

421 West Main Street
Post Office Box 634
Frankfort, KY 40602-0634
(502) 223-3477
(502) 223-4124 Fax
www.stites.com

RECEIVED

SEP 26 2005

PUBLIC SERVICE
COMMISSION

September 26, 2005

Mark R. Overstreet
(502) 209-1219
(502) 223-4387 FAX
moverstreet@stites.com

Ms. Beth O'Donnell
Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

RECEIVED

SEP 26 2005

PUBLIC SERVICE
COMMISSION

RE: P.S.C. Case No. 2005-00341

Dear Ms. O'Donnell:

Enclosed please find and accept for filing the original and ten copies of Kentucky Power Company's application in the above proceeding.

Sincerely yours,

STITES & HARBISON, PLLC

Mark R. Overstreet

cc: David F. Boehm
Michael L. Kurtz
Elizabeth E. Blackford

KE057:KE180:13052:1:FRANKFORT

RECEIVED

SEP 26 2005

PUBLIC SERVICE
COMMISSION

**SALES OF KENTUCKY
JURISDICTIONAL
CUSTOMERS**

**Statutory Notice
Application
Exhibit A
Filing Requirements**

Before

**THE PUBLIC SERVICE COMMISSION
OF KENTUCKY**

KENTUCKY POWER COMPANY

101A ENTERPRISE DRIVE

FRANKFORT, KENTUCKY 40602

VOLUME 1 OF 4

CASE NO. 2005-00341

KENTUCKY POWER COMPANY
CASE NO. 2005-00341

RECEIVED

SEP 26 2005

TABLE OF CONTENTS

PUBLIC SERVICE
REGULATORY DIVISION

VOLUME	SECTION	DESCRIPTION	PAGE NO/ SCHEDULE
1		Before the Public Service Commission of Kentucky Table of Contents	-- i - iii
1	Section I	Statutory Notice	1
		Revised Tariff Listing	2-7
1	Section II	Application	1-7
		General Information	1-2
		Reason for Adjustment	2-4
		Historic Test Year	4
		Description of Company Property	4-5
		Calculations with Respect to Electric Rate Adjustments	6
		Regulatory Requirements	6-7
		Exhibit A - Response to Filing Requirements: 807KAR5:001 Section 6	1-9
		807KAR5:001 Section 10	10-352
2	Section III	Computer Analyses Indicating Revenues per kWh/kW/kVa Steps of the Billing Determinants for Each of the Proposed and Current, Fuel Revenue by Tariffs and a Summary	1
		Comparative Billing Analysis	2-57
		Revised Tariff Sheets	58-158
		Comparison of Changes in Present and Proposed Rates	159-373
2	Section IV	Amounts and Kinds of Stocks Authorized	1
		Amounts and Kinds of Stock Issued and Outstanding	1
		Term of Preference of Preferred Stock	1
		Brief Description of Each Mortgage on Property	1
		Amount of Bonds Authorized, Amount Issued	1
		Notes Outstanding	1

KENTUCKY POWER COMPANY
CASE NO. 2005-00341

TABLE OF CONTENTS

VOLUME	SECTION	DESCRIPTION	PAGE NO/ SCHEDULE
2	Section IV cont'd	Other Indebtedness	2
		Rate and Amount of Dividends Paid	2
		Balance Sheet - Assets - June 30, 2005	3
		Other Investments - June 30, 2005	3
		Other Deferred Debits - June 30, 2005	
		Balance Sheet - Liabilities - June 30, 2005	4
		Statement of Retained Earnings and Other Paid-In Capital - Jun 30, 2005	5
		Operating Revenues by Revenue Class - 12 Months Ending June 30, 2005	6
		Statement of Income - 12 Months Ending June 30, 2005	7
		Operating Expenses - Functional Details 12 Months Ending June 30, 2005	8
		Analysis of Federal Income Taxes - 12 Months Ending June 30, 2005	9-10
		Monthly Plant Balances	11
		Monthly Reserve for Depreciation	12
		Monthly Balances Construction Work in Progress	13
		Monthly Balances of Certain Other Accts	14
		Monthly Balances Prepayments, Requirement Work in Progress, Plant Acquisition	
		Adjustments, Materials and Supplies	14
		Monthly Statements of Electric Operating Income ..	15
		Total Electric Plant	16
2	Section V	Revenue, Return, Capitalization and Rate Base - Kentucky PSC Jurisdiction	Sch 1
		Revenue Requirement	Sch 2
		Capitalization	Sch 3
		Adjustments - Summary and Detail	Sch 4
		Base Case Summary	Sch 5

