

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

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**PUBLIC SERVICE
COMMISSION**

In the Matter of:

**THE APPLICATION FOR A GENERAL)
ADJUSTMENT OF ELECTRIC RATES)
OF KENTUCKY POWER COMPANY)**

Case No. 2013-00197

DIRECT TESTIMONY

LILA P. MUNSEY

ON BEHALF OF KENTUCKY POWER COMPANY

VOLUME 1 OF 2



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**DIRECT TESTIMONY OF
LILA P. MUNSEY, ON BEHALF OF
KENTUCKY POWER COMPANY
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY**

I. INTRODUCTION

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

2 A: My name is Lila P. Munsey. My position is Manager of Regulatory Services,
3 Kentucky Power Company (“Kentucky Power” or “Company”). My business
4 address is 101 A Enterprise Drive, Frankfort, Kentucky 40601.

II. BACKGROUND

5 **Q: PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND**
6 **BUSINESS EXPERIENCE.**

7 A: I received a Bachelor of Science in Civil Engineering degree from Purdue
8 University, West Lafayette, Indiana in May 1978. I received my Masters of
9 Business Administration from The Ohio State University, Columbus, Ohio in
10 June 1990. In 1978, I joined the Appalachian Power Company in Roanoke,
11 Virginia, as a Hydro Engineer – Civil and was later transferred to American
12 Electric Power Service Corporation (“AEPSC”) in Columbus, Ohio as an
13 Associate Rate Analyst in 1985. After several movements within AEPSC, in
14 2010 I transferred from AEPSC to Kentucky Power where I assumed my current
15 position.

1 **Q: WHAT ARE YOUR RESPONSIBILITIES AS MANAGER OF**
2 **REGULATORY SERVICES?**

3 A: As manager of Kentucky Power's Regulatory Services, I am responsible for the
4 rate and regulatory matters of Kentucky Power. This includes the preparation of
5 and coordination of the Company's testimony and exhibits in rate cases and any
6 other formal filings before this Commission and federal regulatory bodies. In
7 addition, I am responsible for assuring the proper application of the Company's
8 rates in all classifications of business.

9 **Q. DO YOU HOLD ANY PROFESSIONAL LICENSES?**

10 A. Yes, I am registered as a Professional Engineer in the State of Ohio and in the
11 Commonwealth of Virginia.

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

13 A: Yes. I have testified before this Commission in numerous regulatory proceedings
14 involving the adjustment in electric base rates, the fuel adjustment clause, the
15 environmental surcharge tariff, approval of certificates of public convenience and
16 necessity and other regulatory matters. I also supplied testimony in Kentucky
17 Power's general adjustment in electric base rates in Case No. 91-066.

III. PURPOSE OF TESTIMONY

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

20 A: The purpose of my testimony is to support:

- 21 ◦ certain known and measurable adjustments to test year revenues and
22 operating expenses;

- 1 • the allocation of costs to Kentucky retail customers;
- 2 • revised monthly environmental forms; and
- 3 • certain tariff changes.

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

6 **A:** Yes. I am sponsoring the following schedules in Section V of the Company's
7 filing:

- 8 • Schedule 4: Adjustment Nos. 1-3, 5, 7-9, 13, 15, 18, 31, 32, 34, 36, 48, 49,
9 and 62,
- 10 • Schedule 5: Base Case Summary
- 11 • Schedule 6: Electric Operating Revenues
- 12 • Schedule 7: Electric Operation & Maintenance Expense
- 13 • Schedule 8: Depreciation, Depletion & Amortization Expense
- 14 • Schedule 9: Taxes Other Than Income Taxes
- 15 • Schedule 11: Original Cost -- Electric Plant in Service
- 16 • Schedule 12: Accumulated Provision for Depreciation, Depletion &
17 Amortization of Electric Plant in Service
- 18 • Schedule 13: Net Electric Plant in Service
- 19 • Schedule 14: Electric Plant Held for Future Use
- 20 • Schedule 15: Working Capital Requirements
- 21 • Schedule 16: Construction Work in Progress
- 22 • Schedule 17: Customer Advance for Construction , Customer Deposits, &
23 Accumulated Deferred Income Taxes

1 • Schedule 18: Demand Allocation Factor Derivation

2 • Schedule 19: Energy Allocation Factor Derivation

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

4 A: Yes. I identify the schedules and exhibits that I am sponsoring throughout my
5 testimony, and list them below:

6 • Exhibit LPM-1: Rockport Extension Capacity Charge Development

7 • Exhibit LPM-2: Capacity Charge Tariff Revisions

8 • Exhibit LPM-3: Over/(Under) Recovery of Fuel Costs

9 • Exhibit LPM-4: Test Year Monthly Environmental Costs

10 • Exhibit LPM-5: Analysis and Monthly Breakdown of Non-Recurring
11 Charges

12 • Exhibit LPM-6: Completed Test Year Environmental Surcharge (“E.S.”)
13 Forms without AEP Pool

14 • Exhibit LPM-7: Blank E.S. Forms with 50% Mitchell Plant

15 • Exhibit LPM-8: Blank E.S. Forms without AEP Pool and with 50% Mitchell
16 Plant

17 • Exhibit LPM-9: Redlined Tariff Sheets

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

20 A: Yes.

21

IV. COST ALLOCATION TO THE KENTUCKY RETAIL CUSTOMERS

1 **Q: WHY IS A JURISDICTIONAL COST OF SERVICE NECESSARY?**

2 A: The Company serves retail customers under the jurisdiction of the Kentucky
3 Public Service Commission. It also makes sales to two wholesale customers
4 under the FERC jurisdiction. The per book amounts, the modifications, and the
5 adjustments thereto pertain to electric utility operations of the Company for
6 service supplied to all customers, both wholesale and retail. Kentucky Power's
7 retail revenue is approximately 99% of its total revenue; the remainder is
8 wholesale revenue, which includes sales to the cities of Olive Hill and Vanceburg.
9 It is, therefore, necessary to segregate costs related only to Kentucky
10 jurisdictional retail service. The results of the allocations are then used to
11 determine the jurisdictional cost of service.

12 **Q: ARE YOU RESPONSIBLE FOR THE METHODOLOGY USED BY THE**
13 **COMPANY IN ALLOCATING COST OF SERVICE TO KENTUCKY**
14 **JURISDICTIONAL RETAIL CUSTOMERS?**

15 A: Yes. The allocation methodology and the allocation factors used to calculate
16 Kentucky retail jurisdictional amounts were developed by me or under my
17 direction and are shown on the various schedules in the Company's filing. The
18 methodology used in this case is consistent with the methodology used in the
19 Company's last several rate cases.

20 **Q. PLEASE EXPLAIN THE PURPOSE OF A JURISDICTIONAL COST-OF-**
21 **SERVICE STUDY AND WHAT IT IS DESIGNED TO ACCOMPLISH.**

22 A. The purpose of a jurisdictional cost-of-service study is to determine the
23 Company's cost of providing service to a particular jurisdiction. This is

1 accomplished by comparing the Company's revenue requirement associated with
2 the cost of serving a jurisdiction to the revenues received from that jurisdiction.
3 In order to accomplish this comparison, the study must functionalize, classify, and
4 allocate the costs associated with providing service to each of the jurisdictions
5 that the company serves. There are three basic steps in this process. First, costs
6 are functionalized into production, transmission, and distribution functions. Next,
7 the functionalized costs are classified as demand, energy, or customer related.
8 The final step is to directly assign the cost or allocate the cost to a jurisdiction on
9 the basis of an appropriate allocation methodology. Section V contains the
10 jurisdictional cost-of-service study used in this proceeding.

11 **Q. PLEASE EXPLAIN THE FUNCTIONALIZATION PROCESS.**

12 A. Functionalization is the process by which costs are separated according to the
13 major electric system functions of production, transmission, and distribution. In
14 general, the functionalized costs as reported in the Federal Energy Regulatory
15 Commission's (FERC) Uniform System of Accounts are used, but certain plant
16 and expense accounts, such as general and intangible plant and administrative and
17 general expenses, are not directly assigned to major functions. All such costs are
18 therefore functionalized according to the functionalization of other related costs
19 so that they can be properly classified and allocated.

20 **Q. WHAT IS THE NEXT STEP IN THE COST ASSIGNMENT PROCESS?**

21 A. The second step is classification, the process by which the functionalized costs are
22 designated as being either demand, energy, or customer-related. Demand and
23 customer related costs are fixed costs that are incurred regardless of the level of

1 energy sales. An example of a demand-related cost is the investment in
 2 production facilities. Energy-related costs are those that vary with the amount of
 3 sales, such as fuel expense. Finally, customer-related sales are those that vary
 4 with the number of customers served, such as meter expenses.

5 **Q. WHAT IS THE FINAL STEP IN THE COST ASSIGNMENT PROCESS?**

6 A. The final step in the cost assignment process is allocation. Allocation is the
 7 process by which the classified and functionalized costs are assigned to
 8 jurisdictions by the use of allocation factors. When each classified and
 9 functionalized cost is multiplied by an allocation factor, the product is the cost
 10 assigned to each jurisdiction. The jurisdictional cost-of-service study was
 11 provided to Company Witness Stegall which he used to allocate jurisdictional
 12 costs to customer classes in the Class Cost-of-Service Study supplied with his
 13 testimony as Exhibit. JMS-2.

14 **Q: WHAT ALLOCATION FACTORS WERE DEVELOPED FOR USE IN**
 15 **THIS CASE?**

16 A. In order to properly allocate cost of service to Kentucky jurisdictional retail
 17 customers, the Company prepared the following allocation factors:

<u>DESCRIPTION</u>	<u>FACTOR</u>	<u>RETAIL</u>	<u>SOURCE</u>
Production Demand	PDAF	0.985	Sch 18
Transmission Demand	TDAF	0.985	Sch 18
Energy	EAF	0.986	Sch 19
Gross Plant Transmission	GP-TRANS	0.985	Sch 11
Gross Plant Distribution	GP-DIST	0.999	Sch 11
Gross Plant - T&D	GP-T&D	0.993	Sch 11

1	Gross Plant - PTD	GP-PTD	0.990	Sch 11
2	Gross Plant - Total	GP-TOT	0.990	Sch 11
3	Net Plant	NP	0.990	Sch 13
4	O&M Expense	O&M	0.990	Sch 7
5	O&M Labor	OML	0.992	Sch 7
6	Operating Revenue	OP-REV	0.988	Sch 6
7	SPECIFIC	SPECIFIC	1.000	N/A

8 **Q: WHERE ARE THE ALLOCATION FACTORS OR ALLOCATED**
9 **AMOUNTS SHOWN ON THE SCHEDULES INCLUDED IN THE**
10 **FILING?**

11 A: The allocation between jurisdictional and non-jurisdictional amounts is generally
12 shown in the right-hand column of each schedule throughout Section V, or on the
13 workpapers immediately following each schedule. The results of these
14 allocations are summarized on Schedules 1 through 5 of Section V.

15 **Q: WHEN WAS THE LAST LOSS FACTOR STUDY PERFORMED AND**
16 **WHAT TEST PERIOD WAS USED IN THAT STUDY?**

17 A: A new functional loss factor study was completed in April 2013 by Management
18 Applications Consulting, Inc. based on values for calendar year 2011, the most
19 recent year available.

20 **Q. WHAT IS THE PURPOSE OF THE LOSS FACTOR STUDY?**

21 A. Loss factor studies are used to determine the appropriate transmission and
22 distribution loss so that customer demand and sales values can be translated back
23 into generation requirements.

1 **Q. WERE THERE ANY CHANGES TO JURISDICTIONAL ALLOCATION**
2 **METHODS FROM THE JURISDICTIONAL COST OF SERVICE STUDY**
3 **ACCEPTED BY THE COMMISSION IN CASE NO. 2009-00459?**

4 A. No. The jurisdictional cost of service study is consistent with the study in the last
5 base rate case.

6 **Q. PLEASE DESCRIBE WHAT IS SHOWN ON SCHEDULE 5 OF SECTION**
7 **V.**

8 A. Schedule 5 of Section V is the base case summary. The Company starts with the
9 test year per book numbers in Column 3 and makes various adjustments (Column
10 4) to determine the electric utility amounts (Column 5). Then, allocation factors
11 referenced in Column 7 are applied to the electric utility amounts (Column 5) to
12 develop the Kentucky Public Service Commission jurisdiction amounts (Column
13 6). This process is described below.

14 **Rate Base**

15 **Q. HOW WAS PRODUCTION AND TRANSMISSION PLANT**
16 **INVESTMENT ALLOCATED IN THE JURISDICTIONAL COST-OF-**
17 **SERVICE STUDY?**

18 A. Production and transmission plant investments, as shown on Schedule 11, are
19 functionalized plant values as of March 31, 2013 allocated using the 12-CP
20 production demand allocation factor (PDAF) and transmission demand allocation
21 factor (TDAF) consistent with the method used in previous base cases.

1 **Q. HOW WAS DISTRIBUTION PLANT INVESTMENT ALLOCATED?**

2 A. Distribution plant was directly assigned to jurisdictions based upon the location of
3 the plant investment. Portions of Land, Substations-Structures & Equipment, and
4 Meters used to serve the Company's wholesale customers were directly assigned
5 to wholesale, with the remaining distribution plant was assigned to retail.

6 **Q. HOW WAS GENERAL AND INTANGIBLE PLANT INVESTMENT**
7 **ALLOCATED?**

8 A. General and Intangible plant accounts were functionalized and allocated on the
9 Gross Plant Production, Transmission, and Distribution ratios previously
10 determined. All five functions, Production, Transmission, Distribution, General
11 and Intangible Plant combine to derive Electric Plant in Service (EPIS).

12 **Q. PLEASE EXPLAIN HOW ACCUMULATED PROVISION FOR**
13 **DEPRECIATION, DEPLETION AND AMORTIZATION WERE**
14 **ALLOCATED.**

15 A. Accumulated Provision for Depreciation, Depletion and Amortization book
16 values, as shown on Schedule 12, have been recorded by function and are
17 allocated in the same manner as the functional counterparts of EPIS.

18 **Q. PLEASE EXPLAIN THE DERIVATION OF NET PLANT.**

19 A. Net Plant, as shown on Schedule 13, is the plant that has not yet been depreciated,
20 depleted, or amortized. It is equal to the difference between corresponding
21 functional values of allocated EPIS and the Accumulated Provision for
22 Depreciation, Depletion and Amortization.

1 Net Electric Plant In Service has been decreased by \$6,203,481 (Schedule
2 13, Column 3, Line 9+10-11-12) to reflect three adjustments: (a) the inclusion of
3 Line 9 net Post In Service AFUDC of (\$289,270) and Line 10 Deferred
4 Depreciation Expense of \$102,427 on the Hanging Rock-Jefferson 765 kV line
5 that was approved by the Commission in its Order in Case No. 9061 or a net value
6 of (\$186,843); (b) the elimination of the effect of capitalized leases recorded in
7 EPIS, for financial reporting purposes only, as required by the Financial
8 Accounting Standards Board (FASB) No. 71 (\$3,317,355) on Line 11; and (c) the
9 elimination of the recovery of an Asset Retirement Obligation from rate base
10 (\$2,699,283) on Line 12. Company Witness Mitchell supports the adjustment to
11 recover the Asset Retirement Obligation as shown in Section V, Workpaper S-4,
12 Page 68.

13 The Hanging Rock Jefferson transmission line Post in Service AFUDC
14 and deferred depreciation that were not included in the booked EPIS have been
15 added to plant and were allocated using the Gross Plant Transmission (GP-Trans)
16 allocation factor. The Capital leases, allocated using the Gross Plant Production,
17 Transmission and Distribution (GP-PTD) allocation factor were deleted from the
18 total EPIS.

19 **Q. PLEASE DESCRIBE THE ALLOCATION OF OTHER RATE BASE**
20 **COMPONENTS.**

21 A. Electric Plant Held for Future Use in Schedule 14, Construction Work in Progress
22 (CWIP) in Schedule 16, and Allowance for Funds Used During Construction
23 (AFUDC) also in Schedule 16 were all booked by functional group and allocated

1 using the appropriate related factors. The Carrs Site, which represents the entire
2 production-related Plant Held for Future Use, is allocated using the PDAF and
3 then subtracted from the other Plant Held for Future Use amounts.

4 The working capital requirements, as shown on Section V, Schedule 15,
5 were separated into four categories. Fuel inventory was allocated on Workpaper
6 S-15 using the energy allocation factor (EAF). Materials and Supplies were
7 separated into functional groups and allocated accordingly. Material & Supplies
8 (M&S) – Fuel, as well as M&S-Other such as Urea, SO₂ Allowance Inventory,
9 and NOx Compliance Inventory were allocated using the EAF. M&S-Other such
10 as T&D and Transportation Inventory were allocated using the Gross Plant - T&D
11 allocation factor. Prepayments were allocated using the GP-Total (GP-TOT)
12 allocation factor.

13 The cash working capital component is calculated by using the standard
14 formula of one-eighth of Total Company O&M expenses. This equals one and
15 one half months of the Company's O&M expenses. The allocation basis for the
16 cash working capital component is GP-TOT.

17 Accumulated Deferred Investment Tax Credit amounts were provided to
18 me by Company Witness Bartsch and were allocated using the GP-TOT
19 allocation factor. The amounts in the Total Electric Utility column for Customer
20 Advances and Customer Deposits on Schedule 17 are a result of the Kentucky
21 jurisdiction operations. Therefore, 100% of these amounts are allocated to the
22 Kentucky Public Service Commission jurisdiction column.

Operating Revenues

1

2 **Q. PLEASE EXPLAIN HOW OPERATING REVENUES WERE**
3 **ALLOCATED.**

4 A. Revenues from retail and wholesale requirements sales, as shown on Schedule 6,
5 were derived from the Company's books and records for each jurisdiction and
6 directly assigned to the appropriate jurisdiction based on several allocation
7 factors. The Distribution Plant revenues were allocated 100% to the Kentucky
8 retail customers.

9 Forfeited discounts and miscellaneous revenues were directly assigned to
10 the jurisdictions based on which jurisdiction's customers actually contributed the
11 revenue.

12 Rent and other electric revenues were functionalized and either direct-
13 assigned or allocated, as appropriate. DSM revenues as well as the various
14 transmission agreement revenues were removed to derive the total electric utility
15 other operating revenues.

16 The revenues from system sales, which are recorded in the Sales for
17 Resale account, were predominantly allocated on energy and the revenues from
18 various transmission agreements, which are recorded in the Other Electric
19 Revenues account, have been restated for cost of service purposes as a credit to
20 production expense. The allocation factors are derived as they have been in past
21 cases.

Operating Expenses

1

2 Q. PLEASE DESCRIBE THE ALLOCATION OF OPERATION AND
3 MAINTENANCE EXPENSES.

4 A. Production Operation and Maintenance (O&M) expenses in Schedule 7 were
5 classified as demand or energy related and allocated using the production demand
6 and energy allocation factors respectively, with one exception. Deferred Fuel is
7 directly assigned.

8 Transmission O&M expenses were classified as demand related and
9 allocated using the TDAF, with only two exceptions. The various transmission
10 agreement revenues that were restated as an offset to Transmission expenses were
11 directly assigned and a portion of the Transmission Owner Energy related
12 revenues restated as an offset to Transmission expenses was allocation using the
13 EAF.

14 The majority of the components of Distribution O&M were allocated
15 using the Distribution Plant allocation factor (GP-DIST), which was derived from
16 the assignment of Distribution Plant.

17 Customer Accounts, Customer Service, and Customer Information O&M
18 expense were classified as customer-related and allocated on the number of
19 customers.

20 Administrative and General (A&G) Regulatory and Sales O&M expense
21 was specifically assigned to retail. Non-regulatory Administrative and General
22 (A&G) expenses have been distributed to the other functions in proportion to
23 related payroll expenses as shown on Workpaper S-7 page 1 of 5.

1 **Q. PLEASE EXPLAIN HOW DEPRECIATION AND AMORTIZATION**
2 **EXPENSES WERE ALLOCATED.**

3 A. Depreciation and Amortization Expenses on Schedule 8 were allocated in the
4 same manner as Electric Plant in Service.

5 **Q. PLEASE OUTLINE THE MEANS BY WHICH TAXES OTHER THAN**
6 **FEDERAL INCOME TAXES WERE ASSIGNED.**

7 A. Taxes Other than Income Taxes on Schedule 9 were classified as relating to
8 payroll, property, revenue, demand, or energy and allocated accordingly, or
9 directly assigned. Payroll taxes are related to labor and allocated on the payroll
10 allocation factor (OML). Property taxes were allocated using the (GP-TOT)
11 allocation factor. For details on Federal & State Income Taxes, please see
12 Schedule 10 and the testimony of Company witness Bartsch.

13 **Q. HOW WERE FEDERAL INCOME TAXES ASSIGNED?**

14 A. Federal Income taxes on Schedule 10 were assigned to the jurisdictions by
15 Company witness Bartsch.

16 **Q. PLEASE EXPLAIN HOW THE REVENUE AND OPERATING EXPENSE**
17 **ADJUSTMENTS WERE ALLOCATED.**

18 A. The revenue and operating expense adjustments in Schedule 4 were provided to
19 me by various Company witnesses. For those adjustments derived on a Total
20 Company basis, I provided jurisdictional allocation factors to calculate the retail
21 component of those adjustments. Some adjustments were calculated on a Retail
22 Jurisdictional basis and, therefore, no allocation was necessary.

V. REVENUE AND OPERATING EXPENSE ADJUSTMENTS

1 **Q: WHY ARE REVENUE AND OPERATING EXPENSE ADJUSTMENTS**
2 **NECESSARY?**

3 A: Adjustments are necessary because certain known and measurable adjustments to
4 the data developed in the test year ending March 31, 2013 must be made to more
5 accurately represent the Company's future revenue requirement.

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

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

<u>Adjustment</u>	<u>Workpaper S-4 Page No.</u>
12 1. Interest Expense Associated with Customer Deposits	1
13 2. Eliminate Non-Recurring CATV Joint Use Survey Revenue	2
14 3. Capacity Charge Revenues Adjustment (Rockport)	3
15 4. Amortization Out of Period PSC Mandated Consultant Cost	5
16 5. Miscellaneous Service Charges	7
17 6. Annualized CATV Tariff Revenue	8
18 7. Annualization of PSC Maintenance Assessment	9
19 8. Postage Increase	13
20 9. Adjustment to Eliminate Advertising Expense	15
21 10. Annualization of Lease Costs	18
22 11. Remove Out of Period Refund for Environmental Surcharge	31

1	12. Annualization of Property Tax	32
2	13. Fuel Under/(Over) Recovery Revenues	34
3	14. Coal Stock Adjustment – Big Sandy Plant	36
4	15. Mitchell Plant Maintenance Normalization	48
5	16. Coal Stock Adjustment – Mitchell Plant	49
6	17. Eliminate Environmental Cost Associated with AEP Pool	62

Interest Expense Associated with Customer Deposits
(Section V, Workpaper S-4, Page 1)

7 Q. **EXPLAIN THE ADJUSTMENT FOR INTEREST EXPENSE**
8 **ASSOCIATED WITH CUSTOMER DEPOSITS.**

9 A. Customer deposits have been included in this case as a reduction to the
10 Company's Rate Base. This recognizes that customer deposits, similar to
11 customer advances for construction, are a source of funds to the Company.
12 Unlike customer advances for construction however, interest is paid to customers
13 for customer deposits. In the past, interest was paid at a rate of 6% per annum,
14 however due to new legislation passed in 2012, the new rate beginning January 1,
15 2013 is 0.18% per annum. Consistent with the treatment of interest allowed by
16 the Commission in past cases, an adjustment has been made to annualize these
17 test year expenses to the current rate of 0.18% per year by an adjustment of
18 \$42,860.

Eliminate Non-Recurring CATV Joint Use Survey Revenue
(Section V, Workpaper S-4, Page 2)

1 Q. **EXPLAIN THE ADJUSTMENT TO ELIMINATE NON-RECURRING**
2 **CATV JOINT USE SURVEY REVENUE.**

3 A. During the test year, the Company performed an audit of the pole attachments
4 with Community Access Television or Community Antenna Television (CATVs),
5 Incumbent Local Exchange Carrier (ILECs), and Competitive Local Exchange
6 Carrier (CLECs) in accordance with the joint use agreements (an agreement
7 between Kentucky Power and ILECs or CLECs,) and the Kentucky Power CATV
8 tariff. Kentucky Power billed those companies for the survey in accordance with
9 the joint use agreements and the tariff. The revenue received by the Company,
10 less the costs of performing the surveys, was \$1,083,264. Since this survey is not
11 performed annually, Kentucky Power should eliminate this non-recurring revenue
12 from the test period. Therefore, an eliminating adjustment in the amount of
13 \$1,083,264 is used to adjust revenues to a test year normal level.

Annualization of CATV Revenues
(Section V, Workpaper S-4, Page 8)

14 Q. **WHY IS THE ANNUALIZATION OF CATV REVENUES NECESSARY?**

15 A. During the pole attachment audit described in connection with the prior
16 adjustment, the Company found several unauthorized attachments. The
17 applicable tariff allows the Company to charge two times the charges and
18 fees...that would have been payable had the attachment been made on the date
19 following the date of the Company's last inspection. Subsequently, the Company
20 issued bills to those companies with unauthorized attachments, in accordance with
21 the joint use agreement, requesting payment for the attachments. When the bills

1 were issued the revenue was recorded on the Company's books. During the test
2 year, the revenue associated with these unauthorized attachment bills included
3 five years of past revenue for out of period usage. Accordingly, it is necessary to
4 annualize those revenues to the test year level, and an annualizing adjustment in
5 the amount of \$1,282,814 is required to reduce revenues to a test year normal
6 level.

Capacity Charge Revenues Adjustment
(Rockport Unit Power Agreement)
(Section V, Workpaper S-4, Page 3)

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

8 A. In accordance with the Stipulation and Settlement Agreement dated October 20,
9 2004, in Case No. 2004-00420, Section III (1)(d)(i) the additional Capacity
10 Charge revenues collected by Kentucky Power relating to the Rockport Unit
11 Power Agreement ("RUPA") are not to be considered in establishing Kentucky
12 Power's future retail base rates. These additional revenues include a
13 supplemental payment tied to the settlement of state issues and the extension of
14 the Rockport Unit Power Agreement. Specifically, the Stipulation and Settlement
15 Agreement provides that in any such rate case Kentucky Power may exclude from
16 the test year period the Capacity Charge revenues. Further, Section III (1)(d)(ii)
17 of the Stipulation and Settlement Agreement states that Kentucky Power shall
18 collect the Capacity Charge revenues in addition to such base retail rates
19 established by the Kentucky PSC. The costs associated with the underlying
20 Rockport Units 1 and 2 UPSA are to be included in base rates.

21 Finally, Section (1)(d)(iii) of the Stipulation and Settlement Agreement
22 provides that Kentucky Power will develop, and the other Parties will not oppose,

1 a new tariff that will allow the Company to receive the additional Capacity
2 Charge revenue amount in addition to its base rates and other charges. Please see
3 Exhibit LPM-2 for the calculation of the revenue adjustment of \$5,812,595 and
4 Exhibit LPM-1 for the calculations of the new Capacity Charge rates of
5 \$0.000596 per kWh for the CIP-TOD customer class and \$0.001092 per kWh for
6 all other customer classes, which can be found on Original Tariff Sheet No, 28-1.

**Amortization of Out of Period Commission Mandated Consultant Cost &
Elimination of Commission Mandated Consultant Expense during Test Year
(Section V, Workpaper S-4, Page 5)**

7 **Q. PLEASE EXPLAIN THE COMMISSION MANDATED CONSULTANT**
8 **COST ADJUSTMENT.**

9 A. When the Commission requires additional technical expertise, it hires a consultant
10 to assist in determining whether certain technical portions of the case are just and
11 reasonable. The Company is required to compensate the consultant and is then
12 allowed to request reimbursement in its next filed rate procedure. Kentucky
13 Power paid \$84,978 of consultants fees during the test year that should be
14 removed as non-recurring expenses. Kentucky Power has also compensated
15 consultants for the Commission in three such cases since its last base case as
16 described below:

17 • In Case No. 2011-00295, The Application of Kentucky Power Company
18 for a Certificate of Public Convenience and Necessity to Construct a
19 138kV Transmission Line and associated Facilities in Breathitt, Knott and
20 Perry Counties, Kentucky (Bonnyman-Soft Shell Line), Accion Group Inc
21 was hired at a cost of \$26,440;

- 1 • In Case No, 2011-00401, The Application of Kentucky Power Company
2 for Approval of its 2011 Environmental Compliance Plan, For Approval
3 of its Amended Environmental Cost Recovery Surcharge Tariff, and for
4 the Grant of a Certificate of Public Convenience and Necessity for the
5 Construction and Acquisition of Related Facilities, Vantage Energy
6 Consulting LLC was hired at a cost of \$119,338; and
- 7 • In Case No. 2012-00578, The Application of Kentucky Power Company
8 in Connection with the Transfer of an Undivided Fifty Percent Interest in
9 the Mitchell Generating Station and Certain Related Relief, Vantage
10 Energy Consulting LLC was again hired at a cost of \$30,680.

11 The total test year amounts for the three consultants of \$176,458, less the test year
12 expense of \$84,978, or \$91,480, should be amortized over three years at a rate of
13 \$30,493 per year. A three-year amortization will assure that the cost of the
14 consultants are being borne by those customers that received the benefit of their
15 involvement in the most recent rate proceeding, rather than spreading it over a
16 longer period.

Miscellaneous Service Charges
(Section V, Workpaper S-4, Page 7)

17 **Q WHAT ARE THE MISCELLANEOUS SERVICE CHARGE**
18 **ADJUSTMENTS?**

19 A. Kentucky Power charges its' customers for Reconnects, Collection Trips, Bad
20 Checks and Meter Test charges. As I will discuss later, the Company is proposing
21 to increase the rates charged for such services to more closely match the cost to
22 the Company. This adjustment annualizes test year revenues based upon the

1 proposed new rates. The impact is to increase Kentucky Power revenues by
2 \$585,947 as shown on Exhibit LPM-5.

Annualization of PSC Maintenance Assessment
(Section V, Workpaper S-4, Page 9)

3 **IS THE COMPANY PROPOSING AN ADJUSTMENT IN CONNECTION**
4 **WITH THE KENTUCKY PSC ASSESSMENT FEE EXPENSE?**

5 A. Yes. The Company received an invoice from the Commonwealth of Kentucky in
6 June 2012 in the amount of \$1,030,191 for the Kentucky PSC Assessment fee.
7 During the test year the Company recorded \$979,071 in Kentucky PSC
8 assessment fees. The Company's proposed adjustment is to increase the Taxes
9 Other Than Income Taxes expense by the difference between the test year amount
10 and the June 2012 assessment, or \$51,117.

Postage Rate Increase Adjustment
(Section V, Workpaper S-4, Page 13)

11 **Q. WHAT IS THE POSTAGE RATE INCREASE ADJUSTMENT?**

12 A. The test year adjustment for postage expense annualizes the United States Postal
13 Service 2.48% across-the-board increase that went into effect on January 27,
14 2013. To reflect this increased cost, the number of bills, notices, letters, etc.
15 mailed by the Company from April 1, 2012 through March 31, 2013, over 2
16 million, was multiplied by the postage rate increase of 2.48% or \$0.01 per
17 mailing, resulting in an increase to Operation and Maintenance (O&M) Expenses
18 of \$20,347.

Eliminate Advertising Expense
(Section V, Workpaper S-4, Page 15)

1 **Q. WHY ARE ADVERTISING EXPENSES BEING ELIMINATED?**

2 A. Pursuant to Commission regulation 807 KAR 5:016 Section 4(1) those expenses
3 that were for promotional and institutional advertising must be removed from the
4 test year. A review was made of advertising expenses recorded during the test
5 year and a total of \$29,713 is being eliminated from O&M Expenses.

Annualization of Lease Costs
(Section V, Workpaper S-4, Page 18)

6 **Q. WHY ARE LEASE COSTS ANNUALIZED?**

7 A. This adjustment annualizes the test year level of lease costs to the current level of
8 lease costs based on March 2013 lease rental expenses. The adjustment decreases
9 the jurisdictional O&M Expense by \$266,741.

Remove Out of Period Refund for Environmental Surcharge
(Section V, Workpaper S-4, Page 31)

10 **Q. PLEASE EXPLAIN THE BASIS FOR THE ENVIRONMENTAL REFUND**
11 **ADJUSTMENT.**

12 A. The Company made Environmental Surcharge refunds during the test year of
13 \$1,159,112. The refunds were for prior periods in connection with Case No.
14 2011-00031, a six-month environmental review for the period May 1, 2010
15 through October 31, 2010, and Case No. 2012-00273 a two-year environmental
16 review for the period May 1, 2009 through April 30, 2011. Because these refunds
17 were for prior periods, the period for which the refunds were made fall outside the
18 test year, and the refunds are a non-recurring event, the refund amounts should be
19 removed from the test year. The result is to increase the test year revenue by
20 \$1,159,112.

Annualization of Property Tax Expense
(Section V, Workpaper S-4, Page 32)

1 **Q. WHY ARE PROPERTY TAX EXPENSES ANNUALIZED?**

2 A. Property tax expense reflected in the test year is based upon the actual property
3 investment at December 31, 2012 and property tax rates for 2012. This
4 adjustment increases property taxes by a jurisdictional amount of \$476,081 to
5 reflect increased property tax expense using the estimated 2013 property taxes on
6 the December 31, 2012 assessable property value and, the latest actual property
7 tax rate.

Fuel Under/(Over) Recovery Revenues
(Section V, Workpaper S-4, Page 34)

8 **Q. PLEASE EXPLAIN THE ADJUSTMENTS PROPOSED IN CONNECTION**
9 **WITH THE OVER/(UNDER) RECOVERY OF FUEL COSTS.**

10 A. As Exhibit LPM-3 demonstrates, the total test year level of jurisdictional fuel costs
11 was \$178,322,707. The total test year level of jurisdictional fuel revenues were
12 \$179,690,150, or a difference of \$1,367,443. In order to properly design rates so
13 that the appropriate level of revenue is recovered from the Kentucky customers, test
14 year revenues should be decreased by \$1,367,443. This adjustment trues up the fuel
15 clause revenues with the actual fuel clause expenses. If this adjustment were not
16 made, the rates to be designed would assume that each year the tariffs are in effect
17 the Company would over-recover its fuel costs by \$1,367,443.

18 **Q. ARE THERE ANY OTHER ADJUSTMENTS RELATED TO THE OVER**
19 **OR UNDER-RECOVERY OF FUEL COSTS?**

20 A. Yes. There is an associated deferred tax adjustment in the amount of \$478,605
21 required with the fuel cost adjustment. The Company has made this adjustment in

1 its prior rate cases and the Commission has accepted the adjustment. Details of this
2 adjustment are discussed by Witness Bartsch.

Coal Stock Adjustments
(Section V, Workpaper S-4, Pages 36 & 49)

3 **Q. WHY ARE COAL STOCK ADJUSTMENTS NECESSARY?**

4 A. The Coal Stock Adjustment adjusts the coal pile investment at the Big Sandy and
5 Mitchell Plants to the supply level allowed for recovery. The supply level
6 requested at each plant is based on many factors, including the means of
7 transportation to the plant and the location of the supplier in relation to the plant.
8 For Big Sandy and Mitchell Plants the supply requested is 30 days and 45 days,
9 respectively. The effect of this adjustment is to reduce Kentucky Power's Materials
10 and Supplies – Fuel Stock working capital by \$20,875,574 for Big Sandy and by
11 \$1,151,258 for Mitchell.

Mitchell Plant Maintenance Normalization
(Section V, Workpaper S-4, Page 48)

12 **Q. HOW WAS THE MITCHELL PLANT MAINTENANCE ADJUSTMENT**
13 **CALCULATED?**

14 A. Because Kentucky Power plant maintenance is performed on a cyclical basis, an
15 adjustment to the test year plant maintenance expense is required to reflect an
16 annualized level of plant maintenance in the Company's test year cost of service.
17 The Company took the level of Mitchell steam plant maintenance expense for the
18 twelve months ended March 31, 2011, 2012, and 2013 and adjusted those levels
19 of plant maintenance expense to a constant dollar amount using the Handy-
20 Whitman total steam production plant index. Once the annual constant dollar
21 amounts were calculated, the three year total was divided by three to arrive at an

1 annual normal level of steam plant maintenance expense of \$16,407,093. That
2 result was compared to the test year level amount of \$16,905,084. The difference
3 of \$497,991 when allocated to retail customers based on PDAF allocation factor
4 equals a decrease to O&M expense to the test year cost of service proposed by the
5 Company of \$490,521.

Eliminate Environmental Cost Associated with AEP Pool
(Section V, Workpaper S-4, Page 62)

6 **Q. WHY IS IT NECESSARY TO ELIMINATE THE ENVIRONMENTAL**
7 **COSTS ASSOCIATED WITH THE AEP POOL?**

8 A. By agreement among the parties, the AEP Interconnection Agreement (“Pool
9 Agreement”) will terminate as of January 1, 2014. With the termination of the
10 Pool Agreement, Kentucky Power will no longer be responsible for any
11 environmental projects at the plants from which it used to receive power under the
12 AEP Pool. Since these expenses will no longer be paid by Kentucky Power, an
13 adjustment of \$7,320,077 is necessary to eliminate these revenues from the test
14 year. The monthly detail of this adjustment can be found in Exhibit LPM-4.

VI. ENVIRONMENTAL SURCHARGE REVISIONS

15 **Q: PLEASE DESCRIBE THE REVISIONS BEING PROPOSED FOR THE**
16 **COMPANY’S ENVIRONMENTAL SURCHARGE AND THE FORMS**
17 **AFFECTED.**

18 A: Changes to the Environmental Surcharge Filing can be summarized into the
19 following three categories:

- 20 ○ update of the Monthly Base Period Revenue Requirements (ES Form 1.10),
- 21 ○ removal of the AEP Pool related expenses (ES Forms 3.13 & 3.14) , and

- addition of 50% of the Mitchell Plant environmental expenses (New Form).

1
2 **Q: HAVE YOU PREPARED A COMPARISON OF THE CURRENT FILING**
3 **FORMS TO THOSE BEING PROPOSED IN THIS CASE?**

4 A: Yes, a comparison of the proposed monthly Environmental Surcharge Filings to
5 the previously filed forms showing the effect of the termination of the AEP Pool
6 can be found on Exhibit LPM-6. Exhibit LPM-7 shows the effect of the removal
7 of the AEP Pool and the addition of 50% of the Mitchell Plant environmental
8 expenses. These changes establish the new monthly Base Net Environmental
9 Costs in P.S.C. Electric No. 10 Tariff E.S. Original Sheet No. 29-1.

10 **Q: WHAT ARE THE RESULTS OF THE COMPARISON BETWEEN THE**
11 **ENVIRONMENTAL SURCHARGE BASE NET ENVIRONMENTAL**
12 **COSTS FOUND IN KPCO'S CURRENT ELECTRIC TARIFF NO. 9 AND**
13 **KPCO'S PROPOSED ELECTRIC TARIFF NO. 10?**

14 A: In Kentucky Power's current Electric Tariff No. 9, Original Sheet No. 29-1, the
15 annual base cost is \$44,185,079. However with the removal of the AEP Pool and
16 the addition of the Mitchell Plant, the proposed Electric Tariff No. 10, Original
17 Sheet No. 29-1 annual base cost will be \$102,089,956.

18 **Q: HAS A PROPOSED TARIFF E.S. BEEN PREPARED IN THIS CASE?**

19 A: Yes, Tariff E.S. can be found in Section III, Exhibit LPM - 9.

VII. TARIFF REVISIONS

1 **Q: IS THE COMPANY PROPOSING ANY ADDITIONS OR CHANGES TO**
2 **THE COMPANY'S TARIFFS CURRENTLY ON FILE WITH THE**
3 **COMMISSION?**

4 A: Yes. The revisions are indicated in the right-hand margin of each tariff sheet
5 attached in Section III, Exhibit LPM-9. Some of the changes are minor text
6 changes and are self-explanatory. I will address the major changes in my
7 testimony, beginning with the tariff eliminations, then new tariffs and charges
8 being proposed, followed by changes to the Company's current terms and
9 conditions and current electric rate schedules.

Tariff Eliminations

10 **Q: IS THE COMPANY PROPOSING ELIMINATION OF ANY TARIFFS IN**
11 **THIS PROCEEDING?**

12 A: Yes, the Company proposes to eliminate four tariffs:

- 13 • Tariff R.C.L.M., Pilot Residential and Small Commercial Load
14 Management, Tariff Sheet Nos. 23-1 thru 23-3 is being eliminated because it
15 was a pilot that expired December 31, 2012;
- 16 • Rider E.C.S.-C.&E., Sheet Nos. 24-1 thru 24-6 Emergency Curtailable
17 Service – Capacity & Energy is being eliminated because it expired May 31,
18 2012;
- 19 • Rider E.P.C.S., Sheet Nos. 25-1 thru 25-3 Energy Price Curtailable Service
20 Rider is being eliminated due to lack of customer participation; and

1 • Tariff R.T.P., Sheet Nos. 30-1 thru 30-4 Experimental Real Time Pricing
2 expired. It was an experimental tariff, with no current customers, that was
3 only offered through June 2013. As such, the Company is terminating the
4 tariff.

New Tariffs And Other Amended Tariffs

5 **Q: IS THE COMPANY PROPOSING ANY NEW TARIFFS IN THIS**
6 **PROCEEDING?**

7 A: Yes, the Company is proposing two new tariffs and/or riders.

8 **Q: PLEASE LIST THE NEW TARIFFS/RIDERS THE COMPANY IS**
9 **PROPOSING AND THE WITNESS WHO DISCUSSES THEM.**

10 A: Company Witness Vaughan will discuss the PJM Rider, Tariff Sheet Nos. 30-1
11 and 30-2, Company Witness Wohnhas will discuss the Purchase Power
12 Adjustment, Tariff Sheet No. 35-1.

Terms and Conditions of Service

13 **Q. ARE THERE ANY CHANGES TO THE COMPANY'S CURRENT TERMS**
14 **AND CONDITIONS OF SERVICE BEING PROPOSED IN THIS**
15 **PROCEEDING?**

16 A. Yes.

17 **Q. PLEASE DESCRIBE THE PROPOSED CHANGES TO THE COMPANY'S**
18 **CURRENT TERMS AND CONDITIONS OF SERVICE.**

19 A. Changes are being proposed to Kentucky Power's Terms and Conditions of
20 Service on Tariff Sheet Nos. 2-1, 2-2, 2-3, and 2-9 as described below:

- 1 • Tariff Sheet No. 2-1, paragraph 1, was revised to add the location of the on-
- 2 line tariff.
- 3 • Tariff Sheet No. 2-2, paragraph 4B, 1 through 4, Criteria for Waiver of
- 4 Deposit Requirement was revised for clarification. The language was
- 5 modified to define what the Company considers to be “satisfactory payment
- 6 criteria”. If the customer complies with the satisfactory payment criteria the
- 7 Company may waive the deposit requirements;
- 8 • Tariff Sheet No. 2-3, paragraph 4D, Additional or Supplemental Deposit
- 9 Requirement was modified to allow the Company the ability to impose
- 10 additional deposit requirements for non-residential customers who fail to
- 11 maintain a satisfactory payment criteria; it will also allow the Company to
- 12 require an additional or supplemental deposit if the customer’s credit rating
- 13 falls to specific levels as reported by various national credit reporting
- 14 agencies, such as below a “C” level at Value Line, a “BB+” level at Standard
- 15 & Poor’s, a “BB+” level at Fitch, or a “Ba3” level at Moody’s. The
- 16 modification reflects the fact that the current tariff language uses only the
- 17 Value Line criteria and as all customers are not found in Value Line, this was
- 18 not adequate to assure customer ratings;
- 19 • Tariff Sheet No. 2-9, paragraph 17, Denial or Discontinuance of Service
- 20 section, the language has been revised to define an applicant as a customer in
- 21 conformity with the Commission’s definition of a customer;
- 22 • Tariff Sheet No. 2-9, paragraph 19A, clarified that the second line of charges
- 23 should be labeled “2. Reconnect for nonpayment at the end of the day (No

1 “Call Out:” required)”, the third line should be labeled “3. Reconnect for
2 nonpayment when a “Call Out” is required”, and the sixth line down labeled
3 “2” should be labeled “4”; and
4 • Tariff Sheet No. 2-10, paragraphs 19B Returned Check Charges and 19C
5 Meter Test Charges have been revised so the rates more closely match current
6 costs.

Terms and Conditions of Service
Special or Nonrecurring Charges

7 **Q: WHAT ARE SPECIAL OR NONRECURRING CHARGES?**

8 A: Special or Nonrecurring charges are charges to customers due to a specific request
9 for certain types of services for which, when the activity is completed, no
10 additional charges will be incurred. Such charges are intended to be limited in
11 nature and to recover the specific cost of the activity.

12 **Q: DOES THE COMPANY HAVE ANY SPECIAL CHARGES CURRENTLY**
13 **IN ITS TERMS AND CONDITIONS OF SERVICE?**

14 A: Yes. The Company currently has four categories of Special Charges. They are:
15 (1) reconnect for nonpayment charge, (2) termination or field trip charge, (3)
16 returned check charge, and (4) meter test charge. The existing Special Charges
17 were last modified in Case No. 2005-00431. The Company sought to modify the
18 Special Charges in the last base rate case, Case No. 2009-00459, but the Special
19 Charges were not changed due to the settlement in that case.

1 **Q: DOES THE COMPANY HAVE DIFFERENT CHARGES WITHIN THE**
2 **RECONNECT FOR NONPAYMENT CATEGORY?**

3 **A:** Yes. The Company has the following four categories of reconnect for
4 nonpayment:

- 5 1. Reconnect for non-payment during regular hours;
- 6 2. Reconnect for non-payment at the end of the day (No "Call Out" required);
- 7 3. Reconnect for non-payment when a "Call-Out" is required; and
- 8 4. Reconnect for non-payment when double time is required (Sunday and
9 Holiday).

10 **Q: WHY DOES THE COMPANY HAVE FOUR DIFFERENT RECONNECT**
11 **FOR NONPAYMENT CHARGES?**

12 **A:** The four different charges reflect the unique costs associated with each of the four
13 types of reconnections. For example, when the Company reconnects a customer
14 after normal business hours, an employee is "called out" and the Company is
15 obligated to pay that employee time and half for a minimum of two hours. When
16 the Company reconnects a customer on a Sunday or a Holiday, an employee is
17 called out and the Company is obligated to pay the employee double time for a
18 minimum of two hours. Also, the Company incurs different costs depending upon
19 the time of day (or night) the work is performed. The intent of the Special
20 Charges is to assign the cost incurred by the Company to perform the specific
21 activity to the customer who required the Company to incur those costs. The
22 customer has the ability to decide what charge to be incurred.

1 **Q: HOW WERE THE AMOUNTS OF THE DIFFERENT SPECIAL**
2 **CHARGES DETERMINED?**

3 A: The methodology used to determine the Special Charges is the same methodology
4 that has been used in prior rate cases. Using data and information supplied by the
5 field employees and their supervisors, the average time to perform the different
6 activities was calculated. The Company then aggregated the total labor costs,
7 transportation costs, fringe benefit costs and any other associated cost incurred to
8 arrive at the total cost to perform each of the different activities listed on Exhibit
9 LPM-5. Where it differed, the Company also calculated the costs incurred based
10 upon the amount of time the Company is required to pay the employee for
11 performing a service. For example, on reconnections requiring a call out at night,
12 on weekends, or on holidays, the minimum hours that can be logged by the
13 worker is two hours. Accordingly, for the same reconnection, the cost varies from
14 \$39.99 during regular hours, to \$46.01 when it goes into overtime, to nearly
15 double or \$82.54 for a weekday call-out when 2 hours are required instead of just
16 one hour, and finally \$107.94 for a weekend or holiday call-out which requires
17 payment of double time.

18 **Q: WHAT IS THE ADDITIONAL ANNUAL REVENUE THE COMPANY**
19 **WOULD ANTICIPATE BY INCREASING THE SPECIAL CHARGES?**

20 A: If the proposed changes to the Special Charges were in effect for the twelve
21 months ending March 31, 2013, and the number of transactions for each activity
22 remained the same, the total increase in the Company's Special Charges revenue
23 would have been \$585,947, shown on Exhibit LPM-5, page 1. A breakdown of

1 this increase in Special Charges revenue by type of charge and customer class is
2 shown on Exhibit LPM-5, pages 2-4.

Bill Format

3 **Q. ARE THERE ANY CHANGES TO THE COMPANY'S CURRENT BILL**
4 **FORMAT BEING PROPOSED IN THIS PROCEEDING?**

5 A. Yes. Changes are being proposed to Kentucky Power's Residential and Small
6 Commercial Bill Form, Tariff Sheet No. 2-11, and the Large Commercial and
7 Industrial Bill Form, Tariff Sheet No. 2-13, to add two new lines for these
8 charges:

- 9 • Tariff P.J.M.R., the PJM Rider, Tariff Sheet Nos. 30-1 and 30-2, and
- 10 • Tariff P.P.A., the Purchased Power Adjustment, Tariff Sheet No. 35-1.

11 The addition of specific lines for each of these charges maintains the transparency
12 that the Commission has required for our customers.

Changes to the Company's Current Tariffs

13 **Q. IS KENTUCKY POWER PROPOSING ANY CHANGES TO EXISTING**
14 **TARIFFS?**

15 A. Yes. In addition to the tariff sheets identified above, and those sheets requiring
16 rate updates, the Company is proposing the following changes:

- 17 1. Tariff F.A.C. Tariff Sheet No. 5-2 is being revised to acknowledge the
18 most recent fuel case order that authorized the 2.840 cents per kWh base
19 and correct the typographical "\$" error in paragraph 13 that shows the
20 base rate as \$2.840 cents per kilowatt hour. Also, for clarity, the last

- 1 paragraph on Sheet No. 5-2 is being removed because it discusses a May-
2 June 2009 rate change that has already been put into effect;
- 3 2. Add language to availability to note that Volunteer Fire Departments may
4 take service under residential Tariff R.S. Tariff Sheet No. 6-1 through 6-3;
- 5 3. Replace language to explain availability as follows: "This tariff is
6 available for single-phase, residential service. Where the residential
7 customer requests three-phase service, this tariff will apply if the
8 residential customer pays to the Company the difference between
9 constructing sing-phase service and three-phase service. Where motors or
10 heating equipment are used for commercial or industrial purposes, the
11 applicable general service tariff will apply to such service" on Tariff R.S.
12 Tariff Sheet No. 6-3, Tariff R.S.-L.M.-T.O.D. Tariff Sheet No. 6-5, and
13 Tariff R.S.-T.O.D. Tariff Sheet No. 6-7;
- 14 4. In conjunction with previous bullet, remove "single-phase" availability
15 requirement from Tariff R.S.-L.M.-T.O.D. Tariff Sheet No. 6-4, Tariff
16 R.S.-T.O.D. Tariff Sheet No. 6-6, and Tariff R.S.-T.O.D.2 Tariff Sheet
17 No. 6-8, so the tariff may apply to residential customers with three-phase
18 service;
- 19 5. Add language to Tariff S.G.S. Tariff Sheet No. 7-1 and Tariff S.G.S.-
20 T.O.D. Tariff Sheet No. 7-3 to limit this tariff to metered customers being
21 served at a secondary distribution voltage because the rate was designed
22 for secondary service. Under Availability of Service the Company has
23 added the following grandfather clause "Existing customers not meeting

1 the above criteria will be permitted to continue service under present
2 conditions only for continuous service at the premises occupied on or prior
3 to June 28, 2013.”;

- 4 6. The Company has added the following grandfather clause to Tariff S.G.S.
5 Tariff Sheet No. 7-2 under Optional Unmetered Service Provision that
6 “Existing customers will be permitted to continue service under present
7 conditions only for continuous service at the premises occupied on or prior
8 to June 28, 2013 with the exception of temporary service granted to street
9 fairs or city holiday lighting”;

Outdoor Lighting Tariff (O.L.)

