COMMONWEALTH OF KENTUCKY

BEFORE THE 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 VI

DIRECT TESTIMONY OF

REITTER, STEGALL, VAUGHAN AND WOHNHAS

ON BEHALF OF KENTUCKY POWER COMPANY

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION FOR A GENERAL	)
ADJUSTMENT OF ELECTRIC RATES	) Case No. 2013-00197
OF KENTUCKY POWER COMPANY	)

DIRECT TESTIMONY OF

MARC D. REITTER

ON BEHALF OF KENTUCKY POWER COMPANY

VERIFICATION

The undersigned, Marc D. Reitter, being duly sworn, deposes and says he is the Manager, Corporate Finance for American Electric Power Service Corporation and that he has personal knowledge of the matters set forth in the forgoing testimony and the information contained therein is true and correct to the best of his information, knowledge and belief.

Marc D. Reitter

STATE OF OHIO	)
	) Case No. 2013-00197
County of FRANKLIN	)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Marc D. Reitter, this the 17th day of June, 2013.

NOTARIAL SEAL
STATE OF OHIO

JOSEPHINE CONER
Notary Public, State of Ohio
My Commission Expires 09-20-16

Josephine Coner
Notary Public

My Commission Expires: 09-20-2016

DIRECT TESTIMONY OF
MARC D REITTER, ON BEHALF OF
KENTUCKY POWER COMPANY
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

CASE NO. 2013-00197

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DIRECT TESTIMONY OF
MARC D REITTER, ON BEHALF OF
KENTUCKY POWER COMPANY
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

I. INTRODUCTION

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

A: My name is Marc D. Reitter. My business address is 1 Riverside Plaza, Columbus, Ohio 43215. I am employed by American Electric Power Service Corporation (AEPSC) as Manager of Corporate Finance. AEPSC, a wholly owned subsidiary of American Electric Power Company, Inc. (AEP), provides centralized professional and other services to subsidiaries of AEP. AEP is the parent company of Kentucky Power Company (Kentucky Power or Company) and AEPSC is Kentucky Power's services provider company.

II. BACKGROUND

Q: PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE.

A: I earned a Bachelor of Science in Business Administration as a Finance major from Arizona State University in 2000. I earned a Master of Business Administration from the Fisher College of Business at The Ohio State University in 2007. In January 2002, I was hired by AEPSC as an analyst in its AEP Texas Retail Group. I transferred to the Utility Group Business Services in December 2002 as a financial analyst. In December 2004, I was promoted to the Strategic Initiatives Group as a financial analyst. In February 2007, I transferred into the Corporate Finance Group as a financial analyst and progressed to my current position in February 2010.

Q: **WHAT ARE YOUR RESPONSIBILITIES AS MANAGER OF CORPORATE FINANCE?**

A: My responsibilities include planning and executing the corporate finance programs of the regulated operating companies in the AEP System, including Kentucky Power. I am also responsible for preparing dividend payment recommendations for the companies in the AEP System, establishing capitalization targets, and managing the relationships of AEP and its subsidiaries with the credit rating agencies.

Q: **HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS COMMISSION?**

A: Yes. I testified before the Public Service Commission of Kentucky Case No. 2009-00459 on behalf of Kentucky Power.

Q: **HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY IN ANY OTHER REGULATORY PROCEEDINGS?**

A: Yes. I have submitted testimony and testified before the Virginia State Corporation Commission in Docket No. PUE-2011-00037 on behalf of Appalachian Power Company (APCO), an AEP operating company. In addition, I have submitted testimony and testified on behalf of APCO before the Public Service Commission of West Virginia in Docket No. 10-0699-E-42T. I have also submitted testimony before the Michigan Public Service Commission in Docket No. U-16801 on behalf of Indiana Michigan Power Company, an operating company of AEP and most recently submitted testimony and testified before the Public Utility Commission of

Texas in Docket No. 40443 on behalf of Southwestern Electric Power Company, another operating company of AEP.

III. PURPOSE OF TESTIMONY

Q: **WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

A: The purpose of my testimony is to support certain historical and adjusted data incorporated in this application. I will sponsor Kentucky Power's proposed capital structure and cost of capital for ratemaking purposes, employing the cost of common equity, supported by Company witness Avera.

Q: **ARE YOU SPONSORING ANY SCHEDULES INCLUDED IN THE COMPANY'S FILING?**

A: Yes. I am sponsoring the following Section V schedules and workpapers:

- Section V Workpaper S-2 Page 1 of 3
- Section V Schedule 3 (Columns 3-5)
- Section V Workpaper S-3 Pages 1 and 2

Q: **ARE YOU SPONSORING ANY EXHIBITS TO YOUR TESTIMONY?**

A: Yes. I am sponsoring the following exhibit:

- Exhibit MDR-1

Q: **WERE THE SCHEDULES AND EXHIBIT PREPARED BY YOU OR UNDER YOUR DIRECTION?**

A: Yes.

IV. PROPOSED CAPITAL STRUCTURE AND COST OF CAPITAL

Q: WHAT IS KENTUCKY POWER'S PROPOSED COST OF CAPITAL FOR RATEMAKING PURPOSES?

A: Section V, Workpaper S-2, page 1 of 3 provides Kentucky Power's proposed capital structure and after-tax weighted average cost of capital of 8.08%.

Q: DOES THE COMPANY'S PROPOSED COST OF CAPITAL INCLUDE ADJUSTMENTS MADE TO THE MARCH 31, 2013 PER BOOKS CAPITAL STRUCTURE TO REFLECT THE ASSET TRANSFER AND ASSUMPTION TRANSACTION?

A. Yes.

Q: PLEASE SUMMARIZE THE COMPANY'S EXPECTATION REGARDING KENTUCKY POWER'S CAPITALIZATION AS A RESULT OF THE ASSET TRANSFER AND ASSUMPTION TRANSACTION.

A. The Company as described in its application for approval of an undivided fifty percent interest in the Mitchell Generating Station and associated assets and liabilities, Case No. 2012-00578, expects to recapitalize Kentucky Power to restore its debt to total capitalization ratio to a level approximating the capitalization level prior to the Asset Transfer and Assumption Transaction.

Q: WHY IS THE CAPITALIZATION LEVEL PRIOR TO THE ASSET TRANSFER AND ASSUMPTION TRANSACTION APPROPRIATE?

A. It was never the intent of the asset transfer and assumption transaction to drive Kentucky Power's capitalization and resulting cost of capital. The pre-asset transfer capital structure of approximately fifty-five percent total debt to total capitalization is consistent with the credit rating agencies criteria for investment grade credit ratings. Furthermore, as illustrated in Exhibit MDR-1, the recapitalization adjustments to the per books March 31, 2013 capital structure benefit Kentucky Power's customers by lowering the cost of long-term debt by 0.50%. As a result of the adjustment to the debt component and reducing the equity balance by a recapitalization dividend of approximately $90 million from Kentucky Power to AEP, results in a lower overall cost of capital by 0.23% from 8.31% to 8.08%.

Q: PLEASE EXPLAIN HOW THE PROPOSED AFTER-TAX WEIGHTED AVERAGE COST OF CAPITAL OF 8.08% WAS CALCULATED.

A. The overall cost of capital is based on a weighting of the costs for the Company's sources of capital, including long-term debt, short-term debt, common stock, accounts receivable financing, and investment tax credits. The Company started with the Reapportioned Kentucky Jurisdiction capital as calculated on Section V Schedule 3 Column 13 for each category of capital. Next, as illustrated on Section V, Workpaper S-2 page 1 of 3, the Company divided the dollar amount of each component of capital by the Company's total dollar amount of capital to derive the percentage of the Company's total capital each component represents.

Q: PLEASE EXPLAIN WHAT RATES WERE USED IN CALCULATING THE COMPANY'S PER BOOKS WEIGHTED AVERAGE COST OF CAPITAL AS OF MARCH 31, 2013.

A. The weighted cost of long-term debt was determined by taking the sum of each bond's actual annualized cost and dividing this amount by the total net proceeds outstanding as of March 31, 2013. The annualized cost for each bond was calculated by multiplying the effective cost rate (yield to maturity) by the net proceeds outstanding. The effective cost rate, or yield to maturity, is the bond's yield expressed as an annual rate in relation to the face value of the bond. As such, a bond's annualized cost is calculated by multiplying the yield to maturity by the face value of the bond. The sum of the annualized costs is then divided by the total net proceeds outstanding to determine the weighted cost of the long-term debt portfolio.

The Cost of short-term debt used in the calculation was the Company's actual short-term interest expense for the twelve months ended March 31, 2013 divided by the actual average borrowings outstanding during the same time period. Please refer to Section V, Workpaper S-3, pages 1 and 2 of 4.

The cost of accounts receivable financing used in the derivation of the weighted average cost of capital was calculated by using a thirteen month average cost experienced by the Company during the test year.

The cost of common equity used in the calculation is the amount recommended by Witness Avera.

Q: DID THE COMPANY MAKE ANY PROFORMA ADJUSTMENTS TO THE DEBT AND EQUITY COMPONENTS OF THE COMPANY'S PER BOOKS CAPITAL STRUCTURE AS OF MARCH 31, 2013?

A. Yes. The Company made recapitalization adjustments to Long-term debt and Equity. Please reference Section V, Workpaper S-3, page 1 of 4.

Q: PLEASE EXPLAIN THE PROFORMA ADJUSTMENTS MADE TO THE DEBT COMPONENT OF THE COMPANY'S PER BOOKS CAPITAL STRUCTURE AS OF MARCH 31, 2013.

A. As a result of the Asset Transfer and Assumption Transaction, the Company anticipates new long-term debt in the approximate amount of $290 million: $225 million in newly issued indebtedness and $65 million in assuming existing tax-exempt indebtedness. As part of the Company's Asset Transfer Application Case No. 2012-00578 the Company is seeking approval for the rights and liabilities connected with the West Virginia Economic Development Authority (WVEDA) $65 million Series 2008A Pollution Control Revenue Bond to be assumed by Kentucky Power. These bonds were used to partially finance certain environmental equipment constructed at the Mitchell Generating Station. The interest payable on these bonds is generally excludable from the Federal Income Taxes of the holder of such bonds. As a result, such bonds generally have lower interest rates than other non-exempt bonds and, therefore, are generally lower-cost sources of capital for issuers such as the Company. Collectively, the total pro forma debt adjustment made to the March 31, 2013 per books debt balance is $290 million of long-term debt as illustrated on Section V, Schedule 3, Column 4.

Q: PLEASE DESCRIBE THE RATES USED FOR THE ADJUSTMENTS MADE TO THE DEBT COMPONENT OF THE COMPANY'S PER BOOKS CAPITAL STRUCTURE AS OF MARCH 31, 2013.

A. For the projected $225 million debt issuance, the Company used the implied forward 30-year U.S. Treasury rate of 3.607% for June 2014 from Bloomberg to establish the benchmark basis then we added a credit spread of 1.50% or 150 basis points to reflect the estimated return a bond investor would require given Kentucky Power's credit profile. The estimated coupon for the bond issuance of 5.107% is illustrated on Section V, Workpaper S-3 page 1 of 4.

The rate applied to the WVEDA $65 million pollution control revenue bond is 4.50%. The Company relied on certain banks with tax-exempt market expertise to forecast the rate to fix these bonds to their 2036 maturity date.

Q: PLEASE DESCRIBE THE BASIS OF THE CREDIT SPREAD ASSUMPTION OF 1.50% FOR THE NEW DEBT ISSUANCE MENTIONED ABOVE.

A. The Company's most recent long-term debt offering was its private placement in May 2009. The 30-year tranche of this transaction resulted in a credit spread of 3.60% over the 30-year U.S. Treasury benchmark rate. Recently, Kentucky Power's sister company AEP Texas North Company (TNC) issued debt in the private placement market in January of 2013. The TNC deal resulted in a credit spread on the 30-year tranche of 1.45%. The market sentiment and investor demand at the time of the debt issuance together with the Company's underlying credit profile will ultimately drive the credit spread of the Company's forecasted debt offering. Therefore, the Company used the TNC market comparable as the basis for the credit spread assumption of 1.50%.

Q: PLEASE DISCUSS THE TIMING OF THE NEW LONG-TERM DEBT TO BE ISSUED DUE TO THE ASSET TRANSFER AND ASSUMPTION TRANSACTION.

A. The new long-term debt will be issued by Kentucky Power within approximately six months of the closing of the Transfer and Assumption Transaction if the debt capital markets are available to Kentucky Power. The Company will seek all the necessary approvals for any financing activities subsequent to the Transfer and Assumption Transaction.

Q: TO RESTORE THE COMPANY'S CAPITALIZATION LEVEL TO A LEVEL REPRESENTATIVE OF THE LEVEL PRIOR TO THE ASSET TRANSFER AND ASSUMPTION TRANSACTION, HOW IS THE EQUITY COMPONENT OF THE CAPITAL STRUCTURE TO BE ADJUSTED?

A. As a result of the paid in capital associated with the transfer and assumption of the fifty percent undivided interest in the Mitchell Generating Station, the Company adjusted the post asset transfer equity balance by approximately $90 million through a recapitalization dividend from Kentucky Power to AEP. As a result of this dividend, Kentucky Power's equity balance and overall capitalization is restored to a level representative of before the asset transfer and assumption transaction.

Q: DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

KENTUCKY POWER COMPANY
PER BOOKS COST OF CAPITAL
TEST YEAR TWELVE MONTHS ENDED 3/31/2013

Line No. (1)	Description (2)	Reapportioned Kentucky Jurisdictional Capital 1/ (3)	PERCENTAGE OF TOTAL (4)	ANNUAL COST PERCENTAGE RATE (5)		AFTER-TAX WEIGHTED AVERAGE COST PERCENT (6) = (4) X (5)
1	Long Term Debt	$538,454,314	51.21%	6.48%	2/	3.32%
2	Short Term Debt	(11,512,444)	-1.10%	0.30%	3/	0.00%
3	Accounts Receivable Financing 4/	44,571,857	4.24%	2.99%	5/	0.13%
4	Common Equity	480,046,707	45.65%	**10.65%**	6/	4.86%
5	Total	$1,051,560,434	100.00%			**8.31%**

KENTUCKY POWER COMPANY
PROPOSED ADJUSTED TEST YEAR COST OF CAPITAL
TWELVE MONTHS ENDED 3/31/2013

Line No. (1)	Description (2)	Reapportioned Kentucky Jurisdictional Capital 1/ (3)	PERCENTAGE OF TOTAL (4)	ANNUAL COST PERCENTAGE RATE (5)		AFTER-TAX WEIGHTED AVERAGE COST PERCENT (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	$1,584,180,434	100.00%			**8.08%**
				Benefit to Customers		**0.23%**

1/ Schedule 3, Column 12, Lines 1, 2, 3 & 4
2/ Per workpaper "Cost of Debt"
3/ Per workpaper "Short Term Debt"
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*

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION FOR A GENERAL	)	
ADJUSTMENT OF ELECTRIC RATES	)	**Case No. 2013-00197**
OF KENTUCKY POWER COMPANY	)	

DIRECT TESTIMONY OF

JASON M. STEGALL

ON BEHALF OF KENTUCKY POWER COMPANY

VERIFICATION

The undersigned, Jason M. Stegall, being duly sworn, deposes and says he is the a Regulatory Consultant for American Electric Power Service Corporation and that he has personal knowledge of the matters set forth in the forgoing testimony and the information contained therein is true and correct to the best of his information, knowledge and belief.

____
Jason M. Stegall

STATE OF OHIO)
) Case No. 2013-00197
County of FRANKLIN)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Jason M. Stegall, this the 18 day of June, 2013.

____
Notary Public

My Commission Expires: May 11th 2016

NOTARIAL SEAL STATE OF OHIO

ELLEN A. MCANINCH
NOTARY PUBLIC
STATE OF OHIO
Recorded in
Franklin County
My Comm. Exp. 5/11/16

DIRECT TESTIMONY OF
JASON M. STEGALL, ON BEHALF OF
KENTUCKY POWER COMPANY
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

CASE NO. 2013-00197

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DIRECT TESTIMONY OF JASON M. STEGALL, ON BEHALF OF KENTUCKY POWER COMPANY BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

I. INTRODUCTION

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

A. My name is Jason M. Stegall. My business address is 1 Riverside Plaza, Columbus, Ohio. I currently hold the position of Regulatory Consultant in the Regulated Pricing and Analysis department for the American Electric Power Service Corporation (AEPSC), a subsidiary of American Electric Power Company, Inc. (AEP). AEP is the parent company of Kentucky Power Company (Kentucky Power or Company) and AEPSC is Kentucky Power's services provider company.

II. BACKGROUND

Q. PLEASE SUMMARIZE YOUR BACKGROUND AND EMPLOYMENT HISTORY.

A. In May 1997, I received a Bachelor of Science Degree in Accounting from Virginia Polytechnic Institute and State University. In August 2011, I received a Master's Degree in Business Administration from the Ohio State University.

In June 1997, I joined AEPSC as an Accountant in the Regulated Accounting Division of the Accounting Department. In July 2009, I joined the Regulatory Services Department as a Regulatory Consultant. From July 2009 through June 2010, I performed duties as a Regulatory Consultant in Customer and Distribution Services Support under the Regulatory Services Department, where I was responsible for assisting customer services and distribution services witnesses in regulatory proceedings by supporting testimony preparation, providing research in support of the discovery process, and compiling data for regulatory filings. In July 2010, I joined Regulated Pricing & Analysis under the Regulatory Services Department as a Regulatory Consultant, where my responsibilities include preparation of cost-of-service studies, rate design and tariff provisions for the AEP operating companies.

Q. HAVE YOU PREVIOUSLY TESTIFIED IN ANY REGULATORY PROCEEDINGS?

A. Yes. I have submitted testimony before the Indiana Utility Regulatory Commission and the Michigan Public Service Commission regarding cost-of-service and rate design.

III. PURPOSE OF DIRECT TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS PROCEEDING?

A. The purpose of my testimony is to support two test year revenue adjustments, to address the allocation of the requested rate increase to Kentucky Power's customer classes, and to support and describe the development of the Company's Class Cost-of-Service Study.

Q. WHAT EXHIBITS ARE YOU SPONSORING IN THIS PROCEEDING?

A. I am sponsoring the following exhibits:

Exhibit JMS-1	Customer Annualization Adjustment
Exhibit JMS-2	Class Cost-of-Service Study
Exhibit JMS-3	Revenue Allocation

IV. REVENUE ADJUSTMENTS

Q. ARE YOU RESPONSIBLE FOR THE DEVELOPMENT OF THE CUSTOMER MIGRATION ADJUSTMENT?

A. Yes.

Q. PLEASE DESCRIBE THE ADJUSTMENT.

A. The purpose of the customer migration adjustment is to determine the test year revenue that Kentucky Power would have received if each customer were billed for the entire twelve months of the test year on the tariff under which the customer was taking service at the end of the test year. For example, a customer may have been billed under the MGS (Medium General Service) tariff for the first seven months of the test year and then billed under the LGS (Large General Service) tariff for the remaining five months of the test year. During the test year, over 900 customers changed tariffs.

The Customer Migration Adjustment starts with the "per books revenue" as shown in Section III. "Per books revenues" means the revenues from customers as they were actually billed for each month of the test year. For purposes of the Customer Migration Adjustment, these customers would be re-billed for the entire test year under the tariff as applied at the end of the test year to determine the impact on test year revenues. This restatement of per books revenue was made for each customer who switched tariffs during the test year.

Q. WHAT IMPACT DOES THE CUSTOMER MIGRATION ADJUSTMENT HAVE ON TEST YEAR REVENUES?

A. The Customer Migration Adjustment results in an increase of test year revenues of $5,201,095 as shown in Section V, Workpaper S-4, page 22.

Q. DOES THE CUSTOMER MIGRATION ADJUSTMENT INCLUDE ANY AMOUNTS RELATED TO THE TRANSFER OF REAL TIME PRICING (RTP) CUSTOMERS BACK TO STANDARD TARIFFS?

A. Yes, the $5,201,095 includes the adjustment made to transfer the RTP customers back to standard tariffs. Since the transfer occurred during the test year, those customers were treated as if they were billed on standard tariffs for the entire test year. This resulted in a net increase in revenues of $6,422,665.

Q. ARE YOU RESPONSIBLE FOR THE DEVELOPMENT OF THE CUSTOMER ANNUALIZATION ADJUSTMENT?

A. Yes.

Q. PLEASE EXPLAIN THE PURPOSE OF THE ADJUSTMENT.

A. The purpose of the Customer Annualization Adjustment is to restate test year revenues and expenses to reflect, on an annual basis, changes in load that occurred during the test year. For example, if the number of residential customers increased during the test year, per books residential kWh sales would have to be increased to reflect the impact of annualizing load growth that occurred within the test year. In addition to the revenue adjustment, test year operating expenses would also have to be increased to reflect the incremental costs associated with annualizing test year load growth.

Q. PLEASE DESCRIBE THE ADJUSTMENT.

A. The development of the Customer Annualization Adjustment is shown in Exhibit JMS-1 with additional detail shown in Section III of this filing. To ensure that the Customer Annualization Adjustment reflects only actual customer growth, the impact of customer migrations has been eliminated by starting with the data adjusted for the Customer Migration Adjustment.

Page 1 of Exhibit JMS-1 shows specific changes in large customer loads as identified by Kentucky Power. Column (1) contains Kentucky Power's current tariffs listed by delivery voltage level. Column (2) contains the total number of customers for the test year, while Column (3) contains the number of customers as of March 31, 2013. Columns (4) and (5) show metered kWh and revenues, respectively. Columns (6) through (9) show the specific adjustments for known changes in large customer usage, which produces a reduction in revenue of $2,762,965. Columns (10) through (13) are the sum of the data shown in Columns (2) through (5) and the adjustments shown in columns (6) through (9). This information is the starting point for the second part of the Customer Annualization Adjustment that is shown on page 2 of Exhibit JMS-1.

Column (1) of page 2 of Exhibit JMS-1 contains Kentucky Power's current tariffs listed by delivery voltage level. Column (2) contains the total number of customers for the test year, while Column (3) contains the average number of customers for the test year [Column (2) divided by 12]. Column (4) contains the number of customers as of March 31, 2013. Customer growth [Column (5)] is calculated as Column (4) less Column (3).

Customer growth [Column (5)] is then multiplied by test year average kWh per customer [Column (7)] to yield the kWh annualization adjustment [Column (8)]. The kWh annualization adjustment is in turn multiplied by the test year average revenue per kWh [Column (10)] to yield a revenue annualization adjustment of ($3,689,728) as shown in Column (11).

In addition to the $6,452,693 decrease (($3,689,728) + ($2,762,965)) in test year revenues resulting from the first two steps of the Customer Annualization Adjustment, test year operating expenses must also be decreased to reflect the incremental cost Kentucky Power would avoid by generating 102,477,893 fewer kWh ((36,233,430) + (66,244,463)).

The operating ratio is simply the ratio of operation and maintenance expense, less labor expense, to operating revenues. For Kentucky Power, the operating ratio is 62.14%. Incremental operating expenses are then calculated by multiplying the reduction in operating revenue ($6,452,693) by the operating ratio (62.25%) to yield ($4,016,801). Incremental state and federal income taxes are also deducted to yield a net Customer Annualization Adjustment of ($2,435,892) as shown in Section V, Workpaper S-4, page 23.

Q. WHY IS THERE A DIFFERENCE BETWEEN THE OPERATING RATIO CALCULATED ON PAGE 3 OF YOUR EXHIBIT AND THE OPERATING RATIO IDENTIFIED IN SCHEDULE V, WORKPAPER S-4, PAGE 23?

A. During a peer review of my exhibits, but after the rate case calculations were finalized, an input error was brought to my attention. When the correction was made, it resulted in an operating ratio of 62.14%.

Q. PLEASE EXPLAIN THE IMPACT OF THIS DIFFERENCE.

A. The net impact of this difference is to reduce the Adjusted Net Operating Income reported in Section V, Schedule 4 by $4,365. This amount is approximately 0.004% of the Change in Revenue Requirement identified in Section V, Schedule 1.

V. CLASS COST-OF-SERVICE STUDY

Q. PLEASE DESCRIBE THE GENERAL PURPOSE OF A COST-OF-SERVICE STUDY.

A. A cost-of-service study is a basic analytical tool used in traditional utility rate design. A cost-of-service study is used to determine the revenue requirement for the services offered by the utility, and it analyzes, at a very detailed level, the costs that different classes of customers impose on the utility system. A completed class cost-of-service study shows the total costs the Company incurs in serving each retail rate class as well as the rate of return on rate base earned from each class during the test year. When the process of preparing a cost-of-service study is completed and all of the costs are allocated to the customer classes, the result establishes cost responsibility and makes it possible to determine rates based on costs that are just and reasonable.

Q. WHAT DATA SOURCE IS USED IN THE DEVELOPMENT OF A COST-OF-SERVICE STUDY?

A. The historic accounting records of Kentucky Power are used in the cost-of-service studies. These accounting records are reflected in the jurisdictional cost-of-service study, as shown in Section V of this filing, and in the class cost-of-service study. The Company follows the Uniform System of Accounts (USOA) as prescribed by FERC and adopted by this Commission. The USOA sets the guidelines for recording assets, liabilities, income and expenses into various accounts. The costs recorded in each FERC account are examined to verify compliance with these guidelines and are typically adjusted to reflect the applicable regulatory commission's policies and for known and measurable changes to the test year level of expenditures.

Q. AFTER THE COSTS RECORDED IN FERC ACCOUNTS ARE EXAMINED, AND ADJUSTED WHERE APPROPRIATE, HOW ARE THESE COSTS ASSIGNED TO EACH CUSTOMER CLASS?

A. This accounting cost information is assigned to the different customer classes in a way that reflects the costs of providing utility service to the various customer classes. This is accomplished using a standard three-step process: functionalization of costs, classification of costs, and, finally, allocation of costs.

Q. PLEASE EXPLAIN THE FUNCTIONALIZATION PROCESS.

A. Functionalization is the process of separating costs according to electric system functions. Typically, functions in an electric utility include the following:

1) Production and Purchased Power costs,
2) Transmission costs,
3) Distribution costs,
4) Customer Service costs, and
5) Administrative and General (A&G) costs.

The production function includes the costs associated with power generation and power purchases and their delivery to the bulk transmission system. The transmission function consists of costs associated with the high voltage system utilized for the bulk transmission of power to and from interconnected utilities to the load centers of the utility's system. The distribution function includes the radial distribution system that connects the transmission system and the ultimate customer. The customer service function encompasses the costs associated with providing meter reading, billing and collection, and customer information and services. The A&G function is comprised of costs that may not be directly assignable to other cost functions. These costs include such items as management costs and administrative buildings. A&G costs are generally allocated to the remaining functions based on labor.

Q. PLEASE EXPLAIN THE CLASSIFICATION PROCESS.

A. The second step is to separate the functionalized costs into classifications of demand costs, energy costs, and customer costs.

Typical cost classifications used in cost studies include the following:

Function	Classification
Production	Demand, Energy
Transmission	Demand
Distribution	Demand, Customer
Customer Service	Customer

Demand costs are associated with the kW demand imposed by the customer. These are fixed costs which are incurred regardless of the level of energy sales. An example of a demand-related cost is the investment in production, transmission or distribution facilities, such as a generating unit including transmission and distribution poles and lines.

Energy costs vary with the number of kilowatt hours used by the customer. Production costs such as fuel and certain production operation and maintenance expenses are energy-related since they vary with the level of sales of electricity.

Customer costs are directly related to the number of customers served. These are fixed costs which are incurred regardless of the level of energy sales. Meter and customer service costs are examples of costs whose levels are fixed by the number of customers.

The classification process provides a basis on which to allocate different categories of costs (demand, energy or customer) to the Company's classes.

Q. PLEASE EXPLAIN THE ALLOCATION PROCESS.

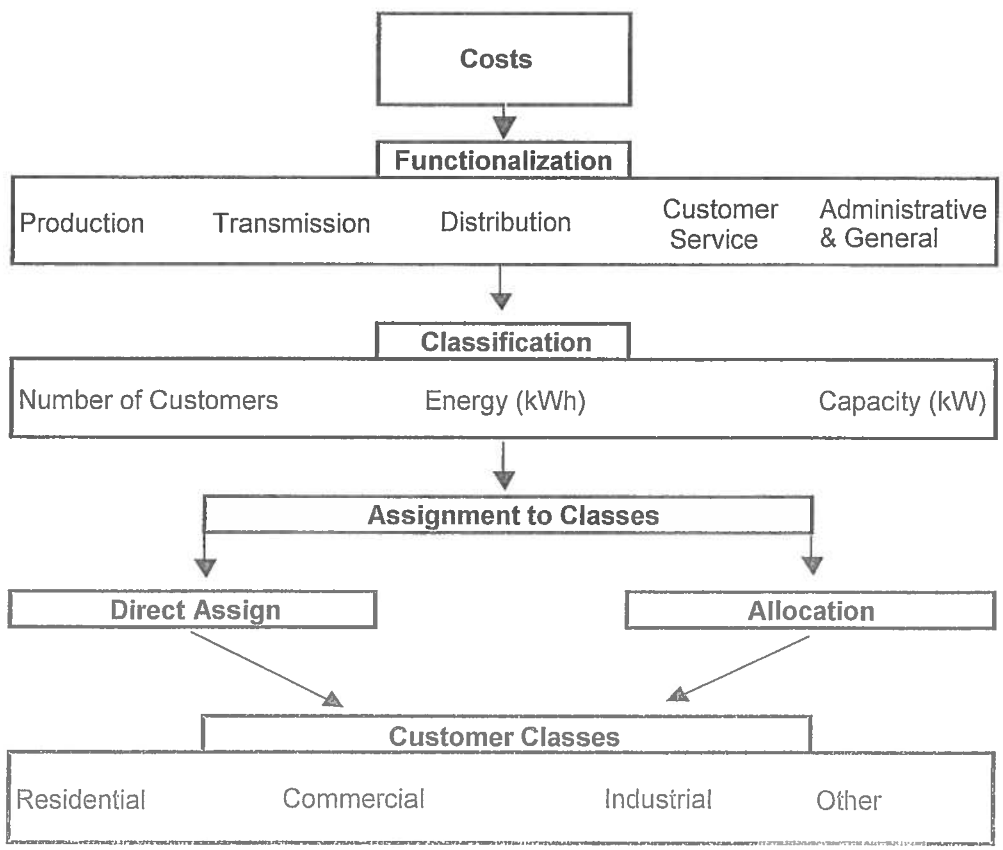
A. The third and final step is to allocate the functional and classified costs among the classes of customers based on how the costs are incurred for each class. Allocation factors are used to assign these costs to the various customer classes. Customer classes are determined and grouped according to the nature of service provided, voltage level and the load usage characteristics. The three principal customer classes are residential, commercial, and industrial.

The allocation process involves multiplying the functional and classified costs by the allocation factors, which results in costs assigned to each class. The objective in this process is to determine a reasonable, appropriate, and understandable method to assign the costs. Some costs are directly assignable to a single class, or even a single customer. For instance, the costs associated with the poles and luminaries used for street lighting are directly assigned to the street lighting class. Most costs, however, are attributable to more than one type of customer. These are joint costs and must be allocated to customers by an allocation methodology that is based on the manner in which the costs are caused by the different customers.

The following flowchart (Figure 1) provides an overview of how the allocation of costs to customer classes is determined.

Figure 1:

Cost Allocation Example



In the illustration above, costs are functionalized into production, transmission, distribution, etc. Some of these costs can be directly assigned to a customer class. The remaining joint costs are incurred based on the number of customers, the energy used, or by the capacity demanded. In many instances, the classification process will lead to an allocation methodology. For example, the cost of billing customers varies with the number of customers as well as the complexity of preparing the customer's bill, so those costs associated with billing are allocated to the customer classes based on a weighted number of customers. An allocation factor using a weighted number of customers is developed by multiplying the number of customers in each class by a factor representing the difference in cost associated with providing that service to different types of customers. Similarly, the cost of fuel varies by the number of kilowatt hours consumed and, therefore, is allocated based on the proportion of total energy used by a customer class.

The next step is the classification of the functionalized costs as demand-, energy- or customer-related. The final step in the cost assignment process is to allocate the functionalized and classified costs to the customer classes through the use of allocation factors.

When this process is completed and all of the costs are allocated to the customer classes, the result is a fully allocated cost study that establishes cost responsibility and makes it possible to determine rates based on costs that are just and reasonable.

Q. WHAT CRITERIA ARE USED WHEN SELECTING ALLOCATION FACTORS FOR EACH FUNCTIONAL AND CLASSIFIED COST?

A. Generally, the following criteria should be used to determine the appropriateness of an allocation methodology:

1) The method should reflect the planning and operating characteristics of the utility's system.

2) The method should recognize customer class characteristics such as energy usage, peak demand on the system, diversity characteristics, number of customers, etc.

3) The method should produce stable results on a year-to-year basis.

4) Customers who benefit from the use of the system should also bear appropriate cost responsibility for the system.

Q. DOES THE ALLOCATION METHOD EMPLOYED BY THE COMPANY MEET THESE OBJECTIVES?

A. Yes, it does. The allocation methodology utilized in the Company's cost-of-service study was chosen while considering each of the criteria listed above. The results of the cost-of-service study can be relied upon to determine the appropriate revenue requirement for the Kentucky Power customer classes.

VI. <u>ALLOCATION BASIS</u>

Q. PLEASE EXPLAIN THE ALLOCATION OF PRODUCTION PLANT.

A. After electric plant-in-service is functionalized into production, transmission, distribution and general plant, production plant is classified as demand-related and is allocated using the production demand allocation factor. The production demand allocation factor assigns costs based on the class contribution to the average of Kentucky Power's 12 monthly peaks on the production facilities for the test period ended March 31, 2013.

Q. PLEASE EXPLAIN HOW GENERATOR STEP-UP TRANSFORMERS WERE ALLOCATED.

A. Generator step-up transformers are included in transmission plant, but were allocated using the production demand allocation factor since they are more related to the production function.

Q. PLEASE EXPLAIN THE ALLOCATION OF TRANSMISSION PLANT.

A. Transmission plant, excluding generator step-up transformers, is classified as demand related and is allocated using the transmission demand allocation factor. The transmission demand allocation factor assigns costs based on the class contribution to the average of Kentucky Power's 12 monthly peaks on the transmission facilities.

Q. PLEASE EXPLAIN THE ALLOCATION OF DISTRIBUTION PLANT.

A. Distribution plant is classified as demand / customer related and allocated to the customer classes using factors based on demand levels or number of customers. Distribution plant accounts 360 through 368, as shown on Exhibit JMS-2, were classified solely as demand-related. Accounts 360, 361 and 362 were allocated to the distribution customer classes based on their contributions to the average of Kentucky Power's 12 monthly peak demands on the primary distribution system.

Accounts 364 through 368 were split into primary and secondary voltage functions based upon information contained in the company's records and the expertise of the company's distribution engineers. The primary portions of accounts 364 through 368 were allocated using the average of 12 monthly peak demands on the distribution system. The secondary component of accounts 364 through 368 were allocated based on a combination of each class's 12-month maximum demand and the summation of individual customers' annual maximum demands in each class served from those facilities. This process reflects the fact that some secondary facilities serve only one customer, while others serve two or more customers.

Services, account 369, was classified as customer-related and was allocated using the average number of secondary customers served.

Meter plant was allocated using the average number of customers weighted by a factor which considers the cost differential of various metering installations. Account 371 was directly assigned to the outdoor lighting class and account 373 was directly assigned to the street lighting class.

Q. PLEASE EXPLAIN HOW GENERAL AND INTANGIBLE PLANT WAS ALLOCATED.

A. General and intangible plant and investment reflects a composite demand, energy and customer classification. General and intangible plant investment is allocated on the basis of payroll labor.

Q. PLEASE DESCRIBE THE ALLOCATION OF ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION.

A. Accumulated Provision for Depreciation and Amortization was functionalized and classified in a fashion similar to Electric Plant-in-Service. Production, transmission, distribution and general and intangible related amounts were allocated based upon the allocation of the related Electric Plant-in-Service costs.

Q. PLEASE DESCRIBE THE ALLOCATION OF WORKING CAPITAL.

A. Working Capital was divided into cash, material and supplies and prepayments. Cash working capital is made up of two components. The first component is related to system sales and is split between demand and energy. The second component is related to O&M expense net of system sales. The component related to system sales demand was allocated based upon the production demand allocation factor. System sales energy was allocated based upon the energy allocation factor, which allocates costs based on the class energy used during the period compared to the total energy used by all classes. The O&M expense net of system sales was allocated based upon the allocation of total O&M expense. .

Materials and supplies were split between fuel stock, production, and transmission and distribution. Fuel stock was allocated using the energy allocation factor. Production-related material and supplies were allocated using the production demand allocation factor and the transmission- and distribution-related materials and supplies were allocated using the allocation of transmission and distribution electric plant-in-service.

Prepayments were allocated using factors developed from gross plant relationships.

Q. PLEASE DESCRIBE THE ALLOCATION OF OTHER RATE BASE COMPONENTS.

A. Plant Held for Future Use includes a transmission component, allocated using transmission electric plant-in-service, and a distribution component, allocated using distribution plant-in-service. Construction Work-in-Progress was functionalized and allocated using appropriate related Electric Plant-in-Service factors. Accumulated Deferred Federal Income Tax Credits were allocated on Electric Plant-in-Service. Customer Deposits were assigned based on an analysis of accounting records and customer advances were allocated based on the number of customers.

Q. HOW WERE REVENUES DEVELOPED FOR EACH CLASS?

A. Sales revenues were directly assigned to each class.

Forfeited discounts were directly assigned based on an analysis of accounting records. Miscellaneous service revenue was allocated on distribution plant-in-service.

Rent from electric property and other electric revenue was functionalized and allocated to classes based on related functional allocators.

Q. PLEASE DESCRIBE THE ALLOCATION OF PRODUCTION OPERATION AND MAINTENANCE (O&M) EXPENSE.

A. Production-related O&M was classified as either demand or energy related. The demand component was allocated using the production demand allocation factor and the energy component was allocated using the energy allocation factor. Demand-related system sales revenue was allocated based on the production demand allocation factor. Energy-related system sales revenue was allocated on the energy allocation factor.

Q. PLEASE DESCRIBE THE ALLOCATION OF TRANSMISSION O&M.

A. Transmission-related O&M was broken down into three pieces: PJM OATT Transmission Owner (TO) revenues, expenses incurred through PJM as a Load Serving Entity (LSE) and the traditional transmission cost-of-service expenses recorded in FERC accounts 560 – 574. Revenues earned through PJM as a TO and the traditional transmission cost-of-service expenses are classified as transmission and allocated using the transmission demand allocation factor. Expenses incurred through PJM as a LSE are classified as production expenses and allocated using the production demand allocation factor.

Q. PLEASE DESCRIBE THE ALLOCATION OF DISTRIBUTION O&M AMONG THE VARIOUS CUSTOMER CLASSES.

A. Distribution O&M expenses were functionalized and classified according to the associated distribution plant accounts and allocated accordingly. Accounts 581, Load Dispatching and 582, Station Expenses were allocated using the distribution demand allocation factor. Account 583 Overhead Line Expense was allocated based upon the same allocation used for plant account 365 Overhead Lines. Account 584 Underground Line Expense was allocated based upon the same allocation used for plant accounts 366 Underground Conduit and 367 Underground Lines. Account 585, Street Lighting Operation Expense, was classified as customer-related and directly assigned to the street lighting class. Meter Operation Expense, account 586, was classified customer-related and allocated in the same manner as meter plant. Account 587, Customer Installation

Expense was classified as customer-related and allocated based on primary customers.

Accounts 588 and 589 were allocated on total distribution plant and classified accordingly. Account 580 was classified as demand- and customer-related and allocated using the allocated subtotal of accounts 581 through 589.

Accounts 591 and 592 were classified demand-related and allocated on the distribution demand allocation factor. Accounts 593, 594, and 595 were functionalized and classified according to the associated distribution plant accounts and allocated accordingly. Distribution maintenance account 596 was directly assigned to the street lighting class. Account 597 was classified customer-related and allocated in the same manner as meter plant. Account 598 was classified customer-related and directly assigned to the outdoor lighting class. Account 590 was classified and allocated based on the sum of the allocated O&M expense accounts 591 through 598.

Q. CAN YOU EXPLAIN HOW CUSTOMER ACCOUNTING (ACCOUNTS 901-905), CUSTOMER SERVICES (ACCOUNTS 907-910) AND SALES EXPENSE (ACCOUNTS 911-916) WERE ALLOCATED?

A. Account 902, Meter Reading Expense, was allocated to those classes with meter installations based upon an average number of customers weighted to reflect differences in meter reading requirements. Customer Records Expense, account 903, was divided into two categories of cost; call center and other. Call center costs were first split into residential and other based on the number of calls received and then other call center expenses were allocated based on the number of customers. The other category of expenses was allocated based on the number of customers. Account 904, Uncollectibles, was allocated based on the number of customers. Accounts 901 and 905 were allocated based on the sum of the allocated accounts 902, 903 and 904.

Accounts 907 through 916, Customer Service Expenses and Sales Expenses, were allocated based on the number of customers.

Q. PLEASE DESCRIBE THE ALLOCATION OF ADMINISTRATIVE AND GENERAL (A&G) EXPENSE.

A. A&G expense, excluding regulatory expense, was functionalized and classified using O&M labor expense. The functionalized/classified cost was then allocated using the appropriate functional classification allocator. A&G regulatory expense was allocated to the customer classes based on sales revenue.

Q. PLEASE DESCRIBE THE ALLOCATION OF DEPRECIATION AND AMORTIZATION EXPENSE.

A. The functionalized components of depreciation and amortization expense were allocated using the corresponding plant items.

Q. HOW WERE TAXES ASSIGNED TO THE CUSTOMER CLASSES?

A. Individual tax items other than income taxes were allocated and classified using the appropriate demand or plant allocator.

Interest expense was allocated on rate base and individual Schedule M items were allocated using the appropriate allocators. State and current Federal income taxes were computed by class. Feedback of prior Investment Tax Credit

Normalized was allocated based on gross utility plant and individual Deferred Federal Income Tax items were allocated using the appropriate allocation factors.

Q. PLEASE DESCRIBE THE ALLOCATION OF THE ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION (AFUDC) OFFSET.

A. The AFUDC offset was split between the individual functionalized components. The production component was allocated using the production demand allocator. The transmission and distribution components were allocated using the corresponding plant allocators. The general plant component was allocated using the labor allocation factor.

Q. PLEASE DESCRIBE THE ALLOCATION OF THE VARIOUS JURISDICITONAL ADJUSTMENTS.

A. The jurisdictional adjustments are identified in the various sections of the cost-of-service study to which they apply. Each adjustment was allocated using a method consistent with both the nature of the adjustment and the underlying line item being adjusted. For example, an adjustment to employee-related expenses would be allocated using the labor allocation factor but an adjustment for Mitchell Plant employee-related expenses would be allocated using the production labor allocation factor.

Q. WHAT IS THE RESULTING EARNED RATE OF RETURN FOR EACH CLASS SHOWN IN THE CLASS COST-OF-SERVICE STUDY?

A. The resulting earned rates of return are as follows:

CLASS	ROR
Residential	1.74 %
Small General Service	9.14 %

Medium General Service	8.20 %
Large General Service	6.82 %
Quantity Power	4.85 %
Commercial and Industrial Power - Time of Day	3.25 %
Municipal Waterworks	10.67 %
Outdoor Lighting	8.02 %
Street Lighting	11.85 %
Total Kentucky Power Jurisdiction	3.66 %

VII. REVENUE ALLOCATION

Q. HOW ARE THESE RATES OF RETURN USED IN THIS PROCEEDING?

A. The earned rates of return for each class form the basis for the allocation of the revenue increase required for each class.

Q. PLEASE EXPLAIN THE PRINCIPLES OR GUIDELINES THAT YOU FOLLOWED IN ALLOCATING THE PROPOSED REVENUE INCREASE AMONG THE TARIFF CLASSES.

A. One key objective of ratemaking is to design rates such that they reflect as nearly as possible the actual costs of serving the customer. To fully meet this objective would require that the rates of return for all tariff classes be equalized. However, as discussed by Company witness Wohnhas, the Company opted not to equalize returns across tariff classes.

Q. PLEASE DESCRIBE EXHIBIT JMS-3.

A. Exhibit JMS-3 is the calculation of the allocation of the proposed revenue increase to each class of customers. Page 1 is a summary of the calculation of the required sales revenue per class, net of the Transmission OATT adjustment. Page

2 of the exhibit calculates the current subsidies received by each class. Page 3, in Columns 2 through 11, shows the calculation of the required sales revenue for each class before adjusting to include each class' current subsidy.

Q. PLEASE DESCRIBE THE TRANSMISSION OATT ADJUSTMENT IDENTIFIED ON PAGE 1 OF JMS-3.

A. The $3.8 million, calculated in the Class Cost-of-Service Study and identified in Column 10 on page 1 of JMS-3, reflects the embedded cost of transmission net of the OATT revenues the Company receives from PJM as a transmission owner. These costs are removed from the required sales revenue because they will be recovered through the PJM OATT charges in base rates, as discussed by Company witness Vaughan.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does.

KENTUCKY POWER COMPANY
DEVELOPMENT OF ANNUALIZATION ADJUSTMENT
TEST YEAR ENDED MARCH 31, 2013

					Specific Customer Adjustment				After Specific Customer Adjustment			
Tariff (1)	Year End Adjusted Number of Customers (2)	Mar 2013 Number of Customers (3)	Year End Adjusted Metered KWH (4)	Year End Migration Revenue (5)	Number of Customers (6)	Mar 2013 Number of Customers (7)	Metered KWH (8)	Revenue (9)	Year End Adjusted Number of Customers (10)=(2)+(6)	Mar 2013 Number of Customers (11)=(3)+(7)	Year End Adjusted Metered KWH (12)=(4)+(8)	Year End Migration Revenue (13)=(5)+(9)
RS Total	1,687,601	140,571	2,303,927,683	$203,713,519					1,687,601	140,571	2,303,927,683	$203,713,519
RSLMTOD Total	2,135	176	4,353,629	$347,919					2,135	176	4,353,629	$347,919
RS TOD Total	36	3	41,195	$3,450					36	3	41,195	$3,450
OL	789,504	67,412	43,401,212	$7,334,685					789,504	67,412	43,401,212	$7,334,685
SGS Metered Total	266,356	22,222	132,952,808	$15,795,033					266,356	22,222	132,952,808	$15,795,033
SGSLMTOD (225)	13	1	1,075	$265					13	1	1,075	$265
SGS NM Total	13,482	1,113	3,346,486	$490,810					13,482	1,113	3,346,486	$490,810
SGS TOD (227)	976	78	385,187	$50,680					976	78	385,187	$50,680
MGS RL (214)	887	74	1,553,507	$146,638					887	74	1,553,507	$146,638
MGS Sec Total	85,045	7,080	502,379,810	$50,186,501					85,045	7,080	502,379,810	$50,186,501
MGSLMTOD (223)	576	48	994,551	$86,827					576	48	994,551	$86,827
MGSTOD (229)	928	75	4,057,931	$352,669					928	75	4,057,931	$352,669
MGS Pri Total	1,061	83	17,041,328	$1,604,933	0	0	0	$0	1,061	83	17,041,328	$1,604,933
MGS Sub (236)	239	13	6,909,726	$640,068	0	0	0	$0	239	13	6,909,726	$640,068
LGS Sec Total	8,948	750	558,190,087	$49,342,377					8,948	750	558,190,087	$49,342,377
LGSLMTOD (251)	108	9	2,936,819	$252,273					108	9	2,936,819	$252,273
LGS Pri	976	83	95,311,904	$7,897,030	0	0	0	$0	976	83	95,311,904	$7,897,030
LGS Sub (248)	261	20	49,277,975	$3,176,749	0	0	0	$0	261	20	49,277,975	$3,176,749
LGS Tran (250)	24	2	9,997,323	$584,583	0		0	$0	24	2	9,997,323	$584,583
QP Sec (356)	37	2	12,543,725	$880,343					37	2	12,543,725	$880,343
QP Pri	525	43	353,159,849	$23,153,148	0	0	0	$0	525	43	353,159,849	$23,153,148
QP Sub (359)	341	27	301,121,404	$18,893,415	0	0	0	$0	341	27	301,121,404	$18,893,415
QP Tran (360)	26	2	15,672,816	$1,043,111	12	1	29,448,408	$1,481,415	38	3	45,121,224	$2,524,527
CIP Sub (371)	159	13	1,868,248,498	$93,578,897	0	0	0	$0	159	13	1,868,248,498	$93,578,897
CIP Tran (372)	48	4	399,403,850	$20,013,271	(12)	(1)	(65,681,838)	($4,244,380)	36	3	333,722,012	$15,768,891
SL	144,364	11,954	8,499,237	$1,262,243					144,364	11,954	8,499,237	$1,262,243
MW (540)	145	11	4,210,511	$343,116					145	11	4,210,511	$343,116
Total	3,004,801	251,869	6,699,920,126	$501,174,552	0	0	(36,233,430)	($2,762,965)	3,004,801	251,869	6,663,686,696	$498,411,587

KENTUCKY POWER COMPANY
DEVELOPMENT OF ANNUALIZATION ADJUSTMENT
TEST YEAR ENDED MARCH 31, 2013

Tariff (1)	Year End Adjusted Number of Customers * (2)	Mar 2013 Annual Average Number of Customers (3)	Mar 2013 Number of Customers * (4)	Customer Growth (5)=(4)-(3)	Year End Adjusted Metered KWH * (6)	TME Mar 2013 Average KWH Per Customer (7)=(6)/(3)	KWH Annualization Adjustment (8)=(5)x(7)	Year End Migration Revenue * (9)	TME Mar 2013 Average Revenue Per KWH (10)=(9)/(6)	Revenue Annualization Adjustment ** (11)=(8)x(10)
RS Total	1,687,601	140,633.417	140,571	(62.417)	2,303,927,683	16,383	(1,022,572)	$203,713,519	$0.08842	($90,417)
RSLMTOD Total	2,135	177.917	176	(1.917)	4,353,629	24,470	(46,901)	$347,919	$0.07991	($3,750)
RS TOD Total	36	3.000	3	0.000	41,195	13,732	0	$3,450	$0.08376	$0
OL	789,504	65,791.964	67,412	1,620.526	43,401,212	660	1,205,611	$7,334,685	$0.16900	$190,098
SGS Metered Total	266,356	22,196.333	22,222	25.667	132,952,808	5,990	153,743	$15,795,033	$0.11880	$18,269
SGSLMTOD (225)	13	1.083	1	(0.083)	1,075	992	(83)	$265	$0.24679	($20)
SGS NM Total	13,482	1,123.500	1,113	(10.500)	3,346,486	2,979	(31,280)	$490,810	$0.14666	($4,589)
SGS TOD (227)	976	81.333	78	(3.333)	385,187	4,736	(15,787)	$50,680	$0.13157	($2,077)
MGS RL (214)	887	73.917	74	0.083	1,553,507	21,017	1,751	$146,638	$0.09439	$164
MGS Sec Total	85,045	7,087.083	7,080	(7.083)	502,379,810	70,887	(502,116)	$50,186,501	$0.09990	($50,165)
MGSLMTOD (223)	576	48.000	48	0.000	994,551	20,720	0	$86,827	$0.08730	$1
MGSTOD (229)	928	77.333	75	(2.333)	4,057,931	52,473	(122,437)	$352,669	$0.08691	($10,641)
MGS Pri Total	1,061	88.417	83	(5.417)	17,041,328	192,739	(1,044,003)	$1,604,933	$0.09418	($98,311)
MGS Sub (236)	239	19.917	13	(6.917)	6,909,726	346,932	(2,399,613)	$640,068	$0.09263	($222,323)
LGS Sec Total	8,948	745.667	750	4.333	558,190,087	748,579	3,243,842	$49,342,377	$0.08840	$286,730
LGSLMTOD (251)	108	9.000	9	0.000	2,936,819	326,313	0	$252,273	$0.08590	$0
LGS Pri	976	81.333	83	1.667	95,311,904	1,171,868	1,953,113	$7,897,030	$0.08285	$161,763
LGS Sub (248)	261	21.750	20	(1.750)	49,277,975	2,265,654	(3,964,895)	$3,176,749	$0.06447	($255,376)
LGS Tran (250)	24	2.000	2	0.000	9,997,323	4,998,662	0	$584,583	$0.05847	($121)
QP Sec (356)	37	3.083	2	(1.083)	12,543,725	4,068,235	(4,407,255)	$880,343	$0.07018	($309,307)
QP Pri	525	43.750	43	(0.750)	353,159,849	8,072,225	(6,054,169)	$23,153,148	$0.06556	($396,880)
QP Sub (359)	341	28.417	27	(1.417)	301,121,404	10,596,648	(15,011,918)	$18,893,415	$0.06274	($941,781)
QP Tran (360)	38	3.167	3	(0.167)	45,121,224	14,248,808	(2,374,801)	$2,524,527	$0.05595	($132,867)
CIP Sub (371)	159	13.250	13	(0.250)	1,868,248,498	140,999,887	(35,249,972)	$93,578,897	$0.05009	($1,765,895)
CIP Tran (372)	36	3.000	3	0.000	333,722,012	111,240,671	0	$15,768,891	$0.04725	($9,520)
SL	144,364	12,030.366	11,954	(76.446)	8,499,237	706	(177,227)	$1,262,243	$0.14851	($21,947)
MW (540)	145	12.083	11	(1.083)	4,210,511	348,456	(377,494)	$343,116	$0.08149	($30,761)
Total	3,004,801	250,400.080	251,869	1,469.330	6,663,686,696	26,612	(66,244,463)	$498,411,587		($3,689,728)

* After Specific Customer Adjustment

** Values may not calculate due to rounding and calculation by lamp instead of customer for lighting.

KENTUCKY POWER COMPANY
DEVELOPMENT OF OPERATING RATIO
TWELVE MONTHS ENDED MARCH 31, 2013

Line No.	Description	Amount	Source
	Operating Revenues		
1	Sales of Electricity	$ 500,358,022	Sec. V, Sch.4, P.1, Col. 3, line 1
2	Capacity Charge Revenues Rockport Unit Power Agreement	(5,812,595)	Sec. V, WP S-4, p. W3, Col. 4, line 16
3	Customer Migration Adjustment	5,202,026	Sec. V, WP S-4, p. W22, Col. 3, line 15
4	Removal of Environmental Surcharge Provision for Refund	1,635,430	Sec. V, WP S-4, p. W30, Col. 3, line 3
5	Removal Refund Environmental Surcharge Clause	1,159,112	Sec. V, WP S-4, p. W31, Col. 3, line 3
6	Fuel Under (Over) Revenues	(1,367,443)	Sec. V, WP S-4, p. W34, Col. 3, line 8
7	Total	$ 501,174,552	Sum of Lines 1 - 6
	Operating Expenses		
8	Total Adjusted O&M	$330,975,687	Sec. V, Sch.4, P.1, Line 4. Col. 5
9	Less: Customer Annualization O&M Effect	($4,016,801)	Less: Sec. V, WP S-4, p W23, Line 2, Col. 3
10	Subtotal	$334,992,488	Sum of Lines 8 and 9
11	Total O&M Labor	$22,903,172	Sec.V, WP S-7, p.1
12	Salaries & Wages Annualization Adjustment	$609,325	Sec.V, WP S-4, p.38
13	Mitchell Salaries & Wages Annualization Adjustment	$30,375	Sec.V, WP S-4, p.50
14	Subtotal	$23,542,872	Sum of Lines 11 - 13
15	Adjusted O&M Less Labor Expense	$311,449,616	Line 10 less Line 14
17	Operating Ratio	62.14%	Line 15 divided by Line 7

Label	Constant	Allocation Factor	Function	Total Retail 1	RS 2	SGS 3	Total MGS	Total LGS	Total OP	Total CIP-TOD	MW 17	OL 18	SL 19
Rate Base													
P-T-D Plant In Service													
Production Plant	544,349,633	PROD_DEMAND	TOTAL	544,349,633	253,266,928	10,166,020	45,830,830	57,797,247	48,594,773	127,758,583	230,481	602,738	102,034
Transmission													
GSU	13,104,419	PROD_DEMAND	TOTAL	13,104,419	6,097,030	244,732	1,103,310	1,391,384	1,169,848	3,075,600	5,548	14,510	2,456
All Other Transmission Plant	470,363,103	TRANS_TOTAL	TOTAL	470,363,103	216,405,144	8,667,655	39,001,537	49,238,670	42,921,781	113,329,881	197,007	514,356	87,072
Total	483,467,522		TOTAL	483,467,522	222,502,174	8,912,387	40,104,847	50,630,054	44,091,629	116,405,482	202,556	528,866	89,529
Distribution													
360 Land and Land Rights	7,222,953	DIST_CPD	TOTAL	7,222,953	4,863,227	185,434	813,935	921,330	421,763	-	4,208	11,166	1,890
361 Structures and Improvements	4,327,099	DIST_CPD	TOTAL	4,327,099	2,913,443	111,089	487,609	551,947	252,668	-	2,521	6,689	1,132
362 Station Equipment	76,231,374	DIST_CPD	TOTAL	76,231,374	51,326,717	1,957,081	8,590,306	9,723,755	4,451,303	-	44,417	117,846	19,949
363 Storage Battery Equipment	-	DIST_POLES	TOTAL	-	-	-	-	-	-	-	-	-	-
364 Poles	175,391,118	DIST_POLES	TOTAL	175,391,118	123,059,778	5,716,484	19,600,278	20,022,432	5,852,251	-	94,450	888,223	157,222
365 Overhead Lines	170,441,654	DIST_OHLINES	TOTAL	170,441,654	118,495,728	5,288,583	19,083,204	19,973,522	6,651,184	-	93,485	727,615	128,333
366 Underground Conduit	6,017,087	DIST_UGLINES	TOTAL	6,017,087	4,197,254	190,125	673,230	698,498	222,430	-	3,278	27,427	4,844
367 Underground Lines	9,205,443	DIST_UGLINES	TOTAL	9,205,443	6,421,311	290,869	1,029,964	1,068,621	340,292	-	5,016	41,960	7,411
368 Transformers	115,511,708	DIST_TRANSF	TOTAL	115,511,708	83,265,450	4,306,856	12,835,374	12,137,329	1,894,132	-	58,747	860,558	153,261
369 Services	50,777,514	DIST_SERV	TOTAL	50,777,514	32,512,226	5,408,464	1,680,934	175,323	462	-	2,541	10,984,628	12,936
370 Meters	24,581,348	DIST_METERS	TOTAL	24,581,348	10,488,716	5,907,729	3,484,129	2,380,184	1,411,749	906,066	2,776	-	-
371 Installations on Cust Premises	19,265,175	DIST_OL	TOTAL	19,265,175	-	-	-	-	-	-	-	19,265,175	-
373 Street Lighting	3,213,413	DIST_SL	TOTAL	3,213,413	-	-	-	-	-	-	-	-	3,213,413
Total	662,185,886		TOTAL	662,185,886	437,543,850	29,362,715	68,278,961	67,652,941	21,498,233	906,066	311,439	32,931,288	3,700,393
Total P-T-D Plant In Service	1,690,003,041		TOTAL	1,690,003,041	913,312,952	48,441,122	154,214,638	176,080,241	114,184,635	245,070,130	744,475	34,062,892	3,891,955
General & Intangible Plant	53,504,666	LABOR_M	TOTAL	53,504,666	30,727,425	1,817,386	4,796,603	5,320,865	3,249,254	6,696,362	23,367	726,782	146,622
HR - J 765 Line - AFUDC	748,320	BULK_TRANS	TOTAL	748,320	348,167	13,975	63,004	79,454	66,803	175,630	317	829	140
Asset Retirement Obligation (ARO)	(3,640,183)	PROD_DEMAND	TOTAL	(3,640,183)	(1,693,650)	(67,982)	(306,481)	(386,503)	(324,964)	(854,349)	(1,541)	(4,031)	(682)
Total Electric Plant In Service	1,740,615,844		TOTAL	1,740,615,844	942,694,894	50,204,500	158,767,764	181,094,057	117,175,729	251,087,773	766,618	34,786,472	4,038,036
Adj to Incl Test Year Mitchell Plant O&M and Rate Base	882,167,970	PROD_DEMAND	TOTAL	882,167,970	410,442,036	16,474,958	74,273,018	93,665,683	78,752,239	207,044,375	373,515	976,792	165,355
Remove Mitchell ARO from Rate Base	(2,694,878)	PROD_DEMAND	TOTAL	(2,694,878)	(1,253,833)	(50,328)	(226,892)	(286,133)	(240,575)	(632,486)	(1,141)	(2,984)	(505)
Total Adjustments to Electric Plant in Service	879,473,092		TOTAL	879,473,092	409,188,203	16,424,629	74,046,126	93,379,549	78,511,664	206,411,888	372,374	973,808	164,850
Total Adjusted Electric Plant In Service	2,620,088,936		TOTAL	2,620,088,936	1,351,883,096	66,629,130	232,813,890	274,473,607	195,687,393	457,499,661	1,138,992	35,760,280	4,202,886
Depreciation Reserve													
Generation	(275,532,093)	RB_GUP_EPIS_P	TOTAL	(275,532,093)	(128,195,488)	(5,145,709)	(23,198,077)	(29,255,088)	(24,597,095)	(64,667,242)	(116,662)	(305,087)	(51,646)
Transmission - GSU	(6,795,928)	RB_GUP_EPIS_P	TOTAL	(6,795,928)	(3,161,909)	(126,918)	(572,175)	(721,569)	(606,681)	(1,595,001)	(2,877)	(7,525)	(1,274)
Transmission - All Other	(147,188,715)	RB_GUP_EPIS_T	TOTAL	(147,188,715)	(67,739,419)	(2,713,321)	(12,209,674)	(15,414,009)	(13,423,425)	(35,438,933)	(61,667)	(161,010)	(27,256)
Distribution	(173,826,158)	RB_GUP_EPIS_D	TOTAL	(173,826,158)	(114,856,822)	(7,707,817)	(17,923,471)	(17,759,138)	(5,643,363)	(237,846)	(81,754)	(8,644,581)	(971,366)
General	(24,316,861)	RB_GUP_EPIS_G	TOTAL	(24,316,861)	(13,965,035)	(825,967)	(2,179,966)	(2,418,233)	(1,476,725)	(3,043,370)	(10,620)	(330,309)	(66,637)
HR-J Post In-Service AFUDC	(932,360)	BULK_TRANS	TOTAL	(932,360)	(433,795)	(17,412)	(78,499)	(98,995)	(83,233)	(218,824)	(395)	(1,032)	(175)
Total Depreciation Reserve	(628,592,115)		TOTAL	(628,592,115)	(328,352,467)	(16,537,145)	(56,161,861)	(65,667,032)	(45,830,522)	(105,201,216)	(273,975)	(9,449,543)	(1,118,355)
Amortization of Intangible Expense	(372,195)	LABOR_M	TOTAL	(372,195)	(213,749)	(12,642)	(33,367)	(37,014)	(22,603)	(46,582)	(163)	(5,056)	(1,020)
KPCo Depreciation Annualization Expense - Production	(3,742,698)	RB_GUP_EPIS_P	TOTAL	(3,742,698)	(1,741,347)	(69,897)	(315,112)	(397,387)	(334,115)	(878,409)	(1,585)	(4,144)	(702)
KPCo Depreciation Annualization Expense - Transmission	(5,282,501)	RB_GUP_EPIS_T	TOTAL	(5,282,501)	(2,431,121)	(97,379)	(438,197)	(553,198)	(481,757)	(1,271,879)	(2,213)	(5,779)	(978)
KPCo Depreciation Annualization Expense - Distribution	(6,836,654)	RB_GUP_EPIS_D	TOTAL	(6,836,654)	(4,517,366)	(303,152)	(704,937)	(698,474)	(221,956)	(9,355)	(3,215)	(339,995)	(38,204)
KPCo Depreciation Annualization Expense - General	(543,645)	RB_GUP_EPIS_G	TOTAL	(543,645)	(312,212)	(18,466)	(48,737)	(54,064)	(33,015)	(68,040)	(237)	(7,385)	(1,490)
Adj to Incl Test Year Mitchell Plant O&M and Rate Base	(283,170,159)	PROD_DEMAND	TOTAL	(283,170,159)	(131,749,214)	(5,288,354)	(23,841,154)	(30,066,073)	(25,278,955)	(66,459,893)	(119,896)	(313,544)	(53,078)
Mitchell Depreciation Annualization - Production	(3,522,505)	PROD_DEMAND	TOTAL	(3,522,505)	(1,638,899)	(65,785)	(296,573)	(374,008)	(314,458)	(826,730)	(1,491)	(3,900)	(660)
Mitchell Depreciation Annualization - Transmission (GSU)	(10,778)	PROD_DEMAND	TOTAL	(10,778)	(5,015)	(201)	(907)	(1,144)	(962)	(2,530)	(5)	(12)	(2)
Remove Mitchell ARO from Rate Base	573,773	PROD_DEMAND	TOTAL	573,773	266,957	10,716	48,308	60,921	51,221	134,664	243	635	108
Total Depreciation Adjustments	(302,907,362)		TOTAL	(302,907,362)	(142,341,966)	(5,845,160)	(25,630,675)	(32,120,441)	(26,636,600)	(69,428,752)	(128,562)	(679,179)	(96,026)
Total Adjusted Depreciation Reserve	(931,499,477)		TOTAL	(931,499,477)	(470,694,433)	(22,382,305)	(81,792,536)	(97,787,472)	(72,467,121)	(174,629,969)	(402,537)	(10,128,722)	(1,214,381)
Net Electric Plant in Service	1,688,589,459		TOTAL	1,688,589,459	881,188,663	44,246,824	151,021,354	176,686,135	123,220,271	282,869,692	736,455	25,631,558	2,988,505
Plant Held for Future Use - Tranmsission	30,133	RB_GUP_EPIS_T	TOTAL	30,133	13,868	555	2,500	3,156	2,748	7,255	13	33	6
Plant Held for Future Use - Distribution	626,977	RB_GUP_EPIS_D	TOTAL	626,977	414,279	27,801	64,649	64,056	20,355	858	295	31,180	3,504