**KENTUCKY POWER COMPANY
CASE NO. 2005-00341**

TABLE OF CONTENTS

VOLUME	SECTION	DESCRIPTION	PAGE NO/ SCHEDULE
2	Section V	Electric Operating Revenues	Sch 6
		Electric Operation & Maintenance Expense ...	Sch 7
		Depreciation, Depletion & Amortization Expense .	Sch 8
		Taxes Other Than Income Taxes	Sch 9
		State and Federal Income Taxes Separate Return - Current	Sch 10
		Original Cost of Electric Plant in Service	Sch 11
		Accumulated Provision for Depreciation, Depletion and Amortization of Electric Plant in Service	Sch 12
		Net Electric Plant in Service	Sch 13
		Electric Plant Held for Future Use	Sch 14
		Working Capital Requirement	Sch 15
		Construction Work in Progress - AFUDC	Sch 16
		Customer Advance for Construction, Customer Deposits, and Accumulated Deferred Income Taxes	Sch 17
		Demand Allocation Factors	Sch 18
		Energy Allocation Factors	Sch 10
3		Testimony of T. C. Mosher Testimony of D. W. Bethel Testimony of R. W. Bradish Testimony L. C. Foust Testimony of J. E. Henderson Testimony of P. R. Moul Testimony of E. G. Phillips Testimony of D. M. Roush Testimony of E. K. Wagner Testimony of R. K. Wohnhas	
4		Depreciation Study	

BEFORE THE
PUBLIC SERVICE COMMISSION OF KENTUCKY

RECEIVED

SEP 26 2005

PUBLIC SERVICE
COMMISSION

RECEIVED

SEP 26 2005

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:

GENERAL ADJUSTMENTS IN
ELECTRIC RATES OF
KENTUCKY POWER COMPANY

)
)
)
CASE NO. 2005-00341

STATUTORY NOTICE

TO THE PUBLIC SERVICE COMMISSION OF KENTUCKY, Frankfort, Kentucky:

Comes now Kentucky Power Company (herein called "Company"), an electric public utility operating in the Commonwealth of Kentucky pursuant to Chapter 278 of the Kentucky Revised Statutes, and in accordance with Sections 278.180 and 278.190 gives this Statutory Notice to the Kentucky Public Service Commission (herein called "Commission") of changes to be made in the Company's rates and tariffs.

GENERAL ADJUSTMENTS IN ELECTRIC RATES

The Company proposes to change its existing electric rates and tariffs now on file with the Commission by substituting the attached new Tariff Sheets (P.S.C. Electric No. 8) for the corresponding Tariff Sheets now on file (P.S.C. Electric No. 7) and adding one new Tariff Sheet.

New

P.S.C. Electric No. 8

Original Sheet No. 1-1
Original Sheet No. 2-1
Original Sheet No. 2-2
Original Sheet No. 2-3
Original Sheet No. 2-4
Original Sheet No. 2-5
Original Sheet No. 2-6
Original Sheet No. 2-7
Original Sheet No. 2-8
Original Sheet No. 2-9
Original Sheet No. 2-10
Original Sheet No. 2-11
Original Sheet No. 2-12
Original Sheet No. 2-13
Original Sheet No. 3-1
Original Sheet No. 3-2
Original Sheet No. 3-3
Original Sheet No. 3-4
Original Sheet No. 3-5
Original Sheet No. 3-6
Original Sheet No. 3-7

Superseding

P.S.C. Electric No. 7

4th Revised Sheet No. 1
Original Sheet No. 2-1
1st Revised Sheet No. 2-2
1st Revised Sheet No. 2-3
Original Sheet No. 2-4
Original Sheet No. 2-5
Original Sheet No. 2-6
Original Sheet No. 2-7
Original Sheet No. 2-8
1st Revised Sheet No. 2-9
Original Sheet No. 2-10
Original Sheet No. 2-11
Original Sheet No. 2-12

3rd Revised Sheet No. 3-1
2nd Revised Sheet No. 3-2
2nd Revised Sheet No. 3-3
2nd Revised Sheet No. 3-4
2nd Revised Sheet No. 3-5
2nd Revised Sheet No. 3-6
2nd Revised Sheet No. 3-7