10 **Q: ARE THERE ANY PROPOSED CHANGES TO THE TERMS AND**
11 **CONDITIONS FOR THE OUTDOOR LIGHTING TARIFF?**

12 A: The Company is proposing to clarify the Terms of Initial Service on Sheet No.
13 14-2 by adding a sentence that states “If early termination is requested, the
14 customer will be billed for the remainder of the first year.” In keeping consistent
15 with cost-causation principles, it is important that the cost for installing a new
16 outdoor light is paid by the customer that requested that installation instead of the
17 Company’s other customers.

Cable Television Pole Attachment Tariff (C.A.T.V.)

18 **Q: PLEASE DESCRIBE THE ADDITIONS TO THE C.A.T.V. TARIFF.**

19 A: The Company made several changes to the language of Tariff C.A.T.V. The
20 Company provided more clarity to the Availability of Service and provided a
21 definition of attachment and for when and how the two-party and three-party rates

1 apply. The Company increased the number of days for an account to be paid from
2 15 to 30 days, modified the length of time required to inform the customer if its
3 application has been accepted and to what extent any special conditions are being
4 imposed is being extended from 21 to 45 days (as requested by Kentucky Power
5 customers during recent customer meetings), revised the period in which
6 insurance carrier must notify the Company of a cancellation or material change in
7 the policy is being lengthened from 14 to 30 days; and lengthened the period for
8 advanced billing from 15 to 30 days. On Tariff Sheet No. 16-3, under the
9 Unauthorized Attachment section, the Company is clarifying that it reserves the
10 right to make periodic inspections to check for unrequested, unauthorized and
11 unsafe attachments.

Tariffs COGEN/SPP I and COGEN/SPP II

12 **Q: PLEASE DESCRIBE THE ADDITIONS TO THE COGEN/SPP TARIFFS.**

13 A: Tariff Sheet Nos. 17-1 and 18-1, Tariff COGEN/SPP I and II, respectively, under
14 Monthly Metering Charge Option 1, are being revised to state "Option 1 – The
15 customer does not sell electricity to the Company." The Company uses AMR
16 meters that no longer require a detent to prevent reverse rotation, so that wording
17 is being removed under the Monthly Metering Charge section.

18 Also, on page 3 under Capacity Credit B.(2), the calculation of the on-
19 peak metered average capacity is being modified to correct an arithmetic error in
20 the current tariff. The revised tariff calculates the on-peak metered average
21 capacity by dividing the on-peak kWh delivered to the Company or produced by
22 COGEN/SPP facilities divided by 303 instead of 327 as in the current tariff.

1 Because there are no customers on this tariff, the error in the current tariff has had
2 no adverse effect.

Tariff S.S.C. – System Sales Clause

3 **Q. IS THE COMPANY PROPOSING CHANGES TO TARIFF S.S.C.?**

4 A. Yes. Company Witness Wohnhas addresses revisions to Kentucky Power's Tariff
5 S.S.C., System Sales Clause, Tariff Sheet Nos. 19-1 and 19-2.

6 **Tariff D.S.M.C. - Demand-Side Management Adjustment Clause**

7 **Q: PLEASE DESCRIBE THE REVISIONS TO THE D.S.M.C. TARIFF.A:**

8 The Company requests the following revisions be made to the tariff. On
9 Sheet No. 22-1 under Rate Section, 2. a. the wording has been changed to clarify
10 the role of the Collaborative and to explain that the costs are not limited to those
11 stated in the example. Sheet No. 22-3 was revised to clarify that the local
12 community action agency is responsible for administering the guidelines. Sheet
13 No. 22-7 was revised to remove LED holiday lights, LED nightlights and
14 ENERGY STAR® ceiling fans, as well as revise the rebate to \$1 for standard
15 bulbs and \$1.50 for specialty bulbs. Sheet No. 22-11 was revised to eliminate
16 availability to central air conditioning systems, eliminate achieving peak
17 efficiency through an equipment upgrade, and lower the incentives to \$30 for both
18 residential and commercial customers that qualify. Sheet No. 22-13 was revised
19 to clarify what measures are covered by the program.

Tariff N.U.G. – Non-Utility Generator

1 **Q. WHAT REVISIONS BEING PROPOSED TO THE COMPANY'S**
2 **EXISTING TARIFF N.U.G.?**

3 A. Because of the differences in those customers that would request Tariff N.U.G.,
4 and the customer-specific terms that may be necessary during Startup, a contract
5 is required for each customer under the Startup Power Service section. The
6 Company has removed the Monthly Transmission and Distribution Rates under
7 that section to accommodate the differences and will now include those rates in
8 the customer's contract, similar to the way generation rates are treated.

Tariff N.M.S. – Net Metering Service

9 **Q. WHAT REVISIONS BEING PROPOSED TO THE COMPANY'S**
10 **EXISTING TARIFF N.M.S.?**

11 A. On Tariff Sheet Nos. 27-9 and 27-15 of Tariff N.M.S. the Company designee is
12 being changed to a position so that the tariff does not require changes anytime the
13 personnel holding that position are changed.

Environmental Surcharge Tariff

14 **Q: IS THE COMPANY PROPOSING TO CHANGE THE BASE AMOUNT OF**
15 **ENVIRONMENTAL COSTS REFLECTED IN THE ENVIRONMENTAL**
16 **SURCHARGE MONTHLY CALCULATIONS?**

17 A: Yes. The Company is proposing to change the base level of monthly
18 environmental costs reflected in the Environmental Surcharge Charge Tariff to the
19 actual monthly levels during the twelve months ended March 31, 2013, less the
20 AEP Pool-related costs, plus the 50% of the Mitchell Plant environmental costs.

1 The monthly adjusted amounts, which total \$102,089,956, are shown on Exhibit
2 LPM-4, while the monthly detailed filings are attached as Exhibits LPM-6 and
3 LPM-7.

4 **Q: WHAT OTHER CHANGES TO THE TARIFF ARE BEING**
5 **REQUESTED?**

6 A: The Company has also revised Sheets 29-4 thru 29-5 to eliminate the qualifying
7 environmental projects that were included for the AEP Pool that are no longer
8 necessary with the elimination of the AEP Pool as of January 1, 2014. The
9 Mitchell Plant projects remain in the tariff since Kentucky Power will file for
10 50% of those projects in their monthly environmental filings beginning with
11 expense month January 1, 2014.

12 **Q: HAVE YOU PREPARED A NEW SET OF E.S. FORMS FOR USE IN**
13 **FUTURE FILINGS.**

14 A: Yes. The E.S. Forms attached to my testimony as Exhibit LPM-8 have been
15 prepared for future filing beginning with expense month of January 2014. The
16 forms exclude the AEP Pool expenses that were previously calculated on ES
17 Form 3.14 pages 1 through 11. They include the addition of the Mitchell Plant on
18 revised ES Form 3.0 as well as new page 2 of 2 for each of the following ES
19 Forms 3.10, 3.11, 3.12 A, 3.12 B and 3.13.

20 **Rider A.F.S. – Alternate Feed Service Rider**

21 **Q: PLEASE DESCRIBE THE REVISIONS TO THE A.F.S. RIDER.**

1 A: The A.F.S. Rider on Tariff Sheet No. 32-1 was modified to make clear that to
2 qualify for A.F.S. both a redundant distribution line and a redundant distribution
3 station transformer are required.

4 **Q: DOES THIS CONCLUDE YOUR PRE-FILED DIRECT TESTIMONY?**

5 A: Yes.

**Kentucky Power Company
Rockport Extension Revenue Allocation
Using the twelve months ended
March 31, 2013 Revenues**

Ln. No. (1)	Tariffs (2)	Billed Revenues (3)	Percent of Revenue (4)	Allocated \$6.2 Million (5)	Twelve Months Ended March 31, 2013 kWh Sales (6)	kWh Rate All Other Customers (7)	kWh Rate CIP-TOD Customers (8)
1	Residential	\$ 204,590,686	40.68%	\$ 2,522,160	2,278,594,532		
2	SGS	\$ 16,623,787	3.30%	\$ 204,600	138,576,139		
3	MGS	\$ 51,764,041	10.29%	\$ 637,980	514,370,315		
4	LGS	\$ 61,431,087	12.21%	\$ 757,020	708,451,167		
5	OL	\$ 7,341,608	1.46%	\$ 90,520	43,162,441		
6	SL	\$ 1,271,437	0.25%	\$ 15,500	8,492,146		
7	MW	\$ 347,999	0.07%	\$ 4,340	4,228,558		
8	QP	\$ 45,910,711	9.13%	\$ 566,060	695,653,517		
9	CIP-TOD	<u>\$ 113,719,684</u>	<u>22.61%</u>	<u>\$ 1,401,820</u>	<u>2,350,628,400</u>		
10	Total	<u>\$ 503,001,040</u>	<u>100.00%</u>	<u>\$ 6,200,000</u>	<u>6,742,157,215</u>		
11	New Rate					<u>\$0.001092</u>	<u>\$0.000596</u>

Kentucky Power Company
Capacity Charge Tariff Revenues
April 1, 2012 through March 31, 2013

Ln No (1)	Month (2)	Year (3)	Total Ky Retail Billed & Accrued kWh (4)	Ky Retail CIP - TOD* Billed & Accrued kWh (5)	CIP - TOD Capacity Charge Rate Per kWh (6)	Ky Retail All Other Billed & Accrued kWh (7) = (4) - (5)	All Other Capacity Charge Rate Per kWh (8)	Total (9)
1	April	2012	493,538,199	197,065,116	\$0.000667	296,473,083	\$0.000970	\$419,021
2	May	2012	541,622,573	202,607,811	\$0.000667	339,014,762	\$0.000970	\$463,984
3	June	2012	515,293,039	187,813,084	\$0.000667	327,479,955	\$0.000970	\$442,927
4	July	2012	572,828,111	175,837,775	\$0.000667	396,990,336	\$0.000970	\$502,364
5	August	2012	548,513,905	197,138,333	\$0.000667	351,375,572	\$0.000970	\$472,326
6	September	2012	470,754,050	175,540,841	\$0.000667	295,213,209	\$0.000970	\$403,443
7	October	2012	537,440,045	197,880,840	\$0.000667	339,559,205	\$0.000970	\$461,359
8	November	2012	570,550,469	196,786,385	\$0.000667	373,764,084	\$0.000970	\$493,808
9	December	2012	601,025,479	187,587,304	\$0.000667	413,438,175	\$0.000970	\$526,156
10	January	2013	658,278,583	198,757,164	\$0.000667	459,521,419	\$0.000970	\$578,307
11	February	2013	582,916,602	166,109,698	\$0.000667	416,806,904	\$0.000970	\$515,098
12	March	2013	607,159,071	181,981,997	\$0.000667	425,177,074	\$0.000970	\$533,804
13	Total		<u>6,699,920,126</u>	<u>2,265,106,348</u>		<u>4,434,813,778</u>		<u>\$5,812,596</u>

* Usage billed under Tariff RTP for customers who are usually on the CIP-TOD Tariff has been included in Column (5)

**Kentucky Power Company
Analysis of
Over/(Under) Recovery of Fuel
Test Year Ended March 31, 2013**

Ln No	Month	Year	Generation Month KWH Sales	Billed Olive Hill Vanceburg Sales	Juris. KWH Sales (C3-C4)	Total Company Fuel Cost	Juris. Fuel Cost (C5*C10)	Deferred Fuel	Juris. Total Fuel Cost (C7+C8)	Cents Per kWh (C9/C3)	Billed and Accrued KWH	Base Fuel	F.A.C.	Base Fuel Revenue (C11*C12)	F.A.C. Revenue (C11*C13)	Total Fuel Revenue (C14+C15)	Over/(Under) Recovery of Fuel (C16-C9)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
1	February	2012	813,200,000		813,200,000	\$14,703,812	\$14,703,812		\$14,703,812	0.02398	599,237,400	0.02840					
2	March	2012	533,620,000		533,620,000	\$11,794,772	\$11,794,772		\$11,794,772	0.02210	545,635,756	0.02840	(0.00630)				
3	April	2012	501,737,000	6,587,584	495,149,416	\$12,181,090	\$12,021,158	(\$2,960,766)	\$9,060,392	0.02428	493,538,199	0.02840	(0.00412)	\$14,016,485	(\$2,181,439)	\$11,835,046	\$2,774,654
4	May	2012	532,992,000	7,290,304	525,701,696	\$15,342,852	\$15,132,991	(\$546,237)	\$14,586,754	0.02879	541,622,573	0.02840	0.00039	\$15,382,081	(\$3,412,222)	\$11,969,859	(\$2,616,895)
5	June	2012	532,190,000	7,503,771	524,686,229	\$15,093,974	\$14,881,152	(\$2,682,856)	\$12,198,296	0.02836	515,293,039	0.02840	(0.00004)	\$14,634,322	(\$2,123,007)	\$12,511,315	\$313,019
6	July	2012	574,282,000	8,880,923	565,401,077	\$17,470,634	\$17,200,461	(\$2,435,210)	\$14,765,251	0.03042	572,828,111	0.02840	0.00202	\$16,268,318	\$223,403	\$16,491,721	\$1,726,470
7	August	2012	563,180,000	8,256,554	554,923,446	\$17,546,584	\$17,289,341	(\$1,432,231)	\$15,857,110	0.03116	548,513,905	0.02840	0.00276	\$15,577,795	(\$21,941)	\$15,555,854	(\$301,256)
8	September	2012	458,278,000	6,853,698	451,424,302	\$12,859,860	\$12,667,537	\$4,095,047	\$16,762,584	0.02806	470,754,050	0.02840	(0.00034)	\$13,369,415	\$950,923	\$14,320,338	(\$2,442,246)
9	October	2012	524,802,000	6,862,120	517,939,880	\$14,536,082	\$14,346,013	\$4,189,687	\$18,535,700	0.02770	537,440,045	0.02840	(0.00070)	\$15,263,297	\$1,483,335	\$16,746,632	(\$1,789,068)
10	November	2012	587,678,000	8,164,288	579,513,712	\$12,738,624	\$12,581,653	\$4,164,115	\$16,725,768	0.02168	570,550,469	0.02840	(0.00672)	\$16,203,633	(\$193,987)	\$16,009,646	(\$716,122)
11	December	2012	619,547,000	8,886,086	610,660,914	\$20,256,025	\$19,965,495	(\$2,541,182)	\$17,424,313	0.03269	601,025,479	0.02840	0.00429	\$17,069,124	(\$420,718)	\$16,648,406	(\$775,907)
12	January	2013	682,479,000	9,748,662	672,730,338	\$16,045,204	\$15,816,011	(\$2,979,207)	\$12,836,804	0.02351	658,278,583	0.02840	(0.00489)	\$18,695,112	(\$4,423,632)	\$14,271,480	\$1,434,676
13	February	2013	606,955,000	8,695,269	598,259,731	\$17,866,105	\$17,610,154	(\$1,359,813)	\$16,250,341	0.02944	582,916,602	0.02840	0.00104	\$16,554,831	\$2,500,712	\$19,055,543	\$2,805,202
14	March	2013	626,039,000	8,948,460	617,090,540	\$17,876,317	\$17,620,797	(\$4,301,403)	\$13,319,394	0.02855	607,159,071	0.02840	0.00015	\$17,243,318	(\$2,969,008)	\$14,274,310	\$954,916
15	April-Mar Total		<u>6,810,159,000</u>	<u>96,677,719</u>	<u>6,713,481,281</u>	<u>\$189,813,351</u>	<u>\$187,112,763</u>	<u>(\$8,790,056)</u>	<u>\$178,322,707</u>		<u>6,699,920,126</u>			<u>\$190,277,731</u>	<u>(\$10,587,581)</u>	<u>\$179,690,150</u>	<u>\$1,367,443</u>

**Kentucky Power Company
Monthly Environmental Costs
Twelve Months Ended March 31, 2013**

Ln No (1)	Month / Year (2)	Monthly Environmental Costs* (3)	Adjustment Due to Pool Ending (4)	Environmental Base w/o AEP-Pool (5)=(3)+(4)	Adjustment Due to Mitchell (6)	Adjusted Environmental Base (7)=(5)+(6)
1	April 2012	\$3,026,068	(\$470,903)	\$2,555,165	\$6,107,377	\$8,662,542
2	May 2012	\$2,391,424	(\$480,034)	\$1,911,390	\$6,296,966	\$8,208,356
3	June 2012	\$2,882,566	(\$472,044)	\$2,410,522	\$6,444,825	\$8,855,347
4	July 2012	\$3,327,923	(\$481,175)	\$2,846,748	\$6,394,492	\$9,241,240
5	August 2012	\$3,236,799	(\$672,884)	\$2,563,915	\$6,223,297	\$8,787,212
6	September 2012	\$2,324,588	(\$619,555)	\$1,705,033	\$5,795,203	\$7,500,236
7	October 2012	\$2,316,161	(\$638,103)	\$1,678,058	\$6,166,300	\$7,844,358
8	November 2012	\$2,344,576	(\$638,105)	\$1,706,471	\$6,275,692	\$7,982,163
9	December 2012	\$2,918,789	(\$663,374)	\$2,255,415	\$6,264,003	\$8,519,418
10	January 2013	\$3,129,219	(\$614,241)	\$2,514,978	\$6,210,917	\$8,725,895
11	February 2013	\$3,543,964	(\$784,902)	\$2,759,062	\$6,040,213	\$8,799,275
12	March 2013	<u>\$3,855,280</u>	<u>(\$786,194)</u>	<u>\$3,069,086</u>	<u>\$5,894,828</u>	<u>\$8,963,914</u>
13	Total	<u>\$35,297,357</u>	<u>(\$7,321,514)</u>	<u>\$27,975,843</u>	<u>\$74,114,113</u>	<u>\$102,089,956</u>
	Less: Pool related WC Cash		(\$1,437)	(\$1,437)		
	Total for Workpaper S-4, page 62		(\$7,320,077)	\$27,977,280		
	Avg Monthly		(\$610,006)			

* Per Monthly ES Form 1.00, Line 1

**Kentucky Power Company
Analysis of Reconnect Charges**

Line No.	Description	Reconnect Regular Hours - Day Shift (1)	Reconnect Into O. T. Hours - Day Shift (2)	Reconnect Call-Out Hours - Day Shift (3)	Reconnect Sunday/ Holidays - Day Shift (4)	Collection Trip Charge (5)	Bad Check Charge (6)	Meter Test Charge (7)	Total Additional Revenues (8)
1	Hours Worked	1.0	1.0	2.0	2.0	0.6	0.0	1.5	
2	Transportation Hours	1.0	1.0	0.8	0.8	0.6	0.0	1.5	
3	Hourly Labor Rate	22.56	22.56	22.56	22.56	22.56	0.00	25.95	
4	Overtime Adj.	0.00	11.28	11.28	22.56	0.00	0.00	0.00	
5	Hourly Labor Rate W/O.T. (Line 3 + Line 4)	22.56	33.84	33.84	45.12	22.56	0.00	25.95	
6	Labor Cost (Line 1 * Line 5)	22.56	33.84	67.68	90.24	13.54	3.12	38.93	
7	Transportation Hourly Rate	7.91	7.91	7.91	7.91	7.91	0.00	7.91	
8	Trans. Cost (Line 7 * Line 2)	7.91	7.91	6.33	6.33	4.75	0.00	11.87	
9	Fringe Benefits Rate	0.4220	0.1260	0.1260	0.1260	0.4220	0.4220	0.4220	
10	Benefits Cost (Line 6 * Line 9)	9.52	4.26	8.53	11.37	5.71	1.32	16.43	
11	Bank Fees						4.39		
12	Total Cost (Line 6 + Line 8 + Line 10 + Line 11 = Line 12)	39.99	46.01	82.54	107.94	24.00	8.83	67.23	
13	Suggested Charge	40.00	47.00	83.00	108.00	24.00	9.00	68.00	
14	Current Charge	12.94	17.26	35.95	44.58	8.63	7.00	14.38	
15	Increase/(Decrease)	\$27.06	\$29.74	\$47.05	\$63.42	\$15.37	\$2.00	\$53.62	
16	12 Month 03/31/13 Actual No. of Trans.	5,462	363	289	23	26,438	1,898	40	
17	Total Additional Revenues	\$147,802	\$10,796	\$13,597	\$1,459	\$406,352	\$3,796	\$2,145	\$585,947
18	Less: State Income Tax at 6.00%								\$35,157
19	Less: Federal Tax At 35%								\$192,777
20	Net Income Effect								\$358,013
21	13 Month Average Equity as of March 31, 2013								\$475,709,589
22	Effect on Return on Equity (Line 20 / Line 21)								0.08%

Kentucky Power Company
Twelve Months Ended March 31, 2013
Non-Recurring Charges
Monthly Break Down with Proposed Increase

Ln No	Description	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12	Jan 13	Feb 13	Mar 13	Total	Proposed Increase	Proposed Increase Per Class
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
\$12.94 Reconnect Charge																
1	Residential	477	649	552	257	678	520	732	241	270	222	320	210	5,128	\$27.06	\$138,764
2	Commerical	17	34	34	14	29	33	42	30	25	24	23	24	329	\$27.06	\$8,903
3	Public Authority	1						1						2	\$27.06	\$54
4	Industrial											2	1	3	\$27.06	\$81
5	Total	495	683	586	271	707	553	775	271	295	246	345	235	5,462		\$147,802.00
\$17.26 into Overtime																
6	Residential	32	41	42	15	36	43	55	19	23	13	22	12	353	29.74	\$10,498
7	Commerical	1					3	1		2		1	2	10	29.74	\$297
8	Total	33	41	42	15	36	46	56	19	25	13	23	14	363	29.74	\$10,795
\$35.95 Call Out																
9	Residential	24	23	35	12	41	37	42	9	13	11	15	15	277	47.05	\$13,033
10	Commerical	1	2			4	3		1	1				12	47.05	\$565
11	Industrial	0	0	0	0	0	0	0	0	0	0	0		0	47.05	\$0
12	Total	25	25	35	12	45	40	42	10	14	11	15	15	289		\$13,598
\$44.58 Sun. Holiday																
13	Residential	3	2	1	2	1	5	0	1	1	1	3	3	23	63.42	\$1,459
14	Commerical	0	0	0	0	0	0	0	0	0	0	0	0	0	63.42	\$0
15	Total	3	2	1	2	1	5	0	1	1	1	3	3	23	63.42	\$1,459
\$8.63Collection Trip																
16	Residential	2,344	2,204	2,221	1,752	2,697	1,787	2,237	1,823	1,563	2,583	2,685	207	24,103	15.37	\$370,463
17	Commerical	203	212	186	170	253	168	235	202	151	232	224	0	2,236	15.37	\$34,367
18	Public Authority	9	7	5	12	12	11	2	0	0	0	0	3	61	15.37	\$938
19	School	0	0	0	0	0	0	0	0	0	0	0	0	0	15.37	\$0
20	Industrial	4	4	2	2	1	2	2	2	1	3	4	3	30	15.37	\$461
21	Mine Power		1		1		3					1	1	7	15.37	\$108
22	Public Street Lights			1										1	15.37	\$15
23	Total	2560	2428	2415	1937	2963	1971	2476	2027	1715	2818	2914	214	26,438		\$406,352
\$7.00 Bad Check Charge																
24	Residential	133	147	139	138	159	149	174	161	117	165	146	118	1,746	2.00	\$3,492
25	Commerical	12	15	6	12	13	14	16	12	10	20	12	9	151	2.00	\$302
26	Public Authority												0	0	2.00	\$0
27	Industrial	0	1	0	0	0	0	0	0	0	0	0		1	2.00	\$2
28	Mine Power													0	2.00	\$0
29	Total	145	163	145	150	172	163	190	173	127	185	158	127	1,898		\$3,796
\$14.38 Meter Test																
30	Residential	2	1	3		2	4	2	1	3	3	8	5	34	53.62	\$1,823
31	Commerical	0			1				1	1		1	1	5	53.62	\$268
32	Public Authority					1							0	1	53.62	\$54
33	Total	2	1	3	1	3	4	2	2	4	3	9	6	40		\$2,145
34	Total															\$585,947

Kentucky Power Company
Non-Recurring Charges at Proposed Rates
by Customer Class
Twelve Months Ended March 31, 2013

Ln No	Description	Reconnect \$40.00 Charge	Reconnect \$47.00 Charge	Reconnect \$83.00 Charge	Reconnect \$108.00 Charge	Collection Trip \$24.00 Charge	Bad Check \$9.00 Charge	Meter Test \$68.00 Charge	Class Revenue Increase	Twelve Month March 31, 2013 Billed & Accrued Revenue	Class Total Percent Change
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1	Residential	\$138,764	\$10,498	\$13,033	\$1,459	\$370,463	\$3,492	\$1,823	\$539,532	\$212,641,024	0.2537%
2	Commerical	\$8,903	\$297	\$565	\$0	\$34,367	\$302	\$268	\$44,702	\$92,618,620	0.0483%
3	Public Authority	\$54	\$0	\$0	\$0	\$938	\$0	\$54	\$1,046	\$17,490,374	0.0060%
4	School	\$0	\$0	\$0	\$0	\$0	\$2	\$0	\$2	\$16,799,448	0.0000%
5	Industrial	\$81	\$0	\$0	\$0	\$461	\$0	\$0	\$542	\$110,884,512	0.0005%
6	Mine Power	\$0	\$0	\$0	\$0	\$108	\$0	\$0	\$108	\$51,376,545	0.0002%
7	Public Street Lighting	\$0	\$0	\$0	\$0	\$15	\$0	\$0	\$15	\$1,535,553	0.0010%
8	Total	<u>\$147,802</u>	<u>\$10,795</u>	<u>\$13,598</u>	<u>\$1,459</u>	<u>\$406,352</u>	<u>\$3,796</u>	<u>\$2,145</u>	<u>\$585,947</u>	<u>\$503,346,076</u>	<u>0.1164%</u>

Kentucky Power Company
 Twelve Months Ended March 31, 2013
 Non-Recurring Charges
 Monthly Break Down at Current Rates

Ln No	Description	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12	Jan 13	Feb 13	Mar 13	Total	Test Year Rate	Test Year Revenue Per Class
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
\$12.94 Reconnect Charge																
1	Residential	477	649	552	257	678	520	732	241	270	222	320	210	5,128	\$12.94	\$66,356.32
2	Commerical	17	34	34	14	29	33	42	30	25	24	23	24	329	\$12.94	\$4,257.26
3	Public Authority	1						1						2	\$12.94	\$26.00
4	Industrial											2	1	3	\$12.94	\$38.82
5	Total	495	683	586	271	707	553	775	271	295	246	345	235	5,462		\$70,678.40
\$17.26 into Overtime																
6	Residential	32	41	42	15	36	43	55	19	23	13	22	12	353	17.26	\$6,092.78
7	Commerical	1					3	1		2		1	2	10	17.26	\$172.60
8	Total	33	41	42	15	36	46	56	19	25	13	23	14	363		\$6,265.38
\$35.95 Call Out																
9	Residential	24	23	35	12	41	37	42	9	13	11	15	15	277	35.95	\$9,958.15
10	Commerical	1	2			4	3		1	1				12	35.95	\$431.40
11	Industrial	0	0	0	0	0	0	0	0	0	0	0		0	35.95	\$0.00
12	Total	25	25	35	12	45	40	42	10	14	11	15	15	289		\$10,389.55
\$44.58 Sun. Holiday																
13	Residential	3	2	1	2	1	5	0	1	1	1	3	3	23	44.58	\$1,025.34
14	Commerical	0	0	0	0	0	0	0	0	0	0	0	0	0	44.58	\$0.00
15	Total	3	2	1	2	1	5	0	1	1	1	3	3	23		\$1,025.34
\$8.63 Collection Trip																
16	Residential	2,344	2,204	2,221	1,752	2,697	1,787	2,237	1,823	1,563	2,583	2,685	207	24,103	8.63	\$208,008.89
17	Commerical	203	212	186	170	253	168	235	202	151	232	224	0	2,236	8.63	\$19,296.68
18	Public Authority	9	7	5	12	12	11	2	0	0	0	0	3	61	8.63	\$526.43
19	School	0	0	0	0	0	0	0	0	0	0	0	0	0	8.63	\$0.00
20	Industrial	4	4	2	2	1	2	2	2	1	3	4	3	30	8.63	\$258.90
21	Mine Power		1		1		3					1	1	7	8.63	\$60.41
22	Public Street Lights			1										1	8.63	\$8.63
23	Total	2560	2428	2415	1937	2963	1971	2476	2027	1715	2818	2914	214	26,438		\$228,159.94
\$7.00 Bad Check Charge																
24	Residential	133	147	139	138	159	149	174	161	117	165	146	118	1,746	7.00	\$12,222.00
25	Commerical	12	15	6	12	13	14	16	12	10	20	12	9	151	7.00	\$1,057.00
26	Public Authority												0	0	7.00	\$0.00
27	Industrial	0	1	0	0	0	0	0	0	0	0	0		1	7.00	\$7.00
28	Mine Power													0	7.00	\$0.00
29	Total	145	163	145	150	172	163	190	173	127	185	158	127	1,898		\$13,286.00
\$14.38 Meter Test																
30	Residential	2	1	3		2	4	2	1	3	3	8	5	34	14.38	\$488.92
31	Commerical	0			1				1	1		1	1	5	14.38	\$71.90
32	Public Authority					1								1	14.38	\$14.38
33	Total	2	1	3	1	3	4	2	2	4	3	9	6	40		\$575.20
34	Total															\$330,379.81

Revised - April 16, 2013

ES FORM 1.00

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CALCULATION OF E(m) and SURCHARGE FACTOR
For the Expense Month of April 2012

<u>CALCULATION OF E(m)</u>		Remove Pool 4/16/2013	Filed Amount	Difference
E(m) = CRR - BRR				
LINE 1	CRR from ES FORM 3.00	\$2,555,165	\$3,026,068	\$470,903
LINE 2	Brr from ES FORM 1.10	3,647,040	3,647,040	0 1/
LINE 3	E(m) (LINE 1 - LINE 2)	(\$1,091,875)	(\$620,972)	\$470,903
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	80.4%	80.4%	0.0%
LINE 5	KY Retail E(m) (LINE 3 * LINE 4)	(\$877,867)	(\$499,261)	\$378,606
LINE 6	(Over) / Under Recovery Adjustment from ES FORM 3.30	(\$17,621)	(\$17,621)	\$0
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	(\$895,488)	(\$516,882)	\$378,606
<u>SURCHARGE FACTOR</u>				
LINE 8	Net KY Retail E(m) (Line 7)	(\$895,488)	(\$516,882)	\$378,606
LINE 9	KY Retail R(m) from ES FORM 3.30	\$35,695,838	\$35,695,838	\$0
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	-2.5087%	-1.4480%	1.0607%

Effective Date for Billing: May 30, 2012

Submitted By : _____

Title : Manager Regulatory Services

Date Submitted : May 18, 2012

1/ Case No. 2009-00459, dated June 28, 2010

Revised - September 24, 2012

ES FORM 3.00

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT
For the Expense Month of April 2012

CALCULATION OF CURRENT PERIOD REVENUE REQUIREMENT

LINE NO.	COMPONENTS	Revised Amount		As Filed	
1	First Component: Associated with Big Sandy Plant ((RB KP(C)) (ROR KP(C)/12)) + OE KP(C) ES FORM 3.10, Line 20		\$2,507,647		\$2,978,550
2	Second Component: Associated with Rockport Plant (((RB IM(C)) (ROR IM(C)/12)) + OE IM(C)) ES FORM 3.20, Line 16		\$47,518		\$47,518
	Third Component: Net Proceeds from Emission Allowances Sales AS				
	1) SO ₂ - EPA Auction Proceeds received during Expense Month		\$0		\$0
	2) SO ₂ - Net Gain or (Loss) from Allowance Sales, in compliance with the AEP Interim Allowance Agreement, received during Expense Month		\$0		\$0
	Total Net Proceeds from SO ₂ Allowances		\$0		\$0
	1) NO _x - ERC Sales Proceeds, received during Expense Month		\$0		\$0
	2) NO _x - EPA Auction Proceeds, received during Expense Month		\$0		\$0
	3) NO _x - Net Gain or Loss from NO _x Allowances Sales, received during Expense Month		\$0		\$0
	Total Net Proceeds from NO _x Allowances		\$0		\$0
3	Total Net Gain or (Loss) from Emission Allowance Sales		\$0		\$0
4	Total Current Period Revenue Requirement, CRR Record on ES FORM 1.00.		\$2,555,165		\$3,026,068

Revised - September 24, 2012

ES FORM 3.10

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

For the Expense Month of April 2012

LINE NO.	COST COMPONENT	Revised Amount		As Filed	
	Return on Rate Base :				
1	Utility Plant at Original Cost	\$191,452,443		\$191,452,443	
2	Less Accumulated Depreciation	(\$70,979,118)		(\$70,979,118)	
3	Less Accum. Def. Income Taxes	(\$31,388,015)		(\$31,388,015)	
4	Net Utility Plant		\$89,085,310		\$89,085,310
5	SO2 Emission Allowance Inventory from ES FORM 3.11		\$11,168,228		\$11,168,228
6	ECR & NOx Emission Allowance Inventory from ES FORM 3.12		\$74,535		\$74,535
7	Cash Working Capital Allowance from ES FORM 3.13, Line 13		\$1,871,031		\$1,880,294
8	Total Rate Base		\$102,199,104		\$102,208,367
9	Weighted Average Cost of Capital - ES FORM 3.15	10.85%		10.85%	
10	Monthly Weighted Avg. Cost of Capital (9) / 12		0.90%		0.90%
11	Monthly Return of Rate Base (8) * (10)		\$919,792		\$919,875
	Operating Expenses :				
12	Monthly Depreciation Expense		\$577,252		\$577,252
13	Monthly Catalyst Amortization Expense		\$46,030		\$46,030
14	Monthly Property Taxes		\$13,322		\$13,322
15	Monthly Kentucky Air Emissions Fee		\$10,527		\$10,527
	Monthly Environmental AEP Pool Capacity Costs				
16	from ES FORM 3.14, Page 1 of 11, Column 5, Line 10		\$0		\$470,820
17	Monthly 2003 Plan Non-Fuel O&M Expenses from ES FORM 3.13		\$361,945		\$361,945
18	Monthly SO2 Emission Allowance Consumption		\$578,779		\$578,779
19	Total Operating Expenses [Line 12 thru Line 18]		<u>\$1,587,855</u>		<u>\$2,058,675</u>
20	Total Revenue Requirement - Big Sandy				
	Record on ES FORM 3.00, Line 1		\$2,507,647		\$2,978,550

Revised - April 16, 2013

ES FORM 3.13

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT

For the Expense Month of April 2012

		Revised Amount		As Filed	
	1997 Plan :				
1	Monthly Kentucky Air Emissions Fee	\$10,527		\$10,527	
	Total Monthly AEP Pool				
2	Environmental Capacity Costs	\$0		\$74,100	
3	Monthly SO2 Allowance Consumption	\$578,779		\$578,779	
4	Total 1997 Plan O&M Expenses		\$589,306		\$663,406
	2003 Plan :				
5	Monthly Variable Cladding at Big Sandy Unit 1	\$0		\$0	
6	Monthly Urea Consumption at Big Sandy Unit 2	\$352,211		\$352,211	
7	Monthly Catalyst Replacement at Big Sandy Unit 2	\$0		\$0	
8	Monthly ERC & NOx Allowance Consumption	\$6,413		\$6,413	
9	Equipment - Associated Operating Expenses	\$692		\$692	
10	Equipment - Associated Maintenance Expenses	\$2,629		\$2,629	
11	Total 2003 Plan O&M Expenses		\$361,945		\$361,945
12	KPCO's Rockport Unit Power O&M:				
13	E.S. Form 3.20, Line 11 X 15%		\$2,344		2,344
14	Total Monthly O&M Expenses		\$953,595		\$1,027,695
15	Cash Working Capital Allowance (Line 12 X 1/8)		\$119,199		\$128,462
16	Cash Working Capital Allowance (March 2012 ES Form 3.13)		\$103,761		\$103,761
17	Cash Working Capital Allowance (February 2012 ES Form 3.13)		\$131,408		\$131,408
18	Cash Working Capital Allowance (January 2012 ES Form 3.13)		\$130,956		\$130,956
19	Cash Working Capital Allowance (December 2011 ES Form 3.13)		\$238,235		\$238,235
20	Cash Working Capital Allowance (November 2011 ES Form 3.13)		\$105,378		\$105,378
21	Cash Working Capital Allowance (October 2011 ES Form 3.13)		\$125,673		\$125,673
22	Cash Working Capital Allowance (September 2011 ES Form 3.13)		\$83,681		\$83,681
23	Cash Working Capital Allowance (August 2011 ES Form 3.13)		\$114,073		\$114,073
24	Cash Working Capital Allowance (July 2011 ES Form 3.13)		\$137,469		\$137,469
25	Cash Working Capital Allowance (June 2011 ES Form 3.13)		\$279,734		\$279,734
26	Cash Working Capital Allowance (May 2011 ES Form 3.13)		\$301,464		\$301,464
27	Total Twelve Month Total Cash Working Capital Allowance		\$1,871,031		\$1,880,294

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

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

Line No. (1)	Cost Component (2)	For the Expense Month of April 2012			As Filed		Total (5)
		Ohio Power Company's Environmental Cost to KPCo (3)	Revised Indiana Michigan Power Company's Environmental Cost to KPCo (4)	Ohio Power Company's Environmental Cost to KPCo (3)	Indiana Michigan Power Company's Environmental Cost to KPCo (4)		
1	Amos Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 26)	\$0		\$78,660			
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 24)	\$0		\$58,140			
3	Gavin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 26)	\$0		\$172,140			
4	Kammer Plant Environmental Cost to Kentucky Power FORM 3.14, Page 6 of 11, Line 20) (ES	\$0		\$1,140			
5	Mitchell Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 23)	\$0		\$144,780			
6	Muskingum River Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 20)	\$0		\$13,680			
7	Sporn Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 20)	\$0		\$2,280			
8	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Column 5, Line 21)		\$0		\$0		
9	Tanners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 20)		\$0		\$0		
10	Total AEP Pool Monthly Environmental Capacity Costs to Kentucky Power	\$0	\$0	\$470,820	\$0	\$470,820	

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

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

For the Expense Month of April 2012							
Line No. (1)	Cost Component (2)	Ohio Power Company's (OPCo) Environmental Cost to KPCo (3)	Revised Indiana Michigan Power Company's (I&M) Environmental Cost to KPCo (4)	Total (5)	Ohio Power Company's (OPCo) Environmental Cost to KPCo (3)	As Filed Indiana Michigan Power Company's (I&M) Environmental Cost to KPCo (4)	Total (5)
1	Amos Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 19)	\$0			\$534,202		
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 17)	\$0			\$973,626		
3	Gavin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 17)	\$0			\$6,211,955		
4	Kammer Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 10)	\$0			\$19,398		
5	Mitchell Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 16)	\$0			\$576,054		
6	Muskingum River Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 10)	\$0			\$37,081		
7	Sporn Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 10)	\$0			\$16,272		
8	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Columns 3 & 6, Line 10)		\$0			\$15,625	
9	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Columns 4 & 5, Line 10)		\$0			\$0	
10	Tanners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 10)		\$0			\$15,625	
11	Subtotal	\$0	\$0		\$8,368,588	\$31,250	
12	Steam Capacity By Company - OPCo (Column 3) / I&M (Column 4) (kw)	0	0		12,851,000	5,412,000	
13	Environmental Base (\$/kw)	\$0.00	\$0.00		\$0.65	\$0.01	
14	Company Surplus Weighting	0.00%	0.00%		100.00%	0.00%	
15	Portion of Weighted Average Capacity Rate Attributed to Environmental Fixed O&M Costs	\$0.00	\$0.00		\$0.65	\$0.00	
16	Kentucky Power Capacity Deficit (kw)	0	0		114,000	114,000	
17	Fixed O&M Environmental Cost to Kentucky Power	\$0	\$0	\$0	\$74,100	\$0	\$74,100

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

Revised - April 16, 2013

ES FORM 3.14
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KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT
OHIO POWER COMPANY (OPCo) - AMOS PLANT UNIT NO. 3

For the Expense Month of April 2012

LINE NO.	COST		AMOUNTS
1	Utility Plant at Original Cost	\$0	\$611,422,571
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	1.37%
3	Total Rate Base	\$0	\$8,376,489
4	Ohio Power Company's Percentage Ownership - Environmental Investment	0.00%	100.00%
5	OPCo's Share of Cost Associated with Amos Unit No. 3 (3) X (4)	\$0	\$8,376,489
	Operations :		
6	Disposal (5010000)	\$0	\$56,265
7	Urea (5020002)	\$0	\$208,592
8	Trona (5020003)	\$0	\$173,394
9	Lime Stone (5020004)	\$0	\$176,661
10	Air Emission Fee	\$0	\$11,770
11	Total Operations (Lines 6 thru 10)	\$0	\$626,682
	Maintenance :		
12	SCR Maintenance (5120000)	\$0	\$111,585
13	Scrubber (FGD) Maintenance (5120000)	\$0	\$237,576
14	Total Maintenance (12) + (13)	\$0	\$349,161
15	1/2 of Maintenance (14) * 50%	\$0	\$174,581
16	Fixed O&M (11) + (15)	\$0	\$801,263
17	Ohio Power Company's Percentage Ownership - O&M Cost	0.00%	66.67%
18	OPCo's Share of O&M Cost Associated with Amos Unit No. 3 (16) X (17)	\$0	\$534,202
	Total Revenue Requirement,		
19	Cost Associated with Amos Unit No. 3 (5) + (18)	\$0	\$8,910,691
20	Ohio Power Company Steam Capacity (kw)	0	12,851,000
21	Amos Unit No. 3 Environmental Rate (\$/kw)	\$0.00	\$0.69
22	Ohio Power Surplus Weighing	0.00%	100.00%
23	Portion of Weighted Average Capacity Rate Attributed to Amos Unit No. 3 SCR (\$/kw) (21) * (22)	\$0.00	\$0.69
	Amos Unit No. 3 Costs to Kentucky Power :		
24	Amos Unit No. 3 Portion (\$/kw) (23)	\$0.00	\$0.69
25	Kentucky Power Capacity Deficit (kw)	0	114,000
	Amos Unit No. 3 Environmental Cost to Kentucky Power (24) * (25)		
26	(ES FORM 3.14, Page 1 of 10, Line 1)	\$0	\$78,660

Revised - April 16, 2013

ES FORM 3.14
Page 4 of 11

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

For the Expense Month of April 2012

LINE NO.	COST		AMOUNTS
1	Utility Plant at Original Cost	\$0	\$403,006,219
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	1.37%
3	Total Rate Base	\$0	\$5,521,185
	Operations :		
4	Disposal (5010000)	\$0	\$157,541
5	Lime (5020001)	\$0	\$0
6	Urea (5020002)	\$0	\$184,249
7	Trona (5020003)	\$0	\$132,250
8	Lime Stone (5020004)	\$0	\$388,556
9	Air Emission Fee	\$0	\$8,663
10	Total Operations (Line 4 thru 8)	\$0	\$871,259
	Maintenance :		
11	SCR Maintenance (5120000)	\$0	(\$3,054)
12	Scrubber (FGD) Maintenance (5120000)	\$0	\$207,788
13	Total Maintenance (13) + (14)	\$0	\$204,734
14	1/2 Maintenance (15) * 50%	\$0	\$102,367
15	Fixed O&M (12) + (16)	\$0	\$973,626
	Total Revenue Requirement,		
16	Cost Associated with Cardinal Unit No. 3 (3) + (17)	\$0	\$6,494,811
17	Ohio Power Company's Percentage Ownership	0.00%	100.00%
18	OPCo's Share of Cost Associated with Cardinal Unit No. 1 (18) X (19)	\$0	\$6,494,811
19	Ohio Power Company Steam Capacity (kw)	0	12,851,000
20	Cardinal Unit No. 1 (\$/kw)	\$0.00	\$0.51
21	Ohio Power Surplus Weighing	0.00%	100.00%
22	Portion of Weighted Average Capacity Rate Attributed to Cardinal Unit No. 1 (\$/kw) (22) X (23)	\$0.00	\$0.51
	Cardinal Unit No. 1 Costs to Kentucky Power :		
23	Cardinal Unit No. 1 Portion (\$/kw) (24)	\$0.00	\$0.51
24	Kentucky Power Capacity Deficit (kw)	0	114,000
25	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (25) * (26) (ES FORM 3.14, Page 1 of 10, Line 2)	\$0	\$58,140

Revised - April 16, 2013

ES FORM 3.14
Page 5 of 11

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

For the Expense Month of April 2012

LINE NO.	COST		AMOUNTS
1	Utility Plant at Original Cost	\$0	\$964,567,531
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	1.37%
3	Total Rate Base	\$0	\$13,214,575
	Operations :		
4	Sludge Disposal (5010000)	\$0	\$944,962
5	Lime (5020001)	\$0	\$3,580,675
6	Urea (5020002)	\$0	\$929,720
7	Trona (5020003)	\$0	\$474,495
8	Lime Stone (5020004)	\$0	\$1,634
9	Air Emission Fee	\$0	\$35,828
10	Lease (5070005)	\$0	\$0
11	Total Operations (Lines 4 thru 10)	\$0	\$5,967,314
	Maintenance :		
12	SCR Maintenance (5120000)	\$0	\$75,321
13	Scrubber Maintenance (5120000)	\$0	\$413,961
14	Total Maintenance (12) + (13)	\$0	\$489,282
15	1/2 of Maintenance (13) * 50%	\$0	\$244,641
16	Fixed O&M (11) + (15)	\$0	\$6,211,955
	Total Revenue Requirement,		
17	Cost Associated with Gavin Plant (3) + (17)	\$0	\$19,426,530
18	Ohio Power Company's Percentage Ownership	0.00%	100.00%
19	OPCo's Share of Cost Associated with Gavin Plant (17) X (18)	\$0	\$19,426,530
20	Ohio Power Company Steam Capacity (kw)	0	12,851,000
21	Gavin Plant (\$/kw)	\$0.00	\$1.51
22	Ohio Power Surplus Weighing	0.00%	100.00%
23	Portion of Weighted Average Capacity Rate Attributed to Gavin Plant (\$/kw) (21) X (22)	\$0.00	\$1.51
	Gavin Plant Costs to Kentucky Power :		
24	Gavin Plant Portion (\$/kw) (23)	\$0.00	\$1.51
25	Kentucky Power Capacity Deficit (kw)	0	114,000
26	Gavin Plant Environmental Cost to Kentucky Power (24) * (25) (ES FORM 3.14, Page 1 of 10, Line 3)	\$0	\$172,140

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ES FORM 3.14
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KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT
OHIO POWER COMPANY (OPCo) - KAMMER PLANT (UNITS 1, 2 & 3)

For the Expense Month of April 2012

LINE NO.	COST		AMOUNTS
1	Utility Plant at Original Cost	\$0	\$8,487,868
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$116,284
	Operations :		
4	Urea (5020002)	\$0	\$0
5	Trona (5020003)	\$0	\$0
6	Air Emission Fee	\$0	\$19,398
7	Total Operations (4) + (5) + (6)	\$0	\$19,398
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$0
9	1/2 of Maintenance (8) * 50%	\$0	\$0
10	Fixed O&M (7) + (9)	\$0	\$19,398
	Total Revenue Requirement,		
11	Cost Associated with Kammer Plant (3) + (10)	\$0	\$135,682
12	Ohio Power Company's Percentage Ownership	0.00%	100.00%
13	OPCo's Share of Cost Associated with Kammer Plant (11) X (12)	\$0	\$135,682
14	Ohio Power Company Steam Capacity (kw)	0	12,851,000
15	Kammer Plant (\$/kw)	\$0.00	\$0.01
16	Ohio Power Surplus Weighing	0.00%	100.00%
17	Portion of Weighted Average Capacity Rate Attributed to Kammer Plant (\$/kw) (15) X (16)	\$0.00	\$0.01
	Kammer Plant Costs to Kentucky Power :		
18	Kammer Plant Portion (\$/kw) (17)	\$0.00	\$0.01
19	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>114,000</u>
	Kammer Plant Environmental Cost to Kentucky Power (18) * (19)		
20	(ES FORM 3.14, Page 1 of 10, Line 4)	\$0	\$1,140

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ES FORM 3.14
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KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT
OHIO POWER COMPANY (OPCo) - MITCHELL PLANT (UNITS 1 & 2)

For the Expense Month of April 2012

LINE NO.	COST		AMOUNTS
1	Utility Plant at Original Cost	\$0	\$1,149,819,326
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$15,752,525
	Operations :		
4	Disposal (5010000)	\$0	(\$245,285)
5	Urea (5020002)	\$0	\$289,012
6	Trona (5020003)	\$0	\$33,548
7	Lime Stone (5020004)	\$0	\$458,559
8	Air Emission Fee	<u>\$0</u>	<u>\$18,559</u>
9	Total Operations (Lines 4 thru 8)	\$0	\$554,393
	Maintenance :		
10	SCR Maintenance (5120000)	\$0	\$18,675
11	FDG (5120000)	<u>\$0</u>	<u>\$24,647</u>
12	1/2 of Maintenance (10 + 11) * 50%	<u>\$0</u>	<u>\$21,661</u>
13	Fixed O&M (9) + (12)	<u>\$0</u>	<u>\$576,054</u>
	Total Revenue Requirement,		
14	Cost Associated with Mitchell Plant (3) + (13)	<u>\$0</u>	<u>\$16,328,579</u>
15	Ohio Power Company's Percentage Ownership	0.00%	100.00%
16	OPCo's Share of Cost Associated with Mitchell Plant (14) X (15)	\$0	\$16,328,579
17	Ohio Power Company Steam Capacity (kw)	0	12,851,000
18	Mitchell Plant (\$/kw)	\$0.00	\$1.27
19	Ohio Power Surplus Weighing	0.00%	100.00%
20	Portion of Weighted Average Capacity Rate Attributed to Mitchell Plant (\$/kw) (18) X (19)	\$0.00	\$1.27
	Mitchell Plant Costs to Kentucky Power :		
21	Mitchell Plant Portion (\$/kw) (20)	\$0.00	\$1.27
22	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>114,000</u>
23	Mitchell Plant Environmental Cost to Kentucky Power (21) * (22) (ES FORM 3.14, Page 1 of 10, Line 5)	\$0	\$144,780

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ES FORM 3.14
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KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT
OHIO POWER COMPANY (OPCo) - MUSKINGUM RIVER PLANT (UNITS 1, 2, 3, 4 & 5)

For the Expense Month of April 2012

LINE NO.	COST		AMOUNTS
1	Utility Plant at Original Cost	\$0	\$114,236,110
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$1,565,035
	Operations :		
4	Urea (5020002)	\$0	\$905
5	Trona (5020003)	\$0	\$1,088
6	Air Emission Fee	<u>\$0</u>	<u>\$34,853</u>
7	Total Operations (4) + (5) + (6)	\$0	\$36,846
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$470
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>	<u>\$235</u>
10	Fixed O&M (7) + (9)	<u>\$0</u>	<u>\$37,081</u>
	Total Revenue Requirement,		
11	Cost Associated with Muskingum Plant (3) + (10)	<u>\$0</u>	<u>\$1,602,116</u>
12	Ohio Power Company's Percentage Ownership	0.00%	100.00%
13	OPCo's Share of Cost Associated with Muskingum Plant (11) X (12)	\$0	\$1,602,116
14	Ohio Power Company Steam Capacity (kw)	0	12,851,000
15	Muskingum Plant (\$/kw)	\$0.00	\$0.12
16	Ohio Power Surplus Weighing	0.00%	100.00%
17	Portion of Weighted Average Capacity Rate Attributed to Muskingum Plant (\$/kw) (15) X (16)	\$0.00	\$0.12
	Muskingum Plant Costs to Kentucky Power :		
18	Muskingum Plant Portion (\$/kw) (17)	\$0.00	\$0.12
19	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>114,000</u>
20	Muskingum Plant Environmental Cost to Kentucky Power (18) * (19) (ES FORM 3.14, Page 1 of 10, Line 6)	\$0	\$13,680