KENTUCKY POWER COMPANY
COST-OF-SERVICE STUDY
TWELVE MONTHS ENDING
MARCH 31, 2013

Label	Constant	Allocation Factor	Function	Total Retail 1	RS 2	SGS 3	Total MGS	Total LGS	Total QP	Total CIP-TOD	MW 17	OL 18	SL 19
Total Plant Held for Future Use	657,110		TOTAL	657,110	428,147	28,357	67,148	67,211	23,103	8,113	308	31,213	3,509
Working Capital													
Working Capital - Cash													
Working Capital Cash - Excl Sys Sales	40,517,454	EXP_OM	TOTAL	40,517,454	17,877,764	1,033,674	3,422,229	4,289,309	3,500,338	9,945,814	21,179	360,868	66,278
System Sales Add Back - Demand	497,439	PROD_DEMAND	TOTAL	497,439	231,441	9,290	41,881	52,816	44,407	116,749	211	551	93
System Sales Add Back - Energy	14,047,379	PROD_ENERGY	TOTAL	14,047,379	5,012,822	297,236	1,147,621	1,545,306	1,429,461	4,491,540	8,330	96,973	18,089
Total Working Capital - Cash	55,062,272		TOTAL	55,062,272	23,122,027	1,340,200	4,611,731	5,887,432	4,974,206	14,554,103	29,720	458,392	84,460
Cash Working Capital Adjustments													
Interest on Customer Deposits	5,358	CUST_DEP_FXNL	TOTAL	5,358	4,045	222	549	276	195	42	-	29	-
Adjust AEP Pool Capacity Cost for Changes	(2,663,012)	PROD_DEMAND	TOTAL	(2,663,012)	(1,239,007)	(49,733)	(224,209)	(282,750)	(237,730)	(625,008)	(1,128)	(2,949)	(499)
Norm/Elim of Commission Mandated Consultant Cost	-	REV_SALES	TOTAL	-	-	-	-	-	-	-	-	-	-
Temporary Interest Expense	(15,472)	REV_SALES	TOTAL	(15,472)	(6,381)	(511)	(1,647)	(1,922)	(1,364)	(3,363)	(10)	(235)	(39)
Normalization of Major Storms	57,396	TDOMX	TOTAL	57,396	35,566	1,861	5,864	6,301	2,926	3,843	28	740	268
Amortization of Storm Cost Deferral	(81,227)	EXP_OM_DIST	TOTAL	(81,227)	(55,264)	(3,070)	(8,882)	(9,052)	(2,908)	(71)	(42)	(1,418)	(519)
Rate Case Expense	27,083	EXP_OM_AG_REG	TOTAL	27,083	11,029	883	2,865	3,311	2,372	6,139	19	396	68
Postage Rate Increase	2,543	CUST_TOTAL	TOTAL	2,543	1,626	271	85	10	1	0	0	549	1
O&M Adjustment for Advertising Expenses	(3,714)	EXP_OM_CUSTSERV	TOTAL	(3,714)	(2,375)	(395)	(124)	(15)	(1)	(0)	(0)	(802)	(1)
System Sales Tracker Revenues	168,967	PROD_ENERGY	TOTAL	168,967	60,296	3,575	13,804	18,588	17,194	54,026	100	1,166	218
Annualization of Lease Costs	(33,343)	TDOMX	TOTAL	(33,343)	(20,661)	(1,081)	(3,406)	(3,660)	(1,700)	(2,232)	(16)	(430)	(155)
Net Line of Credit Fee	79,704	RB_GUP	TOTAL	79,704	43,167	2,299	7,270	8,292	5,366	11,497	35	1,593	185
Reliability Adjustment	(86,520)	TOTOHLINES	TOTAL	(86,520)	(60,432)	(2,753)	(9,678)	(10,006)	(3,128)	-	(47)	(404)	(71)
Customer Annualization Adjustment	(502,100)	REVYEC_EXP_OM	TOTAL	(502,100)	(7,327)	901	(29,668)	15,018	(23,299)	(468,415)	(2,394)	14,792	(1,708)
Pension & OPEB Expense Adjustment	(125,598)	LABOR_M	TOTAL	(125,598)	(72,130)	(4,266)	(11,260)	(12,490)	(7,627)	(15,719)	(55)	(1,706)	(344)
Amortization of Employer Group Waiver Plan	26,861	LABOR_M	TOTAL	26,861	15,426	912	2,408	2,671	1,631	3,362	12	365	74
Amortization of Deferred IGCC Costs	6,092	PROD_DEMAND	TOTAL	6,092	2,834	114	513	647	544	1,430	3	7	1
Amortization of Deferred CCS FELD Study Costs	3,980	PROD_DEMAND	TOTAL	3,980	1,852	74	335	423	355	934	2	4	1
Amortization of Deferred CARRS Site Costs	11,947	PROD_DEMAND	TOTAL	11,947	5,559	223	1,006	1,268	1,067	2,804	5	13	2
Amortization of CSAPR SO2 Allowance Expense	8,619	PROD_ENERGY	TOTAL	8,619	3,076	182	704	948	877	2,756	5	59	11
Amortization of Deferred Preliminary Big Sandy FGD Costs	128,202	PROD_DEMAND	TOTAL	128,202	59,648	2,394	10,794	13,612	11,445	30,089	54	142	24
Incentive Compensation Plan Adjustment	(258,063)	LABOR_M	TOTAL	(258,063)	(148,204)	(8,766)	(23,135)	(25,664)	(15,672)	(32,298)	(113)	(3,505)	(707)
Annualize Employee-Related Expenses	76,166	LABOR_M	TOTAL	76,166	43,742	2,587	6,828	7,574	4,625	9,533	33	1,035	209
Removal of KPCo Severance Costs	(135,673)	LABOR_M	TOTAL	(135,673)	(77,916)	(4,608)	(12,163)	(13,492)	(8,239)	(16,980)	(59)	(1,843)	(372)
Removal of KPCo Repositioning Study Costs	(53,885)	LABOR_M	TOTAL	(53,885)	(30,946)	(1,830)	(4,831)	(5,359)	(3,272)	(6,744)	(24)	(732)	(148)
Mitchell Plant Incentive Compensation Adjustment	(93,961)	LABOR_PROD	TOTAL	(93,961)	(42,475)	(1,783)	(7,882)	(10,020)	(8,531)	(23,027)	(42)	(170)	(30)
Mitchell Plant Maintenance	(61,315)	PROD_DEMAND	TOTAL	(61,315)	(28,528)	(1,145)	(5,162)	(6,510)	(5,474)	(14,391)	(26)	(68)	(11)
Mitchell Plant Annualization of Employee-Related Exp	3,797	LABOR_PROD	TOTAL	3,797	1,716	72	319	405	345	931	2	7	1
Removal of Mitchell Severance Costs	(33,802)	LABOR_PROD	TOTAL	(33,802)	(15,280)	(642)	(2,836)	(3,605)	(3,069)	(8,284)	(15)	(61)	(11)
Removal of Mitchell Repositioning Study Costs	(25,226)	LABOR_PROD	TOTAL	(25,226)	(11,403)	(479)	(2,116)	(2,690)	(2,290)	(6,182)	(11)	(46)	(8)
Adj to Incl TY Mitchell Plant O&M and Rate Base - Demand	2,521,920	PROD_DEMAND	TOTAL	2,521,920	1,173,362	47,098	212,330	267,769	225,135	591,893	1,068	2,792	473
Adj to Incl TY Mitchell Plant O&M and Rate Base - Energy	2,272,615	PROD_ENERGY	TOTAL	2,272,615	810,985	48,087	185,665	250,003	231,261	726,651	1,348	15,689	2,926
PJM - Pool Term & Mitchell Xfer - Prod Demand	722,896	PROD_DEMAND	TOTAL	722,896	336,338	13,500	60,863	76,755	64,534	169,663	306	800	136
PJM Charges & Credits - Pool Term & Mitchell Xfer - Energy	513,733	PROD_ENERGY	TOTAL	513,733	183,326	10,870	41,970	56,514	52,277	164,262	305	3,546	662
Amortization of Big Sandy Depreciation & O&M	837,821	PROD_DEMAND	TOTAL	837,821	389,809	15,647	70,539	88,957	74,793	196,636	355	928	157
Removal of Big Sandy Depreciation & O&M	(2,452,091)	PROD_DEMAND	TOTAL	(2,452,091)	(1,140,873)	(45,794)	(206,451)	(260,355)	(218,901)	(575,505)	(1,038)	(2,715)	(460)
Total Cash Working Capital Adjustments	850,698		TOTAL	850,698	224,198	24,918	71,262	171,751	153,737	178,273	(1,340)	27,568	331
Working Capital - Materials & Supplies													
Fuel	46,508,466	PROD_ENERGY	TOTAL	46,508,466	16,596,595	984,098	3,799,577	5,116,244	4,732,701	14,870,721	27,580	321,061	59,889
Production	8,588,348	PROD_DEMAND	TOTAL	8,588,348	3,995,859	160,392	723,085	911,882	766,693	2,015,681	3,636	9,510	1,610
Emissions	10,040,115	PROD_ENERGY	TOTAL	10,040,115	3,582,826	212,444	820,242	1,104,480	1,021,682	3,210,249	5,954	69,310	12,929
Transmission & Distribution	3,151,197	TDPLANT	TOTAL	3,151,197	1,815,273	105,248	298,096	325,351	180,475	322,945	1,414	91,977	10,418
Total Working Cap - Materials & Supplies	68,288,126		TOTAL	68,288,126	25,990,553	1,462,182	5,640,999	7,457,958	6,701,550	20,419,596	38,584	491,857	84,846
Working Capital - Materials & Supplies Adjustments													
Big Sandy Coal Stock Adjustment	(20,875,574)	PROD_ENERGY	TOTAL	(20,875,574)	(7,449,471)	(441,717)	(1,705,460)	(2,296,454)	(2,124,298)	(6,674,803)	(12,379)	(144,110)	(26,882)
Mitchell Coal Stock Adjustment	(1,151,258)	PROD_ENERGY	TOTAL	(1,151,258)	(410,828)	(24,360)	(94,054)	(126,646)	(117,152)	(368,106)	(683)	(7,947)	(1,482)
Adj to Incl Test Year Mitchell Plant O&M and Rate Base	42,424,390	PROD_DEMAND	TOTAL	42,424,390	19,738,591	792,298	3,571,868	4,504,482	3,787,278	9,956,983	17,963	46,975	7,952
Total Working Cap - Materials & Supplies Adjustments	20,397,558		TOTAL	20,397,558	11,878,293	326,221	1,772,354	2,081,382	1,545,828	2,914,074	4,901	(105,083)	(20,412)
Working Capital - Prepayments													
Working Capital - Prepayments	1,455,069	RB_GUP_EPIS	TOTAL	1,455,069	788,046	41,968	132,722	151,386	97,953	209,897	641	29,080	3,376
Pension & OPEB Expense Adjustment	26,308,055	LABOR_M	TOTAL	26,308,055	15,108,566	893,602	2,358,473	2,616,250	1,597,647	3,292,577	11,490	357,356	72,094
Total Working Capital	172,361,778		TOTAL	172,361,778	77,111,684	4,089,091	14,587,541	18,366,159	15,070,922	41,568,521	83,995	1,259,171	224,695

KENTUCKY POWER COMPANY
COST-OF-SERVICE STUDY
TWELVE MONTHS ENDING
MARCH 31, 2013

Label	Constant	Allocation Factor	Function	Total Retail 1	RS 2	SGS 3	Total MGS	Total LGS	Total QP	Total CIP-TOD	MW 17	OL 18	SL 19
Construction Work-In-Progress													
Production	1,835,278	RB_GUP_EPIS_P	TOTAL	1,835,278	853,891	34,275	154,519	194,864	163,838	430,739	777	2,032	344
Transmission	27,690,114	RB_GUP_EPIS_T	TOTAL	27,690,114	12,743,587	510,448	2,296,965	2,899,785	2,525,303	6,667,006	11,601	30,290	5,128
Distribution	11,720,516	RB_GUP_EPIS_D	TOTAL	11,720,516	7,744,411	519,712	1,208,520	1,197,439	380,513	16,037	5,512	582,875	65,496
General	2,035,903	RB_GUP_EPIS_G	TOTAL	2,035,903	1,169,208	69,153	182,515	202,464	123,637	254,803	889	27,655	5,579
Total CWIP	43,281,811		TOTAL	43,281,811	22,511,097	1,133,588	3,842,518	4,494,552	3,193,291	7,368,585	18,780	642,852	76,547
Adjs to Include Test Year Mitchell Plant O&M & Rate Base	39,608,974	PROD_DEMAND	TOTAL	39,608,974	18,428,676	739,719	3,334,828	4,205,550	3,535,943	9,296,206	16,771	43,858	7,424
Total Adjusted CWIP	82,890,785		TOTAL	82,890,785	40,939,773	1,873,307	7,177,346	8,700,102	6,729,234	16,664,791	35,550	686,710	83,971
Rate Base Offsets													
Accumulated Deferred FIT	(236,486,446)	RB_GUP	TOTAL	(236,486,446)	(128,077,982)	(6,820,967)	(21,570,770)	(24,604,102)	(15,919,924)	(34,113,705)	(104,156)	(4,726,218)	(548,622)
Customer Advances	(57,952)	TDPLANT	TOTAL	(57,952)	(33,384)	(1,936)	(5,482)	(5,983)	(3,319)	(5,939)	(26)	(1,691)	(192)
Customer Deposits	(23,811,141)	CUST_DEP_FXNL	TOTAL	(23,811,141)	(17,974,700)	(988,162)	(2,441,221)	(1,225,732)	(864,910)	(187,681)	-	(128,735)	-
Adjustments to Rate Base Offsets													
Pension & OPEB Expense Adjustment	(9,207,819)	LABOR_M	TOTAL	(9,207,819)	(5,287,998)	(312,761)	(825,466)	(915,688)	(559,176)	(1,152,402)	(4,021)	(125,075)	(25,233)
Adj to Incl Test Year Mitchell Plant O&M and Rate Base	(147,947,146)	RB_GUP_EPIS_P	TOTAL	(147,947,146)	(68,834,655)	|2,762,992)	(12,456,223)	(15,708,540)	(13,207,427)	(34,723,120)	(62,642)	(163,816)	(27,732)
Total Adjustments to Rate Base Offsets	(157,154,965)		TOTAL	(157,154,965)	(74,122,653)	(3,075,753)	(13,281,689)	(16,624,227)	(13,766,603)	(35,875,522)	(66,663)	(288,891)	(52,964)
Total Rate Base Offsets	(417,510,504)		TOTAL	(417,510,504)	(220,208,719)	(10,886,817)	(37,299,162)	(42,460,045)	(30,554,756)	(70,182,847)	(170,845)	(5,145,535)	(601,778)
Total Rate Base	1,526,988,628		TOTAL	1,526,988,628	779,459,548	39,350,762	135,554,227	161,359,563	114,488,775	270,928,270	685,463	22,463,117	2,698,901
Operating Revenues													
Total Revenue	501,174,552	REVSALES_FXNL	TOTAL	501,174,552	204,095,172	16,339,138	53,025,262	61,261,823	43,903,321	113,608,507	343,165	7,335,740	1,262,425
Total Revenue Year End Customers	(6,452,693)	REVYEC_FXNL	TOTAL	(6,452,693)	(94,167)	11,582	(381,275)	192,996	(299,420)	(6,019,799)	(30,761)	190,098	(21,947)
Annualize Environmental Revenues Adjustment	(7,320,077)	REVSALES_FXNL	TOTAL	(7,320,077)	(2,980,982)	(238,647)	(774,479)	(894,781)	(641,245)	(1,659,348)	(5,012)	(107,145)	(18,439)
Sales of Electricity	487,401,782		TOTAL	487,401,782	201,020,022	16,112,073	51,869,508	60,560,038	42,962,656	105,929,360	307,392	7,418,693	1,222,039
Other Operating Revenues													
Forfeited Discounts	3,262,936	FORF_DISC_FXNL	TOTAL	3,262,936	2,378,168	190,174	370,177	155,137	119,374	31,146	-	18,760	-
Miscellaneous Service Revenue	358,931	RB_GUP_EPIS_D	TOTAL	358,931	237,166	15,916	37,010	36,671	11,653	491	169	17,850	2,006
Rent from Electric Prop - Poles	6,669,109	DIST_POLES	TOTAL	6,669,109	4,679,251	217,365	745,285	761,337	222,527	-	3,591	33,774	5,978
Rent from Electric Prop - Other Dist	919,538	RB_GUP_EPIS_D	TOTAL	919,538	607,591	40,774	94,815	93,946	29,853	1,258	432	45,730	5,139
Other Electric Revenue - Dist	157,652	RB_GUP_EPIS_D	TOTAL	157,652	104,170	6,991	16,256	16,107	5,118	216	74	7,840	881
Other Electric Revenue - Wheeling	(447,300)	TRANS_TOTAL	TOTAL	(447,300)	(205,794)	(8,243)	(37,089)	(46,824)	(40,817)	(107,773)	(187)	(489)	(83)
Other Electric Revenues - Production	42,083	PROD_ENERGY	TOTAL	42,083	15,017	890	3,438	4,629	4,282	13,456	25	291	54
Total Other Operating Revenues	10,962,949		TOTAL	10,962,949	7,815,569	463,867	1,229,892	1,021,002	351,991	(61,206)	4,104	123,755	13,975
Eliminate Non-Recurring CATV Revenues	(1,083,264)	RB_GUP_EPIS_D	TOTAL	(1,083,264)	(715,774)	(48,034)	(111,697)	(110,673)	(35,169)	(1,482)	(509)	(53,872)	(6,053)
Misc. Service Charges Adjustement	585,947	RB_GUP_EPIS_D	TOTAL	585,947	387,168	25,982	60,418	59,864	19,023	802	276	29,140	3,274
Annualization of CATV Revenues	(1,282,814)	RB_GUP_EPIS_D	TOTAL	(1,282,814)	(847,628)	(56,883)	(132,273)	(131,060)	(41,647)	(1,755)	(603)	(63,796)	(7,169)
Customer Migration Adjustment	(931)	REVSALES_FXNL	TOTAL	(931)	(379)	(30)	(99)	(114)	(82)	(211)	(1)	(14)	(2)
Total Other Operating Revenue Adjustments	(1,781,062)		TOTAL	(1,781,062)	(1,176,613)	(78,965)	(183,650)	(181,983)	(57,874)	(2,647)	(838)	(88,542)	(9,950)
Total Other Operating Revenues	9,181,887		TOTAL	9,181,887	6,638,957	384,902	1,046,241	839,019	294,116	(63,853)	3,267	35,214	4,025
Total Operating Revenues	496,583,669		TOTAL	496,583,669	207,658,979	16,496,975	52,915,749	61,399,057	43,256,772	105,865,507	310,659	7,453,907	1,226,064
Operating Expense													
O&M Expense													
Production													
Demand	21,844,480	PROD_DEMAND	TOTAL	21,844,480	10,163,476	407,957	1,839,168	2,319,375	1,950,084	5,126,888	9,249	24,188	4,095
Energy	5,570,525	PROD_ENERGY	TOTAL	5,570,525	1,987,848	117,870	455,092	612,795	566,857	1,781,132	3,303	38,455	7,173
Fuel	106,945,546	PROD_ENERGY	TOTAL	106,945,546	38,163,631	2,262,918	8,737,072	11,764,730	10,882,777	34,195,007	63,420	738,276	137,715
System Sales - Demand	(3,979,513)	PROD_DEMAND	TOTAL	(3,979,513)	(1,851,529)	(74,320)	(335,050)	(422,532)	(355,256)	(933,990)	(1,685)	(4,406)	(746)
System Sales - Energy	(112,379,034)	PROD_ENERGY	TOTAL	(112,379,034)	(40,102,577)	(2,377,888)	(9,180,968)	(12,362,450)	(11,435,689)	(35,932,323)	(66,642)	(775,785)	(144,712)
Purchased Power - Demand	64,688,885	PROD_DEMAND	TOTAL	64,688,885	30,097,485	1,208,099	5,446,399	6,868,452	5,774,858	15,182,448	27,390	71,628	12,125
Purchased Power - Energy	180,812,538	PROD_ENERGY	TOTAL	180,812,538	64,523,145	3,825,909	14,771,743	19,890,596	18,399,481	57,813,404	107,224	1,248,202	232,834
System Control	150,794	PROD_DEMAND	TOTAL	150,794	70,159	2,816	12,696	16,011	13,462	35,391	64	167	28
Total Production Expenses	380,012,768		TOTAL	380,012,768	145,005,744	7,825,570	31,262,170	41,471,959	37,587,517	114,134,271	210,650	2,120,915	393,971
Transmission Agreement Expenses - Production	36,210,239	PROD_DEMAND	TOTAL	36,210,239	16,847,363	676,246	3,048,675	3,844,684	3,232,533	8,498,525	15,332	40,094	6,787
Transmission Agreement Expenses - Transmission	(51,949,423)	TRANS_TOTAL	TOTAL	(51,949,423)	(23,900,944)	(957,302)	(4,307,539)	(5,438,183)	(4,740,512)	(12,516,760)	(21,759)	(56,808)	(9,617)
Total Transmission Agreement Expenses	(15,739,184)		TOTAL	(15,739,184)	(7,053,581)	(281,057)	(1,258,864)	(1,593,499)	(1,507,978)	(4,018,235)	(6,427)	(16,714)	(2,829)
Transmission Expenses - Production	6,027,012	PROD_DEMAND	TOTAL	6,027,012	2,804,159	112,558	507,437	639,928	538,039	1,414,537	2,552	6,673	1,130

KENTUCKY POWER COMPANY
COST-OF-SERVICE STUDY
TWELVE MONTHS ENDING
MARCH 31, 2013

Label	Constant	Allocation Factor	Function	Total Retail 1	RS 2	SGS 3	Total MGS	Total LGS	Total QP	Total CIP-TOD	MW 17	OL 18	SL 19
Transmission Expenses - Transmission	6,006,122	TRANS_TOTAL	TOTAL	6,006,122	2,763,303	110,678	498,015	628,734	548,073	1,447,123	2,516	6,568	1,112
Total Transmission Expenses	12,033,134		TOTAL	12,033,134	5,567,462	223,236	1,005,452	1,268,663	1,086,112	2,861,659	5,067	13,241	2,242
Regional Market Expenses	1,111,604	PROD_DEMAND	TOTAL	1,111,604	517,191	20,760	93,590	118,026	99,234	260,893	471	1,231	208
Distribution Operation													
580 Supervision & Engineering	785,170	TOTOXEXP	TOTAL	785,170	503,451	43,278	81,271	78,668	26,575	2,564	348	35,811	13,204
581 Load Dispatching	2,923	DIST_CPD	TOTAL	2,923	1,968	75	329	373	171	-	2	5	1
582 Station Expenses	173,816	DIST_CPD	TOTAL	173,816	117,031	4,462	19,587	22,171	10,149	-	101	269	45
583 Overhead Lines	336,063	DIST_OHLINES	TOTAL	336,063	233,640	10,428	37,627	39,382	13,114	-	184	1,435	253
584 Undergroung Lines	134,737	DIST_UGLINES	TOTAL	134,737	93,987	4,257	15,075	15,641	4,981	-	73	614	108
585 Street Lighting	94,392	DIST_SL	TOTAL	94,392	-	-	-	-	-	-	-	-	94,392
586 Meters	450,118	DIST_METERS	TOTAL	450,118	192,063	108,179	63,799	43,584	25,851	16,591	51	-	-
587 Customer Installs	149,630	DIST_PCUST	TOTAL	149,630	95,715	15,922	5,005	573	31	-	7	32,339	38
588 Miscellaneous Distribution	4,904,272	RB_GUP_EPIS_D	TOTAL	4,904,272	3,240,531	217,466	505,687	501,050	159,220	6,710	2,307	243,895	27,406
589 Rents	1,532,200	RB_GUP_EPIS_D	TOTAL	1,532,200	1,012,412	67,941	157,987	156,539	49,744	2,097	721	76,198	8,562
Total Distribution Operations Expenses	8,563,321		TOTAL	8,563,321	5,490,797	472,008	886,367	857,982	289,835	27,962	3,794	390,565	144,010
Distribution Maintenance													
590 Supervision & Engineering	762	TOTMXEXP	TOTAL	762	529	24	85	88	28	0	0	6	2
591 Structures	21,989	DIST_CPD	TOTAL	21,989	14,805	565	2,478	2,805	1,284	-	13	34	6
592 Station Equipment	557,015	DIST_CPD	TOTAL	557,015	375,039	14,300	62,769	71,051	32,525	-	325	861	146
593 Overhead Lines	24,453,798	TOTOHLINES	TOTAL	24,453,798	17,080,364	778,167	2,735,305	2,828,110	884,117	-	13,289	114,256	20,192
594 Underground Lines	94,080	TOTUGLINES	TOTAL	94,080	65,626	2,973	10,526	10,921	3,478	-	51	429	76
595 Line Transformers	58,682	DIST_TRANSF	TOTAL	58,682	42,300	2,188	6,521	6,166	962	-	30	437	78
596 Street Lighting	52,485	DIST_SL	TOTAL	52,485	-	-	-	-	-	-	-	-	52,485
597 Meters	51,572	DIST_METERS	TOTAL	51,572	22,005	12,394	7,310	4,994	2,962	1,901	6	-	-
598 Miscellaneous Distribution	86,036	DIST_OL	TOTAL	86,036	-	-	-	-	-	-	-	86,036	-
Total Distribution Maintenance Expenses	25,376,419		TOTAL	25,376,419	17,600,669	810,611	2,824,993	2,924,134	925,355	1,901	13,714	202,059	72,984
Total Distribution O&M	33,939,740		TOTAL	33,939,740	23,091,465	1,282,620	3,711,360	3,782,115	1,215,191	29,863	17,508	592,624	216,994
Customer Accounts													
901 Supervision	298,715	TOTOX234	TOTAL	298,715	256,498	30,537	10,115	1,276	118	25	14	67	65
902 Meter Read	475,111	CUST_902	TOTAL	475,111	376,738	62,671	29,668	5,274	602	128	29	-	-
903 Customer Records	5,469,364	CUST_903	TOTAL	5,469,364	4,728,961	544,995	171,618	20,112	1,746	373	256	-	1,303
904 Uncollectibles	6,166	CUST_TOTAL	TOTAL	6,166	3,943	656	207	24	2	0	0	1,332	2
905 Miscellaneous	15,936	TOTOX234	TOTAL	15,936	13,684	1,629	540	68	6	1	1	4	3
Total	6,265,292		TOTAL	6,265,292	5,379,823	640,488	212,147	26,754	2,475	528	301	1,403	1,374
Total Customer Services Expenses	2,954,993	CUST_TOTAL	TOTAL	2,954,993	1,889,553	314,330	96,982	11,599	1,007	215	148	638,407	752
Total Sales Expenses	4,184	CUST_TOTAL	TOTAL	4,184	2,675	445	140	16	1	0	0	904	1
Administrative & General Expense													
A&G - Production Demand	306,088	PROD_DEMAND	TOTAL	306,088	142,412	5,716	25,771	32,499	27,325	71,839	130	339	57
A&G - Production Energy	8,789,900	PROD_ENERGY	TOTAL	8,789,900	3,136,685	185,990	718,104	966,948	894,460	2,810,502	5,213	60,679	11,319
A&G - Transmission	995,002	EXP_OM_TRAN	TOTAL	995,002	460,583	18,469	83,193	104,967	89,726	236,364	419	1,095	185
A&G - Distribution	7,912,515	EXP_OM_DIST	TOTAL	7,912,515	5,383,411	299,023	865,245	881,741	283,303	6,962	4,082	138,161	50,589
A&G - Customer Accounts	1,226,245	EXP_OM_CUSTACCT	TOTAL	1,226,245	1,052,941	125,356	41,521	5,236	484	103	59	275	269
A&G - Customer Services	519,049	EXP_OM_CUSTSERV	TOTAL	519,049	331,903	55,213	17,386	2,037	177	38	26	112,137	132
Total A&G Expense Excl Regulatory	19,748,799		TOTAL	19,748,799	10,507,935	689,768	1,751,220	1,993,428	1,295,474	3,125,808	9,928	312,686	62,551
A&G - Regulatory Reclassified	166,850	EXP_OM_AG_REG	TOTAL	166,850	67,947	5,440	17,653	20,395	14,616	37,822	114	2,442	420
Total A&G Expenses	19,915,649		TOTAL	19,915,849	10,575,882	695,207	1,768,873	2,013,824	1,310,091	3,163,631	10,042	315,128	62,972
Total O&M Expenses	324,139,633		TOTAL	324,139,633	143,022,109	8,269,392	27,377,832	34,314,476	28,002,706	79,566,514	169,433	2,886,947	530,226
O&M Adjustments													
Interest on Customer Deposits	42,860	CUST_DEP_FXNL	TOTAL	42,860	32,354	1,779	4,394	2,206	1,557	338	-	232	-
Adjust AEP Pool Capacity Cost for Changes	(21,304,099)	PROD_DEMAND	TOTAL	(21,304,099)	(9,912,055)	(397,865)	(1,793,672)	(2,261,999)	(1,901,844)	(5,000,061)	(9,020)	(23,589)	(3,993)
Norm/Elim of Commission Mandated Consultant Cost	30,493	REV_SALES	TOTAL	30,493	12,576	1,008	3,245	3,789	2,688	6,627	19	464	76
Temporary Interest Expense	(123,777)	REV_SALES	TOTAL	(123,777)	(51,050)	(4,092)	(13,172)	(15,379)	(10,910)	(26,901)	(78)	(1,884)	(310)
Normalization of Major Storms	459,166	TDOMX	TOTAL	459,166	284,524	14,887	46,911	50,406	23,410	30,742	225	5,920	2,140
Amortization of Storm Cost Deferral	(649,818)	EXP_OM_DIST	TOTAL	(649,818)	(442,114)	(24,557)	(71,059)	(72,413)	(23,266)	(572)	(335)	(11,347)	(4,155)
Rate Case Expense	216,667	EXP_OM_AG_REG	TOTAL	216,667	88,234	7,064	22,924	26,485	18,980	49,115	148	3,171	546
Postage Rate Increase	20,347	CUST_TOTAL	TOTAL	20,347	13,011	2,164	682	80	7	1	1	4,396	5
O&M Adjustment for Advertising Expenses	(29,713)	EXP_OM_CUSTSERV	TOTAL	(29,713)	(19,000)	(3,161)	(995)	(117)	(10)	(2)	(1)	(6,419)	(8)
System Sales Tracker Revenues	1,351,735	PROD_ENERGY	TOTAL	1,351,735	482,368	28,602	110,432	148,700	137,553	432,207	802	9,331	1,741
Annualization of Lease Costs	(266,741)	TDOMX	TOTAL	(266,741)	(165,287)	(8,649)	(27,252)	(29,282)	(13,599)	(17,859)	(131)	(3,439)	(1,243)

KENTUCKY POWER COMPANY
COST-OF-SERVICE STUDY
TWELVE MONTHS ENDING
MARCH 31, 2013

Label	Constant	Allocation Factor	Function	Total Retail 1	RS 2	SGS 3	Total MGS	Total LGS	Total QP	Total CIP-TOD	MW 17	OL 18	SL 19
Net Line of Credit Fee	637,630	RB_GUP	TOTAL	637,630	345,332	18,391	58,161	66,339	42,924	91,980	281	12,743	1,479
Reliability Adjustment	(692,162)	TOTOHLINES	TOTAL	(692,162)	(483,458)	(22,026)	(77,422)	(80,049)	(25,025)	-	(376)	(3,234)	(572)
Customer Annualization Adjustment	(4,016,801)	REVYEC_EXP_OM	TOTAL	(4,016,801)	(58,619)	7,210	(237,344)	120,140	(186,389)	(3,747,324)	(19,149)	118,336	(13,662)
Pension & OPEB Expense Adjustment	(1,004,781)	LABOR_M	TOTAL	(1,004,781)	(577,040)	(34,129)	(90,077)	(99,922)	(61,019)	(125,753)	(439)	(13,648)	(2,753)
Amortization of Employer Group Waiver Plan	214,887	LABOR_M	TOTAL	214,887	123,408	7,299	19,264	21,370	13,050	26,894	94	2,919	589
Amortization of Deferred IGCC Costs	48,732	PROD_DEMAND	TOTAL	48,732	22,673	910	4,103	5,174	4,350	11,437	21	54	9
Amortization of Deferred CCS FELD Study Costs	31,843	PROD_DEMAND	TOTAL	31,843	14,815	595	2,681	3,381	2,843	7,474	13	35	6
Amortization of Deferred CARRS Site Costs	95,579	PROD_DEMAND	TOTAL	95,579	44,470	1,785	8,047	10,148	8,532	22,432	40	106	18
Amortization of CSAPR SO2 Allowance Expense	68,950	PROD_ENERGY	TOTAL	68,950	24,605	1,459	5,633	7,585	7,016	22,046	41	476	89
Amortization of Deferred Preliminary Big Sandy FGD Costs	1,025,615	PROD_DEMAND	TOTAL	1,025,615	477,183	19,154	86,350	108,896	91,558	240,711	434	1,136	192
Incentive Compensation Plan Adjustment	(2,064,501)	LABOR_M	TOTAL	(2,064,501)	(1,185,631)	(70,125)	(185,079)	(205,308)	(125,374)	(258,382)	(902)	(28,043)	(5,657)
Annualize Employee-Related Expenses	609,325	LABOR_M	TOTAL	609,325	349,932	20,697	54,625	60,595	37,003	76,260	266	8,277	1,670
Removal of KPCo Severance Costs	(1,085,383)	LABOR_M	TOTAL	(1,085,383)	(623,329)	(36,867)	(97,303)	(107,938)	(65,914)	(135,841)	(474)	(14,743)	(2,974)
Removal of KPCo Repositioning Study Costs	(431,083)	LABOR_M	TOTAL	(431,083)	(247,569)	(14,643)	(38,646)	(42,870)	(26,179)	(53,952)	(188)	(5,856)	(1,181)
Mitchell Plant Incentive Compensation Adjustment	(751,686)	LABOR_PROD	TOTAL	(751,686)	(339,799)	(14,266)	(63,058)	(80,162)	(68,248)	(184,213)	(334)	(1,363)	(242)
Mitchell Plant Maintenance	(490,521)	PROD_DEMAND	TOTAL	(490,521)	(228,222)	(9,161)	(41,299)	(52,082)	(43,789)	(115,125)	(208)	(543)	(92)
Mitchell Plant Annualization of Employee-Related Exp	30,375	LABOR_PROD	TOTAL	30,375	13,731	576	2,548	3,239	2,758	7,444	13	55	10
Removal of Mitchell Severance Costs	(270,416)	LABOR_PROD	TOTAL	(270,416)	(122,241)	(5,132)	(22,685)	(28,838)	(24,552)	(66,270)	(120)	(490)	(87)
Removal of Mitchell Repositioning Study Costs	(201,809)	LABOR_PROD	TOTAL	(201,809)	(91,228)	(3,830)	(16,930)	(21,522)	(18,323)	(49,457)	(90)	(366)	(65)
Adj to Incl TY Mitchell Plant O&M and Rate Base - Demand	20,175,358	PROD_DEMAND	TOTAL	20,175,358	9,386,891	376,786	1,698,639	2,142,153	1,801,079	4,735,146	8,542	22,339	3,782
Adj to Incl TY Mitchell Plant O&M and Rate Base - Energy	18,180,916	PROD_ENERGY	TOTAL	18,180,916	6,487,879	384,700	1,485,316	2,000,023	1,850,090	5,813,207	10,782	125,508	23,412
PJM - Pool Term & Mitchell Xfer - Prod Demand	5,783,165	PROD_DEMAND	TOTAL	5,783,165	2,690,705	108,004	486,906	614,037	516,270	1,357,306	2,449	6,403	1,084
PJM Charges & Credits - Pool Term & Mitchell Xfer - Energy	4,109,868	PROD_ENERGY	TOTAL	4,109,868	1,466,611	86,963	335,762	452,113	418,220	1,314,098	2,437	28,372	5,292
Amortization of Big Sandy Depreciation & O&M	6,702,565	PROD_DEMAND	TOTAL	6,702,565	3,118,470	125,174	564,314	711,656	598,346	1,573,089	2,838	7,422	1,256
Removal of Big Sandy Depreciation & O&M	(19,616,728)	PROD_DEMAND	TOTAL	(19,616,728)	(9,126,980)	(366,353)	(1,651,606)	(2,082,839)	(1,751,210)	(4,604,036)	(8,306)	(21,721)	(3,677)
Total Operations and Maintenance Expense Adjustments	6,836,057		TOTAL	6,836,057	1,806,151	200,352	573,339	1,377,796	1,232,584	1,432,806	(10,704)	221,009	2,724
Adjusted Operating & Maintenance Expenses	330,975,690		TOTAL	330,975,690	144,828,260	8,469,744	27,951,170	35,692,272	29,235,289	80,999,320	158,729	3,107,956	532,950
Depreciation & Amortization Expense													
Production	20,582,077	RB_GUP_EPIS_P	TOTAL	20,582,077	9,576,124	384,381	1,732,882	2,185,337	1,837,388	4,830,603	8,715	22,790	3,858
Transmission	8,521,863	RB_GUP_EPIS_T	TOTAL	8,521,863	3,921,945	157,095	706,910	892,433	777,183	2,051,827	3,570	9,322	1,578
Distribution	22,563,910	RB_GUP_EPIS_D	TOTAL	22,563,910	14,909,258	1,000,531	2,326,598	2,305,266	732,550	30,874	10,612	1,122,130	126,090
General & Intangible	3,748,057	RB_GUP_EPIS_G	TOTAL	3,748,057	2,152,488	127,310	336,007	372,732	227,614	469,087	1,637	50,912	10,271
Total Depreciation & Amort Expense	55,415,907		TOTAL	55,415,907	30,559,814	1,669,317	5,102,397	5,755,768	3,574,734	7,382,391	24,534	1,205,154	141,798
Amortization of Intangible Expense	372,195	LABOR_M	TOTAL	372,195	213,749	12,642	33,367	37,014	22,603	46,582	163	5,056	1,020
KPCo Depreciation Annualization Expense - Production	3,742,698	RB_GUP_EPIS_P	TOTAL	3,742,698	1,741,347	69,897	315,112	397,387	334,115	878,409	1,585	4,144	702
KPCo Depreciation Annualization Expense - Transmission	5,282,501	RB_GUP_EPIS_T	TOTAL	5,282,501	2,431,121	97,379	438,197	553,198	481,757	1,271,879	2,213	5,779	978
KPCo Depreciation Annualization Expense - Distribution	6,836,654	RB_GUP_EPIS_D	TOTAL	6,836,654	4,517,366	303,152	704,937	698,474	221,956	9,355	3,215	339,995	38,204
KPCo Depreciation Annualization Expense - General	543,645	RB_GUP_EPIS_G	TOTAL	543,645	312,212	18,466	48,737	54,064	33,015	68,040	237	7,385	1,490
Adj to Incl Test Year Mitchell Plant O&M and Rate Base	32,967,772	PROD_DEMAND	TOTAL	32,967,772	15,338,756	615,691	2,775,680	3,500,409	2,943,074	7,737,519	13,959	36,504	6,180
Mitchell Depreciation Annualization - Production	3,522,505	PROD_DEMAND	TOTAL	3,522,505	1,638,899	65,785	296,573	374,008	314,458	826,730	1,491	3,900	660
Mitchell Depreciation Annualization - Transmission (GSU)	10,778	PROD_DEMAND	TOTAL	10,778	5,015	201	907	1,144	962	2,530	5	12	2
Amortization of Big Sandy Depreciation and O&M	8,129,400	PROD_DEMAND	TOTAL	8,129,400	3,782,327	151,821	684,445	863,153	725,722	1,907,966	3,442	9,001	1,524
Removal of Big Sandy Depreciation and O&M	(23,789,528)	PROD_DEMAND	TOTAL	(23,789,528)	(11,068,439)	(444,282)	(2,002,929)	(2,525,894)	(2,123,721)	(5,583,390)	(10,073)	(26,341)	(4,459)
Total Depreciation & Amort Adjustments	37,618,620		TOTAL	37,618,620	18,912,353	890,751	3,295,025	3,952,958	2,953,942	7,165,619	16,237	385,434	46,300
Adjusted Depreciation Expense	93,034,527		TOTAL	93,034,527	49,472,167	2,560,068	8,397,422	9,708,726	6,528,676	14,548,010	40,771	1,590,588	188,098
Taxes Other Than Income													
Federal Insurance Contribution Excise	2,593,421	LABOR_M	TOTAL	2,593,421	1,489,387	88,090	232,496	257,907	157,494	324,579	1,133	35,228	7,107
Federal Unemployment Tax	34,008	LABOR_M	TOTAL	34,008	19,531	1,155	3,049	3,382	2,065	4,256	15	462	93
Federal Excise Tax	426	LABOR_M	TOTAL	426	245	14	38	42	26	53	0	6	1
Kentucky Unemployment Insurance	36,159	LABOR_M	TOTAL	36,159	20,766	1,228	3,242	3,596	2,196	4,525	16	491	99
Kentucky PSC Maintenance	979,074	REVSALES	TOTAL	979,074	398,712	31,919	103,588	119,679	85,768	221,941	670	14,331	2,466
Kentucky Sales & Use	11,373	TDPLANT	TOTAL	11,373	6,552	380	1,076	1,174	651	1,166	5	332	38
Kentucky Real & Personal Property	9,404,576	RB_GUP	TOTAL	9,404,576	5,093,396	271,256	857,825	978,454	633,102	1,356,631	4,142	187,952	21,818
Lousiana Real & Personal Property	198	RB_GUP	TOTAL	198	107	6	18	21	13	29	0	4	0
West Virginia Real & Personal Property	3,010	RB_GUP	TOTAL	3,010	1,630	87	275	313	203	434	1	60	7
West Virginia Unemployment Insurance	1,080	LABOR_M	TOTAL	1,080	620	37	97	107	66	135	0	15	3
Ohio Gross Receipts Tax	73,640	REVSALES	TOTAL	73,640	29,989	2,401	7,791	9,001	6,451	16,693	50	1,078	185
Ohio Franchise Tax	-	PROD_DEMAND	TOTAL	-	-	-	-	-	-	-	-	-	-
West Virginia Franchise Tax	(18,412)	LABOR_M	TOTAL	(18,412)	(10,574)	(625)	(1,651)	(1,831)	(1,118)	(2,304)	(8)	(250)	(50)
Kentucky Municipal License Fees	297	RB_GUP	TOTAL	297	161	9	27	31	20	43	0	6	1
Kentucky License	15	RB_GUP	TOTAL	15	8	0	1	2	1	2	0	0	0
West Virginia License Tax	50	LABOR_M	TOTAL	50	29	2	4	5	3	6	0	1	0
Oklahoma License Tax	99	PROD_DEMAND	TOTAL	99	46	2	8	11	9	23	0	0	0
Fringe Benefit Loading FICA	(1,101,590)	LABOR_M	TOTAL	(1,101,590)	(632,637)	(37,418)	(98,756)	(109,550)	(66,898)	(137,869)	(481)	(14,963)	(3,019)
Fringe Benefit Loading FUT	(8,395)	LABOR_M	TOTAL	(8,395)	(4,821)	(285)	(753)	(835)	(510)	(1,051)	(4)	(114)	(23)
Fringe Benefit Loading SUT	(14,884)	LABOR_M	TOTAL	(14,884)	(8,548)	(506)	(1,334)	(1,480)	(904)	(1,863)	(7)	(202)	(41)

KENTUCKY POWER COMPANY
COST-OF-SERVICE STUDY
TWELVE MONTHS ENDING
MARCH 31, 2013

Label	Constant	Allocation Factor	Function	Total Retail 1	RS 2	SGS 3	Total MGS	Total LGS	Total QP	Total CIP-TOD	MW 17	OL 18	SL 19
R/E PRS Franchise - CARRS Tax	(46,431)	RB_GUP	TOTAL	(46,431)	(25,146)	(1,339)	(4,235)	(4,831)	(3,126)	(6,698)	(20)	(928)	(108)
Total Taxes Other Than Income	11,947,714		TOTAL	11,947,714	6,379,451	356,413	1,102,807	1,255,199	815,513	1,780,732	5,514	223,507	28,578
KPSC Maintenance Assessment	51,117	EXP_OTHTAX_PSC	TOTAL	51,117	20,817	1,667	5,408	6,248	4,478	11,587	35	748	129
Annualize Property Tax Expense	476,081	RB_GUP	TOTAL	476,081	257,839	13,732	43,425	49,532	32,049	68,676	210	9,515	1,104
Annualize Employee-Related Expenses	39,601	LABOR_M	TOTAL	39,601	22,743	1,345	3,550	3,938	2,405	4,956	17	538	109
Mitchell Plant Annualization of Employee-Related Exp	12,275	LABOR_PROD	TOTAL	12,275	5,549	233	1,030	1,309	1,114	3,008	5	22	4
Adj to Incl TY Mitchell Plant O&M & Rate Base - Payroll	744,362	LABOR_PROD	TOTAL	744,362	336,488	14,127	62,444	79,381	67,583	182,418	331	1,350	239
Adj to Incl TY Mitchell Plant O&M & Rate Base - Revenue	1,578,885	REVSALES	TOTAL	1,578,885	642,975	51,474	167,049	192,997	138,312	357,909	1,081	23,110	3,977
Adj to Incl TY Mitchell Plant O&M & Rate Base - Property	2,705,175	RB_GUP_EPIS_P	TOTAL	2,705,175	1,258,624	50,521	227,759	287,227	241,494	634,903	1,145	2,995	507
Total Adjustments to Taxes Other Than Income	5,607,496		TOTAL	5,607,496	2,545,034	133,098	510,665	620,633	487,436	1,263,458	2,824	38,279	6,069
Adjusted Taxes Other Than Income	17,555,210		TOTAL	17,555,210	8,924,486	489,511	1,613,472	1,875,831	1,302,949	3,044,190	8,338	261,786	34,647
Total Operating Expense Before Income Tax	441,565,427		TOTAL	441,565,427	203,224,913	11,519,323	37,962,064	47,276,830	37,066,914	98,591,520	207,839	4,960,330	755,695
Gross Operating Income	55,018,242		TOTAL	55,018,242	4,434,066	4,977,652	14,953,685	14,122,228	6,189,858	7,273,987	102,820	2,493,577	470,369
Interest Charge Tax	(35,539,345)	RATEBASE	TOTAL	(35,539,345)	(18,141,250)	(915,855)	(3,154,908)	(3,755,505)	(2,664,628)	(6,305,622)	(15,954)	(522,810)	(62,815)
Interest Synchronization Tax	(12,997,183)	RATEBASE	TOTAL	(12,997,183)	(6,634,482)	(334,940)	(1,153,789)	(1,373,435)	(974,488)	(2,306,045)	(5,834)	(191,198)	(22,972)
Taxable Income Before Schedule M Adjustments	6,481,714		TOTAL	6,481,714	(20,341,666)	3,726,857	10,644,988	8,993,288	2,550,743	(1,337,680)	81,032	1,779,569	384,582
Schedule M Income Adjustments													
Book vs. Tax Depreciation - Normalized	(35,745,221)	RB_GUP	TOTAL	(35,745,221)	(19,359,147)	(1,030,998)	(3,260,449)	(3,718,941)	(2,406,316)	(5,156,329)	(15,743)	(714,374)	(82,925)
AFUDC - HR/J	11,364	BULK_TRANS	TOTAL	11,364	5,287	212	957	1,207	1,014	2,667	5	13	2
ABFUDC	(797,246)	RB_GUP_CWIP	TOTAL	(797,246)	(393,760)	(18,018)	(69,032)	(83,678)	(64,722)	(160,282)	(342)	(6,605)	(808)
ABFUDC - HR/J	21,625	BULK_TRANS	TOTAL	21,625	10,061	404	1,821	2,296	1,930	5,075	9	24	4
Interest Capitalization	1,561,250	RB_GUP	TOTAL	1,561,250	845,553	45,031	142,407	162,433	105,101	225,214	688	31,202	3,622
SEC 481 Pension/OPEB Adjustment	819	LABOR_M	TOTAL	819	470	28	73	81	50	103	0	11	2
Book/Tax Unit of Property	(3,248,179)	RB_GUP	TOTAL	(3,248,179)	(1,759,171)	(93,687)	(296,278)	(337,941)	(218,663)	(468,557)	(1,431)	(64,915)	(7,535)
Book/Tax Unit of Property - SEC 481	2,824,470	RB_GUP	TOTAL	2,824,470	1,529,696	81,466	257,630	293,858	190,139	407,436	1,244	56,447	6,552
Removal Costs	(6,176,610)	RB_GUP	TOTAL	(6,176,610)	(3,345,172)	(178,152)	(563,391)	(642,616)	(415,800)	(890,990)	(2,720)	(123,440)	(14,329)
Tax Amortization of Pollution Control	4,457,970	PROD_DEMAND	TOTAL	4,457,970	2,074,138	83,255	375,333	473,333	397,969	1,046,283	1,888	4,936	836
Provision for Possible Revenue Refunds	1,940,096	REV	TOTAL	1,940,096	812,981	64,529	206,712	239,730	168,621	412,137	1,213	29,362	4,812
Deferred Fuel	(8,938,670)	FUELREV	TOTAL	(8,938,670)	(3,079,639)	(182,358)	(711,015)	(954,867)	(910,551)	(3,025,379)	(5,617)	(57,903)	(11,339)
Provision for Workers Comp	(172,610)	LABOR_M	TOTAL	(172,610)	(99,129)	(5,863)	(15,474)	(17,166)	(10,482)	(21,603)	(75)	(2,345)	(473)
Accrued Book Pension Expense	(1,085,700)	LABOR_M	TOTAL	(1,085,700)	(623,511)	(36,878)	(97,331)	(107,969)	(65,933)	(135,880)	(474)	(14,748)	(2,975)
Accrued Book Pension Costs - SFAS 158	1,046,453	LABOR_M	TOTAL	1,046,453	600,972	35,545	93,813	104,066	63,549	130,969	457	14,215	2,868
Supplemental Executive Retirement	1,503	LABOR_M	TOTAL	1,503	863	51	135	149	91	188	1	20	4
Accrd Supplemental Exec Retirement SFAS 158	(130)	LABOR_M	TOTAL	(130)	(75)	(4)	(12)	(13)	(8)	(16)	(0)	(2)	(0)
Accrd Supplemental Savings Plan Exp	(90,210)	LABOR_M	TOTAL	(90,210)	(51,807)	(3,064)	(8,087)	(8,971)	(5,478)	(11,290)	(39)	(1,225)	(247)
Accrued PSI Plan Expenses	23,119	LABOR_M	TOTAL	23,119	13,277	785	2,073	2,299	1,404	2,893	10	314	63
Book Provision for Uncollectible Accounts	(627,698)	CUST_TOTAL	TOTAL	(627,698)	(401,378)	(66,770)	(21,026)	(2,464)	(214)	(46)	(31)	(135,610)	(160)
Accrued Companywide Incentive Plan	615,747	LABOR_M	TOTAL	615,747	353,620	20,915	55,201	61,234	37,393	77,064	269	8,364	1,687
Accrued Book Vacation Pay	(19,133)	LABOR_M	TOTAL	(19,133)	(10,988)	(650)	(1,715)	(1,903)	(1,162)	(2,395)	(8)	(260)	(52)
(ICDP) Incentive Comp Deferral Plan	(59,770)	LABOR_M	TOTAL	(59,770)	(34,326)	(2,030)	(5,358)	(5,944)	(3,630)	(7,480)	(26)	(812)	(164)
Accrued Book Severance Benefits	1,414	LABOR_M	TOTAL	1,414	812	48	127	141	86	177	1	19	4
Reg Asset on Deferred RTO Costs	191,151	TRANS_TOTAL	TOTAL	191,151	87,945	3,522	15,850	20,010	17,443	46,056	80	209	35
Federal Mitgation Programs	(199,951)	PROD_ENERGY	TOTAL	(199,951)	(71,353)	(4,231)	(16,335)	(21,996)	(20,347)	(63,933)	(119)	(1,380)	(257)
State Mitigation Programs	(157,237)	PROD_ENERGY	TOTAL	(157,237)	(56,110)	(3,327)	(12,846)	(17,297)	(16,000)	(50,275)	(93)	(1,085)	(202)
Customer Adv Inc for Tax	(30,484)	TDPLANT	TOTAL	(30,484)	(17,561)	(1,018)	(2,884)	(3,147)	(1,746)	(3,124)	(14)	(890)	(101)
Deferred Book Contract Revenue	(13,393)	REV	TOTAL	(13,393)	(5,612)	(445)	(1,427)	(1,655)	(1,164)	(2,845)	(8)	(203)	(33)
Deferred Storm Damage	(7,335,843)	EXP_OM_DIST	TOTAL	(7,335,843)	(4,991,063)	(277,230)	(802,185)	(817,478)	(262,655)	(6,455)	(3,784)	(128,092)	(46,902)
Deferred Demand Side Management Exp	(1,468,329)	LABOR_M	TOTAL	(1,468,329)	(843,253)	(49,875)	(131,633)	(146,021)	(89,169)	(183,768)	(641)	(19,945)	(4,024)
Advance Rental Income	(23,138)	REV_OTHER	TOTAL	(23,138)	(16,495)	(979)	(2,596)	(2,155)	(743)	129	(9)	(261)	(29)
Reg Asset - SFAS 158 Pensions	(1,046,453)	LABOR_M	TOTAL	(1,046,453)	(600,972)	(35,545)	(93,813)	(104,066)	(63,549)	(130,969)	(457)	(14,215)	(2,868)
Reg Asset - SFAS 158 SERP	130	LABOR_M	TOTAL	130	75	4	12	13	8	16	0	2	0
Reg Asset - SFAS 158 OPEB	15,114,525	LABOR_M	TOTAL	15,114,525	8,680,186	513,393	1,354,992	1,503,090	917,881	1,891,654	6,601	205,309	41,419
Reg Asset - Net CCS FEED Study Costs	27,842	PROD_DEMAND	TOTAL	27,842	12,954	520	2,344	2,956	2,485	6,535	12	31	5
Book Amortization Loss on Reacquired Debt	33,313	RB_GUP	TOTAL	33,313	18,042	961	3,039	3,466	2,243	4,805	15	666	77
Accrued SFAS 106 Post Retirement Exp	(385,771)	LABOR_M	TOTAL	(385,771)	(221,546)	(13,103)	(34,584)	(38,364)	(23,427)	(48,281)	(168)	(5,240)	(1,057)
Accrued OPEB Costs SFAS 158	(15,114,525)	LABOR_M	TOTAL	(15,114,525)	(8,680,186)	(513,393)	(1,354,992)	(1,503,090)	(917,881)	(1,891,654)	(6,601)	(205,309)	(41,419)
Accrd SFAS 112 Post Employment Benefits	2,255,797	LABOR_M	TOTAL	2,255,797	1,295,491	76,622	202,228	224,332	136,991	282,324	985	30,642	6,182
Accrued Book ARO Expense - SFAS 143	242,789	RB_GUP	TOTAL	242,789	131,491	7,003	22,146	25,260	16,344	35,023	107	4,852	563
Reg Asset Medicare Subsidy Flow Thru	308,235	LABOR_M	TOTAL	308,235	177,018	10,470	27,633	30,653	18,719	38,577	135	4,187	845
SFAS 109 - Deferred SIT Liability	1,484,696	REV	TOTAL	1,484,696	622,149	49,382	158,190	183,458	129,040	315,396	928	22,470	3,682
Reg Asset - SFAS 109 - Deferred SIT Liability	(1,484,696)	REV	TOTAL	(1,484,696)	(622,149)	(49,382)	(158,190)	(183,458)	(129,040)	(315,396)	(928)	(22,470)	(3,682)
Regulatory Asset Accrued SFAS 112	(2,255,797)	LABOR_M	TOTAL	(2,255,797)	(1,295,491)	(76,622)	(202,228)	(224,332)	(136,991)	(282,324)	(985)	(30,642)	(6,182)
IRS Capitalizatoin Adjustment	(68,050)	REV	TOTAL	(68,050)	(28,516)	(2,263)	(7,251)	(8,409)	(5,914)	(14,456)	(43)	(1,030)	(169)
Nontaxable Defd Compensation CSV Earn	12,578	LABOR_M	TOTAL	12,578	7,223	427	1,128	1,251	764	1,574	5	171	34

KENTUCKY POWER COMPANY
COST-OF-SERVICE STUDY
TWELVE MONTHS ENDING
MARCH 31, 2013

Label	Constant	Allocation Factor	Function	Total Retail 1	RS 2	SGS 3	Total MGS	Total LGS	Total QP	Total CIP-TOD	MW 17	OL 18	SL 19
Nondeductible Meals and Travel & Entertainment	39,242	LABOR_M	TOTAL	39,242	22,536	1,333	3,518	3,902	2,383	4,911	17	533	108
Capitalized Software Costs Tax	(1,033)	RB_GUP	TOTAL	(1,033)	(559)	(30)	(94)	(107)	(70)	(149)	(0)	(21)	(2)
Book Leases Capitalized for Tax	(167,706)	RB_GUP	TOTAL	(167,706)	(90,827)	(4,837)	(15,297)	(17,448)	(11,290)	(24,192)	(74)	(3,352)	(389)
Capitalized Software Costs Book	72,252	RB_GUP	TOTAL	72,252	39,131	2,084	6,590	7,517	4,864	10,423	32	1,444	168
MTM Book Gain Above the Line Tax Deferral	5,747,175	PROD_ENERGY	TOTAL	5,747,175	2,050,885	121,608	469,524	632,228	584,832	1,837,615	3,408	39,674	7,401
Mark & Spread Deferral - 283 A/L	238,640	PROD_ENERGY	TOTAL	238,640	85,159	5,050	19,496	26,252	24,284	76,303	142	1,647	307
Mark & Spread Deferral - 190 A/L	(5,672,218)	PROD_ENERGY	TOTAL	(5,672,218)	(2,024,137)	(120,022)	(463,400)	(623,982)	(577,205)	(1,813,648)	(3,364)	(39,157)	(7,304)
Provision for Trading Credit Risk (Above Line)	(75,463)	PROD_ENERGY	TOTAL	(75,463)	(26,929)	(1,597)	(6,165)	(8,301)	(7,679)	(24,129)	(45)	(521)	(97)
Provision for FAS 157 A/L	23,206	PROD_ENERGY	TOTAL	23,206	8,281	491	1,896	2,553	2,361	7,420	14	160	30
Reg Liability - Unrealized MTM Gain Deferral	(735,920)	PROD_ENERGY	TOTAL	(735,920)	(262,614)	(15,572)	(60,122)	(80,956)	(74,887)	(235,305)	(436)	(5,080)	(948)
Book > Tax Basis - EMA A/C 283	(844,101)	PROD_ENERGY	TOTAL	(844,101)	(301,218)	(17,861)	(68,960)	(92,857)	(85,896)	(269,895)	(501)	(5,827)	(1,087)
Total Schedule M Adjustments - Per Books	(55,743,884)		TOTAL	(55,743,884)	(29,828,395)	(1,680,664)	(5,059,304)	(5,769,823)	(3,700,623)	(8,372,078)	(26,515)	(1,150,033)	(156,448)
Annualize Removal Cost - Schedule M	1,681,071	RB_GUP	TOTAL	1,681,071	910,446	48,487	153,336	174,899	113,167	242,498	740	33,596	3,900
Removal of Envrionmental Surcharge Provision for Refund	(1,635,430)	REV	TOTAL	(1,635,430)	(685,313)	(54,395)	(174,251)	(202,084)	(142,141)	(347,416)	(1,022)	(24,751)	(4,056)
Fuel Over/Under Revenues	1,367,443	EXP_OM_DIST	TOTAL	1,367,443	930,363	51,677	149,532	152,383	48,960	1,203	705	23,877	8,743
Normalization of Major Storms	(649,818)	LABOR_M	TOTAL	(649,818)	(373,187)	(22,072)	(58,255)	(64,622)	(39,462)	(81,328)	(284)	(8,827)	(1,781)
Amortization of Deferred CCS FEED Study Costs	31,843	PROD_DEMAND	TOTAL	31,843	14,815	595	2,681	3,381	2,843	7,474	13	35	6
Amortization of Big Sandy Depreciation & O&M - O&M	6,702,565	PROD_DEMAND	TOTAL	6,702,565	3,118,470	125,174	564,314	711,656	598,346	1,573,089	2,838	7,422	1,256
Amortization of Big Sandy Depreciation & O&M - Depr	8,129,400	PROD_DEMAND	TOTAL	8,129,400	3,782,327	151,821	684,445	863,153	725,722	1,907,966	3,442	9,001	1,524
Amortization of Defd Preliminary Big Sandy FGD Costs	1,025,615	PROD_DEMAND	TOTAL	1,025,615	477,183	19,154	86,350	108,896	91,558	240,711	434	1,136	192
Amortization of Deferred IGCC Costs	48,732	PROD_DEMAND	TOTAL	48,732	22,673	910	4,103	5,174	4,350	11,437	21	54	9
Amortization of Deferred CARRS Site Costs	95,579	PROD_DEMAND	TOTAL	95,579	44,470	1,785	8,047	10,148	8,532	22,432	40	106	18
Amortization of Employer Group Waiver Plan (EGWP)	214,887	PROD_DEMAND	TOTAL	214,887	99,979	4,013	18,092	22,816	19,183	50,434	91	238	40
Annualize Section 199 Manuf. Deduct. @ Separate Return	(123,293)	RB_GUP_EPIS_P	TOTAL	(123,293)	(57,364)	(2,303)	(10,380)	(13,091)	(11,007)	(28,937)	(52)	(137)	(23)
Pension and OPEB Expense Adjustment	(1,004,782)	LABOR_M	TOTAL	(1,004,782)	(577,041)	(34,129)	(90,077)	(99,922)	(61,019)	(125,753)	(439)	(13,648)	(2,753)
Amortization of Intangible Expenses	372,195	LABOR_M	TOTAL	372,195	213,749	12,642	33,367	37,014	22,603	46,582	163	5,056	1,020
KPCo Depreciation Annualization Expense - Production	3,742,698	RB_GUP_EPIS_P	TOTAL	3,742,698	1,741,347	69,897	315,112	397,387	334,115	878,409	1,585	4,144	702
KPCo Depreciation Annualization Expense - Transmission	5,282,501	RB_GUP_EPIS_T	TOTAL	5,282,501	2,431,121	97,379	438,197	553,198	481,757	1,271,879	2,213	5,779	978
KPCo Depreciation Annualization Expense - Distribution	6,836,654	RB_GUP_EPIS_D	TOTAL	6,836,654	4,517,366	303,152	704,937	698,474	221,956	9,355	3,215	339,995	38,204
KPCo Depreciation Annualization Expense - General	543,645	RB_GUP_EPIS_G	TOTAL	543,645	312,212	18,466	48,737	54,064	33,015	68,040	237	7,385	1,490
Mitchell Depreciation Annualization - Production	3,522,505	PROD_DEMAND	TOTAL	3,522,505	1,638,899	65,785	296,573	374,008	314,458	826,730	1,491	3,900	660
Mitchell Depreciation Annualization - Transmission (GSU)	10,778	PROD_DEMAND	TOTAL	10,778	5,015	201	907	1,144	962	2,530	5	12	2
Mitchell Plant Depreciation-Related Shedule M's	4,873,275	PROD_DEMAND	TOTAL	4,873,275	2,267,365	91,011	410,299	517,428	435,043	1,143,755	2,063	5,396	913
Adjustments to Per Books Schedule M	41,068,063		TOTAL	41,068,063	20,834,896	949,249	3,586,066	4,305,505	3,202,944	7,721,090	17,501	399,768	51,044
Adjusted Schedule M	(14,675,821)		TOTAL	(14,675,821)	(8,993,500)	(731,415)	(1,473,238)	(1,464,319)	(497,680)	(650,988)	(9,014)	(750,265)	(105,404)
Kentucky Taxable Income Before Adjustments	(8,194,107)		TOTAL	(8,194,107)	(29,335,165)	2,995,443	9,171,750	7,528,969	2,053,064	(1,988,668)	72,018	1,029,304	279,179
JCWA Depreciation Adjustment	31,755,185	RB_GUP	TOTAL	31,755,185	17,198,195	915,913	2,896,503	3,303,816	2,137,713	4,580,757	13,986	634,632	73,669
Federal Domestic Production Activity	123,293	RB_GUP_EPIS_P	TOTAL	123,293	57,364	2,303	10,380	13,091	11,007	28,937	52	137	23
Kentucky Taxable Income	23,684,371		TOTAL	23,684,371	(12,079,606)	3,913,658	12,078,634	10,845,876	4,201,783	2,621,026	86,057	1,664,073	352,870
Tax Factor (Tax Rate x Apportionment)	5.1666300%												
Kentucky Tax	1,223,684		TOTAL	1,223,684	(624,109)	202,204	624,058	560,366	217,091	135,419	4,446	85,976	18,232
West Virginia Taxable Income Before Adjustments	(8,194,107)		TOTAL	(8,194,107)	(29,335,165)	2,995,443	9,171,750	7,528,969	2,053,064	(1,988,668)	72,018	1,029,304	279,179
Federal Domestic Production Activity	123,293	RB_GUP_EPIS_P	TOTAL	123,293	57,364	2,303	10,380	13,091	11,007	28,937	52	137	23
West Virginia Taxable Income	(8,070,814)		TOTAL	(8,070,814)	(29,277,801)	2,997,745	9,182,131	7,542,060	2,064,070	(1,959,731)	72,071	1,029,441	279,202
Tax Factor (Tax Rate x Apportionment)	0.0512540%												
West Virginia Tax	(4,137)		TOTAL	(4,137)	(15,006)	1,536	4,706	3,866	1,058	(1,004)	37	528	143
Illinois Taxable Income Before Depreciation Adjustment	(8,194,107)		TOTAL	(8,194,107)	(29,335,165)	2,995,443	9,171,750	7,528,969	2,053,064	(1,988,668)	72,018	1,029,304	279,179
JCWA Depreciation Adjustment	34,511,710	RB_GUP	TOTAL	34,511,710	18,691,093	995,420	3,147,936	3,590,606	2,323,278	4,978,392	15,200	689,722	80,063
Illinois Taxable Income	26,317,603		TOTAL	26,317,603	(10,644,072)	3,990,862	12,319,686	11,119,575	4,376,342	2,989,724	87,218	1,719,026	359,242
Apportionment Factor	1.7969000%												
Apportioned Illinois State Taxable Income	472,901		TOTAL	472,901	(191,263)	71,712	221,372	199,808	78,638	53,722	1,567	30,889	6,455
Post Apportionment Schedule M Adjustments	(51,490)	RB_GUP	TOTAL	(51,490)	(27,886)	(1,485)	(4,697)	(5,357)	(3,466)	(7,428)	(23)	(1,029)	(119)
Post Apportionment Taxable Income	421,411		TOTAL	421,411	(219,150)	70,227	216,676	194,451	75,172	46,295	1,545	29,860	6,336
Tax Rate	9.5000000%												
Illinois Tax	40,034		TOTAL	40,034	(20,819)	6,672	20,584	18,473	7,141	4,398	147	2,837	602
Michigan Taxable Income Before Depreciation Adjustment	(8,194,107)		TOTAL	(8,194,107)	(29,335,165)	2,995,443	9,171,750	7,528,969	2,053,064	(1,988,668)	72,018	1,029,304	279,179
JCWA Depreciation Adjustment	33,377,298	RB_GUP	TOTAL	33,377,298	18,076,710	962,700	3,044,462	3,472,581	2,246,911	4,814,751	14,700	667,050	77,432
Michigan Taxable Income	25,183,191		TOTAL	25,183,191	(11,258,455)	3,958,142	12,216,212	11,001,551	4,299,975	2,826,083	86,719	1,696,354	356,610
Tax Factor (Tax Rate x Apportionment)	0.0060600%												
Michigan Tax	1,526		TOTAL	1,526	(682)	240	740	667	261	171	5	103	22
Other State Income Taxes (per tax schedules)	199	RB_GUP	TOTAL	199	108	6	18	21	13	29	0	4	0
Total State Income Tax	1,261,306		TOTAL	1,261,306	(660,508)	210,658	650,107	583,392	225,564	139,012	4,635	89,448	18,999