<u>New</u>	<u>Superseding</u>
<u>P.S.C. Electric No. 8</u>	<u>P.S.C. Electric No. 7</u>
Original Sheet No. 3-8	2 nd Revised Sheet No. 3-8
Original Sheet No. 3-9	2 nd Revised Sheet No. 3-9
Original Sheet No. 3-10	---
Original Sheet No. 4-1	Original Sheet No. 4-1
Original Sheet No. 5-1	Original Sheet No. 5-1
Original Sheet No. 5-2	2 nd Revised Sheet No. 5-2
Original Sheet No. 6-1	6 th Revised Sheet No. 6-1
Original Sheet No. 6-2	6 th Revised Sheet No. 6-2
Original Sheet No. 6-3	Original Sheet No. 6a
Original Sheet No. 6-4	5 th Revised Sheet No. 6-3
Original Sheet No. 6-5	1 st Revised Sheet No. 6-4
Original Sheet No. 6-6	5 th Revised Sheet No. 6-5
Original Sheet No. 6-7	---
Original Sheet No. 7-1	5 th Revised Sheet No. 7-1
Original Sheet No. 7-2	4 th Revised Sheet No. 7-2
Original Sheet No. 8-1	4 th Revised Sheet No. 8-1
Original Sheet No. 8-2	4 th Revised Sheet No. 8-2
Original Sheet No. 8-3	1 st Revised Sheet No. 8-3
Original Sheet No. 8-4	5 th Revised Sheet No. 8-4
Original Sheet No. 8-5	Original Sheet No. 8-5
Original Sheet No. 9-1	4 th Revised Sheet No. 9-1

New

P.S.C. Electric No. 8

Original Sheet No. 9-2
Original Sheet No. 9-3
Original Sheet No. 10-1
Original Sheet No. 10-2
Original Sheet No. 10-3
Original Sheet No. 11-1
Original Sheet No. 11-2
Original Sheet No. 11-3
Original Sheet No. 12-1
Original Sheet No. 12-2
Original Sheet No. 12-3
Original Sheet No. 13-1
Original Sheet No. 13-2
Original Sheet No. 14-1
Original Sheet No. 14-2
Original Sheet No. 14-3
Original Sheet No. 15-1
Original Sheet No. 15-2
Original Sheet No. 15-3
Original Sheet No. 16-1
Original Sheet No. 16-2

Superseding

P.S.C. Electric No. 7

4th Revised Sheet No. 9-2
1st Revised Sheet No. 9-3
4th Revised Sheet No. 10-1
3rd Revised Sheet No. 10-2

5th Revised Sheet No. 11-1
2nd Revised Sheet No. 11-2

1st Revised Sheet No. 12-4
1st Revised Sheet No. 12-5
Original Sheet No. 12-6
4th Revised Sheet No. 13-1
2nd Revised Sheet No. 13-2
3rd Revised Sheet No. 14-1
3rd Revised Sheet No. 14-2
2nd Revised Sheet No. 14-3
2nd Revised Sheet No. 15-1
2nd Revised Sheet No. 15-2
Original Sheet No. 15-3
Original Sheet No. 16-1
Original Sheet No. 16-2

New

P.S.C. Electric No. 8

Original Sheet No. 16-3
Original Sheet No. 16-4
Original Sheet No. 16-5
Original Sheet No. 17-1
Original Sheet No. 17-2
Original Sheet No. 17-3
Original Sheet No. 18-1
Original Sheet No. 18-2
Original Sheet No. 18-3
Original Sheet No. 19-1
Original Sheet No. 19-2
Original Sheet No. 20-1
Original Sheet No. 21-1
Original Sheet No. 22-1
Original Sheet No. 22-2
Original Sheet No. 23-1
Original Sheet No. 24-1
Original Sheet No. 24-2
Original Sheet No. 24-3
Original Sheet No. 25-1
Original Sheet No. 25-2

Superseding

P.S.C. Electric No. 7

Original Sheet No. 16-3
Original Sheet No. 16-4

Original Sheet No. 17-1
Original Sheet No. 17-2
1st Revised Sheet No. 17-3
Original Sheet No. 18-1
Original Sheet No. 18-2
1st Revised Sheet No. 18-3
1st Revised Sheet No. 19-1
1st Revised Sheet No. 19-2
Original Sheet No. 20-1
Original Sheet No. 21-1
1st Revised Sheet No. 22-1
20th Revised Sheet No. 22-2
4th Revised Sheet No. 25-1
1st Revised Sheet No. 26-1
Original Sheet No. 26-2
Original Sheet No. 26-3
1st Revised Sheet No. 27-1
Original Sheet No. 27-2

