



Kentucky Power
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Frankfort, KY 40602-5190
KentuckyPower.com

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DEC 12 2011

PUBLIC SERVICE
COMMISSION

December 12, 2011

Ronald E. Handziak, Financial Analysis
Public Service Commission
P. O. Box 615
211 Sower Boulevard
Frankfort, Kentucky 40602

RE: Case No. 2011-00031 - Environmental Surcharge

Dear Mr. Handziak,

Please find enclosed a CD plus two paper copies of the file that was submitted during the Informal Conference today, December 12, 2011 in support of the adjustments to the originally filed Item No 1 response.

If there are any questions please contact me at 502-696-7010.

Lila P. Munsey
Manager, Regulatory Services
Enclosures

* Removing Polymer, Lime Hydrate, & Steam Expenses Only.

KENTUCKY POWER COMPANY
ENVIRONMENTAL SURCHARGE REPORT
CALCULATION OF E(m) and SURCHARGE FACTOR

As Originally Filed

<u>CALCULATION OF E(m)</u> E(m) = CRR - BRR		March 2010	April 2010	May 2010	June 2010	July * 2010	July * 2010	August ** 2010	September 2010	October 2010
LINE 1	CRR from ES FORM 3.00	\$4,250,672	\$4,038,044	\$4,184,795	\$4,572,677	\$4,700,817	\$4,700,817	\$6,337,170	\$4,543,622	\$4,683,697
LINE 2	Brr from ES FORM 1.10	\$2,845,066	\$2,095,535	\$1,514,859	\$1,913,578	\$2,818,212	\$3,805,325	\$4,088,830	\$3,740,010	\$3,260,302
LINE 3	E(m) (LINE 1 - LINE 2)	\$1,405,606	\$1,942,509	\$2,669,936	\$2,659,099	\$1,882,605	\$895,492	\$2,248,340	\$803,612	\$1,423,395
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	85.4%	80.7%	83.9%	73.5%	67.3%	67.3%	73.9%	77.2%	77.4%
LINE 5A	KY Retail E(m) (LINE 3 * LINE 4)	\$1,200,388	\$1,567,605	\$2,240,076	\$1,954,437	\$1,266,993	\$602,666	\$1,661,523	\$620,389	\$1,101,708
LINE 5B	Environmental Surcharge Clause Adjustment Case No. 2009-00038, dated May 14, 2008	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LINE 6	(Over)/Under Recovery Adjustment from ES FORM 3.30	(\$140,375)	\$221,483	\$406,155	(\$124,579)	(\$494,794)	(\$494,794)	(\$613,163)	(\$116,332)	\$332,708
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	\$1,060,013	\$1,789,088	\$2,646,231	\$1,829,858	\$772,199	\$107,872	\$1,048,360	\$504,058	\$1,434,416
<u>SURCHARGE FACTOR</u>										
LINE 8	Net KY Retail E(m) (Line 7)	\$1,060,013	\$1,789,088	\$2,646,231	\$1,829,858	\$772,199	\$107,872	\$1,048,360	\$504,058	\$1,434,416
LINE 9	KY Retail R(m) from ES FORM 3.30	\$45,622,014	\$36,160,423	\$33,662,428	\$38,129,249	\$48,039,569	\$48,039,569	\$49,802,297	\$40,903,323	\$39,106,852
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	2.3235%	4.9476%	7.8611%	4.7991%	1.6074%	0.2245%	2.1050%	1.2323%	3.6679%

