3,105,237	\$3,105,237	\$3,105,237	\$3,105,237	\$3,105,237	\$3,390,719	\$3,390,719	\$3,390,719	\$3,390,719	\$3,390,719	\$3,390,719	\$3,390,719	\$3,390,719
16	35010 - Land Rights	\$25,056,310	\$25,056,310	\$25,056,310	\$25,056,310	\$25,069,550	\$25,091,992	\$25,087,325	\$25,185,925	\$25,185,925	\$25,871,752	\$25,921,804	\$25,921,831	\$25,921,837
17	35200 - Structures and Improvements	\$6,596,226	\$6,596,226	\$6,596,226	\$6,596,226	\$6,596,340	\$6,596,340	\$6,596,340	\$6,596,340	\$6,596,340	\$6,596,340	\$6,596,340	\$6,596,340	\$6,596,340
18	35300 - Station Equipment	\$159,631,207	\$159,649,904	\$159,643,724	\$160,085,045	\$161,123,086	\$161,123,482	\$161,129,471	\$161,133,937	\$161,133,937	\$162,144,196	\$169,157,602	\$169,162,138	\$169,047,048
19	35400 - Towers and Fixtures	\$95,111,841	\$95,111,841	\$95,111,841	\$95,111,841	\$95,111,841	\$95,111,841	\$95,111,841	\$95,111,841	\$95,111,841	\$94,468,956	\$94,468,956	\$94,469,865	\$94,471,055
20	35500 - Poles and Fixtures	\$55,727,322	\$55,738,729	\$55,732,887	\$55,771,399	\$57,338,034	\$57,326,636	\$57,232,089	\$57,436,330	\$58,730,376	\$70,056,521	\$70,332,333	\$70,409,827	\$70,571,300
21	35600 - Overhead Conductors, Device	\$107,757,217	\$107,757,217	\$107,757,217	\$107,757,217	\$108,641,196	\$114,250,417	\$114,157,293	\$114,227,503	\$114,690,919	\$120,461,944	\$120,773,795	\$120,787,583	\$120,800,246
22	35610 - ROW Clearing OVH Conductors	\$5,588,954	\$5,588,954	\$5,588,954	\$5,588,954	\$5,588,954	\$5,588,954	\$5,588,954	\$5,588,954	\$5,588,954	\$5,588,954	\$5,588,954	\$5,588,954	\$5,588,954
23	35700 - Underground Conduit	\$11,590	\$11,590	\$11,590	\$11,590	\$11,590	\$11,590	\$11,590	\$11,590	\$11,590	\$11,590	\$11,590	\$11,590	\$11,590
24	35800 - Undergrnd Conductors Device	\$106,066	\$106,066	\$106,066	\$106,066	\$106,066	\$106,066	\$106,066	\$106,066	\$106,066	\$106,066	\$106,066	\$106,066	\$106,066
25	Total Transmission Plant	\$458,691,970	\$458,722,198	\$458,710,176	\$459,190,008	\$462,691,894	\$463,009,084	\$462,822,736	\$463,200,252	\$465,967,972	\$490,121,490	\$490,764,255	\$490,740,970	\$490,829,972
Distribution Plant														
26	36000 - Land	\$1,692,034	\$1,692,034	\$1,692,034	\$1,692,034	\$1,692,034	\$1,692,034	\$1,692,034	\$1,692,034	\$1,692,034	\$2,000,514	\$2,000,514	\$2,000,514	\$2,000,514
27	36010 - Land Rights	\$5,028,158	\$5,029,484	\$5,032,089	\$5,034,148	\$5,035,097	\$5,036,278	\$5,037,643	\$5,037,922	\$5,178,994	\$5,194,856	\$5,228,847	\$5,228,847	\$5,228,847
28	36100 - Structures and Improvements	\$4,381,430	\$4,381,430	\$4,381,430	\$4,381,430	\$4,381,430	\$4,381,430	\$4,381,430	\$4,381,430	\$4,381,430	\$4,381,430	\$4,381,430	\$4,381,430	\$4,381,430
29	36200 - Station Equipment	\$65,682,809	\$65,733,460	\$65,693,608	\$65,714,625	\$66,009,106	\$66,753,794	\$66,759,765	\$69,943,505	\$70,571,563	\$76,399,914	\$76,967,229	\$77,052,572	\$77,079,021
30	36400 - Poles, Towers and Fixtures	\$169,319,010	\$169,682,074	\$170,095,753	\$170,499,031	\$170,929,330	\$171,397,475	\$172,004,679	\$172,649,328	\$173,195,466	\$173,978,663	\$174,520,325	\$175,238,420	\$175,391,118
31	36500 - Overhead Conductors, Device	\$158,147,276	\$158,452,359	\$158,828,536	\$159,258,227	\$161,703,482	\$162,277,718	\$160,785,438	\$163,582,938	\$164,305,470	\$164,605,795	\$167,812,598	\$169,534,079	\$170,441,654
32	36600 - Underground Conduit	\$5,510,407	\$5,521,382	\$5,576,306	\$5,601,030	\$5,610,018	\$5,609,865	\$5,709,952	\$5,711,271	\$5,722,208	\$5,797,157	\$5,844,696	\$5,919,144	\$6,017,087
33	36700 - Undergrnd Conductors, Device	\$8,720,602	\$8,744,594	\$8,803,210	\$8,799,539	\$8,832,951	\$8,825,419	\$8,814,514	\$8,867,600	\$8,904,871	\$8,915,361	\$9,107,895	\$9,181,515	\$9,205,443
34	36800 - Line Transformers	\$109,593,284	\$109,886,615	\$109,876,663	\$110,190,021	\$110,408,957	\$110,697,268	\$111,015,002	\$111,319,112	\$113,119,885	\$113,943,853	\$114,211,563	\$114,922,634	\$115,511,708
35	36900 - Services	\$47,079,759	\$47,170,276	\$47,302,205	\$47,699,126	\$47,844,464	\$47,980,140	\$48,680,107	\$48,855,256	\$49,067,411	\$49,819,405	\$49,994,146	\$50,150,880	\$50,777,514
36	37000 - Meters	\$24,276,313	\$24,283,584	\$24,282,249	\$24,263,187	\$24,442,444	\$25,112,069	\$25,393,065	\$24,925,636	\$24,879,101	\$24,731,170	\$24,863,662	\$24,854,883	\$24,583,877
37	37100 - Installs Customer Premises	\$18,644,842	\$18,624,273	\$18,591,486	\$18,649,577	\$18,685,694	\$18,660,277	\$18,745,244	\$18,757,270	\$18,833,553	\$19,061,691	\$19,107,647	\$19,202,791	\$19,265,175
38	37300 - Street Lghing & Signal Sys	\$3,073,922	\$3,090,512	\$3,104,618	\$3,107,501	\$3,113,134	\$3,117,607	\$3,117,699	\$3,136,121	\$3,162,524	\$3,173,778	\$3,200,631	\$3,221,441	\$3,231,413
39	Total Distribution Plant	\$621,149,846	\$622,292,076	\$623,260,186	\$624,889,476	\$628,688,142	\$631,541,373	\$632,136,573	\$638,859,423	\$642,873,438	\$651,987,725	\$657,197,368	\$660,859,565	\$663,082,376
General Plant														
40	38900 - Land	\$1,487,347	\$1,487,347	\$1,487,347	\$1,487,347	\$1,487,347	\$1,487,347	\$1,487,347	\$1,487,347	\$1,487,347	\$1,487,347	\$1,487,347	\$1,487,347	\$1,487,347
41	38910 - Land Rights	\$37,384	\$37,384	\$37,384	\$37,384	\$37,384	\$37,384	\$37,384	\$37,384	\$37,384	\$37,384	\$37,384	\$37,384	\$37,384
42	39000 - Structures and Improvements	\$20,546,669	\$20,686,410	\$20,689,924	\$20,692,648	\$20,704,239	\$20,705,524	\$20,711,267	\$20,724,537	\$20,724,537	\$20,722,927	\$20,775,528	\$20,777,553	\$20,777,553
43	39100 - Office Furniture, Equipment	\$1,279,644	\$1,279,644	\$1,279,644	\$1,279,644	\$1,279,644	\$1,279,644	\$1,279,644	\$1,279,644	\$1,279,644	\$1,279,644	\$1,279,644	\$1,279,644	\$1,279,644
44	39200 - Transportation Equipment	\$14,768	\$14,768	\$14,768	\$14,768	\$14,768	\$14,768	\$14,768	\$14,768	\$14,768	\$14,768	\$14,768	\$14,768	\$14,768
45	39300 - Stores Equipment	\$159,895	\$159,895	\$159,895	\$159,895	\$159,895	\$159,895	\$159,895	\$159,895	\$159,895	\$159,895	\$159,895	\$159,895	\$159,895
46	39400 - Tools	\$2,951,543	\$2,994,125	\$2,994,125	\$2,994,125	\$3,390,795	\$3,390,795	\$3,390,795	\$3,390,795	\$3,390,795	\$3,395,436	\$3,395,480	\$3,395,480	\$3,395,480
47	39500 - Laboratory Equipment	\$141,765	\$141,765	\$141,765	\$141,765	\$141,765	\$141,765	\$141,765	\$141,765	\$141,765	\$141,765	\$141,765	\$141,765	\$141,765
48	39600 - Power Operated Equipment	\$5,931	\$5,931	\$5,931	\$5,931	\$5,931	\$5,931	\$5,931	\$5,931	\$5,931	\$5,931	\$5,931	\$5,931	\$5,931
49	39700 - Communication Equipment	\$6,975,615	\$6,975,903	\$6,975,907	\$6,975,907	\$6,975,907	\$6,975,907	\$6,975,924	\$6,975,924	\$6,855,599	\$6,855,599	\$6,855,599	\$6,855,599	\$6,855,599
50	39716 - AMI Communication Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
51	39800 - Miscellaneous Equipment	\$1,040,551	\$1,040,551	\$1,040,551	\$1,040,551	\$1,040,551	\$1,040,551	\$1,040,551	\$1,033,312	\$1,033,312	\$1,035,594	\$1,035,594	\$1,035,594	\$1,035,594
52	Total General Plant	\$34,641,112	\$34,823,722	\$34,827,240	\$34,829,964	\$35,238,225	\$35,239,527	\$35,245,270	\$35,130,976	\$35,130,976	\$35,136,290	\$35,188,935	\$35,645,	

KENTUCKY POWER COMPANY

MONTHLY BEGINNING AND ENDING BALANCES OF THE RESERVE FOR DEPRECIATION OF UTILITY PLANT IN SERVICE FOR THE 12 MONTHS ENDING MARCH 31, 2013

	March-12	April-12	May-12	June-12	July-12	August-12	September-12	October-12	November-12	December-12	January-13	February-13	March-13
Depreciation of Electric Utility Plant in Service													
Steam Generation Plant	\$265,159,189	\$262,866,842	\$263,819,142	\$265,502,857	\$266,762,375	\$267,900,406	\$269,389,394	\$270,662,631	\$272,286,376	\$272,840,543	\$274,530,032	\$275,490,979	\$276,488,739
Transmission Plant - Electric	\$154,507,722	\$155,136,173	\$155,752,309	\$156,332,347	\$156,716,673	\$157,302,390	\$158,000,419	\$158,656,776	\$159,086,382	\$157,777,111	\$158,434,898	\$158,970,104	\$159,304,669
Distribution Plant - Electric	\$165,912,815	\$166,975,728	\$167,652,477	\$168,571,959	\$169,707,963	\$170,967,779	\$171,972,249	\$171,587,929	\$172,027,599	\$172,073,655	\$172,863,368	\$174,156,769	\$174,960,632
General Plant	\$7,740,977	\$7,809,680	\$7,751,274	\$7,815,836	\$7,884,643	\$7,944,560	\$8,008,294	\$7,851,845	\$7,920,778	\$7,988,240	\$8,012,744	\$8,079,028	\$8,149,092
Asset Retirement Obligation Removal Depreciation & Accretion													
Steam Generation Plant	-\$2,714,857	-\$2,756,590	-\$2,798,516	-\$2,840,515	-\$2,882,681	-\$2,925,006	-\$2,967,506	-\$3,010,126	-\$3,052,811	-\$3,095,459	-\$3,138,353	-\$3,181,449	-\$3,224,735
General Plant	-\$11,022	-\$11,755	-\$12,490	-\$13,226	-\$13,963	-\$14,702	-\$15,442	-\$16,183	-\$16,925	-\$17,669	-\$18,414	-\$19,161	-\$19,908
Less: Retirement Work in Progress	\$7,007,173	\$8,399,295	\$8,038,157	\$7,158,722	\$6,153,805	\$5,930,820	\$5,195,158	\$5,209,816	\$5,131,654	\$6,326,681	\$6,950,112	\$6,683,338	\$6,135,031
Total Accumulated Provision for Depreciation	\$583,587,652	\$581,620,784	\$584,126,039	\$588,210,536	\$592,021,205	\$595,244,608	\$599,192,249	\$600,523,055	\$603,119,744	\$601,239,741	\$603,734,161	\$606,812,932	\$609,523,458
Accumulated Provision for Amortization of Electric Plant in Service													
Franchises	\$50,738	\$50,782	\$50,825	\$50,868	\$50,911	\$50,954	\$50,997	\$51,040	\$51,083	\$51,126	\$51,169	\$51,212	\$51,252
Capitalized Software	\$13,677,249	\$13,914,717	\$14,154,437	\$14,397,111	\$14,636,434	\$14,829,956	\$15,080,853	\$15,311,352	\$14,341,286	\$14,578,836	\$14,847,223	\$15,115,921	\$15,390,928
SCR Catalyst	\$4,870,904	\$4,916,934	\$4,962,964	\$5,008,994	\$5,055,024	\$5,101,054	\$5,147,084	\$5,193,114	\$5,239,144	\$5,285,174	\$5,331,204	\$5,377,234	\$5,423,264
Other	\$966,380	\$966,728	\$969,043	\$971,360	\$973,676	\$969,708	\$972,727	\$974,209	\$976,707	\$979,205	\$981,703	\$984,201	\$986,698
Total Electric Utility Plant	\$19,565,271	\$19,849,160	\$20,137,269	\$20,428,333	\$20,716,045	\$20,951,671	\$21,251,661	\$21,529,715	\$20,608,220	\$20,894,341	\$21,211,299	\$21,528,568	\$21,852,143
Leased Property	\$2,184,282	\$2,284,244	\$2,351,409	\$2,428,322	\$2,517,406	\$2,620,283	\$2,714,012	\$2,818,882	\$2,919,026	\$2,104,820	\$2,030,304	\$2,112,429	\$2,195,469
Accumulated Provision for Amortization of Electric Plant & Leased Property	\$21,749,553	\$22,133,404	\$22,488,678	\$22,856,655	\$23,233,451	\$23,571,955	\$23,965,673	\$24,348,598	\$23,527,246	\$22,999,162	\$23,241,602	\$23,640,996	\$24,047,611
Total Accum Provision for Depr., Depl., and Amort. Of Electric Utility Plant - Net	\$605,337,205	\$603,754,188	\$606,614,717	\$611,067,191	\$615,254,656	\$618,816,562	\$623,157,922	\$624,871,653	\$626,646,990	\$624,238,902	\$626,975,764	\$630,453,928	\$633,571,070

Source: Depreciation Ledger and Financial Page 18

KENTUCKY POWER COMPANY
MONTHLY BEGINNING AND ENDING BALANCES OF CONSTRUCTION WORK IN PROGRESS FOR THE 12 MONTHS ENDED MARCH 31, 2013

Line No.		March-12	April-12	May-12	June-12	July-12	August-12	September-12	October-12	November-12	December-12	January-13	February-13	March-13
1	Regular Construction	\$79,272,777	\$78,825,187	\$85,364,736	\$89,585,070	\$90,059,857	\$67,991,956	\$74,285,998	\$73,607,680	\$73,930,032	\$44,281,292	\$42,007,064	\$41,175,740	\$43,807,564
2	TOTAL CWIP	<u>\$79,272,777</u>	<u>\$78,825,187</u>	<u>\$85,364,736</u>	<u>\$89,585,070</u>	<u>\$90,059,857</u>	<u>\$67,991,956</u>	<u>\$74,285,998</u>	<u>\$73,607,680</u>	<u>\$73,930,032</u>	<u>\$44,281,292</u>	<u>\$42,007,064</u>	<u>\$41,175,740</u>	<u>\$43,807,564</u>

SOURCE: Financial Page 16

KENTUCKY POWER COMPANY
MONTHLY BEGINNING AND ENDING BALANCES OF CERTAIN OTHER ACCOUNTS
FOR THE TEST YEAR ENDED MARCH 31, 2013

Line No.		March 2012	April 2012	May 2012	June 2012	July 2012	August 2012	September 2012	October 2012	November 2012	December 2012	January 2013	February 2013	March 2013
<u>Prepayments</u>														
1	Insurance	\$837,778	\$686,493	\$538,265	\$386,942	\$1,321,153	\$1,173,951	\$1,020,079	\$866,206	\$712,334	\$634,845	\$1,032,227	\$880,329	\$822,419
2	Employee Benefits - Pension	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Taxes	206,431	137,620	68,810	1,030,191	944,341	858,492	772,643	686,794	600,944	515,095	429,246	343,397	257,548
4	Interest	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Carry Costs - Factored A/R	20,179	17,203	25,104	26,100	18,177	18,816	16,072	25,548	18,518	13,101	25,329	23,517	11,262
6	Sales / Use Taxes	411,212	437,754	351,206	358,314	373,144	388,662	385,719	385,364	343,837	337,491	466,607	415,472	378,538
7	Prepaid Lease	5,452	0	0	7,688	0	0	5,454	0	0	69,262	0	0	0
8	Total Prepayments	<u>\$1,481,051</u>	<u>\$1,279,071</u>	<u>\$983,386</u>	<u>\$1,809,234</u>	<u>\$2,656,816</u>	<u>\$2,439,922</u>	<u>\$2,199,967</u>	<u>\$1,963,912</u>	<u>\$1,675,633</u>	<u>\$1,569,795</u>	<u>\$1,953,408</u>	<u>\$1,662,715</u>	<u>\$1,469,767</u>
9	Retirement Work In Progress	<u>\$7,007,173</u>	<u>\$8,399,295</u>	<u>\$8,038,157</u>	<u>\$7,158,722</u>	<u>\$6,153,805</u>	<u>\$5,930,820</u>	<u>\$5,195,158</u>	<u>\$5,209,816</u>	<u>\$5,131,654</u>	<u>\$6,325,681</u>	<u>\$6,950,112</u>	<u>\$6,683,338</u>	<u>\$6,135,031</u>
<u>Material and Supplies</u>														
10	Fuel Stock - Coal	\$31,868,768	\$32,379,987	\$42,356,167	\$42,390,691	\$34,713,079	\$33,154,668	\$44,711,184	\$56,460,525	\$65,897,525	\$66,595,286	\$62,009,643	\$55,599,414	\$44,845,590
11	Fuel Stock - Oil	1,038,899	958,135	1,105,477	941,156	1,031,859	944,952	919,031	936,735	1,172,497	685,034	816,765	633,079	964,869
12	Undistributed Expenses	780,227	721,529	863,015	838,998	707,765	721,636	1,032,809	1,378,931	1,677,206	1,866,857	1,780,257	1,658,863	1,358,371
13	Total Fuel	<u>33,687,895</u>	<u>34,059,651</u>	<u>44,324,659</u>	<u>44,170,845</u>	<u>36,452,703</u>	<u>34,821,256</u>	<u>46,663,025</u>	<u>58,776,191</u>	<u>68,747,228</u>	<u>69,147,176</u>	<u>64,606,665</u>	<u>57,891,356</u>	<u>47,168,830</u>
14	Other - Materials and Supplies	12,901,244	12,442,479	12,716,038	12,769,341	12,446,915	13,014,653	12,840,700	12,717,056	18,325,481	12,908,316	12,750,879	13,164,072	12,924,943
15	CO2 Emission Allowance Inventory	-	0	0	0	0	0	0	0	0	0	0	0	0
16	SO2 Emission Allowance Inventory	8,221,078	7,642,299	7,426,056	6,866,907	6,129,684	5,521,148	5,393,240	5,282,937	5,157,678	11,774,692	10,534,142	9,959,635	9,127,503
17	NOx Compliance Inventory	78,726	74,535	71,180	64,496	54,484	46,475	42,348	38,664	34,560	28,271	24,329	20,493	22,772
18	CSAPR Current SO2 Inv	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
19	Total Materials & Supplies	<u>\$55,238,943</u>	<u>\$54,568,964</u>	<u>\$64,887,933</u>	<u>\$64,221,589</u>	<u>\$55,433,787</u>	<u>\$53,753,532</u>	<u>\$65,289,313</u>	<u>\$77,164,848</u>	<u>\$92,614,947</u>	<u>\$94,208,456</u>	<u>\$88,266,015</u>	<u>\$81,385,556</u>	<u>\$69,594,047</u>

KENTUCKY POWER COMPANY
 Monthly Statements of Electric Operating Income
 FOR THE TWELVE MONTHS ENDED MARCH 31, 2013

Line No.	April	May	June	July	August	September	October	November	December	January	February	March	12 Months Ended	
	2012	2012	2012	2012	2012	2012	2012	2012	2012	2012	2013	2013		
1	<u>Utility Operating Income - Electric</u>													
2	Operating Revenue - Sales To Non Affiliates	\$41,468,805	\$44,982,786	\$45,404,171	\$54,879,286	\$51,340,790	\$44,046,739	\$50,800,790	\$50,648,869	\$52,695,043	\$59,092,458	\$55,537,977	54,761,585	\$605,659,299
3	Operating Revenue - Sales To Affiliates	4,776,981	1,327,204	3,524,493	8,345,174	5,297,879	2,750,652	1,703,199	580,134	2,537,743	4,744,081	3,827,169	5,982,402	45,397,109
4	Provision for Rate Refund	0	0		(1,635,430)	0	0	0	0	0	0	0	0	(1,635,430)
5	Total Operating Revenues	46,245,786	46,309,989	48,928,664	61,589,029	56,638,669	46,797,391	52,503,989	51,229,003	55,232,786	63,836,539	59,365,146	60,743,987	649,420,979
6	<u>Operating Expenses - Electric</u>													
7	Operating Expense	29,523,491	28,008,717	31,306,708	41,473,442	37,350,824	31,488,984	34,495,608	32,604,302	38,094,901	42,493,369	40,168,286	38,061,467	\$425,070,099
8	Maintenance Expense	3,237,805	5,065,660	(1,318,324)	3,409,267	4,648,385	592,417	3,660,762	3,604,354	4,771,000	3,880,711	3,455,081	4,360,567	39,367,685
9	Total Operation & Maintenance	32,761,296	33,074,377	29,988,385	44,882,709	41,999,209	32,081,401	38,156,371	36,208,656	42,865,901	46,374,080	43,623,367	42,422,034	464,437,784
10	Depreciation and Amortization	4,530,863	4,543,740	4,552,972	4,553,143	4,526,546	4,681,312	4,577,111	4,604,417	4,682,849	4,710,022	4,727,434	5,229,150	55,919,561
11	<u>Taxes & Provisions for Deferred Federal Income Taxes - Net</u>													
12	Taxes Other Than Income Taxes	1,006,479	1,043,340	989,928	1,112,970	992,445	995,423	1,007,992	865,936	966,474	1,133,864	1,013,224	973,595	12,101,669
13	State Income Taxes	5,041	268,455	262,323	134,374	363,062	391,383	586,261	356,037	(380,647)	396,700	433,889	(71,678)	2,745,199
14	Total Current Federal Income Tax	229,609	1,077,491	(303,639)	(329,588)	1,409,562	1,398,907	2,737,237	1,623,333	(3,789,608)	1,241,391	1,100,560	(871,884)	5,523,372
15	Total Deferred Federal Income Tax	1,594,282	404,671	2,799,836	2,833,516	327,649	251,235	(1,369,666)	751,300	3,784,218	1,419,549	670,212	4,004,053	17,470,854
16	Total Deferred Investment Tax Credits	(23,167)	(23,167)	(23,167)	(23,167)	(23,167)	(23,167)	(23,167)	(23,167)	(23,168)	(19,167)	(19,167)	(19,167)	(266,006)
17	Total Taxes & Provisions For Deferred Income Taxes	2,812,244	2,770,791	3,725,281	3,728,105	3,069,550	3,013,780	2,938,656	3,573,439	557,269	4,172,337	3,198,717	4,014,920	37,575,089
18	Total Electric Operating Expenses	40,104,403	40,388,909	38,266,638	53,163,956	49,595,305	39,776,493	45,672,138	44,386,512	48,106,019	55,256,440	51,549,518	51,666,103	557,932,434
19	Net Electric Operating Income	\$6,141,383	\$5,921,081	\$10,662,026	\$8,425,073	\$7,043,364	\$7,020,898	\$6,831,850	\$6,842,492	\$7,126,767	\$8,580,100	\$7,815,628	\$9,077,884	\$91,488,544

**KENTUCKY POWER COMPANY
TOTAL OWNED ELECTRIC PLANT
12 MONTHS ENDED MARCH 31, 2013**

Line No.	Owned Electric Plant In Service	Apr 1, 2012				Mar 31, 2013		Increase	
		Balance	Additions	Retirements	Transfers	Balance	Apr 2012 over Mar 2013 Amount	Percent	
1	Asset Retirement Obligation	\$ 3,695,617.70	\$ -	\$ -	\$ -	\$ 3,695,617.70	\$ -	0.0%	
2	Intangible Plant	\$ 15,878,877.99	\$ 3,584,975.49	\$ (1,210,428.04)	\$ -	\$ 18,253,425.44	\$ 2,374,547.45	15.0%	
3	Steam Generation Plant	\$ 544,234,150.51	\$ 11,501,838.99	\$ (6,711,332.01)	\$ -	\$ 549,024,657.49	\$ 4,790,506.98	0.9%	
4	Transmission Plant	\$ 458,691,970.33	\$ 35,506,954.71	\$ (3,368,953.01)	\$ -	\$ 490,829,972.03	\$ 32,138,001.70	7.0%	
5	Distribution Plant	\$ 621,149,845.53	\$ 52,276,861.91	\$ (10,344,331.33)	\$ -	\$ 663,082,376.11	\$ 41,932,530.58	6.8%	
6	General Plant	\$ 34,641,112.21	\$ 1,370,200.40	\$ (300,674.49)	\$ -	\$ 35,710,638.12	\$ 1,069,525.91	3.1%	
7	Total Owned Electric Plant In Service	\$ 1,673,177,194.50	\$ 110,608,268.21	\$ (23,188,775.82)	\$ -	\$ 1,760,596,686.89	\$ 87,419,492.39	5.2%	
	Other Electric Plant								
	Electric Plant								
8	Held For Future Use	\$ 7,436,550.73	\$ -	\$ -	\$ -	\$ 7,436,550.73	\$ -	0.0%	
9	CWIP	\$ 79,272,777.29	\$ 68,775,618.46	\$ -	\$ (104,240,831.50)	\$ 43,807,564.25	\$ (35,465,213.04)	-44.7%	
10	Total Owned Electric Plant	\$ 1,759,886,522.52	\$ 179,383,886.67	\$ (23,188,775.82)	\$ (104,240,831.50)	\$ 1,811,840,801.87	\$ 51,954,279.35	3.0%	



KENTUCKY POWER COMPANY
FULLY ADJUSTED BASE CASE SUMMARY
TWELVE MONTHS ENDED 3/31/2013

SECTION V
SCHEDULE 1

LINE NO. (1)	DESCRIPTION (2)	BASE CASE PSC JURISDICTION (3)	PROPOSED CHANGE (4)	ADJUSTED PSC JURISDICTION (5)
<u>Operating Revenues</u>				
1	Sales Of Electricity	\$487,401,782	\$117,789,745	\$605,191,527
2	Other Operating Revenues	9,181,887	0	9,181,887
3	Total Operating Revenues	<u>\$496,583,669</u>	<u>\$117,789,745</u>	<u>\$614,373,414</u>
<u>Operating Expenses</u>				
4	Operation & Maintenance	\$330,975,687	\$471,159	\$331,446,846
5	Depreciation	\$93,034,527	0	93,034,527
6	Taxes Other Than Income Taxes	\$17,555,210	0	17,555,210
7	State Income Tax	\$1,261,305	6,328,986	7,590,291
Federal Income Tax :				
8	Current	(\$3,309,391)	38,846,360	35,536,969
9	Deferred	\$8,220,627	0	8,220,627
10	ITC Adjustment	(\$77,070)	0	(77,070)
11	Total Operating Expenses	<u>\$447,660,895</u>	<u>\$45,646,505</u>	<u>\$493,307,400</u>
12	Net Electric Operating Income (LINE 3 - LINE 11)	\$48,922,774	\$72,143,240	\$121,066,014
13	AFUDC Offset Adjustment / Deferred Income	6,935,788	0	6,935,788
14	Net Electric Operating Income - Adjusted	<u>\$55,858,562</u>	<u>\$72,143,240</u>	<u>\$128,001,802</u>
15	Total Rate Base			\$1,526,988,627
16	Rate of Return			8.38%
17	Capitalization			\$1,584,180,434
18	Rate of Return			8.08%
ADJUSTED REVENUE REQUIREMENT TO ACCOUNT FOR TRANSMISSION ADJUSTMENT				
19	Change in Operating Revenue			614,373,414
20	Less Transmission Adjustment from CCOS Study			3,790,919
21	Net Change in Operating Revenue			<u>610,582,495</u>
22	Change in Revenue Requirement		117,789,745	
23	Less Transmission Adjustment from CCOS Study		3,790,919	
24	Net Change in Revenue Requirement		<u>113,998,826</u>	
25	Proposed Percentage Change			23.39%

Kentucky Power Company
Revenue Requirement
Test Year Ended 3/31/2013

SECTION V
SCHEDULE 2

Line No. (1)	Description (2)	Percent of Incremental Gross Revenues (3)
1	Capitalization (Per Sch 3, L 7, Col 13)	\$1,584,180,434
2	Rate of Return (WP S-2, Pg 1, L 5, Col 6)	<u>8.08%</u>
3	Required Net Electric Operating Income (L1 X L2)	\$128,001,779
4	Test Year Net Electric Operating Income (Per Sch 4, L 14, Col 5)	<u>\$55,858,562</u>
5	Net Electric Operating Income Change (L3 - L4)	\$72,143,217
6	Gross Revenue Conversion Factor (Per WP S-2, Pg 2, L 9)	<u>1.6327</u>
7	Change in Revenue Requirement (L5 X L6) Increase / (Decrease)	<u>\$117,789,745 *</u> =====

* Change in Revenue Requirement Prior to Transmission Adjustment.

KENTUCKY POWER COMPANY
 COST OF CAPITAL
TEST YEAR ENDED 3/31/2013

SECTION V
 WORKPAPER S-2
 PAGE 1 OF 3

<u>Line No.</u> (1)	<u>Description</u> (2)	<u>Reapportioned Kentucky Jurisdictional Capital 1/</u> (3)	<u>Percentage of Total</u> (4)	<u>Annual Cost Percentage Rate</u> (5)		<u>Weighted Average Cost Percent</u> (6) = (4) X (5)
1	Long Term Debt	\$825,556,993	52.11%	5.98%	2/	3.12%
2	Short Term Debt	(11,511,357)	-0.73%	0.30%	3/	0.00%
3	Accounts Receivable Financing 4/	44,567,648	2.81%	2.99%	5/	0.08%
4	Common Equity	725,567,150	45.80%	10.65%	6/	4.88%
5	Total	<u>\$1,584,180,434</u> =====	<u>100.00%</u> =====			<u>8.08%</u> =====

1/ Schedule 3, Column 13, Lines 1, 2, 3 & 4

2/ Per workpaper S-3, Pg 1, Ln 11, Col 14

3/ Per workpaper S-3, Pg 2, Ln 16

4/ Per Commission Order March 31, 2003 Case No. 2002-00169

5/ 13 Month Average Accounts Receivable Balance and 13 Month Average Annual Cost of Carry

6/ Per Recommendation of William Avera

Kentucky Power Company
Computation of the Gross Revenue
Conversion Factor
Test Year Twelve Ended 3/31/2013

SECTION V
WORKPAPER S-2
PAGE 2 OF 3

Line No. (1)	Description (2)		Percent of Incremental Gross Revenues (3)
1	Operating Revenues		100.00%
2	Less: Uncollectible Accounts Expense 1/		0.25%
3	KPSC Maintenance Fee		0.15%
4	Income Before income Taxes		99.60%
5	Less: State Income Taxes (L4 X 5.3947%) 2/	5.3947%	5.37%
6	Income Before Federal Income Taxes		94.23%
7	Less: Federal income Taxes (L6 X 35.00%)	35.00%	32.98%
8	Operating Income Percentage		61.25%
9	Gross Revenue Conversion Factor (100% / L8)		1.6327

1/ Per Workpaper S-2, Page 3, Col 5, Line 5

2/ State Income Tax Effective Rate Calculations

State Income Tax Rate - Illinois	9.50%	
Apportionment Factor	1.7969%	
Effective Illinois State Income Tax Rate		0.1707%
State Income Tax Rate - KY	6.00%	
Apportionment Factor	86.1105%	
Effective Kentucky State Income Tax Rate		5.1666%
State Income Tax Rate - Michigan	6.00%	
Apportionment Factor	0.1010%	
Effective Michigan State Income Tax Rate		0.0061%
State Income Tax Rate - WV	7.00%	
Apportionment Factor	0.7322%	
Effective West Virginia State Income Tax Rate		0.0513%
Total Effective State Income Tax Rate		5.3947%

Kentucky Power Company
 Computation of Factor to be Applied to Additional
 Revenues Generated by Rate Increase, in
 Determination of an Uncollectable Accounts
 Adjustment to be added to O&M Expense
 Test Year Ended 3/31/2013

SECTION V
 WORKPAPER S-2
 PAGE 3 OF 3

Line No. (1)	Description (2)	Electric Revenues (3)	Account-Net Charged Off (4)	Percent of Electric Revenues (5)
1	12 Months Ended 03/31/2011	\$555,720,346	\$1,071,865	0.19%
2	12 Months Ended 03/31/2012	\$543,303,796	\$1,829,278	0.34%
3	12 Months Ended 03/31/2013	\$503,345,145	\$1,080,299	0.21%
4	Total	<u>\$1,602,369,287</u>	<u>\$3,981,442</u>	<u>0.74%</u>
5	Three Year Average	<u>\$534,123,096</u>	<u>\$1,327,147</u>	<u>0.25%</u>

KENTUCKY POWER COMPANY
 CAPITALIZATION
 AS OF MARCH 31, 2013

Line No. (1)	Description (2)	PER BOOK BALANCE (3)	Mitchell Transfer (4)	Adjusted Per Book Balance (5)	Big Sandy Coal Stock Adjustment (6)	Mitchell Coal Stock Adjustment (7)	FRECO A/C 124 Property (8)	CARRS Site (9)	Non Utility Property (10)	Sub Total (11)	Kentucky Jurisdiction GP - TOT (12)	Reapportioned Kentucky Jurisdictional (13)
1	Long Term Debt	\$550,000,000	\$290,000,000	\$840,000,000	\$0	\$0	(\$2,375,286)	(\$3,400,340)	(\$483,852)	\$833,740,522	\$825,403,117	\$825,556,993
2	Short Term Debt	11,039,250	0	11,039,250	(20,875,574)	(1,151,258)	(242,058)	(346,518)	(49,308)	(11,625,466)	(11,509,211)	(11,511,357)
3	Accounts Receivable Financing	45,009,435	0	45,009,435	0	0	0	0	0	45,009,435	44,559,341	44,567,648
4	Common Equity	490,340,004	248,000,000	738,340,004	0	0	(2,117,632)	(3,031,497)	(431,368)	732,759,507	725,431,912	725,567,150
5	Sub-Total	1,096,388,689	538,000,000	1,634,388,689	(20,875,574)	(1,151,258)	(4,734,976)	(6,778,355)	(964,528)	1,599,883,998	1,583,885,159	1,584,180,434
6	Job Development Tax Credit	298,257	0	298,257	0	0	0	0	0	298,257	295,274	0
7	Total	\$1,098,686,946	\$538,000,000	\$1,634,686,946	(\$20,875,574)	(\$1,151,258)	(\$4,734,976)	(\$6,778,355)	(\$964,528)	\$1,600,182,255	\$1,584,180,433	\$1,584,180,434
8	Allocation Factor (GP-TOT)	0.990										

