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July 3, 2013

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**HAND DELIVERED**

Jeff R. Derouen  
Executive Director  
Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40602-0615

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

RE: Case No. 2012-00578

Dear Mr. Derouen:

Enclosed please find and accept for filing the original and eight copies of Kentucky Power Company's July 3, 2013 responses to Staff's fifth set of data requests to the Company. The Company also is filing herewith its motion for confidential treatment of certain of the responses.

A copy of this letter and the Company's responses is being served by overnight delivery on the individuals indicated below and their associated counsel. Further, in accordance with Mr. Nguyen's request, a copy of the responses also is being served by overnight delivery on Messrs. Drabinski, Boismenu, and Buechel.

Jeff R. Derouen  
July 3, 2013  
Page 2

Very truly yours,



Mark R. Overstreet

MRO

cc: Michael L. Kurtz  
Jennifer Black Hans  
Shannon Fisk  
Joe F. Childers  
Robb Kapla  
Lane Kollen  
Tim Woolf

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

THE APPLICATION OF KENTUCKY POWER COMPANY FOR: )  
(1) A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY )  
AUTHORIZING THE TRANSFER TO THE COMPANY OF AN )  
UNDIVIDED FIFTY PERCENT INTEREST IN THE MITCHELL )  
GENERATING STATION AND ASSOCIATED ASSETS; (2) APPROVAL )  
OF THE ASSUMPTION BY KENTUCKY POWER COMPANY OF )  
CERTAIN LIABILITIES IN CONNECTION WITH THE TRANSFER OF )  
THE MITCHELL GENERATING STATION; (3) DECLARATORY ) CASE NO. 2012-00578  
RULINGS; (4) DEFERRAL OF COSTS INCURRED IN CONNECTION )  
WITH THE COMPANY'S EFFORTS TO MEET FEDERAL CLEAN AIR )  
ACT AND RELATED REQUIREMENTS; 5) FOR ALL OTHER )  
REQUIRED APPROVALS AND RELIEF )

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COMMISSION

KENTUCKY POWER COMPANY FILES RESPONSES TO  
COMMISSION STAFF'S FIFTH SET OF DATA REQUESTS

July 3, 2013

**VERIFICATION**

The undersigned, John M. McManus, being duly sworn, deposes and says he is Vice President Environmental Services for American Electric Power Service Corporation, that he has personal knowledge of the matters set forth in the forgoing responses for which he is the identified witness and that the information contained therein is true and correct to the best of his information, knowledge and belief.

  
\_\_\_\_\_  
John M. McManus

STATE OF OHIO	)	
	)	CASE NO. 2012-00578
COUNTY OF FRANKLIN	)	

Subscribed and sworn to before me, a Notary Public in and before said County and State, by John M. McManus, this the  1  day of July 2013.

\_\_\_\_\_  
Notary Public 

**JANET L. WHITE**

Notary Public State of Ohio

My Commission Expires:  My Commission Expires Jan-09-2013

**VERIFICATION**

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

  
Ranie K. Wohnhas

COMMONWEALTH OF KENTUCKY      )  
  ) CASE NO. 2013-00578  
COUNTY OF FRANKLIN             )

Subscribed and sworn to before me, a Notary Public in and before said County and State, by Ranie K. Wohnhas, this the 1<sup>st</sup> day of July 2013.

  
Notary Public

My Commission Expires: January 23, 2017

## Kentucky Power Company

### REQUEST

Refer to the Direct Testimony of Ranie K. Wohnhas ("Wohnhas Testimony"), RKW-Exhibit 4 and to paragraph 3 of the MOU.

- a. Confirm that Kentucky Power is seeking \$45.127 million additional annual revenues, that annual sales revenues were \$565.286 million, and that the percentage increase is 7.98 percent.
- b. Confirm that the Fuel Adjustment Clause ("FAC"), System Sales Clause and the Environmental Surcharge were going to continue to operate in their current fashion as originally proposed in Kentucky Power's application of December 19, 2012.
- c. Confirm that any reduction in fuel cost due to Mitchell Generating Station's ("Mitchell") cost of fuel being less than that of Big Sandy would have flowed through the FAC to the retail customers as originally proposed in Kentucky Power's application of December 19, 2012.
- d. Confirm that any reduction in environmental costs to the American Electric Power ("AEP") Pool from what is currently built into base rates, due to the termination of the AEP Pool, would have flowed through the monthly Environmental Surcharge to the retail customer as originally proposed in Kentucky Power's application of December 19, 2012.
- e. Provide a schedule supporting Kentucky Power's forecasted return on equity for the 12 months ending December 31, 2014 and the 12 months ending May 31, 2015 and reflecting the \$45.127 million additional revenue along with any reductions in fuel costs and any changes in environmental costs as originally proposed in Kentucky Power's application of December 19, 2012.
- f. Provide a schedule supporting Kentucky Power's forecasted return on equity for the 12 months ending December 31, 2014 and the 12 months ending May 31, 2015 reflecting the \$44 million additional revenue from the MOU along with any reduction in fuel costs.

- g. Provide a schedule reconciling, along with explanations, each difference between the return on equity provided in response to part e. as compared to the return on equity provided in response to part f.

**RESPONSE**

- a. Exhibit RKW-4 was an estimate of the cost of service impact based upon 2011 calendar year data. With this limitation, the Company can confirm that the Mitchell transfer would result in a first year revenue increase of \$45.127 million or a 7.98% percent increase.
- b. The Company confirms this statement.
- c. The Company confirms this statement.
- d. The Company confirms this statement. All pool related environmental costs currently in base rates would be removed from base rates, and any pool related environmental costs currently being recovered through the environmental surcharge would be discontinued and adjusted to zero in the next base rate case.
- e&f. Please see KPSC 5-1 Confidential Attachment 1 of this response for the requested information regarding 2014. The Company does not have the requested information for 2015.
- g. The only difference between the calculations for 2014 is the amount of revenue and its effect on net income and the average equity balance. See KPSC 5-1 Confidential Attachment 1.

**WITNESS:** Ranie K Wohnhas

## Return On Equity Calculation

	2014	
	\$45.127M ATR	\$44.0M ATR
<b><u>Net Income (\$000s)</u></b>		
Utility Gross Margin		
Add: ATR Rate Relief		
Add: Effect of Environmental Rider Cessation		
Add: OSS Sharing Change		
<b>Adjusted Gross Margin</b>	45,127	44,000
Operations & Maintenance		
Depreciation and Amortization		
Taxes Other Than Income		
Interest and Preferred Dividends		
Other Income and Deductions		
Income Taxes		
<b>Adjusted Net Income</b>		
<b><u>Equity (\$000s)</u></b>		
Beg Bal - Equity		
Net Income		
Dividends		
Other		
Ending Bal - Equity		
 Avg Equity		
 <b>Return on Equity (ROE)</b>		

Note:

Any increases or decreases to OSS Sales Margins will directly affect ROE



## Kentucky Power Company

### REQUEST

Refer to the Wohnhas Testimony, RKW-Exhibit 5, and to paragraph 8 of the MOU. The total amount of the preliminary engineering analysis costs for the scrubbing options of Big Sandy Unit 2 as of November 31, 2012, was \$29,287,494, of which \$630,376 is for land. In the MOU the amount to be recovered is \$28,113,304, a difference of \$1,174,190.

- a. Explain the difference between the two numbers and provide, by type of cost, the components that make up the difference of \$1,174,190 between the two amounts.
- b. Provide the amount of allowance for funds used during construction ("AFUDC") in the \$29,287,494 and the \$28,113,304.
- c. Refer to Kentucky Power's response to Commission Staff's First Request for Information ("Staff's First Request"), Item 18, filed January 27, 2012 in Case No. 2011-00401.<sup>1</sup> Explain, by type of cost, the additional charges to the preliminary engineering analysis costs, from \$15,212,425<sup>2</sup> to \$29,287,494 in the current proceeding.

### RESPONSE

- a. See Attachment 1 of this response for the differences between the November 30, 2012 balances and the March 31, 2013 balances. The March 31, 2013 balances show an update to the total FGD costs to be recovered where certain costs associated with land and with construction of the landfill were removed or reclassified.

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<sup>1</sup> Case No. 2011-00401, Application of Kentucky Power Company for Approval of Its 2011 Environmental Compliance Plan, for Approval of Its Amended Environmental Cost Recovery Surcharge Tariff, and for the Grant of a Certificate of Public Convenience and Necessity for the Construction and Acquisition of Related Facilities (Ky. PSC May 31, 2012).

<sup>2</sup> Id.

- b. The AFUDC included in the amounts for the entire 2004 - 2012 period is \$1,749,013. The amount of AFUDC did not change with the update.
  
- c. The \$15,212,425 is only for preliminary WFGD investigation costs and the landfill costs at the time of Case No. 2011-00401. The additional amounts are for preliminary DFGD investigation costs and additional landfill costs which are detailed by cost type in Attachment 1.

**WITNESS:** Ranie K. Wohnhas

Kentucky Power Company  
 Summary by Major Cost Component  
 Preliminary Engineering Analyses Costs For Scrubbing Options On Big Sandy Unit 2  
**As of November 30, 2012**

<u>Line</u>	<u>Description</u>	<u>Landfill (1)</u>	<u>WFGD</u>	<u>DFGD</u>	<u>Total</u>
1	Internal Labor	\$ 798	\$ 81,918	\$ 186,833	\$ 269,549
2	Outside Services	\$ 1,760,535	\$ 11,246,162	\$ 7,102,097	\$ 20,108,794
3	Service Corporation Charges	\$ 469,771	\$ 1,306,534	\$ 2,119,992	\$ 3,896,297
4	Land Purchase	\$ 630,376	\$ -	\$ -	\$ 630,376
5	Overheads	\$ 678,412	\$ 921,489	\$ 2,686,515	\$ 4,286,416
6	Other	\$ 20,130	\$ 7,474	\$ 68,458	\$ 96,062
7	<b>Total</b>	<b>\$ 3,560,022</b>	<b>\$ 13,563,577</b>	<b>\$ 12,163,895</b>	<b>\$ 29,287,494</b>

(1) A Landfill would have been required for both the WFGD and DFGD.

Kentucky Power Company  
 Summary by Major Cost Component  
 Preliminary Engineering Analyses Costs For Scrubbing Options On Big Sandy Unit 2  
**As of March 31, 2013**

<u>Line</u>	<u>Description</u>	<u>Landfill (1)</u>	<u>WFGD</u>	<u>DFGD</u>	<u>Total</u>
1	Internal Labor	\$ 3,033	\$ 81,918	\$ 186,519	\$ 271,470
2	Outside Services	\$ 1,313,496	\$ 11,246,162	\$ 7,092,817	\$ 19,652,475
3	Service Corporation Charges	\$ 483,325	\$ 1,306,534	\$ 2,120,134	\$ 3,909,993
4	Land Purchase				
5	Overheads	\$ 564,384	\$ 921,489	\$ 2,689,686	\$ 4,175,559
6	Other	\$ 21,822	\$ 7,474	\$ 74,511	\$ 103,807
7	<b>Total</b>	<b>\$ 2,386,060</b>	<b>\$ 13,563,577</b>	<b>\$ 12,163,667</b>	<b>\$ 28,113,304</b>

(1) A Landfill would have been required for both the WFGD and DFGD.

Kentucky Power Company  
 Summary by Major Cost Component  
 Preliminary Engineering Analyses Costs For Scrubbing Options On Big Sandy Unit 2  
**Differences**

<u>Line</u>	<u>Description</u>	<u>Landfill (1)</u>	<u>WFGD</u>	<u>DFGD</u>	<u>Total</u>
1	Internal Labor	\$ 2,235	\$ -	\$ (314)	\$ 1,921
2	Outside Services	\$ (447,039)	\$ -	\$ (9,280)	\$ (456,319)
3	Service Corporation Charges	\$ 13,554	\$ -	\$ 142	\$ 13,696
4	Land Purchase	\$ (630,376)	\$ -	\$ -	\$ (630,376)
5	Overheads	\$ (114,028)	\$ -	\$ 3,171	\$ (110,857)
6	Other	\$ 1,692	\$ -	\$ 6,053	\$ 7,745
7	<b>Total</b>	<b>\$ (1,173,962)</b>	<b>\$ -</b>	<b>\$ (228)</b>	<b>\$ (1,174,190)</b>

(1) A Landfill would have been required for both the WFGD and DFGD.

## **Kentucky Power Company**

### **REQUEST**

Refer to paragraph 3 of the MOU which states, "The Company agrees to remove test year Operations and Maintenance expenses related to Big Sandy Unit 2 from the cost of service study in the Base Rate Case." Explain whether Kentucky Power anticipates removing any other expenses associated with Big Sandy Unit 2, such as property taxes or depreciation expense, from the cost of service study in the Base Rate Case. If the response is yes, provide a complete list of Big Sandy Unit 2 expenses the Company agrees to remove from the cost of service study in the Base Rate Case. If no, explain why not.

### **RESPONSE**

Paragraph 3 of the MOU states that the Company would file a base case no later than December 29, 2014 utilizing a September 30, 2014 test year. A September 30, 2014 test year would include operations and maintenance expenses along with other expenses such as property taxes related to Big Sandy Unit 2. All the Big Sandy Unit 2 O&M expense and property taxes that are included in the cost of service on the books during the test year would be removed for purposes of ratemaking due to the retirement of Big Sandy Unit 2. At this time, no list of Big Sandy Unit 2 expenses for the test year ending September 30, 2014 has been developed to identify all the relevant expenses.

In regards to Big Sandy Unit 2 capital costs (including depreciation), the last sentence of paragraph 3 of the MOU states: "The Company further agrees that all capital costs associated with Big Sandy Unit 2 will be removed from the cost of service study in the Base Rate Case and instead these capital costs will be recovered pursuant to Paragraph 14 of this Memorandum of Understanding".

**WITNESS:** Ranie K Wohnhas

**Kentucky Power Company**

**REQUEST**

Refer to paragraph 4 of the MOU which states, "The Asset Transfer Rider will be set to collect \$44 million annually, with a true-up mechanism to ensure no over or under recovery." Provide a copy of the Asset Transfer Rider Tariff including the true-up mechanism, and also provide a description of how the Asset Transfer Rider will operate.

**RESPONSE**

Please see Attachment 1 to this response for the Asset Transfer Rider (ATR) Tariff. The ATR adjustment factors will be computed monthly on a two month lagging basis with the reconciliation of any over/under collection being included in the monthly calculation. The detailed methodology of how it will operate is shown in the Rate section, items 2 through 4 of the tariff.

**WITNESS:** Ranie K Wohnhas

KENTUCKY POWER COMPANY

P.S.C. KY. NO. 10 ORIGINAL SHEET NO. 36-1  
 CANCELING P.S.I.C. KY. NO. 10 SHEET NO. 36-1

**TARIFF A.T.R.**  
**(Asset Transfer Rider)**

**APPLICABLE.**

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

**RATE.**

1. Pursuant to the final order of the Kentucky Public Service Commission in Case No. 2012-00578 and the Stipulation and Settlement Agreement dated June \_\_, 2013 as filed and approved by the Commission, Kentucky Power Company is to recover from retail ratepayers \$44 million annually beginning January 1, 2014 and ending when the Commission sets new base rates for the Company that include Mitchell Units 1 and 2.

2. The allocation of the \$44 million revenue requirement between residential and all other customers shall be based upon their respective contribution to total retail revenues for the twelve month period ended September 30, 2013, according to the following formula:

$$\text{Residential Allocation RA(m)} = \frac{\$44,000,000}{12 \text{ months}} \times \frac{\text{KY Residential Retail Revenue RR(b)}}{\text{KY Retail Revenue R(b)}}$$

$$\text{All Other Allocation OA(m)} = \frac{\$44,000,000}{12 \text{ months}} \times \frac{\text{KY All Other Classes Retail Revenue OR(b)}}{\text{KY Retail Revenue R(b)}}$$

Where:

(m) = the expense month;

(b) = twelve month period ended September 30, 2013.

3. The Residential Asset Transfer Adjustment shall provide for monthly adjustments based on a percent of total revenues, according to the following formula:

$$\text{Residential Asset Transfer Adjustment Factor} = \frac{\text{Net Monthly Residential Allocation NRA(m)}}{\text{Residential Retail Revenue RR(m)}}$$

Where:

Net Monthly Residential Allocation NRA(m) = Monthly Residential Allocation RA(m), net of Over/(Under) Recovery Adjustment;

Residential Retail Revenue RR(m) = Monthly Retail Revenue for all KY residential classes for the expense month (m).

4. The All Other Classes Asset Transfer Adjustment shall provide for monthly adjustments based on a percent of non-fuel revenues, according to the following formula:

$$\text{All Other Classes Asset Transfer Adjustment Factor} = \frac{\text{Net Monthly All Other Allocation NOA(m)}}{\text{All Other Classes Non-Fuel Retail Revenue ONR(m)}}$$

Where:

Net Monthly All Other Allocation NOA(m) = Monthly All Other Allocation OA(m), net of Over/(Under) Recovery Adjustment;

All Other Classes Non-Fuel Retail Revenue ONR(m) = Monthly Non-Fuel Retail Revenue for all classes other than residential for the expense month (m).