As Revised

<u>CALCULATION OF E(m)</u> E(m) = CRR - BRR		March 2010	April 2010	May 2010	June 2010	July 2010	July 2010	August 2010	September 2010	October 2010
LINE 11	CRR from ES FORM 3.00	4,250,668	4,038,044	4,188,511	4,572,677	4,700,817	4,700,817	6,333,267	\$4,520,226	\$4,656,406
LINE 12	Brr from ES FORM 1.10	2,845,066	2,095,535	1,514,859	1,913,578	2,818,212	3,805,325	4,088,830	\$3,740,010	\$3,260,302
LINE 13	E(m) (LINE 11 - LINE 12)	1,405,602	1,942,509	2,673,652	2,659,099	1,882,605	895,492	2,244,437	\$780,216	\$1,396,104
LINE 14	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	85.4%	80.7%	83.9%	73.5%	67.3%	67.3%	73.9%	77.2%	77.4%
LINE 15	KY Retail E(m) (LINE 13 * LINE 14)	1,200,384	1,567,605	\$2,243,194	\$1,954,437	\$1,266,993	\$602,666	\$1,658,639	\$602,327	\$1,080,585
LINE 15B	Environmental Surcharge Clause Adjustment Case No. 2009-00038, dated May 14, 2008	\$0	\$0						\$0	\$0
LINE 16	(Over)/Under Recovery Adjustment from ES FORM 3.30	(140,375)	221,483	406,155	(124,579)	(494,794)	(494,794)	(613,163)	(\$116,332)	\$332,708
LINE 17	Net KY Retail E(m) (LINE 15 + LINE 16)	1,060,009	1,789,088	2,649,349	1,829,858	772,199	107,872	1,045,476	\$485,996	\$1,413,293
<u>SURCHARGE FACTOR</u>										
LINE 18	Net KY Retail E(m) (Line 17)	1,060,009	1,789,088	2,649,349	1,829,858	772,199	107,872	1,045,476	\$485,996	\$1,413,293
LINE 19	KY Retail R(m) from ES FORM 3.30	45,622,014	36,160,423	33,662,428	38,129,249	48,039,569	48,039,569	49,802,297	\$40,903,323	\$39,106,852
LINE 20	Environmental Surcharge Factor for Expense Month (Line 18 / LINE 19)	2.3235%	4.9476%	7.8703%	4.7991%	1.6074%	0.2245%	2.0993%	1.1882%	3.6139%
LINE 21	Difference (Line 18 - Line 8)	\$ (3.89)	\$ (0.24)	\$ 3,118.00	\$ -	\$ -	\$ -	\$ (2,884.00)	\$ (18,062.00)	\$ (21,123.00)
										\$ (38,951.00)

* July was prorated due to Rate Case filing. Case No 2009-00459 dated June 28, 2010
** Filed on 9/17/10, revised on 9/22/10. No one was billed on 9/17/10 filed rate.

KENTUCKY POWER COMPANY
ENVIRONMENTAL SURCHARGE REPORT
CALCULATION OF E(m) and SURCHARGE FACTOR

As Originally Filed

		<u>CALCULATION OF E(m)</u>					
		E(m) = CRR - BRR					
		November 2010	December 2010	January 2011	February 2011	March 2011	April 2011
LINE 1	CRR from ES FORM 3.00	\$4,688,698	\$5,974,087	\$4,880,732	\$6,169,875	\$5,748,092	\$5,830,053
LINE 2	Brr from ES FORM 1.10	\$2,786,040	\$4,074,321	\$3,991,163	\$3,590,810	\$3,651,374	\$3,647,040
LINE 3	E(m) (LINE 1 - LINE 2)	\$1,902,658	\$1,899,766	\$889,569	\$2,579,065	\$2,096,718	\$2,183,013
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	81.9%	86.5%	84.7%	85.1%	79.3%	78.7%
LINE 5A	KY Retail E(m) (LINE 3 * LINE 4)	\$1,558,277	\$1,643,298	\$753,465	\$2,194,784	\$1,662,697	\$1,718,031
LINE 5B	Environmental Surcharge Clause Adjustment Case No. 2009-00038, dated May 14, 2008	\$0	\$0	(\$49,885)	\$0	\$0	\$0
LINE 6	(Over)/Under Recovery Adjustment from ES FORM 3.30	(\$30,426)	(\$404,652)	(\$877,185)	(\$167,756)	(\$174,939)	\$759,603
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	\$1,527,851	\$1,238,646	(\$173,605)	\$2,027,028	\$1,487,758	\$2,477,634
<u>SURCHARGE FACTOR</u>							
LINE 8	Net KY Retail E(m) (Line 7)	\$1,527,851	\$1,238,646	(\$173,605)	\$2,027,028	\$1,487,758	\$2,477,634
LINE 9	KY Retail R(m) from ES FORM 3.30	\$40,488,923	\$56,106,329	\$65,952,346	\$58,755,458	\$44,307,469	\$42,540,201
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	3.7735%	2.2077%	-0.2632%	3.4499%	3.3578%	5.8242%