**Kentucky Power Company
Long-Term Debt
Test Year Ended 3/31/2013
(\$000)**

Ln No (1)	Description (2)	Interest Rate (%) (3)	Date of Offering (4)	Date of Maturity (5)	Average Term In Years (6)	Principal Amount Issued (7)	Total Original Discount (Prem) & Expense 1/ (8)	Net Proceeds on Principal Amt. Based on Original Prem. (Disc) & Exp (9)	Net Proceed Ratio (10)	Effective Cost Rate (11)	Current Amount Outstanding (12)	Average Cost of Debt Based on Carrying Value (13)	Average Cost of Debt (14)	Name of Issuer (15)
1	Global Note Payable to Parent Company (American Electric Power)	5.250%	02/05/2004	06/01/2015	11.30	\$20,000	\$0	\$20,000	100.00%	5.249%	\$20,000	\$1,050		KPCo
2	Subtotal					\$20,000		\$20,000			\$20,000	\$1,050		
Senior Notes														
3	Senior Unsecured Notes	5.625%	06/13/2003	12/01/2032	29.45	\$75,000	\$1,393	\$73,607	98.14%	5.756%	\$75,000	\$4,317		KPCo
4	Senior Unsecured Notes	6.000%	09/11/2007	09/15/2017	10.01	\$325,000	\$3,945	\$321,055	98.79%	6.164%	\$325,000	\$20,033		KPCo
5	Senior Unsecured Notes	7.250%	06/18/2009	06/18/2021	11.99	\$40,000	\$218	\$39,782	99.46%	7.319%	\$40,000	\$2,928		KPCo
6	Senior Unsecured Notes	8.030%	06/18/2009	06/18/2029	19.99	\$30,000	\$163	\$29,837	99.46%	8.085%	\$30,000	\$2,426		KPCo
7	Senior Unsecured Notes	8.130%	06/18/2009	06/18/2039	29.98	\$60,000	\$327	\$59,673	99.46%	8.179%	\$60,000	\$4,907		KPCo
8	Subtotal					\$530,000	\$6,046	\$523,954			\$530,000	\$34,611		
Pro Forma Debt Adjustments														
		4.500%	6/30/2014	4/1/2036	21.74	\$65,000	\$566,000	\$64,434	99.13%	4.563%	\$65,000	\$2,966		
		5.107%	6/30/2014	1/30/2044	29.56	\$225,000	\$1,127,000	\$223,873	99.50%	5.139%	\$225,000	\$11,563		
						\$290,000	\$1,693,000	\$288,307			\$290,000	\$14,529		
9	Total Long Term Debt					\$840,000	\$1,699,046	\$832,261			\$840,000	\$50,190		
10	Other Long Term Debt					\$0	\$0	\$0			\$0	0		
11	Total Kentucky Power					\$840,000	\$1,699,046	\$832,261			\$840,000	\$50,190	5.98%	

1/ Includes Commissions and All Other Issuance Expenses

SECTION V
WORKPAPER S - 3
PAGE 1 of 4

Kentucky Power Company
Schedule of Short-Term Debt
Test Year Ended 3/31/2013

SECTION V
WORKPAPER S-3
PAGE 2 OF 4

Line No. (1)	Month (2)	Year (3)	Notes Payable Outstanding at End of Month (4)
1	April	2012	\$0
2	May	2012	0
3	June	2012	0
4	July	2012	0
5	August	2012	0
6	September	2012	0
7	October	2012	0
8	November	2012	0
9	December	2012	13,358,856
10	January	2013	16,278,255
11	February	2013	7,643,550
12	March	2013	11,039,250
13	Total		<u>\$48,319,911</u>
14	Average Borrowings Outstanding During the Period		<u>\$4,026,659</u>
15	Interest Expense for the Twelve Months Ended 03/31/2013		<u>\$12,078</u>
16	Weighted Average Interest Rate of Borrowings Outstanding During the Period (Ln 15 / Ln 14)		<u>0.30%</u> =====

Kentucky Power Company
Coal Stock Adjustment
Big Sandy Plant
Test Year Ended 3/31/2013

SECTION V
WORKPAPER S-3
PAGE 3 OF 4

Line No. (1)	Description (2)	Tons (3)	Average \$/Ton (4)	Amount (5)
1	Balance End of year	571,240	\$79.74	\$45,551,062
2	Daily Burn Rate	10,182		
3	Days Supply on Hand (Ln 1 / Ln 2)	55		
4	Day Supply Requested	30		
5	Fuel stock Requested (Ln 4 X Ln 2)	305,460	\$79.74	\$24,357,586
6	Adjustment to Test Year (Ln 5 - Ln 1)	(265,780)		(\$21,193,476)
7	Allocation Factor - PDAF			0.985
8	KPSC Jurisdictional Amount (Ln 6 X Ln 7)			(\$20,875,574)

Kentucky Power Company
Coal Stock Adjustment
Mitchell Plant
Test Year Ended 3/31/2013

SECTION V
WORKPAPER S-3
PAGE 4 OF 4

Line No. (1)	Description (2)	Tons (3)	Average \$/Ton (4)	Amount (5)
1	Balance End of Test Year	716,138	\$74.19	\$53,130,280
2	Daily Burn Rate	15,214		
3	Days Supply on Hand (Ln 1 / Ln 2)	47		
4	Day Supply Requested	45		
5	Fuel Stock Requested (Ln 4 X Ln 2)	684,630	\$74.19	\$50,792,700
6	Adjustment to Test Year (Ln 5 - Ln 1)	(31,508)		(\$2,337,580)
7	KPCo's Percentage Ownership	50.00%		50.00%
8	KPCo's Adjustment Test Year (Ln 6 * Ln 7)	(15,754)		(\$1,168,790)
9	Allocation Factor - PDAF			0.985
10	KPSC Jurisdictional Amount (Ln 8 X Ln 9)			(\$1,151,258)

KENTUKY POWER COMPANY
ADJUSTMENTS SUMMARY
TWELVE MONTHS ENDED 3/31/2013

SECTION V
SCHEDULE 4

Line No. (1)	Description (2)	Base Case PSC Jurisdiction (3)	Rate Case Adjustments (4)	Adjusted PSC Jurisdiction (5)
<u>Operating Revenues</u>				
1	Sales Of Electricity	\$500,358,022	(\$12,956,240)	\$487,401,782
2	Other Operating Revenues	10,962,949	(1,781,062)	9,181,887
3	Total Operating Revenues	<u>\$511,320,971</u>	<u>(\$14,737,302)</u>	<u>\$496,583,669</u>
<u>Operating Expenses</u>				
4	Operation & Maintenance	\$324,139,630	\$6,836,057	\$330,975,687
5	Depreciation	55,415,907	37,618,620	93,034,527
6	Taxes Other Than Income Taxes	11,947,714	5,607,496	17,555,210
7	State Income Tax	3,236,053	(1,974,748)	1,261,305
	Federal Income Tax :			
8	Current	8,854,453	(12,163,844)	(3,309,391)
9	Deferred	19,570,729	(11,350,102)	8,220,627
10	ITC Adjustment	(263,347)	186,277	(77,070)
11	Total Operating Expenses	<u>\$422,901,139</u>	<u>\$24,759,756</u>	<u>\$447,660,895</u>
12	Net Electric Operating Income (LINE 3 - LINE 11)	\$88,419,832	(\$39,497,057)	\$48,922,774
13	AFUDC Offset Adjustment / Deferred Income	1,918,951	5,016,837	6,935,788
14	Net Electric Operating Income - Adjusted	<u>\$90,338,783</u>	<u>(\$34,480,220)</u>	<u>\$55,858,562</u>
<u>Rate Base</u>				
15	Electric Plant In Service - Gross	\$1,740,615,844	\$879,473,092	\$2,620,088,936
16	Accum. Prov. For Depreciation	628,592,115	302,907,362	931,499,477
17	Electric Plant In Service - Net	<u>\$1,112,023,729</u>	<u>\$576,565,730</u>	<u>\$1,688,589,459</u>
18	Plant Held For Future Use	657,110	0	657,110
19	Prepayments	1,455,069	26,308,055	27,763,124
20	Materials & Supplies	68,288,126	20,397,558	88,685,684
21	Cash Working Capital	55,062,272	850,697	55,912,969
22	Construction Work In Progress	43,281,811	39,608,974	82,890,785
	Less:			
23	Customer Advances & Deposits	23,869,093	0	23,869,093
24	Accumulated Deferred Income Taxes	236,486,446	157,154,965	393,641,411
25	Total Rate Base	<u>\$1,020,412,578</u>	<u>\$506,576,049</u>	<u>\$1,526,988,627</u>

KENTUCKY POWER COMPANY
ADJUSTMENTS SUMMARY
TWELVE MONTHS ENDED 03/31/2013

Line No. (1)	Description (2)	Page 3 (3)	Page 4 (4)	Page 5 (5)	Page 6 (6)	Page 7 (7)	Page 8 (8)	Page 9 (9)	Page 10 (10)	Page 11 (11)	Page 12 (12)	Grand Total (10)
Operating Revenues												
1	Sales Of Electricity	(\$5,812,595)	\$0	\$0	(\$1,250,667)	\$1,635,430	(\$208,331)	\$0	\$0	(\$7,320,077)	\$0	(\$12,956,240)
2	Other Operating Revenues	(\$1,083,264)	(\$696,867)	\$0	(931)	\$0	\$0	\$0	0	0	0	(1,781,062)
3	Total Operating Revenues	<u>(6,895,859)</u>	<u>(696,867)</u>	<u>0</u>	<u>(1,251,598)</u>	<u>1,635,430</u>	<u>(208,331)</u>	<u>0</u>	<u>0</u>	<u>(7,320,077)</u>	<u>0</u>	<u>(14,737,302)</u>
Operating Expenses												
4	Operation & Maintenance	(21,354,523)	26,015	1,075,628	(5,076,114)	459,991	(1,038,886)	(1,658,827)	(932,371)	48,249,307	(12,914,163)	6,836,057
5	Depreciation	0	0	372,195	0	0	0	16,405,498	0	36,501,055	(15,660,128)	37,618,620
6	Taxes Other Than Income Taxes	0	51,117	0	0	0	476,081	39,601	12,275	5,028,422	0	5,607,496
7	State Income Tax	780,001	(76,812)	(58,027)	(549,043)	(3,720)	148,222	87,352	49,636	(4,956,893)	2,604,536	(1,974,748)
Federal Income Tax :												
8	Current	4,787,531	(471,451)	(356,160)	(3,369,941)	(22,831)	909,758	536,156	304,662	(30,467,817)	15,986,249	(12,163,844)
9	Deferred	0	227,436	(130,268)	351,673	435,536	(837,570)	(4,337,934)	815,801	(977,942)	(6,886,834)	(11,350,102)
10	ITC Adjustment	0	0	186,277	0	0	0	0	0	0	0	186,277
11	Total Operating Expenses	<u>(15,786,991)</u>	<u>(243,695)</u>	<u>1,089,645</u>	<u>(8,643,425)</u>	<u>868,976</u>	<u>(342,395)</u>	<u>11,071,846</u>	<u>250,003</u>	<u>53,376,132</u>	<u>(16,880,340)</u>	<u>24,759,756</u>
12	Net Electric Operating Income (L3 - L11)	8,891,132	(453,171)	(1,089,645)	7,391,827	766,454	134,064	(11,071,846)	(250,003)	(60,696,209)	16,880,340	(39,497,057)
13	AFUDC Offset Adjustment / Deferred Income	0	0	0	0	0	0	1,368,889	3,647,948	0	0	5,016,837
14	Net Electric Operating Income - Adjusted	<u>\$8,891,132</u>	<u>(\$453,171)</u>	<u>(\$1,089,645)</u>	<u>\$7,391,827</u>	<u>\$766,454</u>	<u>\$134,064</u>	<u>(\$9,702,957)</u>	<u>\$3,397,945</u>	<u>(\$60,696,209)</u>	<u>\$16,880,340</u>	<u>(\$34,480,220)</u>
Rate Base												
15	Electric Plant In Service - Gross	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$882,167,970	(\$2,694,878)	\$879,473,092
16	Accum. Prov. For Depreciation	\$0	\$0	\$372,195	0	0	0	\$16,405,498	0	286,703,442	(573,773)	302,907,362
17	Electric Plant In Service - Net	0	0	(372,195)	0	0	0	(16,405,498)	0	595,464,528	(2,121,105)	576,565,730
18	Plant Held For Future Use	0	0	0	0	0	0	0	0	0	0	0
19	Prepayments	0	0	0	26,308,055	0	0	0	0	0	0	26,308,055
20	Materials & Supplies	0	0	0	0	0	(20,875,574)	0	(1,151,258)	42,424,390	0	20,397,558
21	Cash Working Capital	(2,673,126)	3,252	134,453	(634,514)	57,499	(129,861)	(207,353)	(116,546)	6,031,163	(1,614,270)	850,697
22	Construction Work In Progress	0	0	0	0	0	0	0	0	39,608,974	0	39,608,974
Less:												
23	Customer Advances & Deposits	0	0	0	0	0	0	0	0	0	0	0
24	Accumulated Deferred Income Taxes	0	0	0	9,207,819	0	0	0	0	147,947,146	0	157,154,965
25	Total Rate Base	<u>(\$2,673,126)</u>	<u>\$3,252</u>	<u>(\$237,742)</u>	<u>\$16,465,722</u>	<u>\$57,499</u>	<u>(\$21,005,435)</u>	<u>(\$16,612,851)</u>	<u>(\$1,267,804)</u>	<u>\$535,581,909</u>	<u>(\$3,735,375)</u>	<u>\$506,576,049</u>
	State Income Tax Rate	5.3947%										
	Federal Income Tax Rate	35.00%										
	O&M Labor Percentage	61.78%										

KENTUCKY POWER COMPANY
ADJUSTMENTS SUMMARY
TWELVE MONTHS ENDED 3/31/2013

Line No. (1)	Description (2)	O&M Expense Interest on Customer Deposit (1)	Eliminate Non-Recurring Joint Use Survey Revenues (2)	Capacity Charge Revenues Rockport Unit Power Agreement (3)	AEP Pool Capacity Cost (4)	Normalization / Elimination of Commission Mandated Consultant Cost (5)	Temporary Interest Expense (6)	Page Subtotal
	Operating Revenues							
1	Sales Of Electricity	\$0	\$0	(\$5,812,595)	\$0	\$0	\$0	(\$5,812,595)
2	Other Operating Revenues	0	(1,083,264)	0	0	0	0	(\$1,083,264)
3	Total Operating Revenues	0	(1,083,264)	(5,812,595)	0	0	0	(6,895,859)
	Operating Expenses							
4	Operation & Maintenance	42,860	0	0	(21,304,099)	30,493	(123,777)	(21,354,523)
5	Depreciation	0	0	0	0	0	0	0
6	Taxes Other Than Income Taxes	0	0	0	0	0	0	0
7	State Income Tax	(2,312)	(58,439)	(313,572)	1,149,292	(1,645)	6,677	780,001
	Federal Income Tax :							
8	Current	(14,192)	(358,689)	(1,924,658)	7,054,182	(10,097)	40,985	4,787,531
9	Deferred	0	0	0	0	0	0	0
10	ITC Adjustment	0	0	0	0	0	0	0
11	Total Operating Expenses	26,356	(417,128)	(2,238,230)	(13,100,625)	18,751	(76,115)	(15,786,991)
12	Net Electric Operating Income (L3 - L11)	(26,356)	(666,136)	(3,574,365)	13,100,625	(18,751)	76,115	8,891,132
13	AFUDC Offset Adjustment / Deferred Income	0	0	0	0	0	0	0
14	Net Electric Operating Income - Adjusted	(\$26,356)	(\$666,136)	(\$3,574,365)	\$13,100,625	(\$18,751)	\$76,115	\$8,891,132
	Rate Base							
15	Electric Plant In Service - Gross	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Accum. Prov. For Depreciation	0	0	0	0	0	0	0
17	Electric Plant In Service - Net	0	0	0	0	0	0	0
18	Plant Held For Future Use	0	0	0	0	0	0	0
19	Prepayments	0	0	0	0	0	0	0
20	Materials & Supplies	0	0	0	0	0	0	0
21	Cash Working Capital	5,358	0	0	(2,663,012)	0	(15,472)	(2,673,126)
22	Construction Work In Progress	0	0	0	0	0	0	0
	Less:							
23	Customer Advances & Deposits	0	0	0	0	0	0	0
24	Accumulated Deferred Income Taxes	0	0	0	0	0	0	0
25	Total Rate Base	\$5,358	\$0	\$0	(\$2,663,012)	\$0	(\$15,472)	(\$2,673,126)

KENTUCKY POWER COMPANY
ADJUSTMENTS SUMMARY
TWELVE MONTHS ENDED 3/31/2013

Line No. (1)	Description (2)	Miscellaneous Service Charges (7)	Annualization of CATV Revenues (8)	KPSC Maintenance Assessment (9)	Normalization Major Storms (10)	Amortization Storm Cost Deferral (11)	Rate Case Expense (12)	Page Subtotal
Operating Revenues								
1	Sales Of Electricity	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	Other Operating Revenues	585,947	(1,282,814)	0	0	0	0	(\$696,867)
3	Total Operating Revenues	<u>585,947</u>	<u>(1,282,814)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(696,867)</u>
Operating Expenses								
4	Operation & Maintenance	0	0	0	459,166	(649,818)	216,667	26,015
5	Depreciation	0	0	0	0	0	0	0
6	Taxes Other Than Income Taxes	0	0	51,117	0	0	0	51,117
7	State Income Tax	31,610	(69,204)	(2,758)	(24,771)	0	(11,689)	(76,812)
	Federal Income Tax :							0
8	Current	194,018	(424,763)	(16,926)	(152,038)	0	(71,742)	(471,451)
9	Deferred	0	0	0	0	227,436	0	227,436
10	ITC Adjustment	0	0	0	0	0	0	0
11	Total Operating Expenses	<u>225,628</u>	<u>(493,967)</u>	<u>31,433</u>	<u>282,357</u>	<u>(422,382)</u>	<u>133,236</u>	<u>(243,695)</u>
12	Net Electric Operating Income (L3 - L11)	360,319	(788,847)	(31,433)	(282,357)	422,382	(133,236)	(453,171)
13	AFUDC Offset Adjustment / Deferred Income	0	0	0	0	0	0	0
14	Net Electric Operating Income - Adjusted	<u>\$360,319</u>	<u>(\$788,847)</u>	<u>(\$31,433)</u>	<u>(\$282,357)</u>	<u>\$422,382</u>	<u>(\$133,236)</u>	<u>(\$453,171)</u>
Rate Base								
15	Electric Plant In Service - Gross	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Accum. Prov. For Depreciation	0	0	0	0	0	0	0
17	Electric Plant In Service - Net	0	0	0	0	0	0	0
18	Plant Held For Future Use	0	0	0	0	0	0	0
19	Prepayments	0	0	0	0	0	0	0
20	Materials & Supplies	0	0	0	0	0	0	0
21	Cash Working Capital	0	0	0	57,396	(81,227)	27,083	3,252
22	Construction Work In Progress	0	0	0	0	0	0	0
	Less:							
23	Customer Advances & Deposits	0	0	0	0	0	0	0
24	Accumulated Deferred Income Taxes	0	0	0	0	0	0	0
25	Total Rate Base	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$57,396</u>	<u>(\$81,227)</u>	<u>\$27,083</u>	<u>\$3,252</u>

KENTUCKY POWER COMPANY
ADJUSTMENTS SUMMARY
TWELVE MONTHS ENDED 3/31/2013

Line No. (1)	Description (2)	Postage Rate Increase (13)	Amortization of Intangible Expense (14)	Eliminate Advertising Expense (15)	Deferred Investment Tax Credit Adjustment (16)	System Sales Margin (17)	Annualization of Lease Costs (18)	Page Subtotal
Operating Revenues								
1	Sales Of Electricity	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	Other Operating Revenues	0	0	0	0	0	0	\$0
3	Total Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Operating Expenses								
4	Operation & Maintenance	\$20,347	0	(29,713)	\$0	\$1,351,735	(266,741)	1,075,628
5	Depreciation	0	372,195	0	0	0	0	372,195
6	Taxes Other Than Income Taxes	0	0	0	0	0	0	0
7	State Income Tax	(1,098)	0	1,603	0	(72,922)	14,390	(58,027)
Federal Income Tax :								
8	Current	(6,737)	0	9,839	0	(447,585)	88,323	(356,160)
9	Deferred	0	(130,268)	0	0	0	0	(130,268)
10	ITC Adjustment	0	0	0	186,277	0	0	186,277
11	Total Operating Expenses	<u>12,512</u>	<u>241,927</u>	<u>(18,271)</u>	<u>186,277</u>	<u>831,228</u>	<u>(164,028)</u>	<u>1,089,645</u>
12	Net Electric Operating Income (L3 - L11)	(12,512)	(241,927)	18,271	(186,277)	(831,228)	164,028	(1,089,645)
13	AFUDC Offset Adjustment / Deferred Income	0	0	0	0	0	0	0
14	Net Electric Operating Income - Adjusted	<u>(\$12,512)</u>	<u>(\$241,927)</u>	<u>\$18,271</u>	<u>(\$186,277)</u>	<u>(\$831,228)</u>	<u>\$164,028</u>	<u>(\$1,089,645)</u>
Rate Base								
15	Electric Plant In Service - Gross	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Accum. Prov. For Depreciation	0	372,195	0	0	0	0	\$372,195
17	Electric Plant In Service - Net	0	(372,195)	0	0	0	0	(372,195)
18	Plant Held For Future Use	0	0	0	0	0	0	0
19	Prepayments	0	0	0	0	0	0	0
20	Materials & Supplies	0	0	0	0	0	0	0
21	Cash Working Capital	2,543	0	(3,714)	0	168,967	(33,343)	134,453
22	Construction Work In Progress	0	0	0	0	0	0	0
Less:								
23	Customer Advances & Deposits	0	0	0	0	0	0	0
24	Accumulated Deferred Income Taxes	0	0	0	0	0	0	0
25	Total Rate Base	<u>\$2,543</u>	<u>(\$372,195)</u>	<u>(\$3,714)</u>	<u>\$0</u>	<u>\$168,967</u>	<u>(\$33,343)</u>	<u>(\$237,742)</u>

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KENTUCKY POWER COMPANY
ADJUSTMENTS SUMMARY
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Line No. (1)	Description (2)	Net Line of Credit Fee (19)	Reliability (20)	Interest Synchronization (21)	Customer Migration (22)	Customer Annualization (23)	Pension and OPEB Expense (24)	Page Subtotal
Operating Revenues								
1	Sales Of Electricity	\$0	\$0	\$0	\$5,202,026	(\$6,452,693)	\$0	(\$1,250,667)
2	Other Operating Revenues	0	0	0	(931)	0	0	(\$931)
3	Total Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,201,095</u>	<u>(6,452,693)</u>	<u>0</u>	<u>(1,251,598)</u>
Operating Expenses								
4	Operation & Maintenance	637,630	(692,162)	0	0	(4,016,801)	(1,004,781)	(5,076,114)
5	Depreciation	0	0	0	0	0	0	0
6	Taxes Other Than Income Taxes	0	0	0	0	0	0	0
7	State Income Tax	(34,398)	37,340	(701,159)	280,583	(131,409)	0	(549,043)
Federal Income Tax :								
8	Current	(211,131)	229,188	(4,303,608)	1,722,179	(806,569)	0	(3,369,941)
9	Deferred	0	0	0	0	0	351,673	351,673
10	ITC Adjustment	0	0	0	0	0	0	0
11	Total Operating Expenses	<u>392,101</u>	<u>(425,634)</u>	<u>(5,004,767)</u>	<u>2,002,762</u>	<u>(4,954,779)</u>	<u>(653,108)</u>	<u>(8,643,425)</u>
12	Net Electric Operating Income (L3 - L11)	(392,101)	425,634	5,004,767	3,198,333	(1,497,914)	653,108	7,391,827
13	AFUDC Offset Adjustment / Deferred Income	0	0	0	0	0	0	0
14	Net Electric Operating Income - Adjusted	<u>(\$392,101)</u>	<u>\$425,634</u>	<u>\$5,004,767</u>	<u>\$3,198,333</u>	<u>(\$1,497,914)</u>	<u>\$653,108</u>	<u>\$7,391,827</u>
Rate Base								
15	Electric Plant In Service - Gross	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Accum. Prov. For Depreciation	0	0	0	0	0	0	0
17	Electric Plant In Service - Net	0	0	0	0	0	0	0
18	Plant Held For Future Use	0	0	0	0	0	0	0
19	Prepayments	0	0	0	0	0	26,308,055	26,308,055
20	Materials & Supplies	0	0	0	0	0	0	0
21	Cash Working Capital	79,704	(86,520)	0	0	(502,100)	(125,598)	(634,514)
22	Construction Work In Progress	0	0	0	0	0	0	0
Less:								
23	Customer Advances & Deposits	0	0	0	0	0	0	0
24	Accumulated Deferred Income Taxes	0	0	0	0	0	9,207,819	9,207,819
25	Total Rate Base	<u>\$79,704</u>	<u>(\$86,520)</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$502,100)</u>	<u>\$16,974,638</u>	<u>\$16,465,722</u>

KENTUCKY POWER COMPANY
ADJUSTMENTS SUMMARY
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Line No. (1)	Description (2)	Amortization of Post Retirement Benefits (PRB) (25)	Amortization of Deferred IGCC Costs (26)	Amortization of Deferred CCS FEED Study Costs (27)	Amortization of Deferred CARRS Site Costs (28)	Amortization of CSAPR SO2 Allowance Expense (29)	Removal of Environmental Surcharge Provision for Refund (30)	Page Subtotal
	Operating Revenues							
1	Sales Of Electricity	\$0	\$0	\$0	\$0	\$0	\$1,635,430	\$1,635,430
2	Other Operating Revenues	0	0	0	0	0	0	\$0
		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,635,430</u>	<u>1,635,430</u>
3	Total Operating Revenues							
	Operating Expenses							
4	Operation & Maintenance	214,887	48,732	31,843	95,579	68,950	0	459,991
5	Depreciation	0	0	0	0	0	0	0
6	Taxes Other Than Income Taxes	0	0	0	0	0	0	0
7	State Income Tax	0	0	0	0	(3,720)	0	(3,720)
	Federal Income Tax :							
8	Current	0	0	0	0	(22,831)	0	(22,831)
9	Deferred	(75,210)	(17,056)	(11,145)	(33,453)	0	572,401	435,536
10	ITC Adjustment	0	0	0	0	0	0	0
		<u>139,677</u>	<u>31,676</u>	<u>20,698</u>	<u>62,126</u>	<u>42,399</u>	<u>572,401</u>	<u>868,976</u>
11	Total Operating Expenses							
12	Net Electric Operating Income (L3 - L11)	(139,677)	(31,676)	(20,698)	(62,126)	(42,399)	1,063,030	766,454
13	AFUDC Offset Adjustment / Deferred Income	0	0	0	0	0	0	0
14	Net Electric Operating Income - Adjusted	<u>(\$139,677)</u>	<u>(\$31,676)</u>	<u>(\$20,698)</u>	<u>(\$62,126)</u>	<u>(\$42,399)</u>	<u>\$1,063,030</u>	<u>\$766,454</u>
	Rate Base							
15	Electric Plant In Service - Gross	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Accum. Prov. For Depreciation	0	0	0	0	0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
17	Electric Plant In Service - Net	0	0	0	0	0	0	0
18	Plant Held For Future Use	0	0	0	0	0	0	0
19	Prepayments	0	0	0	0	0	0	0
20	Materials & Supplies	0	0	0	0	0	0	0
21	Cash Working Capital	26,861	6,092	3,980	11,947	8,619	0	57,499
22	Construction Work In Progress	0	0	0	0	0	0	0
	Less:							
23	Customer Advances & Deposits	0	0	0	0	0	0	0
24	Accumulated Deferred Income Taxes	0	0	0	0	0	0	0
		<u>26,861</u>	<u>6,092</u>	<u>3,980</u>	<u>11,947</u>	<u>8,619</u>	<u>\$0</u>	<u>\$57,499</u>
25	Total Rate Base	<u>\$26,861</u>	<u>\$6,092</u>	<u>\$3,980</u>	<u>\$11,947</u>	<u>\$8,619</u>	<u>\$0</u>	<u>\$57,499</u>

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KENTUCKY POWER COMPANY
ADJUSTMENTS SUMMARY
TWELVE MONTHS ENDED 3/31/2013

Line No. (1)	Description (2)	Removal Out of Period Refund Associated with Environmental Surcharge Clause (31)	Annualization of Property Tax Expense (32)	Amortization of Deferred Preliminary Big Sandy FGD Costs (33)	Fuel Under (Over) Revenues (34)	Incentive Compensation Plan (35)	Big Sandy Coal Stock (36)	Page Subtotal
	Operating Revenues							
1	Sales Of Electricity	\$1,159,112	\$0	\$0	(\$1,367,443)	\$0	\$0	(\$208,331)
2	Other Operating Revenues	0	0	0	0	0	0	\$0
3	Total Operating Revenues	<u>1,159,112</u>	<u>0</u>	<u>0</u>	<u>(1,367,443)</u>	<u>0</u>	<u>0</u>	<u>(208,331)</u>
	Operating Expenses							
4	Operation & Maintenance	0	0	1,025,615	0	(2,064,501)	0	(1,038,886)
5	Depreciation	0	0	0	0	0	0	0
6	Taxes Other Than Income Taxes	0	476,081	0	0	0	0	476,081
7	State Income Tax	62,531	(25,683)	0	0	111,374	0	148,222
	Federal Income Tax :							
8	Current	383,803	(157,639)	0	0	683,594	0	909,758
9	Deferred	0	0	(358,965)	(478,605)	0	0	(837,570)
10	ITC Adjustment	0	0	0	0	0	0	0
11	Total Operating Expenses	<u>446,334</u>	<u>292,759</u>	<u>666,650</u>	<u>(478,605)</u>	<u>(1,269,533)</u>	<u>0</u>	<u>(342,395)</u>
12	Net Electric Operating Income (L3 - L11)	712,778	(292,759)	(666,650)	(888,838)	1,269,533	0	134,064
13	AFUDC Offset Adjustment / Deferred Income	0	0	0	0	0	0	0
14	Net Electric Operating Income - Adjusted	<u>\$712,778</u>	<u>(\$292,759)</u>	<u>(\$666,650)</u>	<u>(\$888,838)</u>	<u>\$1,269,533</u>	<u>\$0</u>	<u>\$134,064</u>
	Rate Base							
15	Electric Plant In Service - Gross	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Accum. Prov. For Depreciation	0	0	0	0	0	0	0
17	Electric Plant In Service - Net	0	0	0	0	0	0	0
18	Plant Held For Future Use	0	0	0	0	0	0	0
19	Prepayments	0	0	0	0	0	0	0
20	Materials & Supplies	0	0	0	0	0	(20,875,574)	(20,875,574)
21	Cash Working Capital	0	0	128,202	0	(258,063)	0	(129,861)
22	Construction Work In Progress	0	0	0	0	0	0	0
	Less:							
23	Customer Advances & Deposits	0	0	0	0	0	0	0
24	Accumulated Deferred Income Taxes	0	0	0	0	0	0	0
25	Total Rate Base	<u>\$0</u>	<u>\$0</u>	<u>\$128,202</u>	<u>\$0</u>	<u>(\$258,063)</u>	<u>(\$20,875,574)</u>	<u>(\$21,005,435)</u>

KENTUCKY POWER COMPANY
ADJUSTMENTS SUMMARY
TWELVE MONTHS ENDED 3/31/2013

Line No. (1)	Description (2)	KPCo AFUDC Offset (37)	KPCo Annualization Employee Related Expense (38 - 43)	Removal of KPCo Severance Costs (44)	Removal of KPCo Repositioning Study Costs (45)	KPCo Depreciation Annualization Expense (46)	Mitchell Plant Incentive Compensation Plan (47)	Page Subtotal
Operating Revenues								
1	Sales Of Electricity	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	Other Operating Revenues	0	0	0	0	0	0	\$0
3	Total Operating Revenues	0	0	0	0	0	0	0
Operating Expenses								
4	Operation & Maintenance	0	609,325	(1,085,383)	(431,083)	0	(751,686)	(1,658,827)
5	Depreciation	0	0	0	0	16,405,498	0	16,405,498
6	Taxes Other Than Income Taxes	0	39,601	0	0	0	0	39,601
7	State Income Tax	0	(35,008)	58,553	23,256	0	40,551	87,352
Federal Income Tax :								
8	Current	0	(214,871)	359,391	142,739	0	248,897	536,156
9	Deferred	202,780	0	0	0	(4,540,714)	0	(4,337,934)
10	ITC Adjustment	0	0	0	0	0	0	0
11	Total Operating Expenses	202,780	399,047	(667,439)	(265,088)	11,864,784	(462,238)	11,071,846
12	Net Electric Operating Income (L3 - L11)	(202,780)	(399,047)	667,439	265,088	(11,864,784)	462,238	(11,071,846)
13	AFUDC Offset Adjustment / Deferred Income	1,368,889	0	0	0	0	0	1,368,889
14	Net Electric Operating Income - Adjusted	\$1,166,109	(\$399,047)	\$667,439	\$265,088	(\$11,864,784)	\$462,238	(\$9,702,957)
Rate Base								
15	Electric Plant In Service - Gross	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Accum. Prov. For Depreciation	0	0	0	0	16,405,498	0	\$16,405,498
17	Electric Plant In Service - Net	0	0	0	0	(16,405,498)	0	(16,405,498)
18	Plant Held For Future Use	0	0	0	0	0	0	0
19	Prepayments	0	0	0	0	0	0	0
20	Materials & Supplies	0	0	0	0	0	0	0
21	Cash Working Capital	0	76,166	(135,673)	(53,885)	0	(93,961)	(207,353)
22	Construction Work In Progress	0	0	0	0	0	0	0
Less:								
23	Customer Advances & Deposits	0	0	0	0	0	0	0
24	Accumulated Deferred Income Taxes	0	0	0	0	0	0	0
25	Total Rate Base	\$0	\$76,166	(\$135,673)	(\$53,885)	(\$16,405,498)	(\$93,961)	(\$16,612,851)

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KENTUCKY POWER COMPANY
ADJUSTMENTS SUMMARY
TWELVE MONTHS ENDED 3/31/2013

Line No. (1)	Description (2)	Mitchell Plant Maintenance (48)	Mitchell Coal Stock (49)	Mitchell Plant Annualization Employee Related Expense (50 - 55)	Removal of Mitchell Severance Costs (56)	Removal of Mitchell Repositioning Study Costs (57)	Mitchell AFUDC Offset (58)	Page Subtotal
Operating Revenues								
1	Sales Of Electricity	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	Other Operating Revenues	0	0	0	0	0	0	\$0
3	Total Operating Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Operating Expenses								
4	Operation & Maintenance	(490,521)	0	30,375	(270,416)	(201,809)	0	(932,371)
5	Depreciation	0	0	0	0	0	0	0
6	Taxes Other Than Income Taxes	0	0	12,275	0	0	0	12,275
7	State Income Tax	26,462	0	(2,301)	14,588	10,887	0	49,636
Federal Income Tax :								
8	Current	162,421	0	(14,122)	89,540	66,823	0	304,662
9	Deferred	0	0	0	0	0	815,801	815,801
10	ITC Adjustment	0	0	0	0	0	0	0
11	Total Operating Expenses	<u>(301,638)</u>	<u>0</u>	<u>26,227</u>	<u>(166,288)</u>	<u>(124,099)</u>	<u>815,801</u>	<u>250,003</u>
12	Net Electric Operating Income (L3 - L11)	301,638	0	(26,227)	166,288	124,099	(815,801)	(250,003)
13	AFUDC Offset Adjustment / Deferred Income	0	0	0	0	0	3,647,948	3,647,948
14	Net Electric Operating Income - Adjusted	<u>\$301,638</u>	<u>\$0</u>	<u>(\$26,227)</u>	<u>\$166,288</u>	<u>\$124,099</u>	<u>\$2,832,147</u>	<u>\$3,397,945</u>
Rate Base								
15	Electric Plant In Service - Gross	\$0	\$0	\$0	\$0	\$0	\$0	\$0
16	Accum. Prov. For Depreciation	0	0	0	0	0	0	\$0
17	Electric Plant In Service - Net	0	0	0	0	0	0	0
18	Plant Held For Future Use	0	0	0	0	0	0	0
19	Prepayments	0	0	0	0	0	0	0
20	Materials & Supplies	0	(1,151,258)	0	0	0	0	(1,151,258)
21	Cash Working Capital	(61,315)	0	3,797	(33,802)	(25,226)	0	(116,546)
22	Construction Work In Progress	0	0	0	0	0	0	0
Less:								
23	Customer Advances & Deposits	0	0	0	0	0	0	0
24	Accumulated Deferred Income Taxes	0	0	0	0	0	0	0
25	Total Rate Base	<u>(\$61,315)</u>	<u>(\$1,151,258)</u>	<u>\$3,797</u>	<u>(\$33,802)</u>	<u>(\$25,226)</u>	<u>\$0</u>	<u>(\$1,267,804)</u>