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

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

DATE OF ISSUE XXXXXXXX

DATE EFFECTIVE SERVICE RENDERED ON AND AFTER JANUARY 1, 2014

ISSUED BY

TITLE: MANAGER OF REGULATORY SERVICES

BY AUTHORITY OF ORDER BY THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2012-00578 DATED

## **Kentucky Power Company**

### **REQUEST**

Refer to paragraph 5 of the MOU which states, "Effective January 1, 2014, the monthly Environmental Surcharge factor (Tariff ES.) will be fixed and maintained at 0.00% until new base rates are set by the Commission." Also, refer to Kentucky Power's Tariff E.S. (Environmental Surcharge), Original Sheet No. 29-1, P.S.C. ELECTRIC NO. 9 ("Tariff E.S."). The total monthly base net environmental costs on Tariff E.S. are \$44,185,079. Provide a schedule, in both paper format and electronic format with formulas intact and cells unprotected, showing the following:

- a. By month, the amount of NOx and SO2 costs reflected in the monthly base net environmental costs amount of \$44,185,079;
- b. By month, the amount of Environmental AEP Pool Capacity Costs reflected in the monthly base net environmental costs amount of \$44,185,079; also, by month, the amount of All Other Environmental costs reflected in the monthly base net environmental costs amount of \$44,185,079; and
- c. By month, the Kentucky Retail Jurisdictional Allocation Factors reflected in the monthly environmental filings for the 12 months ending September 30, 2009.
- d. Explain whether the AEP Pool environmental cost amounts shown in response to part b. would have flowed back to Kentucky Power ratepayers once the AEP Pool is terminated on January 1, 2014, if the Environmental Surcharge continues to operate after January 1, 2014.

### **RESPONSE**

a. & b. Please see Attachment 1 to this response for the costs associated with NOx, SO2 and AEP Capacity reflected in the monthly base net environmental costs amount of \$44,185,079. The requested schedule in electronic format with formulas intact and cells unprotected is provided on the enclosed CD.

c.

<b>Date</b>	<b>KY Retail Jurisdictional Allocation Factor</b>
<b>Oct-08</b>	70.9%
<b>Nov-08</b>	83.4%
<b>Dec-08</b>	85.7%
<b>Jan-09</b>	81.4%
<b>Feb-09</b>	83.2%
<b>Mar-09</b>	75.9%
<b>Apr-09</b>	73.5%
<b>May-09</b>	75.0%
<b>Jun-09</b>	75.0%
<b>Jul-09</b>	83.5%
<b>Aug-09</b>	75.2%
<b>Sep-09</b>	78.8%

- d. Yes. With the termination of the Pool Agreement, Kentucky Power would no longer seek to recovery of the environmental costs associated with its prior obligations under the agreement. Kentucky Power would, however, absent the provision in the MOU, seek recovery of environmental costs for its owned assets and those related to the Rockport Unit Power Agreement.

**WITNESS:** Ranie K Wohnhas



**Kentucky Power Company  
 Environmental Costs**

<b>Month</b>	<b>Year</b>	<b>SO<sub>2</sub> Costs</b>	<b>NOx Costs</b>	<b>Capacity Costs</b>	<b>All Other Environmental Costs</b>	<b>Total Environmental Costs</b>
<b>October</b>	2008	\$ 141,603	\$ -	\$ 1,353,656	\$ 1,765,043	\$ 3,260,302
<b>November</b>	2008	129,391	-	1,333,021	1,323,628	2,786,040
<b>December</b>	2008	77,666	-	1,919,055	2,077,600	4,074,321
<b>January</b>	2009	134,089	-	1,683,816	2,173,258	3,991,163
<b>February</b>	2009	100,929	-	1,454,828	2,035,053	3,590,810
<b>March</b>	2009	116,657	-	1,565,124	1,969,593	3,651,374
<b>April</b>	2009	122,009	-	1,487,970	2,037,061	3,647,040
<b>May</b>	2009	89,220	-	1,690,040	2,143,330	3,922,590
<b>June</b>	2009	106,498	-	1,694,926	1,825,850	3,627,274
<b>July</b>	2009	76,281	-	1,788,858	1,940,186	3,805,325
<b>August</b>	2009	112,448	-	1,985,526	1,990,856	4,088,830
<b>September</b>	2009	<u>74,645</u>	<u>16,494</u>	<u>1,794,240</u>	<u>1,854,631</u>	<u>3,740,010</u>
		\$ 1,281,436	\$ 16,494	\$ 19,751,060	\$ 23,136,089	\$ 44,185,079

## Kentucky Power Company

### REQUEST

Refer to paragraph 5 of the MOU and to Kentucky Power's Monthly Environmental Surcharge Report filings for the 12 months ending December 31, 2012. Provide a schedule, in both paper format and electronic format with formulas intact and cells unprotected, showing the following:

- a. By month, the amount of NOx and SO2 costs reflected in the 12 months ending December 31, 2012;
- b. By month, the amount of Environmental AEP Pool Capacity Costs reflected in the 12 months ending December 31, 2012;
- c. By month, the amount of All Other Environmental costs reflected in the 12 months ending December 31, 2012; and
- d. By month, the Kentucky Retail Jurisdictional Allocation Factor for the 12 months ending December 31, 2012.

### RESPONSE

a., b. & c. Please see Attachment 1 to this response for the costs associated with NOx, SO2 and AEP Capacity reflected in the 12 months ending December 31, 2012. The requested schedule in electronic format with formulas intact and cells unprotected is provided on the enclosed CD.

**Kentucky Power Company**

d.

Date	KY Retail Jurisdictional Allocation Factor
Jan-12	88.6%
Feb-12	88.9%
Mar-12	90.6%
Apr-12	80.4%
May-12	86.0%
Jun-12	81.8%
Jul-12	72.7%
Aug-12	76.0%
Sep-12	83.6%
Oct-12	81.3%
Nov-12	86.1%
Dec-12	82.1%

WITNESS: Ranie K Wohnhas

**Kentucky Power Company  
 Environmental Costs**

<b>Month</b>	<b>Year</b>	<b>SO<sub>2</sub> Costs</b>	<b>NOx Costs</b>	<b>Capacity Costs</b>	<b>All Other Environmental Costs</b>	<b>Total Environmental Costs</b>
<b>January</b>	2012	\$ 693,396	\$ 13,565	\$ 806,043	\$ 1,771,760	\$ 3,284,764
<b>February</b>	2012	785,030	6,271	991,380	1,662,317	3,444,998
<b>March</b>	2012	413,351	4,505	986,544	1,819,102	3,223,502
<b>April</b>	2012	578,779	6,413	470,820	1,970,056	3,026,068
<b>May</b>	2012	216,244	3,355	479,940	1,691,885	2,391,424
<b>June</b>	2012	559,149	6,684	471,960	1,844,773	2,882,566
<b>July</b>	2012	737,223	10,012	481,080	2,099,608	3,327,923
<b>August</b>	2012	608,536	8,010	672,724	1,947,529	3,236,799
<b>September</b>	2012	127,908	4,127	619,454	1,573,099	2,324,588
<b>October</b>	2012	110,303	3,684	637,980	1,564,194	2,316,161
<b>November</b>	2012	125,259	4,105	637,980	1,577,232	2,344,576
<b>December</b>	2012	<u>435,263</u>	<u>6,288</u>	<u>663,234</u>	<u>1,814,004</u>	<u>2,918,789</u>
		\$ 5,390,441	\$ 77,019	\$ 7,919,139	\$ 21,335,559	\$ 34,722,158

## **Kentucky Power Company**

### **REQUEST**

Refer to paragraph 6 of the MOU which states:

When base rates are set in the Base Rate Case, all costs associated with the Mitchell Units 1 and 2 Flue Gas Desulfurization (FGD) equipment will be recovered through the environmental surcharge (Tariff E.S.) and excluded from base rates in the Base Rate Case. This collection mechanism shall continue at least until the Commission sets new base rates for a period commencing after June 30, 2020 that include these costs. The Environmental Surcharge will be determined by first allocating the revenue requirement between full requirements wholesale customers and retail customers based upon typical allocation factors. The retail allocation of costs will then be allocated between residential and non-residential retail customers based upon their respective total revenues. The Environmental Surcharge will be implemented as a percentage of total revenues for the residential class and as a percentage of non-fuel revenues for all other customers.

- a. Provide the estimated level of revenue requirement, broken down between return on investment and all other costs, associated with the Mitchell Units 1 and 2 Flue Gas Desulfurization which would normally be reflected in base rates.
- b. Explain what is meant by the term "typical allocation factors."
- c. Confirm that currently the Environmental Surcharge costs are allocated based upon the monthly revenues of Kentucky Retail Revenues, FERC Wholesale Revenues, Associated Utilities Revenues and Non-Associated Utilities Revenues net of Non-Physical Revenues.
- d. Confirm that when the AEP Pool is terminated on January 1, 2014, the Associated Utilities Revenues will also be terminated. If not, explain why.
- e. Confirm that currently, the Environmental Surcharge is allocated to both the residential and non-residential customers based upon a percent of total revenues, If not, explain the allocation.

- f. Using the April 2013 Monthly Environmental Surcharge Report costs filed in May 2013, demonstrate the effects this new allocation methodology would have had on that monthly percentage applied to the residential and non-residential customers had this new allocation methodology been in effect.
- g. Explain whether the MOU contemplates using this new environmental allocation methodology only on the environmental costs associated with the Mitchell Units 1 and 2 Flue Gas Desulfurization (FGD) equipment as stated in the MOU or if Kentucky Power is proposing to use this new allocation methodology for all of Kentucky Power's environmental costs reflected in the current Monthly Environmental Surcharge Report filings.

**RESPONSE**

- a. Please see Staff 5-7 Attachment 1. The Estimated revenue requirement is calculated based on the 12 months ended March 31, 2013.
- b. In this instance, "typical allocation factors" would be jurisdictional Demand and Energy allocation factors.
- c. Confirmed.
- d. Confirmed.
- e. Confirmed.
- f. Please see Staff 5-7 Attachment 2.
- g. The MOU contemplates using this new environmental allocation methodology only on the environmental costs associated with Mitchell Units 1 and 2 Flue Gas Desulfurization (FGD) equipment.

**WITNESS:** Ranie K Wohnhas

**ESTIMATED Mitchell FGD Revenue Requirement**

Based on the 12 months ended 3/31/2013

	<b>Total Mitchell</b>	<b>KPCo Share</b>	<b>KPCo KY Retail</b>	
Mitchell FGD Plant in Service	\$ 517,178,575	\$ 258,589,287.54	\$ 254,710,448.23	PDAF
Accumulated Depreciation	\$ (109,721,993)	\$ (54,860,996.74)	\$ (54,038,081.79)	PDAF
ADFIT	\$ (94,570,289)	\$ (47,285,144.73)	\$ (46,575,867.56)	PDAF
<b>Total Rate Base</b>	<b>\$ 314,706,267</b>	<b>\$ 157,353,133</b>	<b>\$ 154,993,746</b>	
<b>Return on Rate Base @ 8.08% WACC</b>			<b>\$ 12,523,495</b>	
FGD Depreciation Expense	\$ 20,099,938	\$ 10,049,968.90	\$ 9,899,219	PDAF
Scrubber Chemical Expense	\$ 12,955,810	\$ 6,477,905	\$ 6,387,214	Energy
Gypsum Disposal and Handling Net of Sales Proceeds	\$ 1,603,988	\$ 801,994	\$ 790,766	Energy

GRCF 1.6327

**Total KY Retail Mitchell FGD Revenue Requirement** \$ 37,524,310

Kentucky Power Company  
April 2013 Environmental Surcharge Analysis

Tariff	Total Revenues by Tariff Class	% Based on Total Revenues	kWh	Fuel Base	Fuel Clause Adjustment	Total Fuel	Revenues Less Fuel	As Filed Factor	As Filed Net KY Retail	Adjusted Surcharge Factor	Adjusted Net KY Retail
				0.02840							
<u>Residential</u>											
RS	19,216,211	42.4561%	205,417,354	5,833,853	148,793.42	5,982,646	13,233,564	-1.6152%	(310,390)	-1.6152%	(310,390)
<u>Non-Residential</u>											
OL	633,976	1.4007%	3,245,007	92,158	2,489.10	94,647	539,329	-1.6152%	(10,240)	-2.7348%	(14,750)
SGS	1,485,916	3.2830%	12,049,927	342,218	8,645.97	350,864	1,135,052	-1.6152%	(24,001)	-2.7348%	(31,042)
MGS	4,485,749	9.9108%	42,159,256	1,197,323	30,418.10	1,227,741	3,258,008	-1.6152%	(72,456)	-2.7348%	(89,101)
LGS	5,198,284	11.4850%	57,194,102	1,624,312	41,006.98	1,665,319	3,532,965	-1.6152%	(83,965)	-2.7348%	(96,620)
QP	3,810,473	8.4188%	57,332,578	1,628,245	41,548.87	1,669,794	2,140,679	-1.6152%	(61,549)	-2.7348%	(58,544)
CIP	10,292,420	22.7400%	193,260,176	5,488,589	137,150.20	5,625,739	4,666,680	-1.6152%	(166,248)	-2.7348%	(127,625)
SL	110,211	0.2435%	638,468	18,132	463.67	18,596	91,614	-1.6152%	(1,780)	-2.7348%	(2,505)
MW	28,120	0.0621%	327,623	9,304	237.93	9,542	18,578	-1.6152%	(454)	-2.7348%	(508)
Total Non-Residential	26,045,148	57.5439%	366,207,137	10,400,283	261,960.82	10,662,244	15,382,905		(420,694)		(420,694)
Total Jurisdictional	45,261,359	100.0000%	571,624,491	16,234,136	410,754	16,644,890	28,616,469		(731,084)		(731,084)
Net KY Retail as Reported on April 2013 Monthly Environmental Surcharge Report				(731,084)							
Environmental Surcharge Factor for April 2013 Monthly Environmental Surcharge Report				-1.61525%							
RS % of Net KY Retail as Reported on April 2013 Monthly Env Surcharge Report (\$19,216,211 X 42.4561%)				(310,390)							
RS Environmental Surcharge Factor (-\$310,390 / \$19,216,211)				-1.6152%							
All Other % of Net KY Retail as Reported on April 2013 Monthly Env Surcharge Report (Revenues Less Fuel \$15,382,905 X 57.5439%)				(420,694)							
All Other Environmental Surcharge Factor (-\$420,694 / \$15,382,905)				-2.7348%							



## **Kentucky Power Company**

### **REQUEST**

Refer to paragraph 12 of the MOU which states:

The Company agrees to institute a new two-year Demand-Side Management ("DSM") program to help fund energy management programs for schools affected by KRS 160.325. The annual funding level will be \$75,000 in 2014 and \$50,000 in 2015. Further, Kentucky Power agrees to increase its aggregate annual spending on cost-effective DSM and energy efficiency measures through Commission-approved DSM programs to \$4 million in 2014; \$5 million in 2015; and \$6 million in 2016, 2017, and 2018. The Company also will seek to maintain a minimum spending level of \$6 million for Commission-approved cost-effective DSM and energy efficiency measures in years after 2018. The Sierra Club may participate in the Company's DSM collaborative and receive the Company's periodic reports and evaluations of its DSM programs.

- a. Provide the number of school energy managers that could be funded in 2014 and 2015, along with the number of school districts in Kentucky Power's service territory, and identify the schools districts in which these school energy manager(s) might be located.
- b. Provide the kinds of DSM or energy efficiency ("EE") programs in which the additional aggregate annual spending on cost-effective DSM and EE measures will occur, the type of costs to be expended, whether there will be associated lost revenues and utility incentives, and the amount of estimated increases in the DSM factor by customer class for such spending.
- c. If known by Kentucky Power, describe the types (ex. site built, manufactured housing, other) of housing stock in Kentucky Power's service area and provide the approximate percentage by type of the total housing stock.
- d. Provide the total number of homes that have been weatherized by Kentucky Power through its DSM weatherization program, and the average amount that has been spent on each home.

- e. Provide the number of Kentucky retail customers, as of December 31, 2010 and December 31, 2012, by residential, commercial and industrial classes, along with the difference between the two time periods and the percent change for each customer class.
- f. Provide by retail jurisdiction for each of the AEP—East Operating Companies the most current average monthly cost per kWh that each company's ratepayers are currently incurring for Commission-approved cost-effective DSM and EE measures.
- g. Using December 31, 2012 financial information, provide the effect an additional \$6 million of expense or revenue would have on Kentucky Power's return on equity.
- h. Using December 31, 2012 financial information, provide the effect an additional \$6 million of expense or revenue would have on each of the AEP-East Operating Companies' return on equity.
- i. For the 12 months ending December 31, 2012, provide the percent of Kentucky jurisdiction retail kWh sales made to the industrial class.
- j. For illustrative purposes, if Kentucky Power's industrial class retail kWh sales are 50 percent of the total Kentucky retail jurisdiction kWh sales; and if Kentucky Power has a goal of reducing its Kentucky total retail jurisdiction kWh sales by only one percent; and considering the fact that Kentucky Power's industrial class has the ability to opt out of commission-approved, cost-effective DSM and EE programs; provide the percent reduction in kWh sales Kentucky Power must realize from the non-industrial class customers in order to meet the 1 percent goal.
- k. If the Sierra Club participates in Kentucky Power's DSM Collaborative, explain whether the Sierra Club will be a voting member and if it will be necessary for the DSM Collaborative's by-laws to be revised.