KENTUCKY POWER COMPANY
COST-OF-SERVICE STUDY
TWELVE MONTHS ENDING
MARCH 31, 2013

Label	Constant	Allocation Factor	Function	Total Retail 1	RS 2	SGS 3	Total MGS	Total LGS	Total QP	Total CIP-TOD	MW 17	OL 18	SL 19
Federal Taxable Income	(9,455,413)		TOTAL	(9,455,413)	(28,674,657)	2,784,785	8,521,643	6,945,577	1,827,500	(2,127,680)	67,383	939,856	260,180
Tax Factor (Tax Rate x Apportionment)	35.00%												
Gross Current FIT	(3,309,395)		TOTAL	(3,309,395)	(10,036,130)	974,675	2,982,575	2,430,952	639,625	(744,688)	23,584	328,950	91,063
Feedback Prior ITC Normalization Tax	(263,347)	RB_GUP	TOTAL	(263,347)	(142,625)	(7,596)	(24,021)	(27,399)	(17,728)	(37,988)	(116)	(5,263)	(611)
Defd Investment Tax Credit Adjustment	186,277	RB_GUP	TOTAL	186,277	100,885	5,373	16,991	19,380	12,540	26,871	82	3,723	432
Total Current FIT & ITC	(3,386,465)		TOTAL	(3,386,465)	(10,077,870)	972,452	2,975,545	2,422,934	634,437	(755,806)	23,550	327,409	90,884
Deferred FIT													
DFIT for Book vs Tax Depreciation Normalized	15,205,791	RB_GUP	TOTAL	15,205,791	8,235,259	438,580	1,386,974	1,582,014	1,023,632	2,193,470	6,697	303,890	35,276
DFIT ABFUDC	(57,198)	RB_GUP_CWIP	TOTAL	(57,198)	(28,250)	(1,293)	(4,953)	(6,003)	(4,643)	(11,499)	(25)	(474)	(58)
Interest Capitalization	(225,584)	RB_GUP	TOTAL	(225,584)	(122,173)	(6,507)	(20,576)	(23,470)	(15,186)	(32,541)	(99)	(4,508)	(523)
Capitalized Overheads - Taxes	(20,103)	RB_GUP	TOTAL	(20,103)	(10,888)	(580)	(1,834)	(2,092)	(1,353)	(2,900)	(9)	(402)	(47)
Capitalized Overheads - Pension/OPEB	(2,066)	LABOR_M	TOTAL	(2,066)	(1,186)	(70)	(185)	(205)	(125)	(259)	(1)	(28)	(6)
Capitalized Overheads - Savings Plan	(1,747)	LABOR_M	TOTAL	(1,747)	(1,003)	(59)	(157)	(174)	(106)	(219)	(1)	(24)	(5)
Percent Repair Allowance	(423,035)	RB_GUP	TOTAL	(423,035)	(229,110)	(12,202)	(38,587)	(44,013)	(28,478)	(61,024)	(186)	(8,454)	(981)
Tax Amortization of Pollution Control Equip.	(1,560,290)	PROD_DEMAND	TOTAL	(1,560,290)	(725,949)	(29,139)	(131,367)	(165,666)	(139,289)	(366,199)	(661)	(1,728)	(292)
Provision for Possible Revenue Refunds	(679,034)	REV	TOTAL	(679,034)	(284,544)	(22,585)	(72,349)	(83,906)	(59,017)	(144,248)	(424)	(10,277)	(1,684)
Deferred Fuel Costs	3,128,534	FUELREV	TOTAL	3,128,534	1,077,873	63,825	248,855	334,203	318,693	1,058,882	1,966	20,266	3,969
Provision for Workers Comp	60,414	LABOR_M	TOTAL	60,414	34,695	2,052	5,416	6,008	3,669	7,561	26	821	166
Accrued Book Pension Expense	379,996	LABOR_M	TOTAL	379,996	218,230	12,907	34,066	37,789	23,077	47,558	166	5,162	1,041
Accrued Book Pension Costs - SFAS 158	(366,258)	LABOR_M	TOTAL	(366,258)	(210,340)	(12,441)	(32,834)	(36,423)	(22,242)	(45,839)	(160)	(4,975)	(1,004)
Supplemental Executive Retirement	(526)	LABOR_M	TOTAL	(526)	(302)	(18)	(47)	(52)	(32)	(66)	(0)	(7)	(1)
Accrd Suppl Executive Retirement - SFAS 158	46	LABOR_M	TOTAL	46	26	2	4	5	3	6	0	1	0
Accrd Book Supplemental Savings Plan	31,573	LABOR_M	TOTAL	31,573	18,132	1,072	2,830	3,140	1,917	3,952	14	429	87
Accrued PSI Plan Expenses	(8,092)	LABOR_M	TOTAL	(8,092)	(4,647)	(275)	(725)	(805)	(491)	(1,013)	(4)	(110)	(22)
Book Provision - Uncollectible Accounts	219,694	CUST_TOTAL	TOTAL	219,694	140,482	23,369	7,359	862	75	16	11	47,463	56
Accrd Companywide Incentive Plan	(215,512)	LABOR_M	TOTAL	(215,512)	(123,767)	(7,320)	(19,320)	(21,432)	(13,088)	(26,972)	(94)	(2,927)	(591)
Accrd Book Vacation Pay	6,696	LABOR_M	TOTAL	6,696	3,845	227	600	666	407	838	3	91	18
(IDCP) Incentive Comp Deferral Plan	20,919	LABOR_M	TOTAL	20,919	12,014	711	1,875	2,080	1,270	2,618	9	284	57
Accrd Book Severance Benefits	(495)	LABOR_M	TOTAL	(495)	(284)	(17)	(44)	(49)	(30)	(62)	(0)	(7)	(1)
Reg Asset on Deferred RTO Costs	(66,903)	TRANS_TOTAL	TOTAL	(66,903)	(30,781)	(1,233)	(5,547)	(7,004)	(6,105)	(16,120)	(28)	(73)	(12)
Federal Mitigation Programs	69,983	PROD_ENERGY	TOTAL	69,983	24,974	1,481	5,717	7,699	7,121	22,377	42	483	90
State Mitigation Programs	55,033	PROD_ENERGY	TOTAL	55,033	19,639	1,164	4,496	6,054	5,600	17,596	33	380	71
Customer Adv Inc for Tax	10,669	TDPLANT	TOTAL	10,669	6,146	356	1,009	1,102	611	1,093	5	311	35
Deferred Book Contract Revenue	4,688	REV	TOTAL	4,688	1,964	156	499	579	407	996	3	71	12
Deferred Storm Damage	2,567,545	EXP_OM_DIST	TOTAL	2,567,545	1,746,872	97,030	280,765	286,117	91,929	2,259	1,324	44,832	16,416
Deferred Demand Side Management Exp	513,916	LABOR_M	TOTAL	513,916	295,139	17,456	46,072	51,107	31,209	64,319	224	6,981	1,408
Advance Rental Income	8,099	REV_OTHER	TOTAL	8,099	5,774	343	909	754	260	(45)	3	91	10
Reg Asset SFAS 158 Pensions	366,258	LABOR_M	TOTAL	366,258	210,340	12,441	32,834	36,423	22,242	45,839	160	4,975	1,004
Reg Asset SFAS 158 SERP	(46)	LABOR_M	TOTAL	(46)	(26)	(2)	(4)	(5)	(3)	(6)	(0)	(1)	(0)
Reg Asset SFAS 158 OPEB	(5,290,084)	LABOR_M	TOTAL	(5,290,084)	(3,038,065)	(179,688)	(474,247)	(526,082)	(321,258)	(662,079)	(2,310)	(71,858)	(14,497)
Net CCS FEED Study Costs	(9,745)	PROD_DEMAND	TOTAL	(9,745)	(4,534)	(182)	(820)	(1,035)	(870)	(2,287)	(4)	(11)	(2)
Book Amortization Loss on Reacquired Debt	(11,659)	RB_GUP	TOTAL	(11,659)	(6,314)	(336)	(1,063)	(1,213)	(785)	(1,682)	(5)	(233)	(27)
Accrued SFAS 106 Post Retirement Expense	135,020	LABOR_M	TOTAL	135,020	77,541	4,586	12,104	13,427	8,200	16,898	59	1,834	370
Accrued OPEB Costs SFAS 158	5,290,084	LABOR_M	TOTAL	5,290,084	3,038,065	179,688	474,247	526,082	321,258	662,079	2,310	71,858	14,497
Accrued SFAS 112 Post Employment Benefits	(789,529)	LABOR_M	TOTAL	(789,529)	(453,422)	(26,818)	(70,780)	(78,516)	(47,947)	(98,813)	(345)	(10,725)	(2,164)
Accrued Book ARO Expense SFAS 143	(84,976)	RB_GUP	TOTAL	(84,976)	(46,022)	(2,451)	(7,751)	(8,841)	(5,720)	(12,258)	(37)	(1,698)	(197)
Reg Asset - Accrued SFAS 112	789,529	LABOR_M	TOTAL	789,529	453,422	26,818	70,780	78,516	47,947	98,813	345	10,725	2,164
IRS Capitalization Adjustment	23,817	REV	TOTAL	23,817	9,980	792	2,538	2,943	2,070	5,059	15	360	59
Capitalized Software Costs Tax	361	RB_GUP	TOTAL	361	196	10	33	38	24	52	0	7	1
Book Leases Capitalized for Tax	58,697	RB_GUP	TOTAL	58,697	31,790	1,693	5,354	6,107	3,951	8,467	26	1,173	136
Capitalized Software Costs Book	(25,289)	RB_GUP	TOTAL	(25,289)	(13,696)	(729)	(2,307)	(2,631)	(1,702)	(3,648)	(11)	(505)	(59)
MTM Book Gain Above the Line Tax Deferral	(2,011,511)	PROD_ENERGY	TOTAL	(2,011,511)	(717,810)	(42,563)	(164,333)	(221,280)	(204,691)	(643,165)	(1,193)	(13,886)	(2,590)
Mark & Spread Deferral - 283 A/L	(83,524)	PROD_ENERGY	TOTAL	(83,524)	(29,806)	(1,767)	(6,824)	(9,188)	(8,499)	(26,706)	(50)	(577)	(108)
Mark & Spread Deferral - 190 A/L	1,985,276	PROD_ENERGY	TOTAL	1,985,276	708,448	42,008	162,190	218,394	202,022	634,777	1,177	13,705	2,556
Prov for Trading Credit Risk - Above the Line	26,412	PROD_ENERGY	TOTAL	26,412	9,425	559	2,158	2,905	2,688	8,445	16	182	34
Provision for FAS 157 A/L	(8,122)	PROD_ENERGY	TOTAL	(8,122)	(2,898)	(172)	(664)	(893)	(826)	(2,597)	(5)	(56)	(10)
Reg Liability - Unrealized MTM Gain Deferral	257,572	PROD_ENERGY	TOTAL	257,572	91,915	5,450	21,043	28,335	26,211	82,357	153	1,778	332
Book > Tax Basis - EMA A/C 283	295,435	PROD_ENERGY	TOTAL	295,435	105,426	6,251	24,136	32,500	30,063	94,463	175	2,039	380
Total Per Books DFIT	19,570,729		TOTAL	19,570,729	10,491,793	592,583	1,777,546	2,024,872	1,294,067	2,918,545	9,310	406,650	55,363
DFIT Adjustments													
Amortization of Storm Deferral	227,436	EXP_OM_DIST	TOTAL	227,436	154,740	8,595	24,870	25,345	8,143	200	117	3,971	1,454
Annualization of Intangible Expense	(130,268)	LABOR_M	TOTAL	(130,268)	(74,812)	(4,425)	(11,678)	(12,955)	(7,911)	(16,304)	(57)	(1,769)	(357)
Pension & OPEB Expense Adjustment	351,673	LABOR_M	TOTAL	351,673	201,964	11,945	31,527	34,973	21,357	44,014	154	4,777	964
Amortization of Employer Group Waiver Plan (EGWP)	(75,210)	LABOR_M	TOTAL	(75,210)	(43,193)	(2,555)	(6,742)	(7,479)	(4,567)	(9,413)	(33)	(1,022)	(206)
Amortization of Deferred IGCC Costs	(17,056)	PROD_DEMAND	TOTAL	(17,056)	(7,936)	(319)	(1,436)	(1,811)	(1,523)	(4,003)	(7)	(19)	(3)
Amortization of Deferred CCS FEED Study Costs	(11,145)	PROD_DEMAND	TOTAL	(11,145)	(5,185)	(208)	(938)	(1,183)	(995)	(2,616)	(5)	(12)	(2)
Amortization of Deferred CARRS Site Costs	(33,453)	PROD_DEMAND	TOTAL	(33,453)	(15,565)	(625)	(2,817)	(3,552)	(2,986)	(7,851)	(14)	(37)	(6)
Removal of Environmental Surcharge Provision for Refund	572,401	REV	TOTAL	572,401	239,860	19,038	60,988	70,729	49,749	121,596	358	8,663	1,420

Label	Constant	Allocation Factor	Function	Total Retail 1	RS 2	SGS 3	Total MGS	Total LGS	Total QP	Total CIP-TOD	MW 17	OL 18	SL 19
Amortization of Defd Preliminary Big Sandy FGD Costs	(358,965)	PROD_DEMAND	TOTAL	(358,965)	(167,014)	(6,704)	(30,223)	(38,114)	(32,045)	(84,249)	(152)	(397)	(67)
Fuel Over/Under Revenues	(478,605)	FUELREV	TOTAL	(478,605)	(164,894)	(9,764)	(38,070)	(51,127)	(48,754)	(161,988)	(301)	(3,100)	(607)
AFUDC Offset Adjustment	202,780	AFUDC_OFF	TOTAL	202,780	103,702	5,048	17,903	21,213	15,430	36,530	88	2,562	303
KPCo Depreciation Annualization	(4,540,714)	RB_GUP	TOTAL	(4,540,714)	(2,459,192)	(130,968)	(414,175)	(472,417)	(305,674)	(655,008)	(2,000)	(90,747)	(10,534)
Mitchell AFUDC Offset Adjustment	815,801	PROD_DEMAND	TOTAL	815,801	379,564	15,236	68,685	86,619	72,828	191,468	345	903	153
Mitchell Depreciation Annualization	(977,942)	PROD_DEMAND	TOTAL	(977,942)	(455,002)	(18,264)	(82,337)	(103,835)	(87,302)	(229,522)	(414)	(1,083)	(183)
Mitchell Plant Depreciation-Related Schedule M's	(1,705,646)	PROD_DEMAND	TOTAL	(1,705,646)	(793,578)	(31,854)	(143,605)	(181,100)	(152,265)	(400,314)	(722)	(1,889)	(320)
Amortization of Big Sandy Depreciation & O&M	(5,191,188)	PROD_DEMAND	TOTAL	(5,191,188)	(2,415,279)	(96,948)	(437,066)	(551,183)	(463,424)	(1,218,369)	(2,198)	(5,748)	(973)
Total Adjustments to DFIT	(11,350,101)		TOTAL	(11,350,101)	(5,521,819)	(242,770)	(965,112)	(1,185,877)	(939,940)	(2,395,830)	(4,841)	(84,947)	(8,965)
Total Deferred FIT	8,220,628		TOTAL	8,220,628	4,969,974	349,814	812,433	838,995	354,127	522,714	4,469	321,704	46,398
Total Federal Income Tax	4,834,163		TOTAL	4,834,163	(5,107,896)	1,322,265	3,787,978	3,261,929	988,564	(233,091)	28,019	649,113	137,282
Total Income Tax	6,095,470		TOTAL	6,095,470	(5,768,404)	1,532,923	4,438,085	3,845,321	1,214,127	(94,079)	32,655	738,561	156,281
Total Expenses	447,660,897		TOTAL	447,660,897	197,456,509	13,052,246	42,400,150	51,122,151	38,281,041	98,497,441	240,493	5,698,891	911,975
Net Operating Income	48,922,772		TOTAL	48,922,772	10,202,470	3,444,729	10,515,600	10,276,907	4,975,731	7,368,066	70,165	1,755,016	314,088
AFUDC Offset													
Production	798,042	PROD_DEMAND	TOTAL	798,042	371,301	14,904	67,190	84,733	71,242	187,300	338	884	150
Transmission	631,192	RB_GUP_EPIS_T	TOTAL	631,192	290,488	11,636	52,359	66,100	57,564	151,973	264	690	117
Distribution	443,251	RB_GUP_EPIS_D	TOTAL	443,251	292,881	19,655	45,704	45,285	14,390	606	208	22,043	2,477
General	46,466	LABOR_M	TOTAL	46,466	26,685	1,578	4,166	4,621	2,822	5,815	20	631	127
Total Per Books AFUDC Offset	1,918,951		TOTAL	1,918,951	981,356	47,772	169,419	200,740	146,018	345,695	831	24,249	2,871
AFUDC Offset Adjustment	1,368,889	AFUDC_OFF	TOTAL	1,368,889	700,053	34,079	120,855	143,198	104,163	246,603	593	17,298	2,048
Mitchell AFUDC Offset Adjustment	3,647,948	PROD_DEMAND	TOTAL	3,647,948	1,697,263	68,127	307,134	387,327	325,657	856,172	1,545	4,039	684
Total AFUDC Offset Adjustments	5,016,837	PROD_DEMAND	TOTAL	5,016,837	2,397,316	102,206	427,990	530,525	429,819	1,102,774	2,137	21,337	2,732
Total Adjusted AFUDC Offsets	6,935,788		TOTAL	6,935,788	3,378,671	149,978	597,409	731,265	575,838	1,448,470	2,969	45,586	5,602
AdjustedNet Operating Income	55,858,560		TOTAL	55,858,560	13,581,142	3,594,707	11,113,008	11,008,172	5,551,569	8,816,536	73,134	1,800,602	319,691
Current Rate of Return				3.66%	1.74%	9.14%	8.20%	6.82%	4.85%	3.25%	10.67%	8.02%	11.85%
O&M Labor													
Production Demand	8,609,401	PROD_DEMAND	TOTAL	8,609,401	4,005,654	160,785	724,858	914,118	768,572	2,020,622	3,645	9,533	1,614
Production Energy	1,195,224	PROD_ENERGY	TOTAL	1,195,224	426,517	25,290	97,646	131,483	121,626	382,164	709	8,251	1,539
Transmission	1,073,438	EXP_OM_TRAN	TOTAL	1,073,438	496,891	19,925	89,751	113,241	96,799	254,997	452	1,182	200
Distribution	8,536,264	EXP_OM_DIST	TOTAL	8,536,264	5,807,789	322,595	933,453	951,249	305,636	7,511	4,403	149,052	54,577
Customer Accounts	1,322,911	EXP_OM_CUSTACCT	TOTAL	1,322,911	1,135,945	135,238	44,795	5,649	523	112	64	296	290
Customer Service	559,966	EXP_OM_CUSTSERV	TOTAL	559,966	358,067	59,565	18,757	2,198	191	41	28	120,977	142
Total	21,297,204		TOTAL	21,297,204	12,230,863	723,399	1,909,259	2,117,937	1,293,346	2,665,446	9,301	289,291	58,362
Production Demand	8,609,401	PROD_DEMAND	TOTAL	8,609,401	4,005,654	160,785	724,858	914,118	768,572	2,020,622	3,645	9,533	1,614
Production Energy	1,195,224	PROD_ENERGY	TOTAL	1,195,224	426,517	25,290	97,646	131,483	121,626	382,164	709	8,251	1,539
Total Production	9,804,625		TOTAL	9,804,625	4,432,171	186,076	822,503	1,045,600	890,198	2,402,786	4,354	17,784	3,153
Calculation of Proposed Revenues													
Proposed Operating Income	128,001,777	RATEBASE	TOTAL	128,001,777	50,407,033	5,453,850	17,517,325	18,631,672	10,960,639	21,616,655	105,519	2,861,883	447,202
					50,407,033	5,453,850	17,517,325	18,631,672	10,960,639	21,616,655	105,519	2,861,883	447,202
Proposed Rate of Return				8.38%	6.47%	13.86%	12.92%	11.55%	9.57%	7.98%	15.39%	12.74%	16.57%
Income Increase	72,143,217		TOTAL	72,143,217	36,825,891	1,859,143	6,404,317	7,623,500	5,409,070	12,800,119	32,385	1,061,281	127,511
Gross Revenue Conversion Factor	1.632721												
Revenue Increase	117,789,745		TOTAL	117,789,745	60,126,406	3,035,462	10,456,463	12,447,049	8,831,502	20,899,023	52,876	1,732,776	208,190
Percent Revenue Increase				24.17%	29.91%	18.84%	20.16%	20.55%	20.56%	19.73%	17.20%	23.36%	17.04%
Proposed Sales Revenue	605,191,527		TOTAL	605,191,527	261,146,428	19,147,535	62,325,971	73,007,087	51,794,158	126,828,383	360,268	9,151,469	1,430,229
Adjust Transmission OATT	(3,790,918)		TOTAL	(3,790,918)	2,427,414	(498,306)	(1,975,425)	(1,867,582)	(912,679)	(915,389)	(17,355)	(23,693)	(7,903)
Total Proposed Sales Revenue	601,400,609		TOTAL	601,400,609	263,573,842	18,649,229	60,350,546	71,139,505	50,881,479	125,912,994	342,913	9,127,776	1,422,325

KENTUCKY POWER COMPANY
COST-OF-SERVICE STUDY
TWELVE MONTHS ENDING
MARCH 31, 2013

Allocation Factor	Total Retail 1	RS 2	SGS 3	MGS-SEC 4	MGS-PRI 5	MGS-SUB 6	LGS-SEC 7	LGS-PRI 8	LGS-SUB 9	LGS-TRA 10	QP-SEC 11	QP-PRI 12	QP-SUB 13	QP-TRA 14	CIP-TOD-SUB 15	CIP-TOD-TRA 16	MW 17	OL 18	SL 19
AFUDC_OFF PRODUCTION	0.43524107	0.20250251	0.00812836	0.03526573	0.00108308	0.00029576	0.03659111	0.00614858	0.00285683	0.00061594	0.00045106	0.01877396	0.01765638	0.00197312	0.08756048	0.01459038	0.00018428	0.00048193	0.00008158
AFUDC_OFF BULKTRAN	0.22535906	0.10485172	0.00420870	0.01825989	0.00056080	0.00015314	0.01894614	0.00318361	0.00147921	0.00031892	0.00023355	0.00972078	0.00914212	0.00102164	0.04533705	0.00755461	0.00009542	0.00024953	0.00004224
AFUDC_OFF SUBTRAN	0.09520859	0.04263538	0.00169859	0.00730012	0.00022491	0.00008196	0.00757420	0.00127449	0.00078118	-	0.00009437	0.00396714	0.00507298	-	0.02434632	-	0.00003885	0.00010102	0.00001710
AFUDC_OFF DISTPRI	0.12394735	0.08345397	0.00318209	0.01355504	0.00041225	-	0.01353934	0.00227086	-	-	0.00017870	0.00705883	-	-	-	-	0.00007222	0.00019161	0.00003244
AFUDC_OFF DISTSEC	0.08204391	0.06054673	0.00340250	0.00907008	-	-	0.00795571	-	-	-	0.00010313	-	-	-	-	-	0.00003953	0.00078587	0.00014036
AFUDC_OFF ENERGY	0.00135803	0.00048494	0.00002875	0.00010686	0.00000325	0.00000091	0.00011863	0.00001977	0.00000911	0.00000198	0.00000171	0.00007052	0.00005755	0.00000850	0.00036827	0.00006623	0.00000081	0.00000938	0.00000175
AFUDC_OFF CUSTOMER	0.03684108	0.01692687	0.00424609	0.00133490	0.00043492	0.00014369	0.00046120	0.00014989	0.00027181	0.00004060	0.00000123	0.00007767	0.00036695	0.00006089	0.00026388	0.00006089	0.00000199	0.01081708	0.00118053
AFUDC_OFF TOTAL	1.00000000	0.51140212	0.02469508	0.08489262	0.00271920	0.00067546	0.08518633	0.01304720	0.00539813	0.00097744	0.00106374	0.03966889	0.03229599	0.00306416	0.15787599	0.02227212	0.00043310	0.01263642	0.00149600
BULK_TRANS PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BULK_TRANS BULKTRAN	1.00000000	0.46526518	0.01867553	0.08102575	0.00248845	0.00067954	0.08407089	0.01412684	0.00656379	0.00141518	0.00103633	0.04313462	0.04056690	0.00453340	0.20117696	0.03352253	0.00042341	0.00110726	0.00018744
BULK_TRANS SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BULK_TRANS DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BULK_TRANS DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BULK_TRANS ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BULK_TRANS CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BULK_TRANS TOTAL	1.00000000	0.46526518	0.01867553	0.08102575	0.00248845	0.00067954	0.08407089	0.01412684	0.00656379	0.00141518	0.00103633	0.04313462	0.04056690	0.00453340	0.20117696	0.03352253	0.00042341	0.00110726	0.00018744
CUST_902 PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_902 BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_902 SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_902 DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_902 DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_902 ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_902 CUSTOMER	1.00000000	0.79294658	0.13190800	0.06149491	0.00081971	0.00012958	0.00962240	0.00116900	0.00028169	0.00002817	0.00003380	0.00072675	0.00045633	0.00005070	0.00021972	0.00005070	0.00006197	-	-
CUST_902 TOTAL	1.00000000	0.79294658	0.13190800	0.06149491	0.00081971	0.00012958	0.00962240	0.00116900	0.00028169	0.00002817	0.00003380	0.00072675	0.00045633	0.00005070	0.00021972	0.00005070	0.00006197	-	-
CUST_903 PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_903 BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_903 SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_903 DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_903 DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_903 ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_903 CUSTOMER	1.00000000	0.86462725	0.09964502	0.03096941	0.00035324	0.00005540	0.00323017	0.00035324	0.00008520	0.00000859	0.00000859	0.00018302	0.00011482	0.00001280	0.00005540	0.00001280	0.00004681	-	0.00023824
CUST_903 TOTAL	1.00000000	0.86462725	0.09964502	0.03096941	0.00035324	0.00005540	0.00323017	0.00035324	0.00008520	0.00000859	0.00000859	0.00018302	0.00011482	0.00001280	0.00005540	0.00001280	0.00004681	-	0.00023824
CUST_DEP PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_DEP BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_DEP SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_DEP DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_DEP DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_DEP ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_DEP CUSTOMER	1.00000000	0.75488612	0.04149997	0.08463463	0.00979943	0.00809028	0.03206530	0.01652319	0.00186497	0.00102379	-	0.01645221	0.01187950	0.00799203	0.00128524	0.00659684	-	0.00540651	-
CUST_DEP TOTAL	1.00000000	0.75488612	0.04149997	0.08463463	0.00979943	0.00809028	0.03206530	0.01652319	0.00186497	0.00102379	-	0.01645221	0.01187950	0.00799203	0.00128524	0.00659684	-	0.00540651	-
CUST_DEP_FXNL PRODUCTION	0.29553376	0.21493997	0.00690604	0.02592368	0.00280871	0.00275849	0.01035803	0.00622538	0.00089264	0.00059419	-	0.00625479	0.00610785	0.00484515	0.00067713	0.00414243	-	0.00009928	-
CUST_DEP_FXNL BULKTRAN	0.17021771	0.12379834	0.00512958	0.01493119	0.00161773	0.00158880	0.00596588	0.00358561	0.00051413	0.00034223	-	0.00360255	0.00351792	0.00279065	0.00039001	0.00238590	-	0.00005718	-
CUST_DEP_FXNL SUBTRAN	0.06747281	0.05022618	0.00206558	0.00595590	0.00064733	0.00084839	0.00237964	0.00143219	0.00027090	-	-	0.00146892	0.00194770	-	0.00020896	-	-	0.00002310	-
CUST_DEP_FXNL DISTPRI	0.23889621	0.18957937	0.00746193	0.02132564	0.00228803	-	0.00820269	0.00492083	-	-	-	0.00503323	-	-	-	-	-	0.00008448	-
CUST_DEP_FXNL DISTSEC	0.16507466	0.13764025	0.00798450	0.01427983	-	-	0.00482335	-	-	-	-	-	-	-	-	-	-	0.00034674	-
CUST_DEP_FXNL ENERGY	0.00131342	0.00085806	0.00005252	0.00013095	0.00001405	0.00001408	0.00005598	0.00003337	0.00000475	0.00000318	-	0.00003917	0.00003319	0.00003481	0.00000475	0.00003135	-	0.00000322	-
CUST_DEP_FXNL CUSTOMER	0.06149144	0.03784396	0.00989981	0.00208745	0.00242358	0.00288051	0.00027972	0.00032581	0.00018255	0.00008418	-	0.00005555	0.00027284	0.00032142	0.00000439	0.00003716	-	0.00479251	-
CUST_DEP_FXNL TOTAL	1.00000000	0.75488612	0.04149997	0.08463463	0.00979943	0.00809028	0.03206530	0.01652319	0.00186497	0.00102379	-	0.01645221	0.01187950	0.00799203	0.00128524	0.00659684	-	0.00540651	-
CUST_TOTAL PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_TOTAL BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_TOTAL SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_TOTAL DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_TOTAL DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_TOTAL ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_TOTAL CUSTOMER	1.00000000	0.63944429	0.10637264	0.03306029	0.00037708	0.00005906	0.00344823	0.00037708	0.00009086	0.00000909	0.00000909	0.00019535	0.00012266	0.00001363	0.00005906	0.00001363	0.00004997	0.21604358	0.00025441
CUST_TOTAL TOTAL	1.00000000	0.63944429	0.10637264	0.03306029	0.00037708	0.00005906	0.00344823	0.00037708	0.00009086	0.00000909	0.00000909	0.00019535	0.00012266	0.00001363	0.00005906	0.00001363	0.00004997	0.21604358	0.00025441
DIST_CPD PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_CPD BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_CPD SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_CPD DISTPRI	1.00000000	0.67330175	0.02567291	0.10936129	0.00332598	-	0.10923464	0.01832117	-	-	0.00144175	0.05695025	-	-	-	-	0.00058265	0.00154590	0.00026170
DIST_CPD DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_CPD ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_CPD CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_CPD TOTAL	1.00000000	0.67330175	0.02567291	0.10936129	0.00332598	-	0.10923464	0.01832117	-	-	0.00144175	0.05695025	-	-	-	-	0.00058265	0.00154590	0.00026170
DIST_METERS PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_METERS BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_METERS SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_METERS DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_METERS DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_METERS ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_METERS CUSTOMER	1.00000000	0.42669408	0.24033382	0.07614445	0.04929176	0.01630252	0.04445966	0.01691988	0.03084182	0.00460748	0.00011830	0.00876573	0.04163644	0.00691124	0.02994865	0.00691124	0.00011292	-	-
DIST_METERS TOTAL	1.00000000	0.42669408	0.24033382	0.07614445	0.04929176	0.01630252	0.04445966	0.01691988	0.03084182	0.00460748	0.00011830	0.00876573	0.04163644	0.00691124	0.02994865	0.00691124	0.00011292	-	-
DIST_OHLINES PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_OHLINES BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_OHLINES SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_OHLINES DISTPRI	0.66100000	0.44505245	0.01696980	0.07228782	0.00219847	-	0.07220410	0.01211030	-	-	0.00095300	0.03764412	-	-	-	-	0.00038513	0.00102184	0.00017298
DIST_OHLINES DISTSEC	0.33900000	0.25017506	0.01405891	0.03747697	-	-	0.03287247	-	-	-	0.00042611	-	-	-	-	-	0.00016335	0.00324716	0.00057997
DIST_OHLINES ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_OHLINES CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_OHLINES TOTAL	1.00000000	0.69522751	0.03102870	0.10976479	0.00219847	-	0.10507656	0.01211030	-	-	0.00137911	0.03764412	-	-	-	-	0.00054849	0.00426900	0.00075295

Allocation Factor	Total Retail 1	RS 2	SGS 3	MGS-SEC 4	MGS-PRI 5	MGS-SUB 6	LGS-SEC 7	LGS-PRI 8	LGS-SUB 9	LGS-TRA 10	OP-SEC 11	OP-PRI 12	OP-SUB 13	OP-TRA 14	CIP-TOD-SUB 15	CIP-TOD-TRA 16	MW 17	OL 18	SL 19
AFUDC_OFF PRODUCTION	0.43524107	0.20250251	0.00812836	0.03526573	0.00108308	0.00029576	0.03659111	0.00614858	0.00285683	0.00061594	0.00045108	0.01877396	0.01765638	0.00197312	0.08756048	0.01459038	0.00018428	0.00048193	0.00008158
AFUDC_OFF BULKTRAN	0.22535906	0.10485172	0.00420870	0.01825989	0.00056080	0.00015314	0.01894614	0.00318361	0.00147921	0.00031892	0.00023355	0.00972078	0.00914212	0.00102164	0.04533705	0.00755461	0.00009542	0.00024953	0.00004224
AFUDC_OFF SUBTRAN	0.09520859	0.04263538	0.00169859	0.00730012	0.00022491	0.00006196	0.00757420	0.00127449	0.00078118	-	0.00009437	0.00396714	0.00507296	-	0.02434632	-	0.00003885	0.00010102	0.00001710
AFUDC_OFF DISTPRI	0.12394735	0.08345397	0.00318209	0.01355504	0.00041225	-	0.01353934	0.00227086	-	-	0.00017870	0.00705883	-	-	-	-	0.00007222	0.00019161	0.00003244
AFUDC_OFF DISTSEC	0.08204391	0.06054673	0.00340250	0.00907008	-	-	0.00795571	-	-	-	0.00010313	-	-	-	-	-	0.00003953	0.00078587	0.00014036
AFUDC_OFF ENERGY	0.00135893	0.00048494	0.00002875	0.00010686	0.00000325	0.00000091	0.00011863	0.00001977	0.00000911	0.00000198	0.00000171	0.00007052	0.00005755	0.00000850	0.00036827	0.00006623	0.00000081	0.00000938	0.00000175
AFUDC_OFF CUSTOMER	0.03684108	0.01692687	0.00424609	0.00133490	0.00043492	0.00014369	0.00046120	0.00014989	0.00027181	0.00004060	0.00000123	0.00007767	0.00036695	0.00006089	0.00026388	0.00006089	0.00000199	0.01081708	0.00118053
AFUDC_OFF TOTAL	1.00000000	0.51140212	0.02489508	0.08489262	0.00271920	0.00067546	0.08518633	0.01304720	0.00539813	0.00097744	0.00106374	0.03966869	0.03229599	0.00306416	0.15787599	0.02227212	0.00043310	0.01263642	0.00149600
DIST_OL PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_OL BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_OL SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_OL DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_OL DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_OL ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_OL CUSTOMER	1.00000000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.00000000	-
DIST_OL TOTAL	1.00000000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.00000000	-
DIST_PCUST PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_PCUST BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_PCUST SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_PCUST DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_PCUST DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_PCUST ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_PCUST CUSTOMER	1.00000000	0.63967968	0.10641179	0.03307246	0.00037722	-	0.00344950	0.00037722	-	-	0.00000909	0.00019543	-	-	-	-	0.00004999	0.21612311	0.00025451
DIST_PCUST TOTAL	1.00000000	0.63967968	0.10641179	0.03307246	0.00037722	-	0.00344950	0.00037722	-	-	0.00000909	0.00019543	-	-	-	-	0.00004999	0.21612311	0.00025451
DIST_POLES PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_POLES BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_POLES SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_POLES DISTPRI	0.56200000	0.37839558	0.01442818	0.06146105	0.00186920	-	0.06138987	0.01029650	-	-	0.00081027	0.03200604	-	-	-	-	0.00032745	0.00086879	0.00014707
DIST_POLES DISTSEC	0.43800000	0.32323503	0.01816460	0.04842158	-	-	0.04247239	-	-	-	0.00055055	-	-	-	-	-	0.00021106	0.00419545	0.00074934
DIST_POLES ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_POLES CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_POLES TOTAL	1.00000000	0.70163052	0.03259278	0.10988263	0.00186920	-	0.10386226	0.01029650	-	-	0.00136082	0.03200604	-	-	-	-	0.00053851	0.00506424	0.00089641
DIST_SERV PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_SERV BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_SERV SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_SERV DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_SERV DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_SERV ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_SERV CUSTOMER	1.00000000	0.64028787	0.10651297	0.03310391	-	-	0.00345278	-	-	-	0.00000910	-	-	-	-	-	0.00005004	0.21632859	0.00025475
DIST_SERV TOTAL	1.00000000	0.64028787	0.10651297	0.03310391	-	-	0.00345278	-	-	-	0.00000910	-	-	-	-	-	0.00005004	0.21632859	0.00025475
DIST_SL PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_SL BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_SL SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_SL DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_SL DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_SL ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_SL CUSTOMER	1.00000000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.00000000
DIST_SL TOTAL	1.00000000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.00000000
DIST_TRANSF PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_TRANSF BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_TRANSF SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_TRANSF DISTPRI	0.26500000	0.17842496	0.00680332	0.02898074	0.00088138	-	0.02894718	0.00485511	-	-	0.00038206	0.01509182	-	-	-	-	0.00015440	0.00040966	0.00006935
DIST_TRANSF DISTSEC	0.73500000	0.54241495	0.03048170	0.08125539	-	-	0.07127216	-	-	-	0.00092387	-	-	-	-	-	0.00035418	0.00704030	0.00125745
DIST_TRANSF ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_TRANSF CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_TRANSF TOTAL	1.00000000	0.72083992	0.03728502	0.11023613	0.00088138	-	0.10021934	0.00485511	-	-	0.00130594	0.01509182	-	-	-	-	0.00050858	0.00744997	0.00132680
DIST_UGLINES PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_UGLINES BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_UGLINES SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_UGLINES DISTPRI	0.62500000	0.42081359	0.01604557	0.06835081	0.00207874	-	0.06827165	0.01145073	-	-	0.00090110	0.03559391	-	-	-	-	0.00036416	0.00096618	0.00016356
DIST_UGLINES DISTSEC	0.37500000	0.27674232	0.01555189	0.04145683	-	-	0.03636335	-	-	-	0.00047136	-	-	-	-	-	0.00018070	0.00359199	0.00064156
DIST_UGLINES ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_UGLINES CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_UGLINES TOTAL	1.00000000	0.69755592	0.03159746	0.10980764	0.00207874	-	0.10463500	0.01145073	-	-	0.00137246	0.03559391	-	-	-	-	0.00054486	0.00455818	0.00080512
EXP_OM_AG_REG PRODUCTION	0.35969097	0.11595232	0.00699644	0.03103500	0.00091799	0.00043552	0.03197055	0.00593757	0.00303432	0.00067707	0.00055632	0.01751456	0.01937995	0.00126199	0.09838794	0.02507902	0.00021817	0.00026878	0.00006746
EXP_OM_AG_REG BULKTRAN	0.20717014	0.06678472	0.00402972	0.01787514	0.00052873	0.00025085	0.01841398	0.00341985	0.00174767	0.00038997	0.00032042	0.01008781	0.01116222	0.00072686	0.05666821	0.01444469	0.00012566	0.00015481	0.00003885
EXP_OM_AG_REG SUBTRAN	0.08673415	0.02709521	0.00162269	0.00713021	0.00021157	0.00013395	0.00734488	0.00136598	0.00092087	-	0.00012919	0.00410766	0.00617999	-	0.03036270	-	0.00005105	0.00006253	0.00001569
EXP_OM_AG_REG DISTPRI	0.17945749	0.10227120	0.00586197	0.02553036	0.00074781	-	0.02531801	0.00469334	-	-	0.00047171	0.01409398	-	-	-	-	0.00018299	0.00022872	0.00005740
EXP_OM_AG_REG DISTSEC	0.11406721	0.07425193	0.00627249	0.01709535	-	-	0.01488749	-	-	-	0.00027242	-	-	-	-	-	0.00010024	0.00093873	0.00024857
EXP_OM_AG_REG ENERGY	0.00201203	0.00046289	0.00004126	0.00015678	0.00000459	0.00000222	0.00017279	0.00003182	0.00001613	0.00000363	0.00000352	0.00010967	0.00010531	0.00000907	0.00068984	0.00018979	0.00000159	0.00000872	0.00000241
EXP_OM_AG_REG CUSTOMER	0.05086801	0.02041544	0.00777713	0.00249903	0.00079211	0.00045478	0.00086338	0.00031075	0.00062052	0.00009592	0.00000324	0.00015555	0.00086571	0.00008372	0.00063734	0.00022499	0.00000503	0.01297481	0.00208855
EXP_OM_AG_REG TOTAL	1.00000000	0.40723371	0.03260169	0.10132186	0.00320280	0.00127732	0.09897107	0.01575931	0.00633952	0.00116659	0.00175681	0.04606923	0.03769318	0.00208163	0.18674603	0.03993848	0.00068472	0.01463710	0.00251893
EXP_OM_CUSTACCT PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTACCT BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTACCT SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTACCT DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTACCT DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTACCT ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTACCT CUSTOMER	1.00000000	0.85867079	0.10222793	0.03340879	0.00039051	0.00006133	0.00374077	0.00041840	0.00010090	0.00001016	0.00001061	0.00022644	0.00014210	0.00001583	0.00006852	0.00001583	0.00004802	0.00022386	0.00021923
EXP_OM_CUSTACCT TOTAL	1.00000000	0.85867079	0.10222793	0.03340879	0.00039051	0.00006133	0.00374077	0.00041840	0.00010090	0.00001016	0.00001061	0.00022644	0.00014210	0.00001583	0.00006852	0.00001583	0.00004802	0.00022386	0.00021923

KENTUCKY POWER COMPANY
COST-OF-SERVICE STUDY
TWELVE MONTHS ENDING
MARCH 31, 2013

Allocation Factor	Total Retail 1	RS 2	SGS 3	MGS-SEC 4	MGS-PRI 5	MGS-SUB 6	LGS-SEC 7	LGS-PRI 8	LGS-SUB 9	LGS-TRA 10
AFUDC_OFF PRODUCTION	0.43524107	0.20250251	0.00812836	0.03526573	0.00108308	0.00029576	0.03659111	0.00614858	0.00285683	0.00061594
AFUDC_OFF BULKTRAN	0.22535906	0.10485172	0.00420870	0.01825989	0.00056080	0.00015314	0.01894614	0.00318361	0.00147921	0.00031892
AFUDC_OFF SUBTRAN	0.09520859	0.04263538	0.00169859	0.00730012	0.00022491	0.00008196	0.00757420	0.00127449	0.00078118	-
AFUDC_OFF DISTPRI	0.12394735	0.08345397	0.00318209	0.01355504	0.00041225	-	0.01353934	0.00227086	-	-
AFUDC_OFF DISTSEC	0.08204391	0.06054673	0.00340250	0.00907008	-	-	0.00795571	-	-	-
AFUDC_OFF ENERGY	0.00135893	0.00048494	0.00002875	0.00010686	0.00000325	0.00000091	0.00011863	0.00001977	0.00000911	0.00000198
AFUDC_OFF CUSTOMER	0.03684108	0.01692687	0.00424609	0.00133490	0.00043492	0.00014369	0.00046120	0.00014989	0.00027181	0.00004060
AFUDC_OFF TOTAL	1.00000000	0.51140212	0.02489508	0.08489262	0.00271920	0.00067546	0.08518633	0.01304720	0.00539813	0.00097744
EXP_OM_CUSTSERV PRODUCTION	-	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTSERV BULKTRAN	-	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTSERV SUBTRAN	-	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTSERV DISTPRI	-	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTSERV DISTSEC	-	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTSERV ENERGY	-	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTSERV CUSTOMER	1.00000000	0.63944429	0.10637264	0.03306029	0.00037708	0.00005906	0.00344823	0.00037708	0.00009086	0.00000909
EXP_OM_CUSTSERV TOTAL	1.00000000	0.63944429	0.10637264	0.03306029	0.00037708	0.00005906	0.00344823	0.00037708	0.00009086	0.00000909
EXP_OM_DIST PRODUCTION	-	-	-	-	-	-	-	-	-	-
EXP_OM_DIST BULKTRAN	-	-	-	-	-	-	-	-	-	-
EXP_OM_DIST SUBTRAN	-	-	-	-	-	-	-	-	-	-
EXP_OM_DIST DISTPRI	0.58194442	0.39182420	0.01494021	0.06364220	0.00193553	-	0.06356849	0.01066191	-	-
EXP_OM_DIST DISTSEC	0.35908958	0.26500076	0.01489205	0.03969791	-	-	0.03482053	-	-	-
EXP_OM_DIST ENERGY	-	-	-	-	-	-	-	-	-	-
EXP_OM_DIST CUSTOMER	0.05896599	0.02354164	0.00795883	0.00250818	0.00117848	0.00038916	0.00113332	0.00040573	0.00073623	0.00010999
EXP_OM_DIST TOTAL	1.00000000	0.68036660	0.03779109	0.10584828	0.00311401	0.00038916	0.09952235	0.01106763	0.00073623	0.00010999
EXP_OM_SS PRODUCTION	0.03420044	0.01591227	0.00063871	0.00277112	0.00008511	0.00002324	0.00287526	0.00048314	0.00022448	0.00004840
EXP_OM_SS BULKTRAN	-	-	-	-	-	-	-	-	-	-
EXP_OM_SS SUBTRAN	-	-	-	-	-	-	-	-	-	-
EXP_OM_SS DISTPRI	-	-	-	-	-	-	-	-	-	-
EXP_OM_SS DISTSEC	-	-	-	-	-	-	-	-	-	-
EXP_OM_SS ENERGY	0.96579956	0.34464659	0.02043587	0.07594923	0.00230960	0.00064357	0.08431343	0.01404965	0.00647486	0.00140652
EXP_OM_SS CUSTOMER	-	-	-	-	-	-	-	-	-	-
EXP_OM_SS TOTAL	1.00000000	0.36055887	0.02107458	0.07872034	0.00239471	0.00066681	0.08718869	0.01453279	0.00669934	0.00145492
EXP_OM_TRAN PRODUCTION	0.54307785	0.25267521	0.01014227	0.04400329	0.00135142	0.00036904	0.04565704	0.00767197	0.00356465	0.00076855
EXP_OM_TRAN BULKTRAN	0.32121627	0.14945075	0.00599889	0.02602679	0.00079933	0.00021828	0.02700494	0.00453777	0.00210839	0.00045458
EXP_OM_TRAN SUBTRAN	0.13570588	0.06077047	0.00242109	0.01040525	0.00032057	0.00011682	0.01079591	0.00181660	0.00111345	-
EXP_OM_TRAN DISTPRI	-	-	-	-	-	-	-	-	-	-
EXP_OM_TRAN DISTSEC	-	-	-	-	-	-	-	-	-	-
EXP_OM_TRAN ENERGY	-	-	-	-	-	-	-	-	-	-
EXP_OM_TRAN CUSTOMER	-	-	-	-	-	-	-	-	-	-
EXP_OM_TRAN TOTAL	1.00000000	0.46289643	0.01856224	0.08043533	0.00247133	0.00070414	0.08345789	0.01402635	0.00678649	0.00122313
EXP_OM PRODUCTION	0.39168295	0.18220998	0.00731503	0.03173738	0.00097470	0.00026626	0.03293003	0.00553368	0.00257127	0.00055439
EXP_OM BULKTRAN	(0.09855001)	(0.04586713)	(0.00184039)	(0.00798453)	(0.00024523)	(0.00006691)	(0.00828467)	(0.00139195)	(0.00064666)	(0.00013942)
EXP_OM SUBTRAN	(0.04163533)	(0.01865077)	(0.00074276)	(0.00319214)	(0.00009835)	(0.00003581)	(0.00331202)	(0.00055724)	(0.00034151)	-
EXP_OM DISTPRI	0.07523186	0.05064419	0.00193207	0.00823049	0.00025030	-	0.00822087	0.00137906	-	-
EXP_OM DISTSEC	0.04642364	0.03425458	0.00192606	0.00513451	-	-	0.00450362	-	-	-
EXP_OM ENERGY	0.58536443	0.20888778	0.01238604	0.04603230	0.00139983	0.00039006	0.05110178	0.00851539	0.00392437	0.00085249
EXP_OM CUSTOMER	0.04148246	0.02975746	0.00453578	0.00145204	0.00016584	0.00005253	0.00027024	0.00006626	0.00009869	0.00001458
EXP_OM TOTAL	1.00000000	0.44123610	0.02551182	0.08141005	0.00244689	0.00060613	0.08542984	0.01354522	0.00660616	0.00128204
EXP_OTHTAX_PSC PRODUCTION	0.50607042	0.18205027	0.01158266	0.04725191	0.00144780	0.00069100	0.04764058	0.00847299	0.00397290	0.00081675
EXP_OTHTAX_PSC BULKTRAN	0.13061752	0.04658411	0.00296195	0.01215972	0.00036165	0.00015378	0.01234964	0.00216786	0.00103338	0.00020935
EXP_OTHTAX_PSC SUBTRAN	0.05497271	0.01897167	0.00119727	0.00486869	0.00014529	0.00008253	0.00494430	0.00086920	0.00054653	-
EXP_OTHTAX_PSC DISTPRI	0.12980468	0.07513581	0.00453881	0.01828216	0.00053857	-	0.01786696	0.00313589	-	-
EXP_OTHTAX_PSC DISTSEC	0.08343580	0.05447070	0.00484931	0.01222409	-	-	0.01049098	-	-	-
EXP_OTHTAX_PSC ENERGY	0.05413874	0.01442811	0.00135714	0.00471712	0.00014351	0.00006260	0.00506992	0.00090698	0.00040488	0.00008674
EXP_OTHTAX_PSC CUSTOMER	0.04116012	0.01559305	0.00611475	0.00181816	0.00056599	0.00028740	0.00060870	0.00020640	0.00038183	0.00005376
EXP_OTHTAX_PSC TOTAL	1.00000000	0.40723371	0.03260169	0.10132186	0.00320280	0.00127732	0.09897107	0.01575831	0.00633952	0.00116659
FORF_DISC PRODUCTION	1.00000000	0.72884311	0.05828299	0.11092850	0.00045087	0.00206969	0.03456932	0.00891162	0.00406423	-
FORF_DISC BULKTRAN	-	-	-	-	-	-	-	-	-	-
FORF_DISC SUBTRAN	-	-	-	-	-	-	-	-	-	-
FORF_DISC DISTPRI	-	-	-	-	-	-	-	-	-	-
FORF_DISC DISTSEC	-	-	-	-	-	-	-	-	-	-
FORF_DISC ENERGY	-	-	-	-	-	-	-	-	-	-
FORF_DISC CUSTOMER	-	-	-	-	-	-	-	-	-	-
FORF_DISC TOTAL	1.00000000	0.72884311	0.05828299	0.11092850	0.00045087	0.00206969	0.03456932	0.00891162	0.00406423	-
FORF_DISC_FXNL PRODUCTION	0.40442015	0.29851479	0.01820647	0.04611202	0.00018445	0.00104117	0.01434927	0.00401151	0.00206171	-
FORF_DISC_FXNL BULKTRAN	(0.02894677)	(0.02872898)	0.00040540	0.00053525	0.00000273	0.00017699	(0.00006953)	0.00000533	(0.00000090)	-
FORF_DISC_FXNL SUBTRAN	(0.01152586)	(0.01169533)	0.00016406	0.00021475	0.00000110	0.00009493	(0.00002771)	0.00000219	(0.00000047)	-
FORF_DISC_FXNL DISTPRI	0.12524237	0.09613299	0.00604825	0.01501615	0.00005906	-	0.00445339	0.00124552	-	-
FORF_DISC_FXNL DISTSEC	0.08457386	0.06582752	0.00624538	0.00968446	-	-	0.00251494	-	-	-
FORF_DISC_FXNL ENERGY	0.36525158	0.26556611	0.01644275	0.03734767	0.00014566	0.00031642	0.01318904	0.00356840	0.00185281	-
FORF_DISC_FXNL CUSTOMER	0.06098468	0.04322601	0.01077069	0.00201821	0.00005787	0.00044019	0.00015991	0.00007867	0.00015108	-
FORF_DISC_FXNL TOTAL	1.00000000	0.72884311	0.05828299	0.11092850	0.00045087	0.00206969	0.03456932	0.00891162	0.00406423	-
FUELREV PRODUCTION	-	-	-	-	-	-	-	-	-	-
FUELREV BULKTRAN	-	-	-	-	-	-	-	-	-	-
FUELREV SUBTRAN	-	-	-	-	-	-	-	-	-	-
FUELREV DISTPRI	-	-	-	-	-	-	-	-	-	-
FUELREV DISTSEC	-	-	-	-	-	-	-	-	-	-
FUELREV ENERGY	1.00000000	0.34452988	0.02040105	0.07596890	0.00254353	0.00103128	0.08375132	0.01422582	0.00735498	0.00149218
FUELREV CUSTOMER	-	-	-	-	-	-	-	-	-	-
FUELREV TOTAL	1.00000000	0.34452988	0.02040105	0.07596890	0.00254353	0.00103128	0.08375132	0.01422582	0.00735498	0.00149218

Allocation Factor	OP-SEC 11	OP-PRI 12	OP-SUB 13	OP-TRA 14	CIP-TOD-SUB 15	CIP-TOD-TRA 16	MW 17	OL 18	SL 19
AFUDC_OFF PRODUCTION	0.00045108	0.01877398	0.01765638	0.00197312	0.08756048	0.01459038	0.00018428	0.00048193	0.00008158
AFUDC_OFF BULKTRAN	0.00023355	0.00972078	0.00914212	0.00102164	0.04533705	0.00755461	0.00009542	0.00024953	0.00004224
AFUDC_OFF SUBTRAN	0.00009437	0.00396714	0.00507298	-	0.02434632	-	0.00003885	0.00010102	0.00001710
AFUDC_OFF DISTPRI	0.00017870	0.00705883	-	-	-	-	0.00007222	0.00019161	0.00003244
AFUDC_OFF DISTSEC	0.00010313	-	-	-	-	-	0.00003953	0.00078587	0.00014036
AFUDC_OFF ENERGY	0.00000171	0.00007052	0.00005755	0.00000850	0.00036827	0.00006623	0.00000081	0.00000938	0.00000175
AFUDC_OFF CUSTOMER	0.00000123	0.00007767	0.00036695	0.00006089	0.00026388	0.00006089	0.00000199	0.01081708	0.00118053
AFUDC_OFF TOTAL	0.00106374	0.03966889	0.03229599	0.00306416	0.15787599	0.02227212	0.00043310	0.01263642	0.00149600
EXP_OM_CUSTSERV PRODUCTION	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTSERV BULKTRAN	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTSERV SUBTRAN	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTSERV DISTPRI	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTSERV DISTSEC	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTSERV ENERGY	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTSERV CUSTOMER	0.00000909	0.00019535	0.00012266	0.00001363	0.00005906	0.00001363	0.00004997	0.21604358	0.00025441
EXP_OM_CUSTSERV TOTAL	0.00000909	0.00019535	0.00012266	0.00001363	0.00005906	0.00001363	0.00004997	0.21604358	0.00025441
EXP_OM_DIST PRODUCTION	-	-	-	-	-	-	-	-	-
EXP_OM_DIST BULKTRAN	-	-	-	-	-	-	-	-	-
EXP_OM_DIST SUBTRAN	-	-	-	-	-	-	-	-	-
EXP_OM_DIST DISTPRI	0.00083902	0.03314188	-	-	-	-	0.00033907	0.00089963	0.00015229
EXP_OM_DIST DISTSEC	0.00045136	-	-	-	-	-	0.00017303	0.00343959	0.00061434
EXP_OM_DIST ENERGY	-	-	-	-	-	-	-	-	-
EXP_OM_DIST CUSTOMER	0.00000301	0.00021020	0.00099391	0.00016498	0.00071491	0.00016498	0.00000374	0.01312184	0.00562688
EXP_OM_DIST TOTAL	0.00129340	0.03335208	0.00099391	0.00016498	0.00071491	0.00016498	0.00051585	0.01746105	0.00639351
EXP_OM_SS PRODUCTION	0.00003544	0.00147522	0.00138741	0.00015504	0.00688034	0.00114649	0.00001448	0.00003787	0.00000641
EXP_OM_SS BULKTRAN	-	-	-	-	-	-	-	-	-
EXP_OM_SS SUBTRAN	-	-	-	-	-	-	-	-	-
EXP_OM_SS DISTPRI	-	-	-	-	-	-	-	-	-
EXP_OM_SS DISTSEC	-	-	-	-	-	-	-	-	-
EXP_OM_SS ENERGY	0.00121560	0.05011812	0.04090322	0.00604281	0.26173371	0.04707320	0.00057273	0.00666720	0.00124367
EXP_OM_SS CUSTOMER	-	-	-	-	-	-	-	-	-
EXP_OM_SS TOTAL	0.00125105	0.05159334	0.04229063	0.00619785	0.26861405	0.04821968	0.00058721	0.00670506	0.00125008
EXP_OM_TRAN PRODUCTION	0.00056281	0.02342545	0.02203099	0.00246199	0.10925475	0.01820535	0.00022994	0.00060133	0.00010180
EXP_OM_TRAN BULKTRAN	0.00033289	0.01385554	0.01303075	0.00145620	0.06462131	0.01076798	0.00013600	0.00035567	0.00006021
EXP_OM_TRAN SUBTRAN	0.00013452	0.00565457	0.00723079	-	0.03470211	-	0.00005537	0.00014399	0.00002437
EXP_OM_TRAN DISTPRI	-	-	-	-	-	-	-	-	-
EXP_OM_TRAN DISTSEC	-	-	-	-	-	-	-	-	-
EXP_OM_TRAN ENERGY	-	-	-	-	-	-	-	-	-
EXP_OM_TRAN CUSTOMER	-	-	-	-	-	-	-	-	-
EXP_OM_TRAN TOTAL	0.00103021	0.04293557	0.04229253	0.00391819	0.20857817	0.02897333	0.00042132	0.00110099	0.00018638
EXP_OM PRODUCTION	0.00040601	0.01689612	0.01589183	0.00177546	0.07881098	0.01313691	0.00016587	0.00043363	0.00007342
EXP_OM BULKTRAN	(0.00010208)	(0.00425032)	(0.00399645)	(0.00044688)	(0.01961827)	(0.00329979)	(0.00004171)	(0.00010916)	(0.00001847)
EXP_OM SUBTRAN	(0.00004125)	(0.00173460)	(0.00221765)	-	(0.01064259)	-	(0.00001698)	(0.00004419)	(0.00000748)
EXP_OM DISTPRI	0.00010858	0.00428647	-	-	-	-	0.00004387	0.00011628	0.00001969
EXP_OM DISTSEC	0.00005842	-	-	-	-	-	0.00002239	0.00044460	0.00007945
EXP_OM ENERGY	0.00073677	0.03037625	0.02479117	0.00366250	0.15863506	0.02853079	0.00034713	0.00404094	0.00075378
EXP_OM CUSTOMER	0.00000073	0.00003455	0.00013338	0.00002186	0.00009485	0.00002193	0.00000213	0.00402440	0.00073540
EXP_OM TOTAL	0.00116718	0.04560846	0.03460228	0.00501295	0.20708003	0.03838984	0.00052272	0.00890649	0.00163579
EXP_OTHTAX_PSC PRODUCTION	0.00082854	0.02459886	0.02463443	0.00144519	0.12121945	0.02841635	0.00032066	0.00054722	0.00013287
EXP_OTHTAX_PSC BULKTRAN	0.00022041	0.00637741	0.00639470	0.00035271	0.03159712	0.00743332	0.00008393	0.00014183	0.00003465
EXP_OTHTAX_PSC SUBTRAN	0.00008919	0.00260650	0.00355364	-	0.01699214	-	0.00003422	0.00005750	0.00001405
EXP_OTHTAX_PSC DISTPRI	0.00033537	0.00936879	-	-	-	-	0.00012802	0.00022072	0.00005379
EXP_OTHTAX_PSC DISTSEC	0.00019349	-	-	-	-	-	0.00007004	0.00090459	0.00023260
EXP_OTHTAX_PSC ENERGY	0.00008751	0.00301485	0.00259373	0.00024056	0.01656693	0.00396877	0.00004429	0.00035273	0.00009235
EXP_OTHTAX_PSC CUSTOMER	0.00000230	0.00010283	0.00051667	0.00004318	0.00037039	0.00012004	0.00000356	0.01241250	0.00195862
EXP_OTHTAX_PSC TOTAL	0.00175681	0.04606923	0.03769318	0.00208163	0.18674603	0.03993848	0.00068472	0.01463710	0.00251893
FORF_DISC PRODUCTION	-	0.01747286	0.01215089	0.00696109	0.00954537	-	-	0.00574945	-
FORF_DISC BULKTRAN	-	-	-	-	-	-	-	-	-
FORF_DISC SUBTRAN	-	-	-	-	-	-	-	-	-
FORF_DISC DISTPRI	-	-	-	-	-	-	-	-	-
FORF_DISC DISTSEC	-	-	-	-	-	-	-	-	-
FORF_DISC ENERGY	-	-	-	-	-	-	-	-	-
FORF_DISC CUSTOMER	-	-	-	-	-	-	-	-	-
FORF_DISC TOTAL	-	0.01747286	0.01215089	0.00696109	0.00954537	-	-	0.00574945	-
FORF_DISC_FXNL PRODUCTION	-	0.00717004	0.00624690	0.00220037	0.00406849	-	-	0.00025299	-
FORF_DISC_FXNL BULKTRAN	-	(0.00024686)	(0.00005726)	(0.00069589)	(0.00027285)	-	-	0.00000180	-
FORF_DISC_FXNL SUBTRAN	-	(0.00010165)	(0.00003178)	-	(0.00014669)	-	-	0.00000073	-
FORF_DISC_FXNL DISTPRI	-	0.00221071	-	-	-	-	-	0.00007630	-
FORF_DISC_FXNL DISTSEC	-	-	-	-	-	-	-	0.00030156	-
FORF_DISC_FXNL ENERGY	-	0.00841938	0.00589437	0.00542736	0.00588783	-	-	0.00119379	-
FORF_DISC_FXNL CUSTOMER	-	0.00002324	0.00009866	0.00002926	0.00000859	-	-	0.00392229	-
FORF_DISC_FXNL TOTAL	-	0.01747286	0.01215089	0.00696109	0.00954537	-	-	0.00574945	-
FUELREV PRODUCTION	-	-	-	-	-	-	-	-	-
FUELREV BULKTRAN	-	-	-	-	-	-	-	-	-
FUELREV SUBTRAN	-	-	-	-	-	-	-	-	-
FUELREV DISTPRI	-	-	-	-	-	-	-	-	-
FUELREV DISTSEC	-	-	-	-	-	-	-	-	-
FUELREV ENERGY	0.00187218	0.05271106	0.04494403	0.00233927	0.27884637	0.05961326	0.00062844	0.00647786	0.00126859
FUELREV CUSTOMER	-	-	-	-	-	-	-	-	-
FUELREV TOTAL	0.00187218	0.05271106	0.04494403	0.00233927	0.27884637	0.05961326	0.00062844	0.00647786	0.00126859