KENTUCKY POWER COMPANY
 ADJUSTMENTS SUMMARY
 TWELVE MONTHS ENDED 3/31/2013

Line No. (1)	Description (2)	Adjustments to Include Test Year Mitchell Plant O&M and Rate Base (59)	PJM Charges and Credits Adjustment to Reflect Pool Termination & Mitchell Transfer (60)	Mitchell Depreciation Annualization Expense (61)	Annualize Environmental Revenues: (62)	Annualize Removal Cost Schedule M (63)	Annualize Section 199 Manufacturing Deduction @ Separate Return: (64)	Page Subtotal
Operating Revenues								
1	Sales Of Electricity	\$0	\$0	\$0	(\$7,320,077)	\$0	\$0	(\$7,320,077)
2	Other Operating Revenues	0	0	0	0	0	0	\$0
3	Total Operating Revenues	0	0	0	(7,320,077)			(7,320,077)
Operating Expenses								
4	Operation & Maintenance	38,356,274	9,893,033	0	0	0	0	48,249,307
5	Depreciation	32,967,772	0	3,533,283	0	0	0	36,501,055
6	Taxes Other Than Income Taxes	5,028,422	0	0	0	0	0	5,028,422
7	State Income Tax	(4,118,987)	(533,699)	0	(394,896)	90,689	0	(4,956,893)
Federal Income Tax :								
8	Current	(25,281,718)	(3,275,767)	0	(2,423,813)	556,634	(43,153)	(30,467,817)
9	Deferred	0	0	(977,942)	0	0	0	(977,942)
10	ITC Adjustment	0	0	0	0	0	0	0
11	Total Operating Expenses	46,951,763	6,083,567	2,555,341	(2,818,709)	647,323	(43,153)	53,376,132
12	Net Electric Operating Income (L3 - L11)	(46,951,763)	(6,083,567)	(2,555,341)	(4,501,368)	(647,323)	43,153	(60,696,209)
13	AFUDC Offset Adjustment / Deferred Income	0	0	0	0	0	0	0
14	Net Electric Operating Income - Adjusted	(\$46,951,763)	(\$6,083,567)	(\$2,555,341)	(\$4,501,368)	(\$647,323)	\$43,153	(\$60,696,209)
Rate Base								
15	Electric Plant In Service - Gross	\$882,167,970	\$0	\$0	\$0	\$0	\$0	\$882,167,970
16	Accum. Prov. For Depreciation	283,170,159	0	3,533,283	0	0	0	\$286,703,442
17	Electric Plant In Service - Net	598,997,811	0	(3,533,283)	0	0	0	595,464,528
18	Plant Held For Future Use	0	0	0	0	0	0	0
19	Prepayments	0	0	0	0	0	0	0
20	Materials & Supplies	42,424,390	0	0	0	0	0	42,424,390
21	Cash Working Capital	4,794,534	1,236,629	0	0	0	0	6,031,163
22	Construction Work In Progress	39,608,974	0	0	0	0	0	39,608,974
Less:								
23	Customer Advances & Deposits	0	0	0	0	0	0	0
24	Accumulated Deferred Income Taxes	147,947,146	0	0	0	0	0	147,947,146
25	Total Rate Base	\$537,878,563	\$1,236,629	(\$3,533,283)	\$0	\$0	\$0	\$535,581,909

KENTUCKY POWER COMPANY
ADJUSTMENTS SUMMARY
TWELVE MONTHS ENDED 3/31/2013

Line No. (1)	Description (2)	Mitchell Plant Depreciation Related Schedule M's (65)	Removal of Big Sandy Depreciation and O&M (66)	Amortization of Big Sandy Depreciation and O&M (67)	Remove Mitchell ARO from Rate Base (68)	(69)	(70)	Page Subtotal
Operating Revenues								
1	Sales Of Electricity	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2	Other Operating Revenues	0	0	0	0	0	0	\$0
3	Total Operating Revenues							0
Operating Expenses								
4	Operation & Maintenance	0	(19,616,728)	6,702,565	0	0	0	(12,914,163)
5	Depreciation	0	(23,789,528)	8,129,400	0	0	0	(15,660,128)
6	Taxes Other Than Income Taxes	0	0	0	0	0	0	0
7	State Income Tax	262,899	2,341,637	0	0	0	0	2,604,536
Federal Income Tax :								
8	Current	1,613,632	14,372,617	0	0	0	0	15,986,249
9	Deferred	(1,705,646)	0	(5,191,188)	0	0	0	(6,896,834)
10	ITC Adjustment	0	0	0	0	0	0	0
11	Total Operating Expenses	170,885	(26,692,002)	9,640,777	0	0	0	(16,880,340)
12	Net Electric Operating Income (L3 - L11)	(170,885)	26,692,002	(9,640,777)	0	0	0	16,880,340
13	AFUDC Offset Adjustment / Deferred Income	0	0	0	0	0	0	0
14	Net Electric Operating Income - Adjusted	(\$170,885)	\$26,692,002	(\$9,640,777)	\$0	\$0	\$0	\$16,880,340
Rate Base								
15	Electric Plant In Service - Gross	\$0	\$0	\$0	(\$2,694,878)	\$0	\$0	(\$2,694,878)
16	Accum. Prov. For Depreciation	0	0	0	(573,773)	0	0	(\$573,773)
17	Electric Plant In Service - Net	0	0	0	(2,121,105)	0	0	(2,121,105)
18	Plant Held For Future Use	0	0	0	0	0	0	0
19	Prepayments	0	0	0	0	0	0	0
20	Materials & Supplies	0	0	0	0	0	0	0
21	Cash Working Capital	0	(2,452,091)	837,821	0	0	0	(1,614,270)
22	Construction Work In Progress	0	0	0	0	0	0	0
Less:								
23	Customer Advances & Deposits	0	0	0	0	0	0	0
24	Accumulated Deferred Income Taxes	0	0	0	0	0	0	0
25	Total Rate Base	\$0	(\$2,452,091)	\$837,821	(\$2,121,105)	\$0	\$0	(\$3,735,375)

Kentucky Power Company
Adjustment to include in Test Year Operating Expense
the Interest Expense Associated with Customer Deposits
Test Year Ended 3/31/2013

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PAGE 1

<u>Line No</u> (1)	<u>Description</u> (2)	<u>Amount</u> (3)
1	Customer Deposits at 03/31/13	<u>\$23,811,141</u>
2	Interest at 0.18% (Ln 1 X .18%)	<u>\$42,860</u>
3	Adjustment to O&M Expense	\$42,860
4	Allocation Factor - SPECIFIC	<u>1.000</u>
5	KPSC Jurisdiction Amount (Ln 3 X Ln 4)	<u><u>\$42,860</u></u>

Witness: L. P. Munsey

Kentucky Power Company
Adjustment to Eliminate Non-Recurring Joint Use Survey Revenue
Test Year Ended 3/31/2013

SECTION V
WORKPAPER S-4
PAGE 2

Line No. (1)	Description (2)	Amount (3)
1	Eliminate Non-Recurring Joint Use Survey Revenue	\$1,083,276
2	Allocation Factor - SPECIFIC	99.9988410%
3	KPSC Jurisdictional Amount (Ln 1 X Ln 2)	\$1,083,264 =====
4	Adjustment to Remove Non-Recurring Joint Use Survey Revenue	(\$1,083,264)
	Allocation:	
5	March 2013 Number of Retail Customers	172,559
6	March 2013 Number of Wholesale Customers	2
7	March 2013 total Number of Customers	172,561 =====
8	Percentage Retail Customers are of the total Number of Customers (Ln 5 / Ln 7)	99.9988409895631%

Witness: L.P. Munsey

Kentucky Power Company
Capacity Charge Revenues
Rockport Unit Power Agreement
Test Year Ended 3/31/2013

SECTION V
WORKPAPER S-4
PAGE 3

<u>Line No.</u> (1)	<u>Month</u> (2)	<u>Year</u> (3)	<u>Per Book Revenues</u> ¹ (4)
1	April	2012	\$419,021
2	May	2012	\$463,984
3	June	2012	\$442,927
4	July	2012	\$502,364
5	August	2012	\$472,326
6	September	2012	\$403,443
7	October	2012	\$461,359
8	November	2012	\$493,808
9	December	2012	\$526,156
10	January	2013	\$578,307
11	February	2013	\$515,098
12	March	2013	<u>\$533,804</u>
13	Sub-total		<u>\$5,812,595</u>
14	Adjustment to Remove Capacity Charge Revenues *		(\$5,812,595)
15	Allocation Factor - SPECIFIC		<u>1.000</u>
16	KPSC Jurisdiction Amount (Ln 14 X Ln 15)		<u><u>(\$5,812,595)</u></u>

* Pursuant to Commission's Order Dated
December 14, 2004 in Case No. 2004-00420

^{1/} See Exhibit LPM - 3

Witness: L.P. Munsey

Kentucky Power Company
AEP Pool Capacity Payments
Test Year Ended 3/31/2013

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PAGE 4

Ln No (1)	Month (2)	Year (3)	Actual AEP Pool Capacity Payments (4)	Adjustments to Reflect the Termination of Pool Agreement Effective 1/1/2014 (5)	AEP Pool Capacity Costs Test Year Adjusted (6) <small>(C6 = Cols 4 & 5)</small>
1	April	2012	\$1,454,640	(\$1,454,640)	\$0
2	May	2012	\$1,463,760	(\$1,463,760)	\$0
3	June	2012	\$1,418,160	(\$1,418,160)	\$0
4	July	2012	\$1,467,180	(\$1,467,180)	\$0
5	August	2012	\$1,878,148	(\$1,878,148)	\$0
6	September	2012	\$1,840,098	(\$1,840,098)	\$0
7	October	2012	\$1,854,699	(\$1,854,699)	\$0
8	November	2012	\$1,888,117	(\$1,888,117)	\$0
9	December	2012	\$1,895,396	(\$1,895,396)	\$0
10	January	2013	\$1,713,770	(\$1,713,770)	\$0
11	February	2013	\$2,206,292	(\$2,206,292)	\$0
12	March	2013	<u>\$2,321,560</u>	<u>(\$2,321,560)</u>	\$0
13	Sub-total		<u>\$21,401,820</u>	<u>(\$21,401,820)</u>	\$0
14	Test Year Actual Pool Capacity Payments				<u>\$21,401,820</u>
15	Test Year Adjustment				(\$21,401,820)
16	Estimate vs. Actual Adjustment (Ln 14 - 21,519,292)				<u>(\$117,472)</u>
17	Sub-total				(\$21,519,292)
18	Allocation Factor - GP-TOT				<u>0.990</u>
19	KPSC Jurisdiction Amount				<u>(\$21,304,099)</u>

Witness: R. K. Wohnhas

Kentucky Power Company
Amortization Out of Period Commission
Mandated Consultant Cost
Test Year Ended 3/31/2013

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PAGE 5

<u>Ln No</u> (1)	<u>KPSC Case Number</u> (2)	<u>Consultant</u> (3)	<u>Total Amount Paid by KPCo</u> (4)
1	Case No. 2011-00295	Accion Group Inc.	26,440
2	Case No. 2011-00401	Vantage Energy Consulting, LLC	119,338
3	Case No. 2012-00578	Vantage Energy Consulting LLC	<u>30,680</u>
4	Sub-total		176,458
5	Less: Costs Incurred during Test Year		<u>(84,978)</u>
6	Remaining Commission Mandated Consultant Cost to be Amortized		91,480
7	Number of Allocation Periods		<u>3</u>
8	Annual Amortization Amount (Ln 6 / Ln 7)		30,493
9	Allocation Factor - SPECIFIC		<u>1.000</u>
10	KPSC Jurisdictional Amount (Ln 8 * Ln 9)		<u><u>\$30,493</u></u>

Witness: L.P. Munsey

Kentucky Power Company
Net Temporary Investment Income and or Expense
Test Year Ended 3/31/2013

SECTION V
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PAGE 6

Line No. (1)	Description (2)	Amount (3)
1	Account 4190005 Interest Income Twelve Months Ended March 31, 2013	\$137,358
2	Account 4300003 Interest Expense Twelve Months Ended March 31, 2013	<u>12,078</u>
3	Interest Income / Expense (Ln 1 - Ln 2)	\$125,280
4	Allocation Factor - OP-REV	<u>0.988</u>
5	KPSC Jurisdiction Amount (Ln 3 * Ln 4) * -1	<u><u>(\$123,777)</u></u>

Witness: R. K. Wohnhas

**Kentucky Power Company
Miscellaneous Service Charges
Test Year Ended 3/31/2013**

SECTION V
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PAGE 7

<u>Line No.</u> (1)	<u>Description</u> (2)	<u>Amount</u> (3)
1	Revenue From Miscellaneous Service Charges Adjusted For Increased Rates	\$917,258
2	RCLM Revenue Reclassification (See also Ln 5 of Customer Migration Adjustment)	\$931
3	Test Year Revenue From Miscellaneous Service Charges ^{1/}	<u>\$330,380</u>
4	Increase Other Operating Revenue (Ln 1 - Ln 2 - Ln 3) ^{2/}	\$585,947
5	Allocation Factor - SPECIFIC	<u>1.000</u>
6	KPSC Jurisdiction Amount (Ln 4 X Ln 5)	<u><u>\$585,947</u></u>

^{1/} See Exhibit LPM - 8

^{2/} See Exhibit LPM - 6

Witness: L. P. Munsey

Kentucky Power Company
 Annualization of CATV Revenues
 Test Year Ended 3/31/2013

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 PAGE 8

<u>Line No.</u>	<u>Description</u> (2)	<u>Amount</u> (3)
1	Projected Revenues for 2013	4,070,000
	Less:	
2	Total CATV Revenues for TYE 3/31/2013	\$5,352,828
3	Adjustment to CATV Revenues (Ln 1 - Ln 2)	(1,282,828)
4	Allocation Factor - SPECIFIC	0.9999884
5	KPSC Jurisdiction Amount (Ln 3 X Ln 4)	(\$1,282,814) =====
	Allocation:	
6	March 2013 Number of Retail Customers	172,559
7	March 2013 Number of Wholesale Customers	2
8	March 2013 total Number of Customers (Ln 6 + Ln 7)	172,561 =====
9	Percentage Retail Customers are of the total Number of Customers (Ln 6 / Ln 8)	99.998841%

Witness: L. P. Munsey

**Kentucky Power Company
Annualization of Public Service Commission
Maintenance Assessment to Reflect Assessment for
PSC Fiscal Year July 1, 2012 - 2013
Test Year Ended 3/31/2013**

SECTION V
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PAGE 9

Line No. (1)	Month (2)	Year (3)	Restatement of Charges to Reflect Monthly Costs for Fiscal Year 7/1/2012 - 2013 (4)	Per Books Actual (5)	Difference (C3-C4) (6)
1	April	2012	\$85,849	\$68,810	\$17,039
2	May	2012	\$85,849	\$68,810	\$17,039
3	June	2012	\$85,849	\$68,810	\$17,039
4	July	2012	\$85,849	\$85,849	\$0
5	August	2012	\$85,849	\$85,849	\$0
6	September	2012	\$85,849	\$85,849	\$0
7	October	2012	\$85,849	\$85,849	\$0
8	November	2012	\$85,849	\$85,849	\$0
9	December	2012	\$85,849	\$85,849	\$0
10	January	2013	\$85,849	\$85,849	\$0
11	February	2013	\$85,849	\$85,849	\$0
12	March	2013	<u>\$85,849</u>	<u>\$85,849</u>	<u>\$0</u>
13	Total		<u><u>\$1,030,191</u></u> *	<u><u>\$979,071</u></u>	\$51,117
14	Allocation Factor - SPECIFIC				<u>1.000</u>
15	Kentucky Jurisdiction Amount (Ln 13 X Ln 14)				<u><u>\$51,117</u></u>

* Per Department of Revenue Notice No.106344574, dated June 19, 2012

Witness: L. P. Munsey

**Kentucky Power Company
Normalization of Storm Damage Expense
Test Year Ended 3/31/2013**

SECTION V
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PAGE 10

Line No (1)	Twelve Months Ended (2)	Storm Damage Expense Excl. In-House Labor (3)	Handy - Whitman Index ^{1/} (4)	Constant Dollar Index ^{1/} (5)	Constant Dollar Expense (Col 6 = Cols 4 X 5)
1	12 Months Ended 3/31/13	\$7,040,572	591	1.00	\$7,040,572
2	12 Months Ended 3/31/12	\$9,605,414	575	1.03	\$9,893,576
3	12 Months Ended 3/31/11	\$1,393,286	547	1.08	<u>\$1,504,749</u>
4	3-Year Total Storm Damage				\$18,438,897
5	Less: Deferral Case No. 2012-00445				<u>\$12,146,000</u>
6	Sub-total				\$6,292,897
7	3-year Average (Ln 6 / 3)				\$2,097,632
8	Test Year Storm Damage Expense Less Deferral				<u>\$1,633,828</u>
9	Adjustment to O&M for Storm Damage Normalization (Ln 7 - Ln 8)				\$463,804
10	Allocation Factor - GP-TOT				<u>0.990</u>
11	KPSC Jurisdictional Amount (Ln 9 x Ln 10)				<u><u>\$459,166</u></u>

^{1/} Handy-Whitman Contract Labor Index
Reference E-2 Line 42

2012 / Jul	591
2011 / Jul	575
2010 / Jul	547

Witness: R. K. Wohnhas

Kentucky Power Company
Amortization of Major Storm Cost Deferral
Test Year Ended 3/31/2013

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Line No. (1)	Description (2)	Storm Cost Deferral Excludes In-House Labor (3)
1	Deferral Amount Authorized By Order Dated January 7, 2013 in Case No. 2012-00445	\$ 12,146,000
2	Add: Deferral Amount Authorized in Order Dated June 28, 2010 in Case No. 2009-00459	24,492,206
3	Less: Amount to be collected through 12/31/13 in accordance with Order Dated June 28, 2010 in Case No. 2009-00459	16,444,554
4	Subtotal (Ln 1 + Ln 2 - Ln 3)	20,193,652
5	Number of Amortization Periods	5
6	Annual Amortization Amount (Ln 4 / Ln 5)	\$4,038,730
7	Test Year Amortization	(4,698,444)
8	Amortization Adjustment	(\$659,714)
9	Allocation Factor - PDAF	0.985
10	KPSC Jurisdictional Amount (Ln 8 X Ln 9)	(\$649,818)

Witness: R. K. Wohnhas

Kentucky Power Company
 Amortization of Rate Case Expense
 Test Year Ended 3/31/2013

SECTION V
 WORKPAPER S-4
 PAGE 12

Line No. (1)	<u>Description</u> (2)	<u>Amount</u> (3)
	Estimated Cost:	
1	Legal Expense	\$330,000
2	Other Professional Services	\$25,000
3	Publication Notices	\$280,000
4	KPCo Overtime and Out of Pocket Costs	<u>\$15,000</u>
5	Total Estimated Costs (Ln 1 + Ln 2 + Ln 3 + Ln 4 + Ln 5)	\$650,000
6	Number of Years	<u>3</u>
7	Annual Average Rate Case Costs (Ln 6 / Ln 7)	\$216,667
8	Less: Rate Case Expense in Test Year	<u>\$0</u>
9	Adjustment to Test Year O&M Expense (Ln 8 - Ln 9)	\$216,667
10	Allocation Factor - SPECIFIC	<u>1.000</u>
11	KPSC Jurisdiction Amount (Ln 10 X Ln 11)	<u><u>\$216,667</u></u>

Witness: R. K. Wohnhas

Kentucky Power Company
 Adjustment for Postage Rate Increase
 Effective January 27, 2013
 Test Year Ended 3/31/2013

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 PAGE 13

Line No. (1)	Description (2)	Amount (3)
1	Number of Bills, Notices and Letters Mailed April 1, 2012 through March 31, 2013	2,034,667
2	Postage Rate Increase per Mailed Item 1/	\$0.010
3	Adjustment to O&M for Postage Increase (Ln 1 X Ln 2)	\$20,347
4	Allocation Factor - SPECIFIC	1.000
5	KPSC Jurisdictional Amount (Ln 3 X Ln 4)	\$20,347

1/ Effective Date of Postage Increase was January 27, 2013
 Rate of Increase was 2.48%
 Current Average Postage Rate was \$0.364
 Increase Cost was \$0.010

Witness: L. P. Munsey

Kentucky Power Company
 Annualization of Amortization of Intangible Plant
 Test Year Ended 3/31/2013

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 WORKPAPER S-4
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Line No. (1)	Description (2)	Balance As of 03/31/2013 1/ (3)	Monthly Amortization (4)	Average Amortization Rate Amount (5)
1	Balance as of March 31, 2013	\$18,253,425	\$275,048	1.51%
2	Number of Months		12	
3	Twelve Months Annualized Expense		\$3,300,576	
4	Twelve Months Actual Amortization 2/		\$2,924,621	
5	Difference (Ln 3 - Ln 4)		\$375,955	
6	Allocation Factor - GP-PTD		0.990	
7	KPSC Jurisdictional Amount (Ln 5 X Ln 6)		<u>\$372,195</u>	
8	Deferred Tax (Ln 7 X .35)		<u>(\$130,268)</u>	

Source:

- 1/ Schedule 11 Line No. 24
- 2/ Schedule 8 Line No. 5

Witness: R. K. Wohnhas

Kentucky Power Company
Adjustment to Eliminate Advertising Expense
Pursuant to Commission Regulation 807 KAR 5:016 Section 4(1)
Test Year Ended 3/31/2013

SECTION V
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PAGE 15

Line No. (1)	Description (2)	Amount (3)
1	Test Year Advertising Expense	\$170,955
2	Amount of Advertising to be Eliminated	(\$29,713)
3	Allocation Factor - SPECIFIC	1.000
4	KPSC Jurisdictional Amount (Ln 2 X Ln 3)	(\$29,713)

Witness: L. P. Munsey

Kentucky Power Company
 Deferred Investment Tax Credit Adjustment
 Test Year Ended 3/31/2013

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 WORKPAPER S-4
 PAGE 16

Line No. (1)	Description (2)	Amount (3)
1	January 01, 2014 thru December 31, 2014 Amortization	(\$96,040)
2	Adjustment Due to Change in Proposed Depreciation Rates	\$18,192
3	Total DITC Amortization first year rates are in effect (Ln 1 + Ln 2)	(\$77,848)
4	Total DITC Amortization during the Test Year	(\$266,007)
5	DITC Amortization Adjustment (Ln 3 - Ln 4)	\$188,159
6	Allocation Factor - GP-TOT	0.990
7	KPSC Jurisdictional Amount (Ln 5 X Ln 6)	\$186,277

Witness: J. B. Bartsch

Kentucky Power Company
 System Sales Margins Adjustment
 Test Year Ended 3/31/2013

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 WORKPAPER S-4
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Line No (1)	Month (2)	Year (3)	Monthly System Sales Clause Factor (4)	Billed & Accrued kWh (5)	Customer Share (Credit) / Charge Monthly Revenues (6)
1	April	2012	(0.0005271)	493,538,199	(\$260,144)
2	May	2012	0.0007317	541,622,573	\$396,305
3	June	2012	0.0007578	515,293,039	\$390,489
4	July	2012	0.0002898	572,828,111	\$166,006
5	August	2012	(0.0005911)	548,513,905	(\$324,218)
6	September	2012	(0.0019506)	470,754,050	(\$918,253)
7	October	2012	0.0009045	537,440,045	\$486,115
8	November	2012	0.0008381	570,550,469	\$478,178
9	December	2012	0.0006639	601,025,479	\$399,007
10	January	2013	0.0009852	658,278,583	\$648,559
11	February	2013	0.0004889	582,916,602	\$285,012
12	March	2013	(0.0006511)	607,159,071	(\$395,321)
13	Total	Total			<u>\$1,351,735</u>
14	Allocation Factor - SPECIFIC				<u>1.000</u>
15	Base Rate Adjustment Expense (Ln 13 X Ln 14)				<u>\$1,351,735</u> =====

Witness: R. K. Wohnhas

Kentucky Power Company
Annualization of Lease Costs
Test Year Ended 3/31/2013

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Line No. (1)	Description (2)	Amount (3)
1	Annualization of March 31, 2013 Monthly Lease Costs (\$188,598 X 12)	\$2,263,176
2	Lease Expense in the Test Year	<u>2,699,296</u>
3	Adjustment to Test year Lease Expense (Ln 1 - Ln 2)	<u>(\$436,120)</u>
4	Adjustment Applicable to O&M (Ln 3 X 61.78%) (Source: Section V, WP S-7, P 3, C 4, Ln 1 - 61.78%)	(\$269,435)
5	Allocation Factor - GP-TOT	<u>0.990</u>
6	KPSC Jurisdictional Amount (Ln 4 X Ln 5)	<u>(\$266,741)</u> =====

Witness: L. P. Munsey

Kentucky Power Company
Net Line of Credit Fee
Test Year Ended 03/31/2013

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Line No. (1)	Description (2)	Amount (3)
1	Actual Net Line of Credit Fee Recorded for 12 Months Ended 03/31/2013	\$644,071
2	Allocation Factor - GP-TOT	0.990
3	KPSC Jurisdictional Amount (Ln 1 X Ln 2)	<u>\$637,630</u> =====

Witness: R. K. Wohnhas

Kentucky Power Company
 Reliability Adjustment
 Test Year Ended 3/31/2013

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Line No. (1)	Description (2)	Annual Expense (3)	Adjustment Amount (4)
Operation and Maintenance Expense:			
1	Actual O & M Expenses Incurred, TYE 3/31/13	\$17,930,820	
2	Annual O&M amount approved in Case No. 2009-00459*	<u>\$17,237,965</u>	
3	Difference in TY amount and Target amount (Ln 2 - Ln 1)	(\$692,855)	
4	Allocation Factor - GP-DIST		0.999
5	KPSC Jurisdictional Amount (Ln 3 X Ln 4)		<u>(\$692,162)</u> =====

* Unanimous Settlement Agreement approved on June 28, 2010

Witness: R. K. Wohnhas

Kentucky Power Company
Interest Synchronization Adjustment
Test Year Ended 3/31/2013

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Line No. (1)	Description (2)	Amount (3)
1	LTD, per Capitalization (Sch 3, C 13, Ln 1)	\$825,556,993
2	LTD Rate (WP S-2, P 1 , C 5 , Ln 1)	5.98%
3	Annualized LTD Interest	<u>\$49,368,308</u>
4	STD, per Capitalization (Sch 3, C 13, Ln 2)	(\$11,511,357)
5	STD Rate (WP S-2, P 1 , C 5 , Ln 2)	0.30%
6	Annualized STD Interest	<u>(\$34,534)</u>
7	Total Annualization Interest (Ln 3 + Ln 6)	<u>\$49,333,774</u>
8	Total Interest Charges per Books (Excludes Account 4320000 - ABFUDC)	\$36,703,627
9	Percent Retail (GP-TOT)	0.99%
10	Retail Interest (Ln 8 X Ln 9)	<u>\$36,336,591</u>
11	Increase Interest Expense (Ln 7 - Ln 10)	\$12,997,183
12	SIT Rate	5.3947%
13	SIT Adjustment (Ln 11 X Ln 12)	<u>(\$701,159)</u> =====
14	Net Change for FIT (Ln 11 + Ln 13)	\$12,296,024
15	FIT Rate	35.00%
16	FIT Adjustment (Ln 14 X Ln 15)	<u>(\$4,303,608)</u> =====

Witness: R. K. Wohnhas

Kentucky Power Company
Customer Migration Adjustment
Test Year Ended 3/31/2013

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Line No. (1)	Description (2)	Amount (3)
1	Annualized Revenue Based on Billing Tariff at 03/31/2013	\$501,174,552
2	Test Year Revenues - Sales of Electricity (Section V, Sch. 5, C 6, Ln 1)	\$500,358,022
	Less:	
3	Test year Capacity Charge Revenue Adjustment (Section V, WP S-4, P 3, Ln 16)	\$5,812,595
4	Environmental Surcharge Revenue Adjustment	(\$1,159,112)
5	RCLM Revenue Reclassification	(\$931)
6	Out-of-Period RTP Revenue Adjustment	\$73,010
7	Remove Provision for Environmental Refund	(\$1,635,430)
8	Subtotal (Ln 2 - Ln 3 - Ln 4 - Ln 5 - Ln 6 - Ln 7)	\$497,267,890
9	(Over) / Under Recovery of Fuel Adjustment (Section V, WP S-4, P 34, Ln 8)	(\$1,367,443)
10	Adjusted Test Year Revenues (Ln 8 + Ln 9)	\$495,900,447
11	Kentucky Jurisdictional Revenue Adjustment (Ln 1 - Ln 10)	\$5,274,105
12	RCLM Revenue Reclassification	\$931
13	Post Test Year Adjustment to RTP Revenue	(\$73,010)
14	Net Adjustment	
15	Increase Sales Revenue (Ln 11 + Ln 12 + Ln 13)	\$5,202,026
16	Reduce Other Operating Revenue (Ln 12 X -1)	(\$931)
17	Total (Ln 15 + Ln 16)	\$5,201,095

Witness: J. M. Stegall

Kentucky Power Company
 Revenue Customer Annualization
 Test Year Ended 3/31/2013

SECTION V
 WORKPAPER S-4
 PAGE 23

Line No. (1)	Description (2)	Amount (3)
1	Electric Revenue	(\$6,452,693)
	Less:	
2	Operation and Maintenance Expense *	(\$4,016,801)
3	Net Electric Operating Income (Ln 1 - Ln 2)	(\$2,435,892)
4	Allocation Factor - SPECIFIC	1.000
5	KPSC Jurisdictional Amount (Ln 3 X Ln 4)	(\$2,435,892)

* Test year O&M Expenses were 62.25% of test year revenues 62.25%

Witness: J. M. Stegall

Kentucky Power Company
Pension and OPEB Expense Adjustment
Test Year Ended 3/31/2013

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Line No. (1)	Description (2)	Amount (3)
1	Pension Costs per 2013 Actuarial Report	\$4,061,812
2	Pension Costs for the Twelve Months Ended 03/31/2013	<u>\$3,449,700</u>
3	Adjustment to Test Year Pension Costs (Ln 1 - Ln 2)	<u>\$612,112</u>
4	OPEB Costs per 2013 Actuarial Report	(\$1,007,225)
5	OPEB Costs for the Twelve Months Ended 03/31/2013	<u>\$1,244,389</u>
6	Adjustment to Test Year OPEB Cost (Ln 4 - Ln 5)	<u>(\$2,251,614)</u>
7	Adjusted Test Year Revenues (Ln 3 + Ln 6)	<u>(\$1,639,502)</u>
8	Pension and OPEB Funding Applicable to O&M (Ln 7 X 61.78%) (Source: Section V, WP S-7, P 3, C 4, Ln 1 - 61.78%)	(\$1,012,884)
9	Allocation Factor - OML	<u>0.992</u>
10	KPSC Jurisdiction (Ln 8 * Ln 9)	<u>(\$1,004,781)</u> =====
11	Adjustments to Prepayments in Rate Base (Account 1650010 - Prepaid Pension Benefits)	<u>\$26,308,055</u> =====
12	Deferred Taxes Associated with the Prepayments Amount (Ln 11 * 35%)	<u>(\$9,207,819)</u> =====

Witness: H. McCoy

Kentucky Power Company
Amortization of Post Retirement Benefits (PRB)
Test Year Ended 03/31/2013

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Line No. (1)	Description (2)	Total Amount (3)
1	PRB Deferred as of March 31, 2013	\$2,599,440
2	Proposed Amortization Period (Years)	<u>12</u>
3	Annual Amortization Amount (Ln 1 / Ln 2)	\$216,620
4	Allocation Factor - OML	<u>0.992</u>
5	KPSC Jurisdictional Amount (Ln 3 X Ln 4)	<u><u>\$214,887</u></u>

Witness: T. E. Mitchell

Kentucky Power Company
Amortization of Deferred IGCC Costs
Test Year Ended 03/31/2013

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Line No. (1)	Description (2)	Total Amount (3)
1	IGCC Cost Deferred as of March 31, 2013	\$1,335,811
2	Proposed Amortization Period (Years)	<u>27</u>
3	Annual Amortization Amount (Ln 1 / Ln 2)	\$49,474
4	Allocation Factor - PDAF	<u>0.985</u>
5	KPSC Jurisdictional Amount (Ln 3 X Ln 4)	<u><u>\$48,732</u></u>

Witness: T. E. Mitchell

Kentucky Power Company
Amortization of Deferred Carbon Capture
Sequestration Front End Engineering and Design
(CCS FEED) Study Costs
Test Year Ended 03/31/2013

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Line No. (1)	Description (2)	Total Amount (3)
1	CCS FEED Study Costs Deferred as of March 31, 2013	\$872,858
2	Proposed Amortization Period (Years)	27
3	Annual Amortization Amount (Ln 1 / Ln 2)	\$32,328
4	Allocation Factor - PDAF	0.985
5	KPSC Jurisdictional Amount (Ln 3 X Ln 4)	\$31,843

Witness: T. E. Mitchell

Kentucky Power Company
Amortization of Deferred CARRS Site Costs
Test Year Ended 03/31/2013

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Line No. (1)	Description (2)	Total Amount (3)
1	CARRS Plant Site Costs Deferred as of March 31, 2013	\$2,619,935
2	Proposed Amortization Period (Years)	27
3	Annual Amortization Amount (Ln 1 / Ln 2)	\$97,035
4	Allocation Factor - PDAF	0.985
5	KPSC Jurisdictional Amount (Ln 3 X Ln 4)	\$95,579

Witness: T. E. Mitchell

Kentucky Power Company
 Amortization of CSAPR
 SO2 Allowances Expense
 Test Year Ended 03/31/2013

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Line No. (1)	Description (2)	Total Amount (3)
1	CSAPR SO2 Allowances Expense Deferred as of March 31, 2013	\$350,000
2	Proposed Amortization Period (Years)	5
3	Annual Amortization Amount (Ln 1 / Ln 2)	\$70,000
4	Allocation Factor - PDAF	0.985
5	KPSC Jurisdictional Amount (Ln 3 X Ln 4)	\$68,950

Witness: R. K. Wohnhas

Kentucky Power Company
Removal of Environmental Surcharge
Booked Provision for Refund
Test Year Ended 03/31/2013

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Line No. (1)	Description (2)	Total Amount (3)
1	Increase Operating Revenues to Remove January 2011 through December 2011 Environmental Surcharge Provision for Refund for the twelve months ended March 31, 2013 charged to account 449.	\$1,635,430
2	Allocation Factor - SPECIFIC	1.000
3	KPSC Jurisdictional Amount (Ln 1 X Ln 2)	<u>\$1,635,430</u> =====

Witness: T. E. Mitchell

Kentucky Power Company
Removal Out of Period Refund Associated with
Environmental Surcharge Clause
Test Year Ended 03/31/2013