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

For the Expense Month of April 2012

LINE NO.	COST		AMOUNTS
1	Utility Plant at Original Cost	\$0	\$20,796,088
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$284,906
	Operations :		
4	Urea (5020002)	\$0	\$0
5	Trona (5020003)	\$0	\$0
6	Air Emission Fee	<u>\$0</u>	<u>\$16,272</u>
7	Total Operations (4) + (5) + (6)	\$0	\$16,272
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$0
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>	<u>\$0</u>
10	Fixed O&M (7) + (9)	<u>\$0</u>	<u>\$16,272</u>
	Total Revenue Requirement,		
11	Cost Associated with Sporn Plant (3) + (10)	<u>\$0</u>	<u>\$301,178</u>
12	Ohio Power Company's Percentage Ownership	0.00%	100.00%
13	OPCo's Share of Cost Associated with Sporn Plant (11) X (12)	\$0	\$301,178
14	Ohio Power Company Steam Capacity (kw)	0	12,851,000
15	Sporn Plant (\$/kw)	\$0.00	\$0.02
16	Ohio Power Surplus Weighing	0.00%	100.00%
17	Portion of Weighted Average Capacity Rate Attributed to Sporn Plant (\$/kw) (15) X (16)	\$0.00	\$0.02
	Sporn Plant Costs to Kentucky Power :		
18	SpornGavin Plant Portion (\$/kw) (17)	\$0.00	\$0.02
19	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>114,000</u>
	Sporn Plant Environmental Cost to Kentucky Power (18) * (19)		
20	(ES FORM 3.14, Page 1 of 10, Line 7)	\$0	\$2,280

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

For the Expense Month of April 2012

LINE NO.	COST	Revised Amount					As Filed				
		Rockport Plant Common	UNIT 1 AMOUNTS	UNIT 2 AMOUNTS	Rockport Plant Common	Total	Rockport Plant Common	UNIT 1 AMOUNTS	UNIT 2 AMOUNTS	Rockport Plant Common	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(3)	(4)	(5)	(6)	(7)
1	Utility Plant at Original Cost	\$0	\$0	\$0	\$0		\$1,785,548	\$10,544,676	\$16,709,416	\$2,527,341	
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	0.00%	0.00%	0.00%		1.37%	1.37%	1.37%	1.37%	
3	Total Rate Base	\$0	\$0	\$0	\$0		\$24,462	\$144,462	\$228,919	\$34,625	
	Operations :										
4	Urea (5020002)	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
5	Trona (5020003)	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
6	Air Emission Fee	\$0	\$0	\$0	\$0		\$15,625	\$0	\$0	\$0	
7	Total Operations (4) + (5) + (6)	\$0	\$0	\$0	\$0		\$15,625	\$0	\$0	\$0	
	Maintenance :										
8	SCR Maintenance (5120000)	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
9	1/2 of Maintenance (8) * 50%	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
10	Fixed O&M (7) + (9)	\$0	\$0	\$0	\$0		\$15,625	\$0	\$0	\$0	
	Total Revenue Requirement,										
11	Cost Associated with Rockport Plant (3) + (10)	\$0	\$0	\$0	\$0		\$40,087	\$144,462	\$228,919	\$34,625	
12	Indiana Michigan Power Company's Percentage Ownership	0%	0.00%	0.00%	0.00%		50%	85.00%	85.00%	50.00%	
13	I&M's Share of Cost Associated with Rockport Plant (11) X (12)	\$0	\$0	\$0	\$0		\$20,044	\$122,793	\$194,581	\$17,313	
14	Total Rockport Plant Common and Units 1 & 2					\$0					\$354,731
15	Indiana Michigan Power Company Steam Capacity (kw)					0					5,412,000
16	Rockport Plant (\$/kw) (14) / (15)					\$0.00					\$0.07
17	Kentucky Power Portion of Rockport Plant /										
18	Indiana Michigan Power Surplus Weighing					0.00%					0.00%
	Portion of Weighted Average Capacity Rate										
	Attributed to Rockport Plant (\$/kw) (17) X (18)					\$0.00					\$0.00
	Rockport Plant Costs to Kentucky Power :										
19	Rockport Plant Portion (\$/kw) (18)					\$0.00					\$0.00
20	Kentucky Power Capacity Deficit (kw)					0					114,000
	Rockport Units 1 & 2 Environmental to Kentucky Power (19) * (20)										
21	(ES FORM 3.14, Page 1 of 10, Line 8)					\$0					\$0

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

For the Expense Month of April 2012

LINE NO.	COST		AMOUNTS
1	Utility Plant at Original Cost	\$0	\$98,564,441
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	1.37%
3	Total Rate Base	\$0	\$1,350,333
	Operations :		
4	Urea (5020002)	\$0	\$0
5	Trona (5020003)	\$0	\$0
6	Air Emission Fee	\$0	\$15,625
7	Total Operations (4) + (5) + (6)	\$0	\$15,625
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$0
9	1/2 of Maintenance (8) * 50%	\$0	\$0
10	Fixed O&M (7) + (9)	\$0	\$15,625
	Total Revenue Requirement,		
11	Cost Associated with Tanners Creek Plant (3) + (10)	\$0	\$1,365,958
12	Indiana Michigan Power Company's Percentage Ownership	0.00%	100.00%
13	I&M's Share of Cost Associated with Tanners Creek Plant (11) X (12)	\$0	\$1,365,958
14	Indiana Michigan Power Company Steam Capacity (kw)	0	5,412,000
15	Tanners Creek Plant (\$/kw)	\$0.00	\$0.25
16	Indiana Michigan Power Surplus Weighing	0.00%	0.00%
17	Portion of Weighted Average Capacity Rate Attributed to Rockport Plant (\$/kw) (15) X (16)	\$0.00	\$0.00
	Tanners Creek Plant Costs to Kentucky Power :		
18	Tanners Creek Plant Portion (\$/kw) (17)	\$0.00	\$0.00
19	Kentucky Power Capacity Deficit (kw)	0	114,000
20	Tanners Creek Plant Environmental Cost to Kentucky Power (18) * (19) (ES FORM 3.14, Page 1 of 10, Line 9)	\$0	\$0

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ES FORM 1.00

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CALCULATION OF E(m) and SURCHARGE FACTOR
For the Expense Month of May 2012

<u>CALCULATION OF E(m)</u>		Remove Pool	Filed Amount	Difference
E(m) = CRR - BRR		4/16/2013		
LINE 1	CRR from ES FORM 3.00	\$1,911,390	\$2,391,424	\$480,034
LINE 2	Brr from ES FORM 1.10	3,922,590	3,922,590	0 1/
LINE 3	E(m) (LINE 1 - LINE 2)	(\$2,011,200)	(\$1,531,166)	\$480,034
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	86.0%	86.0%	0.0%
LINE 5	KY Retail E(m) (LINE 3 * LINE 4)	(\$1,729,632)	(\$1,316,803)	\$412,829
LINE 6	(Over) / Under Recovery Adjustment from ES FORM 3.30	(\$224,683)	(\$224,683)	\$0
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	(\$1,954,315)	(\$1,541,486)	\$412,829
<u>SURCHARGE FACTOR</u>				
LINE 8	Net KY Retail E(m) (Line 7)	(\$1,954,315)	(\$1,541,486)	\$412,829
LINE 9	KY Retail R(m) from ES FORM 3.30	\$34,553,138	\$34,553,138	\$0
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	-5.6560%	-4.4612%	1.1948%

Effective Date for Billing: June 28, 2012

Submitted By : _____

Title : Manager Regulatory Services

Date Submitted : June 18, 2012

1/ Case No. 2009-00459, dated June 28, 2010

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ES FORM 3.00

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT
For the Expense Month of May 2012

CALCULATION OF CURRENT PERIOD REVENUE REQUIREMENT

LINE NO.	COMPONENTS	Revised Amount		As Filed	
1	First Component: Associated with Big Sandy Plant (((RB KP(C)) (ROR KP(C)/12)) + OE KP(C)) ES FORM 3.10, Line 20		\$1,866,299		\$2,346,333
2	Second Component: Associated with Rockport Plant (((RB IM(C)) (ROR IM(C)/12)) + OE IM(C)) ES FORM 3.20, Line 16		\$45,091		\$45,091
	Third Component: Net Proceeds from Emission Allowances Sales AS				
	1) SO ₂ - EPA Auction Proceeds received during Expense Month	\$0		\$0	
	2) SO ₂ - Net Gain or (Loss) from Allowance Sales, in compliance with the AEP Interim Allowance Agreement, received during Expense Month	\$0		\$0	
	Total Net Proceeds from SO ₂ Allowances	\$0		\$0	
	1) NO _x - ERC Sales Proceeds, received during Expense Month	\$0		\$0	
	2) NO _x - EPA Auction Proceeds, received during Expense Month	\$0		\$0	
	3) NO _x - Net Gain or Loss from NO _x Allowances Sales, received during Expense Month	\$0		\$0	
	Total Net Proceeds from NO _x Allowances	\$0		\$0	
3	Total Net Gain or (Loss) from Emission Allowance Sales		\$0		\$0
4	Total Current Period Revenue Requirement, CRR Record on ES FORM 1.00.		\$1,911,390		\$2,391,424

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ES FORM 3.10

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

For the Expense Month of May 2012

LINE NO.	COST COMPONENT	Revised Amount		As Filed	
	Return on Rate Base :				
1	Utility Plant at Original Cost	\$191,452,443		\$191,452,443	
2	Less Accumulated Depreciation	(\$71,602,792)		(\$71,602,792)	
3	Less Accum. Def. Income Taxes	(\$31,263,666)		(\$31,263,666)	
4	Net Utility Plant		\$88,585,985		\$88,585,985
5	SO2 Emission Allowance Inventory from ES FORM 3.11		\$10,951,984		\$10,951,984
6	ECR & NOx Emission Allowance Inventory from ES FORM 3.12		\$71,180		\$71,180
7	Cash Working Capital Allowance from ES FORM 3.13, Line 13		\$1,618,953		\$1,629,356
8	Total Rate Base		\$101,228,102		\$101,238,505
9	Weighted Average Cost of Capital - ES FORM 3.15	10.85%		10.85%	
10	Monthly Weighted Avg. Cost of Capital (9) / 12		0.90%		0.90%
11	Monthly Return of Rate Base (8) * (10)		\$911,053		\$911,147
	Operating Expenses :				
12	Monthly Depreciation Expense		\$577,252		\$577,252
13	Monthly Catalyst Amortization Expense		\$46,030		\$46,030
14	Monthly Property Taxes		\$13,322		\$13,322
15	Monthly Kentucky Air Emissions Fee		\$10,527		\$10,527
16	Monthly Environmental AEP Pool Capacity Costs from ES FORM 3.14, Page 1 of 11, Column 5, Line 10		\$0		\$479,940
17	Monthly 2003 Plan Non-Fuel O&M Expenses from ES FORM 3.13		\$91,871		\$91,871
18	Monthly SO2 Emission Allowance Consumption		\$216,244		\$216,244
19	Total Operating Expenses [Line 12 thru Line 18]		\$955,246		\$1,435,186
20	Total Revenue Requirement - Big Sandy Record on ES FORM 3.00, Line 1		\$1,866,299		\$2,346,333

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ES FORM 3.13

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT

For the Expense Month of May 2012

		Revised Amount		As Filed	
	1997 Plan :				
1	Monthly Kentucky Air Emissions Fee	\$10,527		\$10,527	
	Total Monthly AEP Pool				
2	Environmental Capacity Costs	\$0		\$83,220	
3	Monthly SO2 Allowance Consumption	<u>\$216,244</u>		<u>\$216,244</u>	
4	Total 1997 Plan O&M Expenses		\$226,771		\$309,991
	2003 Plan :				
5	Monthly Variable Cladding at Big Sandy Unit 1	\$0		\$0	
6	Monthly Urea Consumption at Big Sandy Unit 2	\$79,463		\$79,463	
7	Monthly Catalyst Replacement at Big Sandy Unit 2	\$0		\$0	
8	Monthly ERC & NOx Allowance Consumption	\$3,355		\$3,355	
9	Equipment - Associated Operating Expenses	\$128		\$128	
10	Equipment - Associated Maintenance Expenses	<u>\$8,925</u>		<u>\$8,925</u>	
11	Total 2003 Plan O&M Expenses		\$91,871		\$91,871
12	KPCO's Rockport Unit Power O&M:				
13	E.S. Form 3.20, Line 11 X 15%		<u>\$2,344</u>		<u>\$2,344</u>
14	Total Monthly O&M Expenses		<u>\$320,985</u>		<u>\$404,205</u>
15	Cash Working Capital Allowance (Line 12 X 1/8)		\$40,123		\$50,526
16	Cash Working Capital Allowance (April 2012 ES Form 3.13)		\$128,462		\$128,462
17	Cash Working Capital Allowance (March 2012 ES Form 3.13)		\$103,761		\$103,761
18	Cash Working Capital Allowance (February 2012 ES Form 3.13)		\$131,408		\$131,408
19	Cash Working Capital Allowance (January 2012 ES Form 3.13)		\$130,956		\$130,956
20	Cash Working Capital Allowance (December 2011 ES Form 3.13)		\$238,235		\$238,235
21	Cash Working Capital Allowance (November 2011 ES Form 3.13)		\$105,378		\$105,378
22	Cash Working Capital Allowance (October 2011 ES Form 3.13)		\$125,673		\$125,673
23	Cash Working Capital Allowance (September 2011 ES Form 3.13)		\$83,681		\$83,681
24	Cash Working Capital Allowance (August 2011 ES Form 3.13)		\$114,073		\$114,073
25	Cash Working Capital Allowance (July 2011 ES Form 3.13)		\$137,469		\$137,469
26	Cash Working Capital Allowance (June 2011 ES Form 3.13)		<u>\$279,734</u>		<u>\$279,734</u>
27	Total Twelve Month Total Cash Working Capital Allowance		\$1,618,953		\$1,629,356

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

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

		For the Expense Month of May 2012					
Line No. (1)	Cost Component (2)	Ohio Power Company's Environmental Cost to KPCo (3)	Revised Indiana Michigan Power Company's Environmental Cost to KPCo (4)	Total (5)	Ohio Power Company's Environmental Cost to KPCo (3)	As Filed Indiana Michigan Power Company's Environmental Cost to KPCo (4)	Total (5)
1	Amos Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 26)	\$0			\$82,080		
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 24)	\$0			\$62,700		
3	Gavin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 26)	\$0			\$166,440		
4	Kammer Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 20)	\$0			\$1,140		
5	Mitchell Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 23)	\$0			\$151,620		
6	Muskingum River Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 20)	\$0			\$13,680		
7	Sporn Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 20)	\$0			\$2,280		
8	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Column 5, Line 21)		\$0			\$0	
9	Tanners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 20)		\$0			\$0	
10	Total AEP Pool Monthly Environmental Capacity Costs to Kentucky Power	\$0	\$0	\$0	\$479,940	\$0	\$479,940

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

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

For the Expense Month of May 2012

Line No. (1)	Cost Component (2)	Ohio Power Company's (OPCo) Environmental Cost to KPCo (3)	Indiana Michigan Power Company's (I&M) Environmental Cost to KPCo (4)	Total (5)	Ohio Power Company's (OPCo) Environmental Cost to KPCo (3)	Indiana Michigan Power Company's (I&M) Environmental Cost to KPCo (4)	Total (5)
1	Amos Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 19)	\$0			\$824,289		
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 17)	\$0			\$1,531,226		
3	Gavin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 17)	\$0			\$5,555,338		
4	Kammer Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 10)	\$0			\$19,398		
5	Mitchell Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 16)	\$0			\$1,334,678		
6	Muskingum River Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 10)	\$0			\$38,169		
7	Sporn Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 10)	\$0			\$16,272		
8	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Columns 3 & 6, Line 10)		\$0			\$15,625	
9	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Columns 4 & 5, Line 10)		\$0			\$0	
10	Tanners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 10)		\$0			\$15,625	
11	Subtotal	\$0	\$0		\$9,319,370	\$31,250	
12	Steam Capacity By Company - OPCo (Column 3) / I&M (Column 4) (kw)	0	0		12,851,000	5,412,000	
13	Environmental Base (\$/kw)	\$0.00	\$0.00		\$0.73	\$0.01	
14	Company Surplus Weighting	0.00%	0.00%		100.00%	0.00%	
15	Portion of Weighted Average Capacity Rate Attributed to Environmental Fixed O&M Costs	\$0.00	\$0.00		\$0.73	\$0.00	
16	Kentucky Power Capacity Deficit (kw)	0	0		114,000	114,000	
17	Fixed O&M Environmental Cost to Kentucky Power	\$0	\$0	\$0	\$83,220	\$0	\$83,220

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

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

For the Expense Month of May 2012

LINE NO.	COST		AMOUNTS
1	Utility Plant at Original Cost	\$0	\$611,422,571
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	1.37%
3	Total Rate Base	\$0	\$8,376,489
4	Ohio Power Company's Percentage Ownership - Environmental Investment	0.00%	100.00%
5	OPCo's Share of Cost Associated with Amos Unit No. 3 (3) X (4)	\$0	\$8,376,489
	Operations :		
6	Disposal (5010000)	\$0	\$31,186
7	Urea (5020002)	\$0	\$447,875
8	Trona (5020003)	\$0	\$307,203
9	Lime Stone (5020004)	\$0	\$349,681
10	Air Emission Fee	\$0	\$11,770
11	Total Operations (Lines 6 thru 10)	\$0	\$1,147,715
	Maintenance :		
12	SCR Maintenance (5120000)	\$0	\$16,684
13	Scrubber (FGD) Maintenance (5120000)	\$0	\$160,627
14	Total Maintenance (12) + (13)	\$0	\$177,311
15	1/2 of Maintenance (14) * 50%	\$0	\$88,656
16	Fixed O&M (11) + (15)	\$0	\$1,236,371
17	Ohio Power Company's Percentage Ownership - O&M Cost	0.00%	66.67%
18	OPCo's Share of O&M Cost Associated with Amos Unit No. 3 (16) X (17)	\$0	\$824,289
	Total Revenue Requirement,		
19	Cost Associated with Amos Unit No. 3 (5) + (18)	\$0	\$9,200,778
20	Ohio Power Company Steam Capacity (kw)	0	12,851,000
21	Amos Unit No. 3 Environmental Rate (\$/kw)	\$0.00	\$0.72
22	Ohio Power Surplus Weighing	0.00%	100.00%
23	Portion of Weighted Average Capacity Rate Attributed to Amos Unit No. 3 SCR (\$/kw) (21) * (22)	\$0.00	\$0.72
	Amos Unit No. 3 Costs to Kentucky Power :		
24	Amos Unit No. 3 Portion (\$/kw) (23)	\$0.00	\$0.72
25	Kentucky Power Capacity Deficit (kw)	0	114,000
	Amos Unit No. 3 Environmental Cost to Kentucky Power (24) * (25)		
26	(ES FORM 3.14, Page 1 of 10, Line 1)	\$0	\$82,080

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

For the Expense Month of May 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$403,006,219
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	1.37%
3	Total Rate Base	\$0	\$5,521,185
	Operations :		
4	Disposal (5010000)	\$0	\$63,859
5	Lime (5020001)	\$0	\$0
6	Urea (5020002)	\$0	\$402,932
7	Trona (5020003)	\$0	\$235,879
8	Lime Stone (5020004)	\$0	\$614,170
9	Air Emission Fee	\$0	\$8,663
10	Total Operations (Line 4 thru 8)	\$0	\$1,325,503
	Maintenance :		
11	SCR Maintenance (5120000)	\$0	\$140,635
12	Scrubber (FGD) Maintenance (5120000)	\$0	\$270,810
13	Total Maintenance (13) + (14)	\$0	\$411,445
14	1/2 Maintenance (15) * 50%	\$0	\$205,723
15	Fixed O&M (12) + (16)	\$0	\$1,531,226
	Total Revenue Requirement,		
16	Cost Associated with Cardinal Unit No. 3 (3) + (17)	\$0	\$7,052,411
17	Ohio Power Company's Percentage Ownership	0.00%	100.00%
18	OPCo's Share of Cost Associated with Cardinal Unit No. 1 (18) X (19)	\$0	\$7,052,411
19	Ohio Power Company Steam Capacity (kw)	0	12,851,000
20	Cardinal Unit No. 1 (\$/kw)	\$0.00	\$0.55
21	Ohio Power Surplus Weighing	0.00%	100.00%
22	Portion of Weighted Average Capacity Rate Attributed to Cardinal Unit No. 1 (\$/kw) (22) X (23)	\$0.00	\$0.55
	Cardinal Unit No. 1 Costs to Kentucky Power :		
23	Cardinal Unit No. 1 Portion (\$/kw) (24)	\$0.00	\$0.55
24	Kentucky Power Capacity Deficit (kw)	0	114,000
25	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (25) * (26) (ES FORM 3.14, Page 1 of 10, Line 2)	\$0	\$62,700

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

For the Expense Month of May 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$964,567,531
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$13,214,575
	Operations :		
4	Sludge Disposal (5010000)	\$0	\$814,690
5	Lime (5020001)	\$0	\$3,061,878
6	Urea (5020002)	\$0	\$816,660
7	Trona (5020003)	\$0	\$509,686
8	Lime Stone (5020004)	\$0	\$1,426
9	Air Emission Fee	\$0	\$35,828
10	Lease (5070005)	<u>\$0</u>	<u>\$0</u>
11	Total Operations (Lines 4 thru 10)	\$0	\$5,240,168
	Maintenance :		
12	SCR Maintenance (5120000)	\$0	\$87,376
13	Scrubber Maintenance (5120000)	<u>\$0</u>	<u>\$542,964</u>
14	Total Maintenance (12) + (13)	\$0	\$630,340
15	1/2 of Maintenance (13) * 50%	<u>\$0</u>	<u>\$315,170</u>
16	Fixed O&M (11) + (15)	<u>\$0</u>	<u>\$5,555,338</u>
	Total Revenue Requirement,		
17	Cost Associated with Gavin Plant (3) + (17)	\$0	\$18,769,913
18	Ohio Power Company's Percentage Ownership	0.00%	100.00%
19	OPCo's Share of Cost Associated with Gavin Plant (17) X (18)	\$0	\$18,769,913
20	Ohio Power Company Steam Capacity (kw)	0	12,851,000
21	Gavin Plant (\$/kw)	\$0.00	\$1.46
22	Ohio Power Surplus Weighing	0.00%	100.00%
23	Portion of Weighted Average Capacity Rate Attributed to Gavin Plant (\$/kw) (21) X (22)	\$0.00	\$1.46
	Gavin Plant Costs to Kentucky Power :		
24	Gavin Plant Portion (\$/kw) (23)	\$0.00	\$1.46
25	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>114,000</u>
	Gavin Plant Environmental Cost to Kentucky Power (24) * (25)		
26	(ES FORM 3.14, Page 1 of 10, Line 3)	\$0	\$166,440

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

For the Expense Month of May 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$8,487,868
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$116,284
	Operations :		
4	Urea (5020002)	\$0	\$0
5	Trona (5020003)	\$0	\$0
6	Air Emission Fee	<u>\$0</u>	<u>\$19,398</u>
7	Total Operations (4) + (5) + (6)	\$0	\$19,398
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$0
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>	<u>\$0</u>
10	Fixed O&M (7) + (9)	<u>\$0</u>	<u>\$19,398</u>
	Total Revenue Requirement,		
11	Cost Associated with Kammer Plant (3) + (10)	<u>\$0</u>	<u>\$135,682</u>
12	Ohio Power Company's Percentage Ownership	0.00%	100.00%
13	OPCo's Share of Cost Associated with Kammer Plant (11) X (12)	\$0	\$135,682
14	Ohio Power Company Steam Capacity (kw)	0	12,851,000
15	Kammer Plant (\$/kw)	\$0.00	\$0.01
16	Ohio Power Surplus Weighing	0.00%	100.00%
17	Portion of Weighted Average Capacity Rate Attributed to Kammer Plant (\$/kw) (15) X (16)	\$0.00	\$0.01
	Kammer Plant Costs to Kentucky Power :		
18	Kammer Plant Portion (\$/kw) (17)	\$0.00	\$0.01
19	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>114,000</u>
	Kammer Plant Environmental Cost to Kentucky Power (18) * (19)		
20	(ES FORM 3.14, Page 1 of 10, Line 4)	\$0	\$1,140

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

For the Expense Month of May 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$1,149,819,326
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$15,752,525
	Operations :		
4	Disposal (5010000)	\$0	\$38,647
5	Urea (5020002)	\$0	\$311,779
6	Trona (5020003)	\$0	\$82,123
7	Lime Stone (5020004)	\$0	\$564,915
8	Air Emission Fee	\$0	\$18,559
9	Total Operations (Lines 4 thru 8)	\$0	\$1,016,023
	Maintenance :		
10	SCR Maintenance (5120000)	\$0	\$505
11	FDG (5120000)	\$0	\$636,804
12	1/2 of Maintenance (10 + 11) * 50%	\$0	\$318,655
13	Fixed O&M (9) + (12)	\$0	\$1,334,678
	Total Revenue Requirement,		
14	Cost Associated with Mitchell Plant (3) + (13)	\$0	\$17,087,203
15	Ohio Power Company's Percentage Ownership	0.00%	100.00%
16	OPCo's Share of Cost Associated with Mitchell Plant (14) X (15)	\$0	\$17,087,203
17	Ohio Power Company Steam Capacity (kw)	0	12,851,000
18	Mitchell Plant (\$/kw)	\$0.00	\$1.33
19	Ohio Power Surplus Weighing	0.00%	100.00%
20	Portion of Weighted Average Capacity Rate Attributed to Mitchell Plant (\$/kw) (18) X (19)	\$0.00	\$1.33
	Mitchell Plant Costs to Kentucky Power :		
21	Mitchell Plant Portion (\$/kw) (20)	\$0.00	\$1.33
22	Kentucky Power Capacity Deficit (kw)	0	114,000
	Mitchell Plant Environmental Cost to Kentucky Power (21) * (22)		
23	(ES FORM 3.14, Page 1 of 10, Line 5)	\$0	\$151,620

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

For the Expense Month of May 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$114,236,110
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$1,565,035
	Operations :		
4	Urea (5020002)	\$0	\$1,093
5	Trona (5020003)	\$0	\$602
6	Air Emission Fee	<u>\$0</u>	<u>\$34,853</u>
7	Total Operations (4) + (5) + (6)	\$0	\$36,548
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$3,242
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>	<u>\$1,621</u>
10	Fixed O&M (7) + (9)	<u>\$0</u>	<u>\$38,169</u>
	Total Revenue Requirement,		
11	Cost Associated with Muskingum Plant (3) + (10)	\$0	<u>\$1,603,204</u>
12	Ohio Power Company's Percentage Ownership	0.00%	100.00%
13	OPCo's Share of Cost Associated with Muskingum Plant (11) X (12)	\$0	\$1,603,204
14	Ohio Power Company Steam Capacity (kw)	0	12,851,000
15	Muskingum Plant (\$/kw)	\$0.00	\$0.12
16	Ohio Power Surplus Weighing	0.00%	100.00%
17	Portion of Weighted Average Capacity Rate Attributed to Muskingum Plant (\$/kw) (15) X (16)	\$0.00	\$0.12
	Muskingum Plant Costs to Kentucky Power :		
18	Muskingum Plant Portion (\$/kw) (17)	\$0.00	\$0.12
19	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>114,000</u>
20	Muskingum Plant Environmental Cost to Kentucky Power (18) * (19) (ES FORM 3.14, Page 1 of 10, Line 6)	\$0	\$13,680

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

For the Expense Month of May 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$20,796,088
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	1.37%
3	Total Rate Base	\$0	\$284,906
	Operations :		
4	Urea (5020002)	\$0	\$0
5	Trona (5020003)	\$0	\$0
6	Air Emission Fee	\$0	\$16,272
7	Total Operations (4) + (5) + (6)	\$0	\$16,272
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$0
9	1/2 of Maintenance (8) * 50%	\$0	\$0
10	Fixed O&M (7) + (9)	\$0	\$16,272
	Total Revenue Requirement,		
11	Cost Associated with Sporn Plant (3) + (10)	\$0	\$301,178
12	Ohio Power Company's Percentage Ownership	0.00%	100.00%
13	OPCo's Share of Cost Associated with Sporn Plant (11) X (12)	\$0	\$301,178
14	Ohio Power Company Steam Capacity (kw)	0	12,851,000
15	Sporn Plant (\$/kw)	\$0.00	\$0.02
16	Ohio Power Surplus Weighing	0.00%	100.00%
17	Portion of Weighted Average Capacity Rate Attributed to Sporn Plant (\$/kw) (15) X (16)	\$0.00	\$0.02
	Sporn Plant Costs to Kentucky Power :		
18	SpornGavin Plant Portion (\$/kw) (17)	\$0.00	\$0.02
19	Kentucky Power Capacity Deficit (kw)	0	114,000
	Sporn Plant Environmental Cost to Kentucky Power (18) * (19)		
20	(ES FORM 3.14, Page 1 of 10, Line 7)	\$0	\$2,280

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

For the Expense Month of May 2012

LINE NO.	COST	Revised Amount				As Filed					
		Rockport Plant Common	UNIT 1 AMOUNTS	UNIT 2 AMOUNTS	Rockport Plant Common	Total	Rockport Plant Common	UNIT 1 AMOUNTS	UNIT 2 AMOUNTS	Rockport Plant Common	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(3)	(4)	(5)	(6)	(7)
1	Utility Plant at Original Cost	\$0	\$0	\$0	\$0		\$1,785,548	\$10,544,676	\$16,709,416	\$2,527,341	
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	0.00%	0.00%	0.00%		1.37%	1.37%	1.37%	1.37%	
3	Total Rate Base	\$0	\$0	\$0	\$0		\$24,462	\$144,462	\$228,919	\$34,625	
	Operations :										
4	Urea (5020002)	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
5	Trona (5020003)	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
6	Air Emission Fee	\$0	\$0	\$0	\$0		\$15,625	\$0	\$0	\$0	
7	Total Operations (4) + (5) + (6)	\$0	\$0	\$0	\$0		\$15,625	\$0	\$0	\$0	
	Maintenance :										
8	SCR Maintenance (5120000)	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
9	1/2 of Maintenance (8) * 50%	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
10	Fixed O&M (7) + (9)	\$0	\$0	\$0	\$0		\$15,625	\$0	\$0	\$0	
	Total Revenue Requirement,										
11	Cost Associated with Rockport Plant (3) + (10)	\$0	\$0	\$0	\$0		\$40,087	\$144,462	\$228,919	\$34,625	
12	Indiana Michigan Power Company's Percentage Ownership	0%	0.00%	0.00%	0.00%		50%	85.00%	85.00%	50.00%	
13	I&M's Share of Cost Associated with Rockport Plant (11) X (12)	\$0	\$0	\$0	\$0		\$20,044	\$122,793	\$194,581	\$17,313	
14	Total Rockport Plant Common and Units 1 & 2					\$0					\$354,731
15	Indiana Michigan Power Company Steam Capacity (kw)					0					5,412,000
16	Rockport Plant (\$/kw) (14) / (15)					\$0.00					\$0.07
17	Kentucky Power Portion of Rockport Plant / Indiana Michigan Power Surplus Weighing					0.00%					0.00%
18	Portion of Weighted Average Capacity Rate Attributed to Rockport Plant (\$/kw) (17) X (18)					\$0.00					\$0.00
	Rockport Plant Costs to Kentucky Power :										
19	Rockport Plant Portion (\$/kw) (18)					\$0.00					\$0.00
20	Kentucky Power Capacity Deficit (kw)					0					114,000
	Rockport Units 1 & 2 Environmental to Kentucky Power (19) * (20)										
21	(ES FORM 3.14, Page 1 of 10, Line 8)					\$0					\$0

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ES FORM 3.14
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KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT
INDIANA MICHIGAN POWER COMPANY (I&M) - TANNERS CREEK (UNITS 1, 2, 3 & 4)

For the Expense Month of May 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$98,564,441
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$1,350,333
	Operations :		
4	Urea (5020002)	\$0	\$0
5	Trona (5020003)	\$0	\$0
6	Air Emission Fee	<u>\$0</u>	<u>\$15,625</u>
7	Total Operations (4) + (5) + (6)	\$0	\$15,625
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$0
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>	<u>\$0</u>
10	Fixed O&M (7) + (9)	<u>\$0</u>	<u>\$15,625</u>
	Total Revenue Requirement,		
11	Cost Associated with Tanners Creek Plant (3) + (10)	<u>\$0</u>	<u>\$1,365,958</u>
12	Indiana Michigan Power Company's Percentage Ownership	0.00%	100.00%
13	I&M's Share of Cost Associated with Tanners Creek Plant (11) X (12)	\$0	\$1,365,958
14	Indiana Michigan Power Company Steam Capacity (kw)	0	5,412,000
15	Tanners Creek Plant (\$/kw)	\$0.00	\$0.25
16	Indiana Michigan Power Surplus Weighing	0.00%	0.00%
17	Portion of Weighted Average Capacity Rate Attributed to Rockport Plant (\$/kw) (15) X (16)	\$0.00	\$0.00
	Tanners Creek Plant Costs to Kentucky Power :		
18	Tanners Creek Plant Portion (\$/kw) (17)	\$0.00	\$0.00
19	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>114,000</u>
	Tanners Creek Plant Environmental Cost to Kentucky Power (18) * (19)		
20	(ES FORM 3.14, Page 1 of 10, Line 9)	\$0	\$0

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ES FORM 1.00

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CALCULATION OF E(m) and SURCHARGE FACTOR
For the Expense Month of June 2012

<u>CALCULATION OF E(m)</u>		Remove Pool	Filed Amount	Difference
E(m) = CRR - BRR		4/16/2013		
LINE 1	CRR from ES FORM 3.00	\$2,410,522	\$2,882,566	\$472,044
LINE 2	Brr from ES FORM 1.10	3,627,274	3,627,274	0 1/
LINE 3	E(m) (LINE 1 - LINE 2)	(\$1,216,752)	(\$744,708)	\$472,044
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	81.8%	81.8%	0.0%
LINE 5	KY Retail E(m) (LINE 3 * LINE 4)	(\$995,303)	(\$609,171)	\$386,132
LINE 6	(Over) / Under Recovery Adjustment from ES FORM 3.30	\$42,619	\$42,619	\$0
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	(\$952,684)	(\$566,552)	\$386,132
<u>SURCHARGE FACTOR</u>				
LINE 8	Net KY Retail E(m) (Line 7)	(\$952,684)	(\$566,552)	\$386,132
LINE 9	KY Retail R(m) from ES FORM 3.30	\$38,175,818	\$38,175,818	\$0
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	-2.4955%	-1.4841%	1.0114%

Effective Date for Billing: July 30, 2012

Submitted By : _____

Title : Manager Regulatory Services

Date Submitted : July 20, 2012

1/ Case No. 2009-00459, dated June 28, 2010

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ES FORM 3.00

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT
For the Expense Month of June 2012

CALCULATION OF CURRENT PERIOD REVENUE REQUIREMENT

LINE NO.	COMPONENTS	Revised Amount		As Filed	
1	First Component: Associated with Big Sandy Plant ((RB KP(C)) (ROR KP(C)/12)) + OE KP(C) ES FORM 3.10, Line 20		\$2,365,378		\$2,837,422
2	Second Component: Associated with Rockport Plant (((RB IM(C)) (ROR IM(C)/12)) + OE IM(C)) ES FORM 3.20, Line 16		\$45,144		\$45,144
	Third Component: Net Proceeds from Emission Allowances Sales AS				
	1) SO ₂ - EPA Auction Proceeds received during Expense Month	\$0		\$0	
	2) SO ₂ - Net Gain or (Loss) from Allowance Sales, in compliance with the AEP Interim Allowance Agreement, received during Expense Month	\$0		\$0	
	Total Net Proceeds from SO ₂ Allowances	\$0		\$0	
	1) NO _x - ERC Sales Proceeds, received during Expense Month	\$0		\$0	
	2) NO _x - EPA Auction Proceeds, received during Expense Month	\$0		\$0	
	3) NO _x - Net Gain or Loss from NO _x Allowances Sales, received during Expense Month	\$0		\$0	
	Total Net Proceeds from NO _x Allowances	\$0		\$0	
3	Total Net Gain or (Loss) from Emission Allowance Sales		\$0		\$0
4	Total Current Period Revenue Requirement, CRR Record on ES FORM 1.00.		\$2,410,522		\$2,882,566

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

For the Expense Month of June 2012

LINE NO.	COST COMPONENT	Revised Amount		As Filed	
	Return on Rate Base :				
1	Utility Plant at Original Cost	\$191,452,443		\$191,452,443	
2	Less Accumulated Depreciation	(\$72,226,466)		(\$72,226,466)	
3	Less Accum. Def. Income Taxes	(\$31,139,319)		(\$31,139,319)	
4	Net Utility Plant		\$88,086,658		\$88,086,658
5	SO2 Emission Allowance Inventory from ES FORM 3.11		\$10,392,835		\$10,392,835
6	ECR & NOx Emission Allowance Inventory from ES FORM 3.12		\$64,496		\$64,496
7	Cash Working Capital Allowance from ES FORM 3.13, Line 13		\$1,453,515		\$1,462,920
8	Total Rate Base		\$99,997,504		\$100,006,909
9	Weighted Average Cost of Capital - ES FORM 3.15	10.85%		10.85%	
10	Monthly Weighted Avg. Cost of Capital (9) / 12		0.90%		0.90%
11	Monthly Return of Rate Base (8) * (10)		\$899,978		\$900,062
	Operating Expenses :				
12	Monthly Depreciation Expense		\$577,252		\$577,252
13	Monthly Catalyst Amortization Expense		\$46,030		\$46,030
14	Monthly Property Taxes		\$13,322		\$13,322
15	Monthly Kentucky Air Emissions Fee		\$10,527		\$10,527
16	Monthly Environmental AEP Pool Capacity Costs from ES FORM 3.14, Page 1 of 11, Column 5, Line 10		\$0		\$471,960
17	Monthly 2003 Plan Non-Fuel O&M Expenses from ES FORM 3.13		\$259,120		\$259,120
18	Monthly SO2 Emission Allowance Consumption		\$559,149		\$559,149
19	Total Operating Expenses [Line 12 thru Line 18]		<u>\$1,465,400</u>		<u>\$1,937,360</u>
20	Total Revenue Requirement - Big Sandy Record on ES FORM 3.00, Line 1		\$2,365,378		\$2,837,422

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ES FORM 3.13

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT

For the Expense Month of June 2012

		Revised Amount		As Filed	
	1997 Plan :				
1	Monthly Kentucky Air Emissions Fee	\$10,527		\$10,527	
	Total Monthly AEP Pool				
2	Environmental Capacity Costs	\$0		\$75,240	
3	Monthly SO2 Allowance Consumption	\$559,149		\$559,149	
4	Total 1997 Plan O&M Expenses		\$569,676		\$644,916
	2003 Plan :				
5	Monthly Variable Cladding at Big Sandy Unit 1	\$0		\$0	
6	Monthly Urea Consumption at Big Sandy Unit 2	\$243,093		\$243,093	
7	Monthly Catalyst Replacement at Big Sandy Unit 2	\$0		\$0	
8	Monthly ERC & NOx Allowance Consumption	\$6,684		\$6,684	
9	Equipment - Associated Operating Expenses	\$1,433		\$1,433	
10	Equipment - Associated Maintenance Expenses	\$7,910		\$7,910	
11	Total 2003 Plan O&M Expenses		\$259,120		\$259,120
12	KPCO's Rockport Unit Power O&M:				
13	E.S. Form 3.20, Line 11 X 15%		\$2,344		\$2,344
14	Total Monthly O&M Expenses		\$831,140		\$906,380
15	Cash Working Capital Allowance (Line 12 X 1/8)		\$103,893		\$113,298
16	Cash Working Capital Allowance (May 2012 ES Form 3.13)		\$50,526		\$50,526
17	Cash Working Capital Allowance (April 2012 ES Form 3.13)		\$128,462		\$128,462
18	Cash Working Capital Allowance (March 2012 ES Form 3.13)		\$103,761		\$103,761
19	Cash Working Capital Allowance (February 2012 ES Form 3.13)		\$131,408		\$131,408
20	Cash Working Capital Allowance (January 2012 ES Form 3.13)		\$130,956		\$130,956
21	Cash Working Capital Allowance (December 2011 ES Form 3.13)		\$238,235		\$238,235
22	Cash Working Capital Allowance (November 2011 ES Form 3.13)		\$105,378		\$105,378
23	Cash Working Capital Allowance (October 2011 ES Form 3.13)		\$125,673		\$125,673
24	Cash Working Capital Allowance (September 2011 ES Form 3.13)		\$83,681		\$83,681
25	Cash Working Capital Allowance (August 2011 ES Form 3.13)		\$114,073		\$114,073
26	Cash Working Capital Allowance (July 2011 ES Form 3.13)		\$137,469		\$137,469
27	Total Twelve Month Total Cash Working Capital Allowance		\$1,453,515		\$1,462,920

Total Cost at Line 13 is to be recorded on ES FORM 3.10, Line 7.

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

Line No. (1)	Cost Component (2)	For the Expense Month of June 2012			Total (5)	Ohio Power Company's Environmental Cost to KPCo (3)	As Filed Indiana Michigan Power Company's Environmental Cost to KPCo (4)	Total (5)
		Ohio Power Company's Environmental Cost to KPCo (3)	Revised Indiana Michigan Power Company's Environmental Cost to KPCo (4)	Total (5)				
1	Amos Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 26)	\$0				\$77,520		
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 25)	\$0				\$55,860		
3	Gavin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 26)	\$0				\$167,580		
4	Kammer Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 20)	\$0				\$1,140		
5	Mitchell Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 23)	\$0				\$152,760		
6	Muskingum River Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 20)	\$0				\$14,820		
7	Sporn Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 20)	\$0				\$2,280		
8	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Column 5, Line 21)		\$0				\$0	
9	Tanners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 20)		\$0				\$0	
10	Total AEP Pool Monthly Environmental Capacity Costs to Kentucky Power	\$0	\$0	\$0	\$0	\$471,960	\$0	\$471,960

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

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

Line No. (1)	Cost Component (2)	For the Expense Month of June 2012					
		Ohio Power Company's (OPCo) Environmental Cost to KPCo (3)	Revised Indiana Michigan Power Company's (I&M) Environmental Cost to KPCo (4)	Total (5)	Ohio Power Company's (OPCo) Environmental Cost to KPCo (3)	As Filed Indiana Michigan Power Company's (I&M) Environmental Cost to KPCo (4)	Total (5)
1	Amos Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 19)	\$0			\$323,594		
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 17)	\$0			\$770,234		
3	Gavin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 17)	\$0			\$5,734,480		
4	Kammer Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 10)	\$0			\$19,848		
5	Mitchell Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 16)	\$0			\$1,503,421		
6	Muskingum River Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 10)	\$0			\$149,657		
7	Sporn Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 10)	\$0			\$16,272		
8	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Columns 3 & 6, Line 10)		\$0			\$15,625	
9	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Columns 4 & 5, Line 10)		\$0			\$0	
10	Tanners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 10)		\$0			\$15,625	
11	Subtotal	\$0	\$0		\$8,517,506	\$31,250	
12	Steam Capacity By Company - OPCo (Column 3) / I&M (Column 4) (kw)	0	0		12,851,000	5,412,000	
13	Environmental Base (\$/kw)	\$0.00	\$0.00		\$0.66	\$0.01	
14	Company Surplus Weighting	0.00%	0.00%		100.00%	0.00%	
15	Portion of Weighted Average Capacity Rate Attributed to Environmental Fixed O&M Costs	\$0.00	\$0.00		\$0.66	\$0.00	
16	Kentucky Power Capacity Deficit (kw)	0	0		114,000	114,000	
17	Fixed O&M Environmental Cost to Kentucky Power	\$0	\$0	\$0	\$75,240	\$0	\$75,240

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

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

For the Expense Month of June 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$611,422,571
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$8,376,489
4	Ohio Power Company's Percentage Ownership - Environmental Investment	<u>0.00%</u>	<u>100.00%</u>
5	OPCo's Share of Cost Associated with Amos Unit No. 3 (3) X (4)	\$0	\$8,376,489
	Operations :		
6	Disposal (5010000)	\$0	\$69,106
7	Urea (5020002)	\$0	\$115,728
8	Trona (5020003)	\$0	\$48,674
9	Lime Stone (5020004)	\$0	\$94,437
10	Air Emission Fee	<u>\$0</u>	<u>\$11,770</u>
11	Total Operations (Lines 6 thru 10)	\$0	\$339,715
	Maintenance :		
12	SCR Maintenance (5120000)	\$0	\$71,387
13	Scrubber (FGD) Maintenance (5120000)	<u>\$0</u>	<u>\$219,916</u>
14	Total Maintenance (12) + (13)	<u>\$0</u>	<u>\$291,303</u>
15	1/2 of Maintenance (14) * 50%	<u>\$0</u>	<u>\$145,652</u>
16	Fixed O&M (11) + (15)	\$0	\$485,367
17	Ohio Power Company's Percentage Ownership - O&M Cost	<u>0.00%</u>	<u>66.67%</u>
18	OPCo's Share of O&M Cost Associated with Amos Unit No. 3 (16) X (17)	<u>\$0</u>	<u>\$323,594</u>
	Total Revenue Requirement,		
19	Cost Associated with Amos Unit No. 3 (5) + (18)	\$0	\$8,700,083
20	Ohio Power Company Steam Capacity (kw)	0	12,851,000
21	Amos Unit No. 3 Environmental Rate (\$/kw)	\$0.00	\$0.68
22	Ohio Power Surplus Weighing	0.00%	100.00%
23	Portion of Weighted Average Capacity Rate Attributed to Amos Unit No. 3 SCR (\$/kw) (21) * (22)	\$0.00	\$0.68
	Amos Unit No. 3 Costs to Kentucky Power :		
24	Amos Unit No. 3 Portion (\$/kw) (23)	\$0.00	\$0.68
25	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>114,000</u>
	Amos Unit No. 3 Environmental Cost to Kentucky Power (24) * (25)		
26	(ES FORM 3.14, Page 1 of 11, Line 1)	\$0	\$77,520

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

For the Expense Month of June 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$403,006,219
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	1.37%
3	Total Rate Base	\$0	\$5,521,185
	Operations :		
4	Disposal (5010000)	\$0	\$165,084
5	Lime (5020001)	\$0	\$0
6	Urea (5020002)	\$0	\$181,845
7	Trona (5020003)	\$0	\$140,445
8	Lime Stone (5020004)	\$0	\$339,169
9	Air Emission Fee	\$0	<u>\$8,663</u>
10	Total Operations (Line 4 thru 9)	\$0	\$835,206
	Maintenance :		
11	SCR Maintenance (5120000)	\$0	(\$6,786)
12	Scrubber (FGD) Maintenance (5120000)	\$0	<u>(\$123,158)</u>
13	Total Maintenance (13) + (14)	\$0	(\$129,944)
14	1/2 Maintenance (15) * 50%	\$0	<u>(\$64,972)</u>
15	Fixed O&M (12) + (16)	\$0	<u>\$770,234</u>
	Total Revenue Requirement,		
16	Cost Associated with Cardinal Unit No. 3 (3) + (17)	\$0	<u>\$6,291,419</u>
17	Ohio Power Company's Percentage Ownership	0.00%	100.00%
18	OPCo's Share of Cost Associated with Cardinal Unit No. 1 (18) X (19)	\$0	\$6,291,419
19	Ohio Power Company Steam Capacity (kw)	0	12,851,000
20	Cardinal Unit No. 1 (\$/kw)	\$0.00	\$0.49
21	Ohio Power Surplus Weighing	0.00%	100.00%
22	Portion of Weighted Average Capacity Rate Attributed to Cardinal Unit No. 1 (\$/kw) (22) X (23)	\$0.00	\$0.49
	Cardinal Unit No. 1 Costs to Kentucky Power :		
23	Cardinal Unit No. 1 Portion (\$/kw) (24)	\$0.00	\$0.49
24	Kentucky Power Capacity Deficit (kw)	0	<u>114,000</u>
	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (25) * (26)		
25	(ES FORM 3.14, Page 1 of 11, Line 2)	\$0	\$55,860

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

For the Expense Month of June 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$964,567,531
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	1.37%
3	Total Rate Base	\$0	\$13,214,575
	Operations :		
4	Sludge Disposal (5010000)	\$0	\$884,948
5	Lime (5020001)	\$0	\$3,166,628
6	Urea (5020002)	\$0	\$897,575
7	Trona (5020003)	\$0	\$503,147
8	Lime Stone (5020004)	\$0	\$2,408
9	Air Emission Fee	\$0	\$35,828
10	Lease (5070005)	\$0	\$0
11	Total Operations (Lines 4 thru 10)	\$0	\$5,490,534
	Maintenance :		
12	SCR Maintenance (5120000)	\$0	\$76,011
13	Scrubber Maintenance (5120000)	\$0	\$411,881
14	Total Maintenance (12) + (13)	\$0	\$487,892
15	1/2 of Maintenance (13) * 50%	\$0	\$243,946
16	Fixed O&M (11) + (15)	\$0	\$5,734,480
	Total Revenue Requirement,		
17	Cost Associated with Gavin Plant (3) + (17)	\$0	\$18,949,055
18	Ohio Power Company's Percentage Ownership	0.00%	100.00%
19	OPCo's Share of Cost Associated with Gavin Plant (17) X (18)	\$0	\$18,949,055
20	Ohio Power Company Steam Capacity (kw)	0	12,851,000
21	Gavin Plant (\$/kw)	\$0.00	\$1.47
22	Ohio Power Surplus Weighing	0.00%	100.00%
23	Portion of Weighted Average Capacity Rate Attributed to Gavin Plant (\$/kw) (21) X (22)	\$0.00	\$1.47
	Gavin Plant Costs to Kentucky Power :		
24	Gavin Plant Portion (\$/kw) (23)	\$0.00	\$1.47
25	Kentucky Power Capacity Deficit (kw)	0	114,000
	Gavin Plant Environmental Cost to Kentucky Power (24) * (25)		
26	(ES FORM 3.14, Page 1 of 11, Line 3)	\$0	\$167,580

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

For the Expense Month of June 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$8,487,868
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$116,284
	Operations :		
4	Urea (5020002)	\$0	\$162
5	Trona (5020003)	\$0	\$288
6	Air Emission Fee	<u>\$0</u>	<u>\$19,398</u>
7	Total Operations (4) + (5) + (6)	\$0	\$19,848
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$0
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>	<u>\$0</u>
10	Fixed O&M (7) + (9)	<u>\$0</u>	<u>\$19,848</u>
	Total Revenue Requirement,		
11	Cost Associated with Kammer Plant (3) + (10)	<u>\$0</u>	<u>\$136,132</u>
12	Ohio Power Company's Percentage Ownership	0.00%	100.00%
13	OPCo's Share of Cost Associated with Kammer Plant (11) X (12)	\$0	\$136,132
14	Ohio Power Company Steam Capacity (kw)	0	12,851,000
15	Kammer Plant (\$/kw)	\$0.00	\$0.01
16	Ohio Power Surplus Weighing	0.00%	100.00%
17	Portion of Weighted Average Capacity Rate Attributed to Kammer Plant (\$/kw) (15) X (16)	\$0.00	\$0.01
	Kammer Plant Costs to Kentucky Power :		
18	Kammer Plant Portion (\$/kw) (17)	\$0.00	\$0.01
19	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>114,000</u>
20	Kammer Plant Environmental Cost to Kentucky Power (18) * (19) (ES FORM 3.14, Page 1 of 11, Line 4)	\$0	\$1,140