<u>New</u>	<u>Superseding</u>
<u>P.S.C. Electric No. 8</u>	<u>P.S.C. Electric No. 7</u>
Original Sheet No. 25-3	Original Sheet No. 27-3
Original Sheet No. 26-1	Original Sheet No. 28-1
Original Sheet No. 26-2	Original Sheet No. 28-2
Original Sheet No. 26-3	Original Sheet No. 28-3
Original Sheet No. 27-1	Original Sheet No. 29-1
Original Sheet No. 27-2	Original Sheet No. 29-2
Original Sheet No. 27-3	Original Sheet No. 29-3
Original Sheet No. 27-4	Original Sheet No. 29-4
Original Sheet No. 27-5	Original Sheet No. 29-5
Original Sheet No. 27-6	Original Sheet No. 29-6
Original Sheet No. 28-1	--
Original Sheet No. 29-1	2nd Revised Sheet No. 23-1
Original Sheet No. 29-2	3rd Revised Sheet No. 23-2
Original Sheet No. 29-3	2nd Revised Sheet No. 23-3
Original Sheet No. 29-4	1 st Revised Sheet No. 23-4
Original Sheet No. 29-5	Original Sheet No. 23-5
Original Sheet No. 30-1	--

The changed tariffs will be effective for service rendered on and after October 27, 2005. Notice to the public of the proposed tariffs is being given as prescribed by 807 KAR5:011, Section 8 (2) (C) and by exhibiting the same for public inspection at Kentucky

Power's service centers located in Ashland, Hazard and Pikeville. A Certificate of Notice will be filed with the Commission in the form prescribed by 807KAR5:001, Section 15 (5).

Additional information required by the rules of the Public Service Commission of Kentucky is contained in the "Application for General Adjustments in Existing Rates for Kentucky Power Company" filed herewith and made a part hereof.

Respectfully submitted this 26th day of September 2005.

KENTUCKY POWER COMPANY

BY: Timothy C. Mosher
Timothy C. Mosher
President/COO
101A Enterprise Drive
Frankfort, KY 40602

BY: Bruce J. Clark
Bruce F. Clark
Mark R. Overstreet
Judith A. Villines
Stites & Harbison
421 W. Main Street
Frankfort, KY 40602
Counsel

BY: J. Mitchell Dutton/Bjc
Kevin F. Duffy
F. Mitchell Dutton
American Electric Power Service Corporation
One Riverview Plaza
P.O. Box 16631
Columbus, OH 43215
Counsel

APPLICATION

BEFORE THE
PUBLIC SERVICE COMMISSION OF KENTUCKY

RECEIVED

RECEIVED

In The Matter Of:

SEP 26 2005

SEP 26 2005

GENERAL ADJUSTMENT IN)
ELECTRIC RATES OF)
KENTUCKY POWER COMPANY)

PUBLIC SERVICE
COMMISSION
CASE NO. 2005-00341

PUBLIC SERVICE
COMMISSION

APPLICATION FOR GENERAL ADJUSTMENTS
IN EXISTING RATES FOR
KENTUCKY POWER COMPANY

Pursuant to KRS Chapter 278 and the Rules and Regulations of the Public Service Commission of Kentucky, including 807 KAR Chapter 5, governing procedure and tariffs, Kentucky Power Company (herein called the "Company" or "KPCo"), submits this Application as a part of its Statutory Notice of adjustments to be made in the Company's rates and tariffs.

In support of its Application, the Company states as follows:

1. **Address:** The applicant's full name and post office address is: Kentucky Power Company, 101A Enterprise Drive, P.O. Box 5190, Frankfort, Kentucky 40602-5190.

2. **Articles of Incorporation:** Pursuant to 807 KAR 5:001 Section 10(1)(a)(3) the Company states that a certified copy of the Articles of Incorporation of Kentucky Power Company, and all amendments thereto, are on file with the Commission in the "Joint Application of Kentucky Power Co., American Electric Power Co., Inc. and Central and South West Corporation Regarding a Proposed Merger", Case No. 99-149, as Exhibit "1" and are incorporated by reference herein.