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Line No. (1)	Description (2)	Total Amount (3)
1	Remove Refund Associated with Environmental Surcharge Clause for the twelve months ended March 31, 2013	\$1,159,112
2	Allocation Factor - SPECIFIC	1.000
3	KPSC Jurisdictional Amount (Ln 1 X Ln 2)	<u>\$1,159,112</u> =====

Witness: L. P. Munsey

Kentucky Power Company
 Annualization of Property Taxes
 Test Year Ended 3/31/2013

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Line No. (1)	Description (2)	(3)	Amount (4)
1	Estimated 2013 Property Taxes on Operating Property Based on December 31, 2012 Assessable Property Value and the Latest Actual Property	\$9,983,709	
2	Less: Estimated Property Tax on Future Plant Site (Carrs Property)	\$46,900	
3	Net Estimated Property Tax Based on December 31, 2012 Assessable Property Value and Latest Actual Property Rates (Ln 1 - Ln 2)		\$9,936,803
4	Property Taxes Charged for the 12 Months Ended 03/31/2013	\$9,502,813	
5	Less: Actual Property Tax on Future Plant Site (Carrs Property)	\$46,900	
6	Net Property Tax Charged Accounts 4081005, 4081029 & 4081036 12 Months Ended 03/31/2013 (Ln 4 - Ln 5)		\$9,455,913
7	Adjustment to Property Tax Expense (Ln 3 - Ln 6)		\$480,890
8	Allocation Factor - GP-TOT		0.990
9	KPSC Jurisdictional Amount (Ln 7 X Ln 8)		\$476,081

Witness: L. P. Munsey

Kentucky Power Company
 Amortization of Deferred Preliminary Big Sandy FGD Costs
 Test Year Ended 03/31/2013

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Line No. (1)	Description (2)	Total Amount (3)
1	Big Sandy FGD Costs Deferred as of March 31, 2013	\$28,113,304
2	Proposed Amortization Period (Years) Over the Life of Mitchell Plant	27
3	Annual Amortization Amount (Ln 1 / Ln 2)	\$1,041,233
4	Allocation Factor - PDAF	0.985
5	KPSC Jurisdictional Amount (Ln 3 X Ln 4)	\$1,025,615

Witness: T. E. Mitchell

**Kentucky Power Company
Fuel Under / (Over) Revenues
Test Year Ended 3/31/2013**

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<u>Line No.</u> (1)	<u>Description</u> (2)	<u>Amount</u> (3)
1	Fuel Revenue	Exhibit LPM-4, Col 18, Ln 15 <u>\$179,690,150</u>
2	Fuel Cost per Monthly F. A. C. Filings	Exhibit LPM-4, Col 8, Ln 15 \$187,112,763
3	Deferred Fuel Cost	Exhibit LPM-4, Col 9, Ln 15 <u>(\$8,790,056)</u>
4	Total Fuel Cost (Ln 2 + Ln 3)	<u>\$178,322,707</u>
5	Over/(Under) Recovery of Fuel (Ln 1 - Ln 4)	\$1,367,443
6	Adjustment to Operating Revenue	(\$1,367,443)
7	Allocation Factor - SPECIFIC	<u>1.000</u>
8	KPSC Jurisdictional Amount (Ln 6 x Ln 7)	<u>(\$1,367,443)</u>
9	Deferred Tax (Ln 8 x 0.35)	<u>(\$478,605)</u>

Witness: L. P. Munsey

Kentucky Power Company
Incentive Compensation Plan Adjustment
Test Year Ended 3/31/2013

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<u>Line No.</u> (1)	<u>Description</u> (2)	<u>Amount</u> (3)
1	Incentive Plan Payout at a 1.0 Payout	\$3,697,125
2	Test Year Actual Incentive Plan Payout	<u>\$5,778,275</u>
3	Adjustment to Test year Incentive Plan costs (Ln 1 - Ln 2)	<u>(\$2,081,150)</u>
4	Allocation Factor - OML	<u>0.992</u>
5	Kentucky Jurisdiction Amount (Ln 3 X Ln 4)	<u><u>(\$2,064,501)</u></u>

Witness: T. E. Mitchell

Kentucky Power Company
 Coal Stock Adjustment
 Big Sandy Plant
 Test Year Ended 3/31/2013

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Line No. (1)	Description (2)	Tons (3)	Average \$/Ton (4)	Amount (5)
1	Balance End of year	571,240	\$79.74	\$45,551,062
2	Daily Burn Rate	10,182		
3	Days Supply on Hand (Ln 1 / Ln 2)	55		
4	Day Supply Requested	30		
5	Fuel stock Requested (Ln 4 X Ln 2)	305,460	\$79.74	\$24,357,586
6	Adjustment to Test Year (Ln 5 - Ln 1)	(265,780)		(\$21,193,476)
7	Allocation Factor - PDAF			0.985
8	KPSC Jurisdictional Amount (Ln 6 X Ln 7)			(\$20,875,574)

Witness: L. P. Munsey

Kentucky Power Company
AFUDC Offset Adjustment
Test Year Ended 3/31/2013

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Line No. (1)	Description (2)	Total Amount (3)	Jurisdictional GP-TOT / .990 (4)
1	CWIP Balance at 03/31/2013 (WP S-16, P 1, C 3, Ln 6)	\$43,807,564	
2	Portion of Line 1 Subject to AFUDC (WP S-16, P 1, C 4, Ln 6)	\$41,102,106	
3	Overall Cost of Capital (WP S-2, P 1, C6, Ln 5)	8.08%	
4	AFUDC Recalculation (Ln 2 X Ln 3)	\$3,321,050	\$3,287,840
5	Booked AFUDC in Test Year (Sch 16, Ln 10, Cols 3 & 4)	\$1,941,629	\$1,918,951
6	AFUDC Offset Adjustment (Ln 4 - Ln 5)	\$1,379,421	\$1,368,889
7	Recalculated Deferred FIT on ABFUDC 1/	\$486,683	\$481,816
8	Booked DFIT on ABFUDC (WP S-10, P6, Ln 23)	\$281,855	\$279,036
9	DFIT on ABFUDC Adj. (Ln 7 - Ln 8)	\$204,828	\$202,780
1/	Deferred FIT Calculation: (Ln 4 x 41.87%) Ln 4, Col 3 X 41.87% [(8.67%-5.04%) / 8.67%]	\$1,390,524	
	FIT Rate	35.00%	
		\$486,683	

Witness: R. K. Wohnhas

Kentucky Power Company
 Annualization of Employee Related Wages & Salaries Adjustment
 Test Year Ended 3/31/2013

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Line No. (1)	Description (2)	Amount (3)
	<u>O&M Expense</u>	
1	Annualization of Test Year Wages & Salaries Increase (Pg. 39, Ln 16)	\$55,612
2	Annualization of Wages & Salaries April 2013 Increase (Pg. 40, Ln 6)	\$480,796
3	Annualization of Employee Benefit Plan Costs (Pg. 41, Ln 16)	\$42,664
4	Annualization of Savings Plan Costs (Pg. 42, Ln 8)	\$30,253

5	Total Adjustment to KPSC Jurisdictional Wage Related Expenses	\$609,325 =====
	Taxes Other:	
6	Annualization of FICA Expense for Test Year (Pg. 43, Ln 15)	\$39,601 =====

Witness: R. K. Wohnhas

Kentucky Power Company
Annualization of Wages and Salaries
Test Year Ended 3/31/2013

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Line No (1)	Month (2)	Year (3)	Monthly Increase Granted (4)	Number of Months Adjusted (5)	Adjustment (6)
1	April	2012	\$34,593	0	\$0
2	May	2012	\$21,861	1	\$21,861
3	June	2012	\$681	2	\$1,362
4	July	2012	\$861	3	\$2,583
5	August	2012	\$1,320	4	\$5,280
6	September	2012	\$944	5	\$4,720
7	October	2012	\$685	6	\$4,110
8	November	2012	(\$598)	7	(\$4,186)
9	December	2012	\$1,314	8	\$10,512
10	January	2013	\$339	9	\$3,051
11	February	2013	\$2,738	10	\$27,380
12	March	2013	\$1,279	11	\$14,069
13	Total		<u>\$66,017</u> =====		<u>\$90,742</u>
14	Wages & Salaries Increase Applicable to O&M (Ln 13 X 61.78%) (Source: Section V, WP S-7, P 3, C 4, Ln 1 - 61.78%)				\$56,060
15	Allocation Factor - OML				<u>0.992</u>
16	Base Rate Adjustment Expense (Ln 14 X Ln 15)				<u>\$55,612</u> =====

Witness: R. K. Wohnhas

Kentucky Power Company
 Adjustment of Wages & Salaries for April 01 & May 01, 2013 Merit Increases
 Test Year Ended 3/31/2013

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Line No. (1)	Description (2)	Amount (3)
1	Annual Salaries as of March 31, 2013	\$26,150,478
2	Percent Merit Increase	3.00%
3	Annualization of Employee Benefit Plan Costs (Ln 1 X Ln 2)	\$784,514
4	Increase Wage and Salaries Applicable to O&M (Ln 3 X 61.78%) (Source: Section V, WP S-7, P 3, C 4, Ln 1 - 61.78%)	\$484,673
5	Allocation Factor - OML	0.992
6	KPSC Jurisdictional Amount (Ln 4 X Ln 5)	\$480,796

Witness: R. K. Wohnhas

Kentucky Power Company
Annualization of Employee Benefit Plan Costs
Test Year Ended 3/31/2013

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Line No. (1)	Description (2)	(3)	Amount (4)
1	Annualization of March 2013 Monthly Medical Plan Costs (\$335,016 x 12)	\$4,020,192	
2	Medical Plan Costs for Twelve Months Ended 03/31/13	\$3,947,217	
3	Adjustment to Test Year Medical Plan Costs (Ln 1 - Ln 2)		\$72,975
4	Annualization of March 2013 Life Insurance Costs (\$10,393 X 12)	\$124,716	
5	Life Insurance Costs for Twelve Months Ended 03/31/2013	\$137,866	
6	Adjustment to Test Year Life Insurance Costs (Ln 4 - Ln 5)		(\$13,150)
7	Annualization of March 2013 Dental Plan Costs (\$19,676 X 12)	\$236,112	
8	Dental Plan Costs for Twelve Months Ended 03/13/13	\$227,982	
9	Adjustment to Test Year Life Insurance Costs (Ln 7 - Ln 8)		\$8,130
10	Annualization of March 2013 Long Term Disability (LTD) Insurance Costs (\$1,169 X 12)	\$14,028	
11	LTD Insurance Premium Costs for Twelve Months Ended 03/31/2013	\$12,369	
12	Adjustment to Test Year LTD Insurance Premium Costs (Ln 10 - Ln 11)		\$1,659
13	Total Employee Benefit Plan Cost Adjustments (Ln 3 + Ln 6 + Ln 9 + Ln 12)		\$69,614
14	Employee Benefit Plan Costs Applicable to O&M (Ln 13 X 61.78%) (Source: Section V, WP S-7, P 3, C 4, Ln 1 - 61.78%)		\$43,008
15	Allocation Factor - OML		0.992
16	KPSC Jurisdictional Amount (Ln 14 X Ln 15)		\$42,664

Witness: R. K. Wohnhas

Kentucky Power Company
 Annualization of Savings Plan
 Test Year Ended 3/31/2013

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Line No. (1)	Description (2)	Amount (3)
1	Base Payroll Test Year Ended 03/31/13	\$26,150,478
2	Contribution Test Year Ended 03/31/13	\$1,474,481
3	Percent of Contribution to Payroll (Ln 2 / Ln 1)	5.64%
4	Wage and Salary Annualization (WP S-4, P 39, Ln 13 + WP S-4, P 40, Ln 3)	\$875,256
5	Additional Contribution for Wage and Salary Annualized (Ln 3 X Ln 4)	\$49,364
6	Increase Savings plan costs Applicable to O&M (Ln 5 X 61.78%) (Source: Section V, WP S-7, P 3, C 4, Ln 1 - 61.78%)	\$30,497
7	Allocation Factor - OML	0.992
8	KPSC Jurisdictional Amount (Ln 6 X Ln 7)	\$30,253

Witness: R. K. Wohnhas

Kentucky Power Company
 Annualization of FICA Expense
 Test Year Ended 3/31/2013

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Line No. (1)	Description (2)	Amount (3)
1	New Rate:	
2	OASI 6.20%	
3	Medicare 1.45%	

	Total 7.65%	
	 New Subject Rate:	
4	OASI \$113,700	
5	Medicare No Limit	
6	Annualized Wage and Salary Increase Paid Less Than \$113,700	\$837,504
7	March 31, 2013 FICA Rate	7.65%
8	Calculated FICA Tax on Line 7 Above (Ln 6 X Ln 7)	----- \$64,069
9	Annualized Wage and Salary increase Paid above \$113,700	\$37,752
10	March 31, 2013 FICA Rate for Wages Paid above \$113,700	1.45%
11	Calculated FICA Tax on Line 9 Above (Ln 9 X Ln 10)	----- \$547
12	Total Calculated FICA Tax at 2013 Rate (Ln 8 + Ln 11)	----- \$64,616
13	FICA Applicable to O&M (Ln 12 X 61.78%) (Source: Section V, WP S-7, P 3, C 4, Ln 1 - 61.78%)	\$39,920
14	Allocation Factor - OML	----- 0.992
15	KPSC Jurisdictional Amount (Ln 13 X Ln 14)	----- \$39,601 =====

Witness: R. K. Wohnhas

Kentucky Power Company
Removal of Severance Costs
Test Year Ended 03/31/2013

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Line No. (1)	Description (2)	Total Amount (3)
1	Remove severance expense for the twelve months ended March 31, 2013	(\$1,094,136)
2	Allocation Factor - OML	0.992
3	KPSC Jurisdictional Amount (Ln 1 X Ln 2)	(\$1,085,383) =====

Witness: T. E. Mitchell

Kentucky Power Company
Removal of Repositioning Study Costs
Test Year Ended 03/31/2013

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Line No. (1)	Description (2)	Total Amount (3)
1	Remove repositioning study cost expense for the twelve months ended March 31, 2013	(\$434,559)
2	Allocation Factor - OML	0.992
3	KPSC Jurisdictional Amount (Ln 1 X Ln 2)	(\$431,083)

Witness: T. E. Mitchell

Kentucky Power Company
Adjustment/Annualization Depreciation Expense - (Excludes Proposed Mitchell Plant Investment)
Test Year Ended 3/31/2013

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Line No.	Acct. No.	Description	Depreciable Electric Plant In Service as of 3/31/2013	New Annual Rates	Annualized Depreciation on EPIS as of 3/31/2013 (C4 X C5)	Depreciation Expense 12 Months Ended 3/31/2013	Depreciation Expense Adjustment (C6 - C7)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<u>Production Plant</u>							
1	311	Structures & Improvements	\$43,256,692	4.18%	\$1,808,130		
2	312	Boiler Plant Equipment	\$369,212,148	4.07%	\$15,026,934		
3	314	Turbogenerator Units	\$110,299,717	5.87%	\$6,474,593		
4	315	Accessory Electrical Equip.	\$16,435,057	2.69%	\$442,103		
5	316	Misc. Power Plant Equip.	<u>\$8,067,104</u>	4.61%	<u>\$371,893</u>		
6		Total Production Plant	\$547,270,718		\$24,123,653	\$20,343,150	\$3,780,503
<u>Transmission Plant</u>							
7	350.1	Land Rights	\$25,921,837	1.47%	\$381,051		
8	352	Structures & Improvements	\$6,596,340	1.95%	\$128,629		
9	353	Station Equipment	\$168,960,809	2.48%	\$4,190,228		
10	354	Towers & Fixtures	\$94,471,065	2.71%	\$2,560,166		
11	355	Poles & Fixtures	\$70,571,300	3.98%	\$2,808,738		
12	356	OH Conductor & Devices	\$120,800,246	2.97%	\$3,587,767		
13	357	Undergrnd Conduit	\$11,590	3.04%	\$352		
14	358	Undergrnd Conductor	<u>\$106,066</u>	2.70%	<u>\$2,864</u>		
15		Total Transmission Plant	\$487,439,253		\$13,659,795	\$8,323,935	\$5,335,860
<u>Distribution Plant</u>							
16	360.1	Land Rights	\$5,223,847	1.35%	\$70,522		
17	361	Structures & Improvements	\$4,372,006	1.60%	\$69,952		
18	362	Station Equipment	\$77,079,021	3.06%	\$2,358,618		
19	364	Poles, Towers, & Fixtures	\$175,391,118	4.73%	\$8,296,000		
20	365	OH Conductor & Devices	\$170,441,654	3.64%	\$6,204,076		
21	366	Underground Conduit	\$6,017,087	2.29%	\$137,791		
22	367	Underground Conductor	\$9,205,443	2.56%	\$235,659		
23	368	Line Transformers	\$115,511,708	4.04%	\$4,666,673		
24	369	Services	\$50,777,514	6.86%	\$3,483,337		
25	370	Meters	\$24,583,877	5.75%	\$1,413,573		
26	371	Installations on Custs. Prem.	\$19,265,175	12.22%	\$2,354,204		
27	373	Street Lighting & Signal Sys.	<u>\$3,213,412</u>	6.28%	<u>\$201,802</u>		
28		Total Distribution Plant	\$661,081,862		\$29,492,207	\$22,586,496	\$6,905,711
<u>General Plant</u>							
29	389.1	Land Rights	\$37,384	1.57%	\$587		
30	390	Structures & Improvements	\$19,647,141	3.25%	\$638,532		
31	391	Office Furniture & Equipment	\$1,279,644	3.27%	\$41,844		
32	392	Transportation Equipment	\$14,768	3.46%	\$511		
33	393	Stores Equipment	\$159,895	4.04%	\$6,460		
34	394	Tools Shop & Garage Equip.	\$3,395,480	4.12%	\$139,894		
35	395	Laboratory Equipment	\$141,765	5.38%	\$7,627		
36	396	Power Operated Equipment	\$5,931	5.18%	\$307		
37	397	Communication Equipment	\$7,375,277	6.47%	\$477,180		
38	398	Miscellaneous Equipment	<u>\$1,035,594</u>	6.47%	<u>\$67,003</u>		
39		Total General Plant	<u>\$33,092,879</u>		<u>\$1,379,945</u>	<u>\$830,809</u>	<u>\$549,136</u>
40		Total	<u>\$1,728,884,712</u>		<u>\$68,655,600</u>	<u>\$52,084,390</u>	<u>\$16,571,210</u>
41		Allocation Factor - GP-TOT					0.990
42		KPSC Jurisdiction Amount (Ln 40 X Ln 41)					<u>\$16,405,498</u>
43		Deferred Tax (Ln 42 X 0.35 X 0.7908)					<u>(\$4,540,714)</u>

Note: Includes Kentucky Power's depreciable investment and related depreciation expense.

Witness: T. E. Mitchell

Kentucky Power Company
Mitchell Plant Incentive Compensation Plan Adjustment
Test Year Ended 3/31/2013

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<u>Line No.</u> (1)	<u>Description</u> (2)	<u>Amount</u> (3)
1	Incentive Plan Payout at a 1.0 Payout	\$1,085,424
2	Test Year Actual Incentive Plan Payout	<u>\$1,843,172</u>
3	Adjustment to Test year Incentive Plan costs (Ln 1 - Ln 2)	(\$757,748)
4	Allocation Factor - OML	<u>0.992</u>
5	Kentucky Jurisdiction Amount (Ln 3 X Ln 4)	<u><u>(\$751,686)</u></u>

Witness: T. E. Mitchell

Kentucky Power Company
 Mitchell Plant Maintenance Normalization
 Test Year Ended 3/31/2013

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Line No. (1)	Twelve Months Ended (2)	Twelve Months Expense (3)	Handy - Whitman Index 1/ (4)	Constant Dollar Index /1 (5)	Constant Dollar Expense (Col 6 = Cols 4 X 5)
1	March 31, 2013	\$16,905,084	583	1.00	\$16,905,084
2	March 31, 2012	\$16,336,519	571	1.02	\$16,663,249
3	March 31, 2011	\$14,628,922	547	1.07	\$15,652,947
4	3 Year Total				<u>\$49,221,280</u>
5	Three Year Average (Ln 4 / 3)				\$16,407,093
6	Test Year Steam Power Maintenance Expense (Ln 1)				<u>\$16,905,084</u>
7	Adjustment to Test Year Steam Power Maintenance Expense (Ln 5 - Ln 6)				(\$497,991)
8	Allocation Factor - PDAF				<u>0.985</u>
9	KPSC Jurisdictional Amount (Ln 7 X Ln 8)				<u>(\$490,521)</u> =====

1/ Handy-Whitman Total Steam Production Plant
 Reference E-2 Line 6
 2012/Jul 583
 2011/Jul 571
 2010/Jul 547

Witness: L. P. Munsey

Kentucky Power Company
Coal Stock Adjustment
Mitchell Plant
Test Year Ended 3/31/2013

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Line No. (1)	Description (2)	Tons (3)	Average \$/Ton (4)	Amount (5)
1	Balance End of Test Year	716,138	\$74.19	\$53,130,280
2	Daily Burn Rate	15,214		
3	Days Supply on Hand (Ln 1 / Ln 2)	47		
4	Day Supply Requested	45		
5	Fuel stock Requested (Ln 4 X Ln 2)	684,630	\$74.19	\$50,792,700
6	Adjustment to Test Year (Ln 5 - Ln 1)	(31,508)		(\$2,337,580)
7	KPCo's Percentage Ownership	50.00%		50.00%
8	KPCo's Adjustment Test Year (Ln 6 * Ln 7)	(15,754)		(\$1,168,790)
9	Allocation Factor - PDAF			0.985
10	KPSC Jurisdictional Amount (Ln 8 X Ln 9)			(\$1,151,258)

Witness: L. P. Munsey

Mitchell Plant
 Annualization of Employee Related Wages & Salaries Adjustment
 Test Year Ended 3/31/2013

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Line No. (1)	Description (2)	Amount (3)
	<u>O&M Expense</u>	
1	Annualization of Test Year Wages & Salaries Increase (Pg. 51, Ln 17)	\$19,429
2	Annualization of Wages & Salaries April 2013 Increase (Pg. 52, Ln 7)	\$143,898
3	Annualization of Employee Benefit Plan Costs (Pg. 53, Ln 17)	(\$139,844)
4	Annualization of Savings Plan Costs (Pg. 54, Ln 9)	\$6,892
5	Total Adjustment to KPSC Jurisdictional Wage Related Expenses	\$30,375
6	Taxes Other: Annualization of FICA Expense for Test Year (Pg. 55, Ln 16)	\$12,275

Witness: R. K. Wohnhas

Mitchell Plant
 Annualization of Wages and Salaries
 Test Year Ended 3/31/2013

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<u>Line No</u> (1)	<u>Month</u> (2)	<u>Year</u> (3)	<u>Monthly Increase Granted</u> (4)	<u>Number of Months Adjusted</u> (5)	<u>Adjustment</u> (6)
1	April	2012	\$15,086	0	\$0
2	May	2012	\$714	1	\$714
3	June	2012	\$15,847	2	\$31,694
4	July	2012	\$810	3	\$2,430
5	August	2012	\$2,320	4	\$9,280
6	September	2012	\$64	5	\$320
7	October	2012	\$166	6	\$996
8	November	2012	\$350	7	\$2,450
9	December	2012	\$2,025	8	\$16,200
10	January	2013	(\$5,011)	9	(\$45,099)
11	February	2013	\$3,352	10	\$33,520
12	March	2013	\$991	11	\$10,901
13	Total		<u>\$36,714</u> =====		<u>\$63,406</u> -----
14	KPCO Portion @ 50% (Ln 13 x 0.50)				\$31,703
15	Wages & Salaries Increase Applicable to O&M (Ln 14 X 61.78%) (Source: Section V, WP S-7, P 3, C 4, Ln 1 - 61.78%)				\$19,586
16	Allocation Factor - OML				0.992
17	Base Rate Adjustment Expense (Ln 15 X Ln 16)				<u>\$19,429</u> =====

Witness: R. K. Wohnhas

Mitchell Plant
 Adjustment of Wages & Salaries for April 01 & May 01, 2013 Merit Increases
 Test Year Ended 3/31/2013

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Line No. (1)	Description (2)	Amount (3)
1	Annual Salaries as of March 31, 2013	\$15,653,128
2	Percent Merit Increase	3.00%
3	Annualization of Employee Benefit Plan Costs (Ln 1 X Ln 2)	\$469,594
4	KPCO Portion @ 50% (Ln 3 x 0.50)	\$234,797
5	Increase Wage and Salaries Applicable to O&M (Ln 4 X 61.78%) (Source: Section V, WP S-7, P 3, C 4, Ln 1 - 61.78%)	\$145,058
6	Allocation Factor - OML	0.992
7	KPSC Jurisdictional Amount (Ln 5 X Ln 6)	\$143,898

Witness: R. K. Wohnhas

Mitchell Plant
Annualization of Employee Benefit Plan Costs
Test Year Ended 3/31/2013

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Line No. (1)	Description (2)	Amount (3)	(4)
1	Annualization of March 2013 Monthly Medical Plan Costs (\$109,055 x 12)	\$1,308,660	
2	Medical Plan Costs for Twelve Months Ended 03/31/13	\$1,807,854	
3	Adjustment to Test Year Medical Plan Costs (Ln 1 - Ln 2)		(\$499,194)
4	Annualization of March 2013 Life Insurance Costs (\$5,929 X 12)	\$71,148	
5	Life Insurance Costs for Twelve Months Ended 03/31/2013	\$66,706	
6	Adjustment to Test Year Life Insurance Costs (Ln 4 - Ln 5)		\$4,442
7	Annualization of March 2013 Dental Plan Costs (\$11,677 X 12)	\$140,124	
8	Dental Plan Costs for Twelve Months Ended 03/13/13	\$104,409	
9	Adjustment to Test Year Life Insurance Costs (Ln 7 - Ln 8)		\$35,715
10	Annualization of March 2013 Long Term Disability (LTD) Insurance Costs (\$723 X 12)	\$8,676	
11	LTD Insurance Premium Costs for Twelve Months Ended 03/31/2013	\$6,006	
12	Adjustment to Test Year LTD Insurance Premium Costs (Ln 10 - Ln 11)		\$2,670
13	Total Employee Benefit Plan Cost Adjustments (Ln 3 + Ln 6 + Ln 9 + Ln 12)		(\$456,367)
14	KPCO Portion @ 50% (Ln 13 x 0.50)		(\$228,184)
15	Employee Benefit Plan Costs Applicable to O&M (Ln 14 X 61.78%) (Source: Section V, WP S-7, P 3, C 4, Ln 1 - 61.78%)		(\$140,972)
16	Allocation Factor - OML		0.992
17	KPSC Jurisdictional Amount (Ln 15 X Ln 16)		(\$139,844)

Witness: R. K. Wohnhas

Mitchell Plant
 Annualization of Savings Plan
 Test Year Ended 3/31/2013

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<u>Line No.</u> (1)	<u>Description</u> (2)	<u>Amount</u> (3)
1	Base Payroll Test Year Ended 03/31/13	\$15,653,128
2	Contribution Test Year Ended 03/31/13	\$660,233
3	Percent of Contribution to Payroll (Ln 2 / Ln 1)	4.22%
4	Wage and Salary Annualization S-4, P 51, Ln 13 + WP S-4, P 52, Ln 3)	(WP) \$533,000
5	Additional Contribution for Wage and Salary Annualized (Ln 3 X Ln 4)	\$22,493
6	KPCO Portion @ 50% (Ln 5 X 0.50)	\$11,247
7	Increase Savings plan costs Applicable to O&M (Ln 6 X 61.78%) (Source: Section V, WP S-7, P 3, C 4, Ln 1 - 61.78%)	\$6,948
8	Allocation Factor - OML	0.992
9	KPSC Jurisdictional Amount (Ln 7 X Ln 8)	\$6,892

Witness: R. K. Wohnhas

Mitchell Plant
 Annualization of FICA Expense
 Test Year Ended 3/31/2013

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<u>Line No.</u> (1)	<u>Description</u> (2)	<u>Amount</u> (3)
1	New Rate:	
2	OASI 6.20%	
3	Medicare 1.45%	
	Total 7.65%	
	New Subject Rate:	
4	OASI \$113,700	
5	Medicare No Limit	
6	Annualized Wage and Salary Increase Paid Less Than \$113,700	\$521,463
7	March 31, 2013 FICA Rate	7.65%
8	Calculated FICA Tax on Line 6 Above (Ln 6 X Ln 7)	\$39,892
9	Annualized Wage and Salary increase Paid above \$113,700	\$11,537
10	March 31, 2013 FICA Rate for Wages Paid above \$113,700	1.45%
11	Calculated FICA Tax on Line 9 Above (Ln 9 X Ln 10)	\$167
12	Total Calculated FICA Tax at 2013 Rate (Ln 8 + Ln 11)	\$40,059
13	KPCO Portion @ 50% (Ln 12 x 0.50)	\$20,030
14	FICA Applicable to O&M (Ln 13 X 61.78%) (Source: Section V, WP S-7, P 3, C 4, Ln 1 - 61.78%)	\$12,374
15	Allocation Factor - OML	0.992
16	KPSC Jurisdictional Amount (Ln 14 X Ln 15)	\$12,275

Witness: R. K. Wohnhas

Kentucky Power Company
Removal of Mitchell Plant Severance Costs
Test Year Ended 03/31/2013

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<u>Line No.</u> (1)	<u>Description</u> (2)	<u>Amount</u> (3)
1	Remove Mitchell Plant severance expense for the twelve months ended March 31, 2013	(\$272,597)
2	Allocation Factor - OML	0.992
3	KPSC Jurisdictional Amount (Ln 1 X Ln 2)	(\$270,416)

Witness: T. E. Mitchell

Kentucky Power Company
Removal of Mitchell Repositioning Study Costs
Test Year Ended 03/31/2013

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<u>Line No.</u> (1)	<u>Description</u> (2)	<u>Amount</u> (3)
1	Remove Mitchell repositioning study cost expense for the twelve months ended March 31, 2013	(\$204,882)
2	Allocation Factor - PDAF	0.985
3	KPSC Jurisdictional Amount (Ln 1 X Ln 2)	(\$201,809)

Witness: T. E. Mitchell

Kentucky Power Company
Mitchell AFUDC Offset Adjustment
Test Year Ended 3/31/2013

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<u>Line No.</u> (1)	<u>Description</u> (2)	<u>Amount</u> (3)	<u>Jurisdictional GP-TOT / .991</u> (4)
1	CWIP Balance at 3/31/13	\$80,424,311	
2	Portion of Line 1 Subject to AFUDC	\$69,522,965	
3	Overall Cost of Capital (WP S-2, P 1, C 6, Ln 5)	8.08%	
4	AFUDC Recalculation (Ln 2 X Ln 3)	\$5,617,456	\$5,566,899
5	Booked AFUDC in Test Year	\$3,567,231	\$1,918,951
6	AFUDC Offset Adjustment (Ln 4 - Ln 5)	\$2,050,225	\$3,647,948
7	Recalculated Deferred FIT on ABFUDC 1/	\$823,210	\$815,801
8	Booked DFIT on ABFUDC	\$0	\$0
9	DFIT on ABFUDC Adj. (Ln 7 - Ln 8)	\$823,210	\$815,801
	1/ Deferred FIT Calculation: (Ln 4 x 41.87%) Ln 4, Col 3 X 41.87% [(8.67%-5.04%) / 8.67%]	\$2,352,029	
	FIT Rate	35.00%	
		\$823,210	

Witness: R. K. Wohnhas

Kentucky Power Company
Adjustments to Include Test Year Mitchell Plant O&M and Rate Base
Test Year Ended 3/31/2013

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<u>Line No.</u> (1)	<u>Description</u> (2)	<u>KPCO Total Company Adjustment</u> (3)	<u>Allocation Code</u> (4)	<u>Allocation Factors</u> (5)	<u>Kentucky PSC Retail Jurisdiction Adjustment</u> (6)
<u>Operating Expenses</u>					
1	Energy Related O&M (excluding fuel)	\$ 18,439,063	EAF	0.986	\$ 18,180,916
2	Demand Related O&M	\$ 20,482,597	PDAF	0.985	\$ 20,175,358
3	Total Operation & Maintenance	\$ 38,921,660			\$ 38,356,274
4	Depreciation	\$ 33,469,819	PDAF	0.985	\$ 32,967,772
5	Taxes Other Than Income Taxes	\$ 5,083,153	Various		\$ 5,028,422
6	Total Operating Expenses	\$ 77,474,632			\$ 76,352,468
<u>Rate Base</u>					
7	Electric Plant In Service - Gross	\$ 895,602,000	PDAF	0.985	\$ 882,167,970
8	Accum. Prov. For Depreciation	\$ 287,482,395	PDAF	0.985	\$ 283,170,159
9	Electric Plant in Service - Net	\$ 608,119,605	PDAF	0.985	\$ 598,997,811
10	Materials & Supplies	\$ 43,036,371	Various		\$ 42,424,390
11	Cash Working Capital	\$ 4,865,208	Various		\$ 4,794,534
12	Construction Work In Progress	\$ 40,212,156	PDAF	0.985	\$ 39,608,974
Less:					
13	Accumulated Deferred Income Taxes	\$ 149,441,562	GP_TOT	0.990	\$ 147,947,146
14	Total Rate Base	\$ 546,791,778			\$ 537,878,563

Witnesses: A. E. Vaughan, T. E. Mitchell, and J. B. Bartsch

Kentucky Power Company
 Adjustment to PJM Charges and Credits to Reflect the AEP East Pool Termination,
 the Mitchell Plant Transfer, and to Annualize the Current Level of PJM RTEP and
 Blackstart Service Charges
 Test Year Ended 3/31/2013

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<u>Line No.</u>	<u>Description</u>	<u>KPCO Total Company Adjustment</u>	<u>Allocation Code</u>	<u>Allocation Factors</u>	<u>Kentucky PSC Retail Jurisdiction Adjustment</u>
<u>Operating Expenses</u>					
1	Energy Related O&M	\$ 4,168,223	EAF	0.986	4,109,868
2	Demand Related O&M	\$ 5,837,894	Various		5,783,165
3	Total Operation & Maintenance	\$ 10,006,117			9,893,033
		=====			=====

Witness: A. E. Vaughan

Kentucky Power Company
Adjustment/Annualization Depreciation Expense - (Proposed Mitchell Plant Investment)
Test Year Ended 3/31/2013

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Line No	Acct. No	Description	Depreciable Electric Plant In Service as of 3/31/2013	New Annual Rates	Annualized Depreciation on EPIS as of 3/31/2013 (C4 X C5)	Depreciation Expense 12 Months Ended 3/31/2013	Depreciation Expense Adjustment (C6 - C7)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<u>Production Plant</u>							
1	311	Structures & Improvements	\$41,540,813	4.18%	\$1,736,406		
2	312	Boiler Plant Equipment	\$769,211,967	4.07%	\$31,306,927		
3	314	Turbogenerator Units	\$52,924,686	5.87%	\$3,106,679		
4	315	Accessory Electrical Equip.	\$15,059,347	2.69%	\$405,096		
5	316	Misc. Power Plant Equip.	<u>\$7,364,659</u>	4.61%	<u>\$339,511</u>		
6		Total Production Plant	\$886,101,472		\$36,894,619	\$33,336,533	\$3,558,086
<u>Transmission Plant</u>							
7	350.1	Land Rights	\$0	1.47%	\$0		
8	352	Structures & Improvements	\$72,116	1.95%	\$1,406		
9	353	Station Equipment	\$5,756,730	2.48%	\$142,767		
10	354	Towers & Fixtures	\$0	2.71%	\$0		
11	355	Poles & Fixtures	\$0	3.98%	\$0		
12	356	OH Conductor & Devices	\$0	2.97%	\$0		
13	357	Undergrnd Conduit	\$0	3.04%	\$0		
14	358	Undergrnd Conductor	<u>\$0</u>	2.70%	<u>\$0</u>		
15		Total Transmission Plant	<u>\$5,828,846</u>		<u>\$144,173</u>	<u>\$133,286</u>	<u>\$10,887</u>
16		Total Mitchell Plant	<u>\$891,930,318</u>		<u>\$37,038,792</u>	<u>\$33,469,819</u>	<u>\$3,568,973</u>
17		Allocation Factor - GP-TOT					<u>0.990</u>
18		KPSC Jurisdiction Amount (Ln 16 X Ln 17)					<u>\$3,533,283</u>
19		Deferred Tax (Ln 18 X 0.35 X 0.7908)					<u>(\$977,942)</u>

Note: Includes Kentucky Power's depreciable investment and related depreciation expense.