KENTUCKY POWER COMPANY
COST-OF-SERVICE STUDY
TWELVE MONTHS ENDING
MARCH 31, 2013

Allocation Factor	Total Retail 1	RS 2	SGS 3	MGS-SEC 4	MGS-PRI 5	MGS-SUB 6	LGS-SEC 7	LGS-PRI 8	LGS-SUB 9	LGS-TRA 10	OP-SEC 11	OP-PRI 12	OP-SUB 13	OP-TRA 14	CIP-TOD-SUB 15	CIP-TOD-TRA 16	MW 17	OL 18	SL 19
AFUDC_OFF PRODUCTION	0.43524107	0.20250251	0.00812836	0.03526573	0.00108308	0.00029576	0.03859111	0.00614858	0.00285683	0.00061594	0.00045106	0.01877396	0.01765638	0.00197312	0.08756048	0.01459038	0.00018428	0.00048193	0.00008158
AFUDC_OFF BULKTRAN	0.22535906	0.10485172	0.00420870	0.01825989	0.00056080	0.00015314	0.01894614	0.00318361	0.00147921	0.00031892	0.00023355	0.00972078	0.00914212	0.00102164	0.04533705	0.00755461	0.00009542	0.00024953	0.00004224
AFUDC_OFF SUBTRAN	0.09520859	0.04263538	0.00169859	0.00730012	0.00022491	0.00008196	0.00757420	0.00127449	0.00078118	-	0.00009437	0.00396714	0.00507298	-	0.02434632	-	0.00003885	0.00010102	0.00001710
AFUDC_OFF DISTPRI	0.12394735	0.08345397	0.00318209	0.01355504	0.00041225	-	0.01353934	0.00227086	-	-	0.00017870	0.00705883	-	-	-	-	0.00007222	0.00019161	0.00003244
AFUDC_OFF DISTSEC	0.08204391	0.06054673	0.00340250	0.00907008	-	-	0.00795571	-	-	-	0.00010313	-	-	-	-	-	0.00003953	0.00078587	0.00014036
AFUDC_OFF ENERGY	0.00135893	0.00048494	0.00002875	0.00010686	0.00000325	0.00000091	0.00011863	0.00001977	0.00000911	0.00000198	0.00000171	0.00007052	0.00005755	0.00000850	0.00036827	0.00006623	0.00000081	0.00000938	0.00000175
AFUDC_OFF CUSTOMER	0.03684108	0.01692687	0.00424609	0.00133490	0.00043492	0.00014369	0.00046120	0.00014989	0.00027181	0.00004060	0.00000123	0.00007767	0.00036695	0.00006089	0.00026388	0.00006089	0.00000199	0.01081708	0.00118053
AFUDC_OFF TOTAL	1.00000000	0.51140212	0.02489508	0.08489262	0.00271920	0.00067546	0.08518633	0.01304720	0.00539813	0.00097744	0.00106374	0.03966889	0.03229599	0.00306416	0.15787599	0.02227212	0.00043310	0.01263642	0.00149600
LABOR_M PRODUCTION	0.43162292	0.20081911	0.00806079	0.03497257	0.00107407	0.00029330	0.03628692	0.00609747	0.00283308	0.00061082	0.00044731	0.01861789	0.01750961	0.00195672	0.08683259	0.01446909	0.00018275	0.00047792	0.00008090
LABOR_M BULKTRAN	0.01619019	0.00753273	0.00030236	0.00131182	0.00004029	0.00001100	0.00136112	0.00022872	0.00010627	0.00002291	0.00001678	0.00069836	0.00065679	0.00007340	0.00325709	0.00054274	0.00000686	0.00001793	0.00000303
LABOR_M SUBTRAN	0.00683995	0.00306300	0.00012203	0.00052445	0.00001616	0.00000589	0.00054414	0.00009156	0.00005612	-	0.00000678	0.00028501	0.00036445	-	0.00174908	-	0.00000279	0.00000726	0.00000123
LABOR_M DISTPRI	0.23325274	0.15704948	0.00598828	0.02550882	0.00077579	-	0.02547928	0.00427346	-	-	0.00033629	0.01328380	-	-	-	-	0.00013591	0.00036058	0.00006104
LABOR_M DISTSEC	0.14392892	0.10621659	0.00596898	0.01591156	-	-	0.01395663	-	-	-	0.00018091	-	-	-	-	-	0.00006936	0.00137864	0.00024624
LABOR_M ENERGY	0.05612117	0.02002690	0.00118750	0.00441330	0.00013421	0.00003740	0.00489933	0.00081640	0.00037624	0.00008173	0.00007064	0.00291229	0.00237683	0.00035114	0.01520895	0.00273535	0.00003328	0.00038742	0.00007227
LABOR_M CUSTOMER	0.11204411	0.07958649	0.01233693	0.00394981	0.00050653	0.00016134	0.00077728	0.00019853	0.00030375	0.00004495	0.00000211	0.00010345	0.00041043	0.00006747	0.00029236	0.00006747	0.00000580	0.01095377	0.00227565
LABOR_M TOTAL	1.00000000	0.57429431	0.03396686	0.08659234	0.00254705	0.00050893	0.08330471	0.01170614	0.00367546	0.00076042	0.00106081	0.03590080	0.02131809	0.00244872	0.10734007	0.01781465	0.00043673	0.01358352	0.00274036
PROD_DEMAND PRODUCTION	1.00000000	0.46526518	0.01867553	0.08102575	0.00248845	0.00067954	0.08407089	0.01412684	0.00656379	0.00141518	0.00103633	0.04313462	0.04056690	0.00453340	0.20117696	0.03352253	0.00042341	0.00110726	0.00018744
PROD_DEMAND BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROD_DEMAND SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROD_DEMAND DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROD_DEMAND DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROD_DEMAND ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROD_DEMAND CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROD_DEMAND TOTAL	1.00000000	0.46526518	0.01867553	0.08102575	0.00248845	0.00067954	0.08407089	0.01412684	0.00656379	0.00141518	0.00103633	0.04313462	0.04056690	0.00453340	0.20117696	0.03352253	0.00042341	0.00110726	0.00018744
PROD_ENERGY PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROD_ENERGY BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROD_ENERGY SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROD_ENERGY DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROD_ENERGY DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROD_ENERGY ENERGY	1.00000000	0.35685106	0.02115954	0.07863870	0.00239139	0.00066636	0.08729909	0.01454717	0.00670414	0.00145633	0.00125865	0.05189288	0.04235167	0.00625679	0.27100210	0.04874013	0.00059301	0.00690329	0.00128771
PROD_ENERGY CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROD_ENERGY TOTAL	1.00000000	0.35685106	0.02115954	0.07863870	0.00239139	0.00066636	0.08729909	0.01454717	0.00670414	0.00145633	0.00125865	0.05189288	0.04235167	0.00625679	0.27100210	0.04874013	0.00059301	0.00690329	0.00128771
LABOR_PROD PRODUCTION	0.87809590	0.40854744	0.01639891	0.07114837	0.00218510	0.00059670	0.07382231	0.01240472	0.00576363	0.00124266	0.00091000	0.03787633	0.03562163	0.00398076	0.17665266	0.02943600	0.00037179	0.00097228	0.00016459
LABOR_PROD BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LABOR_PROD SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LABOR_PROD DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LABOR_PROD DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LABOR_PROD ENERGY	0.12190410	0.04350161	0.00257943	0.00958638	0.00029152	0.00008123	0.01064212	0.00177336	0.00081726	0.00017753	0.00015343	0.00632595	0.00516284	0.00076273	0.03303627	0.00594162	0.00007229	0.00084154	0.00015698
LABOR_PROD CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LABOR_PROD TOTAL	1.00000000	0.45204905	0.01897834	0.08073476	0.00247662	0.00067793	0.08446442	0.01417808	0.00658090	0.00142020	0.00106344	0.04420228	0.04078447	0.00474349	0.20968893	0.03537762	0.00044408	0.00181382	0.00032157
RATEBASE PRODUCTION	0.49293730	0.22819461	0.00915557	0.03991876	0.00119265	0.00029021	0.04168376	0.00693684	0.00324674	0.00069503	0.00051028	0.02136189	0.02007183	0.00220493	0.10007595	0.01654483	0.00021022	0.00054997	0.00009323
RATEBASE BULKTRAN	0.12702919	0.05839180	0.00234129	0.01027262	0.00029791	0.00006459	0.01080548	0.00177483	0.00084450	0.00017815	0.00013574	0.00553821	0.00521033	0.00053813	0.02608585	0.00432790	0.00005502	0.00014255	0.00002431
RATEBASE SUBTRAN	0.05381089	0.02378042	0.00094639	0.00411310	0.00011969	0.00003466	0.00432608	0.00071161	0.00044663	-	0.00005493	0.00226351	0.00289546	-	0.01402831	-	0.00002243	0.00005779	0.00000986
RATEBASE DISTPRI	0.14054291	0.09418050	0.00358757	0.01544490	0.00044366	-	0.01563293	0.00256735	-	-	0.00020654	0.00813595	-	-	-	-	0.00008393	0.00022183	0.00003774
RATEBASE DISTSEC	0.09285422	0.06827741	0.00383316	0.01032700	-	-	0.00917922	-	-	-	0.00011916	-	-	-	-	-	0.00004592	0.00090914	0.00016321
RATEBASE ENERGY	0.05045951	0.01808521	0.00107276	0.00398506	0.00011822	0.00002629	0.00443600	0.00074255	0.00033088	0.00007382	0.00005390	0.00261813	0.00211334	0.00036702	0.01367727	0.00231074	0.00002904	0.00035450	0.00006480
RATEBASE CUSTOMER	0.04236599	0.01954542	0.00483343	0.00153600	0.00046624	0.00012071	0.00053259	0.00016898	0.00031204	0.00004575	0.00000142	0.00008930	0.00042097	0.00006588	0.00030578	0.00006989	0.00000234	0.01247495	0.00137431
RATEBASE TOTAL	1.00000000	0.51045537	0.02577017	0.08559744	0.00263836	0.00053646	0.08659606	0.01290216	0.00518079	0.00099274	0.00108197	0.04000697	0.03071194	0.00317596	0.15417316	0.02325336	0.00044890	0.01471073	0.00176747
RB_GUP_CWIP PRODUCTION	0.51964204	0.24177135	0.00970459	0.04210438	0.00129311	0.00035312	0.04368677	0.00734090	0.00341082	0.00073539	0.00053852	0.02241456	0.02108027	0.00235574	0.10454001	0.01741972	0.00022002	0.00057538	0.00009740
RB_GUP_CWIP BULKTRAN	0.22887322	0.10648674	0.00427433	0.01854462	0.00056954	0.00015553	0.01924158	0.00323326	0.00150227	0.00032390	0.00023719	0.00987236	0.00928468	0.00103757	0.04604402	0.00767241	0.00009691	0.00025342	0.00004290
RB_GUP_CWIP SUBTRAN	0.09669324	0.04330021	0.00172507	0.00741395	0.00022841	0.00008324	0.00769231	0.00129436	0.00079336	-	0.00009585	0.00402900	0.00515209	-	0.02472597	-	0.00003945	0.00010259	0.00001737
RB_GUP_CWIP DISTPRI	0.07814537	0.05261541	0.00200622	0.00854608	0.00025991	-	0.00853618	0.00143171	-	-	0.00011267	0.00445040	-	-	-	-	0.00004553	0.00012080	0.00002045
RB_GUP_CWIP DISTSEC	0.05162448	0.03809781	0.00214095	0.00570717	-	-	0.00500597	-	-	-	0.00006489	-	-	-	-	-	0.00002488	0.00049449	0.00008832
RB_GUP_CWIP ENERGY	0.00137841	0.00049189	0.00002917	0.00010840	0.00000330	0.00000092	0.00012033	0.00002005	0.00000924	0.00000201	0.00000173	0.00007153	0.00005838	0.00000862	0.00037355	0.00006718	0.00000082	0.00000952	0.00000177
RB_GUP_CWIP CUSTOMER	0.02364326	0.01113677	0.00271937	0.00085562	0.00027117	0.00008953	0.00028989	0.00009369	0.00016935	0.00002529	0.00000077	0.00004855	0.00022863	0.00003793	0.00016438	0.00003793	0.00000128	0.00672830	0.00074482
RB_GUP_CWIP TOTAL	1.00000000	0.49390017	0.02259970	0.08328022	0.00262543	0.00068233	0.08457303	0.01341397	0.00588504	0.00108658	0.00105162	0.04088640	0.03580404	0.00343987	0.17584792	0.02519725	0.00042888	0.00828451	0.00101303
RB_GUP_EPIS_D PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_D BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_D SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_D DISTPRI	0.51214902	0.34483083	0.01314836	0.05600928	0.00170340	-	0.05594441	0.00938317	-	-	0.00073839	0.02916702	-	-	-	-	0.00029841	0.00079173	0.00013403
RB_GUP_EPIS_D DISTSEC	0.34010176	0.25098814	0.01410460	0.03759878	-	-	0.03297930	-	-	-	0.00042750	-	-	-	-	-	0.00016389	0.00325771	0.00058185
RB_GUP_EPIS_D ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_D CUSTOMER	0.14774922	0.06493787	0.01708915	0.00536506	0.00182979	0.00060517	0.00191517	0.00062809	0.00114490	0.00017104	0.00000509	0.00032540	0.00154561	0.00025656	0.00111174	0.00025656	0.00000803	0.04568174	0.00487227
RB_GUP_EPIS_D TOTAL	1.00000000	0.66075684	0.04434210	0.09897312	0.00353318	0.00060517	0.09083889	0.01001126	0.00114490	0.00017104	0.00117098	0.02949241	0.00154561	0.00025656	0.00111174	0.00025656	0.00047032	0.04973118	0.00558815
RB_GUP_EPIS_G PRODUCTION	0.43162292	0.20081911	0.00806079	0.03497257	0.00107407	0.00029330	0.03628692	0.00609747	0.00283308	0.00061082	0.00044731	0.01861789	0.01750961	0.00195672	0.08683259	0.01446909	0.00018275	0.00047792	0.00008090
RB_GUP_EPIS_G BULKTRAN	0.01619019	0.00753273	0.00030236	0.00131182	0.00004029	0.00001100	0.00136112	0.00022872	0.00010627	0.00002291	0.00001678	0.00069836	0.00065679	0.00007340	0.00325709	0.00054274	0.00000686	0.00001793	0.00000303
RB_GUP_EPIS_G SUBTRAN	0.00683995	0.00306300	0.00012203	0.00052445	0.00001616	0.00000589	0.00054414	0.00009156	0.00005612	-	0.00000678	0.00028501	0.00036445	-	0.00174908	-	0.00000279	0.00000726	0.00000123
RB_GUP_EPIS_G DISTPRI	0.23325274	0.15704948	0.00598828	0.02550882	0.00077579	-	0.02547928	0.00427346	-	-	0.00033629	0.01328380	-	-	-	-	0.00013591	0.00036058	0.00006104
RB_GUP_EPIS_G DISTSEC	0.14392892	0.10621659	0.00596898	0.01591156	-	-	0.01395663	-	-	-	0.00018091	-	-	-	-	-	0.00006936	0.00137864	0.00024624
RB_GUP_EPIS_G ENERGY	0.05612117	0.02002690	0.00118750	0.00441330	0.00013421	0.00003740	0.00489933	0.00081640	0.00037624	0.00008173	0.00007064	0.00291229	0.00237683	0.00035114	0.01520895	0.00273535	0.00003328	0.00038742	0.00007227
RB_GUP_EPIS_G CUSTOMER	0.11204411	0.07958649	0.01233693	0.00394981	0.00050653	0.00016134	0.00077728	0.00019853	0.00030375	0.00004495	0.00000211	0.00010345	0.00041043	0.00006747	0.00029236	0.00006747	0.00000580	0.01095377	0.00227565
RB_GUP_EPIS_G TOTAL	1.00000000	0.57429431	0.03396686	0.08659234	0.00254705	0.00050893	0.08330471	0.01170614	0.00367546	0.00076042	0.00106081	0.03590080	0.02131809	0.00244872	0.10734007	0.01781465	0.00043673	0.01358352	0.00274036
RB_GUP_EPIS_P PRODUCTION	1.00000000	0.46526518	0.01867553	0.08102575	0.00248845	0.00067954	0.08407089	0.01412684	0.00656379	0.00141518	0.00103633	0.04313462	0.04056690	0.00453340	0.20117696	0.03352253	0.00042341	0.00110726	0.00018744
RB_GUP_EPIS_P BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_P SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_P DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_P DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_P ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_P CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_P TOTAL	1.00000000	0.46526518	0.01867553	0.08102575	0.00248845	0.00067954	0.08407089	0.01412684	0.00656379	0.00141518	0.00103633	0.04313462	0.04056690	0.00453340	0.20117696	0.03352253	0.00042341	0.00110726	0.00018744

KENTUCKY POWER COMPANY
COST-OF-SERVICE STUDY
TWELVE MONTHS ENDING
MARCH 31, 2013

Allocation Factor	Total Retail 1	RS 2	SGS 3	MGS-SEC 4	MGS-PRI 5	MGS-SUB 6	LGS-SEC 7	LGS-PRI 8	LGS-SUB 9	LGS-TRA 10	QP-SEC 11	QP-PRI 12	QP-SUB 13	QP-TRA 14	CIP-TOD-SUB 15	CIP-TOD-TRA 16	MW 17	OL 18	SL 19
AFUDC_OFF PRODUCTION	0.43524107	0.20250251	0.00812836	0.03528573	0.00108308	0.00029576	0.03659111	0.00614858	0.00285683	0.00061594	0.00045106	0.01877396	0.01765638	0.00197312	0.08756048	0.01459038	0.00018428	0.00048193	0.00008158
AFUDC_OFF BULKTRAN	0.22535906	0.10485172	0.00420870	0.01825989	0.00056080	0.00015314	0.01894614	0.00318361	0.00147921	0.00031892	0.00023355	0.00972078	0.00914212	0.00102164	0.04533705	0.00755461	0.00009542	0.00024953	0.00004224
AFUDC_OFF SUBTRAN	0.09520859	0.04263538	0.00163859	0.00730012	0.00022491	0.00008196	0.00757420	0.00127449	0.00078118	-	0.00009437	0.00396714	0.00507298	-	0.02434632	-	0.00003885	0.00010102	0.00001710
AFUDC_OFF DISTPRI	0.12394735	0.08345397	0.00318209	0.01355504	0.00041225	-	0.01353934	0.00227086	-	-	0.00017870	0.00705883	-	-	-	-	0.00007222	0.00019161	0.00003244
AFUDC_OFF DISTSEC	0.08204391	0.06054673	0.00340250	0.00907008	-	-	0.00795571	-	-	-	0.00010313	-	-	-	-	-	0.00003953	0.00078587	0.00014036
AFUDC_OFF ENERGY	0.00135893	0.00048494	0.00002875	0.00010686	0.00000325	0.00000091	0.00011863	0.00001977	0.00000911	0.00000198	0.00000171	0.00007052	0.00005755	0.00000850	0.00036827	0.00006623	0.00000081	0.00000938	0.00000175
AFUDC_OFF CUSTOMER	0.03684108	0.01692687	0.00424609	0.00133490	0.00043492	0.00014369	0.00046120	0.00014989	0.00027181	0.00004060	0.00000123	0.00007757	0.00036695	0.00006089	0.00026388	0.00006089	0.00000199	0.01081708	0.00118053
AFUDC_OFF TOTAL	1.00000000	0.51140212	0.02489508	0.08489262	0.00271920	0.00067546	0.08518633	0.01304720	0.00539813	0.00097744	0.00106374	0.03966889	0.03229599	0.00306416	0.15787599	0.02227212	0.00043310	0.01263642	0.00140600
RB_GUP_EPIS_T PRODUCTION	0.02710507	0.01261104	0.00050620	0.00219621	0.00006745	0.00001842	0.00227875	0.00038291	0.00017791	0.00003836	0.00002809	0.00116917	0.00109957	0.00012288	0.00545291	0.00090863	0.00001148	0.00003001	0.00000508
RB_GUP_EPIS_T BULKTRAN	0.68394514	0.31821586	0.01277304	0.05541716	0.00170197	0.00046477	0.05749988	0.00966198	0.00448927	0.00096790	0.00070880	0.02950171	0.02774554	0.00310059	0.13759400	0.02292757	0.00028959	0.00075731	0.00012820
RB_GUP_EPIS_T SUBTRAN	0.28894980	0.12939466	0.00515506	0.02215523	0.00068257	0.00024874	0.02298703	0.00386797	0.00237080	-	0.00028642	0.01203992	0.01539606	-	0.07388896	-	0.00011790	0.00030658	0.00005190
RB_GUP_EPIS_T DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_T DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_T ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_T CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_T TOTAL	1.00000000	0.46022155	0.01843430	0.07976860	0.00245199	0.00073192	0.08276566	0.01391286	0.00703798	0.00100626	0.00102330	0.04271080	0.04424117	0.00322347	0.21693588	0.02383620	0.00041896	0.00109390	0.00018518
RB_GUP_EPIS PRODUCTION	0.33143885	0.15420695	0.00618980	0.02685508	0.00082477	0.00022522	0.02786436	0.00468218	0.00217549	0.00046905	0.00034348	0.01429649	0.01344545	0.00150254	0.06667786	0.01111067	0.00014033	0.00036699	0.00006213
RB_GUP_EPIS BULKTRAN	0.19089786	0.08881812	0.00356512	0.01546764	0.00047504	0.00012972	0.01604895	0.00269678	0.00125301	0.00027015	0.00019783	0.00823431	0.00774413	0.00086542	0.03840425	0.00639938	0.00008083	0.00021137	0.00003578
RB_GUP_EPIS SUBTRAN	0.08046796	0.03603437	0.00143560	0.00616988	0.00019009	0.00006927	0.00640153	0.00107717	0.00066023	-	0.00007976	0.00335293	0.00428756	-	0.02057691	-	0.00003283	0.00008538	0.00001445
RB_GUP_EPIS DISTPRI	0.20200779	0.13601220	0.00518613	0.02209183	0.00067187	-	0.02206625	0.00370102	-	-	0.00029125	0.01150439	-	-	-	-	0.00011770	0.00031228	0.00005286
RB_GUP_EPIS DISTSEC	0.13380980	0.09874889	0.00554932	0.01479288	-	-	0.01297539	-	-	-	0.00016819	-	-	-	-	-	0.00006448	0.00128172	0.00022892
RB_GUP_EPIS ENERGY	0.00172510	0.00061561	0.00003650	0.00013566	0.00000413	0.00000115	0.00015060	0.00002510	0.00001157	0.00000251	0.00000217	0.00008952	0.00007306	0.00001079	0.00046751	0.00008408	0.00000102	0.00001191	0.00000222
RB_GUP_EPIS CUSTOMER	0.05965264	0.02715084	0.00688048	0.00216245	0.00071168	0.00023519	0.00075249	0.00024505	0.00044489	0.00006645	0.00000200	0.00012697	0.00060061	0.00009968	0.00043193	0.00009968	0.00000323	0.01771550	0.00192352
RB_GUP_EPIS TOTAL	1.00000000	0.54158699	0.02884295	0.08767543	0.00287757	0.00066055	0.08625957	0.01242730	0.00454519	0.00080816	0.00108469	0.03760461	0.02615082	0.00247843	0.12655845	0.01769381	0.00044043	0.01998515	0.00231989
RB_GUP PRODUCTION	0.33143885	0.15420695	0.00618980	0.02685508	0.00082477	0.00022522	0.02786436	0.00468218	0.00217549	0.00046905	0.00034348	0.01429649	0.01344545	0.00150254	0.06667786	0.01111067	0.00014033	0.00036699	0.00006213
RB_GUP BULKTRAN	0.19089786	0.08881812	0.00356512	0.01546764	0.00047504	0.00012972	0.01604895	0.00269678	0.00125301	0.00027015	0.00019783	0.00823431	0.00774413	0.00086542	0.03840425	0.00639938	0.00008083	0.00021137	0.00003578
RB_GUP SUBTRAN	0.08046796	0.03603437	0.00143560	0.00616988	0.00019009	0.00006927	0.00640153	0.00107717	0.00066023	-	0.00007976	0.00335293	0.00428756	-	0.02057691	-	0.00003283	0.00008538	0.00001445
RB_GUP DISTPRI	0.20200779	0.13601220	0.00518613	0.02209183	0.00067187	-	0.02206625	0.00370102	-	-	0.00029125	0.01150439	-	-	-	-	0.00011770	0.00031228	0.00005286
RB_GUP DISTSEC	0.13380980	0.09874889	0.00554932	0.01479288	-	-	0.01297539	-	-	-	0.00016819	-	-	-	-	-	0.00006448	0.00128172	0.00022892
RB_GUP ENERGY	0.00172510	0.00061561	0.00003650	0.00013566	0.00000413	0.00000115	0.00015060	0.00002510	0.00001157	0.00000251	0.00000217	0.00008952	0.00007306	0.00001079	0.00046751	0.00008408	0.00000102	0.00001191	0.00000222
RB_GUP CUSTOMER	0.05965264	0.02715084	0.00688048	0.00216245	0.00071168	0.00023519	0.00075249	0.00024505	0.00044489	0.00006645	0.00000200	0.00012697	0.00060061	0.00009968	0.00043193	0.00009968	0.00000323	0.01771550	0.00192352
RB_GUP TOTAL	1.00000000	0.54158699	0.02884295	0.08767543	0.00287757	0.00066055	0.08625957	0.01242730	0.00454519	0.00080816	0.00108469	0.03760461	0.02615082	0.00247843	0.12655845	0.01769381	0.00044043	0.01998515	0.00231989
REV_OTHER PRODUCTION	0.12036880	0.08884787	0.00541885	0.01372446	0.00005490	0.00030989	0.00427082	0.00119396	0.00061363	-	-	0.00213404	0.00185928	0.00065490	0.00121092	-	-	0.00007530	-
REV_OTHER BULKTRAN	(0.03729866)	(0.02189596)	(0.00041501)	(0.00216477)	(0.00007056)	0.00003319	(0.00243211)	(0.00040362)	(0.00018854)	(0.00004059)	(0.00002973)	(0.00131131)	(0.00118063)	(0.00033715)	(0.00585160)	(0.00096153)	(0.00001214)	(0.00003122)	(0.00000538)
REV_OTHER SUBTRAN	(0.01554839)	(0.00890744)	(0.00016736)	(0.00086523)	(0.00002830)	0.00001782	(0.00097227)	(0.00016156)	(0.00009957)	-	(0.00001201)	(0.00053518)	(0.00065513)	-	(0.00314240)	-	(0.00000494)	(0.00001264)	(0.00000218)
REV_OTHER DISTPRI	0.44624900	0.30397441	0.01229968	0.04919509	0.00137781	-	0.04599947	0.00786357	-	-	0.00058964	0.02394908	-	-	-	-	0.00023829	0.00065494	0.00010703
REV_OTHER DISTSEC	0.33617379	0.24910542	0.01475660	0.03726415	-	-	0.03090604	-	-	-	0.00039092	-	-	-	-	-	0.00014986	0.00306873	0.00053207
REV_OTHER ENERGY	0.11254960	0.08041108	0.00497513	0.01141777	0.00005253	0.00009673	0.00426060	0.00111792	0.00057719	0.00000559	0.00000483	0.00270509	0.00191693	0.00163938	0.00279270	0.00018710	0.00000228	0.00038181	0.00000494
REV_OTHER CUSTOMER	0.03750586	0.02137220	0.00544435	0.00130350	0.00025692	0.00021029	0.00029648	0.00010569	0.00019494	0.00002241	0.00000067	0.00004954	0.00023184	0.00004232	0.00014819	0.00003361	0.00000105	0.00715160	0.00063826
REV_OTHER TOTAL	1.00000000	0.71290757	0.04231224	0.10987497	0.00164330	0.00066792	0.08233102	0.00971596	0.00109767	(0.00001260)	0.00094432	0.02699126	0.00217229	0.00199945	(0.00484219)	(0.00074083)	0.00037439	0.01128852	0.00127474
REV_SALES PRODUCTION	0.41016253	0.16892114	0.01032638	0.04262451	0.00124506	0.00042161	0.04186966	0.00733727	0.00299270	0.00056777	0.00047801	0.01882078	0.01864161	0.00154128	0.07910561	0.01422847	0.00024160	0.00066975	0.00012933
REV_SALES BULKTRAN	(0.02194822)	(0.01625692)	0.00022994	0.00049477	0.00001845	0.00007167	(0.00020288)	0.00000975	(0.00000130)	(0.00003757)	0.00005853	(0.00065324)	(0.00017088)	(0.00048744)	(0.00530516)	0.00025923	0.00001353	0.00000477	0.00000656
REV_SALES SUBTRAN	(0.00953816)	(0.00661806)	0.00009305	0.00019851	0.00000743	0.00003844	(0.00008084)	0.00000400	(0.00000068)	-	0.00002367	(0.00026682)	(0.00009483)	-	(0.00285213)	-	0.00000551	0.00000194	0.00000266
REV_SALES DISTPRI	0.09368451	0.05439896	0.00343046	0.01388046	0.00039867	-	0.01299453	0.00227812	-	-	0.00017428	0.00580293	-	-	-	-	0.00008306	0.00020200	0.00004104
REV_SALES DISTSEC	0.05819561	0.03724995	0.00354227	0.00895201	-	-	0.00733834	-	-	-	0.00009818	-	-	-	-	-	0.00004412	0.00079834	0.00017242
REV_SALES ENERGY	0.42302067	0.15027641	0.00932603	0.03452302	0.00098323	0.00012813	0.03848422	0.00652680	0.00268947	0.00062539	0.00031153	0.02210022	0.01758963	0.00380167	0.11447989	0.01720466	0.00023990	0.00316038	0.00057009
REV_SALES CUSTOMER	0.04642307	0.02446039	0.00610894	0.00188557	0.00039066	0.00017825	0.00046661	0.00014390	0.00021930	0.00002620	0.00000127	0.00006100	0.00029443	0.00002049	0.00015707	0.00004715	0.00000295	0.01038372	0.00158517
REV_SALES TOTAL	1.00000000	0.41243186	0.03305707	0.10253884	0.00304350	0.00083809	0.10086963	0.01629984	0.00589949	0.00118179	0.00114547	0.04586487	0.03625995	0.00487600	0.18558527	0.03173951	0.00063067	0.01522090	0.00250725
REV PRODUCTION	0.40378769	0.16715970	0.01021843	0.04198877	0.00121888	0.00041915	0.04104256	0.00720213	0.00294037	0.00055528	0.00046749	0.01845371	0.01827243	0.00152178	0.07739210	0.01391547	0.00023628	0.00065667	0.00012648
REV BULKTRAN	(0.02228590)	(0.01638097)	0.00021575	0.00043626	0.00001850	0.00007082	(0.00025191)	0.00000065	(0.00000542)	(0.00003763)	0.00005658	(0.00066772)	(0.00019309)	(0.00048414)	(0.00531718)	0.00023238	0.00001296	0.00000398	0.00000629
REV SUBTRAN	(0.00967037)	(0.00666842)	0.00008732	0.00017511	0.00000664	0.00003799	(0.00010045)	0.00000036	(0.00000286)	-	0.00002288	(0.00027273)	(0.00010715)	-	(0.00285852)	-	0.00000528	0.00000162	0.00000255
REV DISTPRI	0.10144017	0.05988908	0.00362556	0.01465731	0.00042020	-	0.01372057	0.00240099	-	-	0.00018342	0.00620211	-	-	-	-	0.00008648	0.00021196	0.00004249
REV DISTSEC	0.06431053	0.04191031	0.00378896	0.00957482	-	-	0.00785677	-	-	-	0.00010462	-	-	-	-	-	0.00004644	0.00084828	0.00018033
REV ENERGY	0.41619098	0.14873952	0.00923032	0.03401475	0.00096275	0.00012744	0.03773137	0.00640782	0.00264301	0.00061175	0.00030478	0.02167357	0.01724486	0.00375411	0.11202301	0.01683031	0.00023468	0.00309926	0.00055766
REV CUSTOMER	0.04622691	0.02439245	0.00609432	0.00185320	0.00038772	0.00017695	0.00046291	0.00014306	0.00021877	0.00002611	0.00000126	0.00006075	0.00029305	0.00002097	0.00016665	0.00004686	0.00000291	0.01031262	0.00156434
REV TOTAL	1.00000000	0.41904168	0.03326066	0.10270022	0.00301270	0.00083435	0.10046182	0.01615501	0.00579386	0.00115552	0.00114104	0.04544969	0.03551010	0.00481272	0.18140606	0.03102501	0.00062504	0.01513440	0.00248014
REVSALES PRODUCTION	1.00000000	0.40723371	0.03260169	0.10132186	0.00320280	0.00127732	0.09897107	0.01575931	0.00633952	0.00116659	0.00175681	0.04606923	0.03769318	0.00208163	0.18674603	0.03993848	0.00068472	0.01463710	0.00251893
REVSALES BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REVSALES SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REVSALES DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REVSALES DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REVSALES ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REVSALES CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REVSALES TOTAL	1.00000000	0.40723371	0.03260169	0.10132186	0.00320280	0.00127732	0.09897107	0.01575931	0.00633952	0.00116659	0.00175681	0.04606923	0.03769318	0.00208163	0.18674603	0.03993848	0.00068472	0.01463710	0.00251893
REVSALES_FXNL PRODUCTION	0.41121017	0.16679211	0.01018413	0.04211862	0.00131023	0.00064256	0.04108159	0.00709396	0.00321592	0.00056047	0.00073313	0.01890464	0.01937844	0.00065799	0.07959609	0.01790398	0.00026230	0.00064406	0.00012993
REVSALES_FXNL BULKTRAN	(0.02137396)	(0.01605203)	0.00022677	0.00048890	0.00001942	0.00010923	(0.00019906)	0.00000942	(0.00000140)	(0.00003708)	0.00008976	(0.00085815)	(0.00017763)	(0.00020810)	(0.00533806)	0.00032620	0.00001469	0.00000459	0.00000659
REVSALES_FXNL SUBTRAN	(0.00944609)	(0.00653465)	0.00009177	0.00019615	0.00000782	0.00005859	(0.00007932)	0.00000387	(0.00000073)	-	0.00003630	(0.00026801)	(0.00009858)	-	(0.00286982)	-	0.00000599	0.00000187	0.00000267
REVSALES_FXNL DISTPRI	0.09260606	0.05371334	0.00338320	0.01371572	0.00041953	-	0.01274995	0.00220257	-	-	0.00026730	0.00582879	-	-	-	-	0.00009018	0.00019425	0.00004123
REVSALES_FXNL DISTSEC	0.05745932	0.03678046	0.00349347	0.00884576	-	-	0.00720021	-	-	-	0.00015057	-	-	-	-	-	0.00004790	0.00076772	0.00017322
REVSALES_FXNL ENERGY	0.42379626	0.14838238	0.00919756	0.03411328	0.00103469	0.00019528	0.03775987	0.00631037	0.00289007	0.00061734	0.00047780	0.02219869	0.01828489	0.00162299	0.11518971	0.02164897	0.00026046	0.00303917	0.00057274
REVSALES_FXNL CUSTOMER	0.04574824	0.02415210	0.00602479	0.00184343	0.00041111	0.00027166	0.00045783	0.00013913	0.00023566	0.00002586	0.00000195	0.00006128	0.00030606	0.00000875	0.00015810	0.00005933	0.00000321	0.00998545	0.00159255
REVSALES_FXNL TOTAL	1.00000000	0.40723371	0.03260169	0.10132186	0.00320280	0.00127732	0.09897107	0.01575931	0.00633952	0.00116659	0.00175681	0.04606923	0.03769318	0.00208163	0.18674603	0.03993848	0.00068472	0.01463710	0.00251893
REVYEC PRODUCTION	1.00000000	0.01459345	(0.00179491)	0.00939779	0.01523566	0.03445432	(0.04443574)	(0.02506908)	0.03957668	0.00001875	0.04793459	0.06150614	0.14595171	(0.20899008)	0.27366800	0.65924454	0.00476716	(0.02946028)	0.00340122
REVYEC BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REVYEC SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REVYEC DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REVYEC DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REVYEC ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REVYEC CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REVYEC TOTAL	1.00000000	0.01459345	(0.00179491)	0.00939779	0.01523566	0.03445432	(0.04443574)	(0.02506908)	0.03957668	0.00001875	0.04793459	0.06150614	0.14595171	(0.20899008)	0.27366808	0.65924454	0.00476716	(0.02946028)	0.00340122

KENTUCKY POWER COMPANY
COST-OF-SERVICE STUDY
TWELVE MONTHS ENDING
MARCH 31, 2013

Allocation Factor	Total Retail 1	RS 2	SGS 3	MGS-SEC 4	MGS-PRI 5	MGS-SUB 6	LGS-SEC 7	LGS-PRI 8	LGS-SUB 9	LGS-TRA 10	QP-SEC 11	QP-PRI 12	QP-SUB 13	QP-TRA 14	CIP-TOD-SUB 15	CIP-TOD-TRA 16	MW 17	OL 18	SL 19
AFUDC_OFF PRODUCTION	0.43524107	0.20250251	0.00812836	0.03526573	0.00108308	0.00029576	0.03659111	0.00614858	0.00285683	0.00061594	0.00045106	0.01877396	0.01765638	0.00197312	0.08756048	0.01459038	0.00018428	0.00048193	0.00008158
AFUDC_OFF BULKTRAN	0.22535906	0.10485172	0.00420870	0.01825989	0.00056080	0.00015314	0.01894614	0.00318361	0.00147921	0.00031892	0.00023355	0.00972078	0.00914212	0.00102164	0.04533705	0.00755461	0.00009542	0.00024953	0.00004224
AFUDC_OFF SUBTRAN	0.09520859	0.04263538	0.00169859	0.00730012	0.00022491	0.00008196	0.00757420	0.00127449	0.00078118	-	0.00009437	0.00396714	0.00507298	-	0.02434632	-	0.00003885	0.00010102	0.00001710
AFUDC_OFF DISTPRI	0.12394735	0.08345397	0.00318209	0.01355504	0.00041225	-	0.01353934	0.00227086	-	-	0.00017870	0.00705883	-	-	-	-	0.00007222	0.00019161	0.00003244
AFUDC_OFF DISTSEC	0.08204391	0.06054673	0.00340250	0.00907008	-	-	0.00795571	-	-	-	0.00010313	-	-	-	-	-	0.00003953	0.00078587	0.00014036
AFUDC_OFF ENERGY	0.00135893	0.00048494	0.00002875	0.00010686	0.00000325	0.00000091	0.00011863	0.00001977	0.00000911	0.00000198	0.00000171	0.00007052	0.00005755	0.00000850	0.00036827	0.00006623	0.00000081	0.00000038	0.00000175
AFUDC_OFF CUSTOMER	0.03684108	0.01692687	0.00424609	0.00133490	0.00043492	0.00014369	0.00046120	0.00014989	0.00027181	0.00004060	0.00000123	0.00007767	0.00036695	0.00006089	0.00026388	0.00006089	0.00000199	0.01081706	0.00118053
AFUDC_OFF TOTAL	1.00000000	0.51140212	0.02489508	0.08489262	0.00271920	0.00067546	0.08518633	0.01304720	0.00539813	0.00097744	0.00106374	0.03966889	0.03229599	0.00306416	0.15787599	0.02227212	0.00043310	0.01263642	0.00149600
REVYEC_FXNL PRODUCTION	0.49034336	0.00597709	(0.00056069)	0.00390658	0.00623275	0.01733246	(0.01844469)	(0.01128469)	0.02007651	0.00000901	0.02000336	0.02523922	0.07503525	(0.06606068)	0.11664457	0.29553198	0.00182620	(0.00129630)	0.00017544
REVYEC_FXNL BULKTRAN	0.02200259	(0.00057523)	(0.00001248)	0.00004535	0.00009238	0.00294629	0.00008937	(0.00001499)	(0.00000875)	(0.00000060)	0.00244916	(0.00087602)	(0.00068782)	0.02089233	(0.00782269)	0.00538436	0.00010224	(0.00000923)	0.00000889
REVYEC_FXNL SUBTRAN	(0.00249178)	(0.00023417)	(0.00000505)	0.00001819	0.00003718	0.00158031	0.00003561	(0.00000615)	(0.00000457)	-	0.00099044	(0.00035782)	(0.00038170)	-	(0.00420559)	-	0.00004169	(0.00000375)	0.00000361
REVYEC_FXNL DISTPRI	0.01114602	0.00192485	(0.00018626)	0.00127216	0.00199570	-	(0.00572443)	(0.00350374)	-	-	0.00729331	0.00778190	-	-	-	-	0.00062785	(0.00039097)	0.00005567
REVYEC_FXNL DISTSEC	0.00184402	0.00131805	(0.00019234)	0.00082046	-	-	(0.00323273)	-	-	-	0.00410842	-	-	-	-	-	0.00033346	(0.00154520)	0.00023389
REVYEC_FXNL ENERGY	0.48238049	0.00531737	(0.00050638)	0.00316407	0.00492200	0.00526746	(0.01695332)	(0.01003820)	0.01804230	0.00000992	0.01303665	0.02963705	0.07080088	(0.16294333)	0.16880544	0.35734879	0.00181339	(0.00611697)	0.00077335
REVYEC_FXNL CUSTOMER	(0.00522469)	0.00086550	(0.00033170)	0.00017098	0.00195565	0.00732780	(0.00020555)	(0.00022132)	0.00147119	0.00000042	0.00005325	0.00008181	0.00118511	(0.00087841)	0.00024635	0.00097940	0.00002232	(0.02009785)	0.00215036
REVYEC_FXNL TOTAL	1.00000000	0.01459345	(0.00179491)	0.00939779	0.01523566	0.03445432	(0.04443574)	(0.02506908)	0.03957668	0.00001875	0.04793459	0.06150614	0.14595171	(0.20899008)	0.27366808	0.65924454	0.00476716	(0.02946028)	0.00340122
REVYEC_EXP_OM PRODUCTION	0.38361770	0.00602642	(0.00051466)	0.00366369	0.00606899	0.01513501	(0.01712832)	(0.01024158)	0.01815189	0.00000811	0.01667423	0.02278558	0.06703141	(0.07401923)	0.10415321	0.22559185	0.00151278	(0.00143433)	0.00015265
REVYEC_EXP_OM BULKTRAN	(0.09636587)	(0.00151701)	0.00012948	(0.00092172)	(0.00152694)	(0.00380344)	0.00430922	0.00257617	(0.00456511)	(0.00000204)	(0.00419214)	(0.00573185)	(0.01685694)	0.01863027	(0.02618098)	(0.05668514)	(0.00038037)	0.00036107	(0.00003841)
REVYEC_EXP_OM SUBTRAN	(0.03071410)	(0.00061686)	0.00005226	(0.00036849)	(0.00061238)	(0.00203557)	0.00172272	0.00103132	(0.00241086)	-	(0.00169400)	(0.00233923)	(0.00935399)	-	(0.01406479)	-	(0.00015486)	0.00014617	(0.00001555)
REVYEC_EXP_OM DISTPRI	0.00751544	0.00167501	(0.00013593)	0.00095011	0.00155849	-	(0.00427603)	(0.00255232)	-	-	0.00445905	0.00578060	-	-	-	-	0.00040014	(0.00038461)	0.00004095
REVYEC_EXP_OM DISTSEC	0.00054564	0.00113294	(0.00013551)	0.00059272	-	-	(0.00234253)	-	-	-	0.00239920	-	-	-	-	-	0.00020423	(0.00147060)	0.00016520
REVYEC_EXP_OM ENERGY	0.74167042	0.00690876	(0.00087143)	0.00531386	0.00871613	0.02217222	(0.02658024)	(0.01576004)	0.02770408	0.00001247	0.03025812	0.04096445	0.10456864	(0.15268991)	0.20064529	0.48994125	0.00316581	(0.01336633)	0.00156729
REVYEC_EXP_OM CUSTOMER	(0.00624923)	0.00098420	(0.00031912)	0.00016762	0.00103138	0.00298610	(0.00014056)	(0.00012264)	0.00069658	0.00000021	0.00003012	0.00004659	0.00056258	(0.00091121)	0.00012535	0.00037658	0.00001944	(0.01331164)	0.00152908
REVYEC_EXP_OM TOTAL	1.00000000	0.01459345	(0.00179491)	0.00939779	0.01523566	0.03445432	(0.04443574)	(0.02506908)	0.03957668	0.00001875	0.04793459	0.06150614	0.14595171	(0.20899008)	0.27366808	0.65924454	0.00476716	(0.02946028)	0.00340122
TDOMX PRODUCTION	0.15161294	0.07054022	0.00283145	0.01228455	0.00037728	0.00010303	0.01274624	0.00214181	0.00099515	0.00021456	0.00015712	0.00653977	0.00615047	0.00068732	0.03050103	0.00508245	0.00006419	0.00016788	0.00002842
TDOMX BULKTRAN	0.08967507	0.04172269	0.00167473	0.00726599	0.00022315	0.00006094	0.00753906	0.00126683	0.00058861	0.00012691	0.00009293	0.00386810	0.00363784	0.00040653	0.01804056	0.00300614	0.00003797	0.00009929	0.00001681
TDOMX SUBTRAN	0.03768548	0.01696550	0.00067590	0.00290487	0.00008950	0.00003261	0.00301393	0.00050715	0.00031085	-	0.00003755	0.00157861	0.00201865	-	0.00968791	-	0.00001546	0.00004020	0.00000680
TDOMX DISTPRI	0.41948097	0.28243727	0.01076930	0.04587498	0.00139518	-	0.04582185	0.00768538	-	-	0.00060479	0.02388955	-	-	-	-	0.00024441	0.00064847	0.00010978
TDOMX DISTSEC	0.25884129	0.19101957	0.01073459	0.02861531	-	-	0.02509956	-	-	-	0.00032535	-	-	-	-	-	0.00012473	0.00247935	0.00044283
TDOMX ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TDOMX CUSTOMER	0.04250425	0.01696944	0.00573693	0.00180796	0.00084948	0.00028052	0.00081693	0.00029246	0.00053069	0.00007928	0.00000217	0.00015152	0.00071644	0.00011892	0.00051532	0.00011892	0.00000270	0.00945857	0.00405600
TDOMX TOTAL	1.00000000	0.61965469	0.03242290	0.09675366	0.00293459	0.00047709	0.09503757	0.01189363	0.00242530	0.00042075	0.00121992	0.03602754	0.01252339	0.00121278	0.05874482	0.00820751	0.00048946	0.01289376	0.00466064
TDPLANT PRODUCTION	0.01143091	0.00531841	0.00021348	0.00092620	0.00002845	0.00000777	0.00096101	0.00016148	0.00007503	0.00001618	0.00001185	0.00049307	0.00046372	0.00005182	0.00229964	0.00038319	0.00000484	0.00001268	0.00000214
TDPLANT BULKTRAN	0.28909027	0.13450363	0.00539892	0.02342375	0.00071939	0.00019645	0.02430408	0.00408393	0.00189753	0.00040911	0.00029959	0.01246980	0.01172750	0.00131056	0.05815830	0.00969104	0.00012240	0.00032010	0.00005419
TDPLANT SUBTRAN	0.12185767	0.05456910	0.00217402	0.00934344	0.00028786	0.00010490	0.00969423	0.00163122	0.00099983	-	0.00012079	0.00507755	0.00649292	-	0.03116090	-	0.00004972	0.00012929	0.00002189
TDPLANT DISTPRI	0.29582811	0.19918158	0.00759477	0.03235214	0.00098392	-	0.03231468	0.00541992	-	-	0.00042651	0.01684749	-	-	-	-	0.00017237	0.00045732	0.00007742
TDPLANT DISTSEC	0.19644997	0.14497606	0.00814711	0.02171785	-	-	0.01904954	-	-	-	0.00024593	-	-	-	-	-	0.00009466	0.00188172	0.00033609
TDPLANT ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TDPLANT CUSTOMER	0.08534308	0.03750949	0.00987105	0.00309897	0.00105692	0.00034956	0.00110625	0.00036280	0.00066132	0.00009879	0.00000294	0.00018796	0.00089278	0.00014819	0.00064216	0.00014819	0.00000464	0.02638674	0.00281433
TDPLANT TOTAL	1.00000000	0.57605827	0.03339935	0.09086236	0.00307653	0.00065868	0.08742978	0.01165936	0.00363370	0.00052409	0.00110861	0.03507586	0.01957691	0.00151057	0.09226100	0.01022242	0.00044863	0.02918783	0.00330605
TOTMXEXP PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTMXEXP BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTMXEXP SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTMXEXP DISTPRI	0.61434974	0.41364276	0.01577215	0.06718608	0.00204331	-	0.06710827	0.01125561	-	-	0.00088574	0.03498737	-	-	-	-	0.00035795	0.00094972	0.00016077
TOTMXEXP DISTSEC	0.37815910	0.27907367	0.01568290	0.04180607	-	-	0.03666968	-	-	-	0.00047533	-	-	-	-	-	0.00018222	0.00362225	0.00064696
TOTMXEXP ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTMXEXP CUSTOMER	0.00749116	0.00086719	0.00048844	0.00015475	0.00010018	0.00003313	0.00009036	0.00003439	0.00006268	0.00000936	0.00000024	0.00001781	0.00008462	0.00001405	0.00006087	0.00001405	0.00000023	0.00339049	0.00206832
TOTMXEXP TOTAL	1.00000000	0.69358362	0.03194349	0.10914691	0.00214349	0.00003313	0.10386831	0.01129000	0.00006268	0.00000936	0.00136132	0.03500519	0.00008462	0.00001405	0.00006087	0.00001405	0.00054041	0.00796247	0.00287605
TOTOHLINES PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTOHLINES BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTOHLINES SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTOHLINES DISTPRI	0.61079157	0.41124703	0.01568080	0.06679696	0.00203148	-	0.06671960	0.01119042	-	-	0.00088061	0.03478473	-	-	-	-	0.00035588	0.00094422	0.00015984
TOTOHLINES DISTSEC	0.38920843	0.28722785	0.01614113	0.04302759	-	-	0.03774112	-	-	-	0.00048922	-	-	-	-	-	0.00018755	0.00372809	0.00066586
TOTOHLINES ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTOHLINES CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTOHLINES TOTAL	1.00000000	0.69847488	0.03182193	0.10982455	0.00203148	-	0.10446072	0.01119042	-	-	0.00136983	0.03478473	-	-	-	-	0.00054343	0.00467231	0.00082570
TOTOX234 PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTOX234 BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTOX234 SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTOX234 DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTOX234 DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTOX234 ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTOX234 CUSTOMER	1.00000000	0.85867079	0.10222793	0.03340879	0.00039051	0.00006133	0.00374077	0.00041840	0.00010090	0.00001016	0.00001061	0.00022644	0.00014210	0.00001583	0.00006852	0.00001583	0.00004802	0.00022386	0.00021923
TOTOX234 TOTAL	1.00000000	0.85867079	0.10222793	0.03340879	0.00039051	0.00006133	0.00374077	0.00041840	0.00010090	0.00001016	0.00001061	0.00022644	0.00014210	0.00001583	0.00006852	0.00001583	0.00004802	0.00022386	0.00021923
TOTOXEXP PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTOXEXP BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTOXEXP SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTOXEXP DISTPRI	0.48591498	0.32716740	0.01247485	0.05314029	0.00161614	-	0.05307875	0.00890253	-	-	0.00070057	0.02767298	-	-	-	-	0.00028312	0.00075117	0.00012716
TOTOXEXP DISTSEC	0.30257926	0.22329730	0.01254848	0.03345061	-	-	0.02934079	-	-	-	0.00038033	-	-	-	-	-	0.00014580	0.00289830	0.00051756
TOTOXEXP ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTOXEXP CUSTOMER	0.21150576	0.09073477	0.03009646	0.00948229	0.00437391	0.00144421	0.00422404	0.00150615	0.00273221	0.00040817	0.00001123	0.00078030	0.00368848	0.00061225	0.00265309	0.00061225	0.00001414	0.04195955	0.01617226
TOTOXEXP TOTAL	1.00000000	0.64119948	0.05511979	0.09607319	0.00599005	0.00144421	0.08664357	0.01040869	0.00273221	0.00040817	0.00109213	0.02845328	0.00368848	0.00061225	0.00265309	0.00061225	0.00044306	0.04560903	0.01681708
TOTUGLINES PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTUGLINES BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTUGLINES SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTUGLINES DISTPRI	0.62500000	0.42081359	0.01604557	0.06835081	0.00207874	-	0.06827185	0.01145073	-	-	0.00090110	0.03559391	-	-	-	-	0.00036416	0.00096618	0.00016356
TOTUGLINES DISTSEC	0.37500000	0.27674232	0.01555189	0.04145683	-	-	0.03636335	-	-	-	0.00047136	-	-	-	-	-	0.00018070	0.00359199	0.00064156
TOTUGLINES ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTUGLINES CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTUGLINES TOTAL	1.00000000	0.69755592	0.03159746	0.10980764	0.00207874	-	0.10463500	0.01145073	-	-	0.00137246	0.03559391	-	-	-	-	0.00054486	0.00455818	0.00080512

KENTUCKY POWER COMPANY
COST-OF-SERVICE STUDY
TWELVE MONTHS ENDING
MARCH 31, 2013

Allocation Factor	Total Retail 1	RS 2	SGS 3	MGS-SEC 4	MGS-PRI 5	MGS-SUB 6	LGS-SEC 7	LGS-PRI 8	LGS-SUB 9	LGS-TRA 10	QP-SEC 11	QP-PRI 12	QP-SUB 13	QP-TRA 14	CIP-TOD-SUB 15	CIP-TOD-TRA 16	MW 17	OL 18	SL 19
AFUDC_OFF PRODUCTION	0.43524107	0.20250251	0.00812836	0.03526573	0.00108308	0.00029576	0.03659111	0.00614858	0.00285683	0.00061594	0.00045106	0.01877396	0.01765838	0.00197312	0.08756048	0.01459038	0.00018428	0.00048193	0.00008158
AFUDC_OFF BULKTRAN	0.22535906	0.10485172	0.00420870	0.01825989	0.00056080	0.00015314	0.01894614	0.00318361	0.00147921	0.00031892	0.00023355	0.00972078	0.00914212	0.00102164	0.04533705	0.00755461	0.00009542	0.00024953	0.00004224
AFUDC_OFF SUBTRAN	0.09520859	0.04263538	0.00169859	0.00730012	0.00022491	0.00008196	0.00757420	0.00127449	0.00078118	-	0.00009437	0.00396714	0.00507298	-	0.02434632	-	0.00003885	0.00010102	0.00001710
AFUDC_OFF DISTPRI	0.12394735	0.08345397	0.00318209	0.01355504	0.00041225	-	0.01353934	0.00227086	-	-	0.00017870	0.00705883	-	-	-	-	0.00007222	0.00019161	0.00003244
AFUDC_OFF DISTSEC	0.08204391	0.06054673	0.00340250	0.00907008	-	-	0.00795571	-	-	-	0.00010313	-	-	-	-	-	0.00003953	0.00078587	0.00014036
AFUDC_OFF ENERGY	0.00135893	0.00048494	0.00002875	0.00010686	0.00000325	0.00000091	0.00011863	0.00001977	0.00000911	0.00000198	0.00000171	0.00007052	0.00005755	0.00000850	0.00036827	0.00006623	0.00000081	0.00000938	0.00000175
AFUDC_OFF CUSTOMER	0.03684108	0.01692687	0.00424609	0.00133490	0.00043492	0.00014369	0.00046120	0.00014989	0.00027181	0.00004060	0.00000123	0.00007767	0.00036695	0.00006089	0.00026388	0.00006089	0.00000199	0.01081708	0.00118053
AFUDC_OFF TOTAL	1.00000000	0.51140212	0.02489508	0.08489262	0.00271920	0.00067546	0.08518633	0.01304720	0.00539813	0.00097744	0.00106374	0.03966889	0.03229599	0.00306416	0.15787599	0.02227212	0.00043310	0.01263642	0.00149600
TRANS_TOTAL PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TRANS_TOTAL BULKTRAN	0.70300000	0.32708142	0.01312890	0.05696110	0.00174938	0.00047771	0.05910184	0.00993117	0.00461434	0.00099487	0.00072854	0.03032364	0.02851853	0.00318696	0.14142740	0.02356634	0.00029765	0.00077841	0.00013177
TRANS_TOTAL SUBTRAN	0.29700000	0.13299962	0.00529868	0.02277248	0.00070159	0.00025567	0.02362745	0.00397573	0.00243685	-	0.00029440	0.01237535	0.01582500	-	0.07594752	-	0.00012119	0.00031512	0.00005335
TRANS_TOTAL DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TRANS_TOTAL DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TRANS_TOTAL ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TRANS_TOTAL CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TRANS_TOTAL TOTAL	1.00000000	0.46008104	0.01842758	0.07973358	0.00245098	0.00073338	0.08272929	0.01390690	0.00705119	0.00099487	0.00102294	0.04269899	0.04434353	0.00318696	0.21737492	0.02356634	0.00041884	0.00109353	0.00018512

KENTUCKY POWER COMPANY
COST-OF-SERVICE STUDY
TWELVE MONTHS ENDING
MARCH 31, 2013

ALLOCATOR	FUNCTION	Total	RS	SGS	MGS-SEC	MGS-PRI	MGS-SUB	LGS-SEC	LGS-PRI	LGS-SUB	LGS-TRA	QP-SEC	QP-PRI	QP-SUB	QP-TRA	CIP-TOD-SUB	CIP-TOD-TRA	MW	OL	SL
INPUTS FROM WORKPAPERS																				
CPG		1,154,586	537,189	21,563	93,551	2,873	785	97,067	16,311	7,578	1,634	1,197	49,803	46,838	5,234	232,276	38,705	489	1,278	216
PROD_DEMAND	PRODUCTION	1.00000000	0.46526518	0.01867553	0.08102575	0.00248845	0.00067954	0.08407089	0.01412684	0.00656379	0.00141518	0.00103633	0.04313462	0.04056690	0.00453340	0.20117696	0.03352253	0.00042341	0.00110726	0.00018744
PROD_DEMAND	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROD_DEMAND	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROD_DEMAND	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROD_DEMAND	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROD_DEMAND	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROD_DEMAND	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROD_DEMAND	TOTAL	1.00000000	0.46526518	0.01867553	0.08102575	0.00248845	0.00067954	0.08407089	0.01412684	0.00656379	0.00141518	0.00103633	0.04313462	0.04056690	0.00453340	0.20117696	0.03352253	0.00042341	0.00110726	0.00018744
ENER		7,049,824,613	2,515,737,354	149,171,019	554,389,064	16,858,884	4,697,711	615,443,289	102,554,968	47,263,014	10,266,882	8,873,267	365,835,669	298,571,815	44,109,277	1,910,517,257	343,609,379	4,180,635	48,666,992	9,078,136
PROD_ENERGY	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROD_ENERGY	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROD_ENERGY	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROD_ENERGY	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROD_ENERGY	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROD_ENERGY	ENERGY	1.00000000	0.35685106	0.02115954	0.07863870	0.00239139	0.00066636	0.08729909	0.01454717	0.00670414	0.00145633	0.00125865	0.05189288	0.04235167	0.00625679	0.27100210	0.04874013	0.00059301	0.00690329	0.00128771
PROD_ENERGY	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PROD_ENERGY	TOTAL	1.00000000	0.35685106	0.02115954	0.07863870	0.00239139	0.00066636	0.08729909	0.01454717	0.00670414	0.00145633	0.00125865	0.05189288	0.04235167	0.00625679	0.27100210	0.04874013	0.00059301	0.00690329	0.00128771
CPT		1,154,586	537,189	21,563	93,551	2,873	785	97,067	16,311	7,578	1,634	1,197	49,803	46,838	5,234	232,276	38,705	489	1,278	216
BULK_TRANS	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BULK_TRANS	BULKTRAN	1.00000000	0.46526518	0.01867553	0.08102575	0.00248845	0.00067954	0.08407089	0.01412684	0.00656379	0.00141518	0.00103633	0.04313462	0.04056690	0.00453340	0.20117696	0.03352253	0.00042341	0.00110726	0.00018744
BULK_TRANS	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BULK_TRANS	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BULK_TRANS	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BULK_TRANS	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BULK_TRANS	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BULK_TRANS	TOTAL	1.00000000	0.46526518	0.01867553	0.08102575	0.00248845	0.00067954	0.08407089	0.01412684	0.00656379	0.00141518	0.00103633	0.04313462	0.04056690	0.00453340	0.20117696	0.03352253	0.00042341	0.00110726	0.00018744
CPST		880,629	394,355	15,711	67,522	2,080	758	70,057	11,788	7,225	0	873	36,694	46,922	0	225,191	0	359	934	158
SUB_TRANS	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUB_TRANS	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUB_TRANS	SUBTRAN	1.00000000	0.44781016	0.01784068	0.07667501	0.00236226	0.00086083	0.07955372	0.01338630	0.00820488	-	0.00099123	0.04166786	0.05328283	-	0.25571556	-	0.00040803	0.00106102	0.00017961
SUB_TRANS	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUB_TRANS	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUB_TRANS	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUB_TRANS	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUB_TRANS	TOTAL	1.00000000	0.44781016	0.01784068	0.07667501	0.00236226	0.00086083	0.07955372	0.01338630	0.00820488	-	0.00099123	0.04166786	0.05328283	-	0.25571556	-	0.00040803	0.00106102	0.00017961
ENER_SUB		5,418,531,503	1,846,106,972	109,513,132	406,999,463	12,380,788	4,564,023	451,894,943	75,299,869	45,890,692	0	6,515,473	268,663,331	289,843,501	0	1,855,352,102	0	3,070,325	35,764,290	6,670,600
SUB_ENERGY	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUB_ENERGY	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUB_ENERGY	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUB_ENERGY	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUB_ENERGY	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUB_ENERGY	ENERGY	1.00000000	0.34070282	0.02021085	0.07511250	0.00228490	0.00084230	0.08339805	0.01389673	0.00846921	-	0.00120244	0.04958231	0.05349115	-	0.34240866	-	0.00056663	0.00660037	0.00123107
SUB_ENERGY	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SUB_ENERGY	TOTAL	1.00000000	0.34070282	0.02021085	0.07511250	0.00228490	0.00084230	0.08339805	0.01389673	0.00846921	-	0.00120244	0.04958231	0.05349115	-	0.34240866	-	0.00056663	0.00660037	0.00123107
CPD		789,614	531,648	20,272	86,353	2,626	0	86,253	14,467	0	0	1,138	44,969	0	0	0	0	460	1,221	207
DIST_CPD	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_CPD	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_CPD	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_CPD	DISTPRI	1.00000000	0.67330175	0.02567291	0.10936129	0.00332598	-	0.10923464	0.01832117	-	-	0.00144175	0.05695025	-	-	-	-	0.00058265	0.00154590	0.00026170
DIST_CPD	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_CPD	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_CPD	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_CPD	TOTAL	1.00000000	0.67330175	0.02567291	0.10936129	0.00332598	-	0.10923464	0.01832117	-	-	0.00144175	0.05695025	-	-	-	-	0.00058265	0.00154590	0.00026170
SECDEM		1,463,046	1,079,698	50,675	161,742	0	0	141,870	0	0	0	1,839	0	0	0	0	0	705	14,014	2,503
DISTSEC	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DISTSEC	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DISTSEC	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DISTSEC	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DISTSEC	DISTSEC	1.00000000	0.73797953	0.04147170	0.11055155	-	-	0.09696893	-	-	-	0.00125697	-	-	-	-	-	0.00048187	0.00957865	0.00171081
DISTSEC	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DISTSEC	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DISTSEC	TOTAL	1.00000000	0.73797953	0.04147170	0.11055155	-	-	0.09696893	-	-	-	0.00125697	-	-	-	-	-	0.00048187	0.00957865	0.00171081
TOTCUST		220,113	140,750	23,414	7,277	83	13	759	83	20	2	2	43	27	3	13	3	11	47,554	56
CUST_TOTAL	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_TOTAL	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_TOTAL	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_TOTAL	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_TOTAL	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_TOTAL	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_TOTAL	CUSTOMER	1.00000000	0.63944429	0.10637264	0.03306029	0.00037708	0.00005906	0.00344823	0.00037708	0.00009086	0.00000909	0.00000909	0.00019535	0.00012266	0.00001363	0.00005906	0.00001363	0.00004997	0.21604358	0.00025441
CUST_TOTAL	TOTAL	1.00000000	0.63944429	0.10637264	0.03306029	0.00037708	0.00005906	0.00344823	0.00037708	0.00009036	0.00000909	0.00000909	0.00019535	0.00012266	0.00001363	0.00005906	0.00001363	0.00004997	0.21604358	0.00025441
PRICUST		220,032	140,750	23,414	7,277	83	0	759	83	0	0	2	43	0	0	0	0	11	47,554	56
DIST_PCUST	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_PCUST	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_PCUST	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_PCUST	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_PCUST	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_PCUST	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_PCUST	CUSTOMER	1.00000000	0.63967968	0.10641179	0.03307246	0.00037722	-	0.00344950	0.00037722	-	-	0.00000909	0.00019543	-	-	-	-	0.00004999	0.21612311	0.00025451
DIST_PCUST	TOTAL	1.00000000	0.63967968	0.10641179	0.03307246	0.00037722	-	0.00344950	0.00037722	-	-	0.00000909	0.00019543	-	-	-	-	0.00004999	0.21612311	0.00025451

KENTUCKY POWER COMPANY
COST-OF-SERVICE STUDY
TWELVE MONTHS ENDING
MARCH 31, 2013

ALLOCATOR	FUNCTION	Total	RS	SGS	MGS-SEC	MGS-PRI	MGS-SUB	LGS-SEC	LGS-PRI	LGS-SUB	LGS-TRA	QP-SEC	QP-PRI	QP-SUB	QP-TRA	CIP-TOD-SUB	CIP-TOD-TRA	MW	OL	SL
SECCUST		219,823	140,750	23,414	7,277	0	0	759	0	0		2	0	0		0	0	11	47,554	56
DIST_SERV	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_SERV	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_SERV	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_SERV	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_SERV	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_SERV	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_SERV	CUSTOMER	1.00000000	0.64028787	0.10651297	0.03310391	-	-	0.00345278	-	-	-	0.00000910	-	-	-	-	-	0.00005004	0.21632859	0.00025475
DIST_SERV	TOTAL	1.00000000	0.64028787	0.10651297	0.03310391	-	-	0.00345278	-	-	-	0.00000910	-	-	-	-	-	0.00005004	0.21632859	0.00025475
METER		35,300,183	15,062,379	8,483,828	2,687,913	1,740,008	575,482	1,569,434	597,275	1,088,722	162,645	4,176	309,432	1,469,774	243,968	1,057,193	243,968	3,986	0	0
DIST_METERS	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_METERS	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_METERS	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_METERS	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_METERS	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_METERS	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_METERS	CUSTOMER	1.00000000	0.42669408	0.24033382	0.07614445	0.04929176	0.01630252	0.04445966	0.01691988	0.03084182	0.00460748	0.00011830	0.00876573	0.04163644	0.00691124	0.02994865	0.00691124	0.00011292	-	-
DIST_METERS	TOTAL	1.00000000	0.42669408	0.24033382	0.07614445	0.04929176	0.01630252	0.04445966	0.01691988	0.03084182	0.00460748	0.00011830	0.00876573	0.04163644	0.00691124	0.02994865	0.00691124	0.00011292	-	-
DIR371		1	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	1	0
DIST_OL	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_OL	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_OL	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_OL	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_OL	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_OL	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_OL	CUSTOMER	1.00000000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.00000000	-
DIST_OL	TOTAL	1.00000000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.00000000	-
DIR373		1	0	0	0	0	0	0	0	0	0	0	0	0		0	0	0	0	1
DIST_SL	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_SL	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_SL	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_SL	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_SL	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_SL	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_SL	CUSTOMER	1.00000000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.00000000
DIST_SL	TOTAL	1.00000000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.00000000
DIR902		355,005	281,500	46,828	21,831	291	46	3,416	415	100	10	12	258	162	18	78	18	22	0	0
CUST_902	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_902	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_902	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_902	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_902	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_902	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_902	CUSTOMER	1.00000000	0.79294658	0.13190800	0.06149491	0.00081971	0.00012958	0.00962240	0.00116900	0.00028169	0.00002817	0.00003380	0.00072675	0.00045633	0.00005070	0.00021972	0.00005070	0.00006197	-	-
CUST_902	TOTAL	1.00000000	0.79294658	0.13190800	0.06149491	0.00081971	0.00012958	0.00962240	0.00116900	0.00028169	0.00002817	0.00003380	0.00072675	0.00045633	0.00005070	0.00021972	0.00005070	0.00006197	-	-
DIR903		5,469,365	4,728,962	544,995	169,383	1,932	303	17,667	1,932	466	47	47	1,001	628	70	303	70	256	0	1,303
CUST_903	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_903	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_903	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_903	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_903	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_903	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_903	CUSTOMER	1.00000000	0.86462725	0.09964502	0.03096941	0.00035324	0.00005540	0.00323017	0.00035324	0.00008520	0.00000859	0.00000859	0.00018302	0.00011482	0.00001280	0.00005540	0.00001280	0.00004681	-	0.00023824
CUST_903	TOTAL	1.00000000	0.86462725	0.09964502	0.03096941	0.00035324	0.00005540	0.00323017	0.00035324	0.00008520	0.00000859	0.00000859	0.00018302	0.00011482	0.00001280	0.00005540	0.00001280	0.00004681	-	0.00023824
CUST451		412,769	370,416	25,718	10,088	21	-	148	35	-	-	-	9	-	-	-	-	-	6,334	-
CUST_451	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_451	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_451	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_451	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_451	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_451	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_451	CUSTOMER	1.00000000	0.89739412	0.06230711	0.02443926	0.00004996	-	0.00035894	0.00008363	-	-	-	0.00002091	-	-	-	-	-	0.01534608	-
CUST_451	TOTAL	1.00000000	0.89739412	0.06230711	0.02443926	0.00004996	-	0.00035894	0.00008363	-	-	-	0.00002091	-	-	-	-	-	0.01534608	-
CUSTDEP		22,738,162	17,164,723	943,633	1,924,436	222,821	183,958	729,106	375,707	42,406	23,279	-	374,093	270,118	181,724	29,224	150,000	-	122,934	-
CUST_DEP	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_DEP	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_DEP	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_DEP	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_DEP	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_DEP	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CUST_DEP	CUSTOMER	1.00000000	0.75488612	0.04149997	0.08463463	0.00979943	0.00809028	0.03206530	0.01652319	0.00186497	0.00102379	-	0.01645221	0.01187950	0.00799203	0.00128524	0.00659684	-	0.00540651	-
CUST_DEP	TOTAL	1.00000000	0.75488612	0.04149997	0.08463463	0.00979943	0.00809028	0.03206530	0.01652319	0.00186497	0.00102379	-	0.01645221	0.01187950	0.00799203	0.00128524	0.00659684	-	0.00540651	-
RYEC		(6,452,689)	(94,167)	11,582	(60,641)	(98,311)	(222,323)	286,730	161,763	(255,376)	(121)	(309,307)	(396,880)	(941,781)	1,348,548	(1,765,895)	(4,253,900)	(30,761)	190,098	(21,947)
REVYEC	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REVYEC	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REVYEC	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REVYEC	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REVYEC	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REVYEC	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REVYEC	CUSTOMER	1.00000000	0.01459345	(0.00179491)	0.00939779	0.01523566	0.03445432	(0.04443574)	(0.02506908)	0.03957668	0.00001875	0.04793459	0.06150614	0.14595171	(0.20899008)	0.27366808	0.65924454	0.00476716	(0.02946028)	0.00340122
REVYEC	TOTAL	1.00000000	0.01459345	(0.00179491)	0.00939779	0.01523566	0.03445432	(0.04443574)	(0.02506908)	0.03957668	0.00001875	0.04793459	0.06150614	0.14595171	(0.20899008)	0.27366808	0.65924454	0.00476716	(0.02946028)	0.00340122

