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October 10, 2007

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HAND DELIVERED

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

RE: P.S.C. Case No. 2006-00507

Dear Ms. O'Donnell:

This letter is being provided in response to Staff's request at the September 19, 2007 Informal Conference in this matter. As requested, Kentucky Power is providing a description of the metering equipment inaccuracies at two of the company's 44 interconnections, the results of its investigation of the inaccuracies, as well as the steps taken to address the issue. Additional information requested following the informal conference also is provided.

The Metering Equipment Inaccuracies.

In June, 2007, Kentucky Power discovered metering equipment inaccuracies at the Company's interconnections with Appalachian Power Company (Leach to South Neal tie line) and Ohio Power Company (Bellefonte-Pleasant Street tie line). The effect of the inaccuracies was to increase the total reported MWh consumed on the Kentucky Power system in May 2007 from 600,686 MWh (the correct reading) to 621,504 (the incorrect initially reported reading).

The cause of the inaccuracy was different at each interconnection. At the Leach to South Neal tie line interconnection, one of the parameters employed by the portion of the metering equipment that aggregates the usage data used the wrong plus/minus (inflow/outflow) designator as the result of a programming error. At the Bellefonte-Pleasant Street tie line interconnection the metering equipment was not synchronized with the Potential Transformer and Current Transformer settings thereby resulting in readings that were approximately 2/3 the correct reading.

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Kentucky Power's Investigation.

Upon discovering the metering equipment inaccuracies, Kentucky Power began testing the metering equipment at each of the company's 44 interconnections. That investigation confirmed that inaccuracies existed only at the Leach to South Neal and Bellefonte to Pleasant Street interconnections. In June, 2007, the metering equipment at the two interconnections was modified to correct the inaccuracies.

Following Kentucky Power's initial discovery of the problem it notified the Commission, the Attorney General and Kentucky Industrial Utility Customers, Inc. of the metering equipment inaccuracies on July 18, 2007.

The Adjustment in May, 2007 Billings.

The metering equipment inaccuracies produced erroneous settlements between Kentucky Power and its two sister utilities. As required by Section 8.6 of the Interconnection Agreement, Kentucky Power proposes to make a thirty day adjustment to correct the erroneous settlement. (Attachment 1).

When the adjustment is made, it will affect the Fuel Adjustment Clause (FAC) calculations, the System Sales calculations and the Environmental Surcharge calculations. The FAC, System Sales and Environmental Surcharge adjustments tend to offset one another with the net of which is \$66,075 credit to the customers. (Attachment 2). Therefore, the Company is proposing to make a one-time adjustment with the scheduled November 19, 2007 environmental surcharge, system sales tracker and fuel adjustment clause filings with the Commission. The adjustments will be reflected as a net credit on customers' December, 2007 bills and will be the filed cost data and the adjusted cost data for May, 2007.¹

Remedial Measures.

In addition to Kentucky Power correcting the metering equipment inaccuracies giving rise to the erroneous May, 2007 settlements and filings with the Commission, AEP established a task force to review metering equipment and metering equipment procedures system-wide and to propose process improvements. The following efforts have been undertaken:

¹ The June 18, 2007 FAC filing used estimated fuel cost. These fuel costs were trued up to actual in the July 19, 2007 filing. (Attachment 3). The System Sales data (Attachment 4) and the Environmental Surcharge cost data (Attachment 5), both of which were filed with the Commission on June 18, 2007, contained actual May, 2007 data.

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(a) Implemented a "90-Day" program to develop interim measures to detect and prevent additional metering equipment inaccuracies. The plan includes changes in metering equipment procedures, increased employee education and improvements in the collection and organization of information regarding metering equipment;

(b) Planned reductions in the number of tie lines connected to a single meter, thereby reducing the likelihood of inaccuracies being "masked;"

(c) Implementation of monthly meetings reviewing metering equipment system changes to ensure that the proper corresponding changes to metering equipment were implemented;

(d) An AEP-East System-wide analysis of the accuracy of the more than 800 metering locations on the AEP-East System is approximately 98% complete. To date, it is clear the metering equipment inaccuracies are not widespread;

(e) All changes to Kentucky Power's metering equipment have been more closely monitored since July, 2007. To date no further inaccuracies have been detected;

(f) Line loss studies for each of the eleven operating companies on the AEP system were commissioned. Kentucky Power's has been completed and filed with the Commission; and

(g) Metering Equipment at certain stations in Kentucky will be upgraded at a cost of approximately \$2 million.

Additional Staff Inquiries.

Following the informal conference, Staff asked the Company to address whether there is any tension between the maximum thirty day limit for adjustments under Section 8.6 of the Interconnection Agreement and the possibility that Appalachian Power Company (APCo) may be permitted by the West Virginia Commission to "true-up" the settlements to an earlier 2007 date. The answer is no. If the West Virginia Commission allows APCo to recover by way of its cost recovery mechanism the costs back to an earlier date in 2007, the AEP System has elected to transfer any sums beyond the thirty-day "contract period" to Kentucky Power in lieu of retaining the sums. As such, any adjustments beyond the thirty-day "contract period" will be unrelated to the Interconnection Agreement. Kentucky Power will apply any such adjustment to future monthly FAC, System Sales and Environmental Surcharge filings in the manner proposed for May, 2007.

Staff also inquired whether Section 8.6 of the Interconnection Agreement is applicable, suggesting that the inaccuracy arose in connection with equipment other than a meter. The

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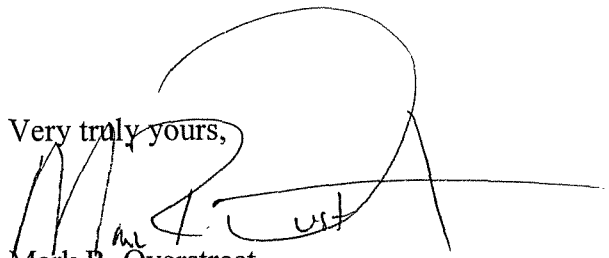
Interconnection Agreement provision, however, is not limited to meters. Instead, it provides in pertinent part “[i]f on any test of *metering equipment*, an inaccuracy shall be disclosed exceeding two percent....” As such, the provision extends to inaccuracies in metering equipment and not just meters. Indeed, if the drafters of the Interconnection Agreement (as well as FERC which approved the agreement) had intended to limit Section 8.6’s applicability to meters they would have so written.

The inaccuracies giving rise to Kentucky Power’s report to the Commission occurred as a result of a programming error in the Consolidated Energy Accounting System (“CEAS”) and the translation between the CT (Current Transformer) and the meter. The attached PowerPoint slide indicates (Attachment 6), the CEAS and CT are part of the metering equipment used by Kentucky Power in retrieving information concerning energy use.² As such, the error resulting from its operation is governed by Section 8.6 of the Interconnection Agreement.

Kentucky Power’s Recommendation for Case No. 2006-00507.

Kentucky Power requests that the Commission issue an Order closing this two-year review because the proposed adjustment relates to a time period (May, 2007) beyond the October 31, 2006 ending date for the Commission’s review in this proceeding. Any further adjustments as a result of developments in West Virginia can be considered in connection with the Company’s next two-year review.

Very truly yours,


Mark R. Overstreet

cc: Larry Cook
Michael Kurtz

² The MV-90, which is directly linked to the meter, is the system used to gather meter data information. It in turn is directly linked to the Statistical Analysis Software (SAS). The SAS is the feeder system for CEAS that pulls selected metering data from the MV-90 system.

INTERCONNECTION AGREEMENT
BETWEEN
APPALACHIAN POWER COMPANY
KENTUCKY POWER COMPANY
OHIO POWER COMPANY
COLUMBUS AND SOUTHERN OHIO ELECTRIC COMPANY *
INDIANA & MICHIGAN ELECTRIC COMPANY
AND WITH
AMERICAN ELECTRIC POWER SERVICE CORPORATION,
AS AGENT

Dated: July 6, 1951, as modified and supplemented by:

Modification No. 1, August 1, 1951
Modification No. 2, September 20, 1962
Modification No. 3, April 1, 1975
Supplement No. 1 to
Modification No. 3, August 1, 1979
Supplement No. 2 to
Modification No. 3, August 27, 1979
Modification No. 4, November 1, 1980 *
Compliance Filing (FERC ordered), Opinion 266,
Docket Nos. ER82-579-006 and EL86-10-001

* Pursuant to Modification No. 4 the terms "Member" and "Members", whenever said terms appear in the 1951 Agreement, shall, on and after the time when Modification No. 4 shall become effective, include Columbus Company.

Members in proportion to their respective MEMBER LOAD RATIOS.

(The following illustrates the application of the principle and procedure for effecting such settlements:

It is assumed that Appalachian Company has delivered a block of SYSTEM INTERCHANGE TO FOREIGN COMPANY which has been supplied by carrying a block of load that would not otherwise be carried at Windsor Station of Ohio Company; the out-of-pocket cost incurred by Ohio Company being 3.50 mills per kilowatt-hour.

Charges payable to and credits payable from the SYSTEM ACCOUNT for such energy shall be at the following rates: (1) charge Appalachian Company and Indiana Company at rates per kilowatt-hour equal to the product of 3.50 mills per kilowatt-hour and their respective MEMBER LOAD RATIOS, and (2) pay Ohio Company at a rate equal to the sum of the rates charged Appalachian Company and Indiana.)

As described under subdivision 7.5 above, electric power and energy for sales to Foreign Companies shall be considered to be supplied from the higher cost of the following two sources: (1) from the highest cost source carrying load on the System, excluding sources operated for minimum operating requirements, or (2) the highest cost source supplying electric power and energy to the System under arrangements with Foreign Companies. Similarly, following the determination and designation of such source for the aforesaid sales, electric power and energy for SYSTEM INTERCHANGE TO FOREIGN COMPANY deliveries shall be considered to be supplied from the higher cost of the balance of said two sources.

ARTICLE 8

DELIVERY POINTS, METERING POINTS AND METERING

Delivery Points

8.1 All electric energy delivered under this agreement shall be of the character commonly known as three-phase sixty-cycle energy, and shall be delivered at the various Interconnection

one Member on the premises of another Member shall be owned and maintained by the Member installing such equipment. Upon termination of this agreement the Member owning such metering equipment shall remove it from the premises of the other Member. Authorized representatives of any Member shall have access at all reasonable hours to the premises where the meters are located and to the records made by the meters.

8.5 The aforesaid metering equipment shall be tested by the owner at suitable intervals and its accuracy of registration maintained in accordance with good practice. On request of any Member, special tests shall be made at the expense of the Member requesting such special test.

8.6 If on any test of metering equipment, an inaccuracy shall be disclosed exceeding two percent, the account between the Members for service theretofore delivered shall be adjusted to correct for the inaccuracy disclosed over the shorter of the following two periods: (1) for the thirty-day period immediately preceding the day of the test or (2) for the period that such inaccuracy may be determined to have existed. Should the metering equipment as hereinabove provided for fail to register at any time, the electric power and energy delivered shall be determined from the check meters, if installed, or otherwise shall be determined from the best available data.

ARTICLE 9

RECORDS AND STATEMENTS

9.1 In addition to meter records to be kept by the Members as provided under Article 8, the Members shall keep in duplicate such log sheets and other records as may be needed to afford a clear history of the various deliveries of electric power and energy made pursuant to the provisions of this agreement. The

Kentucky Power Company
Period of May 2007 - Revised

Line No.	Description	As Filed	Revised	Benefit to the Customer
(1)	Fuel Costs	10,896,965 (A)	10,906,930 (B)	(9,965)
(2)	Customer's Share of System Sales	412,452	293,414 *	(119,038) (C)
(3)	Environmental Surcharge	949,835	754,757 *	195,078 (D)
(4)	Total	12,259,252	11,955,101 *	66,075

* There was a small change to the SO2 Emission Allowance Inventory which resulted in a \$1,708 increase in the environmental revised costs. This in turn changed the environmental costs applicable to System Sales, which revised the Customer's Share of System Sales amount by a \$390 decrease from what was handed out during the September 19, 2007 informal conference.

- (A) See Page 5 of 33
- (B) See Page 9 of 33
- (C) See Page 10 of 33, Line 8
- (D) See Page 11 of 33

Kentucky Power Company
Period of May 2007

	As Filed	Revised	Benefit to the Customer
Fuel Costs	10,896,965	10,906,930	(9,965)
Customer's Share of System Sales	412,452	293,804	(118,648)
Environmental Surcharge	949,835	753,049	196,786
Total	12,259,252	11,953,783	68,173

**KENTUCKY POWER COMPANY
POWER TRANSACTION SCHEDULE
May 2007**

TRANSACTION TYPES *

F	FIRM
LT-CAP	LONG TERM CAPACITY
L-TERM	LIMITED TERM
S-TERM	SHORT TERM
PRE	PRE-SCHEDULED
RESCAP	RESERVED CAPACITY
ARS-EMRG	AUTO RESERVE SHARING - EMERG.
EXP-CONG	EXPLICIT CONGESTION
IMP-CONG	IMPLICIT CONGESTION
SPOT-ENG	PJM MARKET SPOT ENERGY
ND	NON-DISPLACEMENT
SUPP	SUPPLEMENTAL (OVEC)
EMERG	EMERGENCY
CMP-UPR	UNIT POWER
NF	NON-FIRM
PKPWR	PEAKING POWER
CCS:COALPH	COAL CONVERSION SVC.
GENLOS	GENERATION LOSS
BKI-EXCS	BUCKEYE EXCESS POWER
U-ENERGY	UNIT ENERGY

OTHER

HR	HOURLY
DY	DAILY
WK	WEEKLY
MO	MONTHLY
YR	YEAR
PH	PHYSICAL

* Due to voluminous transactions, they are aggregated by type rather than by interconnected utility.

PURCHASES

BILLING COMPONENTS

<u>TRANSACTION TYPE</u>	<u>MWH</u>	<u>FUEL CHARGE (\$)</u>	<u>DEMAND (\$)</u>	<u>OTHER CHARGES (\$)</u>	<u>TOTAL CHARGES (\$)</u>
DY-2F	29,568	1,057,308.72	0.00	264,323.57	1,321,632.29
HR-2NF	795	46,437.35	0.00	9,147.17	55,584.52
EXP-CONG	0	0.00	0.00	2,561.13	2,561.13
IMP-CONG	0	0.00	0.00	373,772.42	373,772.42
SPOT-ENG	34,064	1,300,587.97	0.00	325,146.01	1,625,733.98
DY-F	128	6,277.92	0.00	1,569.44	7,847.36
DY-NF	236	11,510.57	0.00	2,877.68	14,388.25
HR-NF	<u>3,827</u>	<u>145,398.08</u>	<u>0.00</u>	<u>36,349.18</u>	<u>181,747.26</u>
	68,618 ⁽¹⁾	2,567,520.61	0.00	1,015,746.60	3,583,267.21
AEP POOL PRIMARY PURCHASES:	188,367	2,501,037.00	0.00	436,870.00	2,937,907.00
INTERRUPTIBLE BUY/THROUGH (AEP AFF. COS.)	0	0.00	0.00	0.00	0.00
BOOKOUTS/OPTIONS:	271,660	0.00	0.00	10,129,459.00	10,129,459.00
TOTALS:	528,645	5,068,557.61	0.00	11,582,075.60	16,650,633.21

⁽¹⁾ ALLOCATED TO SYSTEM SALES:
 ALLOCATED TO INTERNAL CUSTOMERS:

<u>MWH</u>	<u>Total Energy Charges</u>
65,575	3,225,197.66
<u>3,043</u>	<u>358,069.55</u>
68,618	3,583,267.21
0	314,378.49
<u>68,618</u>	<u>3,268,888.72</u>

LESS: PJM IMPLICIT CONGESTION INCLUDED IN THE INTERNAL CUSTOMER'S FIGURE:
 NET INCLUDABLE ENERGY CHARGES:

NOTE:

IN THE ABOVE TRANSACTIONS THERE WERE NO PURCHASES AS A RESULT OF FORCED OUTAGES AT BIG SANDY PLANT.

KENTUCKY POWER COMPANY
 POWER TRANSACTION SCHEDULE
 MONTH ENDED: MAY 2007

SALES TRANSACTION TYPE	KPCO MLR SHARE OF DELIVERED MWH	BILLING COMPONENTS					
		SUPPLIED BY KPCO SOURCES			DEMAND (\$)	OTHER CHARGES (\$)	TOTAL CHARGES (\$)
		MWH	FUEL CHARGE (\$)	FUEL CHARGE (\$)			
LT-CAP	11,466	8,412	149,812.10	230,256.00	42,120.19	422,188.29	
RESCAP	0	0	0.00	18,051.77	0.00	18,051.77	
DY-2F	102,366	73,212	1,902,253.81	0.00	3,224,275.93	5,126,529.74	
DY-2NF	0	90	4,549.68	0.00	3,971.36	8,521.04	
CMP-UPR	0	0	0.00	43,992.00	0.00	43,992.00	
SPOT-ENG	61,731	46,665	1,529,631.07	0.00	923,313.74	2,452,944.81	
MO-F	32,934	22,739	418,080.90	389,056.74	712,981.23	1,520,118.87	
DY-F	816	736	23,397.02	0.00	31,969.38	55,366.40	
DY-NF	9,102	4,893	138,962.43	0.00	228,869.36	367,831.79	
HR-NF	2,164	1,348	52,123.72	0.00	61,223.10	113,346.82	
GENLOS	7	1	64.46	0.00	(64.46)	0.00	
BKT-EXCS	<u>235</u>	<u>238</u>	<u>16,187.38</u>	<u>0.00</u>	<u>4,548.04</u>	<u>20,735.42</u>	
	220,821	158,334	4,200,635.17 ⁽¹⁾	681,356.51	5,267,635.27	10,149,626.95	
AEP POOL SALES (PRIMARY/ECONOMY)	0	58,971	1,188,247.00	0.00	243,067.00	1,431,314.00	
INTERRUPTIBLE BUY/THROUGH (AEP AFF. CO./KY EL STEEL)	0	17	975.00	0.00	254.00	1,229.00	
BOOKOUTS/OPTIONS:	304,969	0	0.00	0.00	10,541,925.00	10,541,925.00	
TOTALS:	525,790	217,322	5,389,857.17	681,356.51	16,052,881.27	22,124,094.95	
KPCo's other costs incurred, (other than fuel from Account 151):						1,176,890.93	
KPCo's MLR share of AEP energy cost less the actual energy costs incurred by KPCo:						2,214,910.50	
KPCo's MLR share of the difference (Total AEP energy charges - Total AEP energy costs):						1,875,833.84	
Total (Other Charges):						<u>5,267,635.27</u>	

⁽¹⁾ Includes (\$34,427.40) adjustment for chemicals carried over to Other Charges.

KENTUCKY POWER COMPANY
 FUEL COST SCHEDULE
 MONTH ENDED: MAY 2007

<u>(A) COMPANY GENERATION</u>	<u>BIG SANDY (PLANT)</u>	<u>ROCKPORT UNIT #1</u>	<u>ROCKPORT UNIT #2</u>	<u>FUEL AMOUNTS (\$)</u>
COAL BURNED	8,537,426.25	2,289,020.00	0.00	10,826,446.25
OIL BURNED	302,589.19	80,480.00	0.00	383,069.19
GAS BURNED				-----
FUEL (JOINTLY OWNED PLANT)				-----
FUEL (ASSIGNED COST DURING F.O.) (0 x 0.000)				0.00
FUEL (SUBSTITUTE FOR F.O.)				-----
SUB-TOTAL				11,209,515.44
 <u>(B) PURCHASES</u>				
NET ENERGY COST - ECONOMY PURCHASES				0.00
(1) IDENTIFIABLE FUEL COST - OTHER PURCHASES				5,769,925.72
IDENTIFIABLE FUEL COST (SUBSTITUTE FOR F.O.) (0 x 0.000)				0.00
SUB-TOTAL				5,769,925.72
 <u>(C) INTER-SYSTEM SALES</u>				
(2) FUEL COSTS				6,082,476.16
TOTAL FUEL COSTS (A + B - C)				10,896,965.00
 F.O. = FORCED OUTAGE				
DETAILS:				
<u>FUEL (ASSIGNED COST DURING F.O.)</u>				
QUANTITY OF SUBSTITUTE ENERGY GIVEN AN ASSIGNED COST (Kwh):				
AT THE BIG SANDY FUEL RATE OF:	20.509	MILLS/KWH	\$	0
				0.00
 <u>IDENTIFIABLE FUEL COST (SUBSTITUTE FOR F.O.)</u>				
<u>PURCHASES SUBSTITUTED FOR F.O.:</u>				
PRIMARY ENERGY (AEP POOL) 00,000,000 KWH	13.277	MILLS/KWH	\$	0.00
CASH PURCHASES FROM NON-AFFILIATED COS. 0 KWH		MILLS/KWH	\$	0.00
TOTAL PURCHASES (IDENTIFIABLE FUEL COST) (SUBSTITUTE FOR F.O.):	Kwh 13.277	MILLS/KWH	\$	0.00

(1) INCLUDES TOTAL ENERGY COSTS OF NON-ECONOMY PURCHASES AS PER KPSC ORDER OF OCTOBER 3, 2002
 TN CASE NO. 2000-00495-B.

KENTUCKY POWER COMPANY
POWER TRANSACTION SCHEDULE

May 2007

(FINAL)

07/19/07

TRANSACTION TYPES *

F	FIRM
LT-CAP	LONG TERM CAPACITY
L-TERM	LIMITED TERM
S-TERM	SHORT TERM
PRE	PRE-SCHEDULED
RESCAP	RESERVED CAPACITY
ARS-EMRG	AUTO RESERVE SHARING - EMERG.
EXP-CONG	EXPLICIT CONGESTION
IMP-CONG	IMPLICIT CONGESTION
SPOT-ENG	PJM MARKET SPOT ENERGY
ND	NON-DISPLACEMENT
SUPP	SUPPLEMENTAL (OVEC)
EMERG	EMERGENCY
CMP-UPR	UNIT POWER
NF	NON-FIRM
PKPWR	PEAKING POWER
CCS;COALPH	COAL CONVERSION SVC.
GENLOS	GENERATION LOSS
BKI-EXCS	BUCKEYE EXCESS POWER
U-ENERGY	UNIT ENERGY

OTHER

HR	HOURLY
DY	DAILY
WK	WEEKLY
MO	MONTHLY
YR	YEAR
PH	PHYSICAL

* Due to voluminous transactions, they are aggregated by type rather than by interconnected utility.

PURCHASES

BILLING COMPONENTS

<u>TRANSACTION TYPE</u>	<u>MWH</u>	<u>FUEL CHARGE (\$)</u>	<u>DEMAND (\$)</u>	<u>OTHER CHARGES (\$)</u>	<u>TOTAL CHARGES (\$)</u>
DY-2F	22,303	973,675.60	0.00	243,415.58	1,217,091.18
HR-2NF	729	42,764.16	0.00	8,423.63	51,187.78
EXP-CONG	0	0.00	0.00	2,358.54	2,358.54
IMP-CONG	0	0.00	0.00	344,207.02	344,207.02
SPOT-ENG	31,364	1,197,711.46	0.00	299,426.96	1,497,138.42
DY-F	96	5,781.34	0.00	1,445.30	7,226.63
DY-NF	220	10,600.08	0.00	2,650.06	13,250.14
HR-NF	<u>3,437</u>	<u>133,897.09</u>	<u>0.00</u>	<u>33,473.96</u>	<u>167,371.05</u>
	58,149 ⁽¹⁾	2,364,429.73	0.00	935,401.04	3,299,830.77
AEP POOL PRIMARY PURCHASES:	188,626	2,504,387.00	0.00	437,613.00	2,942,000.00
INTERRUPTIBLE BUY/THROUGH (AEP AFF. COS.)	0	0.00	0.00	0.00	0.00
BOOKOUTS/OPTIONS:	250,172	0.00	0.00	9,328,218.79	9,328,218.79
TOTALS:	496,947	4,868,816.73	0.00	10,701,232.84	15,570,049.57

⁽¹⁾ ALLOCATED TO SYSTEM SALES:
ALLOCATED TO INTERNAL CUSTOMERS:

<u>MWH</u>	<u>Total Energy Charges</u>
55,426	2,970,084.53
<u>2,723</u>	<u>329,746.25</u>
58,149	3,299,830.77
<u>0</u>	<u>289,511.15</u>
58,149	3,010,319.62

LESS: PJM IMPLICIT CONGESTION INCLUDED IN THE INTERNAL CUSTOMER'S FIGURE:
NET INCLUDABLE ENERGY CHARGES:

NOTE:

IN THE ABOVE TRANSACTIONS THERE WERE NO PURCHASES AS A RESULT OF FORCED OUTAGES AT BIG SANDY PLANT.

KENTUCKY POWER COMPANY
POWER TRANSACTION SCHEDULE
MONTH ENDED: MAY 2007

KPSC Case No. 2006-00507
Letter Dated October 10, 2007
Attachment 2
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SALES TRANSACTION TYPE	KPCO MLR SHARE OF DELIVERED MWH	BILLING COMPONENTS				
		SUPPLIED BY KPCO SOURCES			DEMAND	OTHER CHARGES
		MWH	FUEL CHARGE (\$)	(\$)	(\$)	(\$)
LT-CAP	10,416	8,336	149,812.10	212,042.75	38,788.48	388,793.20
RESCAP	0	0	0.00	16,623.87	0.00	16,623.87
DY-2F	89,525	70,035	1,902,253.81	0.00	2,969,235.70	4,721,021.24
DY-2NF	0	98	4,549.68	0.00	3,657.23	7,847.03
CMP-UPR	0	0	0.00	40,512.23	0.00	40,512.23
SPOT-ENG	56,845	40,967	1,529,631.07	0.00	850,279.62	2,258,916.88
MO-F	29,861	22,351	418,080.90	358,282.35	656,584.41	1,399,877.47
DY-F	688	675	23,397.02	0.00	29,440.60	50,986.92
DY-NF	8,342	4,465	138,962.43	0.00	210,765.79	338,736.30
HR-NF	1,930	1,054	52,123.72	0.00	56,380.35	104,381.09
GENLOS	7	1	64.46	0.00	(59.36)	0.00
BKI-EXCS	<u>219</u>	<u>203</u>	<u>16,187.38</u>	<u>0.00</u>	<u>4,188.29</u>	<u>19,095.25</u>
	197,833	148,185	4,200,635.17	627,461.21	4,853,688.53	9,346,791.46
Includes Purchase Adjustment see Note 2		148,185	4,000,308.20 ⁽¹⁾			
		0	(200,326.97) ⁽²⁾			
AEP POOL SALES (PRIMARY/ECONOMY)	0	58,421	1,178,176.00	0.00	241,337.00	1,419,513.00
INTERRUPTIBLE BUY/THROUGH (AEP AFF. CO./KY EL. STEEL)	0	17	975.00	0.00	254.00	1,229.00
BOOKOUTS/OPTIONS:	280,846	0	0.00	0.00	9,708,058.73	9,708,058.73
TOTALS:	478,679	206,623	5,179,459.20	627,461.21	14,803,338.26	20,475,592.19
KPCo's other costs incurred, (other than fuel from Account 151):						1,086,522.07
KPCo's MLR share of AEP energy cost less the actual energy costs incurred by KPCo:						2,039,711.08
KPCo's MLR share of the difference (Total AEP energy charges - Total AEP energy costs):						1,727,455.38
Total (Other Charges):						<u>4,853,688.53</u>

⁽¹⁾ Includes (\$34,427.40) adjustment for chemicals carried over to Other Charges.

⁽²⁾ Purchases allocated to sales adjustment due to change in MLR.

KENTUCKY POWER COMPANY
 FUEL COST SCHEDULE
 MONTH ENDED: MAY 2007

<u>(A) COMPANY GENERATION</u>	<u>BIG SANDY (PLANT)</u>	<u>ROCKPORT UNIT #1</u>	<u>ROCKPORT UNIT #2</u>	<u>FUEL AMOUNTS (\$)</u>
COAL BURNED	8,537,426.25	2,289,020.00	0.00	10,826,446.25
OIL BURNED	302,589.19	80,480.00	0.00	383,069.19
GAS BURNED				-----
FUEL (JOINTLY OWNED PLANT)				-----
FUEL (ASSIGNED COST DURING F.O.) (0 x 0.000)				0.00
FUEL (SUBSTITUTE FOR F.O.)				-----
SUB-TOTAL				11,209,515.44
 <u>(B) PURCHASES</u>				
NET ENERGY COST - ECONOMY PURCHASES				0.00
(1) IDENTIFIABLE FUEL COST - OTHER PURCHASES				5,514,706.62
IDENTIFIABLE FUEL COST (SUBSTITUTE FOR F.O.) (0 x 0.000)				0.00
SUB-TOTAL				5,514,706.62
 <u>(C) INTER-SYSTEM SALES</u>				
(1) FUEL COSTS				5,817,292.03
TOTAL FUEL COSTS (A + B - C)				10,906,930.04 (P)
F.O. = FORCED OUTAGE				
DETAILS:				
<u>FUEL (ASSIGNED COST DURING F.O.)</u>				
QUANTITY OF SUBSTITUTE ENERGY GIVEN AN ASSIGNED COST (Kwh):				0
AT THE BIG SANDY FUEL RATE OF:		20.509	MILLS/KWH \$	0.00
<u>IDENTIFIABLE FUEL COST (SUBSTITUTE FOR F.O.)</u>				
<u>PURCHASES SUBSTITUTED FOR F.O.:</u>				
PRIMARY ENERGY (AEP POOL) 00,000,000 KWH		13.277	MILLS/KWH \$	0.00
CASH PURCHASES FROM NON-AFFILIATED COS. 0 KWH			MILLS/KWH \$	0.00
TOTAL PURCHASES (IDENTIFIABLE FUEL COST) (SUBSTITUTE FOR F.O.):	Kwh	13.277	MILLS/KWH \$	0.00

(1) INCLUDES TOTAL ENERGY COSTS OF NON-ECONOMY PURCHASES AS PER Kpsc ORDER OF OCTOBER 3, 2002 IN CASE NO. 2000-00495-B.