Witness: T. E. Mitchell

Kentucky Power Company
Eliminate Environmental Cost Associated with the Pool
Test Year Ended 03/31/2013

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<u>Line No.</u> (1)	<u>Description</u> (2)	<u>Amount</u> (3)
1	Base Environmental Cost Associated with the Pool	\$ 16,209,236
2	Credit to Customers for Environmental Costs Associated with the Pool for the Twelve Months Ended March 31, 2013	\$ 8,889,159
3	Actual Environmental Cost Associated with the Pool for the Twelve Months Ended March 31, 2013 (Ln 1 - Ln 2)	\$ 7,320,077
4	Allocation Factor - SPECIFIC	1.000
5	KPSC Jurisdictional Amount ((Ln 3 X Ln 4) * -1)	(\$7,320,077) =====

Witness: L. P. Munsey

Kentucky Power Company
Annualize Removal Cost Schedule M
Test Year Ended 03/31/2013

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<u>Line No.</u> (1)	<u>Description</u> (2)	<u>Amount</u> (3)
1	Adjustment to Removal Cost Schedule M for the twelve months ended March 31, 2013	
2	Removal Cost Schedule M Deduction per T/R	
	• 2011 Tax Return	(5,198,929)
	• 2010 Tax Return	(3,462,777)
	• 2009 Tax Return	(4,961,137)
3	Total for 3 Years	<u>(13,622,843)</u>
4	Three Year Average	(4,540,948)
5	Amount Accrued in Test Period	(6,239,000)
6	Total Company Schedule M Adjustment (Ln 4 - Ln 5)	<u>1,698,052</u>
7	Allocation Factor - Gross Plant	0.990
8	KPSC Jurisdictional Amount (Ln 6 X Ln 7)	<u>\$1,681,071</u>
9	Current State Income Tax	<u>90,689</u>
10	Current Federal Income Tax	<u>556,634</u>

Witness: J. B. Bartsch

Kentucky Power Company
Annualize Section 199 Deduction
Test Year Ended 03/31/2013

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<u>Line No.</u> (1)	<u>Description</u> (2)	<u>Amount</u> (3)
1	Adjustment to Manufacturing Deduction Schedule M for the twelve months ended March 31, 2013	
2	Manufacturing Deduction Schedule M per T/R	
	• 2011 Tax Return - Separate Return Basis	(42,781)
	• 2010 Tax Return - Separate Return Basis	(330,833)
	• 2009 Tax Return - Separate Return Basis	0
3	Total for 3 Years	<u>(373,614)</u>
4	Three Year Average	(124,538)
5	Amount Accrued in Test Period	0
6	Total Company Schedule M Adjustment (Ln 4 - Ln 5)	<u>(124,538)</u>
7	Allocation Factor - Gross Plant	0.990
8	KPSC Jurisdictional Amount (Ln 6 X Ln 7)	<u>(\$123,293)</u>
9	Current State Income Tax	<u>0</u>
10	Current Federal Income Tax	<u>(43,153)</u>

Witness: J. B. Bartsch

Kentucky Power Company
Mitchell Plant Depreciation Schedule M's
Test Year Ended 03/31/2013

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<u>Line No.</u> (1)	<u>Description</u> (2)	<u>Amount</u> (3)
1	Adjustment to Depreciation Schedule M's related to the Mitchell Plant for the 12 months ended 3-31-2013	
2	Annualized Book Depreciation - 2013	54,722,000
3	Annualized Tax Depreciation - 2013	44,982,000
4	Book vs. Tax Depreciation (Ln 2 - Ln 3)	<u>9,740,000</u>
5	ARO Schedule M	105,000
6	Total Company Mitchell Plant Schedule M (Ln 4 + Ln 5)	<u>9,845,000</u>
7	KPCO Share of Mitchell Plant	50%
8	KPCO Share of Mitchell Plant Schedule M's (Ln 6 X Ln 7)	<u>4,922,500</u>
9	Allocation Factor - Production Plant	0.990
10	KPSC Jurisdictional Amount (Ln 8 X Ln 9)	<u><u>\$4,873,275</u></u>
11	Current State Income Tax	<u>262,899</u>
12	Current Federal Income Tax	<u>1,613,632</u>
12	Deferred Federal Income Tax	<u><u>(1,705,646)</u></u>

Witness: J. B. Bartsch

Kentucky Power Company
Removal of Big Sandy Depreciation and O&M
Test Year Ended 03/31/2013

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<u>Line No.</u> (1)	<u>Description</u> (2)	<u>Amount</u> (3)
1	Defer a going level of annual Big Sandy Depreciation	(\$24,151,805)
2	Allocation Factor - PDAF	0.985
3	KPSC Jurisdictional Amount (Ln 1 X Ln 2)	(\$23,789,528) =====
4	Defer a going level of annual Big Sandy O&M Expense	(\$19,915,460)
5	Allocation Factor - PDAF	0.985
6	KPSC Jurisdictional O&M Amount (Ln 4 X Ln 5)	(\$19,616,728) =====

Witness: T. E. Mitchell

Kentucky Power Company
Annual Amortization of Big Sandy Depreciation and O&M
Test Year Ended 03/31/2013

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<u>Line No.</u> (1)	<u>Description</u> (2)	<u>Amount</u> (3)
1	Annual Amortization over 5 years of 17 months of deferred Big Sandy O&M expense plus carrying charges	\$6,804,635
2	Allocation Factor - PDAF	0.985
3	KPSC Jurisdictional Amount (Ln 1 X Ln 2)	\$6,702,565
4	Annual Amortization over 5 years of 17 months of deferred Big Sandy Depreciation expense plus carrying charges	\$8,253,198
5	Allocation Factor - PDAF	0.985
6	KPSC Jurisdictional Amount (Ln 4 X Ln 5)	\$8,129,400

Witness: T. E. Mitchell

Kentucky Power Company
 Adjustments to Remove Mitchell Plant ARO from Rate Base
 Test Year Ended 3/31/2013

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<u>Line No.</u> (1)	<u>Description</u> (2)	<u>KPCO Total Company Adjustment</u> (3)	<u>Allocation Code</u> (4)	<u>Allocation Factors</u> (5)	<u>Kentucky PSC Retail Jurisdiction Adjustment</u> (6)
	Rate Base				
1	Remove ARO from Electric Plant In Service - Gross (Decrease Rate Base)	\$ (2,735,917)	PDAF	0.985	\$ (2,694,878)
2	Remove ARO from Accum. Prov. For Depreciation (Increase Rate Base)	\$ (582,511)	PDAF	0.985	\$ (573,773)
	Net Rate Base Reduction	\$ (2,153,406)			\$ (2,121,105)

Witness: T.E. Mitchell

KENTUCKY POWER COMPANY
BASE CASE SUMMARY
TWELVE MONTHS ENDED 3/31/2013

SECTION V
SCHEDULE 5

LINE NO. (1)	DESCRIPTION (2)	TOTAL COMPANY PER BOOK (3)	ELIMINATIONS / ADJUSTMENTS (4)	ELECTRIC UTILITY (5)	KY P. S. C. JURISDICTION (6)	SCHEDULE REFERENCE (7)
<u>Operating Revenues</u>						
1	Sales of Electricity	\$618,372,817	(\$111,556,044)	\$506,816,773	\$500,358,022	WP S-6 P 3
2	Other Operating Revenues	31,048,161	(20,091,427)	\$10,956,734	10,962,949	WP S-6 P 1
3	Total Operating Revenues	<u>\$649,420,978</u>	<u>(\$131,647,471)</u>	<u>\$517,773,507</u>	<u>\$511,320,971</u>	SCH 6
<u>Operating Expenses</u>						
4	Operation & Maintenance	\$462,191,881	(\$134,911,146)	\$327,280,735	\$324,139,630	SCH 7
5	Depreciation and Amortization	55,919,560	0	55,919,560	55,415,907	SCH 8
6	Taxes Other than Income Taxes	12,101,669	(46,900)	12,054,769	11,947,714	SCH 9
7	Gains from Disposition of Utility Plant	(3,212)	3,212	0	0	
8	Factored Customer A/R Exp	853,455	(853,455)	0	0	
9	Factored Customer A/R Bad Debts	1,395,661	(1,395,661)	0	0	
10	State Income Taxes	2,745,199	608,234	3,353,433	3,236,053	SCH 10
Federal Income Taxes:						
11	Current	5,523,372	3,940,351	9,463,723	8,854,453	SCH 10
12	Deferred	17,470,854	2,273,081	19,743,935	19,570,729	SCH 10
13	ITC Adjustment	(266,006)	(1)	(266,007)	(263,347)	SCH 10
14	Total Operating Expenses	<u>\$557,932,433</u>	<u>(\$130,382,285)</u>	<u>\$427,550,148</u>	<u>\$422,901,139</u>	
Net Electric Operating Income						
15	(Line 3 - Line 14)	\$91,488,545	(\$1,265,186)	\$90,223,359	\$88,419,832	
16	AFUDC Offset	1,941,629	0	1,941,629	1,918,951	SCH 16
17	Net Electric Operating Income - Adjusted	<u>\$93,430,174</u>	<u>(\$1,265,186)</u>	<u>\$92,164,988</u>	<u>\$90,338,783</u>	
<u>Rate Base</u>						
18	Electric Plant in Service - Gross	\$1,766,109,510	(\$8,448,726)	\$1,757,660,784	\$1,740,615,844	SCH 11
19	Accum. Prov. For Depreciation	636,815,713	(\$2,245,245)	634,570,468	628,592,115	SCH 12
20	Electric Plant In Service - Net	<u>\$1,129,293,797</u>	<u>(\$6,203,481)</u>	<u>\$1,123,090,316</u>	<u>\$1,112,023,729</u>	SCH 13
21	Plant Held For Future Use	7,436,551	(6,778,355)	658,196	657,110	SCH 14
22	Prepayments	1,469,767	0	1,469,767	1,455,069	SCH 15
23	Materials & Supplies	69,244,048	0	69,244,048	68,288,126	SCH 15
24	Cash Working Capital	55,661,941	0	55,661,941	55,062,272	SCH 15
25	Construction Work In Progress	43,763,733	0	43,763,733	43,281,811	SCH 16
Less:						
26	Customer Advances & Deposits	23,869,093	0	23,869,093	23,869,093	SCH 17
27	Accumulated Deferred Income Taxes	238,875,198	0	238,875,198	236,486,446	SCH 17
28	Total Rate Base	<u>\$1,044,125,545</u>	<u>(\$12,981,836)</u>	<u>\$1,031,143,709</u>	<u>\$1,020,412,578</u>	

KENTUCKY POWER COMPANY
ELECTRIC OPERATING REVENUES
TWELVE MONTHS ENDED 3/31/2013

SECTION V
SCHEDULE 6

<u>LINE NO.</u> (1)	<u>DESCRIPTION</u> (2)	<u>TOTAL ELECTRIC UTILITY</u> (3)	<u>KENTUCKY P. S. C. JURISDICTION</u> (4)	<u>PCT RETAIL</u> (5)	<u>ALLOCATION FACTOR</u> (6)
1	Sales of Electricity	<u>\$506,816,773</u>	<u>\$500,358,022</u>		WP S-6 P 3
	Other Operating Revenues				
2	Production	\$42,681	\$42,083		WP S-6 P 1
3	Transmission	(454,112)	(447,300)		WP S-6 P 1
4	Distribution	11,368,166	11,368,166		WP S-6 P 1
5	General	0	0		WP S-6 P 1
6	Total (Line 2 thru Line 5)	<u>10,956,735</u>	<u>10,962,949</u>		
7	Total (Line 1 + Line 6)	<u>\$517,773,508</u> =====	<u>\$511,320,971</u> =====	0.988	OP-REV
	Reconcile:				
8	Line 7	\$517,773,508			
9	System Sales / Backup	111,556,044			
10	Various Trans. Agreements	53,106,590			
11	Subtotal	<u>\$682,436,142</u>			
	Less:				
	Account 4560007				
	DSM Activity				
12	(Sch 6, Page 1, Line 3, Col 4 - Adj)	<u>(3,195,076)</u>			
13	Total Operating Revenue	<u>\$685,631,218</u> =====			

KENTUCKY POWER COMPANY
 ANALYSIS OF ACCOUNTS 411, 450, 451, 454 & 456
 OTHER OPERATING REVENUES
SUMMARY

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 PAGE 1 of 4

<u>LINE NO.</u> (1)	<u>DESCRIPTION</u> (2)	<u>TOTAL</u> (3)	<u>ADJUSTMENT TOTAL</u> (4)	<u>TOTAL ELECTRIC UTILITY</u> (5)	<u>KENTUCKY P. S. C. JURISDICTION</u> (6)	<u>PCT RETAIL</u>	<u>ALLOCATION FACTOR</u> (7)
1	Production Plant	\$42,681	\$0	\$42,681	\$42,083	0.986	EAF
2	Transmission Plant	(454,112)	0	(454,112)	(447,300)	0.985	GP-TRANS
3	Distribution Plant	14,563,242	(3,195,076)	11,368,166	11,368,166	1.000	SPECIFIC
4	General Plant	0	0	0	0	0.992	OML
5	Various Trans. Agreements	(36,210,239)	36,210,239	0			
6	Various Trans. Agreements	53,106,590	(53,106,590)	0			
7	TOTAL	<u>\$31,048,162</u>	<u>(\$20,091,427)</u>	<u>\$10,956,735</u>	<u>\$10,962,949</u>		

KENTUCKY POWER COMPANY
ANALYSIS OF ACCOUNTS 411, 450, 451, 454 & 456
OTHER OPERATING REVENUES
TWELVE MONTHS ENDED 3/31/2013

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<u>LINE NO.</u> (1)	<u>ACCOUNT</u> (2)	<u>DESCRIPTION</u> (3)	<u>TOTAL</u> (4)
1	4118000	Gain Disposition of Allowances (Production)	70,522
2	450	Forfeited Discounts (Distribution)	3,262,936
3	451	Misc. Service Revenues (Distribution)	358,931
4	4540001	Rental from Electric Property Affiliated (Distribution)	268,085
5	4540002	Pole Attachments Rental (Distribution)	(1,098,292)
6	4540004	Rent From Electric Property - ABD - Non Affiliated Companies (Distribution)	100,783
7	4540005	Rent from Elec Prop-Pole Attachment (Distribution)	7,767,401
8	4560007	DSM Activity (Distribution)	3,195,076
9	4560015	Other Electric Revenues - ABO (Distribution)	194,279
10	4560049	Merchant Generation Financial - Realized (Production)	2
11	4560050	Other Electric Revenues - Coal Trading Realized (Production)	(27,843)
12	4561002	RTO Formation Cost Recovery (Various Transmission Agreements)	10,846
13	4561003	PJM Expansion Cost Recovery (Various Transmission Agreements)	85,722
14	4561004	SECA Transmission Rev	227,184
15	4561005	PJM Point To Point Transmission Services (Various Transmission Agreement)	681,555
16	4561006	PJM Transmission Owner Administration Revenues (Various Transmission Agreements)	222,367
17	4561007	PJM Network Integration Transmission Revenues (Various Transmission Agreements)	10,770,832
18	4561019	Transmission Service Charge - East Kentucky Power Company (Transmission)	59,931
19	4561028	PJM Power Factor Credits for Wholesale Customers (Various Transmisslon Agreement)	10,190
20	4561029	PJM Network Integration Transmission Services for Wholesale Customers (Various Transmission Agreement)	2,451,238
21	4561030	PJM Transmission Owner Services for Wholesale Customers (Various Transmission Agreement)	34,655
22	4561033	PJM Network Integration Transmission Service Revenues - Affil (Various Transmission Agreements)	38,147,625
23	4561034	PJM Transmission Owner Administration Revenues - Affil (Various Transmission Agreements)	502,696
24	4561035	PJM Network Integration Transmission Service Costs - Affil (Various Transmission Agreements)	(36,116,142)
25	4561036	PJM Transmission Owner Administration Costs - Affil (Various Transmission Agreements)	(470,070)
26	4561058	PJM Transmission Enhancement Revenue (Various Transmission Agreement)	168,402
27	4561059	PJM Transmission Enhancement Revenue - Affil (Various Transmission Agreements)	252,251
28	4561060	PJM Transmission Enhancement Costs - Affil (Various Transmission Agreements)	(238,880)
29	4561061	PJM Transmission Enhancement Revenue (Various Transmission Agreement)	16,201
30	4561062	Provision PJM Network Integration Transmission Services - Affil (Various Transmission Agreements)	266,198
31	4561063	Provision PJM Network Integration Transmission Services - Affil (Various Transmission Agreements)	(143,724)
32	4561064	Provision PJM Network Integration Transmission Services for Wholesale Customers (Various Transmission Agreement)	(7,578)
33	4561065	Provislon PJM Network Integration Transmission Services (Various Transmission Agreement)	24,782
34		Total Other Operating Revenues	<u>\$31,048,161</u> =====

KENTUCKY POWER COMPANY
 ELECTRIC REVENUES
TWELVE MONTHS ENDED 3/31/2013

SECTION V
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<u>LINE NO.</u> (1)	<u>DESCRIPTION</u> (2)	<u>TOTAL</u> (3)
1	Total Sales (WP S-6, P 4, L 18)	\$618,372,817
2	Less: System Sales (WP S-6, P 4, L 10)	111,556,044
3	Total Kentucky Sales	<u>506,816,773</u>
4	Less: Kentucky Wholesales (WP S-6, P 4, L 7)	6,458,751
5	Kentucky Retail Sales S-6, P 4, L 15 + WP S-6, P 4, L 17)	<u>\$500,358,022</u> =====
	Reconcile:	
6	WP S-6, P 4, L 15	\$501,993,452
7	WP S-6, P 4, L 17	(1,635,430)
8	Kentucky Retail Sales (Ln 6 + Ln 7)	<u>\$500,358,022</u> =====

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KENTUCKY POWER COMPANY
ELECTRIC REVENUE
TWELVE MONTHS ENDED 3/31/2013

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PAGE 4 of 4

<u>LINE NO.</u> (1)	<u>DESCRIPTION</u> (2)	<u>REVENUE</u> (3)	<u>TOTAL REVENUE EXCLUDING FUEL ADJUSTMENT CLAUSE</u> (4)	<u>FUEL ADJUSTMENT CLAUSE</u> (5)
	<u>FERC:</u>			
	<u>OLIVE HILL:</u>			
1	Billed	\$1,819,759	\$1,575,342	\$244,417
2	Accrued	0	0	0
3	Subtotal	1,819,759	1,575,342	244,417
	<u>FERC:</u>			
	<u>VANCEBURG</u>			
4	Billed	4,638,992	4,066,946	572,046
5	Accrued	0	0	0
6	Subtotal	4,638,992	4,066,946	572,046
7	Total FERC Wholesale	6,458,751	5,642,288	816,463
	<u>System Pool:</u>			
8	System Sales	110,204,351	110,204,351	0
	<u>Add:</u>			
9	System Sales Clause	1,351,693	1,351,693	0
10	System Pool Total	111,556,044	111,556,044	0
	<u>KY PSC:</u>			
11	Billed	498,778,389	508,517,010	(9,738,621)
12	Accrued	4,566,756	3,655,460	911,296
13	Total Billed & Accrued	503,345,145	512,172,470	(8,827,325)
	<u>Less:</u>			
14	Experimental System Sales Clause	1,351,693	0	1,351,693
15	Subtotal (Ln 13 - Ln 14)	501,993,452	512,172,470	(10,179,018)
16	Subtotal Sales (L7+L10+L13-L14)	620,008,247	629,370,802	(9,362,555)
17	System Integration Agreement Revenues	(1,635,430)	(1,635,430)	0
18	Total Sales (Ln 16 + Ln 17)	\$618,372,817	\$627,735,372	(\$9,362,555)

KENTUCKY POWER COMPANY
ELECTRIC OPERATION & MAINTENANCE EXPENSE
TWELVE MONTHS ENDED 3/31/2013

SECTION V
SCHEDULE 7

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC UTILITY (3)	KENTUCKY P. S. C. JURISDICTION (4)	PCT RETAIL (5)	ALLOCATION FACTOR (6)
	<u>Power Production Expense</u>				
1	Demand Related	\$84,274,856	83,010,733	0.985	PDAF
2	Energy Related	201,499,133	198,678,145	0.986	EAF
3	Deferred Fuel	(8,938,670)	(8,938,670)	1.000	SPECIFIC
4	Total Power Production Expense	276,835,319	272,750,208		
	<u>Various Transmission Agreements</u>				
5	LSE Charges - Retail Demand	35,707,460	35,707,460	1.000	SPECIFIC
6	LSE Charges - Retail Energy	502,779	502,779	1.000	SPECIFIC
7	TO Revenues - Demand	(51,947,300)	(51,168,091)	0.985	GP-TRANS
8	TO Revenues - Energy	(792,428)	(781,334)	0.986	EAF
9	Non-Jurisdictional	(366,862)	0	0.000	SPECIFIC
		(16,896,351)	(15,739,186)		
	<u>Transmission Expense</u>				
10	LSE Charges - Demand	1,503,205	1,480,657	0.985	GP-TRANS
11	LSE Charges - Retail Demand	4,545,492	4,545,492	1.000	SPECIFIC
12	LSE Charges - Retail Energy	863	863	1.000	SPECIFIC
13	TO Costs - Demand	7,107,740	7,001,124	0.985	GP-TRANS
14	Non-Jurisdictional	25,047	0	0.000	SPECIFIC
15	Transmission Expense	13,182,346	13,028,136	0.985	GP-TRANS
16	Regional Market Expenses	1,128,532	1,111,604	0.985	GP-TRANS
17	Distribution Expense	41,894,149	41,852,255	0.999	GP-DIST
18	Cust Acct / Cust Serv Exp	10,965,706	10,965,579	\$127	SPECIFIC
19	Sales Expense	4,184	4,184	1.000	SPECIFIC
19	A & G Regulatory	166,850	166,850	1.000	SPECIFIC
20	Total O & M Expense	327,280,735	324,139,630	0.990	O&M
	<u>Purchased Power & System Sales</u>				
21	Demand Related	61,633,880	60,709,372	0.985	PDAF
22	Energy Related	69,405,176	68,433,504	0.986	EAF
23	Fuel Delivered or Consumed	114,889,191	113,280,743	0.986	EAF
24	Total Purchased Power and Fuel	245,928,247	242,423,619		
25	Net RTO Charges	(9,693,213)	(8,600,570)	0.887	
25	Total O & M Less Lines 24 & 25	\$91,045,700	\$90,316,581	0.992	OML
	Reconcile:				
26	Line 20	\$327,280,735	\$324,139,630		
	Add:				
27	System Sales	118,014,795	118,014,795		
28	Various Transmission Agrmts.	16,896,351	15,739,186		
29	Account - Net Charged Off	0	1,267,146		
30	Subtotal (Ln 27 + Ln 28)	\$134,911,146	\$135,021,127		
31	Subtotal (Ln 26 + Ln 30)	\$462,191,881	\$459,160,757		
32	Gains from Disposition of Utility Plant	(3,212)	(3,212)		
33	Factored Customer A/R Exp	853,455	853,455		
34	Factored Customer A/R Bad Debts	1,395,661	1,395,661		
35	Total O & M Per Books	\$464,437,785	\$461,406,661		

KENTUCKY POWER COMPANY
 ELECTRIC O & M EXPENSES - ASSIGNMENT OF A & G
 TWELVE MONTHS ENDED 3/31/2013

SECTION V
 WORKPAPER S-7
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LINE NO. (1)	ACCT NO. (2)	EXPENSE (3)	EXPENSE ALLOCATION					
			TOTAL O & M EXPENSE (4)	TOTAL O & M PAYROLL (5)	A & G EXCLUDING REGULATION (6)	1/ RESTATE EXPENSE LINE 4 + LINE 6 (7)	DEMAND RELATED (8)	ENERGY RELATED (9)
<u>Power Production Expenses</u>								
<u>Steam Power Operation</u>								
1	500	Supervision & Engineering	\$2,034,181	\$456,065	\$422,740	\$2,456,921	2,456,921	0
2	501	Fuel	117,529,631	98,048	90,884	117,620,515	0	117,620,515
3	5010005	Fuel Expense Deferred	(8,938,670)	0	0	(8,938,670)	0	(8,938,670)
4	502	Steam Expense	3,816,534	1,171,934	1,086,300	4,902,834	1,171,934	3,730,900 2/
5	505	Electric Expense	427,691	547,802	507,774	935,465	547,802	387,663 2/
6	506	Misc Steam Power Expense	4,967,924	3,077,865	2,852,964	7,820,888	7,820,888	0
7	507	Rents	0	0	0	0	0	0
8	509	Allowances	6,197,012	0	0	6,197,012	0	6,197,012
9		Total Steam Power - Operation	126,034,303	5,351,714	4,960,662	130,994,965	11,997,545	118,997,420
<u>Steam Power Maintenance</u>								
10	510	Supervision & Engineering	2,105,616	2,042,174	1,892,951	3,998,567	3,998,567	0
11	511	Maintenance of Structures	588,093	108,134	100,233	688,326	688,326	0
12	512	Maintenance of Boiler Plant	4,735,047	1,688,102	1,564,751	6,299,798	2,141,931	4,157,867 3/
13	513	Maintenance of Electric Plant	1,127,085	500,869	464,270	1,591,355	1,591,355	0
14	514 & 515	Maintenance of Miscellaneous Steam	557,364	261,711	242,588	799,952	799,952	0
15		Total Steam Power - Maintenance	9,113,205	4,600,990	4,264,793	13,377,998	9,220,131	4,157,867
16		Total Steam Power O & M	135,147,508	9,952,704	9,225,455	144,372,963	21,217,676	123,155,287
<u>Other Power Supply Expense</u>								
17	555	Purchased Power - Net	249,053,851	0	0	249,053,851	65,673,995	183,379,856
18	556	System Control & Load Dispatch	153,090	0	0	153,090	153,090	0
19	557	Other Expenses	1,270,210	0	0	1,270,210	1,270,210	0
20		Total - Other Power Supply Expense	250,477,151	0	0	250,477,151	67,097,295	183,379,856
21		System Sales	(118,014,795)	0	0	(118,014,795)	(4,040,115)	(113,974,680)
22		Total Power Production	267,609,864	9,952,704	9,225,455	276,835,319	84,274,856	192,560,463
23		Various Transmission Agreements	(16,896,351)	0	0	(16,896,351)		
23		Transmission Expense	12,172,192	1,089,785	1,010,154	13,182,346		
24		LSE Charges - Demand	1,503,205			1,503,205		
25		LSE Charges - Retail Demand	4,545,492			4,545,492		
26		LSE Charges - Retail Energy	863			863		
27		TO Costs - Demand	6,097,586	1,089,785	1,010,154	7,107,740		
28		Non-Jurisdictional	25,047			25,047		
24		Regional Market Expenses	1,128,532	0	0	1,128,532		
25		Distribution Expense	33,973,714	8,544,809	7,920,435	41,894,149		
26		Customer Account Expense	6,265,292	1,322,911	1,226,245	7,491,537		
27		Customer Services	2,955,120	559,966	519,049	3,474,169		
28		Sales Expense	4,184			4,184		
28		A & G Regulatory	166,850	0	0	166,850		
29		A & G Other	19,901,337	1,432,997	(19,901,337)	0		
30		Total Operating & Maintenance Expense	\$327,280,734	\$22,903,172	\$1	\$327,280,735		
Reconcile:								
31		Total O & M Expense	\$327,280,734					
32		System Sales / Backup	118,014,795					
33		Various Transmission Agreements	16,896,351					
34		Subtotal - Operation & Maintenance (Ln 32 + Ln 33 + Ln 34)	\$462,191,880					
35		Gains from Disposition of Utility Plant	(3,212)					
36		Factored Customer A/R Exp	853,455					
37		Factored Customer A/R Bad Debts	1,395,661					
38		Total Per Books (Ln 35 + Ln 36 + Ln 37 + Ln 38)	\$464,437,784					

1/ Allocated on the basis of payroll.
 2/ Allocated on the basis of Labor Expense, Demand Related; Material Expense, Energy Related (NARUC Cost Allocated Pages 37 & 39)
 3/ Allocated on the basis of 34% Demand; 66% Energy

KENTUCKY POWER COMPANY
 PAYROLL LABOR BY FUNCTION
 (BY ACCOUNT NUMBER FOR PRODUCTION ONLY)
TWELVE MONTHS ENDED 3/31/2013

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<u>LINE NO.</u> (1)	<u>PRODUCTION</u> (2)	<u>TOTAL AMOUNT</u> (3)
1	Account 500	\$456,065
2	Account 501	\$98,048
3	Account 502	\$1,171,934
4	Account 505	\$547,802
5	Account 506.	\$3,077,865
6	Account 507	\$0
7	Total Operation	5,351,714
8	Account 510	\$2,042,174
9	Account 511	\$108,134
10	Account 512	\$1,688,102
11	Account 513	\$500,869
12	Account 514	\$257,213
13	Account 553	\$4,498
14	Account 555	\$0
15	Account 556	\$0
16	Account 557	\$0
17	Total Maintenance	4,600,990
18	Total Production	\$9,952,703
	<u>Transmission</u>	
19	Operation	\$310,865
20	Maintenance	\$778,920
21	Total Transmission	1,089,785
	<u>Distribution</u>	
22	Operation	\$3,093,108
23	Maintenance	\$5,451,701
24	Total Distribution	8,544,809
25	Total Customer Accounts	\$1,322,911
26	Total Customer Service & Informational	\$559,966
	<u>Administrative & General</u>	
27	Operation	\$760,634
28	Maintenance	\$672,363
29	Total Administrative & General	1,432,997
30	GRAND TOTAL (LINES 18+21+24+25+26+29)	\$22,903,171 =====

KENTUCKY POWER COMPANY
 DIRECT AND ALLOCATED PAYROLL DISTRIBUTION
 FUNCTION PERCENTAGE
TWELVE MONTHS ENDED 3/31/2013

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 PAGE 3 of 5

<u>LINE NO.</u> (1)	<u>DESCRIPTION</u> (2)	<u>TOTAL</u> (3)	<u>TOTAL</u> (4)
1	Operation & Maintenance (WP S - 7, P 4, L 19)	\$22,903,170	61.78%
2	Construction (WP S - 7, P 4, L 20)	11,606,145	31.31%
3	Retirement (WP S - 7, P 4, L 21)	2,490,186	6.72%
4	All Other (WP S - 7, P 4, L 31)	71,593	0.19%
5	Other (WP S - 7, P 4, L 32)	<u>\$37,071,094</u> =====	<u>100.00%</u> =====

KENTUCKY POWER COMPANY
DIRECT AND ALLOCATED PAYROLL DISTRIBUTION
TWELVE MONTHS ENDED 3/31/2013

SECTION V
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PAGE 4 of 5

LINE NO. (1)	FUNCTION (2)	DIRECT PAYROLL DISTRIBUTION (3)	Allocation of Payroll Charges for Clearing Accounts (4)	Total (5)
<u>Operation</u>				
1	Production	\$3,840,928	\$1,510,786	\$5,351,714
2	Transmission	\$294,212	16,653	310,865
3	Distribution	\$2,927,409	165,699	3,093,108
4	Customer Accounts	\$1,252,042	70,869	1,322,911
5	Customer Service & Informational	\$529,969	29,997	559,966
6	Administrative & General	\$719,886	40,748	760,634
7	TOTAL Operation	\$9,564,446	\$1,834,752	\$11,399,198
<u>Maintenance</u>				
8	Production	\$4,354,512	\$246,476	\$4,600,988
9	Transmission	\$737,193	41,727	778,920
10	Distribution	\$4,683,416	768,285	5,451,701
11	Administrative & General	\$636,344	36,019	672,363
12	TOTAL Maintenance	\$10,411,465	\$1,092,507	\$11,503,972
<u>Total Operation & Maintenance</u>				
13	Production (LINE 1 + LINE 8)	\$8,195,440	\$1,757,262	\$9,952,702
14	Transmission (LINE 2 + LINE 9)	1,031,405	58,380	1,089,785
15	Distribution (LINE 3 + LINE 10)	7,610,825	933,984	8,544,809
16	Customer Accounts (LINE 4)	1,252,042	70,869	1,322,911
17	Customer Service & Informational (LINE 5)	529,969	29,997	559,966
18	Administrative & General (LINE 6 + LINE 11)	1,356,230	76,767	1,432,997
19	TOTAL Operation & Maintenance	\$19,975,911	\$2,927,259	\$22,903,170
20	<u>Construction</u>	\$10,984,148	\$621,997	\$11,606,145
21	<u>Plant Removal (Retirement)</u>	\$2,356,732	\$133,454	\$2,490,186
<u>Other Accounts</u>				
22	Fuel Stock Expense Undistributed	\$1,293,380	(\$1,293,380)	\$0
23	Stores Expense Undistributed	\$1,049,426	(\$1,049,426)	0
24	Clearing Accounts	\$837,196	(\$837,196)	0
25	ODD Temporary Facilities	\$35,093	0	35,093
26	Miscellaneous Deferred Debits	\$503,192	(\$503,192)	0
27	Research and Development	(\$485)	\$485	0
28	Miscellaneous Current and Accrued Liabilities	\$0	\$0	0
29	Donations	\$36,500	0	36,500
30	All Other General Ledger (GL)	\$0	0	0
31	TOTAL Other Accounts	\$3,754,302	(\$3,682,709)	\$71,593
32	TOTAL Salaries & Wages (LINES 19+20+21+31)	\$37,071,093	\$1	\$37,071,094

KENTUCKY POWER COMPANY
ENERGY & CAPACITY CHARGES
TWELVE MONTHS ENDED 3/31/2013

SECTION V
WORKPAPER S-7
PAGE 5 of 5

<u>LINE NO.</u> (1)	<u>PURCHASED POWER</u> (2)	<u>ENERGY</u> (3)	<u>CAPACITY</u> (4)	<u>TOTAL</u> (5)
1	Purchased	\$130,854,244	\$44,154,703	\$175,008,947
2	System Pool	52,525,612	21,519,292	74,044,904
3	Total Purchased Power	<u>183,379,856</u>	<u>65,673,995</u>	<u>249,053,851</u>
	Less:			
4	System Sales / Resale	69,693,916	4,040,115	73,734,031
5	System Sales/Resale's - Associated Companies	42,929,071	0	42,929,071
6	Transmission Charges	0	0	0
7	System Sales Clause	1,351,693	0	1,351,693
8	Total System Sales	<u>113,974,680</u>	<u>4,040,115</u>	<u>118,014,795</u>
9	Backup Energy	0	0	0
10	Total (LINE 3 - LINES 8 & 9)	<u>\$69,405,176</u>	<u>\$61,633,880</u>	<u>\$131,039,056</u>

KENTUCKY POWER COMPANY
DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSE
TWELVE MONTHS ENDED 3/31/2013

SECTION V
SCHEDULE 8

LINE NO. (1)	<u>DESCRIPTION</u> (2)	TOTAL ELECTRIC UTILITY (3)	KENTUCKY P. S. C. JURISDICTION (4)	PCT RETAIL (5)	ALLOCATION FACTOR (6)
1	Production Plant	\$20,895,510	\$20,582,077	0.985	PDAF
2	Transmission Plant	8,651,638	8,521,863	0.985	GP-TRANS
3	Distribution Plant	22,586,496	22,563,910	0.999	GP-DIST
4	General Plant	861,295	852,682	0.990	GP-PTD
5	Intangible Plant	2,924,621	2,895,375	0.990	GP-PTD
6	Total Depreciation, Depletion, and Amortization Expense	<u>\$55,919,560</u> =====	<u>\$55,415,907</u> =====		