ALLOCATOR	FUNCTION		Total	RS	SGS	MGS-SEC	MGS-PRI	MGS-SUB	LGS-SEC	LGS-PRI	LGS-SUB	LGS-TRA	OP-SEC	OP-PRI	OP-SUB	OP-TRA	CIP-TOD-SUB	CIP-TOD-TRA	MW	OL	SL
FORF DISCOUNTS			3,262,936	2,378,169	190,174	361,953	1,471	6,753	112,797	29,078	13,261	-	-	57,013	39,648	22,714	31,146	-	-	18,760	-
FORF_DISC	PRODUCTION		1.00000000	0.72884311	0.05828299	0.11092850	0.00045087	0.00206969	0.03456932	0.00891162	0.00406423	-	-	0.01747286	0.01215089	0.00696109	0.00954537	-	-	0.00574945	-
FORF_DISC	BULKTRAN		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FORF_DISC	SUBTRAN		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FORF_DISC	DISTPRI		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FORF_DISC	DISTSEC		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FORF_DISC	ENERGY		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FORF_DISC	CUSTOMER		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FORF_DISC	TOTAL		1.00000000	0.72884311	0.05828299	0.11092850	0.00045087	0.00206969	0.03456932	0.00891162	0.00406423	-	-	0.01747286	0.01215089	0.00696109	0.00954537	-	-	0.00574945	-
YEAR END CUST ADJ			(6,452,689)	(94,167)	11,582	(60,641)	(98,311)	(222,323)	286,730	161,763	(255,376)	(121)	(309,307)	(396,880)	(941,781)	1,348,548	(1,765,895)	(4,253,900)	(30,761)	190,098	(21,947)
REVYEC	PRODUCTION		1.00000000	0.01459345	(0.00179491)	0.00939779	0.01523566	0.03445432	(0.04443574)	(0.02506908)	0.03957668	0.00001875	0.04793459	0.06150614	0.14595171	(0.20899008)	0.27366808	0.65924454	0.00476716	(0.02946028)	0.00340122
REVYEC	BULKTRAN		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REVYEC	SUBTRAN		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REVYEC	DISTPRI		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REVYEC	DISTSEC		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REVYEC	ENERGY		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REVYEC	CUSTOMER		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REVYEC	TOTAL		1.00000000	0.01459345	(0.00179491)	0.00939779	0.01523566	0.03445432	(0.04443574)	(0.02506908)	0.03957668	0.00001875	0.04793459	0.06150614	0.14595171	(0.20899000)	0.27366808	0.65924454	0.00476716	(0.02946028)	0.00340122
FUELR			(11,955,024)	(4,118,863)	(243,895)	(908,210)	(30,408)	(12,329)	(1,001,249)	(170,070)	(87,929)	(17,839)	(22,382)	(630,162)	(537,307)	(27,966)	(3,333,615)	(712,678)	(7,513)	(77,443)	(15,166)
FUELREV	PRODUCTION		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FUELREV	BULKTRAN		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FUELREV	SUBTRAN		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FUELREV	DISTPRI		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FUELREV	DISTSEC		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FUELREV	ENERGY		1.00000000	0.34452988	0.02040105	0.07596890	0.00254353	0.00103128	0.08375132	0.01422582	0.00735498	0.00149218	0.00187218	0.05271106	0.04494403	0.00233927	0.27884637	0.05961326	0.00062844	0.00647786	0.00126859
FUELREV	CUSTOMER		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
FUELREV	TOTAL		1.00000000	0.34452988	0.02040105	0.07596890	0.00254353	0.00103128	0.08375132	0.01422582	0.00735498	0.00149218	0.00187218	0.05271106	0.04494403	0.00233927	0.27884637	0.05961326	0.00062844	0.00647786	0.00126859
INTERNALLY DERIVED																					
Bulk Transmission Plant		$343,736,854.63																			
Subtransmission Plant		$145,446,831.87																			
Total Transmission Plant		$489,183,686.50																			
BULK_TRANS	BULKTRAN	70.30%	1.00000000	0.46526518	0.01867553	0.08102575	0.00248845	0.00067954	0.08407089	0.01412684	0.00656379	0.00141518	0.00103633	0.04313462	0.04056690	0.00453340	0.20117696	0.03352253	0.00042341	0.00110726	0.00018744
SUB_TRANS	ENERGY	29.70%	1.00000000	0.44781016	0.01784068	0.07667501	0.00236226	0.00086083	0.07955372	0.01338630	0.00820488	-	0.00099123	0.04166786	0.05328283	-	0.25571556	-	0.00040803	0.00106102	0.00017961
TRANS_TOTAL	PRODUCTION		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TRANS_TOTAL	BULKTRAN		0.70300000	0.32708142	0.01312890	0.05696110	0.00174938	0.00047771	0.05910184	0.00993117	0.00461434	0.00099487	0.00072854	0.03032364	0.02851853	0.00318698	0.14142740	0.02356634	0.00029765	0.00077841	0.00013177
TRANS_TOTAL	SUBTRAN		0.29700000	0.13299962	0.00529868	0.02277248	0.00070159	0.00025567	0.02362745	0.00397573	0.00243685	-	0.00029440	0.01237535	0.01582500	-	0.07594752	-	0.00012119	0.00031512	0.00005335
TRANS_TOTAL	DISTPRI		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TRANS_TOTAL	DISTSEC		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TRANS_TOTAL	ENERGY		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TRANS_TOTAL	CUSTOMER		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TRANS_TOTAL	TOTAL		1.00000000	0.46008104	0.01842758	0.07973358	0.00245098	0.00073338	0.08272929	0.01390690	0.00705119	0.00099487	0.00102294	0.04269899	0.04434353	0.00318698	0.21737492	0.02356634	0.00041884	0.00109353	0.00018512
DIST_CPD	DISTPRI	56.20%	1.00000000	0.67330175	0.02567291	0.10936129	0.00332598	-	0.10923464	0.01832117	-	-	0.00144175	0.05695025	-	-	-	-	0.00058265	0.00154590	0.00026170
DISTSEC	DISTSEC	43.80%	1.00000000	0.73797953	0.04147170	0.11055155	-	-	0.09696893	-	-	-	0.00125697	-	-	-	-	-	0.00048187	0.00957865	0.00171081
DIST_POLES	PRODUCTION		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_POLES	BULKTRAN		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_POLES	SUBTRAN		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_POLES	DISTPRI		0.56200000	0.37839558	0.01442818	0.06146105	0.00186920	-	0.06138987	0.01029650	-	-	0.00081027	0.03200604	-	-	-	-	0.00032745	0.00086879	0.00014707
DIST_POLES	DISTSEC		0.43800000	0.32323503	0.01816460	0.04842158	-	-	0.04247239	-	-	-	0.00055055	-	-	-	-	-	0.00021106	0.00419545	0.00074934
DIST_POLES	ENERGY		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_POLES	CUSTOMER		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_POLES	TOTAL		1.00000000	0.70163062	0.03259278	0.10988263	0.00186920	-	0.10386226	0.01029650	-	-	0.00136082	0.03200604	-	-	-	-	0.00053851	0.00506424	0.00089641
DIST_CPD	DISTPRI	66.10%	1.00000000	0.67330175	0.02567291	0.10936129	0.00332598	-	0.10923464	0.01832117	-	-	0.00144175	0.05695025	-	-	-	-	0.00058265	0.00154590	0.00026170
DISTSEC	DISTSEC	33.90%	1.00000000	0.73797953	0.04147170	0.11055155	-	-	0.09696893	-	-	-	0.00125697	-	-	-	-	-	0.00048187	0.00957865	0.00171081
DIST_OHLINES	PRODUCTION		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_OHLINES	BULKTRAN		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_OHLINES	SUBTRAN		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_OHLINES	DISTPRI		0.66100000	0.44505245	0.01696980	0.07228782	0.00219847	-	0.07220410	0.01211030	-	-	0.00095300	0.03764412	-	-	-	-	0.00038513	0.00102184	0.00017298
DIST_OHLINES	DISTSEC		0.33900000	0.25017506	0.01405891	0.03747697	-	-	0.03287247	-	-	-	0.00042611	-	-	-	-	-	0.00016335	0.00324716	0.00057997
DIST_OHLINES	ENERGY		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_OHLINES	CUSTOMER		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_OHLINES	TOTAL		1.00000000	0.69522751	0.03102870	0.10976479	0.00219847	-	0.10507656	0.01211030	-	-	0.00137911	0.03764412	-	-	-	-	0.00054849	0.00426900	0.00075295
DIST_CPD	DISTPRI	62.50%	1.00000000	0.67330175	0.02567291	0.10936129	0.00332598	-	0.10923464	0.01832117	-	-	0.00144175	0.05695025	-	-	-	-	0.00058265	0.00154590	0.00026170
DISTSEC	DISTSEC	37.50%	1.00000000	0.73797953	0.04147170	0.11055155	-	-	0.09696893	-	-	-	0.00125697	-	-	-	-	-	0.00048187	0.00957865	0.00171081
DIST_UGLINES	PRODUCTION		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_UGLINES	BULKTRAN		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_UGLINES	SUBTRAN		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_UGLINES	DISTPRI		0.62500000	0.42081359	0.01604557	0.06835081	0.00207874	-	0.06827165	0.01145073	-	-	0.00090110	0.03559391	-	-	-	-	0.00036416	0.00096618	0.00016356
DIST_UGLINES	DISTSEC		0.37500000	0.27674232	0.01555189	0.04145683	-	-	0.03636335	-	-	-	0.00047136	-	-	-	-	-	0.00018070	0.00359199	0.00064156
DIST_UGLINES	ENERGY		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_UGLINES	CUSTOMER		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_UGLINES	TOTAL		1.00000000	0.69755592	0.03159746	0.10980764	0.00207874	-	0.10463500	0.01145073	-	-	0.00137246	0.03559391	-	-	-	-	0.00054486	0.00455818	0.00080512
DIST_CPD	DISTPRI	26.50%	1.00000000	0.67330175	0.02567291	0.10936129	0.00332598	-	0.10923464	0.01832117	-	-	0.00144175	0.05695025	-	-	-	-	0.00058265	0.00154590	0.00026170
DISTSEC	DISTSEC	73.50%	1.00000000	0.73797953	0.04147170	0.11055155	-	-	0.09696893	-	-	-	0.00125697	-	-	-	-	-	0.00048187	0.00957865	0.00171081
DIST_TRANSF	PRODUCTION		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_TRANSF	BULKTRAN		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_TRANSF	SUBTRAN		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_TRANSF	DISTPRI		0.26500000	0.17842496	0.00680332	0.02896074	0.00088138	-	0.02894718	0.00485511	-	-	0.00038206	0.01509182	-	-	-	-	0.00015440	0.00040966	0.00006935

Exhibit JMS-2
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KENTUCKY POWER COMPANY
COST-OF-SERVICE STUDY
TWELVE MONTHS ENDING
MARCH 31, 2013

ALLOCATOR	FUNCTION	Total	RS	SGS	MGS-SEC	MGS-PRI	MGS-SUB	LGS-SEC	LGS-PRI	LGS-SUB	LGS-TRA	QP-SEC	QP-PRI	QP-SUB	QP-TRA	CIP-TOD-SUB	CIP-TOD-TRA	MW	OL	SL
DIST_TRANSF	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_TRANSF	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DIST_TRANSF	TOTAL	1.00000000	0.72083992	0.03728502	0.11023613	0.00088138	-	0.10021934	0.00485511	-	-	0.00130594	0.01509182	-	-	-	-	0.00050858	0.00744997	0.00132680
SALES OF ELECTRICITY	PRODUCTION	199,913,948	82,332,464	5,033,096	20,775,262	606,847	205,492	20,407,345	3,576,199	1,458,649	276,734	232,983	9,173,281	9,085,952	751,222	38,556,216	6,934,981	117,756	326,436	63,035
	BULKTRAN	(10,697,603)	(7,923,654)	112,071	241,151	8,995	34,931	(98,882)	4,750	(635)	(18,310)	28,526	(318,392)	(83,287)	(237,581)	(2,585,746)	126,350	6,593	2,324	3,196
	SUBTRAN	(4,648,917)	(3,225,653)	45,353	96,752	3,620	18,736	(39,403)	1,949	(332)	-	11,536	(130,050)	(46,220)	-	(1,390,134)	-	2,688	945	1,296
	DISTPRI	45,661,996	26,514,150	1,672,012	6,765,362	194,310	-	6,333,557	1,110,360	-	-	84,946	2,828,359	-	-	-	-	40,485	98,455	20,001
	DISTSEC	28,364,642	18,155,691	1,726,507	4,363,226	-	-	3,576,718	-	-	-	47,851	-	-	-	-	-	21,502	389,112	84,037
	ENERGY	206,181,029	73,244,989	4,545,524	16,826,580	479,227	62,450	18,757,277	3,181,176	1,310,854	304,814	151,840	10,771,686	8,573,216	1,852,942	55,797,703	8,385,580	116,930	1,540,377	277,862
	CUSTOMER	22,628,686	11,922,035	2,977,510	909,281	190,410	86,878	227,427	70,136	106,888	12,768	620	29,733	143,503	9,989	81,428	22,983	1,439	5,061,044	772,613
	TOTAL	487,401,782	201,020,022	16,112,073	49,977,613	1,483,408	408,487	49,164,038	7,944,570	2,875,424	576,007	558,302	22,354,617	17,673,164	2,376,572	90,459,466	15,469,894	307,392	7,418,693	1,222,039
REV_SALES	PRODUCTION	0.41016253	0.16892114	0.01032638	0.04262451	0.00124506	0.00042161	0.04186966	0.00733727	0.00299270	0.00056777	0.00047801	0.01882078	0.01864161	0.00154128	0.07910561	0.01422847	0.00024160	0.00066975	0.00012933
REV_SALES	BULKTRAN	(0.02194822)	(0.01625692)	0.00022994	0.00049477	0.00001845	0.00007167	(0.00020288)	0.00000975	(0.00000130)	(0.00003757)	0.00005853	(0.00065324)	(0.00017088)	(0.00048744)	(0.00530516)	0.00025923	0.00001353	0.00000477	0.00000656
REV_SALES	SUBTRAN	(0.00953816)	(0.00661806)	0.00009305	0.00019851	0.00000743	0.00003844	(0.00008084)	0.00000400	(0.00000068)	-	0.00002367	(0.00026682)	(0.00009483)	-	(0.00285213)	-	0.00000551	0.00000194	0.00000266
REV_SALES	DISTPRI	0.09368451	0.05439896	0.00343046	0.01388046	0.00039867	-	0.01299453	0.00227812	-	-	0.00017428	0.00580293	-	-	-	-	0.00008306	0.00020200	0.00004104
REV_SALES	DISTSEC	0.05819561	0.03724995	0.00354227	0.00895201	-	-	0.00733834	-	-	-	0.00009818	-	-	-	-	-	0.00004412	0.00079834	0.00017242
REV_SALES	ENERGY	0.42302067	0.15027641	0.00932603	0.03452302	0.00098323	0.00012813	0.03848422	0.00652680	0.00268947	0.00062539	0.00031153	0.02210022	0.01758963	0.00380167	0.11447989	0.01720466	0.00023990	0.00316038	0.00057009
REV_SALES	CUSTOMER	0.04642307	0.02446039	0.00610894	0.00186557	0.00039066	0.00017825	0.00046661	0.00014390	0.00021930	0.00002620	0.00000127	0.00006100	0.00029443	0.00002049	0.00016707	0.00004715	0.00000295	0.01038372	0.00158517
REV_SALES	TOTAL	1.00000000	0.41243186	0.03305707	0.10253884	0.00304350	0.00083809	0.10086963	0.01629984	0.00589949	0.00118179	0.00114547	0.04586487	0.03625995	0.00487600	0.18559527	0.03173951	0.00063067	0.01522090	0.00250725
Production EPIS	PRODUCTION	544,349,633	253,266,928	10,166,020	44,106,335	1,354,589	369,906	45,763,960	7,689,941	3,572,994	770,352	564,128	23,480,313	22,082,579	2,467,753	109,510,603	18,247,979	230,481	602,738	102,034
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	544,349,633	253,266,928	10,166,020	44,106,335	1,354,589	369,906	45,763,960	7,689,941	3,572,994	770,352	564,128	23,480,313	22,082,579	2,467,753	109,510,603	18,247,979	230,481	602,738	102,034
RB_GUP_EPIS_P	PRODUCTION	1.00000000	0.46526518	0.01867553	0.08102575	0.00248845	0.00067954	0.08407089	0.01412684	0.00656379	0.00141518	0.00103633	0.04313462	0.04056690	0.00453340	0.20117696	0.03352253	0.00042341	0.00110726	0.00018744
RB_GUP_EPIS_P	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_P	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_P	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_P	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_P	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_P	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_P	TOTAL	1.00000000	0.46526518	0.01867553	0.08102575	0.00248845	0.00067954	0.08407089	0.01412684	0.00656379	0.00141518	0.00103633	0.04313462	0.04056690	0.00453340	0.20117696	0.03352253	0.00042341	0.00110726	0.00018744
Transmission EPIS	PRODUCTION	13,104,419	6,097,030	244,732	1,061,785	32,610	8,905	1,101,700	185,124	86,015	18,545	13,581	565,254	531,606	59,408	2,636,307	439,293	5,548	14,510	2,456
	BULKTRAN	330,665,261	153,847,031	6,175,350	26,792,399	822,845	224,699	27,799,324	4,671,255	2,170,416	467,950	342,680	14,263,119	13,414,066	1,499,037	66,522,231	11,084,738	140,006	366,133	61,981
	SUBTRAN	139,697,842	62,558,113	2,492,305	10,711,334	330,003	120,257	11,113,482	1,870,037	1,146,204	-	138,473	5,820,910	7,443,496	-	35,722,912	-	57,001	148,223	25,092
	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	483,467,522	222,502,174	8,912,387	38,565,528	1,185,458	353,861	40,014,506	6,726,417	3,402,635	486,495	494,734	20,649,283	21,389,168	1,558,444	104,881,451	11,524,031	202,556	528,866	89,529
RB_GUP_EPIS_T	PRODUCTION	0.02710507	0.01261104	0.00050620	0.00219621	0.00006745	0.00001842	0.00227875	0.00038291	0.00017791	0.00003836	0.00002809	0.00116917	0.00109957	0.00012288	0.00545291	0.00090863	0.00001148	0.00003001	0.00000508
RB_GUP_EPIS_T	BULKTRAN	0.68394514	0.31821586	0.01277304	0.05541716	0.00170197	0.00046477	0.05749988	0.00966198	0.00448927	0.00096790	0.00070880	0.02950171	0.02774554	0.00310059	0.13759400	0.02292757	0.00028959	0.00075731	0.00012820
RB_GUP_EPIS_T	SUBTRAN	0.28894980	0.12939466	0.00515506	0.02215523	0.00068257	0.00024874	0.02298703	0.00386797	0.00237080	-	0.00028642	0.01203992	0.01539606	-	0.07388896	-	0.00011790	0.00030658	0.00005190
RB_GUP_EPIS_T	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_T	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_T	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_T	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_T	TOTAL	1.00000000	0.46022155	0.01843430	0.07976860	0.00245199	0.00073192	0.08276566	0.01391286	0.00703798	0.00100626	0.00102330	0.04271080	0.04424117	0.00322347	0.21693588	0.02383620	0.00041896	0.00109390	0.00018518

KENTUCKY POWER COMPANY
COST-OF-SERVICE STUDY
TWELVE MONTHS ENDING
MARCH 31, 2013

ALLOCATOR	FUNCTION	Total	RS	SGS	MGS-SEC	MGS-PRI	MGS-SUB	LGS-SEC	LGS-PRI	LGS-SUB	LGS-TRA	QP-SEC	QP-PRI	QP-SUB	QP-TRA	CIP-TOD-SUB	CIP-TOD-TRA	MW	OL	SL
Distribution EPIS	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	339,137,851	228,342,107	8,706,657	37,088,555	1,127,965	-	37,045,601	6,213,404	-	-	488,953	19,313,987	-	-	-	-	197,600	524,272	88,751
	DISTSEC	225,210,584	166,200,801	9,339,865	24,897,379	-	-	21,838,429	-	-	-	283,082	-	-	-	-	-	108,523	2,157,213	385,293
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	CUSTOMER	97,837,450	43,000,942	11,316,193	3,552,667	1,211,658	400,738	1,268,202	415,914	758,134	113,258	3,370	215,474	1,023,480	169,888	736,178	169,888	5,317	30,249,803	3,226,348
	TOTAL	662,185,886	437,543,850	29,362,715	65,538,600	2,339,623	400,738	60,152,232	6,629,317	758,134	113,258	775,406	19,529,460	1,023,480	169,888	736,178	169,888	311,439	32,931,288	3,700,393
RB_GUP_EPIS_D	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_D	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_D	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_D	DISTPRI	0.51214902	0.34483083	0.01314836	0.05600928	0.00170340	-	0.05594441	0.00938317	-	-	0.00073839	0.02916702	-	-	-	-	0.00029841	0.00079173	0.00013403
RB_GUP_EPIS_D	DISTSEC	0.34010176	0.25098814	0.01410400	0.03759878	-	-	0.03297930	-	-	-	0.00042750	-	-	-	-	-	0.00016389	0.00325771	0.00058185
RB_GUP_EPIS_D	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_D	CUSTOMER	0.14774922	0.06493787	0.01708915	0.00536506	0.00182979	0.00060517	0.00191517	0.00062809	0.00114490	0.00017104	0.00000509	0.00032540	0.00154561	0.00025656	0.00111174	0.00025656	0.00000803	0.04568174	0.00487227
RB_GUP_EPIS_D	TOTAL	1.00000000	0.66075684	0.04434210	0.09897312	0.00353318	0.00060517	0.09083889	0.01001126	0.00114490	0.00017104	0.00117098	0.02949241	0.00154561	0.00025656	0.00111174	0.00025656	0.00047032	0.04973118	0.00558815
Gen & Int Plant	PRODUCTION	23,093,840	10,744,760	431,290	1,871,196	57,468	15,693	1,941,520	326,243	151,583	32,682	23,933	996,144	936,846	104,694	4,645,949	774,164	9,778	25,571	4,329
	BULKTRAN	866,251	403,036	16,178	70,189	2,156	589	72,826	12,237	5,686	1,226	898	37,365	35,141	3,927	174,270	29,039	367	959	162
	SUBTRAN	365,969	163,885	6,529	28,061	865	315	29,114	4,899	3,003	-	363	15,249	19,500	-	93,584	-	149	388	66
	DISTPRI	12,480,110	8,402,880	320,401	1,364,841	41,509	-	1,363,260	228,650	-	-	17,993	710,745	-	-	-	-	7,272	19,293	3,266
	DISTSEC	7,700,869	5,683,083	319,368	851,343	-	-	746,745	-	-	-	9,680	-	-	-	-	-	3,711	73,764	13,175
	ENERGY	3,002,744	1,071,533	63,537	236,132	7,181	2,001	262,137	43,681	20,131	4,373	3,779	155,821	127,171	18,788	813,750	146,354	1,781	20,729	3,867
	CUSTOMER	5,994,883	4,258,249	660,083	211,333	27,101	8,633	41,588	10,622	16,252	2,405	113	5,535	21,960	3,610	15,642	3,610	310	586,078	121,758
	TOTAL	53,504,666	30,727,425	1,817,386	4,633,094	136,279	27,230	4,457,191	626,333	196,554	40,686	56,758	1,920,860	1,140,618	131,018	5,743,195	953,167	23,367	726,782	146,622
RB_GUP_EPIS_G	PRODUCTION	0.43162292	0.20081911	0.00806079	0.03497257	0.00107407	0.00029330	0.03628692	0.00609747	0.00283308	0.00061082	0.00044731	0.01861789	0.01750961	0.00195672	0.08683259	0.01446909	0.00018275	0.00047792	0.00008090
RB_GUP_EPIS_G	BULKTRAN	0.01619019	0.00753273	0.00030236	0.00131182	0.00004029	0.00001100	0.00136112	0.00022872	0.00010627	0.00002291	0.00001678	0.00069836	0.00065679	0.00007340	0.00325709	0.00054274	0.00000686	0.00001793	0.00000303
RB_GUP_EPIS_G	SUBTRAN	0.00683995	0.00306300	0.00012203	0.00052445	0.00001616	0.00000589	0.00054414	0.00009156	0.00005612	-	0.00000678	0.00028501	0.00036445	-	0.00174908	-	0.00000279	0.00000726	0.00000123
RB_GUP_EPIS_G	DISTPRI	0.23325274	0.15704948	0.00598828	0.02550882	0.00077579	-	0.02547928	0.00427346	-	-	0.00033629	0.01328380	-	-	-	-	0.00013591	0.00036058	0.00006104
RB_GUP_EPIS_G	DISTSEC	0.14392892	0.10621659	0.00596898	0.01591156	-	-	0.01395663	-	-	-	0.00018091	-	-	-	-	-	0.00006936	0.00137864	0.00024624
RB_GUP_EPIS_G	ENERGY	0.05612117	0.02002690	0.00118750	0.00441330	0.00013421	0.00003740	0.00489933	0.00081640	0.00037624	0.00008173	0.00007064	0.00291229	0.00237683	0.00035114	0.01520895	0.00273535	0.00003328	0.00038742	0.00007227
RB_GUP_EPIS_G	CUSTOMER	0.11204411	0.07958649	0.01233693	0.00394981	0.00050653	0.00016134	0.00077728	0.00019853	0.00030375	0.00004495	0.00000211	0.00010345	0.00041043	0.00006747	0.00029236	0.00006747	0.00000580	0.01095377	0.00227565
RB_GUP_EPIS_G	TOTAL	1.00000000	0.57429431	0.03396686	0.08659234	0.00254705	0.00050893	0.08330471	0.01170614	0.00367546	0.00076042	0.00106081	0.03590080	0.02131809	0.00244872	0.10734007	0.01781465	0.00043673	0.01358352	0.00274036
CWIP	PRODUCTION	43,073,537	20,040,617	804,421	3,490,065	107,187	29,270	3,621,231	608,493	282,725	60,957	44,639	1,857,961	1,747,360	195,269	8,665,403	1,443,934	18,238	47,694	8,074
	BULKTRAN	18,971,481	8,826,769	354,303	1,537,178	47,210	12,892	1,594,949	268,007	124,525	26,848	19,661	818,328	769,614	86,005	3,816,625	635,972	8,033	21,006	3,556
	SUBTRAN	8,014,978	3,589,189	142,993	614,549	18,933	6,900	637,621	107,291	65,762	-	7,945	333,967	427,061	-	2,049,555	-	3,270	8,504	1,440
	DISTPRI	6,477,531	4,361,333	166,297	708,391	21,544	-	707,571	118,676	-	-	9,339	368,897	-	-	-	-	3,774	10,014	1,695
	DISTSEC	4,279,193	3,157,957	177,465	473,071	-	-	414,949	-	-	-	5,379	-	-	-	-	-	2,062	40,989	7,321
	ENERGY	114,257	40,773	2,418	8,985	273	76	9,975	1,662	766	166	144	5,929	4,839	715	30,964	5,569	68	789	147
	CUSTOMER	1,959,808	923,136	225,410	70,923	22,477	7,421	24,029	7,766	14,037	2,096	64	4,024	18,951	3,144	13,625	3,144	106	557,714	51,739
	TOTAL	82,890,785	40,939,773	1,873,307	6,903,163	217,624	56,559	7,010,325	1,111,895	487,815	90,067	87,170	3,389,106	2,967,825	285,134	14,576,172	2,088,619	35,550	686,710	83,971
RB_GUP_CWIP	PRODUCTION	0.51964204	0.24177135	0.00970459	0.04210438	0.00129311	0.00035312	0.04368677	0.00734090	0.00341082	0.00073539	0.00053852	0.02241456	0.02108027	0.00235574	0.10454001	0.01741972	0.00022002	0.00057538	0.00009740
RB_GUP_CWIP	BULKTRAN	0.22887322	0.10648674	0.00427433	0.01854462	0.00056954	0.00015553	0.01924158	0.00323326	0.00150227	0.00032390	0.00023719	0.00987236	0.00928468	0.00103757	0.04604402	0.00767241	0.00009691	0.00025342	0.00004290
RB_GUP_CWIP	SUBTRAN	0.09669324	0.04330021	0.00172507	0.00741395	0.00022841	0.00008324	0.00769231	0.00129436	0.00079336	-	0.00009585	0.00402900	0.00515209	-	0.02472597	-	0.00003945	0.00010259	0.00001737
RB_GUP_CWIP	DISTPRI	0.07814537	0.05261541	0.00200622	0.00854608	0.00025991	-	0.00853618	0.00143171	-	-	0.00011267	0.00445040	-	-	-	-	0.00004553	0.00012080	0.00002045
RB_GUP_CWIP	DISTSEC	0.05162448	0.03809781	0.00214095	0.00570717	-	-	0.00500597	-	-	-	0.00006489	-	-	-	-	-	0.00002488	0.00049449	0.00008832
RB_GUP_CWIP	ENERGY	0.00137841	0.00049189	0.00002917	0.00010840	0.00000330	0.00000092	0.00012033	0.00002005	0.00000924	0.00000201	0.00000173	0.00007153	0.00005838	0.00000862	0.00037355	0.00006718	0.00000082	0.00000952	0.00000177
RB_GUP_CWIP	CUSTOMER	0.02364326	0.01113677	0.00271937	0.00085562	0.00027117	0.00008953	0.00028989	0.00009369	0.00016935	0.00002529	0.00000077	0.00004855	0.00022863	0.00003793	0.00016438	0.00003793	0.00000128	0.00672830	0.00074482
RB_GUP_CWIP	TOTAL	1.00000000	0.49390017	0.02259970	0.08328022	0.00262543	0.00068233	0.08457303	0.01341397	0.00588504	0.00108658	0.00105162	0.04088640	0.03580404	0.00343987	0.17584792	0.02519725	0.00042888	0.00828451	0.00101303
T&D Plant	PRODUCTION	13,104,419	6,097,030	244,732	1,061,795	32,610	8,905	1,101,700	185,124	86,015	18,545	13,581	565,254	531,606	59,408	2,636,307	439,293	5,548	14,510	2,456
	BULKTRAN	331,413,581	154,195,198	6,189,326	26,853,032	824,708	225,208	27,862,236	4,681,827	2,175,328	469,000	343,455	14,295,398	13,444,423	1,502,429	66,672,776	11,109,823	140,322	366,962	62,121
	SUBTRAN	139,697,842	62,558,113	2,492,305	10,711,334	330,003	120,257	11,113,482	1,870,037	1,146,204	-	138,473	5,820,910	7,443,496	-	35,722,912	-	57,001	148,223	25,092
	DISTPRI	339,137,851	228,342,107	8,706,657	37,088,555	1,127,965	-	37,045,601	6,213,404	-	-	488,953	19,313,987	-	-	-	-	197,600	524,272	88,751
	DISTSEC	225,210,584	166,200,801	9,339,865	24,897,379	-	-	21,838,429	-	-	-	283,082	-	-	-	-	-	108,523	2,157,213	385,293
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	CUSTOMER	97,837,450	43,000,942	11,316,193	3,552,667	1,211,658	400,738	1,268,202	415,914	758,134	113,258	3,370	215,474	1,023,460	169,888	736,178	169,888	5,317	30,249,803	3,226,348
	TOTAL	1,146,401,728	660,394,192	38,289,077	104,164,762	3,526,943	755,107	100,229,650	13,366,306	4,165,680	600,813	1,270,915	40,211,022	22,443,004	1,731,724	105,768,174	11,719,004	514,311	33,460,982	3,790,062
TDPLANT	PRODUCTION	0.01143091	0.00531841	0.00021348	0.00092620	0.00002845	0.00000777	0.00096101	0.00016148	0.00007503	0.00001618	0.00001185	0.00049307	0.00046372	0.00005182	0.00229964	0.00038319	0.00000484	0.00001266	0.00000214
TDPLANT	BULKTRAN	0.28909027	0.13450363	0.00539892	0.02342375	0.00071939	0.00019645	0.02430408	0.00408393	0.00189753	0.00040911	0.00029959	0.01246980	0.01172750	0.00131056	0.05815830	0.00969104	0.00012240	0.00032010	0.00005419
TDPLANT	SUBTRAN	0.12185767	0.05456910	0.00217402	0.00934344	0.00028786	0.00010490	0.00969423	0.00163122	0.00099983	-	0.00012079	0.00507755	0.00649292	-	0.03116090	-	0.00004972	0.00012929	0.00002189
TDPLANT	DISTPRI	0.29582811	0.19918158	0.00759477	0.03235214	0.00098392	-	0.03231468	0.00541992	-	-	0.00042651	0.01684749	-	-	-	-	0.00017237	0.00045732	0.00007742
TDPLANT	DISTSEC	0.19644997	0.14497606	0.00814711	0.02171785	-	-	0.01904954	-	-	-	0.00024693	-	-	-	-	-	0.00009466	0.00188172	0.00033609
TDPLANT	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TDPLANT	CUSTOMER	0.08534308	0.03750949	0.00987105	0.00309897	0.00105692	0.00034956	0.00110625	0.00036280	0.00066132	0.00009879	0.00000294	0.00018796	0.00089278	0.00014819	0.00064216	0.00014819	0.00000464	0.02638674	0.00281433
TDPLANT	TOTAL	1.00000000	0.57605827	0.03339935	0.09086236	0.00307653	0.00065868	0.08742978	0.01165936	0.00363370	0.00052409	0.00110861	0.03507586	0.01957691	0.00151057	0.09226100	0.01022242	0.00044863	0.02918783	0.00330605
Electric Plant in Service	PRODUCTION	576,907,709	268,415,067	10,774,059	46,744,377	1,435,609	392,030	48,501,147	8,149,883	3,786,699	816,427	597,869	24,884,693	23,403,360	2,615,351	116,060,538	19,339,400	244,266	638,789	108,137
	BULKTRAN	332,279,832	154,598,234	6,205,503	26,923,221	826,863	225,796	27,935,062	4,694,064	2,181,014	470,235	344,353	14,332,763	13,479,564	1,506,356	66,847,046	11,138,862	140,689	367,921	62,283
	SUBTRAN	140,063,811	62,721,998	2,498,834	10,739,394	330,867	120,572	11,142,597	1,874,936	1,149,207	-	138,836	5,836,159	7,462,996	-	35,816,496	-	57,151	148,611	25,157
	DISTPRI	351,617,961	236,744,987	9,027,057	38,453,396	1,169,473	-	38,408,862	6,442,054	-	-	506,947	20,024,732	-	-	-	-	204,872	543,565	92,017
	DISTSEC	232,911,453	171,883,884	9,659,233	25,748,722	-	-	22,585,174	-	-	-	292,762	-	-	-	-	-	112,233	2,230,976	390,468
	ENERGY	3,002,744	1,071,533	63,537	236,132	7,181	2,001	262,137	43,681	20,131	4,373	3,779	155,821	127,171	18,788	813,750	146,354	1,781	20,729	3,867
	CUSTOMER	103,832,333	47,259,190	11,976,277	3,764,001	1,238,759	409,371	1,309,790	426,536	774,386	115,663	3,483	221,009	1,045,440	173,497	751,821	173,497	5,627	30,835,881	3,348,106
	TOTAL	1,740,615,844	942,694,894	50,204,500	152,609,242	5,008,753	1,149,770	150,144,768	21,631,155	7,911,436	1,406,699	1,889,029	65,455,177	45,518,530	4,313,992	220,289,651	30,790,122	786,618	34,786,472	4,038,036
RB_GUP_EPIS	PRODUCTION	0.33143885	0.15420695	0.00618980	0.02685508	0.00082477	0.00022522	0.02786436	0.00468218	0.00217549	0.00046905	0.00034348	0.01429649	0.01344545	0.00150254	0.06667786	0.01111067	0.00014033	0.00036699	0.00006213
RB_GUP_EPIS	BULKTRAN	0.19089786	0.08881812	0.00356512	0.01546764	0.00047504	0.00012972	0.01604895	0.00269678	0.00125301	0.00027015	0.00019783	0.00823431	0.00774413	0.00086542	0.03840425	0.00639938	0.00008083	0.00021137	0.00003578
RB_GUP_EPIS	SUBTRAN	0.08046796	0.03603437	0.00143560	0.00616988	0.00019009	0.00006927	0.00640153	0.00107717	0.00066023	-	0.00007976	0.00335293	0.00428756	-	0.02057691	-	0.00003283	0.00008538	0.00001445
RB_GUP_EPIS	DISTPRI	0.20200779	0.13601220	0.00518613	0.02209183	0.00067187	-	0.02206625	0.00370102	-	-	0.00029125	0.01150439	-	-	-	-	0.00011770	0.00031228	0.00005286
RB_GUP_EPIS	DISTSEC	0.13380060	0.09874889	0.00554932	0.01479288	-	-	0.01297539	-	-	-	0.00016819	-	-	-	-	-	0.00006448	0.00128172	0.00022892
RB_GUP_EPIS	ENERGY	0.00172510	0.00061561	0.00003650	0.00013566	0.00000413	0.00000115	0.00015060	0.00002510	0.00001157	0.00000251	0.00000217	0.00008952	0.00007306	0.00001079	0.00046751	0.00008408	0.00000102	0.00001191	0.00000222
RB_GUP_EPIS	CUSTOMER	0.05965264	0.02715084	0.00688048	0.00216245	0.00071168	0.00023519	0.00075249	0.00024505	0.00044489	0.00006645	0.00000200	0.00012697	0.00060061	0.00009968	0.00043193	0.00009968	0.00000323	0.01771550	0.00192352
RB_GUP_EPIS	TOTAL	1.00000000	0.54158699	0.02884295	0.08767543	0.00287757	0.00066055	0.08625957	0.01242730	0.00454519	0.00080816	0.00108469	0.03760461	0.02615082	0.00247843	0.12655845	0.01769381	0.00044043	0.01998515	0.00231989
Gross Utility Plant	PRODUCTION	576,907,709	268,415,067	10,774,059	46,744,377	1,435,609	392,030	48,501,147	8,149,883	3,786,699	816,427	597,869	24,884,693	23,403,360	2,615,351	116,060,538	19,339,408	244,266	638,789	108,137
	BULKTRAN	332,279,832	154,598,234	6,205,503	26,923,221	826,863	225,796	27,935,062	4,694,064	2,181,014	470,235	344,353	14,332,763	13,479,564	1,506,356	66,847,046	11,138,862	140,689	367,921	62,283
	SUBTRAN	140,063,811	62,721,998	2,498,834	10,739,394	330,867	120,572	11,142,597	1,874,936	1,149,207	-	138,836	5,836,159	7,462,996	-	35,816,496	-	57,151	148,611	25,157
	DISTPRI	351,617,961	236,744,987	9,027,057	38,453,396	1,169,473	-	38,408,862	6,442,054	-	-	506,947	20,024,732	-	-	-	-	204,872	543,565	92,017
	DISTSEC	232,911,453	171,883,884	9,659,233	25,748,722	-	-	22,585,174	-	-	-	292,762	-	-	-	-	-	112,233	2,230,976	398,468
	ENERGY	3,002,744	1,071,533	63,537	236,132	7,181	2,001	262,137	43,681	20,131	4,373	3,779	155,821	127,171	18,788	813,750	146,354	1,781	20,729	3,867
	CUSTOMER	103,832,333	47,259,190	11,976,277	3,764,001	1,238,759	409,371	1,309,790	426,536	774,386	115,663	3,483	221,009	1,045,440	173,497	751,821	173,497	5,627	30,835,881	3,348,106

KENTUCKY POWER COMPANY
COST-OF-SERVICE STUDY
TWELVE MONTHS ENDING
MARCH 31, 2013

Case No.: 2013-00197
Exhibit No.: JMS-1
Page 18 of 30
Witness: J. Stegall

ALLOCATOR	FUNCTION	Total	RS	SGS	MGS-SEC	MGS-PRI	MGS-SUB	LGS-SEC
RB_GUP	PRODUCTION	0.33143885	0.15420695	0.00618980	0.02685508	0.00082477	0.00022522	0.02786436
RB_GUP	BULKTRAN	0.19089786	0.08881812	0.00356512	0.01546764	0.00047504	0.00012972	0.01604895
RB_GUP	SUBTRAN	0.08046796	0.03603437	0.00143560	0.00616988	0.00019009	0.00006927	0.00640153
RB_GUP	DISTPRI	0.20200779	0.13601220	0.00518613	0.02209183	0.00067187	-	0.02206625
RB_GUP	DISTSEC	0.13380980	0.09874889	0.00554932	0.01479288	-	-	0.01297539
RB_GUP	ENERGY	0.00172510	0.00061561	0.00003650	0.00013566	0.00000413	0.00000115	0.00015060
RB_GUP	CUSTOMER	0.05965264	0.02715084	0.00688048	0.00216245	0.00071168	0.00023519	0.00075249
RB_GUP	TOTAL	1.00000000	0.54158699	0.02884295	0.08767543	0.00287757	0.00066055	0.08625957
Net EPIS	PRODUCTION	869,156,659	404,388,326	16,231,965	70,424,066	2,162,857	590,624	73,070,777
	BULKTRAN	226,657,003	105,455,610	4,232,941	18,365,053	564,026	154,022	19,055,257
	SUBTRAN	95,834,694	42,915,750	1,709,756	7,348,126	226,387	82,496	7,624,006
	DISTPRI	253,206,083	170,484,098	6,500,538	27,690,945	842,158	-	27,658,878
	DISTSEC	167,835,997	123,859,530	6,960,444	18,554,529	-	-	16,274,876
	ENERGY	1,586,658	566,200	33,573	124,773	3,794	1,057	138,514
	CUSTOMER	74,312,367	33,519,150	8,577,609	2,695,069	895,404	295,967	944,176
	TOTAL	1,688,589,459	881,188,663	44,246,824	145,202,561	4,694,625	1,124,168	144,766,481
NP	PRODUCTION	0.51472349	0.23948291	0.00961274	0.04170585	0.00128087	0.00034977	0.04327326
NP	BULKTRAN	0.13422860	0.06245189	0.00250679	0.01087597	0.00033402	0.00009121	0.01128472
NP	SUBTRAN	0.05675429	0.02541515	0.00101254	0.00435164	0.00013407	0.00004886	0.00451501
NP	DISTPRI	0.14995124	0.10096243	0.00384969	0.01639886	0.00049873	-	0.01637987
NP	DISTSEC	0.09939420	0.07335088	0.00412205	0.01098818	-	-	0.00963815
NP	ENERGY	0.00093963	0.00033531	0.00001988	0.00007389	0.00000225	0.00000063	0.00008203
NP	CUSTOMER	0.04400855	0.01985038	0.00507975	0.00159605	0.00053027	0.00017527	0.00055915
NP	TOTAL	1.00000000	0.52184897	0.02620342	0.08599045	0.00278021	0.00066574	0.08573220

ALLOCATOR	FUNCTION	LGS-PRI	LGS-SUB	LGS-TRA	QP-SEC	QP-PRI	QP-SUB	QP-TRA	CIP-TOD-SUB	CIP-TOD-TRA	MW	OL	SL
RB_GUP	PRODUCTION	0.00468218	0.00217549	0.00046905	0.00034348	0.01429649	0.01344545	0.00150254	0.06667786	0.01111067	0.00014033	0.00036699	0.00006213
RB_GUP	BULKTRAN	0.00269678	0.00125301	0.00027015	0.00019783	0.00823431	0.00774413	0.00086542	0.03840425	0.00639938	0.00008083	0.00021137	0.00003578
RB_GUP	SUBTRAN	0.00107717	0.00066023	-	0.00007976	0.00335293	0.00428756	-	0.02057691	-	0.00003283	0.00008538	0.00001445
RB_GUP	DISTPRI	0.00370102	-	-	0.00029125	0.01150439	-	-	-	-	0.00011770	0.00031228	0.00005286
RB_GUP	DISTSEC	-	-	-	0.00016819	-	-	-	-	-	0.00006448	0.00128172	0.00022892
RB_GUP	ENERGY	0.00002510	0.00001157	0.00000251	0.00000217	0.00008952	0.00007306	0.00001079	0.00046751	0.00008408	0.00000102	0.00001191	0.00000222
RB_GUP	CUSTOMER	0.00024505	0.00044489	0.00006645	0.00000200	0.00012697	0.00060061	0.00009968	0.00043193	0.00009968	0.00000323	0.01771550	0.00192352
RB_GUP	TOTAL	0.01242730	0.00454519	0.00080816	0.00108469	0.03760461	0.02615082	0.00247843	0.12655845	0.01769381	0.00044043	0.01998515	0.00231989
Net EPIS	PRODUCTION	12,278,438	5,704,958	1,230,012	900,737	37,490,740	35,258,995	3,940,232	174,854,293	29,136,334	368,006	962,385	162,916
	BULKTRAN	3,201,947	1,487,728	320,760	234,892	9,776,763	9,194,773	1,027,526	45,598,166	7,598,117	95,968	250,969	42,485
	SUBTRAN	1,282,872	786,312	-	94,995	3,993,226	5,106,343	-	24,506,423	-	39,104	101,683	17,213
	DISTPRI	4,639,033	-	-	365,061	14,420,151	-	-	-	-	147,532	391,430	66,263
	DISTSEC	-	-	-	210,964	-	-	-	-	-	80,875	1,607,642	287,136
	ENERGY	23,081	10,637	2,311	1,997	82,336	67,198	9,927	429,987	77,334	941	10,953	2,043
	CUSTOMER	308,053	559,881	83,629	2,510	159,611	755,850	125,445	543,594	125,445	4,030	22,306,496	2,410,448
	TOTAL	21,733,425	8,549,517	1,636,712	1,811,156	65,922,827	50,383,158	5,103,130	245,932,463	36,937,230	736,455	25,631,558	2,988,505
NP	PRODUCTION	0.00727142	0.00337853	0.00072843	0.00053343	0.02220240	0.02088074	0.00233345	0.10355051	0.01725484	0.00021794	0.00056993	0.00009648
NP	BULKTRAN	0.00189623	0.00088105	0.00018996	0.00013911	0.00578990	0.00544524	0.00060851	0.02700370	0.00449968	0.00005683	0.00014863	0.00002516
NP	SUBTRAN	0.00075973	0.00046566	-	0.00005626	0.00236483	0.00302403	-	0.01451295	-	0.00002316	0.00006022	0.00001019
NP	DISTPRI	0.00274728	-	-	0.00021619	0.00853976	-	-	-	-	0.00008737	0.00023181	0.00003924
NP	DISTSEC	-	-	-	0.00012494	-	-	-	-	-	0.00004790	0.00095206	0.00017005
NP	ENERGY	0.00001367	0.00000630	0.00000137	0.00000118	0.00004876	0.00003980	0.00000588	0.00025464	0.00004580	0.00000056	0.00000649	0.00000121
NP	CUSTOMER	0.00018243	0.00033157	0.00004953	0.00000149	0.00009452	0.00044762	0.00007429	0.00032192	0.00007429	0.00000239	0.01321014	0.00142749
NP	TOTAL	0.01287075	0.00506311	0.00096928	0.00107259	0.03904017	0.02983742	0.00302213	0.14564373	0.02187461	0.00043614	0.01517927	0.00176982

KENTUCKY POWER COMPANY
COST-OF-SERVICE STUDY
TWELVE MONTHS ENDING
MARCH 31, 2013

ALLOCATOR	FUNCTION	Total	RS	SGS	MGS-SEC	MGS-PRI	MGS-SUB	LGS-SEC	LGS-PRI	LGS-SUB	LGS-TRA	QP-SEC	QP-PRI	QP-SUB	QP-TRA	CIP-TOD-SUB	CIP-TOD-TRA	MW	OL	SL
Rate Base	PRODUCTION	752,709,645	348,450,569	13,980,457	60,955,489	1,821,157	443,145	63,650,627	10,592,478	4,957,732	1,061,306	779,166	32,619,358	30,649,458	3,366,908	152,814,835	25,263,770	321,004	839,798	142,367
	BULKTRAN	103,972,134	89,163,614	3,575,125	15,686,176	454,909	98,623	16,499,847	2,710,141	1,289,541	272,030	207,278	8,456,782	7,956,108	821,711	39,832,789	6,608,651	84,017	217,665	37,128
	SUBTRAN	82,168,610	36,312,434	1,445,126	6,280,684	182,759	52,930	6,605,871	1,086,625	682,006	-	83,877	3,456,351	4,421,338	-	21,421,076	-	34,255	88,246	15,052
	DISTPRI	214,607,427	143,812,556	5,478,175	23,584,185	677,462	-	23,871,314	3,920,320	-	-	315,387	12,423,501	-	-	-	-	128,160	338,737	57,631
	DISTSEC	141,787,338	104,258,826	5,853,193	15,769,214	-	-	14,016,564	-	-	-	181,963	-	-	-	-	-	70,116	1,388,248	249,214
	ENERGY	77,051,035	27,615,914	1,638,088	6,085,136	180,514	40,147	8,773,719	1,133,860	505,247	112,718	82,299	3,997,847	3,227,050	560,437	20,885,035	3,528,466	44,342	541,323	98,952
	CUSTOMER	64,692,379	29,845,636	7,380,599	2,345,450	711,949	184,316	813,257	258,032	476,474	69,855	2,166	136,353	642,823	100,594	466,927	106,721	3,568	19,049,100	2,098,558
	TOTAL	1,526,988,628	779,459,548	39,350,762	130,706,315	4,028,751	819,161	132,231,199	19,701,456	7,911,000	1,515,909	1,652,156	61,090,192	46,896,776	4,849,651	235,420,661	35,507,609	685,463	22,463,117	2,698,901
RATEBASE	PRODUCTION	0.49293730	0.22819461	0.00915557	0.03991876	0.00119265	0.00029021	0.04168376	0.00693684	0.00324674	0.00069503	0.00051028	0.02136189	0.02007183	0.00220493	0.10007595	0.01654483	0.00021022	0.00054997	0.00009323
RATEBASE	BULKTRAN	0.12702919	0.05839180	0.00234129	0.01027262	0.00029791	0.00006459	0.01080548	0.00177483	0.00084450	0.00017815	0.00013574	0.00553821	0.00521033	0.00053813	0.02608585	0.00432790	0.00005502	0.00014255	0.00002431
RATEBASE	SUBTRAN	0.05381089	0.02378042	0.00094639	0.00411310	0.00011969	0.00003466	0.00432608	0.00071161	0.00044663	-	0.00005493	0.00226351	0.00289546	-	0.01402831	-	0.00002243	0.00005779	0.00000986
RATEBASE	DISTPRI	0.14054291	0.09418050	0.00358757	0.01544490	0.00044366	-	0.01563293	0.00256735	-	-	0.00020654	0.00813595	-	-	-	-	0.00008393	0.00022183	0.00003774
RATEBASE	DISTSEC	0.09285422	0.06827741	0.00383316	0.01032700	-	-	0.00917922	-	-	-	0.00011916	-	-	-	-	-	0.00004592	0.00090914	0.00016321
RATEBASE	ENERGY	0.05045951	0.01808521	0.00107276	0.00398506	0.00011822	0.00002629	0.00443600	0.00074255	0.00033088	0.00007382	0.00005390	0.00261813	0.00211334	0.00036702	0.01367727	0.00231074	0.00002904	0.00035450	0.00006480
RATEBASE	CUSTOMER	0.04236599	0.01954542	0.00483343	0.00153600	0.00046624	0.00012071	0.00053259	0.00016898	0.00031204	0.00004575	0.00000142	0.00008930	0.00042097	0.00006588	0.00030578	0.00006989	0.00000234	0.01247495	0.00137431
RATEBASE	TOTAL	1.00000000	0.51045537	0.02577017	0.08559744	0.00263836	0.00053646	0.08659606	0.01290216	0.00518079	0.00099274	0.00108197	0.04000697	0.03071104	0.00317596	0.15417316	0.02325336	0.00044890	0.01471073	0.00176747
System Sales	PRODUCTION	(3,979,513)	(1,851,529)	(74,320)	(322,443)	(9,903)	(2,704)	(334,561)	(56,218)	(26,121)	(5,632)	(4,124)	(171,655)	(161,437)	(18,041)	(800,586)	(133,403)	(1,685)	(4,406)	(746)
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	ENERGY	(112,379,034)	(40,102,577)	(2,377,888)	(8,837,341)	(268,742)	(74,885)	(9,810,588)	(1,634,796)	(753,405)	(163,661)	(141,446)	(5,831,671)	(4,759,439)	(703,132)	(30,454,954)	(5,477,369)	(66,642)	(775,785)	(144,712)
	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	(116,358,547)	(41,954,106)	(2,452,208)	(9,159,784)	(278,645)	(77,589)	(10,145,149)	(1,691,014)	(779,525)	(169,293)	(145,570)	(6,003,326)	(4,920,876)	(721,173)	(31,255,540)	(5,610,772)	(68,327)	(780,192)	(145,458)
EXP_OM_SS	PRODUCTION	0.03420044	0.01591227	0.00063871	0.00277112	0.00008511	0.00002324	0.00287526	0.00048314	0.00022448	0.00004840	0.00003544	0.00147522	0.00138741	0.00015504	0.00688034	0.00114649	0.00001448	0.00003787	0.00000641
EXP_OM_SS	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EXP_OM_SS	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EXP_OM_SS	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EXP_OM_SS	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EXP_OM_SS	ENERGY	0.96579956	0.34464659	0.02043587	0.07594923	0.00230960	0.00064357	0.08431343	0.01404965	0.00647486	0.00140652	0.00121560	0.05011812	0.04090322	0.00604281	0.26173371	0.04707320	0.00057273	0.00666720	0.00124367
EXP_OM_SS	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EXP_OM_SS	TOTAL	1.00000000	0.36055887	0.02107458	0.07872034	0.00239471	0.00066681	0.08718869	0.01453279	0.00669934	0.00145492	0.00125105	0.05159334	0.04229083	0.00619785	0.26861405	0.04821968	0.00058721	0.00670506	0.00125008
CUST_451	TOTAL	1.00000000	0.89739412	0.06230711	0.02443926	0.00004996	-	0.00035894	0.00008363	-	-	-	0.00002091	-	-	-	-	-	0.01534608	-
RB_GUP_EPIS_D	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_D	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_D	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_D	DISTPRI	0.51214902	0.34483083	0.01314836	0.05600928	0.00170340	-	0.05594441	0.00938317	-	-	0.00073839	0.02916702	-	-	-	-	0.00029841	0.00079173	0.00013403
RB_GUP_EPIS_D	DISTSEC	0.34010176	0.25090814	0.01410460	0.03759078	-	-	0.03297930	-	-	-	0.00042750	-	-	-	-	-	0.00016389	0.00325771	0.00058185
RB_GUP_EPIS_D	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RB_GUP_EPIS_D	CUSTOMER	0.14774922	0.06493787	0.01708915	0.00536506	0.00182979	0.00060517	0.00191517	0.00062809	0.00114490	0.00017104	0.00000509	0.00032540	0.00154561	0.00025656	0.00111174	0.00025656	0.00000803	0.04568174	0.00487227
RB_GUP_EPIS_D	TOTAL	1.00000000	0.66075684	0.04434210	0.09897312	0.00353318	0.00060517	0.09083889	0.01001126	0.00114490	0.00017104	0.00117098	0.02949241	0.00154561	0.00025656	0.00111174	0.00025656	0.00047032	0.04973118	0.00558815
MISC_SERV_REV	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MISC_SERV_REV	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MISC_SERV_REV	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MISC_SERV_REV	DISTPRI	0.50121947	0.46832532	0.01847535	0.01383027	0.00002408	-	0.00022106	0.00007838	-	-	-	0.00002068	-	-	-	-	-	0.00024431	-
MISC_SERV_REV	DISTSEC	0.37111348	0.34087468	0.01981901	0.00928420	-	-	0.00013031	-	-	-	-	-	-	-	-	-	-	0.00100527	-
MISC_SERV_REV	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MISC_SERV_REV	CUSTOMER	0.12766705	0.08819411	0.02401274	0.00132479	0.00002587	-	0.00000757	0.00000525	-	-	-	0.00000023	-	-	-	-	-	0.01409650	-
MISC_SERV_REV	TOTAL	1.00000000	0.89739412	0.06230711	0.02443926	0.00004996	-	0.00035894	0.00008363	-	-	-	0.00002091	-	-	-	-	-	0.01534608	-
364 Poles	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	98,569,808	66,367,224	2,530,574	10,779,722	327,841	-	10,767,238	1,805,915	-	-	142,113	5,613,576	-	-	-	-	57,432	152,379	25,795
	DISTSEC	76,821,310	56,692,554	3,185,910	8,492,715	-	-	7,449,280	-	-	-	96,562	-	-	-	-	-	37,018	735,844	131,427
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	175,391,118	123,059,778	5,716,484	19,272,437	327,841	-	18,216,518	1,805,915	-	-	238,675	5,613,576	-	-	-	-	94,450	888,223	157,222
365 Overhead Lines	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	112,661,933	75,855,477	2,892,360	12,320,855	374,711	-	12,306,586	2,064,099	-	-	162,431	6,416,126	-	-	-	-	65,643	174,164	29,483
	DISTSEC	57,779,721	42,640,251	2,396,223	6,387,638	-	-	5,602,837	-	-	-	72,627	-	-	-	-	-	27,842	553,452	98,850
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	170,441,654	118,495,728	5,288,583	18,708,492	374,711	-	17,909,423	2,064,099	-	-	235,058	6,416,126	-	-	-	-	93,485	727,615	128,333
TOTOHLINES	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTOHLINES	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTOHLINES	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTOHLINES	DISTPRI	0.61079157	0.41124703	0.01568080	0.06679696	0.00203148	-	0.06671960	0.01119042	-	-	0.00088061	0.03478473	-	-	-	-	0.00035588	0.00094422	0.00015984
TOTOHLINES	DISTSEC	0.38920843	0.28722785	0.01614113	0.04302759	-	-	0.03774112	-	-	-	0.00048922	-	-	-	-	-	0.00018755	0.00372809	0.00066586
TOTOHLINES	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTOHLINES	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTOHLINES	TOTAL	1.00000000	0.69847488	0.03182193	0.10982455	0.00203148	-	0.10446072	0.01119042	-	-	0.00136983	0.03478473	-	-	-	-	0.00054343	0.00467231	0.00082570

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COST-OF-SERVICE STUDY
TWELVE MONTHS ENDING
MARCH 31, 2013

ALLOCATOR	FUNCTION	Total	RS	SGS	MGS-SEC	MGS-PRI	MGS-SUB	LGS-SEC	LGS-PRI	LGS-SUB	LGS-TRA	QP-SEC	QP-PRI	QP-SUB	QP-TRA	CIP-TOD-SUB	CIP-TOD-TRA	MW	OL	SL
356 Underground Conduit	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	3,760,679	2,532,072	96,548	411,273	12,508	-	410,706	68,900	-	-	5,422	214,172	-	-	-	-	2,191	5,814	984
	DISTSEC	2,256,407	1,665,183	93,577	249,449	-	-	218,801	-	-	-	2,836	-	-	-	-	-	1,087	21,613	3,860
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	6,017,087	4,197,254	190,125	660,722	12,508	-	629,598	68,900	-	-	8,258	214,172	-	-	-	-	3,278	27,427	4,844
367 Underground Lines	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	5,753,402	3,873,776	147,707	629,199	19,136	-	628,471	105,409	-	-	8,295	327,658	-	-	-	-	3,352	8,894	1,506
	DISTSEC	3,452,041	2,547,536	143,162	381,628	-	-	334,741	-	-	-	4,339	-	-	-	-	-	1,663	33,066	5,906
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	9,205,443	6,421,311	290,869	1,010,828	19,136	-	963,212	105,409	-	-	12,634	327,658	-	-	-	-	5,016	41,960	7,411
TOTUGLINES	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTUGLINES	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTUGLINES	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTUGLINES	DISTPRI	0.62500000	0.42081359	0.01604557	0.06835081	0.00207874	-	0.06827165	0.01145073	-	-	0.00090110	0.03559391	-	-	-	-	0.00036416	0.00096618	0.00016356
TOTUGLINES	DISTSEC	0.37500000	0.27674232	0.01555189	0.04145683	-	-	0.03636335	-	-	-	0.00047136	-	-	-	-	-	0.00018070	0.00359199	0.00064156
TOTUGLINES	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTUGLINES	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTUGLINES	TOTAL	1.00000000	0.69755592	0.03159746	0.10980764	0.00207874	-	0.10463500	0.01145073	-	-	0.00137246	0.03559391	-	-	-	-	0.00054486	0.00455818	0.00080512
Acct 581-589	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(Excluding Severance)	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	3,779,520	2,544,757	97,031	413,333	12,571	-	412,855	69,245	-	-	5,449	215,245	-	-	-	-	2,202	5,843	989
	DISTSEC	2,353,507	1,736,840	97,604	260,184	-	-	229,217	-	-	-	2,958	-	-	-	-	-	1,134	22,543	4,026
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	CUSTOMER	1,645,124	705,749	234,095	73,755	34,021	11,233	32,855	11,715	21,252	3,175	87	6,069	28,690	4,762	20,636	4,762	110	326,368	125,790
	TOTAL	7,778,151	4,987,346	428,730	747,272	46,592	11,233	673,927	80,960	21,252	3,175	8,495	221,314	28,690	4,762	20,636	4,762	3,446	354,754	130,806
TOTOXEXP	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTOXEXP	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTOXEXP	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTOXEXP	DISTPRI	0.48591498	0.32716740	0.01247485	0.05314029	0.00161614	-	0.05307875	0.00890253	-	-	0.00070057	0.02767298	-	-	-	-	0.00028312	0.00075117	0.00012716
TOTOXEXP	DISTSEC	0.30257926	0.22329730	0.01254848	0.03345061	-	-	0.02934079	-	-	-	0.00038033	-	-	-	-	-	0.00014580	0.00289830	0.00051766
TOTOXEXP	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTOXEXP	CUSTOMER	0.21150576	0.09073477	0.03009646	0.00948229	0.00437391	0.00144421	0.00422404	0.00150615	0.00273221	0.00040817	0.00001123	0.00078030	0.00368848	0.00061225	0.00265309	0.00061225	0.00001414	0.04195955	0.01617226
TOTOXEXP	TOTAL	1.00000000	0.64119948	0.05511979	0.09607319	0.00599005	0.00144421	0.08664357	0.01040869	0.00273221	0.00040817	0.00109213	0.02845328	0.00368848	0.00061225	0.00265309	0.00061225	0.00044306	0.04560903	0.01681708
Acct 591-598	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	15,589,528	10,496,457	400,229	1,704,891	51,850	-	1,702,917	285,618	-	-	22,476	887,828	-	-	-	-	9,083	24,100	4,080
	DISTSEC	9,596,036	7,081,678	397,964	1,060,857	-	-	930,517	-	-	-	12,062	-	-	-	-	-	4,624	91,917	16,417
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	CUSTOMER	190,093	22,005	12,394	3,927	2,542	841	2,293	873	1,591	238	6	452	2,147	356	1,545	356	6	86,036	52,485
	TOTAL	25,375,657	17,600,140	810,587	2,769,675	54,392	841	2,635,727	286,491	1,591	236	34,544	888,280	2,147	356	1,545	356	13,713	202,053	72,982
TOTMXEXP	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTMXEXP	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTMXEXP	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTMXEXP	DISTPRI	0.61434974	0.41364276	0.01577215	0.06718608	0.00204331	-	0.06710827	0.01125561	-	-	0.00088574	0.03498737	-	-	-	-	0.00035795	0.00094972	0.00016077
TOTMXEXP	DISTSEC	0.37815910	0.27907367	0.01568290	0.04180607	-	-	0.03666968	-	-	-	0.00047533	-	-	-	-	-	0.00018222	0.00362225	0.00064696
TOTMXEXP	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTMXEXP	CUSTOMER	0.00749116	0.00086719	0.00048844	0.00015475	0.00010018	0.00003313	0.00009036	0.00003439	0.00006268	0.00000936	0.00000024	0.00001781	0.00008462	0.00001405	0.00006087	0.00001405	0.00000023	0.00339049	0.00206832
TOTMXEXP	TOTAL	1.00000000	0.69358362	0.03194349	0.10914691	0.00214349	0.00003313	0.10386831	0.01129000	0.00006268	0.00000936	0.00136132	0.03500519	0.00008462	0.00001405	0.00006087	0.00001405	0.00054041	0.00706247	0.00287605
Acct 560-574	PRODUCTION	7,138,616	3,321,349	133,317	578,412	17,764	4,851	600,150	100,846	46,856	10,102	7,398	307,921	289,592	32,362	1,436,125	239,304	3,023	7,904	1,338
	BULKTRAN	4,222,304	1,964,491	78,854	342,115	10,507	2,869	354,973	59,648	27,714	5,975	4,376	182,127	171,286	19,141	849,430	141,542	1,788	4,675	791
	SUBTRAN	1,783,818	798,812	31,825	136,774	4,214	1,536	141,909	23,879	14,636	-	1,768	74,328	95,047	-	456,150	-	728	1,893	320
	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	13,144,738	6,084,652	243,996	1,057,301	32,485	9,256	1,097,032	184,373	89,207	16,078	13,542	564,377	555,924	51,504	2,741,705	380,847	5,538	14,472	2,450
EXP_OM_TRAN	PRODUCTION	0.54307785	0.25267521	0.01014227	0.04400329	0.00135142	0.00036904	0.04565704	0.00767197	0.00356465	0.00076855	0.00056281	0.02342545	0.02203099	0.00246199	0.10925475	0.01820535	0.00022994	0.00060133	0.00010180
EXP_OM_TRAN	BULKTRAN	0.32121627	0.14945075	0.00599889	0.02602679	0.00079933	0.00021828	0.02700494	0.00453777	0.00210839	0.00045458	0.00033289	0.01385554	0.01303075	0.00145620	0.06462131	0.01076798	0.00013600	0.00035567	0.00006021
EXP_OM_TRAN	SUBTRAN	0.13570588	0.06077047	0.00242109	0.01040525	0.00032057	0.00011682	0.01079591	0.00181660	0.00111345	-	0.00013452	0.00565457	0.00723079	-	0.03470211	-	0.00005537	0.00014399	0.00002437
EXP_OM_TRAN	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EXP_OM_TRAN	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EXP_OM_TRAN	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EXP_OM_TRAN	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EXP_OM_TRAN	TOTAL	1.00000000	0.46289643	0.01856224	0.08043533	0.00247133	0.00070414	0.08345789	0.01402635	0.00678649	0.00122313	0.00103021	0.04293557	0.04229253	0.00391819	0.20857817	0.02897333	0.00042132	0.00110099	0.00018638
Acct 580-598	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	19,751,042	13,298,411	507,067	2,160,000	65,692	-	2,157,498	361,862	-	-	28,476	1,124,827	-	-	-	-	11,508	30,533	5,169
	DISTSEC	12,187,407	8,994,057	505,432	1,347,337	-	-	1,181,800	-	-	-	15,319	-	-	-	-	-	5,873	116,739	20,850
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	CUSTOMER	2,001,290	798,997	270,121	85,127	39,997	13,208	38,465	13,770	24,987	3,733	102	7,134	33,733	5,599	24,264	5,599	127	445,352	190,975
	TOTAL	33,939,740	23,091,465	1,282,620	3,592,463	105,689	13,208	3,377,763	375,633	24,987	3,733	43,898	1,131,961	33,733	5,599	24,264	5,599	17,508	592,624	216,994
EXP_OM_DIST	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EXP_OM_DIST	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EXP_OM_DIST	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EXP_OM_DIST	DISTPRI	0.58194442	0.39182420	0.01494021	0.06364220	0.00193553	-	0.06356849	0.01066191	-	-	0.00083902	0.03314188	-	-	-	-	0.00033907	0.00089963	0.00015229
EXP_OM_DIST	DISTSEC	0.35908958	0.26500076	0.01489205	0.03969791	-	-	0.03482053	-	-	-	0.00045136	-	-	-	-	-	0.00017303	0.00343959	0.00061434
EXP_OM_DIST	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EXP_OM_DIST	CUSTOMER	0.05896599	0.02354164	0.00795883	0.00250818	0.00117848	0.00038916	0.00113332	0.00040573	0.00073623	0.00010999	0.00000301	0.00021020	0.00099391	0.00016498	0.00071491	0.00016498	0.00000374	0.01312184	0.00562688
EXP_OM_DIST	TOTAL	1.00000000	0.58036660	0.03779109	0.10584828	0.00311401	0.00038916	0.09952235	0.01106763	0.00073623	0.00010999	0.00129340	0.03335208	0.00099391	0.00016498	0.00071491	0.00016498	0.00051585	0.01746105	0.00639351