As Revised

		<u>CALCULATION OF E(m)</u>					
		E(m) = CRR - BRR					
		November 2010	December 2010	January 2011	February 2011	March 2011	April 2011
LINE 11	CRR from ES FORM 3.00	\$4,673,105	\$5,954,599	\$4,865,134	\$6,150,379	\$5,728,595	\$5,814,456
LINE 12	Brr from ES FORM 1.10	\$2,786,040	\$4,074,321	\$3,991,163	\$3,590,810	\$3,651,374	\$3,647,040
LINE 13	E(m) (LINE 11 - LINE 12)	\$1,887,065	\$1,880,278	\$873,971	\$2,559,569	\$2,077,221	\$2,167,416
LINE 14	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	81.9%	86.5%	84.7%	85.1%	79.3%	78.7%
LINE 15	KY Retail E(m) (LINE 13 * LINE 14)	\$1,545,506	\$1,626,441	\$740,253	\$2,178,193	\$1,647,236	\$1,705,756
LINE 15B	Environmental Surcharge Clause Adjustment Case No. 2009-00038, dated May 14, 2008	\$0	\$0	(\$49,885)	\$0	\$0	\$0
LINE 16	(Over)/Under Recovery Adjustment from ES FORM 3.30	(\$30,426)	(\$404,652)	(\$877,185)	(\$167,756)	(\$174,939)	\$759,603
LINE 17	Net KY Retail E(m) (LINE 15 + LINE 16)	\$1,515,080	\$1,221,789	(\$186,817)	\$2,010,437	\$1,472,297	\$2,465,359
<u>SURCHARGE FACTOR</u>							
LINE 18	Net KY Retail E(m) (Line 17)	\$1,515,080	\$1,221,789	(\$186,817)	\$2,010,437	\$1,472,297	\$2,465,359
LINE 19	KY Retail R(m) from ES FORM 3.30	\$40,488,923	\$56,106,329	\$65,952,346	\$58,755,458	\$44,307,469	\$42,540,201
LINE 20	Environmental Surcharge Factor for Expense Month (Line 18 / LINE 19)	3.7420%	2.1776%	-0.2833%	3.4217%	3.3229%	5.7954%
LINE 21	Difference (Line 18 - Line 8)	\$ (12,771.00)	\$ (16,857.00)	\$(13,212.00)	\$(16,591.00)	\$(15,461.00)	\$ (12,275.00)
							\$ (87,167.00)