KENTUCKY POWER COMPANY
TAXES OTHER THAN INCOME TAXES
TWELVE MONTHS ENDED 3/31/2013

SECTION V
SCHEDULE 9

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC UTILITY (3)	KENTUCKY P. S. C. JURISDICTION (4)	PCT RETAIL (5)	ALLOCATION FACTOR (6)
1	Federal Insurance Contribution Excise	\$2,614,336	\$2,593,421	0.992	OML
2	Federal Unemployment Tax	34,282	34,008	0.992	OML
3	Federal Excise Tax	429	426	0.992	OML
4	Kentucky Unemployment Insurance	36,451	36,159	0.992	OML
5	Kentucky PSC Maintenance	979,074	979,074	1.000	SPECIFIC
6	Kentucky Sales & Use	11,453	11,373	0.993	GP-T&D
7	Kentucky Real & Person Property	9,499,572	9,404,576	0.990	GP-TOT
8	Louisiana Real & Person Property	200	198	0.990	GP-TOT
9	West Virginia Real & Person Property	3,040	3,010	0.990	GP-TOT
10	West Virginia Unemployment Insurance	1,080	1,080	1.000	SPECIFIC
11	Ohio Gross Receipts Tax	73,640	73,640	1.000	SPECIFIC
12	Ohio Franchise	0	0	0.985	PDAF
13	West Virginia Franchise	(18,412)	(18,412)	1.000	SPECIFIC
14	Kentucky Municipal License Fees	300	297	0.990	GP-TOT
15	Kentucky License	15	15	0.990	GP-TOT
16	West Virginia License	50	50	1.000	SPECIFIC
17	Oklahoma License	100	99	0.985	PDAF
18	Fringe Benefit Loading - FICA	(1,110,474)	(1,101,590)	0.992	OML
19	Fringe Benefit Loading - FUT	(8,463)	(8,395)	0.992	OML
20	Fringe Benefit Loading - SUT	(15,004)	(14,884)	0.992	OML
21	Total Taxes Other Than Income Taxes	12,101,669	11,994,145		
	Less:				
22	Carrs Site Kentucky Property and Franchise	46,900	46,431	0.990	GP-TOT
23	Net Taxes Other Than Income Taxes	<u>\$12,054,769</u> =====	<u>\$11,947,714</u> =====		

KENTUCKY POWER COMPANY
 FEDERAL & STATE INCOME TAXES - SEPARATE RETURN
 CURRENT YEAR
TWELVE MONTHS ENDED 3/31/2013

SECTION V
 SCHEDULE 10

<u>LINE NO.</u> (1)	<u>DESCRIPTION</u> (2)	<u>ELECTRIC UTILITY</u> (3)	<u>KENTUCKY JURISDICTION</u> (4)	
1	Total Current Federal Income Tax	\$9,463,723	\$8,854,453	WP S-10 Page 5 of 14 Line 219
2	Total Deferred Federal Income Tax	19,743,935	\$19,570,729	WP S-10 Page 9 of 14 Line 201
3	Total Deferred Investment Tax Credits	(266,007)	(\$263,347)	WP S-10 Page 10 of 14 Line 211
4	Total Current & Deferred Federal Income Taxes	<u>\$28,941,651</u>	<u>\$28,161,835</u>	
5	State Income Tax	<u>\$3,353,433</u>	<u>\$3,236,053</u>	WP S-10 Page 14 of 14 Line 158

Kentucky Power Company
Computation of Adjusted
Current Federal Income Tax Expense
Historical Test Year - As Adjusted
Twelve Months Ended March 31, 2013

Line No.	Item Description	(1) Total Company Per Books 12 Mo. 03/31/13	(2) Less Non-Utility/ Non-Applicable	(3) Total Company Electric Utility Before Rate Case Adjustments	(4) Elimination Adjustments	(5) Total Company Electric Utility After Rate Case Adjustments	(6) Rate Case / Mitchell Plant Adjustments	(7) Total Co Electric Utility After Rate & Mitchell Adjst. 12 Mo. 03/31/13	(8) KY Jurisdictional Allocation Factor	(9) KY Jurisdictional Allocated Amount	(10) Allocation Basis	(11) Kentucky Jurisdictional Adjustments	(12) KY Jurisdictional Adjusted Amount
1	NET ELECTRIC OPERATING INCOME BEFORE INCOME TAX	116,961,965	-	116,961,965	5,556,477	122,518,442	-	122,518,442	SPECIFIC	119,817,720	SPECIFIC	(64,799,475)	55,018,245
2	Interest Expense Synchronized	35,898,328	-	35,898,328	-	35,898,328	-	35,898,328	0.990000	35,539,345	GROSS PLT	12,997,183	48,536,528
3	Other Income & Deductions (Before Income Tax)	1,095,468	1,095,468	-	-	-	-	-	NON-UTIL	-	NON-UTIL	-	-
4	PRE-TAX BOOK INCOME BEFORE STATE INCOME TAX	82,159,105	1,095,468	81,063,637	5,556,477	86,620,114	-	86,620,114	-	84,278,375	-	(77,796,658)	6,481,717
5	Current State Income Tax Expense	2,754,086	(299,594)	3,053,680	299,753	3,353,433	-	3,353,433	-	3,236,053	CALCULATED	(1,974,748)	1,261,305
6	PRE-TAX BOOK INCOME BEFORE FEDERAL INCOME TAX	79,405,019	1,395,062	78,009,957	5,256,724	83,266,681	-	83,266,681	SIT CALC	81,042,322	-	(75,821,910)	6,220,411
8	EXCESS TAX vs BOOK DEPRECIATION												
9	210A LIBERALIZED DEPR-REG	24,000	-	24,000	-	24,000	-	24,000	0.990000	23,760	GROSS PLT	-	23,760
10	210A-XS EXCESS DFIT - LIBERALIZED DEPR-REG	-	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-
11	230A ACRS BENEFIT NORMALIZED	(48,192,000)	-	(48,192,000)	-	(48,192,000)	-	(48,192,000)	0.990000	(47,710,080)	GROSS PLT	21,013,058	(26,697,022)
12	230A-XS EXCESS DIT - ACRS NORM REVERSAL	-	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-
13	230I CAPD INTEREST-SECTION 481(a)-CHANGE IN METHD	1,049	-	1,049	-	1,049	-	1,049	0.990000	1,039	GROSS PLT	-	1,039
14	230J RELOCATION CST-SECTION 481(a)-CHANGE IN METHD	17,244	-	17,244	-	17,244	-	17,244	0.990000	17,072	GROSS PLT	-	17,072
15	230K PJM INTEGRATION-SEC 481(a)-INTANG-DFD LABOR	27,695	-	27,695	-	27,695	-	27,695	0.985000	27,280	TRAN PLT	-	27,280
16	230X R&D DEDUCTION - SECTION 174	-	-	-	-	-	-	-	0.990000	-	PROD PLT	-	-
17	232A ACRS TAX DEPRECIATION - HRJ	588,000	-	588,000	-	588,000	-	588,000	0.985000	579,180	TRAN PLT	-	579,180
18	232A-XS EXCESS DIT - ACRS TAX DEPR - HRJ	-	-	-	-	-	-	-	0.985000	-	TRAN PLT	-	-
19	280A EXCESS TX VS SL BK DEPR	10,875,000	-	10,875,000	-	10,875,000	-	10,875,000	0.990000	10,766,250	GROSS PLT	4,171,193	14,937,443
20	280H BK PLANT IN SERVICE - SFAS 143 - ARO	(509,878)	-	(509,878)	-	(509,878)	-	(509,878)	0.990000	(504,779)	PROD PLT	-	(504,779)
21	295A GAIN/LOSS ON ACRS/MACRS PROPERTY	-	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-
22	295A GAIN/LOSS ON ACRS/MACRS PROPERTY - DFIT FBK	-	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-
23	295C GAIN/LOSS ACRS/MACRS-BK/TX UNIT PROPERTY	1,761,128	-	1,761,128	-	1,761,128	-	1,761,128	0.990000	1,743,517	PROD PLT	-	1,743,517
24	390A CIAC - BOOK RECEIPTS	(689,149)	-	(689,149)	-	(689,149)	-	(689,149)	0.999000	(688,460)	DIST PLT	-	(688,460)
25	Total EXCESS TAX vs BOOK DEPRECIATION	(36,096,911)	-	(36,096,911)	-	(36,096,911)	-	(36,096,911)	-	(35,745,221)	-	25,184,251	(10,560,970)
26	=====												
27	AFUDC / INTEREST CAPITALIZED												
28	310A AOFUDC	(1,136,313)	(1,136,313)	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
29	310D AOFUDC - HRJ POST-IN-SERVICE	11,364	-	11,364	-	11,364	-	11,364	1.000000	11,364	SPECIFIC	-	11,364
30	320A ABFUDC	(805,299)	-	(805,299)	-	(805,299)	-	(805,299)	0.990000	(797,246)	GROSS PLT	-	(797,246)
31	320A ABFUDC - DFIT FBK	-	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-
32	320J ABFUDC - HRJ - DFIT FBK	-	-	-	-	-	-	-	0.985000	-	TRAN PLT	-	-
33	320I ABFUDC - HRJ POST-IN-SERVICE	21,954	-	21,954	-	21,954	-	21,954	0.985000	21,625	TRAN PLT	-	21,625
34	320I ABFUDC - HRJ POST-IN-SERVICE - DFIT FBK	-	-	-	-	-	-	-	0.985000	-	TRAN PLT	-	-
35	380J INT EXP CAPITALIZED FOR TAX	1,577,020	-	1,577,020	-	1,577,020	-	1,577,020	0.990000	1,561,250	GROSS PLT	-	1,561,250
36	380J INT EXP CAPITALIZED FOR TAX - DFIT FBK	-	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-
37	Total AFUDC / INTEREST CAPITALIZED	(331,274)	(1,136,313)	805,039	-	805,039	-	805,039	-	796,993	-	-	796,993
38	=====												
39	MISC OVERHEADS CAPITALIZED												
40	350A TXS CAPD	-	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-
41	360A PENS CAPD	-	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-
42	360J SEC 481 PENS/OPEB ADJUSTMENT	826	-	826	-	826	-	826	0.992000	819	LABOR	-	819
43	370A SAV PLAN CAPD	-	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-
44	Total MISC OVERHEADS CAPITALIZED	826	-	826	-	826	-	826	-	819	-	-	819
45	=====												
46	PERCENT REPAIR ALLOWANCE												
47	532A PERCENT REPAIR ALLOWANCE	-	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-
48	532B PERCENT REPAIR ALLOWANCE - DFIT FBK	-	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-
49	532C BOOK/TAX UNIT OF PROPERTY ADJ	(3,280,989)	-	(3,280,989)	-	(3,280,989)	-	(3,280,989)	0.990000	(3,248,179)	PROD PLT	-	(3,248,179)
50	532D BK/TX UNIT OF PROPERTY ADJ - SECTION 481	2,853,000	-	2,853,000	-	2,853,000	-	2,853,000	0.990000	2,824,470	PROD PLT	-	2,824,470
51	534A CAPITALIZED RELOCATION COSTS	-	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-
52	534A CAPITALIZED RELOCATION COSTS - DFIT FBK	-	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-
53	Total PERCENT REPAIR ALLOWANCE	(427,989)	-	(427,989)	-	(427,989)	-	(427,989)	-	(423,709)	-	-	(423,709)
54	=====												

Kentucky Power Company
Computation of Adjusted
Current Federal Income Tax Expense
Historical Test Year - As Adjusted
Twelve Months Ended March 31, 2013

Line No.	(1) Total Company Per Books 12 Mo. 03/31/13	(2) Less Non-Utility/ Non-Applicable	(3) Total Company Electric Utility Before Rate Case Adjustments	(4) Elimination Adjustments	(5) Total Company Electric Utility After Rate Case Adjustments	(6) Rate Case / Mitchell Plant Adjustments	(7) Total Co Electric Utility After Rate & Mitchell Adjust. 12 Mo. 03/31/13	(8) KY Jurisdictional Allocation Factor	(9) KY Jurisdictional Allocated Amount	(10) Allocation Basis	(11) Kentucky Jurisdictional Adjustments	(12) KY Jurisdictional Adjusted Amount
55	REMOVAL COSTS											
56	910K REMOVAL CST	(6,239,000)	(6,239,000)	-	(6,239,000)	-	(6,239,000)	0.990000	(6,176,610)	GROSS PLT	1,681,071	(4,495,539)
57	Total REMOVAL COSTS	(6,239,000)	(6,239,000)	-	(6,239,000)	-	(6,239,000)		(6,176,610)		1,681,071	(4,495,539)
58	=====											
59	ACCELERATED AMORTIZATION											
60	533A TX AMORT POLLUTION CONT EQPT	4,503,000	4,503,000	-	4,503,000	-	4,503,000	0.990000	4,457,970	PROD PLT	-	4,457,970
61	Total ACCELERATED AMORTIZATION	4,503,000	4,503,000	-	4,503,000	-	4,503,000		4,457,970		-	4,457,970
62	=====											
63	PROPERTY TAX ADJUSTMENTS											
64	510H PROPERTY TAX-NEW METHOD-BOOK	-	-	-	-	-	-	0.990000	-	NET PLANT	-	-
65	Total PROPERTY TAX ADJUSTMENTS	-	-	-	-	-	-		-		-	-
66	=====											
67	REVENUE REFUNDS											
68	520A PROVS POSS REV REFDS	1,940,096	1,940,096	-	1,940,096	-	1,940,096	1.000000	1,940,096	SPECIFIC	(1,635,430)	304,666
69	Total REVENUE REFUNDS	1,940,096	1,940,096	-	1,940,096	-	1,940,096		1,940,096		(1,635,430)	304,666
70	=====											
71	DEFERRED FUEL COSTS											
72	410A DEFD FUEL EXP - CUR DEFL SET UP	(5,654,010)	(5,654,010)	-	(5,654,010)	-	(5,654,010)	1.000000	(5,654,010)	SPECIFIC	1,367,443	(4,286,567)
73	410B DEFD FUEL ADJ - ACCRD UTIL REVS	142,665	142,665	-	142,665	-	142,665	1.000000	142,665	SPECIFIC	-	142,665
74	410E DEFD FUEL ADJ - REG	(2,749,584)	(2,749,584)	-	(2,749,584)	-	(2,749,584)	1.000000	(2,749,584)	SPECIFIC	-	(2,749,584)
75	411A DEFD FUEL CUR SET UP - A/C 283	(1,446,372)	(1,446,372)	-	(1,446,372)	-	(1,446,372)	1.000000	(1,446,372)	SPECIFIC	-	(1,446,372)
76	411B DEFD FUEL ACC REVS - A/C 283	768,631	768,631	-	768,631	-	768,631	1.000000	768,631	SPECIFIC	-	768,631
77	Total DEFERRED FUEL COSTS	(8,938,670)	(8,938,670)	-	(8,938,670)	-	(8,938,670)		(8,938,670)		1,367,443	(7,571,227)
78	=====											
79	EQUITY IN EARNINGS OF SUBSIDIARIES											
80	531A EQTY IN SUBSIDIARIES (US)	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
81	Total EQUITY IN EARNINGS OF SUBSIDIARIES	-	-	-	-	-	-		-		-	-
82	=====											
83	BOOK ACCRUALS											
84	602A PROV WORKER'S COMP	(174,002)	(174,002)	-	(174,002)	-	(174,002)	0.992000	(172,610)	LABOR	-	(172,610)
85	605B ACCRUED BK PENSION EXPENSE	(1,094,456)	(1,094,456)	-	(1,094,456)	-	(1,094,456)	0.992000	(1,085,700)	LABOR	375,137	(710,563)
86	605C ACCRUED BK PENSION COSTS - SFAS 158	1,054,892	1,054,892	-	1,054,892	-	1,054,892	0.992000	1,046,453	LABOR	-	1,046,453
87	605E SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN	1,515	1,515	-	1,515	-	1,515	0.992000	1,503	LABOR	-	1,503
88	605F ACCRD SUP EXEC RETIRE PLAN COSTS-SFAS 158	(131)	(131)	-	(131)	-	(131)	0.992000	(130)	LABOR	-	(130)
89	605I ACCRD BK SUP. SAVINGS PLAN EXP	(90,937)	(90,937)	-	(90,937)	-	(90,937)	0.992000	(90,210)	LABOR	-	(90,210)
90	605O ACCRUED PSI PLAN EXP	23,305	23,305	-	23,305	-	23,305	0.992000	23,119	LABOR	-	23,119
91	610A BK PROV UNCOLL ACCTS	(627,698)	(627,698)	-	(627,698)	-	(627,698)	1.000000	(627,698)	SPECIFIC	-	(627,698)
92	612Y ACCRD COMPANYWIDE INCENT PLAN	620,713	620,713	-	620,713	-	620,713	0.992000	615,747	LABOR	-	615,747
93	613E ACCRUED BOOK VACATION PAY	(19,287)	(19,287)	-	(19,287)	-	(19,287)	0.992000	(19,133)	LABOR	-	(19,133)
94	613K (ICDP) INCENTIVE COMP DEFERRAL PLAN	(60,252)	(60,252)	-	(60,252)	-	(60,252)	0.992000	(59,770)	LABOR	-	(59,770)
95	613Y ACCRD BK SEVERANCE BENEFITS	1,425	1,425	-	1,425	-	1,425	0.992000	1,414	LABOR	-	1,414
96	614L PROVISION FOR POTENTIAL LOSS	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
97	615A ACCRUED INTEREST EXP -STATE	-	-	-	-	-	-	0.988000	-	REVENUE	-	-
98	615B ACCRUED INTEREST-LONG-TERM - FIN 48	12,872	12,872	-	12,872	-	12,872	0.000000	-	NON-APPLIC	-	-
99	615C ACCRUED INTEREST-SHORT-TERM - FIN 48	4,285	4,285	-	4,285	-	4,285	0.000000	-	NON-APPLIC	-	-
100	615E ACCRUED STATE INCOME TAX EXP	-	-	-	-	-	-	0.988000	-	REVENUE	-	-
101	615R REG ASSET - DEFERRED RTO COSTS	194,062	194,062	-	194,062	-	194,062	0.985000	191,151	TRAN PLT	-	191,151
102	625A FEDERAL MITIGATION PROGRAMS	(199,951)	(199,951)	-	(199,951)	-	(199,951)	1.000000	(199,951)	SPECIFIC	-	(199,951)
103	625B STATE MITIGATION PROGRAMS	(157,237)	(157,237)	-	(157,237)	-	(157,237)	1.000000	(157,237)	SPECIFIC	-	(157,237)
104	Total BOOK ACCRUALS	(610,882)	(610,882)	-	(610,882)	-	(610,882)		(633,052)		375,137	(167,915)
105	=====											

Kentucky Power Company
 Computation of Adjusted
 Current Federal Income Tax Expense
 Historical Test Year - As Adjusted
 Twelve Months Ended March 31, 2013

Line No.	Item Description	(1) Total Company Per Books 12 Mo. 03/31/13	(2) Less Non-Utility/ Non-Applicable	(3) Total Company Electric Utility Before Rate Case Adjustments	(4) Elimination Adjustments	(5) Total Company Electric Utility After Rate Case Adjustments	(6) Rate Case / Mitchell Plant Adjustments	(7) Total Co Electric Utility After Rate & Mitchell Adjst. 12 Mo. 03/31/13	(8) KY Jurisdictional Allocation Factor	(9) KY Jurisdictional Allocated Amount	(10) Allocation Basis	(11) Kentucky Jurisdictional Adjustments	(12) KY Jurisdictional Adjusted Amount
106	BOOK DEFERRALS												
107	390F CUST ADV INC FOR TAX	(30,515)	-	(30,515)	-	(30,515)	-	0.999000	(30,484)	DIST PLT	-	(30,484)	
108	630F DEFD BK CONTRACT REVENUE	(13,556)	-	(13,556)	-	(13,556)	-	0.988000	(13,393)	REVENUE	-	(13,393)	
109	630J DEFD STORM DAMAGE	(7,447,556)	-	(7,447,556)	-	(7,447,556)	-	0.985000	(7,335,843)	DEMAND	(649,818)	(7,985,661)	
110	632U BK DEFL - DEMAND SIDE MANAGEMENT	(1,480,170)	-	(1,480,170)	-	(1,480,170)	-	0.992000	(1,468,329)	LABOR	-	(1,468,329)	
111	641I ADVANCE RENTAL INC (CUR MO)	(23,419)	-	(23,419)	-	(23,419)	-	0.988000	(23,138)	REVENUE	-	(23,138)	
112	660X REG ASSET - DEFERRED PJM FEES	-	-	-	-	-	-	0.985000	-	TRAN PLT	-	-	
113	660Z REG ASSET - DEFERRED EQUITY CARRYING CHGS	(22,428)	(22,428)	-	-	-	-	0.000000	-	NON-UTILITY	-	-	
114	661R REG ASSET - SFAS 158 - PENSIONS	(1,054,892)	-	(1,054,892)	-	(1,054,892)	-	0.992000	(1,046,453)	LABOR	-	(1,046,453)	
115	661S REG ASSET - SFAS 158 - SERP	131	-	131	-	131	-	0.992000	130	LABOR	-	130	
116	661T REG ASSET - SFAS 158 - OPEB	15,236,416	-	15,236,416	-	15,236,416	-	0.992000	15,114,525	LABOR	-	15,114,525	
117	663G REG ASSET - UNDERRECOVERY PJM EXPENSES	-	-	-	-	-	-	0.985000	-	TRAN PLT	-	-	
118	664N REG ASSET - DEFD SEVERANCE COSTS	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-	
119	664V REG ASSET - NET CCS FEED STUDY COSTS	28,123	-	28,123	-	28,123	-	0.990000	27,842	PROD PLT	31,843	59,685	
120	0000 REG ASSET - DEFD BIG SANDY O&M COSTS	-	-	-	-	-	-	0.985000	-	DEMAND	6,702,565	6,702,565	
121	0000 REG ASSET - DEFD BIG SANDY BOOK DEPR	-	-	-	-	-	-	0.985000	-	DEMAND	8,129,400	8,129,400	
122	0000 REG ASSET - DEFD BIG SANDY FGD COSTS	-	-	-	-	-	-	0.985000	-	DEMAND	1,025,615	1,025,615	
123	0000 REG ASSET - DEFD IGCC COSTS	-	-	-	-	-	-	0.985000	-	DEMAND	48,732	48,732	
124	0000 REG ASSET - DEFD CARRS PLANT SITE COSTS	-	-	-	-	-	-	0.985000	-	DEMAND	95,579	95,579	
125	0000 REG ASSET - EMPLOYER GROUP WAIVER PLAN	-	-	-	-	-	-	0.992000	-	LABOR	214,887	214,887	
126													
127	Total BOOK DEFERRALS	5,192,134	(22,428)	6,214,562	-	5,214,562	-		5,224,857		15,598,803	20,823,660	
128	=====												
129	BOOK RESERVES												
130	611Y PROVISION FOR LITIGATION	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-	
131	Total BOOK RESERVES	-	-	-	-	-	-		-		-	-	
132	=====												
133	OTHER MISCELLANEOUS												
134	900A LOSS ON REACQUIRED DEBT	33,649	-	33,649	-	33,649	-	0.990000	33,313	GROSS PLT	-	33,313	
135	905A ACCRD SFAS 106 PST RETIRE EXP	(388,882)	-	(388,882)	-	(388,882)	-	0.992000	(385,771)	LABOR	-	(385,771)	
136	905C DEFD SFAS 106 BOOK COSTS	-	-	-	-	-	-	0.992000	-	LABOR	-	-	
137	905D SFAS 106 PST RETIRE EXP - NON-DEDUCT CONT	-	-	-	-	-	-	0.992000	-	LABOR	-	-	
138	905F ACCRD OPEB COSTS - SFAS 158	(15,236,416)	-	(15,236,416)	-	(15,236,416)	-	0.992000	(15,114,525)	LABOR	-	(15,114,525)	
139	905K ACCRD SFAS 112 PST EMPLOY BEN	2,273,989	-	2,273,989	-	2,273,989	-	0.992000	2,255,797	LABOR	(1,379,819)	875,878	
140	905P ACCRD BOOK ARO EXPENSE - SFAS 143	245,241	-	245,241	-	245,241	-	0.990000	242,789	PROD PLT	-	242,789	
141	907A REG ASSET - MEDICARE SUBSIDY - FLOW THRU	310,721	-	310,721	-	310,721	-	0.992000	308,235	LABOR	-	308,235	
142	907B SFAS 106 - MEDICARE SUBSIDY - NORMALIZED	-	-	-	-	-	-	0.992000	-	LABOR	-	-	
143	910A GAIN ON REACQUIRED DEBT	-	-	-	-	-	-	1.000000	-	SPECIFIC	-	-	
144	911F FIN 48 DEFERRED STATE INCOME TAXES	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-	
145	911Q DEFERRED STATE INCOME TAXES	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-	
146	911V ACCRD SIT TX RESERVE-LNG-TERM-FIN 48	(18,073)	-	(18,073)	-	(18,073)	-	0.000000	-	NON-APPLIC	-	-	
147	911W ACCRD SIT TX RESERVE-SHRT-TERM-FIN 48	143	-	143	-	143	-	0.000000	-	NON-APPLIC	-	-	
148	913D CHARITABLE CONTRIBUTION CARRYFWD	322,570	322,570	-	-	-	-	0.000000	-	NON-APPLIC	-	-	
149	914A SFAS 109 - DEFD SIT LIABILITY	1,499,693	-	1,499,693	-	1,499,693	-	0.990000	1,484,696	NET PLANT	-	1,484,696	
150	914B REG ASSET - SFAS 109 DSIT LIAB	(1,499,693)	-	(1,499,693)	-	(1,499,693)	-	0.990000	(1,484,696)	NET PLANT	-	(1,484,696)	
151	914K REG ASSET - ACCRUED SFAS 112	(2,273,989)	-	(2,273,989)	-	(2,273,989)	-	0.992000	(2,255,797)	LABOR	-	(2,255,797)	
152	940S 1997-2003 IRS AUDIT SETTLEMENT	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-	
153	940X IRS CAPITALIZATION ADJUSTMENT	(68,737)	-	(68,737)	-	(68,737)	-	0.990000	(68,050)	GROSS PLT	-	(68,050)	
154	960E AMT CREDIT DEFERRED	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-	
155	960Z NOL - DEFERRED TAX ASSET RECLASS	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-	
156	Total OTHER MISCELLANEOUS	(14,799,784)	322,570	(15,122,354)	-	(15,122,354)	-		(14,984,909)		(1,379,919)	(16,363,928)	
157	=====												

Kentucky Power Company
 Computation of Adjusted
 Current Federal Income Tax Expense
 Historical Test Year - As Adjusted
 Twelve Months Ended March 31, 2013

Line No.	Item Description	(1) Total Company Per Books 12 Mo. 03/31/13	(2) Less Non-Utility/ Non-Applicable	(3) Total Company Electric Utility Before Rate Case Adjustments	(4) Elimination Adjustments	(5) Total Company Electric Utility After Rate Case Adjustments	(6) Rate Case / Mitchell Plant Adjustments	(7) Total Co Electric Utility After Rate & Mitchell Adjust, 12 Mo. 03/31/13	(8) KY Jurisdictional Allocation Factor	(9) KY Jurisdictional Allocated Amount	(10) Allocation Basis	(11) Kentucky Jurisdictional Adjustments	(12) KY Jurisdictional Adjusted Amount
158	PERMANENT SCHEDULE M's												
159	611M NON-TAXABLE DEFD COMP - CSV EARN	12,679	-	12,679	-	12,679	-	12,679	0.992000	12,578	LABOR	-	12,578
160	906B SFAS 106 - POST RETIRE BEN MEDICARE SUBSIDY	-	-	-	-	-	-	-	0.982000	-	LABOR	-	-
161	910B NON-DEDUCT MEALS AND T&E	39,558	-	39,558	-	39,558	-	39,558	0.982000	39,242	LABOR	-	39,242
162	910C NON-DEDUCT FINES&PENALTIES	-	367	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
163	910E NON-DEDUCT MISCELLANEOUS	367	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
164	910S NON-DEDUCT LOBBYING	242,972	242,972	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
165	910U MEMBERSHIP DUES	-	-	-	-	-	-	-	0.992000	-	LABOR	-	-
166	913A LUXURY AUTO ADJUSTMENT	12,469	-	12,469	-	12,469	-	12,469	0.000000	-	NON-APPLIC	-	-
167	970A MANUFACTURING DEDUCTION	-	-	-	-	-	-	-	0.980000	-	PROD PLT	(123,293)	(123,293)
168	999Q FIN-48 DSIT - PERM - FIN 48	14,970	-	14,970	-	14,970	-	14,970	0.000000	-	NON-APPLIC	-	-
169	Total PERMANENT SCHEDULE M's	323,015	243,339	79,676	-	79,676	-	79,676		51,820		(123,293)	(71,473)
170	=====												
171	TAX ACCRUALS												
172	711N CAPITALIZED SOFTWARE COSTS-TAX	(1,043)	-	(1,043)	-	(1,043)	-	(1,043)	0.990000	(1,033)	GROSS PLT	-	(1,033)
173	711O BOOK LEASES CAPITALIZED FOR TAX	(169,400)	-	(169,400)	-	(169,400)	-	(169,400)	0.990000	(167,706)	GROSS PLT	-	(167,706)
174	Total TAX ACCRUALS	(170,443)	-	(170,443)	-	(170,443)	-	(170,443)		(168,739)		-	(168,739)
175	=====												
176	TAX DEFERRALS												
177	712K CAPITALIZED SOFTWARE COST-BOOK	72,982	-	72,982	-	72,982	-	72,982	0.990000	72,252	GROSS PLT	-	72,252
178	Total TAX DEFERRALS	72,982	-	72,982	-	72,982	-	72,982		72,252		-	72,252
179	=====												
180	TAX vs BOOK GAIN / LOSS												
181	562B DEFD BK GAIN-RKPT 2 SALE/LEASE	-	-	-	-	-	-	-	0.990000	-	PROD PLT	-	-
182	Total TAX vs BOOK GAIN / LOSS	-	-	-	-	-	-	-		-		-	-
183	=====												
184	MARK-TO-MARKET ADJUSTMENTS												
185	575A MTM BK GAIN-B/L-TAX DEFL	-	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
186	575E MTM BK GAIN-A/L-TAX DEFL	5,828,778	-	5,828,778	-	5,828,778	-	5,828,778	0.986000	5,747,175	ENERGY	-	5,747,175
187	576A MARK & SPREAD-DEFL-283-B/L	-	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
188	576C MARK & SPREAD-DEFL-190-B/L	-	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
189	576E MARK & SPREAD-DEFL-283-A/L	242,028	-	242,028	-	242,028	-	242,028	0.986000	238,640	ENERGY	-	238,640
190	576F MARK & SPREAD-DEFL-190-A/L	(5,752,757)	-	(5,752,757)	-	(5,752,757)	-	(5,752,757)	0.986000	(5,672,218)	ENERGY	-	(5,672,218)
191	610U PROV-TRADING CREDIT RISK - A/L	(76,534)	-	(76,534)	-	(76,534)	-	(76,534)	0.986000	(75,463)	ENERGY	-	(75,463)
192	610V PROV - SFAS 157 - A/L	23,535	-	23,535	-	23,535	-	23,535	0.986000	23,206	ENERGY	-	23,206
193	610W PROV-TRADING CREDIT RISK - B/L	-	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
194	610X PROV - SFAS 157 - B/L	-	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
195	652G REG LIAB-UNREAL MTM GAIN-DEFL	(746,369)	-	(746,369)	-	(746,369)	-	(746,369)	0.986000	(735,920)	ENERGY	-	(735,920)
196	Total MARK-TO-MARKET ADJUSTMENTS	(481,319)	-	(481,319)	-	(481,319)	-	(481,319)		(474,580)		-	(474,580)
197	=====												
198	EMISSION ALLOWANCES												
199	638A BOOK > TAX BASIS - EMA-A/C 283	(856,086)	-	(856,086)	-	(856,086)	-	(856,086)	0.986000	(844,101)	ENERGY	-	(844,101)
200	638C TAX > BOOK BASIS - EMA-A/C 190	-	-	-	-	-	-	-	0.986000	-	ENERGY	-	-
201	639M TAX > BOOK BASIS - EMA-A/C 190 (B/L)	17	17	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
202	639O BOOK > TAX BASIS EMA - 283 (B/L)	-	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
203	639Q DEFD TAX GAIN - INTERCO SALE - EMA	-	-	-	-	-	-	-	0.986000	-	ENERGY	-	-
204	639S DEFD TAX LOSS - INTERCO SALE - EMA	-	-	-	-	-	-	-	0.986000	-	ENERGY	-	-
205	640K DEFD TAX GAIN-EPA AUCTION	-	-	-	-	-	-	-	0.986000	-	ENERGY	-	-
206	Total EMISSION ALLOWANCES	(856,069)	17	(856,086)	-	(856,086)	-	(856,086)		(844,101)		-	(844,101)
207	=====												
208	Total Book/Tax Income Differences	(56,820,288)	(592,815)	(56,227,473)	-	(56,227,473)	-	(56,227,473)		(55,743,884)		41,068,063	(14,675,821)
209	=====												

Kentucky Power Company
 Computation of Adjusted
 Current Federal Income Tax Expense
 Historical Test Year - As Adjusted
 Twelve Months Ended March 31, 2013

Line No.	Item Description	(1) Total Company Per Books 12 Mo. 03/31/13	(2) Less Non-Utility/ Non-Applicable	(3) Total Company Electric Utility Before Rate Case Adjustments	(4) Elimination Adjustments	(5) Total Company Electric Utility After Rate Case Adjustments	(6) Rate Case / Mitchell Plant Adjustments	(7) Total Co Electric Utility After Rate & Mitchell Adjust. 12 Mo. 03/31/13	(8) KY Jurisdictional Allocation Factor	(9) KY Jurisdictional Allocated Amount	(10) Allocation Basis	(11) Kentucky Jurisdictional Adjustments	(12) KY Jurisdictional Adjusted Amount
210													
211	State Income Tax Return Adjustment	(302,495)	(302,495)	-	-	-	-	-	-	-	-	-	
212	Taxable Income	22,282,236	499,752	21,782,484	5,256,724	27,039,208	-	27,039,208	-	25,298,438	(34,753,847)	(9,455,410)	
213	Statutory Rate	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	-	35.00%	35.00%	35.00%	
214	Tax Before Credits	7,798,783	174,913	7,623,869	1,839,853	9,463,723	-	9,463,723	-	8,854,453	(12,163,846)	(3,309,394)	
215	Tax Adjustments	(2,166,101)	(2,166,101)	-	-	-	-	-	-	-	-	-	
216	Tax Return Adjustments	1,302,852	1,302,852	-	-	-	-	-	-	-	-	-	
217	NOL - Reclass Adjustment to Deferred Tax Asset	-	-	-	-	-	-	-	-	-	-	-	
218	Parent Company Loss Allocation	(1,352,000)	(1,352,000)	-	-	-	-	-	0.990000	-	GROSS PLT	-	
219	Current Tax	5,582,534	(2,040,336)	7,623,869	1,839,853	9,463,723	-	9,463,723	-	8,854,453	(12,163,846)	(3,309,394)	
220													
221													
222													
223													
224													

ALLOCATION FACTORS:

GROSS PLT	0.9900000
NET PLANT	0.9900000
PROD PLT	0.9900000
TRAN PLT	0.9850000
DIST PLT	0.9990000
T&D PLT	0.9930000
ENERGY	0.9860000
LABOR	0.9820000
O&M EXP	0.9900000
REVENUE	0.9880000
REVENUE-OTH	0.0000000
DEMAND	0.9850000
SPECIFIC	1.0000000
NON-APPLIC	0.0000000
NON-UTILITY	0.0000000

Kentucky Power Company
Computation of Per Books
Deferred Federal Income Tax and Deferred ITC
Historical Test Year - As Adjusted
Twelve Months Ended March 31, 2013