3. **Business:** Kentucky Power Company is an operating public utility principally engaged in the business of providing electricity to Kentucky consumers. The Company generates and purchases electricity which it distributes and sells at retail in all, or portions of the Counties of Boyd, Breathitt, Carter, Clay, Elliott, Floyd, Greenup, Johnson, Knott, Lawrence, Leslie, Letcher, Lewis Magoffin, Martin, Morgan, Owsley, Perry, Pike and Rowan. The Company also furnishes electric service, at wholesale, to the City of Olive Hill and the City of Vanceburg.

4. **Affiliations:** KPCo is a subsidiary of American Electric Power Company, Inc. (hereinafter "AEP") and is a member of the integrated AEP System - an interstate public utility holding company system registered under the Public Utility Holding Company Act of 1935, 15 U.S.C. Section 79. There are four primary FERC-Approved agreements that govern the transactions among the members of the AEP System: the Interconnection Agreement, the Interim Allowance Agreement, the Transmission Equalization Agreement, and the System Integration Agreement.

5. **Annual Reports:** The Company hereby certifies that its annual reports, through 2004, are on file with the Commission pursuant to 807 KAR 5:006, Section 10(1)(a)(2).

6. **Reason for Adjustment:** KPCo has not had an increase in retail base rates since 1988. The past 17 years have seen dynamic changes in the electric industry, both in the regulated and unregulated side. These changes have resulted in varying costs and benefits, with the net effect being a long delay in the Company's request for a rate increase. For example, over this period, the wholesale market for electricity has experienced significant growth (and wild swings), which in large part has benefited KPCo and its customers through a sharing of profits

associated with the Company's system sales tracker. This mechanism shares profits from wholesale sales to non-AEP member companies (i.e., off-system sales) by sharing the profits from such sales over a base level (built into retail rates) of \$11.3 million. Over the past 10 years, KPCo's customers have been returned almost \$164.8 million in system sales profits.

During this same time-frame, KPCo has made significant investment to comply with new and ever-expanding environmental requirements. Fortunately for electric utilities, Kentucky has an environmental cost recovery (ECR) mechanism that has allowed some of these costs to be passed on directly to KPCo's ratepayers. Over the last 8 years, those costs to KPCo's customers have averaged \$7.4 million annually for a total of \$59.8 million.

Despite the system sales tracker and ECR mechanism, over the past 17 years, KPCo has seen an increase in expenses which exceed the corresponding increase in revenues for which there is no ability to timely reflect in retail rates. Consequently, during the test year, for example, KPCo's return on equity fell to 6.9% -- a level far below the level of earnings required to attract the capital investment necessary to assure the continued vitality of the Company. Additionally, KPCo has made substantial non-environmental investments that have benefited the Company's ratepayers without an adjustment in retail rates. For example, in 1998, KPCo placed the Unified Power Flow Controller at the Big Sandy – Inez station at a cost of approximately \$90 million.

The Company is also asking the Commission in this case to authorize recovery of additional costs to be incurred in the near future. Specifically, the recent PSC management audit of KPCo's reliability performance resulted in a recommendation that the Company adopt a new approach to vegetation control and reliability. This approach will allow KPCo to better monitor vegetation and to take proactive steps to reduce outages and improve reliability. However, to

make the recommended changes will require a three year capital investment of \$ 16.7 million, as well as a projected annual expense of \$12.7 million.

Another future cost to KPCo will arise when several changes occur to the AEP System pool capacity over the next several months. Specifically, 2 units will be coming on line with a total capacity of 1,310 mw. The net effect will be to make KPCo more “deficit” in the AEP Pool; meaning the Company must pay additional capacity charges under the Interconnection Agreement. These changes will give KPCo access to greater reserves from the AEP System to meet the Company’s internal demand; but they will result in an estimated \$9.0 million increase in KPCo’s capacity costs under the Pool Agreement. Of course, there have been other changes in cost of service which are presented in this filing – including a \$3.7 million increase as a result of a new depreciation study. The Company is well aware that the magnitude of the requested increase (\$64.8 million – 19.2 %) is significant; and the Company has scrutinized each adjustment to determine if it is both necessary and warranted. The Company’s conclusion is that the requested rate increase will result in fair, just and reasonable rates for the Company – rates which will allow the Company to operate its system in a safe and reliable manner, with rates sufficient to maintain its financial integrity, attract capital and compensate investors for the risks of electric utility stock ownership.

7. **Historic Test Year:** The Company’s Application for a general adjustment to its existing rates is supported by a twelve month historical test year, in accordance with 807 KAR 5:001 Section 10(1)(a), with the test period ending June 30, 2005.