## RESPONSE

- a. The Company has not yet determined the number of school energy managers or identified the school districts.
- b. The Company has not identified the programs to be expanded or added. The program details will be developed and presented to the DSM Collaborative.

The Company would seek to recover lost revenues and incentives as applicable for active DSM programs.

The estimated DSM rate impact per customer sector resulting from incremental DSM program expenditures is to be determined.

c. Based upon the 2013 Residential Appliance Saturation Survey, information received indicates Kentucky Power serves the following housing stock.

Manufacture or Mobile Homes:	27.9%
Apartments, Condos or Townhomes:	4.5%
Single-Family Homes:	66.2%
Unknown:	1.4%
Total:	100 %

d. Kentucky Power has two weatherization programs, the Targeted Energy Efficiency Program (TEE) for low-income customers and the Modified Energy Fitness program (MEF). As of December 31, 2012, the Targeted Energy Efficiency program has weatherized 4,605 homes since the start of the program. Kentucky Power spent an average cost of approximately \$864 per home for the TEE program. The Modified Energy Fitness program has weatherized 9,391 homes since the start of the program. Kentucky Power spent an average cost of approximately \$366 per home for the MEF program.

e.

<u>Customer Class</u>	<u>Customers as of 12/31/2010</u>	<u>Customers as of 12/31/2012</u>	<u>Percent Change</u>
Residential	142,971	140,929	-1.43%
Commercial	29,790	30,059	0.90%
Industrial	1,425	1,367	-4.07%

f. The residential cost per kWh for each of the AEP Operating Companies is as follows:

<u>Company</u>	<u>\$/kWh</u>
AEP Ohio	.0028902
APCo WV	.0003570
I&M IN	.0027610
I&M MI	.0022700
Kentucky	.0021450

g. See h.

h. The MOU references an incremental \$3 million increase of DSM expenses for a total of \$6 million dollars. A total \$6 million DSM expense would be fully recovered through the DSM surcharge and thus would result in a zero effect on ROE. The ROE for the twelve months ended December 31, 2012 for an after-tax increase in *non-DSM* expense or *non-DSM* revenues of \$6 million for each AEP East Operating Company is set forth in the table below\*:

<u>Operating Company</u>	<u>Change in ROE (Basis Point Change) (1)</u>
Appalachian Power Company	13
Wheeling Power Company	563
Ohio Power Company	9
Indiana Michigan Power Company	22
Kentucky Power Company	83
Kingsport Power Company	1,296

\*ROE calcs. assume no change in equity as dividends are assumed to be redistributed to reflect the change in earnings.

(1) - A 1% change in ROE is equal to 100 basis points.

i.

**Kentucky Power Company**  
**Total Sales for 12 months ended 12/31/2012**

	<u>Industrial</u>	<u>Total</u>	<u>% of Total Sales from Industrial Customers</u>
Total Sales in kWh	2,935,810,632	6,520,290,074	45.03%

j.

Kentucky Power 2012 Retail Sales:

Sector	Sales - kWh
Residential	2,226,929,463
Commercial	1,347,025,278
Industrial	2,935,810,632
Public Street & Highway Light	10,524,701
Total	6,520,290,074
1% Reduction	65,202,901
Non-Industrial customers	3,573,954,741
Effect of 1% Reduction (on Non-Industrial Customers)	1.82%

- k. The Sierra Club can become a voting member by written request for membership to the Kentucky Power DSM Collaborative per Article I, Section 2 (By-Laws of the DSM Collaborative). New members represent a specific customer group(s) within the Kentucky Power Service area and may be approved for membership based on unanimous approval of the Collaborative. If Sierra Club is approved for membership, the By-Laws would be revised to list Sierra Club as a voting member. The Sierra Club may also participate in the DSM Collaborative without becoming a voting member.

**WITNESS:** Ranie K Wohnhas

**Kentucky Power Company**

**REQUEST**

For the 12 months ending December 31, 2012 and the 12 months ending either May 31, 2013 or the latest 12 month period for which information is available, provide an exhibit, along with an electronic copy with all formulas intact and unprotected and with all columns and rows accessible, showing the following:

- a. Kentucky Power's revenues broken down between Kentucky Power's wholesale full requirements customers and Kentucky Power's retail full requirements customers;
- b. Kentucky Power's retail full requirements customers' revenue broken down by residential and non-residential customers;
- c. Kentucky Power's non-residential customer revenue broken down by commercial customer revenues and industrial customer revenues;
- d. Kentucky Power's residential, commercial and industrial customer revenue broken down by base rate revenue, fuel adjustment clause revenue, system sales clause revenue, environmental surcharge revenue and DSM adjustment clause revenue; and
- e. Kentucky Power's kWh sales broken down by wholesale full requirements customers, Kentucky Power's retail full requirement residential customers, commercial customers and industrial customers.

**RESPONSE**

- a-e. The requested exhibit is provided as Exhibit 1 to the response and also in electronic format on the enclosed CD.

**WITNESS:** Ranie K Wohnhas

a.

	<b>12 Months Ended</b> <b><u>12/31/2012</u></b>	<b>12 Months Ended</b> <b><u>5/31/2013</u></b>
Wholesale Revenues	\$ 6,547,530	\$ 6,560,481
Retail Revenues	\$ 497,545,331	\$ 510,787,144

b.

	<b>12 Months Ended</b> <b><u>12/31/2012</u></b>	<b>12 Months Ended</b> <b><u>5/31/2013</u></b>
<b><u>Retail Revenues</u></b>		
Residential	\$ 205,932,349	\$ 217,269,307
Non-Residential	\$ 291,612,982	\$ 293,517,836

c.

	<b>12 Months Ended</b> <b><u>12/31/2012</u></b>	<b>12 Months Ended</b> <b><u>5/31/2013</u></b>
<b><u>Non-Residential Retail Revenues</u></b>		
Commercial	\$ 126,169,454	\$ 128,007,846
Industrial	\$ 163,896,184	\$ 163,962,198
Public Street & Highway Light	<u>\$ 1,547,344</u>	<u>\$ 1,547,793</u>
	\$ 291,612,982	\$ 293,517,836

d. Please see pages 2-21 of Exhibit 1 and the enclosed CD for a breakdown of retail revenue by revenue type. The data is currently available to be provided in this response only by tariff rather than customer class. The residential revenues on pages 2 & 3 of Exhibit 1 will not tie to the residential revenues in parts b-c because a portion of outdoor lighting is included as residential revenue in parts b-c.

e.

	<b>12 Months Ended</b> <b><u>12/31/2012</u></b>	<b>12 Months Ended</b> <b><u>5/31/2013</u></b>
<b><u>Sales by Customer Class (in kWh)</u></b>		
<b><u>Wholesale</u></b>	94,157,465	99,078,259
<b><u>Retail</u></b>		
Residential	2,226,929,463	2,368,256,049
Commercial	1,347,025,278	1,366,146,905
Industrial	2,935,810,632	2,955,172,094
Public Street & Highway Light	<u>10,524,701</u>	<u>10,557,865</u>
	6,520,290,074	6,700,132,913

Kentucky Power Company  
Revenue by Retail Rate Schedule  
January 2012 through December 2012

January 2012- December 2012	Total Revenues <sup>1</sup> (a)	Base Rate Revenues (b)	Base Fuel Rate (c)	Fuel Revenue in Base (c)	Fuel Adjustment Revenue (d)	ECR Revenue (e)	ECR Factor (f)	Revenue Subject to ECR Factor (g)	System Sales Revenue (h)	DSM Revenue <sup>2</sup> (i)	Capacity Charge Revenue (j)	Other Revenue		kWh Sales (l)	Number of Customers (m)
												Residential HEAP (k)	All Other (k)		
Residential Service (RS)	\$200,919,396	\$202,436,762		\$62,483,242	-\$2,082,018	-\$2,425,416		\$205,993,597	\$601,929	\$1,803,049	\$2,134,104	\$254,058	-\$23	2,200,114,148	1,691,119
Small General Service (SGS)	\$16,513,415	\$16,695,079		\$3,826,978	-\$131,843	-\$213,735		\$16,961,529	\$33,208	\$109,452	\$130,703	\$3	\$0	134,752,761	280,856
Medium General Service (MGS)	\$51,667,221	\$52,247,738		\$14,388,409	-\$500,837	-\$681,899		\$52,905,564	\$110,737	\$406,375	\$491,439	\$0	\$42	506,634,111	88,539
Large General Service (LGS)	\$62,248,753	\$62,948,245		\$20,106,050	-\$717,560	-\$819,908		\$63,615,754	\$151,256	\$470,208	\$686,721	\$0	\$0	707,959,518	10,516
Quantity Power (QP)	\$49,742,383	\$50,346,888		\$21,093,260	-\$880,865	-\$620,366		\$50,605,194	\$176,287	\$139,255	\$720,439	\$0	\$0	742,720,435	1,015
Commercial & Industrial Power - Time of Day (CIPTOD)	\$107,395,386	\$109,330,432		\$61,686,330	-\$2,471,307	-\$1,306,922		\$107,469,025	\$430,845	\$0	\$1,438,767	\$0	-\$26,431	2,172,053,883	198
Municipal Waterworks (MW)	\$367,687	\$372,132		\$125,397	-\$5,043	-\$4,767		\$376,396	\$1,082	\$3,899	\$4,283	\$0	\$0	4,415,394	151
Outdoor Lighting (OL)	\$7,407,596	\$7,491,937		\$1,225,504	-\$36,580	-\$100,834		\$7,555,782	\$11,463	\$0	\$41,600	\$0	\$9	43,151,553	0
Street Lighting (SL)	\$1,283,493	\$1,297,491		\$241,067	-\$7,179	-\$17,317		\$1,300,816	\$2,265	\$0	\$8,234	\$0	\$0	8,488,271	672
<b>Total</b>	<b>\$497,545,331</b>	<b>\$503,166,704</b>		<b>\$185,176,238</b>	<b>-\$6,833,232</b>	<b>-\$6,191,162</b>		<b>\$506,783,656</b>	<b>\$1,519,071</b>	<b>\$2,932,238</b>	<b>\$5,656,291</b>	<b>\$254,061</b>	<b>-\$26,402</b>	<b>6,520,290,074</b>	<b>2,073,066</b>

<sup>1</sup> Total Revenues (a) are being reported on a billed basis only

<sup>2</sup> DSM Revenues (i) are booked directly to Miscellaneous Revenue, therefore are not included in (a) Total Electric Revenues



Kentucky Power Company  
Revenue by Retail Rate Schedule  
June 2012 - May 2013

June 2012 - May 2013	Total Revenues <sup>1</sup> (a)	Base Rate Revenues (b)	Base Fuel Rate (c)	Fuel Revenue in Base (c)	Fuel Adjustment Revenue (d)	ECR Revenue (e)	ECR Factor (f)	Revenue Subject to ECR Factor (g)	System Sales Revenue (h)	DSM Revenue <sup>2</sup> (i)	Other Revenue			kWh Sales (l)	Number of Customers (m)
											Capacity Charge Revenue (j)	Residential HEAP (k)	All Other (k)		
Residential Service (RS)	\$212,259,576	\$214,556,981	\$0	\$66,496,566	-\$1,769,578	-\$3,464,691	-0.18214	\$218,731,518	\$411,998	\$1,928,189	\$2,271,187	\$253,678	\$2	2,341,428,366	1,688,226
Small General Service (SGS)	\$16,998,049	\$17,201,715		\$4,007,240	-\$95,045	-\$269,586		\$17,466,752	\$24,083	\$78,077	\$136,870	\$5	\$8	141,099,984	281,821
Medium General Service (MGS)	\$52,831,538	\$53,398,383	\$0	\$14,742,605	-\$309,263	-\$842,851	\$0	\$54,096,015	\$81,735	\$284,604	\$503,534	\$0	\$0	\$519,105,816	\$88,365
Large General Service (LGS)	\$62,330,300	\$62,891,072		\$20,165,092	-\$383,704	-\$978,615		\$63,774,470	\$112,808	\$320,964	\$688,738	\$0	\$0	710,038,452	10,395
Quantity Power (QP)	\$45,515,822	\$45,812,927		\$19,364,033	-\$365,541	-\$711,048		\$46,443,762	\$118,107	\$105,133	\$661,377	\$0	\$0	681,832,150	949
Commercial & Industrial Power - Time of Day (CIPTOD)	\$111,805,899	\$112,899,168		\$63,920,151	-\$1,298,838	-\$1,656,721		\$111,919,352	\$404,593	\$0	\$1,491,258	\$0	-\$33,561	2,250,709,557	203
Municipal Waterworks (MW)	\$345,664	\$348,819		\$117,436	-\$2,403	-\$5,557		\$353,988	\$794	\$2,500	\$4,011	\$0	\$0	4,135,082	141
Outdoor Lighting (OL)	\$7,416,111	\$7,504,878		\$1,229,217	-\$24,700	-\$114,705		\$7,575,799	\$8,911	\$0	\$41,726	\$0	\$0	43,282,292	0
Street Lighting (SL)	\$1,284,183	\$1,298,742		\$241,434	-\$4,904	-\$19,735		\$1,303,924	\$1,834	\$0	\$8,246	\$0	\$0	8,501,214	672
Total	\$510,787,144	\$515,912,685		\$190,283,775	-\$4,253,976	-\$8,063,509		\$521,665,580	\$1,164,863	\$2,719,467	\$5,806,948	\$253,683	-\$33,551	6,700,132,913	2,070,772

<sup>1</sup> Total Revenues (a) are being reported on a billed basis only

<sup>2</sup> DSM Revenues (i) are booked directly to Miscellaneous Revenue, therefore are not included in (a) Total Electric Revenues

Kentucky Power Company  
Revenue by Retail Rate Schedule  
Residential

January 2012 - December 2012	Total Revenues <sup>1</sup> (a)	Base Rate Revenues (b)	Base Fuel Rate (c)	Fuel Revenue in Base (c)	Fuel Adjustment Revenue (d)	ECR Revenue (e)	ECR Factor (f)	Revenue Subject to ECR Factor (g)	System Sales Revenue (h)	DSM Revenue <sup>2</sup> (i)	Other Revenue			kWh Sales (l)	Number of Customers (m)
											Capacity Charge Revenue (j)	Residential HEAP (k)	All Other		
January	\$25,640,631	\$24,426,000	0.0284	\$7,705,031	\$152,194	\$427,275	0.016812	\$25,537,104	\$350,721	\$209,220	\$263,165	\$21,276	\$0	271,303,922	141,564
February	\$21,645,640	\$21,869,977	0.0284	\$6,859,449	-\$899,821	\$201,168	0.009289	\$21,776,564	\$218,758	\$194,595	\$234,282	\$21,279	-\$4	241,529,895	141,706
March	\$18,051,833	\$18,029,108	0.0284	\$5,589,969	\$198,250	-\$248,191	-0.013419	\$18,611,937	-\$139,496	\$166,877	\$190,924	\$21,238	\$0	196,829,905	141,334
April	\$12,200,581	\$12,775,685	0.0284	\$3,852,941	-\$600,010	-\$56,403	-0.004570	\$12,408,872	-\$71,465	\$114,628	\$131,596	\$21,178	\$0	135,666,929	140,894
May	\$11,770,068	\$12,706,823	0.0284	\$3,830,349	-\$849,165	-\$338,217	-0.027707	\$12,259,216	\$98,668	\$113,983	\$130,820	\$21,160	-\$21	134,871,446	140,789
June	\$13,659,836	\$14,210,243	0.0284	\$4,327,690	-\$627,416	-\$207,343	-0.014835	\$14,016,116	\$115,404	\$126,990	\$147,812	\$21,136	\$0	152,383,461	140,610
July	\$17,106,142	\$17,581,814	0.0284	\$5,442,149	\$74,287	-\$812,530	-0.044966	\$18,091,402	\$55,560	\$157,006	\$185,876	\$21,136	\$1	191,624,956	140,695
August	\$16,841,676	\$17,018,540	0.0284	\$5,255,863	-\$7,659	-\$260,559	-0.015101	\$17,286,622	-\$109,298	\$151,663	\$179,513	\$21,138	\$0	185,065,606	140,641
September	\$15,574,019	\$15,422,462	0.0284	\$4,728,735	\$336,383	-\$42,696	-0.002711	\$15,762,637	-\$324,760	\$136,506	\$161,511	\$21,119	\$0	166,504,752	140,637
October	\$12,733,171	\$12,264,969	0.0284	\$3,684,799	\$358,032	-\$154,188	-0.011851	\$13,057,834	\$117,388	\$106,579	\$125,856	\$21,114	\$0	129,746,460	140,567
November	\$15,030,272	\$15,198,052	0.0284	\$4,655,015	-\$55,688	-\$429,524	-0.027553	\$15,719,179	\$137,317	\$135,051	\$158,990	\$21,123	\$1	163,908,995	140,777
December	\$20,665,527	\$20,933,089	0.0284	\$6,551,250	-\$161,405	-\$504,206	-0.023607	\$21,466,115	\$153,130	\$189,951	\$223,757	\$21,160	\$0	230,677,821	140,905
Total	\$200,919,396	\$202,436,762		\$62,483,242	-\$2,082,018	-\$2,425,416		\$205,993,597	\$601,929	\$1,803,049	\$2,134,104	\$254,058	-\$23	2,200,114,148	1,691,119