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	Total Company Per Books DFIT 12 Mo. 03/31/13	Less Non-Utility/ Non-Applicable	Total Company Electric Utility DFIT Before Assign & Adjust.	Deferred FIT Associated With Rate Case Adjustments	Total Company Electric Utility After Mitchell Plant Adjustments	Rate Case / Mitchell Plant Adjustments	Total Co Electric Utility After Rate & Mitchell Adjust. 12 Mo. 03/31/13	KY Jurisdictional Allocation Factor	KY Jurisdictional Allocated Amount	Allocation Basis	Kentucky Jurisdictional Adjustments	KY Jurisdictional Adjusted Amount
1	DEFERRED FEDERAL INCOME TAXES:											
1	EXCESS TAX vs BOOK DEPRECIATION											
2	210A LIBERALIZED DEPR-REG	(9,983)	(1,583)	(8,400)	-	(8,400)	-	0.990000	(8,316)	GROSS PLT	-	(8,316)
3	210A-XS EXCESS DFIT - LIBERALIZED DEPR-REG	(2,860)	(460)	(2,400)	-	(2,400)	-	0.990000	(2,376)	GROSS PLT	-	(2,376)
4	230A ACRS BENEFIT NORMALIZED	10,540,032	(6,327,158)	16,867,200	-	16,867,200	16,867,200	0.990000	16,698,528	GROSS PLT	(7,354,570)	9,343,958
5	230A-XS EXCESS DIT - ACRS NORM REVERSAL	(14,586)	(1,641)	(12,945)	-	(12,945)	-	0.990000	(12,816)	GROSS PLT	-	(12,816)
6	230I CAPD INTEREST-SECTION 481(a)-CHANGE IN METHD	(367)	-	(367)	-	(367)	-	0.990000	(363)	GROSS PLT	-	(363)
7	230J RELOCATION CST-SECTION 481(a)-CHANGE IN METHD	(6,035)	-	(6,035)	-	(6,035)	-	0.990000	(5,975)	GROSS PLT	-	(5,975)
8	230K PJM INTEGRATION-SEC 481(a)-INTANG-DFD LABOR	(9,693)	-	(9,693)	-	(9,693)	-	0.985000	(9,548)	TRAN PLT	-	(9,548)
9	230X R&D DEDUCTION - SECTION 174	(55,318)	(55,318)	-	-	-	-	0.990000	-	PROD PLT	-	-
10	232A ACRS TAX DEPRECIATION - HRJ	(207,407)	(1,607)	(205,800)	-	(205,800)	-	0.985000	(202,713)	TRAN PLT	-	(202,713)
11	232A-XS EXCESS DIT - ACRS TAX DEPR - HRJ	(9,298)	7,970	(17,268)	-	(17,268)	-	0.985000	(17,009)	TRAN PLT	-	(17,009)
12	280A EXCESS TX VS S/L BK DEPR	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-
13	280H BK PLANT IN SERVICE - SFAS 143 - ARO	178,457	-	178,457	-	178,457	-	0.990000	176,672	PROD PLT	-	176,672
14	295A GAIN/LOSS ON ACRS/MACRS PROPERTY	2,614,369	2,614,369	-	-	-	-	0.990000	-	GROSS PLT	-	-
15	295A GAIN/LOSS ON ACRS/MACRS PROPERTY - DFIT FBK	(1,051,538)	-	(1,051,538)	-	(1,051,538)	-	0.990000	(1,041,023)	GROSS PLT	-	(1,041,023)
16	295C GAIN/LOSS ACRS/MACRS-BKTX UNIT PROPERTY	(390,111)	226,284	(616,395)	-	(616,395)	-	0.990000	(610,231)	PROD PLT	-	(610,231)
17	390A CIAC - BOOK RECEIPTS	536,149	294,847	241,202	-	241,202	-	0.999000	240,861	DIST PLT	-	240,861
18	Total EXCESS TAX vs BOOK DEPRECIATION	12,111,811	(3,244,207)	15,356,018	-	15,356,018	-	0.990000	15,205,791		(7,354,570)	7,851,221
19	=====											
19	AFUDC / INTEREST CAPITALIZED											
21	310A AOFUDC	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
22	310D AOFUDC - HRJ POST-IN-SERVICE	-	-	-	-	-	-	1.000000	-	SPECIFIC	-	-
23	320A ABFUDC	281,855	-	281,855	-	281,855	281,855	0.990000	279,036	GROSS PLT	-	279,036
24	320A ABFUDC - DFIT FBK	(205,433)	-	(205,433)	-	(205,433)	-	0.990000	(203,379)	GROSS PLT	1,018,581	815,202
25	320J ABFUDC - HRJ - DFIT FBK	(127,434)	-	(127,434)	-	(127,434)	-	0.985000	(125,522)	TRAN PLT	-	(125,522)
26	320I ABFUDC - HRJ POST-IN-SERVICE	-	-	-	-	-	-	0.985000	-	TRAN PLT	-	-
27	320J ABFUDC - HRJ POST-IN-SERVICE - DFIT FBK	(7,445)	-	(7,445)	-	(7,445)	-	0.985000	(7,333)	TRAN PLT	-	(7,333)
28	360J INT EXP CAPITALIZED FOR TAX	(514,827)	37,130	(551,957)	-	(551,957)	-	0.990000	(546,437)	GROSS PLT	-	(546,437)
29	360J INT EXP CAPITALIZED FOR TAX - DFIT FBK	324,094	-	324,094	-	324,094	-	0.990000	320,853	GROSS PLT	-	320,853
30	Total AFUDC / INTEREST CAPITALIZED	(249,190)	37,130	(286,320)	-	(286,320)	-	0.990000	(282,782)		1,018,581	735,799
31	=====											
31	MISC OVERHEADS CAPITALIZED											
32	350A TXS CAPD - DFIT FBK	(20,306)	-	(20,306)	-	(20,306)	-	0.990000	(20,103)	GROSS PLT	-	(20,103)
33	360A PENS CAPD - DFIT FBK	(1,797)	-	(1,797)	-	(1,797)	-	0.990000	(1,779)	GROSS PLT	-	(1,779)
34	360J SEC 481 PENS/OPEB ADJUSTMENT	(288)	1	(289)	-	(289)	-	0.992000	(287)	LABOR	-	(287)
35	370A SAV PLAN CAPD - DFIT FBK	(1,765)	-	(1,765)	-	(1,765)	-	0.990000	(1,747)	GROSS PLT	-	(1,747)
36	Total MISC OVERHEADS CAPITALIZED	(24,166)	1	(24,157)	-	(24,157)	-	0.990000	(23,916)		-	(23,916)
37	=====											
37	PERCENT REPAIR ALLOWANCE											
39	532A PERCENT REPAIR ALLOWANCE	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-
40	532A PERCENT REPAIR ALLOWANCE - DFIT FBK	(566,767)	-	(566,767)	-	(566,767)	-	0.990000	(561,099)	GROSS PLT	-	(561,099)
41	532C BOOK/TAX UNIT OF PROPERTY ADJ	(1,727,397)	(2,875,743)	1,148,346	-	1,148,346	1,148,346	0.990000	1,136,863	PROD PLT	-	1,136,863
42	532D BK/TX UNIT OF PROPERTY ADJ - SECTION 481	(1,422,532)	(423,982)	(998,550)	-	(998,550)	-	0.990000	(988,565)	PROD PLT	-	(988,565)
43	534A CAPITALIZED RELOCATION COSTS	(26,706)	(26,706)	-	-	-	-	0.990000	-	GROSS PLT	-	-
44	534A CAPITALIZED RELOCATION COSTS - DFIT FBK	(10,337)	-	(10,337)	-	(10,337)	-	0.990000	(10,234)	GROSS PLT	-	(10,234)
45	Total PERCENT REPAIR ALLOWANCE	(3,783,739)	(3,326,431)	(427,308)	-	(427,308)	-	0.990000	(423,035)		-	(423,035)
46	=====											
46	REMOVAL COSTS											
47	910K REMOVAL CST	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-
48	Total REMOVAL COSTS	-	-	-	-	-	-	0.990000	-		-	-
49	=====											
49	REMOVAL COSTS											
50	910K REMOVAL CST	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-
51	=====											

Kentucky Power Company
 Computation of Par Books
 Deferred Federal Income Tax and Deferred ITC
 Historical Test Year - As Adjusted
 Twelve Months Ended March 31, 2013

Line No.	(1) Total Company Per Books DFIT 12 Mo. 03/31/13	(2) Less Non-Utility/ Non-Applicable	(3) Total Company Electric Utility DFIT Before Assign & Adjust.	(4) Deferred FIT Associated With Rate Case Adjustments	(5) Total Company Electric Utility After Mitchell Plant Adjustments	(6) Rate Case / Mitchell Plant Adjustments	(7) Total Co Electric Utility After Rate & Mitchell Adjust. 12 Mo. 03/31/13	(8) KY Jurisdictional Allocation Factor	(9) KY Jurisdictional Allocated Amount	(10) Allocation Basis	(11) Kentucky Jurisdictional Adjustments	(12) KY Jurisdictional Adjusted Amount
52	DEFERRED FEDERAL INCOME TAXES:											
52	ACCELERATED AMORTIZATION											
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Kentucky Power Company
Computation of Per Books
Deferred Federal Income Tax and Deferred ITC
Historical Test Year - As Adjusted
Twelve Months Ended March 31, 2013

Line No.	(1) Total Company Per Books DFIT 12 Mo. 03/31/13	(2) Less Non-Utility/ Non-Applicable	(3) Total Company Electric Utility DFIT Before Assign & Adjust.	(4) Deferred FIT Associated With Rate Case Adjustments	(5) Total Company Electric Utility After Mitchell Plant Adjustments	(6) Rate Case / Mitchell Plant Adjustments	(7) Total Co Electric Utility After Rate & Mitchell Adjust. 12 Mo. 03/31/13	(8) KY Jurisdictional Allocation Factor	(9) KY Jurisdictional Allocated Amount	(10) Allocation Basis	(11) Kentucky Jurisdictional Adjustments	(12) KY Jurisdictional Adjusted Amount
99	DEFERRED FEDERAL INCOME TAXES:											
100	BOOK DEFERRALS											
100	390F CUST ADV INC FOR TAX	10,680	-	10,680	-	10,680	0.999000	10,659	DIST PLT	-	10,659	
101	630F DEFD BK CONTRACT REVENUE	4,745	-	4,745	-	4,745	0.988000	4,688	REVENUE	-	4,688	
102	630J DEFD STORM DAMAGE	2,606,645	-	2,606,645	-	2,606,645	0.985000	2,567,545	DEMAND	227,436	2,794,981	
103	632U BK DEFL - DEMAND SIDE MANAGEMENT	518,060	-	518,060	-	518,060	0.992000	513,916	LABOR	-	513,916	
104	641I ADVANCE RENTAL INC (CUR MO)	8,197	-	8,197	-	8,197	0.988000	8,099	REVENUE	-	8,099	
105	660X REG ASSET - DEFERRED PJM FEES	-	-	-	-	-	0.985000	-	TRAN PLT	-	-	
106	660Z REG ASSET - DEFERRED EQUITY CARRYING CHGS	7,850	7,850	-	-	-	0.000000	-	NON-UTILITY	-	-	
107	661R REG ASSET - SFAS 158 - PENSIONS	369,212	-	369,212	-	369,212	0.992000	366,258	LABOR	-	366,258	
108	661S REG ASSET - SFAS 158 - SERP	(46)	-	(46)	-	(46)	0.992000	(46)	LABOR	-	(46)	
109	661T REG ASSET - SFAS 158 - OPEB	(5,332,746)	-	(5,332,746)	-	(5,332,746)	0.992000	(5,290,084)	LABOR	-	(5,290,084)	
110	663G REG ASSET - UNDERRECOVERY PJM EXPENSES	-	-	-	-	-	0.985000	-	TRAN PLT	-	-	
111	664N REG ASSET - DEFD SEVERANCE COSTS	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-	
112	664V REG ASSET - NET CCS FEED STUDY COSTS	(9,843)	-	(9,843)	-	(9,843)	0.990000	(9,745)	PROD PLT	(11,145)	(20,890)	
113	0000 REG ASSET - DEFD BIG SANDY O&M COSTS	-	-	-	-	-	0.985000	-	DEMAND	(2,345,898)	(2,345,898)	
114	0000 REG ASSET - DEFD BIG SANDY BOOK DEPR	-	-	-	-	-	0.985000	-	DEMAND	(2,845,290)	(2,845,290)	
115	0000 REG ASSET - DEFD BIG SANDY FGD COSTS	-	-	-	-	-	0.985000	-	DEMAND	(358,965)	(358,965)	
116	0000 REG ASSET - DEFD IGCC COSTS	-	-	-	-	-	0.985000	-	DEMAND	(17,056)	(17,056)	
117	0000 REG ASSET - DEFD CARRS PLANT SITE COSTS	-	-	-	-	-	0.985000	-	DEMAND	(33,453)	(33,453)	
118	0000 REG ASSET - EMPLOYER GROUP WAIVER PLAN	-	-	-	-	-	0.992000	-	LABOR	(75,210)	(75,210)	
119												
120	Total BOOK DEFERRALS	(1,817,246)	7,850	(1,825,096)	-	(1,825,096)		(1,828,700)			(5,459,581)	(7,288,281)
121	=====											
122	BOOK RESERVES											
123	611Y PROVISION FOR LITIGATION	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-	
124	Total BOOK RESERVES	-	-	-	-	-		-			-	
125	=====											
126	OTHER MISCELLANEOUS											
127	900A LOSS ON REACQUIRED DEBT	(11,777)	-	(11,777)	-	(11,777)	0.990000	(11,659)	GROSS PLT	-	(11,659)	
128	906A ACCRD SFAS 106 PST RETIRE EXP	142,646	6,537	136,109	-	136,109	0.992000	135,020	LABOR	-	135,020	
129	906C DEFD SFAS 106 BOOK COSTS	-	-	-	-	-	0.992000	-	LABOR	-	-	
130	906D SFAS 106 PST RETIRE EXP - NON-DEDUCT CONT	6,165	6,165	-	-	-	0.992000	-	LABOR	-	-	
131	906F ACCRD OPEB COSTS - SFAS 158	5,332,746	-	5,332,746	-	5,332,746	0.992000	5,290,084	LABOR	-	5,290,084	
132	906K ACCRD SFAS 112 PST EMPLOY BEN	(795,896)	-	(795,896)	-	(795,896)	0.992000	(789,529)	LABOR	482,972	(306,557)	
133	906P ACCRD BOOK ARO EXPENSE - SFAS 143	(105,445)	(19,611)	(85,834)	-	(85,834)	0.990000	(84,976)	PROD PLT	-	(84,976)	
134	907A REG ASSET - MEDICARE SUBSIDY - FLOW THRU	-	-	-	-	-	0.992000	-	LABOR	-	-	
135	907B SFAS 106 - MEDICARE SUBSIDY - NORMALIZED	-	-	-	-	-	0.992000	-	LABOR	-	-	
136	910A GAIN ON REACQUIRED DEBT - DFIT FBK	-	-	-	-	-	1.000000	-	SPECIFIC	-	-	
137	911F FIN 48 DEFERRED STATE INCOME TAXES	(5,240)	-	(5,240)	-	(5,240)	0.000000	-	NON-UTILITY	-	-	
138	911Q DEFERRED STATE INCOME TAXES	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-	
139	911V ACCRD SIT TX RESERVE-LNG-TERM-FIN 48	6,325	-	6,325	-	6,325	0.000000	-	NON-APPLIC	-	-	
140	911W ACCRD SIT TX RESERVE-SHRT-TERM-FIN 48	(50)	-	(50)	-	(50)	0.000000	-	NON-APPLIC	-	-	
141	913D CHARITABLE CONTRIBUTION CARRYFWD	(112,900)	(112,900)	-	-	-	0.000000	-	NON-APPLIC	-	-	
142	914A SFAS 109 - DEFD SIT LIABILITY	-	-	-	-	-	0.990000	-	NET PLANT	-	-	
143	914B REG ASSET - SFAS 109 DSIT LIAB	-	-	-	-	-	0.990000	-	NET PLANT	-	-	
144	914K REG ASSET - ACCRUED SFAS 112	795,896	-	795,896	-	795,896	0.992000	789,529	LABOR	-	789,529	
145	940S 1997-2003 IRS AUDIT SETTLEMENT	-	-	-	-	-	0.990000	-	GROSS PLT	-	-	
146	940X IRS CAPITALIZATION ADJUSTMENT	36,749	12,691	24,058	-	24,058	0.990000	23,817	GROSS PLT	-	23,817	
147	960E AMT CREDIT DEFERRED	70,678	70,678	-	-	-	0.990000	-	GROSS PLT	-	-	
148	960Z NOL - DEFERRED TAX ASSET RECLASS	-	-	-	-	-	0.990000	-	GROSS PLT	-	-	
149	Total OTHER MISCELLANEOUS	5,359,897	(36,440)	5,396,337	-	5,396,337		5,352,286			482,972	5,835,258
150	=====											

Kentucky Power Company
Computation of Per Books
Deferred Federal Income Tax and Deferred ITC
Historical Test Year - As Adjusted
Twelve Months Ended March 31, 2013

Line No.	(1) Total Company Per Books DFIT 12 Mo. 03/31/13	(2) Less Non-Utility/ Non-Applicable	(3) Total Company Electric Utility DFIT Before Assign & Adjust.	(4) Deferred FIT Associated With Rate Case Adjustments	(5) Total Company Electric Utility After Mitchell Plant Adjustments	(6) Rate Case / Mitchell Plant Adjustments	(7) Total Co Electric Utility After Rate & Mitchell Adjust. 12 Mo. 03/31/13	(8) KY Jurisdictional Allocation Factor	(9) KY Jurisdictional Allocated Amount	(10) Allocation Basis	(11) Kentucky Jurisdictional Adjustments	(12) KY Jurisdictional Adjusted Amount
151	DEFERRED FEDERAL INCOME TAXES:											
151	PERMANENT SCHEDULE M's											
152	611M NON-TAXABLE DEFD COMP - CSV EARN	-	-	-	-	-	-	0.992000	-	LABOR	-	-
153	906B SFAS 106 - POST RETIRE BEN MEDICARE SUBSIDY	-	-	-	-	-	-	0.992000	-	LABOR	-	-
154	910B NON-DEDUCT MEALS AND T&E	-	-	-	-	-	-	0.992000	-	LABOR	-	-
155	910C NON-DEDUCT FINES&PENALTIES	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
156	910E NON-DEDUCT MISCELLANEOUS	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
157	910S NON-DEDUCT LOBBYING	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
158	910U MEMBERSHIP DUES	-	-	-	-	-	-	0.992000	-	LABOR	-	-
159	913A LUXURY AUTO ADJUSTMENT	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
160	970A MANUFACTURING DEDUCTION	-	-	-	-	-	-	0.990000	-	PROD PLT	-	-
161	999Q FIN-48 DSIT - PERM - FIN 48	-	-	-	-	-	-	0.000000	-	NON-APPLIC	-	-
162	Total PERMANENT SCHEDULE M's	-	-	-	-	-	-	-	-	-	-	-
163	=====											
164	TAX ACCRUALS											
165	711N CAPITALIZED SOFTWARE COSTS-TAX	188	(177)	365	-	365	-	0.990000	361	GROSS PLT	-	361
166	711O BOOK LEASES CAPITALIZED FOR TAX	7,273	(52,017)	59,290	-	59,290	-	0.990000	58,697	GROSS PLT	-	58,697
167	Total TAX ACCRUALS	7,461	(62,194)	59,655	-	59,655	-	-	59,058	-	-	59,058
168	=====											
169	TAX DEFERRALS											
170	712K CAPITALIZED SOFTWARE COST-BOOK	15,901	41,445	(25,544)	-	(25,544)	-	0.990000	(25,289)	GROSS PLT	-	(25,289)
171	Total TAX DEFERRALS	15,901	41,445	(25,544)	-	(25,544)	-	-	(25,289)	-	-	(25,289)
172	=====											
173	TAX vs BOOK GAIN / LOSS											
174	562B DEFD BK GAIN-RKPT 2 SALE/LEASE	-	-	-	-	-	-	0.990000	-	PROD PLT	-	-
175	Total TAX vs BOOK GAIN / LOSS	-	-	-	-	-	-	-	-	-	-	-
176	=====											
177	MARK-TO-MARKET ADJUSTMENTS											
178	575A MTM BK GAIN-B/L-TAX DEFL	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
179	575E MTM BK GAIN-A/L-TAX DEFL	(2,040,072)	-	(2,040,072)	-	(2,040,072)	-	0.986000	(2,011,511)	ENERGY	-	(2,011,511)
180	576A MARK & SPREAD-DEFL-283-B/L	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
181	576C MARK & SPREAD-DEFL-190-B/L	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
182	576E MARK & SPREAD-DEFL-283-A/L	(84,710)	-	(84,710)	-	(84,710)	-	0.986000	(83,524)	ENERGY	-	(83,524)
183	576F MARK & SPREAD-DEFL-190-A/L	2,013,465	-	2,013,465	-	2,013,465	-	0.986000	1,985,276	ENERGY	-	1,985,276
184	610U PROV-TRADING CREDIT RISK - A/L	26,787	-	26,787	-	26,787	-	0.986000	26,412	ENERGY	-	26,412
185	610V PROV - SFAS 157 - A/L	(8,237)	-	(8,237)	-	(8,237)	-	0.986000	(8,122)	ENERGY	-	(8,122)
186	610W PROV-TRADING CREDIT RISK - B/L	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
187	610X PROV - SFAS 157 - B/L	-	-	-	-	-	-	0.000000	-	NON-UTILITY	-	-
188	652G REG LIAB-UNREAL MTM GAIN-DEFL	261,229	-	261,229	-	261,229	-	0.986000	257,572	ENERGY	-	257,572
189	Total MARK-TO-MARKET ADJUSTMENTS	168,462	-	168,462	-	168,462	-	-	166,103	-	-	166,103
190	=====											
191	EMISSION ALLOWANCES											
192	638A BOOK > TAX BASIS - EMA-A/C 283	4,619,411	4,319,781	299,630	-	299,630	-	0.986000	295,435	ENERGY	-	295,435
193	638C TAX > BOOK BASIS - EMA-A/C 190	-	-	-	-	-	-	0.986000	-	ENERGY	-	-
194	639M TAX > BOOK BASIS - EMA-A/C 190 (B/L)	464	464	-	-	-	-	0.000000	-	NON-UTILITY	-	-
195	639O BOOK > TAX BASIS EMA - 283 (B/L)	(415)	(415)	-	-	-	-	0.000000	-	NON-UTILITY	-	-
196	639Q DEFD TAX GAIN - INTERCO SALE - EMA	-	-	-	-	-	-	0.986000	-	ENERGY	-	-
197	639S DEFD TAX LOSS - INTERCO SALE - EMA	-	-	-	-	-	-	0.986000	-	ENERGY	-	-
198	640K DEFD TAX GAIN-EPA AUCTION	-	-	-	-	-	-	0.986000	-	ENERGY	-	-
199	Total EMISSION ALLOWANCES	4,619,460	4,319,830	299,630	-	299,630	-	-	295,435	-	-	295,435
200	=====											
201	TOTAL DEFERRED FEDERAL INCOME TAXES	17,365,854	(2,378,081)	19,743,935	-	19,743,935	-	-	19,570,729	-	(11,350,100)	8,220,629
202	=====											

Kentucky Power Company
Computation of Per Books
Deferred Federal Income Tax and Deferred ITC
Historical Test Year - As Adjusted
Twelve Months Ended March 31, 2013

Line No.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	Total Company Per Books DFIT 12 Mo. 03/31/13	Less Non-Utility/ Non-Applicable	Total Company Electric Utility DFIT Before Assign & Adjust.	Deferred FIT Associated With Rate Case Adjustments	Total Company Electric Utility After Mitchell Plant Adjustments	Rate Case / Mitchell Plant Adjustments	Total Co Electric Utility After Rate & Mitchell Adjust. 12 Mo. 03/31/13	KY Jurisdictional Allocation Factor	KY Jurisdictional Allocated Amount	Allocation Basis	Kentucky Jurisdictional Adjustments	KY Jurisdictional Adjusted Amount
203	DEFERRED FEDERAL INCOME TAXES:											
204	DEFERRED INVESTMENT TAX CREDITS:											
205												
206	(148,047)	-	(148,047)	-	(148,047)	-	(148,047)	0.990000	(146,567)	GROSS PLT	99,929	(46,638)
207	-	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-
208	-	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-
209	-	-	-	-	-	-	-	0.990000	-	GROSS PLT	-	-
210	(117,960)	-	(117,960)	-	(117,960)	-	(117,960)	0.990000	(116,780)	GROSS PLT	86,348	(30,432)
211	<u>(266,007)</u>	<u>-</u>	<u>(266,007)</u>	<u>-</u>	<u>(266,007)</u>	<u>-</u>	<u>(266,007)</u>		<u>(263,347)</u>		<u>186,277</u>	<u>(77,070)</u>
212												
213												
214												
215	<u>17,099,847</u>	<u>(2,378,081)</u>	<u>19,477,928</u>	<u>-</u>	<u>19,477,928</u>	<u>-</u>	<u>19,477,928</u>		<u>19,307,382</u>		<u>(11,163,823)</u>	<u>8,143,559</u>

ALLOCATION FACTORS:

GROSS PLT	0.9900000
NET PLANT	0.9900000
PROD PLT	0.9900000
TRAN PLT	0.9850000
DIST PLT	0.9990000
T&D PLT	0.9930000
ENERGY	0.9860000
LABOR	0.9920000
O&M EXP	0.9900000
REVENUE	0.9880000
REVENUE-OTH	0.0000000
DEMAND	0.9850000
SPECIFIC	1.0000000
NON-APPLIC	0.0000000
NON-UTILITY	0.0000000

KENTUCKY POWER COMPANY
STATE INCOME TAXES
Twelve Months Ended March 31, 2013

STATE INCOME TAXES													
Line #	Item Description	Total Company Per Books 12 Mo. 03/31/13	Less Non-Utility / Non-Applicable	Total Company Electric Utility Before Assign & Adjust	Elimination Adjustments	Total Company Electric Utility After Rate Case Adjustments	Rate Case / Mitchell Plant Adjustments	Total Company Electric Utility After Rate Case & Mitchell Adjust	Kentucky Jurisdictional Allocation Factor	Kentucky Jurisdictional Allocated Amount	Kentucky Jurisdictional Adjustments	KY Jurisdictional Adjusted Amount	
Indiana State Income Taxes													
1	Book Income Before State Income Tax Expense	82,159,105	1,095,468	81,063,637	5,556,477	86,620,114	0	86,620,114	SPECIFIC	84,278,375	SPECIFIC	(77,796,658)	6,481,717
2	Add (Subtract): Federal Schedule M Adjustments	(56,820,288)	(592,815)	(56,227,473)	0	(56,227,473)	0	(56,227,473)	SPECIFIC	(55,743,884)	SPECIFIC	41,068,063	(14,675,821)
3	Add (Subtract): State Income Taxes	0	0	0	0	0	0	0	SPECIFIC	0	SPECIFIC	0	0
4	Add (Subtract): JCWA Depreciation Adjustment	0	78,131	(78,131)	0	(78,131)	0	(78,131)	0.990000	(77,350)	GROSS PLT	0	(77,350)
5	Add (Subtract): Charitable Contributions	0	0	0	0	0	0	0	0.990000	0	GROSS PLT	0	0
6	Add (Subtract): Federal Domestic Production Activity	0	0	0	0	0	0	0	0.990000	0	PROD PLT	123,293	123,293
7	Add (Subtract): Other	0	0	0	0	0	0	0	0.990000	0	GROSS PLT	0	0
8	Add (Subtract): Other	0	0	0	0	0	0	0	0.990000	0	GROSS PLT	0	0
9	State Taxable Income Subject to Apportionment	25,338,817	580,784	24,758,033	5,556,477	30,314,510	0	30,314,510		28,457,141		(36,605,302)	(8,148,161)
10	Apportionment Factor	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000		0.000000		0.000000	0.000000
11	Apportioned State Taxable Income	0	0	0	0	0	0	0		0		0	0
12	Post Apportion Schedule M Adjustments	0	0	0	0	0	0	0	0.990000	0	GROSS PLT	0	0
13	State Taxable Income After Apportionment	0	0	0	0	0	0	0		0		0	0
14	State Income Tax Rate	8.25%	8.25%	8.25%	8.25%	8.25%		8.00%		8.00%		8.00%	8.00%
15	Current State Income Tax	0	0	0	0	0	0	0		0		0	0
16	Deferred State Income Tax - RTD	0	0	0	0	0	0	0	0.000000	0	NON-UTILITY	0	0
17	Tax Return, Apportionment & Other Adjustments	0	0	0	0	0	0	0	0.000000	0	NON-APPLIC	0	0
18	Other Adjustments	0	0	0	0	0	0	0	0.000000	0	NON-APPLIC	0	0
19	Other Adjustments	0	0	0	0	0	0	0	0.990000	0	GROSS PLT	0	0
20	Total State Income Tax -- Indiana	0	0	0	0	0	0	0		0		0	0
21													
22													
23													
24													
25	Illinois State Income Taxes												
26													
27	Book Income Before State Income Tax Expense	82,159,105	1,095,468	81,063,637	5,556,477	86,620,114	0	86,620,114	SPECIFIC	84,278,375	SPECIFIC	(77,796,658)	6,481,717
28	Add (Subtract): Federal Schedule M Adjustments	(56,820,288)	(592,815)	(56,227,473)	0	(56,227,473)	0	(56,227,473)	SPECIFIC	(55,743,884)	SPECIFIC	41,068,063	(14,675,821)
29	Add (Subtract): State Income Taxes	0	0	0	0	0	0	0	SPECIFIC	0	SPECIFIC	0	0
30	Add (Subtract): JCWA Depreciation Adjustment	34,860,313	0	34,860,313	0	34,860,313	0	34,860,313	0.990000	34,511,710	GROSS PLT	0	34,511,710
31	Add (Subtract): Tax-Exempt Interest Income	0	0	0	0	0	0	0	0.990000	0	PROD PLT	0	0
32	Add (Subtract): Other	0	0	0	0	0	0	0	0.990000	0	GROSS PLT	0	0
33	Add (Subtract): Other	0	0	0	0	0	0	0	0.990000	0	GROSS PLT	0	0
34	Add (Subtract): Other	0	0	0	0	0	0	0	0.990000	0	GROSS PLT	0	0
35	State Taxable Income Subject to Apportionment	60,199,130	502,633	59,696,497	5,556,477	65,252,974	0	65,252,974		63,046,201		(36,728,593)	26,317,606
36	Apportionment Factor	0.017969	0.017969	0.017969	0.017969	0.017969	0.017969	0.017969		0.017969		0.017969	0.017969
37	Apportioned State Taxable Income	1,081,718	9,032	1,072,686	99,844	1,172,530	0	1,172,530		1,132,877		(659,976)	472,901
38	Post Apportion Schedule M Adjustments	(52,410)	(400)	(52,010)	0	(52,010)	0	(52,010)	0.990000	(51,490)	GROSS PLT	0	(51,490)
39	State Taxable Income After Apportionment	1,029,308	8,632	1,020,676	99,844	1,120,520	0	1,120,520		1,081,387		(659,976)	421,411
40	State Income Tax Rate	9.50%	9.50%	9.50%	9.50%	9.50%		9.50%		9.50%		9.50%	9.50%
41	Current State Income Tax	97,784	820	96,964	9,485	106,449	0	106,449		102,732		(62,698)	40,034
42	Deferred State Income Tax - RTD	0	0	0	0	0	0	0	0.000000	0	NON-UTILITY	0	0
43	Tax Return, Apportionment & Other Adjustments	(39,690)	(39,690)	0	0	0	0	0	0.000000	0	NON-APPLIC	0	0
44	Other Adjustments	0	0	0	0	0	0	0	0.000000	0	NON-APPLIC	0	0
45	Other Adjustments	(5,463)	(5,463)	0	0	0	0	0	0.000000	0	NON-APPLIC	0	0
46	Total State Income Tax -- Illinois	52,631	(44,333)	96,964	9,485	106,449	0	106,449		102,732		(62,698)	40,034

KENTUCKY POWER COMPANY
STATE INCOME TAXES
Twelve Months Ended March 31, 2013

STATE INCOME TAXES												
Line #	Item Description	Total Company Per Books 12 Mo. 03/31/13	Less Non-Utility / Non-Applicable	Total Company Electric Utility Before Assign & Adjust	Elimination Adjustments	Total Company Electric Utility After Rate Case Adjustments	Rate Case / Micheil Plant Adjustments	Total Company Electric Utility After Rate Case & MICHCELL Adjust	Kentucky Jurisdictional Allocation Factor	Kentucky Jurisdictional Allocated Amount	Kentucky Jurisdictional Adjustments	KY Jurisdictional Adjusted Amount
47	Kentucky State Income Taxes											
48												
49	Book Income Before State Income Tax Expense	82,159,105	1,095,468	81,063,637	5,556,477	86,620,114	0	86,620,114	SPECIFIC	84,278,375	SPECIFIC	6,481,717
50	Add (Subtract): Federal Schedule M Adjustments	(56,820,288)	(592,815)	(56,227,473)	0	(56,227,473)	0	(56,227,473)	SPECIFIC	(55,743,884)	SPECIFIC	(14,675,821)
51	Add (Subtract): State Income Taxes	0	0	0	0	0	0	0	SPECIFIC	0	SPECIFIC	0
52	Add (Subtract): JCWA Depreciation Adjustment	32,075,944	0	32,075,944	0	32,075,944	0	32,075,944	0.990000	31,755,185	GROSS PLT	31,755,185
53	Add (Subtract): Tax-Exempt Interest Income	0	0	0	0	0	0	0	0.990000	0	PROD PLT	0
54	Add (Subtract): Federal Domestic Production Activity	0	0	0	0	0	0	0	0.990000	0	PROD PLT	0
55	Add (Subtract): Interest Income - US Obligations	0	0	0	0	0	0	0	0.990000	0	GROSS PLT	123,293
56	Add (Subtract): Other	0	0	0	0	0	0	0	0.990000	0	GROSS PLT	0
57	State Taxable Income Subject to Apportionment	57,414,761	502,653	56,912,108	5,556,477	62,468,585	0	62,468,585		60,289,676		23,684,374
58	Apportionment Factor	0.861105	0.861105	0.861105	0.861105	0.861105	0.861105	0.861105		0.861105		0.861105
59	Apportioned State Taxable Income	49,440,138	432,837	49,007,301	4,784,710	53,792,011	0	53,792,011		51,915,741		20,394,733
60	Post Apportion Schedule M Adjustments	0	0	0	0	0	0	0	0.990000	0	GROSS PLT	0
61	State Taxable Income After Apportionment	49,440,138	432,837	49,007,301	4,784,710	53,792,011	0	53,792,011		51,915,741		20,394,733
62	State Income Tax Rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%		6.00%		6.00%
63	Current State Income Tax	2,966,408	25,970	2,940,438	287,083	3,227,521	0	3,227,521		3,114,944		1,233,684
64	Deferred State Income Tax - RTD	0	0	0	0	0	0	0	0.000000	0	NON-UTILITY	0
65	Tax Return, Apportionment & Other Adjustments	(229,630)	(229,630)	0	0	0	0	0	0.000000	0	NON-UTILITY	0
66	Other Adjustments	0	0	0	0	0	0	0	0.000000	0	NON-UTILITY	0
67	Other Adjustments	11,894	11,894	0	0	0	0	0	0.000000	0	NON-UTILITY	0
68	Total State Income Tax -- Kentucky	2,748,672	(191,766)	2,940,438	287,083	3,227,521	0	3,227,521		3,114,944		1,233,684
69												
70												
71												
72												
73	Michigan State Income Taxes											
74												
75	Book Income Before State Income Tax Expense	82,159,105	1,095,468	81,063,637	5,556,477	86,620,114	0	86,620,114	SPECIFIC	84,278,375	SPECIFIC	6,481,717
76	Add (Subtract): Federal Schedule M Adjustments	(56,820,288)	(592,815)	(56,227,473)	0	(56,227,473)	0	(56,227,473)	SPECIFIC	(55,743,884)	SPECIFIC	(14,675,821)
77	Add (Subtract): State Income Taxes	0	0	0	0	0	0	0	SPECIFIC	0	SPECIFIC	0
78	Add (Subtract): JCWA Depreciation Adjustment	33,714,442	0	33,714,442	0	33,714,442	0	33,714,442	0.990000	33,377,298	GROSS PLT	33,377,298
79	Add (Subtract): Tax-Exempt Interest Income	0	0	0	0	0	0	0	0.990000	0	PROD PLT	0
80	Add (Subtract): Interest Income - US Obligations	0	0	0	0	0	0	0	0.990000	0	PROD PLT	0
81	Add (Subtract): Other	0	0	0	0	0	0	0	0.990000	0	GROSS PLT	0
82	Add (Subtract): Other	0	0	0	0	0	0	0	0.990000	0	GROSS PLT	0
83	State Taxable Income Subject to Apportionment	59,053,259	502,653	58,550,606	5,556,477	64,107,083	0	64,107,083		61,911,789		25,183,194
84	Apportionment Factor	0.001010	0.001010	0.001010	0.001010	0.001010	0.001010	0.001010		0.001010		0.001010
85	Apportioned State Taxable Income	59,644	508	59,136	5,612	64,748	0	64,748		62,531		25,435
86	Post Apportion Schedule M Adjustments	0	0	0	0	0	0	0	0.990000	0	GROSS PLT	0
87	State Taxable Income After Apportionment	59,644	508	59,136	5,612	64,748	0	64,748		62,531		25,435
88	State Income Tax Rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%		6.00%		6.00%
89	Current State Income Tax	3,579	30	3,548	337	3,885	0	3,885		3,752		1,526
90	MBT Surcharge @ 21.99%	0	0	0	0	0	0	0	CALC	0	CALCULATED	0
91	Deferred State Income Tax - RTD	0	0	0	0	0	0	0	0.000000	0	NON-UTILITY	0
92	Tax Return, Apportionment & Other Adjustments	31,054	31,054	0	0	0	0	0	0.000000	0	NON-UTILITY	0
93	Other Adjustments	0	0	0	0	0	0	0	0.000000	0	NON-UTILITY	0
94	Other Adjustments	(4,534)	(4,534)	0	0	0	0	0	CALC	0	CALCULATED	0
95	Total State Income Tax -- Michigan	30,099	26,550	3,548	337	3,885	0	3,885		3,752		1,526