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

For the Expense Month of June 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$1,149,819,326
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	1.37%
3	Total Rate Base	\$0	\$15,752,525
	Operations :		
4	Disposal (5010000)	\$0	\$175,243
5	Urea (5020002)	\$0	\$410,461
6	Trona (5020003)	\$0	\$80,593
7	Lime Stone (5020004)	\$0	\$619,693
8	Air Emission Fee	\$0	\$18,559
9	Total Operations (Lines 4 thru 8)	\$0	\$1,304,549
	Maintenance :		
10	SCR Maintenance (5120000)	\$0	\$47,997
11	FDG (5120000)	\$0	\$349,747
12	1/2 of Maintenance (10 + 11) * 50%	\$0	\$198,872
13	Fixed O&M (9) + (12)	\$0	\$1,503,421
	Total Revenue Requirement,		
14	Cost Associated with Mitchell Plant (3) + (13)	\$0	\$17,255,946
15	Ohio Power Company's Percentage Ownership	0.00%	100.00%
16	OPCo's Share of Cost Associated with Mitchell Plant (14) X (15)	\$0	\$17,255,946
17	Ohio Power Company Steam Capacity (kw)	0	12,851,000
18	Mitchell Plant (\$/kw)	\$0.00	\$1.34
19	Ohio Power Surplus Weighing	0.00%	100.00%
20	Portion of Weighted Average Capacity Rate Attributed to Mitchell Plant (\$/kw) (18) X (19)	\$0.00	\$1.34
	Mitchell Plant Costs to Kentucky Power :		
21	Mitchell Plant Portion (\$/kw) (20)	\$0.00	\$1.34
22	Kentucky Power Capacity Deficit (kw)	0	114,000
	Mitchell Plant Environmental Cost to Kentucky Power (21) * (22)		
23	(ES FORM 3.14, Page 1 of 11, Line 5)	\$0	\$152,760

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

For the Expense Month of June 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$114,236,110
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$1,565,035
	Operations :		
4	Urea (5020002)	\$0	\$113,396
5	Trona (5020003)	\$0	\$659
6	Air Emission Fee	\$0	\$34,853
7	Total Operations (4) + (5) + (6)	\$0	\$148,908
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$1,497
9	1/2 of Maintenance (8) * 50%	\$0	\$749
10	Fixed O&M (7) + (9)	\$0	\$149,657
	Total Revenue Requirement,		
11	Cost Associated with Muskingum Plant (3) + (10)	\$0	\$1,714,692
12	Ohio Power Company's Percentage Ownership	0.00%	100.00%
13	OPCo's Share of Cost Associated with Muskingum Plant (11) X (12)	\$0	\$1,714,692
14	Ohio Power Company Steam Capacity (kw)	0	12,851,000
15	Muskingum Plant (\$/kw)	\$0.00	\$0.13
16	Ohio Power Surplus Weighing	0.00%	100.00%
17	Portion of Weighted Average Capacity Rate Attributed to Muskingum Plant (\$/kw) (15) X (16)	\$0.00	\$0.13
	Muskingum Plant Costs to Kentucky Power :		
18	Muskingum Plant Portion (\$/kw) (17)	\$0.00	\$0.13
19	Kentucky Power Capacity Deficit (kw)	0	114,000
	Muskingum Plant Environmental Cost to Kentucky Power (18) * (19)		
20	(ES FORM 3.14, Page 1 of 11, Line 6)	\$0	\$14,820

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

For the Expense Month of June 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$20,796,088
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$284,906
	Operations :		
4	Urea (5020002)	\$0	\$0
5	Trona (5020003)	\$0	\$0
6	Air Emission Fee	<u>\$0</u>	<u>\$16,272</u>
7	Total Operations (4) + (5) + (6)	\$0	\$16,272
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$0
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>	<u>\$0</u>
10	Fixed O&M (7) + (9)	<u>\$0</u>	<u>\$16,272</u>
	Total Revenue Requirement,		
11	Cost Associated with Sporn Plant (3) + (10)	<u>\$0</u>	<u>\$301,178</u>
12	Ohio Power Company's Percentage Ownership	0.00%	100.00%
13	OPCo's Share of Cost Associated with Sporn Plant (11) X (12)	\$0	\$301,178
14	Ohio Power Company Steam Capacity (kw)	0	12,851,000
15	Sporn Plant (\$/kw)	\$0.00	\$0.02
16	Ohio Power Surplus Weighing	0.00%	100.00%
17	Portion of Weighted Average Capacity Rate Attributed to Sporn Plant (\$/kw) (15) X (16)	\$0.00	\$0.02
	Sporn Plant Costs to Kentucky Power :		
18	SpornGavin Plant Portion (\$/kw) (17)	\$0.00	\$0.02
19	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>114,000</u>
20	Sporn Plant Environmental Cost to Kentucky Power (18) * (19) (ES FORM 3.14, Page 1 of 11, Line 7)	\$0	\$2,280

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

For the Expense Month of June 2012

LINE NO.	COST	Revised Amount					As Filed				
		Rockport Plant Common	UNIT 1 AMOUNTS	UNIT 2 AMOUNTS	Rockport Plant Common	Total	Rockport Plant Common	UNIT 1 AMOUNTS	UNIT 2 AMOUNTS	Rockport Plant Common	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(3)	(4)	(5)	(6)	(7)
1	Utility Plant at Original Cost	\$0	\$0	\$0	\$0		\$1,785,548	\$10,544,676	\$16,709,416	\$2,527,341	
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	0.00%	0.00%	0.00%		1.37%	1.37%	1.37%	1.37%	
3	Total Rate Base	\$0	\$0	\$0	\$0		\$24,462	\$144,462	\$228,919	\$34,625	
	Operations :										
4	Urea (5020002)	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
5	Trona (5020003)	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
6	Air Emission Fee	\$0	\$0	\$0	\$0		\$15,625	\$0	\$0	\$0	
7	Total Operations (4) + (5) + (6)	\$0	\$0	\$0	\$0		\$15,625	\$0	\$0	\$0	
	Maintenance :										
8	SCR Maintenance (5120000)	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
9	1/2 of Maintenance (8) * 50%	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
10	Fixed O&M (7) + (9)	\$0	\$0	\$0	\$0		\$15,625	\$0	\$0	\$0	
	Total Revenue Requirement,										
11	Cost Associated with Rockport Plant (3) + (10)	\$0	\$0	\$0	\$0		\$40,087	\$144,462	\$228,919	\$34,625	
12	Indiana Michigan Power Company's Percentage Ownership	0%	0.00%	0.00%	0.00%		50%	85.00%	85.00%	50.00%	
13	I&M's Share of Cost Associated with Rockport Plant (11) X (12)	\$0	\$0	\$0	\$0		\$20,044	\$122,793	\$194,581	\$17,313	
14	Total Rockport Plant Common and Units 1 & 2						\$0				\$354,731
15	Indiana Michigan Power Company Steam Capacity (kw)						0				5,412,000
16	Rockport Plant (\$/kw) (14) / (15)						\$0.00				\$0.07
17	Kentucky Power Portion of Rockport Plant / Indiana Michigan Power Surplus Weighing						0.00%				0.00%
18	Portion of Weighted Average Capacity Rate Attributed to Rockport Plant (\$/kw) (17) X (18)						\$0.00				\$0.00
	Rockport Plant Costs to Kentucky Power :										
19	Rockport Plant Portion (\$/kw) (18)						\$0.00				\$0.00
20	Kentucky Power Capacity Deficit (kw)						0				114,000
21	Rockport Units 1 & 2 Environmental to Kentucky Power (19) * (20) (ES FORM 3.14, Page 1 of 11, Line 8)						\$0				\$0

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

For the Expense Month of June 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$98,564,441
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	1.37%
3	Total Rate Base	\$0	\$1,350,333
	Operations :		
4	Urea (5020002)	\$0	\$0
5	Trona (5020003)	\$0	\$0
6	Air Emission Fee	<u>\$0</u>	<u>\$15,625</u>
7	Total Operations (4) + (5) + (6)	\$0	\$15,625
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$0
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>	<u>\$0</u>
10	Fixed O&M (7) + (9)	<u>\$0</u>	<u>\$15,625</u>
	Total Revenue Requirement,		
11	Cost Associated with Tanners Creek Plant (3) + (10)	<u>\$0</u>	<u>\$1,365,958</u>
12	Indiana Michigan Power Company's Percentage Ownership	0.00%	100.00%
13	I&M's Share of Cost Associated with Tanners Creek Plant (11) X (12)	\$0	\$1,365,958
14	Indiana Michigan Power Company Steam Capacity (kw)	0	5,412,000
15	Tanners Creek Plant (\$/kw)	\$0.00	\$0.25
16	Indiana Michigan Power Surplus Weighing	0.00%	0.00%
17	Portion of Weighted Average Capacity Rate Attributed to Rockport Plant (\$/kw) (15) X (16)	\$0.00	\$0.00
	Tanners Creek Plant Costs to Kentucky Power :		
18	Tanners Creek Plant Portion (\$/kw) (17)	\$0.00	\$0.00
19	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>114,000</u>
20	Tanners Creek Plant Environmental Cost to Kentucky Power (18) * (19) (ES FORM 3.14, Page 1 of 11, Line 9)	\$0	\$0

Revised - April 16, 2013

ES FORM 1.00

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CALCULATION OF E(m) and SURCHARGE FACTOR
For the Expense Month of July 2012

<u>CALCULATION OF E(m)</u>		Remove Pool	Filed Amount	Difference
E(m) = CRR - BRR		4/16/2013		
LINE 1	CRR from ES FORM 3.00	\$2,846,748	\$3,327,923	\$481,175
LINE 2	Brr from ES FORM 1.10	3,805,325	3,805,325	0 1/
LINE 3	E(m) (LINE 1 - LINE 2)	(\$958,577)	(\$477,402)	\$481,175
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	72.7%	72.7%	0.0%
LINE 5	KY Retail E(m) (LINE 3 * LINE 4)	(\$696,886)	(\$347,072)	\$349,814
LINE 6	(Over) / Under Recovery Adjustment from ES FORM 3.30	\$240,902	\$240,902	\$0
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	(\$455,984)	(\$106,170)	\$349,814
<u>SURCHARGE FACTOR</u>				
LINE 8	Net KY Retail E(m) (Line 7)	(\$455,984)	(\$106,170)	\$349,814
LINE 9	KY Retail R(m) from ES FORM 3.30	\$42,364,193	\$42,364,193	\$0
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	-1.0763%	-0.2506%	0.8257%

Effective Date for Billing: August 28, 2012

Submitted By : _____

Title : Manager Regulatory Services

Date Submitted : August 17, 2012

1/ Case No. 2009-00459, dated June 28, 2010

Revised - April 16, 2013

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT
For the Expense Month of July 2012

CALCULATION OF CURRENT PERIOD REVENUE REQUIREMENT

LINE NO.	COMPONENTS	Revised Amount		As Filed	
1	First Component: Associated with Big Sandy Plant (((RB KP(C)) (ROR KP(C)/12)) + OE KP(C)) ES FORM 3.10, Line 20		\$2,806,899		\$3,288,074
2	Second Component: Associated with Rockport Plant (((RB IM(C)) (ROR IM(C)/12)) + OE IM(C)) ES FORM 3.20, Line 16		\$39,849		\$39,849
	Third Component: Net Proceeds from Emission Allowances Sales AS				
	1) SO ₂ - EPA Auction Proceeds received during Expense Month	\$0		\$0	
	2) SO ₂ - Net Gain or (Loss) from Allowance Sales, in compliance with the AEP Interim Allowance Agreement, received during Expense Month	\$0		\$0	
	Total Net Proceeds from SO ₂ Allowances	\$0		\$0	
	1) NO _x - ERC Sales Proceeds, received during Expense Month	\$0		\$0	
	2) NO _x - EPA Auction Proceeds, received during Expense Month	\$0		\$0	
	3) NO _x - Net Gain or Loss from NO _x Allowances Sales, received during Expense Month	\$0		\$0	
	Total Net Proceeds from NO _x Allowances	\$0		\$0	
3	Total Net Gain or (Loss) from Emission Allowance Sales		\$0		\$0
4	Total Current Period Revenue Requirement, CRR Record on ES FORM 1.00.		\$2,846,748		\$3,327,923

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ES FORM 3.10

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

For the Expense Month of July 2012

LINE NO.	COST COMPONENT	Revised Amount		As Filed	
	Return on Rate Base :				
1	Utility Plant at Original Cost	\$191,452,443		\$191,452,443	
2	Less Accumulated Depreciation	(\$72,850,140)		(\$72,850,140)	
3	Less Accum. Def. Income Taxes	(\$31,014,966)		(\$31,014,966)	
4	Net Utility Plant		\$87,587,337		\$87,587,337
5	SO2 Emission Allowance Inventory from ES FORM 3.11		\$9,655,612		\$9,655,612
6	ECR & NOx Emission Allowance Inventory from ES FORM 3.12		\$54,484		\$54,484
7	Cash Working Capital Allowance from ES FORM 3.13, Line 13		\$1,485,900		\$1,496,445
8	Total Rate Base		\$98,783,333		\$98,793,878
9	Weighted Average Cost of Capital - ES FORM 3.15	10.85%		10.85%	
10	Monthly Weighted Avg. Cost of Capital (9) / 12		0.90%		0.90%
11	Monthly Return of Rate Base (8) * (10)		\$889,050		\$889,145
	Operating Expenses :				
12	Monthly Depreciation Expense		\$577,252		\$577,252
13	Monthly Catalyst Amortization Expense		\$46,030		\$46,030
14	Monthly Property Taxes		\$13,322		\$13,322
15	Monthly Kentucky Air Emissions Fee		\$21,113		\$21,113
	Monthly Environmental AEP Pool Capacity Costs				
16	from ES FORM 3.14, Page 1 of 11, Column 5, Line 10		\$0		\$481,080
17	Monthly 2003 Plan Non-Fuel O&M Expenses from ES FORM 3.13		\$522,909		\$522,909
18	Monthly SO2 Emission Allowance Consumption		\$737,223		\$737,223
19	Total Operating Expenses [Line 12 thru Line 18]		<u>\$1,917,849</u>		<u>\$2,398,929</u>
20	Total Revenue Requirement - Big Sandy Record on ES FORM 3.00, Line 1		\$2,806,899		\$3,288,074

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ES FORM 3.13

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT

For the Expense Month of July 2012

		Revised Amount		As Filed	
	1997 Plan :				
1	Monthly Kentucky Air Emissions Fee	\$21,113		\$21,113	
	Total Monthly AEP Pool				
2	Environmental Capacity Costs	\$0		\$84,360	
3	Monthly SO2 Allowance Consumption	<u>\$737,223</u>		<u>\$737,223</u>	
4	Total 1997 Plan O&M Expenses		\$758,336		\$842,696
	2003 Plan :				
5	Monthly Variable Cladding at Big Sandy Unit 1	\$0		\$0	
6	Monthly Urea Consumption at Big Sandy Unit 2	\$496,816		\$496,816	
7	Monthly Catalyst Replacement at Big Sandy Unit 2	\$0		\$0	
8	Monthly ERC & NOx Allowance Consumption	\$10,012		\$10,012	
9	Equipment - Associated Operating Expenses	\$404		\$404	
10	Equipment - Associated Maintenance Expenses	<u>\$15,676</u>		<u>\$15,676</u>	
11	Total 2003 Plan O&M Expenses		<u>\$522,909</u>		<u>\$522,909</u>
12	KPCO's Rockport Unit Power O&M:				
13	E.S. Form 3.20, Line 11 X 15%		<u>\$2,344</u>		<u>\$2,344</u>
14	Total Monthly O&M Expenses		<u>\$1,283,588</u>		<u>\$1,367,948</u>
15	Cash Working Capital Allowance (Line 12 X 1/8)		\$160,449		\$170,994
16	Cash Working Capital Allowance (June 2012 ES Form 3.13)		\$113,298		\$113,298
17	Cash Working Capital Allowance (May 2012 ES Form 3.13)		\$50,526		\$50,526
18	Cash Working Capital Allowance (April 2012 ES Form 3.13)		\$128,462		\$128,462
19	Cash Working Capital Allowance (March 2012 ES Form 3.13)		\$103,761		\$103,761
20	Cash Working Capital Allowance (February 2012 ES Form 3.13)		\$131,408		\$131,408
21	Cash Working Capital Allowance (January 2012 ES Form 3.13)		\$130,956		\$130,956
22	Cash Working Capital Allowance (December 2011 ES Form 3.13)		\$238,235		\$238,235
23	Cash Working Capital Allowance (November 2011 ES Form 3.13)		\$105,378		\$105,378
24	Cash Working Capital Allowance (October 2011 ES Form 3.13)		\$125,673		\$125,673
25	Cash Working Capital Allowance (September 2011 ES Form 3.13)		\$83,681		\$83,681
26	Cash Working Capital Allowance (August 2011 ES Form 3.13)		<u>\$114,073</u>		<u>\$114,073</u>
27	Total Twelve Month Total Cash Working Capital Allowance		<u>\$1,485,900</u>		<u>\$1,496,445</u>

Total Cost at Line 13 is to be recorded on ES FORM 3.10, Line 7.

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

For the Expense Month of July 2012							
Line No. (1)	Cost Component (2)	Ohio Power Company's Environmental Cost to KPCo (3)	Revised Indiana Michigan Power Company's Environmental Cost to KPCo (4)	Total (5)	Ohio Power Company's Environmental Cost to KPCo (3)	As Filed Indiana Michigan Power Company's Environmental Cost to KPCo (4)	Total (5)
1	Amos Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 26)	\$0			\$77,520		
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 25)	\$0			\$59,280		
3	Gavin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 26)	\$0			\$173,280		
4	Kammer Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 20)	\$0			\$1,140		
5	Mitchell Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 23)	\$0			\$150,480		
6	Muskingum River Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 20)	\$0			\$17,100		
7	Sporn Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 20)	\$0			\$2,280		
8	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Column 5, Line 21)		\$0			\$0	
9	Tanners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 20)		\$0			\$0	
10	Total AEP Pool Monthly Environmental Capacity Costs to Kentucky Power	\$0	\$0	\$0	\$481,080	\$0	\$481,080

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

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

Line No. (1)	Cost Component (2)	For the Expense Month of July 2012			Total (5)	Ohio Power Company's (OPCo) Environmental Cost to KPCCo (3)	As Filed Indiana Michigan Power Company's (I&M) Environmental Cost to KPCCo (4)	Total (5)
		Ohio Power Company's (OPCo) Environmental Cost to KPCCo (3)	Revised Indiana Michigan Power Company's (I&M) Environmental Cost to KPCCo (4)	Total (5)				
1	Amos Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 19)	\$0				\$365,508		
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 17)	\$0				\$1,191,076		
3	Gavin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 17)	\$0				\$6,339,638		
4	Kammer Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 10)	\$0				\$19,984		
5	Mitchell Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 16)	\$0				\$1,164,750		
6	Muskingum River Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 10)	\$0				\$391,546		
7	Spom Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 10)	\$0				\$16,272		
8	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Columns 3 & 6, Line 10)		\$0				\$15,625	
9	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Columns 4 & 5, Line 10)		\$0				\$0	
10	Tanners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 10)		\$0				\$15,625	
11	Subtotal	\$0	\$0			\$9,488,774	\$31,250	
12	Steam Capacity By Company - OPCo (Column 3) / I&M (Column 4) (kw)	0	0			12,851,000	5,412,000	
13	Environmental Base (\$/kw)	\$0.00	\$0.00			\$0.74	\$0.01	
14	Company Surplus Weighting	0.00%	0.00%			100.00%	0.00%	
15	Portion of Weighted Average Capacity Rate Attributed to Environmental Fixed O&M Costs	\$0.00	\$0.00			\$0.74	\$0.00	
16	Kentucky Power Capacity Deficit (kw)	0	0			114,000	114,000	
17	Fixed O&M Environmental Cost to Kentucky Power	\$0	\$0	\$0	\$84,360	\$0	\$84,360	

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

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

For the Expense Month of July 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$611,422,571
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	1.37%
3	Total Rate Base	\$0	\$8,376,489
4	Ohio Power Company's Percentage Ownership - Environmental Investment	0.00%	100.00%
5	OPCo's Share of Cost Associated with Amos Unit No. 3 (3) X (4)	\$0	\$8,376,489
	Operations :		
6	Disposal (5010000)	\$0	\$57,533
7	Urea (5020002)	\$0	\$130,685
8	Trona (5020003)	\$0	\$38,491
9	Lime Stone (5020004)	\$0	\$67,420
10	Air Emission Fee	\$0	\$11,770
11	Total Operations (Lines 6 thru 10)	\$0	\$305,899
	Maintenance :		
12	SCR Maintenance (5120000)	\$0	\$44,359
13	Scrubber (FGD) Maintenance (5120000)	\$0	\$440,312
14	Total Maintenance (12) + (13)	\$0	\$484,671
15	1/2 of Maintenance (14) * 50%	\$0	\$242,336
16	Fixed O&M (11) + (15)	\$0	\$548,235
17	Ohio Power Company's Percentage Ownership - O&M Cost	0.00%	66.67%
18	OPCo's Share of O&M Cost Associated with Amos Unit No. 3 (16) X (17)	\$0	\$365,508
	Total Revenue Requirement,		
19	Cost Associated with Amos Unit No. 3 (5) + (18)	\$0	\$8,741,997
20	Ohio Power Company Steam Capacity (kw)	0	12,851,000
21	Amos Unit No. 3 Environmental Rate (\$/kw)	\$0.00	\$0.68
22	Ohio Power Surplus Weighing	0.00%	100.00%
23	Portion of Weighted Average Capacity Rate Attributed to Amos Unit No. 3 SCR (\$/kw) (21) * (22)	\$0.00	\$0.68
	Amos Unit No. 3 Costs to Kentucky Power :		
24	Amos Unit No. 3 Portion (\$/kw) (23)	\$0.00	\$0.68
25	Kentucky Power Capacity Deficit (kw)	0	114,000
	Amos Unit No. 3 Environmental Cost to Kentucky Power (24) * (25)		
26	(ES FORM 3.14, Page 1 of 11, Line 1)	\$0	\$77,520

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

For the Expense Month of July 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$403,006,219
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	1.37%
3	Total Rate Base	\$0	\$5,521,185
	Operations :		
4	Disposal (5010000)	\$0	\$60,457
5	Lime (5020001)	\$0	\$0
6	Urea (5020002)	\$0	\$310,445
7	Trona (5020003)	\$0	\$232,833
8	Lime Stone (5020004)	\$0	\$540,698
9	Air Emission Fee	\$0	\$8,663
10	Total Operations (Line 4 thru 9)	\$0	\$1,153,096
	Maintenance :		
11	SCR Maintenance (5120000)	\$0	\$4,868
12	Scrubber (FGD) Maintenance (5120000)	\$0	\$71,091
13	Total Maintenance (13) + (14)	\$0	\$75,959
14	1/2 Maintenance (15) * 50%	\$0	\$37,980
15	Fixed O&M (12) + (16)	\$0	\$1,191,076
	Total Revenue Requirement,		
16	Cost Associated with Cardinal Unit No. 3 (3) + (17)	\$0	\$6,712,261
17	Ohio Power Company's Percentage Ownership	0.00%	100.00%
18	OPCo's Share of Cost Associated with Cardinal Unit No. 1 (18) X (19)	\$0	\$6,712,261
19	Ohio Power Company Steam Capacity (kw)	0	12,851,000
20	Cardinal Unit No. 1 (\$/kw)	\$0.00	\$0.52
21	Ohio Power Surplus Weighing	0.00%	100.00%
22	Portion of Weighted Average Capacity Rate Attributed to Cardinal Unit No. 1 (\$/kw) (22) X (23)	\$0.00	\$0.52
	Cardinal Unit No. 1 Costs to Kentucky Power :		
23	Cardinal Unit No. 1 Portion (\$/kw) (24)	\$0.00	\$0.52
24	Kentucky Power Capacity Deficit (kw)	0	114,000
25	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (25) * (26) (ES FORM 3.14, Page 1 of 11, Line 2)	\$0	\$59,280

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

For the Expense Month of July 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$964,567,531
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	1.37%
3	Total Rate Base	\$0	\$13,214,575
	Operations :		
4	Sludge Disposal (5010000)	\$0	\$801,880
5	Lime (5020001)	\$0	\$3,773,652
6	Urea (5020002)	\$0	\$816,835
7	Trona (5020003)	\$0	\$476,951
8	Lime Stone (5020004)	\$0	\$1,304
9	Air Emission Fee	\$0	\$35,828
10	Lease (5070005)	\$0	\$0
11	Total Operations (Lines 4 thru 10)	\$0	\$5,906,450
	Maintenance :		
12	SCR Maintenance (5120000)	\$0	\$64,558
13	Scrubber Maintenance (5120000)	\$0	\$801,817
14	Total Maintenance (12) + (13)	\$0	\$866,375
15	1/2 of Maintenance (13) * 50%	\$0	\$433,188
16	Fixed O&M (11) + (15)	\$0	\$6,339,638
	Total Revenue Requirement,		
17	Cost Associated with Gavin Plant (3) + (17)	\$0	\$19,554,213
18	Ohio Power Company's Percentage Ownership	0.00%	100.00%
19	OPCo's Share of Cost Associated with Gavin Plant (17) X (18)	\$0	\$19,554,213
20	Ohio Power Company Steam Capacity (kw)	0	12,851,000
21	Gavin Plant (\$/kw)	\$0.00	\$1.52
22	Ohio Power Surplus Weighing	0.00%	100.00%
23	Portion of Weighted Average Capacity Rate Attributed to Gavin Plant (\$/kw) (21) X (22)	\$0.00	\$1.52
	Gavin Plant Costs to Kentucky Power :		
24	Gavin Plant Portion (\$/kw) (23)	\$0.00	\$1.52
25	Kentucky Power Capacity Deficit (kw)	0	114,000
26	Gavin Plant Environmental Cost to Kentucky Power (24) * (25) (ES FORM 3.14, Page 1 of 11, Line 3)	\$0	\$173,280

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

For the Expense Month of July 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$8,487,868
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$116,284
	Operations :		
4	Urea (5020002)	\$0	\$374
5	Trona (5020003)	\$0	\$212
6	Air Emission Fee	<u>\$0</u>	<u>\$19,398</u>
7	Total Operations (4) + (5) + (6)	\$0	\$19,984
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$0
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>	<u>\$0</u>
10	Fixed O&M (7) + (9)	<u>\$0</u>	<u>\$19,984</u>
	Total Revenue Requirement,		
11	Cost Associated with Kammer Plant (3) + (10)	<u>\$0</u>	<u>\$136,268</u>
12	Ohio Power Company's Percentage Ownership	0.00%	100.00%
13	OPCo's Share of Cost Associated with Kammer Plant (11) X (12)	\$0	\$136,268
14	Ohio Power Company Steam Capacity (kw)	0	12,851,000
15	Kammer Plant (\$/kw)	\$0.00	\$0.01
16	Ohio Power Surplus Weighing	0.00%	100.00%
17	Portion of Weighted Average Capacity Rate Attributed to Kammer Plant (\$/kw) (15) X (16)	\$0.00	\$0.01
	Kammer Plant Costs to Kentucky Power :		
18	Kammer Plant Portion (\$/kw) (17)	\$0.00	\$0.01
19	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>114,000</u>
20	Kammer Plant Environmental Cost to Kentucky Power (18) * (19) (ES FORM 3.14, Page 1 of 11, Line 4)	\$0	\$1,140

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

For the Expense Month of July 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$1,149,819,326
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$15,752,525
	Operations :		
4	Disposal (5010000)	\$0	\$38,587
5	Urea (5020002)	\$0	\$435,540
6	Trona (5020003)	\$0	\$117,540
7	Lime Stone (5020004)	\$0	\$680,151
8	Air Emission Fee	<u>\$0</u>	<u>\$18,559</u>
9	Total Operations (Lines 4 thru 8)	\$0	\$1,290,377
	Maintenance :		
10	SCR Maintenance (5120000)	\$0	\$3,495
11	FDG (5120000)	<u>\$0</u>	<u>(\$254,749)</u>
12	1/2 of Maintenance (10 + 11) * 50%	<u>\$0</u>	<u>(\$125,627)</u>
13	Fixed O&M (9) + (12)	<u>\$0</u>	<u>\$1,164,750</u>
	Total Revenue Requirement,		
14	Cost Associated with Mitchell Plant (3) + (13)	<u>\$0</u>	<u>\$16,917,275</u>
15	Ohio Power Company's Percentage Ownership	0.00%	100.00%
16	OPCo's Share of Cost Associated with Mitchell Plant (14) X (15)	\$0	\$16,917,275
17	Ohio Power Company Steam Capacity (kw)	0	12,851,000
18	Mitchell Plant (\$/kw)	\$0.00	\$1.32
19	Ohio Power Surplus Weighing	0.00%	100.00%
20	Portion of Weighted Average Capacity Rate Attributed to Mitchell Plant (\$/kw) (18) X (19)	\$0.00	\$1.32
	Mitchell Plant Costs to Kentucky Power :		
21	Mitchell Plant Portion (\$/kw) (20)	\$0.00	\$1.32
22	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>114,000</u>
23	Mitchell Plant Environmental Cost to Kentucky Power (21) * (22) (ES FORM 3.14, Page 1 of 11, Line 5)	\$0	\$150,480

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

For the Expense Month of July 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$114,236,110
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	1.37%
3	Total Rate Base	\$0	\$1,565,035
	Operations :		
4	Urea (5020002)	\$0	\$354,126
5	Trona (5020003)	\$0	\$484
6	Air Emission Fee	\$0	\$34,853
7	Total Operations (4) + (5) + (6)	\$0	\$389,463
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$4,165
9	1/2 of Maintenance (8) * 50%	\$0	\$2,083
10	Fixed O&M (7) + (9)	\$0	\$391,546
	Total Revenue Requirement,		
11	Cost Associated with Muskingum Plant (3) + (10)	\$0	\$1,956,581
12	Ohio Power Company's Percentage Ownership	0.00%	100.00%
13	OPCo's Share of Cost Associated with Muskingum Plant (11) X (12)	\$0	\$1,956,581
14	Ohio Power Company Steam Capacity (kw)	0	12,851,000
15	Muskingum Plant (\$/kw)	\$0.00	\$0.15
16	Ohio Power Surplus Weighing	0.00%	100.00%
17	Portion of Weighted Average Capacity Rate Attributed to Muskingum Plant (\$/kw) (15) X (16)	\$0.00	\$0.15
	Muskingum Plant Costs to Kentucky Power :		
18	Muskingum Plant Portion (\$/kw) (17)	\$0.00	\$0.15
19	Kentucky Power Capacity Deficit (kw)	0	114,000
	Muskingum Plant Environmental Cost to Kentucky Power (18) * (19)		
20	(ES FORM 3.14, Page 1 of 11, Line 6)	\$0	\$17,100

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

For the Expense Month of July 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$20,796,088
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$284,906
	Operations :		
4	Urea (5020002)	\$0	\$0
5	Trona (5020003)	\$0	\$0
6	Air Emission Fee	<u>\$0</u>	<u>\$16,272</u>
7	Total Operations (4) + (5) + (6)	\$0	\$16,272
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$0
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>	<u>\$0</u>
10	Fixed O&M (7) + (9)	<u>\$0</u>	<u>\$16,272</u>
	Total Revenue Requirement,		
11	Cost Associated with Sporn Plant (3) + (10)	<u>\$0</u>	<u>\$301,178</u>
12	Ohio Power Company's Percentage Ownership	0.00%	100.00%
13	OPCo's Share of Cost Associated with Sporn Plant (11) X (12)	\$0	\$301,178
14	Ohio Power Company Steam Capacity (kw)	0	12,851,000
15	Sporn Plant (\$/kw)	\$0.00	\$0.02
16	Ohio Power Surplus Weighing	0.00%	100.00%
17	Portion of Weighted Average Capacity Rate Attributed to Sporn Plant (\$/kw) (15) X (16)	\$0.00	\$0.02
	Sporn Plant Costs to Kentucky Power :		
18	SpornGavin Plant Portion (\$/kw) (17)	\$0.00	\$0.02
19	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>114,000</u>
20	Sporn Plant Environmental Cost to Kentucky Power (18) * (19) (ES FORM 3.14, Page 1 of 11, Line 7)	\$0	\$2,280

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

For the Expense Month of July 2012

LINE NO.	COST	Rockport Plant Common	UNIT 1 AMOUNTS	UNIT 2 AMOUNTS	Rockport Plant Common	Total	Rockport Plant Common	UNIT 1 AMOUNTS	UNIT 2 AMOUNTS	Rockport Plant Common	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(3)	(4)	(5)	(6)	(7)
1	Utility Plant at Original Cost	\$0	\$0	\$0	\$0		\$1,785,548	\$10,544,676	\$16,709,416	\$2,527,341	
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	0.00%	0.00%	0.00%		1.37%	1.37%	1.37%	1.37%	
3	Total Rate Base	\$0	\$0	\$0	\$0		\$24,462	\$144,462	\$228,919	\$34,625	
	Operations :										
4	Urea (5020002)	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
5	Trona (5020003)	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
6	Air Emission Fee	\$0	\$0	\$0	\$0		\$15,625	\$0	\$0	\$0	
7	Total Operations (4) + (5) + (6)	\$0	\$0	\$0	\$0		\$15,625	\$0	\$0	\$0	
	Maintenance :										
8	SCR Maintenance (5120000)	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
9	1/2 of Maintenance (8) * 50%	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
10	Fixed O&M (7) + (9)	\$0	\$0	\$0	\$0		\$15,625	\$0	\$0	\$0	
	Total Revenue Requirement,										
11	Cost Associated with Rockport Plant (3) + (10)	\$0	\$0	\$0	\$0		\$40,087	\$144,462	\$228,919	\$34,625	
12	Indiana Michigan Power Company's Percentage Ownership	0%	0.00%	0.00%	0.00%		50%	85.00%	85.00%	50.00%	
13	I&M's Share of Cost Associated with Rockport Plant (11) X (12)	\$0	\$0	\$0	\$0		\$20,044	\$122,793	\$194,581	\$17,313	
14	Total Rockport Plant Common and Units 1 & 2					\$0					\$354,731
15	Indiana Michigan Power Company Steam Capacity (kw)					0					5,412,000
16	Rockport Plant (\$/kw) (14) / (15)					\$0.00					\$0.07
17	Kentucky Power Portion of Rockport Plant /										
17	Indiana Michigan Power Surplus Weighing					0.00%					0.00%
18	Portion of Weighted Average Capacity Rate										
18	Attributed to Rockport Plant (\$/kw) (17) X (18)					\$0.00					\$0.00
	Rockport Plant Costs to Kentucky Power :										
19	Rockport Plant Portion (\$/kw) (18)					\$0.00					\$0.00
20	Kentucky Power Capacity Deficit (kw)					0					114,000
20	Rockport Units 1 & 2 Environmental to Kentucky Power (19) * (20)										
21	(ES FORM 3.14, Page 1 of 11, Line 8)					\$0					\$0

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ES FORM 3.14
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KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT
INDIANA MICHIGAN POWER COMPANY (I&M) - TANNERS CREEK (UNITS 1, 2, 3 & 4)

For the Expense Month of July 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$98,564,441
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	1.37%
3	Total Rate Base	\$0	\$1,350,333
	Operations :		
4	Urea (5020002)	\$0	\$0
5	Trona (5020003)	\$0	\$0
6	Air Emission Fee	\$0	\$15,625
7	Total Operations (4) + (5) + (6)	\$0	\$15,625
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$0
9	1/2 of Maintenance (8) * 50%	\$0	\$0
10	Fixed O&M (7) + (9)	\$0	\$15,625
	Total Revenue Requirement,		
11	Cost Associated with Tanners Creek Plant (3) + (10)	\$0	\$1,365,958
12	Indiana Michigan Power Company's Percentage Ownership	0.00%	100.00%
13	I&M's Share of Cost Associated with Tanners Creek Plant (11) X (12)	\$0	\$1,365,958
14	Indiana Michigan Power Company Steam Capacity (kw)	0	5,412,000
15	Tanners Creek Plant (\$/kw)	\$0.00	\$0.25
16	Indiana Michigan Power Surplus Weighing	0.00%	0.00%
17	Portion of Weighted Average Capacity Rate Attributed to Rockport Plant (\$/kw) (15) X (16)	\$0.00	\$0.00
	Tanners Creek Plant Costs to Kentucky Power :		
18	Tanners Creek Plant Portion (\$/kw) (17)	\$0.00	\$0.00
19	Kentucky Power Capacity Deficit (kw)	0	114,000
20	Tanners Creek Plant Environmental Cost to Kentucky Power (18) * (19) (ES FORM 3.14, Page 1 of 11, Line 9)	\$0	\$0

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ES FORM 1.00

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CALCULATION OF E(m) and SURCHARGE FACTOR
For the Expense Month of August 2012

<u>CALCULATION OF E(m)</u>		Remove Pool	Filed Amount	Difference
E(m) = CRR - BRR		4/16/2013		
LINE 1	CRR from ES FORM 3.00	\$2,563,915	\$3,236,799	\$672,884
LINE 2	Brr from ES FORM 1.10	4,088,830	4,088,830	0 1/
LINE 3	E(m) (LINE 1 - LINE 2)	(\$1,524,915)	(\$852,031)	\$672,884
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	76.0%	76.0%	0.0%
LINE 5	KY Retail E(m) (LINE 3 * LINE 4)	(\$1,158,936)	(\$647,544)	\$511,392
LINE 6	(Over) / Under Recovery Adjustment from ES FORM 3.30	\$169,488	\$169,488	\$0
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	(\$989,448)	(\$478,056)	\$511,392
<u>SURCHARGE FACTOR</u>				
LINE 8	Net KY Retail E(m) (Line 7)	(\$989,448)	(\$478,056)	\$511,392
LINE 9	KY Retail R(m) from ES FORM 3.30	\$41,135,196	\$41,135,196	\$0
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	-2.4054%	-1.1622%	1.2432%

Effective Date for Billing: September 27, 2012

Submitted By : _____

Title : Manager Regulatory Services

Date Submitted : September 17, 2012

1/ Case No. 2009-00459, dated June 28, 2010

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KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT
For the Expense Month of August 2012

CALCULATION OF CURRENT PERIOD REVENUE REQUIREMENT

LINE NO.	COMPONENTS	Revised Amount		As Filed	
1	First Component: Associated with Big Sandy Plant ((RB KP(C)) (ROR KP(C)/12)) + OE KP(C) ES FORM 3.10, Line 20		\$2,523,347		\$3,196,231
2	Second Component: Associated with Rockport Plant (((RB IM(C)) (ROR IM(C)/12)) + OE IM(C)) ES FORM 3.20, Line 16		\$40,568		\$40,568
	Third Component: Net Proceeds from Emission Allowances Sales AS				
	1) SO ₂ - EPA Auction Proceeds received during Expense Month	\$0		\$0	
	2) SO ₂ - Net Gain or (Loss) from Allowance Sales, in compliance with the AEP Interim Allowance Agreement, received during Expense Month	\$0		\$0	
	Total Net Proceeds from SO ₂ Allowances	\$0		\$0	
	1) NO _x - ERC Sales Proceeds, received during Expense Month	\$0		\$0	
	2) NO _x - EPA Auction Proceeds, received during Expense Month	\$0		\$0	
	3) NO _x - Net Gain or Loss from NO _x Allowances Sales, received during Expense Month	\$0		\$0	
	Total Net Proceeds from NO _x Allowances	\$0		\$0	
3	Total Net Gain or (Loss) from Emission Allowance Sales		\$0		\$0
4	Total Current Period Revenue Requirement, CRR Record on ES FORM 1.00.		\$2,563,915		\$3,236,799

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ES FORM 3.10

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

For the Expense Month of August 2012

LINE NO.	COST COMPONENT	Revised Amount		As Filed	
	Return on Rate Base :				
1	Utility Plant at Original Cost	\$191,452,443		\$191,452,443	
2	Less Accumulated Depreciation	(\$73,476,814)		(\$73,476,814)	
3	Less Accum. Def. Income Taxes	(\$30,890,623)		(\$30,890,623)	
4	Net Utility Plant		\$87,085,006		\$87,085,006
5	SO2 Emission Allowance Inventory from ES FORM 3.11		\$9,047,076		\$9,047,076
6	ECR & NOx Emission Allowance Inventory from ES FORM 3.12		\$46,474		\$46,474
7	Cash Working Capital Allowance from ES FORM 3.13, Line 13		\$1,508,610		\$1,526,303
8	Total Rate Base		\$97,687,166		\$97,704,859
9	Weighted Average Cost of Capital - ES FORM 3.15	10.85%		10.85%	
10	Monthly Weighted Avg. Cost of Capital (9) / 12		0.90%		0.90%
11	Monthly Return of Rate Base (8) * (10)		\$879,184		\$879,344
	Operating Expenses :				
12	Monthly Depreciation Expense		\$577,252		\$577,252
13	Monthly Catalyst Amortization Expense		\$46,030		\$46,030
14	Monthly Property Taxes		\$13,322		\$13,322
15	Monthly Kentucky Air Emissions Fee		\$21,113		\$21,113
16	Monthly Environmental AEP Pool Capacity Costs from ES FORM 3.14, Page 1 of 11, Column 5, Line 10		\$0		\$672,724
17	Monthly 2003 Plan Non-Fuel O&M Expenses from ES FORM 3.13		\$377,910		\$377,910
18	Monthly SO2 Emission Allowance Consumption		\$608,536		\$608,536
19	Total Operating Expenses [Line 12 thru Line 18]		<u>\$1,644,163</u>		<u>\$2,316,887</u>
20	Total Revenue Requirement - Big Sandy Record on ES FORM 3.00, Line 1		\$2,523,347		\$3,196,231

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ES FORM 3.13

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT

For the Expense Month of August 2012

		Revised Amount		As Filed	
	1997 Plan :				
1	Monthly Kentucky Air Emissions Fee	\$21,113		\$21,113	
	Total Monthly AEP Pool				
2	Environmental Capacity Costs	\$0		\$141,546	
3	Monthly SO2 Allowance Consumption	<u>\$608,536</u>		<u>\$608,536</u>	
4	Total 1997 Plan O&M Expenses		\$629,649		\$771,195
	2003 Plan :				
5	Monthly Variable Cladding at Big Sandy Unit 1	\$0		\$0	
6	Monthly Urea Consumption at Big Sandy Unit 2	\$349,185		\$349,185	
7	Monthly Catalyst Replacement at Big Sandy Unit 2	\$0		\$0	
8	Monthly ERC & NOx Allowance Consumption	\$8,010		\$8,010	
9	Equipment - Associated Operating Expenses	\$359		\$359	
10	Equipment - Associated Maintenance Expenses	<u>\$20,355</u>		<u>\$20,355</u>	
11	Total 2003 Plan O&M Expenses		\$377,910		\$377,910
12	KPCO's Rockport Unit Power O&M:				
13	E.S. Form 3.20, Line 11 X 15%		<u>\$2,344</u>		<u>\$2,344</u>
14	Total Monthly O&M Expenses		<u>\$1,009,903</u>		<u>\$1,151,449</u>
15	Cash Working Capital Allowance (Line 12 X 1/8)		\$126,238		\$143,931
16	Cash Working Capital Allowance (July 2012 ES Form 3.13)		\$170,994		\$170,994
17	Cash Working Capital Allowance (June 2012 ES Form 3.13)		\$113,298		\$113,298
18	Cash Working Capital Allowance (May 2012 ES Form 3.13)		\$50,526		\$50,526
19	Cash Working Capital Allowance (April 2012 ES Form 3.13)		\$128,462		\$128,462
20	Cash Working Capital Allowance (March 2012 ES Form 3.13)		\$103,761		\$103,761
21	Cash Working Capital Allowance (February 2012 ES Form 3.13)		\$131,408		\$131,408
22	Cash Working Capital Allowance (January 2012 ES Form 3.13)		\$130,956		\$130,956
23	Cash Working Capital Allowance (December 2011 ES Form 3.13)		\$238,235		\$238,235
24	Cash Working Capital Allowance (November 2011 ES Form 3.13)		\$105,378		\$105,378
25	Cash Working Capital Allowance (October 2011 ES Form 3.13)		\$125,673		\$125,673
26	Cash Working Capital Allowance (September 2011 ES Form 3.13)		<u>\$83,681</u>		<u>\$83,681</u>
27	Total Twelve Month Total Cash Working Capital Allowance		\$1,508,610		\$1,526,303

Total Cost at Line 13 is to be recorded on ES FORM 3.10, Line 7.