* July was prorated due to Rate Case filing. Case No 2009-004

** Filed on 9/17/10, revised on 9/22/10. No one was billed on 9/

KENTUCKY POWER COMPANY
ENVIRONMENTAL SURCHARGE REPORT
CALCULATION OF E(m) and SURCHARGE FACTOR

		As Originally Filed						Total Over / Under Recovery
		<u>CALCULATION OF E(m)</u>						
		May 2011	June 2011	July 2011	August 2011	September 2011	October 2011	
	E(m) = CRR - BRR							
LINE 1	CRR from ES FORM 3.00	\$5,705,345	\$5,508,388	\$4,372,798	\$4,236,648	\$4,019,669	\$3,806,605	
LINE 2	Brr from ES FORM 1.10	\$3,922,590	\$3,627,274	\$3,805,325	\$4,088,830	\$3,740,010	\$3,260,302	
LINE 3	E(m) (LINE 1 - LINE 2)	\$1,782,755	\$1,881,114	\$567,473	\$147,818	\$279,659	\$546,303	
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	77.6%	72.7%	68.3%	76.2%	79.7%	78.0%	
LINE 5A	KY Retail E(m) (LINE 3 * LINE 4)	\$1,383,418	\$1,367,570	\$387,584	\$112,638	\$222,889	\$426,116	
LINE 5B	Environmental Surcharge Clause Adjustment Case No. 2009-00038, dated May 14, 2008	\$0	\$0	\$0	\$0	\$0	\$0	
LINE 6	(Over)/Under Recovery Adjustment from ES FORM 3.30	\$179,377	\$7,110	(\$235,309)	(\$197,884)	\$5,290	(\$27,561)	
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	\$1,562,795	\$1,374,680	\$152,275	(\$85,246)	\$228,179	\$398,555	
	<u>SURCHARGE FACTOR</u>							
LINE 8	Net KY Retail E(m) (Line 7)	\$1,562,795	\$1,374,680	\$152,275	(\$85,246)	\$228,179	\$398,555	
LINE 9	KY Retail R(m) from ES FORM 3.30	\$40,424,987	\$46,953,714	\$46,534,433	\$47,519,210	\$44,097,032	\$38,287,502	
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	3.8659%	2.9277%	0.3272%	-0.1794%	0.5174%	1.0410%	
	<u>As Revised</u>							
	<u>CALCULATION OF E(m)</u>							
	E(m) = CRR - BRR							
LINE 11	CRR from ES FORM 3.00	\$5,685,857	\$5,500,590	\$4,353,306	\$4,221,055	\$4,007,971	\$3,791,291	
LINE 12	Brr from ES FORM 1.10	\$3,922,590	\$3,627,274	\$3,805,325	\$4,088,830	\$3,740,010	\$3,260,302	
LINE 13	E(m) (LINE 11 - LINE 12)	\$1,763,267	\$1,873,316	\$547,981	\$132,225	\$267,961	\$530,989	
LINE 14	Kentucky Retail Junsdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	77.6%	72.7%	68.3%	76.2%	79.7%	78.0%	
LINE 15	KY Retail E(m) (LINE 13 * LINE 14)	\$1,368,295	\$1,361,901	\$374,271	\$100,756	\$213,566	\$414,171	
LINE 15B	Environmental Surcharge Clause Adjustment Case No. 2009-00038, dated May 14, 2008	\$0	\$0	\$0	\$0	\$0	\$0	
LINE 16	(Over)/Under Recovery Adjustment from ES FORM 3.30	\$179,377	\$7,110	(\$235,309)	(\$197,884)	\$5,290	(\$27,561)	
LINE 17	Net KY Retail E(m) (LINE 15 + LINE 16)	\$1,547,672	\$1,369,011	\$138,962	(\$97,128)	\$218,856	\$386,610	
	<u>SURCHARGE FACTOR</u>							
LINE 18	Net KY Retail E(m) (Line 17)	\$1,547,672	\$1,369,011	\$138,962	(\$97,128)	\$218,856	\$386,610	
LINE 19	KY Retail R(m) from ES FORM 3.30	\$40,424,987	\$46,953,714	\$46,534,433	\$47,519,210	\$44,097,032	\$38,287,502	
LINE 20	Environmental Surcharge Factor for Expense Month (Line 18 / LINE 19)	3.8285%	2.9157%	0.2986%	-0.2044%	0.4963%	1.0098%	
LINE 21	Difference (Line 18 - Line 8)	\$ (15,123.00)	\$ (5,669.00)	\$ (13,313.00)	\$ (11,882.00)	\$ (9,323.00)	\$ (11,945.00)	\$ (193,373.00)
						\$ (67,255.00)	-	
						Total Over Collected	\$ (193,373.00)	

* July was prorated due to Rate Case filing. Case No 2009-004
** Filed on 9/17/10, revised on 9/22/10. No one was billed on 9/

* Adjusting for Capacity Only.