Revised - 09/20/2007

KENTUCKY POWER COMPANY
 SYSTEM SALES CLAUSE SCHEDULE & NET REVENUE

Month Ended: May 2007

Line No.	REVENUE	AS FILED	DIFFERENCE	AS FILED	AS FILED	AS FILED	AS FILED	AS FILED	AS FILED	DIFFERENCE
Line No.	CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	TOTAL	CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	TOTAL	CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	TOTAL	DIFFERENCE
1	\$2,784,726	\$2,954,780	(\$170,054)	\$2,954,780		\$2,954,780				
2	\$0	\$0	\$0	\$0		\$0				
3	\$2,784,726	\$2,954,780	(\$170,054)	\$2,954,780		\$2,954,780				
4	\$2,365,563	\$2,365,563	\$0	\$2,365,563		\$2,365,563				
5	\$419,163	\$589,217	(\$170,054)	\$589,217		\$589,217				
6	70%	70%	70%	70%		70%				
7										
8	\$293,414	\$412,452	(\$119,038)	\$412,452		\$412,452				
9										
10										
1	\$9,554,265	(\$29,262)	\$9,525,003	\$10,371,957	(\$29,262)	\$10,342,695	\$10,371,957	(\$29,262)	\$10,342,695	(\$817,692)
2	0	0	0	0	0	0	0	0	0	0
3	9,554,265	(29,262)	9,525,003	10,371,957	(29,262)	10,342,695	10,371,957	(29,262)	10,342,695	(817,692)
4	\$6,327,981	\$166,204	\$6,494,185	\$6,885,486	\$166,204	\$7,051,690	\$6,885,486	\$166,204	\$7,051,690	(\$557,505)
5	0	0	0	0	0	0	0	0	0	0
6	\$246,092	0	246,092	336,225	0	336,225	336,225	0	336,225	(90,133)
7	6,574,073	166,204	6,740,277	7,221,711	166,204	7,387,915	7,221,711	166,204	7,387,915	(647,638)
8	\$2,980,192	(\$195,466)	\$2,784,726	\$3,150,246	(\$195,466)	\$2,954,780	\$3,150,246	(\$195,466)	\$2,954,780	(\$170,054)

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CALCULATION OF E(m) and SURCHARGE FACTOR
 For the Expense Month of May 2007

<u>CALCULATION OF E(m)</u>		Revised Amount	Amount Filed	Difference
E(m) = CRR - BRR				
LINE 1	CRR from ES FORM 3.00	\$2,613,486	\$2,915,796	(\$302,310)
LINE 2	Brr from ES FORM 1.10	\$1,514,859	\$1,514,859	\$0
LINE 3	E(m) (LINE 1 - LINE 2)	\$1,098,627	\$1,400,937	(\$302,310)
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	68.7%	67.8%	0.9%
LINE 5A	KY Retail E(m) (LINE 3 * LINE 4)	\$754,757	\$949,835	(\$195,078)
LINE 5B	Monthly Increase in Jurisdictional Environmental Revenue Requirement per Case No. 2006-00128, dated January 31, 2007	\$95,494	\$95,494	\$0
LINE 6	Over/(Under) Recovery Adjustment from ES FORM 3.30	(\$168,809)	(\$168,809)	\$0
LINE 7	Net KY Retail E(m) (LINE 5A + LINE 5B + LINE 6)	\$681,442	\$876,520	(\$195,078)
<u>SURCHARGE FACTOR</u>				
LINE 8	Net KY Retail E(m) (Line 7)	\$681,442	\$876,520	(\$195,078)
LINE 9	KY Retail R(m) from ES FORM 3.30	\$28,451,204	\$28,451,204	\$0
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	2.3951%	3.0808%	-0.6857%

(D)
(D)

Effective Date for Billing: _____

Submitted By : _____

Title : Director Regulatory Services

Date Submitted : _____

Note:	Amount	Percentage of Revenues	Amount	Percentage of Revenues	Difference
Total Environmental Cost	\$1,098,627		\$1,400,937		(\$302,310)
Kentucky Retail Revenues	\$754,757	68.7%	\$949,835	67.8%	(\$195,078)
FERC Wholesale Revenues	\$13,184	1.2%	\$15,410	1.1%	(\$2,226)
Associated Utilities Revenues	\$84,594	7.7%	\$99,467	7.1%	(\$14,873)
Non-Assoc. Utilities Revenues (Off System Sales)	\$246,092	22.4%	\$336,225	24.0%	(\$90,133)
Total	\$1,098,627	100.0%	\$1,400,937	100.0%	(\$302,310)

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
BASE PERIOD REVENUE REQUIREMENT
For the Expense Month of May 2007

MONTHLY BASE PERIOD REVENUE REQUIREMENT

Billing Month	Base Net Environmental Costs
JANUARY	\$2,531,784
FEBRUARY	3,003,995
MARCH	2,845,066
APRIL	2,095,535
MAY	1,514,859
JUNE	1,913,578
JULY	2,818,212
AUGUST	2,342,883
SEPTEMBER	2,852,305
OCTOBER	2,181,975
NOVEMBER	2,598,522
DECEMBER	1,407,969
TOTAL	----- \$28,106,683 =====

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT
For the Expense Month of May 2007

CALCULATION OF CURRENT PERIOD REVENUE REQUIREMENT

LINE NO.	COMPONENTS		
1	First Component: Associated with Big Sandy Plant ((RB KP(C)) (ROR KP(C)/12)) + OE KP(C) ES FORM 3.10, Line 20		\$2,895,585
2	Second Component: Associated with Rockport Plant [((RB IM(C)) (ROR IM(C)/12)) + OE IM(C)] ES FORM 3.20, Line 12		\$48,438
	Third Component: Net Proceeds from Emission Allowances Sales AS 1) SO₂ - EPA Auction Proceeds received during Expense Month 2) SO₂ - Net Gain or (Loss) from Allowance Sales, in compliance with the AEP Interim Allowance Agreement, received during Expense Month Total Net Proceeds from SO ₂ Allowances 1) NO_x - ERC Sales Proceeds, received during Expense Month 2) NO_x - EPA Auction Proceeds, received during Expense Month 3) NO_x - Net Gain or Loss from NO _x Allowances Sales, received during Expense Month Total Net Proceeds from NO _x Allowances	\$0 \$330,537 \$330,537 \$0 \$0 \$0 \$0	 \$330,537
3	Total Net Gain or (Loss) from Emission Allowance Sales		\$330,537
4	Total Current Period Revenue Requirement, CRR Record on ES FORM 1.00.		\$2,613,486

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 COSTS ASSOCIATED WITH BIG SANDY

For the Expense Month of May 2007

LINE NO.	COST COMPONENT		
	Return on Rate Base :		
1	Utility Plant at Original Cost	\$191,086,055	
2	Less Accumulated Depreciation	(\$34,229,909)	
3	Less Accum. Def. Income Taxes	(\$33,572,199)	
4	Net Utility Plant		\$123,283,947
5	SO2 Emission Allowance Inventory from ES FORM 3.11		\$11,701,731
6	ECR & NOx Emission Allowance Inventory from ES FORM 3.12		\$0
7	Cash Working Capital Allowance from ES FORM 3.13, Line11		\$100,469
8	Total Rate Base		\$135,086,147
9	Weighted Average Cost of Capital - ES FORM 3.15	10.15%	
10	Monthly Weighted Avg. Cost of Capital (9) / 12		0.85%
11	Monthly Return of Rate Base (8) * (10)		\$1,148,232
	Operating Expenses :		
12	Monthly Depreciation Expense		\$576,258
13	Monthly Catalyst Amortization Expense		\$46,030
14	Monthly Property Taxes		\$15,153
15	Monthly Kentucky Air Emissions Fee		\$32,201
16	Monthly Environmental AEP Pool Capacity Costs from ES FORM 3.14, Page 1 of 11, Column 5, Line 10		\$719,797
17	Monthly 2003 Plan Non-Fuel O&M Expenses from ES FORM 3.13		\$235,191
18	Monthly SO2 Emission Allowance Consumption		\$122,723
19	Monthly ERC & NOx Emission Allowance Consumption		\$0
20	Total Operating Expenses [Line 12 thru Line 18]		\$1,747,353
21	Total Revenue Requirement - Big Sandy Record on ES FORM 3.00, Line 1		\$2,895,585

Attachment 2
 Page 16 of 37
AMERICAN ELECTRIC POWER - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT
SO2 EMISSIONS ALLOWANCE INVENTORY

For the Expense Month of May 2007

	(1) Allowance Activity in Month	(2) Cumulative Balance	(3) Dollar Value of Activity	(4) Cumulative Dollar Balance	(5) Weighted Average Cost
BEGINNING INVENTORY		754,608		\$4,685,726	\$6.209
Additions -					
EPA Allowances	0	298,425	\$0	\$0	\$0.000
Gavin Reallocation	0	62,114	\$0	\$0	\$0.000
P & E Transfers In	0	325,869	\$0	\$4,725,223	\$14.500
Intercompany Purchases	0	20,657	\$0	\$3,212,441	\$155.513
Other (List)	0	428,624	\$0	\$67,006,514	\$156.329
SO2 Emissions Allowance Adjustment	0	4	\$0	\$0	\$0.000
Withdrawals -					
P & E Transfers Out	0	9,038	\$0	\$775,253	\$85.777
Intercompany Sales	0	50,124	\$0	\$4,704,459	\$93.856
Off - System Sales	690	292,308	\$28,607	\$29,573,207	\$101.171
SO2 Emissions Allowance Adjustment	0	0	\$0	\$0	\$0.000
SO2 Emissions Allowances Consumed By Kentucky Power	2,959	425,895	\$122,723	\$32,875,254	\$77.191
ENDING INVENTORY - Record Balance in Column (4) on ES FORM 3.10, Line 5		1,112,936		\$11,701,731	\$10.514
Expense Month Member Load Ratio for AEP/Kentucky Power					0.06896

Columns 1 and 2 -

Record the number of allowances in any transaction (purchase, sale, transfer) which occurred during the Expense Month. Multiple transactions for a given category are to be shown as the total activity for that category during the Expense Month. For each transaction shown in Column 1, update the cumulative balance in Column 2.

Columns 3 and 4 -

For each transaction reflected in Column 1, record the total dollars of the transaction. Multiple transaction for a given category are to be shown as the total dollar amount for that category during the Expense Month. For each transaction shown in Column 3, update the cumulative dollar balance in Column 4. Include transactions that total zero dollars. Record amounts in whole dollars.

Column 5 -

Compute the Weighted Average Cost by dividing the Cumulative Dollar Balance (Co. 4) by the corresponding Cumulative Balance (Col. 2). Perform this calculation for the Beginning Inventory, Ending Inventory and all additions and withdrawals made during the Expense Month. The Weighted Average Cost should be carried out to 3 decimal places.

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 ERC and NOx EMISSIONS ALLOWANCE INVENTORY

For the Expense Month of May 2007

	(1) Allowance Activity in Month	(2) Cumulative Balance	(3) Dollar Value of Activity	(4) Cumulative Dollar Balance	(5) Weighted Average Cost
BEGINNING INVENTORY		0		\$0	0.000
Additions -					
EPA Allowances	0	18,575	\$0	\$0	
P&E Transfers In	0	0		\$0	
Intercompany Purchases	0	0	\$0	\$0	0.000
Other (List)	0	0	\$0	\$0	0.000
Withdrawals -					
P & E Transfers Out	0	0	\$0	\$0	0.000
Intercompany Sales	0	0	\$0	\$0	0.000
Off - System Sales	0	1,650	\$0	\$0	0.000
ERC Consumed By Kentucky Power	0	930	\$0	\$0	0.000
NOx Consumed By Kentucky Power	449	7,562	\$0	\$0	0.000
ENDING INVENTORY - Record Balance in Column (4) on ES FORM 3.10, Line 5		8,433		\$0	0.000

Columns 1 and 2 -

Record the number of allowances in any transaction (purchase, sale, transfer) which occurred during the Expense Month. Multiple transactions for a given category are to be shown as the total activity for that category during the Expense Month. For each transaction shown in Column 1, update the cumulative balance in Column 2.

Columns 3 and 4 -

For each transaction reflected in Column 1, record the total dollars of the transaction. Multiple transaction for a given category are to be shown as the total dollar amount for that category during the Expense Month. For each transaction shown in Column 3, update the cumulative dollar balance in Column 4. Include transactions that total zero dollars. Record amounts in whole dollars.

Column 5 -

Compute the Weighted Average Cost by dividing the Cumulative Dollar Balance (Co. 4) by the corresponding Cumulative Balance (Col. 2). Perform this calculation for the Beginning Inventory, Ending Inventory and all additions and withdrawals made during the Expense Month. The Weighted Average Cost should be carried out to 3 decimal places.

Note : For any sale or transfer of ERCs or NOx emission allowances, attach to this report documentation showing the currently available market prices for similar ERC or NOx allowances.

Total Early Reduction Credits (ERC)	930
Consumed:	
June 2004	420
July 2004	510
Total Consumed	930
Remaining Early Reduction Credits (ERC)	0

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT

For the Expense Month of May 2007

LINE NO.	O&M Expenses		
	1997 Plan :		
1	Monthly Kentucky Air Emissions Fee	\$32,201	
	Total Monthly AEP Pool		
2	Environmental Capacity Costs	\$413,639	
3	Monthly SO2 Allowance Consumption	<u>\$122,723</u>	
4	Total 1997 Plan O&M Expenses		\$568,563
	2003 Plan :		
5	Monthly Variable Cladding at Big Sandy Unit 1	\$0	
6	Monthly Urea Consumption at Big Sandy Unit 2	\$207,116	
7	Monthly Catalyst Replacement at Big Sandy Unit 2	\$0	
8	Monthly ERC & NOx Allowance Consumption	\$0	
9	Equipment - Associated Operating Expenses	\$1,059	
10	Equipment - Associated Maintenance Expenses	<u>\$27,016</u>	
11	Total 2003 Plan O&M Expenses		<u>\$235,191</u>
12	Total Monthly O&M Expenses		<u>\$803,754</u>
13	Cash Working Capital Allowance (Line 10 X 1/8)		\$100,469

Total Cost at Line 11 is to be recorded on ES FORM 3.10, Line 7.

**Kentucky Power Company
 Environmental Equipment Operation and Maintenance Costs
 May 2007**

Work Description	Material Costs	Outside Contract Labor	Misc Other Costs	Total Costs
SCR Boiler Outlet Ductwork	\$662.50	\$8,222.07	\$0.00	\$8,884.57
SCR Instrument & Controls	\$1,509.68	\$0.00	\$0.00	\$1,509.68
SCR NOx Monitoring	\$1,274.78	\$0.00	\$0.00	\$1,274.78
SCR Booster Fan	\$1,078.82	\$0.00	\$0.00	\$1,078.82
Boiler Acoustic Horns	\$183.20	\$0.00	\$0.00	\$183.20
Ammonia Injection System	\$4,867.56	\$0.00	\$0.00	\$4,867.56
SCR Bypass Dampers	\$301.05	\$0.00	\$0.00	\$301.05
Total SCR May 2007 O & M Expense	\$9,877.59	\$8,222.07	\$0.00	\$18,099.66
Additional Operator Overtime During The Ozone Season	\$0.00	\$0.00	\$1,059.12	\$1,059.12
Emission Testing Required Under Permit -				
Operation	\$0.00	\$0.00	\$0.00	\$0.00
Maintenance	\$8,916.10	\$0.00	\$0.00	\$8,916.10
May 2007 O & M Expenses Filed				\$28,075

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 AEP POOL MONTHLY ENVIRONMENTAL CAPACITY COSTS

For the Expense Month of May 2007

Line No. (1)	Cost Component (2)	Ohio Power Company's Environmental Cost to KPCo (3)	Indiana Michigan Power Company's Environmental Cost to KPCo (4)	Total (5)
1	Amos Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 24)	\$58,626		
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 22)	\$55,369		
3	Gavin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 26)	\$491,807		
4	Kammer Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 20)	\$3,257		
5	Mitchell Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 21)	\$39,084		
6	Muskingum Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 20)	\$58,626		
7	Sporn Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 20)	\$9,771		
8	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Column 5, Line 21)		\$0	
9	Tanners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 20)		\$3,257	
10	Total AEP Pool Monthly Environmental Capacity Costs to Kentucky Power	\$716,540	\$3,257	\$719,797

Note: Cost in Column 5, Line 10 is to be recorded on ES FORM 3.10, Line 16.

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 AEP POOL MONTHLY ENVIRONMENTAL CAPACITY COSTS
 WORKING CAPITAL ONLY

For the Expense Month of May 2007

Line No. (1)	Cost Component (2)	Ohio Power Company's (OPCo) Environmental Cost to KPCo (3)	Indiana Michigan Power Company's (I&M) Environmental Cost to KPCo (4)	Total (5)
1	Amos Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 16)	\$351,974		
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 12)	\$207,911		
3	Gavin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 16)	\$10,090,115		
4	Kammer Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 10)	\$18,033		
5	Mitchell Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 11)	\$474,972		
6	Muskingum Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 10)	\$161,202		
7	Sporn Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 10)	\$13,368		
8	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Column 3, Line 10)		\$12,500	
9	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Columns 4 & 5, Line 10)		\$0	
10	Tanners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 10)		\$12,500	
11	Subtotal	\$11,317,575	\$25,000	
12	Steam Capacity By Company - OPCo (Column 3) / I&M (Column 4) (kw)	8,455,000	5,101,000	
13	Environmental Base (\$/kw)	\$1.34	\$0.00	
14	Company Surplus Weighting	95.00%	5.00%	
15	Portion of Weighted Average Capacity Rate Attributed to Environmental Fixed O&M Costs	\$1.27	\$0.00	
16	Kentucky Power Capacity Deficit (kw)	325,700	325,700	
17	Fixed O&M Environmental Cost to Kentucky Power	\$413,639	\$0	\$413,639

Note: Cost in Column 5, Line 17 is to be recorded on ES FORM 3.13, Line 2.

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 OHIO POWER COMPANY (OPCo) - AMOS PLANT UNIT NO. 3

For the Expense Month of May 2007

LINE NO.	COST	AMOUNTS
1	Utility Plant at Original Cost	\$90,118,342
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>1.37%</u>
3	Total Rate Base	\$1,234,621
4	Ohio Power Company's Percentage Ownership - Environmental Investment	<u>100.00%</u>
5	OPCo's Share of Cost Associated with Amos Unit No. 3 (3) X (4)	\$1,234,621
	Operations :	
6	Disposal (5010000)	\$0
7	Urea (5020002)	\$518,775
8	Trona (5020003)	\$0
9	Lime Stone (5020004)	\$0
10	Air Emission Fee	<u>\$9,160</u>
11	Total Operations (Lines 6 thru 10)	\$527,935
	Maintenance :	
12	SCR Maintenance (5120000)	\$0
13	1/2 of Maintenance (12) * 50%	<u>\$0</u>
14	Fixed O&M (11) + (13)	\$527,935
15	Ohio Power Company's Percentage Ownership - O&M Cost	<u>66.67%</u>
16	OPCo's Share of O&M Cost Associated with Amos Unit No. 3 (14) X (15)	\$351,974
	Total Revenue Requirement,	
17	Cost Associated with Amos Unit No. 3 (5) + (16)	\$1,586,595
18	Ohio Power Company Steam Capacity (kw)	8,455,000
19	Amos Unit No. 3 Environmental Rate (\$/kw)	\$0.19
20	Ohio Power Surplus Weighing	95.00%
21	Portion of Weighted Average Capacity Rate Attributed to Amos Unit No. 3 SCR (\$/kw) (19) * (20)	\$0.18
	Amos Unit No. 3 Costs to Kentucky Power :	
22	Amos Unit No. 3 Portion (\$/kw) (21)	\$0.18
23	Kentucky Power Capacity Deficit (kw)	<u>325,700</u>
	Amos Unit No. 3 Environmental Cost to Kentucky Power (22) * (23)	
24	(ES FORM 3.14, Page 1 of 10, Line 1)	\$58,626

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 OHIO POWER COMPANY (OPCo) - CARDINAL UNIT 1

For the Expense Month of May 2007

LINE NO.	COST	AMOUNTS
1	Utility Plant at Original Cost	\$97,295,190
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>1.37%</u>
3	Total Rate Base	\$1,332,944
	Operations :	
4	Disposal (5010000)	\$0
5	Urea (5020002)	\$203,476
6	Trona (5020003)	\$0
7	Lime Stone (5020004)	\$0
8	Air Emission Fee	<u>\$4,435</u>
9	Total Operations (Line 4 thru 8)	\$207,911
	Maintenance :	
10	SCR Maintenance (5120000)	\$0
11	1/2 of Maintenance (10) * 50%	<u>\$0</u>
12	Fixed O&M (9) + (11)	\$207,911
	Total Revenue Requirement,	
13	Cost Associated with Cardinal Unit No. 3 (3) + (12)	<u>\$1,540,855</u>
14	Ohio Power Company's Percentage Ownership	100.00%
15	OPCo's Share of Cost Associated with Cardinal Unit No. 1 (13) X (14)	\$1,540,855
16	Ohio Power Company Steam Capacity (kw)	8,455,000
17	Cardinal Unit No. 1 (\$/kw)	\$0.18
18	Ohio Power Surplus Weighing	95.00%
19	Portion of Weighted Average Capacity Rate Attributed to Cardinal Unit No. 1 (\$/kw) (17) X (18)	\$0.17
	Cardinal Unit No. 1 Costs to Kentucky Power :	
20	Cardinal Unit No. 1 Portion (\$/kw) (19)	\$0.17
21	Kentucky Power Capacity Deficit (kw)	<u>325,700</u>
22	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (18) * (19) (ES FORM 3.14, Page 1 of 10, Line 2)	\$55,369

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 OHIO POWER COMPANY (OPCo) - GAVIN PLANT (UNITS 1 & 2)

For the Expense Month of May 2007

LINE NO.	COST	AMOUNTS
1	Utility Plant at Original Cost	\$244,637,350
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>1.37%</u>
3	Total Rate Base	\$3,351,532
	Operations :	
4	Sludge Disposal (5010000)	\$639,259
5	Lime (5020001)	\$2,883,016
6	Urea (5020002)	\$1,478,173
7	Trona (5020003)	\$432,366
8	Lime Stone (5020004)	\$0
9	Air Emission Fee	\$29,543
10	Lease (5070005)	<u>\$4,253,067</u>
11	Total Operations (Lines 4 thru 10)	\$9,715,424
	Maintenance :	
12	SCR Maintenance (5120000)	\$165,213
13	Scrubber Maintenance (5120000)	<u>\$584,168</u>
14	Total Maintenance (12) + (13)	\$749,381
15	1/2 of Maintenance (13) * 50%	<u>\$374,691</u>
16	Fixed O&M (11) + (15)	<u>\$10,090,115</u>
	Total Revenue Requirement,	
17	Cost Associated with Gavin Plant (3) + (16)	\$13,441,647
18	Ohio Power Company's Percentage Ownership	100.00%
19	OPCo's Share of Cost Associated with Gavin Plant (17) X (18)	\$13,441,647
20	Ohio Power Company Steam Capacity (kw)	8,455,000
21	Gavin Plant (\$/kw)	\$1.59
22	Ohio Power Surplus Weighing	95.00%
23	Portion of Weighted Average Capacity Rate Attributed to Gavin Plant (\$/kw) (21) X (22)	\$1.51
	Gavin Plant Costs to Kentucky Power :	
24	Gavin Plant Portion (\$/kw) (23)	\$1.51
25	Kentucky Power Capacity Deficit (kw)	<u>325,700</u>
	Gavin Plant Environmental Cost to Kentucky Power (24) * (25)	
26	(ES FORM 3.14, Page 1 of 10, Line 3)	\$491,807

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 OHIO POWER COMPANY (OPCo) - KAMMER PLANT (UNITS 1, 2 & 3)

For the Expense Month of May 2007

LINE NO.	COST	AMOUNTS
1	Utility Plant at Original Cost	\$7,112,543
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>1.37%</u>
3	Total Rate Base	\$97,442
	Operations :	
4	Urea (5020002)	\$0
5	Trona (5020003)	\$0
6	Air Emission Fee	<u>\$18,033</u>
7	Total Operations (4) + (5) + (6)	\$18,033
	Maintenance :	
8	SCR Maintenance (5120000)	\$0
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>
10	Fixed O&M (7) + (9)	\$18,033
	Total Revenue Requirement,	
11	Cost Associated with Kammer Plant (3) + (10)	<u>\$115,475</u>
12	Ohio Power Company's Percentage Ownership	100.00%
13	OPCo's Share of Cost Associated with Kammer Plant (11) X (12)	\$115,475
14	Ohio Power Company Steam Capacity (kw)	8,455,000
15	Kammer Plant (\$/kw)	\$0.01
16	Ohio Power Surplus Weighing	95.00%
17	Portion of Weighted Average Capacity Rate Attributed to Kammer Plant (\$/kw) (15) X (16)	\$0.01
	Kammer Plant Costs to Kentucky Power :	
18	Kammer Plant Portion (\$/kw) (17)	\$0.01
19	Kentucky Power Capacity Deficit (kw)	<u>325,700</u>
20	Kammer Plant Environmental Cost to Kentucky Power (18) * (19) (ES FORM 3.14, Page 1 of 10, Line 4)	\$3,257

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 OHIO POWER COMPANY (OPCo) - MITCHELL PLANT (UNITS 1 & 2)

For the Expense Month of May 2007

LINE NO.	COST	AMOUNTS
1	Utility Plant at Original Cost	\$43,375,267
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>1.37%</u>
3	Total Rate Base	\$594,241
	Operations :	
4	Disposal (5010000)	\$0
5	Urea (5020002)	\$332,748
6	Trona (5020003)	\$120,750
7	Air Emission Fee	<u>\$21,235</u>
8	Total Operations (Lines 4 thru 7)	\$474,733
	Maintenance :	
9	SCR Maintenance (5120000)	\$477
10	1/2 of Maintenance (8) * 50%	<u>\$239</u>
11	Fixed O&M (8) + (10)	<u>\$474,972</u>
	Total Revenue Requirement,	
12	Cost Associated with Mitchell Plant (3) + (11)	<u>\$1,069,213</u>
13	Ohio Power Company's Percentage Ownership	100.00%
14	OPCo's Share of Cost Associated with Mitchell Plant (12) X (13)	\$1,069,213
15	Ohio Power Company Steam Capacity (kw)	8,455,000
16	Mitchell Plant (\$/kw)	\$0.13
17	Ohio Power Surplus Weighing	95.00%
18	Portion of Weighted Average Capacity Rate Attributed to Mitchell Plant (\$/kw) (16) X (17)	\$0.12
	Mitchell Plant Costs to Kentucky Power :	
19	Mitchell Plant Portion (\$/kw) (18)	\$0.12
20	Kentucky Power Capacity Deficit (kw)	<u>325,700</u>
21	Mitchell Plant Environmental Cost to Kentucky Power (19) * (20) (ES FORM 3.14, Page 1 of 10, Line 5)	\$39,084

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 OHIO POWER COMPANY (OPCo) - MUSKINGUM PLANT (UNITS 1, 2, 3, 4 & 5)

For the Expense Month of May 2007

LINE NO.	COST	AMOUNTS
1	Utility Plant at Original Cost	\$106,575,168
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>1.37%</u>
3	Total Rate Base	\$1,460,080
	Operations :	
4	Urea (5020002)	\$132,692
5	Trona (5020003)	\$0
6	Air Emission Fee	<u>\$28,510</u>
7	Total Operations (4) + (5) + (6)	\$161,202
	Maintenance :	
8	SCR Maintenance (5120000)	\$0
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>
10	Fixed O&M (7) + (9)	<u>\$161,202</u>
	Total Revenue Requirement,	
11	Cost Associated with Muskingum Plant (3) + (10)	<u>\$1,621,282</u>
12	Ohio Power Company's Percentage Ownership	100.00%
13	OPCo's Share of Cost Associated with Muskingum Plant (11) X (12)	\$1,621,282
14	Ohio Power Company Steam Capacity (kw)	8,455,000
15	Muskingum Plant (\$/kw)	\$0.19
16	Ohio Power Surplus Weighing	95.00%
17	Portion of Weighted Average Capacity Rate Attributed to Muskingum Plant (\$/kw) (15) X (16)	\$0.18
	Muskingum Plant Costs to Kentucky Power :	
18	Muskingum Plant Portion (\$/kw) (17)	\$0.18
19	Kentucky Power Capacity Deficit (kw)	<u>325,700</u>
20	Muskingum Plant Environmental Cost to Kentucky Power (18) * (19) (ES FORM 3.14, Page 1 of 10, Line 6)	\$58,626

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 OHIO POWER COMPANY (OPCo) - SPORN PLANT (UNITS 2, 3, 4 & 5)

For the Expense Month of May 2007

LINE NO.	COST	AMOUNTS
1	Utility Plant at Original Cost	\$15,262,706
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>1.37%</u>
3	Total Rate Base	\$209,099
	Operations :	
4	Urea (5020002)	\$0
5	Trona (5020003)	\$0
6	Air Emission Fee	<u>\$13,368</u>
7	Total Operations (4) + (5) + (6)	\$13,368
	Maintenance :	
8	SCR Maintenance (5120000)	\$0
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>
10	Fixed O&M (7) + (9)	<u>\$13,368</u>
	Total Revenue Requirement,	
11	Cost Associated with Sporn Plant (3) + (10)	<u>\$222,467</u>
12	Ohio Power Company's Percentage Ownership	100.00%
13	OPCo's Share of Cost Associated with Sporn Plant (11) X (12)	\$222,467
14	Ohio Power Company Steam Capacity (kw)	8,455,000
15	Sporn Plant (\$/kw)	\$0.03
16	Ohio Power Surplus Weighing	95.00%
17	Portion of Weighted Average Capacity Rate Attributed to Sporn Plant (\$/kw) (15) X (16)	\$0.03
	Sporn Plant Costs to Kentucky Power :	
18	SpornGavin Plant Portion (\$/kw) (17)	\$0.03
19	Kentucky Power Capacity Deficit (kw)	<u>325,700</u>
	Sporn Plant Environmental Cost to Kentucky Power (18) * (19)	
20	(ES FORM 3.14, Page 1 of 10, Line 7)	\$9,771

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 INDIANA MICHIGAN POWER COMPANY (I&M) - ROCKPORT PLANT (UNITS 1 & 2)

For the Expense Month of May 2007

LINE NO.	COST	Rockport Plant Common	UNIT 1 AMOUNTS	UNIT 2 AMOUNTS	TOTAL
(1)	(2)	(3)	(4)	(5)	(6)
1	Utility Plant at Original Cost				
2	Member Primary Capacity Investment Rate (16.44% / 12)	\$1,776,759	\$10,544,676	\$16,709,416	
3	Total Rate Base	1.37%	1.37%	1.37%	
4	Operations :	\$24,342	\$144,462	\$228,919	
5	Urea (5020002)	\$0	\$0	\$0	
6	Troma (5020003)	\$0	\$0	\$0	
7	Air Emission Fee	\$12,500	\$0	\$0	
8	Total Operations (4) + (5) + (6)	\$12,500	\$0	\$0	
9	Maintenance :	\$0	\$0	\$0	
10	SCR Maintenance (5120000)	\$0	\$0	\$0	
11	1/2 of Maintenance (8) * 50%	\$0	\$0	\$0	
12	Fixed O&M (7) + (9)	\$12,500	\$0	\$0	
13	Total Revenue Requirement, Cost Associated with Rockport Plant (3) + (10) Indiana Michigan Power Company's Percentage Ownership I&M's Share of Cost Associated with Rockport Plant (11) X (12)	\$36,842	\$144,462	\$228,919	
14	Total Rockport Plant Common and Units 1 & 2	50%	85.00%	65.08%	
15	Indiana Michigan Power Company Steam Capacity (kw)	\$18,421	\$122,793	\$148,980	\$290,194
16	Rockport Plant (\$/kw) (14) / (15)				5,101,000
17	Kentucky Power Portion of Rockport Plant /				\$0.06
18	Indiana Michigan Power Surplus Weighing Portion of Weighted Average Capacity Rate Attributed to Rockport Plant (\$/kw) (17) X (18)				5.00%
19	Rockport Plant Costs to Kentucky Power :				\$0.00
20	Rockport Plant Portion (\$/kw) (18)				\$0.00
21	Kentucky Power Capacity Deficit (kw) Rockport Units 1 & 2 Environmental to Kentucky Power (19) * (20) (ES FORM 3.14, Page 1 of 10, Line 8)				<u>\$25,700</u>
					\$0

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 INDIANA MICHIGAN POWER COMPANY (I&M) - TANNERS CREEK (UNITS 1, 2, 3 & 4)

For the Expense Month of May 2007

LINE NO.	COST	AMOUNTS
1	Utility Plant at Original Cost	\$98,094,163
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>1.37%</u>
3	Total Rate Base	\$1,343,890
	Operations :	
4	Urea (5020002)	\$0
5	Trona (5020003)	\$0
6	Air Emission Fee	<u>\$12,500</u>
7	Total Operations (4) + (5) + (6)	\$12,500
	Maintenance :	
8	SCR Maintenance (5120000)	\$0
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>
10	Fixed O&M (7) + (9)	<u>\$12,500</u>
	Total Revenue Requirement,	
11	Cost Associated with Tanners Creek Plant (3) + (10)	<u>\$1,356,390</u>
12	Indiana Michigan Power Company's Percentage Ownership	100.00%
13	I&M's Share of Cost Associated with Tanners Creek Plant (11) X (12)	\$1,356,390
14	Indiana Michigan Power Company Steam Capacity (kw)	5,101,000
15	Tanners Creek Plant (\$/kw)	\$0.27
16	Indiana Michigan Power Surplus Weighing	5.00%
17	Portion of Weighted Average Capacity Rate Attributed to Rockport Plant (\$/kw) (15) X (16)	\$0.01
	Tanners Creek Plant Costs to Kentucky Power :	
18	Tanners Creek Plant Portion (\$/kw) (17)	\$0.01
19	Kentucky Power Capacity Deficit (kw)	<u>325,700</u>
	Tanners Creek Plant Environmental Cost to Kentucky Power (18) * (19)	
20	(ES FORM 3.14, Page 1 of 10, Line 9)	\$3,257

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 KENTUCKY Letter Dated October 10, 2007
 Attachment 2
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ES FORM 3.15
 CAPITAL SURCHARGE REPORT
 REQUIREMENT
 OF CAPITAL

For the Expense Month of May 2007

LINE NO.	Component	Balances	Cap. Structure	Cost Rates		WACC (Net of Tax)	GRCF		WACC (PRE-TAX)	
		As of 12/31/2005								
1	L/T DEBT	\$487,964,000	55.819%	5.835%		3.26%			3.26%	
2	S/T DEBT	\$6,040,631	0.691%	4.490%		0.03%			0.03%	
3	ACCTS REC FINANCING	\$32,348,353	3.700%	3.888%		0.14%			0.14%	
4	C EQUITY	\$347,841,406	39.790%	10.500%	1/	4.18%	1.6073	2/	6.72%	
5	TOTAL	\$874,194,390	100.000%			7.61%			10.15%	
1/	WACC = Weighted Average Cost of Capital Rate of Return on Common Equity per Case No. 2005 - 00341									
2/	Gross Revenue Conversion Factor (GRCF) Calculation: Appendix C Case No. 2005 - 00341 dated - March 14, 2006									
1	OPERATING REVENUE						100.0000			
2	UNCOLLECTIBLE ACCOUNTS EXPENSE (0.47%)						0.4700			
3	STATE TAXABLE PRODUCTION INCOME BEFORE 199 DEDUCTION						99.5300			
4	STATE INCOME TAX EXPENSE, NET OF 199 DEDUCTION (SEE BELOW)						6.2203			
5	FEDERAL TAXABLE PRODUCTION INCOME BEFORE 199 DEDUCTION						93.3097			
6	199 DEDUCTION PHASE-IN						0.0000			
7	FEDERAL TAXABLE PRODUCTION INCOME						93.3097			
8	FEDERAL INCOME TAX EXPENSE AFTER 199 DEDUCTION (35%)						32.6584			
9	AFTER-TAX PRODUCTION INCOME						60.6513			
10	GROSS-UP FACTOR FOR PRODUCTION INCOME:									
11	AFTER-TAX PRODUCTION INCOME						60.6513			
12	199 DEDUCTION PHASE-IN						0.0000			
13	UNCOLLECTIBLE ACCOUNTS EXPENSE						0.4700			
14	TOTAL GROSS-UP FACTOR FOR PRODUCTION INCOME (ROUNDED)						61.1213			
15	BLENDED FEDERAL AND STATE TAX RATE:									
16	FEDERAL (LINE 8)						32.6584			
17	STATE (LINE 4)						6.2203			
18	BLENDED TAX RATE						38.8787			
19	GROSS REVENUE CONVERSION FACTOR (100.0000 / Line 14)						1.6361			
	STATE INCOME TAX CALCULATION:									
1	PRE-TAX PRODUCTION INCOME						100.0000			
2	COLLECTIBLE ACCOUNTS EXPENSE (0.20%)						0.4700			
3	STATE TAXABLE PRODUCTION INCOME BEFORE 199 DEDUCTION						99.5300			
4	LESS: STATE 199 DEDUCTION						0.0000			
5	STATE TAXABLE PRODUCTION INCOME BEFORE 199 DEDUCTION						99.5300			
6	STATE INCOME TAX RATE						6.2500			
7	STATE INCOME TAX EXPENSE (LINE 5 X LINE 6)						6.2203			

The WACC (PRE - TAX) value on Line 5 is to be recorded on ES FORM 3.10, Line 9.
 Weighted Average Cost of Capital Balances As of 12/31/2005 based on Case No. 2006-00128, dated January 31, 2007.