KENTUCKY POWER COMPANY
STATE INCOME TAXES
Twelve Months Ended March 31, 2013

STATE INCOME TAXES													
Line #	Item Description	Total Company Per Books 12 Mo. 03/31/13	Less Non-Utility / Non-Applicable	Total Company Electric Utility Before Assign & Adjust	Elimination Adjustments	Total Company Electric Utility After Rate Case Adjustments	Rate Case / Mitchell Plant Adjustments	Total Company Electric Utility After Rate Case & Mitchell Adjust	Kentucky Jurisdictional Allocation Factor	Kentucky Jurisdictional Allocated Amount	Kentucky Jurisdictional Adjustments	KY Jurisdictional Adjusted Amount	
96	Michigan Gross Receipts Taxes												
97													
98	Book Income Before State Income Tax Expense	82,159,105	1,095,468	81,063,637	5,556,477	86,620,114	0	86,620,114	SPECIFIC	84,278,375	SPECIFIC	(77,796,658)	6,481,717
99	Add (Subtract): Federal Schedule M Adjustments	0	0	0	0	0	0	0	SPECIFIC	0	SPECIFIC	0	0
100	Add (Subtract): State Income Taxes	0	0	0	0	0	0	0	0.990000	0	GROSS PLT	0	0
101	Add (Subtract): JCWA Depreciation Adjustment	0	0	0	0	0	0	0	0.990000	0	GROSS PLT	0	0
102	Add (Subtract): Book Income Before State Income Tax Expense	(82,159,105)	(1,095,468)	(81,063,637)	(5,556,477)	(86,620,114)	0	(86,620,114)	0.990000	(84,278,375)	GROSS PLT	77,796,658	(6,481,717)
103	Add (Subtract): Taxable Receipts	0	0	0	0	0	0	0	0.990000	0	GROSS PLT	0	0
104	Add (Subtract): Other	0	0	0	0	0	0	0	0.990000	0	GROSS PLT	0	0
105	Add (Subtract): Other	0	0	0	0	0	0	0	0.990000	0	GROSS PLT	0	0
106	State Taxable Income Subject to Apportionment	0	0	0	0	0	0	0		0		0	0
107	Apportionment Factor	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000		1.000000		1.000000	1.000000
108	Apportioned State Taxable Income	0	0	0	0	0	0	0		0		0	0
109	State Income Tax Rate	0.98%	0.98%	0.98%	0.98%	0.98%	0.98%	0.00%		0.00%		0.00%	0.00%
110	Current State Income Tax	0	0	0	0	0	0	0		0		0	0
111	Deferred State Income Tax - RTD	0	0	0	0	0	0	0	0.000000	0	NON-UTILITY	0	0
112	Tax Return, Apportionment & Other Adjustments	(21,728)	(21,728)	0	0	0	0	0	0.000000	0	NON-APPLIC	0	0
113	Other Adjustments	0	0	0	0	0	0	0	0.000000	0	NON-APPLIC	0	0
114	Other Adjustments	0	0	0	0	0	0	0	0.000000	0	NON-APPLIC	0	0
115	Total State Income Tax -- Michigan Gross Receipts Tax	(21,728)	(21,728)	0	0	0	0	0		0		0	0
116													
117													
118													
119													
120	West Virginia State Income Taxes												
121													
122	Book Income Before State Income Tax Expense	82,159,105	1,095,468	81,063,637	5,556,477	86,620,114	0	86,620,114	SPECIFIC	84,278,375	SPECIFIC	(77,796,658)	6,481,717
123	Add (Subtract): Federal Schedule M Adjustments	(56,820,288)	(592,815)	(56,227,473)	0	(56,227,473)	0	(56,227,473)	SPECIFIC	(55,743,884)	SPECIFIC	41,068,063	(14,675,821)
124	Add (Subtract): State Income Taxes	0	0	0	0	0	0	0	SPECIFIC	0	SPECIFIC	0	0
125	Add (Subtract): JCWA Depreciation Adjustment	0	0	0	0	0	0	0	0.990000	0	GROSS PLT	0	0
126	Add (Subtract): Tax-Exempt Interest Income	0	0	0	0	0	0	0	0.990000	0	PROD PLT	0	0
127	Add (Subtract): Federal Domestic Production Activity	0	0	0	0	0	0	0	0.990000	0	PROD PLT	123,293	123,293
128	Add (Subtract): Other	0	0	0	0	0	0	0	0.990000	0	GROSS PLT	0	0
129	Add (Subtract): Other	0	0	0	0	0	0	0	0.990000	0	GROSS PLT	0	0
130	State Taxable Income Subject to Apportionment	25,338,817	502,653	24,836,164	5,556,477	30,392,641	0	30,392,641		28,534,491		(16,605,302)	(8,070,811)
131	Apportionment Factor	0.007322	0.007322	0.007322	0.007322	0.007322	0.007322	0.007322		0.007322		0.007322	0.007322
132	Apportioned State Taxable Income	185,531	3,680	181,850	40,685	222,535	0	222,535		208,930		(268,024)	(59,094)
133	Post Apportion Schedule M Adjustments	0	0	0	0	0	0	0	0.990000	0	GROSS PLT	0	0
134	State Taxable Income After Apportionment	185,531	3,680	181,850	40,685	222,535	0	222,535		208,930		(268,024)	(59,094)
135	State Income Tax Rate	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%		7.00%		7.00%	7.00%
136	Current State Income Tax	12,987	258	12,730	2,848	15,577	0	15,577		14,625		(18,762)	(4,137)
137	Deferred State Income Tax - RTD	0	0	0	0	0	0	0	0.000000	0	NON-UTILITY	0	0
138	Tax Return, Apportionment & Other Adjustments	(42,501)	(42,501)	0	0	0	0	0	0.000000	0	NON-APPLIC	0	0
139	Other Adjustments	(18,125)	(18,125)	0	0	0	0	0	0.000000	0	NON-APPLIC	0	0
140	Other Adjustments	(4,989)	(4,989)	0	0	0	0	0	0.000000	0	NON-APPLIC	0	0
141	Total State Income Tax -- West Virginia	(52,628)	(65,357)	12,730	2,848	15,577	0	15,577		14,625		(18,762)	(4,137)

KENTUCKY POWER COMPANY
STATE INCOME TAXES
Twelve Months Ended March 31, 2013

STATE INCOME TAXES		Total Company Per Books 12 Mo. 03/31/13	Less Non-Utility / Non-Applicable	Total Company Electric Utility Before Assign & Adjust	Elimination Adjustments	Total Company Electric Utility After Rate Case Adjustments	Rate Case / Mitchell Plant Adjustments	Total Company Electric Utility After Rate Case & Mitchell Adjust	Kentucky Jurisdictional Allocation Factor	Kentucky Jurisdictional Allocated Amount	Kentucky Jurisdictional Adjustments	KY Jurisdictional Adjusted Amount
Line #	Item Description											
142	All Other State Income Taxes											
143												
144												
145												
146	FIN-48 State Income Tax Adjustments	(2,960)	(2,960)	0	0	0	0	0	0.000000	0	NON-APPLIC	0
147	All Other State Income Taxes	0	0	0	0	0	0	0	0.000000	0	NON-APPLIC	0
148	All Other State Income Taxes	0	0	0	0	0	0	0	0.990000	0	GROSS PLT	199
149	Total State Income Tax — All Other	(2,960)	(2,960)	0	0	0	0	0		0		199
150												
151												
152												
153												
154												
155	Total State Income Tax — All States	2,754,086	(299,594)	3,053,680	299,753	3,353,432	0	3,353,432		3,236,051	(1,974,748)	1,261,306
156												
157												
158	Total Current State Income Tax — All States	2,754,086	(299,594)	3,053,680	299,753	3,353,432	0	3,353,432		3,236,051	(1,974,748)	1,261,306
159												
160												
161	Total Deferred State Income Tax — All States	0	0	0	0	0	0	0		0	0	0

ALLOCATION FACTORS:

GROSS PLT	0.99000000
NET PLANT	0.99000000
PROD PLT	0.99000000
TRAN PLT	0.98500000
DIST PLT	0.99900000
T&D PLT	0.99300000
ENERGY	0.98600000
LABOR	0.99200000
O&M EXP	0.99000000
REVENUE	0.98800000
REVENUE-OTH	0.00000000
SPECIFIC	1.00000000
NON-APPLIC	0.00000000
NON-UTILITY	0.00000000

Note:

Consistent with prior KPCO Rate Filings and Commission Orders, State Income Taxes are treated as flow-thru for ratemaking purposes (4e- No Deferred State Income Taxes are included in Cost of Service).

KENTUCKY POWER COMPANY
ORIGINAL COST - ELECTRIC PLANT IN SERVICE
AS OF MARCH 31, 2013

SECTION V
SCHEDULE 11

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC UTILITY (3)	KENTUCKY P. S. C. JURISDICTION (4)	PCT RETAIL (5)	ALLOCATION FACTOR (6)
<u>Production Plant</u>					
1	Land	1,748,519	\$1,722,291	0.985	PDAF
2	Land Rights	5,420	5,339	0.985	PDAF
3	Asset Retirement Obligation	3,614,563	3,560,345	0.985	PDAF
4	All Other	547,270,719	539,061,658	0.985	PDAF
5	Total	552,639,221	544,349,633		
<u>Transmission</u>					
6	Land	3,390,719	3,339,858	0.985	TDAF
7	Land Rights	25,921,837	25,533,009	0.985	TDAF
8	Substation-Structures & Equipment	175,557,149	172,923,792	0.985	TDAF
9	All Other	285,960,267	281,670,863	0.985	TDAF
10	Total	490,829,972	483,467,522	0.985	GP-TRANS
<u>Distribution</u>					
11	Land	2,000,514	1,999,106		WP S - 11 P 1
12	Land Rights	5,223,847	5,223,847	1.000	SPECIFIC
13	Substation-Structures & Equipment	81,451,026	80,558,473		WP S - 11 P 1
14	Meters	24,583,877	24,581,348	\$2,529	WP S - 11 P 2
15	All Other	549,823,112	549,823,112	1.000	SPECIFIC
16	Total	663,082,376	662,185,886	0.999	GP-DIST
17	Total Transmission & Distribution (LINE 10 + LINE 16)	1,153,912,348	1,145,653,408	0.993	GP-T&D
18	Total Production, Transmission & Distribution (LINE 5 + LINE 17)	1,706,551,569	1,690,003,041	0.990	GP-PTD
<u>General Plant</u>					
19	Land	1,487,347	1,472,474	0.990	GP-PTD
20	Land Rights	37,384	37,010	0.990	GP-PTD
21	Asset Retirement Obligation	81,054	80,243	0.990	GP-PTD
22	All Other	34,185,907	33,844,048	0.990	GP-PTD
23	Total	35,791,692	35,433,775		
24	Intangible Plant	18,253,425	18,070,891	0.990	GP-PTD
25	Electric Plant In Service (LINES 18 + 23 + 24)	1,760,596,686	1,743,507,707		
26	Electric Plant In Service - Capital Leases	5,512,824	5,457,696	0.990	GP-PTD
27	Total Electric Plant In Service - Original Cost (LINES 25 + 26)	1,766,109,510	1,748,965,403		
Plus:					
28	Post In Service AFUDC HR-J	\$657,288	647,429	0.985	GP-TRANS
29	Deferred Depreciation HR-J	102,427	100,891	0.985	GP-TRANS
Less:					
30	Asset Retirement Obligation	3,695,617	3,640,183	0.985	PDAF
31	EPIS - Capital Leases	5,512,824	5,457,696	0.990	GP-PTD
32	Total EPIS-Original Cost With HR-J Post In Service AFUDC	\$1,757,660,784 =====	\$1,740,615,844 =====	0.990	GP-TOT

KENTUCKY POWER COMPANY
ANALYSIS OF DISTRIBUTION PLANT - SUBSTATIONS
AS OF MARCH 31, 2013

SECTION V
WORKPAPER S - 11
PAGE 1 OF 2

<u>LINE NO.</u> (1)	<u>DESCRIPTION</u> (2)	<u>360 LAND</u> (3)	<u>361 STRUCTURES</u> (4)	<u>362 STATION EQUIPMENT</u> (5)	<u>TOTAL</u> (6)
	<u>City of Olive Hill</u>				
1	Olive Hill Station	\$1,408	\$44,907	\$847,647	\$893,962
2	Vanceburg (So. Portsmouth)	\$0	\$0	\$0	\$0
3	All Other Distribution Stations	1,999,106	4,327,099	76,231,374	\$82,557,579
4	Total Distribution Station	<u>\$2,000,514</u>	<u>\$4,372,006</u>	<u>\$77,079,021</u>	<u>\$83,451,541</u>
	<u>Distribution</u>				
5	Total Substations	\$83,451,541			
6	Land	<u>(2,000,514)</u>			
7	Structures & Equipment	<u>\$81,451,027</u>			
8	Total Distribution Plant	\$663,082,376			
	Less:				
9	Land	2,000,514			
10	Land Rights	5,223,847			
11	Structures & Equipment	81,451,027			
12	Meters	24,583,877			
13	All Other	<u>\$549,823,111</u>			

KENTUCKY POWER COMPANY
DISTRIBUTION PLANT - ANALYSIS OF METERS
AS OF MARCH 31, 2013

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<u>LINE NO.</u> (1)	<u>DESCRIPTION</u> (2)	<u>TOTAL</u> (3)
1	Olive Hill - 12KV	\$2,529
2	Vanceburg (Vanceburg Paid for Meter)	\$0
3	TOTAL	<u>\$2,529</u> =====

KENTUCKY POWER COMPANY
ACCUMULATED PROVISION FOR DEPRECIATION, DEPLETION
AND AMORTIZATION OF ELECTRIC PLANT IN SERVICE
AS OF MARCH 31, 2013

SECTION V
SCHEDULE 12

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC UTILITY (3)	KENTUCKY P. S. C. JURISDICTION (4)	PCT RETAIL (5)	ALLOCATION FACTOR (6)
1	Production Plant Total	\$279,728,013	\$275,532,093	0.985	PDAF
2	Transmission Plant Total	156,329,587	153,984,643	0.985	GP - TRANS
3	Distribution Plant Total	174,000,158	173,826,158	0.999	GP - DIST
4	Total Production, Transmission and Distribution	610,057,758	603,342,894		
5	General Plant Total	9,120,305	9,029,102	0.990	GP-PTD
6	Intangible Plant Total	15,442,181	15,287,759	0.990	GP-PTD
7	Capital Leases	2,195,469	2,173,514	0.990	GP-PTD
8	Total Accumulated Provision For Depreciation	636,815,713	629,833,269		
9	Plus: HR - J Post In Service AFUDC	946,558	932,360	0.985	GP-TRANS
10	Less: Accumulated Depreciation on ARO Assets	996,334			
11	Capital leases	2,195,469	2,173,514	0.990	GP-PTD
12	Total Accumulated Provision For Depreciation and Amortization including HR - J Post In Service AFUDC	\$634,570,468	\$628,592,115		

KENTUCKY POWER COMPANY
NET ELECTRIC PLANT IN SERVICE
AS OF MARCH 31, 2013

SECTION V
SCHEDULE 13

<u>LINE NO.</u> (1)	<u>DESCRIPTION</u> (2)	<u>TOTAL ELECTRIC UTILITY</u> (3)	<u>KENTUCKY P. S. C. JURISDICTION</u> (4)	<u>PCT RETAIL</u> (5)	<u>ALLOCATION FACTOR</u> (6)
1	Production Plant	\$272,911,208	\$268,817,540		Sch 11 - 12
2	Transmission Plant	334,500,385	329,482,879		Sch 11 - 12
3	Distribution Plant	489,082,218	488,359,728		Sch 11 - 12
4	Total Production, Transmission and Distribution	1,096,493,811	1,086,660,147		
5	General Plant Total	26,671,387	26,404,673		Sch 11 - 12
6	Intangible Plant Total	2,811,244	2,783,132		Sch 11 - 12
7	Capital Leases	3,317,355	3,284,182		Sch 11 - 12
8	Total Electric Plant In Service - Net	1,129,293,797	1,119,132,134		
	Plus:				
9	HR - J Post In Service AFUDC	(289,270)	(284,931)		Sch 11 - 12
10	Deferred Depreciation HR - J	102,427	100,891		Sch 11 - 12
	Less:				
11	Asset Retirement Obligation	2,699,283	3,640,183		Sch 11 - 12
12	Capital leases	3,317,355	3,284,182		Sch 11 - 12
13	Total EPIS - Net With HR - J Post In Service AFUDC	\$1,123,090,316 =====	\$1,112,023,729 =====	0.990	NP

KENTUCKY POWER COMPANY
ELECTRIC PLANT HELD FOR FUTURE USE
AS OF MARCH 31, 2013

SECTION V
SCHEDULE 14

<u>LINE NO.</u> (1)	<u>DESCRIPTION</u> (2)	<u>TOTAL ELECTRIC UTILITY</u> (3)	<u>KENTUCKY P. S. C. JURISDICTION</u> (4)	<u>PCT RETAIL</u> (5)	<u>ALLOCATION FACTOR</u> (6)
1	Production Plant	\$6,778,355	\$6,676,680	0.985	PDAF
2	Transmission Plant	30,592	30,133	0.985	GP-TRANS
3	Distribution Plant	627,604	626,976	0.999	GP-DIST
4	General Plant	0	0	0.990	GP-PTD
5	Total	<u>7,436,551</u>	<u>7,333,789</u>		
6	Less: Carrs Site	<u>6,778,355</u>	<u>6,676,680</u>	0.985	PDAF
7	Net Plant Held For Future Use	<u>\$658,196</u> =====	<u>\$657,110</u> =====		

KENTUCKY POWER COMPANY
WORKING CAPITAL REQUIREMENTS
AS OF MARCH 31, 2013

SECTION V
SCHEDULE 15

<u>LINE NO.</u> (1)	<u>DESCRIPTION</u> (2)	<u>TOTAL ELECTRIC UTILITY</u> (3)	<u>KENTUCKY P. S. C. JURISDICTION</u> (4)	<u>PCT RETAIL</u> (5)	<u>ALLOCATION FACTOR</u> (6)
1	Materials & Supplies	\$69,244,048	\$68,288,126		WP S-15
2	Prepayments	1,469,767	1,455,069	0.990	GP-TOT
	Cash Working Capital:				
3	O & M Expense Restated Add Back System Sales *	327,280,735	324,139,630	0.990	Sch 7 O&M
4	Demand Related	4,040,115	3,979,513	0.985	PDAF
5	Energy Related	113,974,680	112,379,034	0.986	EAF
6	Total	445,295,530	440,498,177		
7	Cash Working Capital - 1 / 8 of LINE 6	55,661,941	55,062,272	0.990	GP-TOT
8	Total Working Capital Sum of LINES 1, 2 & 7	\$126,375,756 =====	\$124,805,467 =====		

* Includes Various Transmission Agreements

KENTUCKY POWER COMPANY
SUMMARY OF MATERIALS AND SUPPLIES
AS OF MARCH 31, 2013

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<u>LINE NO.</u> (1)	<u>DESCRIPTION</u> (2)	<u>TOTAL ELECTRIC UTILITY</u> (3)	<u>KENTUCKY P. S. C. JURISDICTION</u> (4)	<u>PERCENT RETAIL</u> (5)	<u>ALLOCATION FACTOR</u> (6)
M & S Fuel:					
1	Fuel Stock - Coal	\$44,845,590			
2	Fuel Stock - In Transit				
3	Fuel Stock - Oil	964,869			
4	Fuel Stock - Undistributed	1,358,371			
5	Total M & S Fuel	<u>47,168,830</u>	<u>46,508,466</u>	0.986	EAF
M & S - Other					
6	Power Plant	8,719,135	8,588,348	0.985	PDAF
7	T & D	3,068,172	3,046,695	0.993	GP-T&D
8	Urea	96,885	95,529	0.986	EAF
9	Transportation Inventory	105,239	104,502	0.993	GP-T&D
10	Urea - In Transit	935,512	922,415	0.986	EAF
11	SO2 Allowance Inventory	9,127,503	8,999,718	0.986	EAF
12	NOx Compliance Inventory	22,772	22,453	0.986	EAF
13	Total M & S Other	<u>22,075,218</u>	<u>21,779,660</u>		
14	Total M & S (LINES 5 + 10)	<u>\$69,244,048</u>	<u>\$68,288,126</u>		

KENTUCKY POWER COMPANY
 CONSTRUCTION WORK IN PROGRESS - AFUDC
AS OF MARCH 31, 2013

SECTION V
 SCHEDULE 16

<u>LINE NO.</u> (1)	<u>DESCRIPTION</u> (2)	<u>TOTAL ELECTRIC UTILITY</u> (3)	<u>KENTUCKY P. S. C. JURISDICTION</u> (4)	<u>PCT RETAIL</u> (5)	<u>ALLOCATION FACTOR</u> (6)
CWIP:					
1	Production	\$1,863,226	\$1,835,278	0.985	PDAF
2	Transmission	28,111,791	27,690,114	0.985	GP-TRANS
3	Distribution	11,732,248	11,720,516	0.999	GP-DIST
4	General	2,056,468	2,035,903	0.990	GP-PTD
5	Total CWIP	<u>\$43,763,733</u> =====	<u>\$43,281,811</u> =====	0.989	
AFUDC:					
6	Production	\$810,195	\$798,042	0.985	PDAF
7	Transmission	640,804	631,192	0.985	GP-TRANS
8	Distribution	443,695	443,251	0.999	GP-DIST
9	General	46,935	46,466	0.990	GP-PTD
10	Total AFUDC	<u>\$1,941,629</u> =====	<u>\$1,918,951</u> =====		

KENTUCKY POWER COMPANY
FUNCTIONALIZATION OF CONSTRUCTION WORK IN PROGRESS
AS OF MARCH 31, 2013

SECTION V
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PAGE 1 OF 2

<u>LINE NO.</u> (1)	<u>DESCRIPTION</u> (2)	<u>CWIP PER BOOKS</u> (3)	<u>LESS PORTION SUBJECT TO AFUDC</u> (4)	<u>NOT SUBJECT TO AFUDC (COL 3 - COL 4)</u> (5)
1	Production	\$1,863,226	\$1,863,430	(\$204)
2	Transmission	28,111,791	\$26,984,521	1,127,270
3	Distribution	11,732,248	\$10,415,882	1,316,366
4	General	2,056,468	\$1,794,442	262,026
5	Intangible	43,831	\$43,831	0
6	Total Construction Work In Progress	<u>\$43,807,564</u>	<u>\$41,102,106</u>	<u>\$2,705,458</u>
7	Less:			
8	Intangible	<u>\$43,831</u>		
9	Total CWIP	43,763,733		

KENTUCKY POWER COMPANY
MONTHLY BOOK CREDITS
ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION (AFUDC) - CREDITS
TWELVE MONTHS ENDED 3/31/2013

LINE NO. (1)	MONTH (2)	Production		Transmission		Distribution		General Plant		Total		Total AFUDC (13)	Monthly Debt Rate Applicable (14)	Monthly Equity Rate Applicable (15)	
		432 Borrowed (3)	419 Other (4)	432 Borrowed (5)	419 Other (6)	432 Borrowed (7)	419 Other (8)	432 Borrowed (9)	419 Other (10)	432 Borrowed (11)	419 Other (12)				
1	April	2012	\$69,896	\$96,749	\$70,202	\$97,172	\$39,714	\$54,972	\$3,542	\$4,902	\$183,354	\$253,795	\$437,149	0.287315%	0.397696%
2	May	2012	\$72,581	\$101,263	\$75,790	\$105,731	\$42,026	\$58,630	\$3,366	\$4,696	\$193,763	\$270,320	\$464,083	0.286269%	0.399361%
3	June	2012	\$77,789	\$107,419	\$76,804	\$106,060	\$44,365	\$61,258	\$3,413	\$4,712	\$202,371	\$279,449	\$481,820	0.287603%	0.397157%
4	July	2012	\$45,091	\$63,322	(\$29,820)	(\$39,190)	\$30,523	\$43,214	\$710	\$997	\$46,504	\$68,343	\$114,847	0.285372%	0.400750%
5	August	2012	\$27,418	\$38,976	\$83,939	\$119,290	\$32,107	\$45,937	\$546	\$779	\$144,010	\$204,982	\$348,992	0.283786%	0.403295%
6	September	2012	\$8,485	\$11,961	\$91,797	\$129,445	\$41,026	\$57,858	\$500	\$706	\$141,808	\$199,970	\$341,778	0.284802%	0.401607%
7	October	2012	\$10,374	\$14,786	\$96,541	\$137,524	\$3,382	\$5,267	\$402	\$574	\$110,699	\$158,151	\$268,850	0.283528%	0.403643%
8	November	2012	\$13,024	\$18,703	\$43,064	\$63,905	\$28,770	\$41,666	\$663	\$952	\$85,521	\$125,226	\$210,747	0.282374%	0.405484%
9	December	2012	\$5,651	\$8,049	(\$368,845)	(\$517,210)	(\$128,043)	(\$177,621)	\$1,402	\$1,996	(\$489,835)	(\$684,786)	(\$1,174,621)	0.283442%	0.403713%
10	January	2013	\$3,092	\$4,434	\$48,908	\$70,122	\$14,300	\$20,763	\$2,091	\$2,995	\$68,391	\$98,314	\$166,705	0.282678%	0.404920%
11	February	2013	\$1,976	\$2,617	\$33,437	\$44,299	\$15,936	\$21,092	\$1,247	\$1,651	\$52,596	\$69,659	\$122,255	0.169811%	0.224972%
12	March	2013	\$2,718	\$3,821	\$42,359	\$59,480	\$19,348	\$27,205	\$1,701	\$2,392	\$66,126	\$92,898	\$159,024	0.227287%	0.319555%
13	TOTAL		\$338,095	\$472,100	\$264,176	\$376,628	\$183,454	\$260,241	\$19,583	\$27,352	\$805,308	\$1,136,321	\$1,941,629		

KENTUCKY POWER COMPANY
 CUSTOMER ADVANCES FOR CONSTRUCTION, CUSTOMER DEPOSITS
 AND ACCUMULATED DEFERRED INCOME TAXES
AS OF MARCH 31, 2013

SECTION V
 SCHEDULE 17

LINE NO. (1)	DESCRIPTION (2)	TOTAL ELECTRIC UTILITY (3)	KENTUCKY P. S. C. JURISDICTION (4)	PCT. RETAIL (5)	ALLOCATION FACTOR (5)
1	Customer Advances	\$57,952	\$57,952	1.000	SPECIFIC
2	Customer Deposits	23,811,141	\$23,811,141	1.000	SPECIFIC
3	Total	\$23,869,093 =====	\$23,869,093 =====		
4	Total Accumulated Deferred Income Tax	\$238,875,198 =====	\$236,486,446 =====	0.990	GP-TOT

KENTUCKY POWER COMPANY
DEMAND ALLOCATION FACTORS
TWELVE MONTHS ENDED MARCH 31, 2013

LINE NO.	DESCRIPTION	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
		APR 12, 2012	MAY 3, 2012	JUN 29, 2012	JUL 26, 2012	AUG 8, 2012	SEP 5, 2012	OCT 29, 2012	NOV 29, 2012	DEC 13, 2012	JAN 23, 2013	FEB 1, 2013	MAR 22, 2013	TOTAL /
1	Date of MW Peak													
2	Hour of MW Peak	0700	1300	1500	1400	1600	1600	1900	0800	0800	0800	0900	0800	AVERAGE
3	Kentucky Peaks - Max. Load (MW) *	1,151.000	1,137.000	1,258.000	1,282.000	1,224.000	1,112.000	1,106.000	1,266.000	1,264.000	1,430.000	1,369.000	1,325.000	14,924.000
4														1,243.667
5	System Sales Excluding Losses	80.000	71.000	75.000	100.000	86.000	62.000	60.000	63.000	51.000	21.000	54.000	31.000	754.000
6	Loss %	1.0422	1.0422	1.0422	1.0422	1.0422	1.0422	1.0422	1.0422	1.0422	1.0422	1.0422	1.0422	
7	System Sales Including Losses	83.378	73.998	78.167	104.223	89.632	64.618	62.534	65.660	53.154	21.887	56.280	32.309	785.840
8														65.487
9	Kentucky Internal Maximum Load	1,067.622	1,063.002	1,179.833	1,177.777	1,134.368	1,047.382	1,043.466	1,200.340	1,210.846	1,408.113	1,312.720	1,292.691	14,138.160
10														1,178.180
	<u>Municipals (FERC Jurisdiction)</u>													
11	Olive Hill, Excluding Losses	3.524	4.199	5.100	5.119	4.797	4.560	3.838	4.680	4.815	5.566	5.200	4.945	56.343
12	Loss %	1.0736	1.0736	1.0736	1.0736	1.0736	1.0736	1.0736	1.0736	1.0736	1.0736	1.0736	1.0736	
13	Olive Hill, Including Losses	3.783	4.508	5.475	5.496	5.150	4.896	4.120	5.024	5.169	5.976	5.583	5.309	60.489
14														5.041
15	Vanceburg, Excluding Losses	10.084	11.062	13.537	12.592	12.693	11.356	10.311	11.843	11.978	13.835	13.772	12.923	145.986
16	Loss %	1.0422	1.0422	1.0422	1.0422	1.0422	1.0422	1.0422	1.0422	1.0422	1.0422	1.0422	1.0422	
17	Vanceburg, Including Losses	10.510	11.529	14.108	13.123	13.229	11.835	10.746	12.343	12.483	14.419	14.353	13.468	152.146
18														12.679
19	Total Municipals Including Losses	14.293	16.037	19.583	18.619	18.379	16.731	14.866	17.367	17.652	20.395	19.936	18.777	212.635
20														17.720
21	<u>Allocation Factor (FERC Jurisdictional)</u>		17.720	/	1,178.180	=	0.015							
22	Retail (KY Jurisdictional) Load	1,053.329	1,046.965	1,160.250	1,159.158	1,115.989	1,030.651	1,028.600	1,182.973	1,193.194	1,387.718	1,292.784	1,273.914	13,925.525
23														1,160.460
24	<u>Allocation Factor (KPSC Jurisdictional)</u>		1,160.460	/	1,178.180	=	0.985							

* Kentucky Power Company Internal Load plus System Sales at time of Internal Peak.

KENTUCKY POWER COMPANY
ENERGY ALLOCATION FACTORS
TWELVE MONTHS ENDED MARCH 31, 2013

LINE NO. (1)	ENERGY LOSS CALCULATIONS (2)	MWH (3)	% LOSS FACTOR (4)	MWH LOSSES (5)	MWH W / LOSSES (6)	(7)	(8)	(9)	(10)
1	Transmission - St., Lt. & Unit Power	3,325,513	3.48%	115,794	3,441,307				
2	Firm Sales - Vanceburg	71,282	3.48%	2,482	73,764				
	Distribution -								
3	Firm Sales - Olive Hill	25,396	5.54%	1,406	26,802				
		<u>TOTAL COMPANY</u> (3)	<u>ELIMINATION</u> (4)	<u>TOTAL COMPANY ADJUSTED</u> (5)	<u>CITY OF OLIVE HILL</u> (6)	<u>CITY OF VANCEBURG</u> (7)	<u>CITY OF HAMILTON</u> (8)	<u>TOTAL SALES MUNICIPALS</u> (9)	<u>TOTAL RETAIL</u> (10)
	<u>Sources of Energy</u>								
4	Generation	3,455,127	0	3,455,127					
5	Purchases	7,050,517	0	7,050,517					
6	Net interchange	0	0	0					
7	Total Sources	<u>10,505,644</u>	<u>0</u>	<u>10,505,644</u>					
	<u>Disposition of Energy</u>								
8	Sales / Ultimate Customers	6,699,920	0	6,699,920	0	0	0	0	6,699,920
9	Energy W/O Charge	0	0	0	0	0	0	0	0
10	Sales for Resale	3,325,513	3,325,513	0	0	0	0	0	0
11	Firm Sales (Mun.) - Olive Hill	25,396	0	25,396	25,396	0	0	25,396	0
12	Firm Sales (Mun.) - Vanceburg	71,282	0	71,282	0	71,282	0	71,282	0
13	Total Sales / Resale (LINES 10+11+12)	3,422,191	3,325,513	96,678	25,396	71,282	0	96,678	0
14	Energy Losses	383,533	115,794	267,739	1,406	2,482	0	3,888	263,851
15	Total Disposition (LINES 8+9+13+14)	<u>10,505,644</u>	<u>3,441,307</u>	<u>7,064,337</u>	<u>26,802</u>	<u>73,764</u>	<u>0</u>	<u>100,566</u>	<u>6,963,771</u>
16	<u>Allocation Factor</u>			<u>1.000</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>0.014</u>	<u>0.986</u>

SECTION V
SCHEDULE 19

**KENTUCKY POWER COMPANY
JURISDICTIONAL ALLOCATION FACTORS**

TWELVE MONTHS ENDED MARCH 31, 2013

LINE NO. (1)	<u>DESCRIPTION</u> (2)	<u>FACTOR</u> (3)	<u>RETAIL</u> (4)	<u>SOURCE</u> (5)
1	Production Demand	PDAF	0.985	Sch 18
2	Transmission Demand	TDAF	0.985	Sch 18
3	Energy	EAF	0.986	Sch 19
4	Gross Plant Transmission	GP-TRANS	0.985	Sch 11
5	Gross Plant Distribution	GP-DIST	0.999	Sch 11
6	Gross Plant - T&D	GP-T&D	0.993	Sch 11
7	Gross Plant - PTD	GP-PTD	0.990	Sch 11
8	Gross Plant - Total	GP-TOT	0.990	Sch 11
9	Net Plant	NP	0.990	Sch 13
10	O&M Expense	O&M	0.990	Sch 7
11	O&M Labor	OML	0.992	Sch 7
12	Operating Revenue	OP-REV	0.988	Sch 6
13	SPECIFIC	SPECIFIC	1.000	N/A