KENTUCKY POWER COMPANY
ENVIRONMENTAL SURCHARGE REPORT
CALCULATION OF E(m) and SURCHARGE FACTOR

		As Originally Filed									
		<u>CALCULATION OF E(m)</u>									
		E(m) = CRR - BRR									
		March 2010	April 2010	May 2010	June 2010	July * 2010	July * 2010	August ** 2010	September 2010	October 2010	
LINE 1	CRR from ES FORM 3.00	\$4,250,672	\$4,038,044	4,188,511	4,572,677	4,700,817	4,700,817	6,333,267	\$4,520,226	\$4,656,406	
LINE 2	Brr from ES FORM 1.10	\$2,845,066	\$2,095,535	1,514,859	1,913,578	2,818,212	3,805,325	4,088,830	\$3,740,010	\$3,260,302	
LINE 3	E(m) (LINE 1 - LINE 2)	\$1,405,606	\$1,942,509	2,673,652	2,659,099	1,882,605	895,492	2,244,437	\$780,216	\$1,396,104	
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	85.4%	80.7%	83.9%	73.5%	67.3%	67.3%	73.9%	77.2%	77.4%	
LINE 5A	KY Retail E(m) (LINE 3 * LINE 4)	\$1,200,388	\$1,567,605	\$2,243,194	\$1,954,437	\$1,266,993	\$602,666	\$1,658,639	\$602,327	\$1,080,585	
LINE 5B	Environmental Surcharge Clause Adjustment Case No. 2009-00038, dated May 14, 2008	\$0	\$0						\$0	\$0	
LINE 6	(Over)/Under Recovery Adjustment from ES FORM 3.30	(\$140,375)	\$221,483	406,155	(124,579)	(494,794)	(494,794)	(613,163)	(\$116,332)	\$332,708	
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	\$1,060,013	\$1,789,088	2,649,349	1,829,858	772,199	107,872	1,045,476	\$485,996	\$1,413,293	
		<u>SURCHARGE FACTOR</u>									
LINE 8	Net KY Retail E(m) (Line 7)	\$1,060,013	\$1,789,088	2,649,349	1,829,858	772,199	107,872	1,045,476	\$485,996	\$1,413,293	
LINE 9	KY Retail R(m) from ES FORM 3.30	\$45,622,014	\$36,160,423	33,662,428	38,129,249	48,039,569	48,039,569	49,802,297	\$40,903,323	\$39,106,852	
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	2.3235%	4.9476%	7.8703%	4.7991%	1.6074%	0.2245%	2.0993%	1.1882%	3.6139%	
		As Revised									
		<u>CALCULATION OF E(m)</u>									
		E(m) = CRR - BRR									
		March 2010	April 2010	May 2010	June 2010	July 2010	July 2010	August 2010	September 2010	October 2010	
LINE 11	CRR from ES FORM 3.00	4,250,668	4,038,044	4,188,511	4,572,677	4,700,817	4,700,817	6,077,344	\$4,267,047	\$4,395,710	
LINE 12	Brr from ES FORM 1.10	2,845,066	2,095,535	1,514,859	1,913,578	2,818,212	3,805,325	4,088,830	\$3,740,010	\$3,260,302	
LINE 13	E(m) (LINE 11 - LINE 12)	1,405,602	1,942,509	2,673,652	2,659,099	1,882,605	895,492	1,988,514	\$527,037	\$1,135,408	
LINE 14	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	85.4%	80.7%	83.9%	73.5%	67.3%	67.3%	73.9%	77.2%	77.4%	
LINE 15	KY Retail E(m) (LINE 13 * LINE 14)	1,200,384	1,567,605	\$2,243,194	\$1,954,437	\$1,266,993	\$602,666	\$1,469,512	\$406,873	\$878,806	
LINE 15B	Environmental Surcharge Clause Adjustment Case No. 2009-00038, dated May 14, 2008	\$0	\$0						\$0	\$0	
LINE 16	(Over)/Under Recovery Adjustment from ES FORM 3.30	(140,375)	221,483	406,155	(124,579)	(494,794)	(494,794)	(613,163)	(\$116,332)	\$332,708	
LINE 17	Net KY Retail E(m) (LINE 15 + LINE 16)	1,060,009	1,789,088	2,649,349	1,829,858	772,199	107,872	856,349	\$290,542	\$1,211,514	
		<u>SURCHARGE FACTOR</u>									
LINE 18	Net KY Retail E(m) (Line 17)	1,060,009	1,789,088	2,649,349	1,829,858	772,199	107,872	856,349	\$290,542	\$1,211,514	
LINE 19	KY Retail R(m) from ES FORM 3.30	45,622,014	36,160,423	33,662,428	38,129,249	48,039,569	48,039,569	49,802,297	\$40,903,323	\$39,106,852	
LINE 20	Environmental Surcharge Factor for Expense Month (Line 18 / LINE 19)	2.3235%	4.9476%	7.8703%	4.7991%	1.6074%	0.2245%	1.7195%	0.7103%	3.0980%	
LINE 21	Difference (Line 18 - Line 8)	\$ (3.89)	\$ (0.24)	\$ -	\$ -	\$ -	\$ -	\$ (189,127.00)	\$ (195,454.00)	\$ (201,779.00)	
		\$ (586,360.00)									

* July was prorated due to Rate Case filing. Case No 2009-00459 dated June 28, 2010
** Filed on 9/17/10, revised on 9/22/10. No one was billed on 9/17/10 filed rate.