<sup>1</sup> Total Revenues (a) are being reported on a billed basis only

<sup>2</sup> DSM Revenues (i) are booked directly to Miscellaneous Revenue, therefore are not included in (a) Total Electric Revenues

Kentucky Power Company  
Revenue by Retail Rate Schedule  
Small General Service

January 2012 - December 2012	Total Revenues <sup>1</sup> (a)	Base Rate Revenues (b)	Base Fuel Rate (c)	Fuel Revenue in Base (c)	Fuel Adjustment Revenue (d)	ECR Revenue (e)	ECR Factor (f)	Revenue Subject to ECR Factor (g)	System Sales Revenue (h)	DSM Revenue <sup>2</sup> (i)	Capacity Charge Revenue (j)	Other Revenue		kWh Sales (l)	Number of Customers (m)
												Residential HEAP (k)	All Other (k)		
January	\$1,736,117	\$1,665,714	0.0284	\$418,098	\$8,239	\$28,827	0.016812	\$1,722,806	\$19,058	\$7,881	\$14,278	\$0	\$0	14,721,743	23,297
February	\$1,531,546	\$1,541,724	0.0284	\$374,335	-\$49,105	\$14,214	0.009289	\$1,542,148	\$11,928	\$12,735	\$12,784	\$0	\$0	13,180,802	23,260
March	\$1,402,182	\$1,406,478	0.0284	\$326,304	\$11,536	-\$19,088	-0.013419	\$1,455,676	-\$7,886	\$16,762	\$11,143	\$0	\$0	11,489,569	23,203
April	\$1,192,559	\$1,235,058	0.0284	\$263,560	-\$41,084	-\$5,518	-0.004570	\$1,221,710	-\$4,898	\$13,601	\$9,001	\$0	\$0	9,280,265	23,307
May	\$1,154,468	\$1,230,380	0.0284	\$262,561	-\$58,337	-\$33,329	-0.027707	\$1,211,933	\$6,788	\$13,569	\$8,967	\$0	\$0	9,245,109	23,343
June	\$1,281,827	\$1,326,023	0.0284	\$294,116	-\$42,694	-\$19,408	-0.014835	\$1,315,321	\$7,862	\$10,640	\$10,044	\$0	\$0	10,356,197	23,386
July	\$1,405,553	\$1,452,197	0.0284	\$339,566	\$4,677	-\$66,383	-0.044966	\$1,482,552	\$3,466	\$6,196	\$11,597	\$0	\$0	11,956,562	23,445
August	\$1,383,932	\$1,401,455	0.0284	\$324,305	-\$471	-\$21,365	-0.015101	\$1,423,528	-\$6,762	\$5,888	\$11,076	\$0	\$0	11,419,185	23,454
September	\$1,396,190	\$1,388,506	0.0284	\$315,830	\$22,364	-\$3,808	-0.002711	\$1,413,688	-\$21,659	\$5,745	\$10,786	\$0	\$0	11,120,761	23,524
October	\$1,255,151	\$1,227,540	0.0284	\$259,733	\$25,463	-\$15,106	-0.011851	\$1,289,354	\$8,379	\$4,676	\$8,875	\$0	\$0	9,145,536	23,486
November	\$1,270,438	\$1,292,074	0.0284	\$282,448	-\$3,396	-\$36,261	-0.027553	\$1,324,165	\$8,368	\$5,128	\$9,649	\$3	\$0	9,945,344	23,562
December	\$1,503,451	\$1,527,930	0.0284	\$366,124	-\$9,035	-\$36,510	-0.023607	\$1,558,647	\$8,562	\$6,631	\$12,504	\$0	\$0	12,891,688	23,589
Total	\$16,513,415	\$16,695,079		\$3,826,978	-\$131,843	-\$213,735		\$16,961,529	\$33,208	\$109,452	\$130,703	\$3	\$0	134,752,761	280,856

<sup>1</sup> Total Revenues (a) are being reported on a billed basis only

<sup>2</sup> DSM Revenues (i) are booked directly to Miscellaneous Revenue, therefore are not included in (a) Total Electric Revenues

Kentucky Power Company  
Revenue by Retail Rate Schedule  
Medium General Service

January 2012 - December 2012	Total Revenues <sup>1</sup> (a)	Base Rate Revenues (b)	Base Fuel Rate (c)	Fuel Revenue in Base (c)	Fuel Adjustment Revenue (d)	ECR Revenue (e)	ECR Factor (f)	Revenue Subject to ECR Factor (g)	System Sales Revenue (h)	DSM Revenue <sup>2</sup> (i)	Capacity Charge Revenue (j)	Other Revenue		kWh Sales (l)	Number of Customers (m)
												Residential HEAP (k)	All Other		
January	\$5,254,305	\$5,028,194	0.0284	\$1,396,132	\$27,529	\$87,296	0.016812	\$5,212,607	\$63,602	\$25,745	\$47,685	\$0	\$0	49,159,564	7,444
February	\$4,669,041	\$4,710,113	0.0284	\$1,293,763	-\$169,901	\$43,367	0.009289	\$4,682,020	\$41,274	\$42,455	\$44,188	\$0	\$0	45,555,019	7,438
March	\$4,271,162	\$4,278,524	0.0284	\$1,160,015	\$40,400	-\$58,690	-0.013419	\$4,418,824	-\$28,692	\$59,168	\$39,620	\$0	\$0	40,845,582	7,399
April	\$3,656,330	\$3,817,224	0.0284	\$1,029,867	-\$159,992	-\$17,029	-0.004570	\$3,735,391	-\$19,048	\$52,395	\$35,175	\$0	\$0	36,262,928	7,391
May	\$3,592,113	\$3,865,702	0.0284	\$1,046,832	-\$232,419	-\$103,951	-0.027707	\$3,752,802	\$26,982	\$53,637	\$35,757	\$0	\$42	36,860,298	7,379
June	\$4,094,775	\$4,256,538	0.0284	\$1,182,696	-\$171,506	-\$62,187	-0.014835	\$4,205,655	\$31,535	\$43,141	\$40,395	\$0	\$0	41,644,224	7,385
July	\$4,641,417	\$4,782,994	0.0284	\$1,345,210	\$18,389	-\$219,646	-0.044966	\$4,890,259	\$13,734	\$24,411	\$45,946	\$0	\$0	47,366,561	7,369
August	\$4,536,599	\$4,591,291	0.0284	\$1,282,831	-\$1,874	-\$69,972	-0.015101	\$4,637,584	-\$26,662	\$23,130	\$43,815	\$0	\$0	45,170,106	7,389
September	\$4,548,069	\$4,514,297	0.0284	\$1,262,537	\$89,783	-\$12,428	-0.002711	\$4,590,638	-\$86,705	\$22,708	\$43,122	\$0	\$0	44,455,533	7,358
October	\$3,997,338	\$3,873,067	0.0284	\$1,056,684	\$102,693	-\$48,158	-0.011851	\$4,080,396	\$33,645	\$18,711	\$36,091	\$0	\$0	37,207,188	7,341
November	\$3,887,924	\$3,943,502	0.0284	\$1,066,249	-\$12,770	-\$110,695	-0.027553	\$4,037,504	\$31,469	\$18,695	\$36,418	\$0	\$0	37,543,990	7,333
December	\$4,518,146	\$4,586,292	0.0284	\$1,265,593	-\$31,168	-\$109,807	-0.023607	\$4,661,885	\$29,603	\$22,179	\$43,226	\$0	\$0	44,563,118	7,313
Total	\$51,667,221	\$52,247,738		\$14,388,409	-\$500,837	-\$681,899		\$52,905,564	\$110,737	\$406,375	\$491,439	\$0	\$42	506,634,111	88,539

<sup>1</sup> Total Revenues (a) are being reported on a billed basis only

<sup>2</sup> DSM Revenues (i) are booked directly to Miscellaneous Revenue, therefore are not included in (a) Total Electric Revenues

Kentucky Power Company  
Revenue by Retail Rate Schedule  
Large General Service

January 2012 - December 2012	Total Revenues <sup>1</sup> (a)	Base Rate Revenues (b)	Base Fuel Rate (c)	Fuel Revenue in Base (c)	Fuel Adjustment Revenue (d)	ECR Revenue (e)	ECR Factor (f)	Revenue Subject to ECR Factor (g)	System Sales Revenue (h)	DSM Revenue <sup>2</sup> (i)	Other Revenue			Number of Customers (m)	
											Capacity Charge Revenue (j)	Residential HEAP (k)	All Other (l)		
January	\$6,067,890	\$5,780,611	0.0284	\$1,874,044	\$37,210	\$100,638	0.016812	\$6,000,346	\$85,423	\$28,533	\$64,008	\$0	\$0	65,987,464	898
February	\$5,399,639	\$5,463,692	0.0284	\$1,754,974	-\$230,177	\$50,168	0.009289	\$5,396,594	\$56,015	\$46,286	\$59,941	\$0	\$0	61,794,842	885
March	\$5,204,265	\$5,203,602	0.0284	\$1,647,905	\$54,042	-\$70,009	-0.013419	\$5,355,621	-\$39,654	\$67,799	\$56,284	\$0	\$0	58,024,835	899
April	\$4,617,608	\$4,851,993	0.0284	\$1,525,613	-\$236,195	-\$21,806	-0.004570	\$4,694,315	-\$28,491	\$63,862	\$52,107	\$0	\$0	53,718,756	882
May	\$4,567,739	\$4,951,317	0.0284	\$1,559,191	-\$345,284	-\$131,323	-0.027707	\$4,766,712	\$39,774	\$65,499	\$53,254	\$0	\$0	54,901,094	880
June	\$4,843,746	\$5,053,706	0.0284	\$1,612,035	-\$234,170	-\$73,858	-0.014835	\$4,969,009	\$43,010	\$49,301	\$55,059	\$0	\$0	56,761,805	873
July	\$5,254,930	\$5,404,398	0.0284	\$1,727,494	\$19,618	-\$246,142	-0.044966	\$5,534,598	\$18,054	\$26,280	\$59,003	\$0	\$0	60,827,242	881
August	\$5,364,772	\$5,427,985	0.0284	\$1,733,289	-\$2,094	-\$84,955	-0.015101	\$5,480,577	-\$35,364	\$25,661	\$59,200	\$0	\$0	61,031,286	881
September	\$5,613,836	\$5,563,837	0.0284	\$1,784,993	\$126,963	-\$15,330	-0.002711	\$5,658,305	-\$122,600	\$26,726	\$60,966	\$0	\$0	62,851,871	863
October	\$5,193,454	\$4,997,982	0.0284	\$1,591,509	\$154,221	-\$62,071	-0.011851	\$5,320,796	\$48,965	\$23,095	\$54,358	\$0	\$0	56,039,037	865
November	\$4,884,641	\$4,942,286	0.0284	\$1,576,456	-\$19,396	-\$138,017	-0.027553	\$5,048,837	\$45,925	\$22,314	\$53,844	\$0	\$0	55,509,003	857
December	\$5,236,233	\$5,306,836	0.0284	\$1,718,549	-\$42,298	-\$127,201	-0.023607	\$5,390,045	\$40,200	\$24,853	\$58,697	\$0	\$0	60,512,283	852
<b>Total</b>	<b>\$62,248,753</b>	<b>\$62,948,245</b>		<b>\$20,106,050</b>	<b>-\$717,560</b>	<b>-\$819,908</b>		<b>\$63,615,754</b>	<b>\$151,256</b>	<b>\$470,208</b>	<b>\$686,721</b>	<b>\$0</b>	<b>\$0</b>	<b>707,959,518</b>	<b>10,516</b>

<sup>1</sup> Total Revenues (a) are being reported on a billed basis only

<sup>2</sup> DSM Revenues (i) are booked directly to Miscellaneous Revenue, therefore are not included in (a) Total Electric Revenues

Kentucky Power Company  
Revenue by Retail Rate Schedule  
Quantity Power

January 2012 - December 2012	Total Revenues <sup>1</sup> (a)	Base Rate Revenues (b)	Base Fuel Rate (c)	Fuel Revenue in Base (c)	Fuel Adjustment Revenue (d)	ECR Revenue (e)	ECR Factor (f)	Revenue Subject to ECR Factor (g)	System Sales Revenue (h)	DSM Revenue <sup>2</sup> (i)	Capacity Charge Revenue (j)	Other Revenue		kWh Sales (l)	Number of Customers (m)
												Residential HEAP (k)	All Other		
January	\$5,214,598	\$4,912,034	0.0284	\$2,146,392	\$45,768	\$84,816	0.016812	\$5,139,164	\$98,670	\$9,379	\$73,310	\$0	\$0	75,577,195	90
February	\$4,605,700	\$4,681,851	0.0284	\$1,989,152	-\$251,985	\$43,600	0.009289	\$4,571,872	\$64,294	\$9,773	\$67,939	\$0	\$0	70,040,550	90
March	\$4,943,497	\$4,927,543	0.0284	\$2,049,091	\$51,367	-\$61,490	-0.013419	\$5,028,064	-\$43,910	\$23,076	\$69,987	\$0	\$0	72,151,085	92
April	\$4,379,908	\$4,664,452	0.0284	\$1,924,629	-\$293,516	-\$20,843	-0.004570	\$4,420,124	-\$35,920	\$19,372	\$65,736	\$0	\$0	67,768,615	92
May	\$4,072,792	\$4,482,022	0.0284	\$1,817,280	-\$401,597	-\$115,497	-0.027707	\$4,208,575	\$45,795	\$20,288	\$62,069	\$0	\$0	63,988,740	90
June	\$4,173,143	\$4,388,066	0.0284	\$1,786,903	-\$260,165	-\$63,459	-0.014835	\$4,250,224	\$47,669	\$13,618	\$61,032	\$0	\$0	62,919,105	87
July	\$4,032,969	\$4,131,372	0.0284	\$1,607,010	\$18,402	-\$188,471	-0.044966	\$4,229,394	\$16,779	\$7,951	\$54,887	\$0	\$0	56,584,860	86
August	\$3,256,062	\$3,292,288	0.0284	\$1,307,456	-\$3,355	-\$47,214	\$0	\$3,493,379	-\$30,313	\$8,142	\$44,656	\$0	\$0	\$46,037,193	80
September	\$4,172,114	\$4,136,746	0.0284	\$1,777,649	\$105,974	-\$27,032	\$0	\$4,206,516	-\$104,289	\$8,051	\$60,716	\$0	\$0	\$62,593,266	83
October	\$3,953,227	\$3,751,074	0.0284	\$1,626,537	\$153,778	-\$42,416	\$0	\$4,006,971	\$35,237	\$7,112	\$55,554	\$0	\$0	\$57,272,446	79
November	\$3,429,531	\$3,438,886	0.0284	\$1,536,270	-\$9,368	-\$98,576	\$0	\$3,555,722	\$46,118	\$6,959	\$52,471	\$0	\$0	\$54,094,016	74
December	\$3,508,843	\$3,540,553	\$0	\$1,524,892	-\$36,169	-\$83,783	\$0	\$3,495,188	\$36,159	\$5,533	\$52,083	\$0	\$0	\$53,693,364	72
<b>Total</b>	<b>\$49,742,383</b>	<b>\$50,346,888</b>		<b>\$21,093,260</b>	<b>-\$880,865</b>	<b>-\$620,366</b>		<b>\$50,605,194</b>	<b>\$176,287</b>	<b>\$139,255</b>	<b>\$720,439</b>	<b>\$0</b>	<b>\$0</b>	<b>742,720,435</b>	<b>1,015</b>

<sup>1</sup> Total Revenues (a) are being reported on a billed basis only

<sup>2</sup> DSM Revenues (i) are booked directly to Miscellaneous Revenue, therefore are not included in (a) Total Electric Revenues

Kentucky Power Company  
Revenue by Retail Rate Schedule  
Commercial and Industrial Power - Time of Day