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

For the Expense Month of August 2012

Line No. (1)	Cost Component (2)	Revised			As Filed		Total (5)
		Ohio Power Company's Environmental Cost to KPCo (3)	Indiana Michigan Power Company's Environmental Cost to KPCo (4)	Ohio Power Company's Environmental Cost to KPCo (3)	Indiana Michigan Power Company's Environmental Cost to KPCo (4)		
1	Amos Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 26)	\$0		\$105,018			
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 25)	\$0		\$83,710			
3	Gavin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 26)	\$0		\$257,218			
4	Kammer Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 20)	\$0		\$1,522			
5	Mitchell Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 23)	\$0		\$200,904			
6	Muskingum River Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 20)	\$0		\$21,308			
7	Sporn Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 20)	\$0		\$3,044			
8	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Column 5, Line 21)		\$0			\$0	
9	Tanners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 20)		\$0			\$0	
10	Total AEP Pool Monthly Environmental Capacity Costs to Kentucky Power	\$0	\$0	\$672,724	\$0	\$0	\$672,724

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

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

For the Expense Month of August 2012

Line No. (1)	Cost Component (2)	Ohio Power Company's (OPCo) Environmental Cost to KPCo (3)	Revised Indiana Michigan Power Company's (I&M) Environmental Cost to KPCo (4)	Total (5)	Ohio Power Company's (OPCo) Environmental Cost to KPCo (3)	As Filed Indiana Michigan Power Company's (I&M) Environmental Cost to KPCo (4)	Total (5)
1	Amos Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 19)	\$0			\$499,415		
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 17)	\$0			\$1,515,519		
3	Gavin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 17)	\$0			\$8,495,495		
4	Kammer Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 10)	\$0			\$19,858		
5	Mitchell Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 16)	\$0			\$1,182,236		
6	Muskingum River Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 10)	\$0			\$225,005		
7	Sporn Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 10)	\$0			\$16,272		
8	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Columns 3 & 6, Line 10)		\$0			\$15,625	
9	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Columns 4 & 5, Line 10)		\$0			\$0	
10	Tanners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 10)		\$0			\$15,625	
11	Subtotal	\$0	\$0		\$11,953,800	\$31,250	
12	Steam Capacity By Company - OPCo (Column 3) / I&M (Column 4) (kw)	0	0		12,851,000	5,412,000	
13	Environmental Base (\$/kw)	\$0.00	\$0.00		\$0.93	\$0.01	
14	Company Surplus Weighting	0.00%	0.00%		100.00%	0.00%	
15	Portion of Weighted Average Capacity Rate Attributed to Environmental Fixed O&M Costs	\$0.00	\$0.00		\$0.93	\$0.00	
16	Kentucky Power Capacity Deficit (kw)	0	0		152,200	152,200	
17	Fixed O&M Environmental Cost to Kentucky Power	\$0	\$0	\$0	\$141,546	\$0	\$141,546

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

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ES FORM 3.14
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KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT
OHIO POWER COMPANY (OPCo) - AMOS PLANT UNIT NO. 3

For the Expense Month of August 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$611,422,571
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$8,376,489
4	Ohio Power Company's Percentage Ownership - Environmental Investment	<u>0.00%</u>	<u>100.00%</u>
5	OPCo's Share of Cost Associated with Amos Unit No. 3 (3) X (4)	\$0	\$8,376,489
	Operations :		
6	Disposal (5010000)	\$0	\$43,363
7	Urea (5020002)	\$0	\$413,573
8	Trona (5020003)	\$0	\$195,442
9	Lime Stone (5020004)	\$0	\$0
10	Air Emission Fee	<u>\$0</u>	<u>\$11,770</u>
11	Total Operations (Lines 6 thru 10)	\$0	\$664,148
	Maintenance :		
12	SCR Maintenance (5120000)	\$0	\$53,192
13	Scrubber (FGD) Maintenance (5120000)	<u>\$0</u>	<u>\$116,681</u>
14	Total Maintenance (12) + (13)	<u>\$0</u>	<u>\$169,873</u>
15	1/2 of Maintenance (14) * 50%	<u>\$0</u>	<u>\$84,937</u>
16	Fixed O&M (11) + (15)	\$0	\$749,085
17	Ohio Power Company's Percentage Ownership - O&M Cost	<u>0.00%</u>	<u>66.67%</u>
18	OPCo's Share of O&M Cost Associated with Amos Unit No. 3 (16) X (17)	<u>\$0</u>	<u>\$499,415</u>
	Total Revenue Requirement,		
19	Cost Associated with Amos Unit No. 3 (5) + (18)	\$0	\$8,875,904
20	Ohio Power Company Steam Capacity (kw)	0	12,851,000
21	Amos Unit No. 3 Environmental Rate (\$/kw)	\$0.00	\$0.69
22	Ohio Power Surplus Weighing	0.00%	100.00%
23	Portion of Weighted Average Capacity Rate Attributed to Amos Unit No. 3 SCR (\$/kw) (21) * (22)	\$0.00	\$0.69
	Amos Unit No. 3 Costs to Kentucky Power :		
24	Amos Unit No. 3 Portion (\$/kw) (23)	\$0.00	\$0.69
25	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>152,200</u>
	Amos Unit No. 3 Environmental Cost to Kentucky Power (24) * (25)		
26	(ES FORM 3.14, Page 1 of 11, Line 1)	\$0	\$105,018

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

For the Expense Month of August 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$403,006,219
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	1.37%
3	Total Rate Base	\$0	\$5,521,185
	Operations :		
4	Disposal (5010000)	\$0	\$192,742
5	Lime (5020001)	\$0	\$0
6	Urea (5020002)	\$0	\$365,004
7	Trona (5020003)	\$0	\$199,592
8	Lime Stone (5020004)	\$0	\$666,166
9	Air Emission Fee	\$0	\$8,663
10	Total Operations (Line 4 thru 9)	\$0	\$1,432,167
	Maintenance :		
11	SCR Maintenance (5120000)	\$0	\$6,398
12	Scrubber (FGD) Maintenance (5120000)	\$0	\$160,306
13	Total Maintenance (13) + (14)	\$0	\$166,704
14	1/2 Maintenance (15) * 50%	\$0	\$83,352
15	Fixed O&M (12) + (16)	\$0	\$1,515,519
	Total Revenue Requirement,		
16	Cost Associated with Cardinal Unit No. 3 (3) + (17)	\$0	\$7,036,704
17	Ohio Power Company's Percentage Ownership	0.00%	100.00%
18	OPCo's Share of Cost Associated with Cardinal Unit No. 1 (18) X (19)	\$0	\$7,036,704
19	Ohio Power Company Steam Capacity (kw)	0	12,851,000
20	Cardinal Unit No. 1 (\$/kw)	\$0.00	\$0.55
21	Ohio Power Surplus Weighing	0.00%	100.00%
22	Portion of Weighted Average Capacity Rate Attributed to Cardinal Unit No. 1 (\$/kw) (22) X (23)	\$0.00	\$0.55
	Cardinal Unit No. 1 Costs to Kentucky Power :		
23	Cardinal Unit No. 1 Portion (\$/kw) (24)	\$0.00	\$0.55
24	Kentucky Power Capacity Deficit (kw)	0	152,200
	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (25) * (26)		
25	(ES FORM 3.14, Page 1 of 11, Line 2)	\$0	\$83,710

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

For the Expense Month of August 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$964,567,531
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$13,214,575
	Operations :		
4	Sludge Disposal (5010000)	\$0	\$948,573
5	Lime (5020001)	\$0	\$5,091,348
6	Urea (5020002)	\$0	\$1,233,247
7	Trona (5020003)	\$0	\$664,411
8	Lime Stone (5020004)	\$0	\$53,633
9	Air Emission Fee	\$0	\$35,828
10	Lease (5070005)	<u>\$0</u>	<u>\$0</u>
11	Total Operations (Lines 4 thru 10)	\$0	\$8,027,040
	Maintenance :		
12	SCR Maintenance (5120000)	\$0	\$71,033
13	Scrubber Maintenance (5120000)	<u>\$0</u>	<u>\$865,876</u>
14	Total Maintenance (12) + (13)	\$0	\$936,909
15	1/2 of Maintenance (13) * 50%	<u>\$0</u>	<u>\$468,455</u>
16	Fixed O&M (11) + (15)	<u>\$0</u>	<u>\$8,495,495</u>
	Total Revenue Requirement,		
17	Cost Associated with Gavin Plant (3) + (17)	\$0	\$21,710,070
18	Ohio Power Company's Percentage Ownership	0.00%	100.00%
19	OPCo's Share of Cost Associated with Gavin Plant (17) X (18)	\$0	\$21,710,070
20	Ohio Power Company Steam Capacity (kw)	0	12,851,000
21	Gavin Plant (\$/kw)	\$0.00	\$1.69
22	Ohio Power Surplus Weighing	0.00%	100.00%
23	Portion of Weighted Average Capacity Rate Attributed to Gavin Plant (\$/kw) (21) X (22)	\$0.00	\$1.69
	Gavin Plant Costs to Kentucky Power :		
24	Gavin Plant Portion (\$/kw) (23)	\$0.00	\$1.69
25	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>152,200</u>
26	Gavin Plant Environmental Cost to Kentucky Power (24) * (25) (ES FORM 3.14, Page 1 of 11, Line 3)	\$0	\$257,218

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

For the Expense Month of August 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$8,487,868
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	1.37%
3	Total Rate Base	\$0	\$116,284
	Operations :		
4	Urea (5020002)	\$0	\$154
5	Trona (5020003)	\$0	\$306
6	Air Emission Fee	\$0	\$19,398
7	Total Operations (4) + (5) + (6)	\$0	\$19,858
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$0
9	1/2 of Maintenance (8) * 50%	\$0	\$0
10	Fixed O&M (7) + (9)	\$0	\$19,858
	Total Revenue Requirement,		
11	Cost Associated with Kammer Plant (3) + (10)	\$0	\$136,142
12	Ohio Power Company's Percentage Ownership	0.00%	100.00%
13	OPCo's Share of Cost Associated with Kammer Plant (11) X (12)	\$0	\$136,142
14	Ohio Power Company Steam Capacity (kw)	0	12,851,000
15	Kammer Plant (\$/kw)	\$0.00	\$0.01
16	Ohio Power Surplus Weighing	0.00%	100.00%
17	Portion of Weighted Average Capacity Rate Attributed to Kammer Plant (\$/kw) (15) X (16)	\$0.00	\$0.01
	Kammer Plant Costs to Kentucky Power :		
18	Kammer Plant Portion (\$/kw) (17)	\$0.00	\$0.01
19	Kentucky Power Capacity Deficit (kw)	0	152,200
	Kammer Plant Environmental Cost to Kentucky Power (18) * (19)		
20	(ES FORM 3.14, Page 1 of 11, Line 4)	\$0	\$1,522

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

For the Expense Month of August 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$1,149,819,326
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$15,752,525
	Operations :		
4	Disposal (5010000)	\$0	\$88,112
5	Urea (5020002)	\$0	\$325,453
6	Trona (5020003)	\$0	\$116,641
7	Lime Stone (5020004)	\$0	\$531,437
8	Air Emission Fee	<u>\$0</u>	<u>\$18,559</u>
9	Total Operations (Lines 4 thru 8)	\$0	\$1,080,202
	Maintenance :		
10	SCR Maintenance (5120000)	\$0	\$31,728
11	FDG (5120000)	<u>\$0</u>	<u>\$172,339</u>
12	1/2 of Maintenance (10 + 11) * 50%	<u>\$0</u>	<u>\$102,034</u>
13	Fixed O&M (9) + (12)	<u>\$0</u>	<u>\$1,182,236</u>
	Total Revenue Requirement,		
14	Cost Associated with Mitchell Plant (3) + (13)	<u>\$0</u>	<u>\$16,934,761</u>
15	Ohio Power Company's Percentage Ownership	0.00%	100.00%
16	OPCo's Share of Cost Associated with Mitchell Plant (14) X (15)	\$0	\$16,934,761
17	Ohio Power Company Steam Capacity (kw)	0	12,851,000
18	Mitchell Plant (\$/kw)	\$0.00	\$1.32
19	Ohio Power Surplus Weighing	0.00%	100.00%
20	Portion of Weighted Average Capacity Rate Attributed to Mitchell Plant (\$/kw) (18) X (19)	\$0.00	\$1.32
	Mitchell Plant Costs to Kentucky Power :		
21	Mitchell Plant Portion (\$/kw) (20)	\$0.00	\$1.32
22	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>152,200</u>
23	Mitchell Plant Environmental Cost to Kentucky Power (21) * (22) (ES FORM 3.14, Page 1 of 11, Line 5)	\$0	\$200,904

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

For the Expense Month of August 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$114,236,110
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$1,565,035
	Operations :		
4	Urea (5020002)	\$0	\$185,454
5	Trona (5020003)	\$0	\$698
6	Air Emission Fee	<u>\$0</u>	<u>\$34,853</u>
7	Total Operations (4) + (5) + (6)	\$0	\$221,005
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$8,000
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>	<u>\$4,000</u>
10	Fixed O&M (7) + (9)	<u>\$0</u>	<u>\$225,005</u>
	Total Revenue Requirement,		
11	Cost Associated with Muskingum Plant (3) + (10)	<u>\$0</u>	<u>\$1,790,040</u>
12	Ohio Power Company's Percentage Ownership	0.00%	100.00%
13	OPCo's Share of Cost Associated with Muskingum Plant (11) X (12)	\$0	\$1,790,040
14	Ohio Power Company Steam Capacity (kw)	0	12,851,000
15	Muskingum Plant (\$/kw)	\$0.00	\$0.14
16	Ohio Power Surplus Weighing	0.00%	100.00%
17	Portion of Weighted Average Capacity Rate Attributed to Muskingum Plant (\$/kw) (15) X (16)	\$0.00	\$0.14
	Muskingum Plant Costs to Kentucky Power :		
18	Muskingum Plant Portion (\$/kw) (17)	\$0.00	\$0.14
19	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>152,200</u>
20	Muskingum Plant Environmental Cost to Kentucky Power (18) * (19) (ES FORM 3.14, Page 1 of 11, Line 6)	\$0	\$21,308

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

For the Expense Month of August 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$20,796,088
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	1.37%
3	Total Rate Base	\$0	\$284,906
	Operations :		
4	Urea (5020002)	\$0	\$0
5	Trona (5020003)	\$0	\$0
6	Air Emission Fee	\$0	\$16,272
7	Total Operations (4) + (5) + (6)	\$0	\$16,272
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$0
9	1/2 of Maintenance (8) * 50%	\$0	\$0
10	Fixed O&M (7) + (9)	\$0	\$16,272
	Total Revenue Requirement,		
11	Cost Associated with Sporn Plant (3) + (10)	\$0	\$301,178
12	Ohio Power Company's Percentage Ownership	0.00%	100.00%
13	OPCo's Share of Cost Associated with Sporn Plant (11) X (12)	\$0	\$301,178
14	Ohio Power Company Steam Capacity (kw)	0	12,851,000
15	Sporn Plant (\$/kw)	\$0.00	\$0.02
16	Ohio Power Surplus Weighing	0.00%	100.00%
17	Portion of Weighted Average Capacity Rate Attributed to Sporn Plant (\$/kw) (15) X (16)	\$0.00	\$0.02
	Sporn Plant Costs to Kentucky Power :		
18	SpornGavin Plant Portion (\$/kw) (17)	\$0.00	\$0.02
19	Kentucky Power Capacity Deficit (kw)	0	152,200
	Sporn Plant Environmental Cost to Kentucky Power (18) * (19)		
20	(ES FORM 3.14, Page 1 of 11, Line 7)	\$0	\$3,044

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

For the Expense Month of August 2012

LINE NO.	COST	Rockport Plant Common	UNIT 1 AMOUNTS	UNIT 2 AMOUNTS	Rockport Plant Common	Total	Rockport Plant Common	UNIT 1 AMOUNTS	UNIT 2 AMOUNTS	Rockport Plant Common	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(3)	(4)	(5)	(6)	(7)
1	Utility Plant at Original Cost	\$0	\$0	\$0	\$0		\$1,785,548	\$10,544,676	\$16,709,416	\$2,527,341	
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>		<u>1.37%</u>	<u>1.37%</u>	<u>1.37%</u>	<u>1.37%</u>	
3	Total Rate Base	\$0	\$0	\$0	\$0		\$24,462	\$144,462	\$228,919	\$34,625	
	Operations :										
4	Urea (5020002)	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
5	Trona (5020003)	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
6	Air Emission Fee	\$0	\$0	\$0	\$0		<u>\$15,625</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	
7	Total Operations (4) + (5) + (6)	\$0	\$0	\$0	\$0		<u>\$15,625</u>	\$0	\$0	\$0	
	Maintenance :										
8	SCR Maintenance (5120000)	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
9	1/2 of Maintenance (8) * 50%	\$0	\$0	\$0	\$0		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	
10	Fixed O&M (7) + (9)	\$0	\$0	\$0	\$0		<u>\$15,625</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	
	Total Revenue Requirement,										
11	Cost Associated with Rockport Plant (3) + (10)	\$0	\$0	\$0	\$0		\$40,087	\$144,462	\$228,919	\$34,625	
12	Indiana Michigan Power Company's Percentage Ownership	<u>0%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>		<u>50%</u>	<u>85.00%</u>	<u>85.00%</u>	<u>50.00%</u>	
13	I&M's Share of Cost Associated with Rockport Plant (11) X (12)	\$0	\$0	\$0	\$0		\$20,044	\$122,793	\$194,581	\$17,313	
14	Total Rockport Plant Common and Units 1 & 2					\$0					\$354,731
15	Indiana Michigan Power Company Steam Capacity (kw)					0					5,412,000
16	Rockport Plant (\$/kw) (14) / (15)					\$0.00					\$0.07
17	Kentucky Power Portion of Rockport Plant / Indiana Michigan Power Surplus Weighing					0.00%					0.00%
18	Portion of Weighted Average Capacity Rate Attributed to Rockport Plant (\$/kw) (17) X (18)					\$0.00					\$0.00
	Rockport Plant Costs to Kentucky Power :										
19	Rockport Plant Portion (\$/kw) (18)					\$0.00					\$0.00
20	Kentucky Power Capacity Deficit (kw)					0					152,200
21	Rockport Units 1 & 2 Environmental to Kentucky Power (19) * (20) (ES FORM 3.14, Page 1 of 11, Line 8)					\$0					\$0

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

For the Expense Month of August 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$98,564,441
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$1,350,333
	Operations :		
4	Urea (5020002)	\$0	\$0
5	Trona (5020003)	\$0	\$0
6	Air Emission Fee	\$0	<u>\$15,625</u>
7	Total Operations (4) + (5) + (6)	\$0	\$15,625
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$0
9	1/2 of Maintenance (8) * 50%	\$0	<u>\$0</u>
10	Fixed O&M (7) + (9)	\$0	<u>\$15,625</u>
	Total Revenue Requirement,		
11	Cost Associated with Tanners Creek Plant (3) + (10)	\$0	<u>\$1,365,958</u>
12	Indiana Michigan Power Company's Percentage Ownership	0.00%	100.00%
13	I&M's Share of Cost Associated with Tanners Creek Plant (11) X (12)	\$0	\$1,365,958
14	Indiana Michigan Power Company Steam Capacity (kw)	0	5,412,000
15	Tanners Creek Plant (\$/kw)	\$0.00	\$0.25
16	Indiana Michigan Power Surplus Weighing	0.00%	0.00%
17	Portion of Weighted Average Capacity Rate Attributed to Rockport Plant (\$/kw) (15) X (16)	\$0.00	\$0.00
	Tanners Creek Plant Costs to Kentucky Power :		
18	Tanners Creek Plant Portion (\$/kw) (17)	\$0.00	\$0.00
19	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>152,200</u>
	Tanners Creek Plant Environmental Cost to Kentucky Power (18) * (19)		
20	(ES FORM 3.14, Page 1 of 11, Line 9)	\$0	\$0

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ES FORM 1.00

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CALCULATION OF E(m) and SURCHARGE FACTOR
For the Expense Month of September 2012

<u>CALCULATION OF E(m)</u>		Remove Pool	Filed Amount	Difference
E(m) = CRR - BRR		4/16/2013		
LINE 1	CRR from ES FORM 3.00	\$1,705,033	\$2,324,588	\$619,555
LINE 2	Brr from ES FORM 1.10	3,740,010	3,740,010	0 1/
LINE 3	E(m) (LINE 1 - LINE 2)	(\$2,034,977)	(\$1,415,422)	\$619,555
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	83.6%	83.6%	0.0%
LINE 5	KY Retail E(m) (LINE 3 * LINE 4)	(\$1,701,241)	(\$1,183,293)	\$517,948
LINE 6	(Over) / Under Recovery Adjustment from ES FORM 3.30	\$75,457	\$75,457	\$0
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	(\$1,625,784)	(\$1,107,836)	\$517,948
<u>SURCHARGE FACTOR</u>				
LINE 8	Net KY Retail E(m) (Line 7)	(\$1,625,784)	(\$1,107,836)	\$517,948
LINE 9	KY Retail R(m) from ES FORM 3.30	\$40,601,205	\$40,601,205	\$0
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	-4.0043%	-2.7286%	1.2757%

Effective Date for Billing: October 26, 2012

Submitted By : _____

Title : Manager Regulatory Services

Date Submitted : October 16, 2012

1/ Case No. 2009-00459, dated June 28, 2010

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ES FORM 3.00

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT
For the Expense Month of September 2012

CALCULATION OF CURRENT PERIOD REVENUE REQUIREMENT

LINE NO.	COMPONENTS	Revised Amount		As Filed	
1	First Component: Associated with Big Sandy Plant ((RB KP(C)) (ROR KP(C)/12)) + OE KP(C) ES FORM 3.10, Line 20		\$1,664,438		\$2,283,993
2	Second Component: Associated with Rockport Plant (((RB IM(C)) (ROR IM(C)/12)) + OE IM(C)) ES FORM 3.20, Line 16		\$40,595		\$40,595
	Third Component: Net Proceeds from Emission Allowances Sales AS				
	1) SO ₂ - EPA Auction Proceeds received during Expense Month		\$0		\$0
	2) SO ₂ - Net Gain or (Loss) from Allowance Sales, in compliance with the AEP Interim Allowance Agreement, received during Expense Month		\$0		\$0
	Total Net Proceeds from SO ₂ Allowances		\$0		\$0
	1) NO _x - ERC Sales Proceeds, received during Expense Month		\$0		\$0
	2) NO _x - EPA Auction Proceeds, received during Expense Month		\$0		\$0
	3) NO _x - Net Gain or Loss from NO _x Allowances Sales, received during Expense Month		\$0		\$0
	Total Net Proceeds from NO _x Allowances		\$0		\$0
3	Total Net Gain or (Loss) from Emission Allowance Sales		\$0		\$0
4	Total Current Period Revenue Requirement, CRR Record on ES FORM 1.00.		\$1,705,033		\$2,324,588

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ES FORM 3.10

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

For the Expense Month of September 2012

LINE NO.	COST COMPONENT	Revised Amount		As Filed	
	Return on Rate Base :				
1	Utility Plant at Original Cost	\$191,452,443		\$191,452,443	
2	Less Accumulated Depreciation	(\$74,097,488)		(\$74,097,488)	
3	Less Accum. Def. Income Taxes	(\$30,766,275)		(\$30,766,275)	
4	Net Utility Plant		\$86,588,680		\$86,588,680
5	SO2 Emission Allowance Inventory from ES FORM 3.11		\$8,919,168		\$8,919,168
6	ECR & NOx Emission Allowance Inventory from ES FORM 3.12		\$42,347		\$42,347
7	Cash Working Capital Allowance from ES FORM 3.13, Line 13		\$1,462,255		\$1,473,480
8	Total Rate Base		\$97,012,450		\$97,023,675
9	Weighted Average Cost of Capital - ES FORM 3.15	10.85%		10.85%	
10	Monthly Weighted Avg. Cost of Capital (9) / 12		0.90%		0.90%
11	Monthly Return of Rate Base (8) * (10)		\$873,112		\$873,213
	Operating Expenses :				
12	Monthly Depreciation Expense		\$577,252		\$577,252
13	Monthly Catalyst Amortization Expense		\$46,030		\$46,030
14	Monthly Property Taxes		\$13,322		\$13,322
15	Monthly Kentucky Air Emissions Fee		\$21,113		\$21,113
16	Monthly Environmental AEP Pool Capacity Costs from ES FORM 3.14, Page 1 of 11, Column 5, Line 10		\$0		\$619,454
17	Monthly 2003 Plan Non-Fuel O&M Expenses from ES FORM 3.13		\$5,701		\$5,701
18	Monthly SO2 Emission Allowance Consumption		\$127,908		\$127,908
19	Total Operating Expenses [Line 12 thru Line 18]		\$791,326		\$1,410,780
20	Total Revenue Requirement - Big Sandy Record on ES FORM 3.00, Line 1		\$1,664,438		\$2,283,993

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ES FORM 3.13

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT

For the Expense Month of September 2012

		Revised Amount		As Filed	
	1997 Plan :				
1	Monthly Kentucky Air Emissions Fee	\$21,113		\$21,113	
	Total Monthly AEP Pool				
2	Environmental Capacity Costs	\$0		\$89,798	
3	Monthly SO2 Allowance Consumption	<u>\$127,908</u>		<u>\$127,908</u>	
4	Total 1997 Plan O&M Expenses		\$149,021		\$238,819
	2003 Plan :				
5	Monthly Variable Cladding at Big Sandy Unit 1	\$0		\$0	
6	Monthly Urea Consumption at Big Sandy Unit 2	(\$933)		(\$933)	
7	Monthly Catalyst Replacement at Big Sandy Unit 2	\$0		\$0	
8	Monthly ERC & NOx Allowance Consumption	\$4,127		\$4,127	
9	Equipment - Associated Operating Expenses	\$49		\$49	
10	Equipment - Associated Maintenance Expenses	<u>\$2,458</u>		<u>\$2,458</u>	
11	Total 2003 Plan O&M Expenses		<u>\$5,701</u>		<u>\$5,701</u>
12	KPCO's Rockport Unit Power O&M:				
13	E.S. Form 3.20, Line 11 X 15%		<u>\$2,344</u>		<u>\$2,344</u>
14	Total Monthly O&M Expenses		<u>\$157,066</u>		<u>\$246,864</u>
15	Cash Working Capital Allowance (Line 12 X 1/8)		\$19,633		\$30,858
16	Cash Working Capital Allowance (August 2012 ES Form 3.13)		\$143,931		\$143,931
17	Cash Working Capital Allowance (July 2012 ES Form 3.13)		\$170,994		\$170,994
18	Cash Working Capital Allowance (June 2012 ES Form 3.13)		\$113,298		\$113,298
19	Cash Working Capital Allowance (May 2012 ES Form 3.13)		\$50,526		\$50,526
20	Cash Working Capital Allowance (April 2012 ES Form 3.13)		\$128,462		\$128,462
21	Cash Working Capital Allowance (March 2012 ES Form 3.13)		\$103,761		\$103,761
22	Cash Working Capital Allowance (February 2012 ES Form 3.13)		\$131,408		\$131,408
23	Cash Working Capital Allowance (January 2012 ES Form 3.13)		\$130,956		\$130,956
24	Cash Working Capital Allowance (December 2011 ES Form 3.13)		\$238,235		\$238,235
25	Cash Working Capital Allowance (November 2011 ES Form 3.13)		\$105,378		\$105,378
26	Cash Working Capital Allowance (October 2011 ES Form 3.13)		<u>\$125,673</u>		<u>\$125,673</u>
27	Total Twelve Month Total Cash Working Capital Allowance		<u>\$1,462,255</u>		<u>\$1,473,480</u>

Total Cost at Line 13 is to be recorded on ES FORM 3.10, Line 7.

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

Line No. (1)	Cost Component (2)	For the Expense Month of September 2012			Total (5)	Ohio Power Company's Environmental Cost to KPCo (3)	As Filed Indiana Michigan Power Company's Environmental Cost to KPCo (4)	Total (5)
		Ohio Power Company's Environmental Cost to KPCo (3)	Revised Indiana Michigan Power Company's Environmental Cost to KPCo (4)	Total (5)				
1	Amos Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 26)	\$0				\$109,584		
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 25)	\$0				\$79,144		
3	Gavin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 26)	\$0				\$210,036		
4	Kammer Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 20)	\$0				\$1,522		
5	Mitchell Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 23)	\$0				\$197,860		
6	Muskingum River Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 20)	\$0				\$18,264		
7	Sporn Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 20)	\$0				\$3,044		
8	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Column 5, Line 21)		\$0				\$0	
9	Tanners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 20)		\$0				\$0	
10	Total AEP Pool Monthly Environmental Capacity Costs to Kentucky Power	\$0	\$0	\$0	\$0	\$619,454	\$0	\$619,454

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

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

For the Expense Month of September 2012							
Line No. (1)	Cost Component (2)	Ohio	Revised	Total (5)	Ohio	As Filed	Total (5)
		Power Company's (OPCo) Environmental Cost to KPCo (3)	Indiana Michigan Power Company's (I&M) Environmental Cost to KPCo (4)		Power Company's (OPCo) Environmental Cost to KPCo (3)	Michigan Power Company's (I&M) Environmental Cost to KPCo (4)	
1	Amos Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 19)	\$0			\$829,222		
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 17)	\$0			\$1,143,849		
3	Gavin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 17)	\$0			\$4,515,783		
4	Kammer Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 10)	\$0			\$20,202		
5	Mitchell Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 16)	\$0			\$992,601		
6	Muskingum River Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 10)	\$0			\$38,947		
7	Spom Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 10)	\$0			\$16,272		
8	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Columns 3 & 6, Line 10)		\$0			\$15,625	
9	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Columns 4 & 5, Line 10)		\$0			\$0	
10	Tanners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 10)		\$0			\$15,625	
11	Subtotal	\$0	\$0		\$7,556,876	\$31,250	
12	Steam Capacity By Company - OPco (Column 3) / I&M (Column 4) (kw)	0	0		12,851,000	5,412,000	
13	Environmental Base (\$/kw)	\$0.00	\$0.00		\$0.59	\$0.01	
14	Company Surplus Weighting	0.00%	0.00%		100.00%	0.00%	
15	Portion of Weighted Average Capacity Rate Attributed to Environmental Fixed O&M Costs	\$0.00	\$0.00		\$0.59	\$0.00	
16	Kentucky Power Capacity Deficit (kw)	0	0		152,200	152,200	
17	Fixed O&M Environmental Cost to Kentucky Power	\$0	\$0	\$0	\$89,798	\$0	\$89,798

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

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

For the Expense Month of September 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$611,422,571
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$8,376,489
4	Ohio Power Company's Percentage Ownership - Environmental Investment	<u>0.00%</u>	<u>100.00%</u>
5	OPCo's Share of Cost Associated with Amos Unit No. 3 (3) X (4)	\$0	\$8,376,489
	Operations :		
6	Disposal (5010000)	\$0	\$40,124
7	Urea (5020002)	\$0	\$315,148
8	Trona (5020003)	\$0	\$147,869
9	Lime Stone (5020004)	\$0	\$608,088
10	Air Emission Fee	<u>\$0</u>	<u>\$11,770</u>
11	Total Operations (Lines 6 thru 10)	\$0	\$1,122,999
	Maintenance :		
12	SCR Maintenance (5120000)	\$0	\$80,483
13	Scrubber (FGD) Maintenance (5120000)	<u>\$0</u>	<u>\$161,060</u>
14	Total Maintenance (12) + (13)	<u>\$0</u>	<u>\$241,543</u>
15	1/2 of Maintenance (14) * 50%	<u>\$0</u>	<u>\$120,772</u>
16	Fixed O&M (11) + (15)	\$0	\$1,243,771
17	Ohio Power Company's Percentage Ownership - O&M Cost	<u>0.00%</u>	<u>66.67%</u>
18	OPCo's Share of O&M Cost Associated with Amos Unit No. 3 (16) X (17)	<u>\$0</u>	<u>\$829,222</u>
	Total Revenue Requirement,		
19	Cost Associated with Amos Unit No. 3 (5) + (18)	\$0	\$9,205,711
20	Ohio Power Company Steam Capacity (kw)	0	12,851,000
21	Amos Unit No. 3 Environmental Rate (\$/kw)	\$0.00	\$0.72
22	Ohio Power Surplus Weighing	0.00%	100.00%
23	Portion of Weighted Average Capacity Rate Attributed to Amos Unit No. 3 SCR (\$/kw) (21) * (22)	\$0.00	\$0.72
	Amos Unit No. 3 Costs to Kentucky Power :		
24	Amos Unit No. 3 Portion (\$/kw) (23)	\$0.00	\$0.72
25	Kentucky Power Capacity Deficit (kw)	0	152,200
26	Amos Unit No. 3 Environmental Cost to Kentucky Power (24) * (25) (ES FORM 3.14, Page 1 of 11, Line 1)	\$0	\$109,584

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

For the Expense Month of September 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$403,006,219
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$5,521,185
	Operations :		
4	Disposal (5010000)	\$0	\$180,783
5	Lime (5020001)	\$0	\$0
6	Urea (5020002)	\$0	\$255,155
7	Trona (5020003)	\$0	\$210,578
8	Lime Stone (5020004)	\$0	\$400,127
9	Air Emission Fee	<u>\$0</u>	<u>\$8,663</u>
10	Total Operations (Line 4 thru 9)	\$0	\$1,055,306
	Maintenance :		
11	SCR Maintenance (5120000)	\$0	\$13,691
12	Scrubber (FGD) Maintenance (5120000)	<u>\$0</u>	<u>\$163,395</u>
13	Total Maintenance (13) + (14)	\$0	\$177,086
14	1/2 Maintenance (15) * 50%	<u>\$0</u>	<u>\$88,543</u>
15	Fixed O&M (12) + (16)	\$0	\$1,143,849
	Total Revenue Requirement,		
16	Cost Associated with Cardinal Unit No. 3 (3) + (17)	\$0	\$6,665,034
17	Ohio Power Company's Percentage Ownership	0.00%	100.00%
18	OPCo's Share of Cost Associated with Cardinal Unit No. 1 (18) X (19)	\$0	\$6,665,034
19	Ohio Power Company Steam Capacity (kw)	0	12,851,000
20	Cardinal Unit No. 1 (\$/kw)	\$0.00	\$0.52
21	Ohio Power Surplus Weighing	0.00%	100.00%
22	Portion of Weighted Average Capacity Rate Attributed to Cardinal Unit No. 1 (\$/kw) (22) X (23)	\$0.00	\$0.52
	Cardinal Unit No. 1 Costs to Kentucky Power :		
23	Cardinal Unit No. 1 Portion (\$/kw) (24)	\$0.00	\$0.52
24	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>152,200</u>
	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (25) * (26)		
25	(ES FORM 3.14, Page 1 of 11, Line 2)	\$0	\$79,144

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

For the Expense Month of September 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$964,567,531
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$13,214,575
	Operations :		
4	Sludge Disposal (5010000)	\$0	\$822,733
5	Lime (5020001)	\$0	\$2,015,803
6	Urea (5020002)	\$0	\$864,671
7	Trona (5020003)	\$0	\$444,637
8	Lime Stone (5020004)	\$0	(\$48,396)
9	Air Emission Fee	\$0	\$35,828
10	Lease (5070005)	<u>\$0</u>	<u>\$0</u>
11	Total Operations (Lines 4 thru 10)	\$0	\$4,135,276
	Maintenance :		
12	SCR Maintenance (5120000)	\$0	\$56,142
13	Scrubber Maintenance (5120000)	<u>\$0</u>	<u>\$704,871</u>
14	Total Maintenance (12) + (13)	\$0	\$761,013
15	1/2 of Maintenance (13) * 50%	<u>\$0</u>	<u>\$380,507</u>
16	Fixed O&M (11) + (15)	<u>\$0</u>	<u>\$4,515,783</u>
	Total Revenue Requirement,		
17	Cost Associated with Gavin Plant (3) + (17)	\$0	\$17,730,358
18	Ohio Power Company's Percentage Ownership	0.00%	100.00%
19	OPCo's Share of Cost Associated with Gavin Plant (17) X (18)	\$0	\$17,730,358
20	Ohio Power Company Steam Capacity (kw)	0	12,851,000
21	Gavin Plant (\$/kw)	\$0.00	\$1.38
22	Ohio Power Surplus Weighing	0.00%	100.00%
23	Portion of Weighted Average Capacity Rate Attributed to Gavin Plant (\$/kw) (21) X (22)	\$0.00	\$1.38
	Gavin Plant Costs to Kentucky Power :		
24	Gavin Plant Portion (\$/kw) (23)	\$0.00	\$1.38
25	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>152,200</u>
	Gavin Plant Environmental Cost to Kentucky Power (24) * (25)		
26	(ES FORM 3.14, Page 1 of 11, Line 3)	\$0	\$210,036

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

For the Expense Month of September 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$8,487,868
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$116,284
	Operations :		
4	Urea (5020002)	\$0	\$346
5	Trona (5020003)	\$0	\$458
6	Air Emission Fee	<u>\$0</u>	<u>\$19,398</u>
7	Total Operations (4) + (5) + (6)	\$0	\$20,202
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$0
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>	<u>\$0</u>
10	Fixed O&M (7) + (9)	<u>\$0</u>	<u>\$20,202</u>
	Total Revenue Requirement,		
11	Cost Associated with Kammer Plant (3) + (10)	<u>\$0</u>	<u>\$136,486</u>
12	Ohio Power Company's Percentage Ownership	0.00%	100.00%
13	OPCo's Share of Cost Associated with Kammer Plant (11) X (12)	\$0	\$136,486
14	Ohio Power Company Steam Capacity (kw)	0	12,851,000
15	Kammer Plant (\$/kw)	\$0.00	\$0.01
16	Ohio Power Surplus Weighing	0.00%	100.00%
17	Portion of Weighted Average Capacity Rate Attributed to Kammer Plant (\$/kw) (15) X (16)	\$0.00	\$0.01
	Kammer Plant Costs to Kentucky Power :		
18	Kammer Plant Portion (\$/kw) (17)	\$0.00	\$0.01
19	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>152,200</u>
20	Kammer Plant Environmental Cost to Kentucky Power (18) * (19) (ES FORM 3.14, Page 1 of 11, Line 4)	\$0	\$1,522

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

For the Expense Month of September 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$1,149,819,326
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$15,752,525
	Operations :		
4	Disposal (5010000)	\$0	(\$291,532)
5	Urea (5020002)	\$0	\$484,174
6	Trona (5020003)	\$0	\$134,755
7	Lime Stone (5020004)	\$0	\$582,931
8	Air Emission Fee	<u>\$0</u>	<u>\$18,559</u>
9	Total Operations (Lines 4 thru 8)	\$0	\$928,887
	Maintenance :		
10	SCR Maintenance (5120000)	\$0	\$27,459
11	FDG (5120000)	<u>\$0</u>	<u>\$99,968</u>
12	1/2 of Maintenance (10 + 11) * 50%	<u>\$0</u>	<u>\$63,714</u>
13	Fixed O&M (9) + (12)	<u>\$0</u>	<u>\$992,601</u>
	Total Revenue Requirement,		
14	Cost Associated with Mitchell Plant (3) + (13)	\$0	\$16,745,126
15	Ohio Power Company's Percentage Ownership	0.00%	100.00%
16	OPCo's Share of Cost Associated with Mitchell Plant (14) X (15)	\$0	\$16,745,126
17	Ohio Power Company Steam Capacity (kw)	0	12,851,000
18	Mitchell Plant (\$/kw)	\$0.00	\$1.30
19	Ohio Power Surplus Weighing	0.00%	100.00%
20	Portion of Weighted Average Capacity Rate Attributed to Mitchell Plant (\$/kw) (18) X (19)	\$0.00	\$1.30
	Mitchell Plant Costs to Kentucky Power :		
21	Mitchell Plant Portion (\$/kw) (20)	\$0.00	\$1.30
22	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>152,200</u>
	Mitchell Plant Environmental Cost to Kentucky Power (21) * (22)		
23	(ES FORM 3.14, Page 1 of 11, Line 5)	\$0	\$197,860

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

For the Expense Month of September 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$114,236,110
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	1.37%
3	Total Rate Base	\$0	\$1,565,035
	Operations :		
4	Urea (5020002)	\$0	\$1,991
5	Trona (5020003)	\$0	\$1,047
6	Air Emission Fee	\$0	\$34,853
7	Total Operations (4) + (5) + (6)	\$0	\$37,891
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$2,112
9	1/2 of Maintenance (8) * 50%	\$0	\$1,056
10	Fixed O&M (7) + (9)	\$0	\$38,947
	Total Revenue Requirement,		
11	Cost Associated with Muskingum Plant (3) + (10)	\$0	\$1,603,982
12	Ohio Power Company's Percentage Ownership	0.00%	100.00%
13	OPCo's Share of Cost Associated with Muskingum Plant (11) X (12)	\$0	\$1,603,982
14	Ohio Power Company Steam Capacity (kw)	0	12,851,000
15	Muskingum Plant (\$/kw)	\$0.00	\$0.12
16	Ohio Power Surplus Weighing	0.00%	100.00%
17	Portion of Weighted Average Capacity Rate Attributed to Muskingum Plant (\$/kw) (15) X (16)	\$0.00	\$0.12
	Muskingum Plant Costs to Kentucky Power :		
18	Muskingum Plant Portion (\$/kw) (17)	\$0.00	\$0.12
19	Kentucky Power Capacity Deficit (kw)	0	152,200
20	Muskingum Plant Environmental Cost to Kentucky Power (18) * (19) (ES FORM 3.14, Page 1 of 11, Line 6)	\$0	\$18,264

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

For the Expense Month of September 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$20,796,088
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$284,906
	Operations :		
4	Urea (5020002)	\$0	\$0
5	Trona (5020003)	\$0	\$0
6	Air Emission Fee	<u>\$0</u>	<u>\$16,272</u>
7	Total Operations (4) + (5) + (6)	\$0	\$16,272
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$0
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>	<u>\$0</u>
10	Fixed O&M (7) + (9)	<u>\$0</u>	<u>\$16,272</u>
	Total Revenue Requirement,		
11	Cost Associated with Sporn Plant (3) + (10)	<u>\$0</u>	<u>\$301,178</u>
12	Ohio Power Company's Percentage Ownership	0.00%	100.00%
13	OPCo's Share of Cost Associated with Sporn Plant (11) X (12)	\$0	\$301,178
14	Ohio Power Company Steam Capacity (kw)	0	12,851,000
15	Sporn Plant (\$/kw)	\$0.00	\$0.02
16	Ohio Power Surplus Weighing	0.00%	100.00%
17	Portion of Weighted Average Capacity Rate Attributed to Sporn Plant (\$/kw) (15) X (16)	\$0.00	\$0.02
	Sporn Plant Costs to Kentucky Power :		
18	SpornGavin Plant Portion (\$/kw) (17)	\$0.00	\$0.02
19	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>152,200</u>
20	Sporn Plant Environmental Cost to Kentucky Power (18) * (19) (ES FORM 3.14, Page 1 of 11, Line 7)	\$0	\$3,044

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

For the Expense Month of September 2012

LINE NO.	COST	Rockport Plant Common	UNIT 1 AMOUNTS	UNIT 2 AMOUNTS	Rockport Plant Common	Total	Rockport Plant Common	UNIT 1 AMOUNTS	UNIT 2 AMOUNTS	Rockport Plant Common	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(3)	(4)	(5)	(6)	(7)
1	Utility Plant at Original Cost	\$0	\$0	\$0	\$0		\$1,785,548	\$10,544,676	\$16,709,416	\$2,527,341	
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	0.00%	0.00%	0.00%		1.37%	1.37%	1.37%	1.37%	
3	Total Rate Base	\$0	\$0	\$0	\$0		\$24,462	\$144,462	\$228,919	\$34,625	
	Operations :										
4	Urea (5020002)	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
5	Trona (5020003)	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
6	Air Emission Fee	\$0	\$0	\$0	\$0		\$15,625	\$0	\$0	\$0	
7	Total Operations (4) + (5) + (6)	\$0	\$0	\$0	\$0		\$15,625	\$0	\$0	\$0	
	Maintenance :										
8	SCR Maintenance (5120000)	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
9	1/2 of Maintenance (8) * 50%	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
10	Fixed O&M (7) + (9)	\$0	\$0	\$0	\$0		\$15,625	\$0	\$0	\$0	
	Total Revenue Requirement,										
11	Cost Associated with Rockport Plant (3) + (10)	\$0	\$0	\$0	\$0		\$40,087	\$144,462	\$228,919	\$34,625	
12	Indiana Michigan Power Company's Percentage Ownership	0%	0.00%	0.00%	0.00%		50%	85.00%	85.00%	50.00%	
13	I&M's Share of Cost Associated with Rockport Plant (11) X (12)	\$0	\$0	\$0	\$0		\$20,044	\$122,793	\$194,581	\$17,313	
14	Total Rockport Plant Common and Units 1 & 2					\$0					\$354,731
15	Indiana Michigan Power Company Steam Capacity (kw)					0					5,412,000
16	Rockport Plant (\$/kw) (14) / (15)					\$0.00					\$0.07
17	Kentucky Power Portion of Rockport Plant /										
18	Indiana Michigan Power Surplus Weighing					0.00%					0.00%
	Portion of Weighted Average Capacity Rate										
	Attributed to Rockport Plant (\$/kw) (17) X (18)					\$0.00					\$0.00
	Rockport Plant Costs to Kentucky Power :										
19	Rockport Plant Portion (\$/kw) (18)					\$0.00					\$0.00
20	Kentucky Power Capacity Deficit (kw)					0					152,200
	Rockport Units 1 & 2 Environmental to Kentucky Power (19) * (20)										
21	(ES FORM 3.14, Page 1 of 11, Line 8)					\$0					\$0

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ES FORM 3.14
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KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT
INDIANA MICHGAN POWER COMPANY (I&M) - TANNERS CREEK (UNITS 1, 2, 3 & 4)

For the Expense Month of September 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$98,564,441
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$1,350,333
	Operations :		
4	Urea (5020002)	\$0	\$0
5	Trona (5020003)	\$0	\$0
6	Air Emission Fee	<u>\$0</u>	<u>\$15,625</u>
7	Total Operations (4) + (5) + (6)	\$0	\$15,625
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$0
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>	<u>\$0</u>
10	Fixed O&M (7) + (9)	<u>\$0</u>	<u>\$15,625</u>
	Total Revenue Requirement,		
11	Cost Associated with Tanners Creek Plant (3) + (10)	<u>\$0</u>	<u>\$1,365,958</u>
12	Indiana Michigan Power Company's Percentage Ownership	0.00%	100.00%
13	I&M's Share of Cost Associated with Tanners Creek Plant (11) X (12)	\$0	\$1,365,958
14	Indiana Michigan Power Company Steam Capacity (kw)	0	5,412,000
15	Tanners Creek Plant (\$/kw)	\$0.00	\$0.25
16	Indiana Michigan Power Surplus Weighing	0.00%	0.00%
17	Portion of Weighted Average Capacity Rate Attributed to Rockport Plant (\$/kw) (15) X (16)	\$0.00	\$0.00
	Tanners Creek Plant Costs to Kentucky Power :		
18	Tanners Creek Plant Portion (\$/kw) (17)	\$0.00	\$0.00
19	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>152,200</u>
20	Tanners Creek Plant Environmental Cost to Kentucky Power (18) * (19) (ES FORM 3.14, Page 1 of 11, Line 9)	\$0	\$0

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ES FORM 1.00

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CALCULATION OF E(m) and SURCHARGE FACTOR
For the Expense Month of October 2012

<u>CALCULATION OF E(m)</u>		Remove Pool 4/16/2013	Filed Amount	Difference
E(m) = CRR - BRR				
LINE 1	CRR from ES FORM 3.00	\$1,678,058	\$2,316,161	\$638,103
LINE 2	Brr from ES FORM 1.10	3,260,302	3,260,302	0 1/
LINE 3	E(m) (LINE 1 - LINE 2)	(\$1,582,244)	(\$944,141)	\$638,103
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	81.3%	81.3%	0.0%
LINE 5	KY Retail E(m) (LINE 3 * LINE 4)	(\$1,286,365)	(\$767,587)	\$518,778
LINE 6	(Over) / Under Recovery Adjustment from ES FORM 3.30	(\$103,039)	(\$103,039)	\$0
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	(\$1,389,404)	(\$870,626)	\$518,778
<u>SURCHARGE FACTOR</u>				
LINE 8	Net KY Retail E(m) (Line 7)	(\$1,389,404)	(\$870,626)	\$518,778
LINE 9	KY Retail R(m) from ES FORM 3.30	\$37,297,076	\$37,297,076	\$0
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	-3.7252%	-2.3343%	1.3909%

Effective Date for Billing: November 28, 2012

Submitted By : _____

Title : Manager Regulatory Services

Date Submitted : November 16, 2012

1/ Case No. 2009-00459, dated June 28, 2010

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KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT
For the Expense Month of October 2012

CALCULATION OF CURRENT PERIOD REVENUE REQUIREMENT

LINE NO.	COMPONENTS	Revised Amount		As Filed	
1	First Component: Associated with Big Sandy Plant ((RB KP(C)) (ROR KP(C)/12)) + OE KP(C) ES FORM 3.10, Line 20		\$1,636,026		\$2,274,129
2	Second Component: Associated with Rockport Plant (((RB IM(C)) (ROR IM(C)/12)) + OE IM(C)) ES FORM 3.20, Line 16		\$42,032		\$42,032
	Third Component: Net Proceeds from Emission Allowances Sales AS				
	1) SO ₂ - EPA Auction Proceeds received during Expense Month		\$0		\$0
	2) SO ₂ - Net Gain or (Loss) from Allowance Sales, in compliance with the AEP Interim Allowance Agreement, received during Expense Month		\$0		\$0
	Total Net Proceeds from SO ₂ Allowances		\$0		\$0
	1) NO _x - ERC Sales Proceeds, received during Expense Month		\$0		\$0
	2) NO _x - EPA Auction Proceeds, received during Expense Month		\$0		\$0
	3) NO _x - Net Gain or Loss from NO _x Allowances Sales, received during Expense Month		\$0		\$0
	Total Net Proceeds from NO _x Allowances		\$0		\$0
3	Total Net Gain or (Loss) from Emission Allowance Sales		\$0		\$0
4	Total Current Period Revenue Requirement, CRR Record on ES FORM 1.00.		\$1,678,058		\$2,316,161

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ES FORM 3.10

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

For the Expense Month of October 2012

LINE NO.	COST COMPONENT	Revised Amount		As Filed	
	Return on Rate Base :				
1	Utility Plant at Original Cost	\$191,452,443		\$191,452,443	
2	Less Accumulated Depreciation	(\$74,721,162)		(\$74,721,162)	
3	Less Accum. Def. Income Taxes	(\$30,641,924)		(\$30,641,924)	
4	Net Utility Plant		\$86,089,357		\$86,089,357
5	SO2 Emission Allowance Inventory from ES FORM 3.11		\$8,808,865		\$8,808,865
6	ECR & NOx Emission Allowance Inventory from ES FORM 3.12		\$38,663		\$38,663
7	Cash Working Capital Allowance from ES FORM 3.13, Line 13		\$1,364,688		\$1,378,359
8	Total Rate Base		\$96,301,573		\$96,315,244
9	Weighted Average Cost of Capital - ES FORM 3.15	10.85%		10.85%	
10	Monthly Weighted Avg. Cost of Capital (9) / 12		0.90%		0.90%
11	Monthly Return of Rate Base (8) * (10)		\$866,714		\$866,837
	Operating Expenses :				
12	Monthly Depreciation Expense		\$577,252		\$577,252
13	Monthly Catalyst Amortization Expense		\$46,030		\$46,030
14	Monthly Property Taxes		\$13,322		\$13,322
15	Monthly Kentucky Air Emissions Fee		\$21,113		\$21,113
16	Monthly Environmental AEP Pool Capacity Costs				
17	from ES FORM 3.14, Page 1 of 11, Column 5, Line 10		\$0		\$637,980
17	Monthly 2003 Plan Non-Fuel O&M Expenses from ES FORM 3.13		\$1,292		\$1,292
18	Monthly SO2 Emission Allowance Consumption		\$110,303		\$110,303
19	Total Operating Expenses [Line 12 thru Line 18]		\$769,312		\$1,407,292
20	Total Revenue Requirement - Big Sandy				
	Record on ES FORM 3.00, Line 1		\$1,636,026		\$2,274,129

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KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT

For the Expense Month of October 2012

		Revised Amount		As Filed	
	1997 Plan :				
1	Monthly Kentucky Air Emissions Fee	\$21,113		\$21,113	
	Total Monthly AEP Pool				
2	Environmental Capacity Costs	\$0		\$109,368	
3	Monthly SO2 Allowance Consumption	<u>\$110,303</u>		<u>\$110,303</u>	
4	Total 1997 Plan O&M Expenses		\$131,416		\$240,784
	2003 Plan :				
5	Monthly Variable Cladding at Big Sandy Unit 1	\$0		\$0	
6	Monthly Urea Consumption at Big Sandy Unit 2	\$454		\$454	
7	Monthly Catalyst Replacement at Big Sandy Unit 2	\$0		\$0	
8	Monthly ERC & NOx Allowance Consumption	\$3,684		\$3,684	
9	Equipment - Associated Operating Expenses	\$0		\$0	
10	Equipment - Associated Maintenance Expenses	<u>(\$2,846)</u>		<u>(\$2,846)</u>	
11	Total 2003 Plan O&M Expenses		<u>\$1,292</u>		<u>\$1,292</u>
12	KPCO's Rockport Unit Power O&M:				
13	E.S. Form 3.20, Line 11 X 15%		<u>\$2,344</u>		<u>\$2,344</u>
14	Total Monthly O&M Expenses		<u>\$135,052</u>		<u>\$244,420</u>
15	Cash Working Capital Allowance (Line 12 X 1/8)		\$16,881		\$30,552
16	Cash Working Capital Allowance (September 2012 ES Form 3.13)		\$30,858		\$30,858
17	Cash Working Capital Allowance (August 2012 ES Form 3.13)		\$143,931		\$143,931
18	Cash Working Capital Allowance (July 2012 ES Form 3.13)		\$170,994		\$170,994
19	Cash Working Capital Allowance (June 2012 ES Form 3.13)		\$113,298		\$113,298
20	Cash Working Capital Allowance (May 2012 ES Form 3.13)		\$50,526		\$50,526
21	Cash Working Capital Allowance (April 2012 ES Form 3.13)		\$128,462		\$128,462
22	Cash Working Capital Allowance (March 2012 ES Form 3.13)		\$103,761		\$103,761
23	Cash Working Capital Allowance (February 2012 ES Form 3.13)		\$131,408		\$131,408
24	Cash Working Capital Allowance (January 2012 ES Form 3.13)		\$130,956		\$130,956
25	Cash Working Capital Allowance (December 2011 ES Form 3.13)		\$238,235		\$238,235
26	Cash Working Capital Allowance (November 2011 ES Form 3.13)		\$105,378		\$105,378
27	Total Twelve Month Total Cash Working Capital Allowance		<u>\$1,364,688</u>		<u>\$1,378,359</u>

Total Cost at Line 27 is to be recorded on ES FORM 3.10, Line 7.