KENTUCKY POWER COMPANY
ENVIRONMENTAL SURCHARGE REPORT
CALCULATION OF E(m) and SURCHARGE FACTOR

As Originally Filed

<u>CALCULATION OF E(m)</u> E(m) = CRR - BRR		November 2010	December 2010	January 2011	February 2011	March 2011	April 2011
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LINE 2	Brr from ES FORM 1.10	\$2,786,040	\$4,074,321	\$3,991,163	\$3,590,810	\$3,651,374	\$3,647,040
LINE 3	E(m) (LINE 1 - LINE 2)	\$1,887,065	\$1,880,278	\$873,971	\$2,559,569	\$2,077,221	\$2,167,416
LINE 4	Kentucky Retail Junsdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	81.9%	86.5%	84.7%	85.1%	79.3%	78.7%
LINE 5A	KY Retail E(m) (LINE 3 * LINE 4)	\$1,545,506	\$1,626,441	\$740,253	\$2,178,193	\$1,647,236	\$1,705,756
LINE 5B	Environmental Surcharge Clause Adjustment Case No. 2009-00038, dated May 14, 2008	\$0	\$0	(\$49,885)	\$0	\$0	\$0
LINE 6	(Over)/Under Recovery Adjustment from ES FORM 3.30	(\$30,426)	(\$404,652)	(\$877,185)	(\$167,756)	(\$174,939)	\$759,603
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	\$1,515,080	\$1,221,789	(\$186,817)	\$2,010,437	\$1,472,297	\$2,465,359
<u>SURCHARGE FACTOR</u>							
LINE 8	Net KY Retail E(m) (Line 7)	\$1,515,080	\$1,221,789	(\$186,817)	\$2,010,437	\$1,472,297	\$2,465,359
LINE 9	KY Retail R(m) from ES FORM 3.30	\$40,488,923	\$56,106,329	\$65,952,346	\$58,755,458	\$44,307,469	\$42,540,201
LINE 10	Environmental Surchage Factor for Expense Month (Line 8 / LINE 9)	3.7420%	2.1776%	-0.2833%	3.4217%	3.3229%	5.7954%

As Revised

<u>CALCULATION OF E(m)</u> E(m) = CRR - BRR		November 2010	December 2010	January 2011	February 2011	March 2011	April 2011
LINE 11	CRR from ES FORM 3.00	\$4,418,477	\$5,694,459	\$4,812,718	\$6,094,929	\$5,643,270	\$5,761,366
LINE 12	Brr from ES FORM 1.10	\$2,786,040	\$4,074,321	\$3,991,163	\$3,590,810	\$3,651,374	\$3,647,040
LINE 13	E(m) (LINE 11 - LINE 12)	\$1,632,437	\$1,620,138	\$821,555	\$2,504,119	\$1,991,896	\$2,114,326
LINE 14	Kentucky Retail Junsdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	81.9%	86.5%	84.7%	85.1%	79.3%	78.7%
LINE 15	KY Retail E(m) (LINE 13 * LINE 14)	\$1,336,966	\$1,401,420	\$695,857	\$2,131,005	\$1,579,573	\$1,663,975
LINE 15B	Environmental Surcharge Clause Adjustment Case No. 2009-00038, dated May 14, 2008	\$0	\$0	(\$49,885)	\$0	\$0	\$0
LINE 16	(Over)/Under Recovery Adjustment from ES FORM 3.30	(\$30,426)	(\$404,652)	(\$877,185)	(\$167,756)	(\$174,939)	\$759,603
LINE 17	Net KY Retail E(m) (LINE 15 + LINE 16)	\$1,306,540	\$996,768	(\$231,213)	\$1,963,249	\$1,404,634	\$2,423,578
<u>SURCHARGE FACTOR</u>							
LINE 18	Net KY Retail E(m) (Line 17)	\$1,306,540	\$996,768	(\$231,213)	\$1,963,249	\$1,404,634	\$2,423,578
LINE 19	KY Retail R(m) from ES FORM 3.30	\$40,488,923	\$56,106,329	\$65,952,346	\$58,755,458	\$44,307,469	\$42,540,201
LINE 20	Environmental Surchage Factor for Expense Month (Line 18 / LINE 19)	3.2269%	1.7766%	-0.3506%	3.3414%	3.1702%	5.6971%
LINE 21	Difference (Line 18 - Line 8)	\$ (208,540.00)	\$ (225,021.00)	\$ (44,396.00)	\$ (47,188.00)	\$ (67,663.00)	\$ (41,781.00)

\$(634,589.00)