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 COSTS ASSOCIATED WITH ROCKPORT

For the Expense Month of May 2007

LINE NO.	COST COMPONENT	(3)	Rockport Plant Common	Unit No. 1	Unit No. 2	Total Units 1 & 2	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Return on Rate Base :						
1	Rockport Plant Continuous Environmental Monitoring System (CEMS)						
2	Utility Plant at Original Cost		\$1,776,759	\$5,272,657	\$8,353,084		
3	AEGCo Low NOx Burners (LNB) Installed Cost		(\$626,177)	(\$646,865)	(\$904,866)		
4	Less Accumulated Depreciation		(\$134,231)	(\$637,866)	(\$990,411)		
5	Less Accum. Def. Income Taxes		\$1,016,351	\$3,987,926	\$6,457,807	\$10,445,733	
6	Total Rate Base	12.3398%					
7	Weighted Average Cost of Capital - ES FORM 3.21		1.0283%			1.0283%	
8	Monthly Weighted Avg. Cost of Capital (LINE 6 / 12)		\$10,451			\$107,413	
9	Monthly Return of Rate Base (Line 5 * Line 7)						
10	Operating Expenses :						
11	Monthly Depreciation Expense		\$5,212	\$15,466	\$24,502	\$39,968	
12	Monthly Indiana Air Emissions Fee		\$12,500	\$0	\$0	\$0	
13	Total Operating Expenses (Line 9 + Line 10)		\$17,712	\$0	\$0	\$39,968	
14	Total Revenue Requirement, Cost Associated with Rockport Plant						
15	CEMS and LNB (Line 8 + Line 11)		\$28,163			\$147,381	
	Kentucky Power's Portion of Rockport's CEMS (Line 12 * 15%)		\$4,224			\$44,214	
	Kentucky Power's Portion of AEGCo's LNB (Line 12 * 30%)						
	Kentucky Power's Portion of Rockport Plants'						
	Total Revenue Requirement. (Column 4, Line 13 + Column 7, Line 14)						
	Note: Cost in Column 8, Line 15 is to be Recorded on						
	ES FORM 3.00 Line 2						\$48,438

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 Letter Dated October 10, 2007
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With each monthly filing, attach a schedule similar to Exhibit EKW-2, page 11 of 11 (Wagner Direct Testimony in Case No. 96-489), showing the calculation of the Weighted Average Cost of Capital. These calculations should reflect the provisions of the Rockport Unit Power Agreement, and be as of the Current Expense Month.

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 ROCKPORT UNIT POWER AGREEMENT COST OF CAPITAL

For the Expense Month of May 2007

LINE NO.	Component	Balances	Cap. Structures	Cost Rates		WACC (NET OF TAX)	GRCF		WACC (PRE - TAX)
		As of 05/31/2007							
1	L/T DEBT	44,840,076	36.7796%	4.9099%		1.8058%			1.8058%
2	S/T DEBT	19,317,649	15.8451%	5.3513%		0.8479%			0.8479%
3	CAPITALIZATION OFFSETS	0	0.0000%	5.0428%		0.0000%			0.0000%
4	DEBT								
5	C EQUITY	57,757,970	47.3753%	12.1600%	1/	5.7608%	1.681379	2/	9.6861%
6	TOTAL	121,915,695 =====	100.0000% =====			8.4145% =====			12.3398% =====
WACC = Weighted Average Cost of Capital 1/ Cost Rates per the Provisions of the Rockport Unit Power Agreement 2/ Gross Revenue Conversion Factor (GRCF) Calculation:									
1	OPERATING REVENUE						100.00		
2	LESS: INDIANA ADJUSTED GROSS INCOME								
3	(LINE 1 X .085)						8.500		
4	INCOME BEFORE FED INC TAX						91.500		
5	LESS: FEDERAL INCOME TAX								
6	(LINE 4 X .35)						32.025		
7	OPERATING INCOME PERCENTAGE						59.475		
8	GROSS REVENUE CONVERSION								
9	FACTOR (100% / LINE 7)						1.681379		

The WACC (PRE - TAX) value on Line 6 is to be recorded on ES FORM 3.20, Line 5.

KENTUCKY POWER C
 CURRE
 MONTHLY REVENUE
 and OVER/(UNDER) RECOVERY ADJUSTMENT

Attachment 2 RECHARGE REPORT
 Page 34 of 34 STATEMENT
 ALLOCATION FACTOR,

For the Expense Month of May 2007

SCHEDULE OF MONTHLY REVENUES

Line No.	Description	Monthly Revenues	Percentage of Total Revenues	Monthly Revenues	Percentage of Total Revenues
1	Kentucky Retail Revenues	\$28,451,204	68.7%	\$28,451,204	67.8%
2	FERC Wholesale Revenues	\$478,578	1.2%	\$478,578	1.1%
3	Associated Utilities Revenues	\$3,191,585	7.7%	\$2,964,559	7.1%
4	Non-Assoc. Utilities Revenues	\$9,274,553	22.4%	\$10,070,744	24.0%
5	Total Revenues for Surcharges Purposes	\$41,395,920	100.0%	\$41,965,085	100.0%
6	Non-Physical Revenues for Month	\$250,450		\$271,951	
7	Total Revenues for Month	\$41,646,370		\$42,237,036	

The Kentucky Retail Monthly Revenues and Percentage of Total Revenues (Line 1) are to be recorded on ES FORM 1.00, Lines 9 and 4. The Percentage of Kentucky Retail Revenues to the Total Revenues for the Expense Month will be the Kentucky Retail Jurisdictional Allocation Factor.

OVER/(UNDER) RECOVERY ADJUSTMENT

Line No.	Description	Amounts	Amounts
1	Kentucky Retail Surcharge Factor for March 2007	-1.1149%	-1.1149%
2	Kentucky Retail Revenues for Current Expense Month	\$23,784,196	\$23,784,196
3	Surcharge Collected (1) * (2)	(\$265,170)	(\$265,170)
4	Surcharge Amount To Be Collected	(\$433,979)	(\$433,979)
5	Over/(Under) Recovery (3) - (4) = (5)	\$168,809	\$168,809

The Over/(Under) Recovery amount is to be recorded on ES FORM 1.00, LINE 6.

NOTE : The sign on LINE 5 of ES FORM 3.30 will be changed on LINE 6 of ES FORM 1.00 in order to properly adjust the collection of the current month's expense.

Note:	Filed Amounts	Difference	Revised Amounts
Kentucky Retail Revenues	\$28,451,204	\$0	\$28,451,204
FERC Wholesale Revenues	\$478,578	\$0	\$478,578
Associated Utilities Revenues	\$2,964,559	\$227,026	\$3,191,585
Non-Assoc. Utilities Revenues (Physical Sales)	\$10,070,744	(\$796,191)	\$9,274,553
Total	\$41,965,085	(\$569,165)	\$41,395,920
Non Physical Sales	\$271,951	(\$21,501)	\$250,450
Total All Revenues	\$42,237,036	(\$590,666)	\$41,646,370



**KENTUCKY
POWER**

A unit of American Electric Power

KPSC Case No. 2006-00507
Letter Date October 10, 2007
Attachment 3
Page 1 of 31

Kentucky Power
P O Box 5190
101A Enterprise Drive
Frankfort, KY 40602
KentuckyPower.com

RECEIVED

JUL 19 2007

**PUBLIC SERVICE
COMMISSION**

Elizabeth O'Donnell, Executive Director
Public Service Commission
Attn: Daryl Newby
P. O. Box 615
Frankfort, KY 40602

19 July 2007

Dear Ms. O'Donnell and Mr. Newby:

Attached are Kentucky Power Company's fuel adjustment clause schedules with supporting sales and fuel cost schedules. These calculations are based on an estimated June 2007 fuel costs with an adjustment reflecting actual May 2007 fuel costs.

The fuel adjustment clause factor of \$0.00244/kwh will be applied to our August 2007 billing. Pursuant to the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause.

Also, we are attaching the system sales clause schedule with a supporting net revenue schedule calculated pursuant to the Commission's March 14, 2006 Order in Case No. 2005-00341. These calculations are based on an estimated June 2007 net revenue with an adjustment reflecting the true-up of May 2007 net revenue. Pursuant to the Settlement Agreement and the Commission's March 14th Order in Case No. 2005-00341 and the Company's System Sales Clause Tariff, net system sales revenue up to and including \$30M for the billing period April 1, 2007 through March 31, 2008 shall be based on 70/30 percent sharing basis. When the Company surpasses the off-system sales margin of \$30M, the customer sharing mechanism shall be on a 60/40 basis. The attached System Sales Clause Schedule, page 1 of 2, shows the net revenue level applied to our August 2007 billing will be in the amount of \$5,653,449 for a YTD total of \$19,562,330.

The net system sales clause factor of \$(0.0034442)/kwh (a credit) will be applied to our August 2007 billing.

All billings during August 2007 will show a combined factor of \$(0.0010042)/kwh (a credit).

If you have any questions, please advise.

Sincerely,

Errol K. Wagner
Director of Regulatory Services

bcc: (all via email)
Robin Wiseman - Canton (w/a) John Pulsinelli - Columbus (w/a)
Justin O'Neil - Columbus (w/a) Andrea M. Wallace - Cols (w/a)
O. J. Sever, Jr. - Columbus (w/a) Jeff Brubaker - Cols (w/a)
Steve M Trammell - Tulsa, (w/a) KPCo Regulatory File Book

KENTUCKY POWER COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

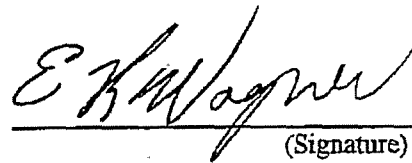
Month Ended: June 2007

1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	\$0.00244
2 System Sales Clause Factor (Page 1 of 2)	(+)	<u>-\$0.0034442</u>
3 Total Adjustment Clause Factors		<u><u>-\$0.0010042</u></u>

Effective Date for Billing

August 2007

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

July 19, 2007

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: **June 2007**

Fuel Fm (Fuel Cost Schedule)	\$9,828,806		
Sales Sm (Sales Schedule)	<u>518,644,000</u>	(+)	0.01895
Fuel (Fb)	\$8,703,098		
Sales (Sb)	<u>527,226,000</u>	(-)	<u>0.01651</u>
			<u>0.00244</u>
			(\$/KWH)

Effective Date for Billing

August 2007

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

July 19, 2007

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: **June 2007**

A. Company Generation			
Coal Burned	(+)	\$11,892,202	
Oil Burned	(+)	169,264	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)	(+)	0	
Fuel (substitute for F. O.)	(-)		
Sub Total		<u>12,061,466</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	8,244,488	*
Identifiable Fuel Cost (substitute for F. O.)	(-)	0	
Sub Total		<u>8,244,488</u>	
C. Inter-System Sales Fuel Costs			
Sub Total		<u>9,346,815</u>	*
D. Total Fuel Cost (A + B - C)		<u><u>\$10,959,139</u></u>	
E. Adjustment indicating the difference in actual fuel cost for the month of <u>May 2007</u> and the estimated cost originally reported. <u>\$10,896,965</u> - <u>\$11,828,117</u> = <u>(931,152)</u> (actual) (est.)			
F. Total Company Over or (Under) Recovery from Page 4, Line 12		<u>199,181</u>	
G. Grand Total Fuel Cost (D + E - F)		<u><u>\$9,828,806</u></u>	

* Estimated - based on actual Kentucky generation unit costs in
 June 2007

<u>\$12,061,466</u>		
625,420,000	0.01929	/KWH

KENTUCKY POWER COMPANY

SALES SCHEDULE

Month Ended: June 2007

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	625,420,000
Purchases Including Interchange In	(+)	<u>427,397,000</u>
Sub Total		<u>1,052,817,000</u>
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	484,542,000
System Losses	(+)	<u>49,631,000</u> *
Sub Total		<u>534,173,000</u>
Total Sales (A - B)		<u><u>518,644,000</u></u>

* Does not include 331,709 KWH of company usage.

KENTUCKY POWER COMPANY

OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: June 2007

Line
 No.

1	FAC Rate Billed	(+)	0.00425
2	Retail KWH Billed at Above Rate	(x)	<u>554,740,596</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>2,357,648</u>
4	KWH Used to Determine Last FAC Rate Billed	(+)	516,093,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>7,495,300</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>508,597,700</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		2,161,540
8	Over or (Under) Recovery (L3 - L7)		196,108
9	Total Sales (Page 3)	(+)	518,644,000
10	Kentucky Jurisdictional Sales	(/)	<u>510,642,700</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1.01567
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>199,181</u></u>

KENTUCKY POWER COMPANY

**FINAL
 FUEL COST SCHEDULE**

Month Ended: May 2007

A. Company Generation			
Coal Burned	(+)	\$10,826,446	
Oil Burned	(+)	383,069	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
(KWH X)	(+)	0	
Fuel (substitute for F. O.)	(-)	<u>0</u>	
Sub-total		<u>11,209,515</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	5,769,926	(1)
Identifiable Fuel Cost (substitute for F. O.)			
(KWH X)	(-)	<u>0</u>	
Sub-total		<u>5,769,926</u>	
C. Inter-System Sales Fuel Costs		<u>6,082,476</u>	(1)
Total Fuel Cost (A + B - C)		<u><u>\$10,896,965</u></u>	

(1) Includes total Energy Costs of non-economy purchase per KPSC Order dated October 3, 2002 in Case No. 2000-495-B.

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE SCHEDULE
Case No. 9061 and
Stipulation and Settlement Agreement in Case No. 2005-00341
June 2007

**Line
No.**

Month Ended:

1	Current Month (Tm) Net Revenue Level	(+)	5,653,449
2	Base Month (Tb) Tariff 19-2 Net Revenue Level	(-)	<u>3,101,556</u>
3	Increase/(Decrease) of System Sales Net Revenue		2,551,893
4	Customer 70% Sharing	(x)	<u>70%</u>
5	Customer Share of Increase/(Decrease) in System Sales Net Revenue		1,786,325
6	Current Month (Sm) Sales Level	(/)	<u>518,644,000</u>
7	System Sales Clause Factor - \$/Kwh		<u><u>-0.0034442</u></u> *

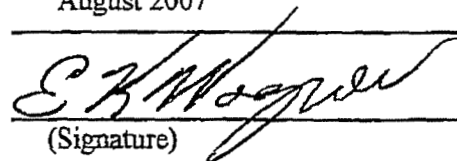
YTD System Sales Profit	
Feb-07	2,911,080
Mar-07	4,277,970
Apr-07	3,765,051
May-07	2,954,780
Jun-07	5,653,449
Jul-07	
Aug-07	
Sep-07	0
Oct-07	0
Nov-07	0
Dec-07	0
Jan-08	0
Total	19,562,330

* This factor is a credit to the customer when current month net revenue levels exceed the base month; and a charge when the current month net revenues levels are below the base month.

Effective Date for Billing:

August 2007

Submitted by:


 (Signature)

Title:

Director of Regulatory Services

Date Submitted:

July 19, 2007

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Line No.		Month Ended: June 2007		TOTAL
		CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	
1	Sales For Resale Revenues	\$13,634,292	(\$43,210)	\$13,591,082
2	Interchange-Delivered Revenues	-0-	-0-	-0-
3	Total System Sales Revenues	13,634,292	(43,210)	13,591,082
4	Sales For Resale Expenses	\$7,729,158	\$13,186	\$7,742,344
5	Interchange-Delivered Expenses	-0-	-0-	-0-
6	Non-Associated Utilities Monthly Environmental Costs*	195,289	0	195,289
7	Total System Sales Expenses	7,924,447	13,186	7,937,633
8	Total System Sales Net Revenues	\$5,709,845	(\$56,396)	\$5,653,449

*Source:
 ES Form 1.0, Line 3
 ES Form 3.3, Line 4
 Non-Associated Environmental Costs

**KENTUCKY POWER
FUEL COSTS (5010001, 5010013, & 5010019)
JUNE 2007**

COAL	\$11,892,201.70
SURVEY	\$0.00
CONVERSION COAL	<u>\$0.00</u>
TOTAL COAL	\$11,892,201.70
OIL	<u>\$169,264.24</u>
TOTAL FUEL	<u><u>\$12,061,465.94</u></u>



**KENTUCKY POWER COMPANY
NET ENERGY REQUIREMENTS
JUNE 2007**

Net Generation (Sch 12)		625,420
Purchases:		
1. Interchange Pool (Sch 4, Pool Energy)	192,426	
2. Interchange Received Cash	0	
3. Purchased Power: Associated (Including Rockport Units 1 & 2)	174,752	
4. Purchased Power: Non Associated	60,219	
Subtotal		234,971
5. Loop In/Out (Sch 4, Loop or Interchange In/Out - Nonassociated)		0
Total Purchased Power		427,397
Available for Distribution		1,052,817
Sales		
1. Interchange Pool (Sch 4, Total Assoc Co Sales)	247,500	
2. Total System Sales (Physical Sales)	233,447	
3. Total System Sales (Non - Physical Sales or Bookouts & Options)	3,595	
Disposition of Energy		484,542
Total Supply for Net Energy Requirement (NER) (Internal Load Requirements)		568,275
Check:		
Total Sales (Calc for Deferred Fuel, Page 3 of 5, Total Sales (A - B))	518,644	
Net System Losses MWH (Calc for Deferred Fuel, Page 3 of 5)	49,631	
Total Supply for Net Energy Requirement (NER)	568,275	
Current Month Energy Sales		
Billed KWH		
Preliminary Page 9-1 (Sch 5, Total Sales of Electricity)	562,741,896	
System Sales for Resale (Schedule 4, Total System Sales)	233,447,000	
System Interchange Sales (Schedule 4, Total Assoc Co Sales)	247,500,000	
Total Current Month Billed Revenue		1,043,688,896
Accrued KWH		
Current Month Unbilled Page 9-1A (Sch 6)		270,508,453
Last Month Unbilled Page 9-1A		304,373,079
Current Month Billed and Accrued KWH		1,009,824,270

KENTUCKY POWER COMPANY												
Line Loss Calculation												
BILLED & ACCRUED												
MWH												
Inter change Pool	System Sales	Bill. & Accrd. Loss	Total Disposition	Billed Only ---Loss---	Month	Period	TOTAL ENERGY DISPOSED	ASSOC. COMPANY INTERCHANGE	SYSTEM SALES FOR RESALE	INTERNAL ENERGY DISPOSED (1-2-3-4)	ENERGY LOST & UNACCOU NTED	% LINE LOSS INTERNAL (6/5)
#####	#####	#####	#####	#####			1	2	3		6	(6/5)
226,657	180,807	37,315	1,133,614	(30,447)	JAN	06 current month	1,133,614	226,657	180,807	726,150	37,315	5.139%
197,969	233,870	75,719	1,183,392	70,989	FEB	06 current month	13,559,039	2,766,796	2,756,514	8,035,729	642,256	7.993%
257,553	226,681	54,266	1,200,512	73,930	MAR	06 current month	1,183,392	197,969	233,870	751,553	75,719	10.075%
281,185	221,781	98,758	1,077,711	3,245	APR	06 current month	13,612,511	2,765,029	2,749,320	8,098,162	661,296	8.166%
129,331	191,082	56,870	906,998	66,154	MAY	06 current month	1,200,512	257,553	226,681	716,278	54,266	7.576%
283,427	254,340	65,193	1,146,790	62,242	JUN	06 current month	13,514,347	2,760,249	2,672,853	8,081,245	659,024	8.155%
252,352	298,491	51,867	1,235,232	111,439	JUL	06 current month	1,077,711	281,185	221,781	574,745	98,758	17.183%
252,375	291,493	59,995	1,252,649	94,965	AUG	06 current month	13,502,138	2,755,725	2,661,157	8,085,256	710,776	8.791%
297,092	196,951	85,826	1,056,706	(32,347)	SEP	06 current month	906,998	129,331	191,082	586,585	56,870	9.695%
305,738	240,217	44,753	1,163,289	103,139	OCT	06 current month	13,432,832	2,728,273	2,614,834	8,089,725	722,703	8.934%
287,102	184,004	46,903	1,133,742	94,764	NOV	06 current month	1,146,790	283,427	254,340	609,023	65,193	10.705%
193,816	186,140	52,806	1,135,365	76,562	DEC	06 current month	13,472,210	2,778,618	2,630,085	8,063,507	734,015	9.103%
189,303	200,862	65,845	1,173,943	83,762	JAN	07 current month	13,520,281	2,772,406	2,667,490	8,080,385	731,011	9.047%
109,435	185,212	63,932	1,104,783	84,311	FEB	07 current month	1,252,649	252,375	291,493	708,781	59,995	8.465%
268,702	249,103	79,703	1,189,976	(8,566)	MAR	07 current month	13,608,660	2,817,690	2,713,804	8,077,166	727,651	9.009%
182,068	199,389	63,780	1,004,763	38,393	APR	07 current month	1,056,706	297,092	196,951	562,663	85,826	15.254%
135,350	211,328	51,493	965,122	76,014	MAY	07 current month	13,510,004	2,816,516	2,662,181	8,031,307	760,355	9.467%
247,500	233,447	42,661	1,052,817	8,796	JUN	07 current month	1,163,289	305,738	240,217	617,334	44,753	7.249%
			1,133,742	94,764	NOV	06 current month	13,620,505	2,856,897	2,714,458	8,049,150	761,704	9.463%
			1,135,365	76,562	DEC	06 current month	13,691,829	2,946,118	2,693,863	8,051,848	741,807	9.213%
			1,173,943	83,762	JAN	07 current month	13,626,000	2,964,597	2,705,857	7,955,546	730,271	9.179%
			1,104,783	84,311	FEB	07 current month	13,666,329	2,927,243	2,725,912	8,013,174	758,801	9.469%
			1,189,976	(8,566)	MAR	07 current month	1,104,783	109,435	185,212	810,136	63,932	7.892%
			1,004,763	38,393	APR	07 current month	13,587,720	2,838,709	2,677,254	8,071,757	747,014	9.255%
			965,122	76,014	MAY	07 current month	1,189,976	268,702	249,103	672,171	79,703	11.858%
			1,004,763	38,393	APR	07 current month	13,577,184	2,849,858	2,699,676	8,027,650	772,451	9.622%
			965,122	76,014	MAY	07 current month	13,504,236	2,820,741	2,677,284	8,076,211	737,473	10.233%
			1,052,817	8,796	JUN	07 current month	13,562,360	2,756,760	2,697,530	8,108,070	732,096	9.029%
			1,052,817	8,796	JUN	07 current month	13,468,387	2,720,833	2,676,637	8,070,917	709,564	8.792%

**KENTUCKY POWER COMPANY
 JUNE 2007**

Source and Disposition of Energy (Total System)

Megawatthours

Generation:

1 Total Net Generation (Sch 3) 625,420

Purchased Power:

2 Interchange Pool (Sch 4, Pool Energy) 192,426

3 Interchange Received Cash 0

Purchased Power: Associated
 4 (Including Rockport) (Sch 4 or 12A) 174,752

5 Purchased Power: Non Associated 60,219

Loop In/Out

6 (Sch 4, Loop or Interchange In/Out - Nonassociated) 0

7 Total Purchased Power 427,397

8 Total Source (1 Plus 8) 1,052,817

Billed and Accrued

9 Total Energy Sales (Sch 3) 1,009,824

10 Used in Electric & Other Departments (Sch 2) 332

11 Furnished Without Charge 0

12 Total Energy Accounted For (+10+11+12) 1,010,156

13 Energy Lost and Unaccounted For 42,661

14 Total Disposition (Must Equal Line 8) 1,052,817

Billed Only (Memo)

15 Total Energy Sales (Sch 3) 1,043,689

16 Used in Electric & Other Departments (Sch 2) 332

17 Furnished Without Charge 0

18 Total Energy Accounted For 1,044,021

19 Energy Lost and Unaccounted For 8,796

20 Total Disposition (Must Equal Line 8) 1,052,817

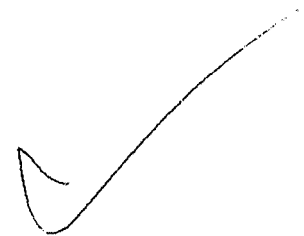
Kentucky Power Company - Building Usage - June 2007

Metered Usage In Company Buildings For The Current Month	331,709
Metered Usage In Company Buildings For The Prior Month	368,882

Current Month Company Usage

ASHLAND	143,220	kWh
SO. WILLIAMSON	1,739	kWh
HAZARD/PIKEVILLE	186,750	kWh
CURRENT MONTH	331,709	kWh
PRIOR MONTH ADJUSTMENT	0	kWh
CURRENT MONTH REPORT	331,709	kWh
		332 mWh

Source: OSPRIO60



**KENTUCKY POWER COMPANY
POWER TRANSACTION SCHEDULE
May 2007**

TRANSACTION TYPES *

F	FIRM
LT-CAP	LONG TERM CAPACITY
L-TERM	LIMITED TERM
S-TERM	SHORT TERM
PRE	PRE-SCHEDULED
RESCAP	RESERVED CAPACITY
ARS-EMRG	AUTO RESERVE SHARING - EMERG.
EXP-CONG	EXPLICIT CONGESTION
IMP-CONG	IMPLICIT CONGESTION
SPOT-ENG	PJM MARKET SPOT ENERGY
ND	NON-DISPLACEMENT
SUPP	SUPPLEMENTAL (OVEC)
EMERG	EMERGENCY
CMP-UPR	UNIT POWER
NF	NON-FIRM
PKPWR	PEAKING POWER
CCS;COALPH	COAL CONVERSION SVC.
GENLOS	GENERATION LOSS
BKI-EXCS	BUCKEYE EXCESS POWER
U-ENERGY	UNIT ENERGY

OTHER

HR	HOURLY
DY	DAILY
WK	WEEKLY
MO	MONTHLY
YR	YEAR
PH	PHYSICAL

* Due to voluminous transactions, they are aggregated by type rather than by interconnected utility.

PURCHASES

BILLING COMPONENTS

TRANSACTION TYPE	MWH	FUEL CHARGE (\$)	DEMAND (\$)	OTHER CHARGES (\$)	TOTAL CHARGES (\$)
DY-2F	29,568	1,057,308.72	0.00	264,323.57	1,321,632.29
HR-2NF	795	46,437.35	0.00	9,147.17	55,584.52
EXP-CONG	0	0.00	0.00	2,561.13	2,561.13
IMP-CONG	0	0.00	0.00	373,772.42	373,772.42
SPOT-ENG	34,064	1,300,587.97	0.00	325,146.01	1,625,733.98
DY-F	128	6,277.92	0.00	1,569.44	7,847.36
DY-NF	236	11,510.57	0.00	2,877.68	14,388.25
HR-NF	<u>3,827</u>	<u>145,398.08</u>	<u>0.00</u>	<u>36,349.18</u>	<u>181,747.26</u>
	68,618 ⁽¹⁾	2,567,520.61	0.00	1,015,746.60	3,583,267.21
AEP POOL PRIMARY PURCHASES:	188,367	2,501,037.00	0.00	436,870.00	2,937,907.00
INTERRUPTIBLE BUY/THROUGH (AEP AFF. COS.)	0	0.00	0.00	0.00	0.00
BOOKOUTS/OPTIONS:	271,660	0.00	0.00	10,129,459.00	10,129,459.00
TOTALS:	528,645	5,068,557.61	0.00	11,582,075.60	16,650,633.21

(1) ALLOCATED TO SYSTEM SALES:
 ALLOCATED TO INTERNAL CUSTOMERS:

MWH	Total Energy Charges
65,575	3,225,197.66
<u>3,043</u>	<u>358,069.55</u>
68,618	3,583,267.21
<u>0</u>	<u>314,378.49</u>
68,618	3,268,888.72

LESS: PJM IMPLICIT CONGESTION INCLUDED IN THE INTERNAL CUSTOMER'S FIGURE:
 NET INCLUDABLE ENERGY CHARGES:

NOTE:

IN THE ABOVE TRANSACTIONS THERE WERE NO PURCHASES AS A RESULT OF FORCED OUTAGES AT BIG SANDY PLANT.