8. **Company Property:** The Company’s Big Sandy Power Plant consists of two steam-electric generating units having an aggregate net capacity of 1,060 MW. The Company’s electric transmission system includes substation capacity of approximately 4,120,700 KVA and

approximately 1,234 pole miles of lines, and is interconnected with the systems of neighboring utilities. The Company's electric distribution system includes substation capacity of approximately 1,557,000 KVA and approximately 9,592.7 pole miles of overhead lines. Other properties include service buildings, stores buildings, garages and other structures and equipment.

The net original cost of the property and the cost thereof to the applicant at June 30, 2005 was:

Original Cost – Electric Plant in Service

Production Plant	\$ 459,155,789
Transmission Plant	387,825,303
Distribution Plant	446,448,969
General Plant	31,022,897
Intangible Plant and Other EPIS	<u>20,229,834</u>

TOTAL \$1,344,682,792

Less Accumulated Provisions for Depreciation, Depletion and Amortization of Electric Utility Plant	<u>\$ 437,493,802</u>
---	-----------------------

Net Original Cost \$ 907,188,990

9. **Unit Power Agreement:** Through a Unit Power Agreement, the Company is responsible for 15% of the costs associated with Rockport Plant Generating Units No. 1 and No. 2, which provides the Company with additional generating capacity of 390 MW.

10. **Effects of Proposed Adjustments:** Pursuant to 807 KAR 5:001, Section 10(6)(d), the Company calculates that:

(a) The proposed adjustment in electric rates will result in an increase in revenue of approximately \$64.8 M per year, based on consumptions during the twelve month period ending June 30, 2005, resulting in total annual Company revenues of \$402.1 M representing an increase of approximately 19.21%.

(b) The effect of the increase on average or typical electric bills is as follows:

TARIFF/ VOLTAGE	CONSUMPTION/DEMAND	PRESENT REVENUES ¹	PROPOSED REVENUES	REVENUE CHANGE
RS	1,353 KWH	\$ 75.11	\$ 95.61	\$ 20.50
SGS	323 KWH	29.27	33.74	4.47
MGS	4,450 KWH/19 KW	288.41	326.80	38.39
LGS	77,667 KWH/272 KVA	4,006.86	4,653.12	646.26
QP	952,607 KWH/2,343 KW	38,713.67	43,879.97	5,166.30
CIP-TOD	12,984,522 KWH/22,766 KW	441,575.33	498,150.23	56,574.90

The proposed rates for electric service are fair, just and reasonable as required by KRS 278.030.

11. **Regulatory Requirements:** In accordance with the provisions of 807 KAR 5:001, Section 10, the Company is filing herewith written testimony and exhibits in support of this Application. A specific response and appropriate references to the responsive Section of this filing, including testimony and/or exhibits, for each requirement of 807 KAR 5:001, Section 10 are set forth in Application Exhibit A hereto. The following particularly pertinent information is provided as follows:

(a) A Schedule of the Company's present rates, tolls and charges which are being revised, and the changes the Company proposes to make, shown in comparative form, as prescribed in 807 KAR 5:001, Section 10(1)(a)(7). [The Company's present rates, tolls and

¹ *includes fuel adjustment based on test year average

charges are on file with this Commission, and are hereby incorporated by reference.] See Section III herein.

(b) A financial exhibit in the form prescribed by 807 KAR 5:001, Section 6. See Section IV herein.

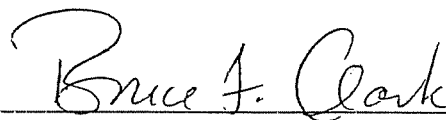
(c) A description and quantification for all proposed adjustments as prescribed by 807 KAR 5:001 Section 10(6)(a). See Section V herein.

WHEREFORE, KPCo respectfully requests the Kentucky Public Service Commission to enter an Order:

1. Approving the requested rates and revised tariff sheets submitted herewith in Section III; and
2. Granting such other relief to which the Company may be entitled.

Respectfully submitted,

KENTUCKY POWER COMPANY



Bruce F. Clark
Mark R. Overstreet
Judith A. Villines
Stites & Harbison, PLLC
421 West Main Street
P.O. Box 634
Frankfort, Kentucky 40602-0634
Counsel

and

F. Mitchell Dutton

Kevin F. Duffy

F. Mitchell Dutton

American Electric Power Service Corporation

One Riverside Plaza

P.O. Box 16631

Columbus, OH 43215

Counsel

BSC