KENTUCKY POWER COMPANY
COST-OF-SERVICE STUDY
TWELVE MONTHS ENDING
MARCH 31, 2013

ALLOCATOR	FUNCTION	Total	RS	SGS	MGS-SEC	MGS-PRI	MGS-SUB	LGS-SEC	LGS-PRI	LGS-SUB	LGS-TRA	QP-SEC	QP-PRI	QP-SUB	QP-TRA	CIP-TOD-SUB	CIP-TOD-TRA	MW	OL	SL
Acct 500-503	PRODUCTION	7,138,616	3,321,349	133,317	578,412	17,764	4,851	600,150	100,846	46,856	10,102	7,398	307,921	289,592	32,362	1,436,125	239,304	3,023	7,904	1,338
	BULKTRAN	4,222,304	1,964,491	78,854	342,115	10,507	2,869	354,973	59,648	27,714	5,975	4,376	182,127	171,286	19,141	849,430	141,542	1,788	4,675	791
	SUBTRAN	1,783,818	798,812	31,825	136,774	4,214	1,536	141,909	23,879	14,636	-	1,768	74,328	95,047	-	456,150	-	728	1,893	320
	DISTPRI	19,751,042	13,298,411	507,067	2,160,000	65,692	-	2,157,498	361,862	-	-	28,476	1,124,827	-	-	-	-	11,508	30,533	5,169
	DISTSEC	12,187,407	8,994,057	505,432	1,347,337	-	-	1,181,800	-	-	-	15,319	-	-	-	-	-	5,873	116,739	20,850
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	CUSTOMER	2,001,290	798,997	270,121	85,127	39,997	13,208	38,465	13,770	24,987	3,733	102	7,134	33,733	5,599	24,264	5,599	127	445,352	190,975
	TOTAL	47,084,478	29,176,118	1,526,616	4,649,765	138,174	22,464	4,474,795	560,005	114,194	19,811	57,439	1,696,338	589,657	57,103	2,765,969	386,446	23,046	607,096	219,444
TDOMX	PRODUCTION	0.15161294	0.07054022	0.00283145	0.01228455	0.00037728	0.00010303	0.01274624	0.00214181	0.00099515	0.00021456	0.00015712	0.00653977	0.00615047	0.00068732	0.03050103	0.00508245	0.00006419	0.00016788	0.00002842
TDOMX	BULKTRAN	0.08967507	0.04172269	0.00167473	0.00726599	0.00022315	0.00006094	0.00753906	0.00126683	0.00058861	0.00012691	0.00009293	0.00386810	0.00363784	0.00040653	0.01804056	0.00300614	0.00003797	0.00009929	0.00001681
TDOMX	SUBTRAN	0.03788548	0.01696550	0.00067590	0.00290487	0.00008950	0.00003261	0.00301393	0.00050715	0.00031085	-	0.00003755	0.00157861	0.00201865	-	0.00968791	-	0.00001546	0.00004020	0.00000680
TDOMX	DISTPRI	0.41948097	0.28243727	0.01076930	0.04587498	0.00139518	-	0.04582185	0.00768538	-	-	0.00060479	0.02388955	-	-	-	-	0.00024441	0.00064847	0.00010978
TDOMX	DISTSEC	0.25884129	0.19101957	0.01073459	0.02861531	-	-	0.02509856	-	-	-	0.00032535	-	-	-	-	-	0.00012473	0.00247935	0.00044283
TDOMX	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TDOMX	CUSTOMER	0.04250425	0.01696944	0.00573693	0.00180796	0.00084948	0.00028052	0.00081693	0.00029246	0.00053069	0.00007928	0.00000217	0.00015152	0.00071644	0.00011892	0.00051532	0.00011892	0.00000270	0.00945857	0.00405600
TDOMX	TOTAL	1.00000000	0.61965469	0.03242290	0.09875366	0.00293459	0.00047709	0.09503757	0.01189363	0.00242530	0.00042075	0.00121992	0.03602754	0.01252339	0.00121278	0.05874482	0.00820751	0.00048946	0.01289376	0.00466064

KENTUCKY POWER COMPANY
COST-OF-SERVICE STUDY
TWELVE MONTHS ENDING
MARCH 31, 2013

ALLOCATOR	FUNCTION	Total	RS	SGS	MGS-SEC	MGS-PRI	MGS-SUB	LGS-SEC	LGS-PRI	LGS-SUB	LGS-TRA	OP-SEC	OP-PRI	OP-SUB	OP-TRA	CIP-TOD-SUB	CIP-TOD-TRA	MW	OL	SL
Acct 902-904	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	CUSTOMER	5,950,641	5,109,642	608,322	198,804	2,324	365	22,260	2,490	600	60	63	1,347	846	94	408	94	286	1,332	1,305
	TOTAL	5,950,641	5,109,642	608,322	198,804	2,324	365	22,260	2,490	600	60	63	1,347	846	94	408	94	286	1,332	1,305
TOTOX234	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTOX234	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTOX234	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTOX234	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTOX234	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTOX234	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTOX234	CUSTOMER	1.00000000	0.85867079	0.10222793	0.03340879	0.00039051	0.00006133	0.00374077	0.00041840	0.00010090	0.00001016	0.00001061	0.00022644	0.00014210	0.00001583	0.00006852	0.00001583	0.00004802	0.00022386	0.00021923
TOTOX234	TOTAL	1.00000000	0.85867079	0.10222793	0.03340879	0.00039051	0.00006133	0.00374077	0.00041840	0.00010090	0.00001016	0.00001061	0.00022644	0.00014210	0.00001583	0.00006852	0.00001583	0.00004802	0.00022386	0.00021923
Acct 901-905	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	CUSTOMER	6,265,292	5,379,823	640,488	209,316	2,447	384	23,437	2,621	632	64	66	1,419	890	99	429	99	301	1,403	1,374
	TOTAL	6,265,292	5,379,823	640,488	209,316	2,447	384	23,437	2,621	632	64	66	1,419	890	99	429	99	301	1,403	1,374
EXP_OM_CUSTACCT	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTACCT	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTACCT	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTACCT	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTACCT	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTACCT	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTACCT	CUSTOMER	1.00000000	0.85867079	0.10222793	0.03340879	0.00039051	0.00006133	0.00374077	0.00041840	0.00010090	0.00001016	0.00001061	0.00022644	0.00014210	0.00001583	0.00006852	0.00001583	0.00004802	0.00022386	0.00021923
EXP_OM_CUSTACCT	TOTAL	1.00000000	0.85867079	0.10222793	0.03340879	0.00039051	0.00006133	0.00374077	0.00041840	0.00010090	0.00001016	0.00001061	0.00022644	0.00014210	0.00001583	0.00006852	0.00001583	0.00004802	0.00022386	0.00021923
A&G Regulatory																				
REVSALES	TOTAL	1.00000000	0.40723371	0.03260169	0.10132186	0.00320280	0.00127732	0.09697107	0.01575931	0.00633952	0.00116659	0.00175681	0.04606923	0.03769318	0.00208163	0.18674603	0.03993848	0.00068472	0.01463710	0.00251893
RB_GUP	PRODUCTION	0.33143885	0.15420695	0.00618980	0.02685508	0.00082477	0.00022522	0.02786436	0.00468218	0.00217549	0.00046905	0.00034348	0.01429649	0.01344545	0.00150254	0.06667786	0.01111067	0.00014033	0.00036699	0.00006213
	BULKTRAN	0.19089786	0.08881812	0.00356512	0.01546764	0.00047504	0.00012972	0.01604895	0.00269678	0.00125301	0.00027015	0.00019783	0.00823431	0.00774413	0.00086542	0.03840425	0.00639938	0.00008083	0.00021137	0.00003578
	SUBTRAN	0.08046796	0.03603437	0.00143560	0.00616988	0.00019009	0.00006927	0.00640153	0.00107717	0.00066023	-	0.00007976	0.00335293	0.00428756	-	0.02057691	-	0.00003283	0.00008538	0.00001445
	DISTPRI	0.20200779	0.13601220	0.00518613	0.02209183	0.00067187	-	0.02206625	0.00370102	-	-	0.00029125	0.01150439	-	-	-	-	0.00011770	0.00031228	0.00005286
	DISTSEC	0.13380980	0.09874889	0.00554932	0.01479288	-	-	0.01297539	-	-	-	0.00016819	-	-	-	-	-	0.00006448	0.00128172	0.00022892
	ENERGY	0.00172510	0.00061561	0.00003650	0.00013566	0.00000413	0.00000115	0.00015060	0.00002510	0.00001157	0.00000251	0.00000217	0.00008052	0.00007306	0.00001079	0.00046751	0.00008408	0.00000102	0.00001191	0.00000222
	CUSTOMER	0.05965264	0.02715084	0.00688048	0.00216245	0.00071168	0.00023519	0.00075249	0.00024505	0.00044489	0.00006645	0.00000200	0.00012697	0.00060061	0.00009968	0.00043193	0.00009968	0.00000323	0.01771550	0.00182352
	TOTAL	1.00000000	0.54158699	0.02884295	0.08767543	0.00287757	0.00066055	0.08625957	0.01242730	0.00454519	0.00080816	0.00108469	0.03760461	0.02615082	0.00247843	0.12655845	0.01769381	0.00044043	0.01998515	0.00231989
EXP_OM_AG_REG	PRODUCTION	0.35969097	0.11595232	0.00699644	0.03103500	0.00091799	0.00043552	0.03197055	0.00593757	0.00303432	0.00067707	0.00055632	0.01751456	0.01937995	0.00126199	0.09838794	0.02507902	0.00021817	0.00026878	0.00006746
EXP_OM_AG_REG	BULKTRAN	0.20717014	0.06678472	0.00402972	0.01787514	0.00052873	0.00025085	0.01841398	0.00341985	0.00174767	0.00038997	0.00032042	0.01008781	0.01116222	0.00072686	0.05666821	0.01444469	0.00012566	0.00015481	0.00003885
EXP_OM_AG_REG	SUBTRAN	0.08673415	0.02709521	0.00162269	0.00713021	0.00021157	0.00013395	0.00734488	0.00136598	0.00092087	-	0.00012919	0.00410766	0.00617999	-	0.03036270	-	0.00005105	0.00006253	0.00001569
EXP_OM_AG_REG	DISTPRI	0.17945749	0.10227120	0.00586197	0.02553036	0.00074781	-	0.02531801	0.00469334	-	-	0.00047171	0.01409398	-	-	-	-	0.00018299	0.00022872	0.00005740
EXP_OM_AG_REG	DISTSEC	0.11406721	0.07425193	0.00627249	0.01709535	-	-	0.01488749	-	-	-	0.00027242	-	-	-	-	-	0.00010024	0.00093873	0.00024857
EXP_OM_AG_REG	ENERGY	0.00201203	0.00046289	0.00004126	0.00015678	0.00000459	0.00000222	0.00017279	0.00003182	0.00001613	0.00000363	0.00000352	0.00010967	0.00010531	0.00000907	0.00068984	0.00018979	0.00000159	0.00000872	0.00000241
EXP_OM_AG_REG	CUSTOMER	0.05086801	0.02041544	0.00777713	0.00249903	0.00079211	0.00045478	0.00086338	0.00031075	0.00062052	0.00009592	0.00000324	0.00015555	0.00086571	0.00008372	0.00063734	0.00022499	0.00000503	0.01297481	0.00208855
EXP_OM_AG_REG	TOTAL	1.00000000	0.40723371	0.03260169	0.10132186	0.00320280	0.00127732	0.09697107	0.01575931	0.00633952	0.00116659	0.00175681	0.04606923	0.03769318	0.00208163	0.18674603	0.03993848	0.00068472	0.01463710	0.00251893
Acct 907-916	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	CUSTOMER	2,954,993	1,889,553	314,330	97,693	1,114	175	10,189	1,114	268	27	27	577	362	40	175	40	148	638,407	752
	TOTAL	2,954,993	1,889,553	314,330	97,693	1,114	175	10,189	1,114	268	27	27	577	362	40	175	40	148	638,407	752
EXP_OM_CUSTSERV	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTSERV	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTSERV	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTSERV	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTSERV	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTSERV	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EXP_OM_CUSTSERV	CUSTOMER	1.00000000	0.63944429	0.10637264	0.03306029	0.00037708	0.00005906	0.00344823	0.00037708	0.00009086	0.00000909	0.00000909	0.00019535	0.00012266	0.00001363	0.00005906	0.00001363	0.00004997	0.21604358	0.00025441
EXP_OM_CUSTSERV	TOTAL	1.00000000	0.63944429	0.10637264	0.03306029	0.00037708	0.00005906	0.00344823	0.00037708	0.00009086	0.00000909	0.00000909	0.00019535	0.00012266	0.00001363	0.00005906	0.00001363	0.00004997	0.21604358	0.00025441
O&M Expense	PRODUCTION	126,959,967	59,061,475	2,371,092	10,287,341	315,938	86,306	10,673,927	1,793,686	833,450	179,699	131,604	5,476,703	5,151,172	575,498	25,545,762	4,258,192	53,767	140,556	23,798
	BULKTRAN	(31,943,963)	(14,867,353)	(596,544)	(2,588,102)	(79,489)	(21,689)	(2,685,391)	(451,185)	(209,609)	(45,190)	(33,087)	(1,377,698)	(1,295,408)	(144,850)	(6,423,888)	(1,069,591)	(13,519)	(35,383)	(5,988)
	SUBTRAN	(13,495,661)	(6,045,454)	(240,759)	(1,034,700)	(31,879)	(11,608)	(1,073,556)	(180,623)	(110,695)	-	(13,370)	(562,253)	(718,827)	-	(3,449,685)	-	(5,504)	(14,324)	(2,424)
	DISTPRI	24,385,629	16,415,790	626,259	2,667,829	81,131	-	2,664,709	447,008	-	-	35,194	1,389,414	-	-	-	-	14,221	37,690	6,383
	DISTSEC	15,047,741	11,103,268	624,313	1,664,299	-	-	1,459,802	-	-	-	18,936	-	-	-	-	-	7,259	144,111	25,753
	ENERGY	189,739,811	67,708,809	4,014,806	14,920,892	453,742	126,435	16,564,113	2,760,177	1,272,043	276,324	238,816	9,846,145	8,035,800	1,187,162	51,419,911	9,247,959	112,518	1,309,828	244,330
	CUSTOMER	13,446,110	9,645,573	1,470,225	470,664	53,691	17,028	87,594	21,478	31,988	4,727	238	11,109	43,233	7,085	30,746	7,108	691	1,304,469	238,373
	TOTAL	324,139,633	143,022,109	8,269,392	26,388,225	793,134	196,472	27,691,197	4,390,542	1,817,177	415,560	378,330	14,783,510	11,215,971	1,624,895	67,122,845	12,443,668	169,433	2,886,947	530,226
EXP_OM	PRODUCTION	0.39168295	0.18220998	0.00731503	0.03173738	0.00097470	0.00026626	0.03293003	0.00553368	0.00257127	0.00055439	0.00040601	0.01689612	0.01589183	0.00177546	0.07881098	0.01313691	0.00016587	0.00043363	0.00007342
EXP_OM	BULKTRAN	(0.09855001)	(0.04586713)	(0.00184039)	(0.00798453)	(0.00024523)	(0.00006691)	(0.00828467)	(0.00139195)	(0.00064666)	(0.00013942)	(0.00010208)	(0.00425032)	(0.00399645)	(0.00044688)	(0.01981827)	(0.00329979)	(0.00004171)	(0.00010916)	(0.00001847)
EXP_OM	SUBTRAN	(0.04163533)	(0.01865077)	(0.00074276)	(0.00319214)	(0.00009835)	(0.00003581)	(0.00331202)	(0.00055724)	(0.00034151)	-	(0.00004125)	(0.00173460)	(0.00221765)	-	(0.01064259)	-	(0.00001698)	(0.00004419)	(0.00000748)
EXP_OM	DISTPRI	0.07523186	0.05064419	0.00193207	0.00823049	0.00025030	-	0.00822087	0.00137906	-	-	0.00010858	0.00428647	-	-	-	-	0.00004387	0.00011628	0.00001969
EXP_OM	DISTSEC	0.04642364	0.03425458	0.00192606	0.00513451	-	-	0.00450362	-	-	-	0.00005842	-	-	-	-	-	0.00002239	0.00044460	0.00007945
EXP_OM	ENERGY	0.58536443	0.20888778	0.01238604	0.04603230	0.00139983	0.00039006	0.05110178	0.00851539	0.00392437	0.00085249	0.00073677	0.03037625	0.02479117	0.00366250	0.15863506	0.02853079	0.00034713	0.00404094	0.00075378
EXP_OM	CUSTOMER	0.04148246	0.02975746	0.00453578	0.00145204	0.00016564	0.00005253	0.00027024	0.00006626	0.00009869	0.00001458	0.00000073	0.00003455	0.00013338	0.00002186	0.00009485	0.00002193	0.00000213	0.00402440	0.00073540
EXP_OM	TOTAL	1.00000000	0.44123610	0.02551182	0.08141005	0.00244689	0.00060613	0.08542984	0.01354522	0.00560616	0.00128204	0.00116718	0.04560846	0.03460228	0.00501295	0.20708003	0.03838984	0.00052272	0.00890649	0.00163579

KENTUCKY POWER COMPANY
COST-OF-SERVICE STUDY
TWELVE MONTHS ENDING
MARCH 31, 2013

ALLOCATOR	FUNCTION	Total	RS	SGS	MGS-SEC	MGS-PRI	MGS-SUB	LGS-SEC	LGS-PRI	LGS-SUB	LGS-TRA	QP-SEC	QP-PRI	QP-SUB	QP-TRA	CIP-TOD-SUB	CIP-TOD-TRA	MW	OL	SL
O&M Labor	PRODUCTION	9,192,361	4,276,886	171,672	744,818	22,875	6,247	772,810	129,859	60,337	13,009	9,526	396,509	372,906	41,673	1,849,291	308,151	3,892	10,178	1,723
	BULKTRAN	344,806	160,426	6,439	27,938	858	234	28,988	4,871	2,263	488	357	14,873	13,988	1,563	69,367	11,559	146	382	65
	SUBTRAN	145,672	65,233	2,599	11,169	344	125	11,589	1,950	1,195	-	144	6,070	7,762	-	37,251	-	59	155	26
	DISTPRI	4,967,631	3,344,715	127,534	543,267	16,522	-	542,637	91,013	-	-	7,162	282,908	-	-	-	-	2,894	7,679	1,300
	DISTSEC	3,065,283	2,262,116	127,123	338,872	-	-	297,237	-	-	-	3,853	-	-	-	-	-	1,477	29,361	5,244
	ENERGY	1,195,224	426,517	25,290	93,991	2,858	796	104,342	17,387	8,013	1,741	1,504	62,024	50,620	7,478	323,908	58,255	709	8,251	1,539
	CUSTOMER	2,386,226	1,694,970	262,742	84,120	10,768	3,436	16,554	4,228	6,469	957	45	2,203	8,741	1,437	6,226	1,437	123	233,285	48,465
	TOTAL	21,297,204	12,230,863	723,399	1,844,175	54,245	10,839	1,774,157	249,308	78,277	16,195	22,592	764,587	454,016	52,151	2,286,043	379,402	9,301	289,291	58,362
LABOR_M	PRODUCTION	0.43162292	0.20081911	0.00806079	0.03497257	0.00107407	0.00029330	0.03628692	0.00609747	0.00283308	0.00061082	0.00044731	0.01861789	0.01750961	0.00195672	0.08683259	0.01446909	0.00018275	0.00047792	0.00008090
LABOR_M	BULKTRAN	0.01619019	0.00753273	0.00030236	0.00131182	0.00004029	0.00001100	0.00136112	0.00022872	0.00010627	0.00002291	0.00001678	0.00069836	0.00065679	0.00007340	0.00325709	0.00054274	0.00000686	0.00001793	0.00000303
LABOR_M	SUBTRAN	0.00683995	0.00306300	0.00012203	0.00052445	0.00001616	0.00000589	0.00054414	0.00009156	0.00005612	-	0.00000678	0.00028501	0.00036445	-	0.00174908	-	0.00000279	0.00000726	0.00000123
LABOR_M	DISTPRI	0.23325274	0.15704948	0.00598828	0.02550882	0.00077579	-	0.02547928	0.00427346	-	-	0.00033629	0.01328380	-	-	-	-	0.00013591	0.00036058	0.00006104
LABOR_M	DISTSEC	0.14392892	0.10621659	0.00596898	0.01591156	-	-	0.01395663	-	-	-	0.00018091	-	-	-	-	-	0.00006936	0.00137864	0.00024624
LABOR_M	ENERGY	0.05612117	0.02002890	0.00118750	0.00441330	0.00013421	0.00003740	0.00489933	0.00081640	0.00037624	0.00008173	0.00007064	0.00291229	0.00237683	0.00035114	0.01520895	0.00273535	0.00003328	0.00038742	0.00007227
LABOR_M	CUSTOMER	0.11204411	0.07958649	0.01233693	0.00394981	0.00050653	0.00016134	0.00077728	0.00019853	0.00030375	0.00004495	0.00000211	0.00010345	0.00041043	0.00006747	0.00029236	0.00006747	0.00000580	0.01095377	0.00227565
LABOR_M	TOTAL	1.00000000	0.57429431	0.03396686	0.08659234	0.00254705	0.00050893	0.08330471	0.01170614	0.00367546	0.00076042	0.00106081	0.03590080	0.02131809	0.00244872	0.10734007	0.01781465	0.00043673	0.01358352	0.00274036
Production O&M Labor	PRODUCTION	8,609,401	4,005,654	160,785	697,583	21,424	5,850	723,800	121,624	56,510	12,184	8,922	371,363	349,257	39,030	1,732,013	288,609	3,645	9,533	1,614
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	ENERGY	1,195,224	426,517	25,290	93,991	2,858	796	104,342	17,387	8,013	1,741	1,504	62,024	50,620	7,478	323,908	58,255	709	8,251	1,539
	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	9,804,625	4,432,171	186,076	791,574	24,282	6,647	828,142	139,011	64,523	13,924	10,427	433,387	399,876	46,508	2,055,921	346,864	4,354	17,784	3,153
LABOR_PROD	PRODUCTION	0.87809590	0.40854744	0.01639891	0.07114837	0.00218510	0.00059670	0.07382231	0.01240472	0.00576363	0.00124266	0.00091000	0.03787633	0.03562163	0.00398076	0.17665266	0.02943600	0.00037179	0.00097228	0.00016459
LABOR_PROD	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LABOR_PROD	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LABOR_PROD	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LABOR_PROD	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LABOR_PROD	ENERGY	0.12190410	0.04350161	0.00257943	0.00958638	0.00029152	0.00008123	0.01064212	0.00177336	0.00081726	0.00017753	0.00015343	0.00632595	0.00516284	0.00076273	0.03303627	0.00594162	0.00007229	0.00084154	0.00015698
LABOR_PROD	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LABOR_PROD	TOTAL	1.00000000	0.45204905	0.01897834	0.08073476	0.00247662	0.00067793	0.08446442	0.01417808	0.00658090	0.00142020	0.00106344	0.04420228	0.04078447	0.00474349	0.20968893	0.03537762	0.00044408	0.00181382	0.00032157
Other Revenues	PRODUCTION	1,319,597	974,035	59,407	150,461	602	3,397	46,821	13,089	6,727	-	-	23,395	20,383	7,180	13,275	-	-	825	-
	BULKTRAN	(408,903)	(240,044)	(4,550)	(23,732)	(774)	364	(26,663)	(4,425)	(2,067)	(445)	(326)	(14,376)	(12,943)	(3,696)	(64,151)	(10,541)	(133)	(342)	(59)
	SUBTRAN	(170,456)	(97,652)	(1,835)	(9,485)	(310)	195	(10,659)	(1,771)	(1,092)	-	(132)	(5,867)	(7,182)	-	(34,450)	-	(54)	(139)	(24)
	DISTPRI	4,892,205	3,332,456	134,841	539,323	15,105	-	504,290	86,208	-	-	6,464	262,553	-	-	-	-	2,612	7,180	1,173
	DISTSEC	3,685,456	2,730,930	161,776	408,525	-	-	338,821	-	-	-	4,286	-	-	-	-	-	1,643	33,642	5,833
	ENERGY	1,233,870	881,543	54,542	125,172	576	1,060	46,709	12,256	6,328	61	53	29,656	21,015	17,972	30,616	2,051	25	4,186	54
	CUSTOMER	411,175	234,302	59,686	14,290	2,817	2,305	3,272	1,159	2,137	246	7	543	2,542	464	1,625	368	12	78,403	6,997
	TOTAL	10,962,949	7,815,569	463,867	1,204,554	18,015	7,322	902,591	106,516	12,034	(138)	10,353	295,904	23,815	21,920	(53,085)	(8,122)	4,104	123,755	13,975
REV_OTHER	PRODUCTION	0.12036880	0.08884787	0.00541885	0.01372446	0.00005490	0.00030989	0.00427082	0.00119396	0.00061363	-	-	0.00213404	0.00185928	0.00065490	0.00121092	-	-	0.00007530	-
REV_OTHER	BULKTRAN	(0.03729866)	(0.02189596)	(0.00041501)	(0.00216477)	(0.00007056)	0.00003319	(0.00243211)	(0.00040362)	(0.00018854)	(0.00004059)	(0.00002973)	(0.00131131)	(0.00118063)	(0.00033715)	(0.00585160)	(0.00096153)	(0.00001214)	(0.00003122)	(0.00000538)
REV_OTHER	SUBTRAN	(0.01554839)	(0.00890744)	(0.00016736)	(0.00085523)	(0.00002830)	0.00001782	(0.00097227)	(0.00016156)	(0.00009957)	-	(0.00001201)	(0.00053518)	(0.00085513)	-	(0.00314240)	-	(0.00000494)	(0.00001264)	(0.00000218)
REV_OTHER	DISTPRI	0.44624900	0.30397441	0.01229968	0.04919509	0.00137781	-	0.04599947	0.00786357	-	-	0.00058964	0.02394908	-	-	-	-	0.00023829	0.00065494	0.00010703
REV_OTHER	DISTSEC	0.33617379	0.24910542	0.01475660	0.03726415	-	-	0.03090604	-	-	-	0.00039092	-	-	-	-	-	0.00014986	0.00306873	0.00053207
REV_OTHER	ENERGY	0.11254960	0.08041108	0.00497513	0.01141777	0.00005253	0.00009673	0.00426060	0.00111792	0.00057719	0.00000559	0.00000483	0.00270509	0.00191693	0.00163938	0.00279270	0.00018710	0.00000228	0.00038181	0.00000494
REV_OTHER	CUSTOMER	0.03750586	0.02137220	0.00544435	0.00130350	0.00025692	0.00021029	0.00029848	0.00010569	0.00019494	0.00002241	0.00000067	0.00004954	0.00023184	0.00004232	0.00014819	0.00003361	0.00000105	0.00715160	0.00063826
REV_OTHER	TOTAL	1.00000000	0.71290757	0.04231224	0.10987497	0.00164330	0.00066792	0.08233102	0.00971596	0.00109767	(0.00001260)	0.00094432	0.02699126	0.00217229	0.00199945	(0.00484219)	(0.00074083)	0.00037439	0.01128852	0.00127474
Total Revenues	PRODUCTION	201,233,545	83,306,498	5,092,503	20,925,723	607,449	208,889	20,454,166	3,589,288	1,465,376	276,734	232,983	9,196,676	9,106,335	758,402	38,569,491	6,934,981	117,756	327,261	63,035
	BULKTRAN	(11,106,506)	(8,163,698)	107,522	217,419	8,221	35,295	(125,545)	325	(2,702)	(18,755)	28,200	(332,768)	(96,231)	(241,277)	(2,649,897)	115,809	6,460	1,982	3,137
	SUBTRAN	(4,819,373)	(3,323,305)	43,519	87,267	3,309	18,931	(50,062)	178	(1,423)	-	11,404	(135,917)	(53,402)	-	(1,424,584)	-	2,634	807	1,272
	DISTPRI	50,554,201	29,846,606	1,806,852	7,304,685	209,415	-	6,837,846	1,196,568	-	-	91,411	3,090,911	-	-	-	-	43,097	105,635	21,175
	DISTSEC	32,050,098	20,886,621	1,888,283	4,771,751	-	-	3,915,539	-	-	-	52,137	-	-	-	-	-	23,145	422,754	89,870
	ENERGY	207,414,904	74,126,532	4,600,066	16,951,753	479,803	63,511	18,803,986	3,193,432	1,317,162	304,876	151,893	10,801,342	8,594,231	1,870,915	55,828,319	8,387,631	116,955	1,544,563	277,916
	CUSTOMER	23,037,861	12,156,338	3,037,196	923,571	193,227	89,183	230,699	71,295	109,025	13,014	628	30,276	146,045	10,453	83,053	23,351	1,451	5,139,447	779,610
	TOTAL	498,364,731	208,835,592	16,575,940	51,182,167	1,501,423	415,809	50,066,629	8,051,085	2,887,458	575,868	568,655	22,650,521	17,696,979	2,396,492	90,406,381	15,461,773	311,497	7,542,449	1,236,014
REV	PRODUCTION	0.40378769	0.16715970	0.01021843	0.04198877	0.00121888	0.00041915	0.04104256	0.00720213	0.00294037	0.00055528	0.00046749	0.01845371	0.01827243	0.00152178	0.07739210	0.01391547	0.00023628	0.00065667	0.00012648
REV	BULKTRAN	(0.02228590)	(0.01638097)	0.00021575	0.00043626	0.00001650	0.00007082	(0.00025191)	0.00000065	(0.00000542)	(0.00003763)	0.00005658	(0.00066772)	(0.00019309)	(0.00048414)	(0.00531718)	0.00023238	0.00001296	0.00000398	0.00000629
REV	SUBTRAN	(0.00967037)	(0.00666842)	0.00008732	0.00017511	0.00000664	0.00003799	(0.00010045)	0.00000036	(0.00000286)	-	0.00002288	(0.00027273)	(0.00010715)	-	(0.00285852)	-	0.00000528	0.00000162	0.00000255
REV	DISTPRI	0.10144017	0.05988908	0.00362556	0.01465731	0.00042020	-	0.01372057	0.00240099	-	-	0.00018342	0.00620211	-	-	-	-	0.00008648	0.00021196	0.00004249
REV	DISTSEC	0.06431053	0.04191031	0.00378896	0.00957482	-	-	0.00785677	-	-	-	0.00010462	-	-	-	-	-	0.00004644	0.00084828	0.00018033
REV	ENERGY	0.41619098	0.14873952	0.00923032	0.03401475	0.00096275	0.00012744	0.03773137	0.00640782	0.00264301	0.00061175	0.00030478	0.02167357	0.01724486	0.00375411	0.11202301	0.01683031	0.00023468	0.00309926	0.00055766
REV	CUSTOMER	0.04622691	0.02439245	0.00609432	0.00185320	0.00038772	0.00017895	0.00046291	0.00014306	0.00021877	0.00002611	0.00000126	0.00006075	0.00029305	0.00002097	0.00016665	0.00004686	0.00000291	0.01031262	0.00156434
REV	TOTAL	1.00000000	0.41904168	0.03326066	0.10270022	0.00301270	0.00083435	0.10046182	0.01615501	0.00579386	0.00115552	0.00114104	0.04544969	0.03551010	0.00481272	0.18140606	0.03102501	0.00062504	0.01513440	0.00248014
PSC MAINT FEE	PRODUCTION	979,074	398,712	31,919	99,202	3,136	1,251	96,900	15,430	6,207	1,142	1,720	45,105	36,904	2,038	182,838	39,103	670	14,331	2,466
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	979,074	398,712	31,919	99,202	3,136	1,251	96,900	15,430	6,207	1,142	1,720	45,105	36,904	2,038	182,838	39,103	670	14,331	2,466
Intermediate Step	PRODUCTION	1.00000000	0.40723371	0.03260169	0.10132186	0.00320280	0.00127732	0.09897107	0.01575931	0.00633952	0.00116659	0.00175681	0.04606923	0.03769318	0.00208163	0.18674603	0.03993848	0.00068472	0.01463710	0.00251893
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	TOTAL	1.00000000	0.40723371	0.03260169	0.10132186	0.00320280	0.00127732	0.09897107	0.01575931	0.00633952	0.00116659	0.00175681	0.04606923	0.03769318	0.00208163	0.18674603	0.03993848	0.00068472	0.01463710	0.00251893
RATEBASE	PRODUCTION	0.49293730	0.22819461	0.00915557	0.03991876	0.00119265	0.00029021	0.04168376	0.00693684	0.00324674	0.00069503	0.00051028	0.02136189	0.02007183	0.00220493	0.10007595	0.01654483	0.00021022	0.00054997	0.00009323
	BULKTRAN	0.12702919	0.05839180	0.00234129	0.01027262	0.00029791	0.00006459	0.01080548	0.00177483	0.00084450	0.00017815	0.00013574	0.00553821	0.00521033	0.00053813	0.02608585	0.00432790	0.00005502	0.00014255	0.00002431
	SUBTRAN	0.05381089	0.02378042	0.00094639	0.00411310	0.00011969	0.00003466	0.00432608	0.00071161	0.00044063	-	0.00005493	0.00226351	0.00289546	-	0.01402831	-	0.00002243	0.00005779	0.00000986
	DISTPRI	0.14054291	0.09418050	0.00358757	0.01544490	0.00044366	-	0.01563293	0.00256735	-	-	0.00020654	0.00813595	-	-	-	-	0.00008393	0.00022183	0.00003774
	DISTSEC	0.09285422	0.06827741	0.00383316	0.01032700	-	-	0.00917922	-	-	-	0.00011916	-	-	-	-	-	0.00004592	0.00090914	0.00016321
	ENERGY	0.05045951	0.01808521	0.00107276	0.00398506	0.00011822	0.00002629	0.00443600	0.00074255	0.00033088	0.00007382	0.00005390	0.00261813	0.00211334	0.00036702	0.01367727	0.00231074	0.00002904	0.00035450	0.00006480
	CUSTOMER	0.04236599	0.01954542	0.00483343	0.00153600	0.00046624	0.00012071	0.00053259	0.00016898	0.00031204	0.00004575	0.00000142	0.00008930	0.00042097	0.00006588	0.00030578	0.00006989	0.00000234	0.01247495	0.00137431
	TOTAL	1.00000000	0.51045537	0.02577017	0.08559744	0.00263836	0.00053646	0.08659606	0.01290216	0.00518079	0.00099274	0.00108197	0.04000697	0.03071194	0.00317596	0.15417316	0.02325336	0.00044890	0.01471073	0.00176747

ALLOCATOR	FUNCTION	Total	RS	SGS	MGS-SEC	MGS-PRI	MGS-SUB	LGS-SEC	LGS-PRI	LGS-SUB	LGS-TRA	OP-SEC	OP-PRI	OP-SUB	OP-TRA	CIP-TOD-SUB	CIP-TOD-TRA	MW	OL	SL	
EXP_OTHTAX_PSC	BULKTRAN	0.13061752	0.04658411	0.00296195	0.01215972	0.00036165	0.00015378	0.01234964	0.00216786	0.00103338	0.00020935	0.00022041	0.00637741	0.00639470	0.00035271	0.03158712	0.00743332	0.00008393	0.00014183	0.00003465	
EXP_OTHTAX_PSC	SUBTRAN	0.05497271	0.01897167	0.00119727	0.00486869	0.00014529	0.00008253	0.00494430	0.00086920	0.00054653	-	0.00008919	0.00260650	0.00355364	-	0.01699214	-	0.00003422	0.00005750	0.00001405	
EXP_OTHTAX_PSC	DISTPRI	0.12960468	0.07513581	0.00453861	0.01828216	0.00053857	-	0.01786696	0.00313589	-	-	0.00033537	0.00936879	-	-	-	-	0.00012802	0.00022072	0.00005379	
EXP_OTHTAX_PSC	DISTSEC	0.08343580	0.05447070	0.00484931	0.01222409	-	-	0.01049098	-	-	-	0.00019349	-	-	-	-	-	0.00007004	0.00090459	0.00023260	
EXP_OTHTAX_PSC	ENERGY	0.05413874	0.01442811	0.00135714	0.00471712	0.00014351	0.00006260	0.00506992	0.00090698	0.00040488	0.00008674	0.00008751	0.00301485	0.00259373	0.00024066	0.01656693	0.00396877	0.00004429	0.00035273	0.00009235	
EXP_OTHTAX_PSC	CUSTOMER	0.04116012	0.01559305	0.00611475	0.00181816	0.00056599	0.00028740	0.00060870	0.00020640	0.00038183	0.00005376	0.00000230	0.00010283	0.00051667	0.00004318	0.00037039	0.00012004	0.00000356	0.01241250	0.00195862	
EXP_OTHTAX_PSC	TOTAL	1.00000000	0.40723371	0.03260169	0.10132186	0.00320280	0.00127732	0.09897107	0.01575931	0.00633952	0.00116659	0.00175681	0.04606923	0.03769318	0.00208163	0.18674603	0.03993848	0.00068472	0.01463710	0.00251893	
AFUDC Offset	PRODUCTION	835,206	388,592	15,598	67,673	2,078	568	70,217	11,799	5,482	1,182	868	36,026	33,882	3,786	168,024	27,998	354	925	157	
	BULKTRAN	432,453	201,205	8,076	35,040	1,076	294	36,357	6,109	2,839	612	448	18,654	17,543	1,960	87,000	14,497	183	479	81	
	SUBTRAN	182,701	81,815	3,260	14,009	432	157	14,535	2,446	1,499	-	181	7,613	9,735	-	46,719	-	75	194	33	
	DISTPRI	237,849	160,144	8,106	26,011	791	-	25,981	4,358	-	-	343	13,546	-	-	-	-	139	368	62	
	DISTSEC	157,438	116,186	6,529	17,405	-	-	15,267	-	-	-	198	-	-	-	-	-	76	1,508	269	
	ENERGY	2,608	931	55	205	6	2	228	38	17	4	3	135	110	16	707	127	2	16	3	
	CUSTOMER	70,696	32,482	8,148	2,562	835	276	885	288	522	78	2	149	704	117	506	117	4	20,757	2,265	
	TOTAL	1,918,951	981,356	47,772	162,905	5,218	1,296	163,468	25,037	10,359	1,876	2,041	76,123	61,974	5,880	302,958	42,739	831	24,249	2,871	
AFUDC_OFF	PRODUCTION	0.43524107	0.20250251	0.00812836	0.03526573	0.00108308	0.00029576	0.03659111	0.00614858	0.00285683	0.00061594	0.00045106	0.01877396	0.01765638	0.00197312	0.08756048	0.01459038	0.00018428	0.00048193	0.00008158	
AFUDC_OFF	BULKTRAN	0.22535906	0.10485172	0.00420870	0.01825969	0.00056080	0.00015314	0.01894614	0.00318361	0.00147921	0.00031892	0.00023355	0.00972078	0.00914212	0.00102164	0.04533705	0.00755461	0.00009542	0.00024953	0.00004224	
AFUDC_OFF	SUBTRAN	0.09520859	0.04263538	0.00169859	0.00730012	0.00022491	0.00008196	0.00757420	0.00127449	0.00078118	-	0.00009437	0.00396714	0.00507298	-	0.02434632	-	0.00003885	0.00010102	0.00001710	
AFUDC_OFF	DISTPRI	0.12394735	0.08345397	0.00318209	0.01355504	0.00041225	-	0.01353934	0.00227086	-	-	0.00017870	0.00705883	-	-	-	-	0.00007222	0.00019161	0.00003244	
AFUDC_OFF	DISTSEC	0.08204391	0.06054673	0.00340250	0.00907008	-	-	0.00795571	-	-	-	0.00010313	-	-	-	-	-	0.00003953	0.00078587	0.00014038	
AFUDC_OFF	ENERGY	0.00135893	0.00048494	0.00002875	0.00010686	0.00000325	0.00000091	0.00011863	0.00001977	0.00000911	0.00000198	0.00000171	0.00007052	0.00005755	0.00000850	0.00036827	0.00006623	0.00000081	0.00000938	0.00000175	
AFUDC_OFF	CUSTOMER	0.03684108	0.01692687	0.00424609	0.00133490	0.00043492	0.00014369	0.00046120	0.00014989	0.00027181	0.00004060	0.00000123	0.00007767	0.00036695	0.00006089	0.00026388	0.00006089	0.00000199	0.01081708	0.00110053	
AFUDC_OFF	TOTAL	1.00000000	0.51140212	0.02489508	0.08489262	0.00271920	0.00067546	0.08518633	0.01304720	0.00539813	0.00097744	0.00106374	0.03966889	0.03229599	0.00308416	0.15787599	0.02227212	0.00043310	0.01283642	0.00149600	
RBASE		501,102,474	204,065,819	16,336,788	50,772,635	1,604,933	640,068	49,594,850	7,897,030	3,176,749	584,583	880,343	23,085,407	18,888,146	1,043,111	93,578,897	20,013,271	343,116	7,334,685	1,262,243	470,263,297
Initial RSALE		501,174,552	204,095,172	16,339,138	50,779,938	1,605,164	640,160	49,601,784	7,898,166	3,177,206	584,667	880,470	23,088,728	18,890,863	1,043,261	93,592,357	20,016,150	343,165	7,335,740	1,262,425	490,690,254
Initial Other Revenue		2,729,194	6,544,789	396,484	967,633	-86,588	-216,079	1,027,524	250,443	-245,386	-565	-301,041	-153,520	-920,753	1,370,010	-1,821,134	-4,262,518	-27,494	225,312	-17,922	1,435,478
Initial Total Expense		447,660,697	197,456,509	13,052,246	40,967,880	1,193,932	238,338	41,515,612	6,634,784	2,434,357	537,398	399,862	20,085,588	15,147,816	2,647,776	84,961,914	13,535,527	240,493	5,698,891	911,975	492,125,732
Net Operating Income		48,922,772	13,183,452	3,683,376	10,779,691	324,644	185,743	9,113,695	1,513,825	497,463	46,705	179,567	2,849,620	2,822,293	(234,505)	6,809,310	2,218,104	75,178	1,862,161	332,527	
RATEBASE	PRODUCTION	0.49293730	0.22819461	0.00915557	0.03991876	0.00119265	0.00029021	0.04168376	0.00693684	0.00324674	0.00069503	0.00051028	0.02136189	0.02007183	0.00220493	0.10007595	0.01654483	0.00021022	0.00054997	0.00009323	
RATEBASE	BULKTRAN	0.12702919	0.05839180	0.00234129	0.01027262	0.00029791	0.00006459	0.01080548	0.00177483	0.00084450	0.00017815	0.00013574	0.00553821	0.00521033	0.00053813	0.02608585	0.00432790	0.00005502	0.00014255	0.00002431	
RATEBASE	SUBTRAN	0.05381089	0.02378042	0.00094639	0.00411310	0.00011969	0.00003466	0.00432608	0.00071161	0.00044663	-	0.00005493	0.00226351	0.00289546	-	0.01402831	-	0.00002243	0.00005779	0.00000986	
RATEBASE	DISTPRI	0.14054291	0.09418050	0.00358757	0.01544490	0.00044366	-	0.01563293	0.00256735	-	-	0.00020654	0.00813595	-	-	-	-	0.00008393	0.00022183	0.00003774	
RATEBASE	DISTSEC	0.09285422	0.06827741	0.00383316	0.01032700	-	-	0.00917822	-	-	-	0.00011916	-	-	-	-	-	0.00004592	0.00090914	0.00016321	
RATEBASE	ENERGY	0.05045951	0.01808521	0.00107276	0.00398506	0.00011822	0.00002629	0.00443600	0.00074255	0.00033088	0.00007382	0.00005390	0.00261813	0.00211334	0.00036702	0.01367727	0.00231074	0.00002904	0.00035450	0.00006480	
RATEBASE	CUSTOMER	0.04236599	0.01954542	0.00483343	0.00153600	0.00046624	0.00012071	0.00053259	0.00016898	0.00031204	0.00004575	0.00000142	0.00008930	0.00042097	0.00006588	0.00030578	0.00006989	0.00000234	0.01247495	0.00137431	
RATEBASE	TOTAL	1.00000000	0.51045537	0.02577017	0.08559744	0.00263836	0.00053646	0.08659606	0.01290216	0.00518079	0.00099274	0.00108197	0.04000697	0.03071194	0.00317586	0.15417316	0.02325336	0.00044890	0.01471073	0.00176747	
NOI - Functionalized	PRODUCTION	27,430,408	5,893,547	1,309,622	5,027,158	146,752	100,482	4,386,956	813,907	311,754	32,698	84,687	1,521,566	1,844,514	(162,807)	4,420,018	1,578,188	35,206	69,618	17,541	
	BULKTRAN	7,083,209	1,508,076	334,645	1,293,680	36,657	22,362	1,137,210	208,242	81,089	8,381	22,528	394,476	478,806	(39,734)	1,152,124	412,832	9,214	18,044	4,574	
	SUBTRAN	2,944,760	614,173	135,269	517,983	14,727	12,002	455,293	83,494	42,886	-	9,116	161,225	266,080	-	619,583	-	3,757	7,315	1,855	
	DISTPRI	7,554,326	2,432,385	512,777	1,945,049	54,591	-	1,645,269	301,230	-	-	34,278	579,508	-	-	-	-	14,056	28,081	7,101	
	DISTSEC	4,751,110	1,763,390	547,880	1,300,528	-	-	966,056	-	-	-	19,777	-	-	-	-	-	7,090	115,064	30,705	
	ENERGY	2,984,113	467,084	153,331	501,857	14,546	9,103	466,861	87,124	31,771	3,473	6,945	186,484	194,207	(27,100)	604,079	220,418	4,863	44,875	12,192	
	CUSTOMER	3,494,923	504,797	690,851	193,435	57,370	41,793	56,052	19,827	29,962	2,152	235	6,360	38,686	(4,864)	13,505	6,667	391	1,579,144	258,560	
	TOTAL	56,242,849	13,183,452	3,683,376	10,779,691	324,644	185,743	9,113,695	1,513,825	497,463	46,705	179,567	2,849,620	2,822,293	(234,505)	6,809,310	2,218,104	75,178	1,862,161	332,527	
Total Expenses	PRODUCTION	176,812,844	78,633,727	3,858,420	16,206,837	470,286	113,110	16,367,892	2,827,303	1,177,160	248,138	153,661	7,813,476	7,403,655	926,025	34,732,049	5,487,835	84,470	262,357	46,445	
	BULKTRAN	(18,346,164)	(9,789,261)	(225,464)	(1,072,683)	(28,294)	13,732	(1,264,212)	(207,848)	(83,802)	(27,408)	6,329	(732,046)	(576,337)	(203,067)	(3,841,091)	(294,636)	(2,647)	(16,029)	(1,390)	
	SUBTRAN	(7,833,270)	(3,985,307)	(91,079)	(429,280)	(11,360)	7,358	(505,935)	(83,288)	(44,315)	-	2,553	(299,104)	(320,204)	-	(2,065,172)	-	(1,079)	(6,495)	(563)	
	DISTPRI	42,765,980	27,193,513	1,295,431	5,360,319	154,862	-	5,186,308	894,755	-	-	57,774	2,502,144	-	-	-	-	29,170	77,567	14,137	
	DISTSEC	27,114,115	18,945,640	1,340,863	3,469,035	-	-	2,943,475	-	-	-	32,701	-	-	-	-	-	15,514	307,490	59,396	
	ENERGY	207,532,618	74,745,480	4,514,053	16,699,576	472,830	55,837	18,613,495	3,152,495	1,306,564	305,921	146,445	10,777,333	8,533,854	1,909,894	56,067,330	8,325,666	113,998	1,521,932	269,916	
	CUSTOMER	19,614,763	11,712,716	2,360,021	734,077	135,608	48,301	174,589	51,369	78,750	10,747	397	23,785	106,848	14,924	68,709	16,662	1,068	3,552,069	524,033	
	TOTAL	447,660,897	197,456,509	13,052,246	40,967,880	1,193,932	238,338	41,515,612	6,634,784	2,434,357	537,398	399,862	20,085,588	15,147,816	2,647,776	84,961,914	13,535,527	240,493	5,698,891	911,975	
Total Revenue	PRODUCTION	204,243,253	84,527,274	5,167,042	21,233,995	617,038	213,592	20,754,848	3,641,210	1,488,914	280,836	238,348	9,335,042	9,248,169	763,218	39,152,067	7,066,023	119,676	331,975	63,986	
	BULKTRAN	(11,262,945)	(8,281,185)	109,181	220,997	8,363	36,094	(127,002)	394	(2,713)	(19,027)	28,857	(337,570)	(97,531)	(242,801)	(2,688,967)	118,196	6,567	2,015	3,165	
	SUBTRAN	(4,888,511)	(3,371,133)	44,190	88,702	3,367	19,360	(50,642)	206	(1,429)	-	11,670	(137,878)	(54,123)	-	(1,445,589)	-	2,678	820	1,291	
	DISTPRI	50,320,306	29,625,898	1,808,209	7,305,368	209,453	-	6,831,577	1,195,985	-	-	92,053	3,081,652	-	-	-	-	43,228	105,648	21,238	
	DISTSEC	31,865,226	20,709,030	1,888,744	4,769,563	-	-	3,909,531	-	-	-	52,478	-	-	-	-	-	23,204	422,574	90,102	
	ENERGY	210,516,731	75,212,564	4,667,384	17,201,433	487,376	64,940	19,080,356	3,239,618	1,338,335	309,394	155,390	10,963,817	8,728,061	1,882,794	56,671,409	8,546,083	118,861	1,566,807	282,108	
	CUSTOMER	23,109,688	12,217,513	3,050,872	927,512	192,978	90,094	230,840	71,195	108,712	12,899	633	30,146	145,534	10,060	82,304	23,329	1,460	5,131,213	782,593	
	0 TOTAL	503,903,746	210,639,961	16,735,622	51,747,571	1,518,576	424,081	50,629,307	8,148,609	2,931,819	584,102	579,429	22,935,208	17,970,109	2,413,271	91,771,224	15,753,632	315,671	7,561,052	1,244,502	
Total Other Revenue	PRODUCTION	1,319,214	973,879	59,397	150,421	601	3,397	46,782	13,083	6,724	(1)	(1)	23,378	20,365	7,179	13,201	(17)	(0)	825	(0)	
	BULKTRAN	(408,883)	(240,029)	(4,550)	(23,733)	(774)	364	(26,863)	(4,425)	(2,067)	(445)	(326)	(14,375)	(12,943)	(3,696)	(64,146)	(10,542)	(133)	(342)	(59)	
	SUBTRAN	(170,447)	(97,646)	(1,835)	(9,486)	(310)	195	(10,659)	(1,771)	(1,092)	-	(132)	(5,867)	(7,182)	-	(34,447)	-	(54)	(139)	(24)	
	DISTPRI	3,960,426	2,718,562	111,432	439,607	12,072	-	404,690	69,503	-	-	5,149	210,626	-	-	-	-	2,081	5,771	935	
	DISTSEC	3,079,977	2,284,104	136,665	341,586	-	-	280,107	-	-	-	3,524	-	-	-	-	-	1,351	27,842	4,797	
	ENERGY	1,233,481	881,404	54,534	125,141	575	1,060	46,674	12,250	6,325	61	53	29,635	20,998	17,971	30,509	2,031	25	4,183	54	
	CUSTOMER	148,119	118,682	29,260	4,738	(441)	1,228	(137)	41	99	(59)	(2)	(36)	(210)	7	(355)	(88)	(3)	(2,926)	(1,678)	
	TOTAL	9,181,887	6,638,957	384,902	1,028,274	11,723	6,244	740,794	88,680	9,990	(444)	8,266	243,361	21,028	21,461	(55,238)	(8,616)	3,267	35,214	4,025	
Firm Sales Revenue	PRODUCTION	202,924,038	83,553,395	5,107,645	21,083,574	616,438	210,195	20,708,066	3,628,127	1,482,190	280,837	238,349	9,311,664	9,227,804	756,039	39,138,865	7,066,040	119,676	331,150	63,986	
	BULKTRAN	(10,854,062)	(8,041,156)	113,731	244,730	9,137	35,731	(100,339)	4,819	(646)	(18,582)	29,183	(323,195)	(84,588)	(239,105)	(2,624,821)	128,738	6,700	2,358	3,244	
	SUBTRAN	(4,718,063)	(3,273,488)	46,025	98,188	3,677	19,165	(39,983)	1,977	(337)	-	11,802	(132,011)	(46,941)	-	(1,411,142)	-	2,732	959	1,315	
	DISTPRI	46,339,880	26,907,336	1,696,777	6,865,762	197,381	-	6,426,887	1,126,483	-	-	86,903	2,871,026	-	-	-	-	41,145	99,877	20,303	
	DISTSEC	28,785,249	18,424,926	1,752,079	4,427,977	-	-	3,629,424	-	-	-	48,954	-	-	-	-	-	21,853	394,731	85,305	
	ENERGY	209,283,250	74,331,160	4,612,851	17,076,292	486,801	63,880	19,033,682	3,227,369	1,332,010	309,333	155,338	10,934,162	8,707,063	1,864,823	56,640,900	8,544,052	118,836	1,562,624	282,054	
	CUSTOMER	22,961,567	12,098,831	3,021,612	922,775	193,419	88,866	230,778	71,155	108,613	12,958	635	30,182	145,744	10,053	82,658	23,417	1,463	5,134,139	784,270	
	TOTAL	494,721,859	204,001,005	16,350,720	50,719,297	1,508,853	417,837	49,888,514	8,059,929	2,921,830	584,546	571,162	22,691,847	17,949,081	2,391,810	91,826,461	15,762,247	312,404	7,525,838	1,240,478	
RSALE	PRODUCTION	0.41017803	0.16888964	0.01032428	0.04261702	0.00124603	0.00042488	0.04185800	0.00733367	0.00299601	0.00056767	0.00048178	0.01882202	0.01865251	0.00152821	0.07911287	0.01428285	0.00024191	0.00066937	0.00012934	
RSALE	BULKTRAN	(0.02193973)	(0.01625389)	0.00022989	0.00049468	0.00001847	0.00007222	(0.00020282)	0.00000974	(0.00000131)	(0.00003756)	0.00005899	(0.00065329)	(0.00017098)	(0.00048331)	(0.00530565)	0.00026022	0.00001354	0.00000477	0.00000656	
RSALE	SUBTRAN	(0.00953680)	(0.00661682)	0.00009303	0.00019847	0.00000743	0.00003874	(0.00008082)	0.00000400	(0.00000068)	-	0.00002385	(0.00026684)	(0.00009488)	-	(0.00285239)	-	0.00000552	0.00000194	0.00000266	
RSALE	DISTPRI	0.09366855	0.05438882	0.00342976	0.01387802	0.00039897	-	0.01299091	0.00227700	-	-	0.00017566	0.00580331	-	-	-	-	0.00008317	0.00020189	0.00004104	
RSALE	DISTSEC	0.05818471	0.03724300	0.00354154	0.00895044	-	-	0.00733629	-	-	-	0.00009895	-	-	-	-	-	0.00004417	0.00079789	0.00017243	
RSALE	ENERGY	0.42303215	0.15024838	0.00932413	0.03451696	0.00098399	0.00012912	0.03847350	0.00652360	0.00269244	0.00062527	0.00031399	0.02210168	0.01759992	0.00376944	0.11449039	0.01727042	0.00024021	0.00315858	0.00057013	
RSALE	CUSTOMER	0.04641308	0.02445582	0.00610770	0.00186524	0.00039097	0.00017963	0.00046648	0.00014383	0.00021954	0.00002619	0.00000128	0.00006101	0.00029460	0.00002032	0.00016708	0.00004733	0.00000296	0.01037783	0.00158528	
RSALE	TOTAL	1.00000000	0.41235494	0.03305033	0.10252083	0.00304586	0.00084459	0.10084154	0.01629184	0.00590601	0.00118157	0.00115451	0.04586789	0.03628116	0.00483466	0.18561230	0.03186083	0.00063147	0.01521228	0.00250742	
REVENUES		501,102,474	204,065,819	16,336,788	50,772,635	1,604,933	640,068	49,594,650	7,897,030	3,176,749	584,583	880,343	23,085,407	18,888,146	1,043,111	93,578,897	20,013,271	343,116	7,334,685	1,262,243	
REVSALES	PRODUCTION	1.00000000	0.40723371	0.03260169	0.10132186	0.00320280	0.00127732	0.09897107	0.01575931	0.00633952	0.00116659	0.00175681	0.04606923	0.03769318	0.00208163	0.18674603	0.03993848	0.00068472	0.01463710	0.00251893	
REVSALES	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