KENTUCKY POWER COMPANY
POWER TRANSACTION SCHEDULE
MONTH ENDED: MAY 2007

KPSC Case No. 2006-00507
Letter Date October 10, 2007
Attachment 3
Page 18 of 31

SALES TRANSACTION TYPE	KPCO MLR SHARE OF DELIVERED MWH	BILLING COMPONENTS				
		SUPPLIED BY KPCO SOURCES		DEMAND (\$)	OTHER CHARGES (\$)	TOTAL CHARGES (\$)
		MWH	FUEL CHARGE (\$)			
LT-CAP	11,466	8,412	149,812.10	230,256.00	42,120.19	422,188.29
RESCAP	0	0	0.00	18,051.77	0.00	18,051.77
DY-2F	102,366	73,212	1,902,253.81	0.00	3,224,275.93	5,126,529.74
DY-2NF	0	90	4,549.68	0.00	3,971.36	8,521.04
CMP-UPR	0	0	0.00	43,992.00	0.00	43,992.00
SPOT-ENG	61,731	46,665	1,529,631.07	0.00	923,313.74	2,452,944.81
MO-F	32,934	22,739	418,080.90	389,056.74	712,981.23	1,520,118.87
DY-F	816	736	23,397.02	0.00	31,969.38	55,366.40
DY-NF	9,102	4,893	138,962.43	0.00	228,869.36	367,831.79
HR-NF	2,164	1,348	52,123.72	0.00	61,223.10	113,346.82
GENLOS	7	1	64.46	0.00	(64.46)	0.00
BKI-EXCS	<u>235</u>	<u>238</u>	<u>16,187.38</u>	<u>0.00</u>	<u>4,548.04</u>	<u>20,735.42</u>
	220,821	158,334	4,200,635.17 ⁽¹⁾	681,356.51	5,267,635.27	10,149,626.95
AEP POOL SALES (PRIMARY/ECONOMY)	0	58,971	1,188,247.00	0.00	243,067.00	1,431,314.00
INTERRUPTIBLE BUY/THROUGH (AEP AFF. CO./KY EL. STEEL)	0	17	975.00	0.00	254.00	1,229.00
BOOKOUTS/OPTIONS:	304,969	0	0.00	0.00	10,541,925.00	10,541,925.00
TOTALS:	525,790	217,322	5,389,857.17	681,356.51	16,052,881.27	22,124,094.95
KPCo's other costs incurred, (other than fuel from Account 151):						1,176,890.93
KPCo's MLR share of AEP energy cost less the actual energy costs incurred by KPCo:						2,214,910.50
KPCo's MLR share of the difference (Total AEP energy charges - Total AEP energy costs):						1,875,833.84
Total (Other Charges):						<u>5,267,635.27</u>

⁽¹⁾ Includes (\$34,427.40) adjustment for chemicals carried over to Other Charges.

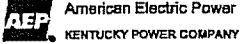
KENTUCKY POWER COMPANY
FUEL COST SCHEDULE
MONTH ENDED: MAY 2007

<u>(A) COMPANY GENERATION</u>	<u>BIG SANDY (PLANT)</u>	<u>ROCKPORT UNIT #1</u>	<u>ROCKPORT UNIT #2</u>	<u>FUEL AMOUNTS (\$)</u>
COAL BURNED	8,537,426.25	2,289,020.00	0.00	10,826,446.25
OIL BURNED	302,589.19	80,480.00	0.00	383,069.19
GAS BURNED				-----
FUEL (JOINTLY OWNED PLANT)				-----
FUEL (ASSIGNED COST DURING F.O.) (0 x 0.000)				0.00
FUEL (SUBSTITUTE FOR F.O.)				-----
SUB-TOTAL				11,209,515.44
 <u>(B) PURCHASES</u>				
NET ENERGY COST - ECONOMY PURCHASES				0.00
⁽¹⁾ IDENTIFIABLE FUEL COST - OTHER PURCHASES				5,769,925.72
IDENTIFIABLE FUEL COST (SUBSTITUTE FOR F.O.) (0 x 0.000)				0.00
SUB-TOTAL				5,769,925.72
 <u>(C) INTER-SYSTEM SALES</u>				
⁽¹⁾ FUEL COSTS				6,082,476.16
TOTAL FUEL COSTS (A + B - C)				10,896,965.00
 F.O. = FORCED OUTAGE				
DETAILS:				
<u>FUEL (ASSIGNED COST DURING F.O.)</u>				
QUANTITY OF SUBSTITUTE ENERGY GIVEN AN ASSIGNED COST (Kwh):				
AT THE BIG SANDY FUEL RATE OF:	20.509		MILLS/KWH \$	0
				0.00
 <u>IDENTIFIABLE FUEL COST (SUBSTITUTE FOR F.O.)</u>				
<u>PURCHASES SUBSTITUTED FOR F.O.:</u>				
PRIMARY ENERGY (AEP POOL) 00,000,000 KWH	13.277		MILLS/KWH \$	0.00
CASH PURCHASES FROM NON-AFFILIATED COS. 0 KWH			MILLS/KWH \$	0.00
TOTAL PURCHASES (IDENTIFIABLE FUEL COST) (SUBSTITUTE FOR F.O.):	Kwh	13.277	MILLS/KWH \$	0.00

⁽¹⁾ INCLUDES TOTAL ENERGY COSTS OF NON-ECONOMY PURCHASES AS PER KPSC ORDER OF OCTOBER 3, 2002 IN CASE NO. 2000-00495-B.

<u>Flow Date</u>	<u>Columbia Gas, Appalachia Gas Daily Avg.</u> (\$/MMBtu)	<u>Park & Lend Service</u> (\$/MMBtu)	<u>Energy Cost</u> (\$/MWh)*	
01-May-07	8.025	0.1983	85.52	
02-May-07	8.020	0.1983	85.47	
03-May-07	8.040	0.1983	85.68	
04-May-07	8.030	0.1983	85.57	
05-May-07	8.200	0.1983	87.34	
06-May-07	8.200	0.1983	87.34	
07-May-07	8.200	0.1983	87.34	
08-May-07	8.085	0.1983	86.15	
09-May-07	7.915	0.1983	84.38	
10-May-07	7.865	0.1983	83.86	Minimum(75%: \$62.90/MWh)
11-May-07	8.015	0.1983	85.42	
12-May-07	7.920	0.1983	84.43	
13-May-07	7.920	0.1983	84.43	
14-May-07	7.920	0.1983	84.43	
15-May-07	8.270	0.1983	88.07	
16-May-07	8.100	0.1983	86.30	
17-May-07	8.080	0.1983	86.09	
18-May-07	8.175	0.1983	87.08	
19-May-07	8.355	0.1983	88.95	
20-May-07	8.355	0.1983	88.95	
21-May-07	8.355	0.1983	88.95	
22-May-07	8.185	0.1983	87.19	
23-May-07	8.185	0.1983	87.19	
24-May-07	8.155	0.1983	86.87	
25-May-07	8.175	0.1983	87.08	
26-May-07	8.040	0.1983	85.68	
27-May-07	8.040	0.1983	85.68	
28-May-07	8.040	0.1983	85.68	
29-May-07	8.040	0.1983	85.68	
30-May-07	8.085	0.1983	86.15	
31-May-07	8.320	0.1983	88.59	

* Based on 10,800 Btu/kWh for June - August.
 * Based on 10,400 Btu/kWh for September - May.



OPERATING REVENUES, KILOWATT HOUR SALES, CUSTOMER REALIZATION (CENTS PER KWH), AVG REV AND KWH USE
 1 MONTH BILLED AND ESTIMATED - MCSR0194

Prepared: 07/03/2007 03:20:53 PM
 Page: 1 of 1

FERC ACCT NO.	OPERATING REVENUE ACCOUNTS	OPERATING REVENUES			KILOWATT-HOUR SALES			CUSTOMERS		CENTS PER KWH	
		THIS YR	LAST YR	% CHNG	THIS YR	LAST YR	% CHNG	THIS YR	LAST YR	2007	2006
	SALES OF ELECTRICITY										
4400 002	RESIDENTIAL WITHOUT SPACE HEATING	4,440,732.01	4,276,132.09	2.85	62,207,716	56,903,601	9.32	60,568	61,743	7.14	7.51
4400 001	RESIDENTIAL WITH SPACE HEATING	7,168,861.30	7,000,456.52	2.41	102,509,099	95,543,375	7.29	83,175	82,377	6.99	7.33
	TOTAL RESIDENTIAL	11,609,593.31	11,276,588.61	2.95	164,716,815	152,446,976	8.05	143,743	144,120	7.05	7.40
	COMMERCIAL									0.00	0.00
4420 001	OTHER THAN PUBLIC AUTHORITIES	6,295,458.40	6,335,361.11	0.63	88,203,888	84,903,726	4.00	26,465	26,189	7.13	7.46
4420 006	PUBLIC AUTHS - SCHOOLS	1,063,037.09	937,706.04	11.23	14,778,900	12,599,203	17.30	761	772	7.06	7.44
4420 007	PUBLIC AUTHS-OTHER THAN SCHOOL	1,019,045.30	1,037,499.78	1.78	14,778,274	14,523,639	1.76	2,453	2,718	6.90	7.14
	TOTAL COMMERCIAL	8,357,540.79	8,310,566.93	0.57	117,861,062	112,025,548	5.21	29,679	29,279	7.09	7.42
	INDUSTRIAL									0.00	0.00
4420 002	EXCLUDING MINE POWER	7,445,555.63	7,973,394.92	6.61	191,463,766	186,246,081	2.80	950	961	1.89	4.28
4420 004	MINE POWER	4,323,788.60	4,932,754.53	12.37	80,135,785	87,677,258	8.60	483	505	5.39	5.63
4420 005	ASSOCIATED COMPANIES	0.00	0.00	100.00	0	0	100.00	0	0	0.00	0.00
	TOTAL INDUSTRIAL	11,769,344.23	12,906,149.45	8.83	271,599,551	273,923,339	0.85	1,433	1,466	4.33	4.71
	COMMERCIAL AND INDUSTRIAL	20,125,885.02	21,215,716.38	5.14	389,460,613	385,948,887	0.91	31,112	30,745	5.17	5.50
4440 000	PUBLIC STREET & HIGHWAY LIGHT										
	PUBLIC STREET & HIGHWAY LIGHT	86,473.59	96,865.27	10.73	563,168	609,085	7.66	373	380	15.35	15.88
	TOTAL PUBLIC STREET & HIGHWAY LIGHT	86,473.59	96,865.27	10.73	563,168	609,085	7.66	373	380	15.35	15.88
	OTHER SALES TO PUBLIC AUTHS									0.00	0.00
4450 001	PUBLIC SCHOOLS	0.00	0.00	100.00	0	0	100.00	0	0	0.00	0.00
4450 002	OTHER THAN PUBLIC SCHOOLS	0.00	0.00	100.00	0	0	100.00	0	0	0.00	0.00
	TOTAL OTHER SALES TO PUBLIC AUTHS	0.00	0.00	100.00	0	0	100.00	0	0	0.00	0.00
4470 XXX	ULTIMATE CUSTOMERS	31,821,951.72	32,589,170.26	2.35	554,740,596	539,005,748	2.92	175,228	175,245	5.74	6.05
	SALES FOR REALE										
	OTHER ELEC UTILS	0.00	0.00	100.00	0	0	100.00	0	0	0.00	0.00
	TOTAL SALES FOR REALE	0.00	0.00	100.00	0	0	100.00	0	0	0.00	0.00
	TOTAL SALES OF ELECTRICITY	31,821,951.72	32,589,170.26	2.35	554,740,596	539,005,748	2.92	175,228	175,245	5.74	6.05
4401	NET OF PROVISION										
	PROVISION FOR REFUND	0.00	0.00	100.00	0	0	100.00	0	0	0.00	0.00
	PROVISION FOR REVENUE REFUND	0.00	0.00	100.00	0	0	100.00	0	0	0.00	0.00
	TOTAL PROVISION FOR REFUND	0.00	0.00	100.00	0	0	100.00	0	0	0.00	0.00
	TOTAL NET OF PROVISION	0.00	0.00	100.00	0	0	100.00	0	0	0.00	0.00
4500	OTHER OPERATING REVENUES										
	OPERATING REVENUE										
	FORFEITED DISCOUNTS	96,613.00	136,361.06	28.73	0	0	100.00	0	0	0.00	0.00
4510	MISCELLANEOUS SERVICE REVENUES	43,322.39	32,932.64	11.63	0	0	100.00	0	0	0.00	0.00
4530	SALES OF WATER AND WATER POWER	0.00	0.00	100.00	0	0	100.00	0	0	0.00	0.00
4540	RENT FROM ELE PROP AN ASSOC	0.00	0.00	100.00	0	0	100.00	0	0	0.00	0.00
4560	OTHER ELECTRIC REVENUES	0.00	0.00	100.00	0	0	100.00	0	0	0.00	0.00
	TOTAL OTHER OPERATING REVENUE	141,934.39	171,273.70	17.13	0	0	100.00	0	0	0.00	0.00
	TOTAL OTHER OPERATING REVENUES	141,934.39	171,273.70	17.13	0	0	100.00	0	0	0.00	0.00
	TOTAL OPERATING REVENUES	31,963,886.11	32,760,443.96	2.43	554,740,596	539,005,748	2.92	175,228	175,245	5.74	6.08

INVOICE
AMERICAN ELECTRIC POWER
AS AGENT FOR KENTUCKY POWER COMPANY
STATEMENT OF SCHEDULED TRANSACTIONS
WITH
THE CITY OF OLIVE HILL, KENTUCKY

KPSC Case No. 2006-00507
 Letter Dated October 10, 2007
 Attachment 3
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INVOICE DATE: 5/8/2007
PAYMENT DUE DATE: 5/18/2007
INVOICE NUMBER: 117-20406813

INVOICE PERIOD: 01-Apr-2007 - 30-Apr-2007 Eastern Prevalling Time

Billing Information:

	<u>Peak kW</u>	<u>\$/kW</u>	<u>Billing \$</u>
<u>Demand Charge:</u>			
Peak Date & Time:	04/08/07 @ 9:00		
	4,427	\$9.26	\$40,994.02
<u>Energy Charge:</u>			
	<u>Accumulated kWh</u>	<u>\$/kWh</u>	
	1,977,408	\$0.0031396	\$6,208.27
<u>Fuel Charge:</u>	1,977,408	\$0.0170476	\$33,710.06
<u>Fuel Adjustment Charge:</u>	1,977,408	\$0.0027866	\$5,510.25
<u>February 2007 Actual Fuel True-Up:</u>			
Estimated Fuel Adjustment Charge:		\$0.0025232	
Actual Fuel Adjustment Charge:		<u>\$0.0027866</u>	
February 2007 Fuel Charge Difference:	2,995,023	\$0.0002634	\$788.89
<u>January 2007 Actual Fuel True-Up:</u>			
Actual Fuel Adjustment Charge:		\$0.0019501	
Actual Revision 1 Fuel Adjustment Charge:		<u>\$0.0017586</u>	
January 2007 Fuel Charge Difference:	2,745,173	(\$0.0001915)	(\$525.70)
<u>PJM Open Access Transmission Tariff</u>			\$16,564.49
AMOUNT DUE AEP			\$103,250.28

METHODS OF PAYMENT

Bank Instructions:

By Wire Transfer To:

Citibank, N.A., N.Y.
 ABA# 0210-00089
 Kentucky Power Company - Generation
 Account Number 30484544

Billing Questions: (614) 583-6225 or (614) 583-6149

INVOICE
AMERICAN ELECTRIC POWER
AS AGENT FOR KENTUCKY POWER COMPANY
STATEMENT OF SCHEDULED TRANSACTIONS
WITH
THE CITY OF VANCEBURG, KENTUCKY

KPSC Case No. 2006-00507
 Letter Dated October 10, 2007
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INVOICE DATE: 5/8/2007
PAYMENT DUE DATE: 5/18/2007
INVOICE NUMBER: 117-20406812

INVOICE PERIOD: 01-Apr-2007 - 30-Apr-2007 Eastern Prevalling Time

Billing Information:

	<u>Peak kW</u>	<u>\$/kW</u>	<u>Billing \$</u>
<u>Demand Charge:</u>			
Peak date & Time: 04/10/07 @ 8:00			
	11,426	\$9.08	\$103,748.08
	<u>Accumulated kWh</u>	<u>\$/kWh</u>	
<u>Energy Charge:</u>	5,517,935	\$0.0030769	\$16,978.13
<u>Fuel Charge:</u>	5,517,935	\$0.0167067	\$92,186.48
<u>Fuel Adjustment Charge:</u>	5,517,935	\$0.0027309	\$15,068.93
<u>February 2007 Actual Fuel True-Up:</u>			
Estimated Fuel Adjustment Charge:		\$0.0024727	
Actual Fuel Adjustment Charge:		<u>\$0.0027309</u>	
February 2007 Fuel Charge Difference:	7,202,739	\$0.0002582	\$1,859.75
<u>January 2007 Actual Fuel True-Up:</u>			
Actual Fuel Adjustment Charge:		\$0.0019111	
Actual Revision 1 Fuel Adjustment Charge:		<u>\$0.0017234</u>	
January 2007 Fuel Charge Difference:	6,588,896	(\$0.0001877)	(\$1,236.74)
<u>PJM Open Access Transmission Tariff</u>			\$25,133.18
AMOUNT DUE AEP			\$253,737.81

METHODS OF PAYMENT

Bank Instructions:

By Wire Transfer To:

Citibank, N.A., N.Y.
 ABA# 0210-00089
 Kentucky Power Company - Generation
 Account Number 30484544

Billing Questions: (614) 583-6225 or (614) 583-6149

INVOICE
AMERICAN ELECTRIC POWER
AS AGENT FOR KENTUCKY POWER COMPANY
STATEMENT OF SCHEDULED TRANSACTIONS
WITH
THE CITY OF OLIVE HILL, KENTUCKY

KPSC Case No. 2006-00507
 Letter Dated October 10, 2007
 Attachment 3
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INVOICE DATE: 7/10/2007
 PAYMENT DUE DATE: 7/20/2007
 INVOICE NUMBER: 117-20419345

INVOICE PERIOD: 01-Jun-2007 - 30-Jun-2007 Eastern Prevalling Time

Billing Information:

<u>Demand Charge:</u>	<u>Peak kW</u>	<u>\$/kW</u>	<u>Billing \$</u>
Peak Date & Time: 06/18/07 @ 17:00			
	5,083	\$9.20	\$46,763.60
<u>Energy Charge:</u>	<u>Accumulated kWh</u>	<u>\$/kWh</u>	
	2,198,936	\$0.0033315	\$7,325.76
<u>Fuel Charge:</u>	2,198,936	\$0.0186328	\$40,972.33
<u>Fuel Adjustment Charge:</u>	2,198,936	-\$0.0009850	(\$2,165.95)
<u>April 2007 Actual Fuel True-Up:</u>			
Estimated Fuel Adjustment Charge:		\$0.0027866	
Actual Fuel Adjustment Charge:		<u>\$0.0006002</u>	
April 2007 Fuel Charge Difference:	1,977,408	(\$0.0021864)	(\$4,323.40)
<u>PJM Open Access Transmission Tariff</u>			\$16,476.05
<u>2006 Annual True-up - Monthly Payment</u>			
	Jun-07	\$9,470.36	\$9,470.36
	Jul-07	\$9,470.36	
	Aug-07	\$9,470.36	
AMOUNT DUE AEP			\$114,518.75

METHODS OF PAYMENT

Bank Instructions:

By Wire Transfer To:
 Citibank, N.A., N.Y.
 ABA# 0210-00089
 Kentucky Power Company - Generation
 Account Number 30484544

Billing Questions: (614) 583-6225 or (614) 583-6149

INVOICE
AMERICAN ELECTRIC POWER
AS AGENT FOR KENTUCKY POWER COMPANY
STATEMENT OF SCHEDULED TRANSACTIONS
WITH
THE CITY OF VANCEBURG, KENTUCKY

KPSC Case No. 2006-00507
 Letter Dated October 10, 2007
 Attachment 3
 Page 25 of 31

INVOICE DATE: 7/10/2007
 PAYMENT DUE DATE: 7/20/2007
 INVOICE NUMBER: 117-20419344

INVOICE PERIOD: 01-Jun-2007 - 30-Jun-2007 Eastern Prevailing Time

Billing Information:

	<u>Peak kW</u>	<u>\$/kW</u>	<u>Billing \$</u>
<u>Demand Charge:</u>			
Peak date & Time: 06/27/07 @ 17:00			
	12,514	\$9.02	\$112,876.28
	<u>Accumulated kWh</u>	<u>\$/kWh</u>	
<u>Energy Charge:</u>	5,802,358	\$0.0032649	\$18,944.12
<u>Fuel Charge:</u>	5,802,358	\$0.0182602	\$105,952.22
<u>Fuel Adjustment Charge:</u>	5,802,358	-\$0.0009653	(\$5,601.02)
<u>April 2007 Actual Fuel True-Up:</u>			
Estimated Fuel Adjustment Charge:		\$0.0027309	
Actual Fuel Adjustment Charge:		<u>\$0.0005882</u>	
April 2007 Fuel Charge Difference:	5,517,935	(\$0.0021427)	(\$11,823.28)
<u>PJM Open Access Transmission Tariff</u>			\$24,913.30
<u>2006 Annual True-up - Monthly Payment</u>			
Jun-07	\$23,432.48		\$23,432.48
Jul-07	\$23,432.48		
Aug-07	\$23,432.48		
AMOUNT DUE AEP			\$268,694.10

METHODS OF PAYMENT

Bank Instructions:

By Wire Transfer To:

Citibank, N.A., N.Y.
 ABA# 0210-00089
 Kentucky Power Company - Generation
 Account Number 30484544

Billing Questions: (614) 583-6225 or (614) 583-6149



KENTUCKY POWER COMPANY
SYSTEM SALES TRACKER
JUNE 2007

Physical Sales - Sales For Month	(A) REVENUE Physical Sales 41000, 41001	(B) COST Physical Sales 41000, 41001	(C) Net	(D) REVENUE 4470028	(E) REVENUE 4470086	(F) REVENUE 4470093	(G) REVENUE 4470084	(H) REVENUE 4470085	(I) REVENUE 4470088	(J) REVENUE 4470087	(K) REVENUE 4470088	(L) REVENUE 4470100	(M) REVENUE 4470104	(N) REVENUE 4470105	(O) REVENUE 4470105	(P) REVENUE 4470107
1 PRIOR MO. ACTUAL	9,760,082	6,895,472	2,864,610	0	0	0	0	0	0	0	0	0	0	0	0	0
2 PRIOR MO. ESTIMATE	9,805,695	6,885,486	2,920,209	0	0	0	0	0	0	0	0	0	0	0	0	0
3 CURR MO. ADJ. TRANSFER	(15,613)	13,108	(25,768)	0	0	0	0	0	0	0	0	0	0	0	0	0
4 CURR MO. ADJ. TRANSFER	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 CURR MO. ADJ. TRANSFER	(254)	0	(254)	0	(37,182)	0	(1,034)	1	0	0	0	279,850	0	0	(9,427)	(14,441)
6 CURR MO. ESTIMATE	13,398,408	7,932,207	5,464,189	0	0	0	0	0	0	0	0	0	0	0	0	0
7 ADJUSTMENT	258,884	203,049	53,835	0	0	0	0	0	0	0	0	0	0	0	0	0
8 CURR MO. ESTIMATE	13,139,522	7,729,158	5,410,284	0	0	0	0	0	0	0	0	0	0	0	0	0
9 TRANSFER - EST	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 CURR MO. TOTAL	13,123,555	7,742,344	5,381,211	0	(37,182)	0	(1,034)	1	0	0	0	279,850	0	0	(9,427)	(14,441)
Physical Sales - Sales For Month - PPA Accounts																
11 PRIOR MO. ACTUAL	1,178,321	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 PRIOR MO. ESTIMATE	1,185,057	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 CURR MO. ADJ. TRANSFER	(6,736)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 CURR MO. ADJ. TRANSFER	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 CURR MO. ESTIMATE	(30,141)	12,916	(17,225)	0	0	29,009	834	(726,537)	0	834	(408)	188,839	(317,748)	(654,895)	0	(654,895)
16 CURR MO. ESTIMATE	1,245,357	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 ADJUSTMENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 CURR MO. ESTIMATE	1,245,357	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 TRANSFER - EST	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 CURR MO. TOTAL	1,209,480	12,916	(17,225)	0	0	28,000	634	(726,537)	0	834	(408)	188,839	(317,748)	13,453,863	7,742,344	5,711,318
Physical Sales - Sales For Month - PPA Accounts																
1 PRIOR MO. ACTUAL	803,425	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2 PRIOR MO. ESTIMATE	698,233	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 CURR MO. ADJ. TRANSFER	(7,182)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 CURR MO. ADJ. TRANSFER	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 CURR MO. ESTIMATE	(18,407)	0	(18,289)	0	0	0	(15,880)	(2,300)	(13,880)	0	0	0	0	(924,511)	0	(924,511)
6 CURR MO. ESTIMATE	(827,235)	0	0	0	0	0	0	0	0	0	0	0	0	13,475,807	7,932,207	5,543,600
7 ADJUSTMENT	0	0	0	0	0	0	0	0	0	0	0	0	0	269,884	203,049	53,835
8 CURR MO. ESTIMATE	(827,235)	0	0	0	0	0	0	0	0	0	0	0	0	13,218,823	7,729,158	5,464,189
9 TRANSFER - EST	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 CURR MO. TOTAL	(853,834)	0	(18,289)	0	0	28,000	(16,890)	(2,300)	(13,880)	0	0	0	0	12,548,420	7,742,344	5,711,318

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KENTUCKY POWER COMPANY
SYSTEMS SALES TRACKER
JUNE 2007

	(A) Revenue 4470008	(B) Cost 4470010	(C) Net	(D) Revenue 4470007	(E) Cost 4470011	(F) Net	(G) Brokers 4470008	(H) Commissions 4470010	(I) Net	(J) Revenue 4470008	(K) Revenue 4470002	(L) Revenue 4470009	(M) Revenue 4470108	(N) Subtotal Non Physical Sales For Resale REVENUE	(O) Subtotal Cost	(P) NET
18 PRIOR MO. ACTUAL	9,371,381	9,180,283	211,098	0	0	0	(7,777)	9,870	(11,747)	0	5,189	0	0	9,366,903	9,187,953	201,650
19 PRIOR MO. ESTIMATE	9,342,819	9,134,778	208,041	0	0	0	(7,104)	8,845	(13,749)	0	5,057	0	0	9,340,772	9,141,423	199,349
20 PRIOR MO. ADJ.	28,592	25,505	3,087	0	0	0	(973)	325	(988)	0	142	0	0	28,031	25,930	2,201
21 CSW DOLLAR TRNFR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22 ADJ.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 ESTIMATE	58,863	57,541	1,142	0	0	0	0	0	0	66,718	228,864	179,413	52,957	667,936	57,541	530,095
24 CURR MO. ESTIMATE	9,811,074	9,557,684	253,210	0	0	0	(8,204)	8,762	(16,988)	0	76,469	0	0	9,881,330	9,588,646	314,684
25 ADJUSTMENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26 Total Current Month Estimate	9,811,074	9,557,684	253,210	0	0	0	(8,204)	8,762	(16,988)	0	76,469	0	0	9,881,330	9,588,646	314,684
27 CSW DOLLAR TRNFR - EST	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28 CURR MO. TOTAL	9,888,319	9,640,910	257,409	0	0	0	(8,877)	9,107	(17,984)	66,718	308,468	179,413	52,957	10,496,997	9,850,017	846,980
29 PRIOR MO. ACTUAL	1,992	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30 PRIOR MO. ESTIMATE	1,837	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31 PRIOR MO. ADJ.	(155)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32 CSW DOLLAR TRNFR	0	(384)	(384)	0	0	0	0	0	0	0	0	0	0	(384)	0	(384)
33 ADJ.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34 CURR MO. ESTIMATE	79,234	0	0	0	(588)	0	0	0	(17,984)	66,718	308,468	179,413	52,957	868,970	56,953	809,617
35 ADJUSTMENT	115,379	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
36 Total Current Month Estimate	115,379	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
37 CSW DOLLAR TRNFR - EST	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
38 CURR MO. TOTAL	194,458	(384)	194,842	0	(588)	0	0	0	(17,984)	66,718	308,468	179,413	52,957	10,891,091	9,849,429	1,041,882

RECONCILIATION TO QUERY

	Revenue	Cost	Net	Revenue Est.	Cost Est.	Net
TOTAL 44700XX Query	19,378,882	18,005,925	3,310,757	23,215,532	13,188	7,729,158
LESS ASSOC:	18,393,868	18,028,809	3,368,789	23,215,532	0	7,729,158
LESS S/S COST	(17,018)	38,018	(55,036)	(384)	0	0
Adjustment (If Needed)	(384)	0	384	0	0	0
SYSALES NET PROFIT/(LOSS)	42,359	58,953	(14,594)	13,188	0	13,188
NET	23,472,519	17,488,853	5,983,666	42,359	58,953	7,729,158
ESTIMATE	256,984	203,046	53,938	0	0	0
Total Current Month Estimate	23,215,532	17,285,804	5,919,728	0	0	0
CSW DOLLAR TRNFR - EST	0	0	0	0	0	0
TOTAL	23,240,511	17,391,773	5,848,738	(43,210)	13,188	7,729,158

KPSC Case No. 006-0050
Letter Date: October 10, 2007
Attachment Page 27 of 31

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Kentucky Power Company				
Monthly Environmental Surcharge Report Analysis				
June 2007	Current Month	FERC Case No. 2006-00507 Month Date October 10, 2007	Difference	Percentage Change
ES FORM 1.00				
Line 1- CRR from ES Form 3.0	2,691,620	2,915,796	(224,176)	-7.69%
Line 2A- Br from ES Form 1.10	1,913,578	1,514,859	398,719	26.32%
Line 3- E(m) (Line 1 - Line 2)	778,042	1,400,937	(622,895)	-44.46%
Line 4 - Kentucky Retail Jurisdictional Allocation Factor, ES FORM 3.30 Schedule of Revenues, Line 1	63.6%	67.8%	-4.20%	-6.19%
Line 5A - KY Retail E (m) (Line 3 * Line 4)	494,835	949,835	(455,000)	-47.90%
Line 5B - Monthly Increase in Jurisdictional Environmental Revenue Requirement per Case No. 2006-00126, dated January 31, 2007	95,494	95,494	0	0.00%
Line 6 - (Over)/Under Recovery Adjustment from ES Form 3.30	78,185	(168,809)	246,994	-146.32%
Line 7 - Net KY Retail E (m) (Line 5 + Line 6) - Expense	668,514	876,520	(208,006)	-23.73%
Line 8 - Net Retail E(m) (line 7) - Expense	668,514	876,520	(208,006)	-23.73%
Line 9 - KY Retail R(m) from ES Form 3.3 - Revenue	31,821,952	28,451,204	3,370,748	11.85%
Line 10 - Environmental Surcharge Factor for Expense Month (Line 8 / Line 9)	2.1008%	3.0808%	-0.9800%	-31.81%
Environmental Costs				
ES FORM 1.00, Line 3 (Environmental Costs to be Allocated)	778,042	1,400,937	(622,895)	
ES FORM 1.00, Line 5B (Retail Customers Only)	95,494	95,494	0	
ES FORM 1.00, Line 6 (Over/Under Recovery) (Retail Customers Only)	78,185	(168,809)	246,994	
Total Environmental Costs	951,721	1,327,622	(375,901)	
Allocation of Environmental Costs				
Kentucky Retail Revenues	668,514	876,520	(208,006)	
FERC Wholesale Revenues	5,446	15,410	(9,964)	
Associated Utilities Revenues	82,472	99,467	(16,995)	
Non-Associated Utilities Revenues (Off System Sales)	195,289	336,225	(140,936)	
Total Environmental Costs By Revenue Category	951,721	1,327,622	(375,901)	
ES FORM 1.00, Line 3 (Environmental Costs to be Allocated)	778,042	1,400,937	(622,895)	
% of Kentucky Retail Revenues to Total Revenues for Month	63.6%	67.8%		
Applicable KY Retail Environmental Costs	494,835	949,835	(455,000)	
ES FORM 1.00, Line 5B (Retail Customers Only)	95,494	95,494	0	
ES FORM 1.00, Line 6 (Over/Under Recovery) (Retail Customers Only)	78,185	(168,809)	246,994	
Total Environmental Costs To Be Recovered	668,514	876,520	(208,006)	
FERC Wholesale Revenues	0.7%	1.1%		
Associated Utilities Revenues	10.6%	7.1%		
Non-Associated Utilities Revenues (Off System Sales)	25.1%	24.0%		
ES FORM 3.00				
First Component: Total Revenue Requirement - Big Sandy Record on ES FORM 3.00, Line 1	3,104,980	3,227,641	(122,661)	
Second Component: Kentucky Power Company Portion of Rockport Total Revenue Requirement, Record on ES FORM 3.20, Line 2	48,609	48,438	171	
Third Component: Net Gain/(Loss) from Emission Allowance Sales	461,969	360,283	101,686	
Total Current Period Revenue Requirement, CRR Record on ES Form 1.0	2,691,620	2,915,796	(224,176)	

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Kentucky Power Company				
Monthly Environmental Surcharge Report Analysis				
	Current Month	Pre-Month	KPC Case No. 2006-00507 Letter Date October 10, 2007 Attachment 3 Page 29 of 31	Percentage Change
June 2007				
ES FORM 3.10				
Line 1 - Utility Plant at Original Cost	191,086,055	191,086,055	0	
Line 2 - Less Accumulated Depreciation	(34,852,455)	(34,229,909)	(622,546)	
Line 3 - Less Accum. Def. Income Taxes	(33,859,759)	(33,572,199)	(287,560)	
Line 4 - Net Utility Plant	122,373,841	123,283,947	(910,106)	
Line 5 - SO2 Emission Allowance Inventory from ES FORM 3.11	11,502,660	11,705,515	(202,855)	
Line 6 - ECR & NOx Emission Allowance Inventory from ES FORM 3.12	0	0	0	
Line 7 - Cash Working Capital Allowance from ES FORM 3.13, Line 11	121,614	124,040	(2,426)	
Line 8 - Total Rate Base	133,998,115	135,113,502	(1,115,387)	
Line 9 - Weighted Average Cost of Capital - ES FORM 3.15	10.15%	10.15%	0.00%	
Line 10 - Monthly Weighted Avg. Cost of Capital (9) / 12	0.85%	0.85%	0.00%	
Line 11 - Monthly Return of Rate Base (8) * (10)	1,138,984	1,148,465	(9,481)	
Operating Expenses :				
Line 12 - Monthly Depreciation Expense	576,258	576,258	0	
Line 13 - Monthly Catalyst Amortization Expense	46,030	46,030	0	
Line 14 - Monthly Property Taxes	15,153	15,153	0	
Line 15 - Monthly Kentucky Air Emissions Fee	20,849	32,201	(11,352)	
Line 16 - Monthly Environmental AEP Pool Capacity Costs from ES FORM 3.14, Page 1 of 11, Column 5, Line 10 / Monthly Gavin Scrubber Cost from ES FORM 3.14	805,638	1,056,601	(250,963)	
Line 17 - Monthly 2003 Plan Non-Fuel O&M Expenses from ES FORM 3.13	332,040	235,191	96,849	
Line 18 - Monthly SO2 Emission Allowance Consumption - ES FORM 3.11	170,028	117,742	52,286	
Line 19 - Monthly ERC & NOx Emission Allowance Consumption - ES FORM 3.12	0	0	0	
Line 20 - Total Operating Expenses [Line 12 thru Line 18]	1,965,996	2,079,176	(113,180)	
Line 21 - Total Revenue Requirement - Big Sandy - Record on ES FORM 3.00, Line 1	3,104,980	3,227,641	(122,661)	
ES FORM 3.11				
SO2 Emission Allowance Inventory	11,502,660	11,705,515	(202,855)	
SO2 Emissions Allowances Consumed By Kentucky Power	4,273	2,959	1,314	
SO2 Allowance Management System - Internal Purchases	0.0	0.0	0.0	
SO2 Allowance Management System - External Purchases	0.0	0.0	0.0	
SO2 Allowance Management System - Internal Sales	0.0	0.0	0.0	
SO2 Allowance Management System - External Sales	825.0	749.0	76.0	
SO2 Allowance Management System - Adjustments	0.0	0.0	0.0	
SO2 Allowance Management System - Consumption	4,273.0	2,959.0	1,314.0	
Member Load Ratio - KPC (ES FORM 3.11)	0.06896	0.07488	(0.00592)	
ES FORM 3.12				
ECR & NOx Emission Allowance Inventory	0	0	0	
ECR Consumed By Kentucky Power	0	0	0	
NOx Consumed By Kentucky Power	549	449	100	
ES FORM 3.13				
1997 Plan :				
Monthly Kentucky Air Emissions Fee	20,849	32,201	(11,352)	
Total Monthly AEP Pool Environmental Capacity Costs / Monthly Gavin Scrubber Costs	449,996	607,187	(157,191)	
Monthly SO2 Allowance Consumption	170,028	117,742	52,286	
Total 1997 Plan O&M Expenses	640,873	757,130	(116,257)	
2003 Plan :				
Monthly Variable Cladding at Big Sandy Unit 1	0	0	0	
Monthly Urea Consumption at Big Sandy Unit 2	328,610	207,116	121,494	
Monthly Catalyst Replacement at Big Sandy Unit 2	0	0	0	
Monthly ERC & NOx Allowance Consumption	0	0	0	
Equipment - Associated Operating Expense	0	1,059	(1,059)	
Equipment - Associated Maintenance Expense	3,430	27,016	(23,586)	
Total 2003 Plan O&M Expenses	332,040	235,191	96,849	
Total Monthly O&M Expenses	972,913	992,321	(19,408)	
Cash Working Capital Allowance (Line 10 X 1/8)	121,614	124,040	(2,426)	

Kentucky Power Company				
Monthly Environmental Surcharge Report Analysis				
June 2007	Current Month	Prior Month	Difference	Percentage Change
ES FORM 3.14				
Total AEP Pool Monthly Environmental Capacity Costs to Kentucky Power	805,638	1,056,601	(250,963)	
Gavin Scrubber Expense:				
Sludge Removal	268,725	639,259	(370,534)	
Lime Consumption	3,133,815	2,883,016	250,799	
Lease Expense	4,253,067	4,253,067	0	
Scrubber Maintenance (Only 50% is Applicable)	143,140	584,168	(441,028)	
Total Gavin Scrubber Expenses	7,798,747	8,359,510	(560,763)	
Scrubber Cost to Kentucky Power (ES FORM 3.10, Line 15)	0	0	0	
Surplus Capacity kW				
OPCo	2,737,900	2,870,800	(132,900)	
I&M	52,300	156,300	(104,000)	
Total	2,790,200	3,027,100	(132,900)	
Ohio Power Surplus Weighting	98%	95%	3.00%	
Indiana Michigan Power Surplus Weighting	2%	5%	-3.00%	
Kentucky Power Capacity Deficit	362,900	478,100	(115,200)	
ES FORM 3.20				
<i>(Costs Associated with Rockport)</i>				
Line 12 - KPC Portion of Costs Associated with Rockport, Record on ES FORM 3.00	48,609	48,438	171	
ES FORM 3.30				
Kentucky Retail Revenues	31,821,952	28,451,204	3,370,748	
FERC Wholesale Revenues	350,585	478,578	(127,993)	
Associated Utilities Revenues	5,288,411	2,964,559	2,323,852	
Non-Associated Utilities Revenues	12,549,420	10,070,744	2,478,676	
Physical Revenues for Month	50,010,368	41,965,085	8,045,283	
Non Physical Revenues for Month	1,041,663	271,951	769,712	
Total Revenues for Month	51,052,031	42,237,036	8,814,995	
% of Kentucky Retail Revenues to Total Revenues for Month	63.6%	67.8%	-4.2%	
% of FERC Wholesale Revenues to Total Revenues for Month	0.7%	1.1%	-0.4%	
% of Associated Utilities Revenues (Off System Sales) to Total Revenues for Month	10.6%	7.1%	3.5%	
% of Non Associated Utilities Revenues to Total Revenues for Month	25.1%	24.0%	1.1%	
Total	100.0%	100.0%	0.0%	
Over/(Under) Recovery Adjustment				
Kentucky Retail Surcharge Factor For - April 2007 / March 2007	1.2693%	-1.1149%	2.3842%	
Kentucky Retail Revenues for Current Expense Month	27,073,820	23,784,196	3,289,624	
Surcharge Collected	343,648	(265,170)	608,818	
Surcharge Amount To Be Collected	421,833	(433,979)	855,812	
Over/(Under) Recovery - Record on ES FORM 1.00, Line 6	(78,185)	168,809	(246,994)	

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	January 2007	February 2007	March 2007	April 2007	May 2007	June 2007	July 2007	August 2007	September 2007	October 2007	November 2007	December 2007	Total 2007
Kentucky Power Company													
Monthly Environmental Surcharge Report Analysis													
<i>ES FORM 1.00</i>													
Line 1-CRR from ES Form 3.0	2,948,786	2,756,786	2,088,092	2,585,486	2,915,788	269,1620							
Line 2A - Br from ES Form 1.10	2,531,764	3,003,995	2,845,066	2,085,635	1,514,859	1,913,578	2,818,212	2,342,863	2,852,305	2,181,975	2,588,522	1,407,989	28,106,883
Line 3 - E(m) (Line 1 - Line 2)	119,902	(247,209)	(759,974)	489,961	1,400,837	779,042							
Line 4 - Kentucky Retail Jurisdictional Allocation Factor, ES FORM 3.30 Schedule of Revenues, Line 1	74.3%	76.8%	70.3%	71.1%	67.8%	63.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0
Line 6A - KY Retail E (m) (Line 3 * Line 4)	85,448	(190,104)	(533,559)	348,382	948,835	484,835							
Line 5B - Monthly Increase in Jurisdictional Environmental Revenue Requirement per Case No. 2008-00128, dated January 31, 2007	95,484	95,484	95,484	95,484	95,484	95,484	0	0	0	0	0	0	572,984
Line 6 - (Over)/Under Recovery Adjustment from ES Form 3.30	(25,203)	(16,487)	4,086	(22,023)	(169,809)	78,185							
Line 7 - Net KY Retail E (m) (Line 5 + Line 6) - Expense	155,737	(111,087)	(433,978)	421,833	976,520	608,514							
Line 8 - Net Retail E(m) (line 7) - Expense	155,737	(111,087)	(433,978)	421,833	976,520	608,514							
Line 9 - KY Retail R(m) from ES Form 3.3 - Revenue	38,728,843	41,184,282	38,925,415	33,233,581	28,451,204	31,821,952							
Line 10 - Environmental Surcharge Factor for Expense Month (Line 9 / Line 8)	0.3920%	-0.2895%	-1.1149%	1.2883%	3.0808%	2.1008%							
Environmental Costs To Be Recovered													
ES FORM 1.00, Line 3 (Environmental Costs to be Allocated)	115,002	(247,209)	(759,974)	489,961	1,400,937	778,042							
ES FORM 1.00, Line 6B (Retail Customers Only)	95,484	95,484	95,484	95,484	95,484	95,484							
ES FORM 1.00, Line 8 (Over/Under Recovery) (Retail Customers Only)	(25,203)	(18,487)	4,086	(22,023)	(168,809)	78,185							
Total Environmental Costs To Be Recovered	185,283	(168,202)	(659,394)	563,432	1,327,622	851,721							
Allocation of Environmental Costs													
Kentucky Retail Revenues	185,737	(111,097)	(433,978)	421,833	876,520	608,514							1,877,628
FERC Wholesale Revenues	920	(2,225)	(6,313)	3,920	15,410	5,448							16,158
Associated Utilities Revenues	6,395	(11,819)	(75,897)	39,687	89,487	82,472							142,505
Non-Associated Utilities Revenues (Of System Sales)	20,241	(43,261)	(144,205)	97,992	338,225	185,289							482,281
Total Environmental Costs By Revenue Category	188,393	(168,202)	(659,394)	563,432	1,327,622	851,721							2,400,472
ES FORM 1.00, Line 3 (Environmental Costs to be Allocated)	115,002	(247,209)	(759,974)	489,961	1,400,937	778,042							
% of Kentucky Retail Revenues to Total Revenues for Month	73.3%	76.9%	70.3%	71.1%	67.8%	63.8%							
Applicable KY Retail Environmental Costs	85,448	(190,104)	(533,559)	348,382	949,835	484,835							
ES FORM 1.00, Line 8B (Retail Customers Only)	95,484	95,484	95,484	95,484	95,484	95,484							
ES FORM 1.00, Line 6 (Over/Under Recovery) (Retail Customers Only)	(25,203)	(18,487)	4,086	(22,023)	(168,809)	78,185							
Total Environmental Costs To Be Recovered	155,737	(111,097)	(433,978)	421,833	976,520	608,514							
FERC Wholesale Revenues	0.8%	0.9%	0.7%	0.8%	1.1%	0.7%							
Associated Utilities Revenues	7.3%	4.7%	10.0%	8.1%	7.1%	10.6%							
Non-Associated Utilities Revenues (Of System Sales)	17.8%	17.5%	19.0%	20.0%	24.0%	25.1%							
ES FORM 3.00													
First Component: Total Revenue Requirement - Big Sandy Record on ES FORM 3.00, Line 1	2,502,387	2,712,283	2,849,957	2,792,163	3,227,641	3,104,980							
Second Component: Kentucky Power Company Portion of Rockport Total Revenue Requirement, Record on ES FORM 3.20, Line 2	44,419	44,503	51,218	48,927	48,438	48,609							
Third Component: Net Gain/(Loss) from Emission Allowance Sales	0	0	615,081	253,594	350,283	461,969							
Total Current Period Revenue Requirement, CRR Record on ES Form 1.0	2,946,788	2,796,786	2,895,092	2,985,498	2,915,799	2,881,620							
ES FORM 3.30													
Kentucky Retail Revenues	38,728,843	41,184,282	38,925,415	33,233,581	28,451,204	31,821,952							
FERC Wholesale Revenues	452,309	494,635	387,958	356,818	478,678	350,585							
Associated Utilities Revenues	3,921,425	2,512,336	5,825,732	3,795,680	2,864,559	5,288,411							
Non-Associated Utilities Revenues	9,421,488	9,397,316	10,500,650	9,347,316	10,070,744	12,548,420							
Physical Revenues for Month	63,525,086	63,978,629	65,339,953	48,733,497	41,985,085	50,010,388							
Non Physical Revenues for Month	1,005,913	1,181,081	1,374,988	1,351,561	271,951	1,041,883							
Total Revenues for Month	64,531,979	64,766,610	66,714,951	48,085,058	42,237,038	51,052,031							

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**KENTUCKY
POWER**

A unit of American Electric Power

Kentucky Power
P O Box 5190
101A Enterprise Drive
Frankfort, KY 40602
KentuckyPower.com

Elizabeth O'Donnell, Executive Director
Public Service Commission
Attn: Daryl Newby
P. O. Box 615
Frankfort, KY 40602

RECEIVED

JUN 18 2007

PUBLIC SERVICE
COMMISSION

If you have any questions, please advise.

Sincerely,

Errol K. Wagner
18 July 2007

Dear Ms. O'Donnell and Mr. Newby:

Attached are Kentucky Power Company's fuel adjustment clause schedules with supporting sales and fuel cost schedules. These calculations are based on an estimated May 2007 fuel costs with an adjustment reflecting actual April 2007 fuel costs.

The fuel adjustment clause factor of \$0.00758/kwh will be applied to our July 2007 billing. Pursuant to the Commission's Order dated October 3, 2002 in Case No. 2000-495B, page 5 reflects the peaking unit equivalent approach used to calculate the level of non-economy purchased power costs to flow through the fuel adjustment clause.

Also, we are attaching the system sales clause schedule with a supporting net revenue schedule calculated pursuant to the Commission's March 14, 2006 Order in Case No. 2005-00341. These calculations are based on an estimated May 2007 net revenue with an adjustment reflecting the true-up of April 2007 net revenue. Pursuant to the Settlement Agreement and the Commission's March 14th Order in Case No. 2005-00341 and the Company's System Sales Clause Tariff, net system sales revenue up to and including \$30M for the billing period April 1, 2007 through March 31, 2008 shall be based on 70/30 percent sharing basis. When the Company surpasses the off-system sales margin of \$30M, the customer sharing mechanism shall be on a 60/40 basis. The System Sales Clause Schedule, page 1 of 2, shows the net revenue level applied to our July 2007 billing will be in the amount of \$2,954,780 for a YTD total of \$13,908,881.

The net system sales clause factor of \$(0.0007856)/kwh (a credit) will be applied to our July 2007 billing.

All billings during July 2007 will show a combined factor of \$0.0067944/kwh.

Errol K. Wagner
Errol K. Wagner
Director of Regulatory Services

bcc: (all via email)
Robin Wiseman - Canton (w/a) John Pulsinelli - Columbus (w/a)
Justin O'Neil - Columbus (w/a) Andrea M. Wallace - Cols (w/a)
O. J. Sever, Jr. - Columbus (w/a) Jeff Brubaker - Cols (w/a)
Steve M Trammell - Tulsa, (w/a) KPCCo Regulatory File Book

KENTUCKY POWER COMPANY
SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: **May 2007**

1 Fuel Adjustment Clause Factor (Page 1 of 5)	(+)	\$0.00758
2 System Sales Clause Factor (Page 1 of 2)	(+)	<u>-.0007856</u>
3 Total Adjustment Clause Factors		<u><u>\$0.0067944</u></u>

Effective Date for Billing

July 2007

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

June 18, 2007

KENTUCKY POWER COMPANY
FUEL ADJUSTMENT CLAUSE SCHEDULE


Month Ended: May 2007

Fuel Fm (Fuel Cost Schedule)	<u>\$12,645,960</u>		
Sales Sm (Sales Schedule)	525,019,000	(+)	0.02409
Fuel (Fb)	<u>\$8,703,098</u>		
Sales (Sb)	527,226,000	(-)	0.01651
			<u>0.00758</u>
			(\$/KWH)

Effective Date for Billing

July 2007

Submitted by:


(Signature)

Title:

Director of Regulatory Services

Date Submitted:

June 18, 2007

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: May 2007

A. Company Generation			
Coal Burned	(+)	\$8,537,426	
Oil Burned	(+)	302,589	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)	(+)	0	
Fuel (substitute for F. O.)	(-)		
Sub Total		<u>8,840,015</u>	
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	10,954,186	*
Identifiable Fuel Cost (substitute for F. O.)	(-)	0	
Sub Total		<u>10,954,186</u>	
C. Inter-System Sales Fuel Costs		<u>7,966,084</u>	*
Sub Total		<u>7,966,084</u>	
D. Total Fuel Cost (A + B - C)		<u><u>\$11,828,117</u></u>	
E. Adjustment indicating the difference in actual fuel cost for the month of <u>April 2007</u> and the estimated cost originally reported. <u>\$11,046,448</u> - <u>\$10,408,572</u> = <u>637,876</u> (actual) (est.)			
F. Total Company Over or (Under) Recovery from Page 4, Line 12		<u>(179,967)</u>	
G. Grand Total Fuel Cost (D + E - F)		<u><u>\$12,645,960</u></u>	

* Estimated - based on actual Kentucky generation unit costs in
 May 2007 \$8,840,015
431,032,000 0.02051 /KWH

KENTUCKY POWER COMPANY

SALES SCHEDULE

Month Ended: May 2007

		<u>Kilowatt-Hours</u>
A. Generation (Net)	(+)	431,032,000
Purchases Including Interchange In	(+)	<u>534,090,000</u>
Sub Total		<u>965,122,000</u>
B. Pumped Storage Energy	(+)	0
Inter-System Sales Including Interchange Out	(+)	388,400,000
System Losses	(+)	<u>51,703,000</u> *
Sub Total		<u>440,103,000</u>
Total Sales (A - B)		<u><u>525,019,000</u></u>

* Does not include 368,882 KWH of company usage.

KENTUCKY POWER COMPANY
OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: May 2007

Line
No.

1	FAC Rate Billed	(+)	0.00271
2	Retail KWH Billed at Above Rate	(x)	<u>534,596,054</u>
3	FAC Revenue/(Refund) (L1 * L2)		<u>1,448,755</u>
4	KWH Used to Determine Last FAC Rate Billed	(+)	608,369,000
5	Non-Jurisdictional KWH Included in L4	(-)	<u>8,308,500</u>
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>600,060,500</u>
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		1,626,164
8	Over or (Under) Recovery (L3 - L7)		(177,409)
9	Total Sales (Page 3)	(+)	525,019,000
10	Kentucky Jurisdictional Sales	(/)	<u>517,554,000</u>
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1.01442
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>(179,967)</u></u>

KENTUCKY POWER COMPANY

**FINAL
FUEL COST SCHEDULE**

Month Ended: April 2007

A. Company Generation

Coal Burned	(+)	\$13,508,884	
Oil Burned	(+)	136,259	
Gas Burned	(+)	0	
Fuel (jointly owned plant)	(+)	0	
Fuel (assigned cost during F. O.)			
(0 KWH X \$0.000000)	(+)	0	
Fuel (substitute for F. O.)	(-)	<u>0</u>	

Sub-total 13,645,143

B. Purchases

Net Energy Cost - Economy Purchases	(+)	0	
Identifiable Fuel Cost - Other Purchases	(+)	4,424,631	(1)
Identifiable Fuel Cost (substitute for F. O.)			
(0 KWH X \$0.000000)	(-)	<u>0</u>	

Sub-total 4,424,631

C. Inter-System Sales Fuel Costs 7,023,326 (1)

Total Fuel Cost (A + B - C) \$11,046,448

(1) Includes total Energy Costs of non-economy purchase per KPSC Order dated October 3, 2002 in Case No. 2000-495-B.

KENTUCKY POWER COMPANY

SYSTEM SALES CLAUSE SCHEDULE

Case No. 9061 and

Stipulation and Settlement Agreement in Case No. 2005-00341

May 2007

YTD System Sales Profit	
Feb-07	2,911,080
Mar-07	4,277,970
Apr-07	3,765,051
May-07	2,954,780
Jun-07	
Jul-07	
Aug-07	
Sep-07	0
Oct-07	0
Nov-07	0
Dec-07	0
Jan-08	0
Total	13,908,881

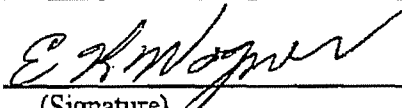
Line No.	Month Ended:		
1	Current Month (Tm) Net Revenue Level	(+)	2,954,780
2	Base Month (Tb) Tariff 19-2 Net Revenue Level	(-)	<u>2,365,563</u>
3	Increase/(Decrease) of System Sales Net Revenue		589,217
4	Customer 70% Sharing	(x)	<u>70%</u>
5	Customer Share of Increase/(Decrease) in System Sales Net Revenue		412,452
6	Current Month (Sm) Sales Level	(/)	<u>525,019,000</u>
7	System Sales Clause Factor - \$/Kwh		<u>-0.007856</u>

* This factor is a credit to the customer when current month net revenue levels exceed the base month; and a charge when the current month net revenues levels are below the base month.

Effective Date for Billing:

July 2007

Submitted by:


 (Signature)

Title:

Director of Regulatory Services

Date Submitted:

June 18, 2007

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Line No.	Month Ended:		TOTAL
	CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	
1	\$10,371,957	(\$29,262)	\$10,342,695
2	-0-	-0-	-0-
3	10,371,957	(29,262)	10,342,695
4	\$6,885,486	\$166,204	\$7,051,690
5	-0-	-0-	-0-
6	336,225	0	336,225
7	7,221,711	166,204	7,387,915
8	\$3,150,246	(\$195,466)	\$2,954,780

*Source:
 ES Form 1.0, Line 3
 ES Form 3.3, Line 4
 Non-Associated Environmental Costs

KENTUCKY POWER COMPANY

SUMMARY OF ADJUSTMENT CLAUSES

Month Ended: May 2007

- | | |
|---|------------------|
| 1 Fuel Adjustment Clause Factor (Page 1 of 5) | (+) .00758 |
| 2 System Sales Clause Factor (Page 1 of 2) | (+) (.0007856) |
| 3 Total Adjustment Clause Factors | <u>1.0067944</u> |

Effective Date for Billing

July 2007

Submitted by:

(Signature)

Title:

Director of Regulatory Services

Date Submitted:

June 18, 07

KENTUCKY POWER COMPANY

FUEL ADJUSTMENT CLAUSE SCHEDULE

Month Ended: May 2007

Fuel Fm (Fuel Cost Schedule)	<u>12,645,960</u>		
Sales Sm (Sales Schedule)	525,019,000	(+)	= .02409
Fuel (Fb)	\$8,703,098		
Sales (Sb)	<u>527,226,000</u>	(-)	0.01651
			<u>.00758</u>
			(\$/KWH)

Effective Date for Billing July 2007

Submitted by: _____
(Signature)

Title: Director of Regulatory Services

Date Submitted: June 18, 2007

KENTUCKY POWER COMPANY

FUEL COST SCHEDULE

Month Ended: *May 2007*

A. Company Generation			
Coal Burned	(+)	8,537,426	
Oil Burned	(+)	302,589	
Gas Burned	(+)	<u> </u>	
Fuel (jointly owned plant)	(+)	<u> </u>	
Fuel (assigned cost during F. O.)	(+)	<u> </u>	
Fuel (substitute for F. O.)	(-)	<u> </u>	
Sub Total		<u>8,840,015</u>	4
B. Purchases			
Net Energy Cost - Economy Purchases	(+)	<u> </u>	
Identifiable Fuel Cost - Other Purchases	(+)	10,954,186	*
Identifiable Fuel Cost (substitute for F. O.)	(-)	<u> </u>	
Sub Total		<u>10,954,186</u>	4
C. Inter-System Sales Fuel Costs			
Sub Total		<u>7,966,084</u>	* 4
D. Total Fuel Cost (A + B - C)		<u>11,828,117</u>	4
E. Adjustment indicating the difference in actual fuel cost for the month of <u>April 2007</u> and the estimated cost originally reported. <u>11,046,448</u> (actual) - <u>10,408,572</u> (est.) = <u>637,876</u>			4
F. Total Company Over or (Under) Recovery from Page 4, Line 12		<u>(179,967)</u>	
G. Grand Total Fuel Cost (D + E - F)		<u>12,648,150</u>	

* Estimated - based on actual Kentucky generation unit costs in

May '07 $\frac{8,840,015}{431,032,000} = .02051$ /KWH

KENTUCKY POWER COMPANY

SALES SCHEDULE

Month Ended: May 2007

		<u>Kilowatt-Hours</u>	
A. Generation (Net)	(+)	431,032,000	
Purchases Including Interchange In	(+)	<u>534,090,000</u>	
Sub Total		<u>965,122,000</u>	✓
B. Pumped Storage Energy	(+)	<u>—</u>	
Inter-System Sales Including Interchange Out	(+)	388,400,000	
System Losses	(+)	<u>51,703,000</u> *	
Sub Total		<u>440,103,000</u>	✓
Total Sales (A - B)		<u><u>525,019,000</u></u>	✓

* Does not include 368,882 KWH of company usage.

KENTUCKY POWER COMPANY

OVER OR (UNDER) RECOVERY SCHEDULE

Month Ended: *May 2007*

Line
 No.

1	FAC Rate Billed <i>May</i>	(+)	.00271	¢
2	Retail KWH Billed at Above Rate <i>May</i>	(x)	534,596,054	¢
3	FAC Revenue/(Refund) (L1 * L2)		<u>1,448,755</u>	¢
4	KWH Used to Determine Last FAC Rate Billed <i>May</i>	(+)	608,369,000	¢
5	Non-Jurisdictional KWH Included in L4 <i>Mar</i> $\text{OK} = \frac{2,239,520}{6,068,974} = 8,308,500$	(-)	<u>8,308,500</u>	¢
6	Kentucky Jurisdictional KWH Included in L4 (L4 - L5)		<u>600,060,500</u>	¢
7	Recoverable FAC Revenue/(Refund) (L1 * L6)		<u>1,626,164</u>	¢
8	Over or (Under) Recovery (L3 - L7)		<u>(177,409)</u>	¢
9	Total Sales (Page 3)	(+)	525,019,000	¢
10	Kentucky Jurisdictional Sales <i>May</i> $\text{OK} = \frac{2037.488}{5427.061} = 7464549$	(1)	<u>517,554,000</u>	¢
11	Ratio of Total Sales to KY. Jurisdictional Sales (L9 / L10)		1.01442	
12	Total Company Over or (Under) Recovery (L8 * L11)		<u><u>(179,969)</u></u>	

KENTUCKY POWER COMPANY

**FINAL
FUEL COST SCHEDULE**

Month Ended: April 2007

A. Company Generation		
Coal Burned	(+)	13,508,884
Oil Burned	(+)	136,259
Gas Burned	(+)	- 0 -
Fuel (jointly owned plant)	(+)	- 0 -
Fuel (assigned cost during F. O.)		
(<u> </u> KWH X <u> </u>)	(+)	- 0 -
Fuel (substitute for F. O.)	(-)	- 0 -
		<hr/>
Sub-total		13,645,143
		<hr/>
B. Purchases		
Net Energy Cost - Economy Purchases	(+)	- 0 -
Identifiable Fuel Cost - Other Purchases	(+)	4,424,631 (1)
Identifiable Fuel Cost (substitute for F. O.)		
(<u> </u> KWH X <u> </u>)	(-)	- 0 -
		<hr/>
Sub-total		4,424,631
		<hr/>
C. Inter-System Sales Fuel Costs		<u>7,023,326</u> (1)
		<hr/>
Total Fuel Cost (A + B - C)		<u>11,046,448</u>

(1) Includes total Energy Costs of non-economy purchase per KPSC Order dated October 3, 2002 in Case No. 2000-495-B.

KENTUCKY POWER COMPANY

SYSTEM SALES CLAUSE SCHEDULE

Case No. 9061 and

Stipulation and Settlement Agreement in Case No. 2005-00341

May 07 ~~Month~~ 2007

Line No.

Month Ended:

- 1 Current Month (Tm) Net Revenue Level (+ 2,954,780
- 2 Base Month (Tb) Tariff 19-2 Net Revenue Level (-) 2,365,563
- 3 Increase/(Decrease) of System Sales Net Revenue 589,217
- 4 Customer 70% Sharing (x) 70%
412,452
- 5 Customer Share of Increase/(Decrease) in System Sales Net Revenue 525,019,000
- 6 Current Month (Sm) Sales Level (1) (1,000,785.6)
- 7 System Sales Clause Factor - \$/Kwh

YTD System Sales Profit	
Feb-07	2,911,080
Mar-07	4,277,970
Apr-07	3,765,051
May-07	2,954,780
Jun-07	
Jul-07	
Aug-07	
Sep-07	0
Oct-07	0
Nov-07	0
Dec-07	0
Jan-08	0
Total	10,954,101

13,908,881

Credit
2

* This factor is a credit to the customer when current month net revenue levels exceed the base month; and a charge when the current month net revenues levels are below the base month.

Effective Date for Billing:

~~Month 2007~~

July 2007

Submitted by:

(Signature)

Title:

Director of Regulatory Services

Date Submitted:

~~Month 2007~~

June 18, 2007

KENTUCKY POWER COMPANY
SYSTEM SALES CLAUSE NET REVENUE

Month Ended: *May 2007*

Line No.	CURRENT MONTH	PRIOR MO. TRUE-UP ADJUSTMENT	TOTAL
1 Sales For Resale Revenues	10,371,957	(29,262)	10,342,695
2 Interchange-Delivered Revenues	—	—	—
3 Total System Sales Revenues	10,371,957	(29,262)	10,342,695
4 Sales For Resale Expenses	6,885,486	166,204	7,051,690
5 Interchange-Delivered Expenses	—	—	—
6 Non-Associated Utilities Monthly Environmental Costs*	336,225	—	336,225
7 Total System Sales Expenses	7,221,711	166,204	7,387,915
8 Total System Sales Net Revenues	<u>3,150,246</u>	<u>(195,466)</u>	<u>2,954,780</u>

*Source:

ES Form 1.0, Line 3

ES Form 3.3, Line 4

Non-Associated Environmental Costs

Internal Workpaper

Date: 6/18/07

Month Ending: May 2007

NER:

Net Energy Requirement in MWH X twelve (12) months rolling line losses in % carried to two (2) decimals less company usage in MWH.

NER = Generation plus Purchases minus Sales

NER = 965,120 MWH (Generation + Purchases)

NER - 388,400 MWH (Sales)

NER = 576,722 MWH

NER = 576,722 MWH

NER X 9.029% Avg. 12 mos. Line loss

System Losses = 52,072 MWH

Company Usage - 369 MWH

System Losses = 51,703 MWH

(Less Company Usage)



INVOICE
AMERICAN ELECTRIC POWER
AS AGENT FOR KENTUCKY POWER COMPANY
STATEMENT OF SCHEDULED TRANSACTIONS
WITH
THE CITY OF OLIVE HILL, KENTUCKY



INVOICE DATE: 6/8/2007
PAYMENT DUE DATE: 6/18/2007
INVOICE NUMBER: 117-20413749

INVOICE PERIOD: 01-May-2007 - 31-May-2007 Eastern Prevailing Time

Billing Information:

	<u>Peak kW</u>	<u>\$/kW</u>	<u>Billing \$</u>
<u>Demand Charge:</u>			
Peak Date & Time: 05/30/07 @ 17:00			
	4,842	\$9.26	\$44,836.92
<u>Energy Charge:</u>	<u>Accumulated kWh</u>	<u>\$/kWh</u>	
	2,037,488	\$0.0031396	\$6,396.90
<u>Fuel Charge:</u>	2,037,488	\$0.0170476	\$34,734.28
<u>Fuel Adjustment Charge:</u>	2,037,488	\$0.0035905	\$7,315.60
<u>March 2007 Actual Fuel True-Up:</u>			
Estimated Fuel Adjustment Charge:		\$0.0019501	
Actual Fuel Adjustment Charge:		<u>\$0.0035905</u>	
March 2007 Fuel Charge Difference:	2,239,520	\$0.0016404	\$3,673.71
<u>PJM Open Access Transmission Tariff</u>			\$16,900.28
AMOUNT DUE AEP			\$113,857.69

METHODS OF PAYMENT

Bank Instructions:

By Wire Transfer To:

Citibank, N.A., N.Y.
ABA# 0210-00089
Kentucky Power Company - Generation
Account Number 30484544

Billing Questions: (614) 583-6225 or (614) 583-6149

INVOICE
AMERICAN ELECTRIC POWER
AS AGENT FOR KENTUCKY POWER COMPANY
STATEMENT OF SCHEDULED TRANSACTIONS
WITH
THE CITY OF VANCEBURG, KENTUCKY



INVOICE DATE: 6/8/2007
PAYMENT DUE DATE: 6/18/2007
INVOICE NUMBER: 117-20413748

INVOICE PERIOD: 01-May-2007 - 31-May-2007 Eastern Prevailing Time

Billing Information:

	<u>Peak kW</u>	<u>\$/kW</u>	<u>Billing \$</u>
<u>Demand Charge:</u>			
Peak date & Time: 05/30/07 @ 16:00			
	11,550	\$9.08	\$104,874.00
	<u>Accumulated kWh</u>	<u>\$/kWh</u>	
<u>Energy Charge:</u>	5,427,061	\$0.0030769	\$16,698.52
<u>Fuel Charge:</u>	5,427,061	\$0.0167067	\$90,668.28
<u>Fuel Adjustment Charge:</u>	5,427,061	\$0.0035187	\$19,096.20
<u>March 2007 Actual Fuel True-Up:</u>			
Estimated Fuel Adjustment Charge:		\$0.0019111	
Actual Fuel Adjustment Charge:		<u>\$0.0035187</u>	
March 2007 Fuel Charge Difference:	6,068,974	\$0.0016076	\$9,756.48
<u>PJM Open Access Transmission Tariff</u>			\$25,884.80
AMOUNT DUE AEP			\$266,978.28

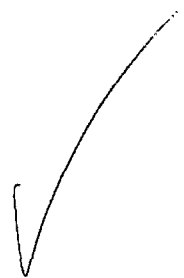
METHODS OF PAYMENT

Bank Instructions:

By Wire Transfer To:

Citibank, N.A., N.Y.
 ABA# 0210-00089
 Kentucky Power Company - Generation
 Account Number 30484544

Billing Questions: (614) 583-6225 or (614) 583-6149



INVOICE
AMERICAN ELECTRIC POWER
AS AGENT FOR KENTUCKY POWER COMPANY
STATEMENT OF SCHEDULED TRANSACTIONS
WITH
THE CITY OF OLIVE HILL, KENTUCKY



INVOICE DATE: 4/10/2007
PAYMENT DUE DATE: 4/20/2007
INVOICE NUMBER: 117-20401099

INVOICE PERIOD: 01-Mar-2007 - 31-Mar-2007 Eastern Prevailing Time

Billing Information:

	<u>Peak kW</u>	<u>\$/kW</u>	<u>Billing \$</u>
<u>Demand Charge:</u>			
Peak Date & Time: 03/04/07 @ 21:00	4,824	\$9.26	\$44,670.24
	<u>Accumulated kWh</u>	<u>\$/kWh</u>	
<u>Energy Charge:</u>	2,239,520	\$0.0031396	\$7,031.20
<u>Fuel Charge:</u>	2,239,520	\$0.0170476	\$38,178.44
<u>Fuel Adjustment Charge:</u>	2,239,520	\$0.0019501	\$4,367.29
<u>January 2007 Actual Fuel True-Up:</u>			
Estimated Fuel Adjustment Charge:		\$0.0017352	
Actual Fuel Adjustment Charge:		<u>\$0.0019501</u>	
January 2007 Fuel Charge Difference:	2,745,173	\$0.0002149	\$589.94
<u>PJM Open Access Transmission Tariff</u>			\$16,914.50
AMOUNT DUE AEP			\$111,751.61

METHODS OF PAYMENT

Bank Instructions:

By Wire Transfer To:

Citibank, N.A., N.Y.
 ABA# 0210-00089
 Kentucky Power Company - Generation
 Account Number 30484544

Billing Questions: (614) 583-6225 or (614) 583-6149



INVOICE
AMERICAN ELECTRIC POWER
AS AGENT FOR KENTUCKY POWER COMPANY
STATEMENT OF SCHEDULED TRANSACTIONS
WITH
THE CITY OF VANCEBURG, KENTUCKY



INVOICE DATE: 4/10/2007
PAYMENT DUE DATE: 4/20/2007
INVOICE NUMBER: 117-20401098

INVOICE PERIOD: 01-Mar-2007 - 31-Mar-2007 Eastern Prevailing Time

Billing Information:

	<u>Peak kW</u>	<u>\$/kW</u>	<u>Billing \$</u>
<u>Demand Charge:</u>			
Peak date & Time: 03/06/07 @ 8:00			
	12,905	\$9.08	\$117,177.40
	<u>Accumulated kWh</u>	<u>\$/kWh</u>	
<u>Energy Charge:</u>			
	6,068,974	\$0.0030769	\$18,673.63
<u>Fuel Charge:</u>	6,068,974	\$0.0167067	\$101,392.53
<u>Fuel Adjustment Charge:</u>	6,068,974	\$0.0019111	\$11,598.42
<u>January 2007 Actual Fuel True-Up:</u>			
Estimated Fuel Adjustment Charge:		\$0.0017005	
Actual Fuel Adjustment Charge:		\$0.0019111	
January 2007 Fuel Charge Difference:	6,588,896	\$0.0002106	\$1,387.62
<u>PJM Open Access Transmission Tariff</u>			\$25,929.43
AMOUNT DUE AEP			\$276,159.03

METHODS OF PAYMENT

Bank Instructions:

By Wire Transfer To:
 Citibank, N.A., N.Y.
 ABA# 0210-00089
 Kentucky Power Company - Generation
 Account Number 30484544

Billing Questions: (614) 583-6225 or (614) 583-6149



**KENTUCKY POWER
FUEL COSTS (5010001, 5010013, & 5010019)
MAY 2007**

COAL	\$8,537,426.25
SURVEY	\$0.00
CONVERSION COAL	<u>\$0.00</u>
TOTAL COAL	\$8,537,426.25
OIL	<u>\$302,589.19</u>
TOTAL FUEL	<u><u>\$8,840,015.44</u></u>



KPSC Case No. 2006-00507
 Letter Dated October 10, 2007
 Attachment 4
 Page 24 of 42

**KENTUCKY POWER COMPANY
 NET ENERGY REQUIREMENTS
 MAY 2007**

Net Generation (Sch 12)		431,032
Purchases:		
1. Interchange Pool (Sch 4, Pool Energy)	340,681	
2. Interchange Received Cash	0	
3. Purchased Power: Associated (Including Rockport Units 1 & 2)	125,332	
4. Purchased Power: Non Associated	68,077	
Subtotal	193,409	
5. Loop In/Out (Sch 4, Loop or Interchange In/Out - Nonassociated)	0	
Total Purchased Power		534,090
Available for Distribution		965,122
Sales		
1. Interchange Pool (Sch 4, Total Assoc Co Sales)	135,350	
2. Total System Sales (Physical Sales)	211,328	
3. Total System Sales (Non - Physical Sales or Bookouts & Options)	41,722	
Disposition of Energy		388,400
Total Supply for Net Energy Requirement (NER) (Internal Load Requirements)		576,722
Check:		
Total Sales (Calc for Deferred Fuel, Page 3 of 5, Total Sales (A - B))	525,019	
Net System Losses MWH (Calc for Deferred Fuel, Page 3 of 5)	51,703	
Total Supply for Net Energy Requirement (NER)	576,722	
Current Month Energy Sales		
Billed KWH		
Preliminary Page 9-1 (Sch 5, Total Sales of Electricity)	542,060,554	
System Sales for Resale (Schedule 4, Total System Sales)	211,328,000	
System Interchange Sales (Schedule 4, Total Assoc Co Sales)	135,350,000	
Total Current Month Billed Revenue		888,738,554
Accrued KWH		
Current Month Unbilled Page 9-1A (Sch 6)		304,373,079
Last Month Unbilled Page 9-1A		279,851,166
Current Month Billed and Accrued KWH		913,260,467

KENTUCKY POWER COMPANY												
Line Loss Calculation												
BILLED & ACCRUED												
Inter change Pool	System Sales	Bill. & Accrd. Loss	Total Disposition	Billed Only -Loss-	MWH			TOTAL ENERGY DISPOSED	ASSOC. COMPANY INTERCHANGE	SYSTEM SALES FOR RESALE	INTERNAL ENERGY DISPOSED	ENERGY LOST & UNACCO UNATED
#####	#####	#####	#####	#####				1	2	3	(1-2-3-4)	6
226,657	180,807	37,315	1,133,614	(30,447)	JAN	06	current month	1,133,614	226,657	180,807	726,150	37,315
							12 mos. ending	13,559,039	2,766,796	2,756,514	8,035,729	642,256
197,969	233,870	75,719	1,183,392	70,989	FEB	06	current month	1,183,392	197,969	233,870	751,553	75,719
							12 mos. ending	13,612,511	2,765,029	2,749,320	8,098,162	661,296
257,553	226,681	54,266	1,200,512	73,930	MAR	06	current month	1,200,512	257,553	226,681	716,278	54,266
							12 mos. ending	13,514,347	2,760,249	2,672,853	8,081,245	659,024
281,185	221,781	98,758	1,077,711	3,245	APR	06	current month	1,077,711	281,185	221,781	574,745	98,758
							12 mos. ending	13,502,138	2,755,725	2,661,157	8,085,256	710,776
129,331	191,062	56,870	906,998	66,154	MAY	06	current month	906,998	129,331	191,062	586,585	56,870
							12 mos. ending	13,432,832	2,728,273	2,614,834	8,089,725	722,703
283,427	254,340	65,193	1,146,790	62,242	JUN	06	current month	1,146,790	283,427	254,340	609,023	65,193
							12 mos. ending	13,472,210	2,778,618	2,630,085	8,063,507	734,015
252,352	298,491	51,867	1,235,232	111,439	JUL	06	current month	1,235,232	252,352	298,491	684,389	51,867
							12 mos. ending	13,520,281	2,772,406	2,667,490	8,080,385	731,011
252,375	291,493	59,995	1,252,649	94,965	AUG	06	current month	1,252,649	252,375	291,493	708,781	59,995
							12 mos. ending	13,608,660	2,817,690	2,713,804	8,077,166	727,651
297,092	196,951	85,826	1,056,706	(32,347)	SEP	06	current month	1,056,706	297,092	196,951	562,663	85,826
							12 mos. ending	13,510,004	2,816,516	2,662,181	8,031,307	760,355
305,738	240,217	44,753	1,163,289	103,139	OCT	06	current month	1,163,289	305,738	240,217	617,334	44,753
							12 mos. ending	13,620,505	2,856,897	2,714,458	8,049,150	761,704
287,102	184,004	46,903	1,133,742	94,784	NOV	06	current month	1,133,742	287,102	184,004	662,636	46,903
							12 mos. ending	13,691,829	2,946,118	2,693,863	8,051,848	741,807
193,816	186,140	52,806	1,135,365	76,562	DEC	06	current month	1,135,365	193,816	186,140	755,409	52,806
							12 mos. ending	13,626,000	2,964,597	2,705,857	7,955,546	730,271
189,303	200,862	65,845	1,173,943	83,762	JAN	07	current month	1,173,943	189,303	200,862	783,778	65,845
							12 mos. ending	13,666,329	2,927,243	2,725,912	8,013,174	758,801
109,435	185,212	63,932	1,104,783	84,311	FEB	07	current month	1,104,783	109,435	185,212	810,136	63,932
							12 mos. ending	13,587,720	2,838,709	2,677,254	8,071,757	747,014
268,702	249,103	79,703	1,189,976	(8,566)	MAR	07	current month	1,189,976	268,702	249,103	672,171	79,703
							12 mos. ending	13,577,184	2,849,858	2,699,676	8,027,650	772,451
182,068	199,389	63,780	1,004,763	38,393	APR	07	current month	1,004,763	182,068	199,389	623,306	63,780
							12 mos. ending	13,504,236	2,750,741	2,677,284	8,076,211	737,473
135,350	211,328	51,493	965,122	76,014	MAY	07	current month	965,122	135,350	211,328	618,444	51,493
							12 mos. ending	13,562,360	2,756,760	2,697,530	8,108,070	732,096



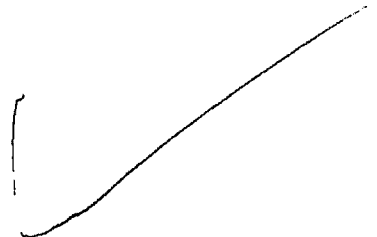
Kentucky Power Company - Building Usage - May 2007

Metered Usage In Company Buildings For The Current Month	368,882
Metered Usage In Company Buildings For The Prior Month	432,021

Current Month Company Usage

ASHLAND	175,320	kWh
SO. WILLIAMSON	2,141	kWh
HAZARD/PIKEVILLE	191,421	kWh
CURRENT MONTH	368,882	kWh
PRIOR MONTH ADJUSTMENT	0	kWh
CURRENT MONTH REPORT	368,882	kWh
	369	mWh

Source: OSPRIO60



KENTUCKY POWER COMPANY POWER TRANSACTION SCHEDULE April 2007

TRANSACTION TYPES *

F	FIRM
LT-CAP	LONG TERM CAPACITY
L-TERM	LIMITED TERM
S-TERM	SHORT TERM
PRE	PRE-SCHEDULED
RESCAP	RESERVED CAPACITY
ARS-EMRG	AUTO RESERVE SHARING - EMERG.
EXP-CONG	EXPLICIT CONGESTION
IMP-CONG	IMPLICIT CONGESTION
SPOT-ENG	PJM MARKET SPOT ENERGY
ND	NON-DISPLACEMENT
SUPP	SUPPLEMENTAL (OVEC)
EMERG	EMERGENCY
CMP-UPR	UNIT POWER
NF	NON-FIRM
PKPWR	PEAKING POWER
CCS;COALPH	COAL CONVERSION SVC.
GENLOS	GENERATION LOSS
BKI-BKUP	BUCKEYE BACKUP POWER
U-ENERGY	UNIT ENERGY

OTHER

HR	HOURLY
DY	DAILY
WK	WEEKLY
MO	MONTHLY
YR	YEAR
PH	PHYSICAL

* Due to voluminous transactions, they are aggregated by type rather than by interconnected utility.

PURCHASES

BILLING COMPONENTS

TRANSACTION TYPE	MWH	FUEL CHARGE (\$)	DEMAND (\$)	OTHER CHARGES (\$)	TOTAL CHARGES (\$)
DY-2F	45,136	1,585,445.44	0.00	396,361.44	1,981,806.88
HR-2NF	552	46,816.85	0.00	5,970.23	52,787.08
EXP-CONG	0	0.00	0.00	14,781.55	14,781.55
IMP-CONG	0	0.00	0.00	490,193.61	490,193.61
SPOT-ENG	30,437	1,145,666.31	0.00	286,416.92	1,432,083.23
DY-F	720	36,040.64	0.00	9,010.08	45,050.72
HR-NF	4,692	195,054.35	0.00	48,763.27	243,817.62
	81,537 ⁽¹⁾	3,009,023.59	0.00	1,251,497.10	4,260,520.69
AEP POOL PRIMARY PURCHASES:	43,586	586,125.00	0.00	114,021.00	700,146.00
INTERRUPTIBLE BUY/THROUGH (AEP AFF. COS.)	0	0.00	0.00	0.00	0.00
BOOKOUTS/OPTIONS:	269,250	0.00	0.00	9,986,929.00	9,986,929.00
TOTALS:	394,373	3,595,148.59	0.00	11,352,447.10	14,947,595.69

⁽¹⁾ ALLOCATED TO SYSTEM SALES:
ALLOCATED TO INTERNAL CUSTOMERS:

LESS: PJM IMPLICIT CONGESTION INCLUDED IN THE INTERNAL CUSTOMER'S FIGURE:
NET INCLUDABLE ENERGY CHARGES:

MWH	Total Energy Charges
77,750	3,762,780.24
3,787	497,740.45
81,537	4,260,520.69
0	422,015.25
81,537	3,838,505.44

NOTE:
IN THE ABOVE TRANSACTIONS THERE WERE NO PURCHASES AS A RESULT OF FORCED OUTAGES AT BIG SANDY PLANT.

SALES TRANSACTION TYPE	KPCO MLR SHARE OF DELIVERED MWH	BILLING COMPONENTS					TOTAL CHARGES (\$)
		SUPPLIED BY KPCO SOURCES		DEMAND (\$)	OTHER CHARGES (\$)		
		MWH	FUEL CHARGE (\$)				
LT-CAP	11,510	8,960	162,982.49	230,256.00	22,758.44	415,996.93	
RESCAP	0	0	0.00	18,051.77	0.00	18,051.77	
DY-2F	76,238	55,130	1,298,329.04	0.00	2,491,039.42	3,789,368.46	
DY-2NF	0	72	3,411.16	0.00	4,773.32	8,184.48	
CMP-UPR	0	0	0.00	43,992.00	0.00	43,992.00	
SPOT-ENG	78,861	58,355	2,176,747.29	0.00	1,259,550.73	3,436,298.02	
MO-F	31,086	24,742	472,015.37	364,184.36	589,044.85	1,425,244.58	
DY-F	704	276	11,255.36	0.00	30,575.68	41,831.04	
DY-NF	7,905	6,292	159,464.42	0.00	142,835.30	302,299.72	
HR-NF	4,068	2,892	113,933.98	0.00	118,538.52	232,472.50	
GENLOS	5	25	970.20	0.00	(970.20)	0.00	
BKI-BKUP	<u>206</u>	<u>195</u>	<u>8,685.27</u>	<u>0.00</u>	<u>4,504.59</u>	<u>13,189.86</u>	
	210,583	156,939	4,400,493.86 ⁽¹⁾	656,484.13	4,669,951.37	9,726,929.36	
AEP POOL SALES (PRIMARY/ECONOMY)	0	99,212	1,806,560.00	0.00	194,969.00	2,001,529.00	
INTERRUPTIBLE BUY/THROUGH (AEP AFF. CO./KY EL. STEEL)	0	36	1,931.00	0.00	493.00	2,424.00	
BOOKOUTS/OPTIONS:	279,411	0	0.00	0.00	10,455,958.00	10,455,958.00	
TOTALS:	489,994	256,187	6,208,984.86	656,484.13	15,321,371.37	22,186,840.36	
KPCo's other costs incurred, (other than fuel from Account 151):						1,135,941.65	
KPCo's MLR share of AEP energy cost less the actual energy costs incurred by KPCo:						1,903,581.45	
KPCo's MLR share of the difference (Total AEP energy charges - Total AEP energy costs):						1,630,428.27	
Total (Other Charges):						4,669,951.37	

⁽¹⁾ Includes (\$7,300.72) adjustment for chemicals carried over to Other Charges.

<u>(A) COMPANY GENERATION</u>	<u>BIG SANDY (PLANT)</u>	<u>ROCKPORT UNIT #1</u>	<u>ROCKPORT UNIT #2</u>	<u>FUEL AMOUNTS (\$)</u>
COAL BURNED	9,772,163.91	2,393,122.00	1,343,598.00	13,508,883.91
OIL BURNED	95,616.44	4,843.00	35,800.00	136,259.44
GAS BURNED				-----
FUEL (JOINTLY OWNED PLANT)				-----
FUEL (ASSIGNED COST DURING F.O.) (0 x 0.000)				0.00
FUEL (SUBSTITUTE FOR F.O.)				-----
SUB-TOTAL				13,645,143.35

(B) PURCHASES

NET ENERGY COST - ECONOMY PURCHASES				0.00
⁽¹⁾ IDENTIFIABLE FUEL COST - OTHER PURCHASES				4,424,630.44
IDENTIFIABLE FUEL COST (SUBSTITUTE FOR F.O.) (0 x 0.000)				0.00
SUB-TOTAL				4,424,630.44

(C) INTER-SYSTEM SALES

⁽¹⁾ FUEL COSTS				7,023,326.03
TOTAL FUEL COSTS (A + B - C)				11,046,447.76

F.O. = FORCED OUTAGE

DETAILS:

FUEL (ASSIGNED COST DURING F.O.)

QUANTITY OF SUBSTITUTE ENERGY GIVEN AN ASSIGNED COST (Kwh):				0
AT THE BIG SANDY FUEL RATE OF:	18.342	MILLS/KWH	\$	0.00

IDENTIFIABLE FUEL COST (SUBSTITUTE FOR F.O.)
PURCHASES SUBSTITUTED FOR F.O.:

PRIMARY ENERGY (AEP POOL)	00,000,000	KWH	13.448	MILLS/KWH	\$	0.00
CASH PURCHASES FROM NON-AFFILIATED COS.	0	KWH		MILLS/KWH	\$	0.00
TOTAL PURCHASES (IDENTIFIABLE FUEL COST) (SUBSTITUTE FOR F.O.):		Kwh	13.448	MILLS/KWH	\$	0.00

⁽¹⁾ INCLUDES TOTAL ENERGY COSTS OF NON-ECONOMY PURCHASES AS PER KPSC ORDER OF OCTOBER 3, 2002 IN CASE NO. 2000-00495-B.



<u>Flow Date</u>	<u>Appalachia Gas Daily Avg. (\$/MMBtu)</u>	<u>Park & Lend Service (\$/MMBtu)</u>	<u>Energy Cost (\$/MWh)*</u>
01-Apr-07	7.810	0.1983	83.29
02-Apr-07	7.810	0.1983	83.29
03-Apr-07	7.925	0.1983	84.48
04-Apr-07	7.805	0.1983	83.23
05-Apr-07	7.695	0.1983	82.09
06-Apr-07	7.760	0.1983	82.77
07-Apr-07	7.760	0.1983	82.77
08-Apr-07	7.760	0.1983	82.77
09-Apr-07	7.760	0.1983	82.77
10-Apr-07	7.910	0.1983	84.33
11-Apr-07	7.985	0.1983	85.11
12-Apr-07	8.230	0.1983	87.65
13-Apr-07	8.205	0.1983	87.39
14-Apr-07	8.190	0.1983	87.24
15-Apr-07	8.190	0.1983	87.24
16-Apr-07	8.190	0.1983	87.24
17-Apr-07	7.985	0.1983	85.11
18-Apr-07	7.840	0.1983	83.60
19-Apr-07	7.845	0.1983	83.65
20-Apr-07	7.785	0.1983	83.03
21-Apr-07	7.865	0.1983	81.78
22-Apr-07	7.665	0.1983	81.78
23-Apr-07	7.665	0.1983	81.78
24-Apr-07	7.580	0.1983	80.89
25-Apr-07	7.920	0.1983	84.43
26-Apr-07	7.945	0.1983	84.89
27-Apr-07	7.855	0.1983	83.75
28-Apr-07	7.740	0.1983	82.56
29-Apr-07	7.740	0.1983	82.56
30-Apr-07	7.740	0.1983	82.56

Minimum(75%: \$60.67/MWh)

* Based on 10,800 Btu/kWh for June - August.
 * Based on 10,400 Btu/kWh for September - May.

KENTUCKY POWER COMPANY
 SYSTEM SALES TRACKER
 MAY 2007

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(AG)
	Revenue 4470008	Cost 4470010	Net	Revenue 4470007	Cost 4470011	Net	Brokers 4470009	Commissions 4470010	Ret	Revenue 4470081	Revenue 4470082	Revenue 4470089	Revenue 4470109	Subtotal REVENUE	Subtotal COST	NET
19 PRIOR MO.	9,434,872	9,007,541	427,331	0	0	0	0	3,888	(9,401)	0	154,907	0	0	9,589,049	9,011,401	577,648
20 PRIOR MO.	9,492,089	8,992,129	499,960	0	0	0	0	3,211	(7,338)	0	154,949	0	0	9,672,911	9,095,341	577,570
21	12,593	16,412	(2,029)	0	0	0	0	657	(1,093)	0	(42)	0	0	12,135	18,091	(5,956)
22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	(6,310)	(17)	(6,293)	0	0	0	0	0	0	124,843	480,847	0	(58,698)	520,281	9,011,422	(17)
24	9,342,819	8,134,777	208,042	0	0	0	0	6,848	(13,749)	0	6,057	0	0	9,340,772	9,141,422	199,350
25	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26	9,342,819	8,134,777	208,042	0	0	0	0	6,848	(13,749)	0	6,057	0	0	9,340,772	9,141,422	199,350
27	9,340,092	8,150,172	118,920	0	0	0	0	7,302	(14,812)	124,843	480,847	0	0	9,873,188	9,157,474	715,714
28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	(68,202)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	(68,202)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	(454,607)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34	1,837	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35	1,837	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
36	(452,770)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

	(AA)	(AB)	(AC)	(AD)	(AE)	(AF)	(AG)
	Revenue 5550038	Cost 5550039	Cost 5550045	(AD)	(AE)	(AF)	(AG)
38 PRIOR MO.	18,950,832	15,903,843	3,046,989	0	0	0	474,435
39 PRIOR MO.	18,964,025	15,721,870	3,242,155	0	0	0	478,388
40	(13,193)	182,273	(195,466)	0	0	0	(3,934)
41	0	0	0	0	0	0	0
42	113,519	0	0	0	0	0	0
43	18,750,072	16,302,440	3,447,632	0	0	0	0
44	359,236	276,532	83,704	0	0	0	0
45	19,390,838	16,028,808	3,363,028	0	0	0	0
46	0	0	0	0	0	0	0
47	19,491,192	16,200,157	3,291,035	0	0	0	0

	REVENUE	COST	NET
TOTAL	10,371,957	8,885,488	1,486,469
ADJ.	0	0	0
NET	10,371,957	8,885,488	1,486,469

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KENTUCKY POWER COMPANY
 SYSTEM SALES TRACKER
 MAY 2007

	(A) REVENUE COST	(B) COST	(C) Net	(D) REVENUE	(E) REVENUE	(F) REVENUE	(G) REVENUE	(H) REVENUE	(I) REVENUE	(J) REVENUE	(K) REVENUE	(L) REVENUE	(M) REVENUE	(N) REVENUE	(O) REVENUE
Physical Sales - Sales For Resale															
1 PRIOR MO. ACTUAL	9,438,082	6,802,524	2,543,548	0	0	0	0	0	0	0	0	0	0	0	0
2 PRIOR MO. ESTIMATE	9,440,745	6,728,330	2,714,415	0	0	0	0	0	0	0	0	0	0	0	0
3 CSW DOLLAR TRNFR ADJ. (0.000000)	(4,983)	155,204	(170,887)	0	0	0	0	0	0	0	0	0	0	0	0
4 CSW DOLLAR TRNFR ADJ. (0.000000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 CSW DOLLAR TRNFR ADJ. (0.000000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6 CURREN. MO. ESTIMATE	10,164,931	7,161,018	3,003,913	0	(28,192)	0	7,448	0	0	0	16,233	(7,285)	0	0	(4,111)
7 ADJUSTMENT	359,236	275,532	83,704	0	0	0	0	0	0	0	0	0	0	0	0
Total Current Month Estimate	9,805,695	6,885,486	2,920,209	0	0	0	0	0	0	0	0	0	0	0	0
8 CURREN. MO. ESTIMATE	9,805,695	6,885,486	2,920,209	0	0	0	0	0	0	0	0	0	0	0	0
9 CURREN. MO. ESTIMATE	9,805,695	6,885,486	2,920,209	0	0	0	0	0	0	0	0	0	0	0	0
10 CURREN. MO. ESTIMATE	9,805,695	6,885,486	2,920,209	0	0	0	0	0	0	0	0	0	0	0	0
Physical Sales - Sales For Resale - P&M Accounts															
11 PRIOR MO. ACTUAL	1,025,819	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 PRIOR MO. ESTIMATE	1,037,833	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 CURREN. MO. ESTIMATE	(12,114)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 CURREN. MO. ESTIMATE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 CURREN. MO. ESTIMATE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 CURREN. MO. ESTIMATE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 ADJUSTMENT	1,185,057	8,405	1,176,652	0	0	1,285	248	122,768	0	1,173	(482)	0	0	0	0
Total Current Month Estimate	1,172,943	8,405	1,164,538	0	0	1,285	248	122,768	0	1,173	(482)	0	0	0	0
18 CURREN. MO. ESTIMATE	1,172,943	8,405	1,164,538	0	0	1,285	248	122,768	0	1,173	(482)	0	0	0	0
19 CURREN. MO. ESTIMATE	1,172,943	8,405	1,164,538	0	0	1,285	248	122,768	0	1,173	(482)	0	0	0	0
20 CURREN. MO. ESTIMATE	1,172,943	8,405	1,164,538	0	0	1,285	248	122,768	0	1,173	(482)	0	0	0	0
Physical Sales - Sales For Resale - P&M Accounts															
1 PRIOR MO. ACTUAL	(884,853)	(871,570)	(13,283)	0	0	0	0	0	0	0	0	0	0	0	0
2 PRIOR MO. ESTIMATE	(871,570)	(858,287)	(13,283)	0	0	0	0	0	0	0	0	0	0	0	0
3 CURREN. MO. ESTIMATE	(13,283)	0	(13,283)	0	0	0	0	0	0	0	0	0	0	0	0
4 CURREN. MO. ESTIMATE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 CURREN. MO. ESTIMATE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6 CURREN. MO. ESTIMATE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 ADJUSTMENT	(599,095)	0	(599,095)	0	0	0	(18,422)	(2,788)	(16,192)	0	0	0	0	0	0
Total Current Month Estimate	(599,095)	0	(599,095)	0	0	0	(18,422)	(2,788)	(16,192)	0	0	0	0	0	0
8 CURREN. MO. ESTIMATE	(599,095)	0	(599,095)	0	0	0	(18,422)	(2,788)	(16,192)	0	0	0	0	0	0
9 CURREN. MO. ESTIMATE	(599,095)	0	(599,095)	0	0	0	(18,422)	(2,788)	(16,192)	0	0	0	0	0	0
10 CURREN. MO. ESTIMATE	(599,095)	0	(599,095)	0	0	0	(18,422)	(2,788)	(16,192)	0	0	0	0	0	0

1 of 2

Kentucky Power Company				
Monthly Environmental Surcharge Report Analysis				
KPSC Case No. 2006-00507 Letter Dated October 10, 2006 2007 Attachment 4 Page 34 of 42	Current Month	Prior Month	Difference	Percentage Change
ES FORM 1.00				
Line 1- CRR from ES Form 3.0	2,915,796	2,585,496	330,300	12.78%
Line 2A- Brr from ES Form 1.10	1,514,859	2,095,535	(580,676)	-27.71%
Line 3- E(m) (Line 1 - Line 2)	1,400,937	489,961	910,976	185.93%
Line 4 - Kentucky Retail Jurisdictional Allocation Factor, ES FORM 3.30 Schedule of Revenues, Line 1	67.8%	71.1%	-3.30%	-4.64%
Line 5A - KY Retail E (m) (Line 3 * Line 4)	949,835	348,362	601,473	172.66%
Line 5B - Monthly Increase in Jurisdictional Environmental Revenue Requirement per Case No. 2006-00128, dated January 31, 2007	95,494	95,494	0	0.00%
Line 6 - (Over)/Under Recovery Adjustment from ES Form 3.30	(168,809)	(22,023)	(146,786)	666.51%
Line 7 - Net KY Retail E (m) (Line 5 + Line 6) - Expense	876,520	421,833	454,687	107.79%
Line 8 - Net Retail E(m) (line 7) - Expense	876,520	421,833	454,687	107.79%
Line 9 - KY Retail R(m) from ES Form 3.3 - Revenue	28,451,204	33,233,581	(4,782,377)	-14.39%
Line 10 - Environmental Surcharge Factor for Expense Month (Line 8 / Line 9)	3.0808%	1.2693%	1.8115%	142.72%
Environmental Costs				
ES FORM 1.00, Line 3 (Environmental Costs to be Allocated)	1,400,937	489,961	910,976	
ES FORM 1.00, Line 5B (Retail Customers Only)	95,494	95,494	0	
ES FORM 1.00, Line 6 (Over/Under Recovery) (Retail Customers Only)	(168,809)	(22,023)	(146,786)	
Total Environmental Costs	1,327,622	563,432	764,190	
Allocation of Environmental Costs				
Kentucky Retail Revenues	876,520	421,833	454,687	
FERC Wholesale Revenues	15,410	3,920	11,490	
Associated Utilities Revenues	99,467	39,687	59,780	
Non-Associated Utilities Revenues (Off System Sales)	336,225	97,992	238,233	
Total Environmental Costs By Revenue Category	1,327,622	563,432	764,190	
ES FORM 1.00, Line 3 (Environmental Costs to be Allocated)	1,400,937	489,961	910,976	
% of Kentucky Retail Revenues to Total Revenues for Month	67.8%	71.1%		
Applicable KY Retail Environmental Costs	949,835	348,362	601,473	
ES FORM 1.00, Line 5B (Retail Customers Only)	95,494	95,494	0	
ES FORM 1.00, Line 6 (Over/Under Recovery) (Retail Customers Only)	(168,809)	(22,023)	(146,786)	
Total Environmental Costs To Be Recovered	876,520	421,833	454,687	
FERC Wholesale Revenues	1.1%	0.8%		
Associated Utilities Revenues	7.1%	8.1%		
Non-Associated Utilities Revenues (Off System Sales)	24.0%	20.0%		
ES FORM 3.00				
First Component: Total Revenue Requirement - Big Sandy Record on ES FORM 3.00, Line 1	3,227,641	2,792,163	435,478	
Second Component: Kentucky Power Company Portion of Rockport Total Revenue Requirement, Record on ES FORM 3.20, Line 2	48,438	46,927	1,511	
Third Component: Net Gain/(Loss) from Emission Allowance Sales	360,283	253,594	106,689	
Total Current Period Revenue Requirement, CRR Record on ES Form 1.0	2,915,796	2,585,496	330,300	

Kentucky Power Company				
Monthly Environmental Surcharge Report Analysis				
KPSC Case No. 2006-00507				
Letter Dated October 10, 2007		Current Month	Prior Month	Percentage Change
Attachment 4	May 2007			
Page 35 of 42				
ES FORM 3.10				
Line 1 - Utility Plant at Original Cost	191,086,055	191,086,055	0	
Line 2 - Less Accumulated Depreciation	(34,229,909)	(33,607,621)	(622,288)	
Line 3 - Less Accum. Def. Income Taxes	(33,572,199)	(33,284,553)	(287,646)	
Line 4 - Net Utility Plant	123,283,947	124,193,881	(909,934)	
Line 5 - SO2 Emission Allowance Inventory from ES FORM 3.11	11,705,515	11,853,061	(147,546)	
Line 6 - ECR & NOx Emission Allowance Inventory from ES FORM 3.12	0	0	0	
Line 7 - Cash Working Capital Allowance from ES FORM 3.13, Line 11	124,040	78,753	45,287	
Line 8 - Total Rate Base	135,113,502	136,125,695	(1,012,193)	
Line 9 - Weighted Average Cost of Capital - ES FORM 3.15	10.15%	10.15%	0.00%	
Line 10 - Monthly Weighted Avg. Cost of Capital (9) / 12	0.85%	0.85%	0.00%	
Line 11 - Monthly Return of Rate Base (8) * (10)	1,148,465	1,157,068	(8,603)	
Operating Expenses :				
Line 12 - Monthly Depreciation Expense	576,258	576,258	0	
Line 13 - Monthly Catalyst Amortization Expense	46,030	46,030	0	
Line 14 - Monthly Property Taxes	15,153	15,153	0	
Line 15 - Monthly Kentucky Air Emissions Fee	32,201	32,201	0	
Line 16 - Monthly Environmental AEP Pool Capacity Costs from ES FORM 3.14, Page 1 of 11, Column 5, Line 10 / Monthly Gavin Scrubber Cost from ES FORM 3.14	1,056,601	731,268	325,333	
Line 17 - Monthly 2003 Plan Non-Fuel O&M Expenses from ES FORM 3.13	235,191	80,472	154,719	
Line 18 - Monthly SO2 Emission Allowance Consumption - ES FORM 3.11	117,742	153,713	(35,971)	
Line 19 - Monthly ERC & NOx Emission Allowance Consumption - ES FORM 3.12	0	0	0	
Line 20 - Total Operating Expenses [Line 12 thru Line 18]	2,079,176	1,635,095	444,081	
Line 21 - Total Revenue Requirement - Big Sandy - Record on ES FORM 3.00, Line 1	3,227,641	2,792,163	435,478	
ES FORM 3.11				
SO2 Emission Allowance Inventory	11,705,515	11,853,061	(147,546)	
SO2 Emissions Allowances Consumed By Kentucky Power	2,959	3,863	(904)	
SO2 Allowance Management System - Internal Purchases	0.0	0.0	0.0	
SO2 Allowance Management System - External Purchases	0.0	9,248.0	(9,248.0)	
SO2 Allowance Management System - Internal Sales	0.0	0.0	0.0	
SO2 Allowance Management System - External Sales	749.0	636.0	113.0	
SO2 Allowance Management System - Adjustments	0.0	0.0	0.0	
SO2 Allowance Management System - Consumption	2,959.0	3,863.0	(904.0)	
Member Load Ratio - KPC (ES FORM 3.11)	0.07488	0.07488	0.00000	
ES FORM 3.12				
ECR & NOx Emission Allowance Inventory	0	0	0	
ECR Consumed By Kentucky Power	0	0	0	
NOx Consumed By Kentucky Power	0	0	0	
ES FORM 3.13				
1997 Plan :				
Monthly Kentucky Air Emissions Fee	32,201	32,201	0	
Total Monthly AEP Pool Environmental Capacity Costs / Monthly Gavin Scrubber Costs	607,187	363,636	243,551	
Monthly SO2 Allowance Consumption	117,742	153,713	(35,971)	
Total 1997 Plan O&M Expenses	757,130	549,550	207,580	
2003 Plan :				
Monthly Variable Cladding at Big Sandy Unit 1	0	0	0	
Monthly Urea Consumption at Big Sandy Unit 2	207,116	50,290	156,826	
Monthly Catalyst Replacement at Big Sandy Unit 2	0	0	0	
Monthly ERC & NOx Allowance Consumption	0	0	0	
Equipment - Associated Operating Expense	1,059	0	1,059	
Equipment - Associated Maintenance Expense	27,016	30,182	(3,166)	
Total 2003 Plan O&M Expenses	235,191	80,472	154,719	
Total Monthly O&M Expenses	992,321	630,022	362,299	
Cash Working Capital Allowance (Line 10 X 1/8)	124,040	78,753	45,287	

Kentucky Power Company				
Monthly Environmental Surcharge Report Analysis				
May 2007	Current Month	Prior Month	Difference	Percentage Change
ES FORM 3.14				
Total AEP Pool Monthly Environmental Capacity Costs to Kentucky Power	1,056,601	731,268	325,333	
Gavin Scrubber Expense:				
Sludge Removal	639,259	1,038,118	(398,859)	
Lime Consumption	2,883,016	1,773,348	1,109,668	
Lease Expense	4,253,067	4,253,067	0	
Scrubber Maintenance (Only 50% is Applicable)	584,168	1,134,794	(550,626)	
Total Gavin Scrubber Expenses	8,359,510	8,199,327	160,183	
Scrubber Cost to Kentucky Power (ES FORM 3.10, Line 15)	0	0	0	
Surplus Capacity kW				
OPCo	2,870,800	3,099,100	(228,300)	
I&M	156,300	358,100	(201,800)	
Total	3,027,100	3,457,200	(228,300)	
Ohio Power Surplus Weighting	95%	90%	5.00%	
Indiana Michigan Power Surplus Weighting	5%	10%	-5.00%	
Kentucky Power Capacity Deficit	478,100	399,600	78,500	
ES FORM 3.20				
<i>(Costs Associated with Rockport)</i>				
Line 12 - KPC Portion of Costs Associated with Rockport, Record on ES FORM 3.00	48,438	46,927	1,511	
ES FORM 3.30				
Kentucky Retail Revenues	28,451,204	33,233,581	(4,782,377)	
FERC Wholesale Revenues	478,578	356,918	121,660	
Associated Utilities Revenues	2,964,559	3,795,680	(831,121)	
Non-Associated Utilities Revenues	10,070,744	9,347,318	723,426	
Physical Revenues for Month	41,965,085	46,733,497	(4,768,412)	
Non Physical Revenues for Month	271,951	1,351,561	(1,079,610)	
Total Revenues for Month	42,237,036	48,085,058	(5,848,022)	
% of Kentucky Retail Revenues to Total Revenues for Month	67.8%	71.1%	-3.3%	
% of FERC Wholesale Revenues to Total Revenues for Month	1.1%	0.8%	0.3%	
% of Associated Utilities Revenues (Off System Sales) to Total Revenues for Month	7.1%	8.1%	-1.0%	
% of Non Associated Utilities Revenues to Total Revenues for Month	24.0%	20.0%	4.0%	
Total	100.0%	100.0%	0.0%	
Over/(Under) Recovery Adjustment				
Kentucky Retail Surcharge Factor For - March 2007 / February 2007	-1.1149%	-0.2698%	-0.8451%	
Kentucky Retail Revenues for Current Expense Month	23,784,196	33,014,826	(9,230,630)	
Surcharge Collected	(265,170)	(89,074)	(176,096)	
Surcharge Amount To Be Collected	(433,979)	(111,097)	(322,882)	
Over/(Under) Recovery - Record on ES FORM 1.00, Line 6	168,809	22,023	146,786	

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SOURCES AND DISPOSITION OF ENERGY FOR
 FERC TYPE FUEL COST ADJUSTMENT CLAUSE

May 2007

ESTIMATE

<u>SOURCES OF ENERGY</u>			
	<u>MWH</u>	<u>\$ AMOUNT</u>	<u>MILLS/kWh</u>
1. NET GENERATION			
OWN FOSSIL GENERATION (Sch 8, Line 30) ==>	431,032	8,840,015	20.509
UNIT POWER PURCHASE (AEG) ROCKPORT #1	124,807	2,197,223	17.605
UNIT POWER PURCHASE (AEG) ROCKPORT #2	0	0	0.000
			Sch 8
SUBTOTAL, ITEM 1	555,839	11,037,238	19.857
SYSTEM POOL - PRIMARY & ECONOMY	197,285	2,564,182	12.997
AEP SYSTEM CASH PURCHASES	68,620	2,564,962	37.379
INTERRUPTIBLE BUY-THROUGH	0	0	0.000
SUBTOTAL, ITEM 2	265,905	5,129,144	19.289
3. TOTAL SOURCES (1+2)	821,744	16,166,382	19.673
		7,326,367	Line 33
<u>DISPOSITION OF ENERGY</u>			
4. OFF SYSTEM ALLOCATION OF SOURCES			
SYSTEM POOL - PRIMARY & ECONOMY	37,633	747,277	19.857
UNIT POWER PURCHASE (AEG) ROCKPORT #1	19,463	334,876	17.206
UNIT POWER PURCHASE (AEG) ROCKPORT #2	0	0	0.000
AEP SYSTEM CASH PURCHASES	65,716	2,531,817	38.527
OWN GENERATION	83,234	1,551,690	18.643
INTERRUPTIBLE BUY-THROUGH	20	1,168	58.400
			Line 34
SUBTOTAL, ITEM 4	206,066	5,166,828	25.074
5. FUEL IDENTIFIED FOR NER (3-4)	615,678	10,999,554	17.866
6. TOTAL (4+5)	821,744	16,166,382	19.673
A.FUEL IDENTIFIED FOR NER (LINE 5 ABOVE)	615,678	10,999,554	17.866
B.NON-MONETARY INTER-COMPANY RECEIPTS (+) DELIVERIES (-)	5,457	0	0.000
C.FUEL IDENTIFIED FOR NER (LINES A+B)	621,135	10,999,554	17.709
D.OUT OF PERIOD ADJUSTMENT	0	0	0.000
E.CONVENTIONAL HYDRO	0	0	0.000
F.TOTAL SUPPLY FOR NET ENERGY REQUIREMENT (NER)	621,135	10,999,554	17.70880

KENTUCKY POWER COMPANY
APRIL 2007

FUEL IDENTIFIED PORTION (A/C 151 FUEL BASIS)

ACTUAL	MWH	AMOUNT \$	MILLS/KWH
1. OWN FOSSIL GENERATION	537,990	9,867,780	18.342
Unit Purchase (AEG) Rockport 1	136,419	2,397,965	17.578
Unit Purchase (AEG) Rockport 2	75,002	1,379,398	18.391
TOTAL	<u>749,411</u>	<u>13,645,143</u>	<u>18.208</u>
2. OTHER PURCHASES (CASH SETTLED):			
System Pool - Primary/Economy	43,586	586,125	13.448
AEP System - Cash Purchases	81,537	3,009,024	36.904
Interruptible Buy-Through/SDI	0	0	0.000
TOTAL	<u>125,123</u>	<u>3,595,149</u>	<u>28.733</u>
3. IDENTIFIED SOURCES (1 + 2)	874,534	17,240,292	19.714
4. OFF-SYSTEM ALLOCATION OF SOURCES:			
System Pool - Primary/Economy	99,212	1,806,560	18.209
Allocated to AEP Deliveries (cash):			
Unit Purchase (AEG) Rockport 1	1,377	22,598	16.411
Unit Purchase (AEG) Rockport 2	458	7,443	16.251
AEP System Cash Purchases	77,750	2,948,439	37.922
Own Generation	77,354	1,422,013	18.383
Interruptible Buy-Through/SDI	0	0	0.000
Interruptible Buy-Through/SDI	36	1,931	53.639
TOTAL	<u>256,187</u>	<u>6,208,984</u>	<u>24.236</u>
5. IDENTIFIED FOR NER (3 - 4)	618,347	11,031,308	17.840
6. TOTAL (4 + 5)	874,534	17,240,292	19.714
<hr/>			
A. FUEL IDENTIFIED FOR NER (LINE 5)	618,347	11,031,308	17.840
B. NON-MONETARY INTER-COMPANY RECEIPTS/(DELIVERIES)	667	0	0.000
C. FUEL IDENTIFIED FOR NER (A + B)	<u>619,014</u>	<u>11,031,308</u>	<u>17.821</u>
D. OUT OF PERIOD ADJUSTMENT	0	0	0.000
E. CONVENTIONAL HYDRO	0	0	0.000
F. TOTAL SUPPLY FOR NER	<u>619,014</u>	<u>11,031,308</u>	<u>17.82077</u>

KENTUCKY POWER COMPANY
APRIL 2007

SOURCES AND DISPOSITION OF ENERGY FOR FERC TYPE FUEL COST ADJUSTMENT CLAUSE

ACTUAL

<u>SOURCES</u>	TOTAL MWH
1. NET GENERATION:	
Fossil Steam	537,990
2. INTER-COMPANY RECEIPTS:	
a. Purchased Power (Excluding Interchange) *	
1. Unit Power Purchases (AEG)	211,421
2. Other*	81,537
b. Non-Associated Companies	0
c. System Account	171,193
d. Interruptible Buy-Through/SDI	0
Total Inter-Company Receipts	464,151
3. TOTAL SOURCES (1 + 2)	1,002,141
<u>DISPOSITION</u>	
4. INTER-COMPANY DELIVERIES:	
a. Non-Associated Companies	0
b. System Account	172,508
c. System Sales for Resale (w/o fuel adjustment) *	210,583
d. Interruptible Buy-Through/SDI	36
Total Inter-Company Deliveries	383,127
5. NET ENERGY REQUIREMENT (3 - 4)	619,014
8. TOTAL DISPOSITION (4 + 5 + 6 + 7)	1,002,141

* Excludes power that did not enter into nor did it flow out of AEP System.

INVOICE
AMERICAN ELECTRIC POWER
AS AGENT FOR KENTUCKY POWER COMPANY
STATEMENT OF SCHEDULED TRANSACTIONS
WITH
THE CITY OF OLIVE HILL, KENTUCKY



INVOICE DATE: 5/8/2007
PAYMENT DUE DATE: 5/18/2007
INVOICE NUMBER: 117-20406813

INVOICE PERIOD: 01-Apr-2007 - 30-Apr-2007 Eastern Prevalling Time

Billing Information:

	<u>Peak kW</u>	<u>\$/kW</u>	<u>Billing \$</u>
<u>Demand Charge:</u>			
Peak Date & Time: 04/08/07 @ 9:00	4,427	\$9.26	\$40,994.02
	<u>Accumulated kWh</u>	<u>\$/kWh</u>	
<u>Energy Charge:</u>			
	1,977,408	\$0.0031396	\$6,208.27
<u>Fuel Charge:</u>			
	1,977,408	\$0.0170476	\$33,710.06
<u>Fuel Adjustment Charge:</u>			
	1,977,408	\$0.0027866	\$5,510.25
<u>February 2007 Actual Fuel True-Up:</u>			
Estimated Fuel Adjustment Charge:		\$0.0025232	
Actual Fuel Adjustment Charge:		\$0.0027866	
February 2007 Fuel Charge Difference:	2,995,023	\$0.0002634	\$788.89
<u>January 2007 Actual Fuel True-Up:</u>			
Actual Fuel Adjustment Charge:		\$0.0019501	
Actual Revision 1 Fuel Adjustment Charge:		\$0.0017586	
January 2007 Fuel Charge Difference:	2,745,173	(\$0.0001915)	(\$525.70)
<u>PJM Open Access Transmission Tariff</u>			\$16,564.49
AMOUNT DUE AEP			\$103,250.28

METHODS OF PAYMENT

Bank Instructions:

By Wire Transfer To:

Citibank, N.A., N.Y.
 ABA# 0210-00089
 Kentucky Power Company - Generation
 Account Number 30484544

Billing Questions: (614) 583-6225 or (614) 583-6149

INVOICE
AMERICAN ELECTRIC POWER
AS AGENT FOR KENTUCKY POWER COMPANY
STATEMENT OF SCHEDULED TRANSACTIONS
WITH
THE CITY OF VANCEBURG, KENTUCKY



INVOICE DATE: 5/8/2007
PAYMENT DUE DATE: 5/18/2007
INVOICE NUMBER: 117-20406812

INVOICE PERIOD: 01-Apr-2007 - 30-Apr-2007 Eastern Prevalling Time

Billing Information:

	<u>Peak kW</u>	<u>\$/kW</u>	<u>Billing \$</u>
<u>Demand Charge:</u>			
Peak date & Time: 04/10/07 @ 8:00			
	11,426	\$9.08	\$103,748.08
	<u>Accumulated kWh</u>	<u>\$/kWh</u>	
<u>Energy Charge:</u>	5,517,935	\$0.0030769	\$16,978.13
<u>Fuel Charge:</u>	5,517,935	\$0.0167067	\$92,186.48
<u>Fuel Adjustment Charge:</u>	5,517,935	\$0.0027309	\$15,068.93
<u>February 2007 Actual Fuel True-Up:</u>			
Estimated Fuel Adjustment Charge:		\$0.0024727	
Actual Fuel Adjustment Charge:		<u>\$0.0027309</u>	
February 2007 Fuel Charge Difference:	7,202,739	\$0.0002582	\$1,859.75
<u>January 2007 Actual Fuel True-Up:</u>			
Actual Fuel Adjustment Charge:		\$0.0019111	
Actual Revision 1 Fuel Adjustment Charge:		<u>\$0.0017234</u>	
January 2007 Fuel Charge Difference:	6,588,896	(\$0.0001877)	(\$1,236.74)
<u>PJM Open Access Transmission Tariff</u>			\$25,133.18
AMOUNT DUE AEP			\$253,737.81

METHODS OF PAYMENT

Bank Instructions:

By Wire Transfer To:

Citibank, N.A., N.Y.
 ABA# 0210-00089
 Kentucky Power Company - Generation
 Account Number 30484544

Billing Questions: (614) 583-6225 or (614) 583-6149

KENTUCKY POWER COMPANY
MAY 2007

Source and Disposition of Energy (Total System)

Megawatthours

Generation:

1 Total Net Generation (Sch 3) 431,032

Purchased Power:

2 Interchange Pool (Sch 4, Pool Energy) 340,681

3 Interchange Received Cash 0

Purchased Power: Associated

4 (Including Rockport) (Sch 4 or 12A) 125,332

5 Purchased Power: Non Associated 68,077

Loop In/Out

6 (Sch 4, Loop or Interchange In/Out - Nonassociated) 0

7 Total Purchased Power 534,090

8 Total Source (1 Plus 8) 965,122

Billed and Accrued

9 Total Energy Sales (Sch 3) 913,260

10 Used in Electric & Other Departments (Sch 2) 369

11 Furnished Without Charge 0

12 Total Energy Accounted For (+10+11+12) 913,629

13 Energy Lost and Unaccounted For 51,493

14 Total Disposition (Must Equal Line 8) 965,122

Billed Only (Memo)

15 Total Energy Sales (Sch 3) 888,739

16 Used in Electric & Other Departments (Sch 2) 369

17 Furnished Without Charge 0

18 Total Energy Accounted For 889,108

19 Energy Lost and Unaccounted For 76,014

20 Total Disposition (Must Equal Line 8) 965,122

ALL-STATE LEGAL 99-22-6810 EDT1



RECYCLED

**KENTUCKY
POWER**

A unit of American Electric Power

Kentucky Power
P O Box 5190
101A Enterprise Drive
Frankfort, KY 40602
KentuckyPower.com

RECEIVED

June 18, 2007

Elizabeth O'Donnell, Executive Director
Public Service Commission
P. O. Box 615
211 Sower Boulevard
Frankfort, Kentucky 40602

JUN 18 2007

PUBLIC SERVICE
COMMISSION

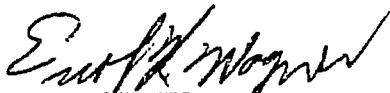
Attention: Isaac S. Scott

RE: Monthly Environmental Surcharge Report

Dear Ms. O'Donnell

Pursuant to KRS 278.183(3), Kentucky Power Company (Kentucky Power) files the original and three copies of its Environmental Surcharge Reports for the month of May 2007. In accordance with the Commission's Orders in the Environmental Surcharge cases, Kentucky Power has included the calculation and supporting documentation of the Environmental Surcharge Factor that will be billed for service on and after June 28, 2007.

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



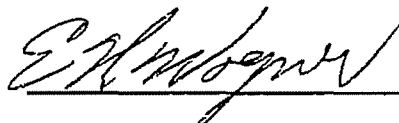
Errol K. Wagner
Director Regulatory Services
Enclosures

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CALCULATION OF E(m) and SURCHARGE FACTOR
 For the Expense Month of May 2007

<u>CALCULATION OF E(m)</u>		
E(m) = CRR - BRR		
LINE 1	CRR from ES FORM 3.00	\$2,915,796
LINE 2	Brr from ES FORM 1.10	\$1,514,859
LINE 3	E(m) (LINE 1 - LINE 2)	\$1,400,937
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	67.8%
LINE 5A	KY Retail E(m) (LINE 3 * LINE 4)	\$949,835
LINE 5B	Monthly Increase in Jurisdictional Environmental Revenue Requirement per Case No. 2006-00128, dated January 31, 2007	\$95,494
LINE 6	Over/(Under) Recovery Adjustment from ES FORM 3.30	(\$168,809)
LINE 7	Net KY Retail E(m) (LINE 5A + LINE 5B + LINE 6)	\$876,520
<u>SURCHARGE FACTOR</u>		
LINE 8	Net KY Retail E(m) (Line 7)	\$876,520
LINE 9	KY Retail R(m) from ES FORM 3.30	\$28,451,204
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	3.0808%

Effective Date for Billing: July 2007

Submitted By :



Title :

Director Regulatory Services

Date Submitted :

June 18, 2007

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
BASE PERIOD REVENUE REQUIREMENT
For the Expense Month of May 2007

MONTHLY BASE PERIOD REVENUE REQUIREMENT

Billing Month	Base Net Environmental Costs
JANUARY	\$2,531,784
FEBRUARY	3,003,995
MARCH	2,845,066
APRIL	2,095,535
MAY	1,514,859
JUNE	1,913,578
JULY	2,818,212
AUGUST	2,342,883
SEPTEMBER	2,852,305
OCTOBER	2,181,975
NOVEMBER	2,598,522
DECEMBER	1,407,969
TOTAL	<u>\$28,106,683</u> =====

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 For the Expense Month of May 2007

CALCULATION OF CURRENT PERIOD REVENUE REQUIREMENT

LINE NO.	COMPONENTS		
1	First Component: Associated with Big Sandy Plant ((RB KP(C)) (ROR KP(C)/12)) + OE KP(C) ES FORM 3.10 , Line 20		\$3,227,641
2	Second Component: Associated with Rockport Plant [((RB IM(C)) (ROR IM(C)/12)) + OE IM(C)] ES FORM 3.20 , Line 12		\$48,438
	Third Component: Net Proceeds from Emission Allowances Sales AS 1) SO ₂ - EPA Auction Proceeds received during Expense Month 2) SO ₂ - Net Gain or (Loss) from Allowance Sales, in compliance with the AEP Interim Allowance Agreement, received during Expense Month Total Net Proceeds from SO ₂ Allowances 1) NO _x - ERC Sales Proceeds, received during Expense Month 2) NO _x - EPA Auction Proceeds, received during Expense Month 3) NO _x - Net Gain or Loss from NO _x Allowances Sales, received during Expense Month Total Net Proceeds from NO _x Allowances	\$0 \$360,283 \$360,283 \$0 \$0 \$0 \$0	\$0 \$360,283 \$360,283 \$0 \$0 \$0 \$0
3	Total Net Gain or (Loss) from Emission Allowance Sales		\$360,283
4	Total Current Period Revenue Requirement, CRR Record on ES FORM 1.00.		\$2,915,796

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 COSTS ASSOCIATED WITH BIG SANDY

For the Expense Month of May 2007

LINE NO.	COST COMPONENT		
	Return on Rate Base :		
1	Utility Plant at Original Cost	\$191,086,055	
2	Less Accumulated Depreciation	(\$34,229,909)	
3	Less Accum. Def. Income Taxes	(\$33,572,199)	
4	Net Utility Plant		\$123,283,947
5	SO2 Emission Allowance Inventory from ES FORM 3.11		\$11,705,515
6	ECR & NOx Emission Allowance Inventory from ES FORM 3.12		\$0
7	Cash Working Capital Allowance from ES FORM 3.13, Line 11		\$124,040
8	Total Rate Base		\$135,113,502
9	Weighted Average Cost of Capital - ES FORM 3.15	10.15%	
10	Monthly Weighted Avg. Cost of Capital (9) / 12		0.85%
11	Monthly Return of Rate Base (8) * (10)		\$1,148,465
	Operating Expenses :		
12	Monthly Depreciation Expense		\$576,258
13	Monthly Catalyst Amortization Expense		\$46,030
14	Monthly Property Taxes		\$15,153
15	Monthly Kentucky Air Emissions Fee		\$32,201
16	Monthly Environmental AEP Pool Capacity Costs from ES FORM 3.14, Page 1 of 11, Column 5, Line 10		\$1,056,601
17	Monthly 2003 Plan Non-Fuel O&M Expenses from ES FORM 3.13		\$235,191
18	Monthly SO2 Emission Allowance Consumption		\$117,742
19	Monthly ERC & NOx Emission Allowance Consumption		\$0
20	Total Operating Expenses [Line 12 thru Line 18]		\$2,079,176
21	Total Revenue Requirement - Big Sandy Record on ES FORM 3.00, Line 1		\$3,227,641

**KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 SO2 EMISSIONS ALLOWANCE INVENTORY**

For the Expense Month of May 2007

	(1) Allowance Activity in Month	(2) Cumulative Balance	(3) Dollar Value of Activity	(4) Cumulative Dollar Balance	(5) Weighted Average Cost
BEGINNING INVENTORY		754,608		\$4,685,726	\$6.209
Additions -					
EPA Allowances	0	298,425	\$0	\$0	\$0.000
Gavin Reallocation	0	62,114	\$0	\$0	\$0.000
P & E Transfers In	0	325,869	\$0	\$4,725,223	\$14.500
Intercompany Purchases	0	20,657	\$0	\$3,212,441	\$155.513
Other (List)	0	428,624	\$1,866,728	\$67,006,514	\$156.329
SO2 Emissions Allowance Adjustment	0	4	\$0	\$0	\$0.000
Withdrawals -					
P & E Transfers Out	0	9,038	\$0	\$775,253	\$85.777
Intercompany Sales	0	50,124	\$0	\$4,704,459	\$93.856
Off - System Sales	749	292,367	\$29,804	\$29,574,404	\$101.155
SO2 Emissions Allowance Adjustment	0	0	\$0	\$0	\$0.000
SO2 Emissions Allowances Consumed By Kentucky Power	2,959	425,895	\$117,742	\$32,870,273	\$77.179
ENDING INVENTORY - Record Balance in Column (4) on ES FORM 3.10, Line 5		1,112,877		\$11,705,515	\$10.518
Expense Month Member Load Ratio for AEP/Kentucky Power					0.07488

Columns 1 and 2 -

Record the number of allowances in any transaction (purchase, sale, transfer) which occurred during the Expense Month. Multiple transactions for a given category are to be shown as the total activity for that category during the Expense Month. For each transaction shown in Column 1, update the cumulative balance in Column 2.

Columns 3 and 4 -

For each transaction reflected in Column 1, record the total dollars of the transaction. Multiple transaction for a given category are to be shown as the total dollar amount for that category during the Expense Month. For each transaction shown in Column 3, update the cumulative dollar balance in Column 4. Include transactions that total zero dollars. Record amounts in whole dollars.

Column 5 -

Compute the Weighted Average Cost by dividing the Cumulative Dollar Balance (Co. 4) by the corresponding Cumulative Balance (Col. 2). Perform this calculation for the Beginning Inventory, Ending Inventory and all additions and withdrawals made during the Expense Month. The Weighted Average Cost should be carried out to 3 decimal places.

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 ECR and NOx EMISSIONS ALLOWANCE INVENTORY

For the Expense Month of May 2007

	(1) Allowance Activity in Month	(2) Cumulative Balance	(3) Dollar Value of Activity	(4) Cumulative Dollar Balance	(5) Weighted Average Cost
BEGINNING INVENTORY		0		\$0	0.000
Additions -					
EPA Allowances	0	18,575	\$0	\$0	
P&E Transfers In	0	0		\$0	
Intercompany Purchases	0	0	\$0	\$0	0.000
Other (List)	0	0	\$0	\$0	0.000
Withdrawals -					
P & E Transfers Out	0	0	\$0	\$0	0.000
Intercompany Sales	0	0	\$0	\$0	0.000
Off - System Sales	0	1,650	\$0	\$0	0.000
ERC Consumed By Kentucky Power	0	930	\$0	\$0	0.000
NOx Consumed By Kentucky Power	449	7,562	\$0	\$0	0.000
ENDING INVENTORY - Record Balance in Column (4) on ES FORM 3.10, Line 5		8,433		\$0	0.000

Columns 1 and 2 -

Record the number of allowances in any transaction (purchase, sale, transfer) which occurred during the Expense Month. Multiple transactions for a given category are to be shown as the total activity for that category during the Expense Month. For each transaction shown in Column 1, update the cumulative balance in Column 2.

Columns 3 and 4 -

For each transaction reflected in Column 1, record the total dollars of the transaction. Multiple transaction for a given category are to be shown as the total dollar amount for that category during the Expense Month. For each transaction shown in Column 3, update the cumulative dollar balance in Column 4. Include transactions that total zero dollars. Record amounts in whole dollars.

Column 5 -

Compute the Weighted Average Cost by dividing the Cumulative Dollar Balance (Co. 4) by the corresponding Cumulative Balance (Col. 2). Perform this calculation for the Beginning Inventory, Ending Inventory and all additions and withdrawals made during the Expense Month. The Weighted Average Cost should be carried out to 3 decimal places.

Note : For any sale or transfer of ERCs or NOx emission allowances, attach to this report documentation showing the currently available market prices for similar ERC or NOx allowances.

Total Early Reduction Credits (ERC)	930
Consumed:	
June 2004	420
July 2004	510
Total Consumed	930
Remaining Early Reduction Credits (ERC)	0

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT

For the Expense Month of May 2007

LINE NO.	O&M Expenses		
	1997 Plan :		
1	Monthly Kentucky Air Emissions Fee	\$32,201	
	Total Monthly AEP Pool		
2	Environmental Capacity Costs	\$607,187	
3	Monthly SO2 Allowance Consumption	<u>\$117,742</u>	
4	Total 1997 Plan O&M Expenses		\$757,130
	2003 Plan :		
5	Monthly Variable Cladding at Big Sandy Unit 1	\$0	
6	Monthly Urea Consumption at Big Sandy Unit 2	\$207,116	
7	Monthly Catalyst Replacement at Big Sandy Unit 2	\$0	
8	Monthly ERC & NOx Allowance Consumption	\$0	
9	Equipment - Associated Operating Expenses	\$1,059	
10	Equipment - Associated Maintenance Expenses	<u>\$27,016</u>	
11	Total 2003 Plan O&M Expenses		<u>\$235,191</u>
12	Total Monthly O&M Expenses		<u>\$992,321</u>
13	Cash Working Capital Allowance (Line 10 X 1/8)		\$124,040

Total Cost at Line 11 is to be recorded on ES FORM 3.10, Line 7.

**Kentucky Power Company
 Environmental Equipment Operation and Maintenance Costs
 May 2007**

Work Description	Material Costs	Outside Contract Labor	Misc Other Costs	Total Costs
SCR Boiler Outlet Ductwork	\$662.50	\$8,222.07	\$0.00	\$8,884.57
SCR Instrument & Controls	\$1,509.68	\$0.00	\$0.00	\$1,509.68
SCR NOx Monitoring	\$1,274.78	\$0.00	\$0.00	\$1,274.78
SCR Booster Fan	\$1,078.82	\$0.00	\$0.00	\$1,078.82
Boiler Acoustic Horns	\$183.20	\$0.00	\$0.00	\$183.20
Ammonia Injection System	\$4,867.56	\$0.00	\$0.00	\$4,867.56
SCR Bypass Dampers	\$301.05	\$0.00	\$0.00	\$301.05
Total SCR May 2007 O & M Expense	\$9,877.59	\$8,222.07	\$0.00	\$18,099.66
Additional Operator Overtime During The Ozone Season	\$0.00	\$0.00	\$1,059.12	\$1,059.12
Emission Testing Required Under Permit -				
Operation	\$0.00	\$0.00	\$0.00	\$0.00
Maintenance	\$8,916.10	\$0.00	\$0.00	\$8,916.10
May 2007 O & M Expenses Filed				\$28,075

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 AEP POOL MONTHLY ENVIRONMENTAL CAPACITY COSTS

For the Expense Month of May 2007

Line No. (1)	Cost Component (2)	Ohio Power Company's Environmental Cost to KPCo (3)	Indiana Michigan Power Company's Environmental Cost to KPCo (4)	Total (5)
1	Amos Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 24)	\$86,058		
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 22)	\$81,277		
3	Gavin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 26)	\$721,931		
4	Kammer Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 20)	\$4,781		
5	Mitchell Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 21)	\$57,372		
6	Muskingum Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 20)	\$86,058		
7	Sporn Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 20)	\$14,343		
8	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Column 5, Line 21)		\$0	
9	Tanners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 20)		\$4,781	
10	Total AEP Pool Monthly Environmental Capacity Costs to Kentucky Power	\$1,051,820	\$4,781	\$1,056,601

Note: Cost in Column 5, Line 10 is to be recorded on ES FORM 3.10, Line 16.

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 AEP POOL MONTHLY ENVIRONMENTAL CAPACITY COSTS
 WORKING CAPITAL ONLY

For the Expense Month of May 2007

Line No. (1)	Cost Component (2)	Ohio Power Company's (OPCo) Environmental Cost to KPCo (3)	Indiana Michigan Power Company's (I&M) Environmental Cost to KPCo (4)	Total (5)
1	Amos Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 16)	\$351,974		
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 12)	\$207,911		
3	Gavin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 16)	\$10,090,115		
4	Kammer Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 10)	\$18,033		
5	Mitchell Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 11)	\$474,972		
6	Muskingum Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 10)	\$161,202		
7	Sporn Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 10)	\$13,368		
8	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Column 3, Line 10)		\$12,500	
9	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Columns 4 & 5, Line 10)		\$0	
10	Tanners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 10)		\$12,500	
11	Subtotal	\$11,317,575	\$25,000	
12	Steam Capacity By Company - OPCo (Column 3) / I&M (Column 4) (kw)	8,455,000	5,101,000	
13	Environmental Base (\$/kw)	\$1.34	\$0.00	
14	Company Surplus Weighting	95.00%	5.00%	
15	Portion of Weighted Average Capacity Rate Attributed to Environmental Fixed O&M Costs	\$1.27	\$0.00	
16	Kentucky Power Capacity Deficit (kw)	478,100	478,100	
17	Fixed O&M Environmental Cost to Kentucky Power	\$607,187	\$0	\$607,187

Note: Cost in Column 5, Line 17 is to be recorded on ES FORM 3.13, Line 2.

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 OHIO POWER COMPANY (OPCo) - AMOS PLANT UNIT NO. 3

For the Expense Month of May 2007

LINE NO.	COST	AMOUNTS
1	Utility Plant at Original Cost	\$90,118,342
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>1.37%</u>
3	Total Rate Base	\$1,234,621
4	Ohio Power Company's Percentage Ownership - Environmental Investment	<u>100.00%</u>
5	OPCo's Share of Cost Associated with Amos Unit No. 3 (3) X (4)	\$1,234,621
	Operations :	
6	Disposal (5010000)	\$0
7	Urea (5020002)	\$518,775
8	Trona (5020003)	\$0
9	Lime Stone (5020004)	\$0
10	Air Emission Fee	<u>\$9,160</u>
11	Total Operations (Lines 6 thru 10)	\$527,935
	Maintenance :	
12	SCR Maintenance (5120000)	\$0
13	1/2 of Maintenance (12) * 50%	<u>\$0</u>
14	Fixed O&M (11) + (13)	\$527,935
15	Ohio Power Company's Percentage Ownership - O&M Cost	<u>66.67%</u>
16	OPCo's Share of O&M Cost Associated with Amos Unit No. 3 (14) X (15)	<u>\$351,974</u>
	Total Revenue Requirement,	
17	Cost Associated with Amos Unit No. 3 (5) + (16)	\$1,586,595
18	Ohio Power Company Steam Capacity (kw)	8,455,000
19	Amos Unit No. 3 Environmental Rate (\$/kw)	\$0.19
20	Ohio Power Surplus Weighing	95.00%
21	Portion of Weighted Average Capacity Rate Attributed to Amos Unit No. 3 SCR (\$/kw) (19) * (20)	\$0.18
	Amos Unit No. 3 Costs to Kentucky Power :	
22	Amos Unit No. 3 Portion (\$/kw) (21)	\$0.18
23	Kentucky Power Capacity Deficit (kw)	<u>478,100</u>
	Amos Unit No. 3 Environmental Cost to Kentucky Power (22) * (23)	
24	(ES FORM 3.14, Page 1 of 10, Line 1)	\$86,058

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 OHIO POWER COMPANY (OPCo) - CARDINAL UNIT 1

For the Expense Month of May 2007

LINE NO.	COST	AMOUNTS
1	Utility Plant at Original Cost	\$97,295,190
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>1.37%</u>
3	Total Rate Base	\$1,332,944
	Operations :	
4	Disposal (5010000)	\$0
5	Urea (5020002)	\$203,476
6	Trona (5020003)	\$0
7	Lime Stone (5020004)	\$0
8	Air Emission Fee	<u>\$4,435</u>
9	Total Operations (Line 4 thru 8)	\$207,911
	Maintenance :	
10	SCR Maintenance (5120000)	\$0
11	1/2 of Maintenance (10) * 50%	<u>\$0</u>
12	Fixed O&M (9) + (11)	<u>\$207,911</u>
	Total Revenue Requirement,	
13	Cost Associated with Cardinal Unit No. 3 (3) + (12)	<u>\$1,540,855</u>
14	Ohio Power Company's Percentage Ownership	100.00%
15	OPCo's Share of Cost Associated with Cardinal Unit No. 1 (13) X (14)	\$1,540,855
16	Ohio Power Company Steam Capacity (kw)	8,455,000
17	Cardinal Unit No. 1 (\$/kw)	\$0.18
18	Ohio Power Surplus Weighing	95.00%
19	Portion of Weighted Average Capacity Rate Attributed to Cardinal Unit No. 1 (\$/kw) (17) X (18)	\$0.17
	Cardinal Unit No. 1 Costs to Kentucky Power :	
20	Cardinal Unit No. 1 Portion (\$/kw) (19)	\$0.17
21	Kentucky Power Capacity Deficit (kw)	<u>478,100</u>
	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (18) * (19)	
22	(ES FORM 3.14, Page 1 of 10, Line 2)	\$81,277

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 OHIO POWER COMPANY (OPCo) - GAVIN PLANT (UNITS 1 & 2)

For the Expense Month of May 2007

LINE NO.	COST	AMOUNTS
1	Utility Plant at Original Cost	\$244,637,350
2	Member Primary Capacity Investment Rate (16.44% / 12)	1.37%
3	Total Rate Base	\$3,351,532
	Operations :	
4	Sludge Disposal (5010000)	\$639,259
5	Lime (5020001)	\$2,883,016
6	Urea (5020002)	\$1,478,173
7	Trona (5020003)	\$432,366
8	Lime Stone (5020004)	\$0
9	Air Emission Fee	\$29,543
10	Lease (5070005)	\$4,253,067
11	Total Operations (Lines 4 thru 10)	\$9,715,424
	Maintenance :	
12	SCR Maintenance (5120000)	\$165,213
13	Scrubber Maintenance (5120000)	\$584,168
14	Total Maintenance (12) + (13)	\$749,381
15	1/2 of Maintenance (13) * 50%	\$374,691
16	Fixed O&M (11) + (15)	\$10,090,115
	Total Revenue Requirement,	
17	Cost Associated with Gavin Plant (3) + (16)	\$13,441,647
18	Ohio Power Company's Percentage Ownership	100.00%
19	OPCo's Share of Cost Associated with Gavin Plant (17) X (18)	\$13,441,647
20	Ohio Power Company Steam Capacity (kw)	8,455,000
21	Gavin Plant (\$/kw)	\$1.59
22	Ohio Power Surplus Weighing	95.00%
23	Portion of Weighted Average Capacity Rate Attributed to Gavin Plant (\$/kw) (21) X (22)	\$1.51
	Gavin Plant Costs to Kentucky Power :	
24	Gavin Plant Portion (\$/kw) (23)	\$1.51
25	Kentucky Power Capacity Deficit (kw)	478,100
26	Gavin Plant Environmental Cost to Kentucky Power (24) * (25) (ES FORM 3.14, Page 1 of 10, Line 3)	\$721,931

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 OHIO POWER COMPANY (OPCo) - KAMMER PLANT (UNITS 1, 2 & 3)

For the Expense Month of May 2007

LINE NO.	COST	AMOUNTS
1	Utility Plant at Original Cost	\$7,112,543
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>1.37%</u>
3	Total Rate Base	\$97,442
	Operations :	
4	Urea (5020002)	\$0
5	Trona (5020003)	\$0
6	Air Emission Fee	\$18,033
7	Total Operations (4) + (5) + (6)	\$18,033
	Maintenance :	
8	SCR Maintenance (5120000)	\$0
9	1/2 of Maintenance (8) * 50%	\$0
10	Fixed O&M (7) + (9)	\$18,033
	Total Revenue Requirement,	
11	Cost Associated with Kammer Plant (3) + (10)	\$115,475
12	Ohio Power Company's Percentage Ownership	100.00%
13	OPCo's Share of Cost Associated with Kammer Plant (11) X (12)	\$115,475
14	Ohio Power Company Steam Capacity (kw)	8,455,000
15	Kammer Plant (\$/kw)	\$0.01
16	Ohio Power Surplus Weighing	95.00%
17	Portion of Weighted Average Capacity Rate Attributed to Kammer Plant (\$/kw) (15) X (16)	\$0.01
	Kammer Plant Costs to Kentucky Power :	
18	Kammer Plant Portion (\$/kw) (17)	\$0.01
19	Kentucky Power Capacity Deficit (kw)	478,100
20	Kammer Plant Environmental Cost to Kentucky Power (18) * (19) (ES FORM 3.14, Page 1 of 10, Line 4)	\$4,781

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 OHIO POWER COMPANY (OPCo) - MITCHELL PLANT (UNITS 1 & 2)

For the Expense Month of May 2007

LINE NO.	COST	AMOUNTS
1	Utility Plant at Original Cost	\$43,375,267
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>1.37%</u>
3	Total Rate Base	\$594,241
	Operations :	
4	Disposal (5010000)	\$0
5	Urea (5020002)	\$332,748
6	Trona (5020003)	\$120,750
7	Air Emission Fee	<u>\$21,235</u>
8	Total Operations (Lines 4 thru 7)	\$474,733
	Maintenance :	
9	SCR Maintenance (5120000)	\$477
10	1/2 of Maintenance (8) * 50%	<u>\$239</u>
11	Fixed O&M (8) + (10)	<u>\$474,972</u>
	Total Revenue Requirement,	
12	Cost Associated with Mitchell Plant (3) + (11)	<u>\$1,069,213</u>
13	Ohio Power Company's Percentage Ownership	100.00%
14	OPCo's Share of Cost Associated with Mitchell Plant (12) X (13)	\$1,069,213
15	Ohio Power Company Steam Capacity (kw)	8,455,000
16	Mitchell Plant (\$/kw)	\$0.13
17	Ohio Power Surplus Weighing	95.00%
18	Portion of Weighted Average Capacity Rate Attributed to Mitchell Plant (\$/kw) (16) X (17)	\$0.12
	Mitchell Plant Costs to Kentucky Power :	
19	Mitchell Plant Portion (\$/kw) (18)	\$0.12
20	Kentucky Power Capacity Deficit (kw)	<u>478,100</u>
21	Mitchell Plant Environmental Cost to Kentucky Power (19) * (20) (ES FORM 3.14, Page 1 of 10, Line 5)	\$57,372

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 OHIO POWER COMPANY (OPCo) - MUSKINGUM PLANT (UNITS 1, 2, 3, 4 & 5)

For the Expense Month of May 2007

LINE NO.	COST	AMOUNTS
1	Utility Plant at Original Cost	\$106,575,168
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>1.37%</u>
3	Total Rate Base	\$1,460,080
	Operations :	
4	Urea (5020002)	\$132,692
5	Trona (5020003)	\$0
6	Air Emission Fee	<u>\$28,510</u>
7	Total Operations (4) + (5) + (6)	\$161,202
	Maintenance :	
8	SCR Maintenance (5120000)	\$0
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>
10	Fixed O&M (7) + (9)	<u>\$161,202</u>
	Total Revenue Requirement,	
11	Cost Associated with Muskingum Plant (3) + (10)	<u>\$1,621,282</u>
12	Ohio Power Company's Percentage Ownership	100.00%
13	OPCo's Share of Cost Associated with Muskingum Plant (11) X (12)	\$1,621,282
14	Ohio Power Company Steam Capacity (kw)	8,455,000
15	Muskingum Plant (\$/kw)	\$0.19
16	Ohio Power Surplus Weighing	95.00%
17	Portion of Weighted Average Capacity Rate Attributed to Muskingum Plant (\$/kw) (15) X (16)	\$0.18
	Muskingum Plant Costs to Kentucky Power :	
18	Muskingum Plant Portion (\$/kw) (17)	\$0.18
19	Kentucky Power Capacity Deficit (kw)	<u>478,100</u>
20	Muskingum Plant Environmental Cost to Kentucky Power (18) * (19) (ES FORM 3.14, Page 1 of 10, Line 6)	\$86,058

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 OHIO POWER COMPANY (OPCo) - SPORN PLANT (UNITS 2, 3, 4 & 5)

For the Expense Month of May 2007

LINE NO.	COST	AMOUNTS
1	Utility Plant at Original Cost	\$15,262,706
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>1.37%</u>
3	Total Rate Base	\$209,099
	Operations :	
4	Urea (5020002)	\$0
5	Trona (5020003)	\$0
6	Air Emission Fee	<u>\$13,368</u>
7	Total Operations (4) + (5) + (6)	\$13,368
	Maintenance :	
8	SCR Maintenance (5120000)	\$0
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>
10	Fixed O&M (7) + (9)	<u>\$13,368</u>
	Total Revenue Requirement,	
11	Cost Associated with Sporn Plant (3) + (10)	<u>\$222,467</u>
12	Ohio Power Company's Percentage Ownership	100.00%
13	OPCo's Share of Cost Associated with Sporn Plant (11) X (12)	\$222,467
14	Ohio Power Company Steam Capacity (kw)	8,455,000
15	Sporn Plant (\$/kw)	\$0.03
16	Ohio Power Surplus Weighing	95.00%
17	Portion of Weighted Average Capacity Rate Attributed to Sporn Plant (\$/kw) (15) X (16)	\$0.03
	Sporn Plant Costs to Kentucky Power :	
18	SpornGavin Plant Portion (\$/kw) (17)	\$0.03
19	Kentucky Power Capacity Deficit (kw)	<u>478,100</u>
	Sporn Plant Environmental Cost to Kentucky Power (18) * (19)	
20	(ES FORM 3.14, Page 1 of 10, Line 7)	\$14,343

ES FORM 3.14
 Page 10 of 11

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 INDIANA MICHIGAN POWER COMPANY (I&M) - ROCKPORT PLANT (UNITS 1 & 2)

For the Expense Month of May 2007

LINE NO.	(1)	(2)	(3)	(4)	(5)	(6)
		COST	Rockport Plant Common	UNIT 1 AMOUNTS	UNIT 2 AMOUNTS	TOTAL
1		Utility Plant at Original Cost				
2		Member Primary Capacity Investment Rate (16.44% / 12)	\$1,776,759	\$10,544,676	\$16,709,416	
3		Total Rate Base	\$24,342	\$144,462	\$228,919	
4		Operations :				
5		Urea (5020002)	\$0	\$0	\$0	
6		Trona (5020003)	\$12,500	\$0	\$0	
7		Air Emission Fee	\$12,500	\$0	\$0	
8		Total Operations (4) + (5) + (6)	\$0	\$0	\$0	
9		Maintenance :				
10		SCR Maintenance (5120000)	\$0	\$0	\$0	
11		1/2 of Maintenance (8) * 50%	\$0	\$0	\$0	
12		Fixed O&M (7) + (9)	\$12,500	\$0	\$0	
13		Total Revenue Requirement, Cost Associated with Rockport Plant (3) + (10) Indiana Michigan Power Company's Percentage Ownership I&M's Share of Cost Associated with Rockport Plant (11) X (12)	\$36,842	\$144,462	\$228,919	
14		Total Rockport Plant Common and Units 1 & 2	\$18,421	\$122,793	\$148,980	\$290,194
15		Indiana Michigan Power Company Steam Capacity (kw)				5,101,000
16		Rockport Plant (\$/kw) (14) / (15)				\$0.06
17		Kentucky Power Portion of Rockport Plant / Indiana Michigan Power Surplus Weighing				5.00%
18		Portion of Weighted Average Capacity Rate Attributed to Rockport Plant (\$/kw) (17) X (18)				\$0.00
19		Rockport Plant Costs to Kentucky Power : Rockport Plant Portion (\$/kw) (18)				\$0.00
20		Kentucky Power Capacity Deficit (kw) Rockport Units 1 & 2 Environmental to Kentucky Power (19) * (20)				478,100
21		(ES FORM 3.14, Page 1 of 10, Line 8)				\$0

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 INDIANA MICHIGAN POWER COMPANY (I&M) - TANNERS CREEK (UNITS 1, 2, 3 & 4)

For the Expense Month of May 2007

LINE NO.	COST	AMOUNTS
1	Utility Plant at Original Cost	\$98,094,163
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>1.37%</u>
3	Total Rate Base	\$1,343,890
	Operations :	
4	Urea (5020002)	\$0
5	Trona (5020003)	\$0
6	Air Emission Fee	<u>\$12,500</u>
7	Total Operations (4) + (5) + (6)	\$12,500
	Maintenance :	
8	SCR Maintenance (5120000)	\$0
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>
10	Fixed O&M (7) + (9)	<u>\$12,500</u>
	Total Revenue Requirement,	
11	Cost Associated with Tanners Creek Plant (3) + (10)	<u>\$1,356,390</u>
12	Indiana Michigan Power Company's Percentage Ownership	100.00%
13	I&M's Share of Cost Associated with Tanners Creek Plant (11) X (12)	\$1,356,390
14	Indiana Michigan Power Company Steam Capacity (kw)	5,101,000
15	Tanners Creek Plant (\$/kw)	\$0.27
16	Indiana Michigan Power Surplus Weighing	5.00%
17	Portion of Weighted Average Capacity Rate Attributed to Rockport Plant (\$/kw) (15) X (16)	\$0.01
	Tanners Creek Plant Costs to Kentucky Power :	
18	Tanners Creek Plant Portion (\$/kw) (17)	\$0.01
19	Kentucky Power Capacity Deficit (kw)	<u>478,100</u>
	Tanners Creek Plant Environmental Cost to Kentucky Power (18) * (19)	
20	(ES FORM 3.14, Page 1 of 10, Line 9)	\$4,781

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 BIG SANDY PLANT COST OF CAPITAL

For the Expense Month of May 2007

LINE NO.	Component	Balances	Cap. Structure	Cost Rates		WACC (Net of Tax)	GRCF		WACC (PRE-TAX)	
		As of 12/31/2005								
1	L/T DEBT	\$487,964,000	55.819%	5.835%		3.26%			3.26%	
2	S/T DEBT	\$6,040,631	0.691%	4.490%		0.03%			0.03%	
3	ACCTS REC									
3	FINANCING	\$32,348,353	3.700%	3.888%		0.14%			0.14%	
4	C EQUITY	\$347,841,406	39.790%	10.500%	1/	4.18%	1.6073	2/	6.72%	
5	TOTAL	\$874,194,390	100.000%			7.61%			10.15%	
1/	WACC = Weighted Average Cost of Capital Rate of Return on Common Equity per Case No. 2005 - 00341									
2/	Gross Revenue Conversion Factor (GRCF) Calculation: Appendix C Case No. 2005 - 00341 dated - March 14, 2006									
1	OPERATING REVENUE						100.0000			
2	UNCOLLECTIBLE ACCOUNTS EXPENSE (0.47%)						0.4700			
3	STATE TAXABLE PRODUCTION INCOME BEFORE 199 DEDUCTION						99.5300			
4	STATE INCOME TAX EXPENSE, NET OF 199 DEDUCTION (SEE BELOW)						6.2203			
5	FEDERAL TAXABLE PRODUCTION INCOME BEFORE 199 DEDUCTION						93.3097			
6	199 DEDUCTION PHASE-IN						0.0000			
7	FEDERAL TAXABLE PRODUCTION INCOME						93.3097			
8	FEDERAL INCOME TAX EXPENSE AFTER 199 DEDUCTION (35%)						32.6584			
9	AFTER-TAX PRODUCTION INCOME						60.6513			
10	GROSS-UP FACTOR FOR PRODUCTION INCOME:									
11	AFTER-TAX PRODUCTION INCOME						60.6513			
12	199 DEDUCTION PHASE-IN						0.0000			
13	UNCOLLECTIBLE ACCOUNTS EXPENSE						0.4700			
14	TOTAL GROSS-UP FACTOR FOR PRODUCTION INCOME (ROUNDED)						61.1213			
15	BLENDED FEDERAL AND STATE TAX RATE:									
16	FEDERAL (LINE 8)						32.6584			
17	STATE (LINE 4)						6.2203			
18	BLENDED TAX RATE						38.8787			
19	GROSS REVENUE CONVERSION FACTOR (100.0000 / Line 14).						1.6361			
	STATE INCOME TAX CALCULATION:									
1	PRE-TAX PRODUCTION INCOME						100.0000			
2	COLLECTIBLE ACCOUNTS EXPENSE (0.20%)						0.4700			
3	STATE TAXABLE PRODUCTION INCOME BEFORE 199 DEDUCTION						99.5300			
4	LESS: STATE 199 DEDUCTION						0.0000			
5	STATE TAXABLE PRODUCTION INCOME BEFORE 199 DEDUCTION						99.5300			
6	STATE INCOME TAX RATE						6.2500			
7	STATE INCOME TAX EXPENSE (LINE 5 X LINE 6)						6.2203			

The WACC (PRE - TAX) value on Line 5 is to be recorded on ES FORM 3.10, Line 9.
 Weighted Average Cost of Capital Balances As of 12/31/2005 based on Case No. 2006-00128, dated January 31, 2007.

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 COSTS ASSOCIATED WITH ROCKPORT

For the Expense Month of May 2007

LINE NO.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	COST COMPONENT	Rockport Plant Common	Unit No. 1	Unit No. 2	Total Units 1 & 2	Total		
1	Return on Rate Base :							
2	Rockport Plant Continuous Environmental Monitoring System (CEMS)							
3	Utility Plant at Original Cost	\$1,776,759	\$5,272,657	\$8,353,084				
4	AEGCo Low NOx Burners (LNB) Installed Cost	(\$626,177)	(\$646,865)	(\$904,866)				
5	Less Accumulated Depreciation	(\$134,231)	(\$637,866)	(\$990,411)				
6	Less Accum. Def. Income Taxes	\$1,016,351	\$3,987,926	\$6,457,807	\$10,445,733			
7	Total Rate Base							
8	Weighted Average Cost of Capital - ES FORM 3.21	1.0283%			1.0283%			
9	Monthly Weighted Avg. Cost of Capital (LINE 6 / 12)	\$10,451			\$107,413			
10	Monthly Return of Rate Base (Line 5 * Line 7)							
11	Operating Expenses :							
12	Monthly Depreciation Expense	\$5,212	\$15,466	\$24,502	\$39,968			
13	Monthly Indiana Air Emissions Fee	\$12,500	\$0	\$0	\$0			
14	Total Operating Expenses (Line 9 + Line 10)	\$17,712			\$39,968			
15	Total Revenue Requirement, Cost Associated with Rockport Plant							
	CEMS and LNB (Line 8 + Line 11)	\$28,163			\$147,381			
	Kentucky Power's Portion of Rockport's CEMS (Line 12 * 15%)	\$4,224			\$44,214			
	Kentucky Power's Portion of AEGCo's LNB (Line 12 * 30%)							
	Kentucky Power's Portion of Rockport Plants'							
	Total Revenue Requirement. (Column 4, Line 13 + Column 7, Line 14)							
	Note: Cost in Column 8, Line 15 is to be Recorded on							
	ES FORM 3.00 Line 2							\$48,438

With each monthly filing, attach a schedule similar to Exhibit EKW-2, page 11 of 11 (Wagner Direct Testimony in Case No. 96-489), showing the calculation of the Weighted Average Cost of Capital. These calculations should reflect the provisions of the Rockport Unit Power Agreement, and be as of the Current Expense Month.

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 ROCKPORT UNIT POWER AGREEMENT COST OF CAPITAL

For the Expense Month of May 2007

LINE NO.	Component	Balances	Cap. Structures	Cost Rates		WACC (NET OF TAX)	GRCF		WACC (PRE - TAX)
		As of 05/31/2007							
1	L/T DEBT	44,840,076	36.7796%	4.9099%		1.8058%			1.8058%
2	S/T DEBT	19,317,649	15.8451%	5.3513%		0.8479%			0.8479%
3	CAPITALIZATION								
3	OFFSETS	0	0.0000%	5.0428%		0.0000%			0.0000%
4	DEBT								
5	C EQUITY	57,757,970	47.3753%	12.1600%	1/	5.7608%	1.681379	2/	9.8861%
6	TOTAL	121,915,695	100.0000%			8.4145%			12.3398%
WACC = Weighted Average Cost of Capital 1/ Cost Rates per the Provisions of the Rockport Unit Power Agreement 2/ Gross Revenue Conversion Factor (GRCF) Calculation:									
1	OPERATING REVENUE						100.00		
2	LESS: INDIANA ADJUSTED GROSS INCOME								
3	(LINE 1 X .085)						8.500		
4	INCOME BEFORE FED INC TAX						91.500		
5	LESS: FEDERAL INCOME TAX								
6	(LINE 4 X .35)						32.025		
7	OPERATING INCOME PERCENTAGE						59.475		
8	GROSS REVENUE CONVERSION								
9	FACTOR (100% / LINE 7)						1.681379		

The WACC (PRE - TAX) value on Line 6 is to be recorded on ES FORM 3.20, Line 5.

**KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
 CURRENT PERIOD REVENUE REQUIREMENT
 MONTHLY REVENUES, JURISDICTIONAL ALLOCATION FACTOR,
 and OVER/(UNDER) RECOVERY ADJUSTMENT**

For the Expense Month of May 2007

SCHEDULE OF MONTHLY REVENUES

Line No.	Description	Monthly Revenues	Percentage of Total Revenues
1	Kentucky Retail Revenues	\$28,451,204	67.8%
2	FERC Wholesale Revenues	\$478,578	1.1%
3	Associated Utilities Revenues	\$2,964,559	7.1%
4	Non-Assoc. Utilities Revenues	\$10,070,744	24.0%
5	Total Revenues for Surcharges Purposes	\$41,965,085	100.0%
6	Non-Physical Revenues for Month	\$271,951	
7	Total Revenues for Month	\$42,237,036	

The Kentucky Retail Monthly Revenues and Percentage of Total Revenues (Line 1) are to be recorded on ES FORM 1.00, Lines 9 and 4. The Percentage of Kentucky Retail Revenues to the Total Revenues for the Expense Month will be the Kentucky Retail Jurisdictional Allocation Factor.

OVER/(UNDER) RECOVERY ADJUSTMENT

Line No.	Description	Amounts
1	Kentucky Retail Surcharge Factor for March 2007	-1.1149%
2	Kentucky Retail Revenues for Current Expense Month	\$23,784,196
3	Surcharge Collected (1) * (2)	(\$265,170)
4	Surcharge Amount To Be Collected	(\$433,979)
5	Over/(Under) Recovery (3) - (4) = (5)	\$168,809

The Over/(Under) Recovery amount is to be recorded on ES FORM 1.00, LINE 6.

NOTE : The sign on LINE 5 of ES FORM 3.30 will be changed on LINE 6 of ES FORM 1.00 in order to properly adjust the collection of the current month's expense.

ALL-STATE LEGAL SUPPLY CO., 1-800-222-0510 ED11



RECYCLED

Intracompany and State Line Metering

PRIMARY Process Flow

From voltage and current sensing to power and energy utilization information