* July was prorated due to Rate Case filing. Case No 2009-004

** Filed on 9/17/10, revised on 9/22/10. No one was billed on 9/

KENTUCKY POWER COMPANY
ENVIRONMENTAL SURCHARGE REPORT
CALCULATION OF E(m) and SURCHARGE FACTOR

		As Originally Filed						Total Over / Under Recovery
		<u>CALCULATION OF E(m)</u>						
		E(m) = CRR - BRR						
		May 2011	June 2011	July 2011	August 2011	September 2011	October 2011	
LINE 1	CRR from ES FORM 3.00	\$5,685,857	\$5,500,590	\$4,353,306	\$4,221,055	\$4,007,971	\$3,791,291	
LINE 2	Brr from ES FORM 1.10	\$3,922,590	\$3,627,274	\$3,805,325	\$4,088,830	\$3,740,010	\$3,260,302	
LINE 3	E(m) (LINE 1 - LINE 2)	\$1,763,267	\$1,873,316	\$547,981	\$132,225	\$267,961	\$530,989	
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	77.6%	72.7%	68.3%	76.2%	79.7%	78.0%	
LINE 5A	KY Retail E(m) (LINE 3 * LINE 4)	\$1,368,295	\$1,361,901	\$374,271	\$100,756	\$213,566	\$414,171	
LINE 5B	Environmental Surcharge Clause Adjustment Case No. 2009-00038, dated May 14, 2008	\$0	\$0	\$0	\$0	\$0	\$0	
LINE 6	(Over)/Under Recovery Adjustment from ES FORM 3.30	\$179,377	\$7,110	(\$235,309)	(\$197,884)	\$5,290	(\$27,561)	
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	\$1,547,672	\$1,369,011	\$138,962	(\$97,128)	\$218,856	\$386,610	
		<u>SURCHARGE FACTOR</u>						
LINE 8	Net KY Retail E(m) (Line 7)	\$1,547,672	\$1,369,011	\$138,962	(\$97,128)	\$218,856	\$386,610	
LINE 9	KY Retail R(m) from ES FORM 3.30	\$40,424,987	\$46,953,714	\$46,534,433	\$47,519,210	\$44,097,032	\$38,287,502	
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	3.8285%	2.9157%	0.2986%	-0.2044%	0.4963%	1.0098%	
		As Revised						
		<u>CALCULATION OF E(m)</u>						
		E(m) = CRR - BRR						
		May 2011	June 2011	July 2011	August 2011	September 2011	October 2011	
LINE 11	CRR from ES FORM 3.00	\$5,629,560	\$5,442,788	\$4,293,304	\$3,847,820	\$3,461,766	\$3,791,291	
LINE 12	Brr from ES FORM 1.10	\$3,922,590	\$3,627,274	\$3,805,325	\$4,088,830	\$3,740,010	\$3,260,302	
LINE 13	E(m) (LINE 11 - LINE 12)	\$1,706,970	\$1,815,514	\$487,979	(\$241,010)	(\$278,244)	\$530,989	
LINE 14	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	77.6%	72.7%	68.3%	76.2%	79.7%	78.0%	
LINE 15	KY Retail E(m) (LINE 13 * LINE 14)	\$1,324,609	\$1,319,879	\$333,290	(\$183,649)	(\$221,759)	\$414,171	
LINE 15B	Environmental Surcharge Clause Adjustment Case No. 2009-00038, dated May 14, 2008	\$0	\$0	\$0	\$0	\$0	\$0	
LINE 16	(Over)/Under Recovery Adjustment from ES FORM 3.30	\$179,377	\$7,110	(\$235,309)	(\$197,884)	\$5,290	(\$27,561)	
LINE 17	Net KY Retail E(m) (LINE 15 + LINE 16)	\$1,503,986	\$1,326,989	\$97,981	(\$381,533)	(\$216,469)	\$386,610	
		<u>SURCHARGE FACTOR</u>						
LINE 18	Net KY Retail E(m) (Line 17)	\$1,503,986	\$1,326,989	\$97,981	(\$381,533)	(\$216,469)	\$386,610	
LINE 19	KY Retail R(m) from ES FORM 3.30	\$40,424,987	\$46,953,714	\$46,534,433	\$47,519,210	\$44,097,032	\$38,287,502	
LINE 20	Environmental Surcharge Factor for Expense Month (Line 18 / LINE 19)	3.7204%	2.8262%	0.2106%	-0.8029%	-0.4909%	1.0098%	
LINE 21	Difference (Line 18 - Line 8)	\$(43,686.00)	\$(42,022.00)	\$(40,981.00)	\$(284,405.00)	\$(435,325.00)	\$ -	\$ (2,067,368.00)
						\$(846,419.00)	-	
						Total Over Collected		\$ (2,067,368.00)

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