January 2012 - December 2012	Total Revenues <sup>1</sup> (a)	Base Rate Revenues (b)	Base Fuel Rate (c)	Fuel Revenue in Base (c)	Fuel Adjustment Revenue (d)	ECR Revenue (e)	ECR Factor (f)	Revenue Subject to ECR Factor (g)	System Sales Revenue (h)	DSM Revenue <sup>2</sup> (i)	Other Revenue			kWh Sales (l)	Number of Customers (m)
											Capacity Charge Revenue (j)	Residential HEAP (k)	All Other		
January	\$5,703,692	\$5,403,250	0.0284	\$2,450,741	\$47,646	\$63,798	0.016812	\$4,975,991	\$111,441	\$0	\$57,558	\$0	\$0	86,293,685	13
February	\$14,593,466	\$14,502,769	0.0284	\$8,579,459	-\$615,872	\$185,225	0.009289	\$15,052,142	\$319,848	\$0	\$201,496	\$0	\$0	302,093,640	20
March	\$6,231,082	\$6,226,119	0.0284	\$3,203,273	\$63,433	-\$70,798	-0.013419	\$6,301,877	-\$62,876	\$0	\$75,204	\$0	\$0	112,791,311	16
April	\$7,779,963	\$8,093,573	0.0284	\$4,730,816	-\$242,104	-\$78,426	-0.004570	\$8,528,170	-\$104,188	\$0	\$111,108	\$0	\$0	166,578,034	14
May	\$14,722,034	\$16,478,198	0.0284	\$8,996,791	-\$1,774,481	-\$276,607	-0.027707	\$14,328,858	\$83,627	\$0	\$211,298	\$0	\$0	316,788,421	20
June	\$8,949,482	\$9,583,484	0.0284	\$5,262,495	-\$763,432	-\$134,584	-0.014835	\$9,084,065	\$140,420	\$0	\$123,595	\$0	\$0	185,299,120	15
July	\$5,060,912	\$5,193,011	0.0284	\$2,492,160	\$7,770	-\$226,576	-0.044966	\$5,287,487	\$28,176	\$0	\$58,531	\$0	\$0	87,752,096	15
August	\$8,276,099	\$8,411,470	\$0	\$4,614,238	\$30,126	-\$236,799	\$0	\$7,959,476	-\$13,402	\$0	\$98,405	\$0	-\$13,699	\$162,473,152	18
September	\$8,856,957	\$8,890,846	\$0	\$5,498,081	\$127,895	-\$86,424	\$0	\$8,908,979	-\$203,949	\$0	\$129,127	\$0	-\$539	\$193,594,404	17
October	\$8,221,450	\$7,964,616	0.0568	\$4,883,586	\$385,099	-\$53,075	-0.023702	\$8,239,908	-\$189,789	\$0	\$114,695	\$0	-\$96	171,957,245	15
November	\$9,355,619	\$8,874,305	0.0568	\$5,403,796	\$352,600	-\$162,749	-0.055106	\$9,197,546	\$168,407	\$0	\$126,913	\$0	-\$3,857	190,274,519	17
December	\$9,644,628	\$9,708,791	\$0	\$5,570,894	-\$89,985	-\$249,905	\$0	\$9,604,526	\$153,130	\$0	\$130,838	\$0	-\$8,239	\$196,158,256	18
<b>Total</b>	<b>\$107,395,386</b>	<b>\$109,330,432</b>		<b>\$61,686,330</b>	<b>-\$2,471,307</b>	<b>-\$1,306,922</b>		<b>\$107,469,025</b>	<b>\$430,845</b>	<b>\$0</b>	<b>\$1,438,767</b>	<b>\$0</b>	<b>-\$26,431</b>	<b>2,172,053,883</b>	<b>198</b>

<sup>1</sup> Total Revenues (a) are being reported on a billed basis only

<sup>2</sup> DSM Revenues (i) are booked directly to Miscellaneous Revenue, therefore are not included in (a) Total Electric Revenues

Kentucky Power Company  
Revenue by Retail Rate Schedule  
Municipal Waterworks

January 2012 - December 2012	Total Revenues <sup>1</sup> (a)	Base Rate Revenues (b)	Base Fuel Rate (c)	Fuel Revenue in Base (c)	Fuel Adjustment Revenue (d)	ECR Revenue (e)	ECR Factor (f)	Revenue Subject to ECR Factor (g)	System Sales Revenue (h)	DSM Revenue <sup>2</sup> (i)	Other Revenue			kWh Sales (l)	Number of Customers (m)
											Capacity Charge Revenue (j)	Residential HEAP (k)	All Other		
January	\$38,853	\$36,959	0.0284	\$12,544	\$247	\$646	0.016812	\$38,455	\$571	\$246	\$428	\$0	\$0	441,707	13
February	\$33,893	\$34,339	0.0284	\$11,648	-\$1,530	\$315	0.009289	\$33,910	\$372	\$330	\$398	\$0	\$0	410,133	13
March	\$33,331	\$33,291	0.0284	\$11,289	\$398	-\$462	-0.013419	\$34,402	-\$281	\$608	\$386	\$0	\$0	397,509	13
April	\$29,425	\$31,034	0.0284	\$10,508	-\$1,635	-\$138	-0.004570	\$30,129	-\$195	\$566	\$359	\$0	\$0	370,001	13
May	\$28,693	\$31,239	0.0284	\$10,572	-\$2,345	-\$834	-0.027707	\$30,096	\$272	\$569	\$361	\$0	\$0	372,271	13
June	\$30,665	\$32,045	0.0284	\$10,820	-\$1,570	-\$469	-0.014835	\$31,614	\$289	\$480	\$370	\$0	\$0	380,970	13
July	\$31,901	\$32,772	0.0284	\$11,029	\$151	-\$1,512	-0.044966	\$33,620	\$113	\$209	\$377	\$0	\$0	388,353	13
August	\$25,563	\$25,855	0.0284	\$8,713	-\$12	-\$397	-0.015101	\$26,163	-\$181	\$165	\$298	\$0	\$0	306,806	12
September	\$29,693	\$29,414	0.0284	\$9,843	\$700	-\$81	-0.002711	\$29,961	-\$676	\$186	\$336	\$0	\$0	346,572	12
October	\$29,179	\$28,002	0.0284	\$9,368	\$910	-\$352	-0.011851	\$29,708	\$298	\$177	\$320	\$0	\$0	329,861	12
November	\$26,271	\$26,563	0.0284	\$8,846	-\$106	-\$749	-0.027553	\$27,190	\$261	\$168	\$302	\$0	\$0	311,471	12
December	\$30,220	\$30,619	0.0284	\$10,217	-\$252	-\$735	-0.023607	\$31,148	\$239	\$194	\$349	\$0	\$0	359,740	12
Total	\$367,687	\$372,132		\$125,397	-\$5,043	-\$4,767		\$376,396	\$1,082	\$3,899	\$4,283	\$0	\$0	4,415,394	151

<sup>1</sup> Total Revenues (a) are being reported on a billed basis only

<sup>2</sup> DSM Revenues (i) are booked directly to Miscellaneous Revenue, therefore are not included in (a) Total Electric Revenues



Kentucky Power Company  
Revenue by Retail Rate Schedule  
Outdoor Lighting

January 2012 - December 2012	Total Revenues <sup>1</sup> (a)	Base Rate Revenues (b)	Base Fuel Rate (c)	Fuel Revenue in Base (c)	Fuel Adjustment Revenue (d)	ECR Revenue (e)	ECR Factor (f)	Revenue Subject to ECR Factor (g)	System Sales Revenue (h)	DSM Revenue <sup>2</sup> (i)	Capacity Charge Revenue (j)	Other Revenue			Number of Customers (m)
												Residential HEAP (k)	All Other (l)	kWh Sales (l)	
January	\$650,285	\$626,534	0.0284	\$129,358	\$2,570	\$10,748	0.016812	\$638,849	\$6,042	\$0	\$4,390	\$0	\$0	4,554,857	0
February	\$624,040	\$625,370	0.0284	\$108,344	-\$14,240	\$5,689	0.009289	\$626,598	\$3,559	\$0	\$3,661	\$0	\$1	3,814,936	0
March	\$622,872	\$626,526	0.0284	\$108,710	\$3,746	-\$8,452	-0.013419	\$634,574	-\$2,621	\$0	\$3,673	\$0	\$0	3,827,807	0
April	\$608,640	\$624,449	0.0284	\$91,819	-\$14,296	-\$2,748	-0.004570	\$621,697	-\$1,766	\$0	\$2,999	\$0	\$2	3,233,053	0
May	\$587,947	\$618,501	0.0284	\$80,015	-\$18,206	-\$17,133	-0.027707	\$615,138	\$1,980	\$0	\$2,798	\$0	\$7	2,817,436	0
June	\$609,528	\$625,012	0.0284	\$73,482	-\$10,625	-\$9,291	-0.014835	\$627,385	\$1,890	\$0	\$2,542	\$0	\$0	2,587,390	0
July	\$601,177	\$625,145	0.0284	\$78,524	\$1,098	-\$28,463	-0.044966	\$631,302	\$790	\$0	\$2,607	\$0	\$0	2,764,938	0
August	\$614,276	\$622,584	0.0284	\$88,795	-\$47	-\$9,385	-0.015101	\$625,425	-\$1,829	\$0	\$2,955	\$0	-\$1	3,126,600	0
September	\$626,114	\$623,976	0.0284	\$98,570	\$7,135	-\$1,668	-0.002711	\$630,068	-\$6,838	\$0	\$3,509	\$0	\$0	3,470,767	0
October	\$635,300	\$624,505	0.0284	\$114,842	\$11,046	-\$7,685	-0.011851	\$640,289	\$3,659	\$0	\$3,775	\$0	\$0	4,043,730	0
November	\$613,529	\$624,556	0.0284	\$121,759	-\$1,467	-\$17,444	-0.027553	\$632,504	\$3,618	\$0	\$4,265	\$0	\$0	4,287,297	0
December	\$613,888	\$624,779	0.0284	\$131,286	-\$3,296	-\$15,003	-0.023607	\$631,955	\$2,980	\$0	\$4,426	\$0	\$1	4,622,742	0
Total	\$7,407,596	\$7,491,937		\$1,225,504	-\$36,580	-\$100,834		\$7,555,782	\$11,463	\$0	\$41,600	\$0	\$9	43,151,553	0

<sup>1</sup> Total Revenues (a) are being reported on a billed basis only

<sup>2</sup> DSM Revenues (i) are booked directly to Miscellaneous Revenue, therefore are not included in (a) Total Electric Revenues

Kentucky Power Company  
Revenue by Retail Rate Schedule  
Street Lighting

January 2012 - December 2012	Total Revenues <sup>1</sup> (a)	Base Rate Revenues (b)	Base Fuel Rate (c)	Fuel Revenue in Base (c)	Fuel Adjustment Revenue (d)	ECR Revenue (e)	ECR Factor (f)	Revenue Subject to ECR Factor (g)	System Sales Revenue (h)	DSM Revenue <sup>2</sup> (i)	Capacity Charge Revenue (j)	Other Revenue		kWh Sales (l)	Number of Customers (m)
												Residential HEAP (k)	All Other		
January	\$112,913	\$108,517	0.0284	\$25,435	\$502	\$1,867	0.016812	\$111,047	\$1,158	\$0	\$869	\$0	\$0	895,581	56
February	\$108,048	\$108,447	0.0284	\$21,351	-\$2,804	\$994	0.009289	\$107,058	\$681	\$0	\$729	\$0	\$0	751,785	56
March	\$107,896	\$108,414	0.0284	\$21,336	\$751	-\$1,468	-0.013419	\$109,365	-\$531	\$0	\$729	\$0	\$0	751,283	56
April	\$105,300	\$108,308	0.0284	\$18,028	-\$2,806	-\$483	-0.004570	\$105,782	-\$335	\$0	\$616	\$0	\$0	634,784	56
May	\$102,330	\$107,840	0.0284	\$16,017	-\$3,553	-\$2,916	-0.027707	\$105,249	\$413	\$0	\$547	\$0	\$0	563,976	56
June	\$105,031	\$107,828	0.0284	\$14,432	-\$2,094	-\$1,582	-0.014835	\$106,611	\$385	\$0	\$493	\$0	\$0	508,169	56
July	\$103,833	\$107,827	0.0284	\$15,405	\$212	-\$4,889	-0.044966	\$108,720	\$157	\$0	\$526	\$0	\$0	542,420	56
August	\$106,408	\$107,831	0.0284	\$17,475	-\$25	-\$1,632	-0.015101	\$108,038	-\$364	\$0	\$597	\$0	\$0	615,315	56
September	\$108,367	\$107,955	0.0284	\$19,320	\$1,374	-\$295	-0.002711	\$108,663	-\$1,327	\$0	\$660	\$0	\$0	680,265	56
October	\$110,390	\$108,041	0.0284	\$22,510	\$2,188	-\$1,324	-0.011851	\$111,716	\$717	\$0	\$769	\$0	\$0	792,619	56
November	\$106,294	\$108,073	0.0284	\$23,853	-\$286	-\$3,012	-0.027553	\$109,307	\$704	\$0	\$815	\$0	\$0	839,880	56
December	\$106,682	\$108,409	0.0284	\$25,906	-\$639	-\$2,579	-0.023607	\$109,260	\$606	\$0	\$885	\$0	\$0	912,194	56
<b>Total</b>	<b>\$1,283,493</b>	<b>\$1,297,491</b>		<b>\$241,067</b>	<b>-\$7,179</b>	<b>-\$17,317</b>		<b>\$1,300,816</b>	<b>\$2,265</b>	<b>\$0</b>	<b>\$8,234</b>	<b>\$0</b>	<b>\$0</b>	<b>8,488,271</b>	<b>672</b>

<sup>1</sup> Total Revenues (a) are being reported on a billed basis only

<sup>2</sup> DSM Revenues (i) are booked directly to Miscellaneous Revenue, therefore are not included in (a) Total Electric Revenues

Kentucky Power Company  
Revenue by Retail Rate Schedule  
Residential

June 2012 - May 2013	Total Revenues <sup>1</sup> (a)	Base Rate Revenues (b)	Base Fuel Rate (c)	Fuel Revenue in Base (c)	Fuel Adjustment Revenue (d)	ECR Revenue (e)	ECR Factor (f)	Revenue Subject to ECR Factor (g)	System Sales Revenue (h)	DSM Revenue <sup>2</sup> (i)	Other Revenue			Number of Customers (m)	
											Capacity Charge Revenue (j)	Residential HEAP (k)	All Other (l)		
June	\$13,659,836	\$14,210,243	0.0284	\$4,327,690	-\$627,416	-\$207,343	-0.014835	\$14,016,116	\$115,404	\$126,990	\$147,812	\$21,136	\$0	152,383,461	140,610
July	\$17,106,142	\$17,581,814	0.0284	\$5,442,149	\$74,287	-\$812,530	-0.044966	\$18,091,402	\$55,560	\$157,006	\$185,876	\$21,136	\$1	191,624,956	140,695
August	\$16,841,676	\$17,018,540	0.0284	\$5,255,863	-\$7,659	-\$260,559	-0.015101	\$17,286,622	-\$109,298	\$151,663	\$179,513	\$21,138	\$0	185,065,606	140,641
September	\$15,574,019	\$15,422,462	0.0284	\$4,728,735	\$336,383	-\$42,696	-0.002711	\$15,762,637	-\$324,760	\$136,506	\$161,511	\$21,119	\$0	166,504,752	140,637
October	\$12,733,171	\$12,264,969	0.0284	\$3,684,799	\$358,032	-\$154,188	-0.011851	\$13,057,834	\$117,388	\$106,579	\$125,856	\$21,114	\$0	129,746,460	140,567
November	\$15,030,272	\$15,198,052	0.0284	\$4,655,015	-\$55,688	-\$429,524	-0.027553	\$15,719,179	\$137,317	\$135,051	\$158,990	\$21,123	\$1	163,908,995	140,777
December	\$20,665,527	\$20,933,089	0.0284	\$6,551,250	-\$161,405	-\$504,206	-0.023607	\$21,466,115	\$153,130	\$189,951	\$223,757	\$21,160	\$0	230,677,821	140,905
January	\$23,100,710	\$24,987,932	0.0284	\$7,891,671	-\$1,866,116	-\$585,470	-0.024491	\$24,061,170	\$273,628	\$229,132	\$269,539	\$21,197	\$0	277,875,748	141,089
February	\$24,945,016	\$23,799,818	0.0284	\$7,499,044	\$1,130,963	-\$392,201	-0.015342	\$25,786,909	\$129,133	\$217,857	\$256,129	\$21,175	\$0	264,050,853	140,897
March	\$20,963,667	\$22,266,898	0.0284	\$6,992,577	-\$1,202,441	-\$200,752	-0.009387	\$21,553,795	-\$160,022	\$203,125	\$238,832	\$21,152	\$0	246,217,505	140,750
April	\$19,215,265	\$18,764,140	0.0284	\$5,833,853	\$213,235	\$81,935	0.004255	\$19,413,873	-\$64,441	\$169,306	\$199,253	\$21,144	\$0	205,417,354	140,497
May	\$12,424,274	\$12,109,024	0.0284	\$3,633,918	\$38,247	\$42,844	0.003445	\$12,515,866	\$88,959	\$105,022	\$124,117	\$21,082	\$0	127,954,855	140,161
<b>Total</b>	<b>\$212,259,576</b>	<b>\$214,556,981</b>	<b>\$0</b>	<b>\$66,496,566</b>	<b>-\$1,769,578</b>	<b>-\$3,464,691</b>	<b>\$0</b>	<b>\$218,731,518</b>	<b>\$411,998</b>	<b>\$1,928,189</b>	<b>\$2,271,187</b>	<b>\$253,678</b>	<b>\$2</b>	<b>\$2,341,428,366</b>	<b>\$1,688,226</b>