ALLOCATOR	FUNCTION	Total	RS	SGS	MGS-SEC	MGS-PRI	MGS-SUB	LGS-SEC	LGS-PRI	LGS-SUB	LGS-TRA	QP-SEC	QP-PRI	QP-SUB	QP-TRA	CIP-TOD-SUB	CIP-TOD-TRA	MW	OL	SL
REVSALES	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REVSALES	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REVSALES	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REVSALES	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REVSALES	CUSTOMER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REVSALES	TOTAL	1.00000000	0.40723371	0.03260169	0.10132186	0.00320280	0.00127732	0.09897107	0.01575931	0.00633952	0.00116659	0.00175681	0.04606923	0.03769318	0.00208163	0.18674603	0.03993848	0.00068472	0.01463710	0.00251893
O&M Expense w/ Adj	PRODUCTION	115,491,803	54,412,692	2,187,719	9,467,881	266,929	18,903	9,907,200	1,694,713	695,451	165,663	54,360	4,957,020	4,479,801	827,915	23,133,704	3,021,778	43,489	135,268	21,316
	BULKTRAN	-31,424,493	-14,803,640	-594,534	-2,573,606	-72,979	-6,242	-2,691,872	-459,536	-190,358	-44,969	-16,103	-1,348,906	-1,221,944	-219,008	-6,290,187	-836,154	-11,932	-36,711	-5,811
	SUBTRAN	-13,316,845	-6,019,616	-239,951	-1,028,918	-29,269	-3,341	-1,076,160	-183,968	-100,531	0	-6,507	-550,509	-678,071	0	-3,377,931	0	-4,858	-14,862	-2,352
	DISTPRI	22,927,035	15,445,334	590,367	2,500,535	70,209	0	2,526,067	431,365	0	0	15,251	1,285,275	0	0	0	0	11,790	36,998	5,843
	DISTSEC	14,162,907	10,446,404	588,530	1,564,908	0	0	1,383,814	0	0	0	8,206	0	0	0	0	0	6,018	141,455	23,572
	ENERGY	210,077,670	76,001,779	4,511,649	16,733,050	474,494	52,926	18,706,285	3,162,645	1,317,096	310,231	146,644	10,891,571	8,603,317	1,946,269	56,896,795	8,416,773	113,630	1,524,458	268,058
	CUSTOMER	13,057,612	9,345,306	1,425,963	455,378	47,730	4,582	85,259	21,238	28,076	4,565	109	10,625	39,475	10,500	29,175	5,367	592	1,321,350	222,324
	TOTAL	330,975,690	144,828,260	8,469,744	27,127,227	757,115	66,828	28,840,593	4,666,456	1,749,733	435,490	201,960	15,245,076	11,222,577	2,565,676	70,391,556	10,607,764	158,729	3,107,956	532,950
EXP_OM	PRODUCTION	0.34894346	0.16440087	0.00660991	0.02860597	0.00080649	0.00005711	0.02993332	0.00512036	0.00210121	0.00050053	0.00016424	0.01497699	0.01353514	0.00250144	0.06989548	0.00912991	0.00013140	0.00040869	0.00006440
EXP_OM	BULKTRAN	(0.09494502)	(0.04472727)	(0.00179631)	(0.00777582)	(0.00022050)	(0.00001886)	(0.00813314)	(0.00138843)	(0.00057514)	(0.00013587)	(0.00004865)	(0.00407554)	(0.00369194)	(0.00066170)	(0.01900498)	(0.00252633)	(0.00003605)	(0.00011092)	(0.00001756)
EXP_OM	SUBTRAN	(0.04023511)	(0.01818749)	(0.00072498)	(0.00310874)	(0.00008843)	(0.00001009)	(0.00325148)	(0.00055584)	(0.00030374)	-	(0.00001966)	(0.00166329)	(0.00204870)	-	(0.01020598)	-	(0.00001468)	(0.00004490)	(0.00000711)
EXP_OM	DISTPRI	0.06927105	0.04666607	0.00178372	0.00757921	0.00021213	-	0.00763218	0.00130331	-	-	0.00004608	0.00388329	-	-	-	-	0.00003562	0.00011179	0.00001765
EXP_OM	DISTSEC	0.04279138	0.03156245	0.00177817	0.00472817	-	-	0.00418101	-	-	-	0.00002479	-	-	-	-	-	0.00001818	0.00042739	0.00007122
EXP_OM	ENERGY	0.63472236	0.22962949	0.01363136	0.05055673	0.00143362	0.00015991	0.05651861	0.00955552	0.00397943	0.00093732	0.00044307	0.03290747	0.02599380	0.00588040	0.17190627	0.02543018	0.00034332	0.00460595	0.00080990
EXP_OM	CUSTOMER	0.03945188	0.02823563	0.00430836	0.00137586	0.00014421	0.00001384	0.00025760	0.00006417	0.00008483	0.00001379	0.00000033	0.00003210	0.00011927	0.00003172	0.00008815	0.00001622	0.00000179	0.00399229	0.00067172
EXP_OM	TOTAL	1.00000000	0.43757975	0.02559023	0.08196139	0.00228752	0.00020191	0.08713810	0.01409909	0.00528659	0.00131577	0.00061020	0.04606101	0.03390756	0.00775186	0.21267893	0.03204998	0.00047958	0.00939029	0.00161024
Calculation of CUST_DEP_2 Allocator																				
CUST_DEP	PRODUCTION	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BULKTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	SUBTRAN	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTPRI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	DISTSEC	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	ENERGY	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	CUSTOMER	1.00000000	0.75488612	0.04149997	0.08463463	0.00979943	0.00809028	0.03206530	0.01652319	0.00186497	0.00102379	-	0.01645221	0.01187950	0.00799203	0.00128524	0.00659684	-	0.00540651	-
	TOTAL	1.00000000	0.75488612	0.04149997	0.08463463	0.00979943	0.00809028	0.03206530	0.01652319	0.00186497	0.00102379	-	0.01645221	0.01187950	0.00799203	0.00128524	0.00659684	-	0.00540651	-
RB_GUP	PRODUCTION	0.33143885	0.15420695	0.00618980	0.02685508	0.00082477	0.00022522	0.02786436	0.00468218	0.00217549	0.00046905	0.00034348	0.01429649	0.01344545	0.00150254	0.06667786	0.01111067	0.00014033	0.00036699	0.00006213
	BULKTRAN	0.19089786	0.08881812	0.00356512	0.01546764	0.00047504	0.00012972	0.01604895	0.00269678	0.00125301	0.00027015	0.00019783	0.00823431	0.00774413	0.00086542	0.03840425	0.00639938	0.00008083	0.00021137	0.00003578
	SUBTRAN	0.08046795	0.03603437	0.00143560	0.00616988	0.00019009	0.00006927	0.00640153	0.00107717	0.00066023	-	0.00007976	0.00335293	0.00428756	-	0.02057691	-	0.00003283	0.00008538	0.00001445
	DISTPRI	0.20200779	0.13601220	0.00518613	0.02209183	0.00067187	-	0.02206625	0.00370102	-	-	0.00029125	0.01150439	-	-	-	-	0.00011770	0.00031228	0.00005286
	DISTSEC	0.13380980	0.09874889	0.00554932	0.01479288	-	-	0.01297539	-	-	-	0.00016819	-	-	-	-	-	0.00006448	0.00128172	0.00022892
	ENERGY	0.00172510	0.00061561	0.00003650	0.00013566	0.00000413	0.00000115	0.00015060	0.00002510	0.00001157	0.00000251	0.00000217	0.00008952	0.00007306	0.00001079	0.00046751	0.00008408	0.00000102	0.00001191	0.00000222
	CUSTOMER	0.05965264	0.02715084	0.00688048	0.00216245	0.00071168	0.00023519	0.00075249	0.00024505	0.00044489	0.00006645	0.00000200	0.00012697	0.00060061	0.00009968	0.00043193	0.00009968	0.00000323	0.01771550	0.00192352
	TOTAL	1.00000000	0.54158699	0.02884295	0.08767543	0.00287757	0.00066055	0.08625957	0.01242730	0.00454519	0.00080816	0.00108469	0.03760461	0.02615082	0.00247843	0.12655845	0.01769381	0.00044043	0.01998515	0.00231989
CUST_DEP_FXNL	PRODUCTION	0.29553376	0.21493997	0.00890604	0.02592368	0.00280671	0.00275849	0.01035803	0.00622538	0.00089264	0.00059419	-	0.00625479	0.00610785	0.00484515	0.00067713	0.00414243	-	0.00009928	-
CUST_DEP_FXNL	BULKTRAN	0.17021771	0.12379834	0.00512958	0.01493119	0.00161773	0.00158880	0.00596588	0.00358561	0.00051413	0.00034223	-	0.00360255	0.00351792	0.00279065	0.00039001	0.00238590	-	0.00005718	-
CUST_DEP_FXNL	SUBTRAN	0.06747281	0.05022618	0.00206558	0.00595590	0.00064733	0.00084839	0.00237964	0.00143219	0.00027090	-	-	0.00146692	0.00194770	-	0.00020896	-	-	0.00002310	-
CUST_DEP_FXNL	DISTPRI	0.23889621	0.18957937	0.00746193	0.02132564	0.00228803	-	0.00820269	0.00492083	-	-	-	0.00503323	-	-	-	-	-	0.00008448	-
CUST_DEP_FXNL	DISTSEC	0.16507466	0.13764025	0.00798450	0.01427983	-	-	0.00482335	-	-	-	-	-	-	-	-	-	-	0.00034674	-
CUST_DEP_FXNL	ENERGY	0.00131342	0.00085806	0.00005252	0.00013095	0.00001405	0.00001408	0.00005598	0.00003337	0.00000475	0.00000318	-	0.00003917	0.00003319	0.00003481	0.00000475	0.00003135	-	0.00000322	-
CUST_DEP_FXNL	CUSTOMER	0.06149144	0.03784396	0.00989981	0.00208745	0.00242358	0.00288051	0.00027972	0.00032581	0.00018255	0.00008418	-	0.00005555	0.00027284	0.00032142	0.00000439	0.00003716	-	0.00479251	-
CUST_DEP_FXNL	TOTAL	1.00000000	0.75488612	0.04149997	0.08463463	0.00979943	0.00809028	0.03206530	0.01652319	0.00186497	0.00102379	-	0.01645221	0.01187950	0.00799203	0.00128524	0.00659684	-	0.00540651	-
REVYEC_EXP_OM allocator is the basis to allocate the O&M portion of the Customer Annualization (Year End Customer) Adjustment. It is spread to the functions within each tariff class using total O&M.																				
REVYEC Total	TOTAL	1.00000000	0.01459345	(0.00179491)	0.00939779	0.01523566	0.03445432	(0.04443574)	(0.02506908)	0.03957668	0.00001875	0.04793459	0.06150614	0.14595171	(0.20899008)	0.27366808	0.65924454	0.00476716	(0.02946028)	0.00340122
EXP_OM	PRODUCTION	0.39168295	0.18220998	0.00731503	0.03173738	0.00097470	0.00026626	0.03293003	0.00553368	0.00257127	0.00055439	0.00040601	0.01689612	0.01589183	0.00177546	0.07881098	0.01313691	0.00016587	0.00043363	0.00007342
	BULKTRAN	(0.09855001)	(0.04586713)	(0.00184039)	(0.00798453)	(0.00024523)	(0.00006691)	(0.00828467)	(0.00139195)	(0.00064666)	(0.00013942)	(0.00010208)	(0.00425032)	(0.00399645)	(0.00044688)	(0.01981827)	(0.00329979)	(0.00004171)	(0.00010916)	(0.00001847)
	SUBTRAN	(0.04163533)	(0.01865077)	(0.00074276)	(0.00319214)	(0.00009835)	(0.00003581)	(0.00331202)	(0.00055724)	(0.00034151)	-	(0.00004125)	(0.00173460)	(0.00221765)	-	(0.01064259)	-	(0.00001698)	(0.00004419)	(0.00000748)
	DISTPRI	0.07523186	0.05064419	0.00193207	0.00823049	0.00025030	-	0.00822087	0.00137906	-	-	0.00010858	0.00428647	-	-	-	-	0.00004387	0.00011628	0.00001969
	DISTSEC	0.04642364	0.03425458	0.00192606	0.00513451	-	-	0.00450362	-	-	-	0.00005842	-	-	-	-	-	0.00002239	0.00044460	0.00007945
	ENERGY	0.58536443	0.20888778	0.01238604	0.04603230	0.00139983	0.00039006	0.05110178	0.00851539	0.00392437	0.00085249	0.00073677	0.03037625	0.02479117	0.00366250	0.15863506	0.02853079	0.00034713	0.00404094	0.00075378
	CUSTOMER	0.04148246	0.02975746	0.00453578	0.00145204	0.00016564	0.00005253	0.00027024	0.00006626	0.00009869	0.00001458	0.00000073	0.00003455	0.00013338	0.00002186	0.00009485	0.00002103	0.00000213	0.00402440	0.00073540
	TOTAL	1.00000000	0.44123610	0.02551182	0.08141005	0.00244689	0.00060613	0.08542984	0.01354522	0.00560616	0.00128204	0.00116718	0.04560846	0.03460228	0.00501295	0.20708003	0.03838984	0.00052272	0.00890649	0.00163579
REVYEC_EXP_OM	PRODUCTION	0.38361770	0.00602642	(0.00051466)	0.00368369	0.00608899	0.01513501	(0.01712832)	(0.01024158)	0.01815189	0.00000811	0.01667423	0.02278558	0.06703141	(0.07401923)	0.10415321	0.22559185	0.00151278	(0.00143433)	0.00015265
REVYEC_EXP_OM	BULKTRAN	(0.09638587)	(0.00151701)	0.00012948	(0.00092172)	(0.00152694)	(0.00380344)	0.00430922	0.00257617	(0.00456511)	(0.00000204)	(0.00419214)	(0.00573185)	(0.01685694)	0.01863027	(0.02619098)	(0.05666514)	(0.00038037)	0.00036107	(0.00003841)
REVYEC_EXP_OM	SUBTRAN	(0.03071410)	(0.00061686)	0.00005226	(0.00036849)	(0.00061238)	(0.00203557)	0.00172272	0.00103132	(0.00241086)	-	(0.00169400)	(0.00233923)	(0.00935399)	-	(0.01406479)	-	(0.00015486)	0.00014617	(0.00001555)
REVYEC_EXP_OM	DISTPRI	0.00751544	0.00167501	(0.00013593)	0.00095011	0.00155849	-	(0.00427603)	(0.00255232)	-	-	0.00445905	0.00578060	-	-	-	-	0.00040014	(0.00038461)	0.00004095
REVYEC_EXP_OM	DISTSEC	0.00054564	0.00113294	(0.00013551)	0.00059272	-	-	(0.00234253)	-	-	-	0.00239920	-	-	-	-	-	0.00020423	(0.00147060)	0.00016520
REVYEC_EXP_OM	ENERGY	0.74167042	0.00690876	(0.00087143)	0.00531388	0.00871613	0.02217222	(0.02658024)	(0.01576004)	0.02770408	0.00001247	0.03025812	0.04096445	0.10456864	(0.15268991)	0.20964529	0.48994125	0.00316581	(0.01336633)	0.00156729
REVYEC_EXP_OM	CUSTOMER	(0.00624923)	0.00098420	(0.00031912)	0.00016762	0.00103138	0.00298610	(0.00014056)	(0.00012264)	0.00069668	0.00000021	0.00003012	0.00004659	0.00056258	(0.00091121)	0.00012535	0.00037658	0.00001944	(0.01331164)	0.00152908
REVYEC_EXP_OM	TOTAL	1.00000000	0.01459345	(0.00179491)	0.00939779	0.01523566	0.03445432	(0.04443574)	(0.02506908)	0.03957668	0.00001875	0.04793459	0.06150614	0.14595171	(0.20899008)	0.27366808	0.65924454	0.00476716	(0.02946028)	0.00340122
REVSALES_FXNL allocator is the spreading of the REVSALES allocator to all functions within each tariff class. It is spread using the RSALE allocator as a basis.																				
REVSALES TOTAL		1.00000000	0.40723371	0.03260169	0.10132186	0.00320280	0.00127732	0.09897107	0.01575931	0.00633952	0.00116659	0.00175681	0.04606923	0.03769318	0.00208163	0.18674603	0.03993848	0.00068472	0.01463710	0.00251893
RSALE	PRODUCTION	0.41017603	0.16888964	0.01032428	0.04261702	0.00124603	0.00042488	0.04185800	0.00733367	0.00299601	0.00056767	0.00048178	0.01882202	0.01865251	0.00152821	0.07911287	0.01428285	0.00024191	0.00066937	0.00012934
	BULKTRAN	(0.02193973)	(0.01625389)	0.00022969	0.00049468	0.00001847	0.00007222	(0.00020282)	0.00000974	(0.00000131)	(0.00003756)	0.00005899	(0.00065329)	(0.00017098)	(0.00048331)	(0.00530565)	0.00026022	0.00001354	0.00000477	0.00000656
	SUBTRAN	(0.00953680)	(0.00661682)	0.00009303	0.00019847	0.00000743	0.00003874	(0.00008082)	0.00000400	(0.00000068)	-	0.00002385	(0.00026684)	(0.00009488)	-	(0.00285239)	-	0.00000552	0.00000194	0.00000266
	DISTPRI	0.09366855	0.05438882	0.00342976	0.01387802	0.00039897	-	0.01299091	0.00227700	-	-	0.00017566	0.00580331	-	-	-	-	0.00008317	0.00020189	0.00004104
	DISTSEC	0.05818471	0.03724300	0.00354154	0.00895044	-	-	0.00733629	-	-	-	0.00009895	-	-	-	-	-	0.00004417	0.00079789	0.00017243
	ENERGY	0.42303215	0.15024838	0.00932413	0.03451696	0.00098399	0.00012912	0.03847350	0.00652360	0.00269244	0.00062527	0.00031399	0.02210168	0.01759992	0.00376944	0.11449039	0.01727042	0.00024021	0.00315859	0.00057013
	CUSTOMER	0.04641308	0.02445582	0.00610770	0.00186524	0.00039097	0.00017963	0.00046648	0.00014383	0.00021954	0.00002619	0.00000128	0.00006101	0.00029460	0.00002032	0.00016708	0.00004733	0.00000296	0.01037783	0.00158528
	TOTAL	1.00000000	0.41235494	0.03305033	0.10252083	0.00304586	0.00084459	0.10084154	0.01629184	0.00590601	0.00118157	0.00115451	0.04586789	0.03628116	0.00483466	0.18561230	0.03186083	0.00063147	0.01521226	0.00250742
REVSALES_FXNL	PRODUCTION	0.41121017	0.16679211	0.01018413	0.04211852	0.00131023	0.00064256	0.04108159	0.00709396	0.00321592	0.00056047	0.00073313	0.01890464	0.01937844	0.00065799	0.07959609	0.01790398	0.00026230	0.00064406	0.00012993
REVSALES_FXNL	BULKTRAN	(0.02137396)	(0.01605203)	0.00022677	0.00048890	0.00001942	0.00010923	(0.00019906)	0.00000942	(0.00000140)	(0.00003708)	0.00008976	(0.00065615)	(0.00017763)	(0.00020810)	(0.00533806)	0.00032620	0.00001469	0.00000459	0.00000659
REVSALES_FXNL	SUBTRAN	(0.00944509)	(0.00653465)	0.00009177	0.00019615	0.00000782	0.00005859	(0.00007932)	0.00000387	(0.00000073)	-	0.00003630	(0.00028801)	(0.00009858)	-	(0.00286982)	-	0.00000599	0.00000187	0.00000267
REVSALES_FXNL	DISTPRI	0.09260506	0.05371334	0.00338320	0.01371572	0.00041953	-	0.01274995	0.00220257	-	-	0.00025730	0.00582879	-	-	-	-	0.00009018	0.00019425	0.00004123
REVSALES_FXNL	DISTSEC	0.05745932	0.03678046	0.00349347	0.00884576	-	-	0.00720021	-	-	-	0.00015057	-	-	-	-	-	0.00004790	0.00076772	0.00017322
REVSALES_FXNL	ENERGY	0.42379626	0.14838238	0.00919756	0.03411328	0.00103469	0.00019528	0.03775987	0.00631037	0.00289007	0.00061734	0.00047780	0.02219869	0.01828489	0.00162299	0.11518971	0.02164897	0.00026046	0.00303917	0.00057274
REVSALES_FXNL	CUSTOMER	0.04574824	0.02415210	0.00602479	0.00184343	0.00041111	0.00027166	0.00045783	0.00013913	0.00023566	0.00002586	0.00000195	0.00006128	0.00030606	0.00000875	0.00016810	0.00005933	0.00000321	0.00398545	0.00159255
REVSALES_FXNL	TOTAL	1.00000000	0.40723371	0.03260169	0.10132186	0.00320280	0.00127732	0.09897107	0.01575931	0.00633952	0.00116659	0.00175681	0.04606923	0.03769318	0.00208163	0.18674603	0.03993848	0.00068472	0.01463710	0.00251893
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

REVYEC FXNL is a spreading of the REVYEC allocator to each function within the tariff classes using the RSALE allocator.

Exhibit JMS-2
Page 29 of 30

KENTUCKY POWER COMPANY
COST-OF-SERVICE STUDY
TWELVE MONTHS ENDING
MARCH 31, 2013

Case No.: 2013-00197
Exhibit No.: JMS-1
Page 26 of 30
Witness: J. Stegall

ALLOCATOR	FUNCTION	Total	RS	SGS	MGS-SEC	MGS-PRI	MGS-SUB	LGS-SEC	LGS-PRI	LGS-SUB	LGS-TRA	QP-SEC	QP-PRI	QP-SUB	QP-TRA	CIP-TOD-SUB	CIP-TOD-TRA	MW	OL	SL
REVYEC TOTAL		1.00000000	0.01459345	(0.00179491)	0.00939779	0.01523566	0.03445432	(0.04443574)	(0.02506908)	0.03957668	0.00001875	0.04793459	0.06150614	0.14595171	(0.20899008)	0.27366808	0.65924454	0.00476716	(0.02946028)	0.00340122
RSALE	PRODUCTION	0.41017803	0.16888964	0.01032428	0.04261702	0.00124603	0.00042488	0.04185800	0.00733367	0.00299601	0.00056767	0.00048178	0.01882202	0.01865251	0.00152821	0.07911287	0.01428285	0.00024191	0.00066937	0.00012934
	BULKTRAN	(0.02193973)	(0.01625389)	0.00022989	0.00049468	0.00001847	0.00007222	(0.00020282)	0.00000974	(0.00000131)	(0.00003756)	0.00005899	(0.00065329)	(0.00017098)	(0.00048331)	(0.00530565)	0.00026022	0.00001354	0.00000477	0.00000656
	SUBTRAN	(0.00953680)	(0.00661682)	0.00009303	0.00019847	0.00000743	0.00003874	(0.00008082)	0.00000400	(0.00000068)	-	0.00002385	(0.00026684)	(0.00009488)	-	(0.00285239)	-	0.00000552	0.00000194	0.00000266
	DISTPRI	0.09366855	0.05438882	0.00342976	0.01387802	0.00039897	-	0.01299091	0.00227700	-	-	0.00017566	0.00580331	-	-	-	-	0.00008317	0.00020189	0.00004104
	DISTSEC	0.05818471	0.03724300	0.00354154	0.00895044	-	-	0.00733629	-	-	-	0.00009895	-	-	-	-	-	0.00004417	0.00079789	0.00017243
	ENERGY	0.42303215	0.15024838	0.00932413	0.03451696	0.00098399	0.00012912	0.03847350	0.00652360	0.00269244	0.00062527	0.00031399	0.02210168	0.01759992	0.00376944	0.11449039	0.01727042	0.00024021	0.00315859	0.00057013
	CUSTOMER	0.04641308	0.02445582	0.00610770	0.00186524	0.00039097	0.00017963	0.00046648	0.00014383	0.00021954	0.00002619	0.00000128	0.00006101	0.00029460	0.00002032	0.00016708	0.00004733	0.00000296	0.01037783	0.00158528
	TOTAL	1.00000000	0.41235494	0.03305033	0.10252083	0.00304586	0.00084459	0.10084154	0.01629184	0.00590601	0.00118157	0.00115451	0.04586789	0.03628116	0.00483466	0.18561230	0.03186083	0.00063147	0.01521226	0.00250742
REVYEC_FXNL	PRODUCTION	0.49034336	0.00597709	(0.00056069)	0.00390658	0.00623275	0.01733246	(0.01844469)	(0.01128469)	0.02007651	0.00000901	0.02000336	0.02523922	0.07503525	(0.06606088)	0.11664457	0.29553198	0.00182620	(0.00129630)	0.00017544
REVYEC_FXNL	BULKTRAN	0.02200259	(0.00057523)	(0.00001248)	0.00004535	0.00009238	0.00294629	0.00008937	(0.00001499)	(0.00000875)	(0.00000060)	0.00244916	(0.00087602)	(0.00068782)	0.02089233	(0.00782269)	0.00538436	0.00010224	(0.00000923)	0.00000889
REVYEC_FXNL	SUBTRAN	(0.00249178)	(0.00023417)	(0.00000505)	0.00001819	0.00003718	0.00158031	0.00003561	(0.00000815)	(0.00000457)	-	0.00099044	(0.00035782)	(0.00038170)	-	(0.00420559)	-	0.00004169	(0.00000375)	0.00000361
REVYEC_FXNL	DISTPRI	0.01114602	0.00192485	(0.00018626)	0.00127216	0.00199570	-	(0.00572443)	(0.00350374)	-	-	0.00729331	0.00778190	-	-	-	-	0.00062785	(0.00039097)	0.00005567
REVYEC_FXNL	DISTSEC	0.00184402	0.00131805	(0.00019234)	0.00082046	-	-	(0.00323273)	-	-	-	0.00410842	-	-	-	-	-	0.00033346	(0.00154520)	0.00023389
REVYEC_FXNL	ENERGY	0.48238049	0.00531737	(0.00050638)	0.00316407	0.00492200	0.00526746	(0.01695332)	(0.01003820)	0.01804230	0.00000992	0.01303665	0.02963705	0.07080088	(0.16294333)	0.16880544	0.35734879	0.00181339	(0.00611697)	0.00077335
REVYEC_FXNL	CUSTOMER	(0.00522469)	0.00086550	(0.00033170)	0.00017098	0.00195565	0.00732780	(0.00020555)	(0.00022132)	0.00147119	0.00000042	0.00005325	0.00008181	0.00118511	(0.00087841)	0.00024635	0.00097840	0.00002232	(0.02009785)	0.00215036
REVYEC_FXNL	TOTAL	1.00000000	0.01459345	(0.00179491)	0.00939779	0.01523566	0.03445432	(0.04443574)	(0.02506908)	0.03957668	0.00001875	0.04793459	0.06150614	0.14595171	(0.20899008)	0.27366808	0.65924454	0.00476716	(0.02946028)	0.00340122

FORF_DISC_FXNL Calculation - In order to properly assign forfeited discounts to the various functions within the customer classes, allocate it using the RSALE allocator

ALLOCATOR	FUNCTION	Total	RS	SGS	MGS-SEC	MGS-PRI	MGS-SUB	LGS-SEC	LGS-PRI	LGS-SUB	LGS-TRA	QP-SEC	QP-PRI	QP-SUB	QP-TRA	CIP-TOD-SUB	CIP-TOD-TRA	MW	OL	SL
FORF_DISC TOTAL		1.00000000	0.72884311	0.05828299	0.11092850	0.00045087	0.00206969	0.03456932	0.00891162	0.00406423	-	-	0.01747286	0.01215089	0.00696109	0.00954537	-	-	0.00574945	-
RSALE	PRODUCTION	0.41017803	0.16888964	0.01032428	0.04261702	0.00124603	0.00042488	0.04185800	0.00733367	0.00299601	0.00056767	0.00048178	0.01882202	0.01865251	0.00152821	0.07911287	0.01428285	0.00024191	0.00066937	0.00012934
	BULKTRAN	(0.02193973)	(0.01625389)	0.00022989	0.00049468	0.00001847	0.00007222	(0.00020282)	0.00000974	(0.00000131)	(0.00003756)	0.00005899	(0.00065329)	(0.00017098)	(0.00048331)	(0.00530565)	0.00026022	0.00001354	0.00000477	0.00000656
	SUBTRAN	(0.00953680)	(0.00661682)	0.00009303	0.00019847	0.00000743	0.00003874	(0.00008082)	0.00000400	(0.00000068)	-	0.00002385	(0.00026684)	(0.00009488)	-	(0.00285239)	-	0.00000552	0.00000194	0.00000266
	DISTPRI	0.09366855	0.05438882	0.00342976	0.01387802	0.00039897	-	0.01299091	0.00227700	-	-	0.00017566	0.00580331	-	-	-	-	0.00008317	0.00020189	0.00004104
	DISTSEC	0.05818471	0.03724300	0.00354154	0.00895044	-	-	0.00733629	-	-	-	0.00009895	-	-	-	-	-	0.00004417	0.00079789	0.00017243
	ENERGY	0.42303215	0.15024838	0.00932413	0.03451696	0.00098399	0.00012912	0.03847350	0.00652360	0.00269244	0.00062527	0.00031399	0.02210168	0.01759992	0.00376944	0.11449039	0.01727042	0.00024021	0.00315859	0.00057013
	CUSTOMER	0.04641308	0.02445582	0.00610770	0.00186524	0.00039097	0.00017963	0.00046648	0.00014383	0.00021954	0.00002619	0.00000128	0.00006101	0.00029460	0.00002032	0.00016708	0.00004733	0.00000296	0.01037783	0.00158528
	TOTAL	1.00000000	0.41235494	0.03305033	0.10252083	0.00304586	0.00084459	0.10084154	0.01629184	0.00590601	0.00118157	0.00115451	0.04586789	0.03628116	0.00483466	0.18561230	0.03186083	0.00063147	0.01521226	0.00250742
FORF_DISC_FXNL	PRODUCTION	0.40442015	0.29851479	0.01820647	0.04611202	0.00018445	0.00104117	0.01434927	0.00401151	0.00206171	-	-	0.00717004	0.00624690	0.00220037	0.00406849	-	-	0.00025299	-
FORF_DISC_FXNL	BULKTRAN	(0.02894677)	(0.02872898)	0.00040540	0.00053525	0.00000273	0.00017699	(0.00006953)	0.00000533	(0.00000090)	-	-	(0.00024886)	(0.00005726)	(0.00069589)	(0.00027285)	-	-	0.00000180	-
FORF_DISC_FXNL	SUBTRAN	(0.01152586)	(0.01169533)	0.00016406	0.00021475	0.00000110	0.00009493	(0.00002771)	0.00000219	(0.00000047)	-	-	(0.00010165)	(0.00003178)	-	(0.00014669)	-	-	0.00000073	-
FORF_DISC_FXNL	DISTPRI	0.12524237	0.09613299	0.00604825	0.01501615	0.00005906	-	0.00445339	0.00124552	-	-	-	0.00221071	-	-	-	-	-	0.00007630	-
FORF_DISC_FXNL	DISTSEC	0.08457386	0.06582752	0.00624530	0.00968446	-	-	0.00251494	-	-	-	-	-	-	-	-	-	-	0.00030156	-
FORF_DISC_FXNL	ENERGY	0.36525158	0.26556611	0.01644275	0.03734767	0.00014566	0.00031642	0.01318904	0.00356840	0.00185281	-	-	0.00841938	0.00589437	0.00542736	0.00588783	-	-	0.00119379	-
FORF_DISC_FXNL	CUSTOMER	0.06098468	0.04322601	0.01077069	0.00201821	0.00005787	0.00044019	0.00015991	0.00007867	0.00015108	-	-	0.00002324	0.00009866	0.00002926	0.00000859	-	-	0.00392229	-
FORF_DISC_FXNL	TOTAL	1.00000000	0.72884311	0.05828299	0.11092850	0.00045087	0.00206969	0.03456932	0.00891162	0.00406423	-	-	0.01747286	0.01215089	0.00696109	0.00954537	-	-	0.00574945	-

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Witness: J. Stegall

Kentucky Power Company
Proposed Revenue Allocation
Twelve Months Ended March 31, 2013

					Proposed Revenue Allocation						
Current Class (1)	Current Revenue (2)	Rate Base (3)	Current Income (4)	Current ROR % (5)	Income Increase (6)	Income (7)	ROR % (8)	Revenue Increase (9)	Less: Adjust Trans to OATT (10)	Sales Revenue (11)	Percent Increase (12)
RS	201,020,022	779,459,548	13,581,142	1.74	36,825,891	50,407,033	6.47	60,126,409	(2,427,414)	263,573,845	31.12
SGS	16,112,073	39,350,762	3,594,707	9.14	1,859,143	5,453,850	13.86	3,035,462	498,306	18,649,229	15.75
MGS	51,869,508	135,554,227	11,113,008	8.20	6,404,317	17,517,325	12.92	10,456,463	1,975,425	60,350,546	16.35
LGS	60,560,038	161,359,563	11,008,172	6.82	7,623,500	18,631,672	11.55	12,447,048	1,867,582	71,139,504	17.47
QP	42,962,656	114,488,775	5,551,569	4.85	5,409,070	10,960,639	9.57	8,831,502	912,679	50,881,479	18.43
CIP-TOD	105,929,360	270,928,270	8,816,536	3.25	12,800,119	21,616,655	7.98	20,899,023	915,389	125,912,994	18.87
MW	307,392	685,463	73,134	10.67	32,385	105,519	15.39	52,876	17,355	342,913	11.56
OL	7,418,693	22,463,117	1,800,602	8.02	1,061,281	2,861,883	12.74	1,732,775	23,693	9,127,775	23.04
SL	1,222,039	2,698,901	319,691	11.85	127,511	447,202	16.57	208,190	7,903	1,422,325	16.39
Total	487,401,782	1,526,988,628	55,858,560	3.66	72,143,217	128,001,777	8.38	117,789,748	3,790,918	601,400,612	23.39

Net Revenue Increase 113,998,830

Gross Rev Conversion Factor: 1.632721

Kentucky Power Company
Proposed Revenue Allocation
Twelve Months Ended March 31, 2013

					Current Equalized Rate of Return						
Current Class (1)	Current Revenue (2)	Rate Base (3)	Current Income (4)	Current ROR % (5)	Percent Increase (6)	Revenue Increase (7)	Income Increase (8)	Income (9)	ROR % (10)	Sales Revenue (11)	Current Subsidy (12)=(11)-(2)
RS	201,020,022	779,459,548	13,581,142	1.74	12.13	24,380,053	14,932,160	28,513,302	3.66	225,400,075	24,380,053
SGS	16,112,073	39,350,762	3,594,707	9.14	-21.84	(3,518,877)	(2,155,222)	1,439,485	3.66	12,593,196	(3,518,877)
MGS	51,869,508	135,554,227	11,113,008	8.20	-19.37	(10,048,285)	(6,154,318)	4,958,690	3.66	41,821,223	(10,048,285)
LGS	60,560,038	161,359,563	11,008,172	6.82	-13.76	(8,335,856)	(5,105,500)	5,902,672	3.66	52,224,182	(8,335,856)
QP	42,962,656	114,488,775	5,551,569	4.85	-5.18	(2,226,167)	(1,363,471)	4,188,098	3.66	40,736,489	(2,226,167)
CIP-TOD	105,929,360	270,928,270	8,816,536	3.25	1.69	1,786,612	1,094,254	9,910,790	3.66	107,715,972	1,786,612
MW	307,392	685,463	73,134	10.67	-25.53	(78,467)	(48,059)	25,075	3.66	228,925	(78,467)
OL	7,418,693	22,463,117	1,800,602	8.02	-21.54	(1,598,242)	(978,882)	821,720	3.66	5,820,451	(1,598,242)
SL	1,222,039	2,698,901	319,691	11.85	-29.52	(360,771)	(220,963)	98,728	3.66	861,268	(360,771)
Total	487,401,782	1,526,988,628	55,858,560	3.66	0.00	0	(0)	55,858,560	3.66	487,401,782	0

Gross Rev Conversion Factor: 1.632721

Kentucky Power Company
Proposed Revenue Allocation
Twelve Months Ended March 31, 2013

					Proposed Equalized Rate of Return						100% of		
Current Class (1)	Current Revenue (2)	Rate Base (3)	Current Income (4)	Current ROR % (5)	Percent Increase (6)	Revenue Increase (7)	Income Increase (8)	Income (9)	ROR % (10)	Sales Revenue (11)	Current Subsidy (12)	Proposed Increase (13)=(7)-(12)	Percent Increase (14)
RS	201,020,022	779,459,548	13,581,142	1.74	42.04	84,506,462	51,758,054	65,339,196	8.38	285,526,484	24,380,053	60,126,409	29.91
SGS	16,112,073	39,350,762	3,594,707	9.14	-3.00	(483,415)	(296,079)	3,298,628	8.38	15,628,658	(3,518,877)	3,035,462	18.84
MGS	51,869,508	135,554,227	11,113,008	8.20	0.79	408,178	249,999	11,363,007	8.38	52,277,686	(10,048,285)	10,456,463	20.16
LGS	60,560,038	161,359,563	11,008,172	6.82	6.79	4,111,192	2,518,000	13,526,172	8.38	64,671,230	(8,335,856)	12,447,048	20.55
QP	42,962,656	114,488,775	5,551,569	4.85	15.37	6,605,335	4,045,599	9,597,168	8.38	49,567,991	(2,226,167)	8,831,502	20.56
CIP-TOD	105,929,360	270,928,270	8,816,536	3.25	21.42	22,685,635	13,894,373	22,710,909	8.38	128,614,995	1,786,612	20,899,023	19.73
MW	307,392	685,463	73,134	10.67	-8.33	(25,591)	(15,674)	57,460	8.38	281,801	(78,467)	52,876	17.20
OL	7,418,693	22,463,117	1,800,602	8.02	1.81	134,533	82,398	1,883,000	8.38	7,553,226	(1,598,242)	1,732,775	23.36
SL	1,222,039	2,698,901	319,691	11.85	-12.49	(152,581)	(93,452)	226,239	8.38	1,069,458	(360,771)	208,190	17.04
Total	487,401,782	1,526,988,628	55,858,560	3.66	24.17	117,789,748	72,143,219	128,001,779 [a] 128,001,779	8.38	605,191,530	0	117,789,748	24.17

Gross Rev Conversion Factor: 1.632721

(a) Required net operating income from Section V, Schedule 2, Column (3), Line 3

Exhibit JMS-3
Page 3 of 3

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION FOR A GENERAL	)	
ADJUSTMENT OF ELECTRIC RATES	)	Case No. 2013-00197
OF KENTUCKY POWER COMPANY	)	

DIRECT TESTIMONY OF

ALEX E. VAUGHAN

ON BEHALF OF KENTUCKY POWER COMPANY

VERIFICATION

The undersigned, Alex E. Vaughan, being duly sworn, deposes and says he is the Manager, Regulatory Pricing and Analysis that he has personal knowledge of the matters set forth in the forgoing testimony and the information contained therein is true and correct to the best of his information, knowledge and belief.

Alex E. Vaughan

STATE OF OHIO)
) Case No. 2013-00197
County of FRANKLIN)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Alex E. Vaughan, this the 18th day of June, 2013.

Ellen A. McAninch
Notary Public

My Commission Expires: May 11th, 2016

ELLEN A. MCANINCH
NOTARY PUBLIC
STATE OF OHIO
Recorded in
Franklin County
My Comm. Exp. 5/11/16

DIRECT TESTIMONY OF
ALEX E. VAUGHAN, ON BEHALF OF
KENTUCKY POWER COMPANY
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

CASE NO. 2013-00197

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DIRECT TESTIMONY OF
ALEX E. VAUGHAN
FOR KENTUCKY POWER COMPANY
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY
CASE NO. 2013-00197

I. INTRODUCTION

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

A. My name is Alex E. Vaughan. I am employed by American Electric Power Service Corporation ("AEPSC") as Manager-Regulated Pricing and Analysis. My business address is 1 Riverside Plaza, Columbus, Ohio 43215. AEPSC is a wholly-owned subsidiary of American Electric Power Company ("AEP"), the parent Company of Kentucky Power Company (the "Company" or "Kentucky Power").

Q. PLEASE DESCRIBE YOUR CURRENT RESPONSIBILITIES.

A. My responsibilities include the oversight of cost of service analyses, rate design and special contracts for the AEP East System operating companies.

Q. PLEASE SUMMARIZE YOUR PROFESSIONAL EXPERIENCE AND EDUCATIONAL BACKGROUND.

A. I graduated from Bowling Green State University with a Bachelor of Science degree in Finance in 2005. Prior to joining AEP I worked for a retail bank and a holding company where I held various underwriting, finance and accounting positions. In 2007 I joined AEPSC as a Settlement Analyst in the Regional Transmission Organization (RTO) Settlements Group. I later became the PJM Settlements Lead Analyst where I was responsible for reconciling AEP's settlement of its activities in the PJM market with the monthly PJM invoices and for resolving billing issues with PJM. In 2010 I transferred to

Regulatory Services as a Regulatory Analyst and was later promoted to the position of Regulatory Consultant. My responsibilities included supporting regulatory filings across AEP's 11 state jurisdictions and at the Federal Energy Regulatory Commission (FERC). In addition, I was responsible for performing financial analyses related to AEP's generation resources and loads, power pools and PJM. In September of 2012, I was promoted to my current position.

Q. HAVE YOU PREVIOUSLY TESTIFIED IN REGULATORY PROCEEDINGS?

A. Yes. I submitted direct testimony to the Indiana Utility Regulatory Commission in Cause No. 43774-PJM-3 on behalf of Indiana Michigan Power Company, a Kentucky Power affiliate. I have also submitted testimony to the Virginia State Corporation Commission in case numbers PUE-2012-00094 and PUE-2013-00009 on behalf of Appalachian Power Company, also a Kentucky Power affiliate.

II <u>PURPOSE OF TESTIMONY</u>

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to sponsor certain rate base and operation and maintenance expense adjustments detailed in Section V. Among these are adjustments related to the proposed transfer of a 50% undivided interest in the Mitchell Plant from Ohio Power Company (OPCo) to Kentucky Power, adjustments to the test year amount of PJM charges and credits to reflect the termination of the AEP East Pool on January 1, 2014, and adjustments to annualize the current level of certain PJM charges.

Along with other witnesses in this proceeding, I sponsor the "per books" test year cost of service study for the Mitchell Plant. I also support the proposed PJM Rider and the

Company's proposed treatment of transmission function revenues and expenses in base rates.

Q. ARE YOU SPONSORING ANY EXHIBITS OR SCHEDULES?

A. Yes, I am sponsoring the following exhibits:

- Exhibit AEV 1 - List of PJM Charges and Credits with Descriptions
- Exhibit AEV 2 - Adjusted Test Year PJM Charge and Credit Detail
- Exhibit AEV 3 - PJM Rider rate design
- Exhibit AEV 4 – Mitchell Plant Cost of Service Summary

III. MITCHELL PLANT COST OF SERVICE STUDY

Q. PLEASE EXPLAIN THE COST OF SERVICE STUDY PERFORMED FOR THE MITCHELL PLANT.

A. The Mitchell Plant cost of service study is a "per books" representation of the test year costs, assets and liabilities related to the Mitchell Plant. It is summarized by balance sheet items, more generically referred to as "rate base", and income statement items which in this case are mostly operational expenses and taxes. Since the Company does not keep a separate set of books for each generating plant, a cost of service study must be performed in order to examine a single plant or unit in isolation. Specifically, I am supporting the income statement portion of the Mitchell plant cost of service. These items can be generically referred to as the "operating expenses" of the plant.

Q. HOW WAS YOUR PORTION OF THE MITCHELL COST OF SERVICE STUDY PERFORMED?

A. For the test year in this case, the Mitchell Plant was owned by Kentucky Power's affiliate Ohio Power Company (OPCo). The books and records of OPCo's generation business unit were used to directly assign or allocate the income statement items to the Mitchell plant.

Q. WHY WERE SOME ITEMS ALLOCATED TO THE MITCHELL PLANT?

A. Not all Mitchell plant operating expenses are recorded directly to the Mitchell plant on OPCo's books. Some expenses are recorded to "common locations" which represent costs attributable to all of OPCo's generating plants including Mitchell. If the cost of service study only used the costs directly recorded to the Mitchell plant; it would not be a complete representation of the test year level of operating expenses for Mitchell.

Q. WHEN NECESSARY, HOW WERE THE ALLOCATIONS TO THE MITCHELL PLANT PERFORMED?

A. First, the various FERC accounts that make up Mitchell's operating expenses were classified as either demand or energy related. Then demand and energy allocation factors were developed for each of OPCo's common generation plant locations that needed to be allocated to Mitchell. Finally, the applicable Mitchell allocation factors were applied to the FERC account totals for each of the OPCo generation common locations to produce Mitchell plant's portion of the shared operating expenses.

Q. WHAT WERE THE COST OF SERVICE STUDY RESULTS USED FOR?

A. The results of the Mitchell cost of service study were used to calculate adjustment W59 to the Kentucky jurisdictional cost of service study which adds the test year level of Kentucky Power's 50% share of the Mitchell plant operating expenses and rate base to the Kentucky Power per books test year totals.

IV. PJM RIDER

Q. WHAT DOES THE COMPANY PROPOSE TO INCLUDE IN THE PJM RIDER?

A. The Company is proposing to include various PJM Open Access Transmission Tariff (OATT), energy, ancillary and administrative service charges and credits that it incurs from its participation as a load serving entity (LSE) and generation resource owner in the organized wholesale power markets of the PJM RTO.

Q. WHAT SPECIFIC PJM CHARGE AND CREDIT ITEMS ARE THE COMPANY PROPOSING TO INCLUDE IN THE PJM RIDER?

A. The Company is proposing to include all of its LSE PJM charges and credits which are currently made up of but not limited to the following items: congestion, FTRs, meter corrections, operating reserve, inadvertent energy, economic load response, synchronous condensing, reactive service, black start service, regulation, synchronized reserve, day ahead scheduling reserve, peak hour availability, market defaults and administrative services. LSE PJM marginal loss charges and the marginal loss over collection credits will not be included since they are included in the Company's fuel clause.

The Company is also proposing to include the following PJM LSE transmission items: network integration transmission service (NITS) charges, transmission owner scheduling system control and dispatch service (TO) charges, regional transmission expansion plan (RTEP) charges, point-to-point (PTP) transmission service credits, RTO start-up cost recovery charges and expansion cost recovery (ECRC) charges. The Company also proposes to include any new PJM LSE charges or credits that may arise and be billed to the Company per the PJM tariffs.

Exhibit AEV 1 includes a more detailed description of these charges and credits, how PJM allocates or assigns them to Kentucky Power and what FERC accounts they are recorded in.

Q. IS THE COMPANY PROPOSING TO REMOVE THESE PJM CHARGES AND CREDITS FROM BASE RATES ENTIRELY?

A. No. The Company is proposing to include an adjusted test year level of the applicable PJM charges and credits in base rates. The PJM Rider would then on a monthly basis track the amount of PJM charges and credits above or below the base rate level as discussed further by Company Witness Mitchell. The annual net over or under collection of PJM charges would then be collected from or credited to customers through the PJM Rider.

Q. WHY IS THE COMPANY PROPOSING A TRACKING MECHANISM FOR THESE PJM CHARGES AND CREDITS?

A. These PJM charges and credits can have a material financial impact on the Company; the annual level of such charges and credits can vary greatly and they are largely out of the Company's control. This volatility can be attributed to various economic conditions, wholesale power market trends and even tariff changes made by PJM.

Q. ARE THERE ANY ADDITIONAL REASONS FOR INCLUDING THE PJM CHARGES AND CREDITS IN A TRACKING MECHANISM?

A. Yes. In the near term Kentucky Power is going to be experiencing several changes that will have a significant impact on the level of PJM charges and credits it incurs. Such changes include the termination of the AEP East Pool agreement and the proposed transfer of a 50% interest in the Mitchell plant on January 1, 2014; the scheduled retirement of Big Sandy unit 2 on June 1, 2015 and the yet undetermined future of Big Sandy unit 1. Further, there is expected to be a sustained amount of investment to the PJM transmission grid, which will increase transmission charges allocated to Kentucky Power. Tracking these PJM charges and credits via the PJM Rider could potentially reduce the frequency with which Kentucky Power may need to file costly general rate proceedings as these PJM charges and credits change.

Q. WILL ALL KPCO PJM CHARGES AND CREDITS BE INCLUDED IN THE ADJUSTED BASE RATE AMOUNT THAT WILL BE TRACKED BY THE PROPOSED PJM RIDER?

A. No. Only the amount of each charge and credit attributable to the internal load of Kentucky Power would be included. Kentucky Power incurs these charges and credits by acting as an LSE in PJM. Kentucky Power also incurs PJM charges and credits when it makes off system sales (OSS) in PJM. The amount of PJM charges and credits associated with making OSS are currently and will continue to be included in the determination of the Company's System Sales Rider.

Q. WHAT IS THE PROPOSED LEVEL OF PJM CHARGES AND CREDITS TO BE INCLUDED IN BASE RATES?

A. The adjusted test year Kentucky retail jurisdictional total is $56,550,649. The line item detail behind this figure can be seen in AEV Exhibit 2.

Q. IF THE COMMISSION APPROVES THE PROPOSED PJM RIDER, WHEN WOULD THE COMPANY PROPOSE TO UPDATE THE PJM RIDER RATES?

A. As I previously indicated, the PJM Rider is designed to true-up the actual incurred PJM-related costs relative to the amount in the Company's base rates. As a result, the rider will be set at $0 until after the first year the base rates are in effect. After that it will be trued-up annually. The Company proposes filing the required true-up information beginning no later than March 31, 2015 and by March 31st of each subsequent year.

Q. PLEASE EXPLAIN THE COMPANY'S PROPOSED RATE DESIGN FOR THE PJM RIDER.

A. The annual net over or under recovery of PJM charges and credits compared to the approved base rate level would be separated into demand and energy costs to be allocated to the customer classes. The demand and energy classifications for each PJM charge can be found in Exhibit AEV 2. The customer class revenue requirements would then be divided by historic class kWh energy sales to produce a $/kWh rate to be collected from or refunded to customers. If approved, this PJM Rider would have a first year revenue requirement of $0 since the Company is seeking to include the adjusted test year level of PJM charges and credits in base rates in this proceeding. Exhibit AEV 3 shows the mechanics of the proposed rate design.

V. TREATMENT OF TRANSMISSION FUNCTION REVENUES AND EXPENSES

Q. PLEASE EXPLAIN THE COMPANY'S PROPOSED TREATMENT OF TRANSMISSION REVENUES AND EXPENSES IN BASE RATES.

A. The Company proposes that its transmission costs should be based upon the charges it incurs as an LSE under PJM's OATT. These costs, which are included in the proposed PJM Rider, would be what Kentucky retail customers pay for transmission service rather than the Company's embedded cost of transmission service. The embedded cost of transmission service and other transmission revenues would be removed from the

Company's cost of service, with the PJM OATT charges remaining as the cost for transmission service.

Q. PLEASE EXPLAIN WHY THE COSTS PAID BY RATEPAYERS SHOULD BE BASED ON THE PJM OATT CHARGES?

A. Customer's transmission costs should be based upon the charges under the PJM OATT for a number of reasons:

- Kentucky Power is charged by PJM for transmission service regardless of facility ownership.
- Kentucky Power no longer has exclusive control over its transmission costs because of its membership in PJM;
- Kentucky Power's transmission rates would be comparable to other customers within the AEP transmission Zone;
- It provides proper separation of Kentucky Power's costs to provide retail service as an LSE from the costs and wholesale revenues as a transmission owner; and under the Company's proposal, the rates Kentucky customers pay for retail electric service will better reflect the transmission service costs that Kentucky Power incurs as their LSE.

Q. WHAT IS THE PROPOSED LEVEL OF PJM OATT CHARGES TO BE INCLUDED IN BASE RATES?

A. The adjusted test year Kentucky retail jurisdictional total cost is $43,097,768. This amount is a subset of the $56,550,649 already identified above as the base level to be tracked by the proposed PJM Rider. The line item detail behind this figure can be seen in AEV Exhibit 2 (lines 23-32, column J).

Q. WHAT IS THE NET EFFECT OF THE COMPANY'S PROPOSED CHANGE TO THE TREATMENT OF TRANSMISSION REVENUES AND EXPENSES?

A. The net effect of the Company's proposed treatment is a reduction in cost to Kentucky ratepayers of $3,709,919 as can be seen in column 10 of page 1 of Company witness Stegall's Exhibit JMS3.

VI. ADJUSTMENTS

Q. WHAT ADJUSTMENTS ARE YOU SPONSORING?

A. I am sponsoring the operating expense portion of adjustment W59 which adds the per books test year level of Kentucky Power's proposed 50% share of the Mitchell Plant to the Company's cost of service. I am also sponsoring adjustment W60 which adjusts Kentucky Power's test year PJM charges and credits to account for the termination of the AEP East Interconnection Agreement (Pool Agreement) on January 1, 2014, the proposed Mitchell plant asset transfer, and the annualization of the current level of certain PJM charges.

Mitchell Plant Transfer Adjustment
(Section V, Workpaper S-4, Page 59)

Q. PLEASE EXPLAIN THE ADJUSTMENT TO ADD THE PER BOOKS LEVEL OF MITCHELL PLANT OPERATING EXPENSES AND RATE BASE TO THE TEST YEAR.

A. This adjustment adds Kentucky Power's proposed 50% share of Mitchell plant test year operating expenses and rate base to the cost of service. I am sponsoring the operating expense portion of this adjustment and the calculation of cash working capital in rate base, Company witnesses Mitchell and Bartsch are sponsoring the remaining rate base items. Operating expenses include the following items:

- Fuel related items in FERC account 501 other than coal and oil expense. This includes items such as fuel handling that are not included in the Company's fuel clause.
- Operating expenses in FERC accounts 500 – 509 (scrubber chemicals, emission allowance expense, steam expenses, electric expenses, etc.)
- Maintenance expenses in FERC accounts 510 – 514 (maintenance of structures, boiler plant, electric plant, etc.)
- Applicable administrative and general expenses in FERC account 920 – 935 (property insurance, group medical plan premiums, post-retirement benefits, etc.)
- Taxes other than income taxes FERC account 408 (unemployment taxes, payroll taxes, property taxes, etc.)
- Depreciation expense in FERC account 403

Q. WHY DID YOU EXCLUDE COAL AND FUEL OIL EXPENSES FOR MITCHELL?

A. Test year coal and fuel oil expenses were not included in the calculation of this adjustment because they are not base rate items and will be included in the calculation of the Company's fuel clause after January 1, 2014.

Q. HOW WAS THIS ADJUSTMENT CALCULATED?

A. The results of the Mitchell plant cost of service study were allocated to the Kentucky retail jurisdiction using the same allocators and allocation methodologies included in the Company's per books jurisdictional cost of service study (section V). Since there were no Mitchell plant operating expenses in the Kentucky Power per books test year cost of service, the adjustment is the Kentucky retail jurisdictional amounts allocated from the Mitchell plant cost of service study.

Q. WHAT IS THE TOTAL OF TEST YEAR MITCHELL OPERATING EXPENSES INCLUDED IN THE MITCHELL PLANT TRANSFER ADJUSTMENT?

A. As can be seen in Exhibit AEV 4, the total Kentucky retail jurisdiction Mitchell plant operating expenses for the test year are $76,352,468. This figure excludes coal and fuel oil expense and represents Kentucky Power's proposed 50% share of the total Mitchell plant. These operating expenses break down as follows:

- Total operation and maintenance expense including related administrative and general expenses: $38,356,274;
- Depreciation expense: $32,967,772 (as provided to me by Company witness Davis); and
- Taxes other than income taxes: $5,028,422.

<u>PJM Charge Adjustment</u>
<u>(Section V, Workpaper S-4, Page 60)</u>

Q. PLEASE EXPLAIN THE ADJUSTMENT TO PJM CHARGES AND CREDITS TO REFLECT THE AEP EAST POOL TERMINATION AND THE MITCHELL PLANT TRANSFER.

A. Currently the Pool Agreement settlement allocates the total PJM charges and credits to the four member operating companies based upon their member load ratio (MLR). The MLR is a non-coincident peak demand calculation based on each Pool member's internal load peak on a historic twelve month basis. The MLR allocation is used for all PJM charges and credits except for the PJM OATT charges and credits which are allocated based on the AEP East Transmission Agreement (TA) which went into effect in

November of 2010. The MLR allocation of PJM charges will end when the Pool Agreement terminates on January 1, 2014. After termination of the Pool Agreement, Kentucky Power's PJM charges and credits that had been allocated based on the MLR will be directly assigned to Kentucky Power. This change from an MLR allocation of total East Pool PJM charges and credits to direct assignment of Kentucky Power's PJM charges and credits will impact the overall level of net PJM charges Kentucky Power incurs. Also included in this adjustment are 50% of the Mitchell plant's PJM charges and credits to reflect the Company's proposed asset transfer.

Adjustment W60 increases test year total company Kentucky Power O&M expense by $10,006,118, or $9,893,033 on a Kentucky PSC jurisdictional basis as can be seen in Exhibit AEV 2.

Q. HOW WERE THESE ADJUSTMENTS CALCULATED?

A. Using the Company's books and records along with information provided by PJM's market settlements reporting system (MSRS) we were able to re-settle the test year PJM charges and credits as if Kentucky Power were stand alone in PJM with a 50% share of the Mitchell plant. PJM charges and credits associated with Kentucky Power's generating resources (Big Sandy Units 1&2, 50% of Mitchell Units 1&2 and 15% of Rockport Units 1&2) were identified and directly assigned to Kentucky Power.

During the test year, the internal load of the East Pool member companies was managed in PJM for settlement purposes as one load. For PJM charges and credits related to load an hourly allocation of the total East Pool load charges and credits was developed. This was done by taking the hourly internal loads of each individual member company and dividing it by the total East Pool hourly internal load to produce an hourly allocation factor. This internal load energy allocation methodology was used for most PJM load charges and credits. A similar demand allocation was also developed using the network service peak loads (NSPL) of the member companies to allocate financial transmission rights (FTRs). The use of these internal load energy and demand allocation factors mimics how PJM would assign the applicable load charges and credits to Kentucky Power if it had been stand-alone in PJM during the test year. For purposes of this stand-alone re-settlement, Kentucky Power received its allocated share of the total East Pool internal load PJM charges and credits.

The new Kentucky Power stand-alone test year level (including the applicable Mitchell plant charges and credits) of PJM charges and credits was compared to the Kentucky Power per books test year amounts by FERC account. The difference between the two is the "pool termination and Mitchell plant" PJM charges and credits adjustment amount. This portion of adjustment W60 increases total company Kentucky Power test year O&M expense by $4,594,012.

Q. PLEASE EXPLAIN THE ADJUSTMENT TO ANNUALIZE THE CURRENT LEVEL OF PJM BLACKSTART SERVICE CHARGES.

A. Kentucky Power is currently and will continue to incur a higher level of charges for PJM blackstart service due to a recent PJM tariff change. The tariff change occurred in November of 2012 and began effecting monthly PJM settlements in December 2012. This change affected how certain make whole payments to generators running uneconomically for reliability purposes are classified and how the resulting charges are allocated to loads in PJM. The allocation change resulted in more costs being allocated to the AEP transmission zone which includes Kentucky Power.

Q. HOW WAS THIS ADJUSTMENT CALCULATED?

A. The Kentucky Power first quarter 2013 actual total (at the stand alone level) for blackstart service charges was annualized and then compared to the test year per books level of blackstart charges. The difference, less the pool termination adjustment for blackstart service, is the adjustment to annualize the current level of PJM blackstart charges. The annualization and pool termination adjustments together equal the total adjustment to test year per books PJM blackstart service charges. This portion of adjustment W60 increases total company Kentucky Power test year O&M expense by $3,222,825.

Q. PLEASE EXPLAIN THE ADJUSTMENT TO ANNUALIZE THE CURRENT LEVEL OF PJM RTEP CHARGES.

A. The purpose of this adjustment is to include the current level of RTEP charges in the cost of service. PJM RTEP charges change for several reasons including when new projects go into service, when revenue requirements are trued up, when projects are cancelled or delayed, and when zonal load changes.

Q. HOW WAS THIS ADJUSTMENT CALCULATED?

A. This adjustment was calculated by multiplying the March 2013 Kentucky Power RTEP charges by twelve to produce an annual amount. That amount was then compared to the test year per books amount and the difference is the adjustment to annualize the current level of PJM RTEP charges. This portion of adjustment W60 increases total company Kentucky Power test year O&M expense by $2,189,280.

Q. DOES THIS CONCLUDE YOUR PREFILED DIRECT TESTIMONY?

A. Yes.

PJM Charge and Credit Descriptions and Associated LSE FERC Accounts

4470093 – PJM Congestion – LSE

When the Transmission System is scheduled day-ahead or operating real-time under constrained conditions, PJM calculates Congestion Charges for each PJM Member. The basis for the Congestion Charge is the applicable day-ahead or real-time congestion price component of LMPs. PJM calculates day-ahead and real-time locational Congestion Prices each constrained hour. Every PJM Member is charged for the cost of congestion on the Transmission System, based on the difference between the congestion price at the location on the Transmission System where the PJM Member injects energy and the congestion price at the location where the PJM Member withdraws energy.

There are two distinct types of congestion charges in PJM:

Implicit — Implicit Congestion Charges are the congestion charges associated with the congestion price differentials between the PJM Member's generation and scheduled purchases, netted out against its load (excluding losses) and scheduled sales.

Explicit — Explicit Congestion Charges are the congestion charges associated with the congestion price differential from the scheduled source and sink of a transaction.

Transmission Congestion Charges can be both positive and negative.

4470101 – PJM FTR Revenues – LSE

An FTR is a financial instrument that entitles the holder to receive compensation for Transmission Congestion Charges that arise when the Transmission System is congested and differences in day-ahead Congestion Prices result. The purpose of an FTR is to protect the holder from increased energy costs due to transmission congestion. Each FTR is defined from a point of receipt to a point of delivery. For each hour in which congestion exists on the day-ahead Transmission System between the receipt and delivery points specified in the FTR, the holder of the FTR is awarded a share of the Total Transmission Congestion Charges collected from the Market Participants. An FTR's value, therefore, is related to Transmission Congestion Charges.

4470116 – PJM Meter Corrections – LSE

Metering errors and corrections are reconciled at the end of each month by a meter correction charge. Meter correction charges can be both positive and negative.

4470202 – PJM Operating Reserve Credits – LSE

PJM operating reserve credits provide make-whole payments to generators that are called on by PJM for reliability purposes but do not receive sufficient revenue from the energy or ancillary service markets to cover their offer costs. PJM may call on these units either day-ahead or in real-time.

4470203 – PJM Operating Reserve Charges – LSE

PJM operating reserve (OR) charges are the collection of the make-whole payments (operating reserve credits) to generators that are called on by PJM for reliability purposes but do not receive sufficient revenue from the energy or ancillary service markets to cover their offer costs. PJM may call on these units either day-ahead or in real-time.

Day ahead OR charges are allocated to LSE's based on their day ahead load ratio share.

Balancing OR (BOR) charges are divided into two categories; BOR for deviations and BOR for reliability. BOR charges for deviations are allocated to generators, loads and energy transactions based upon real time locational deviations from their day ahead schedules. BOR charges for reliability are allocated to LSEs based upon their real time load ratio share.

<u>5550036 Economic Load Response Charges – LSE</u>

The PJM Load Response Programs are designed to provide compensation to end-use customers or curtailment service providers (CSP) for reduction of consumption when scheduled or dispatched by PJM.

PJM collects these payments from LSE's based upon their real time load ratio share (including exports).

<u>5550036 Emergency Energy – LSE</u>

PJM may purchase energy from outside PJM as needed to alleviate or end an emergency, and may sell energy to another Control Area as requested during emergency conditions in that Control Area. Emergency energy purchased or sold is allocated to PJM Market Participants in proportion to their real-time deviation from their net interchange in the day-ahead market, whenever that deviation increases their spot market purchases or decreases their spot market sales.

<u>5550040 – PJM Inadvertent Interchange – LSE</u>

Inadvertent Interchange is the hourly difference between the net actual energy flow and the net scheduled energy flow into or out of the PJM control area in that hour. This MWh quantity may be a positive or negative value in any given hour and is priced at the PJM load weighted-average LMP for the hour. The value of this energy is allocated to all market participants based on real-time load (excluding losses) ratio shares in the PJM Region. This results in positive or negative Inadvertent Energy charges for each hour. These charges are allocated to LSEs based upon their real time load ratio share.

<u>5550041 – PJM Synchronous Condensing Charges – LSE</u>

PJM sometimes schedules resources for synchronous condensing for purposes other than providing synchronized reserve or reactive services. The credits paid to synchronous condensing resources are then allocated to LSE's based upon their real-time load ratio share.

<u>PJM Reactive Supply and Voltage Control Service:</u>

To maintain transmission voltages within acceptable limits, generation and other resources in PJM are operated to produce or absorb reactive power. Reactive supply and voltage control from generation sources service must be provided for each transaction on the Transmission Provider's transmission facilities.

<u>5550074 – PJM Reactive Charges – LSE</u>

Monthly RTO-wide reactive revenue requirements are allocated as charges to point-to-point (PTP) customers based on their monthly peak usage of the PJM transmission system. The remaining reactive revenue requirements for each transmission zone not recovered from PTP customers are allocated to the network customers serving load in that zone based on their monthly network service peak load contributions

<u>5550075 – PJM Reactive Credits – LSE</u>

Each generation owner receives a monthly Reactive Supply and Voltage Control from Generation Sources Service credit equal to one-twelfth (1/12) of its annual reactive revenue requirement.

Black Start Service:

To ensure the reliable restoration following a shutdown of the PJM Transmission System, black start service is necessary to facilitate the goal of complete system restoration. Black Start Service is the capability of generating units to start without an outside electrical supply or the demonstrated ability of a generating unit with a high operating factor to automatically remain operating at reduced levels when disconnected from the grid. Black Start Service enables the Transmission Provider and Transmission Owners to designate specific generators (Black Start Units) whose location and capabilities are required to re-energize the transmission system following a system-wide blackout

5550076 – PJM Black Start Charges – LSE

The sum of all customers' monthly charges equal one-twelfth (1/12) of the total annual black start revenue requirements that are credited to generation owners of black start units as well as a share of the applicable Day-ahead and Balancing Operating Reserve Credits that are credited to generation owners of black start units for the month. Effective 12/1/2012, the applicable Day-ahead and Balancing Operating Reserve Credits are those credits associated with the scheduling of units for Black Start service or testing of Black Start units.

Monthly RTO-wide reactive revenue requirements and day-ahead and balancing Operating Reserve credits associated with scheduling resources for black start service or testing are allocated as charges to point-to-point (PTP) customers based on their monthly peak usage of the PJM transmission system. The remaining reactive revenue requirements for each transmission zone not recovered from PTP customers are allocated to the network customers serving load in that zone based on their monthly network service peak load contributions.

5550077 – PJM Black Start Credits – LSE

Each generation owner of Black Start Units that meet PJM and NERC criteria receives a monthly Black Start Service credit equal to one-twelfth (1/12) of its annual black start revenue requirement.

PJM Regulation Service:

Regulation is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled Interconnection frequency at 60 cycles per second (60 Hz). PJM commits on-line resources whose output is raised or lowered as necessary to follow moment-to-moment changes in load.

5550078 – PJM Regulation Charges – LSE

Each PJM LSE, or other Regulation buyer, is charged for the amount of Regulation purchased to meet their hourly obligation.

5550079 – PJM Regulation Credits – LSE

Each resource supplying PJM-scheduled Regulation is credited for the regulation service provided.

PJM Synchronized Reserve Service:

Synchronized Reserves are supplied from resources located within the metered boundaries of PJM. Resources participating in the reserve market are divided into two tiers. Tier 1 is comprised of all those

resources on-line following economic dispatch and able to ramp up from their current output in response to a synchronized reserve event. Tier 2 consists of the additional resources that are synchronized to the grid and operating at a point that deviates from economic dispatch (including condensing mode) to provide additional synchronized reserve not available from Tier 1 resources. Synchronized Reserve resources include generators and demand side response resources.
The total PJM Synchronized Reserve Requirement is defined as the amount of 10-minute reserve that must be synchronized to the grid in accordance with the applicable NERC Council standards.

5550083 – PJM Synchronized Reserve Charges – LSE

The total cost of providing Synchronized Reserve for each hour is the sum of the credits provided to PJM Members for supplying Synchronized Reserve in that hour. The hourly cost of Tier 1 and Tier 2 Synchronized Reserve is allocated separately and charged to PJM LSEs based upon the amount of Synchronized Reserves purchased to meet their hourly obligation.

5550084 – PJM Synchronized Reserve Credits – LSE

Resources supplying Tier 1 and Tier2 Synchronized Reserve services receive the applicable credits as calculated by PJM.

5550090 – PJM Day Ahead Scheduling Reserve Charges – LSE

The Day-ahead Scheduling Reserve Market is a construct for a market based mechanism for the procurement of supplemental, 30-minute reserves on the PJM System. The Day-ahead Scheduling [30-Minute] Reserve Market is an offer-based market that will clear existing reserve requirements on a day-ahead, forward basis.

PJM calculates for each hour the Total Cost of Day-ahead Scheduling Reserve by summing the Day-ahead Scheduling Reserve credit for all PJM Members and allocates that amount to LSE's based upon their hourly obligation load ratio share.

5550093 – PJM Peak Hour Availability Charges – LSE

Charges are assessed to capacity resources that fall short of their expected availability during critical peak hours of the delivery year.

5614007 – PJM Market Default Charges – LSE

The cost of PJM market participant defaults are allocated to PJM members and market participants on a case by case basis.

5614001,5614007, 5618001 & 5757001 – PJM Administrative Service Charges - LSE

PJM charges each market participant on a monthly basis a number of fees to recover its operating and administration costs. PJM also charges fees to transmission customers and other market participants to fund the operation of FERC and certain other organizations that are involved in management of transmission reliability and regulation. These fees are defined in PJM OATT Schedules 9 and 10, and are approved by the FERC.

PJM Schedule 9-1, Control Area Administration Service
Control Area Administration Service comprises all of the activities of PJM associated with preserving the reliability of the PJM Region and administering point-to-point transmission service and network integration transmission service. This service is billed to each user, including AEP, based on MWhs of

energy delivered.

PJM Schedule 9-2, FTR Administration Service
The FTR Administration Service comprises all of the activities of PJM associated with administering financial transmission rights, including coordination of FTR bilateral trading, administration of FTR auctions, support of PJM's online internet-based eFTR tool, and FTR award analyses. FTR Administration Service is billed to each FTR market participant based on three components:

- the quantity of FTR MWhs of all FTRs held by the market participant times the tariff rate,
- the number of hours in all bids to buy FTR obligations during the annual auction and all monthly auctions, multiplied by the tariff rate, and
- five times the number of hours in all bids to buy FTR options during the annual auction and all monthly auctions, multiplied by the tariff rate.

PJM Schedule 9-3, Market Support Service
Market Support Service comprises all of the activities of PJM associated with supporting the operation of the PJM Interchange Energy Market and related functions, including market modeling and scheduling functions, locational marginal pricing support, market settlements and billing, support of PJM's internet-based customer interactive tool known as inSchedule, and market monitoring. PJM bills each market participant a Market Support charge equal to the sum of the following components:

- MWhs of energy delivered to load in the PJM Region or for export, plus MWhs of energy input into the transmission system, plus MWhs of all accepted increment and decrement bids times the tariff rate.
- The number of bid/offer segments submitted during the period times the tariff rate. A bid/offer segment is each price/quantity pair submitted into the day-ahead energy market.

PJM Schedule 9-4, Regulation and Frequency Response Administration Service
Regulation and Frequency Response Administration Service comprises all of the activities of PJM associated with administering the provision of regulation and frequency response service. Regulation and frequency response service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled frequency at sixty Hertz. PJM administration costs associated with the provision of Regulation and Frequency Response Administration Service are billed to LSEs and generators based on MWhs of regulation service.

PJM Schedule 9-5, Capacity Resource and Obligation Management Service
This service comprises the activities of PJM associated with assuring that customers have arranged for sufficient generating capacity to meet their capacity obligations. This service is billed to LSEs, generators and other market participants based on the MW-days of resource or obligation provided.

PJM Schedule 9-6, Formula rate for costs of advanced second control center
This formula rate recovers the costs of PJM's advanced second control center, as set forth in Schedule 9-6. Monthly charges are assessed to all users of services under PJM OATT Schedules 9-1 through 9-5. The charges are based on the applicable billing determinants set forth in Schedules 9-1 through 9-5.

PJM Schedule 9-FERC
PJM is subject to an annual charge assessed by the FERC to cover the costs of that agency. PJM bills this charge to transmission customers based on their total MWhs of electric energy delivered.

PJM Schedule 9-OPSI
The Organization of PJM States (OPSI) was established during 2005. The purpose of OPSI is to maintain an organization of electric utility regulatory agencies in the 13 states and the District of Columbia within

which PJM operates. OPSI Member Regulatory Agencies' activities include, but are not limited to, coordinating activities such as data collection, issues analyses, and policy formulation related to PJM, its operations, its market monitor, and related FERC matters. The Schedule 9-OPSI charge to each transmission customer is based on the MWhs of energy delivered to load.

PJM Schedule 9-FINCON
PJM anticipates retaining consultants to assist the PJM Finance Committee, and has created Schedule 9-FINCON to collect financial consultant costs.

PJM Schedule 9-MMU
In order to ensure independence and identify potential or actual market manipulation, PJM, per FERC order, receives oversight from a Market Monitoring Unit (MMU). This fee funds this market monitoring service. Schedule 9-MMU collects the MMU's cost from all transmission service customers, generators and other energy market bidders based upon MWh of service provided, bid or taken.

PJM Schedule 10-NERC
The North American Electric Reliability Corporation (NERC) develops and enforces reliability standards for the bulk power system in North America. PJM Schedule 9-FERC recovers NER Coperations costs for the PJM Region. The fee is charged in all PJM zones other than the Duquesne and Dominion Zones and is assessed to LSEs and others based on MWh of energy deliveries.

PJM Schedule 10-RFC
ReliabilityFirst Corporation (RFC) operates under the NERC umbrella; its mission being to preserve and enhance electric service reliability and security for the interconnected electric systems within the ReliabilityFirst geographic area. This area encompasses all of PJM except the Duquesne and Dominion Zones. The fee is assessed based upon MWh of load, including losses.