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

For the Expense Month of October 2012							
Line No. (1)	Cost Component (2)	Ohio Power Company's Environmental Cost to KPCo (3)	Revised Indiana Michigan Power Company's Environmental Cost to KPCo (4)	Total (5)	Ohio Power Company's Environmental Cost to KPCo (3)	As Filed Indiana Michigan Power Company's Environmental Cost to KPCo (4)	Total (5)
1	Amos Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 26)	\$0			\$107,849		
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 25)	\$0			\$71,393		
3	Gavin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 26)	\$0			\$233,926		
4	Kammer Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 20)	\$0			\$1,519		
5	Mitchell Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 23)	\$0			\$202,027		
6	Muskingum River Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 20)	\$0			\$18,228		
7	Sporn Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 20)	\$0			\$3,038		
8	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Column 5, Line 21)		\$0			\$0	
9	Tanners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 20)		\$0			\$0	
10	Total AEP Pool Monthly Environmental Capacity Costs to Kentucky Power	\$0	\$0	\$0	\$637,980	\$0	\$637,980

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

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

For the Expense Month of October 2012

Line No. (1)	Cost Component (2)	Ohio Power Company's (OPCo) Environmental Cost to KPCo (3)	Indiana Michigan Power Company's (I&M) Environmental Cost to KPCo (4)	Total (5)	Ohio Power Company's (OPCo) Environmental Cost to KPCo (3)	Indiana Michigan Power Company's (I&M) Environmental Cost to KPCo (4)	Total (5)
1	Amos Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 19)	\$0			\$799,535		
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 17)	\$0			\$498,463		
3	Gavin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 17)	\$0			\$6,562,144		
4	Kammer Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 10)	\$0			\$20,031		
5	Mitchell Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 16)	\$0			\$1,317,369		
6	Muskingum River Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 10)	\$0			\$36,899		
7	Spom Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 10)	\$0			\$16,272		
8	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Columns 3 & 6, Line 10)		#VALUE!			\$15,625	
9	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Columns 4 & 5, Line 10)		\$10			\$0	
10	Tanners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 10)		\$0			\$15,625	
11	Subtotal	\$0	#VALUE!		\$9,250,713	\$31,250	
12	Steam Capacity By Company - OPCo (Column 3) / I&M (Column 4) (kw)	0	0		12,851,000	5,412,000	
13	Environmental Base (\$/kw)	\$0.00	\$0.00		\$0.72	\$0.01	
14	Company Surplus Weighting	0.00%	0.00%		100.00%	0.00%	
15	Portion of Weighted Average Capacity Rate Attributed to Environmental Fixed O&M Costs	\$0.00	\$0.00		\$0.72	\$0.00	
16	Kentucky Power Capacity Deficit (kw)	0	0		151,900	151,900	
17	Fixed O&M Environmental Cost to Kentucky Power	\$0	\$0	\$0	\$109,368	\$0	\$109,368

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

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ES FORM 3.14
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KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT
OHIO POWER COMPANY (OPCo) - AMOS PLANT UNIT NO. 3

For the Expense Month of October 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$611,422,571
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$8,376,489
4	Ohio Power Company's Percentage Ownership - Environmental Investment	<u>0.00%</u>	<u>100.00%</u>
5	OPCo's Share of Cost Associated with Amos Unit No. 3 (3) X (4)	\$0	\$8,376,489
	Operations :		
6	Disposal (5010000)	\$0	\$80,234
7	Urea (5020002)	\$0	\$510,604
8	Trona (5020003)	\$0	\$205,391
9	Lime Stone (5020004)	\$0	\$319,954
10	Air Emission Fee	<u>\$0</u>	<u>\$11,770</u>
11	Total Operations (Lines 6 thru 10)	\$0	\$1,127,953
	Maintenance :		
12	SCR Maintenance (5120000)	\$0	\$44,647
13	Scrubber (FGD) Maintenance (5120000)	<u>\$0</u>	<u>\$97,933</u>
14	Total Maintenance (12) + (13)	\$0	\$142,580
15	1/2 of Maintenance (14) * 50%	<u>\$0</u>	<u>\$71,290</u>
16	Fixed O&M (11) + (15)	\$0	\$1,199,243
17	Ohio Power Company's Percentage Ownership - O&M Cost	<u>0.00%</u>	<u>66.67%</u>
18	OPCo's Share of O&M Cost Associated with Amos Unit No. 3 (16) X (17)	\$0	\$799,535
	Total Revenue Requirement,		
19	Cost Associated with Amos Unit No. 3 (5) + (18)	\$0	\$9,176,024
20	Ohio Power Company Steam Capacity (kw)	0	12,851,000
21	Amos Unit No. 3 Environmental Rate (\$/kw)	\$0.00	\$0.71
22	Ohio Power Surplus Weighing	0.00%	100.00%
23	Portion of Weighted Average Capacity Rate Attributed to Amos Unit No. 3 SCR (\$/kw) (21) * (22)	\$0.00	\$0.71
	Amos Unit No. 3 Costs to Kentucky Power :		
24	Amos Unit No. 3 Portion (\$/kw) (23)	\$0.00	\$0.71
25	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>151,900</u>
	Amos Unit No. 3 Environmental Cost to Kentucky Power (24) * (25)		
26	(ES FORM 3.14, Page 1 of 11, Line 1)	\$0	\$107,849

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ES FORM 3.14
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KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT
OHIO POWER COMPANY (OPCo) - CARDINAL UNIT 1

For the Expense Month of October 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$403,006,219
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	1.37%
3	Total Rate Base	\$0	\$5,521,185
	Operations :		
4	Disposal (5010000)	\$0	(\$9,124)
5	Lime (5020001)	\$0	\$0
6	Urea (5020002)	\$0	\$113,432
7	Trona (5020003)	\$0	\$97,544
8	Lime Stone (5020004)	\$0	\$231,848
9	Air Emission Fee	\$0	\$8,663
10	Total Operations (Line 4 thru 9)	\$0	\$442,363
	Maintenance :		
11	SCR Maintenance (5120000)	\$0	\$11,075
12	Scrubber (FGD) Maintenance (5120000)	\$0	\$101,124
13	Total Maintenance (13) + (14)	\$0	\$112,199
14	1/2 Maintenance (15) * 50%	\$0	\$56,100
15	Fixed O&M (12) + (16)	\$0	\$498,463
	Total Revenue Requirement,		
16	Cost Associated with Cardinal Unit No. 3 (3) + (17)	\$0	\$6,019,648
17	Ohio Power Company's Percentage Ownership	0.00%	100.00%
18	OPCo's Share of Cost Associated with Cardinal Unit No. 1 (18) X (19)	\$0	\$6,019,648
19	Ohio Power Company Steam Capacity (kw)	0	12,851,000
20	Cardinal Unit No. 1 (\$/kw)	\$0.00	\$0.47
21	Ohio Power Surplus Weighing	0.00%	100.00%
22	Portion of Weighted Average Capacity Rate		
	Attributed to Cardinal Unit No. 1 (\$/kw) (22) X (23)	\$0.00	\$0.47
	Cardinal Unit No. 1 Costs to Kentucky Power :		
23	Cardinal Unit No. 1 Portion (\$/kw) (24)	\$0.00	\$0.47
24	Kentucky Power Capacity Deficit (kw)	0	151,900
	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (25) * (26)		
25	(ES FORM 3.14, Page 1 of 11, Line 2)	\$0	\$71,393

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

For the Expense Month of October 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$964,567,531
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$13,214,575
	Operations :		
4	Sludge Disposal (5010000)	\$0	\$1,041,863
5	Lime (5020001)	\$0	\$3,342,143
6	Urea (5020002)	\$0	\$1,167,555
7	Trona (5020003)	\$0	\$512,442
8	Lime Stone (5020004)	\$0	\$275
9	Air Emission Fee	\$0	\$35,828
10	Lease (5070005)	<u>\$0</u>	<u>\$0</u>
11	Total Operations (Lines 4 thru 10)	\$0	\$6,100,106
	Maintenance :		
12	SCR Maintenance (5120000)	\$0	\$170,001
13	Scrubber Maintenance (5120000)	<u>\$0</u>	<u>\$754,075</u>
14	Total Maintenance (12) + (13)	\$0	\$924,076
15	1/2 of Maintenance (13) * 50%	<u>\$0</u>	<u>\$462,038</u>
16	Fixed O&M (11) + (15)	<u>\$0</u>	<u>\$6,562,144</u>
	Total Revenue Requirement,		
17	Cost Associated with Gavin Plant (3) + (17)	\$0	\$19,776,719
18	Ohio Power Company's Percentage Ownership	0.00%	100.00%
19	OPCo's Share of Cost Associated with Gavin Plant (17) X (18)	\$0	\$19,776,719
20	Ohio Power Company Steam Capacity (kw)	0	12,851,000
21	Gavin Plant (\$/kw)	\$0.00	\$1.54
22	Ohio Power Surplus Weighing	0.00%	100.00%
23	Portion of Weighted Average Capacity Rate Attributed to Gavin Plant (\$/kw) (21) X (22)	\$0.00	\$1.54
	Gavin Plant Costs to Kentucky Power :		
24	Gavin Plant Portion (\$/kw) (23)	\$0.00	\$1.54
25	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>151,900</u>
	Gavin Plant Environmental Cost to Kentucky Power (24) * (25)		
26	(ES FORM 3.14, Page 1 of 11, Line 3)	\$0	\$233,926

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

For the Expense Month of October 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$8,487,868
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$116,284
	Operations :		
4	Urea (5020002)	\$0	\$282
5	Trona (5020003)	\$0	\$351
6	Air Emission Fee	<u>\$0</u>	<u>\$19,398</u>
7	Total Operations (4) + (5) + (6)	\$0	\$20,031
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$0
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>	<u>\$0</u>
10	Fixed O&M (7) + (9)	\$0	\$20,031
	Total Revenue Requirement,		
11	Cost Associated with Kammer Plant (3) + (10)	<u>\$0</u>	<u>\$136,315</u>
12	Ohio Power Company's Percentage Ownership	0.00%	100.00%
13	OPCo's Share of Cost Associated with Kammer Plant (11) X (12)	\$0	\$136,315
14	Ohio Power Company Steam Capacity (kw)	0	12,851,000
15	Kammer Plant (\$/kw)	\$0.00	\$0.01
16	Ohio Power Surplus Weighing	0.00%	100.00%
17	Portion of Weighted Average Capacity Rate Attributed to Kammer Plant (\$/kw) (15) X (16)	\$0.00	\$0.01
	Kammer Plant Costs to Kentucky Power :		
18	Kammer Plant Portion (\$/kw) (17)	\$0.00	\$0.01
19	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>151,900</u>
	Kammer Plant Environmental Cost to Kentucky Power (18) * (19)		
20	(ES FORM 3.14, Page 1 of 11, Line 4)	\$0	\$1,519

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

For the Expense Month of October 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$1,149,819,326
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$15,752,525
	Operations :		
4	Disposal (5010000)	\$0	(\$78,378)
5	Urea (5020002)	\$0	\$644,375
6	Trona (5020003)	\$0	\$154,507
7	Lime Stone (5020004)	\$0	\$497,536
8	Air Emission Fee	<u>\$0</u>	<u>\$18,559</u>
9	Total Operations (Lines 4 thru 8)	\$0	\$1,236,599
	Maintenance :		
10	SCR Maintenance (5120000)	\$0	\$33,041
11	FDG (5120000)	<u>\$0</u>	<u>\$128,499</u>
12	1/2 of Maintenance (10 + 11) * 50%	<u>\$0</u>	<u>\$80,770</u>
13	Fixed O&M (9) + (12)	<u>\$0</u>	<u>\$1,317,369</u>
	Total Revenue Requirement,		
14	Cost Associated with Mitchell Plant (3) + (13)	<u>\$0</u>	<u>\$17,069,894</u>
15	Ohio Power Company's Percentage Ownership	0.00%	100.00%
16	OPCo's Share of Cost Associated with Mitchell Plant (14) X (15)	\$0	\$17,069,894
17	Ohio Power Company Steam Capacity (kw)	0	12,851,000
18	Mitchell Plant (\$/kw)	\$0.00	\$1.33
19	Ohio Power Surplus Weighing	0.00%	100.00%
20	Portion of Weighted Average Capacity Rate Attributed to Mitchell Plant (\$/kw) (18) X (19)	\$0.00	\$1.33
	Mitchell Plant Costs to Kentucky Power :		
21	Mitchell Plant Portion (\$/kw) (20)	\$0.00	\$1.33
22	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>151,900</u>
23	Mitchell Plant Environmental Cost to Kentucky Power (21) * (22) (ES FORM 3.14, Page 1 of 11, Line 5)	\$0	\$202,027

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

For the Expense Month of October 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$114,236,110
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$1,565,035
	Operations :		
4	Urea (5020002)	\$0	\$1,198
5	Trona (5020003)	\$0	\$802
6	Air Emission Fee	<u>\$0</u>	<u>\$34,853</u>
7	Total Operations (4) + (5) + (6)	\$0	\$36,853
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$92
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>	<u>\$46</u>
10	Fixed O&M (7) + (9)	<u>\$0</u>	<u>\$36,899</u>
	Total Revenue Requirement,		
11	Cost Associated with Muskingum Plant (3) + (10)	<u>\$0</u>	<u>\$1,601,934</u>
12	Ohio Power Company's Percentage Ownership	0.00%	100.00%
13	OPCo's Share of Cost Associated with Muskingum Plant (11) X (12)	\$0	\$1,601,934
14	Ohio Power Company Steam Capacity (kw)	0	12,851,000
15	Muskingum Plant (\$/kw)	\$0.00	\$0.12
16	Ohio Power Surplus Weighing	0.00%	100.00%
17	Portion of Weighted Average Capacity Rate Attributed to Muskingum Plant (\$/kw) (15) X (16)	\$0.00	\$0.12
	Muskingum Plant Costs to Kentucky Power :		
18	Muskingum Plant Portion (\$/kw) (17)	\$0.00	\$0.12
19	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>151,900</u>
20	Muskingum Plant Environmental Cost to Kentucky Power (18) * (19) (ES FORM 3.14, Page 1 of 11, Line 6)	\$0	\$18,228

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

For the Expense Month of October 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$20,796,088
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$284,906
	Operations :		
4	Urea (5020002)	\$0	\$0
5	Trona (5020003)	\$0	\$0
6	Air Emission Fee	<u>\$0</u>	<u>\$16,272</u>
7	Total Operations (4) + (5) + (6)	\$0	\$16,272
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$0
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>	<u>\$0</u>
10	Fixed O&M (7) + (9)	<u>\$0</u>	<u>\$16,272</u>
	Total Revenue Requirement,		
11	Cost Associated with Sporn Plant (3) + (10)	<u>\$0</u>	<u>\$301,178</u>
12	Ohio Power Company's Percentage Ownership	0.00%	100.00%
13	OPCo's Share of Cost Associated with Sporn Plant (11) X (12)	\$0	\$301,178
14	Ohio Power Company Steam Capacity (kw)	0	12,851,000
15	Sporn Plant (\$/kw)	\$0.00	\$0.02
16	Ohio Power Surplus Weighing	0.00%	100.00%
17	Portion of Weighted Average Capacity Rate Attributed to Sporn Plant (\$/kw) (15) X (16)	\$0.00	\$0.02
	Sporn Plant Costs to Kentucky Power :		
18	SpornGavin Plant Portion (\$/kw) (17)	\$0.00	\$0.02
19	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>151,900</u>
	Sporn Plant Environmental Cost to Kentucky Power (18) * (19)		
20	(ES FORM 3.14, Page 1 of 11, Line 7)	\$0	\$3,038

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

For the Expense Month of October 2012

LINE NO.	COST	Rockport Plant Common	UNIT 1 AMOUNTS	UNIT 2 AMOUNTS	Rockport Plant Common	Total	Rockport Plant Common	UNIT 1 AMOUNTS	UNIT 2 AMOUNTS	Rockport Plant Common	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(3)	(4)	(5)	(6)	(7)
1	Utility Plant at Original Cost	\$0	\$0	\$0	\$0		\$1,785,548	\$10,544,676	\$16,709,416	\$2,527,341	
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	0.00%	0.00%	0.00%		1.37%	1.37%	1.37%	1.37%	
3	Total Rate Base	\$0	\$0	\$0	\$0		\$24,462	\$144,462	\$228,919	\$34,625	
	Operations :										
4	Urea (5020002)	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
5	Trona (5020003)	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
6	Air Emission Fee	\$0	\$0	\$0	\$0		\$15,625	\$0	\$0	\$0	
7	Total Operations (4) + (5) + (6)	\$0	\$0	\$0	\$0		\$15,625	\$0	\$0	\$0	
	Maintenance :										
8	SCR Maintenance (5120000)	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
9	1/2 of Maintenance (8) * 50%	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
10	Fixed O&M (7) + (9)	\$0	\$0	\$0	\$0		\$15,625	\$0	\$0	\$0	
	Total Revenue Requirement,										
11	Cost Associated with Rockport Plant (3) + (10)	\$0	\$0	\$0	\$0		\$40,087	\$144,462	\$228,919	\$34,625	
12	Indiana Michigan Power Company's Percentage Ownership	0%	0.00%	0.00%	0.00%		50%	85.00%	85.00%	50.00%	
13	I&M's Share of Cost Associated with Rockport Plant (11) X (12)	\$0	\$0	\$0	\$0		\$20,044	\$122,793	\$194,581	\$17,313	
14	Total Rockport Plant Common and Units 1 & 2					\$0					\$354,731
15	Indiana Michigan Power Company Steam Capacity (kw)					0					5,412,000
16	Rockport Plant (\$/kw) (14) / (15)					\$0.00					\$0.07
17	Kentucky Power Portion of Rockport Plant /										
18	Indiana Michigan Power Surplus Weighing					0.00%					0.00%
	Portion of Weighted Average Capacity Rate										
	Attributed to Rockport Plant (\$/kw) (17) X (18)					\$0.00					\$0.00
	Rockport Plant Costs to Kentucky Power :										
19	Rockport Plant Portion (\$/kw) (18)					\$0.00					\$0.00
20	Kentucky Power Capacity Deficit (kw)					0					151,900
	Rockport Units 1 & 2 Environmental to Kentucky Power (19) * (20)										
21	(ES FORM 3.14, Page 1 of 11, Line 8)					\$0					\$0

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

For the Expense Month of October 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$98,564,441
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$1,350,333
	Operations :		
4	Urea (5020002)	\$0	\$0
5	Trona (5020003)	\$0	\$0
6	Air Emission Fee	<u>\$0</u>	<u>\$15,625</u>
7	Total Operations (4) + (5) + (6)	\$0	\$15,625
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$0
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>	<u>\$0</u>
10	Fixed O&M (7) + (9)	<u>\$0</u>	<u>\$15,625</u>
	Total Revenue Requirement,		
11	Cost Associated with Tanners Creek Plant (3) + (10)	<u>\$0</u>	<u>\$1,365,958</u>
12	Indiana Michigan Power Company's Percentage Ownership	0.00%	100.00%
13	I&M's Share of Cost Associated with Tanners Creek Plant (11) X (12)	\$0	\$1,365,958
14	Indiana Michigan Power Company Steam Capacity (kw)	0	5,412,000
15	Tanners Creek Plant (\$/kw)	\$0.00	\$0.25
16	Indiana Michigan Power Surplus Weighing	0.00%	0.00%
17	Portion of Weighted Average Capacity Rate Attributed to Rockport Plant (\$/kw) (15) X (16)	\$0.00	\$0.00
	Tanners Creek Plant Costs to Kentucky Power :		
18	Tanners Creek Plant Portion (\$/kw) (17)	\$0.00	\$0.00
19	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>151,900</u>
	Tanners Creek Plant Environmental Cost to Kentucky Power (18) * (19)		
20	(ES FORM 3.14, Page 1 of 11, Line 9)	\$0	\$0

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KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CALCULATION OF E(m) and SURCHARGE FACTOR
For the Expense Month of November 2012

<u>CALCULATION OF E(m)</u>		Remove Pool 4/16/2013	Filed Amount	Difference
E(m) = CRR - BRR				
LINE 1	CRR from ES FORM 3.00	\$1,706,471	\$2,344,576	\$638,105
LINE 2	Brr from ES FORM 1.10	2,786,040	2,786,040	0 ^{1/}
LINE 3	E(m) (LINE 1 - LINE 2)	(\$1,079,569)	(\$441,464)	\$638,105
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	86.1%	86.1%	0.0%
LINE 5	KY Retail E(m) (LINE 3 * LINE 4)	(\$929,509)	(\$380,100)	\$549,409
LINE 5A	Environmental Surcharge Clause Adjustment per Order in Case No. 2012 - 00273 dated December 12, 2012	(\$452,811)	(\$452,811)	\$0
LINE 6	(Over) / Under Recovery Adjustment from ES FORM 3.30	(\$117,808)	(\$117,808)	\$0
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	(\$1,500,128)	(\$950,719)	\$549,409
<u>SURCHARGE FACTOR</u>				
LINE 8	Net KY Retail E(m) (Line 7)	(\$1,500,128)	(\$950,719)	\$549,409
LINE 9	KY Retail R(m) from ES FORM 3.30	\$38,818,782	\$38,818,782	\$0
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	-3.8644%	-2.4491%	1.4153%

Effective Date for Billing: December 31, 2012

Submitted By : _____

Title : Manager Regulatory Services

Date Submitted : December 21, 2012

^{1/} Case No. 2009-00459, dated June 28, 2010

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KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT
For the Expense Month of November 2012

CALCULATION OF CURRENT PERIOD REVENUE REQUIREMENT

LINE NO.	COMPONENTS	REVISED		AS FILED	
1	First Component: Associated with Big Sandy Plant ((RB KP(C)) (ROR KP(C)/12)) + OE KP(C) ES FORM 3.10, Line 20		\$1,664,897		\$2,303,002
2	Second Component: Associated with Rockport Plant (((RB IM(C)) (ROR IM(C)/12)) + OE IM(C)) ES FORM 3.20, Line 16		\$41,574		\$41,574
	Third Component: Net Proceeds from Emission Allowances Sales AS				
	1) SO ₂ - EPA Auction Proceeds received during Expense Month	\$0		\$0	
	2) SO ₂ - Net Gain or (Loss) from Allowance Sales, in compliance with the AEP Interim Allowance Agreement, received during Expense Month	\$0		\$0	
	Total Net Proceeds from SO ₂ Allowances	\$0		\$0	
	1) NO _x - ERC Sales Proceeds, received during Expense Month	\$0		\$0	
	2) NO _x - EPA Auction Proceeds, received during Expense Month	\$0		\$0	
	3) NO _x - Net Gain or Loss from NO _x Allowances Sales, received during Expense Month	\$0		\$0	
	Total Net Proceeds from NO _x Allowances	\$0		\$0	
3	Total Net Gain or (Loss) from Emission Allowance Sales		\$0		\$0
4	Total Current Period Revenue Requirement, CRR Record on ES FORM 1.00.		\$1,706,471		\$2,344,576

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ES FORM 3.10

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

For the Expense Month of November 2012

LINE NO.	COST COMPONENT	REVISED		AS FILED	
	Return on Rate Base :				
1	Utility Plant at Original Cost	\$191,452,443		\$191,452,443	
2	Less Accumulated Depreciation	(\$75,344,836)		(\$75,344,836)	
3	Less Accum. Def. Income Taxes	(\$30,517,578)		(\$30,517,578)	
4	Net Utility Plant		\$85,590,029		\$85,590,029
5	SO2 Emission Allowance Inventory from ES FORM 3.11		\$8,683,606		\$8,683,606
6	ECR & NOx Emission Allowance Inventory from ES FORM 3.12		\$34,558		\$34,558
7	Cash Working Capital Allowance from ES FORM 3.13, Line 13		\$1,294,258		\$1,308,119
8	Total Rate Base		\$95,602,451		\$95,616,312
9	Weighted Average Cost of Capital - ES FORM 3.15	10.85%		10.85%	
10	Monthly Weighted Avg. Cost of Capital (9) / 12		0.90%		0.90%
11	Monthly Return of Rate Base (8) * (10)		\$860,422		\$860,547
	Operating Expenses :				
12	Monthly Depreciation Expense		\$577,252		\$577,252
13	Monthly Catalyst Amortization Expense		\$46,030		\$46,030
14	Monthly Property Taxes		\$13,322		\$13,322
15	Monthly Kentucky Air Emissions Fee		\$21,113		\$21,113
16	Monthly Environmental AEP Pool Capacity Costs from ES FORM 3.14, Page 1 of 11, Column 5, Line 10		\$0		\$637,980
17	Monthly 2003 Plan Non-Fuel O&M Expenses from ES FORM 3.13		\$21,499		\$21,499
18	Monthly SO2 Emission Allowance Consumption		\$125,259		\$125,259
19	Total Operating Expenses [Line 12 thru Line 18]		\$804,475		\$1,442,455
20	Total Revenue Requirement - Big Sandy Record on ES FORM 3.00, Line 1		\$1,664,897		\$2,303,002

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KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT

For the Expense Month of November 2012

		REVISED		AS FILED	
	1997 Plan :				
1	Monthly Kentucky Air Emissions Fee	\$21,113		\$21,113	
	Total Monthly AEP Pool				
2	Environmental Capacity Costs	\$0		\$110,887	
3	Monthly SO2 Allowance Consumption	<u>\$125,259</u>		<u>\$125,259</u>	
4	Total 1997 Plan O&M Expenses		\$146,372		\$257,259
	2003 Plan :				
5	Monthly Variable Cladding at Big Sandy Unit 1	\$0		\$0	
6	Monthly Urea Consumption at Big Sandy Unit 2	\$505		\$505	
7	Monthly Catalyst Replacement at Big Sandy Unit 2	\$0		\$0	
8	Monthly ERC & NOx Allowance Consumption	\$4,105		\$4,105	
9	Equipment - Associated Operating Expenses	\$185		\$185	
10	Equipment - Associated Maintenance Expenses	<u>\$16,705</u>		<u>\$16,705</u>	
11	Total 2003 Plan O&M Expenses		<u>\$21,499</u>		<u>\$21,499</u>
12	KPCO's Rockport Unit Power O&M:				
13	E.S. Form 3.20, Line 11 X 15%		<u>\$2,344</u>		<u>\$2,344</u>
14	Total Monthly O&M Expenses		<u>\$170,215</u>		<u>\$281,102</u>
15	Cash Working Capital Allowance (Line 14 X 1/8)		\$21,277		\$35,138
16	Cash Working Capital Allowance (October 2012 ES Form 3.13)		\$30,552		\$30,552
17	Cash Working Capital Allowance (September 2012 ES Form 3.13)		\$30,858		\$30,858
18	Cash Working Capital Allowance (August 2012 ES Form 3.13)		\$143,931		\$143,931
19	Cash Working Capital Allowance (July 2012 ES Form 3.13)		\$170,994		\$170,994
20	Cash Working Capital Allowance (June 2012 ES Form 3.13)		\$113,298		\$113,298
21	Cash Working Capital Allowance (May 2012 ES Form 3.13)		\$50,526		\$50,526
22	Cash Working Capital Allowance (April 2012 ES Form 3.13)		\$128,462		\$128,462
23	Cash Working Capital Allowance (March 2012 ES Form 3.13)		\$103,761		\$103,761
24	Cash Working Capital Allowance (February 2012 ES Form 3.13)		\$131,408		\$131,408
25	Cash Working Capital Allowance (January 2012 ES Form 3.13)		\$130,956		\$130,956
26	Cash Working Capital Allowance (December 2011 ES Form 3.13)		<u>\$238,235</u>		<u>\$238,235</u>
27	Total Twelve Month Total Cash Working Capital Allowance		<u>\$1,294,258</u>		<u>\$1,308,119</u>

Total Cost at Line 27 is to be recorded on ES FORM 3.10, Line 7.

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

For the Expense Month of November 2012

Line No. (1)	Cost Component (2)	Ohio Power Company's Environmental Cost to KPCo (3)	Revised Indiana Michigan Power Company's Environmental Cost to KPCo (4)	Total (5)	Ohio Power Company's Environmental Cost to KPCo (3)	As Filed Indiana Michigan Power Company's Environmental Cost to KPCo (4)	Total (5)
1	Amos Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 26)	\$0			\$109,368		
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 25)	\$0			\$82,026		
3	Gavin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 26)	\$0			\$218,736		
4	Kammer Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 20)	\$0			\$1,519		
5	Mitchell Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 23)	\$0			\$205,065		
6	Muskingum River Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 20)	\$0			\$18,228		
7	Sporn Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 20)	\$0			\$3,038		
8	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Column 5, Line 21)		\$0			\$0	
9	Tanners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 20)		\$0			\$0	
10	Total AEP Pool Monthly Environmental Capacity Costs to Kentucky Power	\$0	\$0	\$0	\$637,980	\$0	\$637,980

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

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

For the Expense Month of November 2012							
Line No. (1)	Cost Component (2)	Ohio Power Company's (OPCo) Environmental Cost to KPCo (3)	Revised Indiana Michigan Power Company's (I&M) Environmental Cost to KPCo (4)	Total (5)	Ohio Power Company's (OPCo) Environmental Cost to KPCo (3)	As Filed Indiana Michigan Power Company's (I&M) Environmental Cost to KPCo (4)	Total (5)
1	Amos Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 19)	\$0			\$848,616		
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 17)	\$0			\$1,460,713		
3	Gavin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 17)	\$0			\$5,334,645		
4	Kammer Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 10)	\$0			\$20,056		
5	Mitchell Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 16)	\$0			\$1,617,613		
6	Muskingum River Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 10)	\$0			\$36,786		
7	Sporn Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 10)	\$0			\$16,272		
8	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Columns 3 & 6, Line 10)		\$0			\$15,625	
9	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Columns 4 & 5, Line 10)		\$0			\$0	
10	Tanners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 10)		\$0			\$15,625	
11	Subtotal	\$0	\$0		\$9,334,701	\$31,250	
12	Steam Capacity By Company - OPCo (Column 3) / I&M (Column 4) (kw)	0	0		12,851,000	5,412,000	
13	Environmental Base (\$/kw)	\$0.00	\$0.00		\$0.73	\$0.01	
14	Company Surplus Weighting	0.00%	0.00%		100.00%	0.00%	
15	Portion of Weighted Average Capacity Rate Attributed to Environmental Fixed O&M Costs	\$0.00	\$0.00		\$0.73	\$0.00	
16	Kentucky Power Capacity Deficit (kw)	0	0		151,900	151,900	
17	Fixed O&M Environmental Cost to Kentucky Power	\$0	\$0	\$0	\$110,887	\$0	\$110,887

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

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

For the Expense Month of November 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$611,422,571
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$8,376,489
4	Ohio Power Company's Percentage Ownership - Environmental Investment	<u>0.00%</u>	<u>100.00%</u>
5	OPCo's Share of Cost Associated with Amos Unit No. 3 (3) X (4)	\$0	\$8,376,489
	Operations :		
6	Disposal (5010000)	\$0	\$26,991
7	Urea (5020002)	\$0	\$500,753
8	Trona (5020003)	\$0	\$174,284
9	Lime Stone (5020004)	\$0	\$438,380
10	Air Emission Fee	<u>\$0</u>	<u>\$11,770</u>
11	Total Operations (Lines 6 thru 10)	\$0	\$1,152,178
	Maintenance :		
12	SCR Maintenance (5120000)	\$0	\$23,775
13	Scrubber (FGD) Maintenance (5120000)	<u>\$0</u>	<u>\$217,590</u>
14	Total Maintenance (12) + (13)	<u>\$0</u>	<u>\$241,365</u>
15	1/2 of Maintenance (14) * 50%	<u>\$0</u>	<u>\$120,683</u>
16	Fixed O&M (11) + (15)	\$0	\$1,272,861
17	Ohio Power Company's Percentage Ownership - O&M Cost	<u>0.00%</u>	<u>66.67%</u>
18	OPCo's Share of O&M Cost Associated with Amos Unit No. 3 (16) X (17)	<u>\$0</u>	<u>\$848,616</u>
	Total Revenue Requirement,		
19	Cost Associated with Amos Unit No. 3 (5) + (18)	\$0	\$9,225,105
20	Ohio Power Company Steam Capacity (kw)	0	12,851,000
21	Amos Unit No. 3 Environmental Rate (\$/kw)	\$0.00	\$0.72
22	Ohio Power Surplus Weighing	0.00%	100.00%
23	Portion of Weighted Average Capacity Rate Attributed to Amos Unit No. 3 SCR (\$/kw) (21) * (22)	\$0.00	\$0.72
	Amos Unit No. 3 Costs to Kentucky Power :		
24	Amos Unit No. 3 Portion (\$/kw) (23)	\$0.00	\$0.72
25	Kentucky Power Capacity Deficit (kw)	0	<u>151,900</u>
	Amos Unit No. 3 Environmental Cost to Kentucky Power (24) * (25)		
26	(ES FORM 3.14, Page 1 of 11, Line 1)	\$0	\$109,368

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

For the Expense Month of November 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$403,006,219
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	1.37%
3	Total Rate Base	\$0	\$5,521,185
	Operations :		
4	Disposal (5010000)	\$0	\$337,719
5	Lime (5020001)	\$0	\$0
6	Urea (5020002)	\$0	\$370,220
7	Trona (5020003)	\$0	\$174,015
8	Lime Stone (5020004)	\$0	\$523,603
9	Air Emission Fee	\$0	\$8,663
10	Total Operations (Line 4 thru 9)	\$0	\$1,414,220
	Maintenance :		
11	SCR Maintenance (5120000)	\$0	\$5,004
12	Scrubber (FGD) Maintenance (5120000)	\$0	\$87,982
13	Total Maintenance (13) + (14)	\$0	\$92,986
14	1/2 Maintenance (15) * 50%	\$0	\$46,493
15	Fixed O&M (12) + (16)	\$0	\$1,460,713
	Total Revenue Requirement,		
16	Cost Associated with Cardinal Unit No. 3 (3) + (17)	\$0	\$6,981,898
17	Ohio Power Company's Percentage Ownership	0.00%	100.00%
18	OPCo's Share of Cost Associated with Cardinal Unit No. 1 (18) X (19)	\$0	\$6,981,898
19	Ohio Power Company Steam Capacity (kw)	0	12,851,000
20	Cardinal Unit No. 1 (\$/kw)	\$0.00	\$0.54
21	Ohio Power Surplus Weighing	0.00%	100.00%
22	Portion of Weighted Average Capacity Rate Attributed to Cardinal Unit No. 1 (\$/kw) (22) X (23)	\$0.00	\$0.54
	Cardinal Unit No. 1 Costs to Kentucky Power :		
23	Cardinal Unit No. 1 Portion (\$/kw) (24)	\$0.00	\$0.54
24	Kentucky Power Capacity Deficit (kw)	0	151,900
25	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (25) * (26) (ES FORM 3.14, Page 1 of 11, Line 2)	\$0	\$82,026

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

For the Expense Month of November 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$964,567,531
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	1.37%
3	Total Rate Base	\$0	\$13,214,575
	Operations :		
4	Sludge Disposal (5010000)	\$0	\$709,118
5	Lime (5020001)	\$0	\$3,106,607
6	Urea (5020002)	\$0	\$819,601
7	Trona (5020003)	\$0	\$503,226
8	Lime Stone (5020004)	\$0	\$1,706
9	Air Emission Fee	\$0	\$35,828
10	Lease (5070005)	\$0	\$0
11	Total Operations (Lines 4 thru 10)	\$0	\$5,176,086
	Maintenance :		
12	SCR Maintenance (5120000)	\$0	\$112,588
13	Scrubber Maintenance (5120000)	\$0	\$204,530
14	Total Maintenance (12) + (13)	\$0	\$317,118
15	1/2 of Maintenance (13) * 50%	\$0	\$158,559
16	Fixed O&M (11) + (15)	\$0	\$5,334,645
	Total Revenue Requirement,		
17	Cost Associated with Gavin Plant (3) + (17)	\$0	\$18,549,220
18	Ohio Power Company's Percentage Ownership	0.00%	100.00%
19	OPCo's Share of Cost Associated with Gavin Plant (17) X (18)	\$0	\$18,549,220
20	Ohio Power Company Steam Capacity (kw)	0	12,851,000
21	Gavin Plant (\$/kw)	\$0.00	\$1.44
22	Ohio Power Surplus Weighing	0.00%	100.00%
23	Portion of Weighted Average Capacity Rate Attributed to Gavin Plant (\$/kw) (21) X (22)	\$0.00	\$1.44
	Gavin Plant Costs to Kentucky Power :		
24	Gavin Plant Portion (\$/kw) (23)	\$0.00	\$1.44
25	Kentucky Power Capacity Deficit (kw)	0	151,900
	Gavin Plant Environmental Cost to Kentucky Power (24) * (25)		
26	(ES FORM 3.14, Page 1 of 11, Line 3)	\$0	\$218,736

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

For the Expense Month of November 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$8,487,868
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	1.37%
3	Total Rate Base	\$0	\$116,284
	Operations :		
4	Urea (5020002)	\$0	\$318
5	Trona (5020003)	\$0	\$340
6	Air Emission Fee	\$0	\$19,398
7	Total Operations (4) + (5) + (6)	\$0	\$20,056
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$0
9	1/2 of Maintenance (8) * 50%	\$0	\$0
10	Fixed O&M (7) + (9)	\$0	\$20,056
	Total Revenue Requirement,		
11	Cost Associated with Kammer Plant (3) + (10)	\$0	\$136,340
12	Ohio Power Company's Percentage Ownership	0.00%	100.00%
13	OPCo's Share of Cost Associated with Kammer Plant (11) X (12)	\$0	\$136,340
14	Ohio Power Company Steam Capacity (kw)	0	12,851,000
15	Kammer Plant (\$/kw)	\$0.00	\$0.01
16	Ohio Power Surplus Weighing	0.00%	100.00%
17	Portion of Weighted Average Capacity Rate Attributed to Kammer Plant (\$/kw) (15) X (16)	\$0.00	\$0.01
	Kammer Plant Costs to Kentucky Power :		
18	Kammer Plant Portion (\$/kw) (17)	\$0.00	\$0.01
19	Kentucky Power Capacity Deficit (kw)	0	151,900
	Kammer Plant Environmental Cost to Kentucky Power (18) * (19)		
20	(ES FORM 3.14, Page 1 of 11, Line 4)	\$0	\$1,519

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

For the Expense Month of November 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$1,149,819,326
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$15,752,525
	Operations :		
4	Disposal (5010000)	\$0	(\$76,749)
5	Urea (5020002)	\$0	\$728,321
6	Trona (5020003)	\$0	\$200,473
7	Lime Stone (5020004)	\$0	\$581,127
8	Air Emission Fee	<u>\$0</u>	<u>\$18,559</u>
9	Total Operations (Lines 4 thru 8)	\$0	\$1,451,731
	Maintenance :		
10	SCR Maintenance (5120000)	\$0	\$20,915
11	FDG (5120000)	<u>\$0</u>	<u>\$310,848</u>
12	1/2 of Maintenance (10 + 11) * 50%	<u>\$0</u>	<u>\$165,882</u>
13	Fixed O&M (9) + (12)	<u>\$0</u>	<u>\$1,617,613</u>
	Total Revenue Requirement,		
14	Cost Associated with Mitchell Plant (3) + (13)	<u>\$0</u>	<u>\$17,370,138</u>
15	Ohio Power Company's Percentage Ownership	0.00%	100.00%
16	OPCo's Share of Cost Associated with Mitchell Plant (14) X (15)	\$0	\$17,370,138
17	Ohio Power Company Steam Capacity (kw)	0	12,851,000
18	Mitchell Plant (\$/kw)	\$0.00	\$1.35
19	Ohio Power Surplus Weighing	0.00%	100.00%
20	Portion of Weighted Average Capacity Rate Attributed to Mitchell Plant (\$/kw) (18) X (19)	\$0.00	\$1.35
	Mitchell Plant Costs to Kentucky Power :		
21	Mitchell Plant Portion (\$/kw) (20)	\$0.00	\$1.35
22	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>151,900</u>
23	Mitchell Plant Environmental Cost to Kentucky Power (21) * (22) (ES FORM 3.14, Page 1 of 11, Line 5)	\$0	\$205,065

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

For the Expense Month of November 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$114,236,110
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$1,565,035
	Operations :		
4	Urea (5020002)	\$0	\$1,155
5	Trona (5020003)	\$0	\$778
6	Air Emission Fee	<u>\$0</u>	<u>\$34,853</u>
7	Total Operations (4) + (5) + (6)	\$0	\$36,786
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$0
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>	<u>\$0</u>
10	Fixed O&M (7) + (9)	<u>\$0</u>	<u>\$36,786</u>
	Total Revenue Requirement,		
11	Cost Associated with Muskingum Plant (3) + (10)	<u>\$0</u>	<u>\$1,601,821</u>
12	Ohio Power Company's Percentage Ownership	0.00%	100.00%
13	OPCo's Share of Cost Associated with Muskingum Plant (11) X (12)	\$0	\$1,601,821
14	Ohio Power Company Steam Capacity (kw)	0	12,851,000
15	Muskingum Plant (\$/kw)	\$0.00	\$0.12
16	Ohio Power Surplus Weighing	0.00%	100.00%
17	Portion of Weighted Average Capacity Rate Attributed to Muskingum Plant (\$/kw) (15) X (16)	\$0.00	\$0.12
	Muskingum Plant Costs to Kentucky Power :		
18	Muskingum Plant Portion (\$/kw) (17)	\$0.00	\$0.12
19	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>151,900</u>
	Muskingum Plant Environmental Cost to Kentucky Power (18) * (19)		
20	(ES FORM 3.14, Page 1 of 11, Line 6)	\$0	\$18,228

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

For the Expense Month of November 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$20,796,088
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$284,906
	Operations :		
4	Urea (5020002)	\$0	\$0
5	Trona (5020003)	\$0	\$0
6	Air Emission Fee	<u>\$0</u>	<u>\$16,272</u>
7	Total Operations (4) + (5) + (6)	\$0	\$16,272
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$0
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>	<u>\$0</u>
10	Fixed O&M (7) + (9)	<u>\$0</u>	<u>\$16,272</u>
	Total Revenue Requirement,		
11	Cost Associated with Sporn Plant (3) + (10)	<u>\$0</u>	<u>\$301,178</u>
12	Ohio Power Company's Percentage Ownership	0.00%	100.00%
13	OPCo's Share of Cost Associated with Sporn Plant (11) X (12)	\$0	\$301,178
14	Ohio Power Company Steam Capacity (kw)	0	12,851,000
15	Sporn Plant (\$/kw)	\$0.00	\$0.02
16	Ohio Power Surplus Weighing	0.00%	100.00%
17	Portion of Weighted Average Capacity Rate Attributed to Sporn Plant (\$/kw) (15) X (16)	\$0.00	\$0.02
	Sporn Plant Costs to Kentucky Power :		
18	SpornGavin Plant Portion (\$/kw) (17)	\$0.00	\$0.02
19	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>151,900</u>
20	Sporn Plant Environmental Cost to Kentucky Power (18) * (19) (ES FORM 3.14, Page 1 of 11, Line 7)	\$0	\$3,038

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

For the Expense Month of November 2012

LINE NO.	COST	Rockport Plant Common	UNIT 1 AMOUNTS	UNIT 2 AMOUNTS	Rockport Plant Common	Total	Rockport Plant Common	UNIT 1 AMOUNTS	UNIT 2 AMOUNTS	Rockport Plant Common	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(3)	(4)	(5)	(6)	(7)
1	Utility Plant at Original Cost	\$0	\$0	\$0	\$0		\$1,785,548	\$10,544,676	\$16,709,416	\$2,527,341	
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	0.00%	0.00%	0.00%		1.37%	1.37%	1.37%	1.37%	
3	Total Rate Base	\$0	\$0	\$0	\$0		\$24,462	\$144,462	\$228,919	\$34,625	
	Operations :										
4	Urea (5020002)	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
5	Trona (5020003)	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
6	Air Emission Fee	\$0	\$0	\$0	\$0		\$15,625	\$0	\$0	\$0	
7	Total Operations (4) + (5) + (6)	\$0	\$0	\$0	\$0		\$15,625	\$0	\$0	\$0	
	Maintenance :										
8	SCR Maintenance (5120000)	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
9	1/2 of Maintenance (8) * 50%	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
10	Fixed O&M (7) + (9)	\$0	\$0	\$0	\$0		\$15,625	\$0	\$0	\$0	
	Total Revenue Requirement,										
11	Cost Associated with Rockport Plant (3) + (10)	\$0	\$0	\$0	\$0		\$40,087	\$144,462	\$228,919	\$34,625	
12	Indiana Michigan Power Company's Percentage Ownership	0%	0.00%	0.00%	0.00%		50%	85.00%	85.00%	50.00%	
13	I&M's Share of Cost Associated with Rockport Plant (11) X (12)	\$0	\$0	\$0	\$0		\$20,044	\$122,793	\$194,581	\$17,313	
14	Total Rockport Plant Common and Units 1 & 2					\$0					\$354,731
15	Indiana Michigan Power Company Steam Capacity (kw)					0					5,412,000
16	Rockport Plant (\$/kw) (14) / (15)					\$0.00					\$0.07
17	Kentucky Power Portion of Rockport Plant /										
18	Indiana Michigan Power Surplus Weighing					0.00%					0.00%
	Portion of Weighted Average Capacity Rate										
	Attributed to Rockport Plant (\$/kw) (17) X (18)					\$0.00					\$0.00
	Rockport Plant Costs to Kentucky Power :										
19	Rockport Plant Portion (\$/kw) (18)					\$0.00					\$0.00
20	Kentucky Power Capacity Deficit (kw)					0					151,900
	Rockport Units 1 & 2 Environmental to Kentucky Power (19) * (20)										
21	(ES FORM 3.14, Page 1 of 11, Line 8)					\$0					\$0

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

For the Expense Month of November 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$98,564,441
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$1,350,333
	Operations :		
4	Urea (5020002)	\$0	\$0
5	Trona (5020003)	\$0	\$0
6	Air Emission Fee	<u>\$0</u>	<u>\$15,625</u>
7	Total Operations (4) + (5) + (6)	\$0	\$15,625
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$0
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>	<u>\$0</u>
10	Fixed O&M (7) + (9)	<u>\$0</u>	<u>\$15,625</u>
	Total Revenue Requirement,		
11	Cost Associated with Tanners Creek Plant (3) + (10)	\$0	\$1,365,958
12	Indiana Michigan Power Company's Percentage Ownership	0.00%	100.00%
13	I&M's Share of Cost Associated with Tanners Creek Plant (11) X (12)	\$0	\$1,365,958
14	Indiana Michigan Power Company Steam Capacity (kw)	0	5,412,000
15	Tanners Creek Plant (\$/kw)	\$0.00	\$0.25
16	Indiana Michigan Power Surplus Weighing	0.00%	0.00%
17	Portion of Weighted Average Capacity Rate Attributed to Rockport Plant (\$/kw) (15) X (16)	\$0.00	\$0.00
	Tanners Creek Plant Costs to Kentucky Power :		
18	Tanners Creek Plant Portion (\$/kw) (17)	\$0.00	\$0.00
19	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>151,900</u>
	Tanners Creek Plant Environmental Cost to Kentucky Power (18) * (19)		
20	(ES FORM 3.14, Page 1 of 11, Line 9)	\$0	\$0

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KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CALCULATION OF E(m) and SURCHARGE FACTOR
For the Expense Month of December 2012

<u>CALCULATION OF E(m)</u>		Remove Pool 4/16/2013	Filed Amount	Difference
E(m) = CRR - BRR				
LINE 1	CRR from ES FORM 3.00	\$2,255,415	\$2,918,789	\$663,374
LINE 2	Brr from ES FORM 1.10	4,074,321	4,074,321	0 1/
LINE 3	E(m) (LINE 1 - LINE 2)	(\$1,818,906)	(\$1,155,532)	\$663,374
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	82.1%	82.1%	0.0%
LINE 5	KY Retail E(m) (LINE 3 * LINE 4)	(\$1,493,322)	(\$948,692)	\$544,630
LINE 6	(Over) / Under Recovery Adjustment from ES FORM 3.30	\$257,480	\$257,480	\$0
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	(\$1,235,842)	(\$691,212)	\$544,630
<u>SURCHARGE FACTOR</u>				
LINE 8	Net KY Retail E(m) (Line 7)	(\$1,235,842)	(\$691,212)	\$544,630
LINE 9	KY Retail R(m) from ES FORM 3.30	\$45,052,309	\$45,052,309	\$0
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	-2.7431%	-1.5342%	1.2089%

Effective Date for Billing: January 30, 2013

Submitted By : _____

Title : Manager Regulatory Services

Date Submitted : January 18, 2013

1/ Case No. 2009-00459, dated June 28, 2010

Revised - April 16, 2013

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT
For the Expense Month of December 2012

CALCULATION OF CURRENT PERIOD REVENUE REQUIREMENT

LINE NO.	COMPONENTS	REVISED		AS FILED	
1	First Component: Associated with Big Sandy Plant ((RB KP(C)) (ROR KP(C)/12)) + OE KP(C) ES FORM 3.10, Line 20		\$2,213,075		\$2,876,449
2	Second Component: Associated with Rockport Plant (((RB IM(C)) (ROR IM(C)/12)) + OE IM(C)) ES FORM 3.20, Line 16		\$42,340		\$42,340
	Third Component: Net Proceeds from Emission Allowances Sales AS				
	1) SO ₂ - EPA Auction Proceeds received during Expense Month	\$0		\$0	
	2) SO ₂ - Net Gain or (Loss) from Allowance Sales, in compliance with the AEP Interim Allowance Agreement, received during Expense Month	\$0		\$0	
	Total Net Proceeds from SO ₂ Allowances	\$0		\$0	
	1) NO _x - ERC Sales Proceeds, received during Expense Month	\$0		\$0	
	2) NO _x - EPA Auction Proceeds, received during Expense Month	\$0		\$0	
	3) NO _x - Net Gain or Loss from NO _x Allowances Sales, received during Expense Month	\$0		\$0	
	Total Net Proceeds from NO _x Allowances	\$0		\$0	
3	Total Net Gain or (Loss) from Emission Allowance Sales		\$0		\$0
4	Total Current Period Revenue Requirement, CRR Record on ES FORM 1.00.		\$2,255,415		\$2,918,789

Revised - April 16, 2013

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

For the Expense Month of December 2012

LINE NO.	COST COMPONENT	REVISED		AS FILED	
	Return on Rate Base :				
1	Utility Plant at Original Cost	\$191,452,443		\$191,452,443	
2	Less Accumulated Depreciation	(\$75,968,510)		(\$75,968,510)	
3	Less Accum. Def. Income Taxes	(\$30,393,228)		(\$30,393,228)	
4	Net Utility Plant		\$85,090,705		\$85,090,705
5	SO2 Emission Allowance Inventory from ES FORM 3.11		\$14,135,924		\$14,135,924
6	ECR & NOx Emission Allowance Inventory from ES FORM 3.12		\$28,270		\$28,270
7	Cash Working Capital Allowance from ES FORM 3.13, Line 13		\$1,154,275		\$1,169,929
8	Total Rate Base		\$100,409,174		\$100,424,828
9	Weighted Average Cost of Capital - ES FORM 3.15	10.85%		10.85%	
10	Monthly Weighted Avg. Cost of Capital (9) / 12		0.90%		0.90%
11	Monthly Return of Rate Base (8) * (10)		\$903,683		\$903,823
	Operating Expenses :				
12	Monthly Depreciation Expense		\$577,252		\$577,252
13	Monthly Catalyst Amortization Expense		\$46,030		\$46,030
14	Monthly Property Taxes		\$13,322		\$13,322
15	Monthly Kentucky Air Emissions Fee		\$130,032		\$130,032
16	Monthly Environmental AEP Pool Capacity Costs from ES FORM 3.14, Page 1 of 11, Column 5, Line 10		\$0		\$663,234
17	Monthly 2003 Plan Non-Fuel O&M Expenses from ES FORM 3.13		\$107,493		\$107,493
18	Monthly SO2 Emission Allowance Consumption		\$435,263		\$435,263
19	Total Operating Expenses [Line 12 thru Line 18]		<u>\$1,309,392</u>		<u>\$1,972,626</u>
20	Total Revenue Requirement - Big Sandy Record on ES FORM 3.00, Line 1		\$2,213,075		\$2,876,449

Revised - April 16, 2013

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT

For the Expense Month of December 2012

		REVISED		AS FILED	
	1997 Plan :				
1	Monthly Kentucky Air Emissions Fee	\$130,032		\$130,032	
	Total Monthly AEP Pool				
2	Environmental Capacity Costs	\$0		\$125,226	
3	Monthly SO2 Allowance Consumption	<u>\$435,263</u>		<u>\$435,263</u>	
4	Total 1997 Plan O&M Expenses		\$565,295		\$690,521
	2003 Plan :				
5	Monthly Variable Cladding at Big Sandy Unit 1	\$0		\$0	
6	Monthly Urea Consumption at Big Sandy Unit 2	\$101,567		\$101,567	
7	Monthly Catalyst Replacement at Big Sandy Unit 2	\$0		\$0	
8	Monthly ERC & NOx Allowance Consumption	\$6,288		\$6,288	
9	Equipment - Associated Operating Expenses	\$5,536		\$5,536	
10	Equipment - Associated Maintenance Expenses	<u>(\$5,898)</u>		<u>(\$5,898)</u>	
11	Total 2003 Plan O&M Expenses		\$107,493		\$107,493
12	KPCO's Rockport Unit Power O&M:				
13	E.S. Form 3.20, Line 11 X 15%		<u>\$2,344</u>		<u>\$2,344</u>
14	Total Monthly O&M Expenses		<u>\$675,132</u>		<u>\$800,358</u>
15	Cash Working Capital Allowance (Line 14 X 1/8)		\$84,391		\$100,045
16	Cash Working Capital Allowance (November 2012 ES Form 3.13)		\$35,138		\$35,138
17	Cash Working Capital Allowance (October 2012 ES Form 3.13)		\$30,552		\$30,552
18	Cash Working Capital Allowance (September 2012 ES Form 3.13)		\$30,858		\$30,858
19	Cash Working Capital Allowance (August 2012 ES Form 3.13)		\$143,931		\$143,931
20	Cash Working Capital Allowance (July 2012 ES Form 3.13)		\$170,994		\$170,994
21	Cash Working Capital Allowance (June 2012 ES Form 3.13)		\$113,298		\$113,298
22	Cash Working Capital Allowance (May 2012 ES Form 3.13)		\$50,526		\$50,526
23	Cash Working Capital Allowance (April 2012 ES Form 3.13)		\$128,462		\$128,462
24	Cash Working Capital Allowance (March 2012 ES Form 3.13)		\$103,761		\$103,761
25	Cash Working Capital Allowance (February 2012 ES Form 3.13)		\$131,408		\$131,408
26	Cash Working Capital Allowance (January 2012 ES Form 3.13)		<u>\$130,956</u>		<u>\$130,956</u>
27	Total Twelve Month Total Cash Working Capital Allowance		<u>\$1,154,275</u>		<u>\$1,169,929</u>

Total Cost at Line 27 is to be recorded on ES FORM 3.10, Line 7.