<sup>1</sup> Total Revenues (a) are being reported on a billed basis only

<sup>2</sup> DSM Revenues (i) are booked directly to Miscellaneous Revenue, therefore are not included in (a) Total Electric Revenues

Kentucky Power Company  
Revenue by Retail Rate Schedule  
Small General Service

June 2012 - May 2013	Total Revenues <sup>1</sup> (a)	Base Rate Revenues (b)	Base Fuel Rate (c)	Fuel Revenue in Base (c)	Fuel Adjustment Revenue (d)	ECR Revenue (e)	ECR Factor (f)	Revenue Subject to ECR Factor (g)	System Sales Revenue (h)	DSM Revenue <sup>2</sup> (i)	Capacity Charge Revenue (j)	Other Revenue		kWh Sales (l)	Number of Customers (m)
												Residential HEAP (k)	All Other (k)		
June	\$1,281,827	\$1,326,023	0.0284	\$294,116	-\$42,694	-\$19,408	-0.014835	\$1,315,321	\$7,862	\$10,640	\$10,044	\$0	\$0	10,356,197	23,386
July	\$1,405,553	\$1,452,197	0.0284	\$339,566	\$4,677	-\$66,383	-0.044966	\$1,482,552	\$3,466	\$6,196	\$11,597	\$0	\$0	11,956,562	23,445
August	\$1,383,932	\$1,401,455	0.0284	\$324,305	-\$471	-\$21,365	-0.015101	\$1,423,528	-\$6,762	\$5,888	\$11,076	\$0	\$0	11,419,185	23,454
September	\$1,396,190	\$1,388,506	0.0284	\$315,830	\$22,364	-\$3,808	-0.002711	\$1,413,688	-\$21,659	\$5,745	\$10,786	\$0	\$0	11,120,761	23,524
October	\$1,255,151	\$1,227,540	0.0284	\$259,733	\$25,463	-\$15,106	-0.011851	\$1,289,354	\$8,379	\$4,676	\$8,875	\$0	\$0	9,145,536	23,486
November	\$1,270,438	\$1,292,074	0.0284	\$282,448	-\$3,396	-\$36,261	-0.027553	\$1,324,165	\$8,368	\$5,128	\$9,649	\$3	\$0	9,945,344	23,562
December	\$1,503,451	\$1,527,930	0.0284	\$366,124	-\$9,035	-\$36,510	-0.023607	\$1,558,647	\$8,562	\$6,631	\$12,504	\$0	\$0	12,891,688	23,589
January	\$1,597,009	\$1,709,843	0.0284	\$434,286	-\$102,319	-\$40,412	-0.024491	\$1,658,440	\$15,067	\$7,886	\$14,831	\$0	\$0	15,291,778	23,557
February	\$1,694,678	\$1,638,768	0.0284	\$409,348	\$61,424	-\$26,559	-0.015342	\$1,740,248	\$7,063	\$7,458	\$13,980	\$2	\$0	14,413,671	23,507
March	\$1,488,529	\$1,564,680	0.0284	\$383,685	-\$66,179	-\$14,301	-0.009387	\$1,517,720	-\$8,783	\$6,994	\$13,104	\$0	\$8	13,510,043	23,414
April	\$1,485,916	\$1,459,331	0.0284	\$342,218	\$12,409	\$6,244	0.004255	\$1,499,056	-\$3,763	\$6,211	\$11,695	\$0	\$0	12,049,927	23,426
May	\$1,235,374	\$1,213,367	0.0284	\$255,580	\$2,711	\$4,283	0.003445	\$1,244,033	\$6,283	\$4,625	\$8,730	\$0	\$0	8,999,292	23,471
Total	\$16,998,049	\$17,201,715		\$4,007,240	-\$95,045	-\$269,586		\$17,466,752	\$24,083	\$78,077	\$136,870	\$5	\$8	141,099,984	281,821

<sup>1</sup> Total Revenues (a) are being reported on a billed basis only

<sup>2</sup> DSM Revenues (i) are booked directly to Miscellaneous Revenue, therefore are not included in (a) Total Electric Revenues

Kentucky Power Company  
Revenue by Retail Rate Schedule  
Medium General Service

June 2012 - May 2013	Total Revenues <sup>1</sup> (a)	Base Rate Revenues (b)	Base Fuel Rate (c)	Fuel Revenue in Base (c)	Fuel Adjustment Revenue (d)	ECR Revenue (e)	ECR Factor (f)	Revenue Subject to ECR Factor (g)	System Sales Revenue (h)	DSM Revenue <sup>2</sup> (i)	Capacity Charge Revenue (j)	Other Revenue		kWh Sales (l)	Number of Customers (m)
												Residential HEAP (k)	All Other		
June	\$4,094,775	\$4,256,538	0.0284	\$1,182,696	-\$171,506	-\$62,187	-0.014835	\$4,205,655	\$31,535	\$43,141	\$40,395	\$0	\$0	41,644,224	7,385
July	\$4,641,417	\$4,782,994	0.0284	\$1,345,210	\$18,389	-\$219,646	-0.044966	\$4,890,259	\$13,734	\$24,411	\$45,946	\$0	\$0	47,366,561	7,369
August	\$4,536,599	\$4,591,291	0.0284	\$1,282,831	-\$1,874	-\$69,972	-0.015101	\$4,637,584	-\$26,662	\$23,130	\$43,815	\$0	\$0	45,170,106	7,389
September	\$4,548,069	\$4,514,297	0.0284	\$1,262,537	\$89,783	-\$12,428	-0.002711	\$4,590,638	-\$86,705	\$22,708	\$43,122	\$0	\$0	44,455,533	7,358
October	\$3,997,338	\$3,873,067	0.0284	\$1,056,684	\$102,693	-\$48,158	-0.011851	\$4,080,396	\$33,645	\$18,711	\$36,091	\$0	\$0	37,207,188	7,341
November	\$3,887,924	\$3,943,502	0.0284	\$1,066,249	-\$12,770	-\$110,695	-0.027553	\$4,037,504	\$31,469	\$18,695	\$36,418	\$0	\$0	37,543,990	7,333
December	\$4,518,146	\$4,586,292	0.0284	\$1,265,593	-\$31,168	-\$109,807	-0.023607	\$4,661,885	\$29,603	\$22,179	\$43,226	\$0	\$0	44,563,118	7,313
January	\$4,689,372	\$5,043,257	0.0284	\$1,404,861	-\$332,242	-\$118,347	-0.024491	\$4,850,110	\$48,722	\$25,136	\$47,983	\$0	\$0	49,466,951	7,354
February	\$5,159,796	\$4,973,639	0.0284	\$1,375,160	\$196,555	-\$81,543	-0.015342	\$5,282,898	\$24,177	\$23,968	\$46,968	\$0	\$0	48,421,113	7,366
March	\$4,442,161	\$4,691,368	0.0284	\$1,289,596	-\$221,416	-\$42,352	-0.009387	\$4,518,050	-\$29,484	\$23,041	\$44,046	\$0	\$0	45,408,305	7,374
April	\$4,485,749	\$4,395,357	0.0284	\$1,197,323	\$43,648	\$19,079	0.004255	\$4,497,463	-\$13,230	\$21,335	\$40,895	\$0	\$0	42,159,256	7,390
May	\$3,830,192	\$3,746,782	0.0284	\$1,013,865	\$10,645	\$13,204	0.003445	\$3,843,574	\$24,932	\$18,149	\$34,628	\$0	\$0	35,699,471	7,393
<b>Total</b>	<b>\$52,831,538</b>	<b>\$53,398,383</b>	<b>\$0</b>	<b>\$14,742,605</b>	<b>-\$309,263</b>	<b>-\$842,851</b>	<b>\$0</b>	<b>\$54,096,015</b>	<b>\$81,735</b>	<b>\$284,604</b>	<b>\$503,534</b>	<b>\$0</b>	<b>\$0</b>	<b>\$519,105,816</b>	<b>\$88,365</b>

<sup>1</sup> Total Revenues (a) are being reported on a billed basis only

<sup>2</sup> DSM Revenues (i) are booked directly to Miscellaneous Revenue, therefore are not included in (a) Total Electric Revenues

Kentucky Power Company  
Revenue by Retail Rate Schedule  
Large General Service

June 2012 - May 2013	Total Revenues <sup>1</sup> (a)	Base Rate Revenues (b)	Base Fuel Rate (c)	Fuel Revenue in Base (c)	Fuel Adjustment Revenue (d)	ECR Revenue (e)	ECR Factor (f)	Revenue Subject to ECR (g)	System Sales Revenue (h)	DSM Revenue <sup>2</sup> (i)	Capacity Charge Revenue (j)	Other Revenue		kWh Sales (l)	Number of Customers (m)
												Residential HEAP (k)	All Other (k)		
June	\$4,843,746	\$5,053,706	0.0284	\$1,612,035	-\$234,170	-\$73,858	-0.014835	\$4,969,009	\$43,010	\$49,301	\$55,059	\$0	\$0	56,761,805	873
July	\$5,254,930	\$5,404,398	0.0284	\$1,727,494	\$19,618	-\$246,142	-0.044966	\$5,534,598	\$18,054	\$26,280	\$59,003	\$0	\$0	60,827,242	881
August	\$5,364,772	\$5,427,985	0.0284	\$1,733,289	-\$2,094	-\$84,955	-0.015101	\$5,480,577	-\$35,364	\$25,661	\$59,200	\$0	\$0	61,031,286	881
September	\$5,613,836	\$5,563,837	0.0284	\$1,784,993	\$126,963	-\$15,330	-0.002711	\$5,658,305	-\$122,600	\$26,726	\$60,966	\$0	\$0	62,851,871	863
October	\$5,193,454	\$4,997,982	0.0284	\$1,591,509	\$154,221	-\$62,071	-0.011851	\$5,320,796	\$48,965	\$23,095	\$54,358	\$0	\$0	56,039,037	865
November	\$4,884,641	\$4,942,286	0.0284	\$1,576,456	-\$19,396	-\$138,017	-0.027553	\$5,048,837	\$45,925	\$22,314	\$53,844	\$0	\$0	55,509,003	857
December	\$5,236,233	\$5,306,836	0.0284	\$1,718,549	-\$42,298	-\$127,201	-0.023607	\$5,390,045	\$40,200	\$24,853	\$58,697	\$0	\$0	60,512,283	852
January	\$5,190,999	\$5,625,881	0.0284	\$1,834,144	-\$429,997	-\$130,952	-0.024491	\$5,366,434	\$63,421	\$26,654	\$62,645	\$0	\$0	64,582,520	864
February	\$5,738,206	\$5,481,053	0.0284	\$1,772,542	\$256,059	-\$90,488	-0.015342	\$5,870,651	\$31,041	\$25,284	\$60,541	\$0	\$0	62,413,447	865
March	\$4,924,923	\$5,234,115	0.0284	\$1,684,200	-\$281,835	-\$47,282	-0.009387	\$5,033,986	-\$37,599	\$24,857	\$57,524	\$0	\$0	59,302,823	861
April	\$5,283,083	\$5,172,435	0.0284	\$1,651,953	\$52,010	\$20,951	0.004255	\$5,289,418	-\$18,736	\$24,116	\$56,423	\$0	\$0	58,167,351	869
May	\$4,801,477	\$4,680,561	0.0284	\$1,477,930	\$17,215	\$16,732	0.003445	\$4,811,815	\$36,491	\$21,824	\$50,479	\$0	\$0	52,039,784	864
<b>Total</b>	<b>\$62,330,300</b>	<b>\$62,891,072</b>		<b>\$20,165,092</b>	<b>-\$383,704</b>	<b>-\$978,615</b>		<b>\$63,774,470</b>	<b>\$112,808</b>	<b>\$320,964</b>	<b>\$688,738</b>	<b>\$0</b>	<b>\$0</b>	<b>710,038,452</b>	<b>10,385</b>

<sup>1</sup> Total Revenues (a) are being reported on a billed basis only

<sup>2</sup> DSM Revenues (i) are booked directly to Miscellaneous Revenue, therefore are not included in (a) Total Electric Revenues

Kentucky Power Company  
Revenue by Retail Rate Schedule  
Quantity Power

June 2012 - May 2013	Total Revenues <sup>1</sup> (a)	Base Rate Revenues (b)	Base Fuel Rate (c)	Fuel Revenue in Base (c)	Fuel Adjustment Revenue (d)	ECR Revenue (e)	ECR Factor (f)	Revenue Subject to ECR Factor (g)	System Sales Revenue (h)	DSM Revenue <sup>2</sup> (i)	Capacity Charge Revenue (j)	Other Revenue		kWh Sales (l)	Number of Customers (m)
												Residential HEAP (k)	All Other		
June	\$4,173,143	\$4,388,066	0.0284	\$1,786,903	-\$260,165	-\$63,459	-0.014835	\$4,250,224	\$47,669	\$13,618	\$61,032	\$0	\$0	62,919,105	87
July	\$4,032,969	\$4,131,372	0.0284	\$1,607,010	\$18,402	-\$188,471	-0.044966	\$4,229,394	\$16,779	\$7,951	\$54,887	\$0	\$0	56,584,860	86
August	\$3,256,062	\$3,292,288	0.0284	\$1,307,456	-\$3,355	-\$47,214	\$0	\$3,493,379	-\$30,313	\$8,142	\$44,656	\$0	\$0	\$46,037,193	80
September	\$4,172,114	\$4,136,746	0.0284	\$1,777,649	\$105,974	-\$27,032	\$0	\$4,206,516	-\$104,289	\$8,051	\$60,716	\$0	\$0	\$62,593,266	83
October	\$3,953,227	\$3,751,074	0.0284	\$1,626,537	\$153,778	-\$42,416	\$0	\$4,006,971	\$35,237	\$7,112	\$55,554	\$0	\$0	\$57,272,446	79
November	\$3,429,531	\$3,438,886	0.0284	\$1,536,270	-\$9,368	-\$98,576	\$0	\$3,555,722	\$46,118	\$6,959	\$52,471	\$0	\$0	\$54,094,016	74
December	\$3,508,843	\$3,540,553	\$0	\$1,524,892	-\$36,169	-\$83,783	\$0	\$3,495,188	\$36,159	\$5,533	\$52,083	\$0	\$0	\$53,693,364	72
January	\$3,217,435	\$3,509,792	0.0568	\$1,510,548	-\$313,638	-\$80,394	-0.048982	\$3,307,482	\$50,082	\$7,927	\$51,593	\$0	\$0	53,188,313	73
February	\$4,486,032	\$4,289,268	\$0	\$1,856,775	\$171,673	-\$75,196	\$0	\$4,569,934	\$36,869	\$7,700	\$63,418	\$0	\$0	\$65,379,399	89
Merch	\$3,228,657	\$3,460,014	\$0	\$1,480,611	-\$239,230	-\$30,704	\$0	\$3,274,948	-\$31,994	\$15,591	\$50,570	\$0	\$0	\$52,134,200	70
April	\$4,191,177	\$4,107,784	0.0284	\$1,781,173	\$31,057	\$13,124	0.004255	\$4,186,876	-\$21,624	\$8,824	\$60,836	\$0	\$0	62,717,342	80
May	\$3,866,634	\$3,747,081	0.0284	\$1,568,210	\$15,500	\$13,074	0.003445	\$3,867,127	\$37,416	\$7,724	\$53,562	\$0	\$0	55,218,646	76
Total	\$45,515,822	\$45,812,927		\$19,364,033	-\$365,541	-\$711,048		\$46,443,762	\$118,107	\$105,133	\$661,377	\$0	\$0	681,832,150	949

<sup>1</sup> Total Revenues (a) are being reported on a billed basis only

<sup>2</sup> DSM Revenues (i) are booked directly to Miscellaneous Revenue, therefore are not included in (a) Total Electric Revenues

Kentucky Power Company  
Revenue by Retail Rate Schedule  
Commercial and Industrial Power - Time of Day

June 2012 - May 2013	Total Revenues <sup>1</sup> (a)	Base Rate Revenues (b)	Base Fuel Rate	Fuel Revenue in Base (c)	Fuel Adjustment Revenue (d)	ECR Revenue (e)	ECR Factor (f)	Revenue Subject to ECR Factor (g)	System Sales Revenue (h)	DSM Revenue <sup>2</sup> (i)	Capacity Charge Revenue (j)	Other Revenue			Number of Customers (m)
												Residential HEAP (k)	All Other (l)	kWh Sales (l)	
June	\$8,949,482	\$9,583,484	0.0284	\$5,262,495	-\$763,432	-\$134,584	-0.014835	\$9,084,065	\$140,420	\$0	\$123,595	\$0	\$0	185,299,120	15
July	\$5,060,912	\$5,193,011	0.0284	\$2,492,160	\$7,770	-\$226,576	-0.044966	\$5,287,487	\$28,176	\$0	\$58,531	\$0	\$0	87,752,096	15
August	\$8,276,099	\$8,411,470	\$0	\$4,614,238	\$30,126	-\$236,799	\$0	\$7,959,476	-\$13,402	\$0	\$98,405	\$0	-\$13,699	\$162,473,152	18
September	\$8,856,957	\$8,890,846	\$0	\$5,498,081	\$127,895	-\$86,424	\$0	\$8,908,979	-\$203,948	\$0	\$129,127	\$0	-\$539	\$193,594,404	17
October	\$9,221,450	\$7,964,616	0.0568	\$4,883,586	\$385,099	-\$53,075	-0.023702	\$8,239,908	-\$189,789	\$0	\$114,695	\$0	-\$96	171,957,245	15
November	\$9,355,619	\$8,874,305	0.0568	\$5,403,796	\$352,600	-\$162,749	-0.055106	\$9,197,546	\$168,407	\$0	\$126,913	\$0	-\$3,857	190,274,519	17
December	\$9,644,628	\$9,708,791	\$0	\$5,570,894	-\$89,985	-\$249,905	\$0	\$9,604,526	\$153,130	\$0	\$130,838	\$0	-\$8,239	\$196,158,256	18
January	\$8,742,019	\$9,244,195	\$0	\$5,899,303	-\$587,451	-\$207,644	\$0	\$8,655,507	\$161,499	\$0	\$138,551	\$0	-\$7,131	\$207,721,933	18
February	\$14,441,244	\$14,544,676	0.0284	\$7,832,242	-\$208,546	-\$276,396	-0.015342	\$14,717,638	\$197,562	\$0	\$183,947	\$0	\$0	275,783,185	19
March	\$9,669,275	\$10,530,871	0.0284	\$5,573,444	-\$787,598	-\$98,484	-0.009387	\$9,767,762	-\$106,411	\$0	\$130,897	\$0	\$0	196,248,035	17
April	\$10,162,988	\$9,881,130	0.0284	\$5,457,460	\$175,484	\$39,887	0.004255	\$10,123,100	-\$61,687	\$0	\$128,173	\$0	\$0	192,164,071	17
May	\$10,425,225	\$10,071,774	0.0284	\$5,432,453	\$59,201	\$36,028	0.003445	\$10,373,358	\$130,636	\$0	\$127,586	\$0	\$0	191,283,541	17
<b>Total</b>	<b>\$111,805,899</b>	<b>\$112,899,168</b>		<b>\$63,920,151</b>	<b>-\$1,298,838</b>	<b>-\$1,656,721</b>		<b>\$111,919,352</b>	<b>\$404,593</b>	<b>\$0</b>	<b>\$1,491,258</b>	<b>\$0</b>	<b>-\$33,561</b>	<b>2,250,709,557</b>	<b>203</b>

<sup>1</sup> Total Revenues (a) are being reported on a billed basis only

<sup>2</sup> DSM Revenues (i) are booked directly to Miscellaneous Revenue, therefore are not included in (a) Total Electric Revenues



Kentucky Power Company  
Revenue by Retail Rate Schedule  
Municipal Waterworks

June 2012 - May 2013	Total Revenues <sup>1</sup> (a)	Base Rate Revenues (b)	Base Fuel Rate (c)	Fuel Revenue in Base (c)	Fuel Adjustment Revenue (d)	ECR Revenue (e)	ECR Factor (f)	Revenue Subject to ECR Factor (g)	System Sales Revenue (h)	DSM Revenue <sup>2</sup> (i)	Capacity Charge Revenue (j)	Other Revenue		kWh Sales (l)	Number of Customers (m)
												Residential HEAP (k)	All Other (k)		
June	\$30,665	\$32,045	0.0284	\$10,820	-\$1,570	-\$469	-0.014835	\$31,614	\$289	\$480	\$370	\$0	\$0	380,970	13
July	\$31,901	\$32,772	0.0284	\$11,029	\$151	-\$1,512	-0.044966	\$33,620	\$113	\$209	\$377	\$0	\$0	388,353	13
August	\$25,563	\$25,855	0.0284	\$8,713	-\$12	-\$397	-0.015101	\$26,163	-\$181	\$165	\$298	\$0	\$0	306,806	12
September	\$29,693	\$29,414	0.0284	\$9,843	\$700	-\$81	-0.002711	\$29,961	-\$676	\$186	\$336	\$0	\$0	346,572	12
October	\$29,179	\$28,002	0.0284	\$9,368	\$910	-\$352	-0.011861	\$29,708	\$298	\$177	\$320	\$0	\$0	329,861	12
November	\$26,271	\$26,563	0.0284	\$8,846	-\$106	-\$749	-0.027553	\$27,190	\$261	\$168	\$302	\$0	\$0	311,471	12
December	\$30,220	\$30,619	0.0284	\$10,217	-\$252	-\$735	-0.023607	\$31,148	\$239	\$194	\$349	\$0	\$0	359,740	12
January	\$29,428	\$31,982	0.0284	\$10,790	-\$2,553	-\$744	-0.024491	\$30,607	\$374	\$204	\$369	\$0	\$0	379,936	11
February	\$30,973	\$29,437	0.0284	\$9,986	\$1,508	-\$486	-0.015342	\$31,647	\$172	\$189	\$341	\$0	\$0	351,613	11
March	\$25,989	\$27,749	0.0284	\$9,399	-\$1,618	-\$248	-0.009387	\$26,414	-\$216	\$178	\$321	\$0	\$0	330,964	11
April	\$28,120	\$27,445	0.0284	\$9,304	\$341	\$120	0.004255	\$28,176	-\$103	\$176	\$318	\$0	\$0	327,623	11
May	\$27,663	\$26,936	0.0284	\$9,121	\$96	\$96	0.003445	\$27,740	\$224	\$173	\$312	\$0	\$0	321,173	11
Total	\$345,664	\$348,819		\$117,436	-\$2,403	-\$5,557		\$353,988	\$794	\$2,500	\$4,011	\$0	\$0	4,135,082	141

<sup>1</sup> Total Revenues (a) are being reported on a billed basis only

<sup>2</sup> DSM Revenues (i) are booked directly to Miscellaneous Revenue, therefore are not included in (a) Total Electric Revenues

Kentucky Power Company  
Revenue by Retail Rate Schedule  
Outdoor Lighting

June 2012 - May 2013	Total Revenues <sup>1</sup> (a)	Base Rate Revenues (b)	Base Fuel Rate (c)	Fuel Revenue in Base (c)	Fuel Adjustment Revenue (d)	ECR Revenue (e)	ECR Factor (f)	Revenue Subject to ECR Factor (g)	System Sales Revenue (h)	DSM Revenue <sup>2</sup> (i)	Capacity Charge Revenue (j)	Other Revenue			Number of Customers (m)
												Residential HEAP (k)	All Other (l)	kWh Sales (l)	
June	\$609,528	\$625,012	0.0284	\$73,482	-\$10,625	-\$9,291	-0.014835	\$627,385	\$1,890	\$0	\$2,542	\$0	\$0	2,587,390	0
July	\$601,177	\$625,145	0.0284	\$78,524	\$1,098	-\$28,463	-0.044966	\$631,302	\$790	\$0	\$2,607	\$0	\$0	2,764,938	0
August	\$614,276	\$622,584	0.0284	\$88,795	-\$47	-\$9,385	-0.015101	\$625,425	-\$1,829	\$0	\$2,955	\$0	-\$1	3,126,600	0
September	\$626,114	\$623,976	0.0284	\$98,570	\$7,135	-\$1,668	-0.002711	\$630,068	-\$6,838	\$0	\$3,509	\$0	\$0	3,470,767	0
October	\$635,300	\$624,505	0.0284	\$114,842	\$11,046	-\$7,685	-0.011851	\$640,289	\$3,659	\$0	\$3,775	\$0	\$0	4,043,730	0
November	\$613,529	\$624,566	0.0284	\$121,759	-\$1,467	-\$17,444	-0.027553	\$632,504	\$3,618	\$0	\$4,265	\$0	\$0	4,287,297	0
December	\$613,888	\$624,779	0.0284	\$131,286	-\$3,296	-\$15,003	-0.023607	\$631,955	\$2,980	\$0	\$4,426	\$0	\$1	4,622,742	0
January	\$589,096	\$625,720	0.0284	\$129,401	-\$30,648	-\$14,805	-0.024491	\$619,329	\$4,438	\$0	\$4,391	\$0	\$0	4,556,367	0
February	\$639,064	\$627,172	0.0284	\$108,724	\$16,426	-\$10,050	-0.015342	\$644,881	\$1,842	\$0	\$3,674	\$0	\$0	3,828,300	0
March	\$603,048	\$626,268	0.0284	\$108,597	-\$18,656	-\$5,705	-0.009387	\$621,842	-\$2,529	\$0	\$3,670	\$0	\$0	3,823,821	0
April	\$633,976	\$625,778	0.0284	\$92,158	\$3,524	\$2,698	0.004255	\$633,607	-\$1,035	\$0	\$3,012	\$0	\$0	3,245,007	0
May	\$637,113	\$629,383	0.0284	\$83,079	\$809	\$2,094	0.003445	\$637,212	\$1,927	\$0	\$2,901	\$0	\$0	2,925,333	0
<b>Total</b>	<b>\$7,416,111</b>	<b>\$7,504,878</b>		<b>\$1,229,217</b>	<b>-\$24,700</b>	<b>-\$114,705</b>		<b>\$7,575,799</b>	<b>\$8,911</b>	<b>\$0</b>	<b>\$41,726</b>	<b>\$0</b>	<b>\$0</b>	<b>43,282,292</b>	<b>0</b>

<sup>1</sup> Total Revenues (a) are being reported on a billed basis only

<sup>2</sup> DSM Revenues (i) are booked directly to Miscellaneous Revenue, therefore are not included in (a) Total Electric Revenues

Kentucky Power Company  
Revenue by Retail Rate Schedule  
Street Lighting

June 2012 - May 2013	Total Revenues <sup>1</sup> (a)	Base Rate Revenues (b)	Base Fuel Rate (c)	Fuel Revenue in Base (c)	Fuel Adjustment Revenue (d)	ECR Revenue (e)	ECR Factor (f)	Revenue Subject to ECR Factor (g)	System Sales Revenue (h)	DSM Revenue <sup>2</sup> (i)	Other Revenue			kWh Sales (l)	Number of Customers (m)
											Capacity Charge Revenue (j)	Residential HEAP (k)	All Other (k)		
June	\$105,031	\$107,828	0.0284	\$14,432	-\$2,094	-\$1,582	-0.014835	\$106,611	\$385	\$0	\$493	\$0	\$0	508,169	56
July	\$103,833	\$107,827	0.0284	\$15,405	\$212	-\$4,889	-0.044966	\$108,720	\$157	\$0	\$526	\$0	\$0	542,420	56
August	\$106,408	\$107,831	0.0284	\$17,475	-\$25	-\$1,632	-0.015101	\$108,038	-\$364	\$0	\$597	\$0	\$0	615,315	56
September	\$108,367	\$107,955	0.0284	\$19,320	\$1,374	-\$295	-0.002711	\$108,663	-\$1,327	\$0	\$650	\$0	\$0	680,265	56
October	\$110,390	\$108,041	0.0284	\$22,510	\$2,188	-\$1,324	-0.011851	\$111,716	\$717	\$0	\$769	\$0	\$0	792,619	56
November	\$106,294	\$108,073	0.0284	\$23,853	-\$286	-\$3,012	-0.027553	\$109,307	\$704	\$0	\$815	\$0	\$0	839,880	56
December	\$106,682	\$108,409	0.0284	\$25,906	-\$639	-\$2,579	-0.023607	\$109,260	\$606	\$0	\$885	\$0	\$0	912,194	56
January	\$101,636	\$108,454	0.0284	\$25,431	-\$6,017	-\$2,552	-0.024491	\$104,186	\$882	\$0	\$869	\$0	\$0	895,456	56
February	\$111,091	\$108,490	0.0284	\$21,398	\$3,232	-\$1,731	-0.015342	\$112,824	\$368	\$0	\$731	\$0	\$0	753,468	56
March	\$104,074	\$108,505	0.0284	\$21,402	-\$3,685	-\$986	-0.009387	\$105,064	-\$491	\$0	\$731	\$0	\$0	753,600	56
April	\$110,211	\$108,661	0.0284	\$18,132	\$664	\$467	0.004255	\$109,744	-\$200	\$0	\$619	\$0	\$0	638,468	56
May	\$110,166	\$108,668	0.0284	\$16,170	\$171	\$378	0.003445	\$109,791	\$396	\$0	\$552	\$0	\$0	569,360	56
Total	\$1,284,183	\$1,298,742		\$241,434	-\$4,904	-\$19,735		\$1,303,924	\$1,834	\$0	\$8,246	\$0	\$0	8,501,214	672

<sup>1</sup> Total Revenues (a) are being reported on a billed basis only

<sup>2</sup> DSM Revenues (i) are booked directly to Miscellaneous Revenue, therefore are not included in (a) Total Electric Revenues

## **Kentucky Power Company**

### **REQUEST**

Provide an exhibit, with an electronic copy with all formulas intact and unprotected and with all columns and rows accessible, using the same Kentucky Jurisdiction 12-month revenues in all three columns. The schedule should reflect all known and measurable adjustments, and at a minimum should reflect the following:

- a. On an annual basis, Column 1 should be similar to Exhibit LPM-1 to the Direct Testimony of Lila P. Muncy filed in Case No. 2011-00401, except it should be allocated according to base rate methodology and not the Environmental Surcharge Report percent of revenue methodology. It should include any effects for known and measurable adjustments now known, such as reduction in fuel costs, any reduction in environmental costs due to the January 1, 2014 termination of the AEP Pool and any effects of amortization of scrubber study costs;<sup>1</sup>
- b. On an annual basis, Column 2 should be similar to RKW-Exhibit 4 filed in this proceeding, considering Kentucky Power's proposed assumption of 50 percent of the Mitchell Units 1 & 2 during the approximately 17 months ending May 31, 2015 when both Big Sandy Unit No. 2 and the Mitchell Units will both be operating. Column 2 should also include the effects for any known and measurable adjustments now known, such as reduction in fuel costs, any reduction in environmental costs due to the January 1, 2014 termination of the AEP Pool and any effects of amortization of scrubber study costs;
- c. On an annual basis, Column 3 should be similar to RKW-Exhibit 4 filed in this proceeding, considering Kentucky Power's proposed assumption of 50 percent Mitchell Units I & 2, beginning June 1, 2015 when Big Sandy Unit 2 is scheduled to be retired. This column should show the effects of removing the additional system sales because Big Sandy Unit 2 is no longer available to be dispatched, as well as the removal of any costs (O&M, taxes and depreciation) associated with Big Sandy Unit 2 due to its retirement; the effects of any Big Sandy Unit 2 decommissioning costs; the effects of the amortization of the Big Sandy Unit 2 un-depreciated balance at the time of the decommissioning; and the effects of any other associated costs proposed to be amortized. Each of the items should be a separate line item on the schedule with a full explanation for including the item along with the method of calculating the amount.

**RESPONSE**

Please see KPSC 5-10 Attachment 1 for the requested estimated calculations.

**WITNESS:** Ranie K Wohnhas

Kentucky Power Company  
Rate Change Comparison  
(\$000)

Line No.	Description	DFGD Filing (1)	Jan 2014 - Jun 2015	July 2015 forward
			Mitchell Transfer Overlap Period (2)	Mitchell Transfer Post BSU2 Retirement (3)
1	COS Impact	\$ 177,699 A.	\$ 44,000 F.	\$ 81,244 J.
	Adjustments:			
2	Big Sandy Fuel Savings	\$ (18,211) B.	N/A	N/A
3	Mitchell Fuel Savings	N/A	\$ (16,750) G.	\$ (16,750)
4	Pool Elimination (4)	\$ (21,304) C.	\$ -	\$ (21,304)
5	Environmental Pool Adjustment	\$ (7,320) D.	\$ - H.	\$ (7,320)
6	SS Tariff Adjustment	N/A	\$ - I.	N/A
7	BSU2 Decommissioning Costs	N/A	N/A	\$ 7,948 K.
8	BSU2 Amort. Of Undepr. Balance	N/A	N/A	\$ 21,056 L.
9	BSU2 Study Costs	N/A	N/A	\$ 6,598 M.
10	Total of Adjustments	\$ (46,835)	\$ (16,750)	\$ (9,772)
11	Adjusted COS Impact	\$ 130,864	\$ 27,250	\$ 71,472
12	Case 2013-00197 Juris. Revenues	\$ 511,321 E.	\$ 511,321	\$ 511,321 N.
13	Percent Change	25.59%	5.33%	13.98% N.
14	Incremental 2015 Percent Change			8.21% O.

Columns (2) and (3) are not additive.

- A. Exhibit LPM-2, Case No. 2011-00141
- B. Staff's Fourth Set of Data Requests in Case No. 2012-00578, Item No. 9, Attachment 1, Page 3 of 3.  
Average of two calendar 2013 values.
- C. Section V, Workpaper S-4, Page 4, Case No. 2013-00197
- D. Section V, Workpaper S-4, Page 62, Case No. 2013-00197
- E. Section V, Schedule 5 - Jurisdictional Operating Revenues, Case No. 2013-00197
- F. Memorandum of Understanding filed in Case No. 2012-00578, Paragraph 4
- G. Memorandum of Understanding filed in Case No. 2012-00578, Paragraph 2
- H. Memorandum of Understanding filed in Case No. 2012-00578, Paragraph 5
- I. Memorandum of Understanding filed in Case No. 2012-00578, Paragraph 7
- J. Includes removal of BSU2 O&M and Depreciation - see Attachment Page 2
- K. \$85.227 M collected over 25 years with carrying costs at WACC (8.08%)
- L. \$225.795 M collected over 25 years with carrying costs at WACC (8.08%)
- M. \$28,113,304 collected over 5 years with interest at long-term debt rate of 6.48%
- N. Revenues would be higher and % increase lower if MOU implemented 1/1/2014
- O. Does not reflect changes in other (Non-Mitchell) costs or revenues, if any, that may be part of future rate case.

## Kentucky Power Company

### REQUEST

With regard to the depreciation rates that Ohio Power Company is incurring associated with the Mitchell Units 1 and 2, explain whether there are any costs associated with the decommissioning and net salvage (negative or positive) reflected in the depreciation rates. If not, explain why not.

### RESPONSE

A salvage value is included in Ohio Power Company's (OPCo) current depreciation rates for Mitchell Units 1 and 2, but there is currently no factor included for removal costs.

OPCo was deregulated for accounting purposes in 2000. In 2003, the Financial Accounting Standards Board (FASB) issued FAS 143 Accounting for Asset Retirement Obligations. In FAS 143 (paragraph B-22), the FASB concluded that an entity should be precluded from including an amount for an asset retirement obligation in the depreciation base of a long-lived asset unless that amount also meets the recognition criteria in that statement. Also in 2003, FERC issued Order 631 Accounting, Reporting and Rate Filing Requirements for Asset Retirement Obligations where the Commission did not propose any changes to the existing accounting requirements for cost of removal for non-legal retirement obligations.

Since OPCo had a deregulated status for accounting purposes and was therefore not subject to FERC Order 631, the company was required to exclude removal costs from depreciation rates in 2003 as per FAS 143.

WITNESS: Ranie K Wohnhas

## **Kentucky Power Company**

### **REQUEST**

Refer to the Kentucky Nos. 10 and 11.

- a. Confirm that the average cost of fuel shown in Item 10.b. at both Mitchell Units for 2012 was approximately \$0.02705 per kWh ( $(\$0.02808 + \$0.02602)/2$ );
- b. Confirm that the total fuel cost at the Mitchell Units for 2012 was \$217,110,511 (\$1,123,823 + \$118,541,347 + \$97,445,341);
- c. For 2012, provide the total cost of fuel consumed, the cost and quantity of each type of fuel consumed at the Mitchell Units, and a breakdown of the tons of coal consumed by the percent of sulfur;
- d. Explain whether there was any other type of fuel used for the Mitchell Units;
- e. Confirm that the average cost of fuel at Big Sandy Unit 2 for 2012, in Item 11, was \$0.03159 per kWh or approximately 16.78 percent  $(\$0.03159 - \$0.02705) / \$0.02705$  more than the average cost of fuel consumed at the Mitchell Units;
- f. For 2012, provide the total cost of fuel consumed, the cost and quantity of each type of fuel consumed at the Big Sandy Unit 2, and a breakdown of the tons of coal consumed by percent of sulfur;
- g. Explain whether there was any other type of fuel used for Big Sandy Unit 2;

### **RESPONSE**

- a. The company cannot confirm the statement. The calculation provided in Part (a) is incorrect, because it is not a weighted average of the cost of coal consumed for each unit at the Mitchell Plant, but a straight average. The calculation must be performed as a weighted average (dividing total plant consumed fuel cost by total plant kWh generation). The 2012 weighted average cost of fuel for Mitchell Units 1 & 2 was \$0.02713 per kWh, which includes only the cost of coal consumed for generation, consistent the Company's response to Part (b) of KPSC Staff No. 10.



**Kentucky Power Company**

b. Kentucky Power confirms that the amount stated in the request reflects the total of the following Mitchell Plant costs in 2012: consumed coal, consumed fuel oil, fuel handling, survey pile adjustments, and associated disposal costs.

c. The 2012 total costs of fuel consumed at the Mitchell Units includes:

Coal	\$	204,654,012	2,986,398 (tons)
Fuel Oil	\$	6,364,832	47,109 (barrels)
Handling	\$	4,787,026	
Gypsum (net)	\$	663,933	
Allowances	\$	429,775	
Other	\$	210,933	

The breakdown of the 2012 tons of coal consumed at the Mitchell Units 1 and 2 was approximately 53% high sulfur (>5.50 lbs SO<sub>2</sub>/mmbtu) and 47% low sulfur (<1.80 lbs. SO<sub>2</sub>/mmbtu).

d. In addition to coal, fuel oil is also consumed at the Mitchell Plant and is used for flame stabilization during plant operation.

e. The Company cannot confirm the statement. The calculation provided does not use a weighted average cost of fuel for the Mitchell Plant (see response to Part (a) of this request). When using a weighted average of the fuel costs for the Mitchell Plant, the fuel cost on a \$/kWh for Big Sandy Unit 2 was unchanged at \$0.03159. However, the fuel cost percentage changed to approximately 16.5% higher than the Mitchell Units.

f. The 2012 total allocated costs of fuel consumed at Big Sandy Unit 2 includes:

Coal	\$	60,717,748	815,867 (tons)
Fuel Oil	\$	2,331,660	17,781 (barrels)

The 2012 coal consumed at Big Sandy Unit 2 was 100% low sulfur (<1.80 lbs. SO<sub>2</sub>/mmbtu).

g. In addition to coal, fuel oil is also consumed at the Big Sandy Plant and is used for flame stabilization during plant operation.

**WITNESS:** Ranie K Wohnhas

**Kentucky Power Company**

**REQUEST**

If a FGD or scrubber had been installed on Big Sandy Unit 2, explain what type of fuel or fuel mix would have been acceptable after 2015 to meet known Environmental Protection Agency standards.

**RESPONSE**

With the boiler modification and NID technology, Big Sandy Unit 2 would burn coal up to 4.5 lbs SO<sub>2</sub>/mmBTU while maintaining compliance with known EPA standards after 2015.

**WITNESS:** John M McManus

**Kentucky Power Company**

**REQUEST**

Refer to Kentucky Power's response to Commission Staff's Third Request for Information, Item 3.f., which states "...it is appropriate to maintain this allocation until such transactions can all be settled." Explain why it is appropriate to maintain the final Member Load Ratio ("MLR") allocation methodology until such legacy portfolio of off-system sales of capacity and trading transactions can all be settled.

**RESPONSE**

It is appropriate to allocate, after the AEP East Pool terminates on January 1, 2014, the margins from legacy trading transactions and off-system sales (OSS) of capacity based upon the final MLRs of the AEP East Operating Companies. This is because these legacy transactions were entered into by the AEP East Pool on a system (or Pool) wide basis. As a result, the transactions were supported by the energy and capacity of the entire AEP East Pool and therefore all AEP East Pool Operating Companies should continue to receive a share of the margins from any such legacy transaction after the AEP East Pool terminates. Furthermore, the final MLR is an appropriate allocation methodology for these legacy margins because it best reflects the obligations each AEP East Operating Company had regarding the legacy transactions at the time they were entered into.

**WITNESS:** Ranie K Wohnhas

## Kentucky Power Company

### REQUEST

Refer to the June 24, 2013 Supplemental Response to the Staffs First Request, Item No. 66.

- a. Confirm that the date of the Expenditures is as of 04/30/2013.
- b. Refer to KPCo Labor (Including Overheads) of \$110,477.
  - (1) Provide the incremental labor and associated overhead amount.
  - (2) Provide the labor and associated overhead amount that is included in base rates.
  - (3) Provide any Kentucky Power employee travel and related expense.
- c. Refer to American Electric Power Service Corporation ("AEPSC") Labor (Including Overheads) of \$908,684.
  - (1) Provide the incremental labor and associated overhead amount.
  - (2) Provide the labor and associated overhead amount that is included in base rates.
  - (3) Provide any AEPSC employee travel and related expense.
  - (4) Explain why the AEPSC Labor (Including Overheads) increased from \$644,336<sup>6</sup> to \$908,684, or by 41 percent.
- d. Refer to Outside Services-Professional of \$132,218. Provide a breakdown of the outside services-professional.
- e. Refer to Other Charges of \$12,377. Provide a breakdown of the other charges.

### RESPONSE

- a. The date should be May 31, 2013.
- b. (1) \$0.

(2) Kentucky Power's last base rate case (No. 2009-00459) was settled on a "black box" basis. As a result, the Company does not have any specific details concerning the amount of Kentucky Power labor included in base rates. Kentucky Power's position is that all of Kentucky Power's labor (including overheads) and AEPSC labor (including overheads) reflected in response to KPSC 1-66 is included in its base rates.

(3) \$56.

c. (1) \$0.

(2) Kentucky Power's last base rate case (No. 2009-00459) was settled on a "black box" basis. As a result, the Company does not have any specific details concerning the amount of AEPSC labor included in base rates. Kentucky Power's position is that all of Kentucky Power's labor (including overheads) and AEPSC labor (including overheads) reflected in response to KPSC 1-66 is included in its base rates.

(3) \$933.

(4) The additional expense principally represents time expended by AEPSC employees in preparing for a hearing in this matter, and in negotiating the May 28, 2013 Memorandum of Understanding.

d.

EPIS, Inc.	\$	69,500
Vantage Energy Consulting	\$	58,580
Communications Counsel of America	\$	4,138
	\$	132,218

e.

Sales Tax	\$	155
Cell Phone	\$	766
Travel	\$	989
Postage	\$	1,907
Outside Labor	\$	2,302
Shipping Charges	\$	6,258
	\$	12,377

**WITNESS:** Ranie K Wohnhas

<sup>6</sup> Per the May 22, 2013 Supplemental Response to Commission Staff's First Request for Information, Item 66.

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

In The Matter Of:

**APPLICATION OF KENTUCKY POWER COMPANY FOR (1) A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY AUTHORIZING THE TRANSFER TO THE COMPANY OF AN UNDIVIDED FIFTY PERCENT INTEREST IN THE MITCHELL GENERATING STATION AND ASSOCIATED ASSETS; (2) APPROVAL OF THE ASSUMPTION BY KENTUCKY POWER COMPANY OF CERTAIN LIABILITIES IN CONNECTION WITH THE TRANSFER OF THE MITCHELL GENERATING STATION; (3) DECLARATORY RULINGS; (4) DEFERRAL OF COSTS INCURRED IN CONNECTION WITH THE COMPANY'S EFFORTS TO MEET FEDERAL CLEAN AIR ACT AND RELATED REQUIREMENTS; AND (5) ALL OTHER REQUIRED APPROVALS AND RELIEF**

**RECEIVED**

JUL 03 2013

PUBLIC SERVICE  
COMMISSION

CASE NO. 2012-00578

**MOTION OF KENTUCKY POWER COMPANY**  
**FOR CONFIDENTIAL TREATMENT**

Kentucky Power Company moves the Public Service Commission of Kentucky pursuant to 807 KAR 5:001, Section 13(2), for an Order granting confidential treatment to the identified portions of its response to data requests from Commission Staff. Specifically, Kentucky Power seeks confidential treatment of the identified portions of Attachment 1 to its response to Commission Staff Data Request 5-1.

Pursuant to 807 KAR 5:001, Section 13, Kentucky Power is filing under seal those portions of Attachment 1 to its response to Commission Staff Data Request 5-1 with the

confidential portions highlighted in yellow. Kentucky Power is also filing a redacted version of the same. Kentucky Power will notify the Commission when it determines the information for which confidential treatment is sought is no longer confidential.

A. The Requests And The Statutory Standard.

Kentucky Power does not object to filing the identified information for which it is seeking confidential treatment, but requests that the identified portions of the responses be excluded from the public record and public disclosure.

KRS 61.878(1)(c)(1) excludes from the Open Records Act:

Upon and after July 15, 1992, records confidentially disclosed to an agency or required to be disclosed to it, generally recognized as confidential or proprietary, which if openly disclosed would permit an unfair commercial advantage to competitors of the entity that disclosed the records.

This exception applies to the following information for which Kentucky Power is seeking confidential treatment:

(a) **Attachment 1 to Data Request Commission Staff 5-1**

Kentucky Power seeks confidential treatment for the identified portions of Attachment 1 to Data Request Commission Staff 5-1. Attachment 1 contains information provided in response to subsections (e) and (f) of Data Request Commission Staff 5-1 and includes forecasted returns on equity through December 31, 2014. Public disclosure of this forecast information could negatively affect the manner in which investors view Kentucky Power and its parent, AEP, and result in speculative changes to the Company's market value. If that were to occur, Kentucky Power and its customers could be harmed through reduced credit ratings, increased capital costs, and other competitive injuries.

Kentucky Power seeks confidential treatment of the identified information until January 1, 2015. At that time, the Company will have actual return on equity data meaning that the forecasted returns on equity will not have the same market-moving potential.

B. The Identified Information is Generally Recognized As Confidential and Proprietary and Public Disclosure Of It Will Result In An Unfair Commercial Advantage for Kentucky Power's Competitors.

The identified information required to be disclosed by Kentucky Power in response to the Data Request Commission Staff 5-1 is highly confidential. Dissemination of the information for which confidential treatment is being requested is restricted by Kentucky Power, AEP, and AEPSC (the "AEP Entities"). The AEP Entities take all reasonable measures to prevent its disclosure to the public as well as persons within the AEP Entities who do not have a need for the information. The information is not disclosed to persons outside the AEP Entities. Within those organizations, the information is available only upon a confidential need-to-know basis that does not extend beyond those employees with a legitimate business need to know and act upon the identified information.

C. The Identified Information Is Required To Be Disclosed To An Agency.

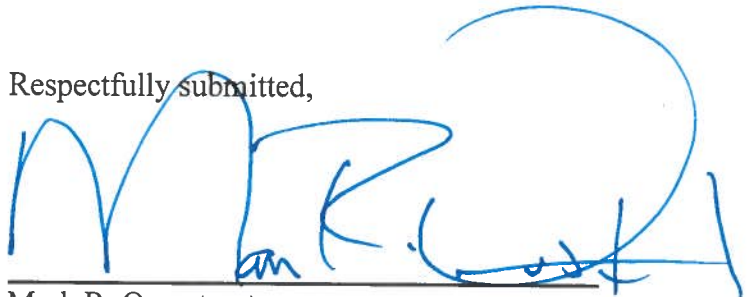
The identified information is by the terms of the Commission's Order required to be disclosed to the Commission. The Commission is a "public agency" as that term is defined at KRS 61.870(1). Any filing should be subject to a confidentiality order and any party requesting such information should be required to enter into an appropriate confidentiality agreement.



WHEREFORE, Kentucky Power Company respectfully requests the Commission to enter an Order:

1. According confidential status to and withholding from public inspection the identified information; and
2. Granting Kentucky Power all further relief to which it may be entitled.

Respectfully submitted,



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COUNSEL FOR KENTUCKY POWER  
COMPANY

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing was served by overnight delivery upon the following parties of record, this 3<sup>rd</sup> day of July, 2013.

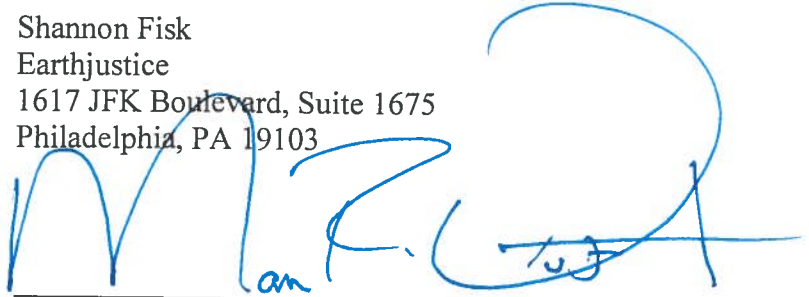
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