Kentucky Power Company
Exhibit AEV 2 - Adjusted Test Year PJM Charges and Credits
12 Months Ended March 31, 201:
(Revenues)/Expenses

Line	Acct	Description	Classification	Per Books Test Year Total A	Stand Alone Test Year Total - Includes Mitchell B	Pool Termination Adjustment C=B-A	Blackstart Service Charge Adjustment D	RTEP Adjustment E	Total KPCo Adjustment F=C+D+E	Kentucky PSC Jurisdiction Allocation Factor	G	Kentucky PSC Jurisdiction Total Adjustment H=F*G	Kentucky PSC Jurisdiction Per Books Test Year Total I=A*G	Adjusted Test Year Kentucky PSC Jurisdiction Total J=H+I
1	4470093	PJM Implicit Congestion-LSE	Energy	$ 4,858,454	$ 8,337,672	$ 3,479,218			$ 3,479,218	Energy	0.986	$ 3,430,509	$ 4,790,435	$ 8,220,944
2	4470101	PJM FTR Revenue-LSE	Energy	$ (3,450,500)	$ (4,350,671)	$ (900,171)			$ (900,171)	Energy	0.986	$ (887,569)	$ (3,402,193)	$ (4,289,762)
3	4470116	PJM Meter Corrections-LSE	Energy	$ (39,504)	$ (1,644,306)	$ (1,604,802)			$ (1,604,802)	Energy	0.986	$ (1,582,335)	$ (38,950)	$ (1,621,285)
4	4470202	PJM OpRes-LSE-Credit	Energy	$ (2,637,033)	$ (95,829)	$ 2,541,205			$ 2,541,205	Energy	0.986	$ 2,505,628	$ (2,600,115)	$ (94,487)
5	4470203	PJM OpRes-LSE-Charge	Energy	$ 2,573,734	$ 2,942,019	$ 368,285			$ 368,285	Energy	0.986	$ 363,129	$ 2,537,701	$ 2,900,830
6	5550036	PJM Emer.Energy Purch.	Energy	$ -	$ -	$ -			$ -	Energy	0.986	$ -	$ -	$ -
7	5550040	PJM Inadvertent Mtr Res-LSE	Energy	$ 11,861	$ 20,969	$ 9,108			$ 9,108	Energy	0.986	$ 8,980	$ 11,695	$ 20,675
8	5550041	PJM Ancillary Serv.-Sync	Energy	$ 2,257	$ 2,666	$ 409			$ 409	Energy	0.986	$ 403	$ 2,226	$ 2,629
9	5550074	PJM Reactive-Charge	Demand	$ 7,366	$ 2,203,935	$ 2,196,569			$ 2,196,569	PDAF	0.985	$ 2,163,620	$ 7,256	$ 2,170,876
10	5550075	PJM Reactive-Credit	Demand	$ 102,602	$ (2,182,602)	$ (2,285,204)			$ (2,285,204)	PDAF	0.985	$ (2,250,926)	$ 101,063	$ (2,149,863)
11	5550076	PJM Black Start-Charge	Demand	$ 1,280,598	$ 1,767,316	$ 486,718	$ 3,222,825		$ 3,709,543	PDAF	0.985	$ 3,653,900	$ 1,261,389	$ 4,915,289
12	5550077	PJM Black Start-Credit	Demand	$ (27,714)	$ (8)	$ 27,706			$ 27,706	PDAF	0.985	$ 27,291	$ (27,299)	$ (8)
13	5550078	PJM Regulation-Charge	Energy	$ 1,467,821	$ 1,998,158	$ 530,337			$ 530,337	Energy	0.986	$ 522,912	$ 1,447,272	$ 1,970,184
14	5550079	PJM Regulation-Credit	Energy	$ (731,919)	$ (959,803)	$ (227,884)			$ (227,884)	Energy	0.986	$ (224,694)	$ (721,672)	$ (946,366)
15	5550083	PJM Spinning Reserve-Charge	Energy	$ 16,332	$ 42,488	$ 26,156			$ 26,156	Energy	0.986	$ 25,790	$ 16,103	$ 41,893
16	5550084	PJM Spinning Reserve-Credit	Energy	$ (2,502)	$ (61,616)	$ (59,114)			$ (59,114)	Energy	0.986	$ (58,286)	$ (2,467)	$ (60,753)
17	5550090	PJM 30m Suppl Rserv Charge LSE	Energy	$ 247,099	$ 261,144	$ 14,045			$ 14,045	Energy	0.986	$ 13,849	$ 243,639	$ 257,488
18	5550093	Peak Hour Avail charge - LSE	Demand	$ -	$ -	$ -			$ -	PDAF	0.985	$ -	$ -	$ -
19	5614001	PJM Admin-SSC&DS-Internal	Energy	$ 934,899	$ 920,355	$ (14,544)			$ (14,544)	Energy	0.986	$ (14,340)	$ 921,810	$ 907,470
20	5614007	PJM Admin Defaults LSE	Energy	$ 24,603	$ -	$ -			$ -	Energy	0.986	$ -	$ 24,259	$ 24,259
21	5618001	PJM Admin-RP&SDS- Internal	Energy	$ 212,763	$ 211,050	$ (1,713)			$ (1,713)	Energy	0.986	$ (1,689)	$ 209,784	$ 208,096
22	5757001	PJM Admin-MAM&SC- Internal	Energy	$ 980,924	$ 988,613	$ 7,689			$ 7,689	Energy	0.986	$ 7,581	$ 967,191	$ 974,772
23	4561035	Network Integrated Transmission Service	Demand	$ 36,116,142	$ 36,116,142	$ -			$ -	Direct to KY Retail	1.00	$ -	$ 36,116,142	$ 36,116,142
24	5650016	Network Integrated Transmission Service	Demand	$ 1,250,261	$ 1,250,261	$ -			$ -	Direct to KY Retail	1.00	$ -	$ 1,250,261	$ 1,250,261
25	4561005	Firm and Non-Firm Point to Point Transmision	Demand	$ (681,555)	$ (681,555)	$ -			$ -	Direct to KY Retail	1.00	$ -	$ (681,555)	$ (681,555)
26	4561036	Schedule 1a Charges	Energy	$ 470,070	$ 470,070	$ -			$ -	Direct to KY Retail	1.00	$ -	$ 470,070	$ 470,070
27	5650015	Schedule 1a Charges	Energy	$ 863	$ 863	$ -			$ -	Direct to KY Retail	1.00	$ -	$ 863	$ 863
28	5650012	Transmission Enhancement Charges	Demand	$ 3,245,883	$ 3,245,883	$ -		$ 2,180,237	$ 2,180,237	Direct to KY Retail	1.00	$ 2,180,237	$ 3,245,883	$ 5,426,120
29	4561060	Transmission Enhancement Charges	Demand	$ 238,880	$ 238,880	$ -		$ (7,020)	$ (7,020)	Direct to KY Retail	1.00	$ (7,020)	$ 238,880	$ 231,860
30	5650019	Transmission Enhancement Charges - Affil	Demand	$ 49,348	$ 49,348	$ -		$ 16,063	$ 16,063	Direct to KY Retail	1.00	$ 16,063	$ 49,348	$ 65,411
31	4561002	RTO Formation Costs	Demand	$ 135,263	$ (10,846)	$ -			$ -	Direct to KY Retail	1.00	$ -	$ 135,263	$ 135,263
32	4561003	Expansion Cost Recovery Charge	Demand	$ 83,333	$ (85,722)	$ -			$ -	Direct to KY Retail	1.00	$ -	$ 83,333	$ 83,333
	Totals			$ 46,740,629	$ 50,994,874	$ 4,594,012	$ 3,222,825	$ 2,189,280	$ 10,006,118			$ 9,893,033	$ 46,657,616	$ 56,550,649

Kentucky Power Company
Exhibit AEV 3
PJM Tracker Rate Design

	Demand	Energy	Total
Jurisdictional (Over) / Under	$0	$0	$0

Class (1)	Historic Period Billing Energy (2)	Test Year CP / kWh Ratio (3)	CP Demand Allocation Factor (4) = (2) x (3)	Allocated Demand Related Costs (5) on (4)	Allocated Energy Related Costs (6) on (2)	Total Cost (7) = (5) + (6)	$ / kWh Rate (8) = (7) / (2)	Revenue Verification (9)
RES	2,515,737,354	0.0213531%	537,189	$0	$0	$0	$0.000000	$0
SGS	149,171,019	0.0144552%	21,563	0	0	0	$0.000000	0
MGS	575,945,659	0.0168782%	97,209	0	0	0	$0.000000	0
LGS	775,528,153	0.0158073%	122,590	0	0	0	$0.000000	0
QP	717,390,027	0.0143675%	103,071	0	0	0	$0.000000	0
CIP	2,254,126,636	0.0120216%	270,981	0	0	0	$0.000000	0
MW	4,180,635	0.0116968%	489	0	0	0	$0.000000	0
OL	48,666,992	0.0026260%	1,278	0	0	0	$0.000000	0
SL	9,078,136	0.0023793%	216	0	0	0	$0.000000	0
Total	7,049,824,613		1,154,586	$0	$0	$0		$0

KPCo KY Retail PSC Jurisdiction
Class Billing Determinants

Class (1)	kWh Energy	kW 12 CP
RES	2,515,737,354	537,189
SGS	149,171,019	21,563
MGS	575,945,659	97,209
LGS	775,528,153	122,590
QP	717,390,027	103,071
CIP	2,254,126,636	270,981
MW	4,180,635	489
OL	48,666,992	1,278
SL	9,078,136	216
Total	7,049,824,613	1,154,586

Kentucky Power Company
Exhibit AEV 4 - Mitchell Plant Cost of Service Summary
12 Months Ended March 31, 2013

	Mitchell Units 1&2	KPCo Share	Allocation Method	Kentucky Retail
Rate Base				
Electric Plant In Service - Gross	$ 1,791,203,999	$ 895,602,000	PDAF	$ 882,167,970
Accum. Prov. For Depreciation	$ 574,964,789	$ 287,482,395	PDAF	$ 283,170,159
Electric Plant In Service - Net	$ 1,216,239,210	$ 608,119,605	PDAF	$ 598,997,811
Materials & Supplies	$ 86,072,742	$ 43,036,371	Various	$ 42,424,390
Cash Working Capital	$ 9,730,416	$ 4,865,208	Various	$ 4,794,534
Construction Work In Progress	$ 80,424,311	$ 40,212,156	PDAF	$ 39,608,973
Less:				
Accumulated Deferred Income Taxes	$ 298,883,124	$ 149,441,562	GP-TOT	$ 147,947,146
Total Rate Base	$ 1,093,583,555	$ 546,791,778		$ 537,878,562
Operating Expense				
Total Operation and Matinenance Expense	$ 77,843,320	$ 38,921,666	Various	$ 38,356,274
Total Taxes other than Income Taxes	$ 10,166,305	$ 5,083,155	Various	$ 5,028,422
Depreciation Expense	$ 66,673,065	$ 33,469,819	PDAF	$ 32,967,772
Total Operating Expense	$ 154,682,690	$ 77,474,640		$ 76,352,468

Development of Rate Base

FERC Account	Description		Mitchell 1 & 2		KPCo
101-106, 114	Utility Plant	$	1,791,203,999	$	895,602,000
107	Construction Work in Progress	$	80,424,311	$	40,212,156
108, 111, 115	Accum Prov for Depreciation & Depletion - Uti	$	(574,964,789)	$	(287,482,395)
121	Nonutility Property		-		-
124	Other Investments	$	3,202,722	$	1,601,361
151	Fuel Stock	$	58,312,511	$	29,156,256
152	Fuel Stock Expenses Undistributed	$	1,391,779	$	695,890
154	Plant Materials and Operating Supplies	$	18,943,330	$	9,471,665
158.1, 158.2	Allowances	$	7,425,122	$	3,712,561
186	Miscellaneous Deferred Debits (Property Taxe	$	7,285,000	$	3,642,500
190	Accumulated Deferred Income Tax	$	7,756,001	$	3,878,001
228.2	Accumulated Provision for Injuries and Damag	$	(47,330)		-
230	Asset Retirement Obligations	$	(10,452,039)	$	(5,226,020)
236	Taxes Accrued (Property Taxes)	$	(5,900,000)	$	(2,950,000)
242	Miscellaneous Current and Accrued Liabilities	$	(667,814)		-
242	Miscellaneous Current and Accrued Liabilities	$	(904,390)	$	(452,195)
253	Miscellaneous Non-Current Liabilities (NSR)	$	(852,175)	$	(426,088)
282	Accum. Deferred Income Taxes	$	(295,792,366)	$	(147,896,183)
283	Accum. Deferred Income Taxes	$	(10,846,759)	$	(5,423,380)

Development of Operational Expenses

FERC Account	Description	Mitchell 1 & 2	KPCo		Kentucky Retail
	Fuel Expense				
5010000	Fuel	$ 595,724	$ 297,862	Energy	$ 293,692
5010003	Fuel - Procure Unload & Handle	$ 5,979,787	$ 2,989,894	Energy	$ 2,948,035
5010012	Ash Sales Proceeds	$ (214,232)	$ (107,116)	Energy	$ (105,616)
5010013	Fuel Survey Activity	$ (2,551,152)	$ (1,275,576)	Energy	$ (1,257,718)
5010027	Gypsum handling/disposal costs	$ 1,975,182	$ 987,591	Energy	$ 973,765
5010028	Gypsum Sales Proceeds	$ (642,723)	$ (321,362)	Energy	$ (316,862)
5010029	Gypsum handling/displ-Affiliat	$ 271,528	$ 135,764	Energy	$ 133,863
5010033	Coal Procurement Sales Net-NA	$ 19,257	$ 9,629	Energy	$ 9,494
	Total	$ 5,433,371	$ 2,716,686		$ 2,678,652
	Operating Expense				
5000000	Oper Supervision & Engineering	$ 3,218,781	$ 1,609,391	PDAF	$ 1,585,250
5000001	Oper Super & Eng-RATA-Affil	$ 62,663	$ 31,332	PDAF	$ 30,862
5020000	Steam Expenses - Demand (labor)	$ 724,601	$ 362,301	PDAF	$ 356,866
5020000	Steam Expenses - Energy (materials)	$ 1,395,791	$ 697,896	Energy	$ 688,125
5020025	Steam Exp Environmental	$ (23)	$ (12)	PDAF	$ (11)
5050000	Electric Expenses -Demand (labor)	$ 4,633	$ 2,317	PDAF	$ 2,282
5050000	Electric Expenses - Energy (materials)	$ (3,940)	$ (1,970)	Energy	$ (1,942)
5060000	Misc Steam Power Expenses	$ 5,173,150	$ 2,586,575	PDAF	$ 2,547,776
5060002	Misc Steam Power Exp-Assoc	$ 118,689	$ 59,345	PDAF	$ 58,454
5060004	NSR Settlement Expense	$ (38,533)	$ (19,267)	PDAF	$ (18,978)
5060025	Misc Stm Pwr Exp Environmental	$ 7,556	$ 3,778	PDAF	$ 3,721
5560000	Sys Control & Load Dispatching	$ 350,245	$ 175,123	PDAF	$ 172,496
5570000	Other Expenses	$ 1,248,161	$ 624,081	PDAF	$ 614,719
5090000	Allow Consum Title IV SO2	$ 407,346	$ 203,673	Energy	$ 200,822
5090001	Allowance Consumption - NOx	$ 10,544	$ 5,272	Energy	$ 5,198
5090002	Allowance Expenses	$ 33	$ 17	Energy	$ 16
5090005	An. NOx Cons. Exp	$ 7,806	$ 3,903	Energy	$ 3,848
5020001	Lime Expense	$ 5,191,785	$ 2,595,893	Energy	$ 2,559,550
5020002	Urea Expense	$ 1,318,142	$ 659,071	Energy	$ 649,844
5020003	Trona Expense	$ 6,419,089	$ 3,209,545	Energy	$ 3,164,611
5020007	Lime Hydrate Expense	$ 26,793	$ 13,397	Energy	$ 13,209
	Total	$ 25,643,312	$ 12,821,661		$ 12,636,718
	Maintenance Expense				
5100000	Maint Supv & Engineering	$ 6,644,968	$ 3,322,484	PDAF	$ 3,272,647
5110000	Maintenance of Structures	$ 1,534,087	$ 767,044	PDAF	$ 755,538
5120000	Maintenance of Boiler Plant - Demand	$ 6,689,475	$ 3,344,737	Allocated on the basis of 34% Demand; 66% Energy	$ 3,294,566
5120000	Maintenance of Boiler Plant - Energy	$ 12,985,451	$ 6,492,726	Allocated on the basis of 34% Demand; 66% Energy	$ 6,401,827
5130000	Maintenance of Electric Plant	$ 5,050,995	$ 2,525,498	PDAF	$ 2,487,615
5140000	Maintenance of Misc Steam Plt	$ 905,192	$ 452,596	PDAF	$ 445,807
	total	$ 33,810,168	$ 16,905,085		$ 16,658,000

Total of A&G Accounts 920-935								
Reallocation of Mitchell A&G to Maintenance Accts								
500	$	222,788	$	111,394	PDAF	$	109,723
501	$	983,154	$	491,577	Energy	$	484,695
502	$	636,584	$	318,292	Energy (for A&G)	$	313,836
505	$	4,070	$	2,035	Energy (for A&G)	$	2,007
506	$	1,900,928	$	950,464	PDAF	$	936,207
510	$	5,096,274	$	2,548,137	PDAF	$	2,509,915
511	$	220,920	$	110,460	PDAF	$	108,803
512 Energy	$	2,062,107	$	1,031,054	Energy	$	1,016,619
512 Demand	$	1,062,298	$	531,149	PDAF	$	523,182
513	$	629,412	$	314,706	PDAF	$	309,985
514	$	137,935	$	68,967	PDAF	$	67,933
total	$	12,956,469	$	6,478,234		$	6,382,904

Taxes Other Than Income Taxes								
408100612	State Gross Receipts Tax	$	94,314	$	47,157	SPECIFIC	$	47,157
408100613	State Gross Receipts Tax	$	48,130	$	24,065	SPECIFIC	$	24,065
4081002	FICA	$	1,543,487	$	771,744	OML	$	765,570
4081003	Federal Unemployment Tax	$	17,149	$	8,575	OML	$	8,506
4081007	State Unemployment Tax	$	37,520	$	18,760	OML	$	18,610
4081033	Fringe Benefit Loading - FICA	$	(289,234)	$	(144,617)	OML	$	(143,460)
4081034	Fringe Benefit Loading - FUT	$	(1,985)	$	(993)	OML	$	(985)
4081035	Fringe Benefit Loading - SUT	$	(4,702)	$	(2,351)	OML	$	(2,332)
4081038	Payroll Tax	$	198,496	$	99,248	OML	$	98,454
4081020	State Business & Occ Taxes	$	3,056,566	$	1,528,283	Energy	$	1,506,887
4081005	Real Personal Property Taxes	$	5,465,000	$	2,732,500	GP-TOT	$	2,705,175
408101411	Federal Excise Taxes	$	481	$	241	OML	$	239
408101711	St Lic-Rgstrtion Tax-Fees	$	95	$	48	OML	$	47
408101712	St Lic-Rgstrtion Tax-Fees	$	5	$	3	OML	$	2
408101713	St Lic-Rgstrtion Tax-Fees	$	902	$	451	OML	$	447
408101912	State Sales and Use Taxes	$	16	$	8	OML	$	8
408102812	State Sales/Use Tax-Cap Leases	$	65	$	33	OML	$	32
	total	$	10,166,305	$	5,083,155		$	5,028,422

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION FOR A GENERAL) **ADJUSTMENT OF ELECTRIC RATES)** **OF KENTUCKY POWER COMPANY)**	**Case No. 2013-00197**

DIRECT TESTIMONY OF

RANIE K. WOHNHAS

ON BEHALF OF KENTUCKY POWER COMPANY

VERIFICATION

The undersigned, Ranie K. Wohnhas being duly sworn, deposes and says he is the Managing Director Regulatory and Finance for Kentucky Power Company, that he has personal knowledge of the matters set forth in the forgoing testimony and the information contained therein is true and correct to the best of his information, knowledge, and belief.

Ranie K. Wohnhas

Ranie K. Wohnhas

COMMONWEALTH OF KENTUCKY)
) Case No. 2013-00197
COUNTY OF FRANKLIN)

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Ranie K. Wohnhas, this the 18th day of June 2013.

Judy K Rosquist 481393

Notary Public

My Commission Expires: January 23, 2017

DIRECT TESTIMONY OF
RANIE K. WOHNHAS, ON BEHALF OF
KENTUCKY POWER COMPANY
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

CASE NO. 2013-00197

TABLE OF CONTENTS

DIRECT TESTIMONY OF
RANIE K. WOHNHAS, ON BEHALF OF
KENTUCKY POWER COMPANY
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

I. INTRODUCTION

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

A: My name is Ranie K. Wohnhas. My position is Director, Business Operations Support, Kentucky Power Company ("Kentucky Power" or "Company"). My business address is 101 A Enterprise Drive, Frankfort, Kentucky 40601.

II. BACKGROUND

Q: PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE.

A: I received a Bachelor of Science degree with a major in accounting from Franklin University, Columbus, Ohio in December 1981. I began work with Columbus Southern Power in 1978 working in various customer services and accounting positions. In 1983, I transferred to Kentucky Power Company working in accounting, rates and customer services. I became the Billing and Collections Manager in 1995 overseeing all billing and collection activity for the Company. In 1998, I transferred to Appalachian Power Company working in rates. In 2001, I transferred to the AEP Service Corporation working as a Senior Rate Consultant. In July 2004, I assumed the position of Manager, Business Operations Support and was promoted to Director in April 2006. I was promoted to my current position as Managing Director, Regulatory and Finance effective September 1, 2010.

Q: WHAT ARE YOUR RESPONSIBILITIES AS MANAGING DIRECTOR, REGULATORY AND FINANCE?

A: I am primarily responsible for managing the regulatory and financial strategy for Kentucky Power. This includes planning and executing rate filings for both federal and state regulatory agencies and certificate of public convenience and necessity ("CPCN") filings before this Commission. I am also responsible for managing the Company's financial operating plans including various capital and O&M operational budgets that interface with all other AEP organizations affecting the Company's performance. As part of the financial strategy, I work with various AEPSC departments to ensure that adequate resources such as debt, equity and cash are available to build, operate, and maintain Kentucky Power's electric system assets providing service to our retail and wholesale customers. In my role as Managing Director, Regulatory and Finance, I report directly to Gregory G. Pauley, President and Chief Operating Officer of Kentucky Power.

Q: HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS COMMISSION?

A: Yes. I have testified before this Commission in various fuel review proceedings and filed testimony in the Company's two most recent base rate case filings, Case No. 2005-00341 and Case No. 2009-00459. Other cases in which I have testified include an environmental compliance plan, Case No. 2011-00401; a real-time pricing proceeding, Case No. 2012-00226; and the current application before the

Commission to transfer an undivided 50% interest in the Mitchell Generating Station to Kentucky Power, Case No. 2012-00578.

III. PURPOSE OF TESTIMONY

Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A: The purpose of my testimony is to support: (1) the revenue requirement being proposed by the Company; (2) adjustments to the Company's capitalization; (3) certain known and measurable adjustments to test year revenues and operating expenses; (4) certain tariff revisions; (5) the recovery of certain emission allowances; (6) the deferral, amortization and recovery of the Big Sandy Plant Production Operation and Maintenance ("O&M") and depreciation expenses; and (7) the recovery and amortization periods for certain other regulatory assets and deferred costs.

IV. FILING REQUIREMENTS

Q: PLEASE DESCRIBE SECTION IV OF THE COMPANY'S FILING.

A: Section IV of the Company's filing is the financial exhibit required by the Commission regulation in 807 KAR 5:001, Section 12. Balance sheet data is shown as of March 31, 2013, and income statement data is for the twelve months ended March 31, 2013. This complies with the ninety-day rule stipulated by the Commission in 807 KAR 5:001, Section 12.

Q: HAS THE COMPANY COMPLIED WITH THE COMMISSION'S REGULATIONS REQUIRING CERTAIN ADDITIONAL DATA TO BE FILED?

A: Yes. This information has been incorporated into Sections II and III of the Company's filing.

Q: HAVE YOU PREPARED ANY SCHEDULES OR WORKPAPERS IN CONNECTION WITH YOUR TESTIMONY?

A: Yes. The summaries and details of the Capitalization and Rate Base amounts, and the adjustments to the "per books" results of operations that I am sponsoring are set forth in various schedules of Section V of the Company's filing. In particular, I am sponsoring the following Schedules:

- Schedule 1: Fully Adjusted Base Case Summary
- Schedule 2: Revenue Requirement
- Schedule 3: Capitalization
- Schedule 4: Adjustment Summary

I am also sponsoring a number of specific adjustments contained within Schedule 4 and identify the specific workpaper sheet number where appropriate.

Q: WERE THESE SCHEDULES AND EXHIBITS PREPARED BY YOU OR UNDER YOUR DIRECTION?

A: Yes.

Q: WHAT INFORMATION ON THE SUMMARIES AND ADJUSTMENTS ARE YOU SPONSORING?

A: I am responsible for the total Company amounts shown or used to derive the Kentucky Power retail jurisdictional amounts. Witness Munsey furnished the Kentucky Power retail jurisdictional amounts and the allocation factors required to calculate such amounts. Witness Munsey is also responsible for the allocation methodology.

V. PROPOSED INCREASE IN ANNUAL REVENUES

Q: PLEASE DESCRIBE THE REVENUE REQUIREMENT BEING PROPOSED BY THE COMPANY.

A: The Company is proposing an annual revenue requirement of $610,582,495. This represents an increase of $113,998,826 over the Test Year ended March 31, 2013 adjusted revenues of $487,401,782 or an increase of approximately 23.39%. This annual revenue requirement presumes the Company's proposed treatment of transmission revenues and expenses in base rates ("Transmission Adjustment") is approved by the Commission. Without the Transmission Adjustment, the increase in annual revenue requirement will be $117,789,745 – an increase of approximately 24.17%. The derivation of the Transmission Adjustment is described in the testimony of Company Witness Vaughan.

In addition, the Company is proposing a change to Tariff S.S.C. to reflect the expected increase in system sales during the expected seventeen month period following the proposed transfer of a 50% interest in the Mitchell Generating Station and prior to the retirement of Big Sandy Unit 2 ("Overlap Period"). This change to the tariff is designed to provide rate mitigation during the Overlap Period. The effect of this rate mitigation is not included in the 23.39% proposed increase in the Company's revenue requirement. The details of this proposed change to Tariff S.S.C. are discussed later in my testimony.

Q. CAN YOU SUMMARIZE THE DEVELOPMENT OF THE PROPOSED ANNUAL REVENUE REQUIREMENT?

A. The development of the proposed annual revenue requirements is shown on Schedule 1 of Section V of the Company's filing. Schedule 1 summarizes the components of Net Electric Operating Income for the twelve months ended March 31, 2013, as adjusted, under present rates in Column 3; and the effects of the proposed rate increase on those components in Column 4. Also shown are the components of Net Electric Operating Income after giving effect to the proposed rate increase in Column 5. Finally, the total amount of rate base and capitalization is also shown as well as the calculated overall rates of return.

Schedule 2 shows how Kentucky Power derived the proposed increase in annual revenue requirement, without the Transmission Adjustment, of $117,789,745. Schedule 3 shows the Company's development of the adjusted capitalization amount used to develop the required increase in annual revenue requirement and includes the addition of an undivided 50% interest in the Mitchell Generating Station. Schedule 4 identifies the known and measurable adjustments to test year revenue, expenses and rate base. Details of each adjustment are shown in the workpapers to Schedule 4. Schedule 5 provides a summary of the Kentucky retail jurisdictional amounts of Operating Revenues, Operating Expense, Net Electric Operating Income, and Rate Base.

Q. IS KENTUCKY POWER PROPOSING TO EQUALIZE RATES OF RETURN ACROSS ALL CUSTOMER CLASSES?

A. No. Kentucky Power is not proposing to equalize its rates of return over all customer classes because the impact of doing so would be significant on certain customer classes, especially residential. As shown in the testimony of Company Witness Stegall, the residential customer class has the lowest rate of return. To equalize the rates of return across classes would result in a far greater increase in rates for the Company's residential customers. While it is the Company's intention to gradually, over time, move towards equalized rates of return across customer classes, the Company is not proposing to make any progress towards that goal for the purposes of this proceeding to mitigate rate impacts on the residential customer class.

VI. CAPITALIZATION ADUSTMENTS

Q: WOULD YOU PLEASE DESCRIBE EACH OF THE CAPITALIZATION ADJUSTMENTS THAT YOU ARE SPONSORING?

A: Yes. The details of the Capitalization adjustments are set forth on Section V, Schedule 3, as follows:

Adjustment	Schedule 3
1. Mitchell Transfer	Column 4
2. Big Sandy Coal Stock	Column 6
3. Mitchell Coal Stock	Column 7

4. FRECO A/C 124	Column 8
5. Carrs Site	Column 9
6. Non-Utility Property	Column 10
7. KY Jurisdiction	Column 12

Mitchell Transfer Adjustment
(Schedule 3, Column 4)

The Company added $290,000,000 in long term debt and $248,000,000 in common equity to its book balances as a result of the transfer of an undivided 50% interest in the Mitchell Generating Station. The specifics of these adjustments are described in more detail in the testimony and exhibits of Company Witness Reitter.

Big Sandy Coal Stock Adjustment
(Schedule 3, Column 6)

Kentucky Power's coal inventory target at the Big Sandy Plant is a 30 day supply at an average burn rate of 10,182 tons per day or 305,460 tons. On March 31, 2013 the Company had 571,240 tons of coal on hand. The average cost of coal inventory at Big Sandy on March 31, 2013 was $79.74 per ton. Thus, the value of the coal in inventory on March 31, 2013 was $45,551,062. The difference between the March 31, 2013 coal inventory and the target coal inventory is 265,570 tons with a value of $21,193,476. After applying the appropriate allocation factor, the adjustment was a decrease of $20,875,574. Because the coal inventory is usually financed with short-term debt, the Company made this adjustment to its March 31, 2013 short-term debt.

Mitchell Coal Stock Adjustment
(Schedule 3, Column 7)

The coal inventory target at the Mitchell Plant is a 45 day supply at an average burn rate of 15,214 tons per day or 684,630 tons. On March 31, 2013 the Mitchell Plant had 716,138 tons of coal on hand. The average cost of coal in inventory at Mitchell on March 31, 2013 was $74.19 per ton. Thus, the value of the coal in inventory on March 31, 2013 was $53,130,280. The difference between the March 31, 2013 coal inventory and the target coal inventory is 31,508 tons with a value of $2,337,580. After accounting for the Company's 50% share and applying the appropriate allocation factor, the adjustment was a decrease of $1,151,258. Because the coal inventory is usually financed with short-term debt, the Company made this adjustment to its March 31, 2013 short-term debt.

Franklin Realty Company Account No. 124 Property
(Schedule 3, Column 8)

The Franklin Realty Company (FRECO) investment, recorded in Account No. 124, was removed ratably from the Company's long term debt, short term debt and common equity capitalization. The Company used the accounts receivable financing plus the short term debt balances on March 31, 2013 and divided it by the total capitalization on March 31, 2013 and that result, approximately 5.11%, was spread to short term debt.

Carrs Site Adjustment
(Schedule 3, Column 9)

The Carrs Site investment was removed from the Company's capitalization ratably among the long term debt, short term debt and common equity. The Company used the accounts receivable financing plus the short term debt balance on March 31, 2013 and divided it by the total capitalization on March 31, 2013 and that result, approximately 5.11%, was spread to short term debt.

Non-Utility Property
(Schedule 3, Column 10)

The Non-Utility investment was removed from the Company's capitalization ratably among the long term debt, short term debt and common equity. The Company used the accounts receivable financing plus the short term debt balance on March 31, 2013 and divided it by the total capitalization on March 31, 2013 and that result, approximately 5.11%, was spread to short term debt.

VII. REVENUE AND OPERATING EXPENSE ADJUSTMENTS

Q: WOULD YOU PLEASE IDENTIFY AND DISCUSS EACH OF THE REVENUE AND OPERATING EXPENSE ADJUSTMENTS THAT YOU ARE SPONSORING?

A: Yes. The details of the revenue and operating expense adjustments are set forth on various pages of Section V, Workpaper S-4. Specifically, I am sponsoring the following adjustments:

Adjustment	Workpaper S-4 Page No.
1. AEP Pool Capacity Cost	4
2. Temporary Interest Expense	6
3. Normalization Major Storms	10
4. Amortization Storm Cost Deferral	11
5. Amortization of Rate Case Expense	12
6. Amortization of Intangible Expense	14
7. System Sales Tracker Revenues	17

Additional information regarding each of these adjustments is provided below.

AEP Pool Capacity Charge Adjustment
(Section V, Workpaper S-4, Page 4)

Q. **WHAT IS THE CAPACITY CHARGE ADJUSTMENT?**

A. Kentucky Power has historically been a deficit member of the FERC-approved Interconnection Agreement and, therefore, paid a capacity deficit payment to the surplus members every month. With the termination of the Pool Agreement, effective January 1, 2014, Kentucky Power will no longer be required to make these capacity payments. The total effect of this change will be to decrease Kentucky Power's capacity cost by approximately $21,304,099.

Temporary Interest Expense Adjustment
(Section V, Workpaper S-4, Page 6)

Q. **EXPLAIN THE TEMPORARY INTEREST EXPENSE ADJUSTMENT.**

A. The temporary interest expense adjustment reflects the net position between Account No, 4190005 Interest Income and Account No, 4300003 Interest Expense actual amount for the twelve months ended March 31, 2013. The net amount for the twelve months ended March 31, 2013 was an interest income of

$123,777. Because this income is recorded below the line for accounting purposes, an adjustment in a like amount is required to reflect this cost in the Company's test year cost of service.

Normalization of Major Storms Adjustment
(Section V, Workpaper S-4, Page 10)

Q. HOW WAS THE MAJOR STORM NORMALIZATION ADJUSTMENT CALCULATED?

A. The Company adjusted its test year storm damage expense, less in house time labor, by using a three year average storm damage expense, less in house time labor, adjusted by the Handy-Whitman Contract Labor Index. The deferral costs granted in Case No. 2012-00445 were also removed before the 3-year average was calculated. Using the three year average and deducting the test year level of storm damage expense, less deferral, results in an increase to expenses of $459,166.

Amortization of Major Storm Deferral Adjustment
(Section V, Workpaper S-4, Page 11)

Q. HOW WAS THE AMORTIZATION OF MAJOR STORM DEFERRAL ADJUSTMENT CALCULATED?

A. The Company's deferral amount granted in Case No. 2009-00459 of $24,492,206 was added to the new deferral amount as authorized in Case No. 2012-00445 of $12,146,000, from which the amount of deferral to be collected through December 31, 2013, in accordance with Case No. 2009-00459, of $16,444,554 was subtracted to yield the amount to be amortized over five years. Using the five year average and deducting the test year level of storm damage amortization expense, results in a decrease of $649,818.

Amortization of Rate Case Expense Adjustment
(Section V, Workpaper S-4, Page 12)

Q. HOW WAS THE RATE CASE EXPENSE DEDUCTION CALCULATED?

A. The Company's estimated cost for this rate proceeding is $650,000. Consistent with the Commission's past treatment of such expenses, the Company is proposing to recover this cost over a three-year period. Since there was no rate case costs recorded in the test year, an adjustment of $216,667 ($650,000/3) to the Company's test year expenses is needed. Expenses included in this amount are costs that would not have been incurred except for the filing of this rate case, such as Outside Legal, Cost of Equity Witness, Demolition Study, Legal Publication Notice and any Employee Out-of-pocket Expenses and Contract Labor Costs incurred exclusively associated with this rate case filing.

Amortization of Intangible Expense Adjustment
(Session V, Workpaper S-4, Page 14)

Q. WHY IS INTANGIBLE EXPENSE ANNUALIZED AND AMORTIZED?

A. The Company annualized the March 31, 2013 monthly intangible expense and compared the result with the level of intangible expense included in the test year. The effect of this adjustment is to increase Kentucky Power's depreciation expense and decrease the deferred taxes, as explained by Witness Bartsch by $372,195 and by $130,268, respectively.

System Sales Tracker Revenue Adjustment
(Section V, Workpaper S-4, Page 17)

Q. WHAT IS THE SYSTEM SALES TRACKER REVENUE ADJUSTMENT?

A. The system sales tracker revenue adjustment accounts for the aggregate of credits and charges to the customers for off system sales in relationship to the total annual base amount of $15,290,363 under the Company's system sales tracker. The base amount of $15,290,363 is the sum of monthly amounts during the prior test year and it is against those monthly amounts that a monthly credit or charge is calculated. Because these credits and charges represent the difference between anticipated and actual off system sales margins, the Company must adjust the test year expenses accordingly. The net effect during the test year was that the customers paid an additional $1,351,735 in revenues. These are one-time non-recurring revenues. For ratemaking purposes the Company has reclassified these system sales margins as a negative expense.

Net Line of Credit Adjustment
(Section V, Workpaper S-4, Page 19)

Q. WHAT IS THE NET LINE OF CREDIT ADJUSTMENT?

A. This adjustment includes in the Company's test year cost of service its actual net line of credit fee incurred for the twelve months ending March 31, 2013 in the amount of $637,630 that increases expenses.

Reliability Adjustment
(Section V, Workpaper S-4, Page 20)

Q. WHAT IS THE RELIABILITY ADJUSTMENT?

A. In the Unanimous Settlement Agreement in Case No. 2009-00459, the Company proposed and was granted a test year reliability O&M expenditure of $17,237,965 yearly. The actual test year amount was $17,930,820 or $692,855 above the authorized expenditure level. This adjustment is required to fully comply with the findings of the Commission's previous case by decreasing the Company's jurisdictional O&M Expense by $692,162.

Interest Synchronization Adjustment
(Section V, Workpaper S-4, Page 21)

Q. WHY IS AN INTEREST SYNCHRONIZATION ADJUSTMENT NECESSARY?

A. The purpose of this adjustment is to reflect in the computation of Federal and State Income Taxes included in the test period cost of service and the interest expense tax deduction that will result based upon the capital costs and capital structure included by the Company in this filing. The adjustment resulted in a decrease to state income tax of $701,159 and a decrease to federal income tax of $4,303,608 for a total decrease to expenses of $5,004,767.

Amortization of CSAPR SO_2 Allowance Expense Adjustment
(Section V, Workpaper S-4, Page 29)

Q. PLEASE EXPLAIN THE CSAPR SO2 ALLOWANCE EXPENSE.

A. The Company purchased CSAPR SO2 allowances in anticipation of the SO2 market that would have been implemented under CSAPR. The CSAPR was vacated by the United States Circuit Court for the District of Columbia Circuit and, therefore, the Company does not forecast consuming these allowances. However, as discussed in more detail later in my testimony, Kentucky Power prudently incurred costs for those allowances and is seeking recovery of those costs. The $68,950 adjustment to expenses that Kentucky Power proposes represents a five year amortization of the $350,000 total cost.

AFUDC Offset Adjustment
(Section V, Workpaper S-4, Page 37)

Q. PLEASE EXPLAIN AFUDC OFFSET ADJUSTMENT.

A. The March 31, 2013 balance of Construction Work In Progress (CWIP) was used in the determination of Rate Base. Consistent with prior Commission practice for the Company, an Allowance for Funds Used During Construction (AFUDC) "offset" adjustment is being made to record AFUDC above the line. The CWIP balance was $43,807,564 on March 31, 2013 of which $2,705,458 is not subject to AFUDC. The remaining balance of $41,102,106 is subject to AFUDC. Using the requested overall return of 8.08%, the annualized AFUDC is $3,321,050. The AFUDC booked during the test year was $1,941,629 requiring an adjustment to increase the AFUDC offset by jurisdictional amount of $1,368,889. The Deferred Federal Income Taxes (DFIT) associated with the borrowed funds portion of the $3,321,050 is $486,683. The booked DFIT on the borrowed funds portion was $281,855. This increases DFIT by $204,828. The net effect is a jurisdictional increase of $202,780.

Annualization of Employee Related Expenses Adjustment
(Section V, Workpaper S-4, Pages 38-43)

Q. PLEASE EXPLAIN THE ANNUALIZATION OF EMPLOYEE RELATED EXPENSES.

A. During the test year, wage increases were granted, employee benefit plan costs escalated, and payroll related taxes increased. Page 38 of Workpaper S-4 summarizes this adjustment, which increases jurisdictional O&M Expenses by $609,325 and Taxes Other Than Income Taxes by $39,601 to annualize the test year increases in labor and other employee related expenses incurred by the Company during the test year. Pages 39-43 of Workpaper S-4 provide further details supporting the adjustment.

The annualization of wages and salary increases, medical plan costs, life insurance costs, dental plan costs, long term disability insurance costs and savings plan costs were done to reflect the ongoing level of expense at the end of the test year period. The annualization of Federal Insurance Contributions Act (FICA) tax expense reflects the wage and salary increases to the Old Age Survivors & Disability Insurance (OASDI) and Medicare rates and employee maximum base.

Annualization of Mitchell Plant Employee Related Expenses Adjustment (Section V, Workpaper S-4, Page 50-55)

Q. **PLEASE EXPLAIN THE ANNUALIZATION OF EMPLOYEE RELATED EXPENSES RELATED TO THE MITCHELL PLANT.**

A. In order to account for the addition of 50% of the Mitchell Plant, annualization of employee expenses for the Mitchell Plant was necessary. The Company used the same process to annualize the costs related to the Mitchell Plant that it utilized for the Company as a whole. Page 50 of Workpaper S-4 summarizes this adjustment, which increases jurisdictional O&M Expenses by $30,375 and Taxes Other Than Income Taxes by $12,275 to annualize the test year increases in labor and other employee related expenses incurred by the Company during the test year. Pages 51-55 of Workpaper S-4 provide further details supporting the adjustment.

Mitchell Plant AFUDC Offset Adjustment
(Section V, Workpaper S-4, Page 58)

Q. **PLEASE EXPLAIN THE AFUDC OFFSET FOR THE MITCHELL PLANT.**

A. The AFUDC offset for the Mitchell Plant was calculated in the same manner as it was for the rest of the Company. The adjustment for the Mitchell Plant results in an increase in the AFUDC offset by jurisdictional amount of $3,647,948 and a jurisdictional increase in DFIT of $815,801.

VIII. TARIFF REVISIONS

System Sales Clause
(Tariff S.S.C.)

Q. **IS THE COMPANY PROPOSING ANY MODIFICATIONS TO THE TREATMENT OF SYSTEM SALES OR TARIFF S.S.C. IN THIS PROCEEDING?**

A. Yes. First, as has been the practice in past cases, the Company proposes to update the system sales margin included in base rates to the Company's actual test year system sales. This updated system sales margin is reflected in Tariff S.S.C., the System Sales Clause, to determine whether any monthly charge or credit to the customer for off system sales is required.

In addition, Kentucky Power proposes an additional provision to Tariff S.S.C. to reflect the expected increase in system sales during the expected seventeen month period following the proposed transfer of an undivided 50% interest in the Mitchell Generating Station ("Mitchell Plant Transfer") and prior to the retirement of Big Sandy Unit 2 ("Overlap Period"). This change to the tariff is designed to provide rate mitigation during the Overlap Period.

Q. HOW ARE KENTUCKY POWER'S SYSTEM SALES CURRENTLY TREATED?

A. Kentucky Power provides a margin for system sales in its base rates that reflects the system sales made by the Company during the test year period. Tariff S.S.C. is then utilized to provide a sharing between customers and Kentucky Power on any system sales that are made "over" or "under" the base amount. Tariff S.S.C. provides the monthly base amounts and currently utilizes a sixty percent-forty percent sharing of system sales. In the event that system sales exceed the monthly amount in base rates, customers get one hundred percent of the base margin plus an additional sixty percent of any system sales that exceed the corresponding monthly amount.

Conversely, if system sales fall below the base monthly amount, this shortfall is also split with customers sixty percent forty percent, meaning customers will receive a Tariff S.S.C. charge that returns sixty percent of any shortfall in actual system sales.

Q. WHAT CHANGE IS THE COMPANY PROPOSING TO MAKE TO TARIFF S.S.C. AND WHY?

A. Kentucky Power is proposing a new temporary provision to Tariff S.S.C. that provides to its customers one hundred percent of system sales during the Overlap Period up to $30 Million annually and splits amounts over or under this amount using the same historical sixty percent forty percent between customers and the

Company, respectively. This increase is temporary since it is only in effect during the Overlap Period. This proposed revision is reflected in the language of Exhibit RKW-1 [Tariff S.S.C.] that describes the applicable period of the modified system sales sharing formula.

Q. WHY IS THE PROPOSED ASSET TRANSFER EXPECTED TO RESULT IN A TEMPORARY INCREASE IN OSS MARGINS?

A. The timing of the proposed Mitchell Plant Transfer is anticipated to occur on January 1, 2014, while the operation of Big Sandy Unit 2 may continue until, at the latest, May 31, 2015. Therefore, Kentucky Power is expected to be temporarily surplus during the Overlap Period so long as Big Sandy Unit 2 remains in operation. The excess energy that Kentucky Power will be able to offer for sale into the market will result in an expected increase in OSS margins. The Company is proposing rate mitigation through an additional provision change to Tariff S.S.C. in order to provide customers with the benefit of these additional system sales during the Overlap Period.

Q. WHAT IS THIS RATE MITIGATION?

A. The Company is proposing an additional provision in Tariff S.S.C. that, during the Overlap Period, provides one hundred percent or more of all system sales margins received up to a total of $30 Million on an annual basis for its retail customers. This represents an increase of approximately 124% to the system sales margin amount from the test year ending March 31, 2013 as shown in Exhibit RKW-1 [Tariff S.S.C.]. For system sales during the Overlap Period above or below the $30 Million amount, the credits and charges will be shared between customers and Kentucky Power using the existing sixty percent-forty percent split. This proposed change has the effect of increasing the retail portion of the system sales base rate credit from $13.4 Million to $30 Million during the Overlap Period.

Q. WHY ISN'T KENTUCKY POWER PROPOSING THIS ADJUSTMENT TO THE BASE CREDIT?

A. Kentucky Power anticipates that a higher level of systems sales will occur during the Overlap Period. However, because Big Sandy Unit 2 is scheduled for retirement, Kentucky Power cannot be certain that Big Sandy Unit 2 will be able to operate until its scheduled retirement date of May 31, 2015. Consequently, Kentucky Power is proposing to modify Tariff S.S.C by synching up the larger sharing credit with the Overlap Period which will end when Big Sandy Unit 2 is retired. Such an adjustment could not be made to base rates.

Q. PLEASE EXPLAIN HOW THE FORMULA FOR THIS PERIOD IS DERIVED.

A. On a retail jurisdictional basis, the proposed $30 Million system sales credit during the Overlap Period is 2.24 times the $13.4 Million retail portion of the $13.6 Million total company system sales received during the test year. This information is shown in Section 3 of Exhibit RKW-1. In addition, $30 Million system sales credit during the Overlap Period is 1.24 times greater than test year retail jurisdictional amount (2.24 minus 1). The Company used these multipliers in the formula to gross-up the test year level to $30 Million. Therefore, on a monthly basis, this formula will provide 1.24 times the monthly base margin as a credit regardless of the system sales actually generated. The 2.24 multiplier is then used to adjust for actual system sales above or below $30 Million.

Q. HOW MUCH WILL THE PROPOSED TARIFF S.S.C. MITIGATE THE REVENUE REQUIREMENT?

A. The potential benefit to customers from the Overlap Period Tariff S.S.C. relative to the current Tariff S.S.C. is shown in Table RKW-1 for various levels of system sales.

Table RKW-1 - Base Rate Credit[Note] plus Tariff S.S.C. Charge/Credit

Retail System Sales Margins ($ Millions)	Customer Credit W/O Overlap Period Mod. to Tariff S.S.C.		Customer Credit With Overlap Period Mod. to Tariff S.S.C.	
	Credit ($Millions)	Percent of Total Margins	Credit ($Millions)	Percent of Total Margins
$0	**$5.4**	**Guaranteed**	**$12.0**	**Guaranteed**
$10	$11.4	113.6%	$18.0	180.0%
$20	$17.4	86.8%	$24.0	120.0%
$30	**$23.4**	**77.9%**	**$30.0**	**100.0%**
$40	$29.4	73.4%	$36.0	90.0%
$50	$35.4	70.7%	$42.0	84.0%
$60	$41.4	68.9%	$48.0	80.0%
$70	$47.4	67.7%	$54.0	77.1%
$80	$53.4	66.7%	$60.0	75.0%
$90	$59.4	66.0%	$66.0	73.3%
$100	$65.4	65.4%	$72.0	72.0%
$110	$71.4	64.9%	$78.0	70.9%

Note: Values shown include change in base rate credit to $13.4 Million from current $15.3 Million based on test year system sales data.

Q. WHAT BENEFITS TO CUSTOMERS DOES THE MODIFIED PROVISION PROVIDE?

A. First and foremost, Kentucky Power is accepting a sizeable risk in modifying Tariff S.S.C. as proposed. This, in turn, removes a certain level of risk from customers. While the Tariff S.S.C. provision reverts to the historic norm following the Overlap Period, until that time, Kentucky Power is providing higher levels of system sales to customers in terms of the percent shared, even if that amount exceeds 100 percent of the total system sales. This sharing mechanism will hold true even if Big Sandy Unit 2 is down for extended periods, so long as it is still planned or available for further operation.

Q. PLEASE PROVIDE AN EXAMPLE OF WHAT RISK THE COMPANY IS INCURRING?

A. Although not a realistic assumption, in order to show the absolute minimum guaranteed, a level of zero system sales is shown in the table. As shown, even if no system sales are generated by Kentucky Power in 2014, customers will still get a credit of $12 Million dollars which represents forty percent of $30 Million. This is nearly equivalent to guaranteeing the entire base period amount of $13.4 Million.

Q. HOW WAS THE $30 MILLION VALUE IDENTIFIED?

While Kentucky Power forecasts that annual system sales in 2014 will exceed $30 Million, the uncertainties of the market mean that Kentucky Power may not achieve those sales. Considering the forecast sales amounts and the uncertainties of the market, Kentucky Power identified the $30 Million baseline as a reasonable adjustment to Tariff S.S.C. during the Overlap Period. Kentucky Power will remain obligated, between the base rate margin and Tariff S.S.C. to provide one hundred percent of all system sales actually generated below $30 Million plus forty percent of any shortfall on top of the actual system sales, for a total that would exceed one hundred percent if the Company does not achieve at least $30 Million. The $30 million baseline provides, in the Company's view, a fair and reasonable margin to customers and -- only above this amount -- will Kentucky Power retain some portion of the system sales.

Q. ARE THERE ANY OTHER CHANGES PROPOSED TO TARIFF S.S.C.?

A. Yes. Some wording changes are proposed to reflect the elimination of the Pool Agreement as of January 1, 2014. Kentucky Power's system sales will be as recorded on its books, and references to the AEP System or related allocations are no longer necessary.

<u>Purchased Power Adjustment</u>
<u>(Tariff P.P.A.)</u>

Q: WHY HAS THE COMPANY PROPOSED A NEW PURCHASED POWER ADJUSTMENT TARIFF?

A. The Company is proposing the new Purchased Power Adjustment (Tariff P.P.A.) as a mechanism to recover costs associated with purchasing power from the market following the termination of the Pool Agreement on January 1, 2014. A copy of the proposed Power Purchase Adjustment (Tariff P.P.A.) is attached as Exhibit RKW-2.

Q: WHAT IS THE CURRENT STATUS OF THE "AEP POOL"?

A: On December 17, 2010, the member companies noticed one another, under Section 13.2 of the AEP Pool Agreement, with their intention to terminate the AEP Pool effective January 1, 2014. On October 31, 2012, the member companies filed with the Federal Energy Regulatory Commission requesting that the pool be terminated in Docket EC13-234 Section 205: Termination of Interconnection Agreement and a new Power Coordination Agreement (PCA) be approved for use by the four member companies in Docket EC13-232 Section 205: Power Coordination Agreement among APCo / I&M / Kentucky Power and AEPSC as Agent. These have not yet been ruled on by FERC.

Q. WHY IS A NEW PURCHASED POWER ADJUSTMENT NECESSARY?

A. With the termination of the Pool Agreement, Kentucky Power will no longer have ready access to capacity from other members of the AEP-East Pool. As a result, the Company may be required to obtain capacity from the market to meet its PJM capacity requirements in the event that it cannot meet those requirements via its existing resources.

Q. HOW WILL THE NEW PURCHASED POWER ADJUSTMENT WORK?

A. The purchased power adjustment shall provide for monthly adjustments based on a percent of revenues, equal to the net costs of any power purchases in the current period. The net costs of any power purchases shall exclude costs recovered through the Fuel Adjustment Clause and shall be computed as the sum of (1) the cost of power purchased by the Company through new Purchased Power Agreements (PPAs), less the net energy cost of such power purchases (PPA(m)),

(2) the cost of fuel related substitute generation, less the cost of fuel which would have been used in plants suffering forced generation or transmission outages (RP(m)), and (3) a contract management fee equal to 8.08% of PPA(m).

Q. IS THE COMPANY CURRENTLY A PARTY TO ANY PURCHASED POWER AGREEMENTS TO WHICH THE PROPOSED PURCHASED POWER ADJUSTMENT WOULD APPLY?

A. No. However, with the termination of the Pool Agreement on January 1, 2014, it is prudent to plan for the possibility that new purchased power agreements will be required to meet the Company's PJM capacity requirements. This planning includes developing an obtaining approval of a cost recovery mechanism.

IX. <u>EMISSION ALLOWANCES</u>

Q. HOW ARE THE EMISSION ALLOWANCES ACCOUNTED FOR BY KENTUCKY POWER?

A. Emission allowances are accounted for differently for compliance and accounting purposes. For compliance purposes, allowances are held and the allowances are surrendered at the end of an annual or seasonal compliance period to match consumption. From an accounting perspective, emission allowances are kept on the company's books at an average inventory cost of the allowances held. For instance, when Cross-State Air Pollution Rule (CSAPR) emission allowances were allocated by the US EPA, they were done so at zero cost. As such, using those allowances for consumption would result in zero dollars in emission expense. However, if Kentucky Power purchases allowances to meet its emission obligation, then (subsequent to purchase) each allowance held will be valued at the average cost of all allowances held in inventory, including those allocated and purchased.

Q. DOES KENTUCKY POWER PLAN TO ACCOUNT FOR CSAPR ALLOWANCES DIFFERENTLY THAN THOSE ALLOWANCES ASSOCIATED WITH PRIOR ENVIRONMENTAL REGULATIONS?

A. No. Kentucky Power has been accounting for, and recovering costs associated with, Title IV sulfur dioxide (SO_2) allowances under the Clean Air Act (CAA) as well as SO_2 and nitrogen oxide (NO_x) allowances under the Clean Air Interstate Rule (CAIR), over the lives of those rules. While CSAPR emission allowances will be held in different sub-accounts to differentiate between them and the allowances created under other regulations in accordance with FERC Uniform System of Accounts, the allowances themselves will be subject to the same accounting procedures regarding value, gains and losses, and surrender, as the allowances under the other regulations.

Q. IS IT REASONABLE FOR KENTUCKY POWER TO RECOVER ITS PRUDENTLY INCURRED COSTS ASSOCIATED WITH CSAPR EMISSIONS ALLOWANCES?

A. Yes. The CSAPR was designed, in part, as a replacement for the CAIR, and Kentucky Power is proposing to recover the cost of emission allowances under the CSAPR just as it has previously done under Title IV of the CAA and the CAIR. Other than the fact that the allowances were created under a different rulemaking, there is no difference in the rationale for recovery of the costs associated with emission allowances.

Q. WHAT IS THE MAGNITUDE OF THE COSTS THAT KENTUCKY POWER HAS INCURRED FOR EMISSION ALLOWANCES UNDER THE CSAPR?

A. Kentucky Power purchased $350,000 in CSAPR allowances in November 2011, less than two months prior to the rule going into effect. These allowances were purchased through an auction, with the purchase having been made in anticipation of Kentucky Power needing allowances to maintain compliance with the CSAPR.

Q. WHAT IS THE CURRENT STATUS OF THE CSAPR?

A. After staying the effectiveness of CSAPR in December, 2011, the Court of Appeals for the District of Columbia Circuit vacated the CSAPR in August, 2012. The United States Environmental Protection Agency (USEPA) petitioned the United States Supreme Court to review the vacatur decision on the CSAPR, and the Court announced on June 24 that it has accepted the petition. A decision from the Court on the review is not expected until sometime in the first half of 2014. In the absence of the CSAPR, the CAIR remains in effect.

Q. WITH THE CSAPR HAVING BEEN VACATED, WHAT IS KENTUCKY POWER'S FORECAST FOR CONSUMPTION OF CSAPR ALLOWANCES?

A. Currently, with the vacatur of the CSAPR, there is no forecasted consumption of CSAPR allowances. However, because Kentucky Power prudently incurred costs associated with CSAPR allowances prior to the stay and eventual vacatur of the rule, Kentucky Power is requesting authority to recover the cost of CSAPR allowances.

Q. WHAT IS KENTUCKY POWER'S PROPOSAL WITH REGARD TO RECOVERY OF CSAPR ALLOWANCE COSTS?

A. Kentucky Power is proposing to recover the $350,000 in CSAPR allowance costs over the next five years. Details regarding the adjustment to the test year data for recovering the CSAPR allowance costs are described in Section V, Workpaper S-4, Page 29.

X. BIG SANDY PLANT DEFERRAL AND AMORTIZATION/RECOVERY OF O&M AND DEPRECIATION EXPENSES

Q. CAN YOU EXPLAIN THE PROPOSED DEFERRAL OF THE BIG SANDY O&M AND DEPRECIATION EXPENSES?

A. Due to the planned retirement of Big Sandy Unit 2 and the potential retirement of Big Sandy Unit 1, the Company is proposing to remove the Big Sandy Plant depreciation and production O&M expenses from the test year and requesting that the estimated Big Sandy Plant depreciation and production O&M expenses for the 17 month period prior to the retirements be recovered over five years starting on January 1, 2014. The accounting details of the Company's proposed treatment including over/under accounting true-up to the actual costs are described in the testimony of Company Witness Mitchell.

Q. WHY IS THE COMPANY PROPOSING TO DEFER AND AMORTIZE THESE EXPENSES?

A. The proposed deferral and amortization of Big Sandy depreciation and O&M expenses serves as rate mitigation for the Company's customers during the Overlap Period when Kentucky Power will have ownership of 50% of the

Mitchell Plant prior to the planned retirement of Big Sandy Unit 2. The proposed treatment spreads these 17 months of costs over five years.

XI. AMORTIZATION AND RECOVERY OF REGULATORY ASSETS AND DEFERRED COSTS

Q: IS THE COMPANY PROPOSING TO AMORTIZE AND RECOVER ANY REGULATORY ASSETS AND DEFERRED COSTS IN THIS CASE?

A. Yes. As described in the testimony of Company Witness Mitchell, the Company is seeking to amortize and recover regulatory assets and deferred costs associated with the Company's post-retirement benefits, IGCC, CCS FEED Study, the CARRS site and the Preliminary Big Sandy flue gas desulfurization ("FGD") system investigation costs. The recovery of these assets and costs is described below, with the exception of those associated with the Company's post-retirement benefits. Company Witness Bartsch discusses the creation of the post-retirement benefit regulatory asset, and Company Witness McCoy supports the 12 year amortization period for recovering that asset.

Q. PLEASE DESCRIBE THE IGCC RELATED COSTS THE COMPANY IS SEEKING TO RECOVER.

A. The Company incurred preliminary engineering and development costs relating to the potential construction and operation of an integrated gasification combined cycle ("IGCC") generation facility in Kentucky. The feasibility of the IGCC facility depended on the Kentucky Legislature adopting legislation that would support the recovery of the facility's costs through rates. The Legislature failed to adopt such legislation and, as a result, the facility became uneconomic. The preliminary engineering and development costs were, however, prudently incurred in support of this facility.

Q. PLEASE DESCRIBE THE COSTS ASSOCIATED WITH THE CCS FEED STUDY.

A. As part of its investigations to address emerging environmental regulations, AEP conducted a carbon capture and sequestration ("CCS") study at its Mountaineer generating station in West Virginia. Because the benefits of the study would be enjoyed by each operating company that owned coal-fired generation units with the potential of being retrofitted with CCS technology, AEP allocated the costs among those companies. The Company is now seeking to amortize and recover its share of the CCS study costs. The Company prudently incurred these costs as part of the investigation of mechanisms to address into viable technologies that could be used to mitigate emissions of carbon dioxide from Kentucky Power and AEP coal-fired power plants.

Q. PLEASE DESCRIBE THE COSTS THE COMPANY IS SEEKING TO RECOVER RELATED TO THE CARRS SITE.

A. As part of its long-term planning, the Company purchased property (the "Carrs Site") in Lewis County, Kentucky as a potential site for a new generation facility. In addition, the Company conducted preliminary site design and engineering work to support developing the property. The Company has elected not to pursue the construction of new generation at the Carrs Site at this time. As described above, the Company has removed the land-related costs for this site from rate base. The Company is seeking, however, to recover the engineering and site design costs.

The Company prudently incurred these costs as part of its long-term generation resource planning.

Q. PLEASE DESCRIBE THE PRELIMINARY BIG SANDY FGD REGULATORY ASSETS.

A. Beginning in 2004, the Company began evaluating potential methods to comply with emerging environmental regulations under the Clean Air Act at the Big Sandy Plant. This investigation included engineering and design work related to the potential installation of wet and dry flue gas desulfurization systems at the plant. In the end, the Company's evaluation showed that the transfer of a 50% interest in the already-scrubbed Mitchell Plant was the least cost-alternative for the Company and its customers. The Company prudently incurred the preliminary Big Sandy FDG investigation costs as part of its comprehensive evaluation of options to address the effect of emerging environmental regulations at Big Sandy Unit 2.

Q. WHAT IS THE PROPOSED AMORTIZATION PERIOD FOR THESE COSTS?

A. The Company is seeking to recover each of the costs described above in my testimony over twenty-seven (27) years. This amortization period corresponds with the expected remaining life of the Mitchell Units. By spreading the costs over this lengthy period, the Company is able to mitigate the impact on its customers.

Q. DOES THIS CONCLUDE YOUR PRE-FILED DIRECT TESTIMONY?

A: Yes.

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TARIFF S. S. C.
(System Sales Clause)

APPLICABLE.

To Tariffs R.S., R.S.-L.M.-T.O.D., R.S.-T.O.D., Experimental R.S.-T.O.D.2, S.G.S., Experimental S.G.S.-T.O.D., M.G.S., M.G.S.-T.O.D., L.G.S., L.G.S.-T.O.D., Q.P., C.I.P.-T.O.D., C.S.- I.R.P., M.W., O.L. and S.L.

RATE.

1. When the monthly net revenues from system sales are above or below the monthly base net revenues from system sales, as provided in paragraph 3 below, an additional credit or charge equal to the product of the KWHs and a system sales adjustment factor (A) shall be made, where "A", calculated to the nearest 0.0001 mill per kilowatt-hour, is defined as set forth below.

   For the period beginning January 2014 through the end of the month in which Big Sandy Unit 2 ends commercial operation, the monthly System Sales Adjustment Factor shall be the following: (T)

   System Sales Adjustment Factor (A) = (1.24Tb+0.6[Tm-2.24Tb])/Sm (T)

   For all months following the month in which Big Sandy Unit 2 ends commercial operation, the monthly System Sales Adjustment Factor shall be the following: (T)

   System Sales Adjustment Factor (A) = (0.6 [Tm - Tb])/Sm

   In the above formulas "T" is Kentucky Power Company's (KPCo) monthly net revenues from system sales in the current (m) and base (b) periods, and "S" is the KWH sales in the current (m) period, all defined below.

2. The net revenue from KPCo's sales as reported in the Federal Energy Regulatory Commission's Uniform System of Accounts under Account 447, Sales for Resale, shall consist of and be derived as follows: (T)

   a. KPCo's total revenues from system sales as recorded in Account 447, less b. and c. below. (T)

   b. KPCo's total out-of-pocket costs incurred in supplying the power and energy for the sales in a. above. (T)

      The out-of-pocket costs include all operating, maintenance, tax, transmission losses and other expenses that would not have been incurred if the power and energy had not been supplied for such sales, including demand and energy charges for power and energy supplied by Third Parties.

   c. KPCo's environmental costs allocated to non-associated utilities in the Company's Environmental Surcharge Report.

(Cont'd on Sheet No. 19-2)

DATE OF ISSUE JUNE 28, 2013

DATE EFFECTIVE SERVICE RENDERED ON AND AFTER JULY 29, 2013

ISSUED BY
TITLE: MANAGER OF REGULATORY SERVICES

BY AUTHORITY OF ORDER BY THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2013-00197 DATED

TARIFF S. S. C. (Cont'd.)
(System Sales Clause)

3. The base monthly net revenues from system sales are as follows:

Billing Month	System Sales (Total Company Basis)		
January	$ ~~528,886~~	*$1,269,435*	(I)
February	~~335,167~~	*652,568*	(I)
March	~~1,530,489~~	*804,420*	(R)
April	~~1,371,521~~	*737,801*	(R)
May	~~1,307,472~~	*1,050,028*	(R)
June	~~767,124~~	*1,291,406*	(I)
July	~~616,234~~	*2,483,188*	(I)
August	~~2,136,652~~	*1,287,658*	(R)
September	~~1,850,577~~	*1,210,409*	
October	~~1,739,665~~	*1,158,991*	
November	~~1,538,455~~	*573,454*	
December	~~1,568,121~~	*1,063,250*	(R)
	$~~15,290,363~~	*$13,582,608*	

4. Sales (S) shall be equated to the sum of (a) generation (including energy produced by generating plant during the construction period), (b) purchase, and (c) interchange-in, less (d) energy associated with pumped storage operations, less (e) inter-system sales and less (f) total system losses.

5. The system sales adjustment factor shall be based upon estimated monthly revenues and costs for system sales, subject to subsequent adjustment upon final determination of actual revenues and costs.

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

7. Copies of all documents required to be filed with the Commission under this regulation shall be open and made available for public inspection at the office of the Public Service Commission pursuant to the provisions of KRS 61.870 to 61.884.

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MANAGER OF REGULATORY SERVICES

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IN CASE NO. 2013-00197 DATED

TARIFF P.P.A.
(Purchase Power Adjustment) (N)

APPLICABLE.

To Tariffs R.S., R.S.-L.M.-T.O.D., R.S.-T.O.D., Experimental R.S.-T.O.D.2, S.G.S., Experimental S.G.S.-T.O.D., M.G.S., M.G.S.-T.O.D., L.G.S., L.G.S.-T.O.D., Q.P., C.I.P.-T.O.D., C.S.- I.R.P., M.W., O.L. and S.L.

RATE.

1. The purchase power adjustment shall provide for monthly adjustments based on a percent of revenues, equal to the net costs of any power purchases in the current period according to the following formula:

$$\text{Monthly Purchase Power Adjustment Factor} = \frac{\text{Net KY Retail P(m)}}{\text{KY Retail R(m)}}$$

Where:

Net KY Retail P(m) = Monthly P(m) allocated to Kentucky Retail Customers, net of Over/(Under) Recovery Adjustment; Allocation based on Percentage of Kentucky Retail Revenues to Total Company Revenues in the Expense Month (m). (For purposes of this formula, Total Company Revenues include only Retail and Full-Requirements Wholesale revenues.)

KY Retail R(m) = Kentucky Retail Revenues for the Expense Month (m).

2. The net costs of any power purchased shall exclude costs recovered through the Fuel Adjustment Clause and shall be computed as the sum of the following items:

   a. PPA(m) = The cost of power purchased by the Company through new Purchase Power Agreements (PPAs) less the net energy cost of such power purchases.
   b. RP(m) = The cost of fuel related substitute generation less the cost of fuel which would have been used in plants suffering forced generation or transmission outages.
   c. CM(m) = The contract management fee equal to a percentage (equal to the Company's most recently approved weighted average cost of capital) of PPA(m).

   Monthly P(m) = PPA(m) + RP(m) + CM(m)

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

4. Copies of all documents required to be filed with the Commission shall be open and made available for public inspection at the office of the Public Service Commission pursuant to the provisions of KRS61.870 to 61.884 (N)

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