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

For the Expense Month of December 2012

Line No. (1)	Cost Component (2)	Ohio Power Company's Environmental Cost to KPCo (3)	Revised Indiana Michigan Power Company's Environmental Cost to KPCo (4)	Total (5)	Ohio Power Company's Environmental Cost to KPCo (3)	As Filed Indiana Michigan Power Company's Environmental Cost to KPCo (4)	Total (5)
1	Amos Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 26)	\$0			\$108,220		
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 25)	\$0			\$89,668		
3	Gavin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 26)	\$0			\$228,808		
4	Kammer Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 20)	\$0			\$1,546		
5	Mitchell Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 23)	\$0			\$210,256		
6	Muskingum River Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 20)	\$0			\$21,644		
7	Sporn Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 20)	\$0			\$3,092		
8	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Column 5, Line 21)		\$0			\$0	
9	Tanners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 20)		\$0			\$0	
10	Total AEP Pool Monthly Environmental Capacity Costs to Kentucky Power	\$0	\$0	\$0	\$663,234	\$0	\$663,234

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

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

For the Expense Month of December 2012							
Line No. (1)	Cost Component (2)	Ohio Power Company's (OPCo) Environmental Cost to KPCo (3)	Revised Indiana Michigan Power Company's (I&M) Environmental Cost to KPCo (4)	Total (5)	Ohio Power Company's (OPCo) Environmental Cost to KPCo (3)	As Filed Indiana Michigan Power Company's (I&M) Environmental Cost to KPCo (4)	Total (5)
1	Amos Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 19)	\$0			\$681,539		
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 17)	\$0			\$1,977,678		
3	Gavin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 17)	\$0			\$5,778,783		
4	Kammer Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 10)	\$0			\$23,714		
5	Mitchell Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 16)	\$0			\$1,692,739		
6	Muskingum River Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 10)	\$0			\$183,010		
7	Sporn Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 10)	\$0			\$16,272		
8	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Columns 3 & 5, Line 10)		\$0			\$15,625	
9	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Columns 4 & 5, Line 10)		\$0			\$0	
10	Tanners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 10)		\$0			\$15,625	
11	Subtotal	\$0	\$0		\$10,353,735	\$31,250	
12	Steam Capacity By Company - OPCo (Column 3) / I&M (Column 4) (kw)	0	0		12,851,000	5,412,000	
13	Environmental Base (\$/kw)	\$0.00	\$0.00		\$0.81	\$0.01	
14	Company Surplus Weighting	0.00%	0.00%		100.00%	0.00%	
15	Portion of Weighted Average Capacity Rate Attributed to Environmental Fixed O&M Costs	\$0.00	\$0.00		\$0.81	\$0.00	
16	Kentucky Power Capacity Deficit (kw)	0	0		154,600	154,600	
17	Fixed O&M Environmental Cost to Kentucky Power	\$0	\$0	\$0	\$125,226	\$0	\$125,226

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

Revised - April 16, 2013

ES FORM 3.14
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KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT
OHIO POWER COMPANY (OPCo) - AMOS PLANT UNIT NO. 3

For the Expense Month of December 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$611,422,571
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$8,376,489
4	Ohio Power Company's Percentage Ownership - Environmental Investment	<u>0.00%</u>	<u>100.00%</u>
5	OPCo's Share of Cost Associated with Amos Unit No. 3 (3) X (4)	\$0	\$8,376,489
	Operations :		
6	Disposal (5010000)	\$0	\$7,620
7	Urea (5020002)	\$0	\$443,480
8	Trona (5020003)	\$0	\$92,379
9	Lime Stone (5020004)	\$0	\$295,418
10	Air Emission Fee	\$0	\$11,770
11	Total Operations (Lines 6 thru 10)	\$0	\$850,667
	Maintenance :		
12	SCR Maintenance (5120000)	\$0	\$69,648
13	Scrubber (FGD) Maintenance (5120000)	\$0	\$273,531
14	Total Maintenance (12) + (13)	\$0	\$343,179
15	1/2 of Maintenance (14) * 50%	\$0	\$171,590
16	Fixed O&M (11) + (15)	\$0	\$1,022,257
17	Ohio Power Company's Percentage Ownership - O&M Cost	<u>0.00%</u>	<u>66.67%</u>
18	OPCo's Share of O&M Cost Associated with Amos Unit No. 3 (16) X (17)	\$0	\$681,539
	Total Revenue Requirement,		
19	Cost Associated with Amos Unit No. 3 (5) + (18)	\$0	\$9,058,028
20	Ohio Power Company Steam Capacity (kw)	0	12,851,000
21	Amos Unit No. 3 Environmental Rate (\$/kw)	\$0.00	\$0.70
22	Ohio Power Surplus Weighing	0.00%	100.00%
23	Portion of Weighted Average Capacity Rate Attributed to Amos Unit No. 3 SCR (\$/kw) (21) * (22)	\$0.00	\$0.70
	Amos Unit No. 3 Costs to Kentucky Power :		
24	Amos Unit No. 3 Portion (\$/kw) (23)	\$0.00	\$0.70
25	Kentucky Power Capacity Deficit (kw)	0	154,600
	Amos Unit No. 3 Environmental Cost to Kentucky Power (24) * (25)		
26	(ES FORM 3.14, Page 1 of 11, Line 1)	\$0	\$108,220

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

For the Expense Month of December 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$403,006,219
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$5,521,185
	Operations :		
4	Disposal (5010000)	\$0	\$254,575
5	Lime (5020001)	\$0	\$0
6	Urea (5020002)	\$0	\$414,486
7	Trona (5020003)	\$0	\$270,499
8	Lime Stone (5020004)	\$0	\$976,080
9	Air Emission Fee	<u>\$0</u>	<u>\$8,663</u>
10	Total Operations (Line 4 thru 9)	\$0	\$1,924,303
	Maintenance :		
11	SCR Maintenance (5120000)	\$0	\$21,688
12	Scrubber (FGD) Maintenance (5120000)	<u>\$0</u>	<u>\$85,062</u>
13	Total Maintenance (13) + (14)	\$0	\$106,750
14	1/2 Maintenance (15) * 50%	<u>\$0</u>	<u>\$53,375</u>
15	Fixed O&M (12) + (16)	<u>\$0</u>	<u>\$1,977,678</u>
	Total Revenue Requirement,		
16	Cost Associated with Cardinal Unit No. 3 (3) + (17)	<u>\$0</u>	<u>\$7,498,863</u>
17	Ohio Power Company's Percentage Ownership	0.00%	100.00%
18	OPCo's Share of Cost Associated with Cardinal Unit No. 1 (18) X (19)	\$0	\$7,498,863
19	Ohio Power Company Steam Capacity (kw)	0	12,851,000
20	Cardinal Unit No. 1 (\$/kw)	\$0.00	\$0.58
21	Ohio Power Surplus Weighing	0.00%	100.00%
22	Portion of Weighted Average Capacity Rate Attributed to Cardinal Unit No. 1 (\$/kw) (22) X (23)	\$0.00	\$0.58
	Cardinal Unit No. 1 Costs to Kentucky Power :		
23	Cardinal Unit No. 1 Portion (\$/kw) (24)	\$0.00	\$0.58
24	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>154,600</u>
25	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (25) * (26) (ES FORM 3.14, Page 1 of 11, Line 2)	\$0	\$89,668

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

For the Expense Month of December 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$964,567,531
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$13,214,575
	Operations :		
4	Sludge Disposal (5010000)	\$0	\$999,455
5	Lime (5020001)	\$0	\$2,613,888
6	Urea (5020002)	\$0	\$899,378
7	Trona (5020003)	\$0	\$374,759
8	Lime Stone (5020004)	\$0	\$2,360
9	Air Emission Fee	\$0	\$35,828
10	Lease (5070005)	<u>\$0</u>	<u>\$0</u>
11	Total Operations (Lines 4 thru 10)	\$0	\$4,925,668
	Maintenance :		
12	SCR Maintenance (5120000)	\$0	\$126,317
13	Scrubber Maintenance (5120000)	<u>\$0</u>	<u>\$1,579,912</u>
14	Total Maintenance (12) + (13)	\$0	\$1,706,229
15	1/2 of Maintenance (13) * 50%	<u>\$0</u>	<u>\$853,115</u>
16	Fixed O&M (11) + (15)	<u>\$0</u>	<u>\$5,778,783</u>
	Total Revenue Requirement,		
17	Cost Associated with Gavin Plant (3) + (17)	\$0	\$18,993,358
18	Ohio Power Company's Percentage Ownership	0.00%	100.00%
19	OPCo's Share of Cost Associated with Gavin Plant (17) X (18)	\$0	\$18,993,358
20	Ohio Power Company Steam Capacity (kw)	0	12,851,000
21	Gavin Plant (\$/kw)	\$0.00	\$1.48
22	Ohio Power Surplus Weighing	0.00%	100.00%
23	Portion of Weighted Average Capacity Rate Attributed to Gavin Plant (\$/kw) (21) X (22)	\$0.00	\$1.48
	Gavin Plant Costs to Kentucky Power :		
24	Gavin Plant Portion (\$/kw) (23)	\$0.00	\$1.48
25	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>154,600</u>
26	Gavin Plant Environmental Cost to Kentucky Power (24) * (25) (ES FORM 3.14, Page 1 of 11, Line 3)	\$0	\$228,808

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

For the Expense Month of December 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$8,487,868
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$116,284
	Operations :		
4	Urea (5020002)	\$0	\$624
5	Trona (5020003)	\$0	\$3,692
6	Air Emission Fee	<u>\$0</u>	<u>\$19,398</u>
7	Total Operations (4) + (5) + (6)	\$0	\$23,714
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$0
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>	<u>\$0</u>
10	Fixed O&M (7) + (9)	<u>\$0</u>	<u>\$23,714</u>
	Total Revenue Requirement,		
11	Cost Associated with Kammer Plant (3) + (10)	<u>\$0</u>	<u>\$139,998</u>
12	Ohio Power Company's Percentage Ownership	0.00%	100.00%
13	OPCo's Share of Cost Associated with Kammer Plant (11) X (12)	\$0	\$139,998
14	Ohio Power Company Steam Capacity (kw)	0	12,851,000
15	Kammer Plant (\$/kw)	\$0.00	\$0.01
16	Ohio Power Surplus Weighing	0.00%	100.00%
17	Portion of Weighted Average Capacity Rate Attributed to Kammer Plant (\$/kw) (15) X (16)	\$0.00	\$0.01
	Kammer Plant Costs to Kentucky Power :		
18	Kammer Plant Portion (\$/kw) (17)	\$0.00	\$0.01
19	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>154,600</u>
20	Kammer Plant Environmental Cost to Kentucky Power (18) * (19) (ES FORM 3.14, Page 1 of 11, Line 4)	\$0	\$1,546

Revised - April 16, 2013

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

For the Expense Month of December 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$1,149,819,326
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$15,752,525
	Operations :		
4	Disposal (5010000)	\$0	\$105,923
5	Urea (5020002)	\$0	\$570,937
6	Trona (5020003)	\$0	\$145,421
7	Lime Stone (5020004)	\$0	\$623,198
8	Air Emission Fee	<u>\$0</u>	<u>\$18,559</u>
9	Total Operations (Lines 4 thru 8)	\$0	\$1,464,038
	Maintenance :		
10	SCR Maintenance (5120000)	\$0	\$57,572
11	FDG (5120000)	<u>\$0</u>	<u>\$399,830</u>
12	1/2 of Maintenance (10 + 11) * 50%	<u>\$0</u>	<u>\$228,701</u>
13	Fixed O&M (9) + (12)	<u>\$0</u>	<u>\$1,692,739</u>
	Total Revenue Requirement,		
14	Cost Associated with Mitchell Plant (3) + (13)	\$0	\$17,445,264
15	Ohio Power Company's Percentage Ownership	0.00%	100.00%
16	OPCo's Share of Cost Associated with Mitchell Plant (14) X (15)	\$0	\$17,445,264
17	Ohio Power Company Steam Capacity (kw)	0	12,851,000
18	Mitchell Plant (\$/kw)	\$0.00	\$1.36
19	Ohio Power Surplus Weighing	0.00%	100.00%
20	Portion of Weighted Average Capacity Rate Attributed to Mitchell Plant (\$/kw) (18) X (19)	\$0.00	\$1.36
	Mitchell Plant Costs to Kentucky Power :		
21	Mitchell Plant Portion (\$/kw) (20)	\$0.00	\$1.36
22	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>154,600</u>
23	Mitchell Plant Environmental Cost to Kentucky Power (21) * (22) (ES FORM 3.14, Page 1 of 11, Line 5)	\$0	\$210,256

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ES FORM 3.14
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KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT
OHIO POWER COMPANY (OPCo) - MUSKINGUM RIVER PLANT (UNITS 1, 2, 3, 4 & 5)

For the Expense Month of December 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$114,236,110
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$1,565,035
	Operations :		
4	Urea (5020002)	\$0	\$129,699
5	Trona (5020003)	\$0	\$8,438
6	Air Emission Fee	<u>\$0</u>	<u>\$34,853</u>
7	Total Operations (4) + (5) + (6)	\$0	\$172,990
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$20,040
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>	<u>\$10,020</u>
10	Fixed O&M (7) + (9)	<u>\$0</u>	<u>\$183,010</u>
	Total Revenue Requirement,		
11	Cost Associated with Muskingum Plant (3) + (10)	<u>\$0</u>	<u>\$1,748,045</u>
12	Ohio Power Company's Percentage Ownership	0.00%	100.00%
13	OPCo's Share of Cost Associated with Muskingum Plant (11) X (12)	\$0	\$1,748,045
14	Ohio Power Company Steam Capacity (kw)	0	12,851,000
15	Muskingum Plant (\$/kw)	\$0.00	\$0.14
16	Ohio Power Surplus Weighing	0.00%	100.00%
17	Portion of Weighted Average Capacity Rate Attributed to Muskingum Plant (\$/kw) (15) X (16)	\$0.00	\$0.14
	Muskingum Plant Costs to Kentucky Power :		
18	Muskingum Plant Portion (\$/kw) (17)	\$0.00	\$0.14
19	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>154,600</u>
20	Muskingum Plant Environmental Cost to Kentucky Power (18) * (19) (ES FORM 3.14, Page 1 of 11, Line 6)	\$0	\$21,644

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ES FORM 3.14
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KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT
OHIO POWER COMPANY (OPCo) - SPORN PLANT (UNITS 2, 3, 4 & 5)

For the Expense Month of December 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$20,796,088
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$284,906
	Operations :		
4	Urea (5020002)	\$0	\$0
5	Trona (5020003)	\$0	\$0
6	Air Emission Fee	<u>\$0</u>	<u>\$16,272</u>
7	Total Operations (4) + (5) + (6)	\$0	\$16,272
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$0
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>	<u>\$0</u>
10	Fixed O&M (7) + (9)	<u>\$0</u>	<u>\$16,272</u>
	Total Revenue Requirement,		
11	Cost Associated with Sporn Plant (3) + (10)	<u>\$0</u>	<u>\$301,178</u>
12	Ohio Power Company's Percentage Ownership	0.00%	100.00%
13	OPCo's Share of Cost Associated with Sporn Plant (11) X (12)	\$0	\$301,178
14	Ohio Power Company Steam Capacity (kw)	0	12,851,000
15	Sporn Plant (\$/kw)	\$0.00	\$0.02
16	Ohio Power Surplus Weighing	0.00%	100.00%
17	Portion of Weighted Average Capacity Rate Attributed to Sporn Plant (\$/kw) (15) X (16)	\$0.00	\$0.02
	Sporn Plant Costs to Kentucky Power :		
18	SpornGavin Plant Portion (\$/kw) (17)	\$0.00	\$0.02
19	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>154,600</u>
20	Sporn Plant Environmental Cost to Kentucky Power (18) * (19) (ES FORM 3.14, Page 1 of 11, Line 7)	\$0	\$3,092

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

For the Expense Month of December 2012

LINE NO.	COST	Rockport Plant Common	UNIT 1 AMOUNTS	UNIT 2 AMOUNTS	Rockport Plant Common	Total	Rockport Plant Common	UNIT 1 AMOUNTS	UNIT 2 AMOUNTS	Rockport Plant Common	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(3)	(4)	(5)	(6)	(7)
1	Utility Plant at Original Cost	\$0	\$0	\$0	\$0		\$1,785,548	\$10,544,676	\$16,709,416	\$2,527,341	
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	0.00%	0.00%	0.00%		1.37%	1.37%	1.37%	1.37%	
3	Total Rate Base	\$0	\$0	\$0	\$0		\$24,462	\$144,462	\$228,919	\$34,625	
	Operations :										
4	Urea (5020002)	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
5	Trona (5020003)	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
6	Air Emission Fee	\$0	\$0	\$0	\$0		\$15,625	\$0	\$0	\$0	
7	Total Operations (4) + (5) + (6)	\$0	\$0	\$0	\$0		\$15,625	\$0	\$0	\$0	
	Maintenance :										
8	SCR Maintenance (5120000)	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
9	1/2 of Maintenance (8) * 50%	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
10	Fixed O&M (7) + (9)	\$0	\$0	\$0	\$0		\$15,625	\$0	\$0	\$0	
	Total Revenue Requirement,										
11	Cost Associated with Rockport Plant (3) + (10)	\$0	\$0	\$0	\$0		\$40,087	\$144,462	\$228,919	\$34,625	
12	Indiana Michigan Power Company's Percentage Ownership	0%	0.00%	0.00%	0.00%		50%	85.00%	85.00%	50.00%	
13	I&M's Share of Cost Associated with Rockport Plant (11) X (12)	\$0	\$0	\$0	\$0		\$20,044	\$122,793	\$194,581	\$17,313	
14	Total Rockport Plant Common and Units 1 & 2					\$0					\$354,731
15	Indiana Michigan Power Company Steam Capacity (kw)					0					5,412,000
16	Rockport Plant (\$/kw) (14) / (15)					\$0.00					\$0.07
17	Kentucky Power Portion of Rockport Plant / Indiana Michigan Power Surplus Weighing					0.00%					0.00%
18	Portion of Weighted Average Capacity Rate Attributed to Rockport Plant (\$/kw) (17) X (18)					\$0.00					\$0.00
	Rockport Plant Costs to Kentucky Power :										
19	Rockport Plant Portion (\$/kw) (18)					\$0.00					\$0.00
20	Kentucky Power Capacity Deficit (kw)					0					154,600
21	Rockport Units 1 & 2 Environmental to Kentucky Power (19) * (20) (ES FORM 3.14, Page 1 of 11, Line 8)					\$0					\$0

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

For the Expense Month of December 2012

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$98,564,441
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	1.37%
3	Total Rate Base	\$0	\$1,350,333
	Operations :		
4	Urea (5020002)	\$0	\$0
5	Trona (5020003)	\$0	\$0
6	Air Emission Fee	\$0	\$15,625
7	Total Operations (4) + (5) + (6)	\$0	\$15,625
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$0
9	1/2 of Maintenance (8) * 50%	\$0	\$0
10	Fixed O&M (7) + (9)	\$0	\$15,625
	Total Revenue Requirement,		
11	Cost Associated with Tanners Creek Plant (3) + (10)	\$0	\$1,365,958
12	Indiana Michigan Power Company's Percentage Ownership	0.00%	100.00%
13	I&M's Share of Cost Associated with Tanners Creek Plant (11) X (12)	\$0	\$1,365,958
14	Indiana Michigan Power Company Steam Capacity (kw)	0	5,412,000
15	Tanners Creek Plant (\$/kw)	\$0.00	\$0.25
16	Indiana Michigan Power Surplus Weighing	0.00%	0.00%
17	Portion of Weighted Average Capacity Rate Attributed to Rockport Plant (\$/kw) (15) X (16)	\$0.00	\$0.00
	Tanners Creek Plant Costs to Kentucky Power :		
18	Tanners Creek Plant Portion (\$/kw) (17)	\$0.00	\$0.00
19	Kentucky Power Capacity Deficit (kw)	0	154,600
	Tanners Creek Plant Environmental Cost to Kentucky Power (18) * (19)		
20	(ES FORM 3.14, Page 1 of 11, Line 9)	\$0	\$0

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ES FORM 1.00

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CALCULATION OF E(m) and SURCHARGE FACTOR
For the Expense Month of January 2013

<u>CALCULATION OF E(m)</u>		Remove Pool	Filed Amount	Difference
E(m) = CRR - BRR		4/16/2013		
LINE 1	CRR from ES FORM 3.00	\$2,514,978	\$3,129,219	\$614,241
LINE 2	Brr from ES FORM 1.10	3,991,163	3,991,163	\$0 ^{1/}
LINE 3	E(m) (LINE 1 - LINE 2)	(\$1,476,185)	(\$861,944)	\$614,241
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	79.5%	79.5%	0.0%
LINE 5	KY Retail E(m) (LINE 3 * LINE 4)	(\$1,173,567)	(\$685,245)	\$488,322
LINE 6	(Over) / Under Recovery Adjustment from ES FORM 3.30	\$237,731	\$237,731	\$0
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	(\$935,836)	(\$447,514)	\$488,322
<u>SURCHARGE FACTOR</u>				
LINE 8	Net KY Retail E(m) (Line 7)	(\$935,836)	(\$447,514)	\$488,322
LINE 9	KY Retail R(m) from ES FORM 3.30	\$47,675,984	\$47,675,984	\$0
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	-1.9629%	-0.9387%	1.0242%

Effective Date for Billing: February 28, 2013

Submitted By : _____

Title : Manager Regulatory Services

Date Submitted : February 18, 2013

1/ Case No. 2009-00459, dated June 28, 2010

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ES FORM 3.00

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT
For the Expense Month of January 2013

CALCULATION OF CURRENT PERIOD REVENUE REQUIREMENT

LINE NO.	COMPONENTS	REVISED		AS FILED	
1	First Component: Associated with Big Sandy Plant ((RB KP(C)) (ROR KP(C)/12)) + OE KP(C) ES FORM 3.10, Line 20		\$2,477,397		\$3,091,638
2	Second Component: Associated with Rockport Plant (((RB IM(C)) (ROR IM(C)/12)) + OE IM(C)) ES FORM 3.20, Line 16		\$37,581		\$37,581
	Third Component: Net Proceeds from Emission Allowances Sales AS				
	1) SO ₂ - EPA Auction Proceeds received during Expense Month	\$0		\$0	
	2) SO ₂ - Net Gain or (Loss) from Allowance Sales, in compliance with the AEP Interim Allowance Agreement, received during Expense Month	\$0		\$0	
	Total Net Proceeds from SO ₂ Allowances	\$0		\$0	
	1) NO _x - ERC Sales Proceeds, received during Expense Month	\$0		\$0	
	2) NO _x - EPA Auction Proceeds, received during Expense Month	\$0		\$0	
	3) NO _x - Net Gain or Loss from NO _x Allowances Sales, received during Expense Month	\$0		\$0	
	Total Net Proceeds from NO _x Allowances	\$0		\$0	
3	Total Net Gain or (Loss) from Emission Allowance Sales		\$0		\$0
4	Total Current Period Revenue Requirement, CRR Record on ES FORM 1.00.		\$2,514,978		\$3,129,219

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ES FORM 3.10

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

For the Expense Month of January 2013

LINE NO.	COST COMPONENT	REVISED		AS FILED	
	Return on Rate Base :				
1	Utility Plant at Original Cost	\$193,120,620		\$193,120,620	
2	Less Accumulated Depreciation	(\$76,592,184)		(\$76,592,184)	
3	Less Accum. Def. Income Taxes	(\$30,571,465)		(\$30,571,465)	
4	Net Utility Plant		\$85,956,971		\$85,956,971
5	SO2 Emission Allowance Inventory from ES FORM 3.11		\$12,895,373		\$12,895,373
6	ECR & NOx Emission Allowance Inventory from ES FORM 3.12		\$24,328		\$24,328
7	Cash Working Capital Allowance from ES FORM 3.13, Line 13		\$1,156,896		\$1,169,721
8	Total Rate Base		\$100,033,568		\$100,046,393
9	Weighted Average Cost of Capital - ES FORM 3.15	10.79%		10.79%	
10	Monthly Weighted Avg. Cost of Capital (9) / 12		0.90%		0.90%
11	Monthly Return of Rate Base (8) * (10)		\$900,302		\$900,418
	Operating Expenses :				
12	Monthly Depreciation Expense		\$577,252		\$577,252
13	Monthly Catalyst Amortization Expense		\$46,030		\$46,030
14	Monthly Property Taxes		\$12,771		\$12,771
15	Monthly Kentucky Air Emissions Fee		\$39,266		\$39,266
16	Monthly Environmental AEP Pool Capacity Costs				
17	from ES FORM 3.14, Page 1 of 11, Column 5, Line 10		\$0		\$614,125
18	Monthly 2003 Plan Non-Fuel O&M Expenses from ES FORM 3.13		\$323,544		\$323,544
19	Monthly SO2 Emission Allowance Consumption		\$578,232		\$578,232
19	Total Operating Expenses [Line 12 thru Line 18]		\$1,577,095		\$2,191,220
20	Total Revenue Requirement - Big Sandy				
	Record on ES FORM 3.00, Line 1		\$2,477,397		\$3,091,638

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ES FORM 3.13

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT

For the Expense Month of January 2013

		REVISED		AS FILED	
	1997 Plan :				
1	Monthly Kentucky Air Emissions Fee	\$39,266		\$39,266	
	Total Monthly AEP Pool				
2	Environmental Capacity Costs	\$0		\$102,595	
3	Monthly SO2 Allowance Consumption	<u>\$578,232</u>		<u>\$578,232</u>	
4	Total 1997 Plan O&M Expenses		\$617,498		\$720,093
	2003 Plan :				
5	Monthly Variable Cladding at Big Sandy Unit 1	\$0		\$0	
6	Monthly Urea Consumption at Big Sandy Unit 2	\$312,968		\$312,968	
7	Monthly Catalyst Replacement at Big Sandy Unit 2	\$0		\$0	
8	Monthly ERC & NOx Allowance Consumption	\$1,623		\$1,623	
9	Equipment - Associated Operating Expenses	\$49		\$49	
10	Equipment - Associated Maintenance Expenses	<u>\$8,904</u>		<u>\$8,904</u>	
11	Total 2003 Plan O&M Expenses		\$323,544		\$323,544
12	KPCO's Rockport Unit Power O&M:				
13	E.S. Form 3.20, Line 11 X 15%		<u>\$2,344</u>		<u>\$2,344</u>
14	Total Monthly O&M Expenses		<u>\$943,386</u>		<u>\$1,045,981</u>
15	Cash Working Capital Allowance (Line 14 X 1/8)		\$117,923		\$130,748
16	Cash Working Capital Allowance (December 2012 ES Form 3.13)		\$100,045		\$100,045
17	Cash Working Capital Allowance (November 2012 ES Form 3.13)		\$35,138		\$35,138
18	Cash Working Capital Allowance (October 2012 ES Form 3.13)		\$30,552		\$30,552
19	Cash Working Capital Allowance (September 2012 ES Form 3.13)		\$30,858		\$30,858
20	Cash Working Capital Allowance (August 2012 ES Form 3.13)		\$143,931		\$143,931
21	Cash Working Capital Allowance (July 2012 ES Form 3.13)		\$170,994		\$170,994
22	Cash Working Capital Allowance (June 2012 ES Form 3.13)		\$113,298		\$113,298
23	Cash Working Capital Allowance (May 2012 ES Form 3.13)		\$50,526		\$50,526
24	Cash Working Capital Allowance (April 2012 ES Form 3.13)		\$128,462		\$128,462
25	Cash Working Capital Allowance (March 2012 ES Form 3.13)		\$103,761		\$103,761
26	Cash Working Capital Allowance (February 2012 ES Form 3.13)		<u>\$131,408</u>		<u>\$131,408</u>
27	Total Twelve Month Total Cash Working Capital Allowance		\$1,156,896		\$1,169,721

Total Cost at Line 27 is to be recorded on ES FORM 3.10, Line 7.

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

For the Expense Month of January 2013

Line No. (1)	Cost Component (2)	Revised		Total (5)	As Filed		Total (5)
		Ohio Power Company's Environmental Cost to KPCo (3)	Indiana Michigan Power Company's Environmental Cost to KPCo (4)		Ohio Power Company's Environmental Cost to KPCo (3)	Indiana Michigan Power Company's Environmental Cost to KPCo (4)	
1	Amos Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 26)	\$0			\$108,375		
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 25)	\$0			\$70,805		
3	Gavin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 26)	\$0			\$212,415		
4	Kammer Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 20)	\$0			\$1,445		
5	Mitchell Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 23)	\$0			\$196,520		
6	Muskingum River Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 20)	\$0			\$21,675		
7	Sporn Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 20)	\$0			\$2,890		
8	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Column 5, Line 21)		\$0			\$0	
9	Tanners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 20)		\$0			\$0	
10	Total AEP Pool Monthly Environmental Capacity Costs to Kentucky Power	\$0	\$0	\$0	\$614,125	\$0	\$614,125

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

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

Line No. (1)	Cost Component (2)	For the Expense Month of January 2013			Ohio Power Company's (OPCo) Environmental Cost to KPCo (3)	As Filed Indiana Michigan Power Company's (I&M) Environmental Cost to KPCo (4)	Total (5)
		Ohio Power Company's (OPCo) Environmental Cost to KPCo (3)	Revised Indiana Michigan Power Company's (I&M) Environmental Cost to KPCo (4)	Total (5)			
1	Amos Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 19)	\$0			\$940,590		
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 17)	\$0			\$890,092		
3	Gavin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 17)	\$0			\$5,413,708		
4	Kammer Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 10)	\$0			\$18,722		
5	Mitchell Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 16)	\$0			\$1,417,996		
6	Muskingum River Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 10)	\$0			\$280,166		
7	Sporn Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 10)	\$0			\$12,866		
8	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Columns 3 & 6, Line 10)		\$0			\$15,625	
9	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Columns 4 & 5, Line 10)		\$0			\$0	
10	Tanners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 10)		\$0			\$15,625	
11	Subtotal	\$0	\$0		\$8,974,140	\$31,250	
12	Steam Capacity By Company - OPCo (Column 3) / I&M (Column 4) (kw)	0	0		12,665,000	5,434,000	
13	Environmental Base (\$/kw)	\$0.00	\$0.00		\$0.71	\$0.01	
14	Company Surplus Weighting	0.00%	0.00%		100.00%	0.00%	
15	Portion of Weighted Average Capacity Rate Attributed to Environmental Fixed O&M Costs	\$0.00	\$0.00		\$0.71	\$0.00	
16	Kentucky Power Capacity Deficit (kw)	0	0		144,500	144,500	
17	Fixed O&M Environmental Cost to Kentucky Power	\$0	\$0	\$0	\$102,595	\$0	\$102,595

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

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

For the Expense Month of January 2013

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$620,482,769
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$8,500,614
4	Ohio Power Company's Percentage Ownership - Environmental Investment	<u>0.00%</u>	<u>100.00%</u>
5	OPCo's Share of Cost Associated with Amos Unit No. 3 (3) X (4)	\$0	\$8,500,614
	Operations :		
6	Disposal (5010000)	\$0	\$105,554
7	Urea (5020002)	\$0	\$509,418
8	Trona (5020003)	\$0	\$349,687
9	Lime Stone (5020004)	\$0	\$332,469
10	Air Emission Fee	\$0	<u>\$10,552</u>
11	Total Operations (Lines 6 thru 10)	\$0	\$1,307,680
	Maintenance :		
12	SCR Maintenance (5120000)	\$0	\$12,256
13	Scrubber (FGD) Maintenance (5120000)	\$0	<u>\$194,011</u>
14	Total Maintenance (12) + (13)	\$0	<u>\$206,267</u>
15	1/2 of Maintenance (14) * 50%	\$0	<u>\$103,134</u>
16	Fixed O&M (11) + (15)	\$0	\$1,410,814
17	Ohio Power Company's Percentage Ownership - O&M Cost	<u>0.00%</u>	<u>66.67%</u>
18	OPCo's Share of O&M Cost Associated with Amos Unit No. 3 (16) X (17)	\$0	<u>\$940,590</u>
19	Total Revenue Requirement, Cost Associated with Amos Unit No. 3 (5) + (18)	\$0	\$9,441,204
20	Ohio Power Company Steam Capacity (kw)	0	12,665,000
21	Amos Unit No. 3 Environmental Rate (\$/kw)	\$0.00	\$0.75
22	Ohio Power Surplus Weighing	0.00%	100.00%
23	Portion of Weighted Average Capacity Rate Attributed to Amos Unit No. 3 SCR (\$/kw) (21) * (22)	\$0.00	\$0.75
	Amos Unit No. 3 Costs to Kentucky Power :		
24	Amos Unit No. 3 Portion (\$/kw) (23)	\$0.00	\$0.75
25	Kentucky Power Capacity Deficit (kw)	0	<u>144,500</u>
	Amos Unit No. 3 Environmental Cost to Kentucky Power (24) * (25)		
26	(ES FORM 3.14, Page 1 of 11, Line 1)	\$0	\$108,375

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

For the Expense Month of January 2013

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$392,023,767
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$5,370,726
	Operations :		
4	Disposal (5010000)	\$0	\$147,539
5	Lime (5020001)	\$0	\$0
6	Urea (5020002)	\$0	\$214,124
7	Trona (5020003)	\$0	\$151,944
8	Lime Stone (5020004)	\$0	\$303,866
9	Air Emission Fee	<u>\$0</u>	<u>\$8,794</u>
10	Total Operations (Line 4 thru 9)	\$0	\$826,267
	Maintenance :		
11	SCR Maintenance (5120000)	\$0	\$29,535
12	Scrubber (FGD) Maintenance (5120000)	<u>\$0</u>	<u>\$98,115</u>
13	Total Maintenance (13) + (14)	\$0	\$127,650
14	1/2 Maintenance (15) * 50%	<u>\$0</u>	<u>\$63,825</u>
15	Fixed O&M (12) + (16)	<u>\$0</u>	<u>\$890,092</u>
	Total Revenue Requirement,		
16	Cost Associated with Cardinal Unit No. 3 (3) + (17)	\$0	\$6,260,818
17	Ohio Power Company's Percentage Ownership	0.00%	100.00%
18	OPCo's Share of Cost Associated with Cardinal Unit No. 1 (18) X (19)	\$0	\$6,260,818
19	Ohio Power Company Steam Capacity (kw)	0	12,665,000
20	Cardinal Unit No. 1 (\$/kw)	\$0.00	\$0.49
21	Ohio Power Surplus Weighing	0.00%	100.00%
22	Portion of Weighted Average Capacity Rate		
	Attributed to Cardinal Unit No. 1 (\$/kw) (22) X (23)	\$0.00	\$0.49
	Cardinal Unit No. 1 Costs to Kentucky Power :		
23	Cardinal Unit No. 1 Portion (\$/kw) (24)	\$0.00	\$0.49
24	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>144,500</u>
	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (25) * (26)		
25	(ES FORM 3.14, Page 1 of 11, Line 2)	\$0	\$70,805

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

For the Expense Month of January 2013

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$967,777,635
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	1.37%
3	Total Rate Base	\$0	\$13,258,554
	Operations :		
4	Sludge Disposal (5010000)	\$0	\$599,096
5	Lime (5020001)	\$0	\$3,022,447
6	Urea (5020002)	\$0	\$937,540
7	Trona (5020003)	\$0	\$312,603
8	Lime Stone (5020004)	\$0	\$1,316
9	Air Emission Fee	\$0	\$35,191
10	Lease (5070005)	\$0	\$0
11	Total Operations (Lines 4 thru 10)	\$0	\$4,908,193
	Maintenance :		
12	SCR Maintenance (5120000)	\$0	\$125,380
13	Scrubber Maintenance (5120000)	\$0	\$885,649
14	Total Maintenance (12) + (13)	\$0	\$1,011,029
15	1/2 of Maintenance (13) * 50%	\$0	\$505,515
16	Fixed O&M (11) + (15)	\$0	\$5,413,708
	Total Revenue Requirement,		
17	Cost Associated with Gavin Plant (3) + (17)	\$0	\$18,672,262
18	Ohio Power Company's Percentage Ownership	0.00%	100.00%
19	OPCo's Share of Cost Associated with Gavin Plant (17) X (18)	\$0	\$18,672,262
20	Ohio Power Company Steam Capacity (kw)	0	12,665,000
21	Gavin Plant (\$/kw)	\$0.00	\$1.47
22	Ohio Power Surplus Weighing	0.00%	100.00%
23	Portion of Weighted Average Capacity Rate Attributed to Gavin Plant (\$/kw) (21) X (22)	\$0.00	\$1.47
	Gavin Plant Costs to Kentucky Power :		
24	Gavin Plant Portion (\$/kw) (23)	\$0.00	\$1.47
25	Kentucky Power Capacity Deficit (kw)	0	144,500
	Gavin Plant Environmental Cost to Kentucky Power (24) * (25)		
26	(ES FORM 3.14, Page 1 of 11, Line 3)	\$0	\$212,415

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

For the Expense Month of January 2013

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$8,534,297
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$116,920
	Operations :		
4	Urea (5020002)	\$0	\$233
5	Trona (5020003)	\$0	(\$2,985)
6	Air Emission Fee	<u>\$0</u>	<u>\$21,474</u>
7	Total Operations (4) + (5) + (6)	\$0	\$18,722
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$0
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>	<u>\$0</u>
10	Fixed O&M (7) + (9)	<u>\$0</u>	<u>\$18,722</u>
	Total Revenue Requirement,		
11	Cost Associated with Kammer Plant (3) + (10)	<u>\$0</u>	<u>\$135,642</u>
12	Ohio Power Company's Percentage Ownership	0.00%	100.00%
13	OPCo's Share of Cost Associated with Kammer Plant (11) X (12)	\$0	\$135,642
14	Ohio Power Company Steam Capacity (kw)	0	12,665,000
15	Kammer Plant (\$/kw)	\$0.00	\$0.01
16	Ohio Power Surplus Weighing	0.00%	100.00%
17	Portion of Weighted Average Capacity Rate Attributed to Kammer Plant (\$/kw) (15) X (16)	\$0.00	\$0.01
	Kammer Plant Costs to Kentucky Power :		
18	Kammer Plant Portion (\$/kw) (17)	\$0.00	\$0.01
19	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>144,500</u>
20	Kammer Plant Environmental Cost to Kentucky Power (18) * (19) (ES FORM 3.14, Page 1 of 11, Line 4)	\$0	\$1,445

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

For the Expense Month of January 2013

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$1,154,515,680
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$15,816,865
	Operations :		
4	Disposal (5010000)	\$0	(\$7,756)
5	Urea (5020002)	\$0	\$497,688
6	Trona (5020003)	\$0	\$131,698
7	Lime Stone (5020004)	\$0	\$743,159
8	Air Emission Fee	<u>\$0</u>	<u>\$19,493</u>
9	Total Operations (Lines 4 thru 8)	\$0	\$1,384,282
	Maintenance :		
10	SCR Maintenance (5120000)	\$0	\$15,904
11	FDG (5120000)	<u>\$0</u>	<u>\$51,524</u>
12	1/2 of Maintenance (10 + 11) * 50%	<u>\$0</u>	<u>\$33,714</u>
13	Fixed O&M (9) + (12)	<u>\$0</u>	<u>\$1,417,996</u>
	Total Revenue Requirement,		
14	Cost Associated with Mitchell Plant (3) + (13)	<u>\$0</u>	<u>\$17,234,861</u>
15	Ohio Power Company's Percentage Ownership	0.00%	100.00%
16	OPCo's Share of Cost Associated with Mitchell Plant (14) X (15)	\$0	\$17,234,861
17	Ohio Power Company Steam Capacity (kw)	0	12,665,000
18	Mitchell Plant (\$/kw)	\$0.00	\$1.36
19	Ohio Power Surplus Weighing	0.00%	100.00%
20	Portion of Weighted Average Capacity Rate Attributed to Mitchell Plant (\$/kw) (18) X (19)	\$0.00	\$1.36
	Mitchell Plant Costs to Kentucky Power :		
21	Mitchell Plant Portion (\$/kw) (20)	\$0.00	\$1.36
22	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>144,500</u>
	Mitchell Plant Environmental Cost to Kentucky Power (21) * (22)		
23	(ES FORM 3.14, Page 1 of 11, Line 5)	\$0	\$196,520

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

For the Expense Month of January 2013

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$116,006,941
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$1,589,295
	Operations :		
4	Urea (5020002)	\$0	\$255,115
5	Trona (5020003)	\$0	(\$3,822)
6	Air Emission Fee	<u>\$0</u>	<u>\$34,061</u>
7	Total Operations (4) + (5) + (6)	\$0	\$285,354
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	(\$10,375)
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>	<u>(\$5,188)</u>
10	Fixed O&M (7) + (9)	<u>\$0</u>	<u>\$280,166</u>
	Total Revenue Requirement,		
11	Cost Associated with Muskingum Plant (3) + (10)	<u>\$0</u>	<u>\$1,869,461</u>
12	Ohio Power Company's Percentage Ownership	0.00%	100.00%
13	OPCo's Share of Cost Associated with Muskingum Plant (11) X (12)	\$0	\$1,869,461
14	Ohio Power Company Steam Capacity (kw)	0	12,665,000
15	Muskingum Plant (\$/kw)	\$0.00	\$0.15
16	Ohio Power Surplus Weighing	0.00%	100.00%
17	Portion of Weighted Average Capacity Rate Attributed to Muskingum Plant (\$/kw) (15) X (16)	\$0.00	\$0.15
	Muskingum Plant Costs to Kentucky Power :		
18	Muskingum Plant Portion (\$/kw) (17)	\$0.00	\$0.15
19	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>144,500</u>
20	Muskingum Plant Environmental Cost to Kentucky Power (18) * (19) (ES FORM 3.14, Page 1 of 11, Line 6)	\$0	\$21,675

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

For the Expense Month of January 2013

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$21,205,967
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$290,522
	Operations :		
4	Urea (5020002)	\$0	\$0
5	Trona (5020003)	\$0	\$0
6	Air Emission Fee	<u>\$0</u>	<u>\$12,866</u>
7	Total Operations (4) + (5) + (6)	\$0	\$12,866
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$0
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>	<u>\$0</u>
10	Fixed O&M (7) + (9)	<u>\$0</u>	<u>\$12,866</u>
	Total Revenue Requirement,		
11	Cost Associated with Sporn Plant (3) + (10)	<u>\$0</u>	<u>\$303,388</u>
12	Ohio Power Company's Percentage Ownership	0.00%	100.00%
13	OPCo's Share of Cost Associated with Sporn Plant (11) X (12)	\$0	\$303,388
14	Ohio Power Company Steam Capacity (kw)	0	12,665,000
15	Sporn Plant (\$/kw)	\$0.00	\$0.02
16	Ohio Power Surplus Weighing	0.00%	100.00%
17	Portion of Weighted Average Capacity Rate Attributed to Sporn Plant (\$/kw) (15) X (16)	\$0.00	\$0.02
	Sporn Plant Costs to Kentucky Power :		
18	SpornGavin Plant Portion (\$/kw) (17)	\$0.00	\$0.02
19	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>144,500</u>
20	Sporn Plant Environmental Cost to Kentucky Power (18) * (19) (ES FORM 3.14, Page 1 of 11, Line 7)	\$0	\$2,890

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

For the Expense Month of January 2013

LINE NO.	COST	Rockport Plant Common	UNIT 1 AMOUNTS	UNIT 2 AMOUNTS	Rockport Plant Common	Total	Rockport Plant Common	UNIT 1 AMOUNTS	UNIT 2 AMOUNTS	Rockport Plant Common	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(3)	(4)	(5)	(6)	(7)
1	Utility Plant at Original Cost	\$0	\$0	\$0	\$0		\$1,785,548	\$12,387,040	\$16,754,782	\$2,585,984	
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	0.00%	0.00%	0.00%		1.37%	1.37%	1.37%	1.37%	
3	Total Rate Base	\$0	\$0	\$0	\$0		\$24,462	\$169,702	\$229,541	\$35,428	
	Operations :										
4	Urea (5020002)	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
5	Trona (5020003)	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
6	Air Emission Fee	\$0	\$0	\$0	\$0		\$15,625	\$0	\$0	\$0	
7	Total Operations (4) + (5) + (6)	\$0	\$0	\$0	\$0		\$15,625	\$0	\$0	\$0	
	Maintenance :										
8	SCR Maintenance (5120000)	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
9	1/2 of Maintenance (8) * 50%	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
10	Fixed O&M (7) + (9)	\$0	\$0	\$0	\$0		\$15,625	\$0	\$0	\$0	
	Total Revenue Requirement,										
11	Cost Associated with Rockport Plant (3) + (10)	\$0	\$0	\$0	\$0		\$40,087	\$169,702	\$229,541	\$35,428	
12	Indiana Michigan Power Company's Percentage Ownership	0%	0.00%	0.00%	0.00%		50%	85.00%	85.00%	50.00%	
13	I&M's Share of Cost Associated with Rockport Plant (11) X (12)	\$0	\$0	\$0	\$0		\$20,044	\$144,247	\$195,110	\$17,714	
14	Total Rockport Plant Common and Units 1 & 2					\$0					\$377,115
15	Indiana Michigan Power Company Steam Capacity (kw)					0					5,434,000
16	Rockport Plant (\$/kw) (14) / (15)					\$0.00					\$0.07
17	Kentucky Power Portion of Rockport Plant / Indiana Michigan Power Surplus Weighing					0.00%					0.00%
18	Portion of Weighted Average Capacity Rate Attributed to Rockport Plant (\$/kw) (17) X (18)					\$0.00					\$0.00
	Rockport Plant Costs to Kentucky Power :										
19	Rockport Plant Portion (\$/kw) (18)					\$0.00					\$0.00
20	Kentucky Power Capacity Deficit (kw)					0					144,500
	Rockport Units 1 & 2 Environmental to Kentucky Power (19) * (20)					\$0					\$0
21	(ES FORM 3.14, Page 1 of 11, Line 8)					\$0					\$0

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ES FORM 3.14
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KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT
INDIANA MICHGAN POWER COMPANY (I&M) - TANNERS CREEK (UNITS 1, 2, 3 & 4)

For the Expense Month of January 2013

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$98,738,490
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$1,352,717
	Operations :		
4	Urea (5020002)	\$0	\$0
5	Trona (5020003)	\$0	\$0
6	Air Emission Fee	<u>\$0</u>	<u>\$15,625</u>
7	Total Operations (4) + (5) + (6)	\$0	\$15,625
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$0
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>	<u>\$0</u>
10	Fixed O&M (7) + (9)	<u>\$0</u>	<u>\$15,625</u>
	Total Revenue Requirement,		
11	Cost Associated with Tanners Creek Plant (3) + (10)	<u>\$0</u>	<u>\$1,368,342</u>
12	Indiana Michigan Power Company's Percentage Ownership	0.00%	100.00%
13	I&M's Share of Cost Associated with Tanners Creek Plant (11) X (12)	\$0	\$1,368,342
14	Indiana Michigan Power Company Steam Capacity (kw)	0	5,434,000
15	Tanners Creek Plant (\$/kw)	\$0.00	\$0.25
16	Indiana Michigan Power Surplus Weighing	0.00%	0.00%
17	Portion of Weighted Average Capacity Rate Attributed to Rockport Plant (\$/kw) (15) X (16)	\$0.00	\$0.00
	Tanners Creek Plant Costs to Kentucky Power :		
18	Tanners Creek Plant Portion (\$/kw) (17)	\$0.00	\$0.00
19	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>144,500</u>
20	Tanners Creek Plant Environmental Cost to Kentucky Power (18) * (19) (ES FORM 3.14, Page 1 of 11, Line 9)	\$0	\$0

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ES FORM 1.00

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CALCULATION OF E(m) and SURCHARGE FACTOR
For the Expense Month of February 2013

<u>CALCULATION OF E(m)</u>		Remove Pool 4/16/2013	Filed Amount	Difference
E(m) = CRR - BRR				
LINE 1	CRR from ES FORM 3.00	\$2,759,062	\$3,543,964	\$784,902
LINE 2	Brr from ES FORM 1.10	3,590,810	3,590,810	\$0
LINE 3	E(m) (LINE 1 - LINE 2)	(\$831,748)	(\$46,846)	\$784,902
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	84.7%	84.7%	0.0%
LINE 5	KY Retail E(m) (LINE 3 * LINE 4)	(\$704,491)	(\$39,679)	\$664,812
LINE 6	(Over) / Under Recovery Adjustment from ES FORM 3.30	\$263,437	\$263,437	\$0
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	(\$441,054)	\$223,758	\$664,812
<u>SURCHARGE FACTOR</u>				
LINE 8	Net KY Retail E(m) (Line 7)	(\$441,054)	\$223,758	\$664,812
LINE 9	KY Retail R(m) from ES FORM 3.30	\$52,588,752	\$52,588,752	\$0
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	-0.8387%	0.4255%	1.2642%

Effective Date for Billing: April 1, 2013

Submitted By : _____

Title : Manager Regulatory Services

Date Submitted : March 22, 2013

1/ Case No. 2009-00459, dated June 28, 2010

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KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT
For the Expense Month of February 2013

CALCULATION OF CURRENT PERIOD REVENUE REQUIREMENT

LINE NO.	COMPONENTS	REVISED		AS FILED	
1	First Component: Associated with Big Sandy Plant ((RB KP(C)) (ROR KP(C)/12)) + OE KP(C) ES FORM 3.10, Line 20		\$2,721,023		\$3,505,925
2	Second Component: Associated with Rockport Plant (((RB IM(C)) (ROR IM(C)/12)) + OE IM(C)) ES FORM 3.20, Line 16		\$38,039		\$38,039
	Third Component: Net Proceeds from Emission Allowances Sales AS				
	1) SO ₂ - EPA Auction Proceeds received during Expense Month	\$0		\$0	
	2) SO ₂ - Net Gain or (Loss) from Allowance Sales, in compliance with the AEP Interim Allowance Agreement, received during Expense Month	\$0		\$0	
	Total Net Proceeds from SO ₂ Allowances	\$0		\$0	
	1) NO _x - ERC Sales Proceeds, received during Expense Month	\$0		\$0	
	2) NO _x - EPA Auction Proceeds, received during Expense Month	\$0		\$0	
	3) NO _x - Net Gain or Loss from NO _x Allowances Sales, received during Expense Month	\$0		\$0	
	Total Net Proceeds from NO _x Allowances	\$0		\$0	
3	Total Net Gain or (Loss) from Emission Allowance Sales		\$0		\$0
4	Total Current Period Revenue Requirement, CRR Record on ES FORM 1.00.		\$2,759,062		\$3,543,964

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ES FORM 3.10

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

For the Expense Month of February 2013

LINE NO.	COST COMPONENT	REVISED		AS FILED	
	Return on Rate Base :				
1	Utility Plant at Original Cost	\$193,120,620		\$193,120,620	
2	Less Accumulated Depreciation	(\$77,217,955)		(\$77,217,955)	
3	Less Accum. Def. Income Taxes	(\$30,446,890)		(\$30,446,890)	
4	Net Utility Plant		\$85,455,775		\$85,455,775
5	SO2 Emission Allowance Inventory from ES FORM 3.11		\$12,320,866		\$12,320,866
6	ECR & NOx Emission Allowance Inventory from ES FORM 3.12		\$20,492		\$20,492
7	Cash Working Capital Allowance from ES FORM 3.13, Line 13		\$1,187,869		\$1,205,909
8	Total Rate Base		\$98,985,002		\$99,003,042
9	Weighted Average Cost of Capital - ES FORM 3.15	10.79%		10.79%	
10	Monthly Weighted Avg. Cost of Capital (9) / 12		0.90%		0.90%
11	Monthly Return of Rate Base (8) * (10)		\$890,865		\$891,027
	Operating Expenses :				
12	Monthly Depreciation Expense		\$577,252		\$577,252
13	Monthly Catalyst Amortization Expense		\$46,030		\$46,030
14	Monthly Property Taxes		\$12,771		\$12,771
15	Monthly Kentucky Air Emissions Fee		\$39,266		\$39,266
16	Monthly Environmental AEP Pool Capacity Costs from ES FORM 3.14, Page 1 of 11, Column 5, Line 10		\$0		\$784,740
17	Monthly 2003 Plan Non-Fuel O&M Expenses from ES FORM 3.13		\$581,289		\$581,289
18	Monthly SO2 Emission Allowance Consumption		\$573,550		\$573,550
19	Total Operating Expenses [Line 12 thru Line 18]		<u>\$1,830,158</u>		<u>\$2,614,898</u>
20	Total Revenue Requirement - Big Sandy Record on ES FORM 3.00, Line 1		\$2,721,023		\$3,505,925

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KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT

For the Expense Month of February 2013

		REVISED		AS FILED	
	1997 Plan :				
1	Monthly Kentucky Air Emissions Fee	\$39,266		\$39,266	
	Total Monthly AEP Pool				
2	Environmental Capacity Costs	\$0		\$144,320	
3	Monthly SO2 Allowance Consumption	<u>\$573,550</u>		<u>\$573,550</u>	
4	Total 1997 Plan O&M Expenses		\$612,816		\$757,136
	2003 Plan :				
5	Monthly Variable Cladding at Big Sandy Unit 1	\$0		\$0	
6	Monthly Urea Consumption at Big Sandy Unit 2	\$510,701		\$510,701	
7	Monthly Catalyst Replacement at Big Sandy Unit 2	\$0		\$0	
8	Monthly ERC & NOx Allowance Consumption	\$1,334		\$1,334	
9	Equipment - Associated Operating Expenses	\$3,014		\$3,014	
10	Equipment - Associated Maintenance Expenses	<u>\$66,240</u>		<u>\$66,240</u>	
11	Total 2003 Plan O&M Expenses		<u>\$581,289</u>		<u>\$581,289</u>
12	KPCO's Rockport Unit Power O&M:				
13	E.S. Form 3.20, Line 11 X 15%		\$2,344		\$2,344
14	Total Monthly O&M Expenses		<u>\$1,196,449</u>		<u>\$1,340,769</u>
15	Cash Working Capital Allowance (Line 14 X 1/8)		\$149,556		\$167,596
16	Cash Working Capital Allowance (January 2013 ES Form 3.13)		\$130,748		\$130,748
17	Cash Working Capital Allowance (December 2012 ES Form 3.13)		\$100,045		\$100,045
18	Cash Working Capital Allowance (November 2012 ES Form 3.13)		\$35,138		\$35,138
19	Cash Working Capital Allowance (October 2012 ES Form 3.13)		\$30,552		\$30,552
20	Cash Working Capital Allowance (September 2012 ES Form 3.13)		\$30,858		\$30,858
21	Cash Working Capital Allowance (August 2012 ES Form 3.13)		\$143,931		\$143,931
22	Cash Working Capital Allowance (July 2012 ES Form 3.13)		\$170,994		\$170,994
23	Cash Working Capital Allowance (June 2012 ES Form 3.13)		\$113,298		\$113,298
24	Cash Working Capital Allowance (May 2012 ES Form 3.13)		\$50,526		\$50,526
25	Cash Working Capital Allowance (April 2012 ES Form 3.13)		\$128,462		\$128,462
26	Cash Working Capital Allowance (March 2012 ES Form 3.13)		<u>\$103,761</u>		<u>\$103,761</u>
27	Total Twelve Month Total Cash Working Capital Allowance		<u>\$1,187,869</u>		<u>\$1,205,909</u>

Total Cost at Line 27 is to be recorded on ES FORM 3.10, Line 7.

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

For the Expense Month of February 2013

Line No. (1)	Cost Component (2)	For the Expense Month of February 2013			As Filed		Total (5)
		Ohio Power Company's Environmental Cost to KPCo (3)	Revised Indiana Michigan Power Company's Environmental Cost to KPCo (4)	Ohio Power Company's Environmental Cost to KPCo (3)	Indiana Michigan Power Company's Environmental Cost to KPCo (4)		
1	Amos Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 26)	\$0		\$135,300			
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 25)	\$0		\$92,004			
3	Gavin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 26)	\$0		\$281,424			
4	Kammer Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 20)	\$0		\$1,804			
5	Mitchell Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 23)	\$0		\$245,344			
6	Muskingum River Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 20)	\$0		\$25,256			
7	Sporn Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 20)	\$0		\$3,608			
8	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Column 5, Line 21)		\$0		\$0		
9	Tanners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 20)		\$0		\$0		
10	Total AEP Pool Monthly Environmental Capacity Costs to Kentucky Power	\$0	\$0	\$784,740	\$0		\$784,740

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

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

For the Expense Month of February 2013							
Line No. (1)	Cost Component (2)	Ohio Power Company's (OPCo) Environmental Cost to KPCo (3)	Revised Indiana Michigan Power Company's (I&M) Environmental Cost to KPCo (4)	Total (5)	Ohio Power Company's (OPCo) Environmental Cost to KPCo (3)	As Filed Indiana Michigan Power Company's (I&M) Environmental Cost to KPCo (4)	Total (5)
1	Amos Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 19)	\$0			\$1,056,271		
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 17)	\$0			\$1,075,822		
3	Gavin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 17)	\$0			\$6,440,064		
4	Kammer Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 10)	\$0			\$21,861		
5	Mitchell Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 16)	\$0			\$1,395,082		
6	Muskingum River Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 10)	\$0			\$132,792		
7	Sporn Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 10)	\$0			\$12,866		
8	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Columns 3 & 6, Line 10)		\$0			\$15,625	
9	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Columns 4 & 5, Line 10)		\$0			\$0	
10	Tanners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 10)		\$0			\$15,625	
11	Subtotal	\$0	\$0		\$10,134,758	\$31,250	
12	Steam Capacity By Company - OPCo (Column 3) / I&M (Column 4) (kw)	0	0		12,665,000	5,453,000	
13	Environmental Base (\$/kw)	\$0.00	\$0.00		\$0.80	\$0.01	
14	Company Surplus Weighting	0.00%	0.00%		100.00%	0.00%	
15	Portion of Weighted Average Capacity Rate Attributed to Environmental Fixed O&M Costs	\$0.00	\$0.00		\$0.80	\$0.00	
16	Kentucky Power Capacity Deficit (kw)	0	0		180,400	180,400	
17	Fixed O&M Environmental Cost to Kentucky Power	\$0	\$0	\$0	\$144,320	\$0	\$144,320

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

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

For the Expense Month of February 2013

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$620,482,769
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$8,500,614
4	Ohio Power Company's Percentage Ownership - Environmental Investment	<u>0.00%</u>	<u>100.00%</u>
5	OPCo's Share of Cost Associated with Amos Unit No. 3 (3) X (4)	\$0	\$8,500,614
	Operations :		
6	Disposal (5010000)	\$0	\$126,310
7	Urea (5020002)	\$0	\$808,118
8	Trona (5020003)	\$0	\$155,254
9	Lime Stone (5020004)	\$0	\$329,088
10	Air Emission Fee	<u>\$0</u>	<u>\$10,552</u>
11	Total Operations (Lines 6 thru 10)	\$0	\$1,429,322
	Maintenance :		
12	SCR Maintenance (5120000)	\$0	\$38,563
13	Scrubber (FGD) Maintenance (5120000)	<u>\$0</u>	<u>\$271,447</u>
14	Total Maintenance (12) + (13)	<u>\$0</u>	<u>\$310,010</u>
15	1/2 of Maintenance (14) * 50%	<u>\$0</u>	<u>\$155,005</u>
16	Fixed O&M (11) + (15)	\$0	\$1,584,327
17	Ohio Power Company's Percentage Ownership - O&M Cost	<u>0.00%</u>	<u>66.67%</u>
18	OPCo's Share of O&M Cost Associated with Amos Unit No. 3 (16) X (17)	\$0	\$1,056,271
	Total Revenue Requirement,		
19	Cost Associated with Amos Unit No. 3 (5) + (18)	\$0	\$9,556,885
20	Ohio Power Company Steam Capacity (kw)	0	12,665,000
21	Amos Unit No. 3 Environmental Rate (\$/kw)	\$0.00	\$0.75
22	Ohio Power Surplus Weighing	0.00%	100.00%
23	Portion of Weighted Average Capacity Rate Attributed to Amos Unit No. 3 SCR (\$/kw) (21) * (22)	\$0.00	\$0.75
	Amos Unit No. 3 Costs to Kentucky Power :		
24	Amos Unit No. 3 Portion (\$/kw) (23)	\$0.00	\$0.75
25	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>180,400</u>
26	Amos Unit No. 3 Environmental Cost to Kentucky Power (24) * (25) (ES FORM 3.14, Page 1 of 11, Line 1)	\$0	\$135,300

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

For the Expense Month of February 2013

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$392,023,767
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$5,370,726
	Operations :		
4	Disposal (5010000)	\$0	\$141,695
5	Lime (5020001)	\$0	\$0
6	Urea (5020002)	\$0	\$253,617
7	Trona (5020003)	\$0	\$51,976
8	Lime Stone (5020004)	\$0	\$532,840
9	Air Emission Fee	<u>\$0</u>	<u>\$8,794</u>
10	Total Operations (Line 4 thru 9)	\$0	\$988,922
	Maintenance :		
11	SCR Maintenance (5120000)	\$0	\$74,899
12	Scrubber (FGD) Maintenance (5120000)	<u>\$0</u>	<u>\$98,900</u>
13	Total Maintenance (13) + (14)	\$0	\$173,799
14	1/2 Maintenance (15) * 50%	<u>\$0</u>	<u>\$86,900</u>
15	Fixed O&M (12) + (16)	<u>\$0</u>	<u>\$1,075,822</u>
	Total Revenue Requirement,		
16	Cost Associated with Cardinal Unit No. 3 (3) + (17)	<u>\$0</u>	<u>\$6,446,548</u>
17	Ohio Power Company's Percentage Ownership	0.00%	100.00%
18	OPCo's Share of Cost Associated with Cardinal Unit No. 1 (18) X (19)	\$0	\$6,446,548
19	Ohio Power Company Steam Capacity (kw)	0	12,665,000
20	Cardinal Unit No. 1 (\$/kw)	\$0.00	\$0.51
21	Ohio Power Surplus Weighing	0.00%	100.00%
22	Portion of Weighted Average Capacity Rate Attributed to Cardinal Unit No. 1 (\$/kw) (22) X (23)	\$0.00	\$0.51
	Cardinal Unit No. 1 Costs to Kentucky Power :		
23	Cardinal Unit No. 1 Portion (\$/kw) (24)	\$0.00	\$0.51
24	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>180,400</u>
25	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (25) * (26) (ES FORM 3.14, Page 1 of 11, Line 2)	\$0	\$92,004

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

For the Expense Month of February 2013

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$967,777,635
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	1.37%
3	Total Rate Base	\$0	\$13,258,554
	Operations :		
4	Sludge Disposal (5010000)	\$0	\$668,919
5	Lime (5020001)	\$0	\$3,962,973
6	Urea (5020002)	\$0	\$803,263
7	Trona (5020003)	\$0	\$553,517
8	Lime Stone (5020004)	\$0	\$1,020
9	Air Emission Fee	\$0	\$35,191
10	Lease (5070005)	\$0	\$0
11	Total Operations (Lines 4 thru 10)	\$0	\$6,024,883
	Maintenance :		
12	SCR Maintenance (5120000)	\$0	\$88,498
13	Scrubber Maintenance (5120000)	\$0	\$741,864
14	Total Maintenance (12) + (13)	\$0	\$830,362
15	1/2 of Maintenance (13) * 50%	\$0	\$415,181
16	Fixed O&M (11) + (15)	\$0	\$6,440,064
	Total Revenue Requirement,		
17	Cost Associated with Gavin Plant (3) + (17)	\$0	\$19,698,618
18	Ohio Power Company's Percentage Ownership	0.00%	100.00%
19	OPCo's Share of Cost Associated with Gavin Plant (17) X (18)	\$0	\$19,698,618
20	Ohio Power Company Steam Capacity (kw)	0	12,665,000
21	Gavin Plant (\$/kw)	\$0.00	\$1.56
22	Ohio Power Surplus Weighing	0.00%	100.00%
23	Portion of Weighted Average Capacity Rate Attributed to Gavin Plant (\$/kw) (21) X (22)	\$0.00	\$1.56
	Gavin Plant Costs to Kentucky Power :		
24	Gavin Plant Portion (\$/kw) (23)	\$0.00	\$1.56
25	Kentucky Power Capacity Deficit (kw)	0	180,400
26	Gavin Plant Environmental Cost to Kentucky Power (24) * (25) (ES FORM 3.14, Page 1 of 11, Line 3)	\$0	\$281,424

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

For the Expense Month of February 2013

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$8,534,297
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	1.37%
3	Total Rate Base	\$0	\$116,920
	Operations :		
4	Urea (5020002)	\$0	\$182
5	Trona (5020003)	\$0	\$205
6	Air Emission Fee	\$0	\$21,474
7	Total Operations (4) + (5) + (6)	\$0	\$21,861
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$0
9	1/2 of Maintenance (8) * 50%	\$0	\$0
10	Fixed O&M (7) + (9)	\$0	\$21,861
	Total Revenue Requirement,		
11	Cost Associated with Kammer Plant (3) + (10)	\$0	\$138,781
12	Ohio Power Company's Percentage Ownership	0.00%	100.00%
13	OPCo's Share of Cost Associated with Kammer Plant (11) X (12)	\$0	\$138,781
14	Ohio Power Company Steam Capacity (kw)	0	12,665,000
15	Kammer Plant (\$/kw)	\$0.00	\$0.01
16	Ohio Power Surplus Weighing	0.00%	100.00%
17	Portion of Weighted Average Capacity Rate Attributed to Kammer Plant (\$/kw) (15) X (16)	\$0.00	\$0.01
	Kammer Plant Costs to Kentucky Power :		
18	Kammer Plant Portion (\$/kw) (17)	\$0.00	\$0.01
19	Kentucky Power Capacity Deficit (kw)	0	180,400
20	Kammer Plant Environmental Cost to Kentucky Power (18) * (19) (ES FORM 3.14, Page 1 of 11, Line 4)	\$0	\$1,804

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

For the Expense Month of February 2013

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$1,154,515,680
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	1.37%
3	Total Rate Base	\$0	\$15,816,865
	Operations :		
4	Disposal (5010000)	\$0	\$3,134
5	Urea (5020002)	\$0	\$423,919
6	Trona (5020003)	\$0	\$78,819
7	Lime Stone (5020004)	\$0	\$575,099
8	Air Emission Fee	\$0	\$19,493
9	Total Operations (Lines 4 thru 8)	\$0	\$1,100,464
	Maintenance :		
10	SCR Maintenance (5120000)	\$0	\$9,776
11	FDG (5120000)	\$0	\$579,460
12	1/2 of Maintenance (10 + 11) * 50%	\$0	\$294,618
13	Fixed O&M (9) + (12)	\$0	\$1,395,082
	Total Revenue Requirement,	\$0	\$17,211,947
14	Cost Associated with Mitchell Plant (3) + (13)	0.00%	100.00%
15	Ohio Power Company's Percentage Ownership	\$0	\$17,211,947
16	OPCo's Share of Cost Associated with Mitchell Plant (14) X (15)	0	12,665,000
17	Ohio Power Company Steam Capacity (kw)	\$0.00	\$1.36
18	Mitchell Plant (\$/kw)	0.00%	100.00%
19	Ohio Power Surplus Weighing		
20	Portion of Weighted Average Capacity Rate Attributed to Mitchell Plant (\$/kw) (18) X (19)	\$0.00	\$1.36
	Mitchell Plant Costs to Kentucky Power :		
21	Mitchell Plant Portion (\$/kw) (20)	\$0.00	\$1.36
22	Kentucky Power Capacity Deficit (kw)	0	180.400
	Mitchell Plant Environmental Cost to Kentucky Power (21) * (22)		
23	(ES FORM 3.14, Page 1 of 11, Line 5)	\$0	\$245,344

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

For the Expense Month of February 2013

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$116,006,941
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$1,589,295
	Operations :		
4	Urea (5020002)	\$0	\$96,015
5	Trona (5020003)	\$0	\$469
6	Air Emission Fee	<u>\$0</u>	<u>\$34,061</u>
7	Total Operations (4) + (5) + (6)	\$0	\$130,545
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$4,494
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>	<u>\$2,247</u>
10	Fixed O&M (7) + (9)	<u>\$0</u>	<u>\$132,792</u>
	Total Revenue Requirement,		
11	Cost Associated with Muskingum Plant (3) + (10)	<u>\$0</u>	<u>\$1,722,087</u>
12	Ohio Power Company's Percentage Ownership	0.00%	100.00%
13	OPCo's Share of Cost Associated with Muskingum Plant (11) X (12)	\$0	\$1,722,087
14	Ohio Power Company Steam Capacity (kw)	0	12,665,000
15	Muskingum Plant (\$/kw)	\$0.00	\$0.14
16	Ohio Power Surplus Weighing	0.00%	100.00%
17	Portion of Weighted Average Capacity Rate Attributed to Muskingum Plant (\$/kw) (15) X (16)	\$0.00	\$0.14
	Muskingum Plant Costs to Kentucky Power :		
18	Muskingum Plant Portion (\$/kw) (17)	\$0.00	\$0.14
19	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>180,400</u>
	Muskingum Plant Environmental Cost to Kentucky Power (18) * (19)		
20	(ES FORM 3.14, Page 1 of 11, Line 6)	\$0	\$25,256

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

For the Expense Month of February 2013

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$21,205,967
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	1.37%
3	Total Rate Base	\$0	\$290,522
	Operations :		
4	Urea (5020002)	\$0	\$0
5	Trona (5020003)	\$0	\$0
6	Air Emission Fee	\$0	\$12,866
7	Total Operations (4) + (5) + (6)	\$0	\$12,866
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$0
9	1/2 of Maintenance (8) * 50%	\$0	\$0
10	Fixed O&M (7) + (9)	\$0	\$12,866
	Total Revenue Requirement,		
11	Cost Associated with Sporn Plant (3) + (10)	\$0	\$303,388
12	Ohio Power Company's Percentage Ownership	0.00%	100.00%
13	OPCo's Share of Cost Associated with Sporn Plant (11) X (12)	\$0	\$303,388
14	Ohio Power Company Steam Capacity (kw)	0	12,665,000
15	Sporn Plant (\$/kw)	\$0.00	\$0.02
16	Ohio Power Surplus Weighing	0.00%	100.00%
17	Portion of Weighted Average Capacity Rate Attributed to Sporn Plant (\$/kw) (15) X (16)	\$0.00	\$0.02
	Sporn Plant Costs to Kentucky Power :		
18	SpornGavin Plant Portion (\$/kw) (17)	\$0.00	\$0.02
19	Kentucky Power Capacity Deficit (kw)	0	180,400
	Sporn Plant Environmental Cost to Kentucky Power (18) * (19)		
20	(ES FORM 3.14, Page 1 of 11, Line 7)	\$0	\$3,608

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

For the Expense Month of February 2013

LINE NO.	COST	Rockport Plant Common	UNIT 1 AMOUNTS	UNIT 2 AMOUNTS	Rockport Plant Common	Total	Rockport Plant Common	UNIT 1 AMOUNTS	UNIT 2 AMOUNTS	Rockport Plant Common	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(3)	(4)	(5)	(6)	(7)
1	Utility Plant at Original Cost	\$0	\$0	\$0	\$0		\$1,785,548	\$12,387,040	\$16,754,782	\$2,585,984	
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	0.00%	0.00%	0.00%		1.37%	1.37%	1.37%	1.37%	
3	Total Rate Base	\$0	\$0	\$0	\$0		\$24,462	\$169,702	\$229,541	\$35,428	
	Operations :										
4	Urea (5020002)	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
5	Trona (5020003)	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
6	Air Emission Fee	\$0	\$0	\$0	\$0		\$15,625	\$0	\$0	\$0	
7	Total Operations (4) + (5) + (6)	\$0	\$0	\$0	\$0		\$15,625	\$0	\$0	\$0	
	Maintenance :										
8	SCR Maintenance (5120000)	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
9	1/2 of Maintenance (8) * 50%	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
10	Fixed O&M (7) + (9)	\$0	\$0	\$0	\$0		\$15,625	\$0	\$0	\$0	
	Total Revenue Requirement,										
11	Cost Associated with Rockport Plant (3) + (10)	\$0	\$0	\$0	\$0		\$40,087	\$169,702	\$229,541	\$35,428	
12	Indiana Michigan Power Company's Percentage Ownership	0%	0.00%	0.00%	0.00%		50%	85.00%	85.00%	50.00%	
13	I&M's Share of Cost Associated with Rockport Plant (11) X (12)	\$0	\$0	\$0	\$0		\$20,044	\$144,247	\$195,110	\$17,714	
14	Total Rockport Plant Common and Units 1 & 2					\$0					\$377,115
15	Indiana Michigan Power Company Steam Capacity (kw)					0					5,453,000
16	Rockport Plant (\$/kw) (14) / (15)					\$0.00					\$0.07
17	Kentucky Power Portion of Rockport Plant / Indiana Michigan Power Surplus Weighing					0.00%					0.00%
18	Portion of Weighted Average Capacity Rate Attributed to Rockport Plant (\$/kw) (17) X (18)					\$0.00					\$0.00
	Rockport Plant Costs to Kentucky Power :										
19	Rockport Plant Portion (\$/kw) (18)					\$0.00					\$0.00
20	Kentucky Power Capacity Deficit (kw)					0					180,400
21	Rockport Units 1 & 2 Environmental to Kentucky Power (19) * (20) (ES FORM 3.14, Page 1 of 11, Line 8)					\$0					\$0

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

For the Expense Month of February 2013

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$98,738,490
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$1,352,717
	Operations :		
4	Urea (5020002)	\$0	\$0
5	Trona (5020003)	\$0	\$0
6	Air Emission Fee	<u>\$0</u>	<u>\$15,625</u>
7	Total Operations (4) + (5) + (6)	\$0	\$15,625
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$0
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>	<u>\$0</u>
10	Fixed O&M (7) + (9)	\$0	\$15,625
	Total Revenue Requirement,		
11	Cost Associated with Tanners Creek Plant (3) + (10)	<u>\$0</u>	<u>\$1,368,342</u>
12	Indiana Michigan Power Company's Percentage Ownership	0.00%	100.00%
13	I&M's Share of Cost Associated with Tanners Creek Plant (11) X (12)	\$0	\$1,368,342
14	Indiana Michigan Power Company Steam Capacity (kw)	0	5,453,000
15	Tanners Creek Plant (\$/kw)	\$0.00	\$0.25
16	Indiana Michigan Power Surplus Weighing	0.00%	0.00%
17	Portion of Weighted Average Capacity Rate Attributed to Rockport Plant (\$/kw) (15) X (16)	\$0.00	\$0.00
	Tanners Creek Plant Costs to Kentucky Power :		
18	Tanners Creek Plant Portion (\$/kw) (17)	\$0.00	\$0.00
19	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>180,400</u>
20	Tanners Creek Plant Environmental Cost to Kentucky Power (18) * (19) (ES FORM 3.14, Page 1 of 11, Line 9)	\$0	\$0

Revised - April 16, 2013

ES FORM 1.00

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CALCULATION OF E(m) and SURCHARGE FACTOR
For the Expense Month of March 2013

<u>CALCULATION OF E(m)</u>		Remove Pool	Filed Amount	Difference
E(m) = CRR - BRR		4/16/2013		
LINE 1	CRR from ES FORM 3.00	\$3,069,086	\$3,855,280	\$786,194
LINE 2	Brr from ES FORM 1.10	3,651,374	3,651,374	0 ^{1/}
LINE 3	E(m) (LINE 1 - LINE 2)	(\$582,288)	\$203,906	\$786,194
LINE 4	Kentucky Retail Jurisdictional Allocation Factor, from ES FORM 3.30, Schedule of Revenues, LINE 1	79.3%	79.3%	0.0%
LINE 5	KY Retail E(m) (LINE 3 * LINE 4)	(\$461,755)	\$161,697	\$623,452
LINE 6	(Over) / Under Recovery Adjustment from ES FORM 3.30	(\$7,291)	(\$7,291)	\$0
LINE 7	Net KY Retail E(m) (LINE 5 + LINE 6)	(\$469,046)	\$154,406	\$623,452
<u>SURCHARGE FACTOR</u>				
LINE 8	Net KY Retail E(m) (Line 7)	(\$469,046)	\$154,406	\$623,452
LINE 9	KY Retail R(m) from ES FORM 3.30	\$44,820,096	\$44,820,096	\$0
LINE 10	Environmental Surcharge Factor for Expense Month (Line 8 / LINE 9)	-1.0465%	0.3445%	1.3910%

Effective Date for Billing: April 30, 2013

Submitted By : _____

Title : Manager Regulatory Services

Date Submitted : April 19, 2013

1/ Case No. 2009-00459, dated June 28, 2010

Revised - April 16, 2013

ES FORM 3.00

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT
For the Expense Month of March 2013

CALCULATION OF CURRENT PERIOD REVENUE REQUIREMENT

LINE NO.	COMPONENTS	REVISED		AS FILED	
1	First Component: Associated with Big Sandy Plant (((RB KP(C)) (ROR KP(C)/12)) + OE KP(C)) ES FORM 3.10, Line 20		\$3,027,922		\$3,814,116
2	Second Component: Associated with Rockport Plant (((RB IM(C)) (ROR IM(C)/12)) + OE IM(C)) ES FORM 3.20, Line 16		\$41,164		\$41,164
	Third Component: Net Proceeds from Emission Allowances Sales AS				
	1) SO ₂ - EPA Auction Proceeds received during Expense Month	\$0		\$0	
	2) SO ₂ - Net Gain or (Loss) from Allowance Sales, in compliance with the AEP Interim Allowance Agreement, received during Expense Month	\$0		\$0	
	Total Net Proceeds from SO ₂ Allowances	\$0		\$0	
	1) NO _x - ERC Sales Proceeds, received during Expense Month	\$0		\$0	
	2) NO _x - EPA Auction Proceeds, received during Expense Month	\$0		\$0	
	3) NO _x - Net Gain or Loss from NO _x Allowances Sales, received during Expense Month	\$0		\$0	
	Total Net Proceeds from NO _x Allowances	\$0		\$0	
3	Total Net Gain or (Loss) from Emission Allowance Sales		\$0		\$0
4	Total Current Period Revenue Requirement, CRR Record on ES FORM 1.00.		\$3,069,086		\$3,855,280

Revised - April 16, 2013

ES FORM 3.10

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

For the Expense Month of March 2013

LINE NO.	COST COMPONENT	REVISED		AS FILED	
	Return on Rate Base :				
1	Utility Plant at Original Cost	\$193,120,620		\$193,120,620	
2	Less Accumulated Depreciation	(\$77,843,726)		(\$77,843,726)	
3	Less Accum. Def. Income Taxes	(\$30,322,320)		(\$30,322,320)	
4	Net Utility Plant		\$84,954,574		\$84,954,574
5	SO2 Emission Allowance Inventory from ES FORM 3.11		\$11,488,734		\$11,488,734
6	ECR & NOx Emission Allowance Inventory from ES FORM 3.12		\$22,771		\$22,771
7	Cash Working Capital Allowance from ES FORM 3.13, Line 13		\$1,291,447		\$1,308,585
8	Total Rate Base		\$97,757,526		\$97,774,664
9	Weighted Average Cost of Capital - ES FORM 3.15	10.79%		10.79%	
10	Monthly Weighted Avg. Cost of Capital (9) / 12		0.90%		0.90%
11	Monthly Return of Rate Base (8) * (10)		\$879,818		\$879,972
	Operating Expenses :				
12	Monthly Depreciation Expense		\$577,252		\$577,252
13	Monthly Catalyst Amortization Expense		\$46,030		\$46,030
14	Monthly Property Taxes		\$12,771		\$12,771
15	Monthly Kentucky Air Emissions Fee		\$39,266		\$39,266
16	Monthly Environmental AEP Pool Capacity Costs from ES FORM 3.14, Page 1 of 11, Column 5, Line 10		\$0		\$786,040
17	Monthly 2003 Plan Non-Fuel O&M Expenses from ES FORM 3.13		\$640,653		\$640,653
18	Monthly SO2 Emission Allowance Consumption		\$832,132		\$832,132
19	Total Operating Expenses [Line 12 thru Line 18]		<u>\$2,148,104</u>		<u>\$2,934,144</u>
20	Total Revenue Requirement - Big Sandy Record on ES FORM 3.00, Line 1		\$3,027,922		\$3,814,116

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ES FORM 3.13

KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT

For the Expense Month of March 2013

		REVISED		AS FILED	
	1997 Plan :				
1	Monthly Kentucky Air Emissions Fee	\$39,266		\$39,266	
	Total Monthly AEP Pool				
2	Environmental Capacity Costs	\$0		\$137,100	
3	Monthly SO2 Allowance Consumption	<u>\$832,132</u>		<u>\$832,132</u>	
4	Total 1997 Plan O&M Expenses		\$871,398		\$1,008,498
	2003 Plan :				
5	Monthly Variable Cladding at Big Sandy Unit 1	\$0		\$0	
6	Monthly Urea Consumption at Big Sandy Unit 2	\$483,404		\$483,404	
7	Monthly Catalyst Replacement at Big Sandy Unit 2	\$0		\$0	
8	Monthly ERC & NOx Allowance Consumption	\$2,226		\$2,226	
9	Equipment - Associated Operating Expenses	\$0		\$0	
10	Equipment - Associated Maintenance Expenses	<u>\$155,023</u>		<u>\$155,023</u>	
11	Total 2003 Plan O&M Expenses		\$640,653		\$640,653
12	KPCO's Rockport Unit Power O&M:				
13	E.S. Form 3.20, Line 11 X 15%		<u>\$2,344</u>		<u>\$2,344</u>
14	Total Monthly O&M Expenses		<u>\$1,514,395</u>		<u>\$1,651,495</u>
15	Cash Working Capital Allowance (Line 14 X 1/8)		\$189,299		\$206,437
16	Cash Working Capital Allowance (February 2013 ES Form 3.13)		\$167,596		\$167,596
17	Cash Working Capital Allowance (January 2013 ES Form 3.13)		\$130,748		\$130,748
18	Cash Working Capital Allowance (December 2012 ES Form 3.13)		\$100,045		\$100,045
19	Cash Working Capital Allowance (November 2012 ES Form 3.13)		\$35,138		\$35,138
20	Cash Working Capital Allowance (October 2012 ES Form 3.13)		\$30,552		\$30,552
21	Cash Working Capital Allowance (September 2012 ES Form 3.13)		\$30,858		\$30,858
22	Cash Working Capital Allowance (August 2012 ES Form 3.13)		\$143,931		\$143,931
23	Cash Working Capital Allowance (July 2012 ES Form 3.13)		\$170,994		\$170,994
24	Cash Working Capital Allowance (June 2012 ES Form 3.13)		\$113,298		\$113,298
25	Cash Working Capital Allowance (May 2012 ES Form 3.13)		\$50,526		\$50,526
26	Cash Working Capital Allowance (April 2012 ES Form 3.13)		<u>\$128,462</u>		<u>\$128,462</u>
27	Total Twelve Month Total Cash Working Capital Allowance		\$1,291,447		\$1,308,585

Total Cost at Line 27 is to be recorded on ES FORM 3.10, Line 7.

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

For the Expense Month of March 2013							
Line No. (1)	Cost Component (2)	Ohio	Revised	Total (5)	Ohio	As Filed	Total (5)
		Power	Indiana		Power	Michigan	
		Company's	Michigan		Company's	Michigan	
		Environmental	Power		Environmental	Power	
		Cost to KPCo	Company's		Cost to KPCo	Company's	
		(3)	Environmental		Cost to KPCo	Environmental	
			Cost to KPCo		(3)	Cost to KPCo	
			(4)		(4)	(4)	
1	Amos Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 26)	\$0			\$137,100		
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 25)	\$0			\$85,916		
3	Gavin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 26)	\$0			\$288,824		
4	Kammer Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 20)	\$0			\$1,828		
5	Mitchell Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 23)	\$0			\$243,124		
6	Muskingum River Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 20)	\$0			\$25,592		
7	Sporn Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 20)	\$0			\$3,656		
8	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Column 5, Line 21)		\$0			\$0	
9	Tanners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 20)		\$0			\$0	
10	Total AEP Pool Monthly Environmental Capacity Costs to Kentucky Power	\$0	\$0	\$0	\$786,040	\$0	\$786,040

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

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

Line No. (1)	Cost Component (2)	For the Expense Month of March 2013			Total (5)	Ohio Power Company's (OPCo) Environmental Cost to KPCo (3)	As Filed Indiana Michigan Power Company's (I&M) Environmental Cost to KPCo (4)	Total (5)
		Ohio Power Company's (OPCo) Environmental Cost to KPCo (3)	Revised Indiana Michigan Power Company's (I&M) Environmental Cost to KPCo (4)	Total (5)				
1	Amos Unit No. 3 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 3 of 11, Line 19)	\$0				\$967,397		
2	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (ES FORM 3.14, Page 4 of 11, Line 17)	\$0				\$547,265		
3	Gavin Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 5 of 11, Line 17)	\$0				\$6,741,335		
4	Kammer Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 6 of 11, Line 10)	\$0				\$21,474		
5	Mitchell Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 7 of 11, Line 16)	\$0				\$1,078,095		
6	Muskingum River Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 8 of 11, Line 10)	\$0				\$138,625		
7	Sporn Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 9 of 11, Line 10)	\$0				\$12,866		
8	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Columns 3 & 6, Line 10)		\$0				\$15,625	
9	Rockport Plant Environmental to Kentucky Power (ES FORM 3.14, Page 10 of 11, Columns 4 & 5, Line 10)		\$0				\$0	
10	Tanners Creek Plant Environmental Cost to Kentucky Power (ES FORM 3.14, Page 11 of 11, Line 10)		\$0				\$15,625	
11	Subtotal	\$0	\$0			\$9,507,057	\$31,250	
12	Steam Capacity By Company - OPCo (Column 3) / I&M (Column 4) (kw)	0	0			12,665,000	5,453,000	
13	Environmental Base (\$/kw)	\$0.00	\$0.00			\$0.75	\$0.01	
14	Company Surplus Weighting	0.00%	0.00%			100.00%	0.00%	
15	Portion of Weighted Average Capacity Rate Attributed to Environmental Fixed O&M Costs	\$0.00	\$0.00			\$0.75	\$0.00	
16	Kentucky Power Capacity Deficit (kw)	0	0			182,800	182,800	
17	Fixed O&M Environmental Cost to Kentucky Power	\$0	\$0	\$0	\$0	\$137,100	\$0	\$137,100

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

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ES FORM 3.14
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KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT
OHIO POWER COMPANY (OPCo) - AMOS PLANT UNIT NO. 3

For the Expense Month of March 2013

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$620,482,769
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$8,500,614
4	Ohio Power Company's Percentage Ownership - Environmental Investment	<u>0.00%</u>	<u>100.00%</u>
5	OPCo's Share of Cost Associated with Amos Unit No. 3 (3) X (4)	\$0	\$8,500,614
	Operations :		
6	Disposal (5010000)	\$0	\$110,766
7	Urea (5020002)	\$0	\$634,350
8	Trona (5020003)	\$0	\$106,487
9	Lime Stone (5020004)	\$0	\$451,999
10	Air Emission Fee	\$0	<u>\$10,552</u>
11	Total Operations (Lines 6 thru 10)	\$0	\$1,314,154
	Maintenance :		
12	SCR Maintenance (5120000)	\$0	\$33,040
13	Scrubber (FGD) Maintenance (5120000)	\$0	<u>\$240,697</u>
14	Total Maintenance (12) + (13)	\$0	<u>\$273,737</u>
15	1/2 of Maintenance (14) * 50%	\$0	<u>\$136,869</u>
16	Fixed O&M (11) + (15)	\$0	\$1,451,023
17	Ohio Power Company's Percentage Ownership - O&M Cost	<u>0.00%</u>	<u>66.67%</u>
18	OPCo's Share of O&M Cost Associated with Amos Unit No. 3 (16) X (17)	\$0	<u>\$967,397</u>
	Total Revenue Requirement,		
19	Cost Associated with Amos Unit No. 3 (5) + (18)	\$0	\$9,468,011
20	Ohio Power Company Steam Capacity (kw)	0	12,665,000
21	Amos Unit No. 3 Environmental Rate (\$/kw)	\$0.00	\$0.75
22	Ohio Power Surplus Weighing	0.00%	100.00%
23	Portion of Weighted Average Capacity Rate Attributed to Amos Unit No. 3 SCR (\$/kw) (21) * (22)	\$0.00	\$0.75
	Amos Unit No. 3 Costs to Kentucky Power :		
24	Amos Unit No. 3 Portion (\$/kw) (23)	\$0.00	\$0.75
25	Kentucky Power Capacity Deficit (kw)	0	<u>182,800</u>
	Amos Unit No. 3 Environmental Cost to Kentucky Power (24) * (25)		
26	(ES FORM 3.14, Page 1 of 11, Line 1)	\$0	\$137,100

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ES FORM 3.14
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KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT
OHIO POWER COMPANY (OPCo) - CARDINAL UNIT 1

For the Expense Month of March 2013

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$392,023,767
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$5,370,726
	Operations :		
4	Disposal (5010000)	\$0	\$53,156
5	Lime (5020001)	\$0	\$0
6	Urea (5020002)	\$0	\$128,492
7	Trona (5020003)	\$0	\$42,167
8	Lime Stone (5020004)	\$0	\$168,619
9	Air Emission Fee	<u>\$0</u>	<u>\$8,794</u>
10	Total Operations (Line 4 thru 9)	\$0	\$401,228
	Maintenance :		
11	SCR Maintenance (5120000)	\$0	\$16,064
12	Scrubber (FGD) Maintenance (5120000)	\$0	\$276,009
13	Total Maintenance (13) + (14)	\$0	\$292,073
14	1/2 Maintenance (15) * 50%	\$0	\$146,037
15	Fixed O&M (12) + (16)	<u>\$0</u>	<u>\$547,265</u>
	Total Revenue Requirement,		
16	Cost Associated with Cardinal Unit No. 3 (3) + (17)	\$0	\$5,917,991
17	Ohio Power Company's Percentage Ownership	0.00%	100.00%
18	OPCo's Share of Cost Associated with Cardinal Unit No. 1 (18) X (19)	\$0	\$5,917,991
19	Ohio Power Company Steam Capacity (kw)	0	12,665,000
20	Cardinal Unit No. 1 (\$/kw)	\$0.00	\$0.47
21	Ohio Power Surplus Weighing	0.00%	100.00%
22	Portion of Weighted Average Capacity Rate Attributed to Cardinal Unit No. 1 (\$/kw) (22) X (23)	\$0.00	\$0.47
	Cardinal Unit No. 1 Costs to Kentucky Power :		
23	Cardinal Unit No. 1 Portion (\$/kw) (24)	\$0.00	\$0.47
24	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>182,800</u>
25	Cardinal Unit No. 1 Environmental Cost to Kentucky Power (25) * (26) (ES FORM 3.14, Page 1 of 11, Line 2)	\$0	\$85,916

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ES FORM 3.14
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KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT
OHIO POWER COMPANY (OPCo) - GAVIN PLANT (UNITS 1 & 2)

For the Expense Month of March 2013

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$967,777,635
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$13,258,554
	Operations :		
4	Sludge Disposal (5010000)	\$0	\$807,971
5	Lime (5020001)	\$0	\$3,135,792
6	Urea (5020002)	\$0	\$2,034,169
7	Trona (5020003)	\$0	\$489,259
8	Lime Stone (5020004)	\$0	\$149
9	Air Emission Fee	\$0	\$35,191
10	Lease (5070005)	<u>\$0</u>	<u>\$0</u>
11	Total Operations (Lines 4 thru 10)	\$0	\$6,502,531
	Maintenance :		
12	SCR Maintenance (5120000)	\$0	\$102,105
13	Scrubber Maintenance (5120000)	<u>\$0</u>	<u>\$375,503</u>
14	Total Maintenance (12) + (13)	\$0	\$477,608
15	1/2 of Maintenance (13) * 50%	<u>\$0</u>	<u>\$238,804</u>
16	Fixed O&M (11) + (15)	<u>\$0</u>	<u>\$6,741,335</u>
	Total Revenue Requirement,		
17	Cost Associated with Gavin Plant (3) + (17)	\$0	\$19,999,889
18	Ohio Power Company's Percentage Ownership	0.00%	100.00%
19	OPCo's Share of Cost Associated with Gavin Plant (17) X (18)	\$0	\$19,999,889
20	Ohio Power Company Steam Capacity (kw)	0	12,665,000
21	Gavin Plant (\$/kw)	\$0.00	\$1.58
22	Ohio Power Surplus Weighing	0.00%	100.00%
23	Portion of Weighted Average Capacity Rate Attributed to Gavin Plant (\$/kw) (21) X (22)	\$0.00	\$1.58
	Gavin Plant Costs to Kentucky Power :		
24	Gavin Plant Portion (\$/kw) (23)	\$0.00	\$1.58
25	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>182,800</u>
26	Gavin Plant Environmental Cost to Kentucky Power (24) * (25) (ES FORM 3.14, Page 1 of 11, Line 3)	\$0	\$288,824

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ES FORM 3.14
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KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT
OHIO POWER COMPANY (OPCo) - KAMMER PLANT (UNITS 1, 2 & 3)

For the Expense Month of March 2013

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$8,534,297
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$116,920
	Operations :		
4	Urea (5020002)	\$0	\$0
5	Trona (5020003)	\$0	\$0
6	Air Emission Fee	<u>\$0</u>	<u>\$21,474</u>
7	Total Operations (4) + (5) + (6)	\$0	\$21,474
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$0
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>	<u>\$0</u>
10	Fixed O&M (7) + (9)	<u>\$0</u>	<u>\$21,474</u>
	Total Revenue Requirement,		
11	Cost Associated with Kammer Plant (3) + (10)	<u>\$0</u>	<u>\$138,394</u>
12	Ohio Power Company's Percentage Ownership	0.00%	100.00%
13	OPCo's Share of Cost Associated with Kammer Plant (11) X (12)	\$0	\$138,394
14	Ohio Power Company Steam Capacity (kw)	0	12,665,000
15	Kammer Plant (\$/kw)	\$0.00	\$0.01
16	Ohio Power Surplus Weighing	0.00%	100.00%
17	Portion of Weighted Average Capacity Rate Attributed to Kammer Plant (\$/kw) (15) X (16)	\$0.00	\$0.01
	Kammer Plant Costs to Kentucky Power :		
18	Kammer Plant Portion (\$/kw) (17)	\$0.00	\$0.01
19	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>182,800</u>
	Kammer Plant Environmental Cost to Kentucky Power (18) * (19)		
20	(ES FORM 3.14, Page 1 of 11, Line 4)	\$0	\$1,828

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ES FORM 3.14
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KENTUCKY POWER COMPANY - ENVIRONMENTAL SURCHARGE REPORT
CURRENT PERIOD REVENUE REQUIREMENT
OHIO POWER COMPANY (OPCo) - MITCHELL PLANT (UNITS 1 & 2)

For the Expense Month of March 2013

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$1,154,515,680
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$15,816,865
	Operations :		
4	Disposal (5010000)	\$0	(\$38,484)
5	Urea (5020002)	\$0	\$314,617
6	Trona (5020003)	\$0	\$51,696
7	Lime Stone (5020004)	\$0	\$507,302
8	Air Emission Fee	<u>\$0</u>	<u>\$19,493</u>
9	Total Operations (Lines 4 thru 8)	\$0	\$854,624
	Maintenance :		
10	SCR Maintenance (5120000)	\$0	\$15,650
11	FDG (5120000)	<u>\$0</u>	<u>\$431,292</u>
12	1/2 of Maintenance (10 + 11) * 50%	<u>\$0</u>	<u>\$223,471</u>
13	Fixed O&M (9) + (12)	<u>\$0</u>	<u>\$1,078,095</u>
	Total Revenue Requirement,		
14	Cost Associated with Mitchell Plant (3) + (13)	<u>\$0</u>	<u>\$16,894,960</u>
15	Ohio Power Company's Percentage Ownership	0.00%	100.00%
16	OPCo's Share of Cost Associated with Mitchell Plant (14) X (15)	\$0	\$16,894,960
17	Ohio Power Company Steam Capacity (kw)	0	12,665,000
18	Mitchell Plant (\$/kw)	\$0.00	\$1.33
19	Ohio Power Surplus Weighing	0.00%	100.00%
20	Portion of Weighted Average Capacity Rate Attributed to Mitchell Plant (\$/kw) (18) X (19)	\$0.00	\$1.33
	Mitchell Plant Costs to Kentucky Power :		
21	Mitchell Plant Portion (\$/kw) (20)	\$0.00	\$1.33
22	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>182,800</u>
	Mitchell Plant Environmental Cost to Kentucky Power (21) * (22)		
23	(ES FORM 3.14, Page 1 of 11, Line 5)	\$0	\$243,124

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

For the Expense Month of March 2013

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$116,006,941
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	<u>1.37%</u>
3	Total Rate Base	\$0	\$1,589,295
	Operations :		
4	Urea (5020002)	\$0	\$104,070
5	Trona (5020003)	\$0	\$0
6	Air Emission Fee	<u>\$0</u>	<u>\$34,061</u>
7	Total Operations (4) + (5) + (6)	\$0	\$138,131
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$987
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>	<u>\$494</u>
10	Fixed O&M (7) + (9)	<u>\$0</u>	<u>\$138,625</u>
	Total Revenue Requirement,		
11	Cost Associated with Muskingum Plant (3) + (10)	<u>\$0</u>	<u>\$1,727,920</u>
12	Ohio Power Company's Percentage Ownership	0.00%	100.00%
13	OPCo's Share of Cost Associated with Muskingum Plant (11) X (12)	\$0	\$1,727,920
14	Ohio Power Company Steam Capacity (kw)	0	12,665,000
15	Muskingum Plant (\$/kw)	\$0.00	\$0.14
16	Ohio Power Surplus Weighing	0.00%	100.00%
17	Portion of Weighted Average Capacity Rate Attributed to Muskingum Plant (\$/kw) (15) X (16)	\$0.00	\$0.14
	Muskingum Plant Costs to Kentucky Power :		
18	Muskingum Plant Portion (\$/kw) (17)	\$0.00	\$0.14
19	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>182,800</u>
	Muskingum Plant Environmental Cost to Kentucky Power (18) * (19)		
20	(ES FORM 3.14, Page 1 of 11, Line 6)	\$0	\$25,592

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

For the Expense Month of March 2013

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$21,205,967
2	Member Primary Capacity Investment Rate (16.44% / 12)	<u>0.00%</u>	1.37%
3	Total Rate Base	\$0	\$290,522
	Operations :		
4	Urea (5020002)	\$0	\$0
5	Trona (5020003)	\$0	\$0
6	Air Emission Fee	<u>\$0</u>	<u>\$12,866</u>
7	Total Operations (4) + (5) + (6)	\$0	\$12,866
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$0
9	1/2 of Maintenance (8) * 50%	<u>\$0</u>	<u>\$0</u>
10	Fixed O&M (7) + (9)	<u>\$0</u>	<u>\$12,866</u>
	Total Revenue Requirement,		
11	Cost Associated with Sporn Plant (3) + (10)	<u>\$0</u>	<u>\$303,388</u>
12	Ohio Power Company's Percentage Ownership	0.00%	100.00%
13	OPCo's Share of Cost Associated with Sporn Plant (11) X (12)	\$0	\$303,388
14	Ohio Power Company Steam Capacity (kw)	0	12,665,000
15	Sporn Plant (\$/kw)	\$0.00	\$0.02
16	Ohio Power Surplus Weighing	0.00%	100.00%
17	Portion of Weighted Average Capacity Rate Attributed to Sporn Plant (\$/kw) (15) X (16)	\$0.00	\$0.02
	Sporn Plant Costs to Kentucky Power :		
18	SpornGavin Plant Portion (\$/kw) (17)	\$0.00	\$0.02
19	Kentucky Power Capacity Deficit (kw)	<u>0</u>	<u>182,800</u>
	Sporn Plant Environmental Cost to Kentucky Power (18) * (19)		
20	(ES FORM 3.14, Page 1 of 11, Line 7)	\$0	\$3,656

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

For the Expense Month of March 2013

LINE NO.	COST	Rockport Plant Common	UNIT 1 AMOUNTS	UNIT 2 AMOUNTS	Rockport Plant Common	Total	Rockport Plant Common	UNIT 1 AMOUNTS	UNIT 2 AMOUNTS	Rockport Plant Common	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(3)	(4)	(5)	(6)	(7)
1	Utility Plant at Original Cost	\$0	\$0	\$0	\$0		\$1,785,548	\$12,387,040	\$16,754,782	\$2,585,984	
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	0.00%	0.00%	0.00%		1.37%	1.37%	1.37%	1.37%	
3	Total Rate Base	\$0	\$0	\$0	\$0		\$24,462	\$169,702	\$229,541	\$35,428	
	Operations :										
4	Urea (5020002)	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
5	Trona (5020003)	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
6	Air Emission Fee	\$0	\$0	\$0	\$0		\$15,625	\$0	\$0	\$0	
7	Total Operations (4) + (5) + (6)	\$0	\$0	\$0	\$0		\$15,625	\$0	\$0	\$0	
	Maintenance :										
8	SCR Maintenance (5120000)	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
9	1/2 of Maintenance (8) * 50%	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	
10	Fixed O&M (7) + (9)	\$0	\$0	\$0	\$0		\$15,625	\$0	\$0	\$0	
	Total Revenue Requirement,										
11	Cost Associated with Rockport Plant (3) + (10)	\$0	\$0	\$0	\$0		\$40,087	\$169,702	\$229,541	\$35,428	
12	Indiana Michigan Power Company's Percentage Ownership	0%	0.00%	0.00%	0.00%		50%	85.00%	85.00%	50.00%	
13	I&M's Share of Cost Associated with Rockport Plant (11) X (12)	\$0	\$0	\$0	\$0		\$20,044	\$144,247	\$195,110	\$17,714	
14	Total Rockport Plant Common and Units 1 & 2					\$0					\$377,115
15	Indiana Michigan Power Company Steam Capacity (kw)					0					5,453,000
16	Rockport Plant (\$/kw) (14) / (15)					\$0.00					\$0.07
17	Kentucky Power Portion of Rockport Plant /										
18	Indiana Michigan Power Surplus Weighing					0.00%					0.00%
19	Portion of Weighted Average Capacity Rate										
20	Attributed to Rockport Plant (\$/kw) (17) X (18)					\$0.00					\$0.00
	Rockport Plant Costs to Kentucky Power :										
19	Rockport Plant Portion (\$/kw) (18)					\$0.00					\$0.00
20	Kentucky Power Capacity Deficit (kw)					0					182,800
21	Rockport Units 1 & 2 Environmental to Kentucky Power (19) * (20)					\$0					\$0
	(ES FORM 3.14, Page 1 of 11, Line 8)										

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

For the Expense Month of March 2013

LINE NO.	COST	AMOUNTS	AMOUNTS
1	Utility Plant at Original Cost	\$0	\$98,738,490
2	Member Primary Capacity Investment Rate (16.44% / 12)	0.00%	1.37%
3	Total Rate Base	\$0	\$1,352,717
	Operations :		
4	Urea (5020002)	\$0	\$0
5	Trona (5020003)	\$0	\$0
6	Air Emission Fee	\$0	\$0
7	Total Operations (4) + (5) + (6)	\$0	\$15,625
	Maintenance :		
8	SCR Maintenance (5120000)	\$0	\$0
9	1/2 of Maintenance (8) * 50%	\$0	\$0
10	Fixed O&M (7) + (9)	\$0	\$15,625
	Total Revenue Requirement,		
11	Cost Associated with Tanners Creek Plant (3) + (10)	\$0	\$1,368,342
12	Indiana Michigan Power Company's Percentage Ownership	0.00%	100.00%
13	I&M's Share of Cost Associated with Tanners Creek Plant (11) X (12)	\$0	\$1,368,342
14	Indiana Michigan Power Company Steam Capacity (kw)	0	5,453,000
15	Tanners Creek Plant (\$/kw)	\$0.00	\$0.25
16	Indiana Michigan Power Surplus Weighing	0.00%	0.00%
17	Portion of Weighted Average Capacity Rate Attributed to Rockport Plant (\$/kw) (15) X (16)	\$0.00	\$0.00
	Tanners Creek Plant Costs to Kentucky Power :		
18	Tanners Creek Plant Portion (\$/kw) (17)	\$0.00	\$0.00
19	Kentucky Power Capacity Deficit (kw)	0	182,800
20	Tanners Creek Plant Environmental Cost to Kentucky Power (18) * (19) (ES FORM 3.14, Page 1 of 11, Line 9)	\$